



Contact: Heather Barker
Clearly Content Communications Inc.
e- info@clearlycontent.net
t – (246) 241 -6300

NEWS RELEASE

For Immediate Release

Financial year ends on a high for Fortress funds

Bridgetown, Barbados, November 8, 2021. The financial year ending September 30 has concluded on a high for funds managed by Fortress Fund Managers. The flagship Caribbean Growth Fund recorded its second-highest return since its inception nearly 25 years ago while Fortress' Caribbean Pension Fund reported up to double-digit gains over the past year.

The leading fund manager shared these results with investors recently in its September 2021 quarterly report.

The Caribbean Growth Fund was up 25.3% over the past year, with a small decline of 0.2% recorded in the third quarter. Since 1996, the Fund has seen its Net Asset Value (NAV) per share increase from \$1 to over \$7. "None of this has happened in a straight line. It has taken patience and discipline along the way, as well as the knowledge that even though we can't predict the future, we can certainly prepare for it," the report noted.

The Growth Fund made these strides despite Caribbean stock markets being relatively flat during the third quarter, as many regional companies faced headwinds due to global supply pressures and slowdowns in the tourism industry. "The Barbados and Jamaica indices declined marginally while the Trinidad index registered a small increase. While most regional stocks remained unchanged, some of the Fund's Guyana equities rallied significantly, namely Banks DIH and Demerara Bank which posted gains of 50% and 90% respectively," the report outlined.

Globally, the third quarter started on a high note as strong earnings performance continued to boost U.S. equities and the U.S. Federal Reserve's ongoing easy policy added further support. However, market sentiment seemed to shift in late September as supply chain hiccups threatened to cut into sales and rising input costs compressed profit margins. In light of this and other factors, the Fund's global investments were down marginally during the quarter. "This was offset partially by Fortress' select biotech holdings which registered substantial gains."

Net assets of the Growth Fund were \$594 million, up from \$468 million this time last year while its annual compound rate of return since inception in 1996 is 8.3% per year.

The September quarterly report also highlighted gains in Fortress' two other Barbados dollar funds: the Caribbean High Interest Fund, which focuses on income and capital preservation; and the Caribbean Pension Fund.

Caribbean High Interest Fund records 3.2% increase over past year

The Caribbean High Interest Fund was up 0.2% in the third quarter and reported an increase of 3.2% over the past year. Bond prices rose in the early months of the third quarter but finished with little change as concerns over inflation and central bank policy grew.

Global bond prices improved at the beginning of the quarter on the expectation of slow economic recovery as new strains of COVID-19 spread. But as the quarter progressed the economy proved resilient, and supply chain constraints and labour shortages pushed inflation higher. "Higher inflation is a concern for bond investors because it erodes the value of their fixed future payments," the report explained.

In Barbados, the fixed income market remained quiet "with no meaningful corporate or government issuance and few opportunities to deploy capital". As a result, cash in the Fund rose slightly and remained a "marginal drag" on its performance. At the end of the quarter, cash made up 14% of the portfolio.

Looking ahead and as economic growth resumes in Barbados, Fortress expects the issuing of bonds to resume.

The NAV of the High Interest Fund's Accumulation share as of October 1 was \$2.1214, while the Distribution share finished at \$1.0129. Net assets of the Fund were \$143 million, up from \$133 million this time last year. The Fund's annual compound rate of return since inception in 2002 is 3.9% per year.

Pension Fund shares record up to double-digit gains over past year

The three classes of shares in the Caribbean Pension Fund gained between 0.6% and 1.5% in the third quarter and are up between 7.2% and 23.4% over the past year. In this fund also, equity investments experienced strong returns since the lows of last year.

Fortress Fund Managers manages approximately \$700 million across 12 funds with regional and global investments.

ENDS

Now in its 25th year, Fortress Fund Managers has developed a reputation of being a trusted manager of mutual funds in Caribbean and global markets. Its slate of funds covers the asset classes of equities and fixed income, providing stellar performances over the years. Fortress is also a leading provider of pension management and administration services to companies of all sizes, and to individuals.