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## NEWS RELEASE

### For Immediate Release

#### **Fortress celebrates 25 years on a high**

**Bridgetown, Barbados, December 29, 2021.** With performances across funds ranging from “strong” to “extremely strong” and near record returns in its flagship Caribbean Growth Fund, the financial year ending September 30 has been outstanding for the range of funds managed by Fortress Fund Managers (FFM).

Investment Director Roger Cave shared this assessment in the leading fund manager’s 2021 Annual Reports for the Fortress Caribbean High Interest Fund, the Fortress Caribbean Growth Fund, and the Fortress Caribbean Pension Fund. The reports, recently sent to investors, highlighted the performance and outlook of the three Barbados dollar funds.

#### **Caribbean Growth Fund records second-best result in its 25 years**

The Caribbean Growth Fund gained 26.4% for the year ended September 30, 2021. Cave described this as the Fund’s “second-best yearly result ever, as asset prices recovered from very low levels during 2020.”

The net asset value (NAV) of the Fund rose to \$7.1830 as of September 30 from \$5.6813 the same time last year. The Fund’s net assets were \$598 million, up from \$466 million in 2020. This growth was attributed to its “positive investment performance as well as to net investor subscriptions into the Fund during the year.” Investors benefitted from this growth as many “who added to their holdings during the volatile period last year saw substantial gains due to the deeply discounted prices which subsequently recovered.”

Despite a year of ups and down, the overall returns posted by global equities were unusually strong. The one-year gains for the three largest holdings in the Fund via the Fortress Global Funds were:

- US Equity +37%,
- International Equity +25%
- Emerging Markets +30%.

“We were pleased with these results which were outstanding in absolute and relative terms,” noted Cave. While FFM now sees meaningful risks in some of the most highly priced areas of the U.S. stock market, there are “still several industries and many companies both in the

developed and developing world where the recovery in revenues and profits has been healthy, where fundamentals are sound, and whose shares still trade at reasonable valuations. This is the area in which the Fund invests.”

Cave added that the Fund’s annual compound rate of return since inception in 1996 was now 8.3% and reminded investors “none of that was accomplished in a straight line.”

### **Sir Geoffrey Cave retires from Fortress boards**

The investment director announced the retirement of Sir Geoffrey Cave effective September 30, from the boards of the Fortress mutual funds and from the FFM board at the end of December.

“Sir Geoffrey has chaired all the Fortress boards from inception in 1996. His leadership, direction, guidance, and most of all his keen and excited interest in the Fortress business and its clients could never be matched. His contribution to the financial success and investment returns of so many thousands of individual shareholders and large pension schemes alike also cannot be overstated. We truly thank Sir Geoffrey for all that he has done in the creation and growth of this Fund and wish him many happy years in retirement.”

Cave also announced that Cave Shepherd & Co. CEO John Williams, a long-standing member of the boards, would assume the role of chairman. “We look forward to his continued leadership and guidance in the years ahead.” The annual reports also shared news that Ruth Henry and Greg McConnie would be joining as directors of Fortress Fund Managers and the boards of the various mutual funds. “We sincerely look forward to working with them in the years ahead, and to the contributions we know they will make to the benefit of all our investors,” Cave said.

During 2021, Fortress launched two new US\$ mutual funds and now manages seven different US\$ mutual funds with over US\$200 million in assets.

### **Caribbean Pension Fund records “extremely strong performance”**

The three classes of shares that make up Fortress’ Caribbean Pension Fund had an “extremely strong performance” in the financial year. The Aggressive Accumulator (AA) share gained 23.4%, the Conservative Consolidator (CC) share rose 19.4%, and the Capital Secure (CS) share was up 7.2%. “These returns reflect the differing asset allocations of the classes of share as equities rallied and bonds generated low single digit returns,” Cave explained.

Since inception in 2002, the annual compound returns for the AA, CC and CS shares have been 5.9%, 5.6% and 3.6% per year respectively. Total assets of the Fund increased from \$322 million to \$396 million during the year, reflecting both the positive investment performance and net investor inflows.

The investment director noted that the returns of the three shares in the Pension Fund were primarily a blend of the performance returns of three underlying funds – the Caribbean Growth Fund, the High Interest Fund, and the Epley Caribbean Property Fund SCC (formerly Fortress Caribbean Property Fund SCC).

### **High Interest Fund generates “solid return”**

The Caribbean High Interest Fund returned 3.4% for the year. This was a “positive and satisfying result given that global bond prices generally declined and fixed income investment options with Barbados remained extremely limited,” Cave explained.

Fortress’ investments in global bonds - amounting to half of the total portfolio - showed slightly positive returns. Holdings in Barbados dollar corporate and government bonds contributed mostly single digit returns and continued to perform in line with FFM’s expectations even as the local economy remained under pressure.

The report also noted that total assets in the Fund increased from \$133 million to \$143 million over the year and its compound annual return since inception in 2002 is 4.0% per year.

Going forward, Cave noted that investors in the Caribbean wanting to earn an acceptable return from low-risk government and corporate bonds “still face significant challenges.” He added that close to home “we face stressed credits and inactive bond markets, while abroad we face prevailing yields that are closer to zero than they are to our return expectations based on history.”

The investment director ended by thanking investors for their continued trust and support through challenging times.

Fortress Fund Managers now manages over Bds \$ 800 million in assets across 12 funds with investments in regional, US, international and emerging markets.

### **ENDS**

*Now in its 25<sup>th</sup> 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.*