



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

NEWS RELEASE

For Immediate Release

Strong finish to a strong year for Fortress Fund Managers

Bridgetown, Barbados, February 11, 2020. Leading fund manager Fortress Fund Managers achieved "a strong finish to a strong year" across its suite of Barbados and US dollar funds in 2019.

In its fourth quarter report shared recently with investors, Fortress highlighted success in its three Barbados dollar funds, the Fortress Caribbean Growth Fund, the Fortress Caribbean High Interest Fund, and the Fortress Caribbean Pension Fund.

Double-digit growth for growth fund

The flagship Fortress Caribbean Growth Fund gained 7.2% in the fourth quarter of last year and was up 14.9% for all of 2019. This was due in large part to international and emerging markets equities showing substantial gains, along with some shares in Trinidad. "Returns were strong in the Fund's global investments as well-valued international and emerging markets shares led the way," the report noted. The Growth Fund's two largest holdings, the Fortress International Equity Fund and Fortress Emerging Markets Fund, were up 10.3% and 14.1% respectively in the fourth quarter and 25.7% and 18.9% in 2019.

Closer to home in the Caribbean, returns in the stock markets were mixed. In Barbados the announcement of GNB Financial's acquisition of a 67% stake in FirstCaribbean International Bank from CIBC at a substantial discount, led to a 22% decline in FirstCaribbean's price on the Barbados Stock Exchange (BSE).

During the fourth quarter, the acquisition of Sagicor Financial by Canadian company Alignvest was also completed. As part of this transition, Sagicor delisted its shares from the BSE so investors must now trade the shares in Canada, and Barbados has one less share listed in its market.

On the plus side, "the shares in Canada were quoted approximately 20% higher than where they ended trading on the BSE in November, so the Caribbean Growth Fund benefited from this uplift in its holding of Sagicor."

The Fund reached "new highs" in its share price and net assets as net assets grew to \$527 million, up from \$447 million this time last year. In 2019 the Fund became fully open once again to all new subscriptions from investors. This follows the limiting of new subscriptions to monthly saving programmes and pensions only, since early 2017.

High Interest Fund up 4.4% for 2019

In the Fortress Caribbean High Interest Fund, gains of 1.0% were made during the fourth quarter. The Fund is up 4.4% for the full year 2019.

The Fund's net assets were \$135 million, up from \$132 million this time last year.

The Fund's commentary explained that Barbados was likely to continue obtaining its financing from multilateral organisations such as the IMF for the next two years. As a result, Fortress does not expect any new government bonds in the near-term. "During the quarter we made new investments in short-term secured deposits and added marginally to our GOB Series F holdings."

In the global arena, bond markets showed modest returns during the quarter as medium and long-term yields rose slightly. "For now, yields are low globally and this will limit returns for bond investors. The Fund's gross yield is currently 3.34%, a good estimate of its medium-term return potential."

The High Interest Fund is open only to monthly investment programmes and pensions currently and remains closed to the lump sum investments.

Up to double-digit gains in the Caribbean Pension Fund

The three classes of shares of the Caribbean Pension Fund gained between 1.6% and 6.1% in the fourth quarter. It returned between 5.2% and 13.1% over the full year 2019. "Equity investments had a very strong quarter while bonds were little changed."

The Fund commentary emphasised that money was not the only aspect of retirement planning that benefits from a sound long-term plan. It encouraged investors to consider areas such as health and wellness, legal provisions including making a will, adequate insurance cover especially against expensive medical emergencies, and using their skills to give back to society after they leave the workforce.

Future returns look substantial

The fourth quarter report ended by saying that "while no one can predict the future - and we certainly don't try to - the potential future returns across our regional and global equity investments still look substantial, even though 2019 may prove to be a hard act to follow."

The Barbados-based investment manager, manages more than \$700 million across 11 different funds with regional and global investments.

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About Fortress Fund Managers

In existence for over 20 years, 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.