



Your Future. Our Business.

Dear Fellow Investors,

This last quarter was a good one in global markets, and helped all our funds show positive returns for the quarter and for the fiscal year just ended. It was not an easy road, but most of the Fortress funds and strategies wound up with better returns, and all are well-positioned for the year ahead.

You may notice that the "look" of this report is different from the past. As part of an effort to improve our communications, we have created clearer and friendlier formats for all of our materials - including this report and your enclosed quarterly statement. We have also created a new Fortress Fund Managers logo under which all products will now be presented. What we have not changed are the actual funds and company structure - we are the same Fortress working to give you the best return while exercising the utmost caution to preserve your capital.

In addition to upgrading our logo, website and reporting, we decided to also take a new approach with the structure and style of our annual meeting with shareholders.

That's why this year we would like to extend a special invitation to you for our first **Fortress Investment Forum**. It will be **Saturday, November 20th** from 9am - 11:30am at Frank Collymore Hall. This will be an informative (and hopefully entertaining) session on investing, where we'll review the performance of our funds and share some thoughts on what the year ahead may hold in store - as well as answer your questions. There will also be a featured speaker, John Nofsinger, PhD, on "*How To Invest Better By Understanding The Psychology Of Investing*". He literally wrote the book on this very interesting and important subject.

Seating is limited, so please RSVP by November 15th to make sure there's a spot for you: invest@fortressfund.com or 431-2198.

We look forward to seeing you on November 20th, and as always, thank you for investing with us.

Sincerely,
Fortress Fund Managers

OF INTEREST THIS QUARTER:

THE CARIBBEAN GROWTH FUND

gained 2.0% in the quarter and returned 1.8% over the last year. Barbados stocks continued to decline in value, but the Fund's international investments are performing well.

THE CARIBBEAN HIGH INTEREST FUND

gained 2.1% for the quarter and returned 6.5% over the last year. The Fund's diversified mix of treasury bills, bonds and other income products continues to show consistent results.

THE GLOBAL VALUE FUND

gained 2.9% for the quarter and is up 9.5% over the last year. The Fund is benefitting from recent market gains, and is cautiously positioned in case of further volatility.

Get the most from your 2010 tax allowances with us!*



Subscription fees are waived for the rest of the year so you can take advantage of tax allowances early.

Would you rather pay taxes or let your money grow?

2010 TAX ALLOWANCES FOR THE PURCHASE OF:

Mutual Funds: \$10,000 + \$7,500 (or 75% of your bonus, whichever is lower)

RRSPs: \$10,000 (or 15% of your assessable income, whichever is lower)

* If invested before December 31st, 2010.

Caribbean Growth Fund



HIGHLIGHTS:

- *The Fund returned 2.0% for the quarter ended September 30 and 1.8% over the past year.*
- *Caribbean stock markets declined during the quarter, and international markets rallied strongly. Over the last year, Barbados is the only regional market showing a decline.*

The Fund generated a return of 1.8% for the fiscal year ended September 30, well below the compound annual rate of 11.5% achieved since inception in 1996. With the Barbados stock market still stagnating, the Fund's returns for the quarter, and over the last year, came almost entirely from its diversified investments around the Caribbean and internationally.

We continue to find the investment environment in Barbados challenging, with a reduction in the number of stocks traded on the exchange, and generally weak share price performance for listed companies. The BSE index dropped 1.1% in the quarter, and is down 10.7% over the last year. This could be creating some longer term opportunities, with valuations on established companies once again at attractive levels in some cases. Unfortunately, though, improvements in valuations and operating results may have to wait for less uncertainty in the government's fiscal situation, better economic conditions generally and the abatement of pressures on foreign exchange.

The Fund's international holdings performed well during the quarter. The Fortress International Equity, Equity Income and US Equity strategies posted returns of between 5% and 12%, and are up from 10% to 14% over the last year. OAM's Asia and European funds contributed strongly to the Fund's overall return with gains of 14% and 20% respectively during the quarter. With international markets now significantly higher in price and valuation than earlier in the year, and certainly higher than in early 2009, we need to be aware that the risks of some sort of decline are once again building.

Closer to home, we continue to look for good quality companies in the Caribbean that are trading at low valuations - prices that reflect the current economic environment, and set up for high returns in the future. The Fund currently has 21% of its assets in cash, so it is liquid and able to respond quickly to opportunities. We believe the return prospects are improving, though still somewhat below our historical average.

FUND OBJECTIVE

Capital growth over the long term. The Fund uses a value approach to invest primarily in Caribbean and international equities.

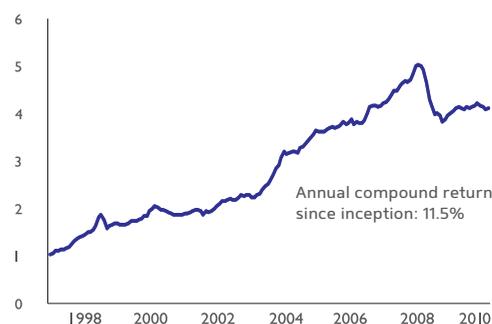
<i>Minimum Investment</i>	\$100
<i>Net Asset Value per Share</i>	\$4.46
<i>Fund Net Assets</i>	\$306,045,035
<i>Fund Inception</i>	Dec 9, 1996

INVESTMENT RETURNS

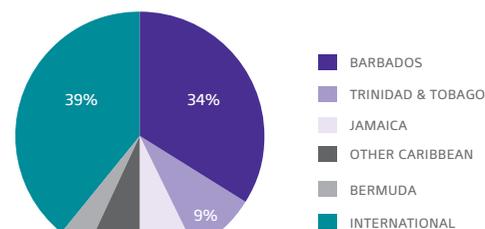
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
Fund	2.0%	1.8%	-2.1%	2.8%	11.5%
Jamaica (US\$)	-3.6%	8.3%	-10.7%	-10.0%	5.6%
Trinidad	-0.8%	3.7%	-4.7%	-5.6%	11.9%
Barbados	-1.1%	-10.7%	-7.4%	-5.1%	6.6%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO SEPT 30TH, 2010



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

Holding	Country/Region
1. Fortress Global Value Fund	Global
2. OAM European Value Fund	Europe
3. Fortress Equity Income Strategy	US
4. Neal & Massy Holdings Ltd.	Trinidad
5. Sagicor Financial Corporation	Barbados

EXPENSES

Manager: 1.75% per annum of net assets
Custodian:
 0.0875% on first \$30M in net assets
 0.075% on amounts over \$30M in net assets
Administrator:
 0.10% on the first \$30M in net assets
 0.0875% on amounts over \$30M in net assets
Redemption Charge: none
Initial Charges: 2%

MANAGER & ADMINSTRATOR

Fortress Fund Managers Ltd.

CUSTODIAN

First Caribbean International Bank®
 Wealth Management Division

AUDITORS

PricewaterhouseCoopers

ATTORNEY-AT-LAW

Sir Henry deB. Forde, K.A., Q.C.
 Juris Chambers

DIRECTORS

Geoffrey Cave, Chairman
 David Bynoe
 Sir Fred Gollop
 Ken Emery
 John Williams
 Roger Cave, Investment Manager

Caribbean High Interest Fund



HIGHLIGHTS:

- *The Fund returned 2.1% for the quarter ended September 30 and 6.5% over the past year*
- *Economic conditions in the Caribbean remain challenging. We are still concerned more downgrades could come, putting pressure on long term bond prices.*

The fiscal year ended September 30 saw the Fund return 6.5%, slightly above its average since inception in 2002. The return over the last quarter was 2.1%, which annualises to 8.4%, another strong result. Given the conservative positioning of the fund and the relatively low level of prevailing interest rates, though, we would suggest that future returns may tend to be lower. The average yield of the Fund's holdings is currently just over 5%, and the average term to maturity is 2.6 years.

Interest rates in most markets around the world moved still lower in recent months. In some cases, yields on government securities are back down to levels last seen during the panic of the 2008/2009 financial crisis. The yield on the US 10-year treasury, for example, ended the quarter at 2.5% - not a juicy return when you consider that inflation is still running at 1%.

Low interest rates in developed countries are a response to poor economic conditions. In the Caribbean, our economies continue to feel pressure from reduced tourism, remittances and international finance activity. In this environment, foreign exchange is less readily available and governments struggle to keep expenditures within sight of revenues. We feel the risk of further downgrades and/or restructurings in the region (Jamaica restructured its domestic debt in January) is meaningful. Current yields do not reflect this risk, in our view. We continue to have only very limited holdings in long term Caribbean government debt. Instead, we have been steady buyers of Government of Barbados treasury bills - sacrificing some running yield in the portfolio for the relative safety that is associated with a very short (90 day) investment.

Good quality corporate debt has continued to generate good returns for the fund. Positions in BS&T, CL Spirits, Goddard Enterprises and Sagicor bonds all performed well, throwing off steady coupon payments. We continue to look actively for good quality corporate debt with terms less than 5 years, especially in Barbados dollars, to add to the portfolio. The Fund's small allocations to a group of specialist managers also performed well during the quarter and over the past year, contributing returns at an 8-10% annual rate from investments in a range of areas including structured credit, factoring and emerging markets debt. The Fortress Equity Income strategy, a 6% allocation in the Fund, also contributed a 10%+ return over the past year.

FUND OBJECTIVE

Income and capital preservation over the medium term. The Fund actively invests in a diversified portfolio of primarily Caribbean and international debt securities.

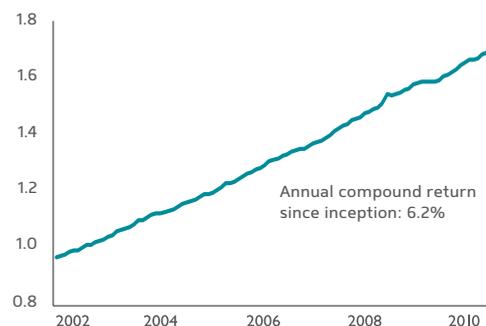
Minimum Investment	\$500
Net Asset value per share	\$1.65
Fund Net Assets	\$99,313,330
Fund Inception	May 17, 2002

INVESTMENT RETURNS

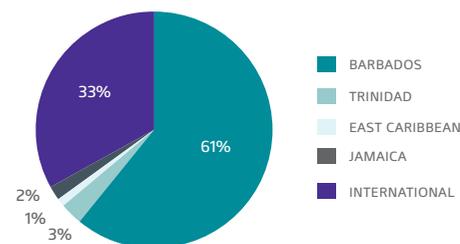
3 Months	1 Year	3 Years	5 Years	Inception
2.1%	6.5%	5.9%	6.1%	6.2%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO SEPT 30TH, 2010



GEOGRAPHICAL DISTRIBUTION OF PORTFOLIO



TOP 5 HOLDINGS

Holding	Country
1. Government of Barbados T-Bill 11/11/2010	Barbados
2. Government of Barbados T-Bill 12/25/2010	Barbados
3. University of West Indies 9/29/2027	Barbados
4. Fortress Equity Income Strategy	US
5. Goddard Enterprises 12/1/2011	Barbados

EXPENSES

Manager: 0.75% per annum
 Custodian & Administrator:
 0.20% on first \$30M in net assets
 0.175% on next \$50M in net assets
 0.15% on amounts over \$80M in net assets
 Redemption Charge:
 2% for funds held less than 6 months
 Up to 1% for funds held less than 6 months - 2 years
 Nil after 2 years
 Initial Charges: none

CUSTODIAN

First Caribbean International Bank®
 Wealth Management Division

AUDITORS

PricewaterhouseCoopers

ATTORNEY-AT-LAW

Sir Henry deB. Forde, K.A., Q.C.
 Juris Chambers

MANAGER & ADMINSTRATOR

Fortress Fund Managers Ltd.

DIRECTORS

Geoffrey Cave, Chairman
 David Bynoe
 Sir Fred Gollop
 Ken Emery
 John Williams
 Roger Cave, Investment Manager

Please see our **Fund Prospectus** for further important information



Global Value Fund

HIGHLIGHTS:

- *The Fund returned 2.9% for the quarter ended September 15 and 9.5% over the past year.*
- *Global equities rallied strongly in September after a volatile summer. Lower interest rates helped support equity valuations even with an uncertain economic backdrop.*

In the fiscal year just ended the Fund generated a return of 9.5%, well ahead of its benchmark, the MSCI World index. It gained 2.9% over the last quarter as stock markets around the world rallied strongly in September. We continue to see good prospects for the strategies underlying the Fund – all focused on finding good value securities in various regions around the world – even though the economic backdrop in the large developed economies continues to be difficult.

September not only saw a strong move higher in equities; it also saw a sharp recovery in value of the euro and other currencies against the US dollar. This followed several months so far in 2010 which had seen these currencies weaken as concerns about European sovereign debt pre-occupied investors. The US Federal Reserve's announcement in August that it intended to resume purchases of securities for its own account broadcast to the world that stocks and bonds were both finding new buying support – and that the US dollar was being devalued.

The surge in the price of gold so far this year has benefitted the Fund's 10% holding in the Sprott Offshore Fund. This investment gained approximately 12% in the quarter and is up 25% from this time last year due to its extensive investments in precious metals and energy. We do not know where the price of gold goes from here, but feel that an allocation to a manager like Sprott is a good line of defense against the effects of potential currency devaluations over time.

The core strategies and managers in the Fund all performed well during the quarter, and over the last year. The Fortress International Equity, Equity Income and US Equity strategies, which together make up approximately half of the portfolio, returned between 10% and 14% over the past year and were all up solidly in the last quarter. OAM's Asia and European funds contributed strongly to the Fund's overall return with gains of 14% and 20% respectively during the quarter.

With the quick run up in equities over the past several weeks – on top of a powerful rally from the early 2009 lows – we are keeping a keen eye on the risk in the portfolio. Valuations are not as universally cheap as they once were, and this brings greater vulnerability in the short term. The Fund has approximately 16% in cash ready to allocate should markets see another round of weakness and improved valuations. We would be particularly interested in increasing our allocations to emerging markets if valuations in that area improved.

FUND OBJECTIVE

Capital growth over the long term. The Fund uses a value approach to invest primarily in global equities and allocate to specialist managers.

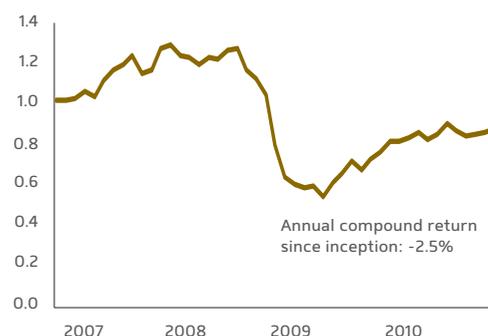
<i>Minimum Subscription</i>	US\$ 5,000
<i>Net Asset Value per Share</i>	US\$ 0.9093
<i>Fund Net Assets</i>	US\$ 14,733,715
<i>Fund Inception</i>	Nov 30, 2006

INVESTMENT RETURNS

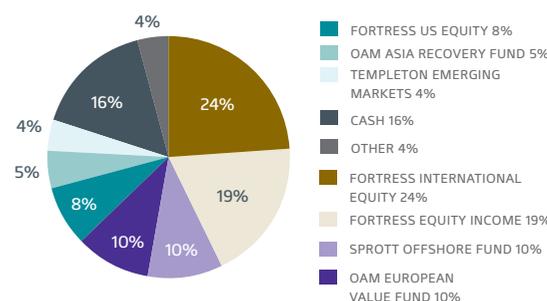
	3 Mo	1 Yr	3 Yrs	5 Yrs	Incept.
Fund	2.9%	9.5%	-6.2%	n/a	-2.4%
MSCI World Index	5.1%	6.1%	-7.0%	n/a	-2.9%

*periods longer than 1 year are annual compound returns

NAV SINCE INCEPTION TO SEPT 15TH, 2010



MANAGER / STRATEGY ALLOCATIONS



*Important information about our funds is contained in the applicable prospectus, which we encourage you to read before making an investment. The indicated returns are net of all fees and expenses. Returns are historical and are not necessarily indicative of future performance. Investors should be aware that there are risks involved where the value of the funds' shares may go down as well as up.

EXPENSES

Manager: 0.90% per annum of net assets
Sales Charge: 2% for subscriptions through agents

INVESTMENT MANAGER

Fortress Fund Managers Ltd.

CUSTODIAN

First Caribbean International Bank®
 Wealth Management Division

AUDITORS

PricewaterhouseCoopers

LEGAL COUNSEL

Appleby Hunter Baihache

ADMINISTRATOR

ATU Fund Administrators (BVI) Limited

DIRECTORS

Geoffrey Cave, Chairman
 David Bynoe
 Sir Fred Gollop
 Ken Emery
 Desmond Kinch
 Roger Cave, Investment Director

Please see our **Fund Prospectus** for further important information