

Fortem Capital Alternative Growth Fund

Monthly Report – 28th June 2019

For Professional Investors and Institutional Clients only



Investment objective

The Fund aims to provide positive returns of 4% over the medium to long term, whilst maintaining negligible equity market beta. It will invest in a core portfolio comprised of alternative beta strategies sourced from across the asset class spectrum that provide capital growth, independent of equity market cycles and macroeconomics. The Fund will make a smaller allocation to opportunistic investments that also meet strict capital preservation and investment return criteria.

The Fund will

- Invest in structural risk premia – i.e. sources of return that are not dependent on equity markets or macroeconomics.
- Take advantage of opportunistic trades caused by structural distortions in derivative markets.
- Employ stringent counterparty controls, whereby initial assets will be invested in high quality sovereign bonds.

Monthly update

Following the Fund launch on the 10th of May, the Fund has been steadily allocating cash to structural alternative beta within the Core portfolio. Given the current volatility of equity markets, the ability to access a source of return that is independent of central banks, macroeconomics and cyclical risks is most opportune.

Over the month, the Fund allocated to two styles of commodity market alternative betas. Two commodity curve based strategies were added that extracts a roll return from the shape of commodity curves. Also, two commodity congestion strategies were added that benefit from the price congestion of commodity markets that occur when index product roll their positions. The Fund also invested in its first opportunistic trade which was a duration neutral rate steepener on the US treasury curve.

As the asset allocation below illustrates, the Fund is now approximately 85% invested. Investments have been diversified in terms of underlying asset class and factor strategy. Over the month, the Fund returned 40bp for June, with the best performance coming from rates curve strategies.

It is anticipated that 5-10% of the Fund will be allocated to more opportunistic structural trades that present themselves if market fundamentals deteriorate further. To this end, the Investment Committee is finalising its due diligence on a number of new investment strategies.

Key Facts

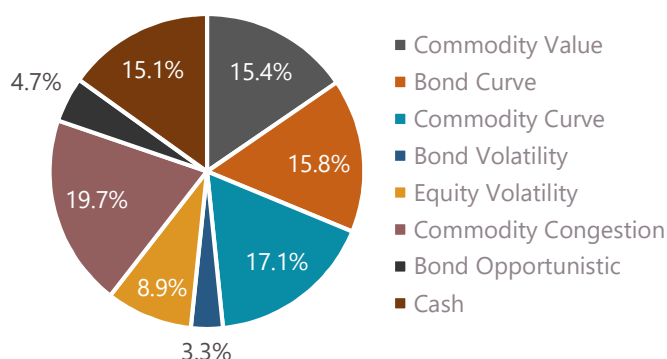
Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.0023 Class C: £1.0016
Launch Date	10 th May 2019
Fund Type	Irish Domiciled UCITS V ICAV
Base Currency	GBP
Liquidity	Daily
Dealing Deadline	10:30 am Irish Time
Pricing	Daily COB
Share Type	Class A: Accumulation Class C: Accumulation
Initial Share Price	£1.000
Minimum Subscription Amount	Class A: £5,000,000 [^] Class C: £5,000,000 [^]
Annual Management Charge	Class A: 60bps Class C: 30bps
OCF	Class A: 80bps Class C: 50bps + 15% Perf Fee*
Reporting Status	Registered with HMRC
ISIN	Class A: IE00BJ116W86 Class C: IE00BJ116X93
Bloomberg	FCAGFAA ID <equity> FCAGFAC ID <equity>
Dealing Line	+353 (0)1434 5124
Dealing Email	davy.ta.queries@ntrs.com
Depository, Admin, Registrar & TA	Northern Trust
Auditor	Deloitte

*15% of NAV growth subject to a high water mark, see Fund Supplement for more details

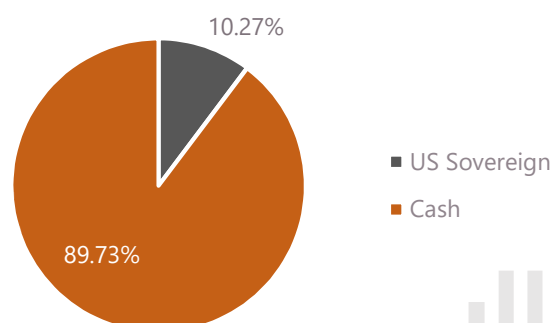
[^]Minimum sizing can be waived upon request

Portfolio Breakdown

Alternative Beta Allocation



Credit Exposure



Phone: 0208 050 2905

Email: sales@fortemcapital.com

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Phone: 0208 050 2905 Email: sales@fortemcapital.com