

Fortem Capital Alternative Growth Fund

Monthly Report – 31st May 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

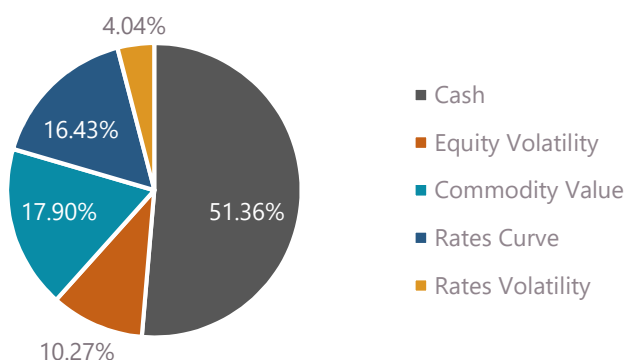
Following the fund launch on the 10th of May, the fund has been steadily allocating cash to structural alternative beta within the core portfolio. Given the current volatility of equity markets, the ability to access a source of return that is independent of central banks, macroeconomics and cyclical risks is most opportune. The initial investments will focus on structural opportunities whose return is independent of wider macro risks. Currently the fund is allocated to two seasonal strategies, which seek to benefit from the seasonality exhibited in commodity markets. The fund is also invested in rate curve strategies that benefit from steepening or flattening of global yield curves. Finally, the fund is invested in a long volatility position in USD rates, benefitting from the fact that a long volatility position in US rates has positive carry as well as expected positive performance if risks asset underperform.

As the asset allocation below illustrates, the fund is now approximately 40% invested, with the expectation that the fund will be fully invested over the next month with further commodity curve and equity structural trades expected. Investments have been diversified in terms of underlying asset class and factor strategy. 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.

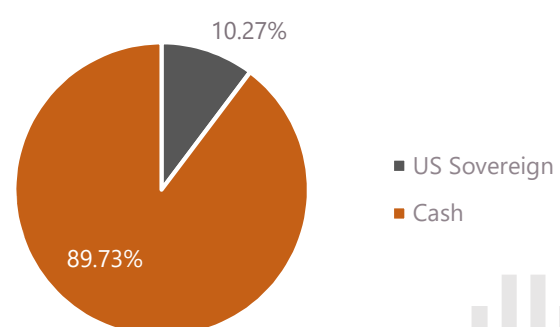
Past performance is not necessarily a guide for the future

Portfolio Breakdown

Asset Allocation



Credit Exposure



Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £0.9981 Class C: £0.9984
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: [50] bps + 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

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