

# Fortem Capital Progressive Growth Fund

Monthly Report – August 31<sup>st</sup> 2018

For Professional Investors and Institutional Clients only



## Investment objective

The Fund aims to provide positive returns of 6-7% over the medium to long term, whilst aiming to reduce equity market beta in short term draw-downs. It will invest in a core portfolio comprised of defined return equity strategies that aim to provide capital growth over the medium to longer term, in all but extreme negative market scenarios. The Fund will make a smaller allocation to diversifying investments that also meet strict capital preservation and investment return criteria.

## The fund will

- Employ stringent counterparty controls, limiting credit exposure to high grade sovereign risk, initially being 100% gilt backed.
- Mitigate against material single index exposure via robust portfolio construction and management.
- Impose strict exposure limits to each investment, strike level, barrier level.

## Monthly update

August saw another month of equity market uncertainty across Europe and the UK, with the FTSE 100 off 4.08% for the month and the Eurostoxx 50 down 3.75%. Fund performance did however remain resilient with monthly performance down only 0.78%. The Fund continues to perform as anticipated, holding up well during short term market downturns, in-keeping with the investment philosophy of the Fund.

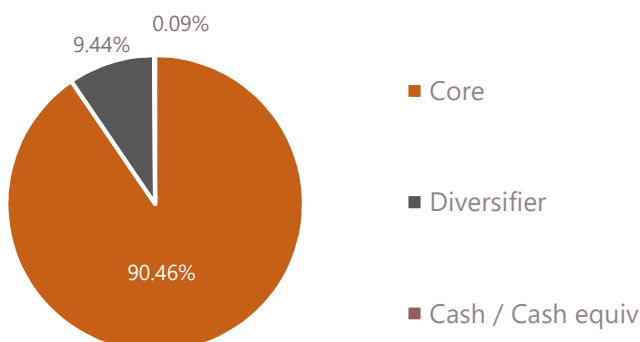
Performance attribution can be effectively apportioned across three components, the Core, Diversifiers and UK Gilt Credit spreads. Within the Core, losses attributed to equity market moves accounted for approximately 0.69% of the Fund's negative performance. These being primarily driven by the negative performance of the FTSE 100 and Eurostoxx 50. However, the diversification of the equity underlyings within the Core added value, given gains in US and Japanese equity markets over the month. It is worth highlighting again, that of the 25 investments within the Core 11 have either the S&P 500 or Russell 2000 as an underlying and 7 have the Nikkei 225.

UK Gilt Spreads widened over the month resulting in a modest negative mark-to-market that was partially offset by gains within the Diversifiers.

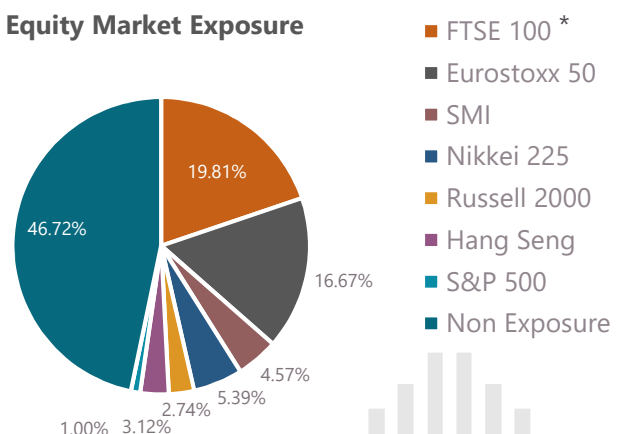
## Past performance is not necessarily a guide for the future

## Portfolio Breakdown

Asset Allocation



Equity Market Exposure



## Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.0396 Class D: £1.0205 <sup>1</sup>
Net Asset Value	£80,115,151
Launch Date	20 <sup>th</sup> September 2017
Fund Type	Irish Domiciled UCITS V ICAV
Base Currency	GBP
Liquidity	Daily
Dealing Deadline	10:30am Irish Time
Pricing	Daily COB
Share Type	Class A: Accumulation Class D: Distribution of capital
Initial Share Price	£1.000
Minimum Subscription Amount	Class A: £5,000,000 <sup>^</sup> Class D: £5,000,000 <sup>^</sup>
Annual Management Charge	Class A: 50bps Class D: 50bps
OCF	Class A: 70bps Class D: 70bps
Reporting Status	Registered with HMRC
ISIN	Class A: IE00BF047831 Class D: IE00BD7Y3W82
Bloomberg	FPCGFAA ID <equity> FPCGFDD ID <equity>
Dealing Line	+353 (0)1434 5124
Dealing Email	<a href="mailto:davy.ta.queries@ntrs.com">davy.ta.queries@ntrs.com</a>
Depository, Admin, Registrar & TA	Northern Trust
Auditor	Deloitte

<sup>1</sup> Excludes distribution of 2p of capital

<sup>^</sup> Minimum sizing can be waived upon request

Information as at 31/08/2018

\* Includes FTSE 100 Equal Weight Index

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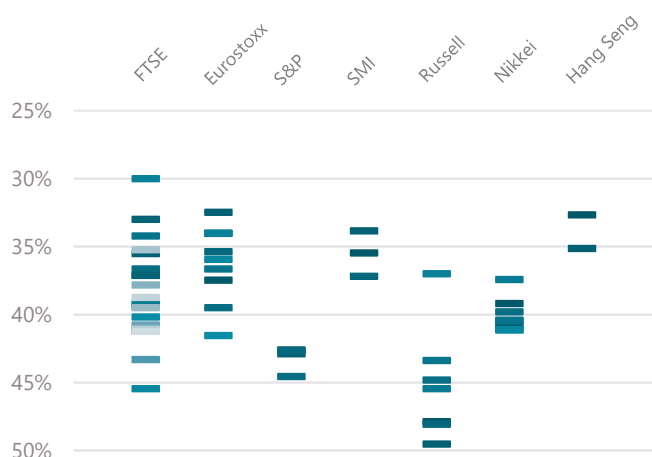
## Short term projected fund performance<sup>^</sup>

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-7.8%	-5.4%	-2.5%	0.0%	2.0%	3.4%
1 month	-7.5%	-5.1%	-2.1%	0.3%	2.4%	4.0%
2 months	-7.2%	-4.7%	-1.8%	0.8%	2.9%	4.5%
3 months	-6.8%	-4.4%	-1.5%	1.0%	3.3%	4.7%

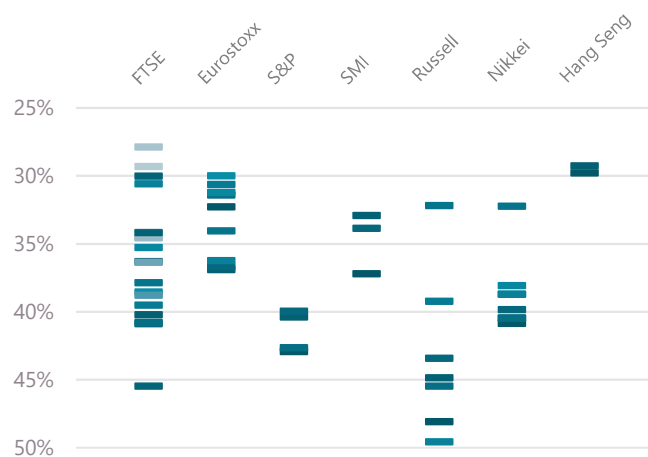
<sup>^</sup>These scenarios are net of fees and represent sensitivities to equity market moves only.

## Summary of equity index barrier exposures

### Cover to capital preservation barriers



### Cover to capital growth barriers



- Cover to capital preservation represents for each investment, the level by which the underlying equity index may fall, before capital is eroded, assuming each investments runs to it's maturity.
- Cover to capital growth represents for each investment, the level by which the underlying equity index may fall, before capital growth is zero, assuming each investments runs to it's maturity.

*Forecasts are not reliable indicators of future performance. The value of investments, and the income from them, can go down as well as up and the investor may not get back the amount originally invested.*

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