

Fortem Capital Progressive Growth Fund

Monthly Report – 30th August 2019

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.
- 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

The Fund performance once again remained relatively robust versus equity market moves and indeed its peers. Major equity markets were down on the month, with large moves observed on the FTSE 100, -5.00%, HSI, -7.39% and Russell 2000, -5.07%.

The Fund posted an overall decline of -1.62% over the month. Unsurprisingly attributed to equity spot moves, but also to sovereign credit spreads widening slightly, both UK and US, the latter to a greater extent. Lastly, due to increased levels of implied volatility in the market; with the Fund being short implied volatility, any increase in implied volatility would hurt the Fund and vice versa. Gains within the Diversifiers bucket, on the other hand, contributed +0.18% to Fund performance. Given their 14% overall allocation, this represents a 1.30% stand alone monthly performance. Their inclusion within the Fund is to provide returns, uncorrelated to equities and to dampen the overall equity sensitivity of the Fund. This and prior month's performance clearly evidences that rationale is working.

In-keeping with tradition, it would be remis not to mention a structure within the Core that called, with the underlying (FTSE 100), observing 4 index points above it's barrier. Do you ever hear of those structures that didn't call because they were 4 points below their barrier! The structure was replaced with a near identical version in terms of barriers and snowballing return. Again, to reiterate, this was consistent with the Fund's ethos of rolling investments and not market timing on when and when not to invest maturity monies because the market is high / low, over / under valued.....

Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.0836 Class D: £1.0225 ¹ Class A (hedged) USD: \$1.0219 Class A (hedged) EUR: €1.0059
Net Asset Value	£145,888,881
Fund Launch Date	20 th 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 [^] Class D: £5,000,000 [^]
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 Class A USD: IE00BJH53458 Class A EUR: IE00BJH53565
Bloomberg	FCPGFAA ID <equity> FCPGFDD ID <equity> FCPGFUA ID <equity> FCPGFEA ID <equity>
Dealing Line	+353 (0)1434 5124
Dealing Email	davy.ta.queries@ntrs.com
Depository, Admin, Registrar & TA	Northern Trust
Auditor	Deloitte

¹ Excludes distribution of capital

[^]Minimum sizing can be waved upon request

* Includes the UK Equal Weight Index

Information as at 30th August 2019

Platform Availability

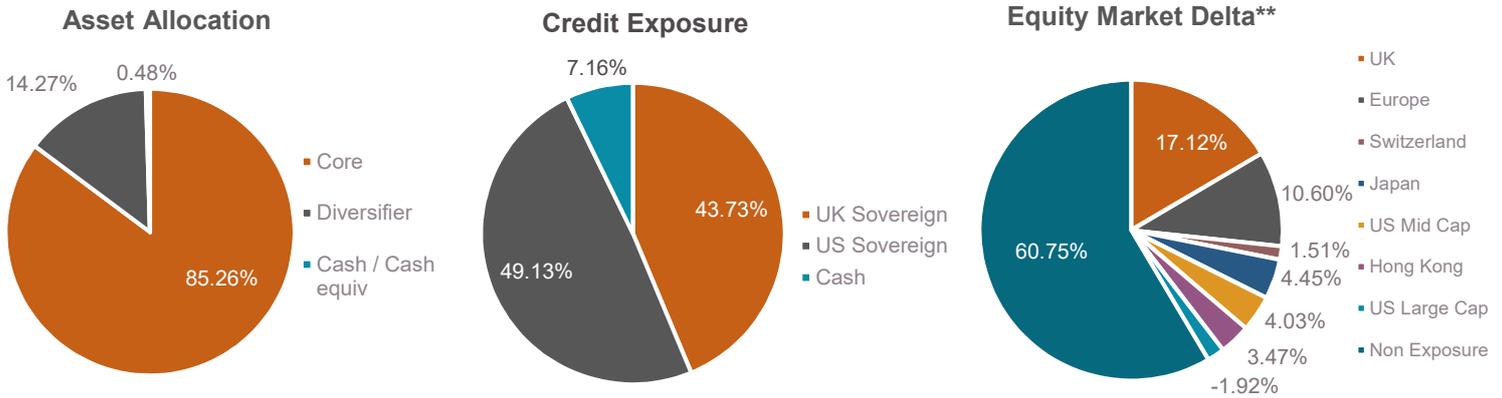
Zurich	Nucleus	James Hay	Fidelity Int'l	Ascentric	Novia Fin'l	Standard Life
Novia Global	Allfunds	Aviva	7im	Old Mutual	Elevate	Transact

Past performance is not necessarily a guide for the future. 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. The data is sourced from Fortem Capital Limited and external sources. The data is as at the date of this document and has been reviewed by Fortem Capital Limited.

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Portfolio Breakdown



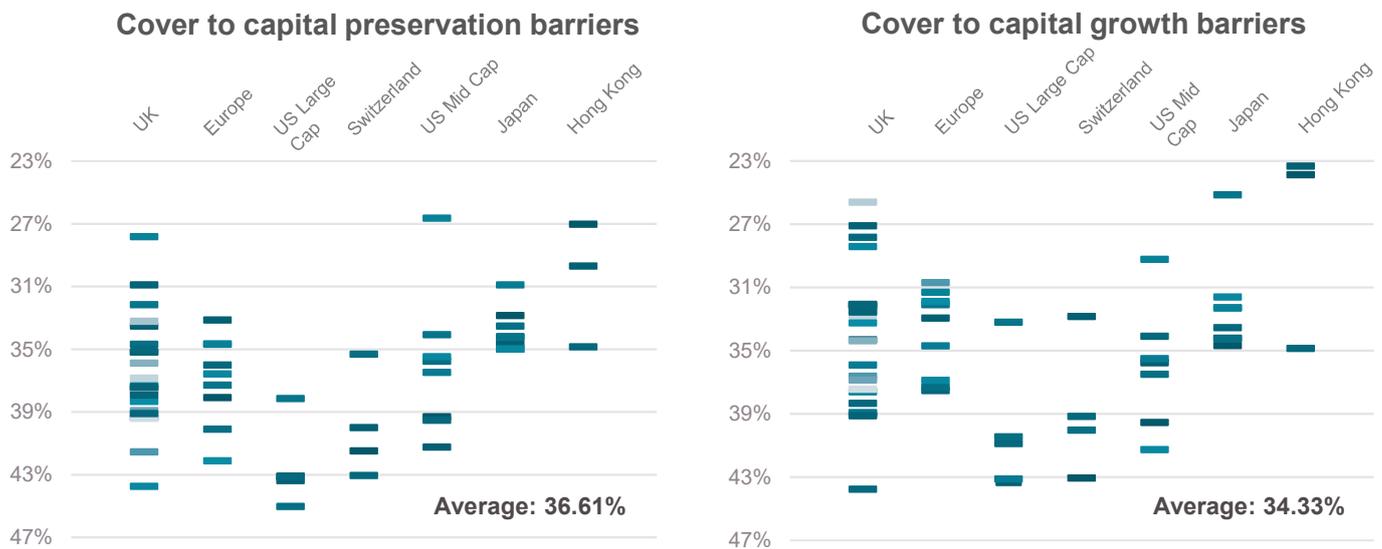
** sensitivity of the fund to underlying market moves

Short term projected Fund performance[^]

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-8.3%	-4.9%	-2.2%	0%	1.8%	3.0%
1 month	-8.0%	-4.6%	-1.8%	0.5%	2.1%	3.4%
2 months	-7.5%	-4.2%	-1.4%	0.9%	2.6%	3.8%
3 months	-7.2%	-3.8%	-1.1%	1.4%	3.0%	4.3%
6 months	-6.0%	-2.7%	0.1%	2.3%	4.0%	5.4%
12 months	-4.4%	-0.2%	3.1%	5.8%	7.7%	9.1%

[^]These scenarios are net of fees and represent sensitivities to equity market moves only. Therefore it does not include performance contribution from the Diversifiers or credit.

Summary of equity index barrier exposures



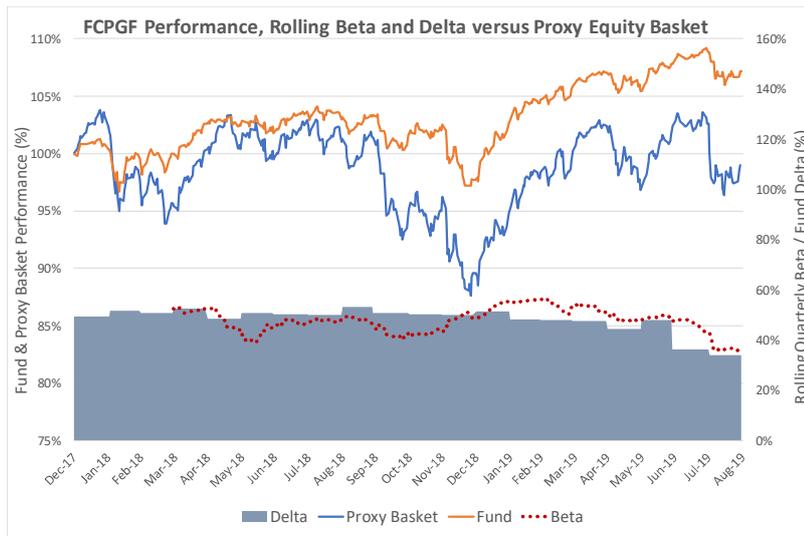
- Cover to capital preservation represents for each investment, the level by which the underlying equity index may fall, before capital is eroded, assuming each investments runs to it's maturity.
- Cover to capital growth represents for each investment, the level by which the underlying equity index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

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Fund performance (%) – Share Class A (Acc)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	12 Month Perf Periods	
2017									-0.10	0.06	0.33	0.84	1.13	Aug 16 - Aug 17	N/A
2018	0.34	-0.88	0.45	2.66	-0.20	-0.15	1.38	-0.78	0.29	-1.54	0.34	-4.24	-2.47	Aug 17 - Aug 18	N/A
2019	5.03	1.76	1.17	1.48	-1.60	2.32	1.08	-1.62					9.87	Aug 18 - Aug 19	4.23

Fund performance (%) – Share Class A (Acc) versus proxy basket of equity indices



*** Proxy basket of indices consists of underlying indices to which the Fund has market sensitivity, as measured by delta. Their weight within the basket is rebalanced each month end to match that of the Fund's delta, normalised to an overall basket weight of 100%.

For example May 2019 the UK market delta = 21% and overall Fund delta = 50%, UK weight in proxy basket = 21% / 50% = 42%. This methodology is applied for each underlying equity index.

The weights as calculated at May 2019 will be applied for calculating June 2019's historical performance for the Proxy basket.

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- The Fortem Capital Progressive Growth Fund is a Sub-Fund of Skyline, an open-ended investment company with variable capital incorporated on 1 June 2010 with limited liability under the laws of Ireland with segregated liability between Funds. The Company is authorised in Ireland by the Central Bank of Ireland pursuant to the UCITS Regulations.

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