

Fortem Capital Progressive Growth Fund



Monthly Report – 28th August 2020

UK & EU – For professional and institutional investors only

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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 enjoyed a strong month, adding 2.5%. The S&P 500, again led by the tech behemoths that make up such a large portion of the index, continued to de-couple itself from other major indices, pushing 7.4% higher. Elsewhere,

Total Return	YTD	Aug
UK 100	-19.0%	1.8%
US 500	9.6%	7.4%
Europe 50	-9.9%	4.5%
Swiss 30	-1.2%	1.6%
Japan 225	-2.4%	5.4%
Hong Kong 50	-7.6%	3.5%
US 2000	-4.6%	6.7%
FCPGF	-4.2%	2.5%

European and Asian markets were also strong, albeit less so. A significant laggard was the FTSE 100, unsurprising given the negative impact that sterling strength versus the dollar has on the sizeable dollar earnings of many of the index constituents.

Within the Core, spot moves in the major indices to which the Fund is exposed were the most significant contributor at 1.4%. Elsewhere, falls in implied volatility, dividends as well as the simple passage of time (theta) added a combined 1.7%.

Over much of this year the Diversifier portfolio has been another source of positive returns and low volatility, particularly when the Core has struggled. The Diversifier portfolio carries some negative beta as well as a long volatility bias. It is therefore natural that it may, over certain shorter periods, act as a drag on return if risk assets perform particularly strongly and volatility falls. August was one such period as the Diversifiers cost the Fund 0.4%.

The Fund has now returned over 30% since the March lows. Over one year, despite the index to which it is most exposed being down 14.3% in total return terms, it is now down just 1.0% over the same period. In spite of this resilience, the Fund, as can be seen by the projected performance overleaf, retains its ability to perform well in multiple scenarios, an attractive trait at a time when the only certainty is uncertainty.

Platform availability

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

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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Fortem Capital Limited registration number 10042702 is authorised and regulated by the Financial Conduct Authority under firm reference number 755370

Key Facts

Investment Manager	Fortem Capital Limited		
Net Asset Value	£186,446,576		
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	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		
Dealing Line	+353 (0)1434 5124		
Dealing Email	davy_ta_queries@ntrs.com		
Depository, Admin, Registrar & TA	Northern Trust		
Auditor	Deloitte		
Prospectus & KIID (EN, NL) on	www.fortemcapital.com/fund.php		
Share Class	Unit NAV	ISIN	Bloomberg
Class A GBP	£1.0723	IE00BF047831	FCPGFAA ID
Class D GBP	£0.9556 ¹	IE00BD7Y3W82	FCPGFDD ID
Class A USD	\$1.0304	IE00BJH53458	FCPGFUA ID
Class A EUR	€0.9928	IE00BJH53565	FCPGFEA ID
Class D EUR	€1.1279 ¹	IE00BKM0L60	FCPGFED ID

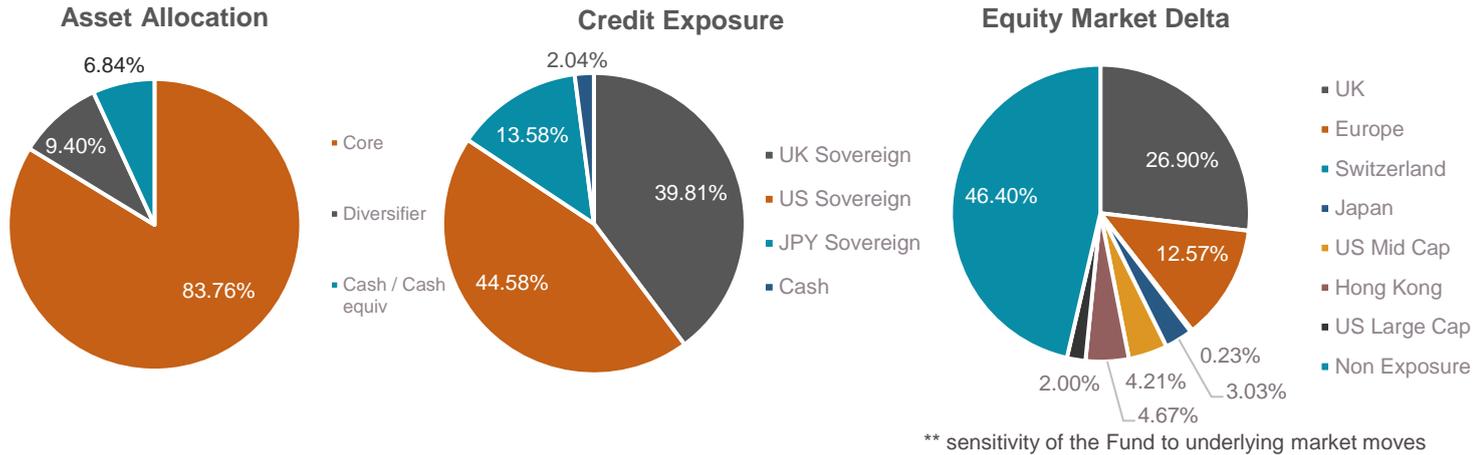
¹ Excludes distribution of capital

[^] Minimum sizing can be waived upon request

* Includes the UK Equal Weight Index

Information as at 31st July 2020

Portfolio breakdown

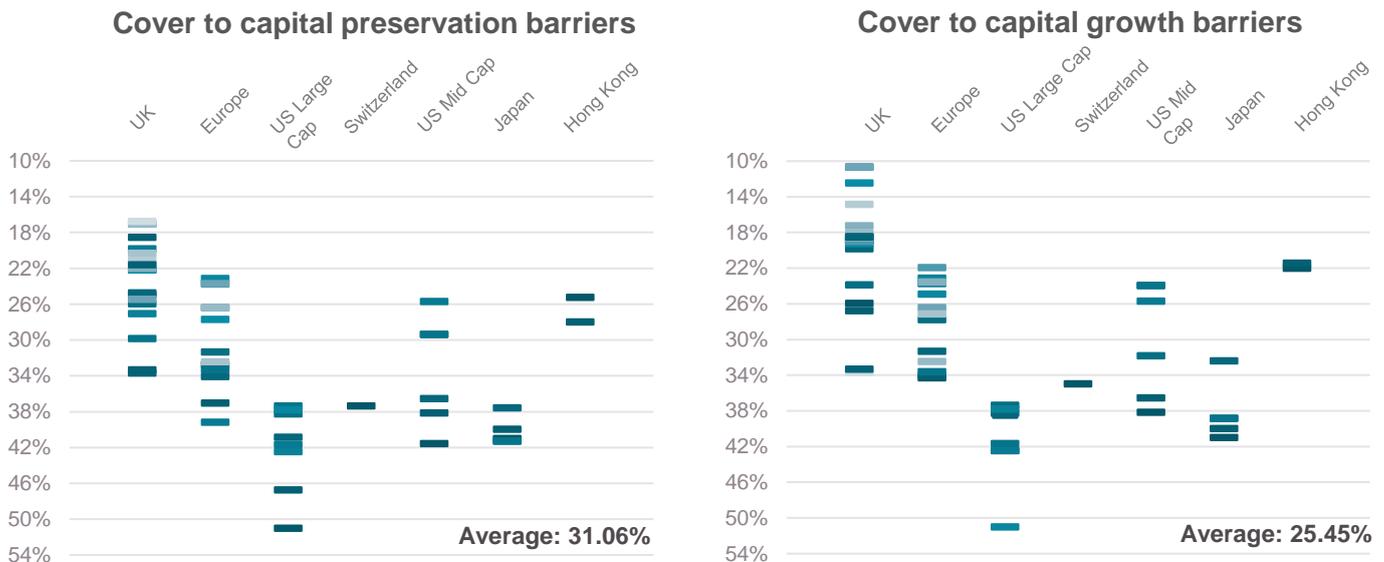


12 month projected Fund performance[^]

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-10.1%	-6.2%	-2.8%	0.0%	2.4%	4.4%
3 months	-9.4%	-5.3%	-1.9%	1.1%	3.56	5.7%
6 months	-8.3%	-4.1%	-0.6%	2.5%	5.0%	7.2%
12 months	-6.1%	-1.7%	2.0%	5.2%	7.8%	10.0%
36 months	5.9%	11.5%	15.8%	19.2%	21.9%	23.8%

[^] These scenarios are net of fees
[^] Represent sensitivities to equity market moves only.
[^] Assumes Diversifiers deliver 3% p.a.
[^] Assumes current asset allocation weights

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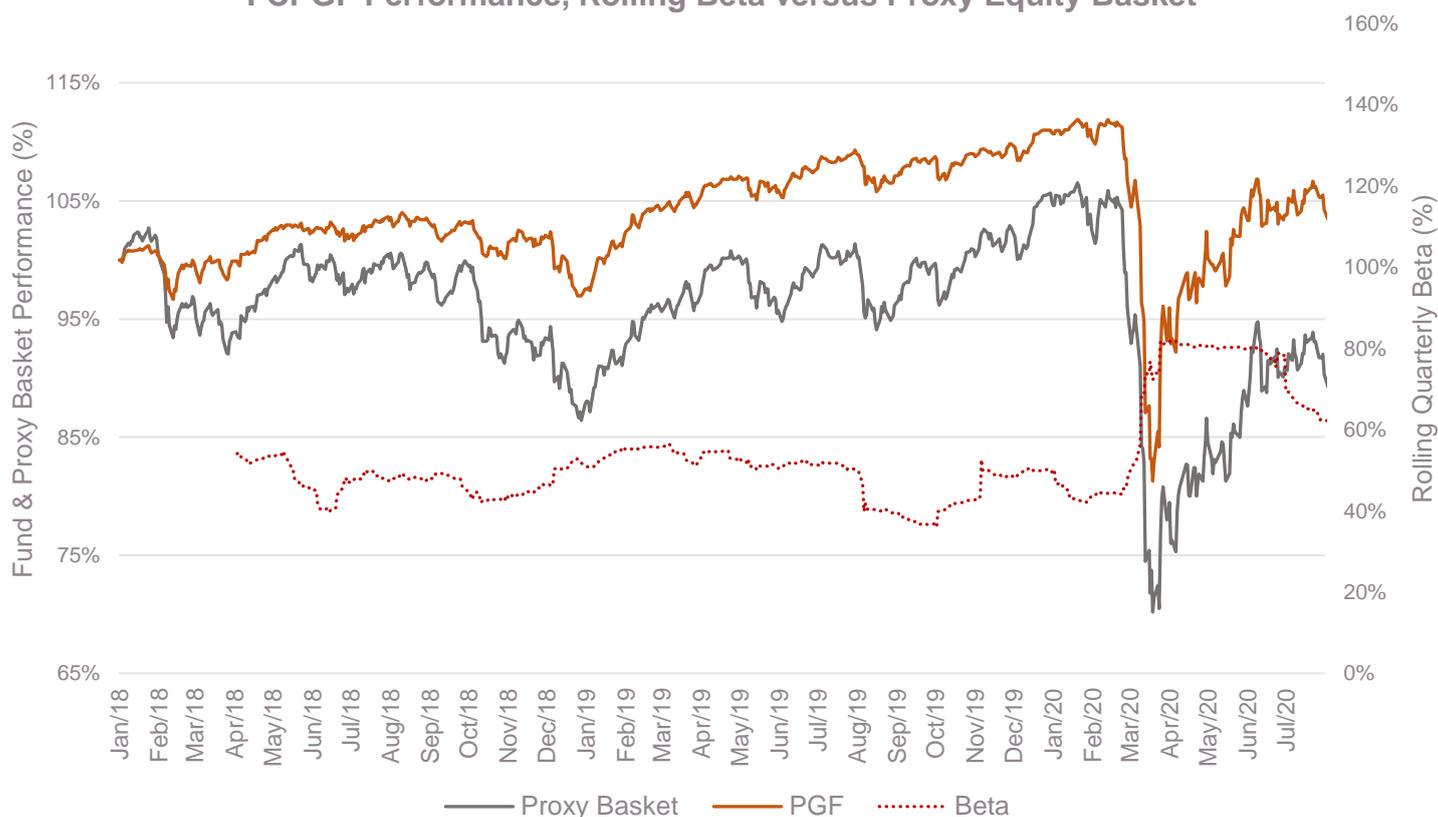
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Fund performance (%) – Share Class A (Acc)

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 17 - Aug 18	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 18 – Aug 19	4.23
2019	5.03	1.76	1.17	1.48	-1.60	2.32	1.08	-1.62	1.49	0.00	0.75	1.00	13.46	Aug 19 – Aug 20	-1.04
2020	-0.79	-4.84	-8.16	4.38	3.19	0.41	-0.35	2.53					-4.18		

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

FCPGF Performance, Rolling Beta versus Proxy Equity Basket



*** 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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