

# Fortem Capital Progressive Growth Fund

Monthly Report – February 28<sup>th</sup> 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 delivered another strong monthly performance, driven primarily by a continuation of January's resurgent global equity markets. Indeed equity markets were generally up between +1.5% (FTSE 100) and +4.68% (Eurostoxx 50), with the Fund posting a monthly return of +1.76%.

The majority of those gains can be attributed to the Core portfolio which delivered +1.20% of performance. The Fund also benefitted from marginal gains in the fall of implied volatility, consistent with rising equity markets. Lastly, the Fund benefitted from "Time Decay." That is to say, all other things being equal, the Core portfolio will benefit from the passing of time.

It is perhaps worthy of a reminder of the main drivers of the Core portfolio's more immediate market sensitivities, being primarily equity market and corresponding implied volatility movements. The Fund's objectives aim to maintain stable equity and implied volatility sensitivities through time and market moves. Through sensible portfolio construction and risk management, rather than asset allocating and market timing, investors should gain comfort that the Fund's sensitivities have remained consistently stable through the December 18 sell-offs and the 19 year-to-date rallies.

## Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.0541 Class D: £1.0142 <sup>1</sup>
Net Asset Value	£117,379,839
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	FCPGFAA ID <equity> FCPGFDD 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 capital

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

\* Includes FTSE 100 Equal Weight Index

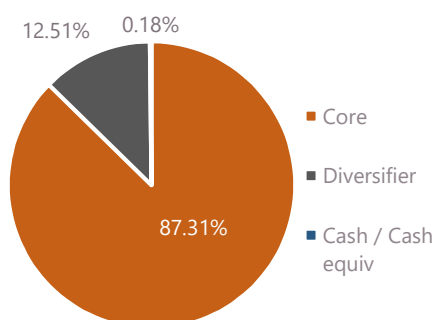
\*\* sensitivity of the fund to underlying market moves

Information as at 28/02/2019

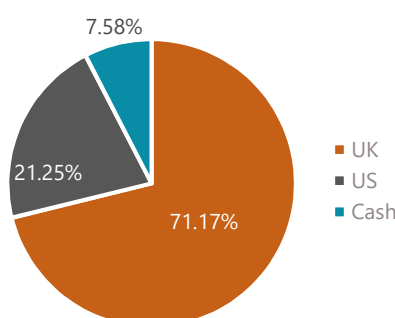
**Past performance is not necessarily a guide for the future**

## Portfolio Breakdown

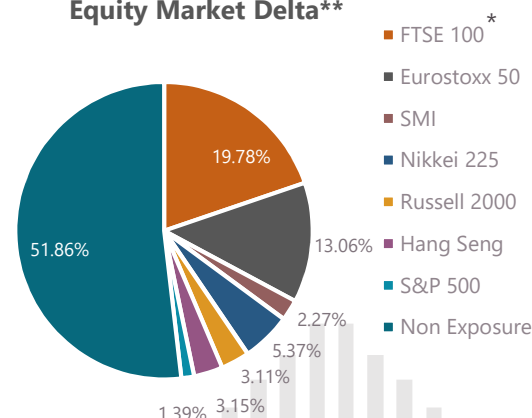
Asset Allocation



Sovereign Counterparty Exposure



Equity Market Delta\*\*



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

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-8.7%	-4.9%	-2.5%	0.0%	2.2%	3.9%
1 month	-8.5%	-4.6%	-2.3%	0.3%	2.5%	4.3%
2 months	-7.5%	-4.2%	-2.2%	0.4%	2.8%	4.8%
3 months	-7.2%	-3.9%	-1.6%	1.3%	3.6%	5.5%

<sup>^</sup>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.

**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.**

## 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.

## Fund performance – Share Class A (Accumulation)

	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
FCPGF	2017									-0.10%	0.06%	0.33%	0.84%	<b>1.13%</b>
FTSE TR	2017									-0.67%	1.82%	-1.79%	5.03%	<b>4.32%</b>
FCPGF	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%	<b>-2.47%</b>
FTSE TR	2018	-1.96%	-3.40%	-2.03%	6.84%	2.80%	-0.23%	1.52%	-3.29%	1.19%	-4.85%	-1.60%	-3.49%	<b>-8.73%</b>
FCPGF	2019	5.03%	1.76%											<b>6.87%</b>
FTSE TR	2019	3.63%	2.29%											<b>6.01%</b>

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

### PLATFORM AVAILABILITY

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

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