

Fortem Capital Progressive Growth Fund

Monthly Report – January 31st 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 performed very strongly this month alongside the rebound of global equity markets, which ranged between +3.5% (FTSE 100) and +9.6% (Hang Seng). The Fund's strong gains were driven by its equity index sensitivity generating +2.70%, whilst falls in implied volatility generated an additional +1.42% of value. Notably, the Fund's equity market delta (equity market sensitivity) over the last year, and indeed more recently during the December sell-off and January rally, has remained consistently around 50%.

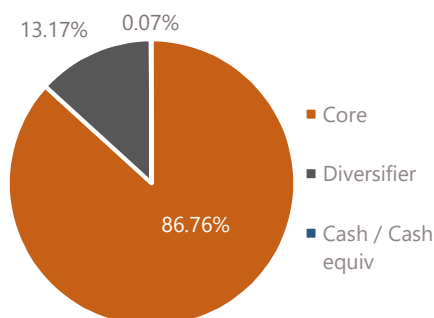
The diversification into US Treasuries last month also included a currency hedge back into GBP. Of particular note, this trade had taken advantage of a structural anomaly that provided the Fund with additional funding over the equivalent UK Gilts. During January, this structural anomaly began to normalise and contributed +0.25% to the Fund NAV, on top of a narrowing of UK Gilt credit spreads adding a further +0.25%.

Lastly, additional diversifiers were added to the Fund in January. Firstly, a seasonality strategy was added in order to complete the stable of commodity linked diversifiers, aiming to harvest risk premia associated purely with the seasonal trends between commodity pairs. Secondly, a strategy linked to the European equity quality factor was also added in order to take advantage of the structural issues occurring within Europe. The new diversifiers are both very complementary in terms of their low correlation to both each other along with the core defined return portfolio of the fund.

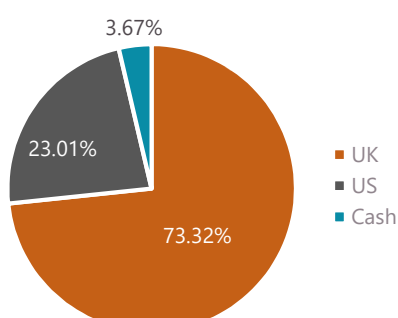
Past performance is not necessarily a guide for the future

Portfolio Breakdown

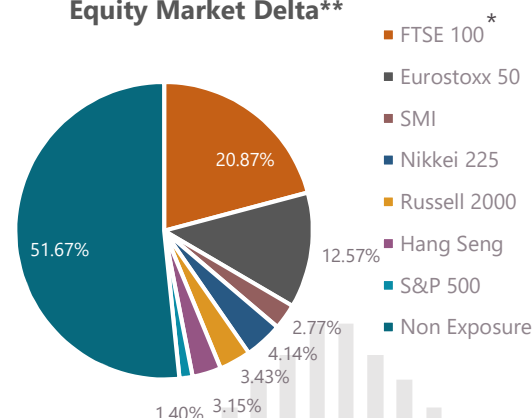
Asset Allocation



Sovereign Counterparty Exposure



Equity Market Delta**



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Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.0359 Class D: £0.9966 ¹
Net Asset Value	£110,293,708
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
Bloomberg	FPCGFAA ID <equity> FPCGFDD 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 waived upon request

* Includes FTSE 100 Equal Weight Index

** sensitivity of the fund to underlying market moves

Information as at 31/01/2019

Short term projected Fund performance[^]

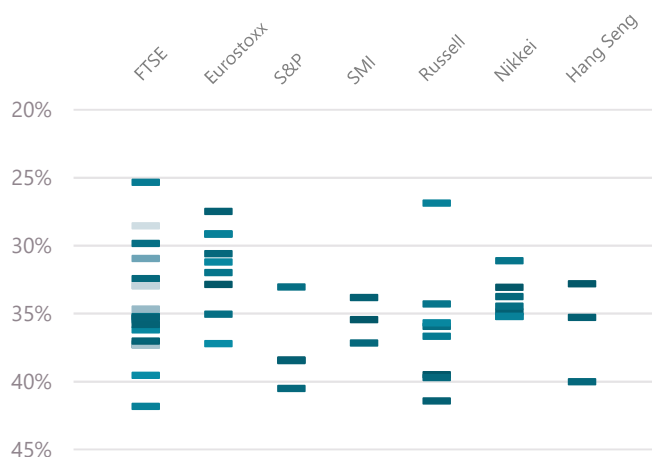
	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-9.1%	-5.3%	-2.4%	0.0%	2.2%	4.1%
1 month	-8.8%	-5.0%	-2.2%	0.3%	2.5%	4.4%
2 months	-8.3%	-4.5%	-1.8%	0.6%	2.9%	4.9%
3 months	-7.9%	-4.2%	-1.7%	0.7%	3.1%	5.3%

[^]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.

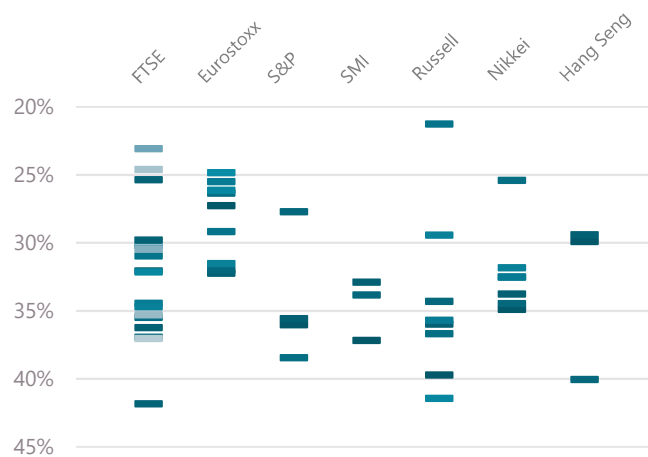
Forecasts are not reliable indicators of future performance. The value of investments, and the income from them, can go down as well as up and the investor may not get back the amount originally invested.

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%	1.13%
FTSE TR	2017									-0.67%	1.82%	-1.79%	5.03%	4.32%
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%	-2.47%
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%	-8.73%
FCPGF	2019	5.03%												5.03%
FTSE TR	2019	3.63%												3.63%

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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