

# Fortem Capital Progressive Growth Fund

Monthly Report – July 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

The Fund was up 1.38% on the month, having reached a new NAV high of 1.048p on the 27th, in what was largely a positive month for equities. Equity exposure therefore contributed positive returns to the Fund, with all indices rising aside from the Hang Seng. The Fund also benefited from a fall in longer term implied volatility, slightly offset by rising interest rates on the month.

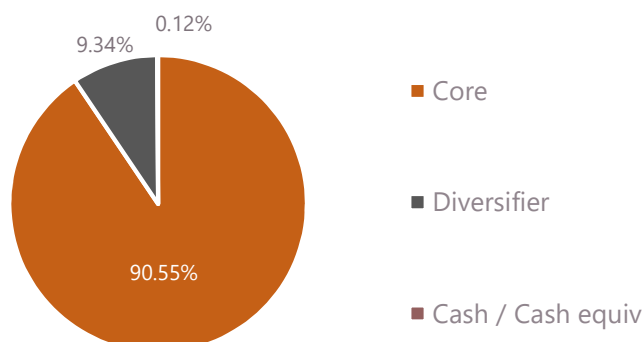
Notable activity included the maturity of an autocall within the Core Portfolio, of which monies were rolled into a new FTSE/Russell autocall paying a potential annual return of 7.62%. The next potential maturity within the Core Portfolio is due to observe mid August, in-keeping with the strategy of having a well diversified set of observation dates for Investments. In addition, the Fund invested cash into a new Gilt and was able to extract a yield of 3 month LIBOR + 13.5bps.

Finally, whilst the avid reader of the monthly factsheet may well have picked up on this, it is worth highlighting the stability of the equity market exposure (Delta) since the Fund became fully invested at the end of December. Despite periods of equity market volatility, the Delta has remained consistently around the 50% level (50.41% to be precise!) in-keeping with one of the Fund's main investment objectives.

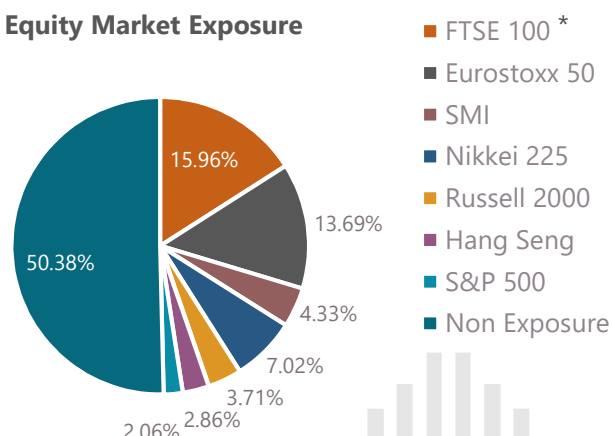
**Past performance is not necessarily a guide for the future**

## Portfolio Breakdown

Asset Allocation



Equity Market Exposure



## Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.0478 Class D: £1.0286 <sup>1</sup>
Net Asset Value	£76,994,463
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 31/07/2018

\* Includes FTSE 100 Equal Weight Index

Phone: 0208 050 2905

Email: [sales@fortemcapital.com](mailto:sales@fortemcapital.com)

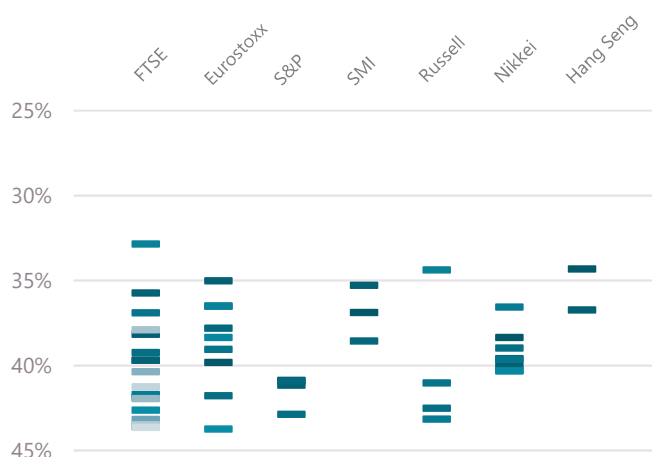
## Short term projected fund performance<sup>^</sup>

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-7.4%	-4.9%	-2.2%	0.0%	1.7%	3.0%
1 month	-7.1%	-4.6%	-1.8%	0.4%	2.1%	3.5%
2 months	-6.6%	-4.1%	-1.3%	1.0%	2.8%	4.1%
3 months	-6.2%	-3.7%	-0.9%	1.5%	3.4%	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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Phone: 0208 050 2905 Email: [sales@fortemcapital.com](mailto:sales@fortemcapital.com)