

Fortem Capital Progressive Growth Fund



Monthly Report – 31st July 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

July saw a renewal of the disparity in returns between major equity indices; the S&P 500 finished the month 5.6% higher than it started in total return terms. In contrast the UK, Europe and Japan lost ground to varying degrees.

Total Return	YTD	Jul	
UK 100	-20.3%	-4.2%	As one might expect, given that it has exposure to multiple major indices and reduced equity market beta, the Fund's return sat somewhere in the middle and was fairly flat over the month (at least in 2020 terms), down 0.4%. Within the core, spot moves in UK equities were the biggest detractor, but were tempered by advances in the US equity indices to which the Fund is exposed. The Fund's short volatility nature meant that implied volatility falling back slightly over the month also added some marginal gains.
US 500	2.4%	5.6%	
Europe 50	-13.3%	-1.5%	
Swiss 30	-2.7%	-0.4%	
Japan 225	-7.2%	-2.6%	
Hong Kong 50	-10.5%	1.5%	
US 2000	-10.6%	2.8%	
FCPGF	-6.6%	-0.4%	

The Diversifier portfolio again showed its value as a source of uncorrelated return, adding 7bps. Within the Diversifier portfolio, a new Equity Quality strategy was added; the market neutral strategy isolates the quality factor, which historically provides positive return with negligible correlation to equity.

The Fund has returned 27% since the March lows, and remains attractively positioned moving forward. There remains significant embedded value within the Core portfolio, even if markets are flat or fall moderately from here. It is clearly impossible to tell with any high degree of confidence what the next year will bring for equity investors, but a fund which has the potential to produce positive returns over the medium term in flat or even moderately falling markets, with reduced equity beta, should continue to provide a useful allocation tool.

Platform availability

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

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Phone: 0208 050 2905 Email: sales@fortemcapital.com

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Key Facts

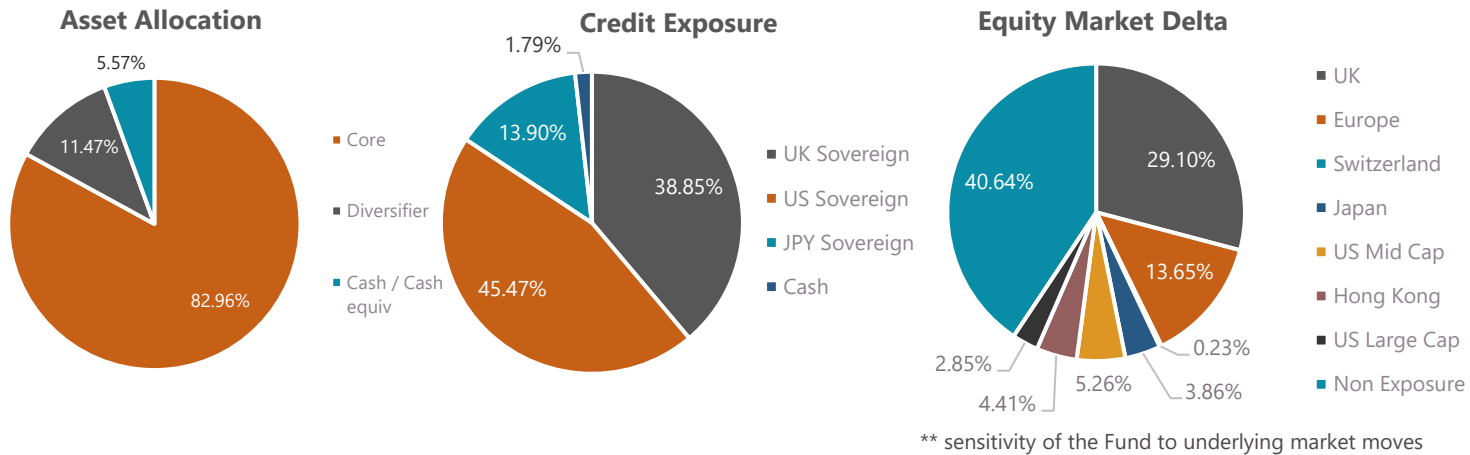
Investment Manager	Fortem Capital Limited		
Net Asset Value	£181,139,303		
Fund Launch Date	20 th September 2017		
Fund Type	Irish Domiciled UCITS V ICAV		
Base Currency	GBP		
Liquidity	Daily		
Dealing Deadline	10:30am Irish Time		
Pricing	Daily COB		
Share Type	Class A: Accumulation Class D: Distribution 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	£1.0458	IE00BF047831	FCPGFAA ID
Class D GBP	£0.932 ¹	IE00BD7Y3W82	FCPGFDD ID
Class A USD	\$1.0051	IE00BJH53458	FCPGFUA ID
Class A EUR	€0.969	IE00BJH53565	FCPGFEA ID
Class D EUR	€1.1007 ¹	IE00BKM0GL60	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

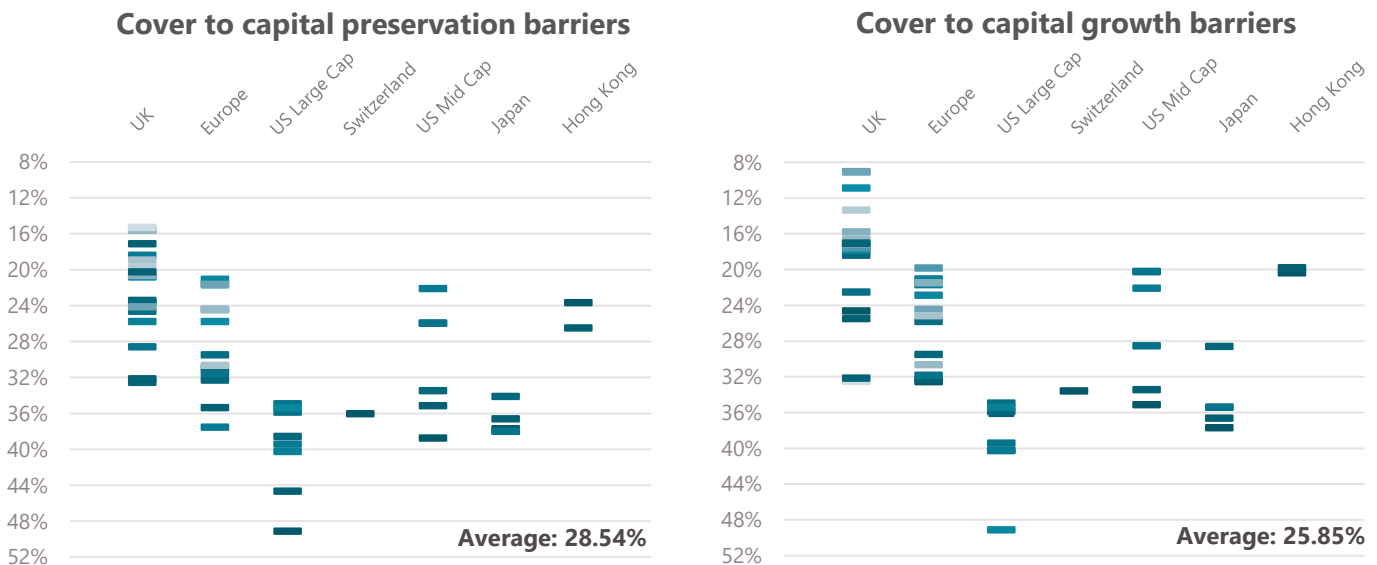


12 month projected Fund performance[^]

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-11.0%	-6.8%	-3.2%	0.0%	2.8%	5.1%
1 month	-10.9%	-6.7%	-3.0%	0.2%	3.0%	5.4%
2 months	-10.6%	-6.3%	-2.6%	0.6%	3.4%	5.8%
3 months	-10.3%	-6.0%	-2.2%	1.0%	3.8%	6.3%
6 months	-9.2%	-4.7%	-0.9%	2.5%	5.4%	7.8%
12 months	-7.0%	-2.3%	1.7%	5.2%	8.1%	10.6%

[^]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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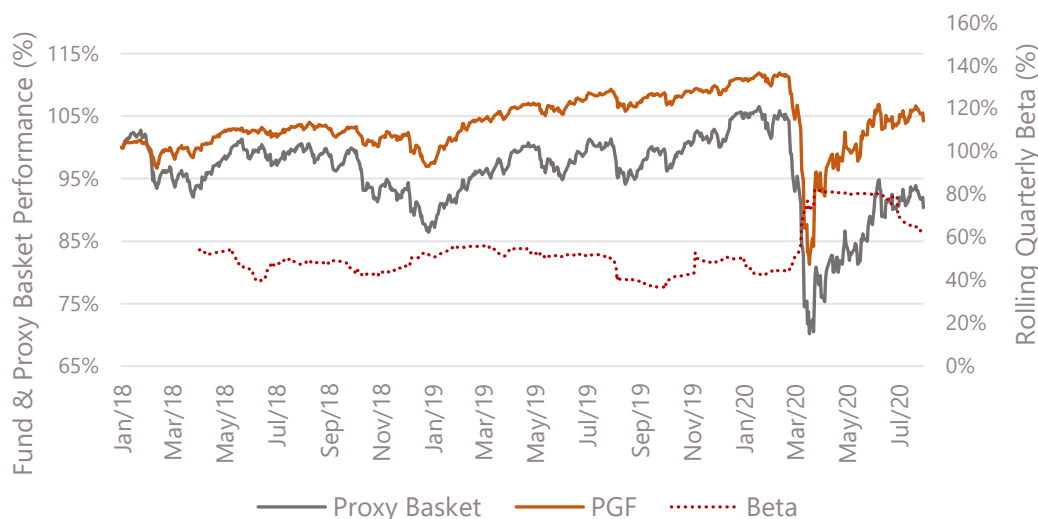
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Fund performance (%) – Share Class A (Acc)

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	Jul 17 - Jul 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	Jul 18 - Jul 19	5.12
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	Jul 19 - Jul 20	-5.05
2020	-0.79	-4.84	-8.16	4.38	3.19	0.41	-0.35						-6.55		

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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