

Fortem Capital Progressive Growth Fund

Monthly Report – June 29th 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 reached a new NAV high of £1.044 on the 14th of June in a month of continued market uncertainty, precipitated by further trade war chatter. Global equity market performance over the month was fairly range bound, with larger declines in Hong Kong and Chinese equities. The Fund's month end performance was -0.15%. The ostensibly flat monthly performance is thanks largely to a geographically diversified exposure, alongside the Fund's portfolio hedging overlay. Small gains from the narrowing of gilt credit spreads were offset by a negative contribution from the diversifiers.

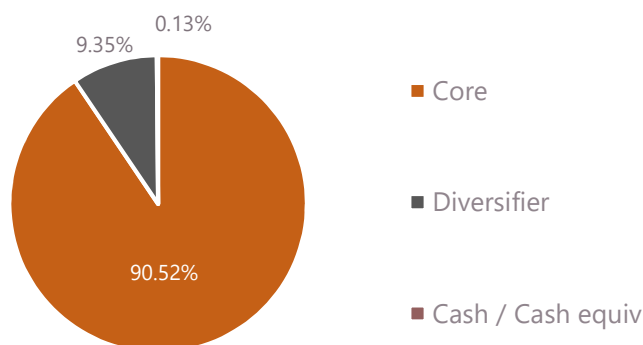
Interestingly, whilst shorter dated realised vol picked up significantly, with FTSE 100 10 day realised volatility increasing by nearly 10% toward the end of the month, longer term implied volatilities saw modest changes. The largest increases in longer term implied volatilities were seen in the S&P 500 and Russell 2000 of circa 0.5 – 1.0%.

Hence whilst the fund is short longer term implied volatility, having only ~50% equity market exposure and longer-term volatility being on average relatively unchanged to slightly up, Fund performance of the month remained resilient. The maximum one day draw down of the fund over the month was -1.0% versus same day moves of -2.24% and -2.10% for the FTSE 100 and Eurostoxx 50 respectively.

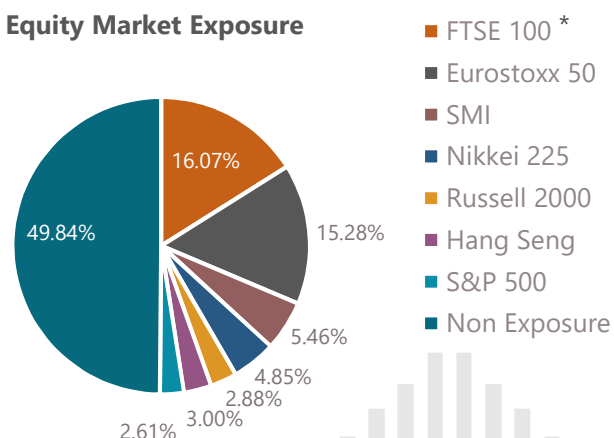
Past performance is not necessarily a guide for the future

Portfolio Breakdown

Asset Allocation



Equity Market Exposure



Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.0335 Class D: £1.0146 ¹
Net Asset Value	£72,546,932
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 2p of capital

[^] Minimum sizing can be waived upon request

Information as at 29/06/2018

* Includes FTSE 100 Equal Weight Index

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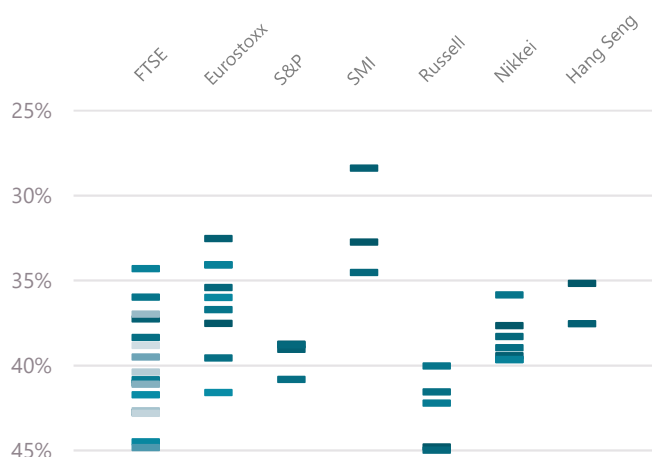
Short term projected fund performance[^]

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-7.2%	-4.6%	-2.8%	0.0%	2.4%	4.3%
1 month	-7.0%	-4.4%	-2.5%	0.4%	2.8%	4.8%
2 months	-6.8%	-4.2%	-2.3%	0.8%	3.3%	5.3%
3 months	-6.2%	-3.6%	-1.7%	1.3%	4.0%	6.1%

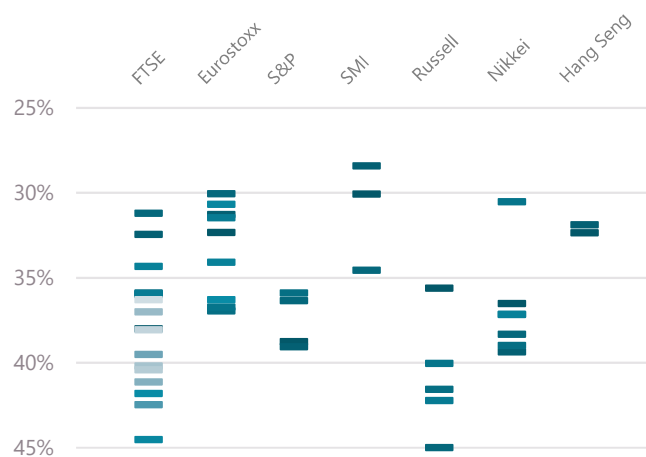
[^]These scenarios are net of fees and represent sensitivities to equity market moves only.

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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