

# Fortem Capital Progressive Growth Fund

Monthly Report – 28<sup>th</sup> June 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

Equity markets in June reversed May's losses in the UK, US and European markets whilst in Asia and Japan despite gains, they were still down on the two month period.

Unsurprisingly therefore the Fund posted another strong month of +2.32%, driven primarily by the Core and those underlying equity moves, together with gaining from a modest deterioration in implied volatilities (the fund makes money from a fall in implied volatility and vice versa). The other major contribution was driven by the passing of time, otherwise known as theta decay, which benefits the fund's Core portfolio (all else being equal).

Elsewhere, the Diversifiers were flat on the month with gains generated on the rates market neutral strategies offset by negative performance in commodity linked market neutral strategies. The Gilts and US Treasuries along with their respective swaps within the portfolio were net flat on the month.

Avid readers will note the addition of a performance chart on page 3. The chart plots the performance of the Class A GBP share class, versus a proxy basket of equity indices<sup>\*\*\*</sup>, the Fund's rolling quarterly beta to that basket as well as its more immediate daily sensitivity to equity market moves (delta). It is encouraging to see from the chart, that the Fund has performed in line with the Investment objectives. That is a target equity market beta of circa 50% to that of global equities, along with significantly lower annualised realised volatility (5.94% Fund v 10.84% proxy basket) and lower draw-downs.

## Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.0896 Class D: £1.0281 <sup>1</sup> Class A (hedged) USD: \$1.0244 Class A (hedged) EUR: €1.0134
Net Asset Value	£133,289,242
Fund 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 Class A USD: IE00BJH53458 Class A EUR: IE00BJH53565
Bloomberg	FCPGFAA ID <equity> FCPGFDD ID <equity> FCPGFUA ID <equity> FCPGFEA 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 waived upon request

Information as at 28/06/2019

## Platform Availability

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

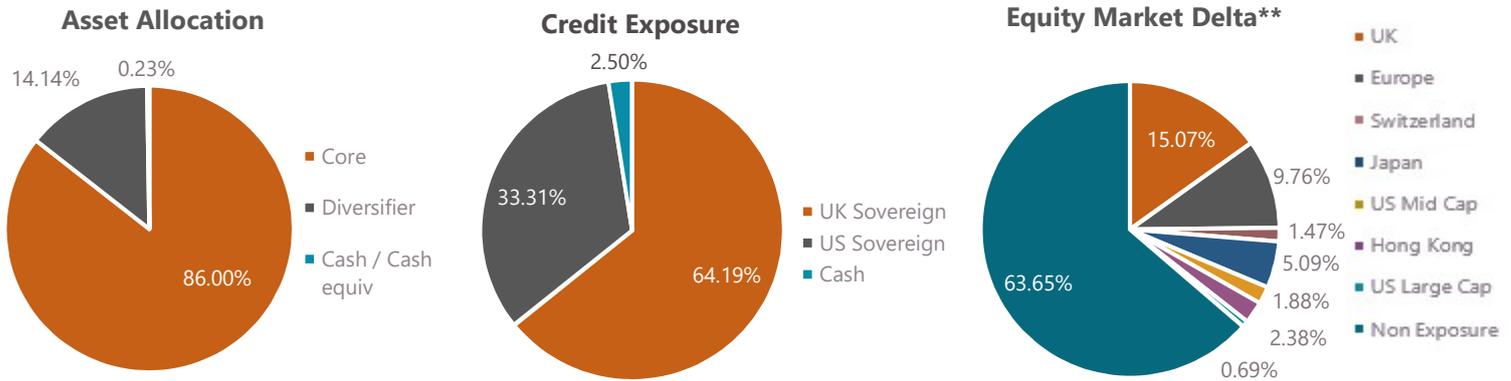
**Past performance is not necessarily a guide for the future. Forecasts are not reliable indicators of future performance. The value of investments, and the income from them, can go down as well as up and the investor may not get back the amount originally invested. The data is sourced from Fortem Capital Limited and external sources. The data is as at the date of this document and has been reviewed by Fortem Capital Limited.**

Phone: 0208 050 2905

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

Fortem Capital Limited registration number 10042702 is authorised and regulated by the Financial Conduct Authority under firm reference number 755370

## Portfolio Breakdown



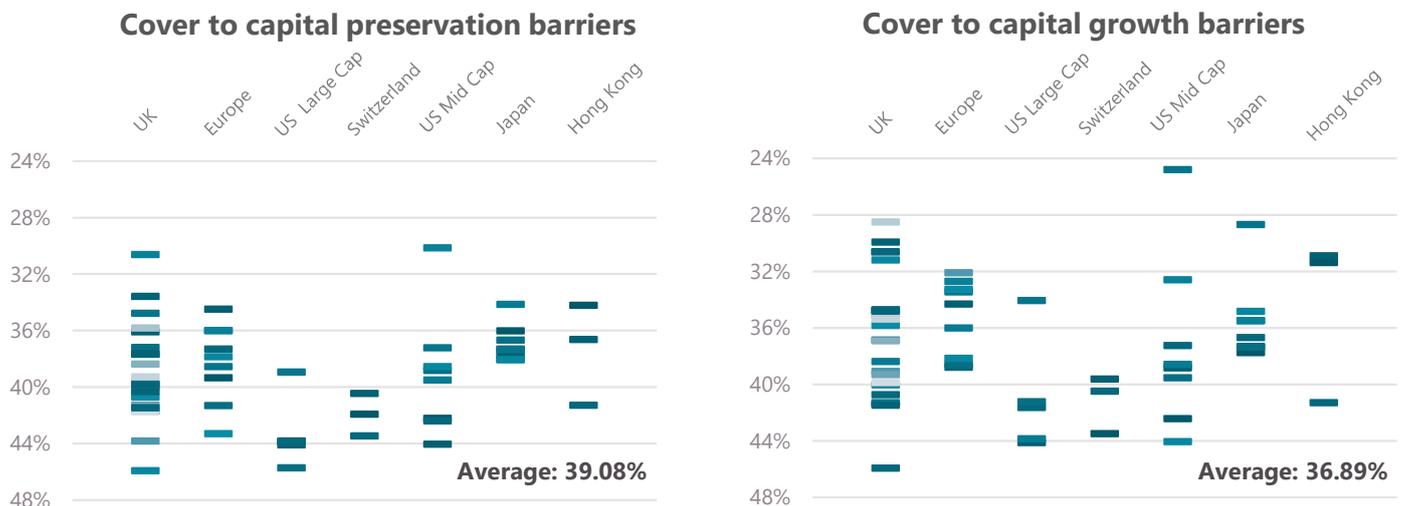
\*\* sensitivity of the fund to underlying market moves

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

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-7.7%	-4.4%	-1.9%	0.0%	1.4%	2.5%
1 month	-7.3%	-4.1%	-1.5%	0.4%	1.8%	2.8%
2 months	-7.0%	-3.7%	-1.1%	0.9%	2.3%	3.3%
3 months	-6.6%	-3.3%	-0.6%	1.4%	2.8%	3.8%
6 months	-5.4%	-2.1%	0.6%	2.7%	4.1%	5.1%
12 months	-2.3%	0.8%	2.9%	5.1%	6.7%	7.8%

<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.

## 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.

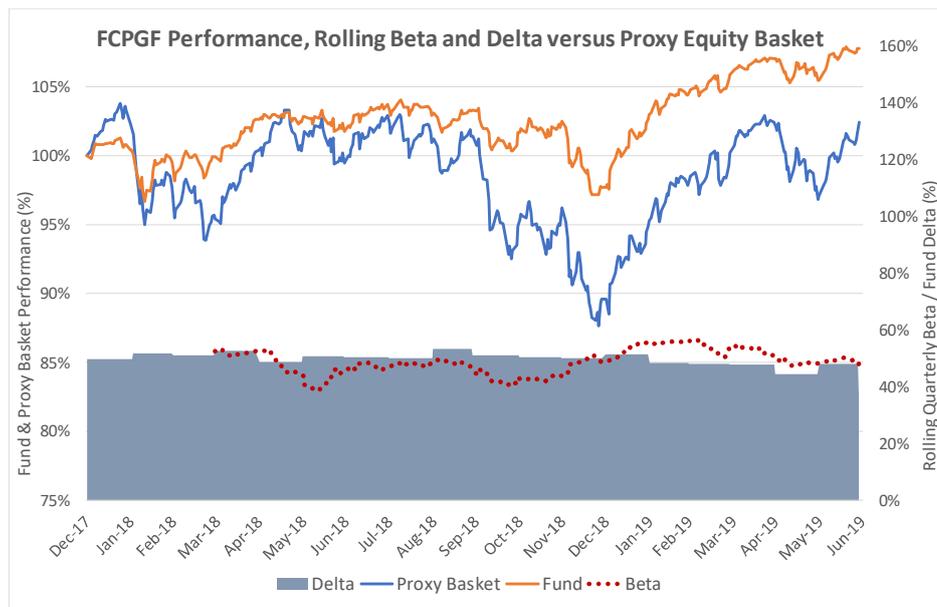
**Past performance is not necessarily a guide for the future. Forecasts are not reliable indicators of future performance. The value of investments, and the income from them, can go down as well as up and the investor may not get back the amount originally invested. The data is sourced from Fortem Capital Limited and external sources. The data is as at the date of this document and has been reviewed by Fortem Capital Limited.**

Phone: 0208 050 2905 Email: [sales@fortemcapital.com](mailto:sales@fortemcapital.com)

## 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	<b>1.13</b>	Jun 16 - Jun 17	<b>N/A</b>
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>	Jun 17 - Jun 18	<b>N/A</b>
2019	5.03	1.76	1.17	1.48	-1.60	2.32							<b>10.47</b>	Jun 18 - Jun 19	<b>5.43</b>

## Fund performance (%) – Share Class A (Acc) versus proxy basket of equity indices



\*\*\* 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 UK 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.

**Past performance is not necessarily a guide for the future. 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. The data is as at the date of this document and has been reviewed by Fortem Capital Limited.**

### Disclaimer

- This document has been issued and approved as a financial promotion by Fortem Capital Limited for the purpose of section 21 of the Financial Services and Markets Acts 2000. Fortem Capital Limited registration number 10042702 is authorised and regulated by the Financial Conduct Authority under firm reference number 755370.
- This document is intended for Professional Investors, Institutional Clients and Advisors and should not be communicated to any other person.
- The information has been prepared solely for information purposes only and is not an offer or solicitation of an offer to buy or sell the product.
- Data is sourced from Fortem Capital Limited and external sources. The data is as at the date of this document and has been reviewed by Fortem Capital Limited.
- Information, including prices, analytical data and opinions contained within this document are believed to be correct, accurate and derived from reliable sources as at the date of the document. However, no representation or warranty, expressed or implied is made as to the correctness, accuracy or validity of such information.
- Fortem Capital Limited assumes no responsibility or

liability for any errors, omissions or inaccuracy with respect to the information contained within this document.

- All price and analytical data included in this document is intended for indicative purposes only and is as at the date of the document.

- The information within this document does not take into account the specific investment objective or financial situation of any person. Investors should refer to the final documentation and any prospectus to ascertain all of the risks and terms associated with these securities and seek independent advice, where necessary, before making any decision to buy or sell.

- The product may not be offered, sold, transferred or delivered directly or indirectly in the United States to, or for the account or benefit of, any U.S. Person.

- The Fortem Capital Progressive Growth Fund is a Sub-Fund of Skyline, an open-ended investment company with variable capital incorporated on 1 June 2010 with limited liability under the laws of Ireland with segregated liability between Funds. The Company is authorised in Ireland by the Central Bank of Ireland pursuant to the UCITS Regulations.