

Fortem Capital Progressive Growth Fund

Monthly Report – May 31st 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

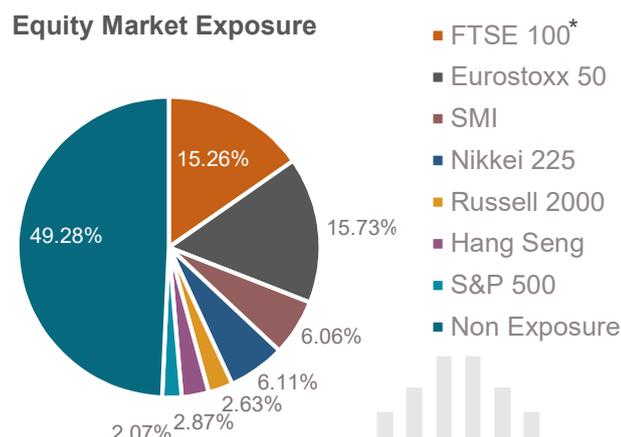
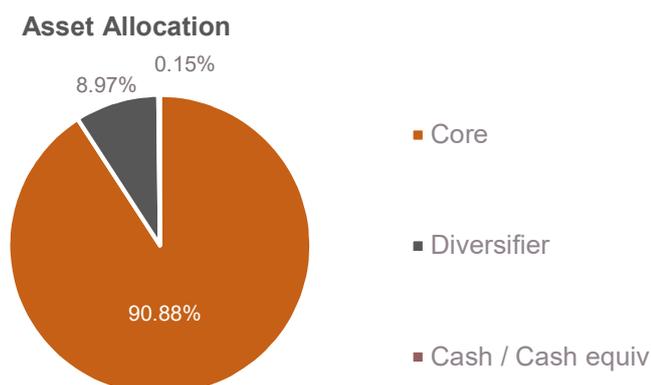
Fund performance was -0.11% for the month with UK and US equity gains being paired by European and Japanese equity markets lagging. The Fund benefited from marginal gains in its UK Gilt holdings as UK Sovereign credit spreads narrowed slightly over the month. Lastly, the Diversifiers contributed approximately 15bps of positive performance with the two investments returning 1.05% and 1.78% respectively.

Other notable activity during the month was the profit taking on a FTSE 100 / Nikkei 225 dual index autocall, trading with a remaining gross redemption yield of 1.91%. The investment was replaced by two new investments, one linked to the FTSE 100 and Nikkei 225 and another linked to the FTSE 100 Equal Weight Index and Nikkei 225.

The FTSE 100 Equal Weight Index provides the Fund with diversified exposure to UK equities with each stock representing 1% of the Index rather than having a disproportionate overweight to the largest stocks within the standard market cap weighted index (The top 10 stocks within the FTSE 100 Index make up over 40% of the Index). Additionally, the Equal Weight Index reverses, in pricing terms, banks' conservative assumptions on future implied dividends, adding an additional 0.75% to the growth amount on the autocall.

Past performance is not necessarily a guide for the future

Portfolio Breakdown



Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.0351 Class D: £1.0162 ¹
Net Asset Value	£66,234,927
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	FCPGFAA ID <equity> FCPGFDD 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 31/05/2018

* Includes FTSE 100 Equal Weight Index

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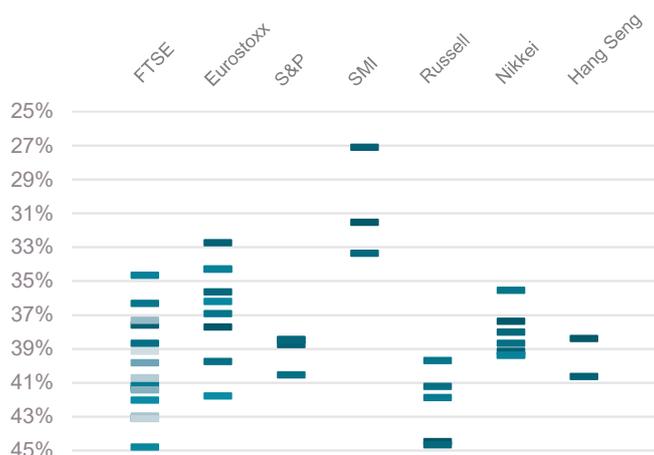
Short term projected fund performance[^]

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-7.7%	-4.2%	-2.3%	0.0%	1.8%	3.2%
1 month	-7.2%	-3.7%	-1.8%	0.6%	2.3%	3.7%
2 months	-6.7%	-3.3%	-1.3%	1.0%	2.9%	4.2%
3 months	-6.2%	-2.8%	-0.9%	1.5%	3.3%	4.6%

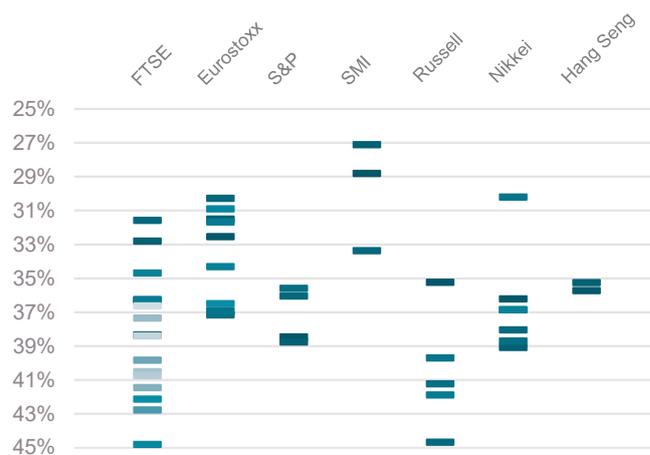
[^]These scenarios are net of fees and represent sensitivities to equity market moves only.

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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