

Fortem Capital Progressive Growth Fund

Monthly Report – 31st May 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

May proved to be a challenging month within global equity markets. The majority of developed equity markets posted negative returns, ostensibly driven by Trade War rhetoric and concerns around a US economic slowdown. US and Asia equity markets were unsurprisingly down between 6.6% and 9.42%, whilst closer to home European and UK equity markets were down between 6.7% and 2.5% respectively.

The Fund was therefore down on the month by 1.60%, in line with those market moves and the equity linked exposures the Fund holds. Whilst the Fund was down, importantly, the changes were entirely in line with the expected moves given the equity market sell-off. The equity linked exposures (Delta), outlined on the following page, give a good guide to what the performance of the Fund would be, attributable to equity moves. As equally important is both the overall consistency of that Delta for the Fund month on month and the geographic breakdown. This is in-keeping with the objective of the Fund which is one of consistent risks and not one of market timing or asset allocation.

Credit risk and returns associated thereof were unchanged and flat on the month whilst the Diversifiers were also flat. Encouragingly the Diversifiers are delivering to a large extent, as expected, providing diversification and negligible correlation to that of the equity linked Core. During the month additional investments were added to the Diversifiers, rebalancing the existing positions slightly, whilst increasing the overall exposure of the Fund by circa 1%.

Past performance is not necessarily a guide for the future

Platform Availability

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

Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.0649 Class D: £1.0048 ¹ Class A (hedged) USD: \$1.0000 Class A (hedged) EUR: €0.9916
Net Asset Value	£125,662,307
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 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 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	davy.ta.queries@ntrs.com
Depository, Admin, Registrar & TA	Northern Trust
Auditor	Deloitte

¹ Excludes distribution of capital

[^] Minimum sizing can be waived upon request

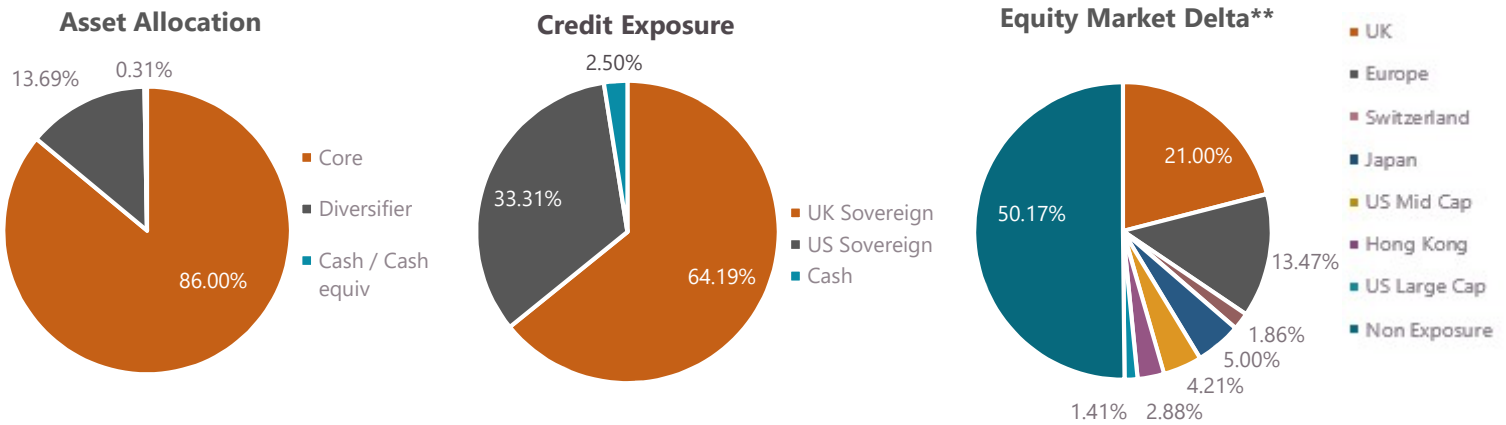
** sensitivity of the fund to underlying market moves

Information as at 31/05/2019

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Portfolio Breakdown



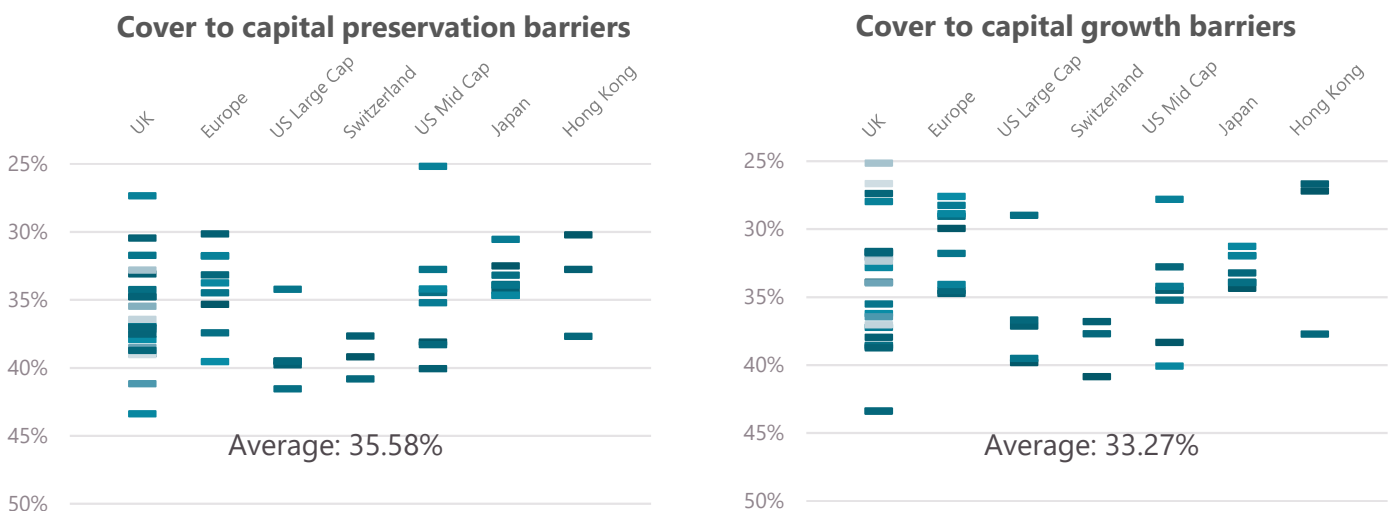
Short term projected Fund performance[^]

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-10.1%	-5.9%	-2.6%	0.0%	2.0%	3.5%
1 month	-9.7%	-5.5%	-2.1%	0.5%	2.5%	4.0%
2 months	-9.2%	-5.0%	-1.6%	1.0%	3.0%	4.6%
3 months	-8.8%	-4.5%	-1.1%	1.6%	3.7%	5.3%

[^]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.

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.

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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Fund performance – Share Class A (Accumulation)

	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
FCPGF	2017									-0.10%	0.06%	0.33%	0.84%	1.13%
FTSE TR	2017									-0.67%	1.82%	-1.79%	5.03%	4.32%
FCPGF	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%
FTSE TR	2018	-1.96%	-3.40%	-2.03%	6.84%	2.80%	-0.23%	1.52%	-3.29%	1.19%	-4.85%	-1.60%	-3.49%	-8.73%
FCPGF	2019	5.03%	1.76%	1.17%	1.48%	-1.60%								7.97%
FTSE TR	2019	3.63%	2.29%	3.29%	2.33%	-2.87%								8.83%

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