

# Fortem Capital Progressive Growth Fund

Monthly Report – November 30<sup>th</sup> 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 posted a gain of 0.34% in a month of mixed global equity market performance. The FTSE 100 ended down over 2%, the Eurostoxx 50 was down 0.76%, whilst the S&P 500 and Nikkei 225 saw 1.79% & 1.96% gains respectively.

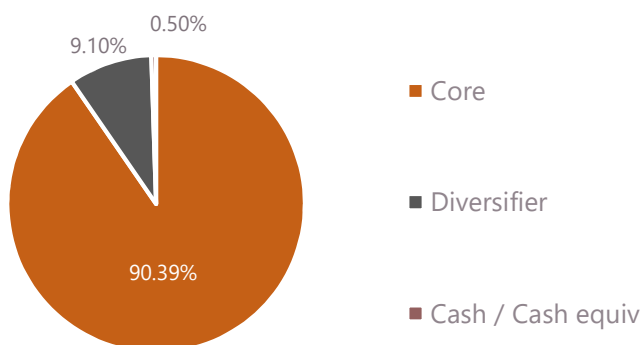
The Fund's relatively stable performance was partially attributable to the diversified equity market exposure within the core portfolio. We remind investors that the strategy of the Fund is not to market time or asset allocate, but to construct and manage a portfolio of well diversified major equity index linked defined return investments. Hence in a market scenario such as that experienced in November, negative performance attributable to the FTSE 100 and Eurostoxx 50 were to some degree offset by positive gains from investments not linked to these markets.

Other technical factors contributed to the positive performance, including the increase in implied correlation between equity indices (which helps the Fund, being long correlation) and a fall in implied dividends (the Fund is short implied dividends). There were additional mark to market gains from gilt asset spreads (i.e. UK Sovereign Credit Risk) narrowing over the month. Finally, it is worth highlighting that the Fund continued to have a consistent ~50% equity market sensitivity, in-keeping with the philosophy of the Fund's investment objective in moderately range bound markets.

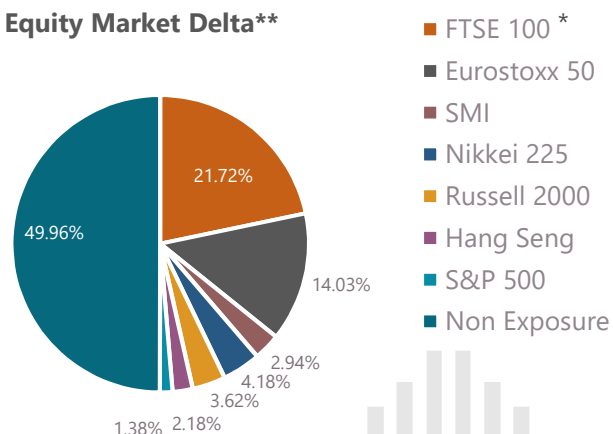
**Past performance is not necessarily a guide for the future**

## Portfolio Breakdown

Asset Allocation



Equity Market Delta\*\*



## Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.030 Class D: £0.991 <sup>1</sup>
Net Asset Value	£96,748,341.52
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
Bloomberg	FCPGFAA ID <equity> FCPGFDD 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

\* Includes FTSE 100 Equal Weight Index

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

Information as at 30/11/2018

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

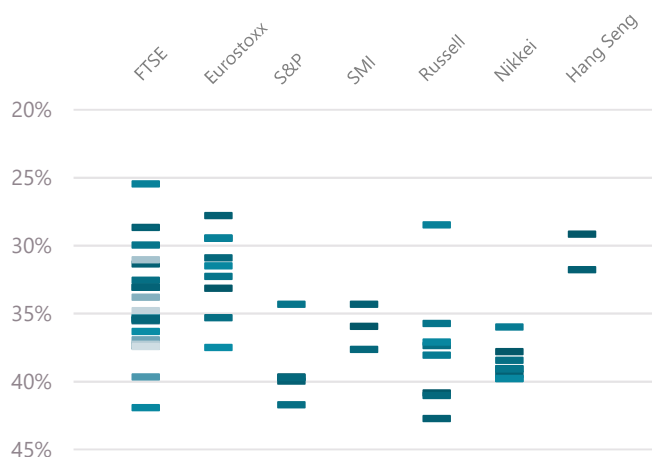
	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-9.4%	-5.6%	-2.5%	0.0%	2.2%	4.2%
1 month	-9.2%	-5.4%	-2.3%	0.2%	2.5%	4.3%
2 months	-8.6%	-5.0%	-2.0%	0.6%	2.8%	4.8%
3 months	-8.4%	-4.7%	-1.8%	0.8%	3.2%	5.1%

<sup>^</sup>These scenarios are net of fees and represent sensitivities to equity market moves only.

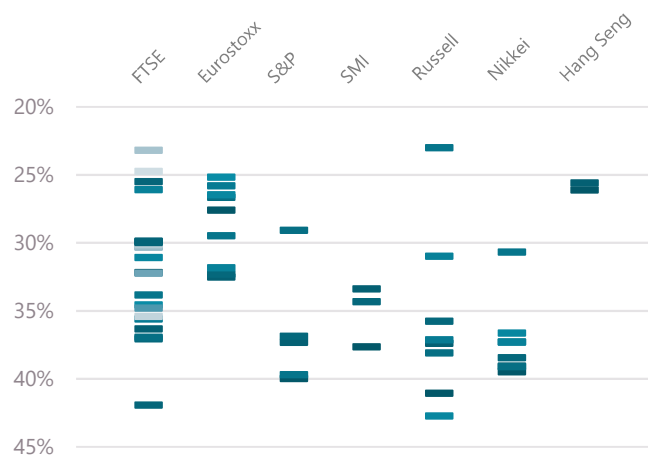
**Forecasts are not reliable indicators of future performance. The value of investments, and the income from them, can go down as well as up and the investor may not get back the amount originally invested.**

## Summary of equity index barrier exposures

### Cover to capital preservation 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.

## 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%	<b>1.13%</b>
FTSE TR	2017									-0.67%	1.82%	-1.79%	5.03%	<b>4.32%</b>
FCPGF	2018	0.34%	-0.88%	0.45%	2.66%	-0.20%	-0.15%	1.38%	-0.78%	0.29%	-1.54%	0.34%		<b>1.85%</b>
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%		<b>-5.43%</b>

**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	Transact	

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