

Fortem Capital Progressive Growth Fund

Monthly Report – October 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

The Fund performance of -1.54% over the month of October was resilient both to global equity markets and indeed relative to its peers. The FTSE 100, Eurostoxx 50, S&P 500 and Nikkei 225 capital return indices were all down, -5.09%, -5.93%, -6.94% and -9.12% respectively.

There were a number of positive factors that aided the fund in offsetting the -3.43% mark to market attributable to equity spot market moves. Whilst the Fund is implicitly short volatility, technical market factors lead to longer term implied volatility actually decreasing (even in falling markets). Further gains were made from both term interest rates falling as well as from UK Sovereign credit spreads narrowing. Finally, the Fund was also assisted by time decay (all else being equal, the passing of time benefits the Core positions of the Fund).

In terms of trading activity during the month, with healthy inflows, the Fund put on a new position within the Core. A FTSE 100, Russell 2000 linked defensive investment. This is in-keeping with the strategy of having a well-diversified number of smaller individual investments within the Fund.

Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.0265 Class D: £0.9875 ¹
Net Asset Value	£89,502,859
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 capital

[^] Minimum sizing can be waived upon request

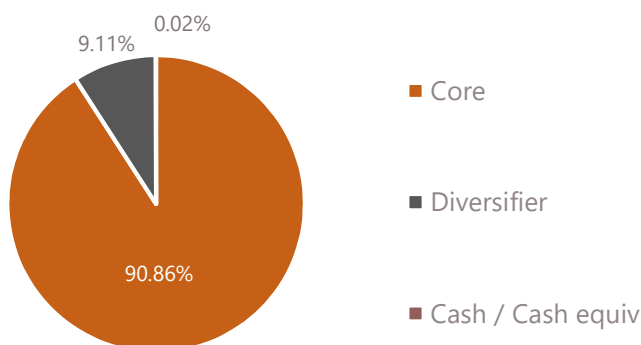
Information as at 31/10/2018

* Includes FTSE 100 Equal Weight Index

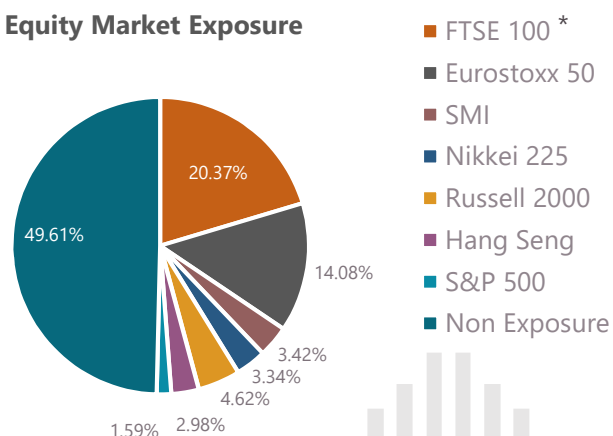
Past performance is not necessarily a guide for the future

Portfolio Breakdown

Asset Allocation



Equity Market Exposure



Phone: 0208 050 2905

Email: sales@fortemcapital.com

Short term projected Fund performance[^]

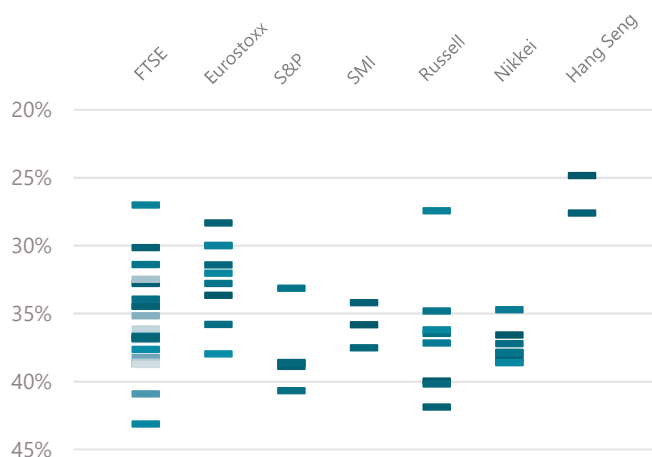
	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-9.0%	-5.6%	-2.5%	0.0%	2.0%	3.8%
1 month	-8.8%	-5.2%	-2.2%	0.3%	2.5%	4.2%
2 months	-8.5%	-5.0%	-2.0%	0.5%	3.1%	4.5%
3 months	-8.0%	-4.6%	-1.7%	0.9%	3.4%	4.9%

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

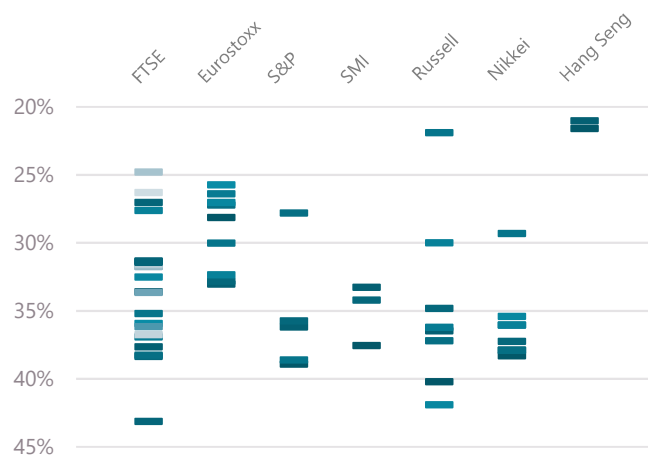
Forecasts are not reliable indicators of future performance. The value of investments, and the income from them, can go down as well as up and the investor may not get back the amount originally invested.

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%	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%			1.50%
FTSE TR	2018	-1.96%	-3.40%	-2.03%	6.84%	2.80%	-0.23%	1.52%	-3.29%	1.19%	-4.85%			-3.89%

Past performance is not necessarily a guide for the future

PLATFORM AVAILABILITY

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

Phone: 0208 050 2905 Email: sales@fortemcapital.com

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.

Phone: 0208 050 2905 Email: sales@fortemcapital.com