

Fortem Capital US Equity Income Fund

Monthly Report – 31st May 2024



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Investment Objective

The Fund aims to generate quarterly income of 4% p.a., whilst providing for capital growth such that the Fund's total return tracks the S&P 500 Net Total Return Index, with the opportunity for slight outperformance.

Background

- ◆ Gravitation towards passive US equity as consistent alpha hard to find.
- ◆ This can create issues for income investors since the S&P 500 traditionally offers lower yields.
- ◆ Active income funds tend to deviate away from the benchmark for a number of reasons:
 - Stock / sector / factor deviation in order to select higher yielding companies
 - Selling of options without mitigating the additional market risk they introduce

The Fund Will

- ◆ Generate its target income from a combination of both receiving dividends and collecting premiums from the buying and selling of listed options on the S&P 500 Index.

Dividend Yield + Option Premiums → 4% p.a. target income

- ◆ Additionally employ hedging techniques in order to minimize daily tracking error to the S&P 500 Total Return Index.
- ◆ Use S&P 500 futures to manage the Fund's exposure back to a daily target beta of 1.

Performance (%)



Inception Date: 13.05.2021

	1m	3m	6m	1y	Inception
Class F USD	4.75%	3.52%	15.61%	26.80%	31.53%
SPTR500N	4.91%	3.80%	16.11%	27.61%	32.67%

Key Facts

Investment Manager	Fortem Capital Limited		
Net Asset Value	\$24,140,276		
Fund Type	Irish Domiciled UCITS V ICAV		
Launch Date	13 th May 2021		
Base Currency	USD		
Liquidity	Daily		
Dealing Deadline	10:30am Irish Time		
Pricing	Daily COB		
Share Type	Class A & M: Accumulation Class F: Distribution		
Initial Share Price	\$1.00		
Minimum Subscription Amount	Class F: \$5,000,000 [^]		
AMC OCF	Class F: 0.40% Class F: 0.60%		
Reporting Status	Registered with HMRC		
Dealing Line	+353 (0)1434 5124		
Dealing Email	davy_ta_queries@ntrs.com		
Depository, Administrator, Registrar & TA	Northern Trust		
Auditor	Deloitte		
Benchmark	S&P 500 Net Total Return		
Share Class	Unit NAV	ISIN	Bloomberg
Class F USD	1.1669	IE00BL643474	FCUSFFI ID
Class F GBP	1.0878	IE000O7DU281	FUSEIFP ID
Class M USD	0.0000	IE000WKHUJA5	FCUSMUA ID
Class M GBP	0.0000	IE000AD2MFZO	FCUSMGA ID

[^]Minimum sizing can be waived upon request

Distributions

	12m Historic Yield*	
Class F USD	4.00%	
	Jul'23	Oct'23
Class F USD	\$0.0070	\$0.0100
Class F GBP	£0.0070	£0.0100
	Jan'24	Apr'24
Class F USD	\$0.0109	\$0.0140
Class F GBP	£0.0141	£0.0080

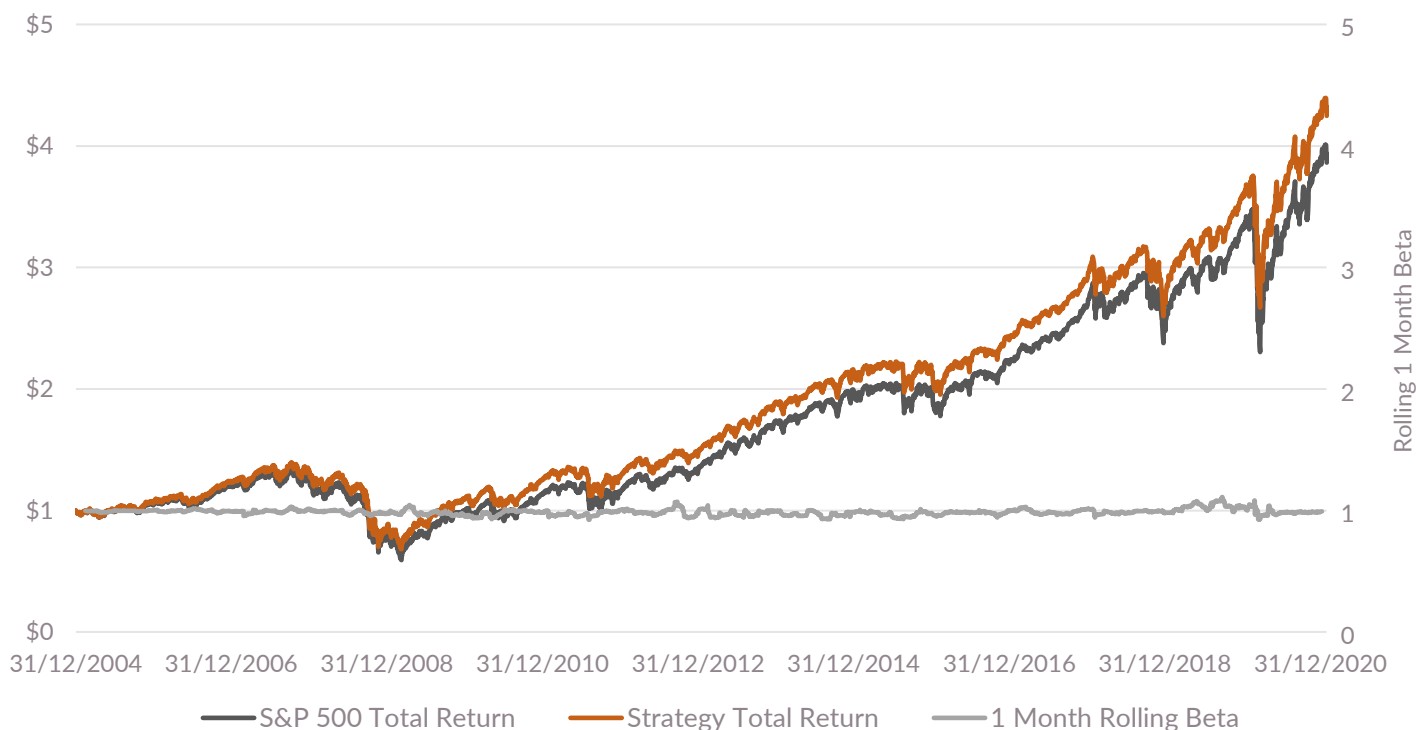
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Simulated Performance

	Annualised Return	Annualised Volatility	Sharpe Ratio	Beta to S&P 500 TR
Strategy Total Return	9.74%	20.10%	0.48	0.99
S&P 500 Total Return	9.13%	19.74%	0.46	1.00



Data from 31st December 2004 to 31st December 2020
Source: Fortem Capital, Bloomberg

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Key Benefits

- ◆ 4% pa target income paid out or reinvested
- ◆ Potential for slight outperformance
- ◆ Targeting daily beta of 1 to S&P 500 Total Return Index, inclusive of income
- ◆ Physically backed with underlying equities
- ◆ Daily liquidity

*12m Historic Yield is calculated as the total distributions over the previous 12m divided by the average NAV on the XD dates over the previous 12m

Key Risks

- ◆ Capital at risk: Investors may lose capital in line with the performance of the underlying S&P 500 Net Total Return Index
- ◆ Tracking error: The Fund's Total Return performance may deviate from the benchmark
- ◆ Income risk: If dividend yields and implied volatility levels fall, investors may receive less than 4% target income
- ◆ Returns may increase or decrease as a result of currency fluctuations

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Platform Availability

Allfunds	Aviva	FNZ	Pershing (Nexus)	Transact	True Potential
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