

# Fortem Capital Progressive Growth Fund

Monthly Report – 30<sup>th</sup> April 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

The Fund posted another strong monthly performance of +1.48%, driven to a large extent by a continuation of equity market resurgence in 2019. Indeed the US markets posted their end of day all time high on the last day of the month.

The bulk of equity linked gains came from the UK, Europe and Asia exposure, driven by the sensitivities of the fund to the underlying equity index moves. The chart below right highlights the consistent 50% +/-5% ranged equity beta the Fund targets, as well as the underlying breakdown. Avid readers will note the consistency of this since launch and becoming fully invested.

The Diversifiers have contributed circa 25bps to the Fund's performance year to date. The attribution derived primarily from the recovery in the commodity linked Alternative Beta strategies as well as the USD|GBP currency swap that the Fund put on in December last year to hedge its US Treasury exposure back into GBP.

Additional Diversifiers, both opportunistic and persistent, are being evaluated with several candidates being considered for inclusion within the Fund over the coming weeks.

## Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.0822 Class D: £1.0212 <sup>1</sup>
Net Asset Value	£125,141,074
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

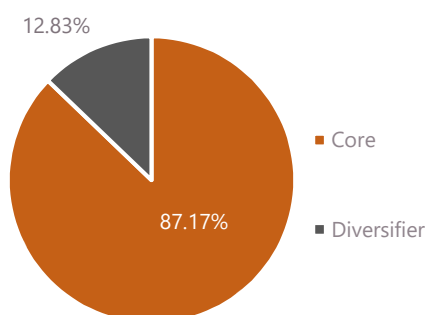
\*\* sensitivity of the fund to underlying market moves

Information as at 30/04/2019

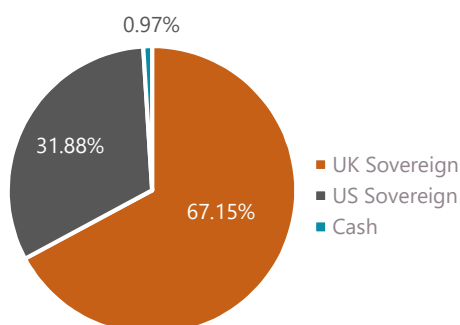
**Past performance is not necessarily a guide for the future**

## Portfolio Breakdown

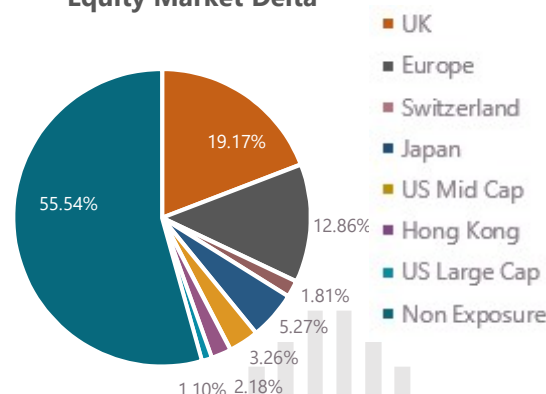
Asset Allocation



Credit Exposure



Equity Market Delta\*\*



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

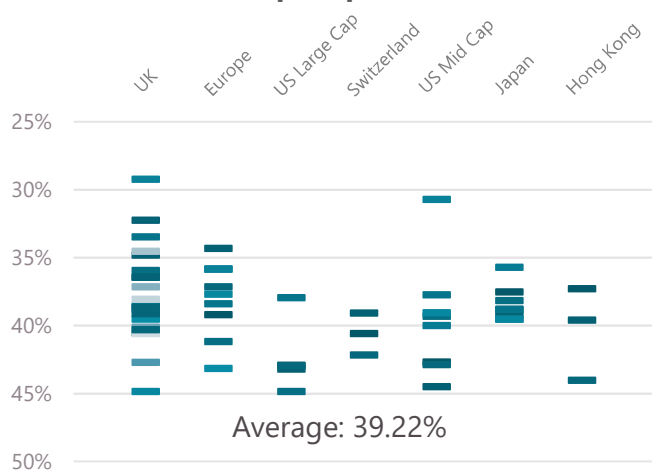
	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-8.9%	-5.3%	-2.4%	0.0%	1.9%	3.3%
1 month	-8.5%	-4.9%	-1.9%	0.5%	2.4%	3.9%
2 months	-8.0%	-4.3%	-1.3%	1.1%	3.0%	4.3%
3 months	-7.6%	-3.9%	-0.74%	1.7%	3.5%	4.8%

<sup>^</sup>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.

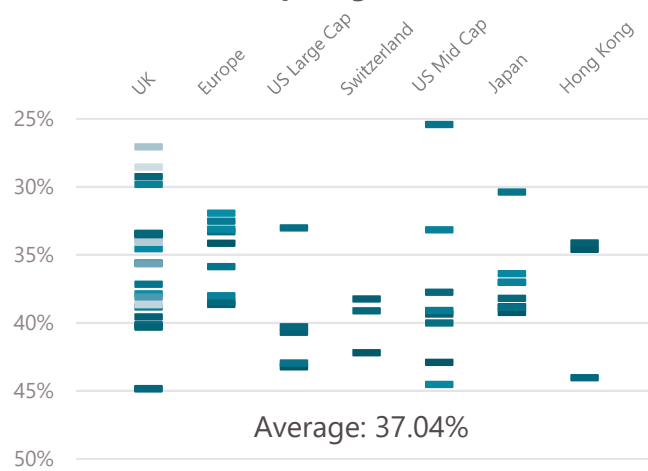
**Forecasts are not reliable indicators of future performance. The value of investments, and the income from them, can go down as well as up and the investor may not get back the amount originally invested.**

## Summary of equity index barrier exposures

### Cover to capital preservation 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%	-4.24%	<b>-2.47%</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%	-3.49%	<b>-8.73%</b>
FCPGF	2019	5.03%	1.76%	1.17%	1.48%									<b>9.72%</b>
FTSE TR	2019	3.63%	2.29%	3.29%	2.33%									<b>12.04%</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	Elevate	Transact

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