

Fortem Capital Progressive Growth Fund

Monthly Report – 31st December 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 +1.0%. Global equities all posted strong returns over the month, with the exception of Japanese equities.

Performance attribution therefore could be ascribed predominantly to the Core and within that, returns from those equity market price moves themselves. There were small positive contributions from the Diversifiers and sovereign credit element of the Fund.

Looking back over the year, the Fund has done 'what it says on the tin' with annualised returns of 13.5%, versus global equity capital return indices contributing anywhere between 9.0% for the Hang Seng and 29.0% for the S&P 500, whilst the FTSE 100 delivered 12.1%.

The annualised volatility of the Fund was circa 5.3%, less than half the volatility of most developed equity markets. As the chart on page 3 illustrates, the rolling three month beta of the Fund was consistently in the 50% range, as it has been since inception.

And finally looking at Fund performance over equity market draw downs. Taking the July to August sell-off as an example, which saw equity markets down in excess of 5.5%, the Fund held up well, being down less than 2.5%.

The Fund continues to provide consistent risk & market returns whilst being positioned defensively for equity market sell-offs, attributable to sensible portfolio construction and the use of uncorrelated Diversifying investments.

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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Key Facts

Investment Manager	Fortem Capital Limited
Unit NAV	Class A: £1.1191 Class D: £1.0330 ¹ Class A (hedged) USD: \$1.0589 Class A (hedged) EUR: €1.0356
Net Asset Value	£141,044,238
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

* Includes the UK Equal Weight Index

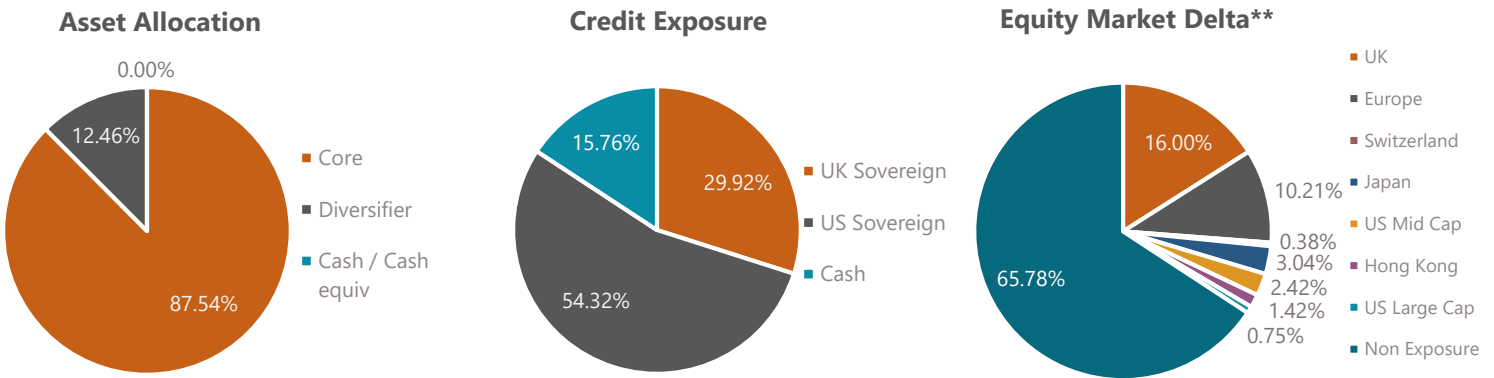
Information as at 31st December 2019

Phone: 0208 050 2905

Email: sales@fortemcapital.com

Fortem Capital Limited registration number 10042702 is authorised and regulated by the Financial Conduct Authority under firm reference number 755370

Portfolio breakdown



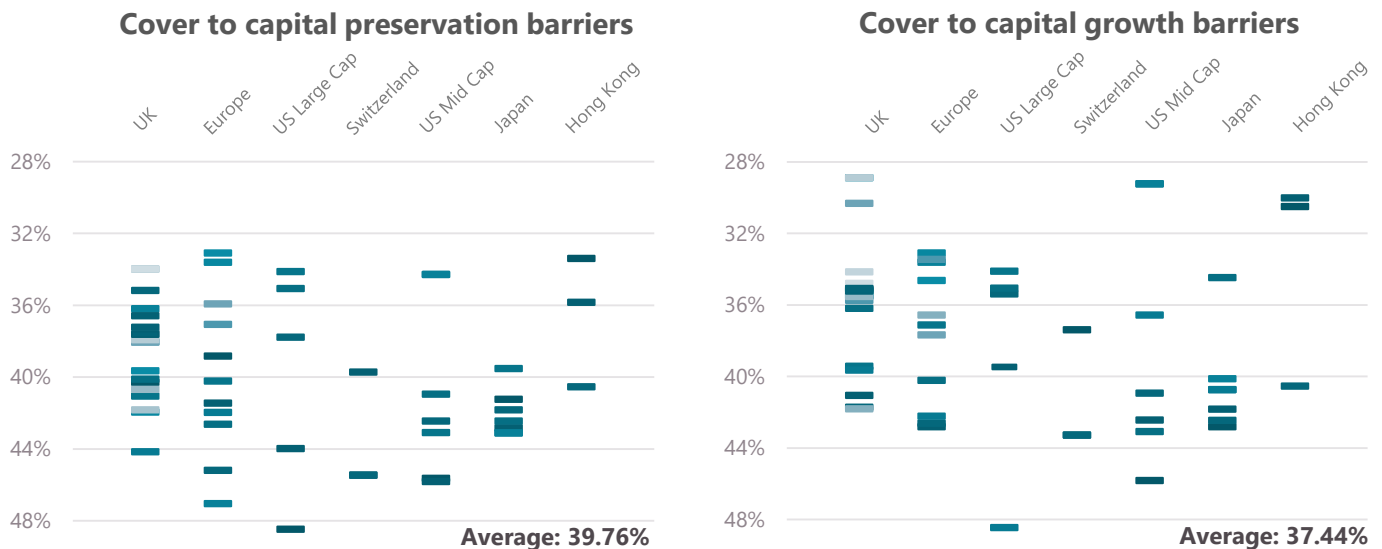
** sensitivity of the fund to underlying market moves

12 month projected Fund performance[^]

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-7.6%	-4.4%	-1.9%	0.0%	1.3%	2.2%
1 month	-7.3%	-4.1%	-1.4%	0.4%	1.7%	2.6%
2 months	-6.8%	-3.6%	-1.0%	0.9%	2.2%	3.2%
3 months	-6.5%	-3.2%	-0.5%	1.4%	2.7%	3.5%
6 months	-5.4%	-1.9%	0.9%	1.8%	4.2%	5.1%
12 months	-2.4%	1.3%	3.9%	5.7%	6.9%	7.8%

[^]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.

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.

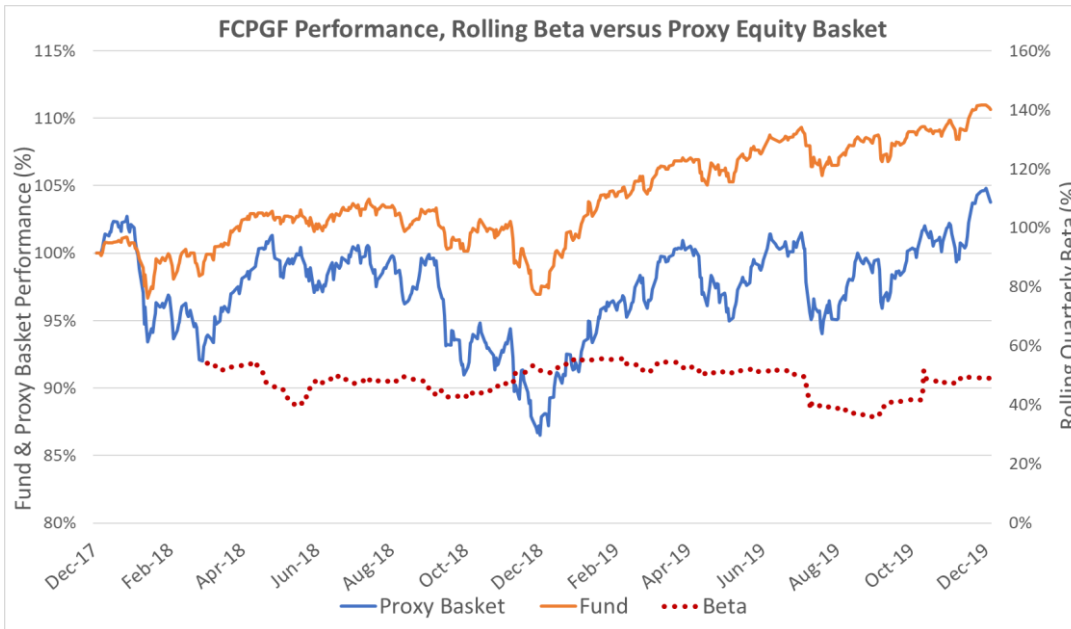
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Fund performance (%) – Share Class A (Acc)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	12 Month Perf Periods	
2017									-0.10	0.06	0.33	0.84	1.13	Dec 16 - Dec 17	N/A
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	Dec 17 - Dec 18	-2.47
2019	5.03	1.76	1.17	1.48	-1.60	2.32	1.08	-1.62	1.49	0.00	0.75	1.00	13.46	Dec 18 - Dec 19	13.46

Fund performance (%) – Share Class A (Acc) versus proxy basket of equity indices



*** Proxy basket of indices consists of underlying indices to which the Fund has market sensitivity, as measured by delta. Their weight within the basket is rebalanced each month end to match that of the Fund's delta, normalised to an overall basket weight of 100%.

For example May 2019 the UK market delta = 21% and overall Fund delta = 50%, UK weight in proxy basket = 21% / 50% = 42%. This methodology is applied for each underlying equity index.

The weights as calculated at May 2019 will be applied for calculating June 2019's historical performance for the Proxy basket.

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