

Fortem Capital Progressive Growth Fund

Monthly Report – 29th November 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 delivered a healthy 0.75% return over the month, against a backdrop of broadly positive developed market equity returns.

Within the Core, two structures called and were replaced by three new investments; continuing the objective of increasing diversification in terms of the number of investments and individual sizing within the Fund. The first of which, a UK / US equity linked autocall was replaced with the exact same investment in terms of underlying and observation barriers. The second investment, a Europe / US equity linked autocall was rolled into two separate Europe / US equity linked autocalls with differing strikes and observation barriers.

Fund performance could be ascribed to the Core and Diversifiers. Gains from within the Core were attributable to both the equity linkage (beta) and that of 'theta decay' that is the deterioration in option prices the Fund has implicitly sold, through the passage of time. Gains from within the Diversifiers came from across the board. Credit wise, there were offsetting performance moves across maturities and sovereign credit, leading to net negligible pnl.

Overall the Fund is on course to deliver on the 6-7% annualised target return whilst being defensively positioned to weather equity market sell offs. This is summarised by the charts on page 2 and summarised below.

- 1) Short term projection - Equity Market Delta
- 2) Medium term projection - Performance scenario analysis
- 3) Longer term cover to capital & growth - Equity index barrier exposures

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: £1.1080 Class D: £1.0228 ¹ Class A (hedged) USD: \$1.0474 Class A (hedged) EUR: €1.0267
Net Asset Value	£129,350,860
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

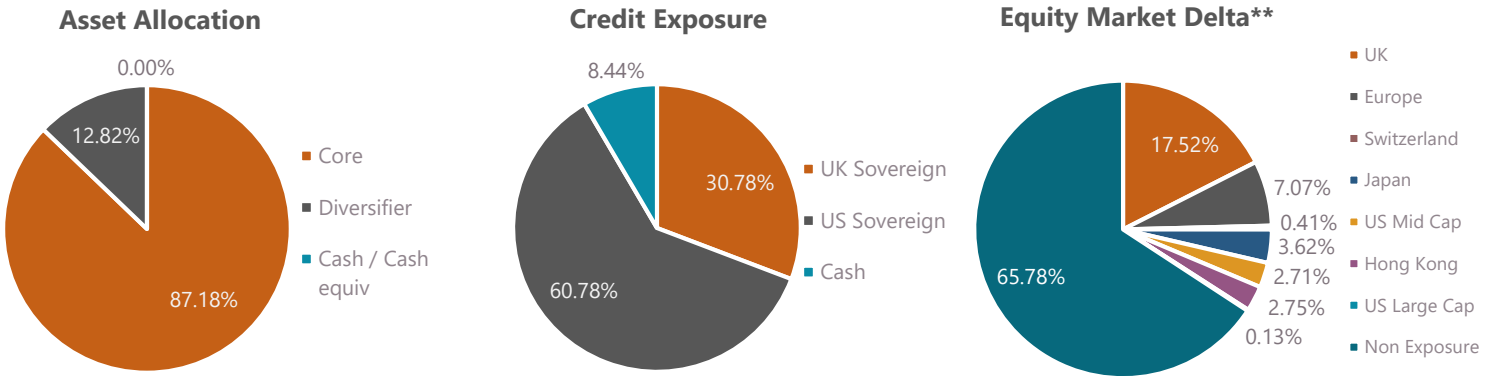
* Includes the UK Equal Weight Index

Information as at 29th November 2019

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Portfolio breakdown



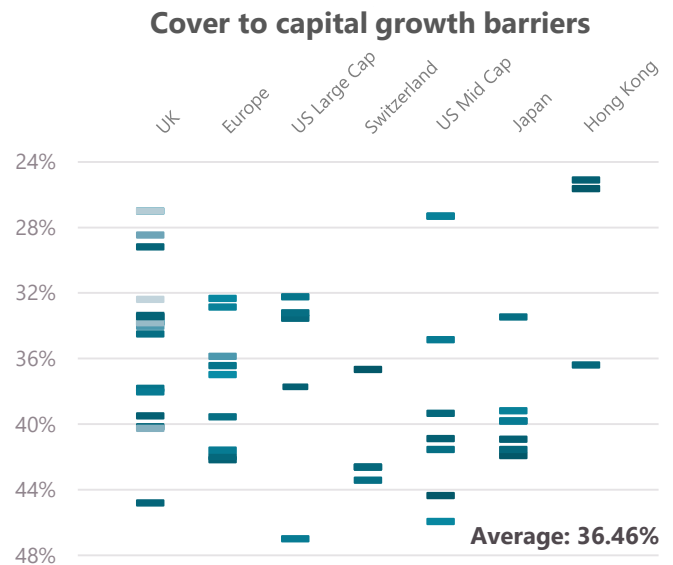
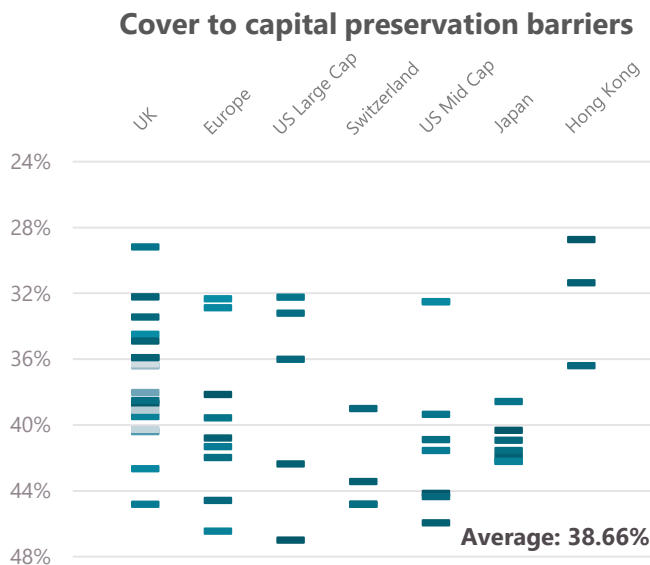
** sensitivity of the fund to underlying market moves

12 month projected Fund performance^

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-7.8%	-4.7%	-2.0%	0.0%	1.3%	2.2%
1 month	-7.3%	-4.1%	-1.5%	0.4%	1.8%	2.8%
2 months	-7.0%	-3.8%	-1.2%	0.8%	2.1%	3.1%
3 months	-6.7%	-3.0%	-0.9%	1.1%	2.6%	3.6%
6 months	-5.5%	-2.4%	0.4%	2.6%	4.0%	5.0%
12 months	-2.9%	1.2%	4.1%	6.0%	7.3%	8.1%

^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.

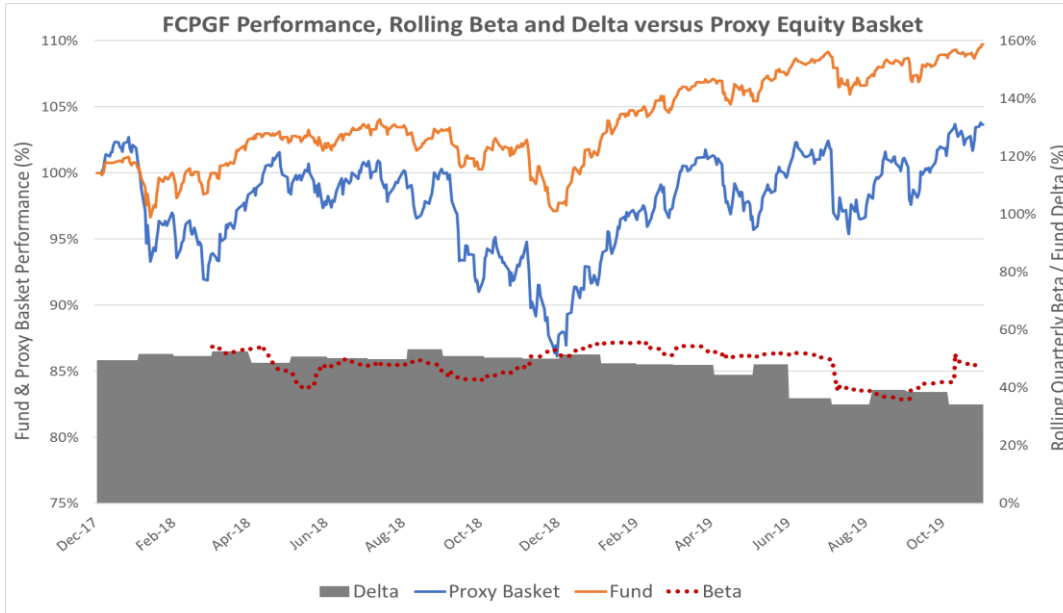
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Fund performance (%) – Share Class A (Acc)

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	Nov 16 - Nov 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	Nov 17 - Nov 18	2.70
2019	5.03	1.76	1.17	1.48	-1.60	2.32	1.08	-1.62	1.49	0.00	0.75		12.34	Nov 18 - Nov 19	7.57

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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