

Fortem Capital Progressive Growth Fund

Monthly Report – 31st October 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

Fund performance was flat for the month alongside a rebound of most Global equity markets. The FTSE was an outlier, being down more than 2%, albeit driven most likely by the rebound in sterling.

There were therefore moderate gains made within the Core, with holdings linked to UK equities being offset by gains in other markets. The majority of the gains were attributable to 'Theta' decay, which in layperson's terms is the deterioration in the value of the options the Fund is short, through the passage of time.

These small gains within the Core were offset, primarily from marginal negative performance within the Diversifiers. The positions within the Diversifiers, which have a slightly negative beta to equities, were the primary contributors.

Overall the Fund is well positioned to deliver on the target return. The barriers summary outlined on page two shows how the Fund holdings can withstand, on average, nearly a 36% fall in underlying equity markets and still deliver a positive return, with the most aggressive holding having more than a 25% buffer.

Prospective investors sometimes ask why the Fund holds Diversifiers. The answer is quite simple, they provide, through sensible portfolio construction an element of equity risk 'dampening' and consistency. This is best illustrated by the chart on page three, which plots the historical equity market sensitivity and beta of the Fund. Even in the Fund's relatively short two year life, it has experienced peak to trough equity moves of circa 15%, yet the market sensitivity and realised volatility of the Fund has remained broadly at the 50% target level.

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: £1.0997 Class D: £1.0151 ¹ Class A (hedged) USD: \$1.0388 Class A (hedged) EUR: €1.0198
Net Asset Value	£121,515,732
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

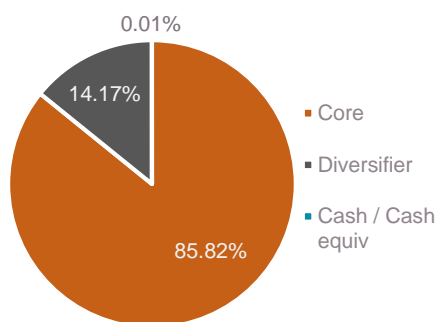
Information as at 31st October 2019

Phone: 0208 050 2905

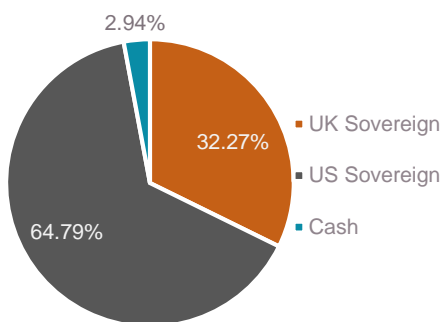
Email: sales@fortemcapital.com

Portfolio Breakdown

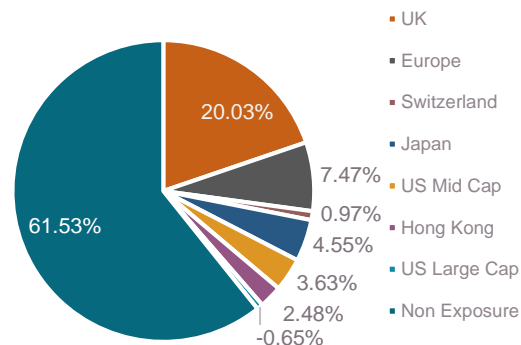
Asset Allocation



Credit Exposure



Equity Market Delta**



** sensitivity of the fund to underlying market moves

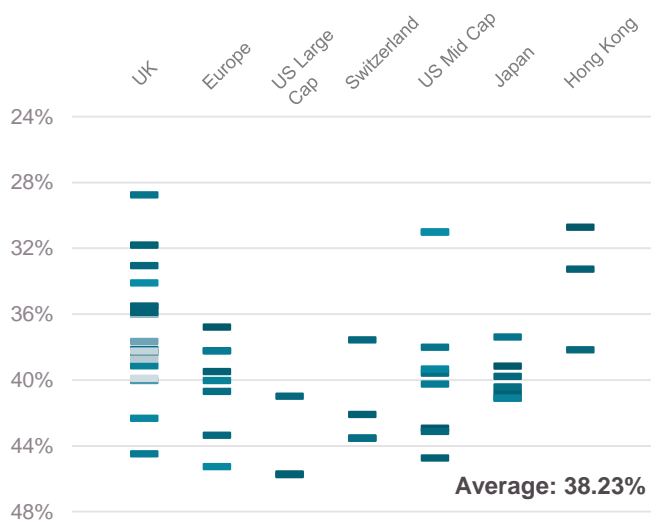
Short term projected Fund performance^

	-15%	-10%	-5%	0%	+5%	+10%
Immediate	-7.8%	-4.7%	-2.0%	0.0%	1.4%	2.3%
1 month	-7.4%	-4.3%	-1.7%	0.4%	1.8%	2.8%
2 months	-7.0%	-4.0%	-1.4%	0.7%	2.2%	3.2%
3 months	-6.7%	-3.6%	-1.0%	1.1%	2.6%	3.6%
6 months	-5.4%	-2.4%	0.2%	2.3%	3.8%	4.9%
12 months	-3.5%	0.7%	3.9%	6.1%	7.5%	8.4%

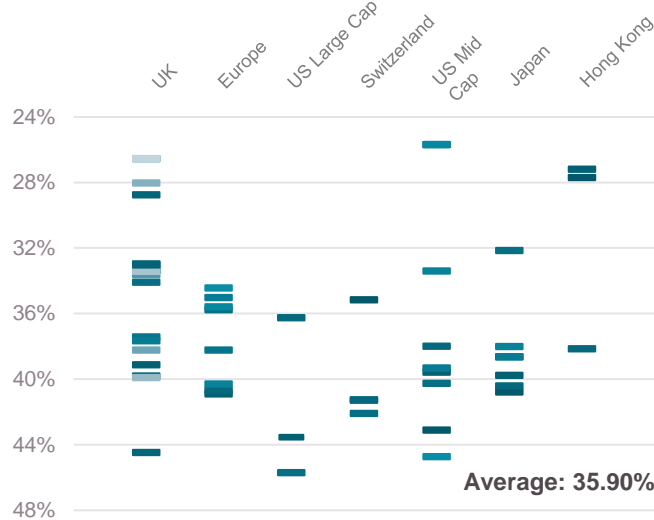
^These scenarios are net of fees and represent sensitivities to equity market moves only. Therefore it does not include performance contribution from the Diversifiers or credit.

Summary of equity index barrier exposures

Cover to capital preservation 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.

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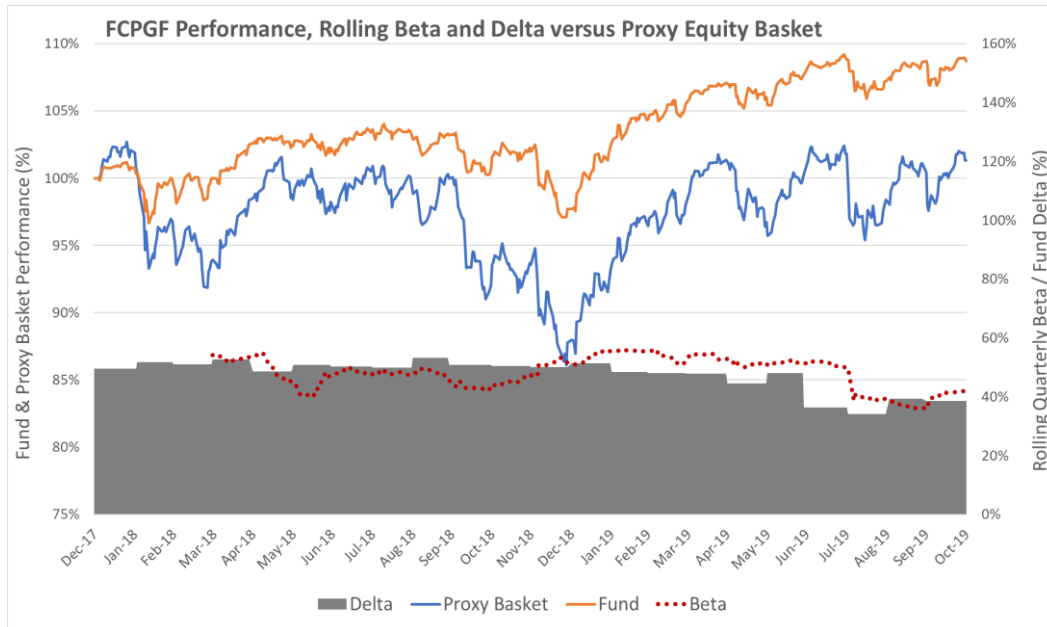
Fund performance (%) – Share Class A (Acc)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017									-0.10	0.06	0.33	0.84	1.13
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
2019	5.03	1.76	1.17	1.48	-1.60	2.32	1.08	-1.62	1.49	0.00			11.50

12 Month Perf Periods

Oct 16 - Oct 17	N/A
Oct 17 - Oct 18	2.69
Oct 18 - Oct 19	7.13

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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