

# Fortem Capital Progressive Growth Fund



## Monthly Report – 30th November 2020

UK & EU – For professional and institutional investors only

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### 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

During a year in which so many records have been broken, it should perhaps have come as no surprise that more might be broken. November did not disappoint as numerous stockmarkets posted record monthly gains.

| Total Return | YTD          | Nov         |
|--------------|--------------|-------------|
| UK 100       | -14.4%       | 12.7%       |
| US 500       | 13.4%        | 10.9%       |
| Europe 50    | -4.9%        | 18.1%       |
| Swiss 30     | 2.1%         | 9.4%        |
| Japan 225    | 13.4%        | 15.1%       |
| Hong Kong 50 | -3.7%        | 9.4%        |
| US 2000      | 10.4%        | 18.4%       |
| <b>FCPGF</b> | <b>-1.0%</b> | <b>7.5%</b> |

Positive results from three major vaccine trials suggested that light had appeared at the end of the tunnel and propelled equities skywards, in particular cyclical, value names that had struggled so much as a result of the policy reaction to the pandemic. The Fund similarly enjoyed a record month, posting a gain of 7.5%.

Within the Core Portfolio, spot moves in the indices to which the Fund is exposed were the most significant contributor at 7.5%. Elsewhere, volatility added 0.2% while theta (the passage of time) added 0.4%.

The Diversifier Portfolio detracted 0.27% over the month. November also saw credit spreads hit record lows, which alongside the huge rotation into more cyclical names had a pronounced negative effect on the Fund's equity market neutral quality and credit positions, which were of particular benefit in March when needed.

The Fund continues to behave exactly as expected and is now down 1% YTD, which is favourable compared with the two major indexes to which it has underlying exposure, which are down 14.4% & 4.9% respectively. The consistency the Fund has shown is down to nothing more than sensible construction, conservative final barriers, and a sprinkling of Diversifiers to dampen short term volatility.

### Platform availability

|           |             |              |           |            |               |               |        |
|-----------|-------------|--------------|-----------|------------|---------------|---------------|--------|
| 7im       | Aegon       | Allfunds     | Ascentric | Aviva      | Elevate       | Fidelity Intl | Fusion |
| James Hay | Novia Fin'l | Novia Global | Nucleus   | Old Mutual | Standard Life | Transact      | Zurich |

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### Key Facts

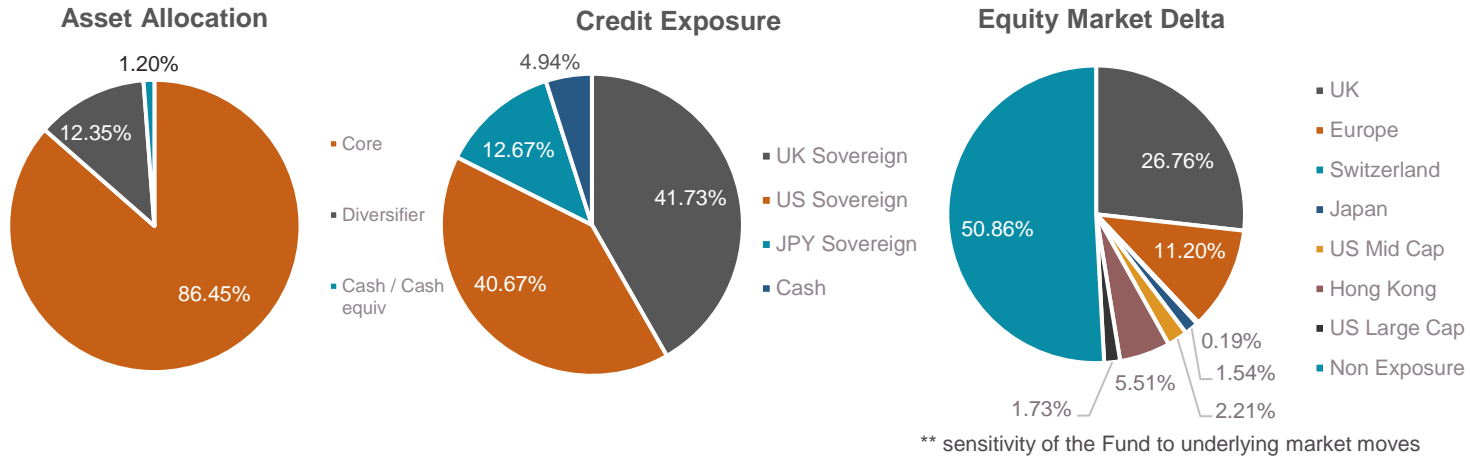
|                                   |  |              |            |
|-----------------------------------|--|--------------|------------|
| Investment Manager                | Fortem Capital Limited   |              |            |
| Net Asset Value                   | £ 199,421,438  |              |            |
| Fund 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<br>Class D: Distribution                                     |              |            |
| Initial Share Price               | £1.000   |              |            |
| Minimum Subscription              | Class A: £5,000,000 <sup>^</sup><br>Class D: £5,000,000 <sup>^</sup>               |              |            |
| Annual Management Charge          | Class A: 50bps<br>Class D: 50bps   |              |            |
| OCF                               | Class A: 70bps<br>Class D: 70bps   |              |            |
| Reporting Status                  | Registered with HMRC   |              |            |
| 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   |              |            |
| Prospectus & KIID (EN, NL) on     | <a href="http://www.fortemcapital.com/fund.php">www.fortemcapital.com/fund.php</a> |              |            |
| Share Class                       | Unit NAV   | ISIN         | Bloomberg  |
| Class A GBP                       | 1.1081   | IE00BF047831 | FCPGFAA ID |
| Class D GBP                       | 0.9772   | IE00BD7Y3W82 | FCPGFDD ID |
| Class A USD                       | 1.0666   | IE00BJH53458 | FCPGFUA ID |
| Class A EUR                       | 1.0246   | IE00BJH53565 | FCPGFEA ID |
| Class D EUR                       | 1.1528   | IE00BKM0L60  | FCPGFED ID |

<sup>1</sup> Excludes distribution of income

<sup>^</sup> Minimum sizing can be waived upon request

\* Includes the UK Equal Weight Index  
Information as at 30<sup>th</sup> November 2020

## Portfolio breakdown

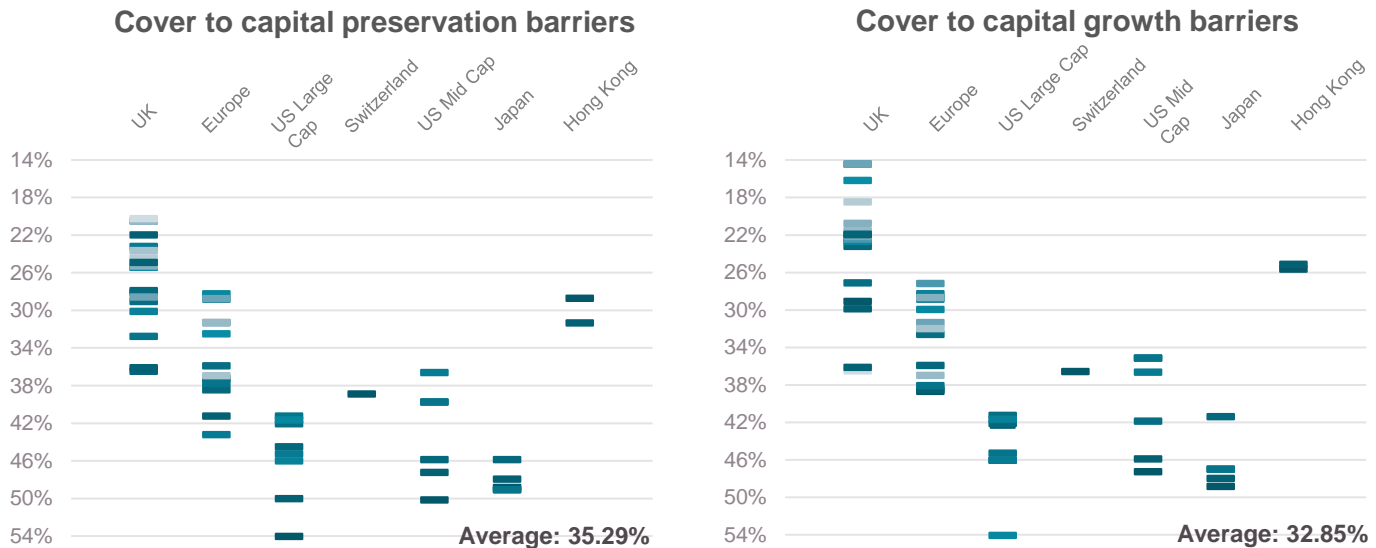


## 12 month projected Fund performance<sup>^</sup>

|           | -15%   | -10%  | -5%   | 0%    | +5%   | +10%  |
|-----------|--------|-------|-------|-------|-------|-------|
| Immediate | -10.2% | -6.3% | -2.9% | 0.0%  | 2.5%  | 4.5%  |
| 3 months  | -8.5%  | -4.7% | -1.4% | 1.3%  | 3.5%  | 5.4%  |
| 6 months  | -7.4%  | -3.5% | 0.1%  | 2.8%  | 5.0%  | 6.8%  |
| 12 months | -4.8%  | -0.8% | 2.7%  | 5.6%  | 7.9%  | 9.8%  |
| 36 months | 9.5%   | 13.7% | 16.8% | 19.4% | 21.0% | 22.1% |

<sup>^</sup> These scenarios are net of fees  
<sup>^</sup> Represent sensitivities to equity market moves only.  
<sup>^</sup> Assumes Diversifiers deliver 3% p.a.  
<sup>^</sup> Assumes current asset allocation weights

## 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.

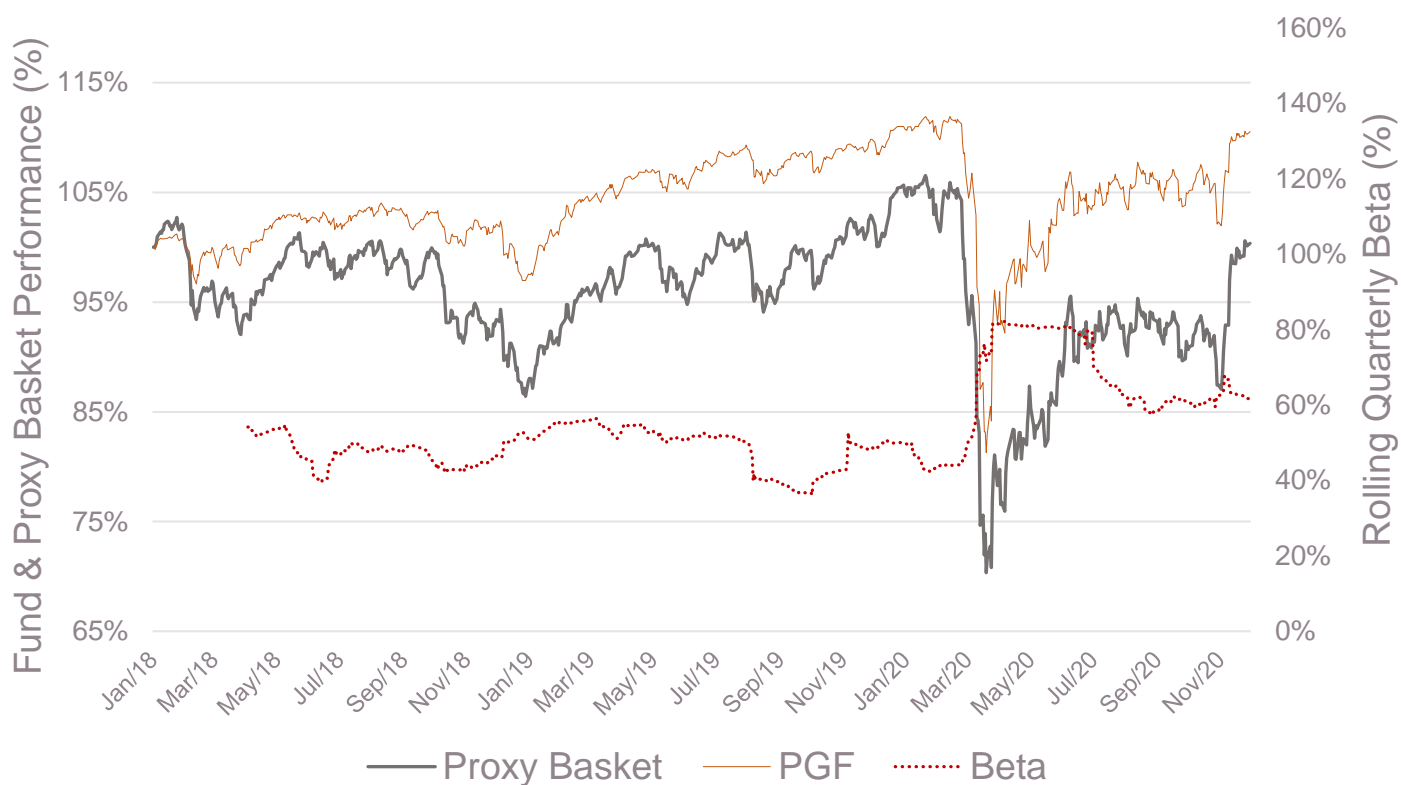
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## Fund performance (%) – Share Class A (Acc)

| 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  | <b>1.13</b>  | Nov 17 - Nov 18       | <b>2.70</b> |
| 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> | Nov 18 - Nov 19       | <b>7.57</b> |
| 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  | <b>13.46</b> | Nov 19 - Nov 20       | <b>0.01</b> |
| 2020 | -0.79 | -4.84 | -8.16 | 4.38 | 3.19  | 0.41  | -0.35 | 2.53  | -1.03 | -2.84 | 7.46 |       | <b>-0.98</b> |                       |             |

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

### FCPGF Performance, Rolling Beta versus Proxy Equity Basket



\*\*\* 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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