

# Fortem Capital US Equity Income Fund



## Quarterly Commentary – 30th September 2025

UK & EU – For professional and institutional investors only

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The Fund's objective is to provide an annual income of 4% p.a. whilst providing for capital growth such that the Fund's total return tracks the US 500 Index's net total return.

The quarter opened with steady gains in July, driven by better-than-expected second-quarter results and ongoing momentum in technology and communication services. Markets briefly weakened during the month following softer employment data, but sentiment stabilised as earnings continued to outperform and inflation pressures remained contained relative to expectations.

In August, headline inflation edged higher, though tariff passthrough effects proved limited, allowing the Fed scope to ease policy. The September meeting delivered a 25-basis-point rate cut, the first of the year, and a more dovish policy signal that underpinned risk appetite and pushed equities to fresh highs.

Technology and communication services were the standout sectors while healthcare and energy lagged amid weaker oil prices. Broad participation across cyclical sectors also supported the advance. By quarter-end, US growth data remained robust, with GDP for the second quarter revised upwards, reflecting steady consumer spending and contained core inflation.

While volatility in Treasuries prompted some late-quarter rotation within equities, overall market tone remained constructive. The Fund tracked its benchmark closely throughout the period and entered the fourth quarter well-positioned amid an environment of moderating inflation, supportive policy, and still-resilient economic growth.

A historic problem for US benchmark equity for investors in need of income is its lack of natural yield, a problem exacerbated as the index becomes dominated by stocks that pay little or no dividends. However, the Fund again paid a dividend during the quarter making the 12m historic yield 4.0%. Income investors are no longer required to choose between benchmark exposure and yield.

Total Return	2025	Q3
UK 100	17.7%	7.5%
US 500	14.5%	8.0%
Europe 50	15.4%	4.5%
Japan 225	14.3%	11.6%
Hong Kong 50	38.0%	12.4%
US 2000	10.4%	12.4%
Swiss 30	7.7%	1.7%
Global Equity	17.4%	7.3%
Global Bond	6.1%	2.0%
Commodities	9.4%	3.7%
<b>PGF</b>	<b>6.9%</b>	<b>2.0%</b>
<b>AGF</b>	<b>1.9%</b>	<b>-1.3%</b>
<b>DGF</b>	<b>0.6%</b>	<b>-2.0%</b>
<b>USI</b>	<b>14.0%</b>	<b>7.9%</b>
<b>ARF</b>	<b>7.3%</b>	<b>3.7%</b>
<b>CARF</b>	<b>7.0%</b>	<b>3.1%</b>

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