

## Fund Factsheet

# VT Argonaut Absolute Return

At 31 May 2023

Barry Norris  
Fund Manager



Barry Norris founded Argonaut in 2005 and manages the VT Argonaut Absolute Return Fund using his "earnings surprise" investment process. Barry began managing money in 2002 at Neptune, having begun his career at Baillie Gifford. He was educated at Cambridge University and has an MA in History, and an MPhil in International Relations. He also holds the CFA charter.

### Fund aim

To provide positive absolute returns in Sterling share class currency over a 3 year rolling period, utilising a variety of asset classes and regardless of market conditions. The fund will not be managed against any formal benchmark. Capital invested in the fund is at risk and there is no guarantee that the investment objective will be met over the 3 year rolling periods or in respect of any other time period. Historically, the fund has delivered lowly correlated returns to European equity markets.

### Fund overview

Sector	IA Targeted Absolute Return
Launch date	18 Feb 2009 (GBP A Acc) 28 May 2009 (GBP I Acc) 16 Jul 2012 (GBP R Acc)
Fund size	£103.7m
No. of long holdings	43
No. of short holdings	71
Share class	Class A/Class R/ Class I
Sedol code	A (Acc) – B7MCO9R R (Acc) – B7FT1K7 I (Acc) – B79NKW0
Bloomberg	A (Acc) – IIMEAAAG LN R (Acc) – IIMEARAG LN I (Acc) – IIMEAIAG LN
ISIN	A (Acc) – GB00B7MCO9R0 R (Acc) – GB00B7FT1K78 I (Acc) – GB00B79NKW03
Initial charge	0.0%
Ongoing charge GBP (as at 28/2/23)	A Acc Class Shares –1.56% R Acc Class Shares –0.81% I Acc Class Shares –0.81%
AMC	A Class Shares –1.50% R Class Shares –0.75% I Class Shares –0.75%
Performance fee	20% of anything above the hurdle rate (5% per annum) subject to the price exceeding the high water mark (HWM)
Minimum investment	£500 (A Class Shares)
Minimum top up	£250 (A Class Shares)
Regular savings scheme	Yes (A Class Shares)
ISA option available	Yes (A Class Shares)
XD/Payment dates	01.03/30.04, 01.09/31.10

Any past performance or references to the period prior to 14 July 2012 relate to the Ignis Argonaut unit trusts.  
Source: Internal. All information as at 31/05/2023 unless otherwise stated.

Funds performance based on GBP share class, return may increase or decrease as a result of currency fluctuations on each share class.  
Investor information – This Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

### Fund Commentary

**Bloomberg:** "Where do you invest right now? Where are you putting that million?"

**Dimon:** "Central Banks"

**Jamie Dimon, CEO, JP Morgan, Bloomberg Interview, May 11<sup>th</sup>, 2023**

The fund returned +2.47% over May, compared with the IA Targeted Absolute Return sector which returned -0.44% and the Lipper Global Alternative Long/Short Equity Europe sector return of -0.04%. The correlation to the market was 0.42.

The fund made money in its short book. The best performing shorts were beleaguered Swedish property outfit Samhallsbyggnadsbolag (-71%); Nordic cable duct manufacturer Hexatronic (-25%), UK scavenger media vehicle Future (-36%) and IDS, a trade union-controlled UK postal service, formerly known as the Royal Mail (-22%).

The fund had a small loss in its long book owing to overall market weakness with its best performers: US builders' merchant Firstchoice (+25%), Norwegian Air Shuttle (+21%) and US regional bank First Citizens (+26%), which cherry picked the carcass of Silicon Valley Bank from FDIC receivership.

May saw a rally in AI related technology stocks and a sell-off in almost everything else, particularly those Chinese related, where the "re-opening" recovery narrative has stalled. Guidance from most Fed officials that a "pause" in rate hikes in June is now appropriate also supported animal spirits, as if this would result in a "no" or "soft-landing", when in our view, a "hard landing" is now already inevitable.

<sup>2</sup> Lipper 31/05/2023, I Accumulation share class performance, in GBP with net income reinvested and no initial charges.

<sup>3</sup> Correlation compares the hedged GBP I Acc share class daily returns against the Lipper Global Equity Europe.

	1 Month	YTD	3 Year	5 Year	10 Year	Since Launch	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Fund</b>	2.5	3.7	27.0	52.2	106.6	181.9	11.3	10.3	16.6	12.8	-11.7	17.3	-25.6	11.0	13.6	39.7
<b>AR Sector</b>	-0.4%	0.8	8.8	7.5	20.9	46.1	-2.3	3.8	2.9	4.7	-2.7	3.2	1.1	2.7	2.7	7.3
<b>Rank</b>	3/96	6/96	9/93	3/76	1/38	2/16	8/99	13/101	5/111	6/113	99/101	2/97	87/87	6/73	1/60	2/54
<b>Quartile</b>	1	1	1	1	1	1	1	1	1	1	4	1	4	1	1	1
<b>L/S Sector</b>	-0.0%	1.8	11.9	4.6	19.7	38.5	-4.3	8.74	1.0	6.1	-6.8	2.5	-4.3	7.6	3.9	6.6
<b>Rank</b>	1/69	18/69	8/58	2/50	4/27	2/12	6/62	19/64	6/82	20/94	64/77	4/68	56/56	5/43	3/39	2/36
<b>Quartile</b>	1	2	1	1	1	1	1	2	1	1	4	1	4	1	1	1

	2023 (YTD)	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Correlation</b>	0	-0.3	0.2	0.0	0.2	0.4	0.3	0.3	0.1	0.3
<b>Downside Capture Ratio (%)</b>	-156.11	-51.9	-28.0	-84.8	-219.2	65	-242.0	99.0	-10.0	-46.0
<b>Standard Deviation (%)</b>	15.3	16.9	12.1	20	13.4	14.3	12.9	10.8	8.3	10.8
<b>Sharpe Ratio</b>	0.35	0.6	0.9	0.9	0.9	-0.8	1.3	-2.7	1.2	1.2
<b>Sortino Ratio</b>	0.33	0.5	0.8	0.8	0.7	-0.8	1.9	-1.8	1.2	1.2

Source: Argonaut Capital Partners & Lipper 31/05/2023, I Accumulation share class performance, in Sterling with net income reinvested and no initial charges. The AR is the IA Targeted Absolute Return NR (TAR) and L/S Sector is Lipper Global Alternative Long/Short Equity Europe, both quoted in local currency. The market's (Lipper Global Equity Europe) performance is quoted in Euros, but the fund's performance is quoted in Sterling, as the fund is currency hedged back to Sterling, so it should be measured relative to local currency (Euros). Standard deviation is based on monthly return data.

Past Performance is not a guide to future performance. The value of shares and any income from them may fall as well as rise and is not guaranteed.

# Fund Factsheet

## VT Argonaut Absolute Return

At 31 May 2023

### Glossary:

#### Long position

Positions that will deliver a positive return if the stock goes up in value and a negative return if the stock falls in value

#### Short position

Positions that will deliver a positive return if the stock falls in value and a negative return if the stock goes up in value

#### Gross exposure

The overall exposure of the fund - the sum of the value of the long positions and the short positions

#### Net exposure

The directional market exposure of the fund - the value of the long positions minus the value of the short positions

Top Five Long Positions	Fund %
Microsoft	4.3
Mowi	4.1
Salmar	4.1
Wisdomtree Physical Gold	4.0
Amazon	4.0

Exposure	Fund %
Long Exposure	98.9
Short Exposure	-58.5
Net Exposure	40.9
Beta Adjusted Net	0.2
Gross Exposure	157.4

Correlation to the Lipper Global Equity Europe	
Monthly Correlation	0.4

Market Cap Fund %	Long	Short
Large Cap €5bn - €20bn	76.3	-24.4
Mid Cap €1bn - €5bn	16.2	-20.8
Small Cap <€1bn	6.4	-13.3

Days to Liquidate	% of Invested Portfolio
Less than 1 day	90.9
1-5 days	6.5
More than 5 days	2.6

Days to liquidate positions in the portfolio using 20% of the 90 days average trading volume

Source: Argonaut Capital Partners, all figures at 31/05/2023, these figures are subject to rounding. Past Performance is not a guide to future performance. The value of shares and any income from them may fall as well as rise and is not guaranteed.

### Dealing Contact:

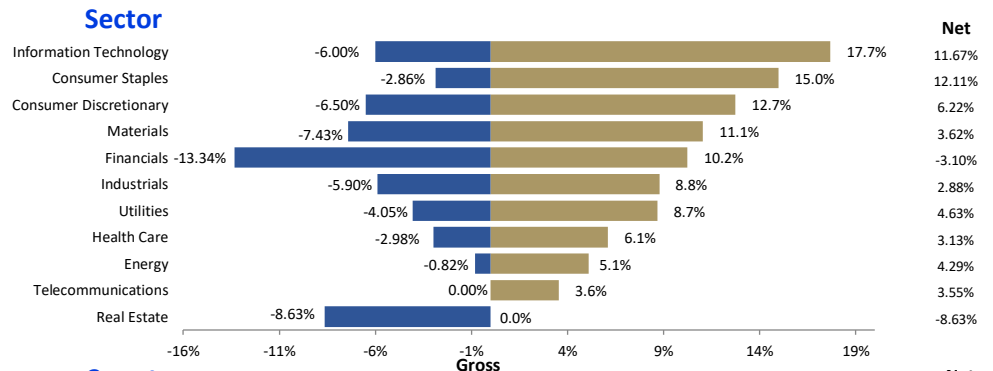
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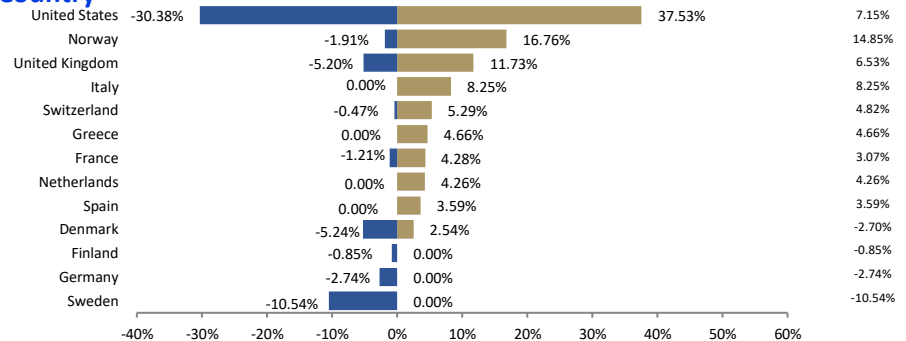
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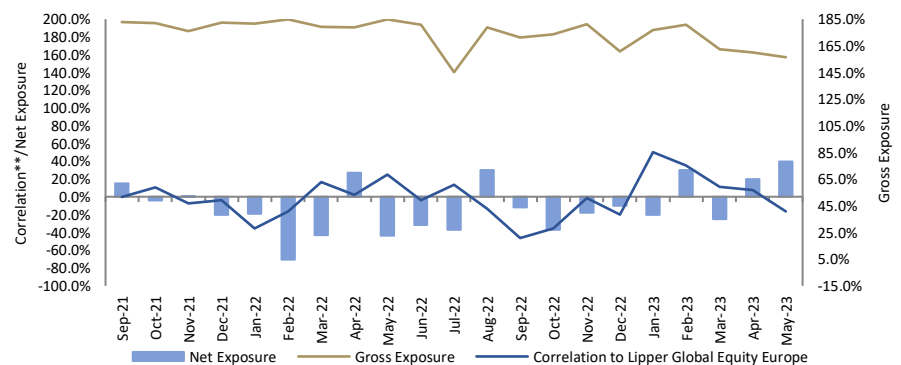
### Long/Short Positions



### Country



### Overall Fund Exposure



\*\*Lipper Global Equity Europe quoted in € and the VT Argonaut Absolute Return GBP I Acc quoted in £ as the fund is currency hedged back to Sterling, so it should be measured relative to local currency (Euros).

### Important Information

The fund takes long and short positions based on the fund manager's views of the market direction. This means the fund's performance is unlikely to track the performance of broader equity markets. While this creates the opportunity for the fund to deliver positive returns in falling markets, it also means the fund could deliver negative returns in rising markets. The use of independent ratings is not a recommendation to buy and is not a guide to future returns. This Fund is marketed to professional investors and eligible counterparties. Retail investors should seek further advice before investing. Valu-Trac Investment Management Limited is the Authorised Corporate Director (ACD) of VT Argonaut Funds and is authorised and regulated by the Financial Conduct Authority. Registered office: Level 13, Broadgate Tower, 20 Primrose Street, London, EC2A 2EW.

Investors should refer to the Key Investor Information Document (KIID) and Supplementary Information Document (SID) before investing. For a copy, please telephone Valu-Trac Investment Management Limited on 01343 880 217 or visit [www.argonautcapital.co.uk](http://www.argonautcapital.co.uk) Alternatively write to Valu-Trac Investment Management Limited- Argonaut, Orton, Moray, Scotland, IV32 7QE. The prospectus, KIIDS, the articles, the annual and semi-annual reports of the Fund may be obtained free of charge from the ACD. This communication is for general information purposes only and does not constitute professional advice. Argonaut Capital Partners accepts no responsibility for any loss arising from reliance on the information it contains. The value of shares and any income from them can fall as well as rise and is not guaranteed. Exchange rate movements may cause the value of overseas investments to fluctuate.

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