

Fund Factsheet

VT Argonaut European Alpha

Fund Commentary

At 31 December 2023

Barry Norris
Fund Manager



Barry Norris founded Argonaut in 2005 and manages the VT Argonaut European Alpha 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 achieve above average returns and attempt to perform a top quartile profile when measured against competing funds in the same sector.

Fund overview

Sector	IA Europe ex UK
Launch date	12 May 2005 (GBP A Acc) 6 December 2005 (GBP I Acc) 16 July 2012 (GBP R Acc)
Fund size	£18.6m
Share class	Class A/Class R/Class I
No. of holdings	32
Sedol codes	A (Acc) – B4ZRCDO R (Acc) – B7MNV8T7 I (Acc) – B76L737
Bloomberg	A (Acc) – IMAEAAG LN R (Acc) – IMAERAG LN I (Acc) – IMAEIAG LN
ISIN	A (Acc) – GB00B4ZRCDO5 R (Acc) – GB00B7MNV8T72 I (Acc) – GB00B76L7377
Initial charge	0.0%
Ongoing charge GBP (as at 31/12/21)	A Acc Class Shares – 1.89% R Acc Class Shares – 0.89% I Acc Class Shares – 0.89%
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.

All information as at 31/12/2023, unless otherwise stated and measured against the fund's benchmark index.

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.

"Restoring price stability will likely require maintaining a restrictive policy stance for some time. The historical record cautions strongly against prematurely loosening policy."

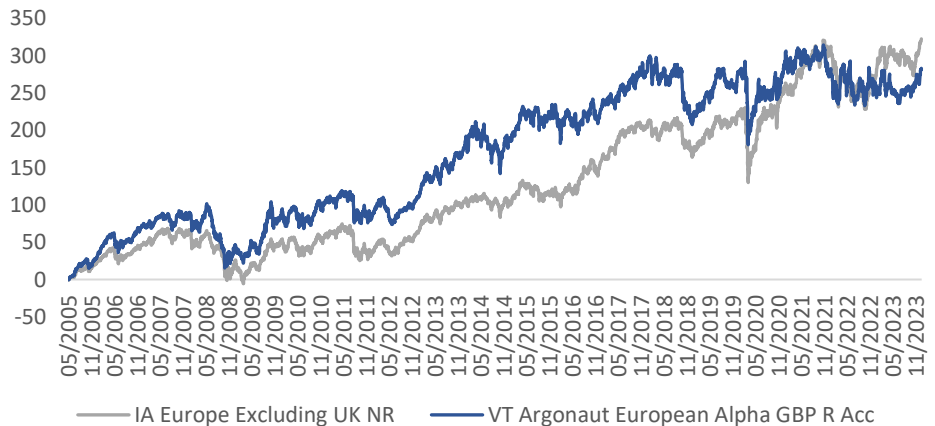
Federal Reserve Chairman Powell, Jackson Hole, August 26th, 2022

The fund returned +3.52% over December, compared with the IA Europe ex UK sector which returned +4.97%.

The best performing stock was Austrian semiconductor outfit AMS (+26%) which successfully completed its rescue rights issue which was Argonaut's entry point. Swedish defence conglomerate SAAB (+16%) and product tanker company Hafnia (+11%) also performed strongly on rising geopolitical tensions. The worst performer was Spanish bank Caixa (-9%) on fears that lower global interest rates would mean peaking profitability for banks in general.

During the month the 10-year US Treasury yield having briefly touched 5% in October for the first time since 2007, fell to 3.87%. This came after a curious FOMC press conference during which Chairman Powell failed to repeat his previous warnings of "high for longer" interest rates or "vigilance" around inflation, and instead appeared to endorse the market view that the battle against inflation had been won without the need for a recession.

Whilst Q3 US real GDP growth was revised back to +4.9% (or +8.4% nominal), Q4 GDP (as estimated by the AtlantaFed NowCast) has seen steady upwards revisions from just over 1% in October and is now running at +2.5%. With the same institution forecasting Q4 PCE inflation of +2.9%, if correct, Q4 would still see nominal growth of 5%. The US economy also currently has full employment with wage increases averaging +5.2% (down from +6.8% in the summer of 2022 but still double the average of the last decade). This is a "no landing" slowdown, not an economy that currently needs stimulus.



¹ Lipper 31/12/2023, R Accumulation share class performance, in GBP with net income reinvested and no initial charges.

£	1 Month	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Since Launch
Fund	3.5	6.3	-5.4	-1.0	2.1	20.5	-17.9	14.9	-1.00	16.1	4.0	31.7	281.2
Sector	5.0	13.5	-9.2	15.7	10.7	20.1	-12.4	17.4	16.8	9.3	-0.8	26	322.9
Quartile Rank	4	4	1	4	4	2	4	3	4	1	1	1	3

Source: Lipper 31/12/2023, Date from the 12th May 2005 – 16th July 2012 A class and 16th July 2012 – 31st December 2023 reflects class R units, in Sterling with net income reinvested and no initial charges. The sector is the IA Europe ex UK NR quoted in Sterling.

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.



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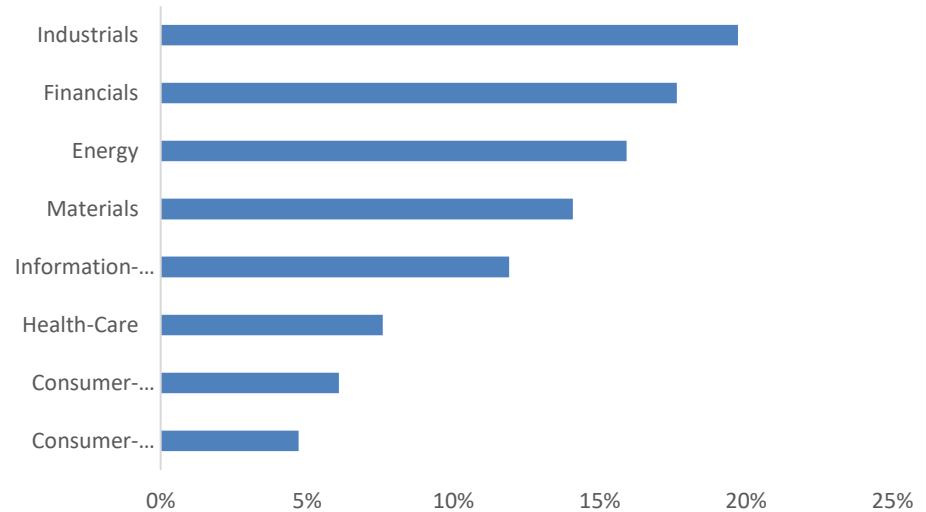
At 31 December 2023

Top Five holdings	Fund %
Hafnia	5.3
Torm	5.2
Pandora	4.7
Novo Nordisk	4.4
Glencore	4.4

Country Breakdown	Fund %
Norway	22.8
Denmark	14.3
Italy	12.3
Germany	12.1
Netherlands	8.2
Spain	6.9
Switzerland	6.1
United Kingdom	4.4
Other European	12.9

Market Cap	Fund %
Large Cap €5bn – €20bn	66.1
Mid Cap €1bn – €5bn	24.2
Small < €1bn	7.4
Cash	2.3

Sector Weights



Risk Analysis	Since Launch	1 Year
Beta	0.8	0.1
Standard Deviation (%)	16.0	11.0
Tracking Error	9.4	15.4
Jensen's Alpha	0.9	0.7
Sharpe Ratio	0.4	0.2
Information Ratio	-0.0	-0.5

Source: Lipper, all figures at 31/12/2023, these figures are subject to rounding. Date from the 12th May 2005 – 16th July 2012 A class and 16th July 2012 – 31st December 2023 reflects class R units. Tracking error is calculated ex post.

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Source: Argonaut Capital Partners, all figures at 31/12/2023, these figures are subject to rounding.

Dealing Contact:

Tel: +44 (0)1343 880 217

Tel: +44 (0)1343 880 344

Fax: +44 (0)1343 880 267

Telephone calls may be monitored and/or recorded for the purpose of security, internal training, accurate account operation, internal customer monitoring and to improve quality of service.

Other ISINs for this fund:

GB00B6TQCC60	GB00B6T6S066
GB00B5LJR434	GB00B6VYPP25
GB00BVYPB156	GB00B7JXMD51
GB00B76L7377	GB00B4ZRCD05

Important Information

Information Ratio: a risk-adjusted measure of fund performance relative to a benchmark; the higher the number, the more risk-adjusted outperformance the fund has generated.

Jensen's Alpha: a measure of a fund's outperformance of a benchmark over a given period. Jensen's Alpha is used to evaluate the contribution of active management – higher alpha means better fund performance.

Tracking Error: measures the deviation of fund performance from benchmark performance. Funds with a high tracking error have historically deviated more from their benchmark, and vice versa.

Beta: a measure of the sensitivity of fund performance relative to changes in the market. A fund with a beta of one tends to experience movement in line with the market. A beta higher than one suggests the fund will go up by more than the market when it rises, but go down more when the market falls. A beta less than one will go up by less than a rising market, but fall less when the market is down.

Standard Deviation: shows how much variation in return exists from the average. The lower the standard deviation the less variation from the average.

Sharpe ratio: a measure of the excess return per unit of deviation in an investment asset or a trading strategy. The higher the figure means the excess return generated from the increase in risk undertaken.

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