

Fund Factsheet

VT Argonaut Absolute Return

At 31 October 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 (GBPR Acc)
Fund size	£113.4m
No. of long holdings	38
No. of short holdings	61
Share class	Class A/Class R/ Class I
Sedol code	A (Acc) – B7MCO9R R (Acc) – B7FT1K7 I (Acc) – B79NKW0
Bloomberg	A (Acc) – IIMEAAG 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 31/10/2023 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

"When rates were practically zero, every Tom, Dick, Harry, and Mary in the United States refinanced their mortgage. Unfortunately, we had one entity that did not, and that was the US Treasury. Janet Yellen – I guess because political myopia, whatever – was issuing two years at 15 basis points when she could have issued 10 years at 70 basis points or 30 years at 180 basis points. I literally think if you go back to Alexander Hamilton, it was the biggest blunder in the history of the Treasury. I have no idea why she's not been called out on this. She has no right to still be in that job after that. Every caddy I knew, every locker-room person, everybody in America was refinancing their mortgages, every corporation was extending their debt."

Stanley Druckenmiller, Robin Hood Conference, October 30th

The fund returned +7.53% over October, compared with the IA Targeted Absolute Return sector which returned -0.30% and the Lipper Global Alternative Long/Short Equity Europe sector return of -0.83%. The correlation to the market was just 9% and the annualised daily volatility 9% (vs. 14% for the market).

The fund made 1% in its long book and 6.5% from its short book. Our best performing longs were shipping companies: LPG outfit Dorian (+15%) and clean product tanker outfit Torm (+13%) reflecting a further tightening of the market. Other notable contributors included "Diamonds For All" retailer Pandora (+13%) and UK military equipment manufacturer BAE Systems (+10%).

Our best performing shorts were Swedish management enrichment vehicle Hexatronic (-43%); Austrian semiconductor and auto parts supplier AMS (-25%); lithium miner Albermarle (-25%) and rogue vaccine manufacturer Moderna (-26%).

During the month, the 10-year US Treasury yield briefly touched 5% for the first time since 2007, with Q3 US real GDP growth reaccelerating to +4.9% YOY (+8.4% nominal). After month end, the Federal Reserve kept the Fed Funds Rate (u/b) at 5.5% whilst the ECB also left its key deposit rate at 4%. Consensus is that the Fed is now done hiking rates. We are not so sure.

US Treasury Secretary Yellen claimed that higher Treasury yields were "a reflection of stronger economy" rather than the \$2.1trillion (8%) underlying 2023 fiscal year deficit, curiously at a time of high inflation and full employment. At the federal government year-end of September 30 federal debt held by the public was \$26.5trillion equivalent to 98% GDP and just shy of the record 104% in 1945.

² Lipper 31/10/2023, I Accumulation share class performance, in GBP with net income reinvested and no initial charges.

³ 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
Fund	7.53	12.18	26.07	80.4	89.0	205.0	11.3	10.3	16.6	12.8
AR Sector	-0.30	0.50	6.22	8.8	18.8	45.7	-2.3	3.8	2.9	4.7
Rank	1/88	4/88	11/86	1/74	1/38	1/15	8/99	13/101	5/111	6/113
Quartile	1	1	1	1	1	1	1	1	1	1
L/S Sector	-0.83	0.6	9.6	7.7	15.6	36.9	-4.3	8.74	1.0	6.1
Rank	1/71	2/69	10/60	1/52	3/27	2/13	6/62	19/64	6/82	20/94
Quartile	1	1	1	1	1	1	1	2	1	1

	2023 (YTD)	2022	2021	2020	2019
Correlation	0	-0.3	0.2	0.0	0.2
Downside Capture Ratio (%)	180.6	-51.9	-28.0	-84.8	-219.2
Standard Deviation (%)	13.8	16.9	12.1	20	13.4
Sharpe Ratio	0.7	0.6	0.9	0.9	0.9
Sortino Ratio	0.7	0.5	0.8	0.8	0.7

Source: Argonaut Capital Partners & Lipper 31/10/2023, 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 October 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 %
Hafnia	4.7
Torm	4.6
Novo Nordisk	4.2
Rheinmetall AG	4.1
Pandora	4.1

Exposure	Fund %
Long Exposure	91.4
Short Exposure	-53.0
Net Exposure	47.3
Beta Adjusted Net	0.1
Gross Exposure	144.4

Correlation to the Lipper Global Equity Europe	
Monthly Correlation	0.1

Market Cap Fund %	Long	Short
Large Cap €5bn - €20bn	67%	-25%
Mid Cap €1bn - €5bn	16%	-11%
Small Cap <€1bn	8%	-17%

Days to Liquidate	% of Invested Portfolio
Less than 1 day	90.5
1-5 days	9.5
More than 5 days	0.0

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

Source: Argonaut Capital Partners, all figures at 31/10/2023, 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:

Tel: +44 (0)1343 880 217

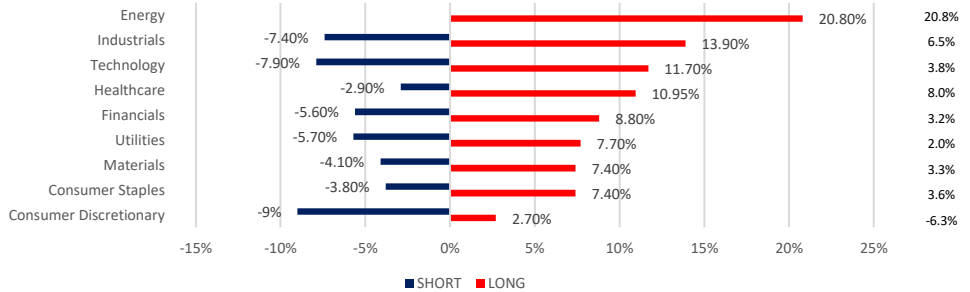
Tel: +44 (0)1343 880 344

Fax: +44 (0)1343 880 267

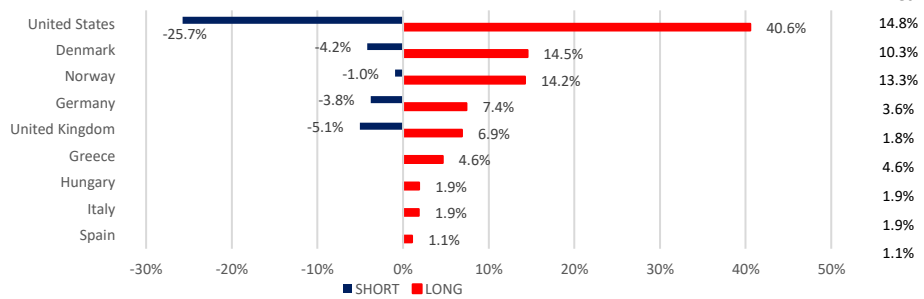
Telephone calls may be monitored and/or recorded for the purpose of security, internal training, accurate account operation, internal customer monitoring and to improve quality of service.

Long/Short Positions

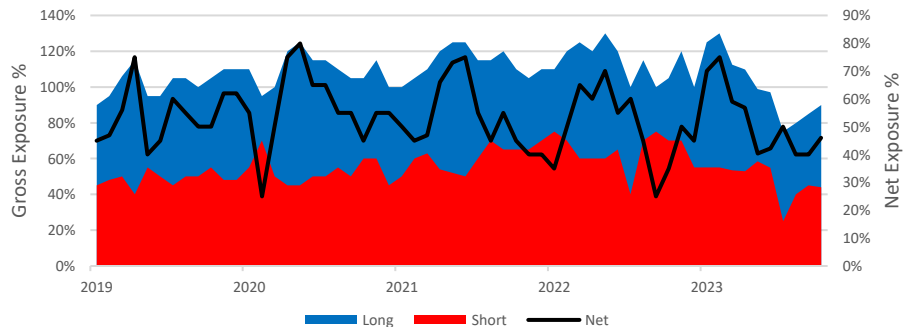
Sector



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. 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.

Issued by Argonaut Capital Partners LLP. Registered in Scotland No. S0300614. Registered office: 4th Floor, 115 George Street, Edinburgh, EH2 4JN. Argonaut Capital Partners LLP is authorised and regulated by the Financial Conduct Authority. The information contained in this document is believed