

Fund Factsheet

VT Argonaut Equity Income Fund

At 31 October 2023

Barry Norris
Fund Manager



Barry Norris founded Argonaut in 2005 and manages the VT Argonaut Equity Income 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

The Fund aims to provide an income (net of fees) in excess of the yield of the European market (as represented by the IA Europe ex UK sector) with capital growth over any 5 year calendar period.

Fund overview

Benchmark	IA Europe ex UK
Launch date	30 December 2016
Dividend Yield*	2022 2021 2020 2019
Fund:	6.43% 4.35% 3.79% 7.04%
IA Europe ex UK:	4.66% 3.46% 1.72% 2.17%
Historic dividend yield ²	7.28%
Fund size	£2.9m
Share class	Class R
No. of holdings	30
Bloomberg	R (Acc) - FPEIORA LN R (Inc) - FPEIORI LN
Sedol codes	R (Acc) - BDSFH3 R (Inc) - BDSFHG2
ISIN	R (Acc) - GBO0BDSFH38 R (Inc) - GBO0BDSFHG21
Ongoing charge (as at 28/02/23)	R Class Shares - 0.85%
Minimum investment	£500 (R Class Shares)
Minimum top up	£250 (R Class Shares)
Regular savings scheme	Yes (R Class Shares)
ISA option available	Yes (R Class Shares)
XD/Payment dates	01.03/15.04, 01.06/15.07 01.09/15.10, 01.12/15.01

*Lipper; 31/10/2023: Calculated by subtracting the total return, net of tax, from the capital return.

All information as at 31/10/2023, unless otherwise stated and measured against the fund's benchmark index.

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 0.08% over October, compared with the IA Europe ex UK sector which returned -3.60% and an Equity Income peer group of -3.60%.

The best performing stocks were again shipping companies: LPG shipper Avance (+24%) and BWLPG (+12%); clean product tanker outfit Torm (+13%) and crude carrier Frontline (+13%) reflecting a further tightening of the market; other notable contributors included affordable jewellery retailer Pandora (+10%) and German military equipment manufacturer Rheinmetall (+9%). Returns were also helped by the fund's significant (25%) cash weighting.

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.

During the 2023 underlying federal outlays increased by 11% to \$6.5 trillion whilst tax receipts were just \$4.44trillion. Net interest on the Public Debt was \$711bn (or 11% of total spending). As Treasury debt is refinanced across the yield curve at interest rates of above 5% the annual interest bill will rise toward \$1.3trillion (or 29% of current tax receipts).

² Lipper 31/10/2023, R Accumulation share class performance, in Sterling with net income reinvested

³ Bloomberg 31/10/2023, Calculated by the weighted average of the forecast 12-month forward dividend yield of each holding in the portfolio

Cumulative	1 Month % Growth	YTD	2022 % Growth	2021 % Growth	2020 % Growth	2019 % Growth	2018 % Growth	2017 % Growth	Since Launch % Growth
VT Argonaut Equity Income Fund	0.08	0.14	8.4	5.9	7.1	18.0	-11.2	20.6	55.5
IA Europe ex UK NR	-3.59	1.26	-9.2	15.7	10.7	20.1	-12.4	17.4	45.5
Fund Rank	1/108	79/108	3/98	91/93	66/98	71/101	35/97	14/92	24/82
Quartile Rank	1	3	1	4	3	3	2	1	2

Income peer group performance

Cumulative	1 Month % Growth	YTD % Growth	2022 % Growth	2021 % Growth	2020 % Growth	2019 % Growth	2018 % Growth	2017 % Growth	Since Launch % Growth
VT Argonaut Equity Income Fund	0.08	0.14	8.4	5.9	7.1	18.0	-11.2	20.6	55.5
IA Europe ex UK income fund average	-2.94	1.3	-3.7	11.7	3.4	15.7	-11.2	15.7	36.5
Rank	1	4	1/10	10/11	5/14	7/16	6/15	3/13	1/8

Source: Lipper 31/10/2023, R Accumulation share class performance, in Sterling with net income reinvested and no initial charges.
*Comprised of 12 funds from the IA Europe excluding UK sector which state that they are income funds.

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 Equity Income Fund

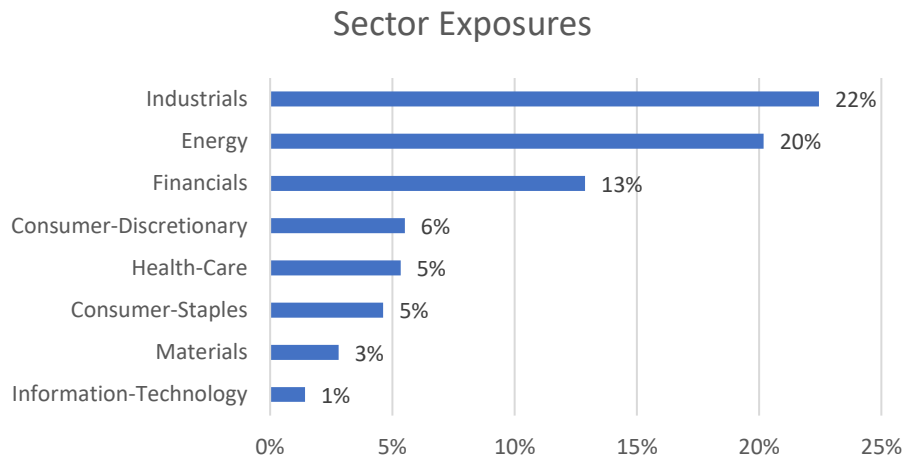
At 31 October 2023

Top Five holdings	Fund %
Novo Nordisk	5.5
Hafnia	4.6
Torm PLC	4.3
Rheinmetall AG	3.2
Pandora A/S	3.2

Country Breakdown	Fund %
Norway	23.4
Denmark	15.1
Italy	11.3
Germany	6.0
Spain	4.1
Greece	4.0
Switzerland	2.9
Hungary	2.1
Other European	3.4

Market Cap	Fund %
Large Cap > €5bn	47.8
Mid Cap €1bn – €5bn	13.2
Small < €1bn	14.2
Cash	24.8

Sector Weights



Risk Analysis	Since Launch	1 Year
Beta	0.7	0.2
Standard Deviation (%)	13.4	10.9
Tracking Error	10.3	15.1
Jensen's Alpha	2.2	-4.0
Sharpe Ratio	0.5	-0.3
Information Ratio	-0.0	-0.6

Source: Lipper, all figures at 30/09/2022, these figures are subject to rounding. Date from the 12th May 2005 – 16th July 2012 A class and 16th July 2012 – 30th September 2022 reflects class R units. Tracking error is calculated ex post.

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Source: Argonaut Capital Partners, all figures at 31/10/2023 these figures are subject to rounding. Figures are based on the VT Argonaut European Income Opportunities GBP R Acc share class.

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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 +44 (0) 1343 880 217 or visit www.argonautcapital.co.uk Alternatively write to Valu-Trac Investment Management Limited - Argonaut, Orton, Moray, Scotland, IV32 7QE.

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