

Fund Factsheet

VT Argonaut European Alpha

At 30 June 2024

Fund Commentary

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	£20.7m
Share class	Class A/Class R/Class I
No. of holdings	30
Sedol codes	A (Acc) – B4ZRCDO R (Acc) – B7MVB8T7 I (Acc) – B76L737
Bloomberg	A (Acc) – IMAEAAG LN R (Acc) – IMAERAG LN I (Acc) – IMAEIAG LN
ISIN	A (Acc) – GB00B4ZRCDO5 R (Acc) – GB00B7MVB8T72 I (Acc) – GB00B76L7377
Initial charge	0.0%
Ongoing charge GBP (as at 31/12/23)	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 30/06/2024, 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.

TRUMP. I just won two club championships, not even senior. Two regular club championships. To do that, you have to be quite smart, and you have to be able to hit the ball along way. And I do it. He doesn't do it. He can't hit a ball 50 yards. He challenged me to a golf match. He can't hit a ball 50 yards.....

BIDEN. Look, I'd be happy to have a driving contest with him. I got my handicap, which, when I was vice president, down to a 6.

BIDEN. And by the way, I told you before I'm happy to play golf if you carry your own bag. Think you can do it?

TRUMP: That's the biggest lie that he's a 6 handicap, of all.

BIDEN: I was 8 handicap.

TRUMP: Yeah.

BIDEN: Eight, but I have – you know how many....

TRUMP: I've seen your swing, I know your swing

US Presidential Debate, CNN, June 27th 2024

The fund returned -2.5% over June, compared with the IA Europe ex UK sector which returned -2.1%.

The best performing stocks were semiconductor companies BESI (+15%), ASML (+9%) and ASM (+8%) whilst the worst performer was Greig Seafood (-12%).

During the month, the ECB cut its main deposit rate to 3.75% (from 4.0%), the SNB its policy rate to 1.25% (from 1.5%) and the Bank of Canada its overnight lending rate to 4.75% (5.0%).

Even though UK inflation has now fallen back to its 2% target, the BOE was on hold at 5.25% but a quarter point cut is now expected at the next meeting, conveniently post-election, in August.

The Federal Reserve was also on hold at 5.5% but even after a strangely hawkish FOMC the market moved to price in 2 (previously 1 ½) 25bps cuts from the Fed beginning in September (November).

Recent stock market leadership has been narrowly focused on technology and specifically "Artificial Intelligence". It seems to us that when most people talk about the current possibilities of "AI" they are confusing the advances in processing power allowing computers to look for correlations in vast quantities of data, with the human ability to offer explanations based on causation.

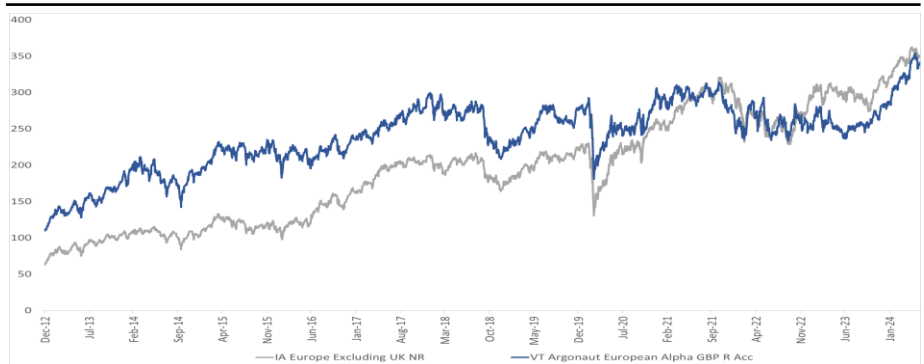
The nonetheless impressive technological advances together with fear of being left behind, mean that most businesses and governments understandably want a dog in the fight, fuelling a boom in semiconductor content (not just GPU's but also memory) even though the actual pace of true AI innovation may ultimately disappoint.

Politics were again centre stage. French stocks significantly underperformed. Following a disastrous showing in European elections, French President Macron called an early parliamentary vote. With right-wing anti-EU National Rally "winning" the first-round of elections on June 30th but expected to fall short of an overall majority, it seems likely that Macron may instead choose to coalesce with the anti-capitalist left-wing New Popular Front, which in our non-consensual opinion, may not prove a better outcome for the French economy or markets.

By contrast, based on the expectation of a similar fiscal regime, the market remains relatively sanguine at the prospect of the first Labour government in the UK since 2010. We have suggested this is naive considering: the economic illiteracy of a 100% "renewable grid" by 2030; an agenda which under scrutiny promises to hijack the defined contribution pension system to support "industrial policy"; and its intention to introduce several "anti-supply side" reforms that will "empower" workers and thereby shift more risk to business owners and entrepreneurs. Nevertheless, there could well be a short honeymoon period post-election based on the BOE finally finding some belated enthusiasm for rate cuts.

We were amused to see the first televised US Presidential debate focus amongst other things on which candidate was the better golfer. In response to 78-year-old former President Trump's boast that he had recently won two club championships, 81-year-old President Biden challenged his adversary to a match, claiming he had previously gotten his handicap down to 6 (or was it 8?). With Trump's handicap last officially noted as just 2.5 (USGA June 2021), this would imply that both candidates can shoot a score regularly below their age (a feat achieved by a fraction of 1% of all golfers).

In the event of another disputed election outcome, perhaps a pay-per-view winner-takes-all golf match, including trash-talking, could be an elegant tie-breaking solution to determine the next President of the United States?



Morningstar 30/06/2024, R Accumulation share class performance, in GBP with net income reinvested and no initial charges.

£	Since Launch													
	1 Month	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	
Fund	-2.5	15.3	6.3	-5.4	-1.0	2.1	20.5	-17.9	14.9	-1.00	16.1	4.0	31.7	337.3
Sector	-2.1	5.6	13.5	-9.2	15.7	10.7	20.1	-12.4	17.4	16.8	9.3	-0.8	26	363.2
Quartile Rank	3	1	4	1	4	4	2	4	3	4	1	1	1	3

Source: Morningstar 30/06/2024, Date from the 12th May 2005 – 16th July 2012 A class and 16th July 2012 to date 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.



SAUREN
FONDSMANAGER-RATING

Fund Factsheet

VT Argonaut European Alpha

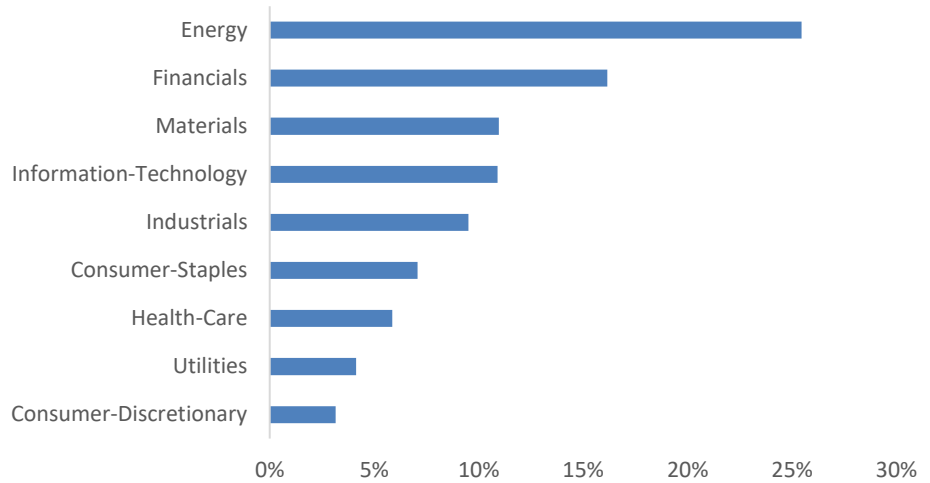
At 30 June 2024

Top Five holdings	Fund %
Torm Plc	7.1
Hafnia Ltd	6.8
Eramet	6.1
Buzzi SPA	4.9
Novo Nordisk	4.7

Country Breakdown	Fund %
Norway	27.6
Denmark	11.7
Netherlands	9.8
Germany	8.3
Italy	8.2
Greece	6.3
France	6.1
United States	6.0
Finland	4.1
Other European	5.1

Market Cap	Fund %
Large Cap > €5bn	57.3
Mid Cap €1bn – €5bn	31.2
Small < €1bn	4.7
Cash	6.8

Sector Weights



Risk Analysis	Since Launch	1 Year
Beta	0.7	0.7
Standard Deviation (%)	15.9	8.4
Tracking Error	21.1	7.0
Jensen's Alpha	1.8	15.3
Sharpe Ratio	0.3	1.5
Information Ratio	0.0	2.4

Source: Morningstar, all figures at 30/06/2024, these figures are subject to rounding. Date from the 12th May 2005 – 16th July 2012 A class and 16th July 2012 to date reflects class R units. Tracking error is calculated ex post.

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Source: Argonaut Capital Partners, all figures at 30/06/2024, these figures are subject to rounding.

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Other ISINs for this fund:

GB00B6TQCC60	GB00B6T6S066
GB00B5LJR434	GB00B6VYPP25
GB00BYYPB156	GB00B7JXMD51
GB00B76L7377	GB00B4ZRC005

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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