

VT Argonaut Flexible Fund*



***PLEASE NOTE THAT DATA IN THIS DOCUMENT IS SIMULATED**

Proposed Fund Merger

Argonaut Capital Partners LLP (Argonaut) proposes to merge the VT Argonaut European Alpha Fund ('Alpha Fund') and VT Argonaut Equity Income Fund ('Income Fund') into a new global fund, the VT Argonaut Flexible Fund ('Flexible Fund').

The Flexible Fund will sit in the Investment Association (IA) Flexible sector and will be a long-only strategy combining Argonaut's high conviction global equity portfolio with greater flexibility for tactical allocations to government bonds, cash, and precious metals as diversification tools to mitigate volatility and/or enhance returns.

The Flexible Fund's equity exposure will vary according to market conditions but is expected to be 50-80%. Its geographic scope will be global, with a focus on developed Pan-European and North American assets. Unlike the VT Argonaut Absolute Return Fund, which is a long/short strategy, the Flexible fund will not short stocks, nor will it use leverage.

The objective of the Flexible Fund will be to deliver capital appreciation (and income) over the long term via an active, fundamental investment approach and a concentrated portfolio of equity investments whilst using its non-equity exposure to mitigate risk of capital loss over the economic cycle.

How & When?

The proposed merger will be constituted via a "Scheme of Arrangement," requiring approval from unitholders via EGM.

The new units issued will have the same acquisition cost and acquisition date for the purposes of tax on capital gains as your existing units and will not therefore give rise to a capital gains charge.

Please note that should you choose to redeem or switch your units prior to the Merger, a redemption or switch will be treated as a disposal of shares for tax purposes, and you may be liable to capital gains tax on any gains arising from the redemption.

The proposed timelines are as follows:

- Thursday 5th September - Letter to unitholders
- Thursday 26th September – EGM
- Friday 11th October - Effective date (launch of new fund)

Reasons for Merger

The key reasons for the proposed merger of the Alpha Fund and Equity Income Fund into the Flexible Fund are investment related.

We believe a global mandate (rather than one restricted to Europe-ex-UK) and the widening of the manager's discretion to be able to invest in non-equity instruments will enhance the overall investment proposition for current and prospective unit holders, producing superior absolute and risk-adjusted returns over the long term.

We have back-tested the returns over two decades for this proposed strategy using a 2/3rds fixed allocation to Argonaut's flagship fund equity portfolio together with a fixed allocations to T-Bills, Cash and Gold. The results are compelling – see below for both the data and our methodology.

Background

Argonaut launched in 2005 with the aim of generating alpha from active, fundamental, and unconstrained equity investing, with a focus on European equities. Over time and with the launch of the flagship VT Argonaut Absolute Return Fund, our investment universe has broadened to Global, incorporating the world's largest and most liquid stock markets in the United States.

Key Performance Numbers (SIMULATED)

0.1% Monthly performance
12.5% Year-to-date performance
9.9% CAGR since inception (all data net of fees)

*As at 31-Jul-24. *Euro Stoxx NR Index. Past performance is not a reliable indicator of future results.*

Key Fund Details†

Fund AUM (£m)	TBC
Fund Inception	Oct-24
Fund Type	UCITS Long only
Fund Domicile	UK
Base Currency	GBP
Sector	IA Flexible
Dealing Frequency	Daily
ACD	Valu-Trac
Custodian	Caceis
Depository	NatWest

Strategy

VT Argonaut Flexible Fund

A long-only strategy combining a high conviction equity portfolio with our perceived optimal asset allocation to fixed income, currencies, cash and commodities. The objective of the Fund is to deliver capital appreciation over the long term via an active, fundamental investment approach and a concentrated portfolio of equity investments whilst lowering the equity risk and enhancing return through a selection of non-equity investments.

For full details see fund prospectus

Portfolio Manager

Barry Norris, CFA

Barry began managing European equity portfolios at Neptune Investment Management in 2002 having begun his career at Baillie Gifford. He graduated from Cambridge University (MA History & MPhil International Relations) and holds the CFA. Barry founded Argonaut Capital Partners LLP in 2005.

For more information see argonautcapital.co.uk

Sources: Argonaut Capital Partners LLP internal unaudited data and refers to the £ I share class.

†Valu-Trac, Bloomberg & Morningstar, calculation on a NAV basis with net income reinvested. All data shown as at 31 July 2024

Our experience convinces us that Argonaut’s idea generation process – an evolution from over two decades of accumulated wisdom, learning from mistakes and refinements to process – shouldn’t be constrained to a narrow geographical universe which restricts opportunities based on legacy design.

The performance of the long/short VT Argonaut Absolute Return Fund and the opportunities identified outside of Europe since it moved to a less restrictive geographical mandate bear this out and we are keen for Argonaut’s long-only franchise to similarly benefit from a larger, more liquid stock universe and all of our best ideas. Importantly, however, the Flexible Fund will still be permitted to invest in every European stock the legacy funds currently own.

In addition to the investment advantages, the merger is expected to reduce overall costs for existing unit holders while there will be operational benefits also with all Argonaut funds utilising the same investment universe. Post merger, Argonaut will have two strategies – the long/short VT Argonaut Absolute Return Fund and the long-only VT Argonaut Flexible Fund.

In his epic 3rd century poem, Apollonius of Rhodes, recalled the Argonauts leaving the Aegean Sea and to travel to a remote corner of the known world in the Black Sea in search of the Golden Fleece. We believe a similarly outward-looking mindset and spirit of derring-do – expressed through a flexible global mandate – can deliver even better outcomes for clients in the coming years.

We hope you will continue to place your trust in Argonaut by supporting our proposal.

**Argonaut Capital Partners
August 2024**

SIMULATED ANNUAL PERFORMANCE (%)

Data to 31-Jul-24	Argonaut Flexible Fund	EURO STOXX NR	IA Flexible Investment
Nov to Dec 02	-1.9	-1.6	-1.5
2003	18.5	30.6	22.2
2004	20.8	12.8	10.5
2005	26.5	22.1	24.2
2006	22.0	20.6	10.2
2007	10.1	17.0	6.1
2008	-10.7	-27.1	-26.0
2009	18.8	17.3	24.7
2010	12.2	-1.0	14.9
2011	-5.5	-17.4	-8.5
2012	10.4	15.9	10.3
2013	28.9	26.9	14.8
2014	10.6	-2.9	4.8
2015	14.7	4.8	2.1
2016	-6.4	20.6	14.2
2017	11.4	17.0	11.1
2018	-11.1	-11.8	-6.6
2019	21.1	19.1	15.6
2020	6.3	5.9	7.0
2021	5.1	15.1	11.4
2022	4.2	-7.3	-9.1
2023	8.7	15.8	7.3
2024	12.5	5.6	6.6
Return	673.3	436.1	330.9
CAGR	9.9	8.0	6.9
Volatility	11.0	14.4	11.5
Correlation to European Equities	0.7		0.9

Source: Argonaut Capital Partners LLP

***Simulated Track Record Methodology:**

Equity exposure: As the new fund will – like the VT Argonaut Absolute Return Fund (AR Fund) – be able to invest in the US as well as Europe, we have taken the equity “asset” return as the monthly return on the long book of the AR fund grossed up or down to 100%. In order to incorporate dynamic allocation based on historic behaviour, we have used two rules for monthly weighting to “equities”:

1. It should always be 2/3rds of the AR fund allocation as a % of NAV. i.e. if AR fund is 100% exposed then the Flexible fund is 66.6% exposed.
2. The equity exposure of the Flexible fund should have a maximum soft limit of 80% (only relevant if AR fund long exposure is over 120%)

Equity returns prior to the launch of the VT Argonaut Absolute Return Fund were taken from the long only European equity funds managed by Barry Norris at the time.

Source of equity returns as follows:

- Nov-02 to May-05 Neptune European Opportunities Fund
- May-05 to Feb-09 VT Argonaut European Alpha Fund
- Feb-09 to date VT Argonaut Absolute Return Fund

Non-Equity Exposure: Bond exposure calculated using a fixed exposure of 10% of NAV, using US Treasury Bills (unhedged). Gold exposure calculated using a fixed exposure of 10%, using the WisdomTree Physical Gold ETF. Cash is calculated as the residual of the allocation to the other 3 asset classes above, using the Barclays Benchmark Overnight GBP Cash Index.

VT Argonaut Flexible Fund



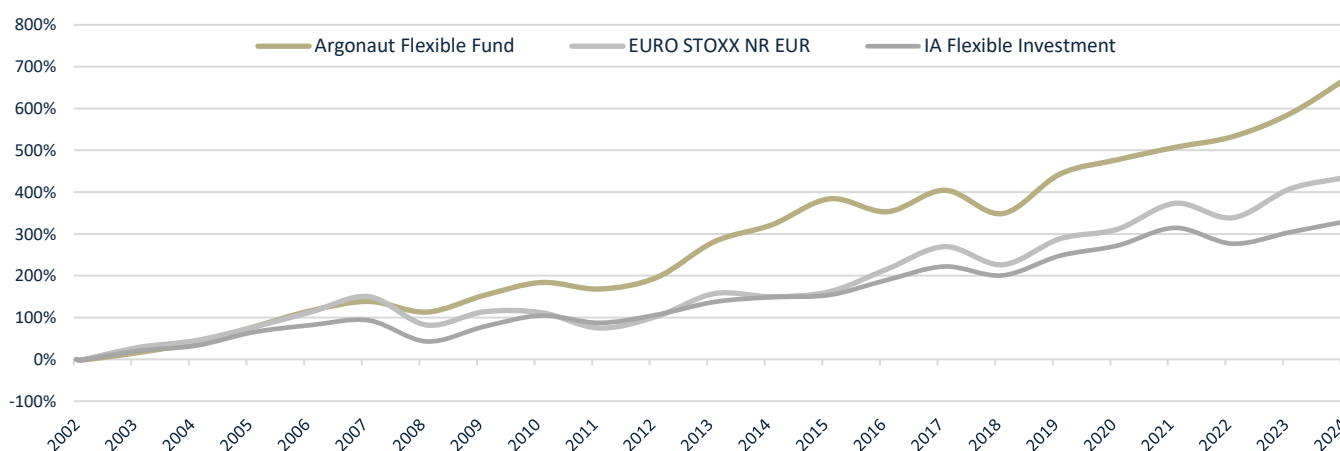
SIMULATED PERFORMANCE (%)

	1M	3M	1YR	3YR	5YR	YTD	ITD	ITD CAGR
Argonaut Flexible Fund	0.1	1.5	19.9	31.7	53.5	12.5	673.3	9.9
EURO STOXX NR	0.0	-0.8	8.0	17.0	38.7	5.6	436.1	8.0
IA Flexible	0.4	2.6	10.0	7.5	25.7	6.6	330.9	6.9

SIMULATED DISCRETE YEARLY PERFORMANCE (%)

1-year to	31 Jul 20	31 Jul 21	31 Jul 22	31 Jul 23	31 Jul 24
Argonaut Flexible Fund	4.5	11.5	4.0	5.6	19.9
EURO STOXX NR	-6.4	26.6	-9.9	20.2	8.0
IA Flexible	-2.4	19.7	-4.4	2.2	10.0

SIMULATED PERFORMANCE SINCE INCEPTION (%)



Source: Argonaut Capital Partners LLP. VT Argonaut Flexible Fund Simulated track record methodology: Equity exposure calculated as 2/3rd of the VT Absolute Return Fund gross long book exposure, with a maximum soft limit of 80% (only relevant where AR long exposure is greater than 120%), using the long book return of the VT Argonaut Absolute Return Fund grossed up or down to 100%. Prior to the launch of the VT Argonaut Absolute Return fund, returns are taken from the long only European equity funds managed by Barry Norris at the time. Bond exposure calculated using a fixed exposure of 10% of NAV, using US Treasury Bills - Unhedged (S&P Treasury Bill Total Return Index – ticker SPBDUBIT Index). Gold exposure calculated using a fixed exposure of 10%, using the WisdomTree Physical Gold ETF (BB ticker PHAU LN). Cash is calculated as the residual of the allocation to the other 3 asset classes above, using the Barclays Benchmark Overnight GBP Cash Index (BB ticker BXIIBGBO Index). See above for further detail.

TOP 5 EQUITY POSITIONS

	% NAV
Hafnia Ltd	4.1%
Torm Plc	4.0%
First Citizens	3.2%
OTP Bank	3.1%
AerCap Holdings	3.1%

MARKET CAP BREAKDOWN

	%
>\$50bn	8.8%
\$20-50bn	16.3%
\$5-20bn	26.6%
\$1-5bn	19.8%
<\$1bn	0.6%

FUND ASSET ALLOCATION

	% NAV
Equities	72.1%
Fixed Income	10.0%
Commodities	10.0%
Cash	7.9%
Other	0.0%

TOP 5 NON-EQUITY POSITIONS

	% NAV
US Treasury Bill (unhedged)	10.0%
WisdomTree Physical Gold ETF	10.0%
GBP Cash (Barclays o/n GBP Cash)	7.9%

DAYS TO LIQUIDATE

	% PORTFOLIO
Less than 1 day	82.6%
1-5 days	16.5%
More than 5 days	0.9%

Days to liquidate positions in the portfolio using 20% of the 90-day average daily trading volume.

OTHER

# of equity positions	39
# of non-equity positions	2

IMPORTANT INFORMATION

These figures refer to the past. Past performance is not a reliable indicator of future results.

This document is a marketing communication. Before subscribing, please read the prospectus and the KIID, available at argonautcapital.co.uk. The equity portion of the above performance calculation is based on the long book of the VT Absolute Return fund (GBP I share class). If the past performance is shown in a currency which differs from the currency of the country in which you reside, then you should be aware that your performance may increase or decrease as a result of currency fluctuations.

PORTFOLIO MANAGER & CONTACT DETAILS

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EQUITY EXPOSURE BY GEOGRAPHY (%) – SIMULATED

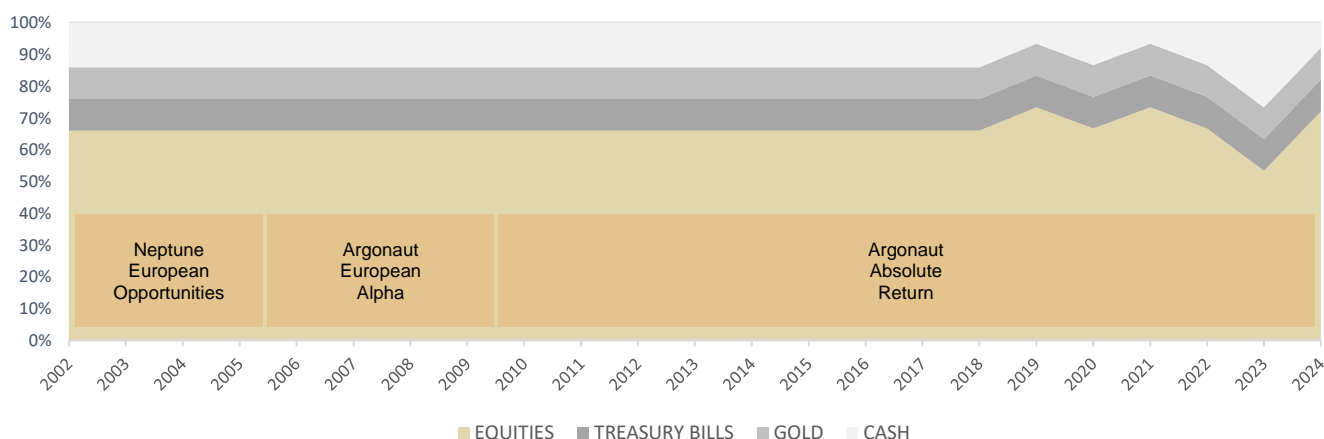
Country	% NAV
United States	30.6
United Kingdom	10.8
Norway	9.9
Greece	4.7
France	4.6
Denmark	4.0
Hungary	3.1
Germany	2.9
Other	1.5
Total	72.1

Source: Argonaut Capital & Bloomberg. Equity sector exposure as classified by GICS.

EQUITY EXPOSURE BY SECTOR (%) – SIMULATED

Industry	% NAV
Financials	18.9
Energy	11.4
Materials	10.5
Consumer Discretionary	8.7
Utilities	6.2
Industrials	5.5
Information Technology	5.4
Consumer Staples	3.3
Other	2.2
Total	72.1

VT ARGONAUT FLEXIBLE FUND ASSET ALLOCATION – SIMULATED



VT Argonaut Flexible Fund Simulated asset allocation methodology: Equity exposure calculated as 2/3rd of the VT Absolute Return Fund gross long book exposure, with a maximum soft limit of 80% (only relevant where AR long exposure is greater than 120%). Bond exposure calculated using a fixed exposure of 10% of NAV, using US Treasury Bills (unhedged). Gold exposure calculated using a fixed exposure of 10%, using the WisdomTree Physical Gold ETF. Cash is calculated as the residual of the allocation to the other 3 asset classes above, using the Barclays Overnight GBP Cash Index. Equity exposure includes all equity related instruments. All sources, unless otherwise stated, are Argonaut Capital, Bloomberg & Morningstar. All data shown as at 31 July 2024. Asset allocation data prior to the launch of the VT Argonaut Absolute Return Fund (Feb-09) taken from the long only European equity funds managed by Barry Norris at the time, namely the Neptune European Opportunities Fund from Nov-02 to May-05 and the VT Argonaut European Alpha Fund from May-05 to Feb-09.

SHARE CLASS INFORMATION

Share Class	GBP A Acc	GBP A Inc	GBP I Acc	GBP I Inc	EUR I Acc
SEDOL	BTCLCP2	BTCLCQ3	BTCLCR4	BTCLCS5	BTCLCT6
ISIN	GB00BTCLCP27	GB00BTCLCQ34	GB00BTCLCR41	GB00BTCLCS57	GB00BTCLCT64
Front End Fee	0%	0%	0%	0%	0%
Management Fee	0.75%	0.75%	0.75%	0.75%	0.75%
Performance Fee			N/A		
Hurdle			N/A		
High Water Mark			N/A		
Anti-Dilution Levy	A dilution levy may be applied if net inflows/outflows are 2.5% or over on one day				
Minimum Investment	£500	£500	£3,000,000	£3,000,000	£3,000,000
Minimum Top Up	£250	£250	£1,000	£1,000	£1,000
Regular Savings Scheme	Yes	Yes	--	--	--
ISA available	Yes	Yes	--	--	--

Source: Argonaut Capital Partners. See Prospectus for more detail.

INVESTOR INFORMATION

Dealing Frequency	Daily
Dealing Time	12pm
Valuation	Daily
Settlement	T+4
Income Distribution Dates	Feb, May, Aug, Nov
Price Reporting	Prices published daily

SERVICE PROVIDERS

Authorised Corporate Director (ACD)	Valu-Trac Investment Management
Auditor	Johnston Carmichael LLP
Custodian	Caceis
Depository	NatWest Trustee & Depository Services
Accountant	Valu-Trac Investment Management
Legal Council	CMS

FUND OVERVIEW

Objective: the VT Argonaut Flexible Fund ('The Fund') aims to provide capital appreciation over the long term by holding a concentrated portfolio of equities whilst lowering the overall risk of the portfolio and enhancing returns through a selection of non-equity investments. The fund is not managed against any formal benchmark. Capital is at risk and there is no guarantee that a positive return will be delivered over any given time period.

Investment Approach: The fund deploys a long-only strategy focused on mainly pan European equities and is dedicated to seeking absolute returns via an active, fundamental investment approach and a concentrated portfolio of investments. The fund typically holds 30-50 long equity positions alongside a mix of non-equity investments.

Risk Considerations: The Fund has considerable latitude over its equity and non-equity allocation and may also hold a large weighting in a small number of investments and may therefore be subject to larger than normal swings in its value. The performance stream is likely to be volatile and the Fund is suitable only for investors who have a long-time horizon (>5 years) and can tolerate high risk. Investors may not get back all the money invested and an investment in this Fund should only form part of an investor's total portfolio. Investors should discuss the suitability of this Fund with their professional adviser.

IMPORTANT INFORMATION

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Please always refer where appropriate to the relevant Fund prospectus and relevant key investor information document(s) before you invest. The Fund's prospectus and key investor information documents are available in English and may be obtained at argonautcapital.co.uk.

The fund takes long equity positions based on the fund manager's views of the market direction whilst lowering the overall risk of the portfolio and enhancing returns through a selection of non-equity investments. 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.

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