Fund Factsheet

VT Argonaut European Alpha

At 31 January 2024

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	£18.3m
Share class	Class A/Class R/Class I
No. of holdings	32
Sedol codes	A (Acc) – B4ZRCD0 R (Acc) – B7MW8T7 I (Acc) – B76L737
Bloomberg	A (Acc) – IMAEAAG LN R (Acc) – IMAERAG LN I (Acc) – IMAEIAG LN
ISIN	A (Acc) – GB00B4ZRCD05 R (Acc) – GB00B7MW8T72 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 31/01/2024, 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.

Fund Commentary

The fund returned +1.39% over January, compared with the IA Europe ex UK sector which returned -0.3%.

The best performing longs were product tanker outfits Torm (+17%) and Ardmore (+17%); Greek bank Piraeus (+17%); Italian cement company Buzzi (+13%); and German tanks and ammo manufacturer Rheinmetall (+11%).

The strength of the US economy continues to surprise positively, with first estimates of Q4 GDP of +3.3% (vs. +2.0% expected). January Non-Farm Payrolls saw +353k net new jobs vs. +185k expected (the most in 12 months). The Atlanta Fed Q1 real GDP Nowcast estimate is currently +4.2% (vs. +2% at the start of the year).

The January FOMC saw a hawkish Chairman Powell – presumably having read Argonaut timely warnings of repeating the mistakes of the 1970's through "premature easing" - backtrack from his dovish December inflation victory lap, ruling out a March rate cut from the FOMC "base case"[4]. Fed Fund Futures have gone from pricing in 6 ½ quarter point interest rate cuts starting in March to 5 ½ starting in June.

The Fed statement also deleted references to "additional policy firming" as well as their affirmation that the US commercial banking system was "sound and resilient". On the same day, the share price of New York Community Bank – which bought the assets of failed Signature Bank from receivership - fell by 40% as it cut its dividend to build regulatory capital and increased loan provisions from $52m in Q3 to $552m and charge offs from $24m in Q3 to $185m. Subsequently, Japanese bank Aozora also fell by one third owing to higher loan loss charges from US commercial real estate.

Somewhat surprisingly in view of the drawdown in the Fed Reverse Repo Facility – an ongoing source of money market liquidity for Treasury bill issuance - to just $500bn from $2.5trillon at its 2022 year-end peak, Powell said that the Fed will only start talking about the tapering of QT in March.

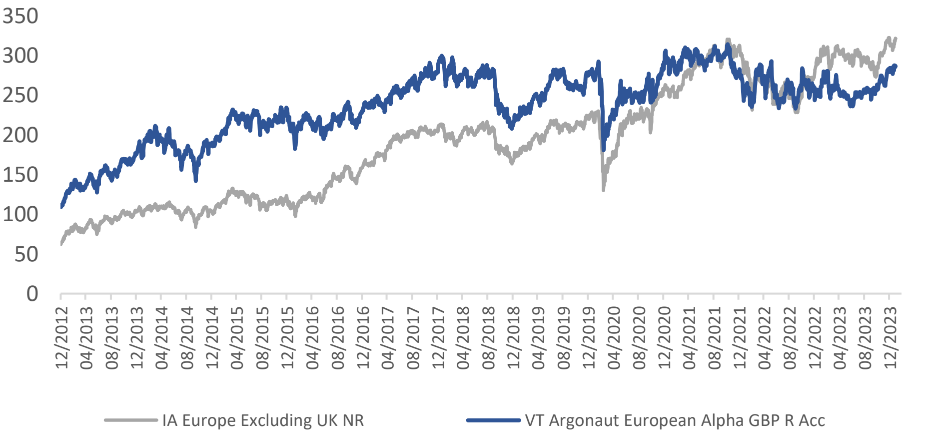
Moreover, the Fed announced the ending of the generous "lender of last resort" liquidity facility to commercial banks, the Bank Term Funding Program (BTFP) on March 11th - where collateral value was determined by par rather than market value - and the ending of the "free money" arbitrage for commercial banks on January 25th through raising the lending rate from 4.9% to 5.4% (the same rate as banks receive on their pledged collateral).

January also saw an escalation in geopolitical tension in the Red Sea through Houthi rocket and drone attacks on commercial shipping. Whilst we are sceptical about the effect of this on oil prices, we think this Iranian proxy war is not easily resolved and has the potential to cause sustained disruption to Suez Canal transits, that would increase demand for ton-mileage.

We continue to be amazed that financial markets are so focused on transitory disinflation and remain so sanguine about government fiscal recklessness and the increased power of the state, which has always been an enemy of free enterprise and private capital.

Whilst the last forty years have been an investment "golden age", it seems that few market participants are contemplating the consequences of regime change as articulated in President Milei's warning.

[4] ""I would tell you that I don't think it's likely that the Committee will reach a level of confidence by the time of the March meeting to identify March as the time to do that. But that's to be seen. So I wouldn't call -- you know, when you ask me about in the near term, I'm hearing that as March. I would say that's probably not the most likely case or what we would call the base case". Powell FOMC Press Conference January 31st, 2024. https://www.federalreserve.gov/mediacenter/files/FOMCpresconf20240131.pdf



[1] Lipper 31/01/2024, R Accumulation share class performance, in GBP with net income reinvested and no initial charges.

£	1 Month	1 Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Since Launch
Fund	1.4	11.1	6.3	-5.4	-1.0	2.1	20.5	-17.9	14.9	-1.00	16.1	4.0	31.7	286.5
Sector	-0.3	7.4	13.5	-9.2	15.7	10.7	20.1	-12.4	17.4	16.8	9.3	-0.8	26	321.6
Quartile Rank	1	1	4	1	4	4	2	4	3	4	1	1	1	3

Source: Lipper 31/01/2024, Date from the 12th May 2005 – 16th July 2012 A class and 16th July 2012 – 31st January 2024 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.

FE ALPHA MANAGER 2012 BARRY NORRIS

SAUREN FONDSMANAGER-RATING

Fund Factsheet

VT Argonaut European Alpha

At 31 January 2024

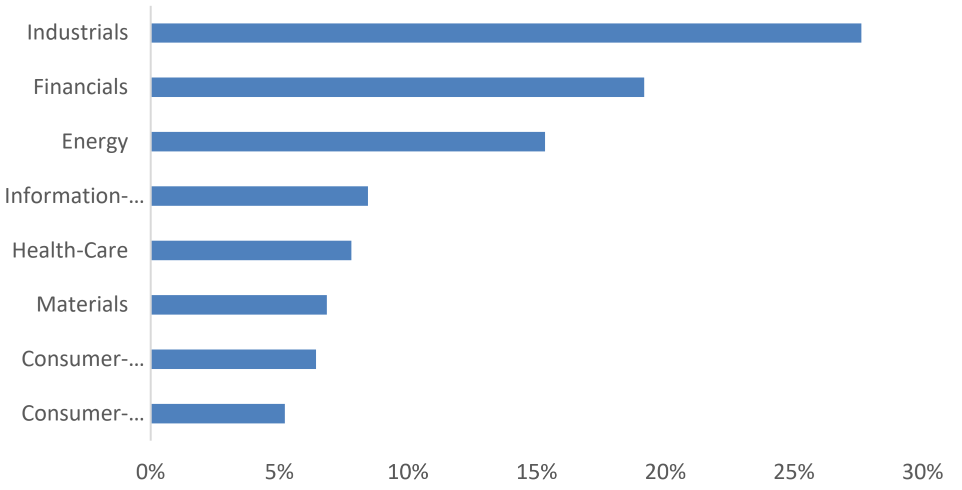
Top Five holdings	Fund %
Torm	6.3
Hafnia	5.9
Pandora	5.2
Novo Nordisk	5.0
OTP Bank	4.1

Country Breakdown	Fund %
Norway	28.0
Denmark	16.5
Italy	13.7
Germany	12.2
Netherlands	6.9
Greece	4.8
Hungary	4.1
Switzerland	3.9
Spain	2.9
Other European	4.8

Market Cap	Fund %
Large Cap €5bn – €20bn	69.3
Mid Cap €1bn – €5bn	20.5
Small < €1bn	7.2
Cash	3.0

Source: Argonaut Capital Partners, all figures at 31/01/2024, these figures are subject to rounding.

Sector Weights



Risk Analysis	Since Launch	1 Year
Beta	0.8	0.4
Standard Deviation (%)	15.9	10.3
Tracking Error	9.4	11.8
Jensen's Alpha	1.0	5.0
Sharpe Ratio	0.4	0.6
Information Ratio	-0.0	0.3

Source: Lipper, all figures at 31/01/2024, these figures are subject to rounding. Date from the 12th May 2005 – 16th July 2012 A class and 16th July 2012 – 31st January 2024 reflects class R units. Tracking error is calculated ex post.

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.

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.

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.