

Fund Factsheet

FP Argonaut European Alpha¹

At 31 March 2017

Barry Norris
Lead Fund Manager

Greg Bennett
Deputy Fund Manager



Investment team

Barry Norris founded Argonaut in 2005 and manages the FP 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. Greg Bennett CFA also helps run the fund.

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	Europe excluding UK
Benchmark	MSCI Europe ex UK
Launch date¹	12 May 2005
Fund size	£305m
Share class	Class A/Class R/Class I
No. of holdings	38
Sedol codes	A (Acc) - B4ZRCDO R (Acc) - B7MW8T7 I (Acc) - B76L737
Bloomberg	A (Acc) - IMAEAAG LN R (Acc) - IMAERAG LN I (Acc) - IMAEIAAG LN
ISIN	A (Acc) - GB00B4ZRCDO5 R (Acc) - GB00B7MW8T72 I (Acc) - GB00B76L7377
Initial charge	5.25% (A Class Shares)
Ongoing Charge (as at 15/02/17)	A Class Shares - 1.89% R Class Shares - 0.89% I 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

¹The Ignis Argonaut unit trusts were restructured into the subfunds of FP Argonaut Funds, an open-ended investment company (OEIC) on 14 July 2012. Any past performance or references to the period prior to 14 July 2012 relate to the Ignis Argonaut unit trusts.

All information as at 31/03/2017, 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

The fund returned +0.76% over the month, compared to its sector average of +4.37% and the MSCI Europe ex UK index of +4.64%.¹

Once a generally positive corporate earnings season was out of the way, the market focused on Trump's failure to pass Healthcare reform, questioning its implications for tax stimulus and infrastructure spending. Combined with more dovish rhetoric from the Federal Reserve this served as a catalyst for a sovereign bond market rally and despite very strong economic data, particularly in Europe, a continuation of the recent rotation back to bond proxies. From a stock-picking perspective this is somewhat perplexing considering the current lack of top line growth and historically high valuations in consumer staples and utilities and the continued upward revisions to profit forecasts in more cyclical sectors such as materials and industrials. Given the benign global economic backdrop, valuations of equities and bonds should continue to converge longer term.

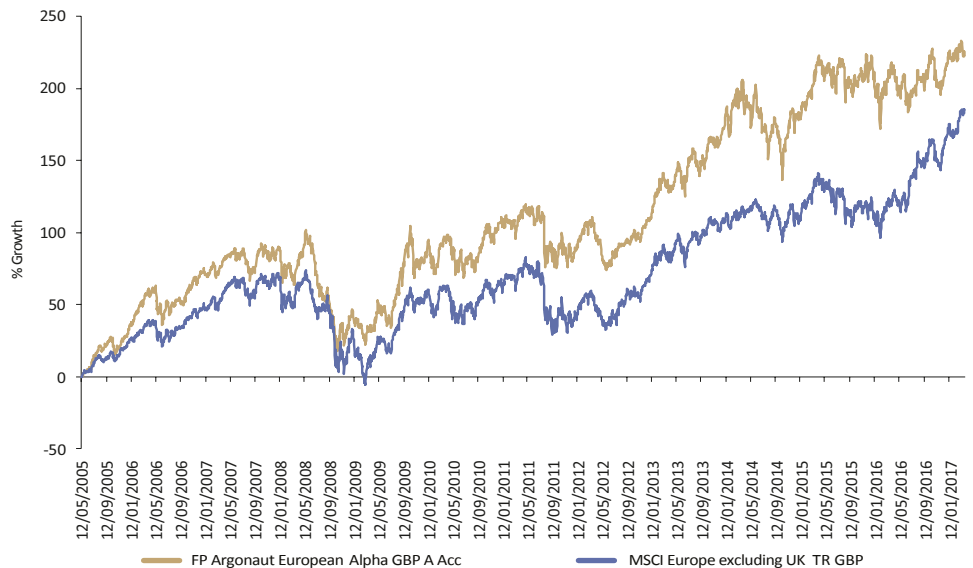
With European corporates posting net profit upgrades for the first time since 2010 and relatively inexpensive

valuations, we do not currently share the markets lack of belief in a sustainable upswing in the economic cycle. However, with an eye to the events of last year it is, however, understandable that investors might want to keep their powder dry. It is, however, worth pointing out that Le Pen is currently polling only 40% against 60% for Macron or Fillon in second round elections, and if elected would need to command a majority in the French parliament and win a referendum before France would exit the Euro, all of which would currently seem unlikely. Moreover, like Trump, her election might even turn out to be equity friendly should as an initial compromise the Eurozone adopt a more sympathetic attitude to fiscal stimulus.

Although we are frustrated by recent fund performance and the correlation of equity sector performance to the bond market rather than corporate profits, we see no shortage of attractive fundamental ideas. Over the month, we made some new investments with the capacity for earnings surprise in the healthcare equipment and technology sectors, paring back some of our positions in banks and materials.

¹ Lipper 31/03/2017, A Accumulation share class performance, in sterling with net income reinvested and no initial charges.

Performance



Cumulative	1 Year % Growth	3 Year % Growth	5 Year % Growth	Since Launch % Growth
FP Argonaut European Alpha GBP A Acc	3.37	7.80	56.99	222.64
IMA Europe ex UK	23.03	29.15	79.68	180.93
MSCI Europe ex UK	28.35	32.09	83.86	184.43
Fund Rank	100/100	89/89	81/82	14/58
Quartile Rank	4	4	4	1

Standardised	2012 % Return	2013 % Return	2014 % Return	2015 % Return	2016 % Return
FP Argonaut European Alpha GBP A Acc	10.99	30.70	2.98	14.97	-2.01
IMA Europe ex UK	18.99	25.53	-0.38	9.15	16.67
MSCI Europe ex UK	17.16	26.35	0.02	5.87	19.65

Source: Lipper 31/03/2017, A Accumulation share class performance, in sterling with net income reinvested and no initial charges. **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.

FP Argonaut European Alpha¹

At 31 March 2017

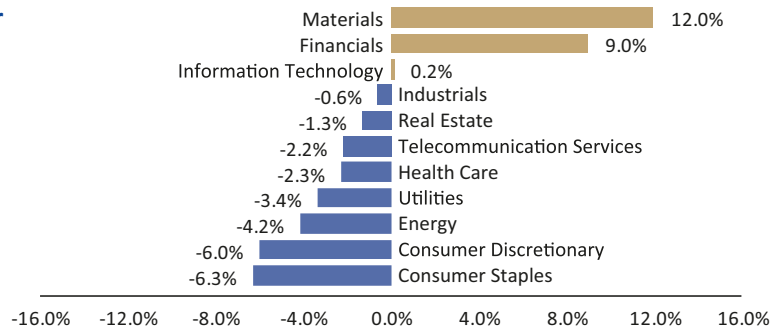
Top five holdings	Fund %
Vestas Wind Systems	5.2
Bankinter	4.3
Bayer	4.1
ASML	4.1
Banco Santander	4.0

Country Breakdown	Fund %
Denmark	13.9
Ireland	13.0
Spain	12.8
Germany	10.2
Netherlands	8.0
Switzerland	6.3
Norway	6.1
Finland	5.0
United States	4.0
Italy	3.1
United Kingdom	3.0
Hungary	3.0
Czech Republic	2.0
Russia	2.0
Portugal	1.2
France	1.0
Belgium	0.3

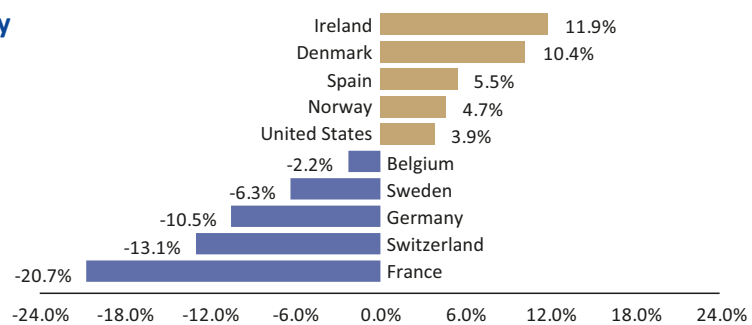
Market Cap	Fund %
Mega Cap > €20bn	30.3
Large Cap €5bn - €20bn	30.5
Mid Cap €2bn - €5bn	30.6
Small Cap < €2bn	3.5
Cash	5.1

Active positions - top over/underweights Fund vs Index

Sector



Country



Risk Analysis	Since Launch	3 Year	1 Year
Beta	0.84	0.80	0.63
Standard Deviation (%)	17.36	12.46	11.21
Tracking Error	8.90	8.42	9.78
Jensen Alpha	2.11	-4.83	-12.34
Sharpe Ratio	0.52	0.22	0.31
Information Ratio	0.11	-0.80	-2.24

Source: Argonaut Capital Partners, all figures at 31/03/17, these figures are subject to rounding. Tracking error is calculated ex post. Figures are based on the Alpha GBP A Acc share class.

Dealing Contact:

+44 (0)844 620 0290
(UK only)

+44 (0)1268 447403
(from outside the UK)

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.

Glossary

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 Alpha: a measure of a fund's outperformance over a given period. Jensen 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.

Fund Partners Limited (formally IFDS Managers Limited) is the Authorised Corporate Director (ACD) of FP Argonaut Funds and is authorised and regulated by the Financial Conduct Authority. Registered office: Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

This Fund is marketed to professional investors and eligible counterparties. Retail investors should seek further advice before investing. Investors should refer to the Key Investor Information Document (KIID) and Supplementary Information Document (SID) before investing. For a copy, please telephone Fund Partners Ltd on 0844 620 0290 or visit www.argonautcapital.co.uk

Alternatively write to Fund Partners Ltd - Argonaut, PO Box 11954, Chelmsford, CM99 2DR.

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 the income from them can go down as well as up 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

The information contained in this document is believed to be correct at time of writing however no guarantees are made. Information and opinions are subject to change without notice.