

## Fund Factsheet

# Argonaut Pan European Alpha

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 Argonaut Pan 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

<b>Launch date</b>	16 December 2005 (EUR I Class)
<b>Fund size</b>	€47m
<b>No. of holdings</b>	39
<b>Sedol codes</b>	
Class A	Euro Acc - B-0S5-SG8
Class I	Euro Dist - B-0S5-SH9
	Euro Acc - B-0S5-S80
	Euro Dist - B-0S5-S91
<b>ISIN</b>	
Class A	Euro Acc - IE00B0S5SG80
Class I	Euro Dist - IE00B0S5SH97
	Euro Acc - IE00B0S5S800
	Euro Dist - IE00B0S5S917
<b>Bloomberg</b>	
Class A	Euro Acc - BRAEAAA
Class I	Euro Dist - RAEALAD
	Euro Acc - BRAEAI A
	Euro Dist - BRAEEID
<b>Valor</b>	
Class A	Euro Acc - 2421361
Class I	Euro Dist - 2421353
	Euro Acc - 2388590
	Euro Dist - 2388596
<b>Initial charge</b>	5.0%
<b>Ongoing Charge</b> (as at 17/02/17)	A Class Shares - 1.87% I Class Shares - 1.13% X Class Shares - 1.94%
<b>Base Currency</b>	Euro
<b>XD/Payment Dates</b>	15.05/31.05
<b>Dealing Time</b>	11am (Dublin Time)
<b>Index</b>	MSCI Pan Euro

All information as at 31/03/17 unless otherwise stated and measured against the fund's benchmark index. Quoted in Euros.

Investor information – This Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

### Fund commentary

The fund returned -0.57% over the month, compared to its sector average of +3.31% and the MSCI Pan European index of +3.58%.<sup>1</sup>

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.

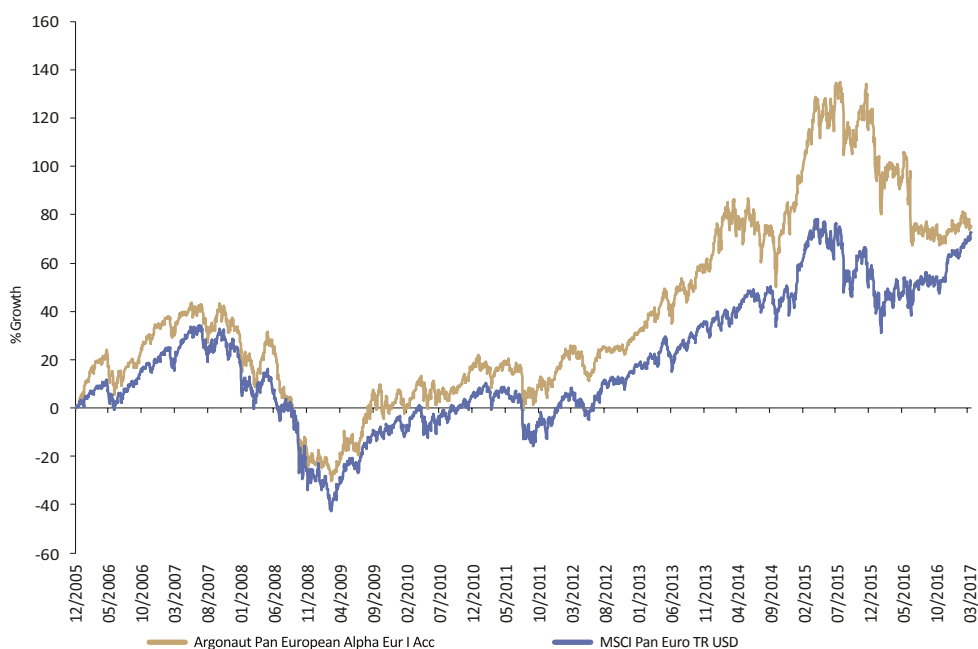
With European corporates posting net profit upgrades for the first time since 2010 and relatively inexpensive valuations, we do not currently share

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.

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

### Performance



€	Cumulative						Since Launch	Calendar				
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year		2016	2015	2014	2013	2012
<b>Fund</b>	-0.57	1.21	1.21	-12.65	-3.18	41.22	75.40	-22.53	21.97	10.28	29.22	13.99
<b>Sector Median</b>	3.31	5.72	5.72	13.60	19.66	57.13	49.54	-0.07	10.06	4.38	18.91	17.64
<b>MSCI Pan Euro</b>	3.58	5.89	5.89	18.52	23.98	65.30	72.79	3.72	7.30	7.02	19.68	17.50
<b>Quartile Rank</b>	4	4	4	4	4	4	1	4	1	1	1	4

Source: Lipper 31/03/17, Eur I Accumulation share class performance, in euro's with net income reinvested and no initial charges. **Past Performance is not a guide to future performance.** The value of units and any income from them may fall as well as rise and is not guaranteed.



# Argonaut Pan European Alpha

At 31 March 2017

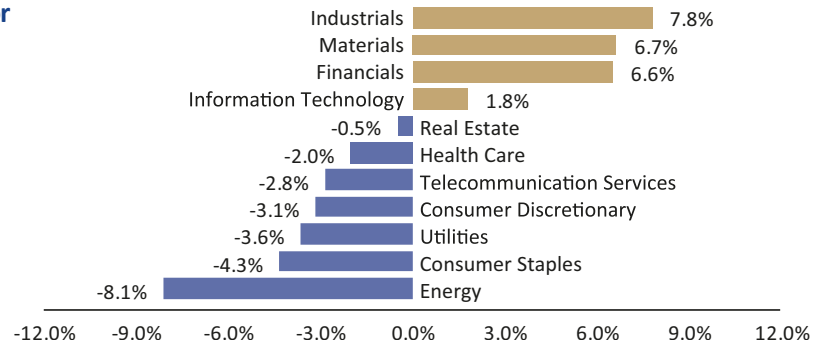
Top five holdings	Fund %
Vestas Wind Systems	5.3
Imperial Brands	4.4
Bankinter	4.3
Ryanair	4.1
Lloyds Banking Group	4.1

Country Breakdown	Fund %
United Kingdom	17.1
Denmark	13.7
Spain	11.9
Germany	10.4
Ireland	8.0
Netherlands	7.1
Switzerland	5.4
Finland	5.2
Norway	4.1
United States	4.1
Italy	3.2
Czech Republic	2.2
Hungary	2.0
Russia	2.0
Belgium	1.0
Portugal	1.0
Cash	1.6

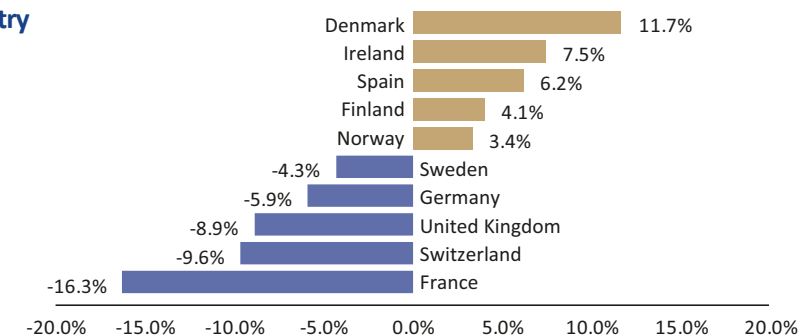
Market Cap	Fund %
Mega Cap > €20bn	34.6
Large Cap €5bn - €20bn	30.5
Mid Cap €2bn - €5bn	30.4
Small Cap < €2bn	3.0
Cash	1.6

## Active positions - top over/underweights Fund vs Index

### Sector



### Country



Risk Analysis	Since Launch	3 Year	1 Year
Beta	0.90	0.95	1.47
Standard Deviation (%)	16.19	16.77	17.96
Tracking Error	9.41	11.23	13.36
Jenson Alpha	0.39	-8.03	-38.52
Sharpe Ratio	0.21	-0.07	-0.74
Information Ratio	0.00	-0.75	-2.28

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 Euro I Acc share class.

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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.

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