

Fund Factsheet

FP Argonaut European Alpha

At 31 December 2019

Barry Norris

Lead Fund Manager

Greg Bennett

Co-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	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	£59.9m
Share class	Class A/Class R/Class I
No. of holdings	30
Sedol codes	A (Acc) – B4ZRCDO R (Acc) – B7MNV8T7 I (Acc) – B76L737
Bloomberg	A (Acc) – IMAEAAG LN R (Acc) – IMAERAG LN I (Acc) – IMAEIAG LN
ISIN	A (Acc) – GB00B4ZRCDO5 R (Acc) – GB00B7MNV8T72 I (Acc) – GB00B76L7377
Initial charge	5.25% (A Class Shares)
Ongoing charge GBP (as at 18/02/19)	A Acc Class Shares – 1.96% R Acc Class Shares – 0.96% I Acc Class Shares – 0.96%
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 31/12/2019, 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

"We are mindful that some of the best years for investment returns come after a big sell-off, following the injection of central bank liquidity" **Argonaut Fund Factsheet Commentary, February 2019.**

The fund returned +3.81% over December, compared to the IA Europe ex UK sector of +1.37%. During 2019 the fund returned +20.5%, compared to the IA Europe ex UK sector of +19.7%.

Our biggest winner was Russian blue-chip miner Norilsk (+18%) which performed strongly as the price of Palladium hit new highs on South African industry supply disruptions. The fund also benefitted from its positions in the shipping industry, with oil tanker bell-weather Euronav (+12%), where day rates are benefitting both from regulatory change and favourable supply/demand dynamics. British/Iberian airline conglomerate IAG (+13%) also performed strongly, in part following the UK election, but also as woes at Boeing mean that the industry is likely to be more capacity constrained than previously thought.

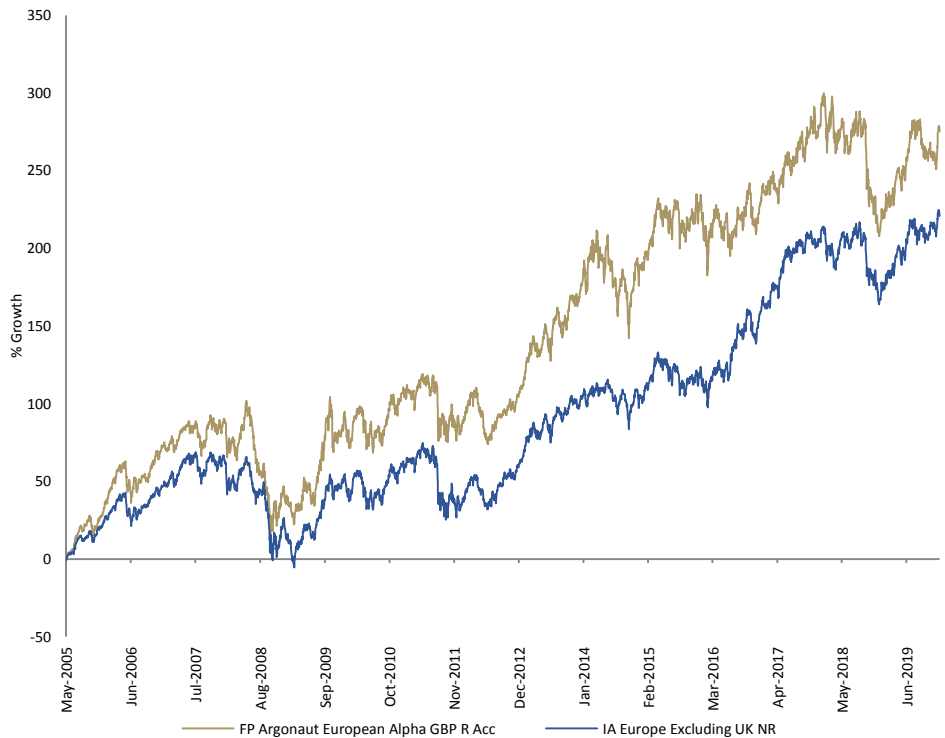
As we had largely anticipated, December saw a landslide Boris election victory in the UK and a trade agreement between the US and China. We believe that the former will mark a sea-change in the prospects for UK assets: bringing

clarity of purpose, dynamism and reforming zeal; whereas since the Brexit referendum there has been an absence of leadership, a vacuum of power and consequently economic uncertainty. By contrast, we are not convinced that the US-China deal is anything other than a short-term de-escalation of tensions in advance of fresh US Presidential elections in 2020.

Whilst our market view of 2019, expressed after the Fed January U-turn, was surprisingly accurate, our heavily caveated 2020 vision is by no means pessimistic. The default position of global monetary policy – led as always by the Federal Reserve – is to keep the liquidity taps running. M&A should finally pick up given the continued arbitrage between debt and equity and the need for industries to consolidate. However, we now expect the UK economy to significantly outperform its Eurozone peers, in part owing to Boris, but also because we expect global manufacturing (and therefore the German industrial complex) to continue in the economic doldrums. We have little confidence in the Chinese economic and political model for which ongoing troubles in Hong Kong are an ill-omen. Finally, whilst the market may wobble over the chances of a successful left-wing Presidential candidate, we suspect Trump will likely be re-elected.

¹ Lipper 31/12/2019, R Accumulation share class performance, in GBP with net income reinvested and no initial charges.

Performance



£	Cumulative				Since Launch	Calendar						
	1 Month	3 Month	1 Year	3 Year		2019	2018	2017	2016	2015	2014	2013
Fund	3.8	3.0	20.5	13.7	275.1	20.5	-17.9	14.9	-1.0	16.1	4.0	31.7
Sector	1.6	2.6	20.2	23.6	220.6	20.2	-12.4	17.4	16.8	9.3	-0.8	26.0
Quartile Rank	1	2	2	4	1	2	4	3	4	1	1	1

Source: Lipper 31/12/2019, Date from the 12th May 2005 – 16th July 2012 A class and 16th July 2012 – 31st December 2019 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.



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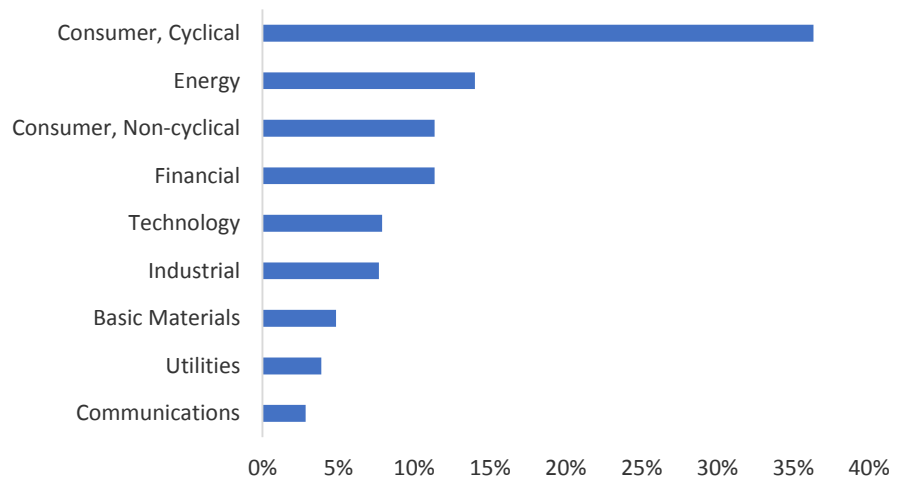
FP Argonaut European Alpha

At 31 December 2019

Top Five holdings	Fund %
Euronav	5.4
Schibsted	4.9
Takeaway	4.9
MMC Norilsk Nickel	4.8
Grubhub	4.8

Country Breakdown	Fund %
Germany	10.1
France	9.9
Russia	8.3
Spain	8.2
United States	8.1
Italy	6.3
Belgium	5.4
Sweden	5.1
Norway	4.9
Netherlands	4.9

Market Cap	Fund %
Mega Cap > €20bn	21.3
Large Cap €5bn – €20bn	47.6
Mid Cap €1bn – €5bn	24.6
Small < €1bn	6.6
Cash	-0.1

Sector Weights


Risk Analysis	Since Launch	1 Year
Beta	0.87	0.91
Standard Deviation (%)	16.54	10.68
Tracking Error	8.54	7.62
Jensen's Alpha	2.35	2.29
Sharpe Ratio	0.51	1.73
Information Ratio	0.17	0.08

Source: Lipper, all figures at 31/12/2019, these figures are subject to rounding. Date from the 12th May 2005 – 16th July 2012 A class and 16th July 2012 – 31st December 2019 reflects class R units. Tracking error is calculated ex post.

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Source: Argonaut Capital Partners, all figures at 30/11/2019, these figures are subject to rounding.

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Other ISINs for this fund:

GB00B6TQCC60	GB00B6T6S066
GB00B5LJR434	GB00B6VYPP25
GB00BVPYB156	GB00B7JXMD51
GB00B76L7377	GB00B4ZRC005

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'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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