

Fund Factsheet

FP Argonaut Absolute Return

At 30 April 2020

Barry Norris
Fund Manager



Barry Norris founded Argonaut in 2005 and manages the FP Argonaut Absolute Return 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 provide positive absolute returns in Sterling share class currency over a 3 year rolling period, utilising a variety of asset classes and regardless of market conditions. The fund will not be managed against any formal benchmark. Capital invested in the fund is at risk and there is no guarantee that the investment objective will be met over the 3 year rolling periods or in respect of any other time period. Historically, the fund has delivered lowly correlated returns to European equity markets.

Fund overview

Sector	IA Targeted Absolute Return
Launch date	18 Feb 2009 (GBP A Acc) 16 July 2012 (EUR A Acc)
No. of long holdings	39
No. of short holdings	27
Share class	Class A
Sedol code	A GBP (Acc) – B7MC0R9 A EUR (Acc) – B7K3728
Bloomberg	A GBP(Acc) – IIMEAAAG LN A EUR(Acc) – IIMEAAAE LN
ISIN	A GBP (Acc) – GB00B7MC0R90 A EUR (Acc) – GB00B7K37282
Initial charge	5.0%
Ongoing charge GBP (as at 18/02/19)	A Acc Class Shares -2.0%
AMC	A Class Shares – 1.50%
Performance fee	20% of anything above the hurdle rate subject to the price exceeding the high water mark (HWM)
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.
Source: Internal. All information as at 31/03/2020 unless otherwise stated.

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

"Britain has had enough of experts", Michael Gove, Minister for the Cabinet Office, June 2016

Professor Michael Levitt, Noble Laureate "They [epidemiologists] see their role as scaring people into doing something...but in my work, if I say a number is too small and I'm wrong, or too big and I'm wrong, both of those errors are the same...There is no doubt in my mind, that when we come to look back on this, the damage done by lockdown will exceed any saving of lives by a huge factor"

The fund returned -1.46% over April, compared with the IA Targeted Absolute Return sector which returned +2.52% and the Lipper Global Alternative Long/Short Equity Europe sector return of +2.67%. YTD the fund has returned +20.81% (1/115) in aggregate and has now returned +34.46% over the last 12 months (1/114) with zero correlation to the market.

Economies remained in lockdown with business activity falling precipitously, symbolised by 25 million Americans losing their jobs and the negative price of the April WTI crude oil futures contract as it approached expiry, with scant demand and land-based storage. Nevertheless, financial assets inhabited a parallel universe relative to the real economy, spurred on by the Federal Reserve announcing unlimited asset purchases, including high yield and municipal bonds (as opposed to varying Treasury maturities during the GFC), giving confidence to the vigour of the eventual recovery, and allowing the stock market to think longer term in contrast to more immediate human emotions.

<https://blog.argonautcapital.co.uk/articles/2020/04/01/04/14/only-a-perma-bear-brings-a-knife-to-a-bazooka-fight/>

During the month we took profits from previously successful shorts, selectively added cyclicality to the long book and increased our net exposure. Our correlation to the market increased from negative to zero; fund volatility fell to 20% (from 30%) with market volatility falling to 21% (from 52%). Without correctly anticipating the policy-induced rekindling of risk appetite the fund would have given up recent hard-won gains. It is also worth noting that it is our experience that the fund's headline net long position significantly overstates its beta adjusted market exposure and is necessary to avoid an undesired negative correlation to a probability adjusted more benign market outlook.

¹ Lipper 30/04/2020, I Accumulation share class performance, in GBP with net income reinvested and no initial charges.

² Correlation compares the hedged GBP I Acc share class daily returns against the Lipper Global Equity Europe.

	Cumulative						Calendar						
	1 Month	3 Month	YTD	1 Year	3 Year	Since Launch	2019	2018	2017	2016	2015	2014	2013
Fund	-1.5	15.8	20.8	34.5	46.2	129.7	12.8	-11.7	17.3	-25.6	11.0	13.6	39.7
AR Sector	2.5	-4.9	-4.7	-2.3	-1.4	32.6	4.6	-2.7	3.2	1.1	2.7	2.7	7.3
Rank	114/115	1/115	1/115	1/114	1/97	3/24	6/113	99/101	2/97	87/87	6/73	1/60	2/54
Quartile	4	1	1	1	1	1	1	4	1	4	1	1	1
L/S Sector	2.6	-6.1	-6.2	-4.1	-7.0	22.6	6.1	-6.8	2.5	-4.3	7.6	3.9	6.6
Rank	95/97	1/97	1/97	1/93	1/66	2/16	20/94	64/77	4/68	56/56	5/43	3/39	2/36
Quartile	4	1	1	1	1	1	1	4	1	4	1	1	1
			2020 (YTD)	2019	2018	2017	2016	2015	2014	2013			
Correlation			-0.11	0.2	0.4	0.3	0.3	0.1	0.3	0.3			
Downside Capture Ratio (%)			-116.1	-219.2	65	-242.0	99.0	-10.0	-46.0	-42.0			
Standard Deviation (%)			20.3	13.4	14.3	12.9	10.8	8.3	10.8	9.9			
Sharpe Ratio			2.8	0.9	-0.8	1.3	-2.7	1.2	1.2	3.4			
Sortino Ratio			2.2	0.7	-0.8	1.9	-1.8	1.2	1.2	6.1			

Source: Argonaut Capital Partners & Lipper 30/04/2020, I Accumulation share class performance, in Sterling with net income reinvested and no initial charges. The AR is the IA Targeted Absolute Return NR (TAR) and L/S Sector is Lipper Global Alternative Long/Short Equity Europe, both quoted in local currency. The market's (Lipper Global Equity Europe) performance is quoted in Euros, but the fund's performance is quoted in Sterling, as the fund is currency hedged back to Sterling, so it should be measured relative to local currency (Euros).

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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At 30 April 2020

Glossary:

Long position

Positions that will deliver a positive return if the stock goes up in value and a negative return if the stock falls in value

Short position

Positions that will deliver a positive return if the stock falls in value and a negative return if the stock goes up in value

Gross exposure

The overall exposure of the fund - the sum of the value of the long positions and the short positions

Net exposure

The directional market exposure of the fund - the value of the long positions minus the value of the short positions

Top Five Long Positions	Fund %
Amazon.Com	6.1
Polyus PJSC	4.8
Ontex Group	4.8
Ericsson LM	4.3
Logitech International	4.2

Exposure	Fund %
Long Exposure	126.2
Short Exposure	-47.8
Net Exposure	78.4
Beta Adjusted Net	0.45
Gross Exposure	174.02

Correlation to the Lipper Global Equity Europe	
Monthly Correlation	0.00

Market Cap	Fund %	Long	Short
Large Cap €5bn - €20bn	82.8	-13.2	
Mid Cap €1bn - €5bn	26.0	-15.9	
Small Cap <€1bn	17.4	-18.7	

Days to Liquidate	% of Invested Portfolio
Less than 1 day	97.7
1-5 days	2.3
More than 5 days	100.0

Days to liquidate positions in the portfolio using 20% of the 90 days average trading volume

Source: Argonaut Capital Partners, all figures at 30/04/2020, these figures are subject to rounding. 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:

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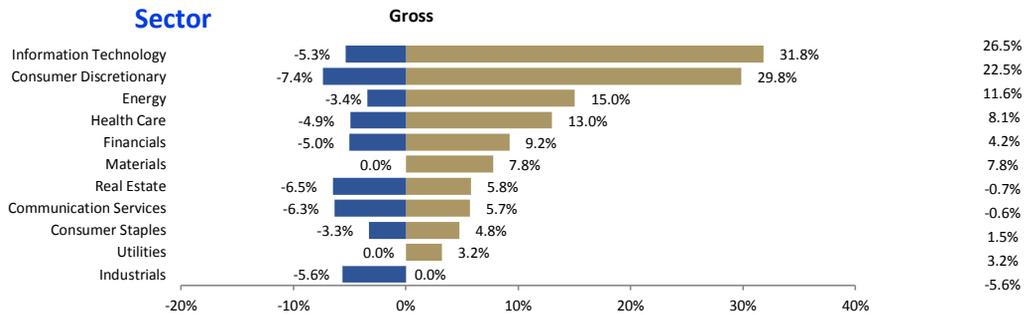
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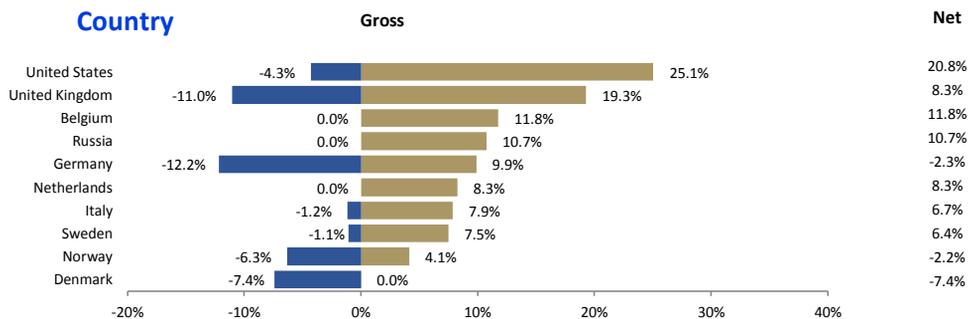
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Telephone calls may be monitored and/or recorded for the purpose of security, internal training, accurate account operation, internal customer monitoring and to improve quality of service.

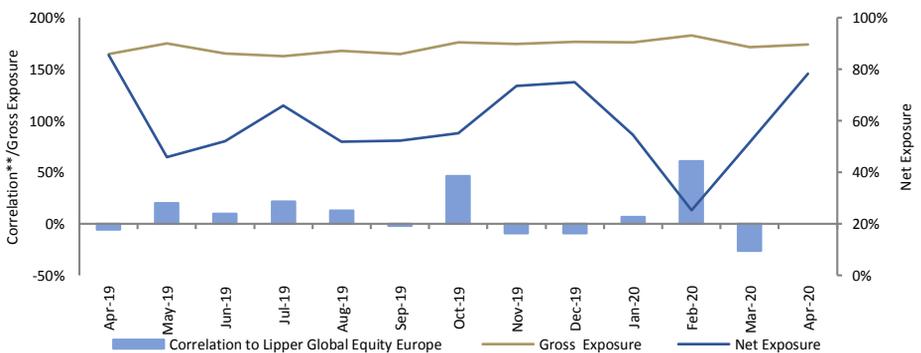
Long/Short Positions



Country



Overall Fund Exposure



**Lipper Global Equity Europe quoted in € and the FP Argonaut Absolute Return GBP I Acc quoted in £ as the fund is currency hedged back to Sterling, so it should be measured relative to local currency (Euros).

Important Information

The fund takes long and short positions based on the fund manager's views of the market direction. 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.

FundRock Partners Ltd (formerly 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.

Investors should refer to the Key Investor Information Document (KIID) and Supplementary Information Document (SID) before investing. For a copy, please telephone FundRock Partners Ltd on 0844 620 0290 or visit www.argonautcapital.co.uk Alternatively write to FundRock Partners Ltd - Argonaut, PO Box 11954, Chelmsford, CM99 2DR.

The prospectus, KIIDS, the articles, the annual and semi-annual reports of the Fund may be obtained free of charge from the Swiss Representative. Swiss Representative: First Independent Fund Services Ltd., Klausstrasse 33, CH-8008 Zurich and Swiss Paying Agent: NPB New Private Bank AG, Limmatquai 1, am Bellevue, Postfach, CH-8024 Zurich.

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