

YFS Argonaut Absolute Return



Fund Commentary

"The issue never came up. People were totally happy with the amount they were spending. All of a sudden {AI costs} are a huge issue. It's kind of meme now: 'My company spent my entire 2026 budget in Q1, can you make this more efficient?'"

Sam Altman, Open AI CEO, Fello AI Conference, June 3rd, 2026

"In that part of the world a ceasefire is when you are firing in a more moderate manner"

President Trump, June 3rd, 2026

"The US is pouring more capital into AI data centers in 6 years (~\$930B) than the inflation-adjusted cost of the Marshall Plan, Apollo, Manhattan Project, and the Interstate Highway System — combined. Meanwhile: AI ≈ 45% of the S&P. Energy ≈ 4%. Everyone is overweight the thing that needs power. Underweight the power."

@RonStoeflerle, May 12th, 2026

The Fund returned -4.7% over May compared with the IA Targeted Absolute Return sector return of +0.9% and the Morningstar Long/Short Europe sector return of +1.0%. The correlation to the market was 0.16 (0.16) whilst monthly annualised daily volatility was 10.4% (18.4%) vs. market 13.8% (19.0%).

Over the month, the Fund returned -0.5% from its long book and -3.7% from its short book (with -0.38% from FX hedging/other).

The best performing longs were Archer Daniels (+8%), Austrian bank Raiffeisen (+8%) and Infineon (+43%). The worst performing long was Adecoagro (-9%).

The best performing shorts were Arbor Realty (-27%), Hemnet (-18%), and Figs (-22%). The worst performing short was Softbank (+54%).

We have made two observations this year which have made us cautious (and recently wrong) on financial markets. First, given the lack of scalable profitable business models amongst the LLM's (notably Open AI and Anthropic) the AI Capex boom is more fragile than markets appreciate and therefore dangerous to extrapolate. Second, in contrast to consensus expectations, which since the beginning of the Iran "ceasefire" on April 8th assumed that Hormuz trade flows would normalise "in a few weeks", Iran's leverage, and willingness to drag out the conflict indefinitely to achieve strategic dominance in the Gulf, continues to be underestimated. We would have done well to heed the warning of Edwin Lefevre in *Reminiscences of a Stock Operator* that "knowledge is the enemy of the speculator during a boom".

Curiously, in the middle of what is the world's worst ever energy crisis, there has been what can only be described as an investment "mania" in the most speculative stocks, with the SOX (Semiconductor) Index (the purest expression of enthusiasm for AI Capex) rising an astonishing 95% in just 65 days; with Non-Profitable Tech +67% and Most Shorted +42%. At its peak on June 3rd 2026, the deviation of the SOX Index from its 200-day moving average was an astonishing 76%, which according to Bank of America's Michael Hartnett's calculations of "past bubbles", compares with 73% at the height of John Law's Mississippi Bubble in 1720; 55% at the peak of Dotcom in 2000 and just 21% before the Wall St. Crash of 1929.

Key Performance Numbers

-4.7%	Monthly performance
-7.3%	Year-to-date performance
10.7%	5-year CAGR (net of fees)
-0.1	5-year correlation to European equities*

As at 31-May-26. *Euro Stoxx NR Index. Past performance is not a reliable indicator of future results.

Key Fund Details†

GBP I	389.77
GBP A	344.96
GBP R	331.64
USD I	223.83
EUR I	305.87

Fund AUM (£m)	511m
Fund Inception	18 Feb 2009
Fund Type	UCITS Long/Short
Fund Domicile	UK
Base Currency	GBP
Sector	IA Targeted AR
Dealing Frequency	Daily
Prime Broker	UBS

Strategy

Argonaut Absolute Return

A long/short strategy focused on mainly pan European equities dedicated to seeking non-correlated absolute returns via an active, fundamental investment approach and a concentrated portfolio of investments. The Fund typically holds 30-50 long positions and 20-50 short positions.

For full details see fund prospectus

Portfolio Manager

Barry Norris, CFA

Barry began managing European equity portfolios at Neptune Investment Management in 2002 having begun his career at Baillie Gifford. He graduated from Cambridge University (MA History & MPhil International Relations) and holds the CFA. Barry founded Argonaut Capital Partners LLP in 2005.

For more information see argonautcapital.co.uk

*MSCI Europe NR

Sources: Argonaut Capital Partners LLP internal unaudited data and refers to the £ I share class.

†Yealand, Bloomberg & Morningstar, calculation on a NAV basis with net income reinvested. All data shown as at 31 May 2026

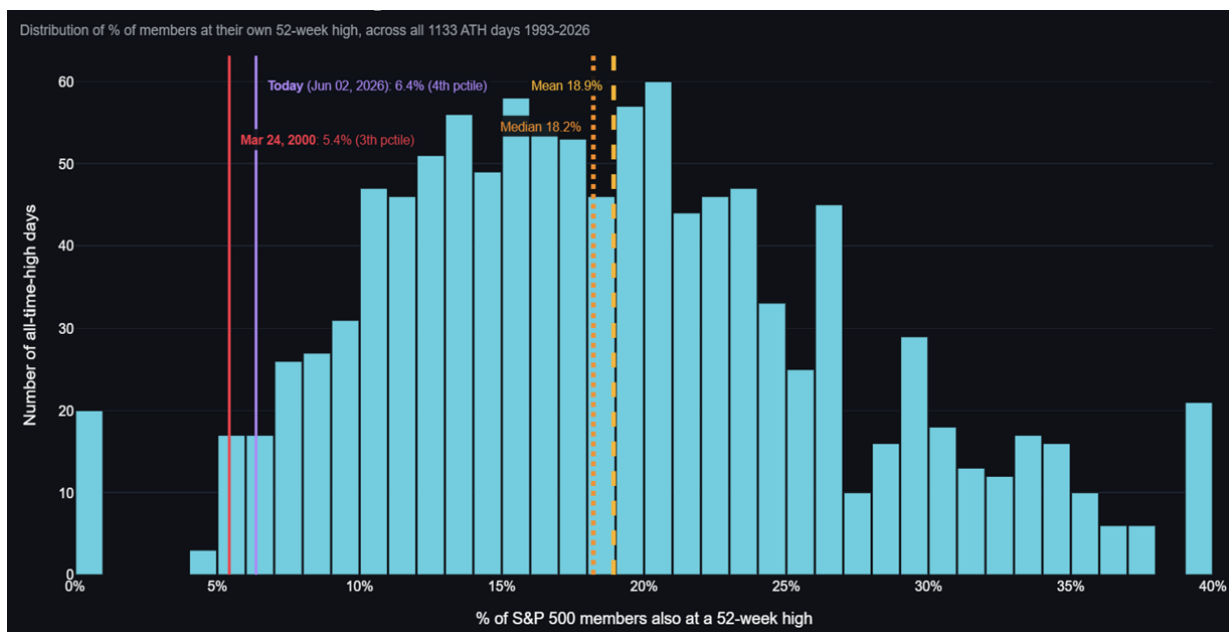
Fig. 1 – 2026 Rally vs Historical Manias

Index	Start	Peak	Return	Deviation vs 200DMA at Peak
SOX	30 Mar 2026	03 Jun 2026	95%	76%
GS Most Shorted	30 Mar 2026	01 Jun 2026	42%	28%
GS Non-Profitable Tech	30 Mar 2026	02 Jun 2026	67%	50%
Mississippi Company	31 Jul 1718	31 Jan 1720	-	73%
Roaring 20s	30 Mar 1926	03 Sep 1929	-	21%
Dotcom	26 Sep 1998	10 Mar 2000	-	55%

Source: Bank of America

As in the last few months of Dotcom, capital is being sucked out of the rest of the market to fund the concentrated mania in AI Capex. This means that even without shorting AI Capex directly, it has been challenging to generate any meaningful positive investment performance in the short term without risk of being sucked into the mania. Nevertheless, this narrow breadth of the stock market is unhealthy and has historically been prone to disastrous reversals. Last week saw an all-time high for the S&P, with only 5% of individual stocks hitting new highs. It has been pointed out that this had only previously happened in 1929, 1973 and 2000. In Korea, where the KOSPI index rose 75% in just two months by virtue of its exposure to semiconductors, bank deposits have recently dropped by 12% and 16% of all life insurance policies have been surrendered as much of the financial system is rerouted into the likes of Samsung and SK Hynix.

Fig. 2 – Bad breadth at S&P500 new all-time highs, 1993-2026



Source: Bloomberg

This AI mania will now see the astonishing sight of three loss-making companies attempt IPO's at trillion dollar plus valuations. Space X – which has accumulated \$37bn of losses to date, as much as the next 10 most loss-making companies prior to IPO – is due to raise \$75bn (the previous largest raise was Aramco at \$29bn) at a \$1.8 trillion valuation (which works out at 94x sales). According to Nvidia's Jensen Huang, the IPO's of Space X, Anthropic and Open AI are equivalent opportunities for retail investors to become "early stage investors in Google, Amazon and Meta", despite their trillion dollar valuations not seeming particularly "early stage" and as Jim Chanos has pointed out, those now established companies coming to market on 7x, 3x and 20x revenues respectively (rather than 94x).

Most private equity Space X investors probably believed they were funding a promising mobile internet and satellite business, yet the Space X S-1 document (aka its IPO prospectus) makes it clear that it has now diworsified into a vehicle for Elon Musk’s AI ambitions, with \$22.7 trillion (80%) of its somewhat unlikely \$28.5 trillion future total addressable market in AI, with the tenuous promise of operational synergies through the again somewhat unlikely prospect of building data centres in space (the S-1 admits that “we have not, and no one else has, previously operated or attempted to operate orbital AI compute, and the conditions of space on such AI infrastructure have not been tested.”)

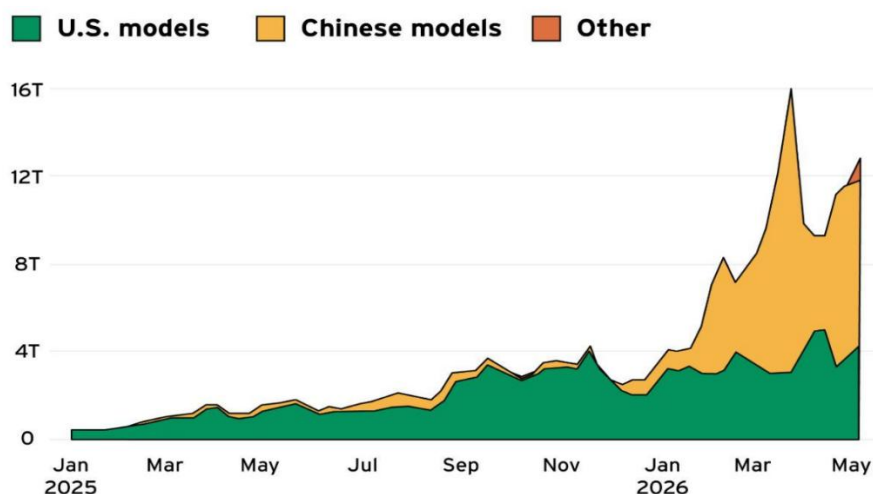
Space X will use its IPO to pay \$60bn (in stock and cash) for Cursor (the third biggest native LLM, apparently used by Space X engineers instead of Grok, with annualised revenues of \$500m yet negative gross margins of 23%). Its growth prospects centre around its unquantified claim of competitive advantage in building data centres efficiently. The combined Space X and X AI lost \$5bn in 2025 on \$18bn of revenue, whilst X AI spent \$13bn on building data centres (50% more Capex than Space X). We are left with the impression that the Space X IPO has very little to do with space, but is absolutely necessary for Musk to fund his money pit AI ambitions of competing with Open AI, Anthropic and Gemini, yet from a tiny current market share (c. 2-3%) with no competitive advantage, nosebleed capital commitments and low or no gross margin, making scaling the business at best uncertain.

Anthropic and Open AI – which according to The Information account for 89% of all AI native revenues of \$6.6bn per month – have also filed “confidential” S-1’s with the SEC. As previously discussed, these two companies are ultimately paying for 50-80% of all AI Capex, with combined obligations of \$1.3trillion. The IPO process will subject the business models of both companies to greater scrutiny and the public markets will be able to see audited figures subject to accounting standards for the first time. This may inject a welcome dose of realism into the AI investment story.

The LLM IPO process has coincided with the LLM’s moving from token maximisation to token-based billing, in contrast with the Dotcom era, where telcos began with metered internet and then moved to “all you can eat” tariffs. In other words, the LLM’s have stimulated usage below cost (hence the negative gross margins yet spectacular volume growth) but presumably realise they need to show at least a path to profitability in the IPO process.

This move to token-based pricing immediately before the IPO has received pushback from corporate customers, who having assumed that token costs would keep falling are now seeing their AI bills dramatically increase. It was reported that one US company had burned through \$500m of Claude tokens with no usage limits in a single month. Uber said that it had used its entire AI budget in just 4 months and that it was getting “harder to justify” its AI costs because there was not a clear demonstration between AI spend and productivity. All of this is leading to a reassessment of whether corporates want to be in hock to their new AI “workforce” but also questioning whether most tasks couldn’t be done on Chinese opensource models which are 80% cheaper. Indeed, Chinese models have surpassed the US in weekly usage with DeepSeek-V4-Flash currently the world’s most popular LLM. At the Fello AI Conference on June 3rd, Sam Altman, admitted that “All of a sudden [AI costs] are a huge issue”. It is not difficult to work out why.

Fig. 3 – Weekly Token Consumption of Top 9 Models Through OpenRouter API Calls



Source: OpenRouter LLM Ranking Leaderboard. Note: Token consumption refers to the amount of text an AI model reads and generates, and OpenRouter is a platform that lets developers connect different AI models into their apps.

There is an assumption that AI will see a “winner takes all” LLM, yet as Gary Marcus has pointed out, everyone is building the same type of model with the same data, meaning that the only “moat” is the quantum of compute, which is not resulting in linear improvements in the efficiency of the model. In contrast to the previous trillion-dollar Technology winners, the result is a highly capital-intensive industry with competitive pricing and modest profits.

We are licking our lips at the prospect of the publication of the S-1’s for Open AI and Anthropic, which we suspect will make Space X look, by comparison, like a Buffett stock. The Information reported that Open AI’s EBIT margin was -122% in Q1 and that chatbot subscriptions had stalled. It was also reported that Anthropic was “profitable” in Q2, though it seems this was based on Space X giving them a sweetheart price (temporary cost reduction for inference) for the first couple of months of renting out its Colossus data centres. There is also speculation that Anthropic is recognising upfront payments of tokens which may be used over a year as monthly revenue, then annualising them to juice its revenue growth. Open AI has renegotiated its revenue share deal with Microsoft, with the latter giving up exclusive IP rights in return for faster payments of revenue share, which will accelerate the already nose-bleed cash-burn of \$27bn this year, \$63bn next and an astonishing \$219bn before 2029. Is it any wonder that the Federal bail-out rumours for Open AI have resurfaced?

It is also not clear that data centres are being built at a pace that can absorb all of the semiconductors currently being ordered, which may in any case reflect hyperscalers “*stocking up before the hoarders get here*”. According to JPMorgan “*The latest analysis based on satellite images shows that over 60% of data centre capacity planned for completion in 2027 has not begun construction with another 7% delayed.*” The build-out costs for data centres are also reported to have doubled in the last few months, leading to credit providers getting cold feet about financing projects. This could be a reason why Alphabet decided to raise \$85bn of fresh equity, with Meta rumoured to be next inline. Or alternatively it could be that by draining liquidity from the equity market they are making it more difficult for their competitors to secure funding via IPO.

The disruption from the closure of the Strait of Hormuz is playing out more slowly than anyone could have originally envisaged, through use of strategic inventory that didn’t exist in the 1970s. China has slashed its crude oil imports by 5mbd (40%), whilst the US has increased its oil exports by 2mbd, largely funded by inventory release from the Strategic Reserve. No one really knows at what point inventory releases can no longer compensate for the lost 12-13mbd through Hormuz, as the amount of Chinese inventory is unknown, as is what exact minimum tank bottoms are in the US. However, the oil market has already lost over 1 billion barrels of oil with the inventory situation likely to become critical over the next 1-4 months, coinciding with the summer period of peak demand. JPMorgan says we reach critical levels by the end of June and tank bottoms by September. It is also important to point out that oil at \$90 is not expensive adjusted for inflation on a historical basis and outside some emerging markets there is little evidence yet of demand destruction. This means once the inventory situation becomes critical, the physical shortages will be immediate and profound. Rather perversely, oil speculators have now cut net long positions to the lowest level in over three months (with a net bullish position of only 253mb, 64th percentile since 2011). Goldman data shows institutional investors are currently more bearish on oil than at any point in the last 10 years.

We all know (albeit apparently the trading algos do not) that President Trump has now negotiated a peace settlement 12 times, won the war 7 times and reopened Hormuz 4 times. It has become obvious not only that Trump is desperate for a deal but that Iran knows this and keeps increasing its demands, which now include an end to Israeli incursions into Lebanon and Gaza, official control over Hormuz including tolls, and ending of the blockade and a return of all frozen funds, knowing that its economic leverage increases as global inventories get drawn down, whilst they remain the most strategically consequential nation on earth. In other words, instead of the generalist anticipation that Hormuz will “open next week”, we think it might stay shut at least until the mid-term elections in November and perhaps longer.

As long-term investors in the oil tanker industry, on which we remain bullish with or without Hormuz being opened, in contrast to the prevailing generalist consensus, we have witnessed how bottlenecks do not quickly normalise after disruptions. Houthi attacks in the Bab-el-Mandeb have disrupted Red Sea flows indefinitely. Tanker owners will be generally cautious about putting their crew and assets in harm’s way irrespective of insurance or political or military assurance. Tankers travelling at 20 knots now working in the Atlantic basin will take weeks and months to arrive in the Gulf. It is also not clear whether ships stranded in the Gulf remain seaworthy. A return to pre-war 70-80 tankers per day through Hormuz which the market still thinks the most likely outcome seems unlikely to us.

Furthermore, it seems to us that Hormuz is now under Iranian control indefinitely, with or without a deal, and that markets haven't really begun to think about the implications of this. Global strategic reserves will be exhausted and refilling them will add significantly to demand for 2-4 years, with more countries likely to build additional storage capacity (good for our long position in Vopak). Until new pipelines are built, Iraq, Kuwait, Bahrain and Qatar will be forced to pay Iranian tolls, whilst Saudi and UAE will continue to export lower volumes, initially via pipelines, for higher prices. Iran will extend its influence over the region with the Gulf becoming an Iranian lake, allowing the regime to support regional proxies which may agitate for regime change amongst the Gulf monarchies (as well as continue to attack Israel). All of this will lead to more instability in the region and a higher floor on oil globally, which will be needed to support new exploration elsewhere. Market consensus is expecting a return to plenty though we expect the exact opposite. And with Energy at a record low of 4% of the S&P market capitalisation, despite it being needed to power AI, compared to technology over 50% (including Meta, Amazon, Space X, Anthropic and Open AI), we see abundant energy investment opportunities ahead, yet perhaps this will only be rewarded post-mania, when rationality reasserts itself.

In our view, the best analogy for global financial markets presently is that of the frog being slowly boiled, that has become desensitised to danger. Hormuz disruption has already gone on longer than anyone originally forecast yet the market has become numb to the energy supply risks through unsustainable inventory releases and Trump jawboning about unrealistic peace deals. Similarly, the share price mania around frenzied AI Capex has dulled enquiry into the sustainability of the unprofitable and non-scalable LLM business model which ultimately must pay for the investment and will soon be subject to public scrutiny.

The global economy is slowly overheating with headline inflation prints forcing central banks to tighten policy in the months ahead, whilst equity market liquidity will be drained by an unprecedented quantum of capital raised. The probability of a significant reset or a prolonged bear market during which leadership will inevitably change are in our opinion high, yet we are also aware that markets can remain irrational for a long time and that more patience may be required, hence we have reduced our short book and continue to reduce our gross exposure.

Barry Norris
June 2026



YFS Argonaut Absolute Return



PERFORMANCE (%)

	1M	3M	1YR	3YR	5YR	YTD	ITD	ITD CAGR
Argonaut AR Fund	-4.7	-16.6	3.2	38.3	66.1	-7.3	289.8	8.3
EURO STOXX NR	3.9	1.3	17.3	56.8	63.5	7.8	334.5	9.0
IA Targeted Absolute Return	1.0	-0.5	7.2	22.1	25.7	2.0	139.5	4.8

DISCRETE YEARLY PERFORMANCE (%)

1-year to	31 May 22	31 May 23	31 May 24	31 May 25	31 May 26
Argonaut AR Fund	27.7	-5.9	23.1	8.9	3.2
EURO STOXX NR	-3.4	7.9	18.9	12.4	17.3
IA Targeted Absolute Return	2.5	0.2	7.9	5.4	7.2

KEY STATISTICS SINCE INCEPTION

Annualised Net Return	8.3
Annualised Volatility	12.8
Correlation vs. European equities	-0.1
Average Long Alpha	4.3
Average Short Alpha	5.8
Best Month	15.0
Worst Month	-10.8
Average ROIC	11.6
Upside Capture	19.3
Downside Capture	-25.0

Source: Argonaut Capital Partners & Morningstar

MONTHLY & CALENDAR YEAR PERFORMANCE (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Correlation*	ROIC+	Std. Deviation	Sharpe
2009					0.9	-0.2	3.4	8.9	0.4	-4.2	-3.4	3.7	9.4	0.7	12.0	15.7	1.2
2010	-1.2	-0.2	0.1	3.4	-2.1	-2.7	-1.8	-2.1	1.2	-0.5	3.8	3.4	1.1	0.2	-3.5	8.1	-0.2
2011	-3.5	-0.4	0.1	4.7	1.7	1.0	1.2	-1.1	1.2	0.4	0.6	0.5	6.4	0.2	41.5	6.6	0.4
2012	-0.1	1.3	-0.2	0.3	-1.0	0.2	0.1	2.1	0.5	1.0	0.3	1.1	5.6	0.4	19.1	2.8	1.1
2013	0.7	3.3	-0.6	3.1	3.1	3.5	2.4	-1.4	2.8	10.0	4.0	3.4	39.7	0.2	50.7	9.9	2.9
2014	1.1	2.9	0.9	-4.8	1.1	0.8	-1.5	-0.7	3.4	-0.3	8.1	2.4	13.6	0.3	27.2	10.8	0.7
2015	5.0	-2.5	2.2	-1.6	1.8	-1.1	3.1	0.6	2.8	-2.6	1.8	1.3	11.0	0.0	15.1	8.3	1.0
2016	-2.5	-5.6	-3.5	-4.4	2.6	-8.5	-1.0	-1.1	0.9	1.1	-3.3	-3.4	-25.6	0.3	-44.9	10.8	-2.7
2017	0.0	-1.3	-2.0	-0.2	4.2	-3.0	2.4	7.4	-3.2	6.1	6.1	0.3	17.3	-0.4	20.4	12.9	2.2
2018	6.9	-1.5	-1.7	-2.4	-3.9	-0.6	1.5	2.1	-0.7	-10.8	-0.4	0.0	-11.7	0.4	-0.3	14.3	-1.0
2019	-2.6	-0.3	1.8	2.6	5.1	4.1	0.6	6.2	-7.5	1.5	-2.5	4.0	12.8	-0.6	4.6	13.5	1.0
2020	4.3	2.2	15.0	-1.5	-3.4	3.4	2.6	3.4	2.5	-3.1	-9.2	0.9	16.6	-0.8	21.8	20.0	1.0
2021	-2.1	0.7	5.8	-0.3	1.9	-7.1	-0.9	0.8	-0.3	4.4	4.3	3.4	10.3	0.4	11.0	12.1	0.6
2022	5.4	3.7	1.4	6.2	4.0	-7.7	-7.8	3.8	-0.4	5.0	-3.2	1.4	11.2	-0.1	13.8	16.8	-0.1
2023	-10.4	6.8	6.0	-0.3	2.5	-5.0	-0.1	4.3	1.6	7.5	2.1	0.0	14.6	-0.7	19.5	17.6	1.0
2024	5.1	4.0	2.4	0.7	-1.1	-1.5	-3.2	0.0	-3.9	1.4	9.4	2.1	15.5	0.2	8.8	11.1	0.7
2025	4.0	0.6	-0.3	-3.5	4.3	-0.7	1.5	3.8	2.2	0.9	1.6	1.5	16.9	0.2	11.4	12.1	1.5
2026	8.1	2.9	-4.6	-8.4	-4.7								-7.3	0.1	-18.0	14.3	-1.6
	CAGR Since Inception												8.3	-0.1	11.6	12.8	0.4

Source: Argonaut Capital Partners, Bloomberg & Morningstar as at 31-May-26. All performance data above refers to YFS Argonaut Absolute Return Fund, uses the GBP I Acc share class and is net of fees. *Correlation calculated in base currency on a monthly basis versus Euro STOXX NR Index. +ROIC calculated as contribution to return over percentage exposure, as at market close. Standard Deviation calculated by annualising monthly returns in base currency. Figures for 2026 YTD calculated using daily returns. YFS Argonaut Absolute Return Fund's prospectus changed in 2021 from being 'predominantly' to 'mainly' pan European equity exposure. Past performance does not guarantee future results and the value of all investments and the income derived therefrom can decrease as well as increase.

TOP 5 LONG POSITIONS

	% NAV
Raiffeisen Bank	6.0%
OTP Bank	6.0%
Darling Ingredients	5.7%
Archer-Daniels-Midland Co	5.7%
Energy Transfer LP	4.8%

MARKET CAP BREAKDOWN

	LONG	SHORT
>\$50bn	18.0%	-2.0%
\$20-50bn	31.0%	-4.3%
\$5-20bn	36.5%	-12.3%
\$1-5bn	20.0%	-11.3%
<\$1bn	0.0%	-6.1%

FUND EXPOSURES

	% NAV
Long Exposure	105.5%
Short Exposure	-36.0%
Gross Exposure	141.5%
Net Exposure (Reported)	69.5%
Net exposure Beta-Adj. (6m beta)	33.9%

TOP 5 SHORT POSITIONS

	% NAV
Industrials	-2.4%
Consumer Discretionary	-2.4%
Consumer Discretionary	-1.2%
Financials	-1.1%
Consumer Discretionary	-1.1%

DAYS TO LIQUIDATE

	% PORTFOLIO
Less than 1 day	71.4%
1-5 days	25.7%
More than 5 days	2.9%

Days to liquidate positions in the portfolio using 20% of the 90-day average daily trading volume.

OTHER

# of long positions	42
# of short positions	48

IMPORTANT INFORMATION

These figures refer to the past. Past performance is not a reliable indicator of future results.

This document is a marketing communication. Before subscribing, please read the prospectus and the KIID, available at argonautcapital.co.uk. Any past performance or references to the period prior to 14 July 2012 relate to the Ignis Argonaut unit trusts. The performance calculation shown is based on the GBP I share class. If the past performance is shown in a currency which differs from the currency of the country in which you reside, then you should be aware that your performance may increase or decrease as a result of currency fluctuations.

PORTFOLIO MANAGER & CONTACT DETAILS

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EQUITY EXPOSURE BY GEOGRAPHY (%)

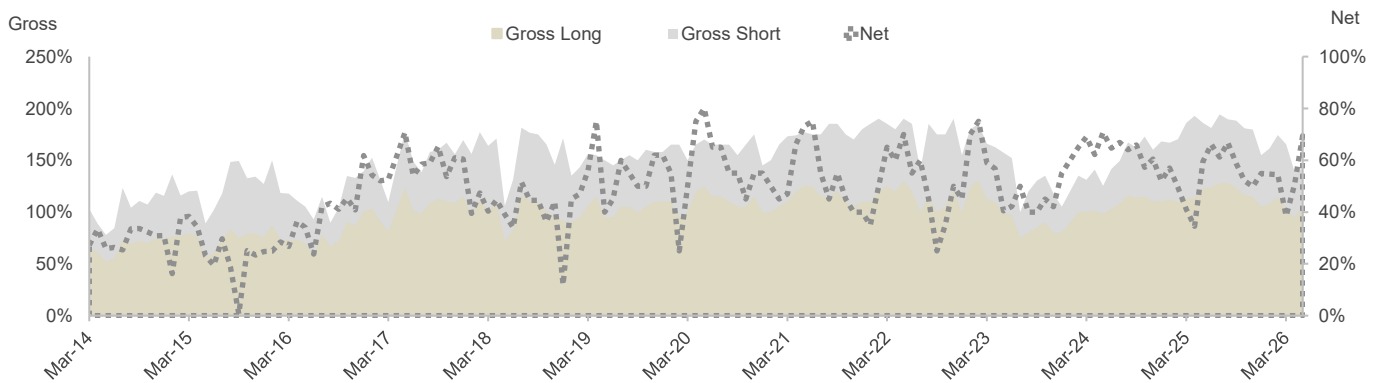
Country	Long	Short	Gross	Net
United States	48.6	-13.8	62.4	34.8
Greece	10.9	0.0	10.9	10.9
United Kingdom	9.4	-6.9	16.3	2.5
Austria	8.0	0.0	8.0	8.0
Hungary	6.0	0.0	6.0	6.0
Norway	5.0	-0.6	5.6	4.4
Germany	4.9	-0.8	5.7	4.1
Finland	4.1	0.0	4.1	4.1
Other	8.6	-13.9	22.5	-5.3
Total	105.5	-36.0	141.5	69.5

Source: Argonaut Capital & Bloomberg. Equity sector exposure as classified by GICS.

EQUITY EXPOSURE BY SECTOR (%)

Industry	Long	Short	Gross	Net
Financials	29.0	-5.1	34.1	23.9
Energy	19.7	0.0	19.7	19.7
Consumer Staples	19.4	-3.5	22.9	15.9
Industrials	10.5	-5.7	16.2	4.8
Materials	8.4	-1.3	9.7	7.1
Utilities	7.7	-3.1	10.8	4.6
Information Technology	4.9	-2.9	7.8	2.0
Consumer Discretionary	3.1	-11.6	14.7	-8.5
Other	2.8	-2.8	5.6	0.0
Total	105.5	-36.0	141.5	69.5

GROSS & NET EQUITY EXPOSURE OVER TIME



Note: Allocation figures are taken at close of business whereas Fund performance is taken at 12pm. Equity exposure includes all equity related instruments. All sources, unless otherwise stated, are Argonaut Capital & Bloomberg. All data shown as at 31 May 2026.

SHARE CLASS INFORMATION

Share Class	GBP OP (Acc)	EUR OP (Acc)	USD OP (Acc)
SEDOL	BN6S031	BN6S042	BN6S053
ISIN	GB00BN6S0319	GB00BN6S0426	GB00BN6S0533
Bloomberg	YAARFOG LN	YAARFOE LN	YAARFOU LN
Front End Fee	0%	0%	0%
Management Fee	1.85%	1.85%	1.85%
Ongoing Charge	1.94%	1.94%	1.94%
Performance Fee	20% of gains above hurdle rate subject to the unit price exceeding the high-water mark		
Hurdle	5% per annum		
High Water Mark	Yes		
Anti-Dilution Levy	A dilution levy may be applied if net inflows/outflows are 2.5% or over on one day		
Minimum Investment	£2,500	€2,500	\$2,500
Minimum Top Up	£1,000	€1,000	\$1,000
Regular Savings Scheme	N/A	N/A	N/A
ISA available	Yes	N/A	N/A

Source: Argonaut Capital Partners. See Prospectus for more detail.

INVESTOR INFORMATION

Dealing Frequency	Daily
Dealing Time	12pm
Valuation	Daily
Share class hedging	Non-base ccy share classes hedged
Dividends	Accumulation shares only
Price Reporting	Prices published daily

SERVICE PROVIDERS

Authorised Corporate Director (ACD)	Yealand Fund Services
Prime Broker	UBS
Auditor	Moore Kingston Smith LLP
Custodian	Caceis
Depositary	NatWest Trustee & Depository Services
Accountant	Yealand Fund Services
Legal Counsel	CMS

FUND OVERVIEW

Objective: the YFS Argonaut Absolute Return Fund ('The Fund') aims to provide positive absolute returns over a 3-year rolling period regardless of market conditions. The Fund is not managed against any formal benchmark. Capital is at risk and there is no guarantee that a positive return will be delivered over the 3-year rolling period or in respect of any other time period.

Investment Approach: The Fund deploys a long/short strategy focused on mainly pan European equities and is dedicated to seeking non-correlated absolute returns via an active, fundamental investment approach and a concentrated portfolio of investments. The Fund typically holds 30-50 long positions and 20-50 short positions.

Risk Considerations: The Fund has considerable latitude over its allocation both long and short equities and it may employ leverage and own sophisticated instruments such as futures and options. The Fund may also hold a large weighting in a small number of investments and may therefore be subject to larger than normal swings in its value. The performance stream is likely to be volatile and the Fund is suitable only for investors who have a long-time horizon (>5 years) and can tolerate high risk. Investors may not get back all the money invested and an investment in this Fund should only form part of an investor's total portfolio. Investors should discuss the suitability of this Fund with their professional adviser. **The Fund uses derivatives and may be leveraged, which increases the risk of capital loss.**

IMPORTANT INFORMATION

This is a marketing communication and it is not intended to be viewed as a piece of independent investment research.

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The capital you invest is at risk and you may lose some or all the money you invest. Past performance does not guarantee future results and the value of all investments and the income derived from them can decrease as well as increase.

Don't invest unless you're prepared to lose all the money you invested. This is a high-risk investment and you are unlikely to be protected if something goes wrong. Take 2 mins to learn more.

Investments that have an exposure to currencies other than the base currency of the Fund may be subject to exchange rate fluctuations. This communication and the information contained therein is a financial promotion for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom and the rules of the FCA. The distribution of this communication may, in some countries, be restricted by law or regulation. Accordingly, anyone who comes into possession of this communication should inform themselves of and observe these restrictions. Argonaut Capital Partners is not liable for a breach of such restrictions or for any losses relating to the accuracy, completeness or use of information in this communication, including any consequential loss.

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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. It is not suitable for Retail Investors. Retail investors should seek further advice before investing. Yealand Fund Services is the Authorised Corporate Director (ACD) of YFS Argonaut Funds and is authorised and regulated by the Financial Conduct Authority. Registered office: Fountain Suite B, Lynch Wood Park, Lynch Wood, Peterborough, Cambridgeshire, PE2 6FZ.

Investors should refer to the Key Investor Information Document (KIID) and Supplementary Information Document (SID) before investing. For a copy, please telephone Yealand Fund Services on 01733 316 100 or visit www.argonautcapital.co.uk. Alternatively write to Yealand Fund Services – Argonaut, Fountain Suite B, Lynch Wood Park, Lynch Wood, Peterborough, Cambridgeshire, PE2 6FZ. The prospectus, KIIDS, the articles, the annual and semi-annual reports of the Fund may be obtained free of charge from the ACD. 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 any income from them can fall as well as rise and is not guaranteed. Exchange rate movements may cause the value of overseas investments to fluctuate.

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