YFS Argonaut Absolute Return

Fund Commentary

"People have bad information. I have asymmetric information."
Treasury Secretary Scott Bessent, CNBC, Aug 20th

The Fund returned -1.04% over August compared with the IA Targeted Absolute Return sector return of +0.9% and the Morningstar Long/Short Europe sector return of +0.6%. The correlation to the market was 0.11 (0.06) whilst monthly annualised daily volatility was 13.4% (9.3%) vs. market 5.8% (10.4%).

Over the month, the Fund returned +2.04% from its long book and -3.11% from its short book (with +0.03% from FX hedging/other).

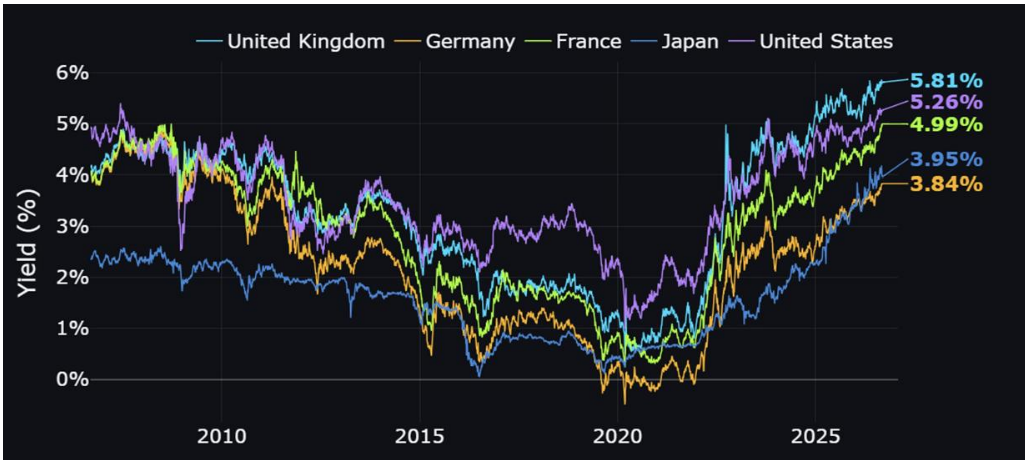
The best performing longs were gold miner Newmont (+33%); Austrian bank Raiffeisen (+8%) and VLCC owner Frontline (+13%). The worst performing long was Coca-Cola HBC (-10%).

The best performing shorts were Ubisoft (-9%), Dutch Bros (-24%) and Medical Property Trust (-13%). The worst performing short was Space X (+25%).

"Let the bond market speak"

Perhaps the most significant event of the month was the move in global government bond yields, which saw long-term interest rates rise to multi-decade highs.

Fig. 1 – 30Y Government Bond Yields: UK, Germany, France, Japan & US, Sep-06 to Sep-26



Source: Bloomberg.

This "bear steepener" yield curve move is best explained by a concatenation of factors: governments continuing to run unprecedented peacetime fiscal deficits at a time of full employment; a lack of trust in the willingness of central banks to engage in trade-offs to fight inflation; geopolitical risk in owning an asset where the terms of ownership might be changed; and the prolongation of the conflict in the Gulf, which highlights the lack of recent

Key Performance Numbers

-1.0%	Monthly performance
-5.0%	Year-to-date performance
12.9%	5-year CAGR (net of fees)
-0.1	5-year correlation to European equities*

*As at 28-Aug-26. *Euro Stoxx NR Index. Past performance is not a reliable indicator of future results.*

Key Fund Details†

GBP I	399.23
GBP A	352.67
GBP R	339.69
USD I	229.13
EUR I	311.81

Fund AUM (£m)	522m
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

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 28 August 2026

*Euro Stoxx NR

investment in commodity assets and economic vulnerability of economies to supply crises. In other words, a replay of the 1970s Redux we have been highlighting for many years, except this time with even more irresponsible government.

On August 28th, at the Jackson Hole Symposium, new Fed Chairman Warsh gave another hawkish speech, noting that: "*The responsibility for 65 months of sustained, elevated inflation sits squarely with the central bank.*" Interest rate futures immediately moved from pricing in a 35% probability of a hike at the next FOMC on September 16th to 60%. However, doves such as Governor Waller subsequently suggested that the Fed should "give disinflation a chance", somewhat bizarrely ignoring the highest prices paid ISM since 2022 and focusing on backward-looking inflation measures. Particularly in view of his July "all hat and no cattle" FOMC performance, we think Warsh has to hike this month to regain credibility and regain some control of longer-term interest rates.

Warsh's strongest regime change message is his belief that the market should set interest rates without the distorting signal of Fed "forward guidance". We think this implies that too much Fed talk lulls the market into complacency on the future path of interest rates, presumably leading market participants to take more risk. So if the Fed talked less, perhaps there would be a bigger risk premium in risk assets and lower asset prices.

We are struck by the contrast between Chairman Warsh and Treasury Secretary Bessent, who during the month intervened in FX and rates markets, supporting both the Japanese Yen (Aug 2nd) and the long-end of the Treasury yield curve (Aug 19th), with the justification that he had "asymmetrical information", the same bluff that the Trump administration has used relatively successfully in managing the price of crude oil since April.

On August 26th, Bessent's former hedge fund mentor, Stanley Druckenmiller, published a WSJ opinion entitled "Let the Bond Market Speak" in which he noted that: *"the long-term Treasury yield is the most important price in the world. It is also the only fiscal disciplinarian the US has left"*. He criticised Treasury intervention on the basis that: *"Yield management always begins as a technical operation and ends as a policy commitment…You can't buy your way out of a solvency conversation with liquidity tools. You can only postpone the conversation and raise the eventual price. Debt management that even appears to follow the political calendar spends the one asset that took two centuries to accumulate: the credibility of the Treasury market".*

"You cannot square a $2 trillion valuation with all the reports like these."

During the month BOE Governor Andrew Bailey, writing a letter to G20 Finance Ministers in his capacity as Chairman of the Financial Stability Board warned about *"stretched asset valuations"* in AI and *"greater use of leveraged exchange-traded funds (ETFs) and correlated momentum-driven strategies"*. Perhaps he should have warned Leopold and the Korean Ants in June. By contrast, Nvidia reported Q2 results widely regarded as bullish for AI given increased revenue forecasts.

It seems to us that both of these datapoints are largely irrelevant to the debate: the problem with AI stocks is not valuations *per se* but an unsustainable earnings bubble, given only the picks and shovels companies are making any money; the problem with Nvidia is that it creates its own demand through "balance sheet as a service" (vendor financing) which itself is a warning sign over the end customer's ability to pay and the sustainability of the boom.

The key question on which the sustainability of the AI boom rests is whether the LLM business model will ever be profitable enough to pay for the compute already contracted (via the hyperscalers and the neoclouds) and expected to continue to grow at elevated levels into the future. It is not a question of whether there is demand for AI. Rather, it is a question of whether there is an economic moat in the LLM business model.

The biggest problem for AI is that all of the frontier models (produced by Anthropic and Open AI) have no economic moat since they can be replicated to within 95% accuracy at 5% of their cost within months. Moreover, since the era of "token maxing" whereby frontier models were given away below cost ended in Q2 2026, customers have switched to cheaper open-source models, meaning that cost rather than performance now determines market share.

Deepseek's latest model V4-Pro, for example, achieves a benchmark score at 95% of leading US frontier models for 4.4% of the cost. This means that Open AI and Anthropic are haemorrhaging market share. According to Vercel AI Gateway, open-weight models now account for 62% of tokens (from 28% on June 24th). It also means that the average cost of tokens has collapsed, with the Silicon Data Token Expenditure Index falling 44%, from 2.0 in June to 1.2 in August. There is also the security of IP to consider with frontier closed models. Thomson Reuters has built its own model on Qwen rather than Claude, its CTO likening reliance on frontier labs to "renting a house."

Fig. 2 – Silicon Data LLM Token Expenditure

Source: Silicon Data

Anthropic is slated to release its IPO prospectus (S-1) in September. We must prepare for a month of absurd AI hyperbole. We understand Anthropic is telling its investors its total addressable market is more than $30 trillion (source: Reuters) ($1.5 trillion more than SpaceX). Its latest model Claude Fable 5 has not generated the same surge in user adoption as previous launches. Its S-1 will be based on rear-view mirror "token maxing" numbers and its inference costs on a one-off Space X Colossus data centre deal; its projected annual revenues off extrapolation of its best ever month multiplied by twelve; with projections of profit based on multiple adjustments, excluding training costs as if they were one-off. Customer concentration – with 80% of revenues coming from just 1% of customers (source: Ramp) – will be papered over. As previously stated, we believe that the IPO will be an "open-kimono" moment when the market begins to wake up to the problem. As Gary Marcus recently concluded: *"You cannot square a $2 trillion valuation with all the reports like these. You just can't".*

Open AI is in our view in such a distressed state that a successful IPO is not currently feasible. The WSJ disclosed (August 18th) that revenues for Q2 2026 were $6.7 billion, up just 18% from Q1; losses were $12.3 billion, up $3 billion on Q1; a net $1 billion of incremental revenue against $3 billion of incremental loss. Meanwhile its obligations to pay for data centre compute is estimated at $750-800bn through 2030. On 18th August, CEO Sam Altman announced a suspension of training costs *"to ensure that we can meet the appropriate alignment, security and monitoring standards,"* in other words to mitigate the cash-burn before an attempted IPO. Open AI continues to haemorrhage senior management. We believe that Open AI will eventually fail, which given its size in the AI ecosystem will have very negative implications. Other investors are waking up to the risk. Steve Eisman recently commented on his podcast that: *"If tomorrow OpenAI failed, the US economy, I think, would go into an immediate recession and the market would have a massive correction."*

"Science by Press Release"

During the month, mRNA vaccine company Moderna rose a record 177% in a day following a press release of a *"statistically significant and clinically meaningful"* vaccine combination trial which contained no clinical statistics, no peer review, no absolute benefit numbers, no disease stage breakdown, no adverse-event counts and no overall survival data, adding $86bn of market capitalisation. As Maryanne Demasi of MD Reports put it *"We are being asked to celebrate a "breakthrough" that nobody outside the companies can properly scrutinise."*

The trial sought to establish an additional benefit of using Moderna's mRNA vaccine in conjunction with Merck's Keytruda, a $30bn revenue a year drug, which is an established cancer immunotherapy that blocks PD-L1, which cancer cells can exploit to hide from the body's T cells (providing natural immunity). So, the important question is how much *additional* benefit does Moderna's mRNA product provide?

We already know that existence of PD-L1 in the patient corresponds significantly to the efficacy (3x) of Keytruda for the treatment of melanoma. It was disclosed that 69 out of 107 patients in the active arm and 27 of 50 in the control arm with PD-L1 positive, yet crucially there were 43 patients having unknown (not recorded or lost) PD-L1 status. As DRUGANALYST commented: *"We don't know how many are PD-L1(+) ... it STINKS".* In addition, more patients receiving the combination had a high tumour mutational burden, which may elicit in a better response to Keytruda The fundamental clinical question — how much additional benefit the Moderna vaccine provides over Keytruda alone — remains unanswered.

Moderna's only previous blockbuster was its COVID vaccine, which was hastily approved, without data establishing any efficacy as to whether it prevented infection or onward transmission with inadequate monitoring of side effects. Speculation that mRNA was a "drug-design software platform" capable of being deployed against multiple diseases reemerged, with Elon Musk, no stranger to bombast, declaring that *"despite its obvious misuse during Covid, mRNA has tremendous promise for curing diseases."* Other enthusiasts decided that because the vaccine is advertised as "custom made" that the 7-year-old vaccine must have been invented using AI. Moderna has a strong track record of encouraging hyperbole from inconclusive and badly designed clinical data. During the month BioNTech (the pioneer of mRNA) and Roche abandoned their trial of a personalised cancer vaccine for colorectal cancer, with more deaths in the control arm.

When considering the $86bn increase in Moderna market capitalisation we must consider that Moderna will split potential revenues from an $8bn a year market 50/50 with Merck (perhaps explaining why Merck is so keen on the cooperation given Keytruda loses patent in 2028). The share price reaction implies that Moderna's mRNA vaccines will have a much bigger efficacy beyond Melanoma, which most experts believe is the least difficult cancer to treat with vaccines.

We remain convinced that mRNA vaccines do not work, that Moderna is a quack doctor and following the share price rise have reinitiated a short position, having previously made 90% between 2021 and early 2026, when we closed the position.

"Economic D-Day"

The 60-day MOU between Iran and the US expired Aug 18th without agreement. On August 24th, Treasury Secretary Bessent announced, "Economic D-Day" *"the toughest sanctions in history"*, with the stated goal not of bringing the Iranians to the negotiating table but collapsing the Iranian government. When asked why he had not yet subjected China to sanctions since it bought 80% of Iranian oil, Bessent replied, *"Why would I want to blow up the global financial system?"*

We discussed last month that Houthi attacks on Saudi tankers had collapsed the southbound route from Yanbu through the Red Sea, with loadings falling to 1.5mbd from 5mbd, but with an additional 2mbd now classified as Egyptian exports via SUMED. Subsequently, the Saudis were forced to reconcentrate loadings at Ras Tanura in the Gulf and to risk their tankers run the Strait to perform ship-to-ship transfers to third party tankers off Fujairah in the Gulf of Oman.

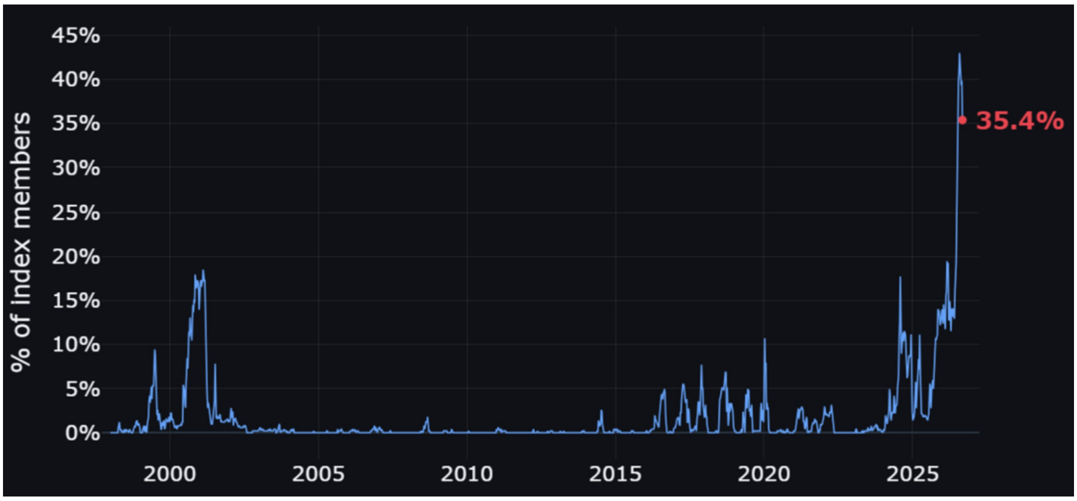
US Energy Secretary Chris Wright claimed that "almost 9 mb/d" were leaving Hormuz, but most other experts put the figure at 4.5-6mbd. US action against Larak island seemed designed to keep the Omani channel open, but in contrast to the widespread belief that Iran will fold under pressure, we believe that Iran is incentivised to escalate, not only to maintain control of Hormuz but also to pursue its own "regime change" at the mid-term elections in the US in November. According to Iran's Ghalibaf (Speaker of Iran's Parliament): *"The Americans must have understood that the era of "proportional responses" is over. Our strikes on the aggressor bases were only a beginning. The rules of the game have changed. From now on, any aggression against Iran's interests will receive a faster, heavier, and more painful response."*

The US announced a deal with Venezuela, with a new entity (North American Blue Energy Partners) taking control of one fifth of the country's oil reserves. Chevron also announced it will invest $7bn over the next 5 years for two fields in the Venezuelan Orinoco belt. If, as seems likely, this has established a more secure framework for external investment now established it is not unreasonable to expect with c. $10-20bn of investment per annum, Venezuelan oil output could double over the next few years to 2.5mbd (peak was 3.5mbd in 1998). The Fund has taken a position in US oil services company Weatherford International which we believe is uniquely positioned to benefit from the investments in Venezuela.

Record number of US stocks with negative betas

A little known but important fact that has so far generated little discussion is that a record number of US stocks (currently an astonishing one third using 3M betas) now have negative market betas. This is a much larger proportion than in the dot.com boom at the end of the 1990's, as the below chart highlights.

Fig. 3 – Percentage of S&P500 stocks with Negative 3M Beta to S&P500, 1998-2026



Rolling 3M daily returns, Huber robust beta vs. SPX, point-in-time membership, weekly.

Source: Bloomberg

Breaking this down, technology stocks now have very high betas, particularly those geared to AI. Goldman Sachs noted on August 19th that the correlation between AI beneficiaries and the S&P ex AI was at a record low and "most negative reading on record". This kind of concentration of beta in a single theme is unhealthy and historically has been a warning of poor future returns.

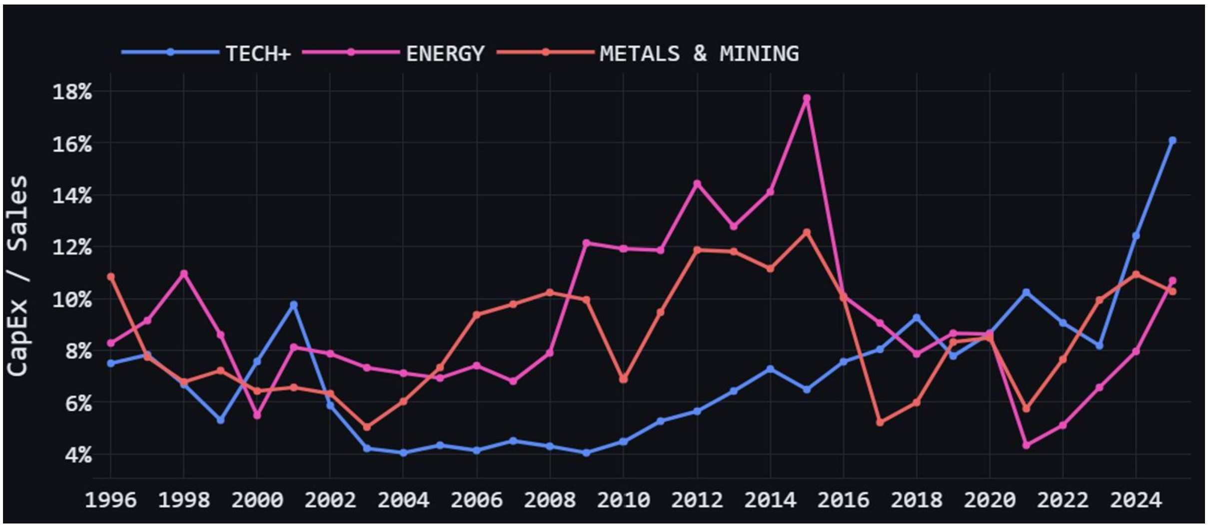
This beta issue presents an interesting challenge for portfolio management, particularly in the US market, in the sense that if like us you are sceptical on the sustainability of the AI Capex boom, it is difficult to construct a conviction portfolio with a positive market beta. We therefore find ourselves 65-70% net long (near the high end of the Fund's historic range) but with a significantly lower and currently negative predicted beta-adjusted equity exposure on a 6-12m basis.

We should also note that low-quality companies have performed well despite rising credit spreads and bond yields, which are normally associated with favourable short selling environments. We think this is unsustainable.

As previously outlined, we are most bullish on Energy and most bearish on Technology, which as a result of the AI datacentre malinvestment, has now become more capital intensive than either the energy or materials sector. This should be another red flag and means there is nothing "magnificent" anymore about the leading US technology stocks.

Fig. 4 – CapEx Intensity of Sector Leaders: Capex/Sales – Tech, Energy, Metals & Mining

The 10 biggest companies in each sector, re-picked every year using only what was known at the time.
Firms that later failed or were bought stay in their own years.



Source: Bloomberg

Within Energy, the Fund is diversified between tankers and refiners, with Petrobras our only oil producer and Weatherford our only oil services company. We believe the capital cycle will require less investment in technology and more dollars to be allocated across the energy complex.

The weightings of technology and AI related stocks across global stock markets, particularly in the US (and the current measly weightings of energy stocks) means that if and when we see this rotation, the implications for passive and beta investing will be significant.

Barry Norris
September 2026

LSEG Lipper Fund Awards Winner 2026 United Kingdom

ALPHA MANAGER 2026 Barry Norris

YFS Argonaut Absolute Return

PERFORMANCE (%)

	1M	3M	1YR	3YR	5YR	YTD	ITD	ITD CAGR
Argonaut AR Fund	-1.0	2.4	0.9	43.0	83.3	-5.0	299.2	8.4
EURO STOXX NR	1.7	5.3	22.7	60.8	63.7	13.4	357.3	9.2
IA Targeted Absolute Return	0.9	1.1	6.6	23.1	26.8	3.1	140.4	4.8

DISCRETE YEARLY PERFORMANCE (%)

1-year to	31 Aug 22	31 Aug 23	31 Aug 24	31 Aug 25	28 Aug 26
Argonaut AR Fund	21.6	5.4	18.5	19.6	0.9
EURO STOXX NR	-15.1	19.9	15.1	13.9	22.7
IA Targeted Absolute Return	0.9	2.1	8.7	5.6	6.6

KEY STATISTICS SINCE INCEPTION

Annualised Net Return	8.4
Annualised Volatility	12.8
Correlation vs. European equities	-0.1
Average Long Alpha	4.2
Average Short Alpha	5.8
Best Month	15.0
Worst Month	-10.8
Average ROIC	11.5
Upside Capture	19.7
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	-2.2	5.8	-1.0					-5.0	0.1	-20.1	13.3	-0.8
											CAGR Since Inception		**8.4**	**-0.1**	**11.5**	**12.8**	**0.4**

Source: Argonaut Capital Partners, Bloomberg & Morningstar as at 28-Aug-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	7.6%
OTP Bank	7.3%
Darling Ingredients	6.1%
Archer-Daniels-Midland Co	6.1%
Newmont Corp	4.9%

TOP 5 SHORT POSITIONS

	% NAV
Information Technology	-2.7%
Industrials	-2.6%
Utilities	-2.1%
Healthcare	-1.7%
Consumer Discretionary	-1.7%

MARKET CAP BREAKDOWN

	LONG	SHORT
>$50bn	13.8%	-10.1%
$20-50bn	34.0%	-8.5%
$5-20bn	41.8%	-10.0%
$1-5bn	20.4%	-8.1%
<$1bn	0.0%	-5.5%

DAYS TO LIQUIDATE

	% PORTFOLIO
Less than 1 day	51.0%
1-5 days	36.0%
More than 5 days	13.0%

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

FUND EXPOSURES

	% NAV
Long Exposure	110.0%
Short Exposure	-42.2%
Gross Exposure	152.2%
Net Exposure (Reported)	67.8%
Net exposure Beta-Adj. (6m beta)	-14.4%

OTHER

# of long positions	36
# of short positions	51

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.

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LSEG Lipper Fund Awards 2024 Winner United Kingdom

EQUITY EXPOSURE BY GEOGRAPHY (%)

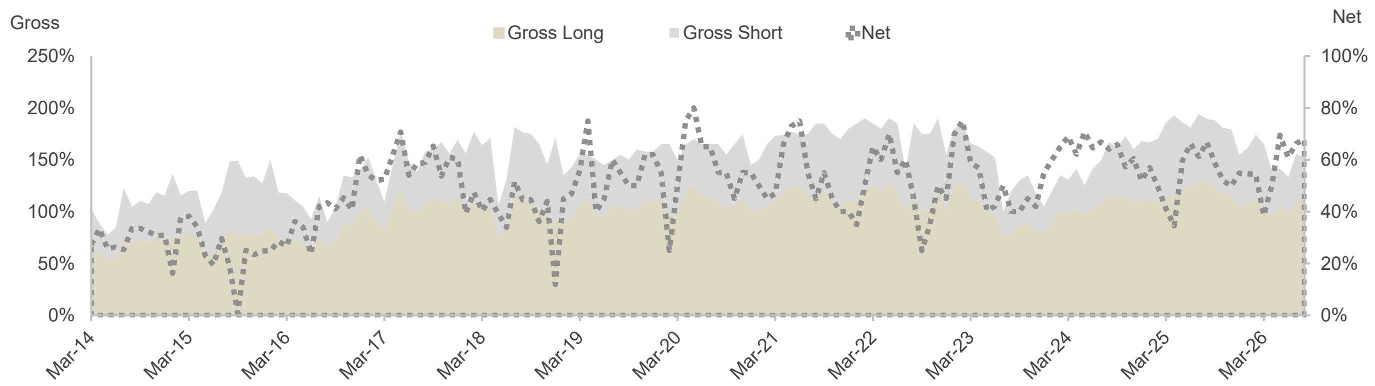
Country	Long	Short	Gross	Net
United States	43.6	-20.7	64.3	22.9
Greece	11.1	0.0	11.1	11.1
Hungary	9.8	0.0	9.8	9.8
Austria	9.6	0.0	9.6	9.6
United Kingdom	7.5	-5.8	13.3	1.7
Norway	5.8	-0.3	6.1	5.5
Denmark	5.2	-3.0	8.2	2.2
Brazil	4.2	0.0	4.2	4.2
Other	13.2	-12.4	25.6	0.8
Total	**110.0**	**-42.2**	**152.2**	**67.8**

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

EQUITY EXPOSURE BY SECTOR (%)

Industry	Long	Short	Gross	Net
Financials	32.4	-4.1	36.5	28.3
Energy	28.4	0.0	28.4	28.4
Consumer Staples	16.1	-2.5	18.6	13.6
Materials	10.7	0.0	10.7	10.7
Utilities	8.6	-3.7	12.3	4.9
Consumer Discretionary	6.2	-9.5	15.7	-3.3
Industrials	4.8	-8.0	12.8	-3.2
Information Technology	0.0	-8.7	8.7	-8.7
Other	2.8	-5.7	8.5	-2.9
Total	**110.0**	**-42.2**	**152.2**	**67.8**

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 31August 2026.

SHARE CLASS INFORMATION

Share Class	GBP A	GBP R	GBP I	USD I	EUR I
SEDOL	B7MC0R9	B7FT1K7	B79NKW0	BH36TH3	B779CH9
ISIN	GB00B7MC0R90	GB00B7FT1K78	GB00B79NKW03	GB00BH36TH37	GB00B779CH97
Bloomberg	IMEAAAG LN	IMEARAG LN	IMEAIAG LN	IMEAIAU LN	IMEAIAE LN
Front End Fee	0%	0%	0%	0%	0%
Management Fee	1.50%	0.75%	0.75%	0.75%	0.75%
Ongoing Charge	1.60%	0.85%	0.85%	0.85%	0.85%
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	£500	On request	On request	On request	On request
Minimum Top Up	£250	--	--	--	--
Regular Savings Scheme	Yes	Yes	--	--	--
ISA available	Yes	Yes	--	--	--

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