

THE ARDTUR EUROPEAN FOCUS ABSOLUTE RETURN FUND

Absolute Return UCITS Fund

March 2024 Factsheet | € | Share Class

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EUROPEAN FOCUS
ABSOLUTE RETURN
FUND

Portfolio Manager Report

European equity markets moved higher in the first quarter, continuing their sharp rally since October. The primary drivers of the strength were growing expectations for central bank easing, lowered inflation expectations remaining prevalent, new stimulus in China helping ease Chinese macroeconomic uncertainty, and a bottoming in general global macroeconomic surveys, most notably in Europe. Against this backdrop of loosening monetary policy, growth stocks performed strongest, with technology especially spurred on by further A.I. enthusiasm. Gold and Bitcoin also moved significantly higher.

The Fund rose 1.3% during the first quarter, underperforming the MSCI Europe index², which rose 7.6% in local currency terms. Performance suffered again from the rotation towards growth stocks. Consequently, the long book continued to suffer relatively, especially with the increased index concentration, while the short book also dragged. However, performance improved markedly in March as European value stocks finally begun to respond to the improving European macroeconomic environment, with European banks in particular starting to re-rate. At a stock level the Fund had solid gains in its bank positions, Natwest, Intesa, Deutsche Bank, ABN and Bankinter, while Telefonica and Ryanair also performed well. We made limited changes to the positioning and remain circa 50% net long on a low gross exposure of 91%. In the long portfolio, we continue to focus on our European value case and with the portfolio still trading at circa 9x P/E, we believe the opportunity remains exciting. While in the short book we remain predominantly focused on the long running distortions of extreme loose monetary policy, which once again with the prospects of renewed loosening are becoming increasingly visible.

European macroeconomic demand showed further signs of bottoming during the quarter, while 2024 consensus GDP expectations remained at circa 0.5%. While demand overall remains relatively anaemic, consumer demand is resilient helped by improving real incomes, while the considerable industrial recession of the last two years is showing more signs of bottoming as the inventory cycle peaks and easing financial conditions are feeding through. Consequently, we continue to have an upside skew to our view on European growth in the short term, and this view strengthened during the quarter. In addition, there remains an element of divergence of regional demand with notable weakness in Germany and strength in Spain for example. However, with now dramatically lower European gas and power prices, the consensus view of structural German and European competitiveness is rapidly losing its credence, potentially providing an additional boost to growth. In summary, our expectations on the economic backdrop are largely unchanged.

At a fund level the long portfolio had robust performance in its bank positions, Natwest, Intesa, Deutsche Bank, ABN and Bankinter, as well as Telefonica and Ryanair. Natwest, the UK bank, suffered in 2023 as pressure built most notably on deposit pricing. However, in recent months these challenges have eased substantially alongside fears for the UK macro economy. Intesa, the leading Italian bank, moved higher again as Italian banks re-rate helped by improving fundamentals and aggressive capital returns. Deutsche Bank, the German bank, finally started to move up as its impressive operational turnaround continues. ABN, the Dutch bank, underperformed in 2023 as they faced more deposit pricing pressures. Again, these pressures have eased in recent months, while the equity price was also helped by greater clarity it gave on capital returns with its full year results. Bankinter, the Spanish bank, rose in concert with the sector. Telefonica, the Spanish telecom company, went higher as their full year results confirmed improving trends against the company's low valuation. Ryanair, the low cost airline, moved higher as European short haul capacity remains significantly constrained. There were no significant stock specific disappointments.

In the short book, the fund largely suffered losses, with the private equity positions notably continuing to weigh, and consequently, we again managed the risk in the short book. On the positive side, Fraport, the German airport operator was weak, as its structural challenges, financial, operational, and strategically weighed.

In summary, European equity markets rose in the quarter. Similarly to the previous quarter, the prospect of loosening monetary policy primarily drove the rally and spurred most notably growth stocks. Our positioning is unchanged at circa 50% net long on a low gross. We believe the current opportunities on both sides of the portfolio are compelling as our long European value case is evolving well, while in the short book the excesses of extreme monetary policy are also again becoming increasingly evident.

Oliver Kelton

Performance

1.3% Quarterly performance

1.3% Year-to-date performance

4.1% CAGR since inception

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

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FUND MANAGER Oliver Kelton



Oliver joined S. W. Mitchell Capital in September 2023 as the Investment Manager of the Ardtur European Equity Funds. He previously worked at Brook Asset Management as the lead Portfolio Manager for European Equity and Waverton Investment Management, where he joined as a European Equity Analyst. He has a 1st class honours degree in Economics and Politics from Bristol University.

FUND FACTS¹

€ I Class	139.51
£ I Class	146.14
Fund Size	€86 million
Manager AUM	€1,031 million
Fund Inception	04 Jan 2016
Class Inception	04 Jan 2016
Fund Type	Irish Long Short UCITS
Comparators	Primary: Cash Secondary: MSCI Daily TR Net Europe EUR
Base Currency	€

PERFORMANCE (EUR%)

	1-month	3-month	1-year	3-year	5-year	YTD	Since Inception	CAGR since Inc.
Fund	4.1	1.3	3.9	29.1	40.6	1.3	39.5	4.1
MSCI Daily TR Net Europe	3.9	7.6	14.8	30.3	52.5	7.6	74.0	6.9
Relative	0.1	(6.3)	(10.9)	(1.2)	(11.8)	(6.3)	(34.5)	(2.8)

DISCRETE YEARLY PERFORMANCE

	1-year to	31 Mar 20	31 Mar 21	31 Mar 22	31 Mar 23	28 Mar 24
Fund		(14.4)	27.4	7.2	15.8	3.9
MSCI Daily TR Net Europe		(13.5)	35.3	9.3	3.8	14.8
Relative		(0.9)	(8.0)	(2.1)	12.0	(10.9)

MONTHLY PERFORMANCE SINCE INCEPTION

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Index YTD ²
2024	(0.4)	(2.2)	4.1										1.3	7.6
2023	3.9	2.4	(1.9)	1.4	(2.8)	0.7	1.1	0.8	0.7	(1.0)	1.5	0.2	7.1	15.8
2022	7.9	(1.9)	0.5	0.5	4.2	(2.6)	(2.2)	1.3	(1.3)	6.0	3.9	0.9	17.8	(9.5)
2021	(3.4)	9.6	3.7	(0.7)	2.6	(1.4)	(2.7)	0.7	3.7	0.0	(4.3)	3.3	10.8	25.1
2020	(3.0)	0.3	(2.7)	2.0	(1.6)	2.0	(3.4)	3.4	(3.1)	(0.5)	16.0	1.2	9.7	(3.3)
2019	(5.2)	(3.8)	1.1	(5.3)	4.5	(3.4)	(0.8)	4.4	(3.5)	(3.0)	(2.9)	0.5	(16.6)	26.0
2018	(2.2)	(0.6)	1.6	1.8	(0.4)	1.3	1.6	(0.4)	3.3	5.4	2.8	1.8	16.8	(10.6)
2017	(1.7)	(1.7)	0.3	(1.4)	2.7	(1.0)	0.6	3.0	(2.3)	0.5	1.6	(1.4)	(1.0)	10.2
2016	1.4	(1.2)	0.1	(3.3)	(0.4)	3.3	(3.9)	0.5	0.0	1.3	(2.9)	(1.9)	(7.0)	2.6

Fund team and contact details

PORTFOLIO MANAGER

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For full bios visit [swmitchellcapital.com](https://www.swmitchellcapital.com)

ENQUIRIES

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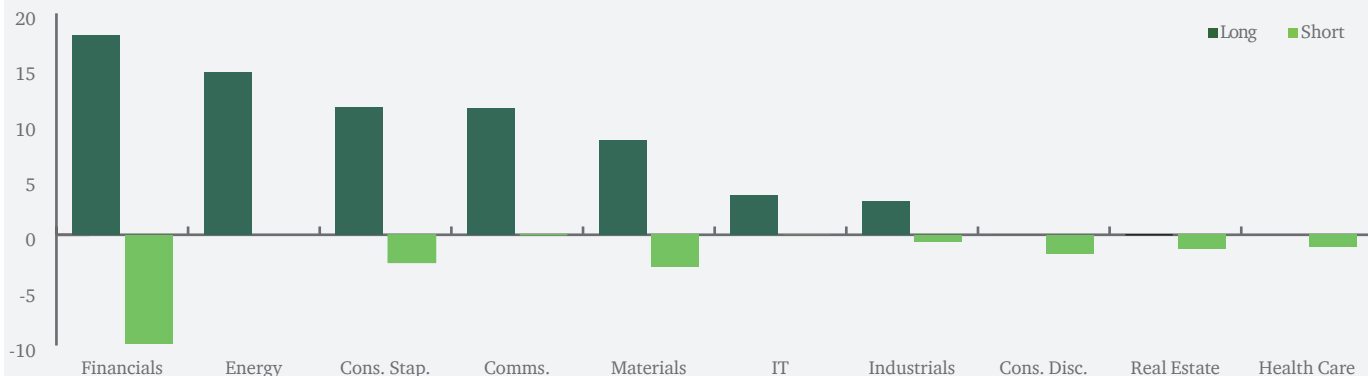
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Absolute Return UCITS Fund

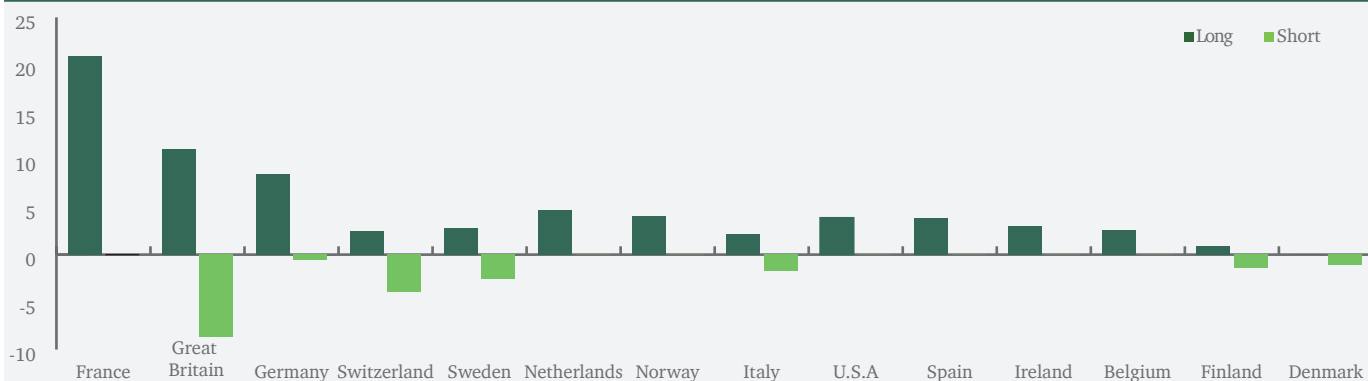
March 2024 Factsheet | € | Share Class

ARDTUR
EUROPEAN FOCUS
ABSOLUTE RETURN
FUND

Equity exposure by sector (%)



Equity exposure by geography (%)



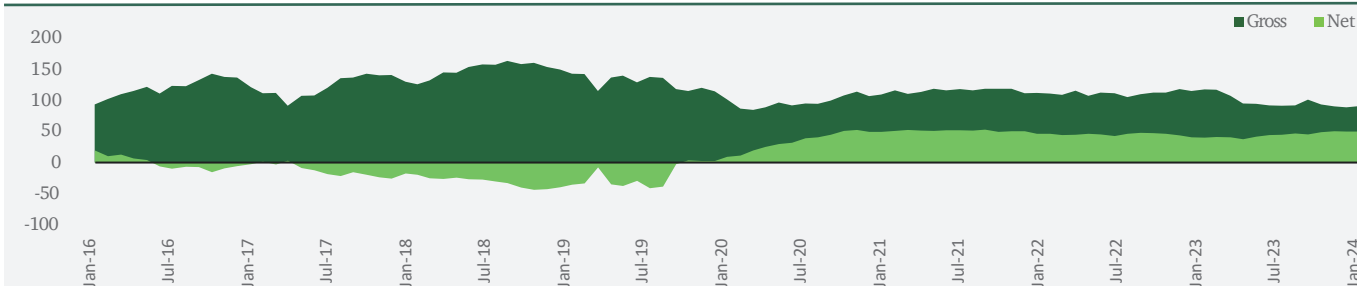
Top 10 positions

	%
Orange	5.7
Deutsche Bank	5.4
Shell	5.3
TOTAL	4.7
BNP Paribas	4.6
Tesco	4.4
Noble Corporation	3.9
ArcelorMittal	3.3
BASF	3.1
Ryanair	3.0

Statistics

	1-year	3-year	5-year	Inception
Fund annual s.dev.	6.0	9.2	12.6	11.0
Index annual s.dev.	10.2	13.4	15.7	13.8
Alpha	0.0	0.6	0.4	0.3
Beta	0.3	0.2	0.3	0.1
Correlation	0.5	0.3	0.4	0.2
Sharpe Ratio	0.0	0.8	0.5	0.3
Information Ratio	-1.1	0.0	-0.1	-0.2
Tracking Error	8.6	13.9	16.4	16.1

Equity exposure (%)



Asset allocation as % of NAV

Long equity	70.7	Net equity	50.9
Short equity	(19.9)	Gross equity	90.6

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THE ARDTUR EUROPEAN FOCUS ABSOLUTE RETURN FUND

Absolute Return UCITS Fund

March 2024 Factsheet | € | Share Class



Note: Equity exposure includes all equity related instruments. Any option positions included on a delta-adjusted basis. Commentary is provided on a quarterly basis. Past performance is net of fees and other charges and includes the reinvestment of dividends. Equity exposure as classified by GICS. The fund was renamed effective 8th February 2021 from Odey European Focus Absolute Return Fund to Brook European Focus Absolute Return Fund. The fund was renamed effective 10th October 2023 from Brook European Focus Absolute Return Fund to Ardtur European Focus Absolute Return Fund. All performance in EUR.

Source: All sources, unless otherwise stated, are S.W. Mitchell Capital internal unaudited data and refer to the € I share class. All data shown as at 28-Mar-2024. ¹U.S. Bank Global Fund Services (Ireland) Limited, calculation on a NAV basis with net income reinvested. ²MSCI Daily TR Net Europe

INVESTMENT OBJECTIVE AND POLICY

The Ardtur European Focus Absolute Return Fund ("The Fund") aims to provide a positive absolute return independent of market conditions over the medium to long term. The fund aims to achieve long-term capital appreciation.

APPROACH

The Fund is a concentrated, return-seeking European long-short equity strategy harnessing the expertise and judgement of the portfolio manager Oliver Kelton and the internal S.W. Mitchell Capital research team. Oliver undertakes a rigorous program of meetings (>500 per year) with company management, industry specialists and local brokers to identify opportunities where a company's competitive position, industry dynamics and cash generation will drive strong share price performance. The Fund is built without formal reference to an index and typically holds 20-40 mid and large cap European companies both long and short.

RISK CONSIDERATIONS

The Fund has considerable latitude over its asset allocation both long and short equities and it may employ leverage and own sophisticated instruments such as futures and options. 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.

Investor information	
Share classes	I (€, £)
Share class hedging	Non-base currency share classes are hedged
Trade date (T)	Daily
Dealing	By 2pm T-1
Valuation	Close of business T-1
Front end fee	Up to 5%
Annual management fee	I 0.75%
Performance fee	20% of the absolute outperformance of the share class during a performance period. Fees crystallise annually, and on redemption. Underperformance is carried forward.
Anti-dilution fee	May apply to subs/reds if net subs/reds+ >5% of NAV
Minimum investment	I £1,000,000 (or equivalent in €)
Dividends	Income potentially distributed on £1
Administrator	U.S. Bank Global Fund Services (Ireland) Limited
Auditor	Deloitte & Touche, Ireland
Depository	European Depository Bank SA, Dublin Branch
Price reporting	Prices published daily on Bloomberg and by other third party data providers.
ISIN	€I IE00BZ1J0335, £I IE00BZ1J0228
SEDOL	€I BZ1J033, £I BZ1J022

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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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.

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. SWMC 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. The Ardtur European Focus Absolute Return Fund is a Sub-Fund of Genfunds Global PLC, an open-ended umbrella type investment company with segregated liability between Sub-Funds authorised by the Central Bank of Ireland pursuant to the UCITS Regulations. Please always refer where appropriate to the relevant Fund prospectus and relevant key investor information document(s) before you invest. The Fund's prospectus and key investor information documents are available in English and may be obtained at swmitchellcapital.com. Registered in England No. OC312953. Registered Office: 38 Jermyn Street, London, SW1Y 6DN. Authorised and regulated by the Financial Conduct Authority in the UK.

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Glossary of terms

Please refer to the fund's prospectus for detailed information. Some terms listed are not relevant for every fund. This document is intended for use by individuals who are not familiar with investment terminology. Please contact Brook if you need an explanation of these terms.

Absolute return: The return that an asset/fund achieves over a period of time looking at the appreciation or depreciation (expressed as a percentage) that the asset/fund achieves.

Acc/Accumulation class: A share class which accumulates and reinvests net investment income and net realised capital gains and does not pay dividends.

Active currency exposure: The percentage of a fund's assets which are invested in a particular currency.

Administrator: The specialist entity who maintains the register of shares, provides fund valuation and accounting services.

AIF: Alternative Investment Fund as regulated by the Alternative Fund Management Directive.

Alpha: A measure of performance on a risk-adjusted basis, often seen as the active return on an investment.

Anti-dilution fee/levy: A fee levied by a fund on investors buying/selling shares to protect current shareholders from the dealing costs incurred when paying out or taking in clients.

Asset class: A group of securities that exhibits similar characteristics, behaves similarly in the marketplace and is subject to the same laws and regulations. The three main asset classes are equities (or stocks); fixed income, or bonds and cash equivalents, or money market instruments.

Base currency: Each fund has a base currency and this is the currency which the fund uses to calculate its net asset value.

Beta: A measure of the fund's volatility in comparison to its benchmark.

CAGR: Compound Annual Growth Rate (CAGR) is the rate at which the fund/benchmark has grown on an annual basis to reach the current performance since inception.

Capital growth/appreciation: Capital growth is measured on the basis of the current value of the asset or investment, in relation to the amount originally invested in it.

Commodity: A physical substance (such as food, grain, metal) which investors buy and sell through futures contracts.

Comparative/Index/Benchmark (e.g. MSCI): A comparator the fund has used to compare its performance to or for its performance fee calculation.

Contribution: Used to explain the breakdown of a fund's absolute performance.

Correlation: A statistic that measures the degree to which two securities move in relation to each other.

Dealing: Arranging the sale and purchase of shares in a fund.

Delta: A ratio comparing the change in the price of an asset to the corresponding change in the price of its derivative.

Derivatives (futures, options, swaps and contracts for difference): A financial contract based on an underlying asset or financial index with its value determined by fluctuations in the underlying asset/index. Derivatives may be used to manage risk in portfolios, for greater flexibility to lower costs, to gain leverage and to enhance returns.

Dist/Distributing Class/Inc/Income: A share class which pays dividend distributions. Dividends: A sum of money paid regularly (typically annually) by a company to its shareholders out of its profits (or reserves).

Equity/Security: The percentage of the fund that is currently invested in the equity market.

Exposure: The amount invested in a particular type of security, market sector or industry, usually expressed as a percentage of the total portfolio holding.

Fixed income security: A type of investment which pays out periodic income of a fixed amount on a fixed schedule e.g. a bond is a fixed-income security.

Forward currency contracts: A foreign exchange contract that locks in the exchange rate for the purchase or sale of a currency on a future date.

Front end fee: The initial fee/sales charge applied at the time of an initial purchase of an investment.

Fund: Ardtur European Focus Absolute Return Fund.

Global Industry Classification Standard (GICS): A standardized classification system for equities developed jointly by Morgan Stanley Capital International (MSCI) and Standard & Poor's.

Government bond: A bond issued by a government to support government spending, often issued in the country's domestic currency.

Gross: The total rate of return on an investment before the deduction of any fees or expenses.

Hedged class: A share class giving exposure to assets denominated in foreign currencies without the currency risk of the fund's base currency. Techniques and instruments are used to limit the currency risk between the hedged class and the base currency.

Hedging: Hedging against investment risk means strategically using financial instruments in the market to reduce the risk of adverse price movements.

High water mark: The highest value that an investment fund or account has reached over a specified period of time.

Information ratio: A measure of the fund's returns above the returns of the benchmark to the volatility of those returns.

Investment management fee: The fee payable by the fund to the investment manager to cover expenses associated with running the fund.

Investment Manager: S.W. Mitchell Capital LLP

ISIN: An ISIN (International Securities Identification Number) uniquely identifies a security.

KIID: A KIID (Key Investor Information Document) must be provided to anyone who invests in a UCITS.

Leverage: An investment strategy of using borrowed money and/or financial instruments to increase the potential return of an investment.

Long: The practice of buying securities with the expectation the asset will rise in value.

NAV: The NAV (net asset value) of a fund is the value of the fund's assets less its liabilities. NAV per share is the value per share and is calculated by dividing the total NAV of the fund by the total number of shares.

Net: The total rate of return on an investment after the deduction of any fees or expenses, including annual management fee and performance fee where applicable.

Notional Exposure: The total value of a fund's leveraged assets.

Ongoing Charges Figure (OCF): A figure showing all annual charges and other operational expenses payable by a fund. **Performance attribution:** A set of techniques that are used to explain why a fund's performance differs from a benchmark.

Performance fee: A fee payable to the investment manager on returns that, subject to a High Water Mark, the fund achieves either in absolute terms or relative to a performance fee benchmark. Please refer to fund prospectus for details.

Portfolio: A group of financial instruments such as shares, funds, bonds, cash and cash equivalents held by an investor and managed by a financial professional.

Proprietary currency positions: Foreign exchange contracts entered into by the fund for investment rather than hedging purposes.

Quoted securities: A quoted or listed security is a financial instrument that is traded through an exchange, such as the LSE, NYSE or Nasdaq.

Rebased method: Used to illustrate a fund's performance against comparative benchmark on a chart whereby they both start at the same point.

Rel/Relative: Calculates how much the fund has out/underperformed its comparative benchmark.

SEDOL: A SEDOL (Stock Exchange Daily Official List) is a unique number assigned by the London Stock Exchange and used in the UK and Ireland to identify securities.

Share class: A designation applied to a specified type of security such as shares in a fund. Each share class has its own rights.

Sharpe ratio: A measure for calculating risk-adjusted performance; the higher the ratio, the better risk-adjusted performance.

Short: The practice of selling borrowed securities with the expectation that the assets will decrease in value whereupon they will be repurchased and returned to the lender.

Since inception/Since inc.: Inception date is the date on which the fund launched.

Sortino: A variation of the Sharpe ratio that differentiates harmful volatility from total overall volatility by using the asset's standard deviation of negative asset returns, called downside deviation. The Sortino ratio takes the asset's return and subtracts the risk-free rate, and then divides that amount by the asset's downside deviation.

Standard deviation/Sta. dev.: Measures the degree of variation of returns around the mean (average) return. When applied to the annual rate of return, it shows the historical volatility.

Statistics: Statistical measurements used to analyse historical fund data such as performance, volatility etc.

Strategy AUM: The total assets of the funds managed by the Investment Manager to a similar investment mandate.

Ten-year adjusted basis: Shows any exposure to Fixed Income, Bond Futures or Interest Rate Futures on a 10-year duration basis.

Tracking error: A risk measure showing how closely a fund's performance follows a particular benchmark.

Treynor: Treynor ratio, also known as the reward-to-volatility ratio, is a metric for returns that exceed those that might have been gained on a risk-less investment, per each unit of market risk.

UCITS: Undertakings for the Collective Investment of Transferable Securities (UCITS) is an EU regulatory framework creating a harmonized regime throughout EU for the management and sale of funds.

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