

QUAERO CAPITAL's Argonaut fund celebrates its 20th anniversary

Geneva, 31 May 2023 – The Geneva-based asset management company QUAERO CAPITAL is celebrating the 20th anniversary of its flagship fund *Quaero Capital Funds (Lux) - Argonaut*, which invests in European micro caps (including Switzerland and the UK). Managed on a pure value basis by Philip Best and Marc Saint John Webb, *Argonaut* has generated since its launch at the end of May 2003, a cumulative performance of +740.7% compared to +514.9% for the EMIX Smaller European Companies Index NR EUR¹. While it has been soft closed to new investors for a long time, *Argonaut* is temporarily opening its doors for a limited period and for limited amounts.

European micro-cap stocks: a pool of often untapped opportunities

Out of a total of 5,385 listed companies in Europe, 78% have a stock market value of less than EUR 1 billion. However, these companies represent only 5% of the total market capitalisation². As large institutional investors and index funds focus on the largest capitalisations, analytical resources are concentrated on these stocks. As a result, smaller stocks do not receive the same analytical coverage and are therefore of less interest to investors. For example, 29% of the Argonaut fund's positions are covered by only 0 or 1 analyst. This leads to inefficiency and many valuation outliers in this market segment. It is therefore possible to find very high quality companies at prices well below their real value, provided that one is willing to think outside the box and conduct one's own fundamental analysis.

A fund managed in a "Quality Value" style

Philip Best and Marc Saint John Webb manage the fund using a value investment style based on in-depth fundamental research and strong convictions. The investment team is keen to establish an intimate knowledge of the company's business and business model, and actively interacts with its management. This translates into a long-term, hands-on management style that is index agnostic. Focused on Europe (including Switzerland and the UK), the fund targets companies with a market capitalisation of less than EUR 1 billion. The result is a concentrated portfolio of some 50 to 60 holdings, with low turnover (less than 25%) and generally trading with a forward PE of 10% to 20% below that of the EMIX Smaller European Companies NR EUR index. Finally, the fund managers consider ESG analysis to be an essential part of the investment process and actively encourage the companies in which they invest to improve their communication on these issues, to integrate these issues more into their governance and strategy, and to set clear targets. The fund falls into the Article 8 category of the SFDR regulation.

Results that confirm the soundness of the strategy

Since its launch in May 2003, the fund has generated a performance of +740.7% against +514.9% for the benchmark¹. However, these results have not been achieved at the cost of higher risk, as its volatility is lower than that of the index (15.0% vs. 19.7%)¹. In fact, since inception, the fund has only experienced 4 down years.

Jean Keller, CEO of QUAERO CAPITAL, said; *"I would like to warmly congratulate Philip Best and Marc Saint John Webb, who have been at the helm of Argonaut for 20 years. They are the perfect example of our 'away from the crowds' management philosophy. We are happy to see that active management is once again attracting the interest it deserves, given the current economic and geopolitical uncertainties."*

Philip Best added: *"The European small-cap universe is an inexhaustible source of very high quality companies. It is true that perseverance and a contrarian spirit are sometimes required, but we are convinced that by focusing on fundamentals and not on fads, solid and promising companies can be acquired at a good price. In the long run, quality is always recognised."*

¹ Results for the H EUR Class from 31/05/2003 to 30/4/2023. Past performance is not an indication of future returns. See legal information at the end of this media release. Unless otherwise stated, all figures in this document are as at 30.04.2023.

² Source : Capital IQ as at 31.1.2023

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About QUAERO CAPITAL

QUAERO CAPITAL is a specialized independent management company that brings together free-spirited managers based on original research to offer highly actively managed strategies to institutional clients and distributors. Founded in Geneva in 2005, QUAERO CAPITAL is 100% owned by its employees and its founding partners play an active role in its investment processes. The Group manages CHF 2.7 billion (30.09.2022) and offers a range of strategies marked by strong convictions, accessible through its Luxembourg and Swiss law funds, as well as private equity funds investing in European infrastructure and French real estate.

Additional information about QUAERO CAPITAL is available on the quaerocapital.com website.

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No guarantee can be given that profits will be made or that substantial losses will not occur, and investors may not recover the full amount invested. The comparison of the fund's performance with that of the index is not intended to imply that the fund's portfolio is similar to the index, either in terms of composition or level of risk. The index is unmanaged, has no fees and reflects the reinvestment of dividends and distributions. Various factors may make an index an inaccurate benchmark for a fund, and indices do not necessarily reflect a fund's actual investment strategy. It should not be assumed that correlations with indices based on historical returns will continue in the future. The EMIX Smaller European Companies Index is a registered trademark of IHS Markit Ltd. and its subsidiaries ("IHS"). IHS holds all proprietary rights to the index.

Quaero Capital Funds (Lux)

Note for Swiss investors: the legal documents can be obtained free of charge in French from the legal representative of the fund in Switzerland: FundPartner Solutions (Suisse) S.A., Route des Acacias 60, CH-1211 Geneva, Switzerland. Paying agent in Switzerland: Banque Pictet & Cie S.A. Route des Acacias 60, CH-1211 Geneva, Switzerland. The latest prices are available at www.fundinfo.com.

Note for UK investors: the legal documents can be obtained free of charge in English from Quaero Capital LLP, the legal representative of the Fund in the United Kingdom, at 2-4 King Street, London SW1Y 6QL. Quaero Capital LLP is authorized and regulated by the UK Financial Conduct Authority with Reference Number: 434203. The contents of this communication have been approved by Quaero Capital LLP.

Note for other investors: the legal documents can be obtained free of charge in English at the legal domicile of the fund: 15, avenue J.F. Kennedy, L-1855 Luxembourg.