

Fund Manager: Richard Penny

## CRUX UK Special Situations Fund

“  
*Software company, Microfocus, contributed strongly to performance this month on the back of a good trading update.*  
”

During February, the FP CRUX UK Special Situations Fund delivered a return of 1.25% compared to a rise of 2.29% for its benchmark.\* The fund continues to be ahead of the market year to date. Performance this month was driven by the mid and large cap companies, with the small cap market underperforming by 1.3%. The cable rate was volatile throughout the market but ended February close to its starting level of \$1.31 per pound.

Software company, Microfocus, contributed strongly to performance this month on the back of a good trading update. The share price hit our original price target, price targets are an integral part of our fund process, and as we saw further limited upside, we exited the position. Other positive contributors included Likewise Group, Prudential and Instem. Performance was held back by a few disappointing results including Centamin and Convatec. Gold miner Centamin, which has a world-class asset, continued to face operational difficulties at its main mine. Convatec's share price saw downward pressure as the market responded negatively to its decision to invest in future growth affecting its short term profits.

We continued to find good opportunities within the small cap section of the market. We acquired a new position into MaxCyte, a life sciences company applying its proprietary cell engineering platform to deliver the advances of cell-based medicine to patients with high-unmet medical needs. Through its core business, MaxCyte leverages its Flow Electroporation® Technology to enable its biopharmaceutical partners to advance the development of innovative medicines, particularly in cell therapy. MaxCyte has placed its flow electroporation instruments worldwide, including all of the top ten global biopharmaceutical companies, and has more than 70 partnered program licenses in cell therapy including more than 35 licensed for clinical use. MaxCyte is also developing novel CARMA™ therapies for its own pipeline, with its first drug candidate in a Phase 1 clinical trial. CARMA is MaxCyte's mRNA-based proprietary therapeutic platform for autologous cell therapy for the treatment of solid cancers licensed for clinical use. We believe the value of Maxcyte's businesses is significantly less than comparable US businesses and that the general despair in the UK market provides a compelling entry point, especially when considering its robust delivery technology platform.

\*Source: FE 31.01.19-28.02.19 Bid-Bid, net income re-invested. Benchmark: FTSE All Share GBP.

### Important Information

Before entering into an investment agreement in respect of an investment referred to in this document, you should consult your own professional and/or investment adviser. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Past performance is not a guide to future results.

We also initiated a position in First Derivatives, a Newry based IT services and “Big Data” software provider. The company’s Palo Alto based software division has been rated as one of the fastest time series databases and is finding many uses away from its traditional financial market. The company is investing in solutions for smart utility meters, marketing analytics, telecoms and retail. The recent sell-off in technology stocks provided an attractive entry point.

Throughout February, the cloud of Brexit continued however, developments have made a no-deal Brexit, or a change of government less likely. While these outcomes are still possibilities, we view the greater likelihood is a deal, an outcome more favourable for the fund with its core bottom up stock picking philosophy.

#### Important Information

Please note the views, opinions and forecasts expressed in this document are based on CRUX’s research, analysis and house views at the time of publication. Third party data is believed to be reliable, but its completeness and accuracy is not guaranteed. Please read all scheme documents before investing. Before entering into an investment agreement in respect of an investment referred to in this document, you should consult your own professional and/or investment adviser. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Tax assumptions and reliefs depend upon an investor’s particular circumstances and may change if those circumstances or the law change. If you invest through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially than those shown on this document. Past performance is not a guide to future results.