

TM CRUX European Opportunities Fund

GBP factsheet March 2020

CRUX
ASSET MANAGEMENT

Fund Facts as at 29/02/20

Fund Objective

The objective of the Fund is to achieve capital growth. The Fund will seek to achieve returns that are 2% p.a. in excess of the FTSE World Europe ex-UK Index over a rolling three year period, though there is no guarantee that it will do so.

Inception date

25 September 2014 (renamed TM CRUX European Opportunities Fund on 2 December 2019)

Structure

OEIC

Fund Size

£54.6mn

Fund Base Currency

GBP

XD Dates

31-Dec, 30-Jun

Dividend Pay Dates

30-Apr, 31-Aug

Market Capitalisation	(%)
> €10bn	68.4
€1bn-10bn	25.7
< €1bn	0.0

Charges (%)	Initial	OCF
A Class (GBP)	Nil	0.88
F Class (GBP)	Nil	0.78

Minimum Investment	
A Share Class	£20,000
F Share Class	£5,000,000

ISIN Numbers (GBP)	
GB00BNY7YH21 (A Acc)	
GB00BNY7K59 (F Acc)	

Top 10 Holdings	%	Top 10 Countries	%	Top 10 Sectors	%
Ahold Delhaize	4.1	France	28.1	Telecommunication Services	13.8
Bouygues	3.9	Netherlands	13.3	Pharmaceuticals, Biotechnology & Life Sciences	11.4
Roche	3.7	Sweden	8.6	Capital Goods	11.0
Saint Gobain	3.5	Switzerland	7.7	Banks	10.2
KPN	3.5	Germany	7.5	Food, Beverage & Tobacco	8.3
Novo Nordisk	3.3	Britain	4.9	Insurance	7.4
Orange	3.3	Ireland	4.8	Food & Staples Retailing	6.5
Fresenius Medical Care	3.3	Italy	4.7	Health Care Equipment & Services	5.0
Zurich	3.1	Norway	4.2	Energy	4.8
Orkla	3.1	Denmark	3.3	Consumer Durables & Apparel	2.6
Total Holdings	43	Cash	5.9		

Source: CRUX Asset Management.

Fund Manager Commentary

Equity markets fell back in February. At the beginning of the month, investors thought that the coronavirus outbreak was contained within China, and therefore although Chinese stock prices and commodities fell back, European and American investors were still full of optimism. However, any positive sentiment quickly evaporated later in the month when Italy struggled to contain several new virus cases even with virtual lockdown in the north of the country. Elsewhere, sterling weakened as a "no deal" Brexit confrontation re-emerged, which cushioned equity losses for UK investors. Against this background, the HA CRUX European Opportunities Fund lost 5.1%.¹

The fund benefitted as its defensive holdings held up in a difficult market, such as healthcare providers like Sanofi and Roche. Outokumpu jumped after better-than-expected results, and we took profits. Swedish Match advanced on showing high growth for its new product in the US. In terms of transactions, we sold Grifols after a recent rally left the company over-valued, in our view. We also disposed of Imerys after share price strength, but where we are wary over their end market exposure to steel mills and their talc liability. We started a position in Smurfit Kappa which was trading on an attractive valuation, which benefits from structural growth in paper-based packaging materials with incentivised management. The fund also acquired shares in UDG, which has de-rated compared to peers, but grows from a combination of organic and acquired growth in defensive healthcare end-markets.

Coronavirus fears have led to significant and indiscriminate declines in stock prices, with large revenue declines now priced into even fairly defensive companies. As a result, we have uncovered some fresh purchasing opportunities as valuations are now attractive on businesses with the characteristics that we like: capital-light business models with high recurring revenues and high capital returns, coupled with proven management. As usual we also pay attention to generous dividend payers when combined with resilient profiles and solid balance sheets.

*Source: FE 31.01.20 - 29.02.20 Bid-Bid, net income re-invested GBP

Fund Manager Profiles



Richard Pease
Fund Manager

Richard has over three decades of experience in the financial industry. After running funds with the Central Board of Finance and Windsor Investment Management, Richard joined Jupiter Asset Management in 1989 where he started and ran the Jupiter European Fund and several other European vehicles.

In 2001, he helped set up New Star Asset Management where he launched and managed both onshore and offshore European funds. On Henderson Global Investor's acquisition of New Star in April 2009, he became a Director of European Equities. In October 2009, Richard launched the Henderson European Special Situations Fund. Richard joined CRUX in June 2015 following a Scheme of Arrangement that allowed him to merge the Henderson European Special Situations Fund with the TM CRUX European Special Situations Fund. Richard also co-manages the TM CRUX European Fund and the TM CRUX European Opportunities Fund.



James Milne
Fund Manager

James worked at Henderson Global Investors as a European equities fund manager from April 2009 until he joined CRUX in June 2015 with the successful merger of the Henderson European Special Situations Fund and the TM CRUX European Special Situations Fund.

James previously worked at New Star Asset Management, which he joined in August 2006. James began his career in 2002 at KPMG in London where he qualified as a chartered accountant before moving into corporate finance. He graduated from Magdalen College, Oxford with a double first class degree in Engineering Science.

Important Information

Please note the views, opinions and forecasts expressed in this document are based on CRUX's research and analysis at the time of publication. 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. TM CRUX European Opportunities Fund (the 'Fund') is a sub-fund of TM Investment Fund (the 'Company'). The Company is an investment company with variable capital and is a UCITS Scheme. It is incorporated under the Open-Ended Investment Companies Regulations 2001 ('OEIC Regulations') in England and Wales under registry number IC0001019. The Company is regulated by the FCA and was authorised on 11 August 2014. The TM Sanditon European Fund was renamed the TM CRUX European Opportunities Fund on 2 December 2019.

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Please note: Due to rounding the figures in the holdings breakdown may not add up to 100%. Unless otherwise indicated all figures are sourced from Financial Express, Datastream, State Street and CRUX Asset Management Ltd. Third party data is believed to be reliable, but its completeness and accuracy is not guaranteed.

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