

Fund Managers: Roland Grender, Richard Pease

## CRUX (Lux) Pan-European Growth Fund

“ Strong second quarter results boosted share prices in Online portal business Scout24 (+8%) Eurofins Scientific (+8%), and Intertrust (+9%). ”

Equity markets were volatile during August with an initial sell-off subsequently nearly offset by a month-end rally. At the beginning of the month, markets roiled as President Trump suddenly escalated the US-China trade war with a 10% tariff on \$300bn of imports from China, adding that the rate could increase to 25%. In response, China let their currency weaken slightly, which triggered the US president to accuse them of currency manipulation. However, some of the tariffs were subsequently delayed so as not to affect US Christmas present prices. Along with comments that exchanges with China had been productive, stocks began to rally. In Europe, the industrial production malaise has resulted in near-recessions for many countries, resulting in Germany, for example, to consider fresh stimulus plans. Against this background, the CRUX (Lux) Pan-European Growth Fund lost 0.5% compared to the FTSE Developed Europe which fell 1.5%.\*

The fund outperformed despite the US-China conflict weighing on some of our medium-sized companies with any manufacturing exposure such as Stabilus and Alimak (where we trimmed our position). ISS reported results which disappointed the market due to some items which we consider temporary. Bright spots included Bayer which gained on news of a potential settlement for their outstanding lawsuits. Strong second quarter results boosted share prices in Online portal business Scout24 (+8%) Eurofins Scientific (+8%), and Intertrust (+9%).

Despite the negative headlines, particularly regarding weak European manufacturing output, many of our holdings still report solid sales growth in their respective niches. For example Airbus reported roughly 24% sales growth in the second quarter and specialty distributor B&S 7%. We take comfort from shares like these which have global sales exposure (but happen to be listed in Europe), have low capital requirements, solid balance sheets and attractive dividend yields. Outside of the fund, we continue to look for companies with similar characteristics but which have been overly punished after a minor mishap.

\*Source: FE 31.07.19-31.08.19 Bid-Bid, EUR, net income re-invested

### 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. CRUX (Lux) Pan-European Growth Fund (the 'Fund') is a sub-fund of the CRUX Global Fund (the 'Company'). The Company is a UCITS scheme incorporated as a Société Anonyme in Luxembourg and is organised as a Société d'investissement à Capital Variable (SICAV). This is a type of open-ended fund widely used in Europe. The Fund is registered with the Commission de Surveillance du Secteur Financier under registry number 11083. This information is only directed at persons residing in jurisdictions where the Company and its shares are authorised for distribution or where no such authorisation is required. Subscriptions can only be made in conjunction with the latest version of the Prospectus, KIID, Semi-Annual and Annual Accounts which can be found on our website, [www.cruxam.com](http://www.cruxam.com). Please read all scheme documents prior to investing. 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 of 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. On 8th March 2019 CRUX Pan-European Growth Fund was renamed CRUX (Lux) Pan-European Growth Fund. For more information please follow the link [www.cruxam.com](http://www.cruxam.com).



— The CRUX of it...



### Important Information

Please note: Unless otherwise indicated all figures 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. This document is issued by CRUX Asset Management Ltd which is registered in England and Wales (Company no. 08697189) and whose registered address is 48 Pall Mall, London, SW1Y 5JG. It is authorised and regulated by the Financial Conduct Authority (FRN 623757).

Past performance is not a guide to future performance.