

Date: 21 January 2019

To: News editors

**CRUX establishes directly-invested Luxembourg vehicle for Brexit**

CRUX Asset Management Ltd. (CRUX), the employee-owned investment management business, announces its intention to convert the CRUX European Special Situations “feeder fund”, domiciled in Luxembourg, into a directly-invested fund for the purposes of post-Brexit regulation.

The new directly-invested fund will be as close to a replica of the ‘onshore’ CRUX European Special Situations fund as possible, although cash positions in the two funds are likely to vary due to differing flow dynamics and currency.

In 2017, CRUX established a Luxembourg domiciled SICAV which currently has two sub-funds: the CRUX European Special Situations feeder fund and the CRUX Pan-European fund (both sub-funds are UCITS structures). Given that the CRUX European Special Situations Feeder fund (in Luxembourg) feeds into the master fund, which is a sub-fund of the FP CRUX UCITS OEIC (‘CRUX OEIC’), CRUX believes that after March 2019, it (the Feeder Fund), in addition to the CRUX OEIC, will lose its UCITS status.

In the absence of concrete guidance with regards to the UK’s relationship with the European Union, specifically relating to the financial services sector, CRUX has deemed it prudent to prepare for a worst-case scenario in which the CRUX OEIC will lose its ‘EU passporting’ authority after 29th March 2019 and will therefore not be distributable within the EU27 countries where it is currently registered. After March 2019, the CRUX OEIC will become a ‘Non-EU Alternative Investment Fund (AIF)’. CRUX believes that for its European investors who are currently invested in the sub-fund of the onshore CRUX OEIC some may not be able to continue investing and therefore the new directly invested fund in Luxembourg will allow them to benefit from the same fund managers, strategy, style and process, which they have previously enjoyed, within a UCITS framework.

All legal, administrative and transaction costs associated with the transition will be borne by CRUX.

**Commenting, Mark Little, Distribution Director at CRUX Asset Management, said:**

“CRUX is working to make this transfer as efficient as possible for investors and is in the process of establishing a new share class within the UK domiciled CRUX European Special Situations fund in order to facilitate a transfer on the 8<sup>th</sup>

March 2019, or shortly thereafter, when the restructured Luxembourg fund becomes available. We believe this is the most practical solution to a situation which remains stubbornly unclear.”

## ENDS

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## Notes to Editors

### About CRUX Asset Management

CRUX Asset Management was established in 2014 by a group of individuals who share the common aim of providing clients with strong performance, combined with robust investment processes and first-rate service. Our team of investment professionals have extensive fund management experience of investing only in businesses that the management or founding family have equity ownership. We align our investment aims with those of our clients' by investing meaningful amounts of our own assets in our funds. The senior management team is responsible for the day-to-day running of the business and this allows the investment management team to focus purely on delivering superior investment returns. Web: [www.cruxam.com](http://www.cruxam.com)