

Fund Managers: Richard Pease, James Milne

TM CRUX European Special Situations Fund

“ Aalberts surged as it announced its order book is 59% higher than 2019 and faces few supply chain issues. ”

Equities lost ground in November. Initially markets were cheered by Pfizer announcing a new pill to reduce COVID-19 hospitalisations and the US unemployment rate dropped to 4.8%. US consumer price inflation rose to 6.2% in October versus a year ago and observers continued to fret about energy and food inflation spilling over into general inflation. Most central bankers, particularly in Europe, remain insistent that this is transitory and should fade in 2022. Share prices headed south towards the end of the month as many European countries re-introduced lockdowns or restrictions as covid cases jumped higher, and as South Africa reported a new omicron covid variant. The oil price fell sharply as a result, after a volatile month as many nations are desperate for a lower energy price whereas OPEC+ said they will counter with output reductions. However, European gas prices rallied with delays to turning on the new Nord Stream pipeline to Germany. Against this background, the TM CRUX European Special Situations Fund lost 1.7% in line with its performance comparator, IA Europe ex UK sector.

Strong performance was seen at Wolters Kluwer which reported reassuring results. Aalberts surged as it announced its order book is 59% higher than 2019 and faces few supply chain issues. Trelleborg rose as it disposed of some non-core divisions and as raw material prices eased. Performance was held back by Just Eat as a US peer acquired German challenger Wolt which could stiffen competition. After performing very strongly, freight forwarders Kuehne + Nagel and DSV lost ground as the sea-freight rates dropped back from recent all-time highs. In terms of transactions, we trimmed Essilor and Givaudan on strong performance, and invested in Majorel, which provides customer experience and is expanding due to more outsourcing as it is getting more complex for brands to manage. After its recent listing, the share price had dropped sharply after a badly received results conference call, and we subsequently started our position, leaving it on an attractive valuation with growth of over 10% and no debt, compared to its main peer on nearly double the rating.

*Source: FE 31.10.21 - 30.11.21 Bid-Bid, income re-invested GBP

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 Special Situations Fund (the 'Fund') is a sub-fund of TM CRUX OEIC (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 IC001022. The Company is regulated by the FCA and was authorised on 10 December 2014. The FP CRUX European Special Situations Fund was renamed the TM CRUX European Special Situations Fund on 28 September 2019.

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. Please read all scheme documents prior to investing. The KIID and Fund Prospectus and other documentation related to the Scheme, are available from the CRUX website. 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. 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.



Stock markets have been volatile after being buffeted by jumps in inflation, uncertainty over interest rate rises, further covid restrictions and a new variant. As is often the case, this has uncovered plenty of new attractive opportunities for us where there has been unwarranted sell-offs in our view. As usual, we continue to focus on companies that earn a high return on invested capital, resulting in a much higher metric than the wider market, but yet this is not yet reflected in valuations. Another common theme is that we like resilient growth which is often augmented with bolt-on acquisitions. This growth, coupled with high returns on capital and incentivised management but on undemanding valuations, make for an attractive fund proposition in our view.

Important Information

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.

This document has been approved under Section 21 of the Financial Services and Markets Act 2000 by CRUX Asset Management Ltd. 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).

These figures refer to the past and past performance is not a reliable indicator of future results.

The Authorised Corporate Director is Thesis Unit Trust Management Limited, Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP. Authorised and regulated by the Financial Conduct Authority.