

TM CRUX European Special Situations Fund

GBP factsheet September 2023

CRUX
ASSET MANAGEMENT

Fund Facts as at 30/09/23

Fund Objective

The Fund aims to achieve long-term capital growth by investing in European (excluding the UK) equities of companies in special situations.

Launch Date

1 October 2009

Restructured: TM CRUX European Special Situations Fund on 8 June 2015

Structure

OEIC

Fund Size

£389.5m

Performance comparator

IA Europe ex UK

Fund Base Currency

GBP

Share Class Currency

GBP

XD Dates

01-Oct, 01-Apr

Dividend Pay Dates

30-Nov, 31-May

Market Capitalisation	(%)
> €10bn	94.3
€1bn-10bn	3.5
< €1bn	0.0

Charges (%)	Initial	OCF
I Class (GBP)	Nil	0.83

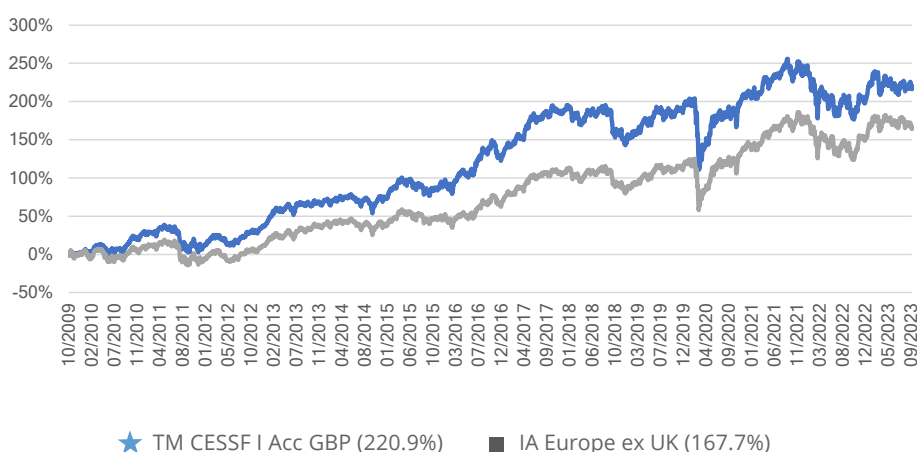
Minimum Investment	
I Class (GPB)	£100

ISIN Numbers (GBP)
GB00BTJRQ064 (I Acc)
GB00BTJRPZ43 (I Inc)

Top 10 Holdings	%	Top 10 Countries	%	Top 10 Sectors	%
Linde	8.4	France	34.6	Materials	15.9
Nestle	6.8	Switzerland	14.4	Capital Goods	10.8
TotalEnergies	6.2	Belgium	5.6	Banks	10.6
KBC	5.6	Spain	5.5	Pharmaceuticals, Biotechnology & Life Sciences	8.0
Schneider	5.6	United Kingdom	4.9	Food, Beverage & Tobacco	7.8
Iberdrola	5.5	Finland	4.7	Energy	6.2
Vinci	4.8	Ireland	4.4	Health Care Equipment & Services	5.6
Michelin (CGDE)	4.8	Sweden	3.9	Automobiles & Components	4.8
Sanofi	4.7	Italy	3.8	Software & Services	4.7
Capgemini	4.7	Denmark	3.2	Insurance	3.7
Total Holdings	28	Cash	2.2		

Source: CRUX Asset Management.

Performance: Percentage Growth, since launch (01 October 2009) to 30 September 2023



Source: as at 30 September 2023. © 2023 FE. All Rights Reserved. Total return, Bid-bid in GBP, net income reinvested.

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

TM CRUX European Special Situations Fund

(Continued)



Disc Yr Perf (%)	YTD	2022	2020	2019	2018	2017
TM CESSF I Acc GBP	4.1%	-11.1%	12.4%	4.0%	21.0%	-15.2%
IA Europe ex UK	5.4%	-9.0%	15.8%	10.3%	20.3%	-12.2%

Disc Yr Perf* (Discrete Year Performance)

Source: as at 30 September 2023 © 2023 FE. All Rights Reserved. Total return, Bid-bid in GBP, net income reinvested. Discrete performance data may change due to final dividend information being received after quarter end.

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In September, the Fund returned 0.7% while the IA Europe ex UK benchmark delivered -1.5%.

We increased our position in Tele2. Post the capex warning at the Q2 results, we were able to engage with the company to better understand the reasons behind the increased capex envelope, and the likely development in free cash flow going forward. After the capex warning, Tele2 underperformed the market quite significantly, with the result that even on our rebased and highly conservative numbers, we estimate the stock to be trading on c. 8-9% sustainable dividend yield. In addition, the much awaited Swedish spectrum auction concluded in September with a lower than expected outlay for Tele2, which we expect will further support Tele2's ability to maintain its ordinary dividend in the short run. Whilst still somewhat concerned about the capex outlook in the medium term, we considered the shares to represent an attractive entry point after their recent underperformance and hence, added some modest exposure to the names. We continue to monitor the position and engage with the company to better understand the growth and capex outlook into 2024/2025.

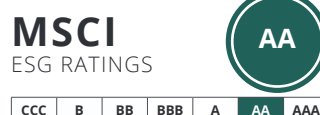
We increased our position in Novo Nordisk, a high-quality pharmaceutical company with renewed growth prospects in the novel area of GLP-1s. In September, we had the opportunity to meet one-on-one with Novo Nordisk's CEO, Lars Fruergaard Jørgensen, where we ran through and validated our assumptions around the potential market size and durability of the franchise. This has given us further confidence that the GLP-1 opportunity in the US alone could exceed USD 100bn. Furthermore, we believe Mr Jørgensen to be an intelligent allocator of capital who maintains a strong focus on the company's competitive strengths.

Richemont is the leading global player in hard luxury owning iconic brands such as Cartier and VanCleef & Arpels (VC&A) in jewellery, and IWC in watches. We continued to trim our position in Richemont as concerns around the health of consumer, particularly the weakening Chinese consumer which contribute to c. 30% of group sales, seem to be materialising. Chinese consumers have been shifting spend away from goods to experiences/ services and have preferred to travel to onshore destinations like Hong Kong, Macau, as well as neighbouring countries like Japan and South Korea. Additionally, visa restrictions in China have not fully normalised and remain a constraint

We trimmed our position in Pernod Ricard. The outlook for US household spend on spirits continues to be cyclically muted, driven by economic slow-down and coming off elevated levels of consumption through the pandemic years. Coupled with some excess inventories in the channel, we estimate this means Pernod Ricard's shipments to wholesalers in the all-important US spirits business will likely remain very subdued at flat levels through FY24.



Daniel Avigad
Fund Manager



CCC B BB BBB A AA AAA

(Produced by MSCI ESG Research as of 30 September 2023)

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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.

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