

Ash Park Global Consumer Franchise UCITS Fund

Global Consumer Franchise Equity

February 2020

Fund Overview

The Ash Park Global Consumer Franchise UCITS Fund is managed by a London-based team with extensive experience covering consumer companies. The Ash Park fund pursues a long-only, 'Buy-and-Hold' strategy focused solely on global Food, Beverage, Tobacco and Household & Personal Care companies (together, the 'Consumer Staples' sector). These companies have historically produced higher long-term returns than the market, and with lower volatility, and the sector tends to combine attractive income generation with inflation protection and growth, supported by brands and franchises which have often been built over decades, even centuries.

The Ash Park fund does not measure itself against any benchmark but has the objective of beating inflation consistently, with low risk and low volatility, through the ownership of high-quality Consumer Staples stocks that it believes are capable of growing their earnings and cash flows at attractive rates almost indefinitely. The Ash Park fund seeks to balance its desire to own the best quality stocks with a need to diversify its portfolio risk. However, its holdings will be concentrated (typically c.20 stocks) and it will be aiming for low.

Monthly Portfolio Comment

Class A units in the Ash Park Global Consumer Franchise UCITS Fund in February were down -9.19% in Euros, -9.66% in CHF, -9.99% in USD and -7.11% in GBP. For the year, Class A units are down -9.11% in Euros, -11.09% in CHF, -11.05% in USD, -7.75% in GBP.

February was a negative month for the fund in EUR; unsurprisingly, the growing concerns around Coronavirus dominated market moves. A number of categories could benefit from precautionary demand, for example disinfectant products, which a number of our holdings enjoy strong positions in (eg Clorox or Reckitt Benckiser), but investors are clearly concerned about an overall contraction in consumer demand. Historically, the near-term consumption shifts associated with this sort of event have been temporary and consumer habits have soon reverted to the norm, so that there has been little to no impairment in the intrinsic value of high-quality businesses. On the other hand, we also know that in this sort of situation share prices can be very much more volatile. We are watching carefully to see if this volatility presents opportunities to make some modest portfolio changes into new holdings which we have been monitoring for a while. Portfolio activity in the month was limited to some small profit-taking in Coca-Cola, which reported its second best organic growth year in ten years. We also got a strategy update from Reckitt Benckiser, which committed itself to return to mid-single digit top line growth following a sizeable step-up in investment. As we regularly remark, we very much support a top line-driven strategy in this industry as opposed to a margin-led story. There was only one positive contributor in the month, which was Clorox. The top 3 detractors, largely as a function of their portfolio weights, were Imperial Brands, BAT and Reckitt Benckiser.

Fund Performance Since Inception (EUR)



Class A, net of fees / expenses. Fund launched on 14th Oct 2014 (=100)
Source: Ash Park

The monthly performance figures quoted above and overleaf represent the performance of the Ash Park Global Consumer Franchise UCITS Fund in the relevant currency class. Euro is the base currency of the fund and is the best indication of fund performance. These performance figures refer to the past and past performance is not a reliable guide to future performance.

The Manager



Geographic Split

At 28th February 2020, By Country of Listing

US	32.2%
UK	27.9%
Netherlands	12.3%
Switzerland	8.3%
Italy	4.4%
Germany	4.3%
Hong Kong	2.8%
Japan	1.4%
Net Cash	6.5%

Sector Split

At 28th February 2020, By Company Listing

Tobacco	25.7%
Beverages	21.0%
Household Care	19.3%
Personal Care	14.8%
Food Manufacturing	12.7%
Net Cash	6.5%

Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$39 million
Strategy AUM	\$213 million
Number of Stocks	20
Inception	14 th October 2014

A Class	
Share Class	
Currency	EUR/CHF/USD/GBP
Mgt. Fee	1.00%
ISIN Codes	EUR: IE00BQQFW266 USD: IE00BQQFW480 CHF: IE00BQQFW597 GBP: IE00BQQFW373

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GBP Class A – launched 14th October 2014

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2014	-	-	-	-	-	-	-	-	-	2.78%	5.62%	-3.71%	4.53%
2015	6.21%	1.72%	-0.42%	-1.12%	1.56%	-5.59%	5.90%	-4.92%	2.87%	5.57%	1.05%	1.58%	14.48%
2016	3.04%	1.02%	3.14%	-1.16%	0.32%	11.44%	0.48%	0.23%	0.79%	1.68%	-9.04%	2.81%	14.48%
2017	0.43%	7.80%	1.97%	-1.63%	8.00%	-2.82%	-1.68%	1.89%	-4.69%	1.16%	0.43%	3.53%	14.45%
2018	-3.40%	-5.49%	-0.38%	-0.96%	0.79%	3.32%	4.32%	-1.03%	-0.72%	-1.99%	-1.35%	-6.63%	-13.19%
2019	0.62%	3.51%	7.09%	-0.66%	-0.19%	1.90%	3.87%	0.31%	-1.84%	-5.06%	3.46%	0.58%	13.88%
2020	-0.69%	-7.11%											-7.75%

EUR Class A – launched 17th April 2015

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2015	-	-	-	-	-	-	-	-	-	-	-0.36%	-3.30%	-3.64%
2016	-0.44%	-1.16%	1.42%	0.22%	2.55%	2.56%	-0.86%	-0.73%	-0.93%	-2.22%	-3.63%	2.26%	-1.15%
2017	-0.20%	8.44%	1.80%	-0.04%	4.36%	-3.59%	-3.47%	-1.24%	-0.20%	1.61%	0.02%	2.73%	10.05%
2018	-2.11%	-6.47%	0.59%	-1.01%	0.79%	2.49%	3.43%	-1.39%	-0.22%	-1.56%	-1.43%	-7.69%	-14.14%
2019	3.53%	5.46%	6.39%	-0.43%	-2.95%	0.69%	2.22%	0.87%	0.33%	-2.58%	4.64%	1.19%	20.63%
2020	0.09%	-9.19%											-9.11%

USD Class A – launched 19th February 2016

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2016	-	-1.21%	6.37%	0.73%	-0.32%	2.35%	-0.21%	-1.13%	-0.03%	-4.90%	-6.46%	1.68%	-3.66%
2017	2.26%	6.63%	2.47%	1.77%	7.76%	-2.22%	-0.21%	-0.41%	-0.76%	0.13%	2.37%	3.46%	25.30%
2018	1.55%	-8.42%	1.43%	-2.75%	-2.62%	2.52%	3.65%	-1.94%	-0.39%	-3.97%	-1.50%	-6.80%	-18.27%
2019	3.92%	4.66%	4.91%	-0.62%	-3.50%	2.90%	-0.06%	-0.23%	-0.68%	-0.30%	3.42%	3.01%	18.45%
2020	-1.19%	-9.99%											-11.05%

CHF Class A – launched 19th May 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	-	-	-	-	1.41%	-3.22%	0.54%	-0.81%	-0.08%	3.15%	0.84%	2.67%	4.45%
2018	-3.13%	-6.90%	2.77%	0.53%	-3.29%	3.54%	3.34%	-4.21%	0.61%	-1.11%	-2.14%	-8.06%	-17.32%
2019	-0.30%	10.25%	4.88%	1.69%	-4.74%	-0.26%	1.47%	-0.28%	0.10%	-1.34%	4.74%	-0.18%	16.35%
2020	-1.58%	-9.66%											-11.09%

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