

# Ash Park Global Consumer Franchise UCITS Fund

## Global Consumer Franchise Equity

May 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 turnover.

### Monthly Portfolio Comment

Class A units in the Ash Park Global Consumer Franchise UCITS Fund in May were up +0.85% in Euros, +1.95% in CHF, +2.42% in USD and +4.50% in GBP. For the year, Class A units are down -6.68% in Euros, -8.25% in CHF, -7.52% in USD, and -0.90% in GBP.

The fund continued its positive trend in May as the broader market appears to assume there will be few long-term impacts from the Coronavirus pandemic. We were pleased to see a resilient Q1 reporting season for our portfolio, and even if Q2 organic growth is expected to be weaker (since it covers peak lockdown periods in Western Europe and North America), it already looks like the overall results for this year should show the steadiness we look for: earnings forecasts for our portfolio have been significantly more robust than those for the overall market. One noteworthy item from the reporting season was the one-third reduction in the Imperial Brands dividend. We had voiced our views to management that even if the dividend was well funded, it made more sense to use excess cash to pay down debt rather than sustain a mid-teens dividend yield which few seemed to value. This should in time allow the company to buy back shares faster than markets currently expect and, since the shares trade on a consensus forward P/E of under 6x, repurchases should be highly accretive. Portfolio activity was more limited in May than it was in April. We continued to add to Nomad Foods, Europe's leading frozen food franchise, as well as adding to our PMI position on weakness. The top 3 contributors in the month were Fever-Tree, Reckitt Benckiser and L'Occitane. The top 3 detractors in the month were PMI, Coty and Imperial Brands.

### 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 29<sup>th</sup> May 2020, By Country of Listing

US	30.4%
UK	29.5%
Netherlands	10.6%
Switzerland	7.7%
Hong Kong	4.0%
Italy	4.0%
Germany	3.9%
Japan	1.3%
Net Cash	8.7%

### Sector Split

At 29<sup>th</sup> May 2020, By Company Listing

Tobacco	24.2%
Beverages	20.6%
Household Care	19.4%
Food Manufacturing	13.7%
Personal Care	13.4%
Net Cash	8.7%

### Fund Facts

<b>Structure</b>	UCITS Fund
<b>Domicile</b>	Ireland
<b>Liquidity</b>	Daily
<b>Fund AUM</b>	\$42 million
<b>Strategy AUM</b>	\$224 million
<b>Number of Stocks</b>	20
<b>Inception</b>	14 <sup>th</sup> October 2014
<b>A Class</b>	
<b>Share Class</b>	
<b>Currency</b>	EUR/CHF/USD/GBP
<b>Mgt. Fee</b>	1.00%
<b>ISIN Codes</b>	EUR: IE00BQQFW266 USD: IE00BQQFW480 CHF: IE00BQQFW597 GBP: IE00BQQFW373

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### GBP Class A – launched 14<sup>th</sup> 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%	-3.48%	6.50%	4.50%								-0.90%

### EUR Class A – launched 17<sup>th</sup> 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%	-6.20%	8.53%	0.85%								-6.68%

### USD Class A – launched 19<sup>th</sup> 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%	-6.30%	8.34%	2.42%								-7.52%

### CHF Class A – launched 19<sup>th</sup> 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%	-6.34%	8.07%	1.95%								-8.25%

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## Contact Details

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