



Strategic Europe Quality Fund

Strategic Global Quality Fund

June 2020 Fund Commentary



Willem Vinke
PORTFOLIO MANAGER

The Europe Quality Fund returned 0.56%* in June. Sector allocation was the main detractor to alpha, most notably the Funds relative underweight to the financials sector and relative overweight to the health care and consumer staples sectors. The best performing sectors for the benchmark over the period were financials, information technology, utilities and materials; while the worst performing sectors were health care, energy and consumer staples. There were no significant contributors or detractors to alpha over the period for the European Fund at a single stock level.

The Global Quality Fund returned 0.31%** in June. The main detractor to return was stock selection in the consumer discretionary, information technology and industrials sectors. The Funds relative overweight in the consumer staples space was also a detractor – however this was largely offset by strong stock selection for the sector. The best performing sectors for the benchmark over the month were information technology, consumer discretionary, materials and financials; while health care, utilities and energy were the worst performing sectors. At a single stock level, Wabtec was the main detractor over the period for the Global Fund.

MARKET OUTLOOK

On a relative basis, the Funds were negatively impacted during Q2 as the market rebounded strongly on the back of substantial market stimulus from central banks and governments, and as economies slowly began to open up. This stimulus has helped to cushion the economic impact of COVID-19 to some extent, but the true economic impact remains unclear in the Investment Adviser's view. Many economic and political risks remain and more volatility is likely in the second half of the year. Therefore, the Investment Adviser will maintain a cautious view, preferring to invest in high quality companies for the most part, that the Team believe will be better placed to endure any market volatility ahead.

INVESTMENT APPROACH

A valuation driven investment approach aiming to buy high-quality businesses at discounted prices. Quality being defined as companies which are market leaders, benefit from long-term structural growth, have high margins and low capital intensity. The Fund has a structural bias towards consumer, healthcare, IT and generally avoids high cost of capital sectors such as insurers, utilities and the oil and gas majors.

INVESTMENT OBJECTIVE

To achieve long term capital growth.

A sub-fund of E.I. Sturdza plc.
Registered in Ireland.

CONTACT

E.I. Sturdza Strategic
Management Limited
+44 1481 722 322
info@ericsturdza.com
ericsturdza.com

* EUR Class. For detailed performance information based on complete 12-month periods since inception, please refer to page 2. Past performance is not an indicator of future performance.

** USD Inst Class. For detailed performance information based on complete 12-month periods since inception, please refer to page 2. Past performance is not an indicator of future performance.

PERFORMANCE DATA As at end of June 2020

Strategic Europe Quality Fund

CUMULATIVE PERFORMANCE %

	1M	3M	1Y	2Y	3Y	5Y	Fund Inception ¹
EUR Class	0.56	7.82	-3.53	8.45	12.34	19.85	136.93
EUR I Class	0.36	7.50	-2.73	10.43	15.07	26.09	154.98
MSCI Europe NR EUR	3.07	12.60	-5.48	-1.27	1.54	6.65	72.23

CALENDAR YEAR PERFORMANCE %

	YTD 2020	2019	2018	2017	2016	2015	Annualised Inception ¹
EUR Class	-9.37	26.60	-6.63	13.09	-7.85	23.74	9.33
EUR I Class	-8.89	27.57	-5.86	13.73	-6.94	26.25	10.16
MSCI Europe NR EUR	-12.84	26.05	-10.57	10.24	2.58	8.22	5.78

Strategic Global Quality Fund

CUMULATIVE PERFORMANCE %

	1M	3M	1Y	2Y	3Y	5Y	Fund Inception
USD I Class	0.31	10.64	-1.54	10.95	20.70	49.45	54.67
MSCI World NR USD	2.65	19.36	2.84	9.35	21.48	39.59	41.45

CALENDAR YEAR PERFORMANCE %

	YTD 2020	2019	2018	2017	2016	2015	Annualised Inception
USD I Class	-5.18	23.59	-6.24	29.74	-5.30	15.54	8.25
MSCI World NR USD	-5.77	27.67	-8.71	22.40	7.51	-0.87	6.50

Source: Morningstar. Past performance is not an indicator of future performance.

AWARDS



Morningstar Low Carbon
 Rating as at 31/03/2020



Morningstar Sustainability
 Rating as at 31/05/2020



Morningstar Low Carbon
 Rating as at 31/03/2020



Morningstar Sustainability
 Rating as at 31/05/2020

See Awards Disclaimer
 on last page.

¹ EUR Instl Share Class performance includes an extended track from Fund inception on 29 October 2010.



IMPORTANT INFORMATION

The views and statements contained herein are those of Lofoten Asset Management in their capacity as Investment Adviser to the funds as of 15/07/2020 and are based on internal research and modelling.

WARNING

The contents of this document have neither been reviewed nor endorsed by the Central Bank of Ireland or any other regulatory authority. If you are in any doubt about any of the content of this document you should obtain independent professional advice.

AWARDS DISCLAIMER

The Strategic Europe Quality Fund (EUR I Class) received a 4-star Overall Morningstar Rating™ and a 4-star 5-Year Morningstar Rating™. The Strategic Global Quality Fund (USD I Class) received a 3-star Overall Morningstar Rating™ and a 3-star 5-Year Morningstar Rating™. Morningstar Ratings as of 30/06/20.

The Strategic Europe Quality Fund received a Morningstar Low Carbon Award. Carbon Metrics as of 31/03/2020. Based on 91.24% of AUM. Data is based on long positions only.

The Strategic Europe Quality Fund received a Morningstar 3 Globe Morningstar Sustainability Award. Out of 2,701 Europe Equity Large Cap funds as of 31/05/2020. Based on 99.47% of AUM. Data is based on long positions only. Historical Sustainability Score as of 30/04/2020. Sustainability Rating as of 31/05/2020. Sustainalytics provides company-level analysis used in the calculation of Morningstar's Historical Sustainability Score.

The Strategic Global Quality Fund received a Morningstar Low Carbon Award. Carbon Metrics as of 31/03/2020. Based on 88.17% of AUM. Data is based on long positions only.

The Strategic Global Quality Fund received a Morningstar 4 Globe Morningstar Sustainability Award. Out of 6,658 Global Equity Large Cap funds as of 31/05/2020. Based on 99.47% of AUM. Data is based on long positions only. Historical Sustainability Score as of 30/04/2020. Sustainability Rating as of 31/05/2020. Sustainalytics provides company-level analysis used in the calculation of Morningstar's Historical Sustainability Score.

© 2020 Morningstar: All Rights Reserved. The information contained herein where relative to Morningstar: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

BLOOMBERG DISCLAIMER

Data presented herein is obtained via Bloomberg PORT where stated. Any such data is subject to change from the date of production of this document. Such changes may impact upon comparative data between the investment and benchmark presented. Such information therefore is provided for reference purposes only, is subject to change and should not be relied upon for an investment decision.

GENERAL DISCLAIMER - APPLICABLE TO UK DOMICILED RECIPIENTS

This communication is issued in Guernsey by E.I. Sturdza Strategic Management Limited which is regulated by the Guernsey Financial Services Commission. Any investments or investment services mentioned in this communication are not intended for retail customers. Consequently, this communication is only made available to professional investors and eligible counterparties and should not be relied upon by any person that

does not possess professional experience in relation to investments. If you are in any doubt as to whether you possess suitable experience in relation to investments please consult your financial adviser. Past performance is no guarantee of future results. Under no circumstances should this document be forwarded to anyone in the United Kingdom who is not a professional client or eligible counterparty as defined by the Financial Conduct Authority. For the purpose of distribution in the United Kingdom this material has been issued by E.I. Sturdza Investments Limited, Claridge House, 32 Davies Street, London, W1K 4ND which is an appointed representative of Mirabella Advisers LLP which is authorised and regulated by the Financial Conduct Authority. Further this communication is not an offer or an invitation to purchase financial instruments but intended as information. The information contained in this communication does not represent a research report. E.I. Sturdza Strategic Management Limited has not considered the suitability of investment against your individual needs and risk tolerance. Shares in the Fund should only be purchased by persons with professional experience and investors should refer to the Fund Prospectus and/or KIID for detailed information about potential risks involved in investing in financial instruments as well as the latest half yearly report and unaudited accounts and/or annual report and audited accounts. The information contained herein is estimated, unaudited, may be subject to change and reflects the performance of the relevant fund offered by E.I. Sturdza Strategic Management Limited during the period indicated. Any opinions or estimates expressed herein are at the date of preparation and are subject to change without notice; however no such opinions or estimates constitute legal, investment, tax, or other advice. Individual performance of the Fund may vary and historical data is not an indication of future results. The value of the Fund and the income which may be generated from it can go down as well as up and therefore investors must be able to bear the risk of a substantial impairment or loss of their entire investment. This document is intended for information purposes only and is not intended as an offer or recommendation to buy, sell or otherwise apply for shares in the Fund. E.I. Sturdza Strategic Management Limited, 3rd Floor, Frances House, Sir William Place, St Peter Port, Guernsey GY1 1GX. Part of the Eric Sturdza Banking Group. Company Registration Number: 35985.

MORGAN STANLEY CAPITAL INTERNATIONAL DISCLAIMER

Copyright Morgan Stanley Capital International, Inc. 2020. All Rights Reserved. Unpublished. PROPRIETARY TO MORGAN STANLEY CAPITAL INTERNATIONAL INC.

DISCLAIMER - SWISS DOMICILED RECIPIENTS

E.I. Sturdza Funds Plc and its sub-funds are Irish funds authorized by the Irish Central Bank. They are approved for distribution in Switzerland by FINMA. The Swiss representative and paying agent is Banque Eric Sturdza SA, rue du Rhône 112, 1204 Geneva / Switzerland. Investors should refer to the fund prospectus and/or KIIDs for detailed information about potential risks associated with investments in financial instruments as well as the latest half yearly report and unaudited accounts and/or annual report and audited accounts. The prospectus, KIIDs, Articles of association, semi-annual and annual reports of E.I. Sturdza Funds Plc can be obtained, free of charge, at the seat of the Swiss representative, Banque Eric Sturdza SA. The information contained herein is estimated, unaudited, may be subject to change and reflect the performance of the relevant funds during the period indicated. Any opinions or estimates expressed herein are at the date of preparation and are subject to change without notice. No such opinions or estimates constitute legal, investment, tax or other advice. Individual performance of the funds may vary and historical data is not an indication of future results. The value of the funds and the income which may be generated from it can go down as well as up and therefore investors must be able to bear the risks of a substantial impairment or loss of their entire investments. Past performance is no guarantee of future results. Performance data do not take into consideration commissions and costs charged at the time of issuance and/or redemption of the shares. This document is intended for information purposes only and is not intended as an offer or recommendation to buy, sell, or otherwise apply for shares in the funds.