



Strategic Europe Quality Fund

Strategic Global Quality Fund

September 2020 Fund Commentary



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PORTFOLIO MANAGER

The Strategic Europe Quality Fund returned -1.82%* in September. The largest detractor to return was the Information Technology sector, primarily due to Nokia.

The Fund's relative underweight to the Financials sector contributed significantly to alpha. The best performing sectors for the benchmark over the period were Consumer Discretionary, Consumer Staples and Health Care; while the bottom performing sectors were Energy, Financials and Real Estate.

The only noteworthy single stock move over the month was Nokia, but we will continue to hold the position as the investment case remains on track.

The Strategic Global Quality Fund returned -1.47%** in September outperforming its index by 1.98%. Both stock selection and sector allocation contributed to alpha.

The Fund's relative overweight to the Consumer Staples sector generated significant alpha. Stock selection for the Information Technology sector was also a noteworthy contributor in September. The best performing sectors for the benchmark over the month were Utilities, Industrials and Materials; while Energy, Financials and Communication Services were the bottom performing sectors.

Nomura Research Institute was the largest contributor to alpha for the Global Fund; there were no noteworthy detractors to alpha over the period.

MARKET OUTLOOK

We remain cautious and therefore will maintain our defensive view, with a general preference to invest in high quality companies that we believe will better placed to endure any future market volatility.

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.

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* B 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.

** B USD 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 September 2020

Strategic Europe Quality Fund

CUMULATIVE PERFORMANCE %

	1M	3M	1Y	2Y	3Y	5Y	Fund Inception ¹
A EUR Class	-1.87	-1.06	-6.70	2.70	8.58	20.71	134.41
B EUR Class	-1.82	-0.91	-5.91	4.46	11.22	25.92	152.65
MSCI Europe NR EUR	-1.41	0.10	-7.76	-2.47	-1.03	17.14	72.40

CALENDAR YEAR PERFORMANCE %

	YTD 2020	2019	2018	2017	2016	2015	Annualised Inception ¹
A EUR Class	-10.34	26.60	-6.63	13.09	-7.85	23.74	8.97
B EUR Class	-9.72	27.57	-5.86	13.73	-6.94	26.25	9.79
MSCI Europe NR EUR	-12.75	26.05	-10.57	10.24	2.58	8.22	5.64

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CUMULATIVE PERFORMANCE %

	1M	3M	1Y	2Y	3Y	5Y	Fund Inception
B USD Class	-1.47	8.06	4.32	13.89	26.22	57.72	67.14
MSCI World NR USD	-3.45	7.93	10.41	12.42	25.06	64.56	52.66

CALENDAR YEAR PERFORMANCE %

	YTD 2020	2019	2018	2017	2016	2015	Annualised Inception
B USD Class	2.46	23.59	-6.24	29.74	-5.30	15.54	9.34
MSCI World NR USD	1.70	27.67	-8.71	22.40	7.51	-0.87	7.63

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

AWARDS



Morningstar Low Carbon
Rating as at 30/06/2020



Morningstar Sustainability
Rating as at 31/08/2020



Morningstar Low Carbon
Rating as at 30/06/2020



Morningstar Sustainability
Rating as at 31/08/2020

See Awards Disclaimer
on last page.

¹ B EUR 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 20/10/2020 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 (B EUR Class) received a 3-star Overall Morningstar Rating™ and a 3-star 5-Year Morningstar Rating™. Morningstar Ratings as of 30/09/2020.

The Strategic Europe Quality Fund received a Morningstar Low Carbon Award. Carbon Metrics as of 30/06/2020. Based on 88.12% of AUM. Data is based on long positions only.

The Strategic Europe Quality Fund received a Morningstar 3 Globe Morningstar Sustainability Award. Out of 2,689 Europe Equity Large Cap funds as of 31/08/2020. Based on 96.84% of AUM. Data is based on long positions only. Historical Sustainability Score as of 31/07/2020. Sustainability Rating as of 31/08/2020. 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 30/06/2020. Based on 93.44% of AUM. Data is based on long positions only.

The Strategic Global Quality Fund received a Morningstar 4 Globe Morningstar Sustainability Award. Out of 6,718 Global Equity Large Cap funds as of 31/08/2020. Based on 94.91% of AUM. Data is based on long positions only. Historical Sustainability Score as of 31/07/2020. Sustainability Rating as of 31/08/2020. Sustainalytics provides company-level analysis used in the calculation of Morningstar's Historical Sustainability Score.

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