



# Strategic Europe Quality Fund Strategic Global Quality Fund

October 2020 Fund Commentary



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PORTFOLIO MANAGER

The Strategic Europe Quality Fund returned -7.15%\* in October. The largest detractors from alpha were the Information Technology and Consumer Staples sectors, primarily due to stock selection.

The best performing sectors for the Fund were Materials and Energy, also due to stock picking. The best performing sectors for the benchmark over the period were Communication Services, Utilities and Consumer Discretionary; while the worst performing sectors were Information Technology, Health Care and Energy.

SIG Combibloc and SBM Offshore were the largest contributors to alpha, with SAP the largest detractor.

The Strategic Global Quality Fund returned -6.16%\*\* in October. The largest detractor from alpha was stock selection in the Information Technology and Consumer Staples sectors.

The best performing sectors for the benchmark over the month were Utilities, Communication Services and Financials; while Energy, Information Technology and Health Care were the worst performing sectors.

The only noteworthy stock specific move was SAP, which detracted from return.

Both Funds remain invested in SAP as we believe the share price will recover and the investment case remains intact.

## MARKET OUTLOOK

We will tilt some of the portfolio towards more cyclical and value names in light of recent political developments and on the basis of a potential vaccine and further stimulus.

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### 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.

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### INVESTMENT OBJECTIVE

To achieve long term capital growth.

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

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### CONTACT

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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 October 2020

**Strategic Europe Quality Fund**

**CUMULATIVE PERFORMANCE %**

	1M	3M	1Y	3Y	5Y	10Y	Fund Inception <sup>1</sup>
A EUR Class	-7.20	-8.08	-13.28	-1.34	3.58	117.54	117.54
B EUR Class	-7.15	-8.07	-12.56	1.06	8.09	134.58	134.58
MSCI Europe NR EUR	-5.01	-3.59	-13.13	-7.79	2.76	63.77	63.77

**CALENDAR YEAR PERFORMANCE %**

	YTD 2020	2019	2018	2017	2016	2015	Annualised Inception <sup>1</sup>
A EUR Class	-16.79	26.60	-6.63	13.09	-7.85	23.74	8.08
B EUR Class	-16.17	27.57	-5.86	13.73	-6.94	26.25	8.89
MSCI Europe NR EUR	-17.12	26.05	-10.57	10.24	2.58	8.22	5.05

**Strategic Global Quality Fund**

**CUMULATIVE PERFORMANCE %**

	1M	3M	1Y	2Y	3Y	5Y	Fund Inception
B USD Class	-6.16	-3.01	-2.13	14.24	15.60	36.68	56.84
MSCI World NR USD	-3.07	-0.16	4.36	17.61	18.97	47.80	47.98

**CALENDAR YEAR PERFORMANCE %**

	YTD 2020	2019	2018	2017	2016	2015	Annualised Inception
B USD Class	-3.85	23.59	-6.24	29.74	-5.30	15.54	8.01
MSCI World NR USD	-1.42	27.67	-8.71	22.40	7.51	-0.87	6.94

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

**AWARDS**



Morningstar Low Carbon  
Rating as at 30/09/2020



Morningstar Sustainability  
Rating as at 30/09/2020



Morningstar Low Carbon  
Rating as at 30/09/2020



Morningstar Sustainability  
Rating as at 30/09/2020

See Awards Disclaimer  
on last page.

<sup>1</sup> 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 18/11/2020 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 (A EUR Class) received a 3-star Overall Morningstar Rating™ and a 4-star 10-Year Morningstar Rating™. Morningstar Ratings as of 31/10/2020.

The Strategic Europe Quality Fund received a Morningstar Low Carbon Award. Carbon Metrics as of 30/09/2020. Based on 88.32% of AUM. Data is based on long positions only.

The Strategic Europe Quality Fund received a Morningstar 3 Globe Morningstar Sustainability Award. Out of 2,653 Europe Equity Large Cap funds as of 30/09/2020. Based on 96.97% of AUM. Data is based on long positions only. Historical Sustainability Score as of 31/08/2020. Sustainability Rating as of 30/09/2020. 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 30/09/2020. Based on 86.10% of AUM. Data is based on long positions only.

The Strategic Global Quality Fund received a Morningstar 4 Globe Morningstar Sustainability Award. Out of 6,738 Global Equity Large Cap funds as of 30/09/2020. Based on 94.99% of AUM. Data is based on long positions only. Historical Sustainability Score as of 31/08/2020. Sustainability Rating as of 30/09/2020. Sustainalytics provides company-level analysis used in the calculation of Morningstar's Historical Sustainability Score.

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