



Strategic Europe Quality Fund Strategic Global Quality Fund

May 2021 Fund Commentary



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Portfolio Manager

The **Strategic Europe Quality Fund** returned +3.41%* in May, outperforming its index by 0.85%. Stock selection was the main contributor to return, it was particularly strong for the Communication Services and Consumer Discretionary sectors. There were no noteworthy detractors for the period.

The best performing sectors for the benchmark over the period were Consumer Discretionary, Financials, Real Estate, Consumer Staples and Energy, while the Information Technology, Utilities and Communication Services were the bottom performing sectors.

The **Strategic Global Quality Fund** returned +2.33%** in May, outperforming its index by 0.89%. Similar to the European Fund, stock selection over the month delivered significant alpha, particularly the Communication Services and Consumer Discretionary sectors.

The best performing sectors for the benchmark over the month were the Energy, Financials and Materials sectors, while the Consumer Discretionary, Information Technology and Utilities sectors were the bottom performers.

The Consumer Staples sector also contributed to alpha, due to both the Fund's relative overweight to the sector and currency effect.

The only noteworthy detractor to alpha over the period was the Fund's relative underweight to the Financials sector.

The best performing stocks for both the European and Global strategies were JC Decaux and Kering, there were no notable detractors during the month for either strategy.

Market Outlook

We expect to see a strong economic recovery in the short term as economies begin to reopen. Longer-term inflation is a risk; we will watch to see how things develop. Valuations in certain parts of the market are expensive.

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 Funds 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 May 2021

Strategic Europe Quality Fund

Annualised Returns % ¹

	1M	3M	1Y	3Y	5Y	10Y	Annualised Inception
B EUR Class	3.41	12.24	13.85	8.01	6.22	10.44	10.55
Benchmark	2.56	11.45	29.67	7.24	7.61	7.24	7.58

Calendar Year Returns % ²

	YTD 2021	2020	2019	2018	2017	2016	Fund Inception
B EUR Class	12.57	-8.18	27.57	-5.86	13.73	-6.94	189.26
Benchmark	13.43	-3.32	26.05	-10.57	10.24	2.58	116.68

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

Benchmark: MSCI Europe Net Total Return EUR Index.

Strategic Global Quality Fund

Annualised Returns % ¹

	1M	3M	1Y	2Y	3Y	5Y	Annualised Inception
B USD Class	2.33	12.74	23.65	12.67	11.78	10.73	10.57
Benchmark	1.44	9.69	40.63	22.53	14.40	14.23	10.85

Calendar Year Returns % ²

	YTD 2021	2020	2019	2018	2017	2016	Fund Inception
B USD Class	7.69	8.53	23.59	-6.24	29.74	-5.30	90.65
Benchmark	11.39	15.90	27.67	-8.71	22.40	7.51	93.79

Benchmark: MSCI World Net Total Return USD Index.

Source: Morningstar.

¹ Annualised Returns as of the date of the reporting over the defined period. Data less than 1 year is not annualised.

² Calendar Year Returns: Annual Performance for the stated calendar year.

Past performance is not an indicator of future performance.

Ratings & Awards



Morningstar Sustainability Rating
as at 30/04/2021



Morningstar Low Carbon Rating
as at 31/03/2021



Morningstar Sustainability Rating
as at 30/04/2021

See Awards Disclaimer on last page.



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The Strategic Global Quality Fund received a Morningstar Low Carbon Award. Carbon Metrics as of 31/03/2021. Based on 94.41% of AUM. Data is based on long positions only. The Strategic Global Quality Fund received a Morningstar 4 Globe Morningstar Sustainability Award. Out of 6,932 Global Equity Large Cap funds as of 30/04/2021. Based on 96.30% of AUM. Data is based on long positions only. Historical Sustainability Score as of 31/03/2021. Sustainability Rating as of 30/04/2021. Sustainability provides company-level analysis used in the calculation of Morningstar's Historical Sustainability Score.

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