



Strategic Europe Quality Fund Strategic Global Quality Fund

June 2021 Fund Commentary



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Portfolio Manager

The **Strategic Europe Quality Fund** returned +1.31%* in June. Sector allocation was the main contributor to return, it was particularly strong for the Health Care sector. Stock selection in the Materials sector also contributed to alpha. Stock selection in the Energy sector was the biggest drag on performance.

The best performing sectors for the benchmark over the period were Health Care, Information Technology and Energy, while Financials and Utilities were the bottom performing sectors.

The best performing stocks for the European strategy were Wolters Kluwer, International Flavors and Fragrances, Siemens Healthineers and SIG Combibloc. The largest detractors were National Express and SBM Offshore.

The **Strategic Global Quality Fund** returned 0.58%** in June. Stock selection was the main contributor to return over the month, particularly the Industrials and Materials sectors. Allocation to the Financials sector also contributed to outperformance due to the Funds relative underweight compared to the benchmark, currency effect on Financials also added to alpha.

The largest detractors to performance over the period were the Currency effect on the Consumer Staples sector and the Funds relative underweight to the Information Technology sector. The best performing sectors for the benchmark over the month were the Information Technology, Energy and Health Care sectors, while Materials, Financials and Utilities were the bottom performing sectors.

The best performing stocks for the Global strategy were International Flavors and Fragrances, Otis Worldwide and Wolters Kluwer, with Fidelity National, JDE Peet's and Nordic Entertainment underperforming.

Market Outlook

Optimism for the global growth outlook has continued, but cooled somewhat recently. This was reflected by bond yields reversing part of their strong upward trends, equity markets finding some resistance and the end of the recent outperformance of cyclical over defensives.

We expect to see a robust economic recovery in the short term as economies continue to reopen. Longer-term, we are closely watching inflation risk and are mindful of comparatives becoming much tougher as we enter 2022. 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 June 2021

Strategic Europe Quality Fund

Annualised Returns % ¹

	1M	3M	1Y	3Y	5Y	10Y	Annualised Inception
B EUR Class	1.31	7.31	14.93	8.27	6.55	11.04	10.60
Benchmark	1.70	6.46	27.94	8.10	8.91	7.72	7.69

Calendar Year Returns % ²

	YTD 2021	2020	2019	2018	2017	2016	Fund Inception
B EUR Class	14.05	-8.18	27.57	-5.86	13.73	-6.94	193.05
Benchmark	15.35	-3.32	26.05	-10.57	10.24	2.58	120.35

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	0.58	9.90	23.97	10.47	11.21	10.46	10.53
Benchmark	1.49	7.74	39.04	19.57	14.99	14.83	10.96

Calendar Year Returns % ²

	YTD 2021	2020	2019	2018	2017	2016	Fund Inception
B USD Class	8.31	8.53	23.59	-6.24	29.74	-5.30	91.75
Benchmark	13.05	15.90	27.67	-8.71	22.40	7.51	96.68

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 31/05/2021



Morningstar Low Carbon Rating
as at 31/03/2021



Morningstar Sustainability Rating
as at 31/05/2021

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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 31/05/2021. Based on 96.05% of AUM. Data is based on long positions only. Historical Sustainability Score as of 30/04/2021. Sustainability Rating as of 31/05/2021. Sustainability provides company-level analysis used in the calculation of Morningstar's Historical Sustainability Score.

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