

**E. I. STURDZA FUNDS Plc**

(An umbrella fund with variable share capital and segregated liability between Sub-Funds)

**INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS**

For the six month period ended 30 June 2018

# E.I. Sturdza Funds Plc

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**No notification pursuant to Sec. 310 of the German Capital Investment Code (Kapitalanlagegesetzbuch) has been filed for the Strategic Euro Bond Fund, the Strategic Global Bond Fund, the Strategic Quality Emerging Bond Fund and the Strategic Beta Flex Fund and the shares in the Strategic Euro Bond Fund, the Strategic Global Bond Fund, the Strategic Quality Emerging Bond Fund and the Strategic Beta Flex Fund may not be marketed to investors in the Federal Republic of Germany.**

# E.I. Sturdza Funds Plc

## Company Information

Directors	L. Georges Gutmans (Swiss) Denise Kinsella* (Irish) Brian Dillon (Irish) Gavin Farrell (British) Marc Craquelin* (French), appointed on 6 April 2018 *Independent Director All Directors are non-executive Directors
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Investment Manager, Promoter and Global Distributor	E.I. Sturdza Strategic Management Limited 3 <sup>rd</sup> Floor, Frances House Sir William Place St Peter Port Guernsey GY1 1GX Channel Islands
Investment Adviser to - Strategic China Panda Fund	LBN Advisers Limited 8/F, Hip Shing Hong Centre 55 Des Voeux Road Central Central Hong Kong
Investment Adviser to - Strategic Euro Bond Fund - Strategic Global Bond Fund - Strategic US Momentum and Value Fund - Strategic Quality Emerging Bond Fund	Banque Eric Sturdza SA 112 Rue du Rhône C.P. 3024, 1211 Geneva 3 Switzerland
Investment Adviser to - Nippon Growth (UCITS) Fund	Evarich Asset Management Level 11, Aoyama Palacio Tower, 3-6-7 Kita-Aoyama Minato-ku Tokyo 107-0061 Japan
Investment Adviser to - Strategic Europe Value Fund - Strategic Global Quality Fund	Lofoten Asset Management Limited Claridge House 32 Davies Street London W1K 4ND United Kingdom

## **E.I. Sturdza Funds Plc**

### **Company Information (continued)**

Investment Adviser to - Strategic European Smaller Companies Fund	Pascal Investment Advisers S.A. Rue du Rhône 116 P.O. Box 3445 1211 Geneva 3 Switzerland
Investment Adviser to - Strategic Beta Flex Fund	Sofia Gestione del Patrimonio SGR S.p.A. Via Fiori Oscuri 5 20121 Milan Italy
Investment Adviser to - Strategic Japan Opportunities Fund	Rheos Capital Works Inc. 27F Pacific Century Place Marunouchi 1-11-1 Marunouchi Chiyoda-ku Tokyo 100-6227 Japan
Administrator	SS&C Financial Services (Ireland) Limited 1 <sup>st</sup> Floor, La Touche House IFSC Dublin 1 Ireland
Company Secretary	Sanne Group Plc 4 <sup>th</sup> Floor 76 Baggot Street Lower Dublin 2 Ireland
Depositary	BNY Mellon Trust Company (Ireland) Limited One Dockland Central Guild Street IFSC Dublin 1 Ireland
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## **E.I. Sturdza Funds Plc**

### **Company Information (continued)**

Listing Sponsor, Legal and Tax Advisers (Ireland)	Dillon Eustace 33 Sir John Rogerson's Quay Dublin 2 Ireland
Governance Services	Bridge Consulting 48-53 Mount Street Lower Dublin 2, D02 PT98 Ireland
Swiss Representative and Paying Agent	Banque Eric Sturdza S.A. 112 Rue du Rhone, C.P. 3024, 1211 Geneva 3 Switzerland
UK Facilities Agent	FE Global Funds Registration Limited 2 <sup>nd</sup> Floor, Golden House 30 Great Pulteney Street London W1F 9NN United Kingdom
French Centralising Correspondent	Caceis Bank 1/3, Place Valhubert 75013 Paris France
German Paying Agent and Information Agent	Marcard, Stein & Co. Ballindamm 36 D-20095 Hamburg Germany
Austrian Paying Agent, Information Agent and Tax Representative	Erste Bank Am Belvedere 1 1100 Wien Austria

## E.I. Sturdza Funds Plc

### Company Information (continued)

Swedish Paying Agent	Skandinaviska Enskilda Banken AB KBBV 106 40 Stockholm Sweden Visiting address: Kungsträdgårdsgatan 8
Spanish Representative	Allfunds Bank SA Estafeta 6, La Moraleja Complejo Plaza de la Fuente Alcobendas 28109 Madrid Spain
Italian Paying Agent	Allfunds Bank SA Via Avrelino Saffi 26 Milan MI Italy
Luxembourg Paying Agent	HSBC Bank Plc, Luxembourg Branch 16 Boulevard d' Avranches L-1160 Luxembourg R.C.S. Luxembourg, B 178.455 Luxembourg

The following short names for the Sub-Funds were used in the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, Statement of Cash Flows and on the tables in the Notes to the Financial Statements and other disclosure sections of the financial statements:

<b>Sub-Fund Full Name</b>	<b>Short Name</b>
Strategic China Panda Fund	SCPF
Strategic Euro Bond Fund	SEBF
Nippon Growth (UCITS) Fund	NGUF
Strategic Europe Value Fund	SEVF
Strategic Global Bond Fund	SGBF
Strategic US Momentum and Value Fund	SMVF
Strategic Global Quality Fund	SGQF
Strategic European Smaller Companies Fund	SESF
Strategic Quality Emerging Bond Fund	SQBF
Strategic Beta Flex Fund	SBXF
Strategic Japan Opportunities Fund	SJOF

# **E.I. Sturdza Funds Plc**

## **Investment Manager's Report For the six month period ended 30 June 2018**

### **Strategic China Panda Fund**

The Investment Manager's report has been compiled with the assistance of the Investment Adviser, LBN Advisers Limited (Non-discretionary adviser).

#### **FUND PERFORMANCE**

For the period ended 30 June 2018 the USD class was down 3.35%, in comparison to the benchmark which returned -1.75%.

With regards to sector allocation, the largest contributors to alpha were Financials and Industrials, with the largest detractor being Consumer Discretionary.

#### **MARKET OVERVIEW**

It seems that 2018 to date has been somewhat of an anti-climax for Chinese equities, after a non-stop market run in 2017. Despite a strong rally in January, MSCI China total return index gave back all the early gains and ended the first half of 2018 with a 1.7% fall. The performance of CSI 300 Index, representing the A shares, was even worse with a 12.9% retreat. A strong US dollar, rising US interest rate, Sino-US trade war woes and deepening concerns on financial deleveraging were major culprits of the market correction. Renminbi (RMB) ended the period with a 1.8% drop versus 1.5% gain in the first five months of 2018. All the currency loss happened in June. RMB plunged 3.3% on a surprise 25% import tariff on USD50bn Chinese goods announced by the US in the month, making June the biggest monthly loss since the currency reform.

The government stepped up financial deleveraging through tightened asset management rules and lending requirements in shadow banking. Unwinding of wealth management and trust products subsequently contributed partly to the selling pressure in the equities market. New total social financing started to shrink in the second quarter as a result of the financial clean up in the shadow banking sector. Nevertheless, bank lending continued to grow overall, which is positive to the long term development of the regulated financial market.

Benchmark return was in positive territory in the first five months until June when Trump unexpectedly threw a trade bomb on China with a 25% import tariff on Chinese goods. Trump's act triggered a swift response from China, despite his fore-warning of more to come if China retaliated. Trump did put his words into action with a 10% import tariff on an additional USD200bn of Chinese imports as part two of his sanction on China. The trade spat officially turned into a trade war.

Likewise for the macro trend, it was largely stable until the second quarter when the negative impact of financial deleveraging began to filter through to the real economy. It is also believed that the Sino-US trade dispute throughout the first half of the year will have dampened private sector investment demand in China.

Unsurprisingly, the winners in 2017 like technology hardware, property and auto stocks turned into dogs in the first half of 2018. They were the major casualties of the Sino-US trade dispute. Technology hardware stocks were first hit on disappointing iPhone shipment and then de-rated on a component export ban on ZTE by the US, while auto stocks were hit by talks of opening up the industry to foreign Original Equipment Manufacturers (OEM's). As for property sector, they were sold down on sharp RMB devaluation given high gearing and exposure to foreign debt. On the positive side, defensive sectors like utilities and healthcare outperformed the market.

# **E.I. Sturdza Funds Plc**

## **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

### **Strategic China Panda Fund (continued)**

#### **PORTFOLIO STRATEGY**

During the period, Financials, Industrials and Information Technology contributed the most to alpha, whilst Materials, Energy and Consumer Discretionary were the largest detractors. Overweighting in Consumer Discretionary and an underweighting in Financials and Information Technology attributed to the poor relative performance, offset by an overweighting in Real Estate which contributed positively to alpha.

The Investment Adviser sees value emerging after the recent market sell-off. Valuation of a number of sectors like banks and properties are already trading at a level close to the last cyclical trough although company fundamentals like balance sheet strength and profitability are much healthier today. With MSCI China trading at 12.3x 2018 and 10.6x 2019, the Investment Adviser believes that the trade war risk has been more than priced in. Any policy fine tuning from the government will be a re-rating catalyst for the market and financial sector in particular, for which the weighting has subsequently been increased.

Selective exporters start to look interesting after the recent sell-off. It is thought that a large part of the pressure on Chinese imports, even with a 10% import tariff, should be offset by the recent sharp Renminbi devaluation, and investment opportunities are sought in this space, whilst avoiding high P/E stocks as they are vulnerable to de-rating in this uncertain environment.

#### **MARKET OUTLOOK**

The trade war has erupted at a time when China is undergoing financial deleveraging, heightening the downside risk of the Chinese economy. We expect policy change to come soon as the government cannot afford to deal with multiple headwinds at the same time. Domestically, monetary/fiscal easing and a slow down of financial deleveraging pace is likely. Externally, China is likely to re-open dialogue with the US on trade friction and hopefully reach a deal that is acceptable to both countries. Recently, there have been announcements of individual income tax rate reduction to boost domestic consumption and fine-tuned asset management rules to slow down the deleveraging pace. Additional easing measures will follow if the economy fails to respond. After all, China has ample tools to manage the pace of economy slowdown. The Investment Adviser views a hard landing risk of the Chinese economy unlikely and expects China GDP growth to slow, but stay above 6.5% in 2018.

The Hong Kong retail market continues its recovery since the second half of 2016, thanks to the rebound of RMB and normalization of mainland tourist spending after two years of anti-corruption clampdown. With resumed RMB weakness, it is believed that the retail recovery will have reached an end.



## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic China Panda Fund (continued)**

##### **MARKET OUTLOOK (continued)**

The Investment Adviser is not bearish on exporters, despite trade war woes. If the US does tax the remaining Chinese imports with a 10% import tariff, the impact on the demand for Chinese imports is not expected to be significant as prices of Chinese goods have effectively been cut by nearly 6% since the sharp currency adjustment in June. However, companies with high gearing and foreign debt exposure are likely to remain under pressure until RMB stabilizes.

Market concerns should have reached an all time high in the near term after the announcement of the second round of import tariffs by the US in July. Given this is the second of the tariffs and only 10% (versus 25% in the first round), China's reaction has been much milder and thus the risk of China provoking the US further is reduced.

LBN Advisers Limited  
E.I. Sturdza Strategic Management Limited  
July 2018

# **E.I. Sturdza Funds Plc**

## **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

### **Strategic Euro Bond Fund**

The Investment Manager's report has been compiled with the assistance of the Investment Adviser, Banque Eric Sturdza SA (Discretionary adviser).

#### **FUND PERFORMANCE**

In terms of performance, during the first semester of 2018, the Sub-Fund has continued to be impacted by the negative rate policy of the ECB and the probable end of its asset purchases expected at the end of the 2018 year. In this context, as at 30 June 2018, the Accumulating EUR Class reached a performance of -1.29% compared to -0.17% for the Euribor 3m. This is attributable to the behavior of the European short term bond market, discussed further below.

#### **MARKET OVERVIEW**

In the first half of 2018, the Fed raised their benchmark key rate to a range between 1.75% and 2%. The ECB maintained its ultra-accommodative policy including a negative deposit rate (-0.40%) and monthly purchases of EUR 30 billion from January 2018 to September 2018. At the same time, the euro decreased slightly against the US dollar from 1.20 to 1.17, having reached 1.2550 in February 2018.

During this first semester, the US Treasury curve experienced a bearish flattening due to subdued inflation expectations combined with the Fed's aggressive monetary policy. The 2y US Treasury yield increased from 1.88% to 2.53% (+65bp), the 5y rose from 2.21% to 2.74% (+53bp), the 10y from 2.41% to 2.86% (+45bp) and the 30y from 2.74% to 2.99% (+25bp). At the same time, the 30y inflation breakeven rose by 10bp from 2.02% to 2.12%. In addition, the 3 Month USD LIBOR increased from 1.69% to 2.33% (+64bp) following Fed rate hikes.

In Europe, the German yield curve experienced a slightly bullish flattening, partially due to "fly to quality" purchases during the Italian political turmoil. In this context, the 2y German yield decreased from -0.63% to -0.67% (-4bp) while the 5y & 10y decreased respectively from -0.20% to -0.30% (-10bp) and +0.43% to +0.30% (-13bp). In the euro periphery, the Italian BTP curve experienced a bearish flattening due to the political crisis. The 2y BTP rose sharply from -0.25% to +0.69% (+94bp) while the 10y BTP increased from 2.02% to 2.68% (+66bp) after having reached 3.16% on May 29th.

On the credit side, the European iTraxx Main increased from 45 to 73bp (+28bp) while the US corporate CDX index rose from 49 to 68bp (+19bp).

In Emerging Markets, the CDX 10y EM index increased sharply from 196 to 259bp (+63bp) driven by a higher US dollar, the hawkish Fed's monetary policy, the continuation of sanctions against Russia, spread widening in problematic countries such as Turkey or Argentina and massive outflows from EM fixed-income ETFs.

# **E.I. Sturdza Funds Plc**

## **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

### **Strategic Euro Bond Fund (continued)**

#### **PORTFOLIO STRATEGY**

In the first half of 2018, the Sub-Fund started the year with a size of EUR 40 million and declined to EUR 33 million in June. During the semester, the investment grade corporate bond exposure remained stable around 82-83% from January to May and decreased to 77% in June. The Investment Adviser actively managed the modified duration of the Sub-Fund: the duration decreased sharply in February from 1.2 to a record low of 0.5. In March, it increased dramatically to 1.7 and stayed between 1.7 and 2 during the whole second quarter. Regarding the credit risk exposure, the S&P score has been gradually increased from around 83 in January to 88-89 in March-April. Then, it decreased to around 83 in June.

Due to the political uncertainties two bonds were sold before the end of the period in June, the Italian Enal 2026, which was replaced with a Bund 2026, and the Mexican Pemex 2025 (due to the impending election of the new President, Andrés Manuel López Obrador). In addition, weightings in Honda FRN 2019, Total FRN 2020, TenneT 2020 and Enexis 2020 were reduced in order to include three new names in the portfolio: Compass 2024 (UK, food services), CK Hutchinson 2015 (Hong Kong, retail) and Mol 2023 (Hungary, oil & gas).

#### **MARKET OUTLOOK**

The Investment Adviser's outlook remains tied to two major topics, inflation and Central Banks' behaviour but inflation fears keep decreasing and the flattening of the US yield curve, combined with other topics such as the near-disappearance of liquidity in the High Yield market, suggest that recession fears will quickly become a major concern. In addition, after the correction of emerging markets and the European periphery, the Investment Adviser is still convinced that high quality bonds, considered as safe havens, will attract more investors in the coming months.

In Europe, the Investment Adviser thinks that the Bund will follow the behaviour of US Treasuries and, in addition, will perform due to huge outflows from the periphery, Italy in particular. The weighting of the Bund was consequently increased over the period, and was one of the largest contributors to return.

Banque Eric Sturdza SA  
E.I. Sturdza Strategic Management Limited  
July 2018

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Nippon Growth (UCITS) Fund**

The Investment Manager's Report has been compiled with the assistance of the Investment Adviser, Evarich Asset Management (Non-discretionary adviser).

#### **FUND PERFORMANCE**

The net asset value per unit for the Nippon Growth (UCITS) Fund on a Japanese yen basis as of 29 June 2018 went down 9.6% compared with that of 29 December 2017, while the TOPIX declined 4.8% during the same period. The fund put two new names (Nippon Steel & Sumitomo Metal and INPEX) into the portfolio with four stocks (Rohm, GS Yuasa, Nissan Motor and Yamada Denki) sold out. Underperformance of the fund against the index was partly due to overweighting's in economic sensitive sectors such as banks, machinery and basic materials, and partly due to underweighting's in defensive sectors such as utilities, retail and pharmaceuticals.

The best five performers among the TSE 33 sectors were utilities, fishery & agriculture, precision instruments, service and land transportation, while the worst five performers were marine transportation, non-ferrous metals, steel, mining and rubber products.

#### **MARKET OVERVIEW**

The Japanese stock market got off to a promising start in January, propelled by expectations regarding global economic growth, which is likely to fuel a further expansion in corporate profits. On 22 January, the IMF raised its worldwide economic growth forecast for 2018 from 3.7% to 3.9% and at the same time revised its growth forecast for Japan up from 0.7% to 1.2%. The same day an ordinary Diet session commenced in Japan, with both events likely to have contributed to the Nikkei's strong rally, reaching 24,000 for the first time in 26 years on 23 January. However, data on US jobs, released on 2 February, showed an increase in hourly wages of 2.9% year-on-year, fueling concerns that the Fed would move quickly to raise the key rate, prompting US long-term interest rates to surge, and the US stocks to tumble. The Dow Jones Industrial Average fell by over 1,000 points on both 5 and 8 February.

The Nikkei 225 retreated more than 1,000 points on 6 February, temporarily falling below 21,000 on 14 February. Following President Trump's announcement on 1 March that the US would impose heavy tariffs on US steel and aluminum imports, global markets tumbled. Furthermore on 22 March, Mr. Trump signed an executive order imposing tariffs on at least USD 50 billion of imports from China, leading to growing alarm about a trade war between the US and China. The Nikkei 225 declined sharply by 974 on 23 March to 20,618, the lowest since 12 October 2017. The yen against the US dollar appreciated temporarily to 104.

In the second quarter of 2018, the market was in a recovery tone on the back of sound economic data. Industrial production in the second quarter is expected to have risen 2.1% quarter-on-quarter after the first quarter-on-quarter negative growth in Q1, for the first time in 9 quarters. Machinery orders are continuing to expand against the back ground of intensifying labour shortage.

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Nippon Growth (UCITS) Fund (continued)**

#### **MARKET OVERVIEW (continued)**

The US-North Korea summit on 12 June was over without surprise. The OPEC meeting on 22 June ended in line with expectations in relation to reducing trimming, bringing relief to resource-related names. At the end of June, the yen against the US dollar ended at 110.76 with crude oil price reaching to 74.15 USD/bbl.

#### **PORTFOLIO STRATEGY**

The Fund is increasing its allocation to energy-related sectors such as oil and trading companies together with cyclical sectors such as steel, non-ferrous metals and chemicals, since infrastructure demand should support or lift global economic growth. The portfolio retains a positive stance towards banks and machinery stocks, while defensive sectors such as foods, pharmaceuticals and utilities continue to be avoided.

#### **MARKET OUTLOOK**

Most recent economic data continues to indicate that the Japanese economy is on course for a sound recovery. After industrial production declined 0.2% month-on-month in May 2018, the first month-on-month decline in four months, the government estimates that it will rise 0.4% from May to June followed by a further increase of 0.8% from June to July 2018. In May, the unemployment ratio fell by 0.3 percentage point's month-on-month, down to 2.2%, constituting the lowest level since October 1992. At the same time the job offers to applicants' ratio rose to 1.60x, the highest since January 1974.

According to the BoJ's quarterly economic survey "Tankan", the diffusion index (DI) for large manufacturers recorded the second consecutive quarter-on-quarter decline down to 21 in June, still depicting a high level despite the drop. Notably, car makers reported a sharp drop from 22 (in March 2018) to 15 (in June 2018) against the backdrop of US-led protectionism potentially impacting the sector. The survey further states that the FY2018 capex for all companies (in all industries) would increase 7.9% year-on-year, depicting a sharp upward revision from the March survey (-0.7%), acknowledging the need for a higher productivity in an environment characterized by an increased labour shortage. The forecasted rise of +7.9% is the highest for a June "Tankan" since comparable records began in 1983.

On 22 July 2018, Japan enacted a law (integrated resorts bill) outlining a road map for casino resorts, although it may be a couple of years before blueprints come out for what kind of projects people want to do and where, and who they want to partner with, but it is almost sure that those projects should give a huge economic impact on variety of industries such as construction, transportation, gaming, retail, tourism and so on with trillions yen of capital investments anticipated. It should be one of the core growth strategies for the Japanese economy after the 2020 Tokyo Olympic Games.

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Nippon Growth (UCITS) Fund (continued)**

#### **MARKET OUTLOOK (continued)**

Mr. Richard Koo, chief economist at Nomura Research Institute, cited a report by the White House stating that, “the US is seeing a significant uptick in infrastructure investment as a result of President Trump’s regulatory reforms. [...] In an executive order dated 15 August 2017, President Trump ordered that the federal approval and authorization process for infrastructure projects, which takes an average of 4.6 years and in some cases more than 10 years, be shortened to two years or less. Moreover, each project is to be assigned a lead agency that will be responsible for carrying the approval process through to completion. [...] As President Trump’s regulatory reform was announced more than ten months ago, some results are already being felt in some regions as work starts on approved projects. [...] This has also helped to boost support for the Trump administration.” It is therefore expected that infrastructure investments should help boosting the US economy further, impacting oil and other energy-related product prices. When trade frictions become less serious, which we hope to be soon, the market should regain strong momentum once again.

Evarich Asset Management  
E.I. Sturdza Strategic Management Limited  
July 2018

# **E.I. Sturdza Funds Plc**

## **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

### **Strategic Europe Value Fund**

The Investment Manager's Report has been compiled with the assistance of the Investment Adviser, Lofoten Asset Management Limited (Discretionary adviser).

#### **FUND PERFORMANCE**

During the period ended 30 June 2018 the EUR Class returned -1.22%, closing at EUR 218.47, underperforming the benchmark which returned 0.69% over the same period. The EUR Institutional Class closed at EUR 193.58, returning -0.91% for the period.

In terms of alpha, the best performing sectors were Financials (underweight versus index helped), Industrials and Health Care. The Consumer Staples sector was the largest drag to alpha, a mix of allocation to the sector and stock selection. The Sub-Funds underweight to the Energy sector was also a drag as the oil price improved over the period. Sector allocation was positive for the first half of 2018; the Sub-Funds overweight to Information Technology and significant underweight to Financials helped, while the overweight to Consumer Staples hurt. Stock selection was weaker than usual over the period, mostly due to three stocks which detracted from performance; Philip Morris International, British American Tobacco and Pandora.

#### **MARKET OVERVIEW**

The first half of 2018 has seen volatility return to Global markets. The US corporate tax reform provided a boost to smaller and domestic companies; and a more indirect impact has been the repatriation of overseas cash on the balance sheets of multinational companies. Markets became concerned over faster rate increases by the FED than anticipated and the reduction of global monetary stimulus, as the US treasury yield curve has flattened. The dollar strengthened significantly over the second quarter of the year, which has raised concerns for Emerging Market equities, coupled with the impact of normalization of interest rates in the US. US equities ended the second quarter lower amid concerns over inflation and the impact of US-China trade sanctions. Towards the end of the period, markets began to focus on the weaknesses within the Chinese economy.

In Europe political and macro risks prevail; the Italian election caused some short-term volatility and perhaps there is more to come. Trade wars are having a strongly negative effect on the German economy. In the United Kingdom, Brexit progress has been slow and companies are becoming more anxious as the deadline approaches. Recent cabinet changes may give Prime Minister May a more unified team, but it is still unclear as to how things will look post the March 29th deadline. Macro data from the Eurozone is slowing, with weaker retail sales, car sales and Purchase Managers Indexes have started to decline.

The increase in oil price over the period has benefitted some companies; but it will be negative from the perspective of the consumer and company profits. Investors are understandably worried about a less robust outlook for global growth and the risk of further escalation of trade war rhetoric.

# **E.I. Sturdza Funds Plc**

## **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

### **Strategic Europe Value Fund (continued)**

#### **PORTFOLIO STRATEGY**

The Sub-Fund employs a bottom up stock picking strategy with a strong preference for high quality business models as evidenced by high margins at the operating level and/or return on capital employed, ideally combined with visible revenue. The aim is to buy these companies at a discount to the intrinsic value. As a result, sector allocation is a consequence of the investment process rather than a driver of it. The portfolio will normally have a structural bias towards sectors such as consumer staples, consumer discretionary, healthcare, IT, media and support service sectors whilst normally avoiding the commercial banks, insurance and commodity sectors.

The best performing stocks for the first half of 2018 were; Wirecard, Criteo, Safran and Wolters Kluwer.

Wirecard is a German based provider of online payment and risk management applications. It operates through three segments; Payment Processing, Risk Management (credit, fraud, for example), and Acquiring & Issuing. Wirecard is a pure play on the structural shift towards e-commerce, a sector which is experiencing strong and accelerating secular growth trends (in 2017 its organic growth rate was 26%). Wirecard was one of the Sub-Funds best performing stocks in 2017, the investment team decided to take some profits and cut the holding back to a full position (c.3%). The company has become a real global player and the shares continue to compound nicely; the investment case still has a long way to go as they reach critical levels in online payments outside of the U.K. In addition the Investment Adviser believes the recent deal with Crédit Agricole (a digital payment partnership) is positive and will be significantly earnings enhancing.

Criteo is a French leader in the fast growing AdTech part of the online advertising market, which uses algorithms to predict users' intent thereby enabling them to assist in the purchasing and selling of advertising inventory. Importantly, Criteo allows clients to see the RoI on their advertising expenditure, something increasingly sought after as companies reallocate their marketing budgets. Given its first mover advantage, the algorithm will only improve as the client data set grows. The share price suffered significantly during 2017, largely on the news that the latest version of Apple's operating system will include a new default feature, intelligent tracking prevention (ITP). This prevents certain websites from tracking users browsing activity. However, their core business remains best-in-class and valuable to clients, reflected in the c. 20% underlying growth rate. Shares have performed very well during the first half of 2018, as concerns surrounding GDPR and the impact of these regulatory changes on their business model have not been seen to materialize. The company has €470m in cash on the balance sheet, on a current market cap of €2.3bn, and the shares are attractively valued.

Safran is a French international high-technology group, operating in aircraft and rocket engines, aerospace components and defence. The Sub-Fund bought a position in Safran in January, in the Investment Adviser's view, cash generation should double in the next three years, underpinned by strong aircraft demand, the successful launch of the LEAP engine, as well as accelerating aftermarket sales profitability.



## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic Europe Value Fund (continued)**

##### **PORTFOLIO STRATEGY (continued)**

The group's latest acquisition of Zodiac should contribute to Safran's growth over the coming years. These highly favourable prospects were not fully reflected in the share price. Shares have performed well year to date as the market has come to appreciate that the cash flow is going to improve going forward.

Wolters Kluwer is a global leader in information services and solutions for professionals in the areas of legal, tax and accounting, finance, health, and risk and compliance. This is a position the Sub-Fund has held since inception. The company was initially perceived as a value trap whilst the underlying business mix was undergoing a significant digital transformation from a predominantly paper-based traditional Dutch publisher to a multinational provider of professional information services. Today c. 85% of revenues are generated from digital services. Shares have performed well recently supported by a strengthening US Dollar and the Investment Adviser believes there still remains lots of value in a name which continues to deliver solid organic growth on top of good operating leverage.

The worst performing stocks over the period were; Philip Morris International, British American Tobacco, Sage and Pandora.

Philip Morris International (PMI) is a world leading international tobacco company, owning six of the world's top 15 international brands. It is a good example of a very well managed, long term compounder with high margins. Philip Morris was the first to market with its new heat-not-burn technology product, iQOS. The concept behind 'Heat-not-Burn' is that heating tobacco, rather than burning it, reduces or eliminates the formation of many of the more toxic compounds that are produced at the high temperatures associated with combustion. Heat-not-burn products therefore offer the possibility of significantly reduced harm while retaining an acceptable sensory experience for smokers. The Investment Adviser believes this technology will be a game changer for the tobacco industry. First quarter results were mixed as growth of iQOS slowed in Japan; PMI did expect market share growth to plateau at some point this year as it was close to saturating early adopters and innovators, although it came earlier than expected. In addition, combustible volumes declined. The investment team have reviewed the investment case and believe the drop in the share price was an overreaction by the market. The company have had supply issues which have hindered growth in new markets, these issues have now been addressed and the success achieved in Japan should continue as they enter and grow in new markets.

British American Tobacco (BAT) is a multinational tobacco company with headquarters in London. It is the global leader in vaping products and it has recently launched its new heat-not-burn product, Glo. BAT is well positioned with next generation products; together with Philip Morris International, they are best in class. BAT shares have suffered year to date partly as a result of duration assets being hit at the beginning of the year and due to combustible volumes being down. The investment team still remains happy with the position in BAT.

Sage Group is the European leader in the provision of accounting systems. Sage is based in the U.K. and focusses predominantly on SME's. Regulatory changes and an improved product are helping drive an upgrade cycle including both new and existing users.

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic Europe Value Fund (continued)**

#### **PORTFOLIO STRATEGY (continued)**

This transition is not fully appreciated by the market. The organic growth rate looks set to accelerate over the medium term, and with this their top line will become increasingly recurring. In addition, the company has strong margins, good cash flow generation and shareholder friendly management. The share price has suffered recently due to organic growth concerns in the first quarter; however, the Investment Adviser believes this is short term, the company has not changed their medium-term guidance and they should deliver.

Pandora is a Denmark based company engaged in the design, manufacturing and marketing of branded jewellery. The share price fell sharply after first quarter results. The main concern is that growth in China is much slower than the company had hoped for, due to a large increase in grey market sales and lack of sufficient marketing activities by the company. Furthermore, the US market is still causing problems and management execution is very poor. The Sub-Fund has exited the position in Pandora; the investment team will seek better options.

#### **MARKET OUTLOOK**

The Investment Adviser remains bearish on risk assets given the overall tightening of global monetary stimulus, which they believe partially explains the volatility seen thus far in 2018. The economic system is highly leveraged and is subject to shocks which are starting to appear.

The Investment Adviser continues to have a strong preference for defensive portfolio positioning in this current environment as macro and political risk remain prevalent. The investment team have made the portfolio more defensive by selling or trimming small and mid cap positions and adding to the Health Care sector while maintaining their overweight to the Consumer Staples sector.

Lofoten Asset Management Limited  
E.I. Sturdza Strategic Management Limited  
July 2018

# **E.I. Sturdza Funds Plc**

## **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

### **Strategic Global Bond Fund**

The Investment Manager's report has been compiled with the assistance of the Investment Adviser, Banque Eric Sturdza SA (Discretionary adviser).

#### **FUND PERFORMANCE**

In terms of performance, during the first semester of 2018, the Sub-Fund has been impacted by higher US dollar rates and wider corporate spreads. On the positive side, the barbell strategy, favouring very short term bonds combined with 30y Treasuries, has been successful in the flattening curve environment. In this context, the Sub-Fund reached a negative performance of -0.92%, whilst the benchmark (ICE LIBOR 3m USD +1%) had a performance of +1.41%.

#### **MARKET OVERVIEW**

In the first half of 2018, the Fed raised their benchmark key rate to a range between 1.75% and 2%. The ECB maintained its ultra-accommodative policy including negative deposit rate (-0.40%) and monthly purchases of EUR 30 billion from January 2018 to September 2018. At the same time, the Euro decreased slightly against the US dollar from 1.20 to 1.17 after having reached 1.2550 in February.

During this first semester, the US Treasury curve experienced a bearish flattening due to subdued inflation expectations combined with the Fed's aggressive monetary policy. The 2y US Treasury yield increased from 1.88% to 2.53% (+65bp), the 5y rose from 2.21% to 2.74% (+53bp), the 10y from 2.41% to 2.86% (+45bp) and the 30y from 2.74% to 2.99% (+25bp). At the same time, the 30y inflation breakeven rose by 10bp from 2.02% to 2.12%. In addition, the 3 Month USD LIBOR increased from 1.69% to 2.33% (+64bp) following Fed rate hikes.

In Europe, the German yield curve experienced a slightly bullish flattening, partially due to "fly to quality" purchases during the Italian political turmoil. In this context, the 2y German yield decreased from -0.63% to -0.67% (-4bp) while the 5y & 10y decreased respectively from -0.20% to -0.30% (-10bp) and +0.43% to +0.30% (-13bp). In the euro periphery, the Italian BTP curve experienced a bearish flattening due to the political crisis. The 2y BTP rose sharply from -0.25% to +0.69% (+94bp) while the 10y BTP increased from 2.02% to 2.68% (+66bp) after having reached 3.16% on May 29th.

On the credit side, the European iTraxx Main increased from 45 to 73bp (+28bp) while the US corporate CDX index rose from 49 to 68bp (+19bp).

In Emerging Markets, the CDX 10y EM index increased sharply from 196 to 259bp (+63bp) driven by a higher US dollar, the hawkish Fed's monetary policy, the continuation of sanctions against Russia, spread widening in problematic countries such as Turkey or Argentina and massive outflows from EM fixed-income ETFs.

#### **PORTFOLIO STRATEGY**

The Sub-Fund started the year with a size of USD 32 million and declined to USD 26 million by the end of June, caused in part by switches of investors into equity funds and absolute return equity funds.

# **E.I. Sturdza Funds Plc**

## **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

### **Strategic Global Bond Fund (continued)**

#### **PORTFOLIO STRATEGY (continued)**

During the semester, the Investment Adviser actively managed the modified duration of the Sub-Fund and the barbell position including three major investments: Floating Rate Notes, corporate bonds yielding around 3% with maturity around 2 years and 30y Treasuries.

During the second quarter, the Investment Advisor favoured 2y corporate bonds yielding above 3% to the detriment of FRNs. The exposure to 30y Treasuries, the largest contributor to return over the period, was increased but also partially hedged with a short position 5yT-Note future in order to keep the modified duration below 6.

#### **MARKET OUTLOOK**

The Investment Adviser's outlook remains tied to two major topics, inflation and Central Banks' behaviour but inflation fears keep decreasing and the flattening of the US yield curve, combined with other topics such as the near-disappearance of liquidity in the High Yield market, suggest that recession fears will quickly become a major concern. In addition, after the correction of emerging markets and the European periphery, he is still convinced that high quality bonds, considered as safe havens, will attract more investors in the coming months.

In the US market, the Investment Adviser believes that long US Treasuries (10 to 30 years) are increasingly attractive. The Investment Adviser believes they could be a top performing asset class in the second half of 2018 and an inverted slope of the curve is not excluded at the end of the year. The Fed could make mistakes because the markets cannot absorb further rate hikes. The Investment Adviser believes that the best strategy today is to invest in both floating rate notes (FRNs), as the 3 month Libor dollar is already above 2.30%, and short term corporate bonds yielding 3% and above, combined with 30y US Treasuries.

In Europe, it is the Investment Advisers opinion that the Bund will follow the behaviour of US Treasuries and, in addition, will perform due to huge outflows from the periphery, Italy in particular. In Emerging Markets, the Investment Adviser will continue to closely monitor the behaviour of spreads (both governments and corporates) and increasing volatility due to global risk aversion. This market suffered in April due to US sanctions against Russia and the strengthening of the US dollar and further in May after the turmoil in Argentina and Turkey. The Investment Adviser believes that high-quality Emerging debt still offers a very attractive risk-reward profile, in particular after the recent spread widening, and continues to be supported by low defaults, attractive carry and low supply.

In conclusion, the Investment Adviser still believes that the best performing asset class could be long-dated US Treasuries. Emerging markets will probably stay volatile during the summer period but the current levels are an attractive opportunity to invest in high-quality EM markets.

Banque Eric Sturdza SA  
E.I. Sturdza Strategic Management Limited  
July 2018

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic US Momentum and Value Fund**

The Investment Manager's Report has been compiled with the assistance of the Investment Adviser, Banque Eric Sturdza S.A. (Discretionary adviser).

#### **FUND PERFORMANCE**

Over the period, the Sub-Fund returned +3.78% whilst the MSCI USA returned +2.61%. The largest contributor was MasterCard Inc. (approx. +30% over the period) followed by Envision Healthcare Corp. (approx. +27.3% over the period).

MasterCard is still the crown jewel (along with Visa) of the secularly growing payments market. After reporting its 8th consecutive quarter of positive performance, MasterCard's stock price continued its ascent to new highs. The Investment Adviser believes MasterCard (and Visa) should be kept as core portfolio holdings based on mid-teens earnings growth. The belief is that this is part of a powerful duopoly but still the cleanest beneficiary of the secularly attractive payments market, and enjoys deeply attractive business models (competitive moat, operating leverage and low capital intensity). The Investment Adviser expects earnings to grow in the mid-teens rate (excluding benefits from tax reform) over the next several years. While there are many risks emerging (competition in emerging markets, government intervention, internet giants), the Investment Adviser believes that none of these risks appear imminent and are outweighed by the long-term optionality in these businesses from expansion in the addressable market, increase in yields (for example through increasing processing penetration, charging for value added services) and new revenue streams (example data based services). The stock is hardly ever cheap, yet valuation remains attractive at approx. 28x (2019) for a mid-teens EPS growth quality compounder. Going forward, the Investment Adviser doesn't expect further multiple expansion and will be watching for continued solid volume performance and traction of other emerging market players.

The Sub-Fund's largest detractor over the same period was Celgene Corp (approx. -23.9% over the period) followed by Dollar Tree Inc (approx. -20.8%). Celgene's stock price continued to suffer on the back of Revlimid's generic entry in 2020. Nonetheless, the Investment Adviser's confidence has only increased as the risk/reward profile on the company further improved. The Investment Adviser notes that (1) current valuation reflects the worst-case scenario on Revlimid generic entry, (2), this outcome is far from certain as issued patents are "presumed" valid and the generics could make more by settling than launching, (3) four approvals of new material products potentially changing overall market sentiment and valuation, and finally, (4) the potential for governance change or takeout if current depressed valuation persists. As such, the position has been maintained.

#### **MARKET OVERVIEW**

2018 began well as the economy enjoyed an elevated amount of positive momentum off the back of 2017. Nonetheless, the outlook for the second half of the year is already a large concern as it is considerably more clouded, reflecting fiscal stimulus, more constraints in the labor market, and tighter monetary policy. Even though the economy has sent mixed signals in the first half of 2018, it is still in good shape. Growth is expected by many to slow in the second half, but remain moderately strong. At the same time, the odds of a looming recession have marginally increased.

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic US Momentum and Value Fund (continued)**

##### **MARKET OVERVIEW (continued)**

Turning to data, benchmark revisions to the National Income and Products Accounts would normally be released in July (alongside the advance GDP estimate for the second quarter of 2018). The residual seasonality issue will be further addressed (first quarter GDP growth has been significantly lower than the average for the other three quarters of the year), most probably shifting recent GDP growth figures.

As previously mentioned, consumer spending accounts for a substantial part of GDP (approx. 69%). Interim (quarterly) numbers are often uneven – one strong quarter followed by a softer one. This has been the case in recent quarters as light first quarter numbers were largely expected to be followed by more robust second quarter figures. Actually, personal spending data (through May) suggested an inflation-adjusted annual rate of 2.5-3% in the second quarter of 2018, a relatively strong number given the +0.9% in the first quarter of 2018 and +4% in the last quarter of 2017 (but still below earlier expectations of a stronger rebound).

A significant boost in capital spending was a largely expected effect from the tax reform. Business fixed investment was robust in the first quarter of 2018 versus the fourth quarter of 2017. However, a lot was focused on structures (partly due to the on-going recovery in energy exploration) and intellectual property products. Spending on business equipment was reasonable over the period. Moreover, shipments of nondefense capital goods (ex-aircraft) were on a downbeat trend during April and May 2018. Gains in capital goods shipments are still boding well on a year-on-year basis. Business sentiment remains strong, and new orders for capital goods seem to have accelerated into the second quarter of the year.

Overall, trade policy remained the most significant risk factor for the stock market, with economic data not strong enough to have a significant impact on the market. The first quarter GDP growth estimate was revised slightly lower, with May 2018 data (ex. durable goods orders and inventories) pointing to an uptick in GDP growth for the subsequent quarter. Consumer spending growth was softer than expected in May, thereby suggesting a strong but moderate pace for the second quarter.

Going back to the previously mentioned odds of a looming recession, there are many topics that could be discussed, but it is the so-called “cold trade war”, that has received the most attention.

The recent escalation in rhetoric and actual tariffs appears to mark an inflection point, and a “cold war” starting to heat up. A convergence of recent measures have formed the rationale for this opinion, such as, the elimination of exemptions for Canada and other allies from steel and aluminium tariffs, the already imposed tariffs on USD 50bn worth of Chinese imported goods, and more recently the threat to add USD 200bn of additional Chinese imports to that list. This mix of actual measures coupled with rhetoric leads the US to the aforementioned threshold/inflection point.

The significance of these actions so far, and possibility for continued escalation, is demonstrated in part by the use of presidential executive power, when used more effectively against global powers than U.S. companies (e.g. Amazon). Interestingly, the hurdles to attack Amazon via legislation in congress seemed considerably higher than imposing tariffs on allies and other nations, thus causing the rhetoric between trade partners to have a greater impact on financial markets than tweets against companies.

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic US Momentum and Value Fund (continued)**

##### **MARKET OVERVIEW (continued)**

In any case, uncertainty is still king. Not only in terms of the widespread burdens of tariffs (import volumes, number of products), tariff depth (% increases), but their sequencing and speed also. Thus, the only certainty is uncertainty, but things do look like they are heating up.

While the impact of a trade war in the long run is clearly negative, in the short term the implications could surprise and accelerate growth if the situation is dire enough to persuade firms to build inventories and prepare for more difficult access to production inputs. An example where short term forecasts were extremely hard to make and the situation ended up surprising most was the Brexit vote in June 2016. While most economists discussed the long term consequences of Brexit, the Bank of England came out before the referendum warning that a leave vote could spur a recession. After the vote, growth remained consistently positive. The feared changes in consumption and investment outlooks proved to be significantly overestimated.

Thus, in the short term, economic outcomes are likely to be negative but with significant uncertainty, whilst in the longer term the outcomes are more transparent, as the means of transmission are more stable.

Some of the benefits of trade are that countries can specialize in products that they have a relative advantage in. In addition, firms can spread their fixed costs across a larger customer base when they trade in larger markets and, as they operate globally, they can optimize their supply chains. In conclusion, if a trade war increases the cost of the trade, the benefits of comparative advantage could be quickly diminished.

Finally, what does all of this entail for the current expansion? For the Investment Adviser, 2018 growth is healthy thanks to the U.S. consumer and the tax cut acting as a tailwind. A trade war would have to work through financial volatility and a tightening of financial conditions in order to end the expansion this year. In terms of economic cycle, trade issues become serious when rhetoric or actions begin to impair confidence and yield substantial potential for financial tightening, as both act as transmission channels to the real economy. A significant market drop can change perceptions significantly, thereby increasing household savings, reducing consumption and resulting in a so-called "reverse wealth effect".

As growth remains healthy this year, an extreme shock in financial volatility would be needed to end the current cycle. Beyond this scenario, which could be triggered by a full on trade war, the Investment Adviser believes that the economy is still strong and the equity market is poised for further upside (the S&P 500 is currently trading at 17.3 times (for full year 2018) with a year on year earnings growth rate of approx. 20%).

##### **PORTFOLIO STRATEGY**

The strategy's aim is to achieve NAV appreciation above that of its benchmark index (MSCI USA) by selecting companies with a stellar track record of persistent growth throughout varying cycles, but which have attributes that are underappreciated by the market based on a wide set of fundamental valuation metrics.

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic US Momentum and Value Fund (continued)**

#### **PORTFOLIO STRATEGY (continued)**

The Sub-Fund aims to select companies which exhibit high levels of price and earnings momentum, at prices which are deemed undervalued compared to their growth perspectives. A central tenet of the strategy is to focus on the discrepancy between the market's valuation of a company's growth profile and both its actual and potential growth. The process makes full use of both quantitative screens and fundamental analyses to select the most attractive companies within the mandate's universe, whilst aiming to maintain a portfolio of at least 25 stocks, which exhibits sectoral diversification. The Sub-Fund can be described as following a bottom-up selection process with top-down-conscious portfolio construction.

It is thus a natural consequence of the strategy and process that specific sectors or otherwise defined groups of stocks exhibit a weighting discrepancy when compared to the benchmarks.

#### **MARKET OUTLOOK**

As mentioned above, the Investment Adviser is still positive on the outlook for the remainder of 2018 as the policy-driven overshoot gives the ongoing expansion safe harbour until year-end. The political economy of tax cuts has twisted the cyclical plot, which foresaw slowing growth this year. This protection delivers strong growth but comes with some costs, as the economy will push further past equilibrium. As the high of tax cuts wears off and monetary policy headwinds slowly get into place, economic growth will start slowing next year.

Thus, growth is positive for 2018, while expecting a steeper deceleration in 2019 marked by a more volatile environment where the current expansion should continue for longer but at a slower pace. It is true that the current expansion began in June 2009 and is now 9 years old, tied for the longest on record. However, from an economic perspective, the cycle is now just getting to the late innings. The unemployment rate is a bit more than half a percent below its natural level and GDP is almost about back in line with its potential, with GDP usually heating up for a time before the end of the cycle. These indicators suggest that price pressures should just be building but with more time to go in the recovery phase. Although wage growth continues to languish, consumer prices are moving towards the Fed's target, with the market assessment of inflation trends a bit higher, driven perhaps in part by commodity prices, again, indicating a continued recovery phase. Similarly, the yield curve at about 45bps wide, suggests that an inverted curve is still more than a year away, and a recession still several quarters beyond that.

All in all, the Investment Adviser believes that the portfolio is well positioned no matter how the scenario unfolds. The portfolio's exposure to companies that have superior and more stable growth profiles while operating in niche markets provide some downside protection (to earnings) if market sentiment turns sour.

Banque Eric Sturdza S.A.  
E.I. Sturdza Strategic Management Limited  
July 2018



# **E.I. Sturdza Funds Plc**

## **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

### **Strategic Global Quality Fund**

The Investment Manager's Report has been compiled with the assistance of the Investment Adviser, Lofoten Asset Management Limited (Discretionary adviser).

#### **FUND PERFORMANCE**

Over the period the USD Institutional Class returned -0.97%, in comparison to the benchmark, the MSCI Daily Total Return Net World Index, which returned 0.43%.

The Sub-Fund's zero weight to the Financials sector helped as did its overweight to Information Technology. Industrials performed well over the period. Stock selection was positive for the first half of the year, with Industrials contributing the most to alpha. The best performing sectors for the benchmark year-to-date were Information Technology, Energy and Consumer Discretionary; while the worst performing sectors were Telcos, Financials and Consumer Staples.

At a single stock level the best performing stocks were; Wirecard, Criteo, Mastercard, Microsoft and Visa. Whilst the main detractors to return over the period were; Philip Morris International, Sage Group, British American Tobacco, Altria Group and Colgate-Palmolive. Specific stock selection is discussed in more detail as part of the Portfolio Strategy.

#### **MARKET OVERVIEW**

The first half of 2018 has seen volatility return to Global markets. The US corporate tax reform provided a boost to smaller and domestic companies; and a more indirect impact has been the repatriation of overseas cash on the balance sheets of multinational companies. Markets became concerned over faster rate increases by the FED than anticipated and the reduction of global monetary stimulus, as the US treasury yield curve has flattened. The dollar strengthened significantly over the second quarter, which has raised concerns for Emerging Market equities, coupled with the impact of normalization of interest rates in the US. US equities ended the second quarter lower amid concerns over inflation and the impact of US-China trade sanctions. Towards the end of the period, markets began to focus on the weaknesses within the Chinese economy.

In Europe, political and macro risks prevail; the Italian election caused some short-term volatility and perhaps there is more to come. Trade wars are having a significant negative effect on the German economy. In the United Kingdom, Brexit progress has been slow and companies are becoming more anxious as the deadline approaches. Recent cabinet changes may give Prime Minister May a more unified team, but it is still unclear as to how things will look post the March 29th deadline. Macro data from the Eurozone is slowing, with weaker retail sales, car sales and Purchase Managers Indexes have started to decline.

The increase in oil price over the period has benefitted some companies; but it will be negative from the perspective of the consumer and company profits. Investors are understandably worried about a less robust outlook for global growth and the risk of further escalation of trade war rhetoric.

# **E.I. Sturdza Funds Plc**

## **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

### **Strategic Global Quality Fund (continued)**

#### **PORTFOLIO STRATEGY**

The Sub-Fund employs a bottom up stock picking strategy with a strong preference for high quality business models as evidenced by high margins at the operating level and/or return on capital employed, ideally combined with visible revenue. The aim is to buy these companies at a discount to their intrinsic value. As a result of this philosophy, sector allocation is a consequence of the investment process rather than a driver of it. The portfolio will normally have a structural bias towards sectors such as consumer staples, information technology, consumer discretionary and healthcare whilst avoiding the commercial banks, insurance and commodity sectors.

With regards to the specific, top performing stocks, Wirecard, Criteo, Mastercard, Microsoft and Visa:

Wirecard is a German based provider of online payment and risk management applications. It operates through three segments; Payment Processing, Risk Management (credit, fraud, for example), and Acquiring & Issuing. Wirecard is a pure play on the structural shift towards e-commerce, a sector which is experiencing strong and accelerating secular growth trends (in 2017 its organic growth rate was 26%). Wirecard was one of the Sub-Funds best performing stocks in 2017, the investment team decided to take some profits and cut the holding back to a full position (c.3%). The company has become a real global player and the shares continue to compound nicely; the investment case still has a long way to go as they reach critical levels in online payments outside of the U.K. In addition the Investment Adviser believes the recent deal with Crédit Agricole is positive and will be significantly earnings enhancing.

Criteo is a French leader in the fast growing AdTech part of the online advertising market, which uses algorithms to predict users' intent thereby enabling them to assist in the purchasing and selling of advertising inventory. Importantly, Criteo allows clients to see the RoI on their advertising expenditure, something increasingly sought after as companies reallocate their marketing budgets. Given its first mover advantage, the algorithm will only improve as the client data set grows. The share price suffered significantly during 2017, largely on the news that the latest version of Apple's operating system will include a new default feature, intelligent tracking prevention (ITP). This prevents certain websites from tracking users browsing activity. However, their core business remains best-in-class and valuable to clients, reflected in the c. 20% underlying growth rate. Shares have performed very well during the first half of 2018, as concerns surrounding GDPR and the impact of these regulatory changes on their business model have not been seen to materialize. The company has €470m in cash on the balance sheet, on a current market cap of €2.3bn, and the shares are attractively valued.

The payment processing sector is an area that the Sub-Fund favours. At the heart of it sits Visa and Mastercard, being the major networks through which electronic payments take place by facilitating electronic fund transfers, be they credit, debit, or gift cards globally.

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic Global Quality Fund (continued)**

##### **PORTFOLIO STRATEGY (continued)**

Visa operates the world's largest consumer payment system, with close to 2.5 billion credit and other payment cards in circulation across more than 200 countries. As part of its business, the company licenses the Visa brand to member institutions, which issue and market their own Visa products and participate in the VisaNet payment system that provides authorization, processing, and settlement services. VisaNet handles more than 65,000 transactions each second.

The company also offers debit cards, Internet payment systems, value-storing smart cards, and traveler's checks.

MasterCard is the number two payment system in the U.S., serving about 22,000 member financial institutions around the world. Similarly to Visa, the company markets its MasterCard and Maestro brands, providing a transaction authorization network. Through its Vocalink acquisition Mastercard will have access to technology which ensures uninterrupted access to cash, real-time payments and new mobile payment solutions. Mastercard also operates the Cirrus ATM network. The Sub-Fund has owned a position in Mastercard since 2014 and the shares have performed very well, however the Investment Adviser decided to sell the position as shares hit their fair value.

Microsoft is the global leader in software, services, devices and solutions for corporates and individuals. Microsoft is a company in transition, moving from being dominated by transactional revenues to one that is primarily driven by annuity/recurring sales. This transition is driven by both the cloud offering and new products, such as Azure, as well as trends within the older products, such as the shift from Office to 365. In the numbers what the investment team expects to see is an acceleration in earnings as the deferred revenues from subscription sales are recognised as upgrades are delivered. Gross margins should also begin to improve in time as the mathematical effect of cloud growth comes down and growth from the personal computing division normalises. According to the Investment Adviser the market does not fully appreciate these coming improvements.

The main detractors to return were Philip Morris International, Sage Group, British American Tobacco, Altria Group and Colgate-Palmolive:

Philip Morris International (PMI) is a world leading international tobacco company, owning six of the world's top 15 international brands. It is a good example of a very well managed, long term compounder with high margins. Philip Morris was the first to market with its new heat-not-burn technology product, iQOS. The concept behind 'Heat-not-Burn' is that heating tobacco, rather than burning it, reduces or eliminates the formation of many of the more toxic compounds that are produced at the high temperatures associated with combustion. Heat-not-burn products therefore offer the possibility of significantly reduced harm while retaining an acceptable sensory experience for smokers. The Investment Adviser believes this technology will be a game changer for the tobacco industry.

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic Global Quality Fund (continued)**

##### **PORTFOLIO STRATEGY (continued)**

First quarter results were mixed as growth of iQOS slowed in Japan; PMI did expect market share growth to plateau at some point this year as it was close to saturating early adopters and innovators, although it came earlier than expected. In addition, combustible volumes declined. The investment team has reviewed the investment case and believes the drop in the share price was an overreaction by the market. The company has had supply issues which have hindered growth in new markets, these issues have now been addressed and the success achieved in Japan should continue as they enter and grow in new markets.

Sage Group, is the European leader in the provision of accounting systems. Sage is based in the U.K. and focusses predominantly on SME's. Regulatory changes and an improved product are helping drive an upgrade cycle including both new and existing users. This transition is not fully appreciated by the market. The organic growth rate looks set to accelerate over the medium term, and with this their top line will become increasingly recurring. In addition, the company has strong margins, good cash flow generation and shareholder friendly management. The share price has suffered recently due to organic growth concerns in Q1; however, the Investment Adviser believes this is short term, the company has not changed their medium-term guidance and they should deliver.

British American Tobacco (BAT) is a multinational tobacco company with headquarters in London. It is the global leader in vaping products and it has recently launched its new heat-not-burn product, Glo. BAT is well positioned with next generation products; together with Philip Morris International, they are best in class. BAT shares have suffered year to date partly as a result of duration assets being hit at the beginning of the year and due to combustible volumes being down. The investment team still remains happy with the position in BAT. Altria Group is one of the world's largest producers and makers of tobacco, cigarettes and related products. It is the parent company of Philip Morris USA, with Philip Morris International having been spun off from Altria in 2008. As such, they will soon be able to sell iQOS in the US, something which the Investment Adviser expects to be a success, although the timing is unknown as they await a decision from the FDA. Similar to BAT, Altria's share price has suffered year to date on duration assets sell off at the beginning of the year and market concerns surrounding the impact of JUUL in America. The Investment Adviser remains happy with the investment case.

Colgate-Palmolive is a global household goods company, best known for selling toothpaste, cleaning products and pet foods. It is the number one oral care company worldwide, and its branded toothpaste has a global market share of 45%. The share price has suffered recently due to a slowdown in its organic growth, missing consensus expectations in both its fourth quarter 2017 and first quarter 2018 results, driven by higher advertising spend and the Emerging Market regions. Management subsequently lowered guidance. The Sub-Fund continues to hold Colgate.

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic Global Quality Fund (continued)**

#### **MARKET OUTLOOK**

The Investment Adviser remains bearish on risk assets given the overall tightening of global monetary stimulus, which it believes partially explains the volatility seen thus far in 2018. The economic system is highly leveraged and is subject to shocks which are starting to appear.

The Investment Adviser continues to have a strong preference for defensive portfolio positioning in this current environment as macro and political risk remain prevalent.

Lofoten Asset Management Limited  
E.I. Sturdza Strategic Management Limited  
July 2018

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic European Smaller Companies Fund**

The Investment Manager's report has been compiled with the assistance of the Investment Adviser, Pascal Investment Advisers S.A. (Discretionary adviser).

#### **FUND PERFORMANCE**

The period under review covers the Sub-Fund's evolution from 1 January 2018 to 30 June 2018 and saw the net asset value per share of the EUR class decrease by EUR 106.73 from EUR 1'384.39 to EUR 1'277.66, a total net return of -7.69%. The Sub-Fund's benchmark, the STOXX 600 Total Return Index, decreased by -0.35% over the same period giving the Sub-Fund a -7.36% relative performance.

The -7.69% performance can be divided between -6.81% of gross portfolio performance and -0.88% of fees and other expenses. In the first quarter the Sub-Fund returned -5.51% (-1.35% underperformance) and in the second quarter returned -2.33% (-6.31% underperformance).

The largest individual stock contributors to performance during the period were Granges (+1.11%), Alten (+0.76%) and Takeaway.com (+0.44%), while the top detractors were OVS (-1.53%), Tarkett (-0.97%) and Balta (-0.97%).

Out of the 37 positions held by the Sub-Fund during the period, 13 were profitable and 23 made a loss. The profitable investments contributed +3.93% gross performance (+0.30% on average), whilst the unprofitable positions impacted the gross performance by -10.76% (-0.45% on average). Granges, the single largest contributor, represents 28% of the positive gross contribution, whilst OVS, the single largest detractor, represents 14% of the negative gross contribution.

The Sub-Fund was launched on 5 May 2015 and since inception the Sub-Fund's performance was +27.79% (+8.04% annualized) and compares favorably versus the Fund's benchmark index, STOXX 600 Total Return Index, which reported a +6.39% performance over the same period (+1.98% annualised), translating into a 21.37% outperformance over 38 months (+6.07% annualised).

#### **MARKET OVERVIEW**

During the period, the Sub-Fund's benchmark index, STOXX 600 Total Return Index, reported a -0.35% performance.

During the first half of 2018 markets experienced increased volatility. This increase started at the beginning of February with concerns from investors of increased inflation and its impact on the Fed's policy outlook. This has so far translated into two rate hikes this year, with a further two currently expected. In March, markets were only forecasting three in total for the year. Continuing news flow around US trade policy and the potential for a significant global trade war combined with global expulsions of diplomats following alleged poisoning of state spies by the Russians in the UK, did not help markets settle down. Volatility was increased again in May with concerns over the resurgence of protectionism through the Italian political situation, which resulted in the Investment Adviser selling out of all Italian positions that have a significant exposure to the Italian consumer.

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic European Smaller Companies Fund (continued)**

##### **PORTFOLIO STRATEGY**

The Sub-Fund is well-placed to try and deal with the macro position highlighted in the paragraph above.

The Investment Adviser believes that holding positions in fewer stocks allows its “best ideas” to have a meaningful impact on the Sub-Fund’s performance. Accordingly, the portfolio might typically include investments in approximately 30 stocks.

As of 30 June 2018, the five largest holdings of the Sub-Fund were Albioma (France) - 5.24% weight, Spie (France) - 4.97% weight, Brembo (Italy) - 4.46% weight, Valmet (Finland) - 4.43% weight and Elis (France) - 4.42% weight.

During 2018, 11 investments were exited, and 2 new positions were initiated, taking the number of positions from 36 to 27. The cash allocation increased during the first half of 2018, moving from 10.11% at the end of December 2017 to 18.98% at the end of June 2018.

By country, exposure to France was marginally increased from 32.64% at the end of December 2017 to 37.2% at the end of June 2018, and remains the largest in terms of geographical exposure.

By sector, exposure to Industrial companies saw its allocation being reduced from 38.7% to 34.9% during the first half of the year to allow an increase in exposure to Consumer Discretionary and Information Technology sectors.

During the first half of 2018 asset growth of the Sub-Fund continued, growing from EUR 193m as of 31 December 2017 to EUR 210m at 30 June 2018.

##### **MARKET OUTLOOK**

The biggest issue facing stock markets this year, in the view of the Investment Adviser, has not been deterioration in fundamentals, but a normalisation of investor sentiment that was excessively bullish in January 2018. However, the Investment Adviser now believes investor sentiment has fully reverted towards excessive bearishness. All three positioning indicators (fund flows, hedge fund beta and cross-asset risk), from a contrarian perspective, are now at levels that have marked important opportunities to buy the stock market in the past (e.g. Feb 16, Aug 12, Oct 11, March 09).

The de-risking is particularly evident in Europe with European active funds now capitulating on their overweight allocations in Financials, Energy and Discretionary, while adding to Staples and Utilities. As a result of this, the disparity in stock valuations has now reached an extreme. Value stocks in Europe have been de-rated to levels seen in the immediate aftermath of Brexit, at a time when European economic data surprises are turning more favourable. Moreover, EPS upgrades continue to be widespread. Therefore, barring a further escalation in trade rhetoric, the Investment Adviser anticipates that a swift rotation back into Value stocks, similar to the latter half of 2016, may be forthcoming.

Pascal Investment Advisers S.A.  
E.I. Sturdza Strategic Management Limited  
July 2018

# **E.I. Sturdza Funds Plc**

## **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

### **Strategic Quality Emerging Bond Fund**

The Investment Manager's report has been compiled with the assistance of the Investment Adviser, Banque Eric Sturdza SA (Discretionary adviser).

#### **FUND PERFORMANCE**

In terms of performance, during the first semester 2018, the Sub-Fund has been impacted by higher US dollar rates and by a widening of Emerging Markets spreads. As a result, the USD Class returned -3.72% compared to +1.91% for the benchmark (ICE LIBOR 3MTH USD +2%). The performance since inception was still positive, reaching +3.44%.

#### **MARKET OVERVIEW**

In the first half of 2018, the Fed raised their benchmark key rate to a range between 1.75% and 2%. The ECB maintained its ultra-accommodative policy including a negative deposit rate (-0.40%) and monthly purchases of EUR 30 billion from January 2018 to September 2018. At the same time, the euro decreased slightly against the US dollar from 1.20 to 1.17 after having reached 1.2550 in February.

During this first semester, the US Treasury curve experienced a bearish flattening due to subdued inflation expectations combined with the Fed's aggressive monetary policy. The 2y US Treasury yield increased from 1.88% to 2.53% (+65bp), the 5y rose from 2.21% to 2.74% (+53bp), the 10y from 2.41% to 2.86% (+45bp) and the 30y from 2.74% to 2.99% (+25bp). At the same time, the 30y inflation breakeven rose by 10bp from 2.02% to 2.12%. In addition, the 3 Month USD LIBOR increased from 1.69% to 2.33% (+64bp) following Fed rate hikes.

In Europe, the German yield curve experienced a slightly bullish flattening, partially due to "fly to quality" purchases during the Italian political turmoil. In this context, the 2y German yield decreased from -0.63% to -0.67% (-4bp) while the 5y & 10y decreased respectively from -0.20% to -0.30% (-10bp) and +0.43% to +0.30% (-13bp). In the euro periphery, the Italian BTP curve experienced a bearish flattening due to the political crisis. The 2y BTP rose sharply from -0.25% to +0.69% (+94bp) while the 10y BTP increased from 2.02% to 2.68% (+66bp) after having reached 3.16% on May 29th.

On the credit side, the European iTraxx Main increased from 45 to 73bp (+28bp) while the US corporate CDX index rose from 49 to 68bp (+19bp).

In Emerging Markets, the CDX 10y EM index increased sharply from 196 to 259bp (+63bp) driven by a higher US dollar, the hawkish Fed's monetary policy, the continuation of sanctions against Russia, spread widening in problematic countries such as Turkey and Argentina and massive outflows from EM fixed-income ETFs.

#### **PORTFOLIO STRATEGY**

The Sub-Fund started the year with a size of USD 41 million and slightly declined to USD 39 million by the end of June. During the period, the investment grade emerging bond exposure increased from 72% in January to 80-82% since February. The corporate bond exposure stayed between 64% and 66% until May and declined to 56% in June.



## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic Quality Emerging Bond Fund (continued)**

##### **PORTFOLIO STRATEGY (continued)**

In terms of country exposure, the two major moves have been the sale of the whole position in Russia (11%) in April, as sanctions against the country have been maintained by the US and the EU and the decrease of Mexico from 17% to 8% in June, due to the probable election of Andrés Manuel López Obrador as President, which was confirmed on 1 July. This included the sale of Pemex 2027, the largest contributor to return over the period (and largest position within the portfolio up until its sale). The proceeds were reinvested in low beta issuers already within the portfolio, specifically Poland 2026, Lithuania 2020 and Latvia 2021. The modified duration of the Sub-Fund has been actively managed: the duration decreased to 3.2 in February but increased sharply to 4.7 in March and was maintained between 5 and 5.4 in the second quarter.

##### **MARKET OUTLOOK**

The Investment Adviser's outlook remains tied to two major topics, inflation and Central Banks' behaviour but inflation fears keep decreasing and the flattening of the US yield curve, combined with other topics such as the near-disappearance of liquidity in the High Yield market, suggest that recession fears will become an increasingly major concern. In addition, after the correction of emerging markets and the European periphery, the Investment Adviser remains convinced that high quality bonds, considered as safe havens, will attract more investors in the coming months.

In the US market, the Investment Adviser believes that long US Treasuries (10 to 30 years) are increasingly attractive, and believes that they could be a top performing asset class in the second half of 2018, an inverted slope of the curve is not excluded at the end of the year. The Fed could make mistakes because the markets cannot absorb other rate hikes. The Investment Adviser believes that the best strategy today is to invest in both floating rate notes (FRNs), as the 3 month Libor dollar is already above 2.30%, and short term corporate bonds yielding 3% and above, combined with 30y US Treasuries.

In Europe, the Investment Adviser is of the opinion that the Bund will follow the behaviour of US Treasuries and, in addition, will perform due to huge outflows from the periphery, Italy in particular.

In Emerging Markets, the Investment Adviser will continue to closely monitor the behaviour of spreads (both governments and corporates) and increasing volatility due to global risk aversion. This market suffered in April due to US sanctions against Russia and the strengthening of the US dollar and further in May after the turmoil in Argentina and Turkey. The Investment Adviser believes that high-quality Emerging debt still offers a very attractive risk-reward profile, in particular after the recent spread widening, and continues to be supported by low defaults, attractive carry and low supply.

In conclusion, the Investment Adviser believes Emerging markets will probably stay volatile during the summer period but the current levels are an attractive opportunity to invest in high-quality EM markets.

Banque Eric Sturdza SA  
E.I. Sturdza Strategic Management Limited  
July 2018

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic Beta Flex Fund**

The Investment Manager's report has been compiled with the assistance of the Investment Adviser, Sofia Gestione del Patrimonio Sgr (Italy) (Non-discretionary adviser).

#### **FUND PERFORMANCE**

The Sub-Fund achieved a negative performance during the six months ended 30 June 2018 of -1.49% vs the benchmark return of -0.48% (MSCI Europe Net Return). A significant challenge faced by the Investment Adviser was controlling volatility in a very erratic market scenario, by using its beta management strategy in a dynamic way whilst simultaneously avoiding over-trading. Over the first half of 2018 the annualized standard deviation of the Sub-Fund was 2.95% (vs 12.54% of the MSCI Europe Net Return) and the maximum drawdown was -2.03% (vs -9.53% of the MSCI Europe Net Return).

#### **MARKET OVERVIEW**

Until the end of June 2018 the main global equity markets registered a negative performance in local currency, USA and France were the only few exceptions (+1.67% S&P 500 PR, +0.46% Nikkei PR and +0.21% Cac 40 PR). The overall negative performance could be explained by three main factors:

- Trade war: started by President Trump, against China and Europe;
- US Dollar appreciation: -2.67% EUR vs USD, which also penalised the Emerging Markets;
- Geopolitical Risk: following the creation of the new Italian government lead by the "Five stars movement" and the "Northern League", with negative performance due to a growing perception of an anti-Euro sentiment

The raw materials index (CRY Index) registered a positive performance (+3.36% in USD) in the first six months, mainly due to Oil (+22.68%). In contrast, Gold was negative in dollar terms (-3.85%).

On the bond side, the ten year risk free yields were still compressed, especially in Europe where the Central Bank was still pursuing its Quantitative Easing, even if in a more moderate way. The European corporate bonds market was negative at -0.64% investment grade (LECP TREU Index), -1.55% high yield (Iboxxmja index), as was the US IG (-3.51% in dollar terms).

#### **PORTFOLIO STRATEGY**

The Strategic Beta Flex Fund is a European Absolute Return fund of funds, with a dynamic management of net exposure, which can go from 0% to 50% on the long side of the portfolio, in order to reduce the overall volatility and minimize the drawdowns.

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic Beta Flex Fund (continued)**

#### **PORTFOLIO STRATEGY (continued)**

The Sub-Fund strategy is focused on two main areas:

1. The research of Alpha: the Sub-Fund seeks to invest in a select number of funds (between eight and thirteen), with a proven ability to consistently beat their benchmark. The Investment Adviser looks to combine the different equity strategies in order to generate positive returns even in difficult market conditions.
2. The management of the risk: Through proprietary indicators, the Investment Adviser dynamically manages the net exposure of the Sub-Fund, thus reducing the overall volatility and limiting the drawdowns.

In summary the Sub-Fund aims to achieve a Sharpe Ratio greater than 1.00, offering an equally distributed risk/reward profile.

The Sub-Fund strategy is well suited to the typical conservative investor.

In terms of contribution to return, it was Fidelity's European Growth Fund, JP Morgan's Europe Strategic Growth Fund and Alliance Bernstein's European Equity Portfolio that contributed the most.

#### **MARKET OUTLOOK**

From a macro perspective, global growth is still solid, especially in the USA, while in the rest of the world the best may be behind us both from a macro and micro point of view. In the late part of 2017 the global Purchase Managers' Indexes are already discounted with a high level of optimism, which is not expected to continue towards the end of 2018.

As expected, 2018 is proving more volatile than 2017. The main risks are geo-political (i.e. the rise of populism in Europe), monetary policy (the market could overreact to excessive tightening by the Federal Reserve) and a yield curve inversion in the US, but it is estimated that this will not happen until the mid 2019.

The Investment Adviser sees this period as being in the late, but not yet final, stage of the cycle, and so is dealing with a wide and nervous trading range, with higher volatility and high dispersion, waiting for the next bear market to materialize. In this scenario the markets can still offer good opportunities during the year; the key is protecting the risky assets when the markets get to the main potential inflection points. A strict focus on volatility control is required.

Sofia Gestione del Patrimonio Sgr (Italy)  
E.I. Sturdza Strategic Management Limited  
July 2018

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic Japan Opportunities Fund**

The Investment Manager's report has been compiled with the assistance of the Investment Adviser, Rheos Capital Works Inc. (Non-discretionary adviser).

#### **FUND PERFORMANCE**

Since the end of 2017, the JPY Institutional Class returned -1.66%, outperforming its benchmark, the Topix Total Return JPY, which returned -3.67% over the same period.

#### **MARKET OVERVIEW**

The first half of 2018 saw the end of the "Goldilocks" market and a number of challenges tested the Japanese market. WTI Oil prices continued to rise and the dollar/yen depreciated sharply, worsening market sentiment at beginning of the year. The Fed's early rate hikes increased uncertainty of future monetary policy of the US, and it spiked the VIX index in February. Investors were looking to exit the equity markets following the increased uncertainty. The limited US-UK-France military response to the chemical factory crisis in Syria also seemed to dampen the market. Japanese corporate earnings of March-ended fiscal years were better than expected however, projections for the new fiscal year were disappointing for investors. North Korea's geopolitical turmoil looked to progress once talks with other nations were agreed. The G7 Summit gave no positive news, as expected by investors, amid the global trade war situation triggered by President Trump. In consequence, unstable global trade disputes, continued uncertainty over the geopolitical situation, and disappointing earnings projections of Japanese companies characterized the overall market of Japan in the first six months of 2018. Foreign investors were the biggest net seller of the market whilst individual investors were net buyers of the market during the same period.

#### **PORTFOLIO STRATEGY**

The Investment Adviser has continued to remain slightly weighted towards domestic oriented growth companies and underweight in export oriented companies in the portfolio during first six months of 2018. Such domestic growth companies can benefit from the labour shortage issue, the increase in foreign visitors to Japan, and selected retail stocks which are operating unique business models.

The Investment Adviser also added companies to the portfolio that can benefit from the 5G telecommunication network system. Capital goods were favoured by the Investment Adviser since it was believed capital expenditure of Japanese companies would increase further at beginning of the year. However, The Investment Adviser started to trim down such companies following weak earnings projections in in the second quarter of 2018, caused by the continued uncertainty of the global trade war. The Investment Adviser was able to realise gains during the period by selling small companies whose share prices had soared.

## **E.I. Sturdza Funds Plc**

### **Investment Manager's Report (continued) For the six month period ended 30 June 2018**

#### **Strategic Japan Opportunities Fund (continued)**

#### **PORTFOLIO STRATEGY (continued)**

During the period Financials, Consumer Staples and Real Estate contributed the most to return, whilst it was Financials, Information Technology and Consumer Discretionary that were the largest contributors to alpha. More specifically, stocks that contributed most to alpha were Japan Investment Adviser Co. Ltd (Financials), Vector Inc (Consumer Discretionary) and Digital Arts (Information Technology), whilst the largest detractors were Japan Drilling Co, Ltd. (Energy), Signpost Corp (Healthcare) and Sumida Corp (Information Technology).

The Investment Adviser also actively researched and participated in IPOs for potential new growth companies in the portfolio.

#### **MARKET OUTLOOK**

The ongoing trade disputes may not end until the US midterm election is over, and Japan needs to prepare for a slowdown of corporates' capital expenditure under such an uncertain macro environment. The geopolitical threat that began many years ago will not end until North Korea makes significant changes. President Trump may initiate additional trade wars toward the end of this year, and will continue to test the global economy. The dollar/yen rate, a significant factor for company management in determining their capital expenditure plan, stayed consistent at 110Yen/USD. Company managers however, will be reluctant to increase their capital expenditure over the latter half of the year due to the above threats and global uncertainties. April to June earnings results will soon be available to ascertain the impact of the above conditions.

A severe shortage of talented people in Japan, especially in the technology sector, is hindering its productivity. Companies that introduced robots or AI to the business or production line are now lacking the expertise needed to capitalise on this investment. As a result, The Investment Adviser is slightly cautious about robot or AI related companies. The Investment Adviser is still positive about domestic companies, and believes they can generate strong bottom line growth given a decent macro environment. Current consensus net profit growth of this fiscal year is +4.3% year-on-year and +8.0% year-on-year for the next year. This gives Japan P/E 14.5x and 13.5x of the TOPIX index. The Investment Adviser will continue to research potential Japanese growth companies to position the Sub-Fund well once the trade dispute and geopolitical uncertainties subside.

Rheos Capital Works Inc.  
E.I. Sturdza Strategic Management Limited  
July 2018

# E.I. Sturdza Funds Plc

## Statement of Financial Position As at 30 June 2018

	Notes	Total 2018 EUR	SCPF 2018 USD	SEBF 2018 EUR	NGUF 2018 JPY	SEVF 2018 EUR	SGBF 2018 USD
<b>Assets</b>							
Cash and cash equivalents		97,746,300	4,851,251	921,927	55,891,614	36,433,205	1,465,731
Financial assets at fair value through profit or loss	3						
- Investment funds		24,245,771	-	-	-	-	-
- Transferable securities		1,327,429,979	186,080,998	30,858,630	3,087,849,186	601,879,462	24,784,937
- Derivative financial instruments		1,890,806	271,495	-	4,281,637	991,505	5,859
Subscription receivable		962,403	541,889	15,439	-	440,657	-
Due from broker		24,534,360	3,874,914	976,500	-	15,413,968	-
Dividend and interest receivable		2,565,120	862,235	190,140	2,577,000	711,256	178,235
Other receivables		179,933	9,501	10,130	1,437,072	75,613	8,946
<b>Total assets</b>		<b>1,479,554,672</b>	<b>196,492,283</b>	<b>32,972,766</b>	<b>3,152,036,509</b>	<b>655,945,666</b>	<b>26,443,708</b>
<b>Liabilities</b>							
Redemptions payable		14,585,000	9,810,118	53,523	-	6,124,447	-
Financial liabilities at fair value through profit or loss	3						
- Derivative financial instruments		546,310	16,182	82,525	-	219,899	-
Due to broker		10,337,341	-	-	-	6,128,806	-
Investment Manager fees payable	4	1,395,090	200,245	17,521	3,824,044	548,832	19,390
Performance fees payable	4	327,024	11,584	-	8,762	17,758	-
Administrator's fees payable	4	164,781	21,203	7,366	410,343	56,044	7,572
Depositary fees payable	4	279,335	96,938	19,123	3,194,506	78,851	20,329
Directors' fees payable	4	86,769	11,502	2,180	218,919	38,407	1,618
Termination fees payable		4,959	-	-	-	-	-
Sundry payables and accrued expenses		1,573,899	197,197	154,836	16,267,921	339,005	111,747
<b>Total liabilities</b>		<b>29,300,508</b>	<b>10,364,969</b>	<b>337,074</b>	<b>23,924,495</b>	<b>13,552,049</b>	<b>160,656</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>1,450,254,164</b>	<b>186,127,314</b>	<b>32,635,692</b>	<b>3,128,112,014</b>	<b>642,393,617</b>	<b>26,283,052</b>

The Sub-Funds' short names as presented above are defined on page 5.

*See accompanying notes to the financial statements*

# E.I. Sturza Funds Plc

## Statement of Financial Position (continued) As at 30 June 2018

	SMVF 2018 USD	SGQF 2018 USD	SESF 2018 EUR	SQBF 2018 USD	SBXF 2018 EUR	SJOF 2018 JPY
<b>Assets</b>						
Cash and cash equivalents	20,422,784	1,194,843	28,811,313	1,773,817	1,932,373	487,575,885
Financial assets at fair value through profit or loss						
- Investment funds	-	-	11,527,465	-	15,898,209	-
- Transferable securities	181,200,516	65,160,386	170,462,816	35,414,176	2,887,013	9,766,640,300
- Derivative financial instruments	144,150	138,714	-	123,417	162,205	15,319,527
Subscription receivable	-	-	-	-	-	5,455,176
Due from broker	494,607	793,678	125,814	3,486,750	-	78,815,708
Dividend and interest receivable	17,443	138,707	170,061	459,774	-	7,118,450
Other receivables	18,075	20,175	14,886	9,713	6,182	663,427
<b>Total assets</b>	<b>202,297,575</b>	<b>67,446,503</b>	<b>211,112,355</b>	<b>41,267,647</b>	<b>20,885,982</b>	<b>10,361,588,473</b>
<b>Liabilities</b>						
Redemptions payable	-	5,510	-	-	-	-
Financial liabilities at fair value through profit or loss						
- Derivative financial instruments	224,077	289	7,492	-	30,215	19,492
Due to broker	1,012,860	309,876	454,392	2,034,500	-	113,635,364
Investment Manager fees payable	234,916	68,918	228,524	27,992	13,952	10,910,842
Performance fees payable	-	5,327	17,794	-	356	35,766,361
Administrator's fees payable	21,016	10,398	22,162	8,412	6,359	1,412,311
Depository fees payable	49,607	-	-	16,034	-	-
Directors' fees payable	11,308	3,714	12,533	2,357	1,263	591,135
Termination fees payable	-	-	-	-	4,959	-
Sundry payables and accrued expenses	195,569	116,225	161,826	96,083	92,873	11,071,956
<b>Total liabilities</b>	<b>1,749,353</b>	<b>520,257</b>	<b>904,723</b>	<b>2,185,378</b>	<b>149,977</b>	<b>173,407,461</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>200,548,222</b>	<b>66,926,246</b>	<b>210,207,632</b>	<b>39,082,269</b>	<b>20,736,005</b>	<b>10,188,181,012</b>

The Sub-Funds' short names as presented above are defined on page 5.

*See accompanying notes to the financial statements*

## E.I. Sturdza Funds Plc

### Statement of Financial Position (continued) As at 31 December 2017

Notes	Total 2017 EUR	SCPF 2017 USD	SEBF 2017 EUR	NGUF 2017 JPY	SEVF 2017 EUR	SGBF 2017 USD
<b>Assets</b>						
Cash and cash equivalents	35,641,512	18,676	987,129	16,486,311	1,380,175	1,026,414
Financial assets at fair value through profit or loss	3					
- Investment funds	29,408,250	-	-	-	-	-
- Transferable securities	1,526,546,046	190,897,489	38,866,397	2,698,575,521	803,037,365	29,599,228
- Derivative financial instruments	1,812,678	250,395	41,214	1,408,771	1,090,615	-
Subscription receivable	4,285,582	11,863	-	-	2,257,373	915,400
Due from broker	6,747,846	1,816,158	1,804,923	-	-	4,600
Dividend and interest receivable	1,724,755	181,558	306,168	5,124,000	530,090	204,879
Other receivables	210,264	29,891	7,804	1,372,395	84,652	8,668
<b>Total assets</b>	<b>1,606,376,933</b>	<b>193,206,030</b>	<b>42,013,635</b>	<b>2,722,966,998</b>	<b>808,380,270</b>	<b>31,759,189</b>
<b>Liabilities</b>						
Redemptions payable	3,374,863	101,098	1,850,842	-	1,046,661	-
Financial liabilities at fair value through profit or loss	3					
- Derivative financial instruments	102,653	904	2,908	-	49,688	-
Due to broker	2,258,145	493,909	-	-	-	-
Investment Manager fees payable	4	1,610,873	197,478	23,783	3,215,334	763,943
Performance fees payable	4	1,410,303	247,622	-	119,132	275,411
Administrator's fees payable	4	156,084	17,598	6,256	396,798	70,631
Depository fees payable	4	358,037	127,913	19,505	4,009,970	103,768
Directors' fees payable	4	101,899	10,263	3,290	194,656	52,729
Sundry payables and accrued expenses	1,178,017	114,412	141,736	13,668,769	277,964	108,974
<b>Total liabilities</b>	<b>10,550,874</b>	<b>1,311,197</b>	<b>2,048,320</b>	<b>21,604,659</b>	<b>2,640,795</b>	<b>161,635</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>1,595,826,059</b>	<b>191,894,833</b>	<b>39,965,315</b>	<b>2,701,362,339</b>	<b>805,739,475</b>	<b>31,597,554</b>

The Sub-Funds' short names as presented above are defined on page 5.

*See accompanying notes to the financial statements*



## E.I. Sturdza Funds Plc

### Statement of Financial Position (continued) As at 31 December 2017

	SMVF	SGQF	SESF	SQBF	SBXF	SJOF <sup>(1)</sup>
	2017	2017	2017	2017	2017	2017
Notes	USD	USD	EUR	USD	EUR	JPY
<b>Assets</b>						
Cash and cash equivalents	18,601,715	1,307,650	6,707,810	1,476,209	2,519,213	709,564,957
Financial assets at fair value through profit or loss						
- Investment funds	-	-	11,554,973	-	22,313,942	-
- Transferable securities	177,836,484	67,169,184	175,386,326	38,019,848	4,080,913	8,914,733,900
- Derivative financial instruments	125,926	186,292	4,964	213,327	3,525	2,131,773
Subscription receivable	-	570,729	-	919,993	-	1,970,000
Due from broker	3,631,342	-	298,371	-	-	14,090,055
Dividend and interest receivable	33,841	89,435	-	419,908	-	10,341,270
Other receivables	18,210	23,349	12,879	16,921	5,974	1,081,791
<b>Total assets</b>	<b>200,247,518</b>	<b>69,346,639</b>	<b>193,965,323</b>	<b>41,066,206</b>	<b>28,923,567</b>	<b>9,653,913,746</b>
<b>Liabilities</b>						
Redemptions payable	19,674	-	-	207,459	204,016	-
Financial liabilities at fair value through profit or loss						
- Derivative financial instruments	286	-	12	4,653	10,165	4,736,291
Due to broker	603,915	-	-	-	-	181,789,632
Investment Manager fees payable	248,645	71,951	221,028	31,632	27,590	10,015,557
Performance fees payable	-	3,318	350,679	-	3,531	77,215,461
Administrator's fees payable	19,791	7,392	18,104	6,254	4,304	964,341
Depositary fees payable	53,487	-	9,634	19,938	1,881	956,339
Directors' fees payable	13,875	4,092	10,993	2,847	2,233	474,147
Sundry payables and accrued expenses	155,801	97,671	69,830	85,750	64,178	7,403,948
<b>Total liabilities</b>	<b>1,115,474</b>	<b>184,424</b>	<b>680,280</b>	<b>358,533</b>	<b>317,898</b>	<b>283,555,716</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>199,132,044</b>	<b>69,162,215</b>	<b>193,285,043</b>	<b>40,707,673</b>	<b>28,605,669</b>	<b>9,370,358,030</b>

The Sub-Funds' short names as presented above are defined on page 5.

<sup>(1)</sup> For the period 16 March 2017 (commencement of operations) to 31 December 2017.

# E.I. Sturdza Funds Plc

## Statement of Comprehensive Income For the six month period ended 30 June 2018

Notes	<b>Total 2018 EUR</b>	<b>SCPF 2018 USD</b>	<b>SEBF 2018 EUR</b>	<b>NGUF 2018 JPY</b>	<b>SEVF 2018 EUR</b>	<b>SGBF 2018 USD</b>
<b>Income/(Expense) from operating activities</b>						
Interest income	1,505,268	6,849	258,887	835	9,998	409,550
Dividend income	17,024,943	2,369,564	-	52,616,250	10,736,930	-
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(46,911,439)	(8,174,803)	(528,587)	(540,364,026)	(19,213,122)	(537,055)
Net gain/(loss) on foreign exchange	79,964	(1,781)	(344)	726,087	39,182	1,871
Other income	334,741	36,215	6,216	607,088	62,111	431
<b>Total income/(expense) from operating activities</b>	<b>(27,966,523)</b>	<b>(5,763,956)</b>	<b>(263,828)</b>	<b>(486,413,766)</b>	<b>(8,364,901)</b>	<b>(125,203)</b>
<b>Expenses</b>						
Investment Manager fees	4 (8,608,807)	(1,236,884)	(119,433)	(27,071,470)	(3,576,538)	(131,278)
Performance fees	4 (326,387)	(11,593)	-	(8,762)	(17,759)	-
Administrator's fees	4 (794,132)	(105,396)	(25,323)	(2,007,229)	(346,591)	(17,573)
Transaction costs	(1,642,794)	(613,712)	(748)	(1,590,775)	(698,233)	(2,030)
Depositary fees	4 (147,153)	(35,213)	(5,453)	(665,902)	(52,479)	(3,287)
Directors' fees	4 (126,048)	(18,120)	(2,953)	(394,416)	(51,539)	(2,349)
Consulting fees	4 (40,902)	(8,415)	(761)	(86,735)	(19,080)	(591)
Audit fees	(86,100)	(13,186)	(5,032)	(1,189,765)	(13,548)	(6,154)
Legal and other professional fees	4 (167,563)	(23,803)	(7,226)	(843,372)	(51,050)	(6,657)
Interest expense	(159,768)	(14,696)	(7,399)	(58,984)	(54,315)	(674)
Other expenses	4 (684,501)	(64,741)	(23,257)	(2,703,983)	(340,551)	(24,042)
<b>Total expenses</b>	<b>(12,784,155)</b>	<b>(2,145,759)</b>	<b>(197,585)</b>	<b>(36,621,393)</b>	<b>(5,221,683)</b>	<b>(194,635)</b>
Foreign exchange gain on translation	16,473,537	-	-	-	-	-
<b>Operating loss</b>	<b>(24,277,141)</b>	<b>(7,909,715)</b>	<b>(461,413)</b>	<b>(523,035,159)</b>	<b>(13,586,584)</b>	<b>(319,838)</b>
<b>Finance costs</b>						
Dividends to holders of redeemable participating shares	(15,283)	-	-	-	(15,283)	-
<b>Decrease in net assets attributable to holders of redeemable participating shares before tax</b>	<b>(24,292,424)</b>	<b>(7,909,715)</b>	<b>(461,413)</b>	<b>(523,035,159)</b>	<b>(13,601,867)</b>	<b>(319,838)</b>
Withholding tax on dividend income	(1,484,412)	(16,482)	-	(7,892,437)	(823,447)	-
<b>Decrease in net assets attributable to holders of redeemable participating shares from operations</b>	<b>(25,776,836)</b>	<b>(7,926,197)</b>	<b>(461,413)</b>	<b>(530,927,596)</b>	<b>(14,425,314)</b>	<b>(319,838)</b>

The Sub-Funds' short names as presented above are defined on page 5.

*See accompanying notes to the financial statements*

## E.I. Sturdza Funds Plc

### Statement of Comprehensive Income (continued) For the six month period ended 30 June 2018

Notes	SMVF 2018 USD	SGQF 2018 USD	SESF 2018 EUR	SQBF 2018 USD	SBXF 2018 EUR	SJOF 2018 JPY
<b>Income/(Expense) from operating activities</b>						
Interest income	32,094	3,199	92,446	928,293	14	1,828
Dividend income	745,310	831,513	2,096,283	-	-	67,853,960
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	6,569,985	(1,375,994)	(16,037,009)	(3,222,965)	(56,046)	(193,967,953)
Net gain/(loss) on foreign exchange	4,067	(6,378)	58,147	(4,665)	549	(2,278,517)
Other income	30,065	15,632	98,251	437	1,406	12,237,095
<b>Total income/(expense) from operating activities</b>	<b>7,381,521</b>	<b>(532,028)</b>	<b>(13,691,882)</b>	<b>(2,298,900)</b>	<b>(54,077)</b>	<b>(116,153,587)</b>
<b>Expenses</b>						
Investment Manager fees	4 (1,398,779)	(419,314)	(1,329,742)	(187,143)	(92,971)	(63,736,119)
Performance fees	4 (3,743)	(5,327)	(17,787)	-	(356)	(35,767,754)
Administrator's fees	4 (102,449)	(42,407)	(104,984)	(23,463)	(13,675)	(6,120,705)
Transaction costs	(58,730)	(57,929)	(250,342)	(2,193)	(17,808)	(7,144,142)
Depository fees	4 (10,365)	(4,169)	(11,854)	(5,540)	(10,044)	(1,790,596)
Directors' fees	4 (16,450)	(5,644)	(21,252)	(4,313)	(1,582)	(896,711)
Consulting fees	4 (3,976)	(1,327)	(5,239)	(971)	(637)	(242,968)
Audit fees	(10,826)	(9,218)	(8,446)	(6,369)	(4,803)	(949,465)
Legal and other professional fees	4 (17,239)	(9,059)	(34,183)	(7,293)	(6,169)	(1,229,932)
Interest expense	(1,457)	(1,448)	(58,499)	(760)	(13,429)	(1,295,332)
Other expenses	4 (73,788)	(38,687)	(51,005)	(21,896)	(39,848)	(3,167,454)
<b>Total expenses</b>	<b>(1,697,802)</b>	<b>(594,529)</b>	<b>(1,893,333)</b>	<b>(259,941)</b>	<b>(201,322)</b>	<b>(122,341,178)</b>
Foreign exchange gain on translation	-	-	-	-	-	-
<b>Operating profit/(loss)</b>	<b>5,683,719</b>	<b>(1,126,557)</b>	<b>(15,585,215)</b>	<b>(2,558,841)</b>	<b>(255,399)</b>	<b>(238,494,765)</b>
<b>Finance costs</b>						
Dividends to holders of redeemable participating shares	-	-	-	-	-	-
<b>Increase/(Decrease) in net assets attributable to holders of redeemable participating shares before tax</b>						
	5,683,719	(1,126,557)	(15,585,215)	(2,558,841)	(255,399)	(238,494,765)
Withholding tax on dividend income	(174,927)	(96,486)	(284,251)	-	-	(10,178,094)
<b>Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations</b>	<b>5,508,792</b>	<b>(1,223,043)</b>	<b>(15,869,466)</b>	<b>(2,558,841)</b>	<b>(255,399)</b>	<b>(248,672,859)</b>

The Sub-Funds' short names as presented above are defined on page 5.

*See accompanying notes to the financial statements*

## E.I. Sturdza Funds Plc

### Statement of Comprehensive Income (continued) For the six month period ended 30 June 2017

Notes	Total 2017 EUR	SCPF 2017 USD	SEBF 2017 EUR	NGUF 2017 JPY	SEVF 2017 EUR	SGBF 2017 USD
<b>Income/(Expense) from operating activities</b>						
Interest income	2,237,150	118	571,973	24	9,998	703,023
Dividend income	19,651,224	1,499,334	-	43,508,466	15,023,920	-
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	135,079,878	30,820,159	(652,571)	181,684,230	59,190,825	942,836
Net gain/(loss) on foreign exchange	(644,433)	29,706	2,127	(3,291,516)	(571,104)	(3,640)
Other income	746,742	198,233	20,169	6,324,200	268,779	21,850
<b>Total income/(expense) from operating activities</b>	<b>157,070,561</b>	<b>32,547,550</b>	<b>(58,302)</b>	<b>228,225,404</b>	<b>73,922,418</b>	<b>1,664,069</b>
<b>Expenses</b>						
Investment Manager fees	4 (9,187,746)	(702,532)	(205,345)	(25,694,235)	(4,905,988)	(244,252)
Performance fees	4 (2,485,550)	(360,350)	-	(257)	(99,329)	-
Administrator's fees	4 (776,362)	(54,516)	(32,223)	(2,025,601)	(412,498)	(28,025)
Transaction costs	(2,242,043)	(224,662)	(594)	(1,668,346)	(1,651,600)	(773)
Depository fees	4 (349,079)	(73,797)	(17,444)	(1,759,804)	(132,400)	(15,244)
Directors' fees	4 (201,232)	(13,693)	(9,396)	(473,902)	(107,255)	(6,889)
Consulting fees	4 (39,829)	(5,550)	(1,370)	(78,931)	(21,805)	(1,149)
Audit fees	(144,027)	(13,688)	(5,155)	(1,433,918)	(29,986)	(10,170)
Legal and other professional fees	4 (125,703)	(9,520)	(7,125)	(699,205)	(47,597)	(5,663)
Interest expense	(107,247)	(3,334)	(4,721)	(91,473)	(38,099)	(122)
Other expenses	4 (488,621)	(32,717)	(64,841)	(2,839,899)	(135,022)	(27,839)
<b>Total expenses</b>	<b>(16,147,439)</b>	<b>(1,494,359)</b>	<b>(348,214)</b>	<b>(36,765,571)</b>	<b>(7,581,579)</b>	<b>(340,126)</b>
Foreign exchange loss on translation	2 (38,591,933)	-	-	-	-	-
<b>Operating profit/(loss)</b>	<b>102,331,189</b>	<b>31,053,191</b>	<b>(406,516)</b>	<b>191,459,833</b>	<b>66,340,839</b>	<b>1,323,943</b>
Withholding tax on interest income	(26,597)	-	-	-	-	(29,110)
Withholding tax on dividend income	(2,582,290)	-	-	(6,447,291)	(1,963,179)	-
<b>Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations</b>	<b>99,722,302</b>	<b>31,053,191</b>	<b>(406,516)</b>	<b>185,012,542</b>	<b>64,377,660</b>	<b>1,294,833</b>

The Sub-Funds' short names as presented above are defined on page 5.

*See accompanying notes to the financial statements*

## E.I. Sturza Funds Plc

### Statement of Comprehensive Income (continued) For the six month period ended 30 June 2017

	SMVF 2017 USD	SGQF 2017 USD	SESF 2017 EUR	SQBF 2017 USD	SBXF 2017 EUR	SJOF <sup>(1)</sup> 2017 JPY
<b>Income/(Expense) from operating activities</b>						
Interest income	2,871	23	-	1,105,507	-	1,090
Dividend income	834,308	681,731	1,403,038	-	-	13,858,025
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	14,942,470	10,567,089	16,971,659	2,868,244	532,043	369,127,482
Net gain/(loss) on foreign exchange	(5,046)	(19,805)	(6,821)	11,874	448	(6,617,536)
Other income	115,551	51,049	17,360	35,792	2,775	(8,586)
<b>Total income/(expense) from operating activities</b>	<b>15,890,154</b>	<b>11,280,087</b>	<b>18,385,236</b>	<b>4,021,417</b>	<b>535,266</b>	<b>376,360,475</b>
<b>Expenses</b>						
Investment Manager fees	4 (1,560,615)	(376,994)	(788,980)	(210,002)	(128,751)	(14,825,358)
Performance fees	4 (1,040)	(30,319)	(1,885,766)	-	(28,519)	(13,943,333)
Administrator's fees	4 (106,389)	(44,196)	(51,360)	(24,310)	(15,907)	(1,539,713)
Transaction costs	(84,392)	(90,838)	(125,451)	(552)	(36,785)	(5,793,647)
Depository fees	4 (48,916)	(9,043)	(19,866)	(13,705)	(9,457)	(1,062,016)
Directors' fees	4 (31,163)	(10,534)	(12,800)	(5,978)	(3,127)	(295,041)
Consulting fees	4 (4,716)	(1,776)	(2,104)	(994)	(592)	(43,006)
Audit fees	(20,761)	(23,791)	(10,603)	(12,748)	(9,613)	(341,183)
Legal and other professional fees	4 (15,163)	(8,686)	(9,283)	(6,836)	(9,569)	(550,401)
Interest expense	(97)	(1,842)	(38,742)	(500)	(12,938)	(808,512)
Other expenses	4 (45,944)	(70,889)	(23,933)	(30,692)	(33,624)	(2,183,242)
<b>Total expenses</b>	<b>(1,919,196)</b>	<b>(668,908)</b>	<b>(2,968,888)</b>	<b>(306,317)</b>	<b>(288,882)</b>	<b>(4,1385,452)</b>
Foreign exchange loss on translation	2 -	-	-	-	-	-
<b>Operating profit/(loss)</b>	<b>13,970,958</b>	<b>10,611,179</b>	<b>15,416,348</b>	<b>3,715,100</b>	<b>246,384</b>	<b>334,975,023</b>
Withholding tax on dividend income	(209,672)	(133,265)	(235,969)	-	-	(2,087,996)
<b>Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations</b>	<b>13,761,286</b>	<b>10,477,914</b>	<b>15,180,379</b>	<b>3,715,100</b>	<b>246,384</b>	<b>332,887,027</b>

The Sub-Funds' short names as presented above are defined on page 5.

<sup>(1)</sup> For the period 16 March 2017 (commencement of operations) to 30 June 2017.

*See accompanying notes to the financial statements*

## E.I. Sturdza Funds Plc

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares For the six month period ended 30 June 2018

	SCPF 2018 USD	SEBF 2018 EUR	NGUF 2018 JPY	SEVF 2018 EUR	SGBF 2018 USD	SMVF 2018 USD
Net assets attributable to redeemable participating shares at beginning of period	191,894,833	39,965,315	2,701,362,339	805,739,475	31,597,554	199,132,044
Proceeds from redeemable participating shares issued:						
USD Class	9,497,816	-	-	-	313,425	2,003,243
USD Hedged Class	-	-	-	181,220	-	-
EUR Class	-	-	-	6,802,462	-	-
EUR Hedged Class	8,024,058	-	6,265,329	-	-	2,890,173
GBP Hedged Class	953,521	-	-	-	-	-
EUR Distributing Class	-	-	-	-	-	-
EUR Accumulating Class	-	396,600	-	-	-	-
EUR Institutional Class	-	3,287,606	-	21,280,928	-	-
EUR Hedged Institutional Class	10,492,313	-	43,155,840	-	-	-
CHF Hedged Class	639,344	-	-	589,506	-	745,516
USD Institutional Class	24,452,157	-	-	-	-	226,097
USD Super Institutional Class	-	-	-	-	-	-
GBP Hedged Institutional Class	-	-	-	442,837	-	-
USD Hedged Institutional Class	-	-	-	2,047	-	-
USD Hedged Super Institutional Class	-	-	-	419,183	-	-
CHF Hedged Institutional Class	1,314,977	-	-	1,606,352	-	-
EUR Retail Class	-	-	-	1,278,854	-	-
EUR Hedged R Class	480,662	-	-	-	-	-
EUR Super Institutional Class	-	-	-	41,117,631	-	-
EUR Institutional Distributing Class	-	-	-	27,866,231	-	-
JPY Class A	-	-	2,022,407,474	-	-	-
JPY Class B Accumulating	-	-	27,436,715	-	-	-
EUR SP Class	-	-	-	10,592,614	-	-
<b>Total proceeds from redeemable participating shares issued</b>	<b>55,854,848</b>	<b>3,684,206</b>	<b>2,099,265,358</b>	<b>112,179,865</b>	<b>313,425</b>	<b>5,865,029</b>

The Sub-Funds' short names as presented above are defined on page 5.

*See accompanying notes to the financial statements*

## E.I. Sturdza Funds Plc

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued) For the six month period ended 30 June 2018

	SCPF 2018 USD	SEBF 2018 EUR	NGUF 2018 JPY	SEVF 2018 EUR	SGBF 2018 USD	SMVF 2018 USD
Payments on redemption of redeemable participating shares:						
USD Class	(17,491,336)	-	-	-	(5,308,089)	(9,294,116)
USD Hedged Class	-	-	-	(529,843)	-	-
EUR Hedged Class	(11,610,008)	-	(13,217,339)	-	-	(256,940)
GBP Hedged Class	(154,332)	-	-	-	-	-
EUR Distributing Class	-	(414,811)	-	-	-	-
USD Super Institutional Class	-	-	-	-	-	-
USD Hedged Super Institutional Class	-	-	-	(630,989)	-	-
EUR Super Institutional Class	-	-	-	(31,799,628)	-	-
EUR Accumulating Class	-	(4,060,785)	-	-	-	-
JPY Class B Accumulating	-	-	(139,653,545)	-	-	-
RMB Class	-	-	-	-	-	-
EUR Institutional Class	-	(4,849,365)	-	(122,673,348)	-	-
CHF Hedged Accumulating Class	-	(1,227,455)	-	-	-	-
CHF Hedged Class	-	-	-	(5,475,996)	-	-
JPY Class D Institutional	-	-	-	-	-	-
USD Institutional Class	(19,163,590)	-	-	-	-	-
USD Hedged Institutional Class	-	-	-	(905,626)	-	-
GBP Hedged Institutional Class	-	-	-	(3,591,247)	-	-
CHF Hedged Class	(26,911)	-	-	-	-	(406,587)
EUR Class	-	-	-	(81,584,575)	-	-
EUR Hedged Institutional Class	(5,249,993)	-	(31,003,803)	-	-	-
EUR Retail Class	-	-	-	(4,848,663)	-	-
EUR Institutional Distributing Class	-	-	-	(7,539,913)	-	-
EUR Hedged R Class	-	-	-	-	-	-
JPY Class A	-	-	(957,713,400)	-	-	-
CHF Hedged Institutional Class	-	-	-	(1,520,581)	-	-
<b>Total payments on redemption of redeemable participating shares</b>	<b>(53,696,170)</b>	<b>(10,552,416)</b>	<b>(1,141,588,087)</b>	<b>(261,100,409)</b>	<b>(5,308,089)</b>	<b>(9,957,643)</b>
<b>Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations</b>	<b>(7,926,197)</b>	<b>(461,413)</b>	<b>(530,927,596)</b>	<b>(14,425,314)</b>	<b>(319,838)</b>	<b>5,508,792</b>
<b>Net assets attributable to redeemable participating shares at end of period</b>	<b>186,127,314</b>	<b>32,635,692</b>	<b>3,128,112,014</b>	<b>642,393,617</b>	<b>26,283,052</b>	<b>200,548,222</b>

The Sub-Funds' short names as presented above are defined on page 5.

*See accompanying notes to the financial statements*

## E.I. Sturdza Funds Plc

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued) For the six month period ended 30 June 2018

	SGQF 2018 USD	SESF 2018 EUR	SQBF 2018 USD	SBXF 2018 EUR	SJOF 2018 JPY
Net assets attributable to redeemable participating shares at beginning of period	69,162,215	193,285,043	40,707,673	28,605,669	9,370,358,030
Proceeds from redeemable participating shares issued:					
USD Class	1,937,707	-	1,417,002	-	-
EUR Class	-	10,627,924	-	-	-
EUR X Class	-	848,962	-	-	-
EUR Hedged Class	469,522	-	681,183	-	315,078,883
JPY Class	-	-	-	-	292,891,804
JPY Institutional Class	-	-	-	-	488,727,500
EUR Institutional Class	-	48,306,030	-	5,140,962	-
EUR Hedged Institutional Class	672,513	-	-	-	140,117,796
USD Hedged Class	-	-	-	-	144,992,901
USD Hedged Institutional Class	-	-	-	-	50,249,666
USD Institutional Class	1,441,579	-	4,500,000	-	-
CHF Hedged Class	1,536,856	473,299	568,539	-	-
EUR Retail Class	-	-	-	-	-
<b>Total proceeds from redeemable participating shares issued</b>	<b>6,058,177</b>	<b>60,256,215</b>	<b>7,166,724</b>	<b>5,140,962</b>	<b>1,432,058,550</b>

The Sub-Funds' short names as presented above are defined on page 5.

*See accompanying notes to the financial statements*



## E.I. Sturdza Funds Plc

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued) For the six month period ended 30 June 2018

	SGQF 2018 USD	SESF 2018 EUR	SQBF 2018 USD	SBXF 2018 EUR	SJOF 2018 JPY
Payments on redemption of redeemable participating shares:					
USD Class	(3,026,212)	-	(2,222,070)	-	-
EUR Class	-	(5,759,396)	-	(1,026,780)	-
EUR X Class	-	(5,907,965)	-	-	-
EUR Hedged Class	(90,047)	-	(1,057,738)	-	(173,777,381)
EUR Institutional Class	-	(15,232,818)	-	(4,605,471)	-
EUR Hedged Institutional Class	-	-	(58,063)	-	(8,452,249)
CHF Hedged Class	(511,595)	(563,981)	(2,895,416)	-	-
JPY Class	-	-	-	-	(165,635,159)
USD Institutional Class	(3,443,249)	-	-	-	-
EUR Retail Class	-	-	-	(7,122,976)	-
USD Hedged Class	-	-	-	-	(17,697,920)
USD Hedged Institutional Class	-	-	-	-	-
JPY Institutional Class	-	-	-	-	-
<b>Total payments on redemption of redeemable participating shares</b>	<b>(7,071,103)</b>	<b>(27,464,160)</b>	<b>(6,233,287)</b>	<b>(12,755,227)</b>	<b>(365,562,709)</b>
<b>Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations</b>	<b>(1,223,043)</b>	<b>(15,869,466)</b>	<b>(2,558,841)</b>	<b>(255,399)</b>	<b>(248,672,859)</b>
<b>Net assets attributable to redeemable participating shares at end of period</b>	<b>66,926,246</b>	<b>210,207,632</b>	<b>39,082,269</b>	<b>20,736,005</b>	<b>10,188,181,012</b>

The Sub-Funds' short names as presented above are defined on page 5.

*See accompanying notes to the financial statements*

## E.I. Sturdza Funds Plc

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued) For the six month period ended 30 June 2017

	SCPF 2017 USD	SEBF 2017 EUR	NGUF 2017 JPY	SEVF 2017 EUR	SGBF 2017 USD	SMVF 2017 USD
Net assets attributable to redeemable participating shares at beginning of period	92,129,013	65,897,574	4,195,660,656	930,101,157	63,924,196	214,263,041
Proceeds from redeemable participating shares issued:						
USD Class	2,391,895	-	-	-	1,198,975	3,820,573
USD Hedged Class	-	-	-	301,263	-	-
EUR Class	-	-	-	25,360,863	-	-
EUR Hedged Class	2,079,508	-	264,604,094	-	-	53,801
GBP Hedged Class	179,664	-	-	-	-	-
EUR Distributing Class	-	5,970	-	-	-	-
EUR Accumulating Class	-	7,033,790	-	-	-	-
JPY Class B Accumulating	-	-	53,546,000	-	-	-
EUR Institutional Class	-	13,649,780	-	66,842,822	-	-
EUR Hedged Institutional Class	1,955,302	-	18,147,554	-	-	-
CHF Hedged Class	-	-	-	-	-	756,119
USD Institutional Class	24,310,819	-	-	-	-	2,979,030
USD Hedged Institutional Class	-	-	-	286,817	-	-
USD Hedged Super Institutional Class	-	-	-	167,792	-	-
GBP Hedged Institutional Class	-	-	-	1,768,441	-	-
CHF Hedged Class	-	-	-	2,708,078	-	-
CHF Hedged Institutional Class	-	-	-	4,100,454	-	-
EUR Retail Class	-	-	-	2,422,812	-	-
EUR Super Institutional Class	-	-	-	22,009,533	-	-
EUR Institutional Distributing Class	-	-	-	4,456,460	-	-
<b>Total proceeds from redeemable participating shares issued</b>	<b>30,917,188</b>	<b>20,689,540</b>	<b>336,297,648</b>	<b>130,425,335</b>	<b>1,198,975</b>	<b>7,609,523</b>

The Sub-Funds' short names as presented above are defined on page 5.

*See accompanying notes to the financial statements*

## E.I. Sturdza Funds Plc

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued) For the six month period ended 30 June 2017

	SCPF 2017 USD	SEBF 2017 EUR	NGUF 2017 JPY	SEVF 2017 EUR	SGBF 2017 USD	SMVF 2017 USD
Payments on redemption of redeemable participating shares:						
USD Class	(14,080,319)	-	-	-	(16,039,217)	(9,961,397)
USD Hedged Class	-	-	-	(357,800)	-	-
EUR Hedged Class	(1,940,770)	-	(447,269,152)	-	-	(367,101)
GBP Hedged Class	(27,421)	-	-	-	-	-
EUR Distributing Class	-	(595,757)	-	-	-	-
USD Hedged Super Institutional Class	-	-	-	(487,941)	-	-
EUR Super Institutional Class	-	-	-	(51,155,474)	-	-
EUR Accumulating Class	-	(8,607,004)	-	-	-	-
JPY Class B Accumulating	-	-	(743,572,894)	-	-	-
RMB Hedged Class	-	-	-	-	(306,356)	-
EUR Institutional Class	-	(8,515,163)	-	(116,570,306)	-	-
CHF Hedged Accumulating Class	-	(7,192,263)	-	-	-	-
CHF Hedged Class	-	-	-	(7,141,590)	-	-
JPY Class D Institutional	-	-	(136,926,560)	-	-	-
USD Institutional Class	(5,704,209)	-	-	-	-	(588,115)
USD Hedged Institutional Class	-	-	-	(57,173)	-	-
GBP Hedged Institutional Class	-	-	-	(939,354)	-	-
CHF Hedged Class	-	-	-	-	-	(435,982)
EUR Class	-	-	-	(74,880,560)	-	-
EUR Hedged Institutional Class	(1,109,527)	-	(99,418,638)	-	-	-
EUR Retail Class	-	-	-	(2,647,633)	-	-
EUR Institutional Distributing Class	-	-	-	(651,199)	-	-
<b>Total payments on redemption of redeemable participating shares</b>	<b>(22,862,246)</b>	<b>(24,910,187)</b>	<b>(1,427,187,244)</b>	<b>(254,889,030)</b>	<b>(16,345,573)</b>	<b>(11,352,595)</b>
<b>Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations</b>	<b>31,053,191</b>	<b>(406,516)</b>	<b>185,012,542</b>	<b>64,377,660</b>	<b>1,294,833</b>	<b>13,761,286</b>
<b>Net assets attributable to redeemable participating shares at end of period</b>	<b>131,237,146</b>	<b>61,270,411</b>	<b>3,289,783,602</b>	<b>870,015,122</b>	<b>50,072,431</b>	<b>224,281,255</b>

The Sub-Funds' short names as presented above are defined on page 5.

*See accompanying notes to the financial statements*

## E.I. Sturdza Funds Plc

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued) For the six month period ended 30 June 2017

	SGQF 2017 USD	SESF 2017 EUR	SQBF 2017 USD	SBXF 2017 EUR	SJOF <sup>(1)</sup> 2017 JPY
Net assets attributable to redeemable participating shares at beginning of period	59,664,292	65,239,143	51,415,818	5,513,260	-
Proceeds from redeemable participating shares issued:					
USD Class	4,606,497	-	2,191,178	-	-
EUR Class	-	55,008,589	-	5,310,204	-
EUR Class X	-	15,957,608	-	-	-
EUR Hedged Class	-	-	222,043	-	342,427,130
JPY Class	-	-	-	-	1,715,794,072
JPY Institutional Class	-	-	-	-	2,187,700,000
EUR Institutional Class	-	11,206,439	-	20,178,458	-
EUR Hedged Institutional Class	-	-	88,019	-	-
USD Hedged Class	-	-	-	-	247,277,203
USD Hedged Institutional Class	-	-	-	-	486,466,690
USD Institutional Class	7,277,555	-	2,000,000	-	-
CHF Hedged Class	885,043	1,480,525	1,280,588	-	-
EUR Retail Class	-	-	-	7,000,000	-
<b>Total proceeds from redeemable participating shares issued</b>	<b>12,769,095</b>	<b>83,653,161</b>	<b>5,781,828</b>	<b>32,488,662</b>	<b>4,979,665,095</b>

The Sub-Funds' short names as presented above are defined on page 5.

<sup>(1)</sup>For the period 16 March 2017 (commencement of operations) to 30 June 2017.

*See accompanying notes to the financial statements*

## E.I. Sturdza Funds Plc

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued) For the six month period ended 30 June 2017

	SGQF 2017 USD	SESF 2017 EUR	SQBF 2017 USD	SBXF 2017 EUR	SJOF <sup>(1)</sup> 2017 JPY
Payments on redemption of redeemable participating shares:					
USD Class	(1,955,355)	-	(11,543,812)	-	-
EUR X Class	-	(493,429)	-	-	-
EUR Hedged Class	-	-	(1,436,390)	-	(156,210,989)
EUR Institutional Class	-	(87,514)	-	(1,653,538)	-
EUR Hedged Institutional Class	-	-	(1,148,412)	-	-
CHF Hedged Class	(544,280)	-	(671,248)	-	-
JPY Class	-	-	-	-	(24,544,083)
USD Institutional Class	(15,343,832)	-	-	-	-
EUR Class	-	(6,147,648)	-	-	-
<b>Total payments on redemption of redeemable participating shares</b>	<b>(17,843,467)</b>	<b>(6,728,591)</b>	<b>(14,799,862)</b>	<b>(1,653,538)</b>	<b>(180,755,072)</b>
<b>Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations</b>	<b>10,477,914</b>	<b>15,180,379</b>	<b>3,715,100</b>	<b>246,384</b>	<b>332,887,027</b>
<b>Net assets attributable to redeemable participating shares at end of period</b>	<b>65,067,834</b>	<b>157,344,092</b>	<b>46,112,884</b>	<b>36,594,768</b>	<b>5,131,797,050</b>

The Sub-Funds' short names as presented above are defined on page 5.

<sup>(1)</sup> For the period 16 March 2017 (commencement of operations) to 30 June 2017.

*See accompanying notes to the financial statements*

# E.I. Sturdza Funds Plc

## Statement of Cash Flows For the six month period ended 30 June 2018

	<b>Total 30 June 2018 EUR</b>	<b>Total 30 June 2017 EUR</b>
<b>Cash flows from operating activities</b>		
(Decrease)/Increase in net assets attributable to holders of redeemable participating shares from operations	(25,776,836)	99,722,302
Adjustments to reconcile (decrease)/increase in net assets attributable to holders of redeemable participating shares from operations to net cash from operating activities:		
Net decrease in receivables	(18,596,549)	(12,674,274)
Net increase in liabilities	7,095,840	31,356,892
Net decrease/(increase) in investments	204,644,075	(59,753,234)
<b>Net cash from operating activities</b>	<b>167,366,530</b>	<b>58,651,686</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issuance of redeemable participating shares	273,356,504	372,729,062
Net payments on redemption of redeemable participating shares	(378,618,246)	(409,665,586)
<b>Net cash used in financing activities</b>	<b>(105,261,742)</b>	<b>(36,936,524)</b>
<b>Net increase in cash and cash equivalents</b>	62,104,788	21,715,162
Cash and cash equivalents at beginning of the period	35,641,512	49,736,072
<b>Cash and cash equivalents at end of the period</b>	<b>97,746,300</b>	<b>71,451,234</b>
<b>Cash and cash equivalents at end of the period is comprised of:</b>		
Cash and cash equivalents	97,746,300	71,451,234
<b>Cash and cash equivalents at end of the period</b>	<b>97,746,300</b>	<b>71,451,234</b>
<b>Supplementary disclosure of cash flow information:</b>		
Interest received	1,595,154	2,713,384
Dividend received	16,094,692	19,793,395
Interest paid	(159,768)	(120,581)

*See accompanying notes to the financial statements*

# E.I. Sturdza Funds Plc

## Notes to the Financial Statements For the six month period ended 30 June 2018

### 1. General information

E.I. Sturdza Funds Plc (the “Company”) is an open-ended umbrella investment company with variable capital and segregated liability between Sub-Funds, incorporated in Ireland on 27 August 2008 under the Companies Act, 2014 with registration number 461518. The Company has been authorised by the Central Bank of Ireland (“Central Bank”) as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) pursuant to the Central Bank’s UCITS Regulations.

The Company is structured as an umbrella fund consisting of eleven Sub-Funds: Strategic China Panda Fund (“SCPF”), Strategic Euro Bond Fund (“SEBF”), Nippon Growth (UCITS) Fund (“NGUF”), Strategic Europe Value Fund (“SEVF”), Strategic Global Bond Fund (“SGBF”), Strategic US Momentum and Value Fund (“SMVF”), Strategic Global Quality Fund (“SGQF”), Strategic European Smaller Companies Fund (“SESF”), Strategic Quality Emerging Bond Fund (“SQBF”), Strategic Beta Flex Fund (“SBXF”) and Strategic Japan Opportunities Fund (“SJOF”) (collectively referred to as the “Sub-Funds”).

The Strategic Europe Value Fund launched the EUR SP Class on 7 March 2018, the Strategic Japan Opportunities Fund launched the EUR Hedged Institutional Class on 14 March 2018 and the Strategic China Panda Fund launched the EUR Hedged R Class on 24 January 2018 and the CHF Hedged Institutional Class on 26 June 2018. None of these share classes were listed on Euronext Dublin (formerly the Irish Stock Exchange).

As at 30 June 2018, certain share classes of the Sub-Funds were listed on Euronext Dublin as follows:

Share Class	SCPF	SEBF	NGUF	SEVF	SGBF	SMVF	SGQF	SESF
CHF Hedged Accumulating Class	-	28 Jan 2013	-	-	-	-	-	-
CHF Hedged Class	18 Oct 2017	-	-	28 Jan 2013	-	5 Dec 2013	9 Jun 2016	29 Mar 2017
EUR Hedged Class	2 Oct 2008	-	17 May 2013	-	-	5 Dec 2013	-	-
EUR Accumulating Class	-	28 Apr 2009	-	-	-	-	-	-
EUR Class	-	-	-	1 Nov 2010	-	-	-	6 May 2015
EUR Hedged Class	-	-	-	-	-	-	19 Dec 2017	-
EUR Class X	-	-	-	-	-	-	-	20 Oct 2016
EUR Distributing Class	-	28 Apr 2009	-	-	-	-	-	-
EUR Hedged Institutional Class	6 Aug 2015	-	2 Apr 2013	-	-	-	-	-
EUR Institutional Class	-	7 Jan 2013	-	7 Jan 2013	-	-	19 Dec 2017	20 Mar 2017
GBP Hedged Institutional Class	-	-	-	1 Jul 2014	-	-	-	-
GBP Hedged Class	2 Oct 2008	-	-	-	-	-	-	-
JPY Class A	-	-	27 Oct 2009	-	-	-	-	-
JPY Class B Accumulating	-	-	18 Jan 2010	-	-	-	-	-

# E.I. Sturdza Funds Plc

## Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

### 1. General information (continued)

Share Class	SCPF	NGUF	SEVF	SGBF	SMVF	SGQF
JPY Class D Institutional	-	27 May 2013	-	-	-	-
USD Class	2 Oct 2008	-	-	12 Jun 2012	2 Jul 2012	17 Feb 2016
USD Hedged Class	-	-	15 Mar 2016	-	-	-
USD Institutional Class	13 Mar 2014	-	-	-	30 Jun 2014	30 Dec 2014
USD Hedged Institutional Class	-	-	4 Dec 2015	-	-	-
EUR Institutional Distributing Class	-	-	11 Nov 2015	-	-	-
EUR Retail Class	-	-	18 Dec 2015	-	-	-
EUR Super Institutional Class	-	-	29 Sep 2016	-	-	-
USD Hedged Super Institutional Class	-	-	29 Sep 2016	-	-	-
CHF Hedged Institutional Class	-	-	19 Apr 2017	-	-	-

None of the share classes of Strategic Quality Emerging Bond Fund, Strategic Beta Flex Fund and Strategic Japan Opportunities Fund were listed on Euronext Dublin.

### 2. Significant accounting policies

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. Specifically, these interim financial statements have been prepared in accordance with IAS (International Accounting Standard) 34: Interim Financial Reporting.

The comparative figures for the Statement of Financial Position relate to the year ended 31 December 2017. The comparative figures for the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and Statement of Cash Flows relate to the period from 1 January 2017 to 30 June 2017.

For the purpose of aggregating the financial statements of the Sub-Funds, the Statement of Financial Position figures for the Strategic China Panda Fund, the Nippon Growth (UCITS) Fund, Strategic Global Bond Fund, Strategic US Momentum and Value Fund, Strategic Global Quality Fund, Strategic Quality Emerging Bond Fund and Strategic Japan Opportunities Fund have been translated to EUR at the exchange rates ruling at the period end, while the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and Statement of Cash Flows have been translated at the average exchange rates for the period. The resulting gain or loss that arises at Company level has no effect on the Net Asset Value per share attributable to the individual Sub-Funds.



## **E.I. Sturdza Funds Plc**

### **Notes to the Financial Statements (continued) For the six month period ended 30 June 2018**

#### **2. Significant accounting policies (continued)**

The accounting policies applied in these interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 31 December 2017. These interim financial statements should be read in conjunction with the year end financial statements.

#### **Standards, amendments and interpretations that are effective 1 January 2018 and have been adopted by the Company**

**IFRS 9, Financial Instruments:** IFRS 9, published in July 2014, will replace the existing guidance in IAS 39. It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company performed an assessment of the requirements of IFRS 9 and determined that the equity, debt and derivative investments held by the Sub-Funds will continue to be classified as held for trading and will continue to be measured as at fair value through profit or loss. The other financial assets and liabilities held at amortised cost are of a short-term nature and no material credit loss is expected to arise. The Company adopted IFRS 9 on the required effective date and its adoption did not have an impact on the Company's financial statements.

**IFRS 15, Revenue from Contracts with Customers:** IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and supersedes all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Company adopted IFRS 15 on the required effective date and its adoption did not have an impact on the Company's financial statements.

#### **Accounting standards in issue that are not yet effective and have not been early adopted**

There are no standards, interpretations or amendments to existing standards that are not yet effective that is expected to have a significant impact on the Company.

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 3. Financial assets and liabilities at fair value through profit or loss

The following tables present the financial instruments carried on the Statement of Financial Position by caption and by level within the fair value hierarchy as at 30 June 2018 and 31 December 2017.

##### Strategic China Panda Fund

	Level 1 30 June 2018 USD	Level 2 30 June 2018 USD	Level 3 30 June 2018 USD	Total 30 June 2018 USD
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Equity securities	181,942,840	-	-	181,942,840
- Participatory notes	-	4,138,158	-	4,138,158
- Forward foreign exchange contracts	-	271,495	-	271,495
<b>Total financial assets at fair value through profit or loss</b>	181,942,840	4,409,653	-	186,352,493

<b>Financial Liabilities at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	16,182	-	16,182
<b>Total financial liabilities at fair value through profit or loss</b>	-	16,182	-	16,182

	Level 1 31 December 2017 USD	Level 2 31 December 2017 USD	Level 3 31 December 2017 USD	Total 31 December 2017 USD
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Equity securities	175,257,071	-	-	175,257,071
- Participatory notes	-	15,640,418	-	15,640,418
- Forward foreign exchange contracts	-	250,395	-	250,395
<b>Total financial assets at fair value through profit or loss</b>	175,257,071	15,890,813	-	191,147,884

<b>Financial Liabilities at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	904	-	904
<b>Total financial liabilities at fair value through profit or loss</b>	-	904	-	904

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 3. Financial assets and liabilities at fair value through profit or loss (continued)

##### Strategic Euro Bond Fund

	Level 1 30 June 2018 EUR	Level 2 30 June 2018 EUR	Level 3 30 June 2018 EUR	Total 30 June 2018 EUR
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Debt securities	30,858,630	-	-	30,858,630
<b>Total financial assets at fair value through profit or loss</b>	<b>30,858,630</b>	<b>-</b>	<b>-</b>	<b>30,858,630</b>
<b>Financial Liabilities at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Futures contracts	75,630	-	-	75,630
- Forward foreign exchange contracts	-	6,895	-	6,895
<b>Total financial liabilities at fair value through profit or loss</b>	<b>75,630</b>	<b>6,895</b>	<b>-</b>	<b>82,525</b>
	Level 1 31 December 2017 EUR	Level 2 31 December 2017 EUR	Level 3 31 December 2017 EUR	Total 31 December 2017 EUR
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Debt securities	38,866,397	-	-	38,866,397
- Futures contracts	27,900	-	-	27,900
- Forward foreign exchange contracts	-	13,314	-	13,314
<b>Total financial assets at fair value through profit or loss</b>	<b>38,894,297</b>	<b>13,314</b>	<b>-</b>	<b>38,907,611</b>
<b>Financial Liabilities at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	2,908	-	2,908
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>2,908</b>	<b>-</b>	<b>2,908</b>

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 3. Financial assets and liabilities at fair value through profit or loss (continued)

##### Nippon Growth (UCITS) Fund

	Level 1 30 June 2018 JPY	Level 2 30 June 2018 JPY	Level 3 30 June 2018 JPY	Total 30 June 2018 JPY
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Equity securities	3,087,849,186	-	-	3,087,849,186
- Forward foreign exchange contracts	-	4,281,637	-	4,281,637
<b>Total financial assets at fair value through profit or loss</b>	3,087,849,186	4,281,637	-	3,092,130,823

	Level 1 31 December 2017 JPY	Level 2 31 December 2017 JPY	Level 3 31 December 2017 JPY	Total 31 December 2017 JPY
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Equity securities	2,698,575,521	-	-	2,698,575,521
- Forward foreign exchange contracts	-	1,408,771	-	1,408,771
<b>Total financial assets at fair value through profit or loss</b>	2,698,575,521	1,408,771	-	2,699,984,292

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 3. Financial assets and liabilities at fair value through profit or loss (continued)

##### Strategic Europe Value Fund

	Level 1 30 June 2018 EUR	Level 2 30 June 2018 EUR	Level 3 30 June 2018 EUR	Total 30 June 2018 EUR
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Equity securities	601,879,462	-	-	601,879,462
- Forward foreign exchange contracts	-	314	-	314
- Options contracts	991,191	-	-	991,191
<b>Total financial assets at fair value through profit or loss</b>	<b>602,870,653</b>	<b>314</b>	<b>-</b>	<b>602,870,967</b>

##### **Financial Liabilities at Fair Value through Profit or Loss**

*Held for trading:*

- Forward foreign exchange contracts	-	219,899	-	219,899
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>219,899</b>	<b>-</b>	<b>219,899</b>

	Level 1 31 December 2017 EUR	Level 2 31 December 2017 EUR	Level 3 31 December 2017 EUR	Total 31 December 2017 EUR
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Equity securities	803,037,365	-	-	803,037,365
- Options contracts	988,333	-	-	988,333
- Forward foreign exchange contracts	-	102,282	-	102,282
<b>Total financial assets at fair value through profit or loss</b>	<b>804,025,698</b>	<b>102,282</b>	<b>-</b>	<b>804,127,980</b>

##### **Financial Liabilities at Fair Value through Profit or Loss**

*Held for trading:*

- Forward foreign exchange contracts	-	49,688	-	49,688
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>49,688</b>	<b>-</b>	<b>49,688</b>

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 3. Financial assets and liabilities at fair value through profit or loss (continued)

##### Strategic Global Bond Fund

	Level 1 30 June 2018 USD	Level 2 30 June 2018 USD	Level 3 30 June 2018 USD	Total 30 June 2018 USD
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Debt securities	24,784,937	-	-	24,784,937
- Futures contracts	5,859	-	-	5,859
<b>Total financial assets at fair value through profit or loss</b>	<b>24,790,796</b>	-	-	<b>24,790,796</b>
	Level 1 31 December 2017 USD	Level 2 31 December 2017 USD	Level 3 31 December 2017 USD	Total 31 December 2017 USD
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Debt securities	29,599,228	-	-	29,599,228
<b>Total financial assets at fair value through profit or loss</b>	<b>29,599,228</b>	-	-	<b>29,599,228</b>

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 3. Financial assets and liabilities at fair value through profit or loss (continued)

##### Strategic US Momentum and Value Fund

	Level 1 30 June 2018 USD	Level 2 30 June 2018 USD	Level 3 30 June 2018 USD	Total 30 June 2018 USD
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Equity securities	181,200,516	-	-	181,200,516
- Options contracts	90,000	-	-	90,000
- Forward foreign exchange contracts	-	54,150	-	54,150
<b>Total financial assets at fair value through profit or loss</b>	<b>181,290,516</b>	<b>54,150</b>	<b>-</b>	<b>181,344,666</b>

##### **Financial Liabilities at Fair Value through Profit or Loss**

*Held for trading:*

- Options contracts	224,077	-	-	224,077
<b>Total financial liabilities at fair value through profit or loss</b>	<b>224,077</b>	<b>-</b>	<b>-</b>	<b>224,077</b>

	Level 1 31 December 2017 USD	Level 2 31 December 2017 USD	Level 3 31 December 2017 USD	Total 31 December 2017 USD
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Equity securities	177,836,484	-	-	177,836,484
- Options contracts	42,000	-	-	42,000
- Forward foreign exchange contracts	-	83,926	-	83,926
<b>Total financial assets at fair value through profit or loss</b>	<b>177,878,484</b>	<b>83,926</b>	<b>-</b>	<b>177,962,410</b>

##### **Financial Liabilities at Fair Value through Profit or Loss**

*Held for trading:*

- Forward foreign exchange contracts	-	286	-	286
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>286</b>	<b>-</b>	<b>286</b>

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 3. Financial assets and liabilities at fair value through profit or loss (continued)

##### Strategic Global Quality Fund

	Level 1 30 June 2018 USD	Level 2 30 June 2018 USD	Level 3 30 June 2018 USD	Total 30 June 2018 USD
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Equity securities	65,160,386	-	-	65,160,386
- Options contracts	94,945	-	-	94,945
- Forward foreign exchange contracts	-	43,769	-	43,769
<b>Total financial assets at fair value through profit or loss</b>	65,255,331	43,769	-	65,299,100
<b>Financial Liabilities at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	289	-	289
<b>Total financial liabilities at fair value through profit or loss</b>	-	289	-	289

	Level 1 31 December 2017 USD	Level 2 31 December 2017 USD	Level 3 31 December 2017 USD	Total 31 December 2017 USD
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Equity securities	67,169,184	-	-	67,169,184
- Options contracts	83,592	-	-	83,592
- Forward foreign exchange contracts	-	102,700	-	102,700
<b>Total financial assets at fair value through profit or loss</b>	67,252,776	102,700	-	67,355,476



## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 3. Financial assets and liabilities at fair value through profit or loss (continued)

##### Strategic European Smaller Companies Fund

	Level 1 30 June 2018 EUR	Level 2 30 June 2018 EUR	Level 3 30 June 2018 EUR	Total 30 June 2018 EUR
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Investment funds	11,527,465	-	-	11,527,465
- Equity securities	170,462,816	-	-	170,462,816
<b>Total financial assets at fair value through profit or loss</b>	181,990,281	-	-	181,990,281
 <b>Financial Liabilities at Fair Value through Profit or Loss</b>				
<i>Held for trading</i>				
- Forward foreign exchange contracts	-	7,492	-	7,492
<b>Total financial liabilities at fair value through profit or loss</b>	-	7,492	-	7,492
	Level 1 31 December 2017 EUR	Level 2 31 December 2017 EUR	Level 3 31 December 2017 EUR	Total 31 December 2017 EUR
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Investment funds	11,554,973	-	-	11,554,973
- Equity securities	175,386,326	-	-	175,386,326
- Forward foreign exchange contracts	-	4,964	-	4,964
<b>Total financial assets at fair value through profit or loss</b>	186,941,299	4,964	-	186,946,263
 <b>Financial Liabilities at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	12	-	12
<b>Total financial liabilities at fair value through profit or loss</b>	-	12	-	12

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 3. Financial assets and liabilities at fair value through profit or loss (continued)

##### Strategic Quality Emerging Bond Fund

	Level 1 30 June 2018 USD	Level 2 30 June 2018 USD	Level 3 30 June 2018 USD	Total 30 June 2018 USD
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Debt securities	35,414,176	-	-	35,414,176
- Forward foreign exchange contracts	-	123,417	-	123,417
<b>Total financial assets at fair value through profit or loss</b>	35,414,176	123,417	-	35,537,593
	Level 1 31 December 2017 USD	Level 2 31 December 2017 USD	Level 3 31 December 2017 USD	Total 31 December 2017 USD
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Debt securities	38,019,848	-	-	38,019,848
- Forward foreign exchange contracts	-	213,327	-	213,327
<b>Total financial assets at fair value through profit or loss</b>	38,019,848	213,327	-	38,233,175
<b>Financial Liabilities at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	4,653	-	4,653
<b>Total financial liabilities at fair value through profit or loss</b>	-	4,653	-	4,653

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 3. Financial assets and liabilities at fair value through profit or loss (continued)

##### Strategic Beta Flex Fund

	Level 1 30 June 2018 EUR	Level 2 30 June 2018 EUR	Level 3 30 June 2018 EUR	Total 30 June 2018 EUR
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Investment funds	15,898,209	-	-	15,898,209
- Equity securities	2,887,013	-	-	2,887,013
- Futures contracts	162,205	-	-	162,205
<b>Total financial assets at fair value through profit or loss</b>	<b>18,947,427</b>	<b>-</b>	<b>-</b>	<b>18,947,427</b>

##### Financial Liabilities at Fair Value through Profit or Loss

*Held for trading:*

- Futures contracts	30,215	-	-	30,215
<b>Total financial liabilities at fair value through profit or loss</b>	<b>30,215</b>	<b>-</b>	<b>-</b>	<b>30,215</b>

	Level 1 31 December 2017 EUR	Level 2 31 December 2017 EUR	Level 3 31 December 2017 EUR	Total 31 December 2017 EUR
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##### Financial Assets at Fair Value through Profit or Loss

*Held for trading:*

- Investment funds	22,313,942	-	-	22,313,942
- Equity securities	4,080,913	-	-	4,080,913
- Futures contracts	3,525	-	-	3,525
<b>Total financial assets at fair value through profit or loss</b>	<b>26,398,380</b>	<b>-</b>	<b>-</b>	<b>26,398,380</b>

## E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued)  
For the six month period ended 30 June 2018

### 3. Financial assets and liabilities at fair value through profit or loss (continued)

#### Strategic Beta Flex Fund (continued)

	Level 1 31 December 2017 EUR	Level 2 31 December 2017 EUR	Level 3 31 December 2017 EUR	Total 31 December 2017 EUR
<b>Financial Liabilities at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Futures contracts	10,165	-	-	10,165
<b>Total financial liabilities at fair value through profit or loss</b>	<u>10,165</u>	<u>-</u>	<u>-</u>	<u>10,165</u>

#### Strategic Japan Opportunities Fund

	Level 1 30 June 2018 JPY	Level 2 30 June 2018 JPY	Level 3 30 June 2018 JPY	Total 30 June 2018 JPY
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Equity securities	9,766,640,300	-	-	9,766,640,300
- Forward foreign exchange contracts	-	15,319,527	-	15,319,527
<b>Total financial assets at fair value through profit or loss</b>	<u>9,766,640,300</u>	<u>15,319,527</u>	<u>-</u>	<u>9,781,959,827</u>
<b>Financial Liabilities at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	19,492	-	19,492
<b>Total financial liabilities at fair value through profit or loss</b>	<u>-</u>	<u>19,492</u>	<u>-</u>	<u>19,492</u>

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 3. Financial assets and liabilities at fair value through profit or loss (continued)

##### Strategic Japan Opportunities Fund (continued)

	Level 1 31 December 2017 JPY	Level 2 31 December 2017 JPY	Level 3 31 December 2017 JPY	Total 31 December 2017 JPY
<b>Financial Assets at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Equity securities	8,914,733,900	-	-	8,914,733,900
- Forward foreign exchange contracts	-	2,131,773	-	2,131,773
<b>Total financial assets at fair value through profit or loss</b>	8,914,733,900	2,131,773	-	8,916,865,673
 <b>Financial Liabilities at Fair Value through Profit or Loss</b>				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	4,736,291	-	4,736,291
<b>Total financial liabilities at fair value through profit or loss</b>	-	4,736,291	-	4,736,291

IFRS 13, Fair Value Measurement, requires disclosure of financial instruments based on a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1	Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and
Level 3	Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Company. The Company considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Company's perceived risk of that instrument.

## **E.I. Sturdza Funds Plc**

### **Notes to the Financial Statements (continued) For the six month period ended 30 June 2018**

#### **3. Financial assets and liabilities at fair value through profit or loss (continued)**

##### *Investments*

Investments whose values are traded based on quoted market prices in active markets, and are therefore classified within level 1, include active traded listed equities, certain U.S. government and sovereign obligations and certain money market securities. The Company does not adjust the quoted price for such instruments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or not at all. When observable prices are not available for these securities, the Directors use one or more valuation techniques (e.g. the market approach or the income approach) for which sufficient and reliable data is available. Within level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

##### *Derivative Instruments*

Derivative instruments can be exchange-traded or privately negotiated over-the-counter ("OTC"). Exchange-traded derivatives, such as futures contracts and exchange traded option contracts, are typically classified within level 1 or level 2 of the fair value hierarchy depending on whether or not they are deemed to be actively traded.

OTC derivatives, such as generic forwards contracts, have inputs which can generally be corroborated by market data and are therefore classified within level 2. In instances where models are used, the value of an OTC derivative depends upon the contractual terms of, and specific risks inherent in, the instrument as well as the availability and reliability of observable inputs. Such inputs include market prices for reference securities, yield curves, credit curves, measures of volatility, prepayment rates and correlations of such inputs.

The fair value hierarchy for the Company's assets and liabilities not measured at fair value is level 1 for cash and cash equivalents and level 2 for subscriptions receivable, redemptions payable, due to/from broker and short-term receivables and payables. The fair value is not disclosed as carrying value is an approximation of the fair value given the short-term nature of instruments.

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 4. Fees and expenses

##### Other expenses

The other expenses figure included in the Statement of Comprehensive Income includes front end load fees, tax advisory fees, administrator ancillary services fees, directors' insurance, listing fees, regulatory fees, establishment costs, bank charges, broker fees and research fees.

##### Investment Manager fees

The Investment Manager is entitled to a fee payable out of the assets of the relevant Sub-Fund. An annual fee is accrued at each Valuation Point and payable monthly in arrears at the following rates:

Share Class	SCPF	SEBF	NGUF	SEVF	SGBF
EUR Hedged Class	1.50%	-	1.50%	-	-
GBP Hedged Class	1.50%	-	-	-	-
EUR Hedged Institutional Class	1.00%	-	1.00%	-	-
USD Institutional Class	1.00%	-	-	-	-
USD Hedged Institutional Class	-	-	-	0.90%	-
USD Class	1.50%	-	-	-	0.90%
USD Hedged Class	-	-	-	1.50%	-
JPY Class A	-	-	1.50%	-	-
JPY Class B Accumulating	-	-	1.50%	-	-
JPY Class D Institutional	-	-	1.00%	-	-
CHF Hedged Accumulating Class	-	0.60% <sup>(3)</sup>	-	-	-
EUR Accumulating Class	-	0.60% <sup>(3)</sup>	-	-	-
EUR Distributing Class	-	0.60% <sup>(3)</sup>	-	-	-
EUR R Class	-	-	-	2.20%	-
EUR Institutional Distributing Class	-	-	-	0.90%	-
EUR Super Institutional Class	-	-	-	0.75%	-
USD Hedged Super Institutional Class	-	-	-	0.75%	-
CHF Hedged Class	-	-	-	1.50%	-
EUR Class	-	-	-	1.50%	-
EUR Institutional Class	-	0.30% <sup>(3)</sup>	-	0.90%	-
GBP Hedged Institutional Class	-	-	-	0.90%	-
CHF Hedged Institutional Class	1.00% <sup>(1)</sup>	-	-	0.90%	-
CHF Hedged Class	1.50%	-	-	-	-
EUR Hedged R Class	2.20% <sup>(2)</sup>	-	-	-	-
EUR SP Class	-	-	-	0.70% <sup>(4)</sup>	-

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 4. Fees and expenses (continued)

##### Investment Manager fees (continued)

Share Class	SMVF	SGQF	SESF	SQBF	SBXF	SJOF
EUR Hedged Class	1.50%	1.50%	-	-	-	-
USD Institutional Class	1.00%	1.00%	-	0.50%	-	-
USD Class	1.50%	1.50%	-	1.00%	-	-
CHF Hedged Class	-	1.50%	1.50%	1.00%	-	-
EUR Class	-	-	1.50%	-	-	-
CHF Hedged Class	1.50%	-	-	-	-	-
EUR X Class	-	-	1.50%	-	-	-
EUR Institutional Class	-	-	1.00%	-	0.75%	-
EUR Class	-	-	-	-	1.20%	-
EUR R Class	-	-	-	-	2.20%	-
EUR Hedged Institutional Class	-	1.00%	-	0.50%	-	1.00% <sup>(5)</sup>
USD Hedged Institutional Class	-	-	-	-	-	1.00%
USD Hedged Class	-	-	-	-	-	1.50%
EUR Hedged Class	-	-	-	1.00%	-	1.50%
JPY Institutional Class	-	-	-	-	-	1.00%
JPY Class	-	-	-	-	-	1.50%

<sup>(1)</sup>CHF Hedged Institutional Class was launched on 26 June 2018.

<sup>(2)</sup>EUR Hedged R Class was launched on 24 January 2018.

<sup>(3)</sup>The Investment Manager fees for the Strategic Euro Bond Fund were reduced, with effect from 28 June 2018, from 0.75% for the Accumulating and Distributing Classes and from 0.45% for the Institutional Classes.

<sup>(4)</sup>EUR SP Class was launched on 7 March 2018.

<sup>(5)</sup>EUR Hedged Institutional Class was launched on 14 March 2018.

The Investment Manager may be paid different fees in respect of individual classes within the Sub-Funds.

Investment Manager fees for the period ended 30 June 2018 amounted to EUR 8,608,807 (30 June 2017: EUR 9,187,746) of which EUR 1,395,090 was payable at period end (31 December 2017: EUR 1,610,873).

#### Performance fees

In addition to the annual fee payable to the Investment Manager, the Investment Manager is entitled to a performance related fee (“Performance Fee”) payable by certain share classes of the Strategic China Panda Fund, Nippon Growth (UCITS) Fund, Strategic Europe Value Fund, Strategic US Momentum and Value Fund, Strategic Global Quality Fund, Strategic European Smaller Companies Fund, Strategic Beta Flex Fund and Strategic Japan Opportunities Fund. The Investment Manager is not entitled to a Performance Fee on any share class of the Strategic Euro Bond Fund, Strategic Global Bond Fund and Strategic Quality Emerging Bond Fund.

This Performance Fee will be taken into account on each Valuation Point on the calculation of the Net Asset Value and will be paid semi-annually in arrears as at each of 30 June and 31 December (each a “Crystallisation Date”) in line with the Performance Fee calculation methodology as per the supplement to the Prospectus for each Sub-Fund. The Performance Fees for the Strategic US Momentum and Value Fund will crystallise on a quarterly basis.



## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 4. Fees and expenses (continued)

##### Performance fees (continued)

Share Class	SCPF	NGUF	SEVF	SMVF
EUR Hedged Class	15.00%	15.00%	-	15.00%
GBP Hedged Class	15.00%	-	-	-
EUR Hedged Institutional Class	10.00%	10.00%	-	-
USD Institutional Class	10.00%	-	-	10.00%
USD Hedged Institutional Class	-	-	-(1)	-
USD Class	15.00%	-	-	15.00%
USD Hedged Class	-	-	10.00%	-
JPY Class A	-	15.00%	-	-
JPY Class B Accumulating	-	15.00%	-	-
JPY Class D Institutional	-	10.00%	-	-
EUR R Class	-	-	10.00%	-
EUR Institutional Distributing Class	-	-	-(1)	-
EUR Institutional Class	-	-	-(1)	-
GBP Hedged Institutional Class	-	-	-(1)	-
CHF Hedged Institutional Class	10.00%(2)	-	-(1)	-
EUR Class	-	-	10.00%	-
CHF Hedged Class	15.00%	-	10.00%	15.00%
EUR Hedged R Class	15.00%(3)	-	-	-

Share Class	SGQF	SESF	SBXF	SJOF
USD Institutional Class	-(1)	-	-	-
USD Class	10.00%	-	-	-
JPY Class A	-	-	-	-
CHF Hedged Class	10.00%	15.00%	-	-
EUR Class	-	15.00%	-	-
EUR X Class	-	15.00%	-	-
EUR Class	-	-	10.00%	-
EUR R Class	-	-	10.00%	-
EUR Institutional Class	-	15.00%	10.00%	-
USD Hedged Institutional Class	-	-	-	15.00%
USD Hedged Class	-	-	-	15.00%
EUR Hedged Class	10.00%	-	-	15.00%
JPY Institutional Class	-	-	-	15.00%
JPY Class	-	-	-	15.00%
EUR Hedged Institutional Class	-(1)	-	-	15.00%(4)

(1) Effective from 1 January 2018, performance fees for the Institutional Share Classes of the Strategic Europe Value Fund and the Strategic Global Quality Fund were removed (30 June 2017: 10.00%).

(2) CHF Hedged Institutional Class was launched on 26 June 2018.

(3) EUR Hedged R Class was launched on 24 January 2018.

(4) EUR Hedged Institutional Class was launched on 14 March 2018.

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 4. Fees and expenses (continued)

##### Performance fees (continued)

The Performance Fee is calculated for each individual share tranche subscribed as at a relevant Valuation Point. For each subsequent subscription, the subscription amount is added to the Performance Fee as a separate share tranche.

Performance Fees for the period ended 30 June 2018 amounted to EUR 326,387 (30 June 2017: EUR 2,485,550) of which EUR 327,024 was payable at period end (31 December 2017: EUR 1,410,303).

##### Investment Advisers' fees

All fees payable to any appointed Investment Adviser shall be paid by the Investment Manager out of the remuneration it receives pursuant to the terms of the Investment Management Agreement. All fees payable to any appointed sub-investment adviser shall be paid by the Investment Advisers out of the remuneration they receive pursuant to the terms of the Investment Management Agreement.

##### Administrator's fees

SS&C Financial Services (Ireland) Limited serves as Administrator of the Company and is entitled to a minimum fee of up to \$166,667 per month (the "Monthly Minimum Fee"). The Monthly Minimum Fee is applied when the calculated basis point fee is less than the minimum. Fees are calculated for each tier of assets multiplied by the appropriate basis point figure as per the below table.

Further fees may be payable to the Administrator in consideration of ancillary services rendered to the Company and its Sub-Funds, which fees will be at normal commercial terms.

The fees of the Administrator will be paid out of the assets of the relevant Sub-Fund.

Description	Fee
First \$3 billion of aggregate net assets	10 basis points
Next \$1 billion of aggregate net assets	7 basis points
Next \$1 billion of aggregate net assets	6 basis points
Next \$1 billion of aggregate net assets	4 basis points
All additional aggregate net assets above \$6 billion	3 basis points

The Administrator's fees for the period ended 30 June 2018 amounted to EUR 794,132 (30 June 2017: EUR 776,362) of which EUR 164,781 was payable at period end (31 December 2017: EUR 156,084).

# **E.I. Sturdza Funds Plc**

## **Notes to the Financial Statements (continued) For the six month period ended 30 June 2018**

### **4. Fees and expenses (continued)**

#### **Depositary fees**

BNY Mellon Trust Company (Ireland) Limited serves as Depositary and is entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class, subject to a maximum rate of 2.3 basis points (0.023%) per annum.

Further fees may be payable to the Depositary in consideration of ancillary services rendered to the Company and its Sub-Funds, which fees will be at normal commercial terms.

The fees of the Depositary will be paid out of the assets of the relevant Sub-Fund.

The Depositary fees for the period ended 30 June 2018 amounted to EUR 147,153 (30 June 2017: EUR 349,079) of which EUR 279,335 was payable at period end (31 December 2017: EUR 358,037).

#### **Directors' fees**

The Articles of Association authorise the Directors to charge a fee for their services at a rate determined by the Directors. The Directors shall receive a fee for their services up to a total aggregate maximum fee of EUR 400,000 per annum, or such other amount as may from time to time be disclosed in the annual report of the Company. Any increase above the maximum permitted fee will be notified in advance to shareholders. Each Director may be entitled to special remuneration if called upon to perform any special or extra services to the Company. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

The Directors' fees for the period ended 30 June 2018 amounted to EUR 126,048 (30 June 2017: EUR 201,232) of which EUR 86,769 was payable at period end (31 December 2017: EUR 101,899).

#### **Consulting fees**

The Company has appointed Bridge Consulting to provide services to assist the Directors in carrying out the management functions specified by the Central Bank. Bridge Consulting receives an annual fee for governance services of no more than EUR 75,000 (2017: EUR 75,000), payable out of the assets of the Company, accrued at each Valuation Point and payable quarterly in arrears.

The fees for the services of Bridge Consulting for the period ended 30 June 2018 amounted to EUR 40,902 (30 June 2017: EUR 39,829), included within Consulting fees in the Statement of Comprehensive Income.

#### **Legal fees**

The Company has appointed Dillon Eustace as Irish legal adviser. The Legal fees for the period ended 30 June 2018 amounted to EUR 124,196 (30 June 2017: EUR 107,784).

#### **Company secretarial fees**

The Company has appointed Sanne Group Plc as company secretary. The company secretarial fees for the period ended 30 June 2018 amounted to EUR 13,813 (30 June 2017: EUR 12,161).

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 5. Exchange rates

The following exchange rates were used to translate the assets and liabilities of the Sub-Funds: Strategic China Panda Fund, Strategic Global Bond Fund, Strategic US Momentum and Value Fund, Strategic Global Quality Fund, Strategic Quality Emerging Bond Fund, into United States Dollar (“USD”), their functional currency as at 30 June 2018 and 31 December 2017:

<b>Currency</b>	<b>30 June 2018</b>	<b>31 December 2017</b>
DKK	0.1567	0.1613
EUR	1.1676	1.2008
GBP	1.3203	1.3528
HKD	0.1275	0.1279
SGD	0.7334	0.7483
JPY	0.0090	0.0089
SEK	0.1118	0.1221
CHF	1.0071	1.0262
CNY	0.1509	0.1536
CNH	0.1509	0.1536
CAD	0.7602	0.7981

The following exchange rates were used to translate the assets and liabilities of the Sub-Funds: Strategic Euro Bond Fund, Strategic Europe Value Fund, Strategic European Smaller Companies Fund and Strategic Beta Flex Fund, into Euro (“EUR”), their functional currency as at 30 June 2018 and 31 December 2017:

<b>Currency</b>	<b>30 June 2018</b>	<b>31 December 2017</b>
DKK	0.1342	0.1343
GBP	1.1308	1.1265
SEK	0.0957	0.1017
CHF	0.8626	0.8546
USD	0.8565	0.8328
NOK	0.1051	0.1018

The following exchange rates were used to translate the assets and liabilities of the Sub-Funds: Nippon Growth (UCITS) Fund and Strategic Japan Opportunities Fund, into Japanese Yen (“JPY”), their functional currency as at 30 June 2018 and 31 December 2017:

<b>Currency</b>	<b>30 June 2018</b>	<b>31 December 2017</b>
EUR	0.0077	0.0074
GBP	0.0068	0.0066
CHF	0.0090	0.0087
USD	0.0090	0.0089

## **E.I. Sturdza Funds Plc**

### **Notes to the Financial Statements (continued) For the six month period ended 30 June 2018**

#### **6. Derivatives**

The Company engages in transactions in derivative financial instruments for the purpose of efficient portfolio management. Forward foreign exchange contracts are entered into for speculative purposes or to hedge the Company's currency risk. Futures contracts are entered into for speculative purposes or to hedge the Company's market risk. Efficient portfolio management techniques include futures contracts, forward foreign exchange contracts and options contracts. The derivative counterparty for forward foreign exchange contracts is The Bank of New York Mellon and for futures and options contracts The Royal Bank of Scotland.

##### *Forward foreign exchange contracts and futures contracts*

Forward foreign exchange contracts and futures are commitments either to purchase or sell a designated financial instrument, currency, commodity or an index at a specified future date for a specified price and may be settled in cash or another financial asset. Forward foreign exchange contracts are individually traded over-the-counter contracts and result in credit exposure to the counterparty.

Forward foreign exchange contracts result in exposure to market risk based on changes in market prices relative to contracted amounts. Market risks arise due to the possible movement in foreign currency exchange rates, indices, and securities' values underlying these instruments. In addition, because of the low margin deposits normally required in relation to notional contract sizes, a high degree of leverage may be typical of a futures or forward trading account. As a result, a relatively small price movement in an underlying of a futures or forward contract may result in substantial losses to the Company. Forward foreign exchange contracts are generally traded over-the-counter and therefore are subject to greater liquidity risk.

If prices fluctuate during a single day's trading beyond those limits, the Company could be prevented from promptly liquidating unfavourable positions and thus could be subject to substantial losses.

Notional amounts are the underlying reference amounts to stock exchange indices, equities and foreign currencies upon which the fair value of the forward foreign exchange and future contracts traded by the Company are based. While notional amounts do not represent the current fair value and are not necessarily indicative of the future cash flows of the Company's forward foreign exchange, the underlying price changes in relation to the variables specified by the notional amounts affect the fair value of these derivative financial instruments.

##### *Options*

The Company may purchase and sell put and call options through listed exchanges and OTC markets. Options purchased by the Company provide it with the opportunity to purchase or sell the underlying asset at an agreed-upon value either on or before the expiration of the option. The options may be traded on recognised exchanges and OTC markets and are valued by reference to last traded price or quoted prices, respectively.

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 6. Derivatives (continued)

##### (i) Forward foreign exchange contracts

#### Strategic China Panda Fund

As at 30 June 2018, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
USD 2,038,570	HKD (16,000,000)	3/7/2018	(1,302)
CHF 26,803	USD (26,861)	5/7/2018	136
CHF 895,273	USD (900,959)	31/7/2018	2,739
USD 25,443	CHF (25,338)	31/7/2018	(134)
USD 26,919	CHF (26,803)	31/7/2018	(137)
EUR 213,921	USD (247,787)	5/7/2018	2,010
EUR 18,588,887	USD (21,582,645)	31/7/2018	164,444
USD 422,944	EUR (361,409)	31/7/2018	127
USD 595,582	EUR (513,234)	31/7/2018	(4,848)
USD 248,254	EUR (213,921)	31/7/2018	(2,011)
GBP 1,026,702	USD (1,351,105)	31/7/2018	6,101
GBP 25,800	USD (34,218)	31/7/2018	(112)
USD 39,075	GBP (29,809)	31/7/2018	(329)
CHF 64,430	USD (64,839)	31/7/2018	197
CHF 955,000	USD (967,286)	31/7/2018	(3,287)
CHF 291,825	USD (293,648)	31/7/2018	924
USD 292,946	CHF (291,825)	3/7/2018	(951)
USD 37,201	CHF (37,048)	31/7/2018	(195)
EUR 756	USD (876)	3/7/2018	7
EUR 242	USD (281)	5/7/2018	2
EUR 10,358,867	USD (12,027,172)	31/7/2018	91,638
USD 163	EUR (140)	31/7/2018	-
USD 340,347	EUR (293,289)	31/7/2018	(2,771)
USD 878	EUR (756)	31/7/2018	(7)
USD 281	EUR (242)	31/7/2018	(2)
EUR 358,339	USD (416,050)	31/7/2018	3,170
USD 11,787	EUR (10,157)	31/7/2018	(96)
			255,313

As at 31 December 2017, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
USD 580,000	HKD (4,534,009)	3/1/2018	3
CHF 353,032	USD (359,313)	31/1/2018	3,648
EUR 63,223	USD (75,238)	2/1/2018	664
EUR 19,960	USD (23,855)	3/1/2018	113
EUR 22,024,923	USD (26,301,712)	31/1/2018	188,382
EUR 9,980	USD (11,896)	31/1/2018	107
USD 11,877	EUR (9,980)	2/1/2018	(105)
USD 75,361	EUR (63,223)	31/1/2018	(679)
USD 23,895	EUR (19,960)	31/1/2018	(112)
GBP 550,075	USD (738,887)	31/1/2018	5,890

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 6. Derivatives (continued)

(i) *Forward foreign exchange contracts (continued)*

##### Strategic China Panda Fund (continued)

As at 31 December 2017, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
EUR 1,584	USD (1,893)	3/1/2018	9
EUR 6,030,527	USD (7,201,532)	31/1//2018	51,580
USD 1,896	EUR (1,584)	31/1//2018	(9)
			249,491

##### Strategic Euro Bond Fund

As at 30 June 2018, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) EUR
CHF 1,701,775	EUR (1,475,208)	31/7/2018	(6,895)
			(6,895)

As at 31 December 2017, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) EUR
CHF 228,165	EUR (194,241)	3/1/2018	648
CHF 1,245,267	EUR (1,065,773)	3/1/2018	(2,118)
CHF 4,661,059	EUR (3,973,248)	31/1/2018	11,148
EUR 194,251	CHF (228,165)	31/1/2018	(790)
EUR 1,066,005	CHF (1,245,267)	31/1/2018	1,518
			10,406

##### Nippon Growth (UCITS) Fund

As at 30 June 2018, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) JPY
EUR 520,527	JPY (66,545,179)	31/7/2018	782,514
EUR 2,327,612	JPY (297,566,366)	31/7/2018	3,499,123
			4,281,637

As at 31 December 2017, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) JPY
EUR 644,260	JPY (86,888,953)	31/1//2018	290,390
EUR 2,481,251	JPY (334,637,072)	31/1//2018	1,118,381
			1,408,771

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 6. Derivatives (continued)

(i) *Forward foreign exchange contracts (continued)*

##### Strategic Europe Value Fund

As at 30 June 2018, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss)
			EUR
EUR 1,371,069	USD (1,600,000)	2/7/2018	314
CHF 25,289,846	EUR (21,922,862)	31/7/2018	(102,468)
USD 1,022,257	EUR (880,572)	31/7/2018	(6,785)
CHF 8,256,320	EUR (7,157,108)	31/7/2018	(33,453)
GBP 11,334,581	EUR (12,852,224)	31/7/2018	(44,966)
USD 254,146	EUR (218,921)	31/7/2018	(1,687)
USD 4,600,866	EUR (3,963,189)	31/7/2018	(30,540)
			(219,585)

As at 31 December 2017, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss)
			EUR
CHF 113,406	EUR (96,544)	3/1/2018	322
CHF 25,992	EUR (22,245)	3/1/2018	(44)
CHF 32,055,588	EUR (27,325,294)	31/1/2018	76,668
EUR 96,550	CHF (113,406)	31/1/2018	(393)
EUR 22,250	CHF (25,992)	31/1/2018	32
USD 22,992	EUR (19,356)	31/1/2018	(240)
USD 1,466,076	EUR (1,228,065)	31/1/2018	(9,124)
CHF 73,819	EUR (62,843)	3/1/2018	210
CHF 8,395,532	EUR (7,156,642)	31/1/2018	20,079
EUR 62,847	CHF (73,819)	31/1/2018	(256)
EUR 80,561	GBP (71,399)	31/1/2018	185
EUR 279,968	GBP (248,814)	31/1/2018	(131)
GBP 248,814	EUR (280,212)	2/1/2018	104
GBP 14,707,950	EUR (16,552,836)	31/1/2018	4,393
EUR 23,245	USD (27,612)	31/1/2018	288
USD 1,419,062	EUR (1,188,683)	31/1/2018	(8,830)
USD 4,927,972	EUR (4,127,935)	31/1/2018	(30,669)
			52,594



## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 6. Derivatives (continued)

##### (i) Forward foreign exchange contracts (continued)

#### Strategic US Momentum and Value Fund

As at 30 June 2018, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
CHF 7,405,376	USD (7,452,415)	31/7/2018	22,655
EUR 3,560,217	USD (4,133,593)	31/7/2018	31,495
			54,150

As at 31 December 2017, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
CHF 8,464	USD (8,575)	3/1/2018	106
CHF 6,992,004	USD (7,116,394)	31/1/2018	72,244
USD 8,590	CHF (8,464)	31/1/2018	(112)
EUR 1,353,378	USD (1,616,176)	31/1/2018	11,576
USD 13,613	EUR (11,463)	31/1/2018	(174)
			83,640

#### Strategic Global Quality Fund

As at 30 June 2018, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
USD 501,624	EUR (430,000)	2/7/2018	(289)
CHF 10,122,647	USD (10,186,945)	31/7/2018	30,968
EUR 592,310	USD (687,702)	31/7/2018	5,240
EUR 854,713	USD (992,365)	31/7/2018	7,561
			43,480

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 6. Derivatives (continued)

(i) *Forward foreign exchange contracts (continued)*

##### **Strategic Global Quality Fund (continued)**

As at 31 December 2017, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss)
			USD
CHF 9,452,837	USD (9,621,006)	31/1/2018	97,670
EUR 294,008	USD (351,099)	31/1/2018	5,030
			102,700

##### **Strategic European Smaller Companies Fund**

As at 30 June 2018, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss)
			EUR
CHF 1,848,967	EUR (1,602,803)	31/7/2018	(7,492)
			(7,492)

As at 31 December 2017, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss)
			EUR
CHF 2,063,416	EUR (1,758,928)	31/1/2018	4,935
CHF 55,953	EUR (47,801)	31/1/2018	29
EUR 19,120	CHF (22,381)	31/1/2018	(12)
			4,952

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 6. Derivatives (continued)

(i) *Forward foreign exchange contracts (continued)*

##### Strategic Quality Emerging Bond Fund

As at 30 June 2018, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss)
			USD
CHF 7,813,325	USD (7,862,955)	31/7/2018	23,903
EUR 10,174,718	USD (11,813,366)	31/7/2018	90,009
EUR 1,074,474	USD (1,247,519)	31/7/2018	9,505
			123,417

As at 31 December 2017, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss)
			USD
CHF 10,716,762	USD (10,907,417)	31/1/2018	110,730
EUR 10,310,194	USD (12,312,223)	31/1/2018	88,184
EUR 770,000	USD (921,793)	31/1/2018	4,314
USD 920,266	EUR (770,000)	3/1/2018	(4,350)
USD 23,713	EUR (19,968)	31/1/2018	(303)
EUR 1,180,741	USD (1,410,017)	31/1/2018	10,099
			208,674

##### Strategic Japan Opportunities Fund

As at 30 June 2018, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss)
			JPY
EUR 5,470,503	JPY (699,359,471)	31/7/2018	8,223,864
JPY 2,173,994	USD (19,700)	2/7/2018	(8,709)
JPY 3,262,320	USD (29,550)	3/7/2018	(10,783)
USD 7,486,969	JPY (824,423,995)	31/7/2018	3,332,446
USD 19,700	JPY (2,169,756)	31/7/2018	8,268
USD 29,550	JPY (3,256,291)	31/7/2018	10,746
EUR 1,059,443	JPY (135,441,168)	31/7/2018	1,592,672
USD 4,833,822	JPY (532,273,963)	31/7/2018	2,151,531
			15,300,035

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 6. Derivatives (continued)

##### (i) Forward foreign exchange contracts (continued)

#### Strategic Japan Opportunities Fund (continued)

As at 31 December 2017, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss)
			JPY
EUR 4,676,770	JPY (630,738,443)	31/1/2018	2,107,974
EUR 20,331	JPY (2,727,268)	31/1/2018	23,799
USD 6,449,896	JPY (728,462,622)	31/1/2018	(2,804,533)
USD 4,442,679	JPY (501,763,997)	31/1/2018	(1,931,758)
			(2,604,518)

##### (ii) Futures contracts

#### Strategic Euro Bond Fund

As at 30 June 2018, the Sub-Fund held the following futures contracts:

Contracts	Description	Notional	Maturity date	Unrealised gain/(loss)
				EUR
(30)	EUR-BOBL FUTURE SEP18	3,965,100	6/9/2018	(18,700)
(20)	EUR-BUND FUTURE SEP18	3,251,000	6/9/2018	(56,930)

As at 31 December 2017, the Sub-Fund held the following futures contracts:

Contracts	Description	Notional	Maturity date	Unrealised gain/(loss)
				EUR
(20)	EUR-BOBL FUTURE MAR18	2,632,200	8/3/2018	14,600
(10)	EUR-BUND FUTURE MAR18	1,616,800	8/3/2018	13,300

#### Strategic Beta Flex Fund

As at 30 June 2018, the Sub-Fund held exposure to the following futures contracts:

Contracts	Description	Notional	Maturity date	Unrealised gain/(loss)
				EUR
(472)	STOXX EUROPE 600 SEP18	8,932,600	21/9/2018	162,205
(209)	STOXX EUROPE 600 SEP18	3,955,325	21/9/2018	(30,215)

As at 31 December 2017, the Sub-Fund held exposure to the following futures contracts:

Contracts	Description	Notional	Maturity date	Unrealised gain/(loss)
				EUR
(1,026)	STOXX EUROPE 600 MAR18	19,832,580	16/3/2018	(6,640)

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 6. Derivatives (continued)

##### (ii) Futures contracts (continued)

#### Strategic Global Bond Fund

As at 30 June 2018, the Sub-Fund held the following futures contracts:

Contracts	Description	Notional	Maturity date	Unrealised gain/(loss)
(75)	US 5YR NOTE (CBT) SEP18	8,521,289	28/9/2018	USD 5,859

As at 31 December 2017, the Sub-Fund did not hold futures contracts.

##### (iii) Options contracts

As at 30 June 2018, the Company maintained exposure to the following option positions within the portfolio of the Strategic US Momentum and Value Fund:

September 2018	Strike Price: 1,140	Call Option on Alphabet Inc	(10) contracts
October 2018	Strike Price: 60	Call Option on AO Smith Corp	300 contracts
August 2018	Strike Price: 190	Call Option on Apple Inc	(52) contracts
July 2018	Strike Price: 2,140	Call Option on Booking Holdings Inc	(4) contracts
October 2018	Strike Price: 190	Call Option on Mastercard Inc	(25) contracts
October 2018	Strike Price: 170	Call Option on Shire Plc	(140) contracts

As at 31 December 2017, the Company maintained exposure to the following option positions within the portfolio of the Strategic US Momentum and Value Fund:

March 2018	Strike Price: 230	Call Option on United Health Group Inc	100 contracts
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As at 30 June 2018, the Company maintained exposure to the following option positions within the portfolio of the Strategic Europe Value Fund:

December 2018	Strike Price: 2,700	Put Option on S&P 500 Index	87 contracts
December 2018	Strike Price: 280	Put Option on Tesla Inc	140 contracts

As at 31 December 2017, the Company maintained exposure to the following option positions within the portfolio of the Strategic Europe Value Fund:

June 2018	Strike Price: 2,600	Put Option on S&P 500 Index	36 contracts
June 2018	Strike Price: 310	Put Option on Tesla Inc	310 contracts

As at 30 June 2018, the Company maintained exposure to the following option positions within the portfolio of the Strategic Global Quality Fund:

December 2018	Strike Price: 2,700	Put Option on S&P 500 Index	7 contracts
December 2018	Strike Price: 280	Put Option on Tesla Inc	12 contracts

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 6. Derivatives (continued)

##### (iii) Options (continued)

As at 31 December 2017, the Company maintained exposure to the following option positions within the portfolio for the Strategic Global Quality Fund:

June 2018	Strike Price: 2,600	Put Option on S & P 500 Index	3 contracts
June 2018	Strike Price: 310	Put Option on Tesla Inc	21 contracts

The Investment Manager considers the residual risk inherent in holding option positions to be insignificant.

The options held represent a hedge within the portfolio to the risk factor exposures to which the Strategic US Momentum and Value Fund, Strategic Europe Value Fund and Strategic Global Quality Fund are exposed. As a consequence, the Investment Manager considers these option positions to be covered option positions.

#### 7. Net gain/(loss) from efficient portfolio management techniques

The below tables list the net gains and losses from derivatives which are used for efficient portfolio management for the period ended 30 June 2018 and 30 June 2017.

##### 30 June 2018

	Total EUR	SCPF USD	SEBF EUR	NGUF JPY	SEVF EUR	SGBF USD
Forward foreign exchange contracts	2,266,533	1,307,849	(1,852)	20,389,586	(707,888)	79
Futures contracts	334,155	-	248,328	-	-	(95,489)
Options contracts	(1,152,611)	-	-	-	(974,145)	-
Net gain/(loss)	1,448,077	1,307,849	246,476	20,389,586	(1,682,033)	(95,410)

	SMVF USD	SGQF USD	SESF EUR	SQBF USD	SBXF EUR	SJOF JPY
Forward foreign exchange contracts	358,080	376,010	29,618	909,057	(57)	45,114,510
Futures contracts	-	-	-	(131,802)	274,236	-
Options contracts	(115,037)	(100,263)	-	-	-	-
Net gain/(loss)	243,043	275,747	29,618	777,255	274,179	45,114,510

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 7. Net gain/(loss) from efficient portfolio management techniques (continued)

The below tables list the net gains and losses from derivatives which are used for efficient portfolio management for the period ended 30 June 2018 and 30 June 2017.

#### 30 June 2017

	<b>Total EUR</b>	<b>SCPF USD</b>	<b>SEBF EUR</b>	<b>NGUF JPY</b>	<b>SEVF EUR</b>	<b>SGBF USD</b>
Forward foreign exchange contracts	3,594,039	1,666,618	(82,500)	30,343,723	(1,164,853)	578,914
Futures contracts	(756,432)	-	62,106	-	-	2,113
Options contracts	647,250	-	-	-	-	-
<b>Net gain/(loss)</b>	<b>3,484,857</b>	<b>1,666,618</b>	<b>(20,394)</b>	<b>30,343,723</b>	<b>(1,164,853)</b>	<b>581,027</b>
	<b>SMVF USD</b>	<b>SGQF USD</b>	<b>SESF EUR</b>	<b>SQBF USD</b>	<b>SBXF EUR</b>	<b>SJOF<sup>(1)</sup> JPY</b>
Forward foreign exchange contracts	522,175	396,522	(5,394)	1,581,892	(22)	15,363,591
Futures contracts	-	-	-	5,618	(826,087)	-
Options contracts	708,399	-	-	-	-	-
<b>Net gain/(loss)</b>	<b>1,230,574</b>	<b>396,522</b>	<b>(5,394)</b>	<b>1,587,510</b>	<b>(826,109)</b>	<b>15,363,591</b>

<sup>(1)</sup> For the period 16 March 2017 (commencement of operations) to 30 June 2017.

The table below lists the income earned from securities lending transactions for the period ended 30 June 2018:

<b>Sub-Funds</b>	<b>30 June 2018 Securities lending income EUR</b>
Strategic China Panda Fund	29,366
Nippon Growth (UCITS) Fund	3,463
Strategic Europe Value Fund	74,944
Strategic US Momentum and Value Fund	6,042
Strategic Global Quality Fund	3,253
Strategic European Smaller Companies Fund	96,760
Strategic Japan Opportunities Fund	92,076
	<b>305,904</b>

The Sub-Funds did not have securities lending transactions during the period ended 30 June 2017.

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 8. Overdraft facility

The Company has an overdraft facility with The Bank of New York Mellon.

The Bank of New York Mellon offers each Sub-Fund an overdraft facility of up to 10% of the net asset value of the Sub-Fund. Interest is charged on the drawn facility at The Bank of New York Mellon's overdraft rate.

#### 9. Related parties and connected persons

##### (i) Related parties

The below table provides an analysis of related party transactions for the period ended 30 June 2018:

<u>Name</u>	<u>Relationship</u>	<u>Transaction type</u>	<u>Fees paid</u>
E.I. Sturdza Strategic Management Limited	Investment Manager, Promoter, Global Distributor and Common Directors	Investment management services	See Note 4
Banque Eric Sturdza SA	Investment Adviser/Shareholder	Investment adviser services	See Note 4
Dillon Eustace	Common Director/Partner	Legal and tax advice	See Note 4

L. Georges Gutmans and Gavin Farrell, Directors of the Company, are also Directors of the Investment Manager and other investment funds managed by the Investment Manager. Brian Dillon is a Director of the Company and also a partner of Dillon Eustace, the Irish Legal and Irish Tax Adviser of the Company. Denise Kinsella is a Director of Pâris Bertrand Sturdza Investments Plc, which is managed by Banque Pâris Bertrand Sturdza SA. Banque Pâris Bertrand Sturdza SA is a corporate affiliate of the Investment Manager.

As at 30 June 2018, Strategic Beta Flex Fund held 6,725 shares in EUR Institutional Class (31 December 2017: 8,977 shares in EUR Institutional Class) of Strategic Europe Value Fund and 1,767 shares in EUR Institutional Class (31 December 2017: 2,359 shares in EUR Institutional Class) of Strategic European Smaller Companies Fund.

##### Related party shareholdings

The below table provides an analysis of the number of shares held in the Company by related parties as at 30 June 2018 and 31 December 2017:

<u>Name</u>	<u>Relationship</u>	<u>Share Class</u>	<u>No. of Shares</u>	
			<u>30 June 2018</u>	<u>31 December 2017</u>
<b>Strategic China Panda Fund</b>				
Banque Eric Sturdza SA*	Investment Adviser to other Sub-Funds	USD Class	6,185.31	5,142.95
		EUR Hedged Class	2,735.50	2,780.31
		GBP Hedged Class	21.67	20.58
		EUR Hedged Institutional Class	3,664.93	809.39
		USD Institutional Class	642.44	314.20
		CHF Hedged Class	709.13	275.11



## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 9. Related parties and connected persons (continued)

(i) *Related parties (continued)*

*Related party shareholdings (continued)*

The below table provides an analysis of the number of shares held in the Company by related parties as at 30 June 2018 and 31 December 2017:

Name	Relationship	Share Class	No. of Shares	
			30 June 2018	31 December 2017
<b>Strategic China Panda Fund (continued)</b>				
Banque Pâris Bertrand Sturdza SA	A corporate affiliate of the Investment Manager and Banque Eric Sturdza SA*	USD Class	430.01	278.05
		EUR Hedged Class	-	-
		USD Institutional Class	7,351.00	6,588.00
L. Georges Gutmans	Director	EUR Hedged Class	22.62	20.62
		CHF Hedged Class	40.00	40.00
<b>Strategic Euro Bond Fund</b>				
Banque Eric Sturdza SA*	Investment Adviser	EUR Distributing Class	889.07	1,277.17
		EUR Accumulating Class	14,404.31	18,001.74
		EUR Institutional Class	2,860.03	3,140.03
		CHF Hedged Accumulating Class	1,562.20	3,071.31
<b>Nippon Growth (UCITS) Fund</b>				
Banque Eric Sturdza SA*	Investment Adviser to other Sub-Funds	JPY Class A	850.41	838.61
		JPY Class B	5,670.94	6,680.54
		EUR Hedged Class	149.31	228.15
<b>Strategic Europe Value Fund</b>				
Banque Eric Sturdza SA*	Investment Adviser to other Sub-Funds	EUR Class	327,623.94	354,592.91
		EUR Institutional Class	133,800.47	181,177.90
		CHF Hedged Class	120,042.13	144,316.37
		EUR Institutional Distributing Class	25,619.88	25,619.88
		CHF Hedged Institutional Class	31,645.54	34,115.36
Banque Paris Bertrand Sturdza	A corporate affiliate of the Investment Manager and Banque Eric Sturdza SA*	EUR Institutional Class	2,225.00	2,305.00
L. Georges Gutmans	Director	CHF Hedged Class	1,071.08	1,071.08
The Guardian Angel Trust	A trust for beneficiaries related to L. Georges Gutmans (Director of the Company)	CHF Hedged Class	299.78	299.78

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 9. Related parties and connected persons (continued)

(i) *Related parties (continued)*

*Related party shareholdings (continued)*

The below table provides an analysis of the number of shares held in the Company by related parties as at 30 June 2018 and 31 December 2017:

Name	Relationship	Share Class	No. of Shares	
			30 June 2018	31 December 2017
<b>Strategic Europe Value Fund (continued)</b>				
Jan Willem Goudriaan	Family member of Willem Vinke (PM to Investment Adviser of Strategic Europe Value Fund)	EUR Class	190.00	190.00
Zedra Trust Company Limited	Trust company of Willem Vinke (PM of Investment Adviser of Strategic Europe Value Fund, beneficiary of this trust)	EUR Institutional Class	1,756.71	1,756.71
DB Retirement Investment Scheme	Pension plan of Rosemary Diana Rachel Bichard (wife of PM of Investment Adviser of Strategic Europe Value Fund)	EUR Class	296.91	296.91
<b>Strategic Global Bond Fund</b>				
Banque Eric Sturdza SA*	Investment Adviser	USD Class	21,753.83	27,093.77
Banque Paris Bertrand Sturdza SA	A corporate affiliate of the Investment Manager and Banque Eric Sturdza SA*	USD Class	162.83	162.83
<b>Strategic US Momentum and Value Fund</b>				
Banque Eric Sturdza SA*	Investment Adviser	USD Class	106,842.56	116,630.90
		EUR Hedged Class	6,024.19	2,303.22
		CHF Hedged Class	12,732.10	12,376.02
		USD Institutional Class	65,497.83	65,121.78

# E.I. Sturdza Funds Plc

## Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

### 9. Related parties and connected persons (continued)

(i) *Related parties (continued)*

*Related party shareholdings (continued)*

The below table provides an analysis of the number of shares held in the Company by related parties as at 30 June 2018 and 31 December 2017:

Name	Relationship	Share Class	No. of Shares	
			30 June 2018	31 December 2017
<b>Strategic Quality Emerging Bond Fund</b>				
Banque Eric Sturdza SA*	Investment Adviser	CHF Hedged Class	7,969.31	10,339.83
		EUR Hedged Class	9,838.96	10,527.13
		EUR Hedged Institutional Class	1,082.87	1,132.87
		USD Class	8,289.25	9,513.29
		USD Institutional Class	8,887.67	4,508.22
<b>Strategic Global Quality Fund</b>				
Banque Eric Sturdza SA*	Investment Adviser to other Sub-Funds	USD Class	168,464.40	183,324.57
		CHF Hedged Class	72,023.56	65,086.13
		USD Institutional Class	124,124.69	123,855.95
		EUR Hedged Institutional Class	5,864.28	-
		EUR Hedged Class	2,368.22	-
E.I. Sturdza Strategic	Investment Manager	USD Institutional Class	5,000.00	5,000.00
		EUR Hedged Institutional Class	2,959.02	2,959.02
		EUR Hedged Class	2,959.02	2,959.02
Willem Vinke	PM to Investment Adviser of Strategic Global Quality Fund	USD Institutional Class	4,550.00	4,550.00
WPV Family Investment Trust	A trust for beneficiaries related to Willem Vinke (PM to Investment Adviser of Strategic Global Quality Fund)	USD Institutional Class	5,000.00	5,000.00
L. Georges Gutmans	Director	USD Institutional Class	2,500.00	2,500.00
The Guardian Angel Trust	A trust for beneficiaries related to L. Georges Gutmans (Director of the Company)	USD Institutional Class	1,000.00	1,000.00
ZedraTrust Company Limited	Trust company of Willem Vinke (PM of Investment Adviser of Strategic Global Quality Fund, beneficiary of this trust)	USD Class	4,550.00	2,500.00

# E.I. Sturdza Funds Plc

## Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

### 9. Related parties and connected persons (continued)

#### (i) Related parties (continued)

##### Related party shareholdings (continued)

The below table provides an analysis of the number of shares held in the Company by related parties as at 30 June 2018 and 31 December 2017:

Name	Relationship	Share Class	No. of Shares	
			30 June 2018	31 December 2017
<b>Strategic European Smaller Companies Fund</b>				
Banque Eric Sturdza SA*	Investment Adviser	EUR Class	46,570.16	47,619.20
		CHF Hedged Class	1,362.97	898.11
		EUR Institutional Class	7,266.43	6,944.22
L. Georges Gutmans	Director	CHF Hedged Class	91.00	91.00
<b>Strategic Beta Flex Fund</b>				
Banque Eric Sturdza SA*	Investment Adviser to other Sub-Funds	EUR Class	8,252.71	9,260.51
<b>Strategic Japan Opportunities Fund</b>				
Banque Eric Sturdza SA*	Investment Adviser to other Sub-Funds	USD Hedged Institutional Class	3,807.84	3,463.13
		USD Hedged Class	3,997.74	3,411.09
		EUR Hedged Class	1,522.62	1,871.60
		JPY Institutional Class	28,125.80	20,704.78
		JPY Class	61,673.45	60,602.49
		EUR Hedged Institutional Class	1,076.39	-

\*Banque Eric Sturdza SA held these shares as part of a nominee account.

None of the other Directors hold any disclosable interest in the Company.

#### (ii) Connected persons

In accordance with the requirements of the Central Bank UCITS Regulations, all transactions carried out with the Company by the management company or depositary and the delegate or sub-delegates of such management company or depositary (excluding any non-group company sub-custodians appointed by the depositary) and any associated or group companies of such management company, depositary, delegate or sub-delegate (“connected persons”) must be carried out as if negotiated at arm’s length and be in the best interests of shareholders. The Directors are satisfied that there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out in paragraph 1 of the Central Bank UCITS Regulations are applied to all transactions with connected persons and transactions with connected persons entered into during the period complied with the obligations set out in the Central Bank UCITS Regulations.

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 10. Soft commission arrangements and research fees

The Investment Manager has entered into soft commission arrangements with brokers in respect of which certain goods and services used to support the investment decision process were received. The Investment Manager does not make direct payment for these services but does transact with the brokers on behalf of the Company and commission is paid on these transactions. The Investment Manager considers these arrangements are to the benefit of the Company and has satisfied itself that it obtains best execution on behalf of the Company and the brokerage rates are not in excess of customary institutional full service brokerage rates.

A Commission Sharing Agreement with respect to the Strategic China Panda Fund was entered into with CIMB. Commission Sharing Agreements with respect to the Strategic US Momentum and Value Fund were entered into with Bloomberg Tradebook Europe Limited and Investment Technology Group, Inc. Commission Sharing Agreements with respect to the Strategic Europe Value Fund and Strategic Global Quality Fund were previously entered into with Bloomberg Tradebook Europe Limited and JP Morgan. With effect from 1 January 2018, and in accordance with the requirements of MiFID II, soft commission arrangements were no longer permitted in respect of the Strategic Europe Value Fund and the Strategic Global Quality Fund.

As at 30 June 2018, Strategic China Panda Fund held the below balance in accordance with the Commission Sharing Agreement:

CIMB	HKD 248,711 (31 December 2017: HKD 107,625)
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As at 30 June 2018, Strategic US Momentum and Value Fund held the below balances in accordance with the Commission Sharing Agreements:

Bloomberg Tradebook Europe Limited	USD Nil (31 December 2017: USD 15,584)
Investment Technology Group, Inc.	USD 4,417 (31 December 2017: USD Nil)

As at 31 December 2017, the Strategic Europe Value Fund and Strategic Global Quality Fund had the following co-mingled balances held in accordance with the previous Commission Sharing Agreements:

Bloomberg Tradebook Europe Limited	EUR 34,172
JP Morgan	EUR 35,033

With effect from 1 January 2018, research fees of 5 basis points of the Net Asset Value are charged to both the Strategic Europe Value Fund and the Strategic Global Quality Fund.

During the period, the Strategic Europe Value Fund and the Strategic Global Quality Fund recognised research fees of EUR 199,184 and EUR 13,797, respectively. Research fees are included within Other expenses in the Statement of Comprehensive Income.

# E.I. Sturdza Funds Plc

## Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

### 11. Net asset value and net asset value per share

The net asset values at 30 June 2018 are as follows:

	SCPF 2018 USD	SEBF 2018 EUR	NGUF 2018 JPY	SEVF 2018 EUR	SGBF 2018 USD
<b>Net asset value</b>					
USD Class	55,678,015	-	-	-	26,283,052
USD Hedged Class	-	-	-	882,183	-
EUR Class	-	-	-	142,069,823	-
EUR Hedged Class	20,980,900	-	67,277,263	-	-
GBP Hedged Class	1,386,356	-	-	-	-
EUR Distributing Class	-	918,916	-	-	-
EUR Accumulating Class	-	17,482,336	-	-	-
EUR Institutional Distributing Class	-	-	-	34,850,564	-
JPY Class A	-	-	895,708,640	-	-
JPY Class B Accumulating	-	-	1,741,147,431	-	-
JPY Class D Institutional	-	-	123,145,025	-	-
EUR Super Institutional Class	-	-	-	192,749,845	-
CHF Hedged Accumulating Class	-	1,465,997	-	-	-
CHF Hedged Class	871,902	-	-	21,965,407	-
GBP Hedged Institutional Class	-	-	-	12,908,093	-
EUR Hedged Institutional Class	12,065,424	-	300,833,655	-	-
EUR Institutional Class	-	12,768,443	-	207,754,961	-
USD Institutional Class	93,409,655	-	-	-	-
USD Hedged Institutional Class	-	-	-	219,364	-
USD Hedged Super Institutional Class	-	-	-	3,970,518	-
CHF Hedged Institutional Class	1,317,697	-	-	7,171,445	-
EUR R Class	-	-	-	6,899,260	-
EUR Hedged R Class	417,365	-	-	-	-
EUR SP Class	-	-	-	10,952,154	-

# E.I. Sturdza Funds Plc

## Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

### 11. Net asset value and net asset value per share (continued)

The net asset values at 30 June 2018 are as follows:

	<b>SMVF</b>	<b>SESF</b>	<b>SGQF</b>	<b>SQBF</b>	<b>SBXF</b>	<b>SJOF</b>
	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<b>USD</b>	<b>EUR</b>	<b>USD</b>	<b>USD</b>	<b>EUR</b>	<b>JPY</b>
<b>Net asset value</b>						
USD Class	150,773,730	-	24,394,235	9,126,953	-	-
EUR Class	-	89,888,611	-	-	8,292,574	-
EUR X Class	-	24,921,088	-	-	-	-
CHF Hedged Class	7,411,280	1,582,268	10,273,067	7,871,861	-	-
EUR Hedged Class	4,130,820	-	696,644	11,885,517	-	713,349,404
USD Institutional Class	38,232,392	-	30,556,962	8,942,766	-	-
EUR Institutional Class	-	93,815,665	-	-	12,199,581	-
EUR Hedged Institutional Class	-	-	1,005,338	1,255,172	-	138,297,251
USD Hedged Institutional Class	-	-	-	-	-	540,099,984
USD Hedged Class	-	-	-	-	-	841,982,567
EUR R Class	-	-	-	-	243,850	-
JPY Institutional Class	-	-	-	-	-	3,918,089,251
JPY Class	-	-	-	-	-	4,036,362,555

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 11. Net asset value and net asset value per share (continued)

The net asset values at 31 December 2017 are as follows:

	SCPF 2017 USD	SEBF 2017 EUR	NGUF 2017 JPY	SEVF 2017 EUR	SGBF 2017 USD
<b>Net asset value</b>					
USD Class	64,945,993	-	-	-	31,597,554
USD Hedged Class	-	-	-	1,239,416	-
EUR Class	-	-	-	221,797,553	-
EUR Hedged Class	26,460,813	-	86,853,443	-	-
GBP Hedged Class	747,659	-	-	-	-
EUR Distributing Class	-	1,348,273	-	-	-
EUR Accumulating Class	-	21,404,549	-	-	-
EUR Institutional Distributing Class	-	-	-	15,227,583	-
JPY Class A	-	-	99,999,453	-	-
JPY Class B Accumulating	-	-	2,044,078,664	-	-
JPY Class D Institutional	-	-	135,883,450	-	-
EUR Institutional Class	-	14,492,557	-	315,259,723	-
EUR Super Institutional Class	-	-	-	185,856,377	-
CHF Hedged Accumulating Class	-	2,719,935	-	-	-
CHF Hedged Class	-	-	-	27,192,759	-
GBP Hedged Institutional Class	-	-	-	16,181,402	-
EUR Hedged Institutional Class	7,268,781	-	334,547,329	-	-
USD Institutional Class	92,108,042	-	-	-	-
USD Hedged Institutional Class	-	-	-	1,158,333	-
USD Hedged Super Institutional Class	-	-	-	4,102,416	-
CHF Hedged Institutional Class	-	-	-	7,090,847	-
CHF Hedged Class	363,545	-	-	-	-
EUR R Class	-	-	-	10,633,066	-



# E.I. Sturdza Funds Plc

## Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

### 11. Net asset value and net asset value per share (continued)

The net asset values at 31 December 2017 are as follows:

	SMVF 2017 USD	SESF 2017 EUR	SGQF 2017 USD	SQBF 2017 USD	SBXF 2017 EUR	SJOF 2017 JPY
<b>Net asset value</b>						
USD Class	153,603,469	-	25,763,359	10,328,994	-	-
EUR Class	-	92,564,239	-	-	9,445,998	-
EUR X Class	-	32,237,864	-	-	-	-
EUR Hedged Class	1,597,343	-	354,786	13,273,809	-	639,332,601
CHF Hedged Class	7,097,701	1,799,068	9,741,597	10,987,164	-	-
USD Institutional Class	36,833,531	-	32,947,616	4,699,913	-	-
EUR Institutional Class	-	66,683,873	-	-	11,810,850	-
EUR Hedged Institutional Class	-	-	354,857	1,417,793	-	-
USD Hedged Institutional Class	-	-	-	-	-	504,567,957
USD Hedged Class	-	-	-	-	-	732,475,655
EUR R Class	-	-	-	-	7,348,822	-
JPY Institutional Class	-	-	-	-	-	3,509,404,338
JPY Class	-	-	-	-	-	3,984,577,479

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 11. Net asset value and net asset value per share (continued)

The net asset values per share at 30 June 2018 are as follows:

	SCPF 2018 USD	SEBF 2018 EUR	NGUF 2018 JPY	SEVF 2018 EUR	SGBF 2018 USD
<b>Net asset value per share</b>					
USD Class	\$ 3,435.27	-	-	-	\$ 1,051.08
USD Hedged Class	-	-	-	\$ 114.50	-
EUR Class	-	-	-	€ 218.47	-
EUR Hedged Class	€ 3,183.51	-	€ 1,132.12	-	-
GBP Hedged Class	£ 3,277.15	-	-	-	-
EUR Distributing Class	-	€ 992.53	-	-	-
EUR Accumulating Class	-	€ 1,113.04	-	-	-
EUR Institutional Distributing Class	-	-	-	€ 104.22	-
JPY Class A	-	-	JPY 107,803	-	-
JPY Class B Accumulating	-	-	JPY 90,432	-	-
JPY Class C	-	-	-	-	-
JPY Class D Institutional	-	-	JPY 59,347	-	-
EUR Super Institutional Class	-	-	-	€ 106.78	-
CHF Hedged Accumulating Class	-	CHF 950.55	-	-	-
CHF Hedged Class	CHF 949.05	-	-	CHF 170.19	-
CHF Hedged Institutional Class	CHF 988.97	-	-	CHF 105.24	-
GBP Hedged Institutional Class	-	-	-	£ 143.11	-
EUR Hedged Institutional Class	€ 1,367.24	-	€ 1,340.97	-	-
EUR Institutional Class	-	€ 1,000.32	-	€ 193.58	-
USD Institutional Class	\$ 1,336.27	-	-	-	-
USD Hedged Institutional Class	-	-	-	\$ 106.45	-
EUR Retail Class	-	-	-	-	-
USD Hedged Super Institutional Class	-	-	-	\$ 110.21	-
EUR R Class	-	-	-	€ 101.78	-
EUR Hedged R Class	€ 865.42	-	-	-	-
EUR SP Class	-	-	-	€ 106.28	-

## E.I. Sturdza Funds Plc

### Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

#### 11. Net asset value and net asset value per share (continued)

The net asset values per share at 30 June 2018 are as follows:

	SMVF 2018 USD	SESF 2018 EUR	SGQF 2018 USD	SQBF 2018 USD	SBXF 2018 EUR	SJOF 2018 JPY
<b>Net asset value per share</b>						
USD Class	\$ 867.38	-	\$ 128.45	\$ 1,034.44	-	-
EUR Class	-	€ 1,277.92	-	-	€ 1,004.83	-
EUR X Class	-	€ 1,209.26	-	-	-	-
CHF Hedged Class	CHF 566.86	CHF 1,034.37	CHF 109.86	CHF 977.13	-	-
EUR Hedged Class	€ 578.70	-	€ 97.13	€ 986.42	-	€ 1,251.19
USD Institutional Class	\$ 583.72	-	\$ 139.40	\$ 1,006.20	-	-
EUR Institutional Class	-	€ 1,063.09	-	-	€ 1,006.71	-
EUR Hedged Institutional Class	-	-	€ 97.59	€ 992.78	-	€ 993.50
USD Hedged Institutional Class	-	-	-	-	-	\$ 1,280.54
USD Hedged Class	-	-	-	-	-	\$ 1,270.36
EUR R Class	-	-	-	-	€ 996.28	-
JPY Institutional Class	-	-	-	-	-	JPY 62,927
JPY Class	-	-	-	-	-	JPY 62,577

# E.I. Sturdza Funds Plc

## Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

### 11. Net asset value and net asset value per share (continued)

The net asset values per share at 31 December 2017 are as follows:

	SCPF 2017 USD	SEBF 2017 EUR	NGUF 2017 JPY	SEVF 2017 EUR	SGBF 2017 USD
<b>Net asset value per share</b>					
USD Class	\$ 3,554.41	-	-	-	\$ 1,060.86
USD Hedged Class	-	-	-	\$ 114.90	-
EUR Class	-	-	-	€ 221.16	-
EUR Hedged Class	€ 3,339.41	-	€ 1,257.13	-	-
GBP Hedged Class	£ 3,425.49	-	-	-	-
EUR Distributing Class	-	€ 1,005.48	-	-	-
EUR Accumulating Class	-	€ 1,127.59	-	-	-
EUR Institutional Distributing Class	-	-	-	€ 105.21	-
JPY Class A	-	-	JPY 119,245	-	-
JPY Class B Accumulating	-	-	JPY 100,031	-	-
JPY Class D Institutional	-	-	JPY 65,486	-	-
EUR Institutional Class	-	€ 1,011.88	-	€ 195.36	-
EUR Super Institutional Class	-	-	-	€ 107.68	-
CHF Hedged Accumulating Class	-	CHF 965.34	-	-	-
CHF Hedged Class	CHF 997.64	-	-	CHF 172.76	-
GBP Hedged Institutional Class	-	-	-	-	-
GBP Hedged Institutional Class	-	-	-	£ 144.00	-
EUR Hedged Institutional Class	€ 1,430.10	-	€ 1,486.11	-	-
USD Institutional Class	\$ 1,379.23	-	-	-	-
USD Hedged Institutional Class	-	-	-	\$ 106.16	-
USD Hedged Super Institutional Class	-	-	-	\$ 110.00	-
EUR R Class	-	-	-	€ 103.41	-
CHF Hedged Institutional Class	-	-	-	CHF 106.52	-

# E.I. Sturdza Funds Plc

## Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

### 11. Net asset value and net asset value per share (continued)

The net asset values per share at 31 December 2017 are as follows:

	SMVF 2017 USD	SESF 2017 EUR	SGQF 2017 USD	SQBF 2017 USD	SBXF 2017 EUR	SJOF 2017 JPY
<b>Net asset value per share</b>						
USD Class	\$ 842.56	-	\$ 130.04	\$ 1,074.45	-	-
EUR Class	-	€ 1,384.42	-	-	€ 1,020.03	-
EUR X Class	-	€ 1,309.95	-	-	-	-
CHF Hedged Class	CHF 558.88	CHF 1,123.45	CHF 112.93	CHF 1,030.05	-	-
EUR Hedged Class	€ 568.18	-	€ 99.85	€ 1,038.13	-	€ 1,278.57
USD Institutional Class	\$ 565.61	-	\$ 140.76	€ 1,042.52	-	-
EUR Institutional Class	-	€ 1,148.82	-	-	€ 1,020.11	-
EUR Hedged Institutional Class	-	-	€ 99.87	€ 1,042.23	-	-
EUR R Class	-	-	-	-	€ 1,008.23	-
USD Hedged Institutional Class	-	-	-	-	-	\$ 1,293.36
USD Hedged Class	-	-	-	-	-	\$ 1,286.05
JPY Institutional Class	-	-	-	-	-	JPY 63,990
JPY Class	-	-	-	-	-	JPY 63,766

### 12. Distributions

The Directors are empowered to declare and pay distributions on any class of shares in the Company.

For the Strategic China Panda Fund it is intended that dividends, if declared, would be declared for the GBP Hedged Class on an annual basis in line with the completion of the preparation of the audited financial statements. It is not the current intention of the Directors to distribute dividends to shareholders in any of the other share classes of the Sub-Fund.

For Strategic Quality Emerging Bond Fund it is intended that dividends, if declared, would be declared for the USD Distributing Class, EUR Hedged Distributing Class, CHF Hedged Distributing Class, GBP Hedged Distributing Class and EUR Hedged Institutional Distributing Class on a semi-annual basis in line with the completion of the audited and interim financial statements. It is not the current intention of the Directors to distribute dividends to shareholders in any of the other share classes of the Sub-Fund.

# E.I. Sturdza Funds Plc

## Notes to the Financial Statements (continued) For the six month period ended 30 June 2018

### 12. Distributions (continued)

For the Strategic Europe Value Fund it is intended that dividends, if declared, would be declared for the EUR Institutional Distributing Class on a semi-annual basis in line with the completion of the audited and interim financial statements. It is not the current intention of the Directors to distribute dividends to shareholders in any of the other share classes of the Sub-Fund.

For the Nippon Growth (UCITS) Fund, Strategic Global Bond Fund, Strategic US Momentum and Value Fund, Strategic Global Quality Fund, Strategic European Smaller Companies Fund, Strategic Beta Flex Fund and Strategic Japan Opportunities Fund, it is not the current intention of the Directors that dividends be recommended for payment to shareholders in any of the share classes of the Sub-Funds.

The dividends declared and paid during the period ended 30 June 2018 were as follows.

<b>Fund</b>	<b>Share Class</b>	<b>Date</b>	<b>Dividend per share EUR</b>	<b>Gross amount EUR</b>
Strategic Europe Value Fund	EUR Institutional Distributing Class	1 June 2018	0.04	15,283

No dividend was declared and paid during the period ended 30 June 2017.

### 13. Taxation

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. As such, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a “chargeable event”. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- (a) a shareholder who is neither an Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company; and
- (b) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations and the Company is not in possession of any information which would reasonably suggest that the information contain therein is no longer materially correct.

## **E.I. Sturza Funds Plc**

### **Notes to the Financial Statements (continued) For the six month period ended 30 June 2018**

#### **14. Significant matters arising during the period**

The following changes to the Company's Prospectus and/or Sub-Funds' Supplements have been implemented with effect from 1 January 2018:

- The Investment Manager's fee of the Super Institutional Classes of the Strategic Europe Value Fund and Strategic Global Quality Fund has been reduced from 90bps to 75bps;
- The Performance Fee has been removed from the Institutional Share Classes of the Strategic Europe Value Fund and Strategic Global Quality Fund;
- Research costs, capped at 5bps per annum, are being charged to the Strategic Europe Value Fund and Strategic Global Quality Fund;
- The dealing deadline for Strategic China Panda Fund, Strategic Europe Value Fund and Strategic Global Quality Fund has changed from 5pm to 11.59 pm;
- The use of volatility index futures for Strategic Europe Value Fund and Strategic Global Quality Fund, subject to a 7.5% limit, has been included. Each Sub-Fund currently provides for the use of Financial Derivative Investments, to include futures. The use of volatility index futures within the stated limit of 7.5% does not impact on the risk profile of the Sub-Funds;
- Certain classes which were hedged classes but did not specifically reference 'hedged' within the share class name have been updated;
- The benchmark used by the Strategic China Panda Fund for reporting purposes was amended to the MSCI China NR USD Index (the benchmark used for calculating Performance Fees);
- Pursuant to a new German Investment Tax Act which took effect from 1 January 2018, the Supplements of Strategic China Panda Fund, Nippon Growth (UCITS) Fund, Strategic Europe Value Fund, Strategic US Momentum and Value Fund, Strategic Global Quality Fund, Strategic European Smaller Companies Fund and Strategic Beta Flex Fund have been updated to reference that there will be at least 51% of the NAV of the relevant Sub-Fund invested in equities. This does not constitute a change in investment policy;
- The dealing deadline for subscriptions into the Strategic Japan Opportunities Fund was amended to 1 business day's notice in line with all other Sub-Funds; and
- The minimum investment amount for the relevant Institutional Share Classes of all Sub-Funds was reduced to 1,000,000 (denominated in the currency of the relevant Share Class).

On 20 February 2018, Azimut, through its subsidiary Azimut Capital Management SGR S.p.A, entered into an agreement for the acquisition of the investment management business of Sofia Gestione del Patrimonio SGR S.p.A. This includes the investment advisory services provided to the Strategic Beta Flex Fund. The Bank of Italy approved the agreement on 27 March 2018. During the period, there have been neither changes with regard to the investment team associated with the Sub-Fund nor any changes to the operation of the Sub-Fund.

The Strategic Europe Value Fund launched the EUR SP Class on 7 March 2018, the Strategic Japan Opportunities Fund launched the EUR Hedged Institutional Class on 14 March 2018 and the Strategic China Panda Fund launched the EUR Hedged R Class on 24 January 2018 and the CHF Hedged Institutional Class on 26 June 2018. None of these share classes were listed on Euronext Dublin.

On 6 April 2018, Marc Craquelin was appointed as a Director of the Company.

## **E.I. Sturdza Funds Plc**

### **Notes to the Financial Statements (continued) For the six month period ended 30 June 2018**

#### **14. Significant matters arising during the period (continued)**

On 28 June 2018, a new Supplement was issued for the Strategic Euro Bond Fund with the following changes:

- The Investment Manager fees were reduced from 0.75% to 0.60% for the Accumulating and Distributing Classes and from 0.45% to 0.30% for the Institutional Classes.
- The investment parameters that previously restricted the Sub-Fund to invest 100% in investment grade bonds and in a maximum S&P Matrix Score of 90 or A- credit rating were changed to:
  - a. Minimum 75% investment grade + Maximum 25% non-investment grade (i.e. crossover BB/BB+ bonds)
  - b. Maximum 25% subordinated debt (i.e. hybrid corporate or bank subordinated debt)
  - c. Credit derivatives (i.e. iTraxx and CDS)
  - d. Maximum 20% in bonds in non-base currency EUR hedged

#### **15. Subsequent events**

On 4 July 2018, the Directors resolved to terminate the operations of the Strategic Beta Flex Fund with effect from 15 August 2018.

Effective from 11 July 2018, all the listed shares of the Company's Sub-Funds were delisted from Euronext Dublin and the services of Dillon Eustace as the Listing Sponsor were terminated on the same date.

#### **16. Approval of the interim financial statements**

The interim financial statements were approved and authorised for issue by the Board of Directors on 15 August 2018.



## E.I. Sturdza Funds Plc

### Schedule of Investments As at 30 June 2018

#### Strategic China Panda Fund

<b>Financial Assets and Financial Liabilities at Fair Value</b>	<b>Fair Value</b>	<b>% of</b>
<b>Holding through Profit or Loss</b>	<b>USD</b>	<b>Net Assets</b>
<b>Transferable securities*</b>		
<b>Equity securities</b>		
<b>Bermuda</b>		
709,000 Luk Fook Holdings International Ltd	2,932,534	1.58
1,113,600 Man Wah Holdings Ltd	874,364	0.47
	3,806,898	2.05
<b>Cayman Islands</b>		
459,500 AAC Technologies Holdings Inc	6,471,872	3.48
364,000 Anta Sports Products Ltd	1,927,767	1.04
282,700 ASM Pacific Technology Ltd	3,574,535	1.92
94,600 Alibaba Group Holding Ltd	17,551,137	9.43
15,328,500 Bestway Global Holding Inc	8,088,764	4.35
807,000 China Evergrande Group	2,057,243	1.11
7,318,000 CIFI Holdings Group Co Ltd	4,654,522	2.50
6,425,563 Far East Consortium International Ltd	3,824,813	2.05
4,512,000 Goodbaby International Holdings Ltd	2,731,774	1.47
1,095,000 JNBY Design Ltd	2,509,493	1.35
809,000 Lifestyle International Holdings Ltd	1,715,868	0.92
1,340,400 MGM China Holdings Ltd	3,109,481	1.67
29,500 New Oriental Education & Technology Group Inc	2,792,470	1.50
3,969,500 Nexteer Automotive Group Ltd	5,869,160	3.15
1,036,000 Precision Tsugami China Corp Ltd	1,229,395	0.66
521,600 Sands China Ltd	2,789,020	1.50
763,500 Shimao Property Holdings Ltd	2,004,742	1.08
5,955,000 SITC International Holdings Co Ltd	6,641,588	3.57
284,800 Sunny Optical Technology Group Co Ltd	5,299,989	2.85
305,200 Tencent Holdings Ltd	15,319,422	8.23
2,594,000 Times China Holdings Ltd	3,848,621	2.07
2,133,600 Wynn Macau Ltd	6,866,834	3.69
6,546,000 Yuzhou Properties Co Ltd	3,846,441	2.07
	114,724,951	61.64
<b>China</b>		
7,322,000 China Construction Bank Corp	6,766,279	3.64
220,211 China Literature Ltd	2,068,658	1.11
1,089,600 Guangzhou R&F Properties Co Ltd	2,199,907	1.18
11,892,000 Postal Savings Bank Of China Co Ltd	7,745,651	4.16
623,000 Ping An Insurance Group Co Of China Ltd	5,733,336	3.08
39,021 Secoo Holding Ltd	315,290	0.17
1,000 ZTO Express Cayman Inc	20,000	0.01
	24,849,121	13.35

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic China Panda Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
<b>Transferable securities* (continued)</b>			
<b>Equity securities (continued)</b>			
<b>Hong Kong</b>			
796,000	AIA Group Ltd	6,960,162	3.74
1,594,000	China Overseas Land & Investment Ltd	5,252,076	2.82
1,064,000	CSPC Pharmaceutical Group Ltd	3,214,194	1.73
4,677,000	Guotai Junan International Holdings Ltd	1,013,441	0.54
293,267	Hong Kong Exchanges & Clearing Ltd	8,821,803	4.74
1,323,000	Melco International Development Ltd	4,072,482	2.19
355,000	Techtronic Industries Co	1,979,651	1.06
		31,313,809	16.82
<b>Italy</b>			
861,900	Prada SpA	3,987,913	2.14
		3,987,913	2.14
<b>United Kingdom</b>			
347,518	HSBC Holdings Plc	3,260,148	1.75
		3,260,148	1.75
<b>Total Equity Securities</b>		<b>181,942,840</b>	<b>97.75</b>
<b>Participatory Notes</b>			
<b>China</b>			
133,100	Gree Electric Appliances I-A(Sec) Call Option, Strike Price USD 0.0000, Expiry 12/14/2018	945,796	0.51
272,076	Gree Electric Appliances I-A(Shz) Call Option, Strike Price USD 0.0000, Expiry 10/26/2022	1,936,272	1.04
176,500	Gree Electric Appliances I-A(Shz) Call Option, Strike Price USD 1.0000, Expiry 02/03/2020	1,256,090	0.67
		4,138,158	2.22
<b>Total Participatory Notes</b>		<b>4,138,158</b>	<b>2.22</b>
<b>Total Transferable securities (31 December 2017: USD 190,897,489 - 99.48%)</b>		<b>186,080,998</b>	<b>99.97</b>

## E.I. Sturdza Funds Plc

Schedule of Investments (continued)  
As at 30 June 2018

### Strategic China Panda Fund (continued)

<b>Holding</b>	<b>Financial Assets and Financial Liabilities at Fair Value through Profit or Loss</b>	<b>Fair Value USD</b>	<b>% of Net Assets</b>
	<b>Derivative financial instruments at positive fair value</b>		
	<b>OTC Derivative financial instruments</b>		
	<b>Forward foreign exchange contracts</b>		
	Appreciation in forward foreign exchange contracts	271,495	0.15
	<b>Total Derivative Financial Instruments at positive fair value</b> (31 December 2017: USD 250,395 – 0.13%)	<b>271,495</b>	<b>0.15</b>
	<b>Total Financial Assets at Fair value through profit or loss</b>	<b>186,352,493</b>	<b>100.12</b>
	<b>Derivative financial instruments at negative fair value</b>		
	<b>OTC Derivative financial instruments</b>		
	<b>Forward foreign exchange contracts</b>		
	Depreciation in forward foreign exchange contracts	(16,182)	(0.01)
	<b>Total Derivative Financial Instruments at negative fair value</b> (31 December 2017: USD (904) - 0.00%)	<b>(16,182)</b>	<b>(0.01)</b>
	<b>Total Financial Liabilities at Fair value through Profit or Loss</b>	<b>(16,182)</b>	<b>(0.01)</b>
	<b>Total Financial Assets and Liabilities at Fair value through Profit or Loss</b>	<b>186,336,311</b>	<b>100.11</b>
	<b>Cash and cash equivalents**</b>	4,851,251	2.61
	<b>Other assets and liabilities</b>	(5,060,248)	(2.72)
	<b>Total Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>186,127,314</b>	<b>100.00</b>

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic China Panda Fund (continued)

<b>Financial Assets and Financial Liabilities at Fair Value</b>	<b>Fair Value</b>	<b>% of</b>
<b>Through Profit or Loss</b>	<b>USD</b>	<b>Total Assets</b>
<b>Analysis of Total Assets</b>		
Transferable securities	186,080,998	94.70
OTC Derivative financial instruments	271,495	0.14
Cash and cash equivalents	4,851,251	2.47
Other assets	5,288,539	2.69
<b>Total Assets</b>	<b>196,492,283</b>	<b>100.00</b>

\*Transferable securities admitted to official stock exchange listing or traded on another regulated market.

\*\*Cash and cash equivalents are held with The Bank of New York Mellon (AA-) and The Royal Bank of Scotland (BBB+) (ratings from Standard & Poor's).

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Euro Bond Fund

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
<b>Transferable securities*</b>			
<b>Debt Securities</b>			
<b>Australia</b>			
1,000,000	Telstra Corp Ltd, 3.50%, 21/09/2022	1,128,476	3.46
		1,128,476	3.46
<b>Austria</b>			
500,000	Autobahnen- und Schnellstrassen-Finanzierungs-AG, 1.75%, 21/10/2020	525,071	1.61
1,000,000	OEBB-Infrastruktur AG, 3.50%, 19/10/2020	1,089,882	3.34
		1,614,953	4.95
<b>Cayman Islands</b>			
1,000,000	CK Hutchison Europe Finance 18 Ltd, 1.25%, 13/04/2025	994,704	3.05
		994,704	3.05
<b>China</b>			
1,500,000	China Development Bank Corp, 0.38%, 16/11/2021	1,497,589	4.59
		1,497,589	4.59
<b>Denmark</b>			
1,500,000	Carlsberg Breweries A/S, 0.50%, 06/09/2023	1,484,250	4.55
		1,484,250	4.55
<b>France</b>			
1,000,000	Auchan Holding SA, 0.63%, 07/02/2022	1,007,224	3.09
1,000,000	CARREFOUR SA, 0.75%, 26/04/2024	988,475	3.03
1,000,000	Electricite de France SA, 2.75%, 10/03/2023	1,104,329	3.38
1,000,000	Engie SA, 0.38%, 28/02/2023	997,308	3.06
500,000	RCI Banque SA, 2.25%, 29/03/2021	527,061	1.61
1,500,000	Schlumberger Finance France SAS, 0.63% , 12/02/2019	1,508,475	4.62
1,000,000	Total Capital International SA, 0.00%, 19/03/2020	1,004,916	3.08
		7,137,788	21.87
<b>Germany</b>			
1,000,000	Bundesrepublik Deutschland, 0.00%, 15/08/2026	989,737	3.03
1,000,000	Daimler AG, 2.63%, 02/04/2019	1,021,227	3.13
1,000,000	Linde AG, 1.75%, 17/09/2020	1,042,865	3.20
		3,053,829	9.36
<b>Hungary</b>			
500,000	MOL Hungarian Oil & Gas PLC, 2.63%, 28/04/2023	529,529	1.62
		529,529	1.62

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Euro Bond Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
<b>Transferable securities* (continued)</b>			
<b>Debt securities (continued)</b>			
<b>Netherlands</b>			
1,500,000	BMW Finance NV, 0.50%, 21/01/2020	1,514,790	4.64
500,000	Compass Group International BV, 0.63%, 03/07/2024	495,350	1.52
1,500,000	EXOR NV, 1.75%, 18/01/2028	1,448,790	4.44
1,250,000	Enexis Holding NV, 1.88%, 13/11/2020	1,306,838	4.00
1,250,000	TenneT Holding BV, 2.13%, 01/11/2020	1,313,259	4.02
		6,079,027	18.62
<b>Singapore</b>			
1,500,000	Temasek Financial I Ltd, 0.50%, 01/03/2022	1,523,684	4.67
		1,523,684	4.67
<b>United Kingdom</b>			
1,000,000	BP Capital Markets PLC, 0.83%, 19/09/2024	998,227	3.06
		998,227	3.06
<b>United States of America</b>			
1,250,000	3M Co, 0.38%, 15/02/2022	1,263,845	3.87
1,000,000	American Honda Finance Corp, 0.08%, 11/03/2019	1,002,456	3.07
1,500,000	Coca-Cola Co /The, 0.00%, 09/09/2019	1,505,034	4.62
1,000,000	International Business Machines Corp, 1.88%, 06/11/2020	1,045,239	3.20
		4,816,574	14.76
<b>Total Transferable securities</b>			
<b>(31 December 2017: EUR 38,866,397 - 97.25%)</b>		<b>30,858,630</b>	<b>94.56</b>
<b>Derivative financial instruments at positive fair value</b>			
<b>Forward foreign exchange contracts</b>			
	Appreciation in forward foreign exchange contracts	-	-
<b>Total Derivative Financial Instruments at positive fair value</b>			
<b>(31 December 2017: EUR 41,214 – 0.10%)</b>		-	-
<b>Total Financial Assets at Fair Value through Profit or Loss</b>		<b>30,858,630</b>	<b>94.56</b>

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Euro Bond Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
<b>Derivative financial instruments at negative fair value</b>			
<b>Derivative Financial Instruments dealt on a regulated market</b>			
<b>Futures contract</b>			
(30)	EURO-BOBL FUTURE SEP18	(18,700)	(0.06)
(20)	EURO-BUND FUTURE SEP18	(56,930)	(0.17)
		<b>(75,630)</b>	<b>(0.23)</b>
<b>OTC Derivative Financial Instruments</b>			
<b>Forward Foreign Currency Contracts</b>			
	Depreciation in forward foreign exchange contracts	(6,895)	(0.02)
	<b>Total Derivative Financial Instruments at negative fair value (31 December 2017: EUR (2,908) - 0.00%)</b>	<b>(82,525)</b>	<b>(0.25)</b>
	<b>Total Financial Assets and Liabilities at Fair value through Profit or Loss</b>	<b>30,776,105</b>	<b>94.31</b>
	<b>Cash and cash equivalents**</b>	921,927	2.82
	<b>Other assets and liabilities</b>	937,660	2.87
	<b>Total Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>32,635,692</b>	<b>100.00</b>
<b>Analysis of Total Assets</b>			
		<b>Fair Value</b>	<b>% of Total</b>
		<b>EUR</b>	<b>Assets</b>
	Transferable securities	30,858,630	93.59
	OTC Derivative financial instruments	-	0.00
	Cash and cash equivalents	921,927	2.80
	Other assets	1,192,209	3.62
	<b>Total Assets</b>	<b>32,972,766</b>	<b>100.00</b>

\*Transferable securities admitted to official stock exchange listing or traded on another regulated market.

\*\*Cash and cash equivalents are held with The Bank of New York Mellon (AA-) and The Royal Bank of Scotland (BBB+) (ratings from Standard & Poor's).

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued)

As at 30 June 2018

### Nippon Growth (UCITS) Fund

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value JPY	% of Net Assets
<b>Transferable securities*</b>			
<b>Equity securities</b>			
<b>Japan</b>			
49,000	DMG Mori Co Ltd	75,313,000	2.41
35,000	Fujifilm Holdings Corp	151,410,003	4.84
130,000	Fujitsu Ltd	87,334,000	2.79
26,000	HIS Co Ltd	86,840,006	2.78
17,000	IHI Corp	65,620,000	2.10
100,000	Iino Kaiun Kaisha Ltd	50,300,000	1.61
41,000	Inpex Corp	47,129,500	1.51
8,000	Isuzu Motors Ltd	11,772,000	0.38
120,000	Itochu Corp	240,900,000	7.70
145,000	JXTG Holdings Inc	111,679,000	3.57
32,000	Kajima Corp	27,456,000	0.88
70,000	Kobe Steel Ltd	70,980,000	2.27
96,000	Makino Milling Machine Co Ltd	82,751,996	2.65
52,000	Mitsubishi Corp	160,056,000	5.12
20,000	Mitsubishi Motors Corp	17,660,000	0.56
550,000	Mizuho Financial Group Inc	102,575,000	3.28
96,000	Marubeni Corp	81,129,603	2.59
13,000	Mitsubishi Chemical Holdings Corp	12,056,200	0.39
220,000	Mitsubishi UFJ Financial Group Inc	138,841,998	4.44
9,500	Mitsui OSK Lines Ltd	25,346,000	0.81
22,000	Nabtesco Corp	75,020,014	2.40
15,100	Nachi-Fujikoshi Corp	74,820,500	2.39
30,000	NEC Corp	91,200,000	2.92
165,000	Nomura Holdings Inc	88,802,999	2.84
30,000	Nippon Steel & Sumitomo Metal Corp	65,265,000	2.09
18,000	Otsuka Corp	78,210,000	2.50
10,000	SCSK Corp	51,499,994	1.65
34,000	Seibu Holdings Inc	63,512,000	2.03
14,000	Sekisui Chemical Co Ltd	26,432,004	0.84
10,000	Shimadzu Corp	33,500,000	1.07
170,000	Sojitz Corp	68,339,999	2.18
113,000	Sumitomo Chemical Co Ltd	70,964,000	2.27
17,000	Sumitomo Metal Mining Co Ltd	72,045,996	2.30
29,000	Sumitomo Mitsui Trust Holdings Inc	127,397,000	4.07
14,000	Sumitomo Realty & Development Co Ltd	57,246,000	1.83
31,000	Sumitomo Mitsui Financial Group Inc	133,485,996	4.27
10,000	Taisei Corp	61,099,994	1.95
35,000	Tokyo Tatemono Co Ltd	53,234,994	1.70



## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Nippon Growth (UCITS) Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value JPY	% of Net Assets
<b>Transferable securities* (continued)</b>			
<b>Equity securities (continued)</b>			
<b>Japan (continued)</b>			
33,000	Tokyu Corp	62,964,000	2.01
78,000	Tokyu Fudosan Holdings Corp	60,996,004	1.95
13,600	Toyo Engineering Corp	10,322,400	0.32
2,000	Toyota Motor Corp	14,339,986	0.45
		3,087,849,186	98.71
<b>Total Transferable securities (31 December 2017: JPY 2,698,575,521 – 99.90%)</b>		<b>3,087,849,186</b>	<b>98.71</b>
 <b>Derivative Financial Instruments at positive fair value</b>			
<b>OTC Derivative financial Instruments</b>			
<b>Forward foreign exchange contracts</b>			
Appreciation in forward foreign exchange contracts		4,281,637	0.14
<b>Total Derivative Financial Instruments at positive Fair Value (31 December 2017: JPY 1,408,771 - 0.05 %)</b>		<b>4,281,637</b>	<b>0.14</b>
<b>Total Financial Assets at Fair Value through Profit or Loss</b>		<b>3,092,130,823</b>	<b>98.85</b>
<b>Cash and cash equivalents**</b>		55,891,614	1.79
<b>Other assets and liabilities</b>		(19,910,423)	(0.64)
<b>Total Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<b>3,128,112,014</b>	<b>100.00</b>

# E.I. Sturdza Funds Plc

## Schedule of Investments (continued) As at 30 June 2018

### Nippon Growth (UCITS) Fund (continued)

<b>Financial Assets and Financial Liabilities at Fair Value</b>	<b>Fair Value</b>	<b>% of</b>
<b>Through Profit or Loss</b>	<b>JPY</b>	<b>Total Assets</b>
<b>Analysis of Total Assets</b>		
Transferable securities	3,087,849,186	97.96
OTC Derivative financial instruments	4,281,637	0.14
Cash and cash equivalents	55,891,614	1.77
Other assets	4,014,072	0.13
<b>Total Assets</b>	<b>3,152,036,509</b>	<b>100.00</b>

\*Transferable securities admitted to official stock exchange listing or traded on another regulated market.

\*\*Cash and cash equivalents are held with The Bank of New York Mellon (AA-) and The Royal Bank of Scotland (BBB+) (ratings from Standard & Poor's).

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Europe Value Fund

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
<b>Transferable securities*</b>			
<b>Equity securities</b>			
<b>Denmark</b>			
646,600	Novo Nordisk A/S	25,687,932	4.00
		25,687,932	4.00
<b>France</b>			
567,077	Criteo SA	15,955,188	2.48
394,395	Danone SA	24,795,614	3.86
191,893	Safran SA	19,966,467	3.11
		60,717,269	9.45
<b>Germany</b>			
207,687	Beiersdorf AG	20,195,484	3.14
173,755	Bayer AG	16,393,784	2.55
265,190	Fresenius Medical Care AG & Co Kga	22,907,112	3.57
255,149	SAP SE	25,246,994	3.93
171,566	Stroer SE & Co Kga	8,895,697	1.38
151,003	Wirecard AG	20,830,864	3.24
		114,469,935	17.81
<b>Japan</b>			
372,100	Takeda Pharmaceutical Co Ltd	13,459,900	2.10
		13,459,900	2.10
<b>Jersey (Channel Islands)</b>			
280,658	Shire Plc	13,535,589	2.11
		13,535,589	2.11
<b>Netherlands</b>			
334,656	ASR Nederland NV	11,706,267	1.82
620,000	Grandvision NV	11,935,000	1.86
333,528	Qiagen NV	10,406,074	1.62
1,491,302	Relx NV	27,238,631	4.24
1,536,505	SBM Offshore NV	20,473,929	3.19
594,447	Wolters Kluwer NV	28,688,012	4.47
		110,447,913	17.19
<b>Norway</b>			
847,593	Orkla ASA	6,359,620	0.99
		6,359,620	0.99
<b>Spain</b>			
183,980	Amadeus IT Holding SA	12,437,048	1.94
		12,437,048	1.94

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Europe Value Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
<b>Transferable securities*(continued)</b>			
<b>Equity securities (continued)</b>			
<b>Switzerland</b>			
513,176	Nestle SA	34,040,020	5.30
		<u>34,040,020</u>	<u>5.30</u>
<b>United Kingdom</b>			
319,288	AstraZeneca Plc	18,965,779	2.95
465,775	British American Tobacco Plc	20,172,310	3.14
1,466,912	Glaxosmithkline Plc	25,375,780	3.95
400,128	Reckitt Benckiser Group Plc	28,228,943	4.39
3,570,294	Sage Group Plc/The	25,378,097	3.95
1,254,942	Smith & Nephew Plc	19,838,622	3.09
709,854	Unilever Plc	33,648,910	5.24
		<u>171,608,441</u>	<u>26.71</u>
<b>United States of America</b>			
290,934	Philip Morris International Inc	20,119,062	3.13
271,211	Vantiv Inc	18,996,733	2.96
		<u>39,115,795</u>	<u>6.09</u>
<b>Total Transferable securities</b>			
<b>(31 December 2017: EUR 803,037,365 - 99.68 %)</b>		<b><u>601,879,462</u></b>	<b><u>93.69</u></b>
<b>Derivative Financial Instruments at positive fair value</b>			
<b>OTC Derivative financial instruments</b>			
<b>Forward foreign exchange contracts</b>			
	Appreciation in forward foreign exchange contracts	<u>314</u>	<u>-</u>

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Europe Value Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
	<b>Options Contracts</b>		
87	S&P 500 INDEX Put Option, Strike Price USD 2700.0000, Expiry 12/21/2018	692,617	0.11
140	TESLA INC Put Option, Strike Price USD 280.0000, Expiry 12/21/2018	298,574	0.05
	<b>Total Derivative Financial Instruments at positive fair value (31 December 2017: EUR 1,090,615 – 0.13%)</b>	<b>991,505</b>	<b>0.16</b>
	<b>Total Financial Assets at Fair Value through Profit or Loss</b>	<b>602,870,967</b>	<b>93.85</b>
	<b>Derivative Financial Instruments at negative fair value</b>		
	<b>OTC Derivative Financial Instruments</b>		
	<b>Forward foreign exchange contracts</b>		
	Depreciation in forward foreign exchange contracts	(219,899)	(0.03)
	<b>Total Derivative Financial Instruments at negative fair value (31 December 2017: EUR (49,668) – (0.01)%)</b>	<b>(219,899)</b>	<b>(0.03)</b>
	<b>Total Financial Liabilities at Fair Value through Profit or Loss</b>	<b>(219,899)</b>	<b>(0.03)</b>
	<b>Total Financial Assets and Liabilities at Fair Value through Profit or Loss</b>	<b>602,651,068</b>	<b>93.81</b>
	<b>Cash and cash equivalents**</b>	36,433,205	5.67
	<b>Other assets and liabilities</b>	3,309,344	0.52
	<b>Total Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>642,393,617</b>	<b>100.00</b>

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Europe Value Fund (continued)

<b>Financial Assets and Financial Liabilities at Fair Value</b>	<b>Fair Value</b>	<b>% of</b>
<b>through Profit or Loss</b>	<b>EUR</b>	<b>Total Assets</b>
<b>Analysis of Total Assets</b>		
Transferable securities	601,879,462	91.76
Derivative financial instruments dealt on a regulated market	991,191	0.15
OTC Derivative financial instruments	314	0.00
Cash and cash equivalents	36,433,205	5.55
Other assets	16,641,494	2.54
<b>Total Assets</b>	<b>655,945,666</b>	<b>100.00</b>

\*Transferable securities admitted to official stock exchange listing or traded on another regulated market.

\*\*Cash and cash equivalents are held with The Bank of New York Mellon (AA-) (rating from Standard and Poor's).

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Global Bond Fund

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
<b>Transferable securities*</b>			
<b>Debt securities</b>			
<b>Australia</b>			
500,000	CNOOC Finance 2015 Australia Pty Ltd, 2.63%, 05/05/2020	493,989	1.88
500,000	Telstra Corp Ltd, 4.80%, 10/12/2021	517,621	1.97
		1,011,610	3.85
<b>Canada</b>			
500,000	Toronto-Dominion Bank/The, 2.13%, 04/07/2021	485,483	1.85
		485,483	1.85
<b>Cayman Islands</b>			
500,000	Hutchison Whampoa International 11 Ltd, 4.63%, 01/13/2022	514,113	1.96
1,000,000	Tencent Holdings Ltd, 2.88%, 11/02/2020	995,722	3.79
		1,509,835	5.75
<b>China</b>			
1,000,000	China Development Bank Corp, 2.75%, 16/11/2022	969,752	3.69
		969,752	3.69
<b>France</b>			
1,000,000	Electricite de France SA, 2.35%, 10/13/2020	981,145	3.73
1,000,000	Orange SA, 2.75%, 06/02/2019	999,475	3.80
500,000	Pernod Ricard SA, 4.45%, 15/01/2022	514,389	1.96
		2,495,009	9.49
<b>Ireland</b>			
500,000	Iberdrola Finance Ireland Ltd, 5%, 11/09/2019	510,442	1.94
		510,442	1.94
<b>Luxembourg</b>			
1,000,000	ArcelorMittal, 6.13%, 01/06/2025	1,082,500	4.12
		1,082,500	4.12
<b>Netherlands</b>			
500,000	Shell International Finance BV, 1.38%, 10/05/2019	494,750	1.88
		494,750	1.88
<b>Republic of Korea</b>			
1,000,000	Export-Import Bank of Korea, 2.13%, 01/25/2020	983,429	3.74
1,000,000	Korea Gas Corp, 1.88%, 18/07/2021	951,200	3.62
		1,934,629	7.36
<b>Singapore</b>			
1,000,000	SingTel Group Treasury Pte Ltd, 3.25%, 30/06/2025	972,465	3.70
		972,465	3.70

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Global Bond Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
<b>Transferable securities* (continued)</b>			
<b>Debt securities (continued)</b>			
<b>United States of America</b>			
1,000,000	Ford Motor Credit Co LLC, 3.16%, 12/03/2019	1,003,230	3.82
500,000	Hyundai Capital America, 2.6%, 19/03/2020	492,054	1.87
500,000	Merck Sharp & Dohme Corp, 5%, 30/06/2019	511,432	1.95
1,000,000	Nissan Motor Acceptance Corp, 2.85%, 13/09/2019	1,003,781	3.82
1,000,000	PepsiCo Inc, 2.38%, 06/10/2026	914,489	3.48
1,000,000	Roche Holdings Inc, 2.67%, 30/09/2019	1,003,975	3.82
2,000,000	United States Treasury, 3.00% 02/15/2048	2,005,078	7.63
1,500,000	United States Treasury, 2.25% 15/02/2027	1,431,298	5.45
2,500,000	United States Treasury, 2.88%, 15/11/2046	2,445,996	9.31
2,500,000	United States Treasury, 3%, 15/02/2047	2,507,129	9.54
		13,318,462	50.67
<b>Total Transferable securities (31 December 2017: USD 29,599,228 – 93.67 %)</b>		<b>24,784,937</b>	<b>94.30</b>
<b>Derivative Financial Instruments at positive fair value</b>			
<b>Derivative Financial Instruments dealt on a regulated market</b>			
<b>Futures contracts</b>			
(75)	US 5YR NOTE (CBT) SEP18	5,859	0.02
<b>Total Derivative Financial Instruments at positive fair value (31 December 2017: USD Nil – Nil %)</b>		<b>5,859</b>	<b>0.02</b>
<b>Total Financial Assets at Fair Value through Profit or Loss</b>		<b>24,790,796</b>	<b>94.32</b>



## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Global Bond Fund (continued)

<b>Financial Assets and Financial Liabilities at Fair Value through Profit or Loss</b>	<b>Fair Value USD</b>	<b>% of Net Assets</b>
<b>Cash and cash equivalents**</b>	1,465,731	5.58
<b>Other assets and liabilities</b>	26,525	0.10
<b>Total Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>26,283,052</b>	<b>100.00</b>
	<b>Fair Value USD</b>	<b>% of Total Assets</b>
<b>Analysis of Total Assets</b>		
Transferable securities	24,784,937	93.73
Derivative financial instruments dealt on a regulated market	5,859	0.02
Cash and cash equivalents	1,465,731	5.54
Other assets	187,181	0.71
<b>Total Assets</b>	<b>26,443,708</b>	<b>100.00</b>

\*Transferable securities admitted to official stock exchange listing or traded on another regulated market.

\*\*Cash and cash equivalents are held with The Bank of New York Mellon (AA-) and Royal Bank of Scotland (AA-) (ratings from Standard & Poor's).

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic US Momentum and Value Fund

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
<b>Transferable securities*</b>			
<b>Equity securities</b>			
<b>Canada</b>			
25,100	Canadian Pacific Railway Ltd	4,593,802	2.29
		4,593,802	2.29
<b>Cayman Islands</b>			
29,100	Alibaba Group Holding Ltd	5,398,923	2.69
		5,398,923	2.69
<b>Ireland</b>			
38,600	Allergan Plc	6,435,392	3.21
		6,435,392	3.21
<b>Jersey (Channel Islands)</b>			
38,300	Shire Plc	6,465,040	3.22
		6,465,040	3.22
<b>United States of America</b>			
79,100	Ao Smith Corp	4,678,765	2.33
6,410	Alphabet Inc	7,238,108	3.61
28,000	Apple Inc	5,183,080	2.58
7,125	AutoZone Inc	4,780,376	2.38
69,600	Bank Of The Ozarks	3,134,784	1.56
30,950	Becton Dickinson and Co	7,414,382	3.70
3,280	Booking Holdings Inc	6,648,855	3.32
28,350	Broadcom Inc	6,878,844	3.44
85,200	Cognizant Technology Solutions Corp	6,729,948	3.36
81,600	Celgene Corp	6,480,672	3.23
36,300	Centene Corp	4,472,523	2.23
111,000	Charles Schwab Corp/The	5,672,100	2.83
117,000	Comcast Corp	3,838,770	1.91
22,700	Constellation Brands Inc	4,968,349	2.48
77,200	Dollar Tree Inc	6,562,000	3.27
33,100	Envision Healthcare Corp	1,456,731	0.73
638,400	Financial Select Sector Spdr Fund	16,975,056	8.47
28,500	Facebook Inc	5,538,120	2.76
27,000	Intercontinental Exchange Inc	1,985,850	0.99
68,900	Iqvia Holdings Inc	6,877,598	3.43
33,100	Mastercard Inc	6,504,812	3.24
14,400	Signature Bank/New York Ny	1,841,472	0.92
15,550	Sherwin-Williams Co/The	6,337,714	3.16
29,650	Thermo Fisher Scientific Inc	6,141,701	3.06

# E.I. Sturdza Funds Plc

## Schedule of Investments (continued) As at 30 June 2018

### Strategic US Momentum and Value Fund (continued)

<b>Holding</b>	<b>Financial Assets and Financial Liabilities at Fair Value through Profit or Loss</b>	<b>Fair Value USD</b>	<b>% of Net Assets</b>
<b>Transferable securities* (continued)</b>			
<b>Equity securities (continued)</b>			
<b>United States of America (continued)</b>			
17,050	Ulta Beauty Inc	3,980,493	1.98
33,300	Union Pacific Corp	4,717,944	2.35
19,800	UnitedHealth Group Inc	4,857,732	2.42
48,400	Visa Inc	6,410,580	3.20
		158,307,359	78.94
<b>Total Transferable Securities</b>			
<b>(31 December 2017: USD 177,836,484 – 89.31 %)</b>		<b>181,200,516</b>	<b>90.35</b>
<b>Derivative Financial Instruments at positive fair value</b>			
<b>Derivative Financial Instruments dealt on a regulated market</b>			
<b>Options contracts</b>			
300	Smith (A.O.) Corp(NYS) Call Option, Strike Price USD 60.0000, Expiry 10/19/2018	90,000	0.05
<b>OTC Derivative Financial Instruments</b>			
<b>Forward foreign exchange contracts</b>			
Appreciation in forward foreign exchange contracts		54,150	0.03
<b>Total Derivative Financial Instruments at positive fair value (31 December 2017: USD 125,926 - 0.06%)</b>		<b>144,150</b>	<b>0.08</b>
<b>Total Financial Assets at Fair Value through Profit or Loss</b>		<b>181,344,666</b>	<b>90.43</b>

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic US Momentum and Value Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
<b>Derivative Financial Instruments at negative fair value</b>			
<b>Derivative Financial Instruments dealt on a regulated market</b>			
<b>Option contracts</b>			
(10.00)	Alphabet Inc-CI A Call Option, Strike Price USD 1140.0000, Expiry 09/21/2018	(54,500)	(0.03)
(52.00)	Apple Inc Call Option, Strike Price USD 190.0000, Expiry 08/17/2018	(22,932)	(0.01)
(4.00)	Booking Holdings Inc Call Option, Strike Price USD 2140.0000, Expiry 07/20/2018	(3,140)	-
(25.00)	Mastercard Inc - A Call Option, Strike Price USD 190.0000, Expiry 10/19/2018	(36,125)	(0.02)
(140.00)	Shire Plc-Adr(NSM) Call Option, Strike Price USD 170.0000, Expiry 10/19/2018	(107,380)	(0.05)
		<u>(224,077)</u>	<u>(0.11)</u>
	<b>Total Derivative Financial Instruments at negative fair value (31 December 2017: USD (286)- (0.00)%)</b>	<u>(224,077)</u>	<u>(0.11)</u>
	<b>Total Financial Liabilities at Fair Value through Profit or Loss</b>	<u>(224,077)</u>	<u>(0.11)</u>
	<b>Total Financial Assets and Liabilities at Fair Value through Profit or Loss</b>	<b><u>181,120,589</u></b>	<b><u>90.32</u></b>
	<b>Cash and cash equivalents**</b>	20,422,784.00	10.18
	<b>Other assets and liabilities</b>	(995,151.00)	(0.50)
	<b>Total Net Assets attributable to the Holders of Redeemable Participating Shares</b>	<b><u>200,548,222</u></b>	<b><u>100.00</u></b>
	<b>Analysis of Total Assets</b>	<b>Fair Value USD</b>	<b>% of Total Assets</b>
	Transferable securities	181,200,516	89.57
	Derivative financial instruments dealt on a regulated market	90,000	0.04
	OTC Derivative financial instruments	54,150	0.03
	Cash and cash equivalents	20,422,784	10.10
	Other assets	530,125	0.26
	<b>Total Assets</b>	<b><u>202,297,575</u></b>	<b><u>100.00</u></b>

\*Transferable securities admitted to official stock exchange listing or traded on another regulated market.

\*\*Cash and cash equivalents are held with The Bank of New York Mellon (AA-) (rating from Standard and Poor's).

# E.I. Sturdza Funds Plc

## Schedule of Investments (continued) As at 30 June 2018

### Strategic Global Quality Fund

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
<b>Transferable securities*</b>			
<b>Equity securities</b>			
<b>Denmark</b>			
56,439	Novo Nordisk A/S	2,617,871	3.91
		2,617,871	3.91
<b>France</b>			
50,796	Criteo SA	1,668,649	2.49
15,664	Safran SA	1,902,919	2.84
		3,571,568	5.34
<b>Germany</b>			
17,379	Beiersdorf AG	1,973,082	2.95
19,643	Fresenius Medical Care AG & Co KgaA	1,981,055	2.96
17,125	Sap SE	1,978,435	2.96
13,270	Wirecard AG	2,137,313	3.19
		8,069,885	12.06
<b>Ireland</b>			
12,800	Medtronic Plc	1,095,808	1.64
		1,095,808	1.64
<b>Japan</b>			
28,000	Kao Corp	2,136,054	3.19
32,800	Takeda Pharmaceutical Co Ltd	1,385,261	2.07
		3,521,315	5.26
<b>Jersey (Channel Island)</b>			
24,763	Shire Plc	1,394,371	2.08
		1,394,371	2.08
<b>Netherlands</b>			
47,885	Wolters Kluwer NV	2,698,126	4.03
		2,698,126	4.03
<b>Switzerland</b>			
44,812	Nestle SA	3,470,510	5.19
		3,470,510	5.19

## E.I. Sturza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Global Quality Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
<b>Transferable securities*(continued)</b>			
<b>Equity securities (continued)</b>			
<b>United Kingdom</b>			
53,642	British American Tobacco Plc	2,712,439	4.05
33,237	Reckitt Benckiser Group Plc	2,737,745	4.09
123,953	Relx Plc	2,655,204	3.97
319,888	Sage Group Plc	2,654,780	3.97
61,938	Unilever Plc	3,427,951	5.12
		14,188,119	21.20
<b>United States of America</b>			
585	Alphabet Inc	652,655	0.98
47,077	Altria Group Inc	2,673,503	3.99
21,211	Clorox Co	2,868,788	4.29
45,200	Coca-Cola Co/The	1,982,472	2.96
20,960	Colgate-Palmolive Co	1,358,418	2.03
13,908	Electronic Arts Inc	1,961,306	2.93
15,173	International Flavors & Fragrances Inc	1,880,845	2.81
12,427	McDonald's Corp	1,947,187	2.91
19,893	Microsoft Corp	1,961,649	2.93
28,529	Oracle Corp	1,256,988	1.88
25,142	Philip Morris International Inc	2,029,965	3.03
24,266	Vantiv Inc	1,984,473	2.97
14,908	Visa Inc	1,974,564	2.95
		24,532,813	36.66
<b>Total Transferable securities</b>			
<b>(31 December 2017: USD 67,169,184 – 97.12 %)</b>		<b>65,160,386</b>	<b>97.36</b>
<b>Derivative Financial Instruments at positive fair value</b>			
<b>Derivative Financial Instruments dealt on a regulated market</b>			
<b>Options contracts</b>			
7	S&P 500 Index Put Option, Strike Price USD 2700.0000, Expiry 12/21/2018	65,065	0.10
12	Telsa Inc Put Option, Strike Price USD 280.0000, Expiry 12/21/2018	29,880	0.04

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Global Quality Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
<b>Derivative Financial Instruments at positive fair value (continued)</b>			
<b>OTC Derivative Financial Instruments</b>			
<b>Forward foreign exchange contracts</b>			
	Appreciation in forward foreign exchange contracts	43,769	0.07
<b>Total Derivative Financial Instruments at positive fair value (31 December 2017: USD 186,292 - 0.27%)</b>		<b>138,714</b>	<b>0.21</b>
<b>Derivative Financial Instruments at negative fair value</b>			
<b>OTC Derivative Financial Instruments</b>			
<b>Forward foreign exchange contracts</b>			
	Depreciation in forward foreign exchange contracts	(289)	-
<b>Total Derivative Financial Instruments at negative fair value (31 December 2017: USD (NIL), (NIL)%)</b>		<b>(289)</b>	<b>-</b>
<b>Total Financial Assets and Liabilities at fair value through profit or loss</b>		<b>65,298,811</b>	<b>97.57</b>
	Cash and cash equivalents**	1,194,843	1.79
	Other assets and liabilities	432,592	0.65
<b>Total Net Assets attributable to the Holders of Redeemable Participating Shares</b>		<b>66,926,246</b>	<b>100.00</b>
<b>Analysis of Total Assets</b>		<b>Fair Value USD</b>	<b>% of Total Assets</b>
	Transferable securities	65,160,386	96.61
	OTC Derivative financial instruments	138,714	0.21
	Cash and cash equivalents	1,194,843	1.77
	Other assets	952,560	1.41
<b>Total Assets</b>		<b>67,446,503</b>	<b>100.00</b>

\*Transferable securities admitted to official stock exchange listing or traded on another regulated market.

\*\*Cash and cash equivalents are held with The Bank of New York Mellon (AA-) (rating from Standard and Poor's).

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic European Smaller Companies Fund

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
<b>Investment funds</b>			
<b>Luxembourg</b>			
9,444	Amundi Money Market Fund - Short Term EUR	9,493,311	4.52
14,570	BNP Paribas InstiCash EUR	2,034,154	0.97
<b>Total Investment funds</b>		<b>11,527,465</b>	<b>5.49</b>
<b>(31 December 2017: EUR 11,554,973 – 5.97%)</b>			
<b>Transferable securities*</b>			
<b>Equity securities</b>			
<b>Belgium</b>			
687,758	Balta Group NV	3,555,709	1.69
85,841	Barco NV	8,978,968	4.27
		<u>12,534,677</u>	<u>5.96</u>
<b>Finland</b>			
563,048	Valmet Oyj	9,301,553	4.42
		<u>9,301,553</u>	<u>4.42</u>
<b>France</b>			
579,183	Albioma SA	11,189,816	5.32
72,127	Alten SA	6,368,814	3.03
473,256	Elis SA	9,294,748	4.42
271,334	Ipsos	7,944,659	3.78
234,132	Jacquet Metal Service	6,391,804	3.04
103,059	LISI	3,344,265	1.59
765,103	Mauna Kea Technologies	1,897,455	0.90
56,424	Mersen	1,924,058	0.92
284,961	Mgi Coutier	7,437,482	3.54
72,189	Somfy SA	5,739,025	2.73
600,275	SPIE SA	10,432,780	4.96
274,623	Tarkett SA	6,777,696	3.23
		<u>78,742,602</u>	<u>37.46</u>
<b>Germany</b>			
88,879	NORMA Group SE	5,221,641	2.48
153,031	Tom Tailor Holding SE	1,076,573	0.52
		<u>6,298,214</u>	<u>3.00</u>



## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic European Smaller Companies Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
<b>Transferable securities* (continued)</b>			
<b>Equity securities (continued)</b>			
<b>Italy</b>			
807,728	Brembo Spa	9,361,568	4.45
		9,361,568	4.45
<b>Luxembourg</b>			
313,226	SAF-Holland SA	4,040,615	1.92
		4,040,615	1.92
<b>Netherlands</b>			
109,486	Takeaway.Com Holding BV	6,262,599	2.98
		6,262,599	2.98
<b>Sweden</b>			
883,328	Boozt AB	6,156,714	2.93
326,238	Ferronordic Machines AB	3,898,026	1.85
772,008	Granges AB	8,669,927	4.12
		18,724,667	8.90
<b>Switzerland</b>			
58,174	Feintool International Holding AG	5,329,060	2.54
2,440	Metall Zug AG	6,619,232	3.15
52,105	Rieter Holding AG	7,707,981	3.67
32,619	U-Blox Holding AG	5,540,048	2.63
		25,196,321	11.99
<b>Total Equity securities</b>			
<b>(31 December 2017: EUR 175,386,326 – 90.75 %)</b>		<b>170,462,816</b>	<b>81.08</b>
<b>Total Transferable securities</b>			
<b>(31 December 2017: EUR 175,386,326 – 90.75 %)</b>		<b>170,462,816</b>	<b>81.08</b>

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic European Smaller Companies Fund (continued)

<b>Holding</b>	<b>Financial Assets and Financial Liabilities at Fair Value through Profit or Loss</b>	<b>Fair Value EUR</b>	<b>% of Net Assets</b>
<b>Derivative Financial Instruments at positive fair value</b>			
<b>Forward foreign exchange contracts</b>			
	Appreciation in forward foreign exchange contracts	-	-
<b>Total Derivative Financial Instruments at positive fair value (31 December 2017: USD 4,952 – 0.00%)</b>			
		-	-
<b>Total Financial Assets at fair value through profit or loss</b>		<b>181,990,281</b>	<b>86.57</b>
<b>Derivative financial instruments at negative fair value</b>			
<b>OTC Derivative financial instruments</b>			
<b>Forward foreign exchange contracts</b>			
	Depreciation in forward foreign exchange contracts	(7,492)	-
<b>Total Derivative Financial Instruments at negative fair value (31 December 2017: Nil, Nil%)</b>			
		<b>(7,492)</b>	<b>-</b>
<b>Total Financial Liabilities at Fair value through Profit or Loss through profit or loss</b>		<b>(7,492)</b>	<b>-</b>
<b>Total Financial Assets and Liabilities at fair value through profit or loss</b>		<b>181,982,789</b>	<b>86.57</b>
<b>Cash and cash equivalents**</b>		28,811,313	13.71
<b>Other assets and liabilities</b>		(586,470)	(0.28)
<b>Total Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<b>210,207,632</b>	<b>100.00</b>

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic European Smaller Companies Fund (continued)

<b>Financial Assets and Financial Liabilities at Fair Value</b>	<b>Fair Value</b>	<b>% of</b>
<b>through Profit or Loss</b>	<b>EUR</b>	<b>Total Assets</b>
<b>Analysis of Total Assets</b>		
Investment Funds	11,527,465	5.46
Transferable securities	170,462,816	80.75
OTC financial derivative instruments	-	-
Cash and cash equivalents	28,811,313	13.65
Other assets	310,761	0.15
<b>Total Assets</b>	<b>211,112,355</b>	<b>100.00</b>

\*Transferable securities admitted to official stock exchange listing or traded on another regulated market.

\*\*Cash and cash equivalents are held with The Bank of New York Mellon (AA-) (rating from Standard and Poor's).

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Quality Emerging Bond Fund

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
<b>Transferable securities*</b>			
<b>Debt securities</b>			
<b>British Virgin Islands</b>			
1,250,000	CNOOC Finance 2011 Ltd, 4.25%, 26/01/2021	1,275,046	3.26
500,000	Sinopec Group Overseas Development 2016 Ltd, 2.75%, 29/09/2026	449,834	1.15
		1,724,880	4.41
<b>Cayman Islands</b>			
500,000	Tencent Holdings Ltd, 2.88%, 11/02/2020	497,861	1.27
		497,861	1.27
<b>Chile</b>			
1,250,000	Corp Nacional del Cobre de Chile, 4.5%, 16/09/2025	1,278,879	3.27
1,500,000	Enel Americas SA, 4.00%, 25/10/2026	1,432,650	3.67
1,000,000	Empresa Nacional del Petroleo, 3.75%, 05/08/2026	942,458	2.41
		3,653,987	9.35
<b>China</b>			
1,500,000	China Development Bank Corp, 2.75%, 16/11/2022	1,454,628	3.72
		1,454,628	3.72
<b>Colombia</b>			
500,000	Colombia Government International Bond, 4.00%, 26/02/2024	500,125	1.28
1,500,000	Ecopetrol SA, 5.88%, 18/09/2023	1,593,750	4.08
		2,093,875	5.36
<b>Hungary</b>			
500,000	MFB Magyar Fejlesztési Bank Zrt, 6.25%, 21/10/2020	525,300	1.34
		525,300	1.34
<b>Isle of Man</b>			
1,250,000	AngloGold Ashanti Holdings PLC, 5.13%, 01/08/2022	1,271,875	3.25
		1,271,875	3.25
<b>India</b>			
1,000,000	Export-Import Bank of India, 4.00%, 14/01/2023	992,308	2.54
500,000	Oil India Ltd, 5.38%, 17/04/2024	513,933	1.32
		1,506,241	3.86

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Quality Emerging Bond Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
<b>Transferable securities* (continued)</b>			
<b>Debt securities (continued)</b>			
<b>Indonesia</b>			
1,500,000	Indonesia Government International Bond, 4.35%, 11/01/2048	1,346,641	3.45
500,000	Lembaga Pembiayaan Ekspor Indonesia, 3.88%, 06/04/2024	482,525	1.23
1,250,000	Pertamina Persero PT, 4.88%, 03/05/2022	1,272,385	3.27
500,000	Perusahaan Gas Negara Persero Tbk, 5.13%, 16/05/2024	507,804	1.30
		3,609,355	9.25
<b>Kazakhstan</b>			
1,500,000	Development Bank of Kazakhstan JSC, 4.13%, 10/12/2022	1,472,797	3.77
		1,472,797	3.77
<b>Latvia</b>			
1,500,000	Latvia Government International Bond, 5.25%, 16/06/2021	1,583,400	4.05
		1,583,400	4.05
<b>Lithuania</b>			
1,500,000	Lithuania Government International Bond, 7.38%, 11/02/2020	1,602,750	4.10
		1,602,750	4.10
<b>Luxembourg</b>			
1,500,000	ArcelorMittal, 6.13%, 01/06/2025	1,623,750	4.16
500,000	MOL Group Finance SA, 6.25%, 26/09/2019	516,685	1.32
		2,140,435	5.48
<b>Mexico</b>			
1,500,000	Grupo Bimbo SAB de CV, 4.88%, 27/06/2044	1,399,424	3.58
		1,399,424	3.58
<b>Morocco</b>			
1,000,000	OCP SA, 5.63%, 25/04/2024	1,025,245	2.62
		1,025,245	2.62
<b>Netherlands</b>			
1,500,000	Bharti Airtel International Netherlands BV, 5.35%, 20/05/2024	1,490,949	3.81
1,500,000	Myriad International Holdings BV, 4.85%, 06/07/2027	1,471,923	3.77
		2,962,872	7.58
<b>Peru</b>			
1,000,000	Corp Financiera de Desarrollo SA, 4.75%, 15/07/2025	1,002,400	2.56
		1,002,400	2.56

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Quality Emerging Bond Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
	<b>Transferable securities* (continued)</b>		
	<b>Debt securities (continued)</b>		
	<b>Philippines</b>		
1,500,000	BDO Unibank Inc, 2.95%, 06/03/2023	1,421,119	3.64
		<u>1,421,119</u>	<u>3.64</u>
	<b>Poland</b>		
1,500,000	Republic of Poland Government International Bond, 3.25%, 06/04/2026	1,450,623	3.71
		<u>1,450,623</u>	<u>3.71</u>
	<b>Romania</b>		
500,000	Romanian Government International Bond, 4.88%, 22/01/2024	515,150	1.32
		<u>515,150</u>	<u>1.32</u>
	<b>South Africa</b>		
1,000,000	Republic of South Africa Government International Bond, 4.85%, 27/09/2027	947,459	2.42
		<u>947,459</u>	<u>2.42</u>
	<b>United Kingdom</b>		
1,500,000	Fresnillo PLC, 5.50%, 13/11/2023	1,552,500	3.97
		<u>1,552,500</u>	<u>3.97</u>
	<b>Total Debt Securities</b>		
	<b>(31 December 2017: 38,019,848 EUR – 93.40 %)</b>	<u><b>35,414,176</b></u>	<u><b>90.61</b></u>
	<b>Derivative Financial Instruments at positive fair value</b>		
	<b>OTC Derivative financial instruments</b>		
	<b>Forward foreign exchange contracts</b>		
	Appreciation in forward foreign exchange contracts	123,417	0.32
		<u>123,417</u>	<u>0.32</u>
	<b>Total Derivative Financial Instruments at positive fair value (31 December 2017: 213,327 EUR – 0.52 %)</b>	<u><b>123,417</b></u>	<u><b>0.32</b></u>
	<b>Total Financial Assets at Fair value through Profit or Loss</b>	<u><b>35,537,593</b></u>	<u><b>90.93</b></u>

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Quality Emerging Bond Fund (continued)

<b>Holding</b>	<b>Financial Assets and Financial Liabilities at Fair Value through Profit or Loss</b>	<b>Fair Value USD</b>	<b>% of Net Assets</b>
<b>Derivative Financial Instruments at negative fair value</b>			
<b>OTC Derivative Financial Instruments</b>			
<b>Forward foreign exchange contracts</b>			
	Depreciation in forward foreign exchange contracts	-	-
<b>Total Derivative Financial Instruments at negative fair value (31 December 2017: USD (4,653) - (0.01%))</b>		-	-
<b>Total Financial Liabilities at Fair value through Profit or Loss</b>		-	-
<b>Total Financial Assets and Liabilities at fair value through profit or loss</b>		<b>35,537,593</b>	<b>90.93</b>
	<b>Cash and cash equivalents**</b>	1,773,817	4.54
	<b>Other assets and liabilities</b>	1,770,859	4.53
<b>Total Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<b>39,082,269</b>	<b>100.00</b>
<b>Analysis of Total Assets</b>		<b>Fair Value USD</b>	<b>% of Total Assets</b>
	Transferable securities	35,414,176	85.82
	OTC financial derivative instruments	123,417	0.30
	Cash and cash equivalents	1,773,817	4.30
	Other assets	3,956,237	9.59
<b>Total Assets</b>		<b>41,267,647</b>	<b>100.00</b>

\*Transferable securities admitted to official stock exchange listing or traded on another regulated market.

\*\*Cash and cash equivalents are held with The Bank of New York Mellon (AA-) and Royal Bank of Scotland (AA-) (ratings from Standard & Poor's).

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Beta Flex Fund

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
<b>Investment funds</b>			
<b>France</b>			
5	Oddo Asset Management Oddo Generation	1,243,668	6.00
		1,243,668	6.00
<b>Ireland</b>			
6,725	EI Sturdza Funds plc - Strategic Europe Value Fund	1,301,892	6.28
1,767	EI Sturdza Funds plc - Strategic European Smaller Companies Fund	1,878,010	9.06
		3,179,902	15.34
<b>Luxembourg</b>			
59,175	AB FCP I - European Equity Portfolio	1,254,503	6.05
55	Exane Equity Select Europe	1,110,369	5.35
67,650	Fidelity Fds Euro Blue Chip Fd A Accur	1,235,283	5.96
72,369	Goldman Sachs Funds SICAV - Europe CORE Equity Portfolio	1,291,068	6.23
39,934	JPMorgan Funds - Europe Strategic Growth Fund	1,284,271	6.19
56,652	JPMorgan Funds - Europe Strategic Value Fund	1,204,431	5.81
919	Pioneer S.F. - European Equity Market Plus	2,085,903	10.06
1,713	VIA Smart-Equity Europe	2,008,811	9.69
		11,474,639	55.34
<b>Total Investment funds</b>			
<b>(31 December 2017: EUR 22,313,942 – 78.00 %)</b>		<b>15,898,209</b>	<b>76.68</b>
<b>Transferable securities*</b>			
<b>Equity securities</b>			
<b>France</b>			
144,300	BNP Paribas Easy STOXX Europe 600 UCITS ETF	1,445,598	6.97
		1,445,598	6.97
<b>Luxembourg</b>			
18,100	Amundi Index Solutions-Amundi Stoxx Europe 600	1,441,415	6.95
		1,441,415	6.95
<b>Total Equity Securities</b>		<b>2,887,013</b>	<b>13.92</b>
<b>Total Transferable securities</b>			
<b>(31 December 2017: 4,080,913 EUR – 14.27 %)</b>		<b>2,887,013</b>	<b>13.92</b>



## E.I. Sturdza Funds Plc

Schedule of Investments (continued)  
As at 30 June 2018

Strategic Beta Flex Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
<b>Derivative Financial Instruments at positive fair value</b>			
<b>Financial Derivative Instruments dealt on a regulated market</b>			
<b>Futures contracts</b>			
(472)	STXE 600 EUR PR Expiry 09/21/2018	162,205	0.78
<b>Total Derivative Financial Instruments at positive fair value (31 December 2017: 3,525 EUR – 0.01 %)</b>		<b>162,205</b>	<b>0.78</b>
<b>Total Financial Assets at Fair Value through Profit or Loss</b>		<b>18,947,427</b>	<b>91.38</b>
<b>Derivative financial instruments at negative fair value</b>			
<b>Derivative financial instruments dealt on a regulated market</b>			
<b>Futures contracts</b>			
(209)	STXE 600 EUR PR Expiry 09/21/2018	(30,215)	(0.15)
<b>Total Derivative financial instruments at negative fair value (31 December 2017: (10,165) EUR – (0.03) %)</b>		<b>(30,215)</b>	<b>(0.15)</b>
<b>Total Financial Liabilities at Fair Value through Profit or Loss</b>		<b>(30,215)</b>	<b>(0.15)</b>
<b>Total Financial Assets and Liabilities at Fair value through Profit or Loss</b>		<b>18,917,212</b>	<b>91.23</b>
<b>Cash and cash equivalents**</b>		1,932,373	9.32
<b>Other assets and liabilities</b>		(113,580)	(0.55)
<b>Total Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<b>20,736,005</b>	<b>100.00</b>

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued)

As at 30 June 2018

#### Strategic Beta Flex Fund (continued)

<b>Financial Assets and Financial Liabilities at Fair Value</b>	<b>Fair Value</b>	<b>% of</b>
<b>Through Profit or Loss</b>	<b>EUR</b>	<b>Total Assets</b>
<b>Analysis of Total Assets</b>		
Investment Funds	15,898,209	76.12
Transferable securities	2,887,013	13.82
Financial derivative instruments dealt on a regulated market	162,205	0.78
Cash and cash equivalents	1,932,373	9.25
Other assets	6,182	0.03
<b>Total Assets</b>	<b>20,885,982</b>	<b>100.00</b>

\*Transferable securities admitted to official stock exchange listing or traded on another regulated market.

\*\*Cash and cash equivalents are held The Bank of New York Mellon (AA-) and The Royal Bank of Scotland (BBB+) (ratings from Standard & Poor's).

# E.I. Sturdza Funds Plc

## Schedule of Investments (continued) As at 30 June 2018

### Strategic Japan Opportunities Fund

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value JPY	% of Net Assets
<b>Transferable securities*</b>			
<b>Equity securities</b>			
<b>Japan</b>			
63,000	AI Holdings Corp	151,326,000	1.49
81,500	Anritsu Corp	123,961,500	1.22
34,900	Asahi Printing Co Ltd	43,276,000	0.42
5,000	C Uyemura & Co Ltd	38,900,000	0.38
9,100	Cosmos Pharmaceutical Corp	204,568,000	2.01
38,000	Crowdworks Inc	70,262,000	0.69
22,900	CTS Co Ltd	28,098,300	0.28
20,100	Daifuku Co Ltd	97,585,500	0.96
14,600	Denki Kogyo Co Ltd	52,049,000	0.51
38,000	Digital Arts Inc	228,000,000	2.24
15,600	Digital Garage Inc	67,158,000	0.66
39,200	Don Quijote Holdings Co Ltd	208,544,000	2.05
84,800	Fringe81 Co Ltd	75,048,000	0.74
14,400	Funai Soken Holdings Inc	35,524,800	0.35
24,900	GMO Cloud K.K.	79,431,000	0.78
10,900	Grace Technology Inc	24,165,300	0.24
170,000	Gungho Online Entertainment Inc	47,940,000	0.47
44,000	Hitachi Chemical Co Ltd	98,340,000	0.97
34,400	Hito Communications Inc	68,628,000	0.67
97,100	Ibiden Co Ltd	172,352,500	1.69
3,900	J-Lease Co Ltd	2,886,000	0.03
28,200	Jafco Co Ltd	127,041,000	1.25
23,000	Japan Investment Adviser Co Ltd	124,890,000	1.23
112,000	Japan Material Co Ltd	191,968,000	1.88
28,600	Japan Meat Co Ltd	70,213,000	0.69
21,300	Jins Inc	134,829,000	1.32
7,600	JSB Co Ltd	50,768,000	0.50
69,900	Kanematsu Corp	111,909,900	1.10
1,500	Keyence Corp	93,840,000	0.92
31,500	KH Neochem Co Ltd	105,682,500	1.04
6,000	Komatsu Ltd	19,008,000	0.19
41,200	Komeri Co Ltd	115,854,400	1.14
13,700	Kureha Corp	108,504,000	1.06
33,000	Kyoritsu Maintenance Co Ltd	200,640,000	1.97
17,500	Kyowa Exeo Corp	50,907,500	0.50
34,500	Kyudenko Corp	184,575,000	1.81
18,500	Katitas Co Ltd	72,982,500	0.72
21,900	LEC Inc	101,287,500	0.99

# E.I. Sturdza Funds Plc

## Schedule of Investments (continued) As at 30 June 2018

### Strategic Japan Opportunities Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value JPY	% of Net Assets
<b>Transferable securities* (continued)</b>			
<b>Equity securities (continued)</b>			
<b>Japan (continued)</b>			
22,500	Litalico Inc	45,337,500	0.45
90,800	Marui Group Co Ltd	211,927,200	2.08
12,400	Maruwa Unyu Kikan Co Ltd	50,282,000	0.49
35,000	Mec Co Ltd/Japan	73,535,000	0.72
28,800	MIRAIT Holdings Corp	49,420,800	0.49
33,400	MISUMI Group Inc	107,882,000	1.06
15,000	Mitsubishi Corp	46,170,000	0.45
9,100	Murata Manufacturing Co Ltd	169,442,000	1.66
1,300	Mercari Inc	5,895,500	0.06
65,000	Mitsubishi Ufj Financial Group Inc	41,021,500	0.40
64,600	Net One Systems Co Ltd	123,063,000	1.21
9,000	Nidec Corp	149,625,000	1.47
39,400	Nissha Printing Co Ltd	90,068,400	0.88
23,100	Nitto Kogyo Corp	51,143,400	0.50
39,200	Orix Corp	68,678,400	0.67
145,500	Outsourcing Inc	299,148,000	2.94
61,000	Persol Holdings Co Ltd	150,731,000	1.48
14,400	Phyz Inc	31,780,800	0.31
112,700	Raito Kogyo Co Ltd	130,506,600	1.28
74,900	Relo Group Inc	219,007,600	2.15
42,100	Renesas Electronics Corp	45,720,600	0.45
63,000	Resona Holdings Inc	37,333,800	0.37
12,600	Rohm Co Ltd	117,180,000	1.15
5,500	RPA Holdings Inc	71,170,000	0.70
148,800	Rengo Co Ltd	145,080,000	1.42
34,500	Royal Holdings Co Ltd	104,707,500	1.03
19,400	S-Pool Inc	27,373,400	0.27
48,200	Sato Holdings Corp	159,783,000	1.57
74,000	Seibu Holdings Inc	138,232,000	1.36
229,000	Septeni Holdings Co Ltd	55,647,000	0.55
41,500	Seria Co Ltd	220,780,000	2.17
41,400	SG Holdings Co Ltd	100,602,000	0.99
7,800	Shimamura Co Ltd	76,050,000	7,800
22,000	Ship Healthcare Holdings Inc	91,960,000	22,000
6,200	Sho-Bond Holdings Co Ltd	47,802,000	6,200
17,600	Signpost Corp	49,808,000	17,600
11,800	SKIYAKI Inc	57,643,000	11,800
37,900	Snow Peak Inc	56,925,800	37,900
10,300	SOU Inc	62,830,000	10,300

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Japan Opportunities Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value JPY	% of Net Assets
<b>Transferable securities* (continued)</b>			
<b>Equity securities (continued)</b>			
<b>Japan (continued)</b>			
62,600	Sumida Corp	78,124,800	0.77
190,000	Sumitomo Bakelite Co Ltd	202,920,000	1.99
31,000	Sumitomo Electric Industries Ltd	51,150,000	0.50
22,000	Sumitomo Metal Mining Co Ltd	93,236,000	0.92
9,400	Sony Corp	53,241,600	0.52
52,500	Takara Holdings Inc	76,860,000	0.75
21,000	TDK Corp	237,720,000	2.33
43,600	Tokyo Century Corp	273,808,000	2.69
37,000	Topcon Corp	70,300,000	0.69
31,500	Torikizoku Co Ltd	81,805,500	0.80
22,100	TOWA Corp	24,685,700	0.24
13,700	Trancom Co Ltd	104,257,000	1.02
44,800	Transcosmos Inc	119,033,600	1.17
15,500	Tri Chemical Laboratories Inc	68,355,000	0.67
55,100	Trusco Nakayama Corp	152,461,700	1.49
73,700	TSI Holdings Co Ltd	57,707,100	0.56
8,900	Tsunagu Solutions Inc	14,871,900	0.14
12,700	Ukai Co Ltd	55,943,500	0.54
98,200	Vector Inc/Minato-Ku	225,074,400	2.20
18,000	Yamaha Motor Co Ltd	50,148,000	0.48
14,100	Yamaichi Electronics Co Ltd	21,389,700	0.22
100,800	Zigexn Co Ltd	89,308,800	0.87
		9,766,640,300	95.86
<b>Total Transferable securities</b>			
<b>(31 December 2017: 8,914,733,900 JPY – 95.14 %)</b>		<b>9,766,640,300</b>	<b>95.86</b>
<b>Derivative Financial Instruments at positive fair value</b>			
<b>OTC Derivative financial instruments</b>			
<b>Forward foreign exchange contracts</b>			
	Appreciation in forward foreign exchange contracts	15,319,527	0.15
<b>Total Derivative Financial Instruments at positive fair value</b>			
<b>(31 December 2017: 2,131,773 JPY, 0.02%)</b>		<b>15,319,527</b>	<b>0.15</b>

## E.I. Sturdza Funds Plc

### Schedule of Investments (continued) As at 30 June 2018

#### Strategic Japan Opportunities Fund (continued)

Holding	Financial Assets and Financial Liabilities at Fair Value through Profit or Loss	Fair Value JPY	% of Net Assets
	<b>Total Financial Assets at Fair Value through Profit or Loss</b>	<b>9,781,959,827</b>	<b>96.01</b>
	<b>Derivative Financial Instruments at negative fair value</b>		
	<b>OTC Derivative Financial Instruments</b>		
	<b>Forward foreign exchange contracts</b>		
	Depreciation in forward foreign exchange contracts	(19,492)	0.00
	<b>Total Derivative Financial Instruments at negative fair value (31 December 2017 JPY(4,736,291) - (0.05%))</b>	<b>(19,492)</b>	<b>0.00</b>
	<b>Total Financial Liabilities at Fair value through Profit or Loss</b>	<b>(19,492)</b>	<b>0.00</b>
	<b>Total Financial Assets and Liabilities at Fair value through Profit or Loss</b>	<b>9,781,940,335</b>	<b>96.01</b>
	<b>Cash and cash equivalents**</b>	487,575,885	4.79
	<b>Other assets and liabilities</b>	(81,335,208)	(0.80)
	<b>Total Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>10,188,181,012</b>	<b>100.00</b>
		<b>Fair Value</b>	<b>% of Total</b>
	<b>Analysis of Total Assets</b>	<b>JPY</b>	<b>Assets</b>
	Transferable securities	9,766,640,300	94.26
	OTC financial derivative instruments	15,319,527	0.15
	Cash and cash equivalents	487,575,885	4.70
	Other assets	92,052,761	0.89
	<b>Total Assets</b>	<b>10,361,588,473</b>	<b>100.00</b>

\*Transferable securities admitted to official stock exchange listing or traded on another regulated market.

\*\*Cash and cash equivalents are held with The Bank of New York Mellon (AA-) (rating from Standard and Poor's).

## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments As at 30 June 2018

#### Strategic China Panda Fund

#### Purchases\*

Investments	Cost USD
Hong Kong Exchanges & Clear	10,190,667
Postal Savings Bank Of Chi-H	8,152,720
Ping An Insurance Group Co-H	7,028,865
Aia Group Ltd (Hkg)	6,943,291
Agricultural Bank Of China-H	6,177,590
Sands China Ltd	6,140,002
China Overseas Land & Invest(Hkg)	5,853,819
Baic Motor Corp Ltd-H	5,300,283
Country Garden Holdings Co	4,950,822
Prada S.P.A.	4,672,260
Melco International Develop.	4,550,244
Yuzhou Properties Co(Hkg)	4,367,327
China Construction Bank-H (Hkg)	4,062,825
China Evergrande Group	4,059,597
Mgm China Holdings Ltd	3,990,966
Times China Holdings Ltd	3,306,028
China Resources Land Ltd	3,263,190
Luk Fook Holdings Intl Ltd	2,995,259
Guangzhou R&F Properties - H	2,633,621
Asm Pacific Technology(Hkg)	2,424,483
Nexteer Automotive Group Ltd(Hkg)	2,231,714
Wynn Macau Ltd (Hkg)	2,072,189
Alibaba Group Holding-Sp Adr(Nys)	1,999,459
Tencent Holdings Ltd(Hkg)	1,998,501
Hsbc Holdings Plc(Hkg)	1,981,857
Shimao Property Holdings Ltd	1,970,866
Anta Sports Products Ltd	1,970,680
Techtronic Industries Co Ltd	1,969,203
Guotai Junan International (Hkg)	1,797,543
Lifestyle Intl Hldgs Ltd(Hkg)	1,639,592
Bchina 02/03/20	1,554,595

\*The Purchases list includes acquisitions of investment securities exceeding 1% of the total value of purchases during the period. It may also include other purchases not exceeding 1%, for instances where the number of purchases exceeding 1% of the total value of purchases is less than 20. This is to ensure that at least 20 purchases, made during the period, are disclosed.

## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic China Panda Fund (continued)

#### Sales\*

<b>Investments</b>	<b>Proceeds USD</b>
Agricultural Bank Of China-H	8,366,093
Minth Group Ltd(Hkg)	8,057,810
Galaxy Entertainment Group L(Hkg)	6,604,648
Nine Dragons Paper Holdings	6,287,554
Sunny Optical Tech	5,885,957
Brilliance China Automotive(Hkg)	5,162,711
Guangzhou Automobile Group-H	5,108,371
Country Garden Holdings Co	5,078,864
Bchina 0 11/29/19	4,887,000
Lee & Man Paper Manufacturin(Hkg)	4,696,897
Guangzhou R&F Properties - H	4,516,514
Asm Pacific Technology(Hkg)	4,399,735
Geely Automobile Holdings Lt	4,230,331
Tencent Holdings Ltd(Hkg)	4,229,594
Baic Motor Corp Ltd-H	4,043,496
New Oriental Educatio-Sp Adr(Nys)	3,824,088
Hsbc Holdings Plc(Hkg)	3,718,806
Credit Suis Nas Cs 11/02/22	3,528,682
China Resources Land Ltd	3,440,989
Sands China Ltd	3,072,292
Mor Sta-Cw19 Kweichow Mout	2,209,942
Samsonite International Sa	2,113,403
China Construction Bank-H (Hkg)	2,026,431
Bank Of China Ltd-H(Hkg)	1,988,240
Mgm China Holdings Ltd	1,967,518
Boci 0% 19 Nov 2019	1,905,240
Man Wah Holdings Ltd	1,891,789
Secoo Holding Ltd - Adr	1,638,148
Alibaba Group Holding-Sp Adr(Nys)	1,580,026

\*The Sales list includes disposals of investment securities exceeding 1% of the total value of sales during the period. It may also include other sales not exceeding 1%, for instances where the number of sales exceeding 1% of the total value of sales is less than 20. This is to ensure that at least 20 sales, made during the period, are disclosed.



## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Euro Bond Fund

##### Purchases\*

<b>Investments</b>	<b>Cost EUR</b>
Exoim 1.75% 18 Jan 2028	1,492,890
Enelim 1.125% 16 Sep 2026 Emtn	1,486,170
Pemex 3.625% 24 Nov 2025	997,380
Bpln 0.83% 19 Sep 2024 Emtn	996,000
Ckhh 1.25% 13 Apr 2025	992,885
Cafp 0.75% 26 Apr 2024 Emtn	978,000
Dbr 0.0% 15 Aug 2026	977,230
Molhb 2.625% 28 Apr 2023	529,250
Engifp 0.375% 28 Feb 2023 Emtn	498,400
Cppln 0.625% 03 Jul 2024 Emtn	491,850
Euro-Bund Future Jun18	182,721
Euro-Bobl Future Jun18	41,844

\*The Purchases list includes acquisitions of investment securities exceeding 1% of the total value of purchases during the period. It may also include other purchases not exceeding 1%, for instances where the number of purchases exceeding 1% of the total value of purchases is less than 20. This is to ensure that at least 20 purchases, made during the period, are disclosed. The above includes all the purchases made by the Strategic Euro Bond Fund during the period.

## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Euro Bond Fund (continued)

##### Sales\*

<b>Investments</b>	<b>Proceeds EUR</b>
Ge Frn 28 May 2020	1,506,975
Enelim 1.125% 16 Sep 2026 Emtn	1,447,845
Renaul 2.25% 29 Mar 2021 Emtn	1,055,560
Vod 0.375% 22 Nov 2021 Emtn	1,003,110
Ctefra 0.875% 29 Sep 2024	988,610
Gassm 0.875% 15 May 2025 Emtn	987,340
Pemex 3.625% 24 Nov 2025	976,500
Tkaav 3.125% 03 Dec 2021 Emtn	555,115
Eniim 4.25% 03 Feb 2020 Emtn	543,795
Effp 1.75% 09 Apr 2021 Emtn	522,500
Edppl 2.0% 22 Apr 2025 Emtn	520,200
Daigr 2.625% 02 Apr 2019 Emtn	512,485
Mmm 0.375% 15 Feb 2022 Mtn	503,600
Dt 0.375% 30 Oct 2021 Emtn	503,205
Total Frn 19 Mar 2020 Emtn	502,340
Hnda Frn 11 Mar 2019 Emtn	501,375
Tenn 2.125% 01 Nov 2020 Emtn	262,497
Enexis 1.875% 13 Nov 2020 Emtn	261,157
Temase 0.5% 01 Mar 2022 Emtn	253,250
Bmw 0.5% 21 Jan 2020 Emtn	253,010

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Nippon Growth (UCITS) Fund

##### Purchases\*

Investments	Cost JPY
Itochu Corp(Tyo)	155,610,000
Mitsubishi Corp (Tyo)	122,038,244
Mitsubishi UFJ Financial Group	108,189,600
Fuji Film Holdings Corp (Tyo)	95,780,000
Sumitomo Mitsui Financial Gr(Tyo)	90,287,000
Nippon Steel & Sumitomo Meta(Tyo)	82,582,097
Mizuho Financial Group Inc	80,188,770
Sumitomo Mitsui Trust Holdin	76,605,885
Nomura Holdings Inc	74,810,000
Makino Milling Machine Co	71,533,625
Jxtg Holdings Inc	70,716,021
H I S Co Ltd	68,510,000
Dmg Mori Co Ltd(Tyo)	65,232,000
Nabtesco Corp(Tyo)	64,800,000
Fujitsu Ltd	61,050,000
Nachi-Fujikoshi Corp	58,240,000
Otsuka Corp	56,940,000
Nec Corp(Tyo)	56,520,000
Inpex Corp(Tyo)	55,603,666
Sumitomo Metal Mining Co Ltd(Tyo)	47,052,000
Tokyo Tatemono Co Ltd(Tyo)	46,644,000
Tokyu Fudosan Holdings Corp(Tyo)	46,124,000
Kobe Steel Ltd(Tyo)	44,880,000
Marubeni Corp	44,028,400
Sumitomo Chemical Co Ltd	43,860,000
Sumitomo Realty & Developmen	42,880,000
Tokyu Corp	40,788,000
Taisei Corp(Tyo)	40,670,000
Sojitz Corp(Tyo)	39,930,000
Ihi Corp (Tyo)	38,300,000
Seibu Holdings Inc(Tyo)	35,536,000
Iino Kaiun Kaisha Ltd	32,500,000
Sesk Corp	31,740,000

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Nippon Growth (UCITS) Fund (continued)

Investments	Sales* Proceeds JPY
Itochu Corp(Tyo)	102,072,905
Otsuka Corp	57,647,553
Mitsubishi Corp (Tyo)	55,931,598
Fuji Film Holdings Corp (Tyo)	55,841,450
H I S Co Ltd	52,133,829
Mitsubishi UFJ Financial Group	51,079,793
Tokyo Tatemono Co Ltd(Tyo)	47,575,368
Nomura Holdings Inc	45,562,683
Sumitomo Realty & Developmen	44,470,494
Mizuho Financial Group Inc	43,414,434
Sumitomo Mitsui Financial Gr(Tyo)	40,818,590
Taisei Corp(Tyo)	40,471,706
Tokyu Corp	39,884,138
Tokyu Fudosan Holdings Corp(Tyo)	38,075,185
Sojitz Corp(Tyo)	37,574,671
Nec Corp(Tyo)	36,711,713
Nabtesco Corp(Tyo)	34,934,342
Makino Milling Machine Co	34,402,876
Kobe Steel Ltd(Tyo)	34,372,427
Fujitsu Ltd	33,466,589
Sumitomo Metal Mining Co Ltd(Tyo)	33,288,729
Nissan Motor Co Ltd(Tyo)	31,275,871
Jxtg Holdings Inc	29,924,564
Ihi Corp (Tyo)	29,811,235
Sumitomo Mitsui Trust Holdin	28,082,322
Marubeni Corp	26,318,276
Sesk Corp	23,100,278
Yamada Denki Co Ltd(Tyo)	22,700,276
Gs Yuasa Corp(Tyo)	22,671,506
Rohm Co Ltd	21,259,800
Dmg Mori Co Ltd(Tyo)	20,797,123
Mitsubishi Motors Corp (Tyo)	18,702,688
Shimadzu Corp	17,462,571
Nachi-Fujikoshi Corp	13,753,233

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Europe Value Fund

#### Purchases\*

Investments	Cost EUR
Novo Nordisk A/S-B(Cph)	26,076,862
Glaxosmithkline Plc	24,620,107
Smith & Nephew Plc	19,766,532
Worldpay Inc-Class A	19,276,754
Safran Sa	16,129,490
Asr Nederland Nv	15,153,825
Takeda Pharmaceutical Co Ltd	13,019,713
British American Tobacco Plc(Lse)	12,699,769
Philip Morris International	12,558,218
Qiagen N.V.(Ger)	9,160,841
Unilever Plc	8,322,969
Liberty Global Plc-A	6,767,596
Reckitt Benckiser Group Plc(Lse)	5,127,726
Shire Plc(Lse)	4,193,963
Bayer Ag-Reg(Ger)	3,110,959
Sap Se(Ger)	2,108,083
Sbm Offshore Nv(Eoe)	1,876,208
Nestle Sa-Reg(Swx)	1,753,589
Criteo Sa-Spon Adr(Nsm)	1,460,903
Fresenius Medical Care Ag &(Ger)	1,154,345

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Europe Value Fund (continued)

##### Sales\*

<b>Investments</b>	<b>Proceeds EUR</b>
Wirecard Ag	30,490,711
Diageo Plc(Lse)	26,059,119
Nn Group Nv(Eoe)	25,760,344
Heineken Holding Nv(Eoe)	25,461,184
Pandora A/S	21,716,945
Shire Plc(Lse)	20,323,904
Equifax Inc(Nys)	17,536,697
Liberty Global Plc-A	15,320,621
Sophos Group Plc(Lse)	13,557,349
Smith & Nephew Plc	13,434,775
British American Tobacco Plc(Lse)	12,889,786
Amadeus It Group Sa(Mad)	12,640,826
Philip Morris International Sap Se(Ger)	11,974,242
Criteo Sa-Spon Adr(Nsm)	10,854,182
Orkla Asa(Osl)	10,206,957
Intertrust Nv	9,087,372
Convatec Group Plc	8,846,440
Unilever Plc	8,471,335
Akzo Nobel	8,241,810
Beiersdorf Ag	7,915,934
Livanova Plc	7,913,413
Astrazeneca Plc(Lse)	7,794,914
Bayer Ag-Reg(Ger)	7,303,226
Stroer Se & Co Kгаа	6,713,076
Danone	6,221,755
Telenet Group Holding Nv(Bru)	6,011,773
Nestle Sa-Reg(Swx)	5,703,896
Fresenius Medical Care Ag &(Ger)	4,825,614
Wolters Kluwer(Eoe)	4,818,044
	3,993,396

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Global Bond Fund

##### Purchases\*

<b>Investments</b>	<b>Cost USD</b>
T 3.0% 15 Feb 2048	1,957,461
Eibkor 2.125% 25 Jan 2020	985,220
Edf 2.35% 13 Oct 2020 Regs	984,900
Tlsau 4.8% 12 Oct 2021 Regs	527,875
Ckhh 4.625% 13 Jan 2022 Regs	522,100
Cnooc 2.625% 05 May 2020	496,700
Td 2.125% 07 Apr 2021 Mtn	487,290
Us 5Yr Note (Cbt) Jun18	18,053
Us 5Yr Note (Cbt) Mar18	17,086

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Global Bond Fund (continued)

##### Sales\*

<b>Investments</b>	<b>Proceeds USD</b>
Edppl 5.25% 14 Jan 2021 Regs	1,039,000
Orcl 2.375% 15 Jan 2019	999,457
Dis 2.35% 01 Dec 2022 Mtn	964,500
T 2.25% 15 Feb 2027	938,047
Csco Frn 15 Jun 2018	700,336

\*The Sales list includes disposals of investment securities exceeding 1% of the total value of sales during the period. It may also include other sales not exceeding 1%, for instances where the number of sales exceeding 1% of the total value of sales is less than 20. This is to ensure that at least 20 sales, made during the period, are disclosed. The above includes all the sales made by the Strategic Global Bond Fund during the period.



## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic US Momentum and Value Fund

##### Purchases\*

<b>Investments</b>	<b>Cost USD</b>
Schwab (Charles) Corp(Nys)	5,807,079
Alibaba Group Holding-Sp Adr(Nys)	5,409,904
Financial Select Sector Spdr	3,813,887
Centene Corp(Nys)	3,813,545
Comcast Corp-Class A	3,808,162
Autozone Inc	3,598,009
Constellation Brands Inc-A(Nys)	2,416,122
Dollar Tree Inc	2,014,793
Intercontinental Exchange In	2,005,133
Apple Inc	1,601,200
Celgene Corp	1,203,563
Ulta Beauty Inc	1,190,123
Facebook Inc - A	998,998
Shire Plc-Adr(Nsm)	802,589
Becton Dickinson And Co	601,841
Allergan Plc(Nys)	407,332
Broadcom Ltd (Del)	400,716
Cerner Corp(Nsm)	400,679
Union Pacific Corp(Nys)	399,291
Bank Of The Ozarks(Nsm)	397,757

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic US Momentum and Value Fund (continued)

##### Sales\*

Investments	Proceeds USD
Envision Healthcare Corp	6,027,995
Apple Inc	4,426,446
Casey'S General Stores Inc(Nsm)	4,214,615
Financial Select Sector Spdr	3,992,484
Marriott International -CI A	3,963,639
Cerner Corp(Nsm)	3,586,507
Shire Plc-Adr(Nsm)	2,604,563
Mastercard Inc - A	2,189,781
Booking Holdings Inc	1,619,809
Visa Inc-Class A Shares	1,594,268
Signature Bank	1,399,624
Ulta Beauty Inc	1,399,263
Union Pacific Corp(Nys)	1,397,698
Cognizant Tech Solutions-A	1,195,632
Spdr S&P 500 Etf Trust(Pse)	1,046,094
Canadian Pacific Railway Ltd	608,028
Sherwin-Williams Co/The	603,380
Alphabet Inc-CI A	599,566
Bank Of The Ozarks(Nsm)	599,127
Priceline Group Inc/The(N (Old))	598,940
Thermo Fisher Scientific Inc	597,051

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Global Quality Fund

##### Purchases\*

<b>Investments</b>	<b>Cost USD</b>
Novo Nordisk A/S-B9(CPH)	2,623,630
Electronic Arts Inc(NSM)	2,117,573
Oracle Corp	2,069,016
Worldpay Inc-Class A	2,022,834
Kao Corp(Tyo)	2,014,166
McDonald'S Corp(Nys)	1,977,382
Coca-Cola Co	1,972,581
British American Tobacco Plc	1,758,163
Safran Sa	1,614,914
Microsoft Corp	1,465,771
Takeda Pharmaceutical Co Ltd	1,338,479
Unilever Plc	1,313,745
Altria Group Inc	1,236,462
Sage Group Plc	1,203,043
Nestle Sa-Reg(Swx)	1,115,809
Shire Plc(Lse)	1,005,670
Philip Morris International	776,142
Intl Flavors & Fragrances	757,713
Clorox Company (Nys)	649,992
Fresenius Medical Care Ag &(Ger)	560,047
Wolters Kluwer(Eoe)	444,228

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Global Quality Fund (continued)

##### Sales\*

Investments	Proceeds USD
Estee Lauder Companies-CI A(Nys)	3,190,735
Mastercard Inc - A	3,005,122
Equifax Inc(Nys)	2,741,241
Microsoft Corp	2,540,863
Shire Plc(Lse)	2,431,721
Wirecard Ag	2,204,585
Heineken Holding Nv(Eoe)	2,066,519
Diageo Plc(Lse)	1,972,215
Alphabet Inc-CI C	1,577,802
British American Tobacco Plc(Lse)	1,140,964
Visa Inc-Class A Shares	1,091,595
Philip Morris International	1,083,496
Colgate-Palmolive Co	1,081,556
Sap Se(Ger)	1,020,948
Unilever Plc	725,168
Oracle Corp	612,934
Sage Group Plc/The	577,249
Beiersdorf Ag	540,831
Intl Flavors & Fragrances	517,990
Criteo Sa-Spon Adr(Nsm)	461,666
Electronic Arts Inc(Nsm)	425,017
Wolters Kluwer(Eoe)	325,365

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic European Smaller Companies Fund

#### Purchases\*

Investments	Cost EUR
Brembo Spa	6,655,122
Spie Sa	6,245,332
Somfy Sa(Par)	6,013,233
Akwel	5,479,476
Valmet Oyj	4,995,014
Ferronordic Machines Ab-Ord	4,584,835
Rieter Holding Ag-Reg	3,943,044
Albioma Sa(Par)	3,216,545
Barco N.V.	3,193,164
Tarkett	2,407,744
Ipsos(Par)	2,272,229
Jacquet Metal Service Sa(Par)	2,124,582
Elis Sa	2,028,188
Boozt Ab	1,905,485
Mersen (Ex Carbon Lorraine)(Par)	1,861,033
Tom Tailor Holding Se	1,529,722
Feintool Intl Holding-Reg(Swx)	1,486,405
U-Blox Holding Ag(Swx)	1,418,028
Ovs Spa	1,343,984
Takeaway.Com Nv	1,070,845
Mauna Kea Technologies(Par)	1,067,073
Norma Group Se	1,007,957
Balta Group Nv	947,003
Granges Ab(Sto)	863,602
Saf-Holland Sa(Ger)	822,317
Alten Sa(Par)	801,889
Unieuro Spa	773,685
Metall Zug Ag-Shs B-Reg	752,563

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic European Smaller Companies Fund (continued)

##### Sales\*

<b>Investments</b>	<b>Proceeds EUR</b>
Andritz Ag(Vie)	5,843,394
Ebro Foods Sa	5,564,982
Norma Group Se	4,597,702
Unieuro Spa	4,589,168
Ovs Spa	4,051,671
Tom Tailor Holding Se	3,562,602
Aubay(Par)	3,170,181
Moncler Spa(Mil)	2,896,502
Aalberts Industries Nv(Eoe)	2,737,717
Jacquet Metal Service Sa(Par)	2,602,763
Daetwyler Holding Ag-Br (Swx)	2,502,308
Va-Q-Tec Ag(Ger)	2,446,940
Mersen (Ex Carbon Lorraine)(Par)	2,127,420
Komax Holding Ag-Reg	1,914,457
Saf-Holland Sa(Ger)	1,835,190
Takeaway.Com Nv	1,535,774
Alten Sa(Par)	1,452,555
U-Blox Holding Ag(Swx)	1,143,615
Boozt Ab	1,015,279
Rieter Holding Ag-Reg	965,582
Granges Ab(Sto)	938,095
Lisi	595,223

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Quality Emerging Bond Fund

#### Purchases\*

Investments	Cost USD
Lithun 7.375% 11 Feb 2020 Regs	1,627,5500
Latvia 5.25% 16 Jun 2021 Regs	1,613,500
Enrsis 4.0% 25 Oct 2026	1,507,000
Phorru 3.949% 24 Apr 2023 Regs	1,498,500
Bdopm 2.95% 06 Mar 2023 Emtn	1,471,850
Ocpmr 5.625% 25 Apr 2024 Regs	1,063,000
Cfelec 4.75% 23 Feb 2027 Regs	1,015,000
Cofide 4.75% 15 Jul 2025 Regs	1,002,500
Soaf 4.85% 27 Sep 2027	993,500
Indon 4.35% 11 Jan 2048	981,200
Poland 3.25% 06 Apr 2026	969,000
Gazpru 8.625% 28 Apr 2034 Regs	682,500
Ecopet 5.875% 18 Sep 2023	539,850
Pgasij 5.125% 16 May 2024 Regs	521,750
Enapcl 3.75% 05 Aug 2026 Regs	500,000
Tencent 2.875% 11 Feb 2020 Regs	498,340
Beiaij 3.875% 06 Apr 2024 Emtn	494,600
Bharti 5.35% 20 May 2024 Regs	270,250
Us 5Yr Note (Cbt) Mar18	20,159
Us 5Yr Note (Cbt) Jun18	6,251

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Quality Emerging Bond Fund (continued)

#### Sales\*

Investments	Proceeds USD
Ttmtin 4.625% 30 Apr 2020	1,533,750
Pemex 6.5% 13 Mar 2027	1,530,500
Mex 4.15% 28 Mar 2027	1,465,500
Phorru 3.949% 24 Apr 2023 Regs	1,377,500
Gazpru 8.625% 28 Apr 2034 Regs	1,235,000
Embrbz 5.696% 16 Sep 2023 Regs	1,093,750
Suzano 5.75% 14 Jul 2026 Regs	1,091,500
Fibrbz 5.25% 12 May 2024	1,075,000
Gmknrm 6.625% 14 Oct 2022 Regs	1,025,200
Chmfu 5.9% 17 Oct 2022 Regs	1,008,125
Phorru 3.95% 03 Nov 2021 Regs	1,005,000
Tencent 2.875% 11 Feb 2020 Regs	995,814
Cfelec 4.75% 23 Feb 2027 Regs	976,250
Valebz 4.375% 11 Jan 2022	519,000
Poland 3.25% 06 Apr 2026	482,150
Pertij 4.875% 03 May 2022 Regs	254,375
Cdel 4.5% 16 Sep 2025 Regs	251,7850
Eximbk 4.0% 14 Jan 2023 Emtn	247,025
Sdbc 2.75% 16 Nov 2022 Emtn	240,435

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Beta Flex Fund

#### Purchases\*

<b>Investments</b>	<b>Cost EUR</b>
Stoxx Europe 600 Jun18	694,399
Amundi S.F. - European Equity	416,999
Via Smart-Equit Eur-Inst Eur	406,000
Ei Sturdza-Strat Eu Smc-Euri	380,001
Bnppeasy Stoxx600 Ucitsetf-C(Par)	300,790
Amundi Etf Stoxx Europe 6 (Del)	297,773
Oddo Generation-Ci-Eur	270,705
Jpmorgan F-Euro Strat VI-C	258,000
Goldman Sachs Europ Cor E-Ia	254,000
Fidelity Fds-Euro Grow-Yacc	248,000
Ab Fcp I-Eur Eq Pt-I Eur Cap	228,000
Jpmorgan F-Euro Stra Grw-C	215,000
Ei Sturdza-Strat Eur VI-Ei	213,000
Exane Equity Select Europe-A	174,997

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Beta Flex Fund (continued)

##### Sales\*

<b>Investments</b>	<b>Proceeds EUR</b>
Via Smart-Equit Eur-Inst Eur	1,381,001
Amundi S.F. - European Equity	1,257,000
Ei Sturdza-Strat Eu Smc-Euri	1,092,999
Bnppeasy Stoxx600 Ucitsetf-C(Par)	921,200
Fidelity Fds-Euro Grow-Yacc	816,000
Amundi Etf Stoxx Europe 6 (Del)	793,305
Oddo Generation-Ci-Eur	785,692
Ab Fcp I-Eur Eq Pt-I Eur Cap	781,000
Jpmorgan F-Euro Stra Grw-C	770,000
Goldman Sachs Europ Cor E-Ia	765,000
Jpmorgan F-Euro Strat VI-C	748,000
Ei Sturdza-Strat Eur VI-Ei	659,000
Exane Equity Select Europe-A	574,005
Amundi Stoxx Europe 600(Par)	129,024

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Japan Opportunities Fund

##### Purchases\*

<b>Investments</b>	<b>Cost JPY</b>
Sumitomo Bakelite Co Ltd	129,238,227
Anritsu Corp	126,146,557
Cosmos Pharmaceutical Corp(Tyo)	125,683,603
Fringe81 Co Ltd	95,122,681
Rpa Holdings Inc	90,059,195
Orix Corp(Tyo)	79,106,204
Sony Corp(Tyo)	77,908,161
Ibiden Co Ltd(Tyo)	71,811,719
Nippon Yusen Kk(Tyo)	69,938,668
Seria Co Ltd	68,537,278
Sou Inc	64,046,326
Yamaha Motor Co Ltd(Tyo)	60,935,518
Katitas Co Ltd(Old)	57,489,135
Marui Group Co Ltd	57,448,486
Mitsubishi Ufj Financial Gro	57,131,207
Crowdworks Inc(Tyo)	55,507,846
Gurunavi Inc	54,239,356
Raito Kogyo Co Ltd	53,848,775
Trusco Nakayama Corp(Tyo)	53,190,711
Kyowa Exeo Corp(Tyo)	53,023,895
Sumitomo Electric Industries	51,495,440
Gungho Online Entertainment	50,277,509
Denki Kogyo Co Ltd(Tyo)	49,814,281
Kyudenko Corp(Tyo)	49,145,926
Nitto Kogyo Corp(Tyo)	48,586,941
Mitsubishi Corp (Tyo)	48,456,227
Net One Systems Co Ltd	48,242,385
Japan Drilling Co Ltd	47,811,713
Outsourcing Inc(Tyo)	46,477,347
Don Quijote Holdings Co Ltd(Tyo)	44,941,180
Relo Group Inc	42,758,031
Digital Arts Inc(Tyo)	42,614,245
Nidec Corp	42,377,470
Phyz Inc	42,341,896
Komeri Co Ltd	40,988,403

## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Japan Opportunities Fund (continued)

##### Purchases\* (continued)

<b>Investments</b>	<b>Cost JPY</b>
Hitachi Chemical Co Ltd	40,428,321
Ukai Co Ltd(Tyo)	39,237,488
Jafco Co Ltd	39,199,419
Kanematsu Corp(Tyo)	35,568,698
Persol Holdings Co Ltd	34,667,700
Mec Co Ltd(Tyo)	34,474,872
Funai Soken Holdings Inc	33,668,667
Nissha Co Ltd	33,349,983
S-Pool Inc(Tyo)	31,778,148
Tdk Corp	31,563,984
Lec Inc(Tyo)	30,061,153

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## E.I. Sturdza Funds Plc

### Schedule of Changes in Investments (continued) As at 30 June 2018

#### Strategic Japan Opportunities Fund (continued)

#### Sales\*

Investments	Proceeds JPY
Istyle Inc	132,680,652
Sg Holdings Co Ltd	125,326,593
Nidec Corp	112,170,511
Japan Investment Adviser Co	109,359,724
World Holdings Co Ltd	99,425,347
Wacoal Holdings Corp(Tyo)	89,176,118
Mitsui Mining & Smelting Co	89,114,658
Cmk Corp	83,352,631
Sumitomo Metal Mining Co Ltd(Tyo)	74,265,176
Maruwa Unyu Kikan Co Ltd(Tyo)	73,123,895
Daifuku Co Ltd(Tyo)	70,483,887
Megachips Corp(Tyo)	66,723,351
Renesas Electronics Corp	61,091,569
Grace Technology Inc	59,161,826
Towa Corp(Tyo)	58,342,934
Sumco Corp(Tyo)	57,708,354
Nippon Yusen Kk(Tyo)	57,687,437
Fixstars Corp(Tyo)	50,688,491
Sanken Electric Co Ltd	47,875,205
Keyence Corp(Tyo)	39,498,997
Kureha Corp(Tyo)	39,212,538
Net One Systems Co Ltd	38,690,093
Gurunavi Inc	33,328,182
Tdk Corp	30,557,535
Digital Garage Inc(Tyo)	30,498,605
Japan Material Co Ltd(Tyo)	28,192,413
Sony Corp(Tyo)	25,895,663
Kanematsu Corp(Tyo)	19,878,819

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# E.I. Sturdza Funds Plc

## Supplementary Information

### 1. Total expense ratio

The total expense ratio for each share class of each Sub-Fund, as calculated in accordance with the Swiss Fund and Asset Management Association, for the period ended 30 June 2018 and 31 December 2017 is as follows:

	30 June 2018	31 December 2017
<b>Strategic China Panda Fund</b>		
CHF Hedged Class	1.78%	1.83%
CHF Hedged Institutional Class	1.31%	-
EUR Hedged Class	1.78%	1.99%
EUR Hedged Institutional Class	1.28%	1.70%
EUR Hedged R Class	2.48%	-
GBP Hedged Class	1.78%	1.94%
USD Class	1.79%	2.39%
USD Institutional Class	1.28%	1.80%
<b>Strategic Euro Bond Fund</b>		
EUR Distributing Class	1.16%	1.15%
EUR Accumulating Class	1.16%	1.15%
EUR Institutional Class	0.86%	0.85%
CHF Hedged Accumulating Class	1.16%	1.15%
<b>Nippon Growth (UCITS) Fund</b>		
EUR Hedged Class	1.92%	2.01%
JPY Class A	1.92%	2.01%
JPY Class B Accumulating	1.92%	2.01%
JPY Class D Institutional	1.42%	1.51%
EUR Hedged Institutional Class	1.42%	1.52%
<b>Strategic Europe Value Fund</b>		
EUR Class	1.78%	1.74%
EUR Institutional Class	1.17%	1.17%
CHF Hedged Class	1.77%	1.73%
GBP Hedged Institutional Class	1.17%	1.14%
EUR Institutional Distributing Class	1.17%	1.20%
EUR Retail Class	2.50%	2.47%
USD Hedged Class	1.84%	1.92%
EUR Super Institutional Class	1.02%	1.11%
USD Hedged Super Institutional Class	1.02%	1.11%
USD Hedged Institutional Class	1.17%	1.19%
CHF Hedged Institutional Class	1.17%	1.26%
EUR SP Class	0.97%	-
<b>Strategic Global Bond Fund</b>		
USD Class	1.32%	1.30%
RMB Hedged Class	-	1.30%

# E.I. Sturdza Funds Plc

## Supplementary Information (continued)

### 1. Total expense ratio (continued)

The total expense ratio for each share class of each Sub-Fund, as calculated in accordance with the Swiss Fund and Asset Management Association, for the period ended 30 June 2018 and 31 December 2017 is as follows:

	30 June 2018	31 December 2017
<b>Strategic US Momentum and Value Fund</b>		
USD Class	1.74%	1.74%
EUR Hedged Class	1.81%	1.74%
CHF Hedged Class	1.74%	1.74%
USD Institutional Class	1.24%	1.24%
<b>Strategic Global Quality Fund</b>		
USD Institutional Class	1.34%	1.43%
USD Class	1.85%	1.99%
CHF Hedged Class	1.85%	1.90%
EUR Hedged Class	1.93%	1.40%
EUR Hedged Institutional Class	1.34%	1.92%
<b>Strategic European Smaller Companies Fund</b>		
EUR Class	1.79%	3.37%
EUR X Class	1.82%	3.06%
CHF Hedged Class	1.80%	2.47%
EUR Institutional Class	1.30%	1.70%
<b>Strategic Quality Emerging Bond Fund</b>		
CHF Hedged Class	1.34%	1.46%
EUR Hedged Class	1.34%	1.46%
EUR Hedged Institutional Class	0.84%	0.96%
USD Class	1.34%	1.46%
USD Institutional	0.84%	0.96%
<b>Strategic Beta Flex Fund</b>		
EUR Class	2.04%	1.94%
EUR R Class	3.05%	2.88%
EUR Institutional Class	1.59%	1.46%
<b>Strategic Japan Opportunities Fund</b>		
USD Hedged Institutional Class	1.80%	2.53%
USD Hedged Class	2.28%	3.81%
EUR Hedged Class	2.10%	3.73%
EUR Hedged Institutional Class	1.32%	-
JPY Institutional Class	1.69%	2.80%
JPY Class	2.14%	3.34%

## E.I. Sturdza Funds Plc

### Supplementary Information (continued)

#### 1. Total expense ratio (continued)

The total expense ratio (excluding performance-related fee paid to the Investment Manager) for each share class of each Sub-Fund, as calculated in accordance with the Swiss Fund and Asset Management Association, for the period ended 30 June 2018 and 31 December 2017 is as follows:

	30 June 2018	31 December 2017
<b>Strategic China Panda Fund</b>		
CHF Hedged Class	1.78%	1.83%
CHF Hedged Institutional Class	1.28%	-
EUR Hedged Class	1.78%	1.83%
EUR Hedged Institutional Class	1.28%	1.33%
EUR Hedged R Class	2.48%	-
GBP Hedged Class	1.78%	1.83%
USD Class	1.78%	1.83%
USD Institutional Class	1.28%	1.33%
<b>Strategic Euro Bond Fund</b>		
EUR Distributing Class	1.16%	1.15%
EUR Accumulating Class	1.16%	1.15%
EUR Institutional Class	0.86%	0.85%
CHF Hedged Accumulating Class	1.16%	1.15%
<b>Nippon Growth (UCITS) Fund</b>		
EUR Hedged Class	1.92%	2.01%
JPY Class A	1.92%	2.01%
JPY Class B Accumulating	1.92%	2.01%
JPY Class D Institutional	1.42%	1.51%
EUR Hedged Institutional Class	1.42%	1.52%
<b>Strategic Europe Value Fund</b>		
EUR Class	1.77%	1.71%
EUR Institutional Class	1.17%	1.11%
CHF Hedged Class	1.77%	1.71%
GBP Hedged Institutional Class	1.17%	1.11%
EUR Institutional Distributing Class	1.17%	1.11%
EUR Retail Class	2.47%	2.40%
USD Hedged Class	1.77%	1.71%
EUR Super Institutional Class	1.02%	1.11%
USD Hedged Super Institutional Class	1.02%	1.11%
USD Hedged Institutional Class	1.17%	1.11%
CHF Hedged Institutional Class	1.17%	1.10%
EUR SP Class	0.97%	-
<b>Strategic Global Bond Fund</b>		
USD Class	1.32%	1.30%
RMB Hedged Class	-	1.30%



# E.I. Sturdza Funds Plc

## Supplementary Information (continued)

### 1. Total expense ratio (continued)

The total expense ratio (excluding performance-related fee paid to the Investment Manager) for each share class of each Sub-Fund, as calculated in accordance with the Swiss Fund and Asset Management Association, for the period ended 30 June 2018 and 31 December 2017 is as follows:

	30 June 2018	31 December 2017
<b>Strategic US Momentum and Value Fund</b>		
USD Class	1.74%	1.74%
EUR Hedged Class	1.74%	1.74%
CHF Hedged Class	1.74%	1.74%
USD Institutional Class	1.24%	1.24%
<b>Strategic Global Quality Fund</b>		
USD Institutional Class	1.34%	1.40%
USD Class	1.84%	1.89%
CHF Hedged Class	1.84%	1.90%
EUR Hedged Class	1.84%	1.90%
EUR Hedged Institutional Class	1.34%	1.40%
<b>Strategic European Smaller Companies Fund</b>		
EUR Class	1.79%	1.72%
EUR X Class	1.80%	1.73%
CHF Hedged Class	1.79%	1.72%
EUR Institutional Class	1.30%	1.23%
<b>Strategic Quality Emerging Bond Fund</b>		
CHF Hedged Class	1.34%	1.46%
EUR Hedged Class	1.34%	1.46%
EUR Hedged Institutional Class	0.84%	0.96%
USD Class	1.34%	1.46%
USD Institutional	0.84%	0.96%
<b>Strategic Beta Flex Fund</b>		
EUR Class	2.04%	1.82%
EUR R Class	3.03%	2.81%
EUR Institutional Class	1.58%	1.36%
<b>Strategic Japan Opportunities Fund</b>		
USD Hedged Institutional Class	1.31%	1.41%
USD Hedged Class	1.81%	1.92%
EUR Hedged Class	1.81%	1.91%
EUR Hedged Institutional Class	1.31%	-
JPY Institutional Class	1.31%	1.41%
JPY Class	1.81%	1.91%

# E.I. Sturdza Funds Plc

## Supplementary Information (continued)

### 1. Total expense ratio (continued)

The total expense ratio for performance related fee paid to the Investment Manager for each share class of each Sub-Fund, as calculated in accordance with the Swiss Fund and Asset Management Association, for the period ended 30 June 2018 and 31 December 2017 is as follows:

	30 June 2018	31 December 2017
<b>Strategic China Panda Fund</b>		
CHF Hedged Class	-	-
CHF Hedged Institutional Class	0.03%	-
EUR Hedged Class	-	0.16%
EUR Hedged Institutional Class	-	0.37%
EUR Hedged R Class	-	-
GBP Hedged Class	-	0.11%
USD Class	0.01%	0.56%
USD Institutional Class	0.01%	0.47%
<b>Nippon Growth (UCITS) Fund</b>		
EUR Hedged Class	-	-
JPY Class A	-	-
JPY Class B Accumulating	-	-
JPY Class D Institutional	-	-
EUR Hedged Institutional Class	-	-
<b>Strategic Europe Value Fund</b>		
EUR Class	0.01%	0.03%
EUR Institutional Class	-	0.06%
CHF Hedged Class	-	0.02%
GBP Hedged Institutional Class	-	0.03%
EUR Institutional Distributing Class	-	0.09%
EUR Retail Class	0.03%	0.07%
USD Hedged Class	0.07%	0.21%
EUR Super Institutional Class	-	-
USD Hedged Super Institutional Class	-	-
USD Hedged Institutional Class	-	0.08%
CHF Hedged Institutional Class	-	0.16%
EUR SP Class	-	-

# E.I. Sturdza Funds Plc

## Supplementary Information (continued)

### 1. Total expense ratio (continued)

The total expense ratio for performance related fee paid to the Investment Manager for each share class of each Sub-Fund, as calculated in accordance with the Swiss Fund and Asset Management Association, for the period ended 30 June 2018 and 31 December 2017 is as follows:

	30 June 2018	31 December 2017
<b>Strategic US Momentum and Value Fund</b>		
USD Class	-	-
EUR Hedged Class	0.07%	-
CHF Hedged Class	-	-
USD Institutional Class	-	-
<b>Strategic Global Quality Fund</b>		
USD Institutional Class	-	-
USD Class	0.02%	-
CHF Hedged Class	0.01%	-
EUR Hedged Class	0.09%	-
EUR Hedged Institutional Class	-	-
<b>Strategic European Smaller Companies Fund</b>		
EUR Class	-	1.65%
EUR X Class	0.03%	1.33%
CHF Hedged Class	0.01%	0.75%
EUR Institutional Class	0.01%	0.47%
<b>Strategic Beta Flex Fund</b>		
EUR Class	-	0.12%
EUR R Class	0.01%	0.07%
EUR Institutional Class	-	0.10%
<b>Strategic Japan Opportunities Fund</b>		
USD Hedged Institutional Class	0.49%	1.12%
USD Hedged Class	0.46%	1.89%
EUR Hedged Class	0.29%	1.82%
EUR Hedged Institutional Class	0.01%	-
JPY Institutional Class	0.37%	1.39%
JPY Class	0.32%	1.43%

## E.I. Sturdza Funds Plc

### Supplementary Information (continued)

#### 2. Fund performance data

The percentage total return of one share, of each share class from inception as calculated in accordance with the Swiss Fund and Asset Management Association is detailed below:

	Inception to 30 June 2018		Inception to 31 December 2017	
	Fund	Fund	Fund	Index
<b>Strategic China Panda Fund</b>				
USD Class	243.53%	132.41%	255.44%	136.54%
CHF Hedged Class	(5.10)%	0.40%	(0.24)%	2.19%
EUR Hedged Class	218.35%	132.41%	233.94%	136.54%
GBP Hedged Class	227.72%	132.41%	242.55%	136.54%
USD Institutional Class	33.63%	67.53%	37.92%	70.51%
EUR Hedged Institutional Class	36.72%	37.61%	43.01%	40.06%
CHF Hedged Institutional Class	(1.10)%	(0.43)%	-	-
EUR Hedged R Class	(13.46)%	(12.89)%	-	-
<b>Strategic Euro Bond Fund</b>				
EUR Distributing Class	(0.75)%	3.32%	0.55%	3.49%
EUR Accumulating Class	11.30%	3.32%	12.76%	3.49%
EUR Institutional Class	0.03%	(0.30)%	1.19%	(0.14)%
CHF Hedged Accumulating Class	(4.95)%	(0.31)%	(3.47)%	(0.15)%
<b>Nippon Growth (UCITS) Fund</b>				
EUR Hedged Class	13.21%	53.20%	25.71%	59.03%
JPY Class A	77.49%	131.28%	96.33%	140.08%
EUR Hedged Institutional Class	34.10%	93.68%	48.61%	101.05%
JPY Class B Accumulating	80.86%	116.35%	100.06%	124.59%
JPY Class D Institutional	18.69%	66.37%	30.97%	72.70%
<b>Strategic Europe Value Fund</b>				
EUR Class	118.47%	84.83%	121.16%	85.71%
EUR Institutional Class	93.58%	52.17%	95.36%	52.90%
CHF Hedged Class	70.19%	50.57%	72.76%	51.29%
GBP Hedged Institutional Class	43.11%	22.54%	44.00%	23.12%
EUR Institutional Distributing Class	4.22%	9.28%	5.21%	9.81%
EUR Retail Class	1.78%	12.86%	3.41%	13.40%
USD Hedged Class	14.50%	19.48%	14.90%	20.05%
EUR Super Institutional Class	6.78%	16.35%	7.68%	16.91%
USD Hedged Super Institutional Class	10.21%	16.96%	10.00%	17.52%
USD Hedged Institutional Class	6.45%	6.99%	6.16%	7.50%
CHF Hedged Institutional Class	5.24%	4.60%	6.52%	5.11%
EUR SP Class	6.28%	3.77%	-	-
<b>Strategic Global Bond Fund</b>				
USD Class	5.11%	18.77%	6.09%	20.77%
RMB Hedged Class	-	-	8.68%	18.10%

## E.I. Sturdza Funds Plc

### Supplementary Information (continued)

#### 2. Fund performance data (continued)

The percentage total return of one share, of each share class from inception as calculated in accordance with the Swiss Fund and Asset Management Association is detailed below:

	Inception to 30 June 2018		Inception to 31 December 2017	
	Fund	Fund	Fund	Index
<b>Strategic US Momentum and Value Fund</b>				
USD Class	73.48%	123.55%	68.51%	117.85%
EUR Hedged Class	15.74%	303.11%	13.64%	292.83%
CHF Hedged Class	13.37%	303.11%	11.78%	292.83%
USD Institutional Class	16.74%	266.95%	13.12%	257.59%
<b>Strategic Global Quality Fund</b>				
USD Institutional Class	39.40%	35.44%	40.76%	34.86%
EUR Hedged Institutional Class	(2.41)%	0.86%	(0.13)%	0.42%
EUR Hedged Class	(2.87)%	0.86%	(0.15)%	0.42%
CHF Hedged Class	9.86%	30.48%	12.93%	29.92%
USD Class	28.45%	42.54%	30.04%	41.93%
<b>Strategic European Smaller Companies Fund</b>				
EUR Class	27.79%	5.51%	38.44%	5.88%
EUR X Class	20.93%	15.98%	30.99%	16.38%
CHF Hedged Class	3.44%	4.64%	12.34%	5.00%
EUR Institutional Class	6.31%	4.91%	14.88%	5.28%
<b>Strategic Quality Emerging Bond Fund</b>				
USD Institutional Class	0.62%	15.82%	4.25%	18.01%
USD Class	3.44%	13.08%	7.45%	15.22%
CHF Hedged Class	(2.29)%	13.08%	3.01%	15.22%
EUR Hedged Class	(1.36)%	13.08%	3.81%	15.22%
EUR Hedged Institutional Class	(0.72)%	13.08%	4.22%	15.22%
<b>Strategic Beta Flex Fund</b>				
EUR Class	0.48%	(0.56)%	2.00%	(0.37)%
EUR R Class	(0.37)%	(0.51)%	0.82%	(0.32)%
EUR Institutional Class	0.67%	(0.54)%	2.01%	(0.35)%
<b>Strategic Japan Opportunities Fund</b>				
EUR Hedged Institutional Class	(0.65)%	0.40%	-	-
USD Hedged Institutional Class	28.05%	13.62%	29.34%	17.95%
USD Hedged Class	27.04%	13.62%	28.61%	17.95%
EUR Hedged Class	25.12%	13.62%	27.86%	17.95%
JPY Institutional Class	25.85%	13.62%	27.98%	17.95%
JPY Class	25.15%	13.62%	27.53%	17.95%

Past performance is no indication of current or future performance and the performance data does not take account of commissions and costs incurred on the issue and redemption of units.

## **E.I. Sturdza Funds Plc**

### **Supplementary Information (continued)**

#### **3. Publications**

The Articles of Association of the Company, the Prospectus, the Supplements and Key Investor Information Documents for each Sub-Fund and the annual and semi-annual reports of the Company can be obtained, free of charge from the Swiss Representative and Paying Agent, UK Facilities Agent, French Centralising Correspondent, German Paying Agent and Information Agent, Austrian Paying Agent, Information Agent and Tax Representative, Swedish Paying Agent, Spanish Representative, Italian Paying Agent, Luxembourg Paying Agent, the Distributor and the Administrator.

## **E.I. Sturdza Funds Plc**

### **Reporting requirement in respect of the Securities Financing Transactions Regulation For the six month period ended 30 June 2018**

E.I. Sturdza Funds Plc (the “Company”) is subject to the Securities Financing Transactions Regulation (the “SFTR”) as at 30 June 2018. The SFTR introduces mandatory reporting for securities financing transactions (“SFTs”) and sets minimum disclosure and consent requirements on the re-use of collateral, with the aim of reforming shadow banking and improving transparency in the SFT market. The SFTR was formally adopted by the EU on 25 November 2015 and came into force on 13 January 2017. An SFT consists of any transaction that uses assets belonging to a counterparty to generate financing means and is comprised of the following:

- repurchase transactions;
- securities or commodities lending, securities or commodities borrowing;
- any transaction having an equivalent economic effect, in particular a buy/sell-back or sell/buy-back transaction; and
- margin lending transaction.

Article 2 of the SFTR covers the following entities:

- Counterparties to an SFT that are established:
  - in the EU, including all of its branches irrespective of where they are located (i.e., non-EU branches); or
  - outside the EU if the SFT is concluded in the course of the operations of an EU branch of that counterparty.
- UCITS funds and their management companies irrespective of where they are established;
- AIFMs authorised or registered in accordance under AIFMD irrespective of where their AIFs are established; and
- in relation to the Reuse Obligation only, counterparties established outside the EU, in either of the following circumstances:
  - the reuse is effected in the course of the operations of an EU branch; or
  - the reuse concerns financial instruments provided as collateral by a counterparty established in the EU or an EU branch of a third country entity (i.e. a non-EU entity reuses an EU entity’s collateral).

During the period ended 30 June 2018, the Company on behalf of Strategic China Panda Fund, Strategic Europe Value Fund, Nippon Growth (UCITS) Fund, Strategic Global Quality Fund, Strategic US Momentum and Value Fund, Strategic European Smaller Companies Fund and Strategic Japan Opportunities Fund entered into securities lending transactions through a securities lending program entered into with BNY Mellon Trust Company (Ireland) Limited (the “Depositary”) and The Bank of New York Mellon (the “Bank”), a related party to the Depositary, effective 14 August 2017. The Bank acts as the securities lending agent for the Company.

The SFTR also covers Total Return Swap (“TRS”) transactions. The Company did not transact in TRSs during the period.

## E.I. Sturdza Funds Plc

### Reporting requirement in respect of the Securities Financing Transactions Regulation (continued) For the six month period ended 30 June 2018

#### Global data

The following table reflects the amount of securities on loan as a proportion of total lendable assets (excluding cash and cash equivalents) of each Sub-Fund (presented in each of the Sub-Fund's functional currency) as at 30 June 2018:

Sub-Fund	Sub-Fund's functional currency	Total lendable assets (excluding cash and cash equivalents)	Fair value of securities on loan	Percentage of securities on loan
SCPF	USD	186,080,998	25,727,811	13.83%
NGUF	JPY	3,087,849,186	503,696,817	16.31%
SEVF	EUR	601,879,462	10,851,836	1.80%
SMVF	USD	181,200,516	29,217,875	16.12%
SGQF	USD	65,160,386	6,689,799	10.27%
SESF	EUR	181,990,281	27,923,809	15.34%
SJOF	JPY	9,766,640,300	1,466,278,149	15.01%

The following table reflects the amount of assets engaged in each type of SFT, expressed as an absolute amount and as a percentage of the Sub-Funds' Net Asset Value ("NAV") (presented in each of the Sub-Fund's functional currency) as at 30 June 2018:

Sub-Fund	Sub-Fund's functional currency	Securities on loan		
		NAV	Fair value of securities on loan	% of NAV
SCPF	USD	186,127,314	25,727,811	13.82%
NGUF	JPY	3,128,112,014	503,696,817	16.10%
SEVF	EUR	642,393,618	10,851,836	1.69%
SMVF	USD	200,548,221	29,217,875	14.57%
SGQF	USD	66,926,246	6,689,799	10.00%
SESF	EUR	210,207,631	27,923,809	13.28%
SJOF	JPY	10,188,181,012	1,466,278,149	14.39%



## E.I. Sturdza Funds Plc

### Reporting requirement in respect of the Securities Financing Transactions Regulation (continued) For the six month period ended 30 June 2018

#### Data on reuse of collateral

Information on amount of collateral reused, compared with maximum amount disclosed to investors or specified in the Prospectus and the cash collateral reinvestment returns to the Sub-Funds.

No non-cash collateral was reused during the period ended 30 June 2018. Cash collateral held is reinvested in overnight reverse repurchase agreements. The maturity of these transactions is limited to one day.

#### Concentration data

The following table reflects the collateral issuers across all SFTs and the value (volume) of collateral received per issuer (presented in each of the Sub-Fund's functional currency) as at 30 June 2018:

Sub-Fund	Sub-Fund's functional currency	Name of collateral issuer	Amount of collateral received
SCPF	USD	Scotia Capital (USA) Inc.	148,750
		Barclays Capital Securities Ltd.	2,601,037
		Citigroup Global Markets Limited	1,249,435
		JP Morgan Securities Plc	4,749,118
		Macquarie Bank Limited	322,823
		Merrill Lynch Intl Ltd.	2,395,088
		Societe Generale	17,735,495
		Barclays Bank Plc	129,403
		Merrill Lynch, Pierce, Fenner & Smith Inc.	148,220
		NGUF	JPY
JP Morgan Securities Plc	416,532,270		
Merrill Lynch Intl Ltd.	134,033,770		
SEVF	EUR	Citigroup Global Markets Limited	3,208,249
		SG Americas Securities, LLC	108,417
		Scotia Capital (USA) Inc.	4,889,520
		Credit Suisse Securities (Europe) Limited	1,144,657
		HSBC Bank Plc	246,180
		JP Morgan Securities Plc	87,927
SMVF	USD	Barclays Capital Securities Ltd.	2,043,301
		UBS AG	9,451,142
		Merrill Lynch Intl Ltd.	7,513,116
		BNP Paribas	214,489
		Societe Generale	12,475,988
		Merrill Lynch, Pierce, Fenner & Smith Inc.	1,123,464

## E.I. Sturdza Funds Plc

### Reporting requirement in respect of the Securities Financing Transactions Regulation (continued) For the six month period ended 30 June 2018

#### Concentration data (continued)

Sub-Fund	Sub-Fund's functional currency	Name of collateral issuer	Amount of collateral received
SGQF	USD	BNP Paribas	1,397,220
		SG Americas Securities, LLC	96,192
		Scotia Capital (USA) Inc.	1,755,866
		HSBC Bank Plc	604,585
		UBS AG	1,089,657
		Merrill Lynch Intl Ltd.	1,134,149
		Citigroup Global Markets Limited	1,557,546
		JP Morgan Securities Plc	88,999
SESF	EUR	Barclays Capital Securities Ltd.	5,113,924
		Citigroup Global Markets Limited	5,634,316
		Merrill Lynch Intl Ltd.	2,033,934
		JP Morgan Securities Plc	6,700,998
		Societe Generale	2,256,089
		UBS AG	9,973,001
SJOF	JPY	Barclays Capital Securities Ltd.	73,649,937
		Citigroup Global Markets Limited	203,163,558
		JP Morgan Securities Plc	429,877,474
		Societe Generale	13,486,132
		UBS AG	105,424,728
		Morgan Stanley & Co. International Plc	126,702,197
		Merrill Lynch Intl Ltd.	751,990,584

## E.I. Sturdza Funds Plc

### Reporting requirement in respect of the Securities Financing Transactions Regulation (continued) For the six month period ended 30 June 2018

#### Concentration data (continued)

The following table reflects the counterparties of each type of SFT and the value (volume) of outstanding transactions (presented in each of the Sub-Fund's functional currency) as at 30 June 2018:

Sub-Fund	Sub-Fund's functional currency	Name of counterparty	Fair value of securities on loan
SCPF	USD	Scotia Capital (USA) Inc.	137,404
		Barclays Capital Securities Ltd.	2,067,236
		Citigroup Global Markets Limited	425,875
		JP Morgan Securities Plc	4,031,371
		Macquarie Bank Limited	100,457
		Merrill Lynch Intl Ltd.	2,246,747
		Societe Generale	16,456,511
		Barclays Bank Plc	124,491
		Merrill Lynch, Pierce, Fenner & Smith Inc.	137,719
		NGUF	JPY
JP Morgan Securities Plc	372,051,189		
Merrill Lynch Intl Ltd.	122,508,500		
SEVF	EUR	Citigroup Global Markets Limited	3,039,396
		SG Americas Securities, LLC	107,113
		Scotia Capital (USA) Inc.	4,830,699
		Credit Suisse Securities (Europe) Limited	981,673
		HSBC Bank Plc	225,192
		Barclays Capital Securities Ltd.	1,667,763
SMVF	USD	UBS AG	9,128,341
		Merrill Lynch Intl Ltd.	7,082,558
		BNP Paribas	201,115
		Societe Generale	11,709,042
		Merrill Lynch, Pierce, Fenner & Smith Inc.	1,096,819

## E.I. Sturdza Funds Plc

### Reporting requirement in respect of the Securities Financing Transactions Regulation (continued) For the six month period ended 30 June 2018

#### Concentration data (continued)

Sub-Fund	Sub-Fund's functional currency	Name of counterparty	Fair value of securities on loan
SGQF	USD	BNP Paribas	1,347,560
		SG Americas Securities, LLC	95,035
		Scotia Capital (USA) Inc.	1,573,614
		UBS AG	974,628
		Merrill Lynch Intl Ltd.	1,074,609
		Citigroup Global Markets Limited	1,536,305
		JP Morgan Securities Plc	88,048
SESF	EUR	Barclays Capital Securities Ltd.	4,228,753
		Citigroup Global Markets Limited	4,475,966
		Merrill Lynch Intl Ltd.	1,897,452
		JP Morgan Securities Plc	6,115,361
		Societe Generale	2,028,402
		UBS AG	9,177,875
SJOF	JPY	Barclays Capital Securities Ltd.	51,945,000
		Citigroup Global Markets Limited	154,465,793
		JP Morgan Securities Plc	383,971,272
		Societe Generale	12,140,000
		UBS AG	93,732,684
		Morgan Stanley & Co. International Plc	104,624,833
		Merrill Lynch Intl Ltd.	665,398,567

## E.I. Sturdza Funds Plc

### Reporting requirement in respect of the Securities Financing Transactions Regulation (continued) For the six month period ended 30 June 2018

#### Safekeeping of collateral received by the Sub-Funds as part of the SFTs

The following table reflects the number and name of custodians and amount of collateral held in safekeeping by each of the custodians (presented in each of the Sub-Fund's functional currency) as at 30 June 2018:

Sub-Fund	Sub-Fund's functional currency	Number of custodian per Sub-Fund	Name of custodian	Amount of collateral in safekeeping
SCPF	USD	1	The Bank of New York Mellon	29,479,369
NGUF	JPY	1	The Bank of New York Mellon	560,853,331
SEVF	EUR	1	The Bank of New York Mellon	11,728,251
SMVF	USD	1	The Bank of New York Mellon	30,778,199
SGQF	USD	1	The Bank of New York Mellon	7,724,214
SESF	EUR	1	The Bank of New York Mellon	31,712,262
SJOF	JPY	1	The Bank of New York Mellon	1,704,294,610

No collateral was granted by the Sub-Funds during the period ended 30 June 2018.

#### Aggregate transaction data for each type of SFT

The following table reflects the maturity tenor of all collateral received for each type of SFT (presented in each of the Sub-Fund's functional currency) as at 30 June 2018:

Sub-Fund	Sub-Fund's functional currency	Name of collateral issuer	Type of collateral received	Currency of collateral	Total amount of collateral	Maturity tenor of the Collateral
						Open maturity tenor
SCPF	USD	Scotia Capital (USA) Inc.	Cash	USD	148,750	Yes
		Barclays Capital Securities Ltd.	Equity Indices (TriParty)	USD	2,601,037	Yes
		Citigroup Global Markets Limited	Equity Indices (TriParty)	USD	1,249,435	Yes
		JP Morgan Securities Plc	Equity Indices (TriParty), G10 Debt (TriParty)	USD	4,749,118	Yes
		Macquarie Bank Limited	Equity Indices (TriParty)	USD	322,823	Yes
		Merrill Lynch Intl Ltd.	G10 Debt (TriParty), Govt Debt & Supranationals (TriParty)	USD	2,395,088	Yes
		Societe Generale	U.S. Equity (TriParty)	USD	17,735,495	Yes
		Barclays Bank Plc	U.S. Government Debt (Bilateral)	USD	129,403	Yes
		Merrill Lynch, Pierce, Fenner & Smith Inc.	U.S. Government Debt (Bilateral)	USD	148,220	Yes
NGUF	JPY	Citigroup Global Markets Limited	Equity Indices (TriParty)	USD	10,287,291	Yes
		JP Morgan Securities Plc	Equity Indices (TriParty)	USD	416,532,270	Yes
		Merrill Lynch Intl Ltd.	G10 Debt (TriParty)	USD	134,033,770	Yes

## E.I. Sturdza Funds Plc

### Reporting requirement in respect of the Securities Financing Transactions Regulation (continued) For the six month period ended 30 June 2018

#### Aggregate transaction data for each type of SFT (continued)

Sub-Fund	Sub-Fund's functional currency	Name of collateral issuer	Type of collateral received	Currency of collateral	Total amount of collateral	Maturity tenor of the Collateral
						Open maturity tenor
SEVF	EUR	Citigroup Global Markets Limited	Cash, Equity Indices (TriParty)	USD	3,208,249	Yes
		SG Americas Securities, LLC	Cash	USD	108,417	Yes
		Scotia Capital (USA) Inc.	Cash	USD	4,889,520	Yes
		Credit Suisse Securities (Europe) Limited	Equity Indices (TriParty)	USD	1,144,657	Yes
		HSBC Bank Plc	Equity Indices (TriParty)	USD	246,180	Yes
		JP Morgan Securities Plc	Equity Indices (TriParty)	USD	87,927	Yes
		Barclays Capital Securities Ltd.	G10 Debt (TriParty)	USD	2,043,301	Yes
SMVF	USD	UBS AG	Equity Indices (TriParty), U.S. Government Debt (Bilateral)	USD	9,451,142	Yes
		Merrill Lynch Intl Ltd.	Govt Debt & Supranationals (TriParty)	USD	7,513,116	Yes
		BNP Paribas	U.S. Equity (TriParty)	USD	214,489	Yes
		Societe Generale	U.S. Equity (TriParty)	USD	12,475,988	Yes
		Merrill Lynch, Pierce, Fenner & Smith Inc.	U.S. Government Debt (Bilateral)	USD	1,123,464	Yes
SGQF	USD	BNP Paribas	Cash	USD	1,397,220	Yes
		SG Americas Securities, LLC	Cash	USD	96,192	Yes
		Scotia Capital (USA) Inc.	Cash	USD	1,755,866	Yes
		HSBC Bank Plc	Equity Indices (TriParty)	USD	604,585	Yes
		UBS AG	Equity Indices (TriParty)	USD	1,089,657	Yes
		Merrill Lynch Intl Ltd.	Govt Debt & Supranationals (TriParty)	USD	1,134,149	Yes
		Citigroup Global Markets Limited	U.S. Government Debt (Bilateral)	USD	1,557,546	Yes
		JP Morgan Securities Plc	U.S. Government Debt (Bilateral)	USD	88,999	Yes
SESF	EUR	Barclays Capital Securities Ltd.	Cash, Equity Indices (TriParty), G10 Debt (TriParty)	USD	5,113,924	Yes
		Citigroup Global Markets Limited	Cash, Equity Indices (TriParty)	USD	5,634,316	Yes
		Merrill Lynch Intl Ltd.	Cash, G10 Debt (TriParty), Govt Debt & Supranationals (TriParty)	USD	2,033,934	Yes
		JP Morgan Securities Plc	Equity Indices (TriParty)	USD	6,700,998	Yes
		Societe Generale	Equity Indices (TriParty)	USD	2,256,089	Yes
		UBS AG	Equity Indices (TriParty), Govt Debt & Supranationals (TriParty)	USD	9,973,001	Yes
SJOF	JPY	Barclays Capital Securities Ltd.	Equity Indices (TriParty)	USD	73,649,937	Yes
		Citigroup Global Markets Limited	Equity Indices (TriParty), G10 Debt (TriParty)	USD	203,163,558	Yes
		JP Morgan Securities Plc	Equity Indices (TriParty)	USD	429,877,474	Yes
		Societe Generale	Equity Indices (TriParty)	USD	13,486,132	Yes
		UBS AG	Equity Indices (TriParty), G10 Debt (TriParty)	USD	105,424,728	Yes
		Morgan Stanley & Co. International Plc	G10 Debt (TriParty)	USD	126,702,197	Yes
		Merrill Lynch Intl Ltd.	G10 Debt (TriParty)	USD	751,990,584	Yes

## E.I. Sturdza Funds Plc

### Reporting requirement in respect of the Securities Financing Transactions Regulation (continued) For the six month period ended 30 June 2018

#### Aggregate transaction data for each type of SFT (continued)

To ensure credit quality is maintained there are restrictions in place over the collateral accepted. Sovereign Debt obligations are only accepted from USA, Canada, Austria, Belgium, Denmark, Finland, France, Germany, Netherlands, Norway, Sweden, Switzerland, United Kingdom, Luxembourg, Australia, Hong Kong, Japan, Singapore and New Zealand. Debt obligations are only accepted when issued by the following supranational issuers: European Bank for Reconstruction and Development; European Investment Bank; European Union; Inter-American Development Bank; International Bank for Reconstruction and Development; and the International Finance Corporation. Equity securities must be listed on one of the following exchanges: AEX 25 (Netherlands); CAC 40 (France); DAX 30 (Germany); Euro 50 (Eurozone); FTSE 100 (United Kingdom); Nikkei 225 (Japan); SMI 23 (Switzerland) or S&P 500 (USA).

The following table reflects the maturity tenor of SFTs (presented in each of the Sub-Fund's functional currency) as at 30 June 2018:

Sub-Fund	Sub-Fund's functional currency	Name of counterparty	Counterparty domicile	Total fair value of securities on loan	Maturity tenor of the SFTs
					Open maturity tenor
SCPF	USD	Scotia Capital (USA) Inc.	USA	137,404	Yes
		Barclays Capital Securities Ltd.	United Kingdom	2,067,236	Yes
		Citigroup Global Markets Limited	United Kingdom	425,875	Yes
		JP Morgan Securities Plc	United Kingdom	4,031,371	Yes
		Macquarie Bank Limited	Australia	100,457	Yes
		Merrill Lynch Intl Ltd.	USA	2,246,747	Yes
		Societe Generale	France	16,456,511	Yes
		Barclays Bank Plc	United Kingdom	124,491	Yes
		Merrill Lynch, Pierce, Fenner & Smith Inc.	USA	137,719	Yes
NGUF	JPY	Citigroup Global Markets Limited	United Kingdom	9,137,128	Yes
		JP Morgan Securities Plc	United Kingdom	372,051,189	Yes
		Merrill Lynch Intl Ltd.	USA	122,508,500	Yes
SEVF	EUR	Citigroup Global Markets Limited	United Kingdom	3,039,396	Yes
		SG Americas Securities, LLC	USA	107,113	Yes
		Scotia Capital (USA) Inc.	USA	4,830,699	Yes
		Credit Suisse Securities (Europe) Limited	United Kingdom	981,673	Yes
		HSBC Bank Plc	United Kingdom	225,192	Yes
		Barclays Capital Securities Ltd.	United Kingdom	1,667,763	Yes

## E.I. Sturdza Funds Plc

### Reporting requirement in respect of the Securities Financing Transactions Regulation (continued) For the six month period ended 30 June 2018

#### Aggregate transaction data for each type of SFT (continued)

Sub-Fund	Sub-Fund's functional currency	Name of counterparty	Counterparty domicile	Total fair value of securities on loan	Maturity tenor of the SFTs
					Open maturity tenor
SMVF	USD	UBS AG	Switzerland	9,128,341	Yes
		Merrill Lynch Intl Ltd.	USA	7,082,558	Yes
		BNP Paribas	France	201,115	Yes
		Societe Generale	France	11,709,042	Yes
		Merrill Lynch, Pierce, Fenner & Smith Inc.	USA	1,096,819	Yes
SGQF	USD	BNP Paribas	France	1,347,560	Yes
		SG Americas Securities, LLC	USA	95,035	Yes
		Scotia Capital (USA) Inc.	USA	1,573,614	Yes
		UBS AG	Switzerland	974,628	Yes
		Merrill Lynch Intl Ltd.	USA	1,074,609	Yes
		Citigroup Global Markets Limited	United Kingdom	1,536,305	Yes
		JP Morgan Securities Plc	United Kingdom	88,048	Yes
SESF	EUR	Barclays Capital Securities Ltd.	United Kingdom	4,228,753	Yes
		Citigroup Global Markets Limited	United Kingdom	4,475,966	Yes
		Merrill Lynch Intl Ltd.	USA	1,897,452	Yes
		JP Morgan Securities Plc	United Kingdom	6,115,361	Yes
		Societe Generale	France	2,028,402	Yes
		UBS AG	Switzerland	9,177,875	Yes
SJOF	JPY	Barclays Capital Securities Ltd.	United Kingdom	51,945,000	Yes
		Citigroup Global Markets Limited	United Kingdom	154,465,793	Yes
		JP Morgan Securities Plc	United Kingdom	383,971,272	Yes
		Societe Generale	France	12,140,000	Yes
		UBS AG	Switzerland	93,732,684	Yes
		Morgan Stanley & Co. International Plc	United Kingdom	104,624,833	Yes
		Merrill Lynch Intl Ltd.	USA	665,398,567	Yes

All Sub-Funds are subject to the securities lending program entered into with the Depository, which allows for The Bank of New York Mellon (the "Lending Agent") to utilise applicable Settlement Systems. These Settlement Systems may be any securities depository or clearing agency authorised to act as a securities depository or clearing agency. During the period, the Sub-Funds utilised tri-party and bilateral agreements where collaterals held were securities and reinvested cash collateral in overnight reverse repurchase agreements.



## E.I. Sturdza Funds Plc

### Reporting requirement in respect of the Securities Financing Transactions Regulation (continued) For the six month period ended 30 June 2018

#### Data on return and cost for each type of SFTs

The following table reflects the data on cost and return for each type of SFT between the Sub-Funds and the Lending Agent, in absolute terms, and as a percentage of overall returns generated by that type of SFT (presented in each of the Sub-Fund's functional currency) for the period ended 30 June 2018:

Sub-Fund	Sub-Fund's functional currency	Cost of securities on loan	Return on securities on loan					
			Sub-Funds	As a % of Total Return	Lending Agent	As a % of Total Return	Total Return	Total Return As a % of Cost
SCPF	USD	19,273,626	35,426	70%	15,183	30%	50,609	0.26%
NGUF	JPY	464,149,214	453,188	70%	194,223	30%	647,411	0.14%
SEVF	EUR	14,137,482	74,944	70%	32,119	30%	107,063	0.76%
SMVF	USD	28,210,674	7,289	70%	3,124	30%	10,413	0.04%
SGQF	USD	7,162,557	3,924	70%	1,682	30%	5,606	0.08%
SESF	EUR	30,115,526	96,760	70%	41,469	30%	138,229	0.46%
SJOF	JPY	1,212,224,274	12,050,759	70%	5,164,611	30%	17,215,370	1.42%

E.I. Sturdza Strategic Management Limited and The Bank of New York Mellon act as the Investment Manager and Lending Agent, respectively, for all the Sub-Funds as at and for the period ended 30 June 2018.