



# E.I. Sturdza Strategic Europe Value Fund E.I. Sturdza Strategic Global Quality Fund

March 2019 Fund Commentary



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PORTFOLIO MANAGER

The **E.I. Sturdza Strategic Europe Value Fund** returned 4.78%\* in March, outperforming its index by 2.75%. The best performing sectors in terms of alpha were Consumer Staples and Information Technology. The Fund's overweight to the Health Care sector also helped. The best performing sectors for the benchmark were Consumer Staples, Real Estate and Health Care; while the worst performing sectors were Financials and Consumer Discretionary.

Whilst there weren't any significant detractors (>50 bps) in March, the Fund's best performing stocks were Worldpay, Reckitt Benckiser Group and Unilever. During the month, the Fund exited positions in ASR Nederland and Lloyds Banking Group.

The **E.I. Sturdza Strategic Global Quality Fund** returned 4.80% in March, outperforming its benchmark by 3.49%. The Consumer Staples sector was the largest contributor to alpha, driven by both, the Fund's overweight to the sector and stock selection. Information Technology also significantly contributed to the Fund's outperformance, driven by stock selection, particularly Worldpay. The Fund's zero weight to the Financials sector also helped. Real Estate, Information Technology and Consumer Staples were the best performing sectors for the benchmark; while Financials and Industrials were the worst.

The Fund's best performing stocks over the period were Worldpay, Shiseido and Unilever, with no significant detractors (>50 bps) to performance to be mentioned. Over the period, the Fund sold its position in Intl Flavors & Fragrances.



## INVESTMENT APPROACH

A valuation driven investment approach aiming to buy high-quality businesses at discounted prices. Quality being defined as companies which are market leaders, benefit from long-term structural growth, have high margins and low capital intensity. The Fund has a structural bias towards consumer, healthcare, IT and generally avoids high cost of capital sectors such as insurers, utilities and the oil and gas majors.

## INVESTMENT OBJECTIVE

To achieve long term capital growth.

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

## CONTACT

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The Investment Adviser maintains their cautious view on markets. Even though there has been a rebound year-to-date, the team do not believe the worst is over. They are still concerned about the pricing of risk assets given the overall tightening of global monetary policy and the amount of leverage in the current economic system. In this environment the Investment Adviser retains their preference for defensive portfolio positioning.

\* EUR Instl Class. For detailed performance information based on complete 12-month periods since inception, please refer to page 2.



**PERFORMANCE DATA** As at end of March 2019

**E.I. Sturdza Strategic Europe Value Fund**

**CUMULATIVE PERFORMANCE %**

|                    | 1M   | 3M    | 1Y    | 2Y    | 3Y    | 5Y    | Fund Inception <sup>1</sup> |
|--------------------|------|-------|-------|-------|-------|-------|-----------------------------|
| EUR                | 4.57 | 15.41 | 14.47 | 15.00 | 18.90 | 53.35 | 138.33                      |
| EUR Instl          | 4.78 | 15.77 | 15.59 | 16.80 | 21.77 | 62.41 | 153.95                      |
| MSCI Europe NR EUR | 2.03 | 12.84 | 5.45  | 5.00  | 22.79 | 29.26 | 76.89                       |

**CALENDAR YEAR PERFORMANCE %**

|                    | YTD 2019 | 2018   | 2017  | 2016  | 2015  | 2014  | Annualised Inception <sup>1</sup> |
|--------------------|----------|--------|-------|-------|-------|-------|-----------------------------------|
| EUR                | 15.41    | -6.63  | 13.09 | -7.85 | 23.74 | 12.02 | 10.87                             |
| EUR Instl          | 15.77    | -5.86  | 13.73 | -6.94 | 26.25 | 13.36 | 11.71                             |
| MSCI Europe NR EUR | 12.84    | -10.57 | 10.24 | 2.58  | 8.22  | 6.84  | 7.01                              |

**E.I. Sturdza Strategic Global Quality Fund**

**CUMULATIVE PERFORMANCE %**

|                   | 1M   | 3M    | 1Y   | 2Y    | 3Y    | Fund Inception |
|-------------------|------|-------|------|-------|-------|----------------|
| USD Instl Acc     | 4.80 | 13.09 | 9.10 | 24.18 | 30.84 | 49.26          |
| MSCI World NR USD | 1.31 | 12.48 | 4.01 | 18.15 | 35.60 | 32.25          |

**CALENDAR YEAR PERFORMANCE %**

|                   | YTD 2019 | 2018  | 2017  | 2016  | 2015  | Annualised Inception |
|-------------------|----------|-------|-------|-------|-------|----------------------|
| USD Instl Acc     | 13.09    | -6.24 | 29.74 | -5.30 | 15.54 | 9.88                 |
| MSCI World NR USD | 12.48    | -8.71 | 22.40 | 7.51  | -0.87 | 6.79                 |

Past performance is not an indicator of future performance.

**AWARDS**



See Awards Disclaimer on last page.

<sup>1</sup> EUR Instl Share Class performance includes an extended track from Fund inception on 30 October 2010.



## IMPORTANT INFORMATION

The views and statements contained herein are those of Lofoten Asset Management in their capacity as Investment Adviser to the funds as of 12/04/2019 and are based on internal research and modelling.

## WARNING

The contents of this document have neither been reviewed nor endorsed by the Central Bank of Ireland or any other regulatory authority. If you are in any doubt about any of the content of this document you should obtain independent professional advice.

## AWARDS DISCLAIMER

E.I. Sturdza Strategic Europe Value Fund (EUR Instl Class) received a 5-star Overall Morningstar Rating™. E.I. Sturdza Strategic Global Quality Fund (USD Inst Acc Class) received a 4-star Overall Morningstar Rating™. Morningstar Rating as of 31/03/19.

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Source & Copyright: Citywire. E.I. Sturdza Investment Funds are Platinum and Bronze rated in the Equity - Europe Sector and Equity - Global Sector respectively by Citywire for their rolling risk adjusted performance, across the sector, over the period 31/12/11 to 31/12/18.

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