



E.I. Sturdza Strategic Europe Value Fund

E.I. Sturdza Strategic Global Quality Fund

June 2019 Fund Commentary



Willem Vinke
PORTFOLIO MANAGER

The **Strategic Europe Value Fund** returned 3.45%* in June, underperforming its index by 0.98%. The largest detractor to alpha was the Fund's overweight to the Consumer Staples sector. This said, stock selection for this sector was a positive contributor. June proved a better month for the MSCI Europe Index, with all sectors delivering positive returns except for the Real Estate sector. The best performing sectors were Materials, Consumer Discretionary, and Industrials, while Real Estate, Consumer Staples and Communication Services were the worst performing sectors.

At a single stock level the best performing stocks for the Fund were AstraZeneca, SBM Offshore and ABInbev; there were no significant detractors (> 50 bps) to return for the period. During the month, the Fund sold its position in GrandVision and initiated a position in Kone.

The **Strategic Global Quality Fund** returned 4.61%** in June, underperforming its benchmark by 1.98%. Similar to the European Fund, Consumer Staples was the largest drag on alpha, both due to the Fund's relative overweight to the sector but also due to stock selection. Stock selection for the I.T. sector also constituted a minor drag on alpha. All sectors for the MSCI World Index were in positive territory, with Materials, I.T., and Consumer Discretionary being the best performing, whilst Real Estate, Utilities and Communication Services were the laggards.

The best performing stocks for the Fund were SAP, ABInbev, and Danone. There were no significant detractors (> 50 bps) to return during the period. The Fund initiated a new position in Nomura Research Institute in June.

According to the Investment Adviser, equity markets have been very strong during the first six months of the year on the back of the U-turn in interest rate policy announced by the Fed. While markets are on one side excited about more support from central banks, macro indicators globally do not paint a similarly rosy picture. Given this backdrop, the team is concerned about further volatility in H2 and will continue to maintain a defensive portfolio positioning.

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

E.I. Sturdza Strategic
Management Limited
+44 1481 722 322
info@ericsturdza.com
ericsturdza.com

* EUR Instl Class. For detailed performance information based on complete 12-month periods since inception, please refer to page 2. Past performance is not an indicator of future performance.

** USD Inst Class. For detailed performance information based on complete 12-month periods since inception, please refer to page 2. Past performance is not an indicator of future performance.

PERFORMANCE DATA As at end of June 2019

E.I. Sturdza Strategic Europe Value Fund

CUMULATIVE PERFORMANCE %

	1M	3M	1Y	2Y	3Y	5Y	Fund Inception ¹
EUR	3.47	3.05	12.42	16.45	20.20	54.37	145.61
EUR I	3.45	3.22	13.53	18.29	22.82	63.40	162.12
MSCI Europe NR EUR	4.43	3.01	4.46	7.43	26.72	28.05	82.22

CALENDAR YEAR PERFORMANCE %

	YTD 2019	2018	2017	2016	2015	2014	Annualised Inception ¹
EUR	18.94	-6.63	13.09	-7.85	23.74	12.02	10.92
EUR I	19.49	-5.86	13.73	-6.94	26.25	13.36	11.76
MSCI Europe NR EUR	16.24	-10.57	10.24	2.58	8.22	6.84	7.17

E.I. Sturdza Strategic Global Quality Fund

CUMULATIVE PERFORMANCE %

	1M	3M	1Y	2Y	3Y	Fund Inception
USD I	4.61	5.25	12.69	22.59	34.71	57.09
MSCI World NR USD	6.59	4.00	6.33	18.12	39.61	37.54

CALENDAR YEAR PERFORMANCE %

	YTD 2019	2018	2017	2016	2015	Annualised Inception
USD I	19.03	-6.24	29.74	-5.30	15.54	10.56
MSCI World NR USD	16.98	-8.71	22.40	7.51	-0.87	7.34

Past performance is not an indicator of future performance.

AWARDS



See Awards Disclaimer on last page.

¹ EUR Instl Share Class performance includes an extended track from Fund inception on 29 October 2010.



IMPORTANT INFORMATION

The views and statements contained herein are those of Lofoten Asset Management in their capacity as Investment Adviser to the funds as of 17/07/2019 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 Inst Class) received a 5-star Overall Morningstar Rating™. E.I. Sturdza Strategic Global Quality Fund (USD Inst Acc Class) received a 5-star Overall Morningstar Rating™. Morningstar Rating as of 31/05/19.

© 2019 Morningstar: All Rights Reserved. The information contained herein where relative to Morningstar: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

BLOOMBERG DISCLAIMER

Data presented herein is obtained via Bloomberg PORT where stated. Any such data is subject to change from the date of production of this document. Such changes may impact upon comparative data between the investment and benchmark presented. Such information therefore is provided for reference purposes only, is subject to change and should not be relied upon for an investment decision.

MORGAN STANLEY CAPITAL INTERNATIONAL DISCLAIMER

Copyright Morgan Stanley Capital International, Inc. 2018. All Rights Reserved. Unpublished. PROPRIETARY TO MORGAN STANLEY CAPITAL INTERNATIONAL INC.

GENERAL DISCLAIMER - APPLICABLE TO UK DOMICILED RECIPIENTS

This communication is issued in Guernsey by E.I. Sturdza Strategic Management Limited which is regulated by the Guernsey Financial Services Commission. Any investments or investment services mentioned in this communication are not intended for retail customers. Consequently, this communication is only made available to professional investors and eligible counterparties and should not be relied upon by any person that does not possess professional experience in relation to investments. If you are in any doubt as to whether you possess suitable experience in relation to investments please consult your financial adviser. Past performance is no guarantee of future results. Under no circumstances should this document be forwarded to anyone in the United Kingdom who is not a professional client or eligible counterparty as defined by the Financial Conduct Authority. For the purpose of distribution in the United Kingdom this material has been issued by E.I. Sturdza Investments Limited, Claridge

House, 32 Davies Street, London, W1K 4ND which is an appointed representative of Mirabella Advisers LLP which is authorised and regulated by the Financial Conduct Authority. Further this communication is not an offer or an invitation to purchase financial instruments but intended as information. The information contained in this communication does not represent a research report. E.I. Sturdza Strategic Management Limited has not considered the suitability of investment against your individual needs and risk tolerance. Shares in the Fund should only be purchased by persons with professional experience and investors should refer to the Fund Prospectus and/or KIID for detailed information about potential risks involved in investing in financial instruments as well as the latest half yearly report and unaudited accounts and/or annual report and audited accounts. The information contained herein is estimated, unaudited, may be subject to change and reflects the performance of the relevant fund offered by E.I. Sturdza Strategic Management Limited during the period indicated. Any opinions or estimates expressed herein are at the date of preparation and are subject to change without notice; however no such opinions or estimates constitute legal, investment, tax, or other advice. Individual performance of the Fund may vary and historical data is not an indication of future results. The value of the Fund and the income which may be generated from it can go down as well as up and therefore investors must be able to bear the risk of a substantial impairment or loss of their entire investment. This document is intended for information purposes only and is not intended as an offer or recommendation to buy, sell or otherwise apply for shares in the Fund. E.I. Sturdza Strategic Management Limited, 3rd Floor, Frances House, Sir William Place, St Peter Port, Guernsey GY1 1GX. Part of the Eric Sturdza Banking Group. Company Registration Number: 35985.

DISCLAIMER - SWISS DOMICILED RECIPIENTS

E.I. Sturdza Funds Plc and its sub-funds are Irish funds authorized by the Irish Central Bank. They are approved for distribution in Switzerland by FINMA. The Swiss representative and paying agent is Banque Eric Sturdza SA, rue du Rhône 112, 1204 Geneva / Switzerland. Investors should refer to the fund prospectus and/or KIIDs for detailed information about potential risks associated with investments in financial instruments as well as the latest half yearly report and unaudited accounts and/or annual report and audited accounts. The prospectus, KIIDs, Articles of association, semi-annual and annual reports of E.I. Sturdza Funds Plc can be obtained, free of charge, at the seat of the Swiss representative, Banque Eric Sturdza SA. The information contained herein is estimated, unaudited, may be subject to change and reflect the performance of the relevant funds during the period indicated. Any opinions or estimates expressed herein are at the date of preparation and are subject to change without notice. No such opinions or estimates constitute legal, investment, tax or other advice. Individual performance of the funds may vary and historical data is not an indication of future results. The value of the funds and the income which may be generated from it can go down as well as up and therefore investors must be able to bear the risks of a substantial impairment or loss of their entire investments. Past performance is no guarantee of future results. Performance data do not take into consideration commissions and costs charged at the time of issuance and/or redemption of the shares. This document is intended for information purposes only and is not intended as an offer or recommendation to buy, sell, or otherwise apply for shares in the funds.