



Strategic China Panda Fund

August 2023 Fund Commentary



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Portfolio Manager

Retail Marketing Communication / Publicité / Financial Promotion addressed to investors in the countries mentioned in the disclaimer, related to **E.I. Sturdza Funds plc – Strategic China Panda Fund** – (hereinafter referred to as the “Fund”) a sub-fund of E.I. Sturdza Funds plc, an Irish open-ended umbrella investment Company with variable capital – UCITS (“the Company”).

China’s stock market resumed its downward trend, as investors have turned risk-averse due to the absence of government stimulus following the Politburo meeting last month. Additionally, the recent downgrade of US government debt by credit rating agencies has sent shock waves across global markets. The MSCI China total return index experienced a substantial 9% decline, while the CSI 300 index fared relatively better with a drop of 6.2%. The Renminbi (RMB) has weakened against the US Dollar, reaching a 15-year low at 7.26 RMB per USD.

Economically, the situation remains in the doldrums according to the August macroeconomic data. The Purchasing Managers Index (PMI) reached 49.7, and has consistently stayed below the threshold of 50 for the past five months. The Consumer Price Index (CPI) stands at 0.1%, struggling to stay above zero, and exports have seen a year-on-year decline of 3.2%.

Regulatory challenges have resurfaced, surprising many who believed that the regulatory clampdown was over. The government has announced new rules aimed at limiting minors’ time on mobile phones and anti-corruption measures within the medical sector. The property sector has once again stolen the limelight as concerns over the debt issues of companies such as Country Garden and Sino Ocean have spooked investors. The results season turned out to be uneventful as investors shifted their focus to what seems like a gloomy economic outlook, with stimulus measures lacking.

The Fund outperformed the benchmark by 1.3%* in August. With China’s market trading at a deep value, characterised by a low Price-to-Earnings (P/E) ratio of 10-11x, it is anticipated to remain relatively stagnant in the near term. We remain hopeful of supportive policies from the government to potentially act as a catalyst for market improvement.

Investment Approach

Access to the Chinese growth story through one of the leading Portfolio Managers in the region. Stock selection and net exposure are adjusted to take advantage of an insider’s view of the Chinese business cycle. Invested predominantly in China stocks listed in major markets like HK, China (A/B shares) and U.S. (ADRs), offering investors greater liquidity and transparency over other forms of investments in China.

Investment Objective

To achieve long-term capital appreciation in the value of the assets by investing in China-related securities listed in, but not limited to the Greater China region. A sub-fund of E.I. Sturdza Funds plc. Registered in Ireland.

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* A USD Class. For detailed performance information based on complete 12-month periods since inception, please refer to page 2. Past performance may not be a reliable guide to future performance. Returns could be reduced, or losses incurred, due to currency fluctuations.



Performance Data As at end of August 2023

Annualised Return %

	1M	3M	1Y	3Y	5Y	10Y	SI
A USD Class	-7.68	8.10	-12.39	-16.51	-5.20	1.25	6.08
SCPF Benchmark	-8.95	4.59	-7.75	-14.33	-3.94	1.59	2.71

Calendar Year Return %

	YTD	2022	2021	2020	2019	2018	SI
A USD Class	-8.34	-27.73	-17.57	22.78	28.58	-21.37	140.94
SCPF Benchmark	-4.89	-21.93	-21.72	29.49	23.46	-18.88	48.96

12 Month Returns %

	01/08/2022 - 31/08/2023	01/08/2021 - 31/08/2022	01/08/2020 - 31/08/2021	01/08/2019 - 31/08/2020	01/08/2018 - 31/08/2019
A USD Class	-12.39	-33.85	0.41	38.82	-5.21
SCPF Benchmark	-7.75	-28.19	-5.10	37.30	-5.25

SCPF Benchmark: MSCI China Index USD to 20 July 2023 & Morningstar China Target Market Exposure NR USD Index from 21 July 2023.

Source of graphs and tables: Morningstar.

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The performances presented are shown after deduction of ongoing charges and performance fees. Any entry or exit fees are excluded from this calculation. Dividends reinvested. Benchmark: Same reference period as for the class: Net Return, dividend reinvested. The reference benchmark of this class is used for performance comparison purposes only. The performance of the benchmark is not indicative of past or future performance of the Fund.

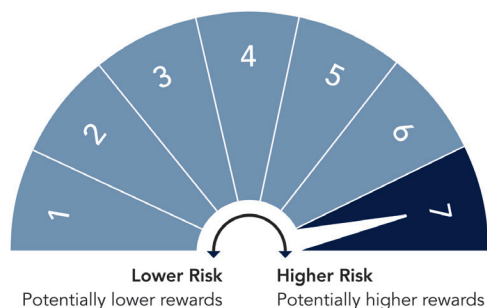
Reference periods:

- Annualised Returns as of the date of the reporting over the defined period. Data less than 1 year is not annualised.
- Calendar Year Returns: Annual Performance for the stated calendar year.
- 12 Month Returns: performance for the stated time frame.

When the currency presented differs from yours, there is a currency risk. Class currency hedging is used on non base currency classes aiming to reduce the impact of currency risk. The performance and NAVs of all classes may be obtained at ericsturza.com. Please refer to the glossary at ericsturza.com/glossary for further explanation on specific terminologies.

Benchmark performance from 2017 is with regards to the MSCI China NR USD Index, whilst prior periods reflect the returns of the MSCI China PR USD Index. The approach was adjusted to align the reporting and performance fee calculation benchmarks.

Risk & Reward Indicator ("SRRI") & Inherent Risks



The risk indicator is based on historical data and may not be a reliable indicator of the future risk profile of the Fund, is not guaranteed and may change over time. The lowest category does not mean risk free.

The risk indicator for the Fund is set as 7, which reflects the historic price behaviour of the Fund. The sub-fund may be subject to high volatility.

Factors that affect the indicator include: Investments in equity securities are subject to fluctuations in value dependent on market conditions which will directly affect the value of investments. The Fund invests with a focus on a single country, China, which is an emerging market. Historically, the risk of investing in emerging markets is higher than the risk of investing in developed markets. Investments through the Shanghai-Hong Kong Stock Connect are subject to additional risks as defined in the KIID. Additional Risks: Custody and Settlement, Emerging Market, Financial Derivatives, Liquidity, Operational and Taxation risks. For more information about potential risks, please refer to the Key Investor Information Document (KIID), the Prospectus and Supplement available at ericsturza.com/literature/.

Ratings & Awards



Morningstar Sustainability Rating



Awards Disclaimer

The Strategic China Panda Fund - A USD share class has a Morningstar rating of 3 stars overall and 3 stars over 10 Years. Morningstar Rating™ as of 31/08/2023. The Strategic China Panda Fund received a Morningstar 5 Globe Sustainability Award. Sustainability Rating as of 31/07/2023. Out of 2,596 Greater China Equity funds as of 31/07/2023. Based on 98.08% of AUM. Historical Sustainability Score as of 30/06/2023. Sustainalytics provides company-level analysis used in the calculation of Morningstar's Historical Sustainability Score. Data is based on long positions only.

The Strategic China Panda Fund received a Morningstar Low Carbon Award. Carbon Metrics as of 31/07/2023. Based on 94.66% of AUM. Data is based on long positions only.

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