Sturdza Family Fund

August 2023 Fund Commentary

Retail Marketing Communication / Publicité / Financial Promotion addressed to investors in the countries mentioned in the disclaimer, related to **E.I. Sturdza Funds plc – Sturdza Family 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").

Market Delopment

In August the MSCI World Index (total returns in USD) fell 2.39%, the EuroStoxx 50 (net returns in EUR) declined 3.84%, the FTSE 100 was down 3.38% and the S&P 500 (total return) also ended the month lower, down 1.77%. The Dollar Index (DXY Index) rose 1.73%, whilst the generic 30 Yr Treasury yield continued its rise to 4.22% and the VIX ended the month flat at 13.57. Commodities, as represented by the CRB RIND Index, fell 0.8% and Gold traded down 1.27%, to close at 1,940.

US equities were volatile in August. Ten year treasury yields rose sharply to 4.34% amidst concerns that the economy was too strong, reaccelerating inflation and uncertainty as to the Bank of Japan's future policy changes. The fiscal health of the US is also increasingly a concern and set to put upward pressure on yields. They will need to refinance USD 7.6 Tr in the next 12 monthsand raise a further USD 2 Tr to cover the deficit. This saw the S&P 500 fall nearly 5%, before partially reversing following the release of weaker than expected PMI and jobs data mid-month. The moves were amplified by low summer liquidity and deteriorating economic data out of China. There is much debate around how long markets will have to wait for rate cuts, especially after Fed Chair Jerome Powell spoke at Jackson Hole and stated inflation remains too high, but we would flag that QT is still ongoing and so monetary policy is still tightening even if rates are at a peak.

In Europe, equity markets declined. The manufacturing PMI data was notably weak, at 42.7, with the Services PMI data also falling more than expected to 50.9. The PPI data dropped to -3.4% and unemployment came in at 6.4%. Inflation held steady at 5.3%, against an expected fall and alongside deteriorating consumer confidence. The data has left the ECB in an unenviable position given expectations for further rate increases despite the worsening economic outlook.

The FTSE 100 fell too, driven by higher yields and concerns over the Bank of England policy going forward. The UK saw a further fall in headline inflation to 6.8%, but core unexpectedly held steady at 6.9%. This alongside strong wage data fueled concerns over further rate hikes being required, and indeed the Bank of England did raise the bank rate to 5.25% during the month. That said, economic data was more mixed overall in August, with PPI Input prices falling 3.3% and GDP growth better than expected in Q2 at 0.2%, while retail sales fell sharply, the composite PMI continued to roll and consumer confidence remained low.

In Asia, China's economic slowdown draws the most concern on deflationary data and with the Real Estate sector wobbling. The government is continuing to roll out various measures to support the economy, but thus far this is yet to bear fruit. Japan in contrast saw the TOPIX rise 0.4% while the Nikkei fell 1.7%. This points to a strengthening domestic economy while the larger cap growth parts of the market suffered in sympathy with global stocks and also as the Yen weakened. Any changes the Bank of Japan makes to monetary policy will be very closely watched going forwards.

Market Outlook

The outlook for equities remains complicated because resilient economies, supported by fiscal policies, excess savings and strong jobs markets, have to date been able to grow despite recessionary conditions in bank lending and weakness in the non-services sectors. The first half of the year also saw margin tailwinds from energy, transport and easing supply chains. Many of these trends are in the process of normalising or reversing. Central Banks meanwhile continue to maintain tight policies through high rates and quantitative tightening, and we do not believe we have seen the full effects of this upon economies. We are treating the year-to-date rally in equity

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Citywire Rating: Eric and Constantin Sturdza are Citywire + rated by Citywire for their rolling 3 year risk-adjusted performance, for the period to 31/08/2023.

Investment Approach

An active and flexible investment process, managing a mixed asset investment portfolio predominantly comprised of equities and fixed income investments. Investing directly or indirectly, between 51-80% in global equities or equity related instruments and between 20-49% in fixed income instruments. Focusing on strong growth companies that the Investment Adviser deem to be underappreciated by the market, whilst fixed income investments will be selected based on global macro economic analysis and evaluation of central banks' policies.

Investment Objective

To achieve capital appreciation over the long term.

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

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markets with caution.

While macroeconomic challenges around geopolitics, inflation, monetary policy, and the shape of the ensuing economic path continue to spark volatility in financial markets, we remain of the view that long-term opportunities for returns exist today in companies exhibiting the right mix of business model, valuation, and visibility. Our positioning remains defensive in accordance with our views, and we are comfortable we will be able to seize opportunities as they materialise.

Fund Development

The Fund returned -1.89%* in August. No holdings contributed more than 25bps. The three largest detractors were Worldline which cost 44bps, IFF which cost 30bps and CNC which cost 30bps.

Worldline published results at the end of July which were fine, but left some investors questioning whether they can get to the guidance or whether 2024 margin expectations specifically need to come down. These worries seeped into August and broader macroeconomic concerns did not help. Peers Nexi and Adyen suffered on poor merchant services performance and increasing competition worries, respectively, which again brought down Worldline shares in sympathy. We continue to believe in the investment case, especially given the valuations.

IFF reported disappointing Q2 results and cut the FY2023 guidance as a result. A key concern was the implied slowdown in H2 from this guidance, which spooked investors and drew downgrades from analysts. We believe we are getting towards the end of the downgrades and that now is not the time to sell the shares.

Centene fell towards the end of July on growth concerns as management, during an otherwise good Q2 earnings report, said it is not making as much progress on improving quality ratings for its Medicare plans as hoped. These concerns, along with worries in winning future Medicaid contracts lingered into August. In addition, Blue Shield announced it was ending its partnership with CVS Health as its PBM in an attempt to have more control over drug pricing, and this hurt all managed care stocks. We continue to hold the shares.

*A USD Class. For detailed performance information based on complete 12-month periods since inception, please refer to page 4.

Performance Data
As at end of August 2023

Annualised Return %

	1M	3M	1Y	3Y	SI
A USD Class	-1.89	2.21	3.78	1.55	5.58
SFF Composite Benchmark	-1.45	4.24	10.20	4.66	7.69

Calendar Year Return %

	YTD	2022	2021	2020	2019	SI
A USD Class	5.63	-12.98	8.87	12.93	17.51	29.14
SFF Composite Benchmark	10.57	-13.12	12.38	12.45	18.67	41.81

12 Month Returns %

	01/09/2022 - 31/08/2023	01/09/2021 - 31/08/2022	01/09/2020 - 31/08/2021	01/09/2019 - 31/08/2020
A USD Class	3.78	-10.67	12.94	11.98
SFF Composite Benchmark	10.20	-11.21	17.16	12.67

SFF Composite Benchmark: MSCI World Net Dividends Index (60%) + Bloomberg US Aggregate Gov/Credit Total Return Value Unhedged USD (20%) + SOFR (20%) to 20 July 2023 & Morningstar Developed Markets Target Market Exposure NR USD Index (60%) + Bloomberg US Aggregate Gov/Credit Total Return Value Unhedged USD (20%) + SOFR (20%) from 21 July 2023.

Source of graphs and tables: Morningstar.

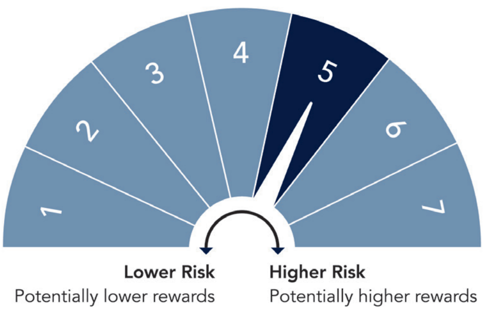
Past performance may not be a reliable guide to future performance. Returns could be reduced, or losses incurred, due to currency fluctuations.

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, changes in exchange rates may have an adverse effect on the value price or income of the product. 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 ericsturdza.com. Please refer to the glossary at ericsturdza.com/glossary for further explanation on specific terminologies.

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 5, 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, whilst fixed income investments are subject to interest rate fluctuations which will directly affect the value of investments. Fixed income investments are subject to actual and perceived measures of issuers creditworthiness, which could alter their value and liquidity. The Fund may invest in non-investment grade issues and corporate hybrid bonds which are subject to a unique set of risks. Additional Risks: Credit, Custody and Settlement, Financial Derivatives, Liquidity, Emerging Market and Operational risks.

For more information about potential risks, please refer to the Key Investor Information Document (KIID), the Prospectus and Supplement available at www.ericsturdza.com/literature/.

Ratings & Awards

Morningstar Sustainability Rating

Awards Disclaimer

The Sturdza Family Fund - A USD share class has a Morningstar rating of 3 stars overall and 3 stars over 3 Years. Morningstar Rating™ as of 31/08/2023.

The Sturdza Family Fund received a Morningstar 5 Globe Sustainability Award. Sustainability Rating as of 31/07/2023. Out of 3,078 Flexible Allocation funds as of 31/07/2023. Based on 94.13% 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.

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