

E. I. STURDZA FUNDS Plc

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

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

for the year ended 31 December 2016

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 European Smaller Companies Fund, the Strategic Quality Emerging Bond Fund and the Strategic Beta Flex Fund and the shares in the Strategic European Smaller Companies 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 Denise Kinsella* Brian Dillon Johannes Yntema** Gavin Farrell *Independent Director All Directors are non-executive Directors
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Investment Manager and Global Distributor	E.I. Sturdza Strategic Management Limited 3 rd Floor, France House, Sir William Place St Peter Port Guernsey GY1 1GX
Investment Adviser to - Strategic China Panda Fund	LBN Advisers (Cayman) Limited P.O. Box 309, Uglan House South Church Street, George Town Grand Cayman, Cayman Islands
Investment Adviser to - Strategic Euro Bond Fund, - Strategic Global Bond Fund and - 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
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Investment Adviser to - Strategic European Smaller Companies Fund	Pascal Investment Advisers SA. Rue du Rhône 116 P.O. Box 3445 1211 Geneva 3 Switzerland

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Company Information (continued)

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Administrator (up to 3 rd November 2016)	HSBC Securities Services (Ireland) Limited 1 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
Administrator (from 4 th November 2016)	SS&C Financial Services (Ireland) Limited (formerly Globeop Financial Services (Ireland) Limited 1 st Floor, La Touche House IFSC Dublin 1 Ireland
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Depository (from 4 th November 2016)	BNY Mellon Trust Company (Ireland) Limited Guild House Guild Street IFSC Dublin 1 Ireland
Auditor	KPMG 1 Harbourmaster Place IFSC Dublin 1 Ireland

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Company Information (continued)

Listing Sponsor, Legal and Tax Advisers (Ireland)	Dillon Eustace 33 Sir John Rogerson's Quay Dublin 2 Ireland
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Swiss Representative and Paying Agent	Banque Eric Sturdza S.A.*** 112 Rue du Rhone, C.P. 3024, 1211 Geneva 3 Switzerland
UK Facilities Agent	Global Funds Registration Limited 7 Chertsey Road Woking Surrey GU21 5AB United Kingdom
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German Paying Agent and Information Agent	Marcard, Stein & Co. Ballindamm 36 D-20095 Hamburg Germany
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Company Information (continued)

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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

***On 15 February 2016 Banque Baring Brothers Sturdza S.A changed its legal and company name to Banque Eric Sturdza SA

**Resigned effective 31 December 2016

E.I. Sturdza Funds Plc

Investment Manager's Report for the year ended 31 December 2016

Strategic China Panda Fund

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

FUND PERFORMANCE

During the year under review the USD class returned -2.43%. In comparison the benchmark, MSCI China Total Return Index, returned 0.90%.

MARKET OVERVIEW

2016 was not only another year of high market volatility in China, but also a year of black swans. Brexit, a collapse of Chinese equities triggered by the introduction of a circuit breaker mechanism and Donald Trump winning the US presidential election were all surprises to the market. In hindsight, the black swans were blessings in disguise as equities rebounded sharply following the events. Take the China stock market plunge in early 2016 for example, the Chinese government quickly responded by removing the circuit breaker mechanism and introducing stimulus measures to restore market confidence. Renewed expectation of monetary easing in the developed world post Brexit also excited the market. As for Donald Trump's win of the US presidential election, it was after all welcomed by the market, as Trump's policy was believed to boost US growth. MSCI China total return index edged up slightly by 1.15% last year albeit with volatility from -20% to +10% in the year. 2016 was however a dismal year for A shares with the CSI300 index losing 11.3% in local currency terms or nearly 18% in US dollar terms.

The economy has trended better since the second half of last year with improving trade, PMI (Purchasing Managers Index), industrial output growth and electricity consumption growth. Stimulus measures like accelerated infrastructure spending, loosening of property tightening policies and the consumption tax cut on car purchase introduced since late 2015/early 2016 have worked. The government's stepped up effort to curb over capacity in steel and coal industries has also greatly improved the profitability of upstream industries. With sustained PMI (Purchasing Managers Index) above 50 and positive PPI (Producer Price Index) since late third quarter, one should expect bottoming out of earnings of manufacturers. The improving macro and earnings trend has so far been overshadowed by fear of renminbi depreciation. In 2015, Renminbi devalued by 4.64%. In 2016, the depreciation deepened to 7%. It is thought that the accelerated Renminbi devaluation has turned global investors away from investing in China.

Shenzhen-Hong Kong stock connect was finally given the green light last year. It failed to excite the market however as it had long been expected by investors. Conversely, the Chinese government's approval of direct Hong Kong stock purchase by Chinese insurance companies was a positive surprise to the market. Southbound buying turned out to be a major driver of the market rally in the second half of the year. Mainland investors saw value in Hong Kong stocks which traded at a big discount to the A shares and the buying was concentrated on blue chip names with yield like financials. Since financials make up 30% of MSCI China index, buying by mainland funds provided strong support to Hong Kong stock market. This partly explains why the Hong Kong market was up but A share market was down last year.

Sector wise, the poor performers of 2015 like Macau gaming, energy, commodities, Hong Kong retailers and deep cyclicals outperformed the market as expectation on these sectors was overly bearish at the beginning of the year. Technology, education and banking sectors also outperformed the market.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic China Panda Fund (continued)

MARKET OVERVIEW (CONTINUED)

Performance of the internet sector was mixed however. Rebalancing of MSCI China to include more ADRs (mostly internet names) in May did not help the sector. Among the big cap stocks, Alibaba, Netease and Tencent went up but JD, Baidu, VIPS and Ctrip went down in the year. ADRs with privatization angle even collapsed as the Chinese regulator weighed curbs on ADR relisting on the A share market.

MARKET OUTLOOK

The Investment Adviser sees a strong US dollar and the potential trade war between China and the US as the biggest risks for China in 2017. Donald Trump's plan to cut tax and increase infrastructure spending in the US is inflationary. US long bond yields and the US dollar have spiked since Trump's win of US presidential election last November. This has led to asset reallocation from emerging markets, including China to the US. If a strong US dollar is to continue, global investors will remain hesitant to revisit China despite an improving macro trend, as was already the case last year. Besides, Donald Trump's threat to impose punitive tax on Chinese imports and overturn the "One China" policy has raised concern on a potential trade war between the US and China. This is considered possible but unlikely as any unwise move by Trump is likely to trigger retaliation from China. After all, China is also a big market to the US and so a trade war between the two countries is not necessarily in the best interests of Americans. For one thing, inflation in the US will spike up immediately if 45% punitive tax is imposed on Chinese imports as the additional tax on Chinese imported goods would immediately be passed over to Americans.

In 2016, mainland funds were a major force that supported the Hong Kong stock market. With expectation of further Renminbi depreciation, we see foreign interest in Hong Kong/China remaining subdued but inflows from mainland funds (which see Hong Kong stocks as quasi US dollar assets) taking an even larger market share in the market turnover of the Hong Kong stock market. Since mainland funds are known for their active trading, increasing market volatility in the Hong Kong stock market is expected to become the new norm.

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Growth slowdown in China seems to have stabilized after a number of stimulating policies. Quarterly GDP growth was kept at 6.7% from the first quarter to the fourth quarter of 2016. It is expected that the government will set a lower GDP growth target, say 6.5%, for 2017. The market should be well prepared for this however, as the government has been lowering the GDP growth target every year ever since Xi took office as the President of China in 2013. Given low market expectation, any positive surprise in growth may lead to a market re-rating.

In the A share market, the national team (Huijin, CSFC, Social Security Fund and Wutongshu Investment Platform) is a major player in the domestic market as it holds around Rmb 2.7trillion A-shares or 6% of total market cap. In 2016, it stepped in to stabilize the market at a time when the market was under tremendous selling pressure but trimmed position whenever the market rebounded. We expect the A share market to trade in a tight range as long as this invisible hand stays.

E.I. Sturdza Funds Plc

**Investment Manager's Report (continued)
for the year ended 31 December 2016**

Strategic China Panda Fund (continued)

PORTFOLIO STRATEGY

The Investment Adviser is constructive on Chinese equities and valuation is supportive at low teen 2017 P/E. This is at the low end of market valuation in Asia but it is not the major reason why the Investment Adviser remains positive. First, Renminbi devaluation is considered a blessing in disguise as it helps to restore the competitiveness of Chinese exporters. Exporters have been under pressure of late following concerns of a potential trade war between the US and China, which is deemed unlikely given the consequences for both countries. The Investment Adviser remains committed to its investment in exporters as it sees earnings upside risk. Firstly, the market is still behind the curve in factoring in their margin expansion from Renminbi depreciation. Second, growth slowdown in China is well contained under the invisible hand of the financially strong government. There is simply no hard landing risk. Third, suppressed consumption demand as a result of anti-corruption is finally recovering after a few years of clamp down, as per improving retail sales of liquor and luxury goods. The Investment Adviser has begun to deploy cash into selective Hong Kong and global retailers. Fourth, supply-side reform is working. Strong intervention from the government, obsolete capacity in industries with over-capacity such as steel, coal and paper packaging has resulted in a big improvement of the profitability of upstream industries. The Investment Adviser started building a position in paper packaging companies last year on the view that they benefit from price increase on industry consolidation, this strategy has worked and a potential for more re-rating this year can be seen.

Unlike last year, the Investment Adviser is not in favour of yield plays given rising interest rate expectation, but rather in favour of education, technology and internet sectors. These sectors have managed to deliver stellar earnings growth despite challenging domestic economy and this is expected to continue. After all, service industries and new economy are set to play an increasingly important role in the economy as China transforms from an investment centric to consumption centric economy. The portfolio remains underweight in Chinese financials but overweight in non-Chinese financials like AIA and HSBC as they benefit from the rising interest rate trend. The Investment Adviser considers the A share market as too policy driven and would rather gain exposure through Hong Kong listed stocks and ADRs. The weighting in A shares was zero at the end of 2016 and will remain so for the foreseeable future.

LBN Advisers (Cayman) Limited

E.I. Sturdza Strategic Management Limited

January 2017

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

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, the year was a good surprise. The portfolio strategy implemented in July 2015 has eventually been rewarded in 2016 after Mr. Draghi's announcements. The portfolio was essentially invested in APP bonds and, due to the global environment (including the Brexit in June), euro bonds performed dramatically despite very low yields and improving macroeconomic data during the second half of the year. In this context, the Sub-Fund reached a performance which was substantially higher than expected: +0.63% YTD on December 30th (standard Acc. EUR share class), +0.93% (EUR Institutional share class) and -0.2% (CHF share class) whilst the benchmark Euribor 3m had a negative performance of -0.22%.

MARKET OVERVIEW

In January, all eyes were focused on any bad news that could deteriorate the political and economic climate in 2016: fears of hard landing in China (and renminbi devaluation), negative rates in Japan, oil prices and commodity prices in general, emerging markets, the (too hawkish) Fed but also Brexit, Spain (with no Government), migrants in Europe, turmoil in Brazil, Donald Trump and Italian banks. The BoJ took the market by surprise, adopting a negative interest rate policy but other Central banks did not change their key rates and policies. In Europe, Mr Draghi said that the ECB program would be reviewed in March with "no limits" on how far they can go.

In February, concerns about a possible Brexit impacted the GBP bond market (both yields and currency), uncertainty about the size of Italian banks' non-performing loans and about the exposure to the oil & gas sector in European Banks balance sheet led to a drop of subordinated bank debt (including CoCos). Regarding Central Banks activity, the Fed stayed in "wait and see" mode. Mrs Yellen said that due to economic conditions, only gradual increases would be implemented. She added that it was not necessary to cut rates but in saying that, she gave substance to the thesis that it was a possible scenario in the coming months.

In March, the major event, driver of the behaviour of financial markets, has by far been the ECB's meeting on March 10th. In the global bond market, concerns about a possible Brexit, US Presidential election and political turmoil in Brazil had a less pronounced impact. However, the strong rebound of oil prices, from \$33.70 to \$38.30 helped the recovery of risky asset markets to the detriment of safe havens. As expected, the ECB did not miss its target with an expanded QE (EUR 80 billion / month instead of 60) open to corporate bonds purchases, a deposit rate decreased to -0.4% (from -0.3%) and a new TLTRO, which was probably the less commented measure but the most important. The expanded APP (Asset Purchase Program) added private corporate bonds (CSPP, Corporate Sector Purchase Program) to government-owned corporates (known as PSPP, Public Sector Purchase Program). In the US, Mrs Yellen said that the Fed should "proceed cautiously". The US Central bankers were still in "wait and see" mode: they were convinced that the pace of the domestic economy deserved a rate hike but they had difficulties analysing the potential impact of a weaker global growth (first and foremost in China) on the behaviour of the US economy.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Euro Bond Fund (continued)

MARKET OVERVIEW (CONTINUED)

In April, concerns about Brexit and Greece in Europe combined with US Presidential election and Dilma's probable impeachment in Brazil were among the key drivers of the markets, but with a less pronounced impact than the pursuit of the strong rebound of oil prices, from \$38.30 to \$45.90. Central banks did not change their monetary policies. In the US, the Fed left its rate unchanged but opened the door to raising interest rates in June thanks to an improvement in global financial markets.

In May, markets seemed to hold their breath before a busy and hectic month of June. In the US, Ms Yellen's speech pointed to improvements in the US economy, confirming that the Fed was open to raising rates soon. In Europe, concerns about Brexit rose sharply. In this environment, oil prices continued to climb, from \$45.9 to \$49.1 while gold fell sharply (-6%) from \$1,293 to \$1,213 an ounce. In the US, the economy seemed to gain momentum and the release of minutes from the FOMC meeting in April showed that the Fed was ready to raise interest rates at every meeting including on June 15th. In June, Brexit led to a flight to quality towards US Treasuries and Bunds. At the same time, low quality debt such as high yield and deeply subordinated bank debt fell sharply, in line with equity markets. The other major event was the poor number of 38,000 jobs created in the US, the smallest number in five years. As a result, market participants decreased dramatically the probability of a Fed rate hike in July and after Brexit, they started to price in (up to 20%) a possible rate cut in December! In Europe, as expected, the ECB started its CSPP program on June 8th. At the same time, peripheral banks (Spanish and Italian) became the biggest borrowers of the TLTRO program.

In July, risky assets recovered strongly as the slowdown due to Brexit had not yet materialized. In line with equity markets, low quality debt as high yield and deeply subordinated debt rebounded following their post-Brexit sharp correction. In this context, IG Corporates, US Treasuries and Bunds managed also to perform well. In the US, 287,000 jobs were added in June, easing concerns after last month's poor number. Globally US Data was better than expected with housing momentum and confidence continuing to point up. As a result, market participants cancelled the probability of a Fed rate cut in December and started to price in a possible rate hike (up to 35%) before the end of the year. In Europe, as expected, the ECB left monetary policy unchanged but remained ready to increase stimulus should economic forecasts dramatically change following UK Referendum. Any expansion of the current Asset Purchase Programme (APP) would need changes in bonds eligibility rules given ultra-low yields environment. The BoE didn't cut rates but offered additional liquidity operations and reduced capital requirements.

In August, macroeconomic data was strong in Europe and in the US. In the Eurozone, the PMI index showed a recovery confirmed by the unemployment rate which reached 10.1%, the lowest in five years. Some disappointing data in southern Europe was offset by the French recovery. In the US, job creations reached 255k this month and hourly average earnings rose to 2.6% annualized (a major indicator of future inflationary pressures). Home sales were encouraging and home construction reached its highest level in five months. As a consequence, market participants were waiting impatiently for the Central bankers meeting in Jackson Hole in order to dispel prevailing doubts about their monetary policies and first and foremost Ms Yellen's speech as the Fed has the most unclear or unpredictable behaviour. This indicates clearly that nobody really knows in which direction the macroeconomic environment is moving, including the FOMC members!

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Euro Bond Fund (continued)

MARKET OVERVIEW (CONTINUED)

In Emerging markets, inflows accumulation and risk appetite continued to drive the market as the Fed monetary policy normalization process was considered by the market to remain slow and prudent. In Brazil, as expected, President Dilma Rousseff was removed from office as more than two-thirds senators voted for impeachment, leaving its successor the task of implementing difficult reforms to rescue the economy from recession. With positive technical factors and stable commodity prices, major credit markets performed well during the month with Turkish assets retracing most of the correction linked to the July Turkish Coup Attempt.

In September, markets were driven by China (non-performing loans), Japan (the slope of the yield curve managed by the BoJ), the US presidential election and the drop of Deutsche Bank shares (fears about the future of the European banking sector, mostly Germans and Italians). Macroeconomic data was strong in Europe and softer in the US. In the Eurozone, the Q2 GDP reached +0.3% and confidence indicators improved. In the US, the ISM indicators (both manufacturing and non-manufacturing) decreased and job creations reached 151k instead of 180k expected by the consensus. Consequently, the Fed voted 7-3 to leave its rates unchanged and the ECB did not modify its policy. Regarding other major Central banks, another BoE rate cut was considered likely in the United Kingdom and a new wave of unconventional easing began in Japan. The main concern had already been mentioned by the Investment Adviser the month before: the 3 month US\$ Libor had already increased by 25 bps and a Fed rate hike would only be a readjustment of official key rates with the level of money market rates. This US\$ Libor increase was not circumstantial at all. Corporate loans and mortgages in USD were increasing; the cost of a currency hedging had already increased (2% to hedge the USD against the CHF) and the cost of leverage for banks and hedge funds was higher. As a result, negative flows affected the US Treasury curve and should this trend continue, it would become unsustainable. In this environment, a Fed rate hike becomes less relevant than money market rates evolution.

In October, markets had been driven by the US presidential election, the probable Fed rate hike in December and the incredible rumour of tapering in Europe. Macroeconomic data were stronger in the US, led by consumer spending, labour market (both employment and wage growth), industrial production and residential real estate. In Europe, two major economic sets of data gave the impression that the situation was improving: the Spanish unemployment rate decreased below 20% for the first time in six years and the German Ifo index reach a two-year high. Consequently, the Fed was supposed to raise its Fed fund rate on December 14th even though there was a FOMC meeting on November 2nd (considered as too close to the Presidential election). In Europe, an incredible rumour affected the bond market. The ECB would consider a tapering of its QE. Some ECB members contradicted this rumour that led to a jump in the euro and Bund yields. The official version of the ECB continued to be that they were open to further stimulus. In the meantime, they took advantage of this correction to purchase short term bonds which climbed above the deposit rate.

In November, markets had been driven by the US presidential election outcome and the victory of Donald Trump. Against all odds, stocks rallied and safe havens such as gold and bonds underperformed dramatically. The most frequent argument that explains this behaviour is that Mr Trump's policy would spur growth and favour inflation. Mr Trump's program contains many uncertainties: what exactly is this program? Will it be implemented? After how many years will the first results be seen? Will the majority of the Republicans at the Congress vote for some controversial measures? It is too early to develop a new economic scenario and the US economy will not change dramatically in the coming weeks or months. Just after the announcement of Trump's victory, the markets' behaviour was logical: a Treasury rally (30y at 2.52%), gold above 1330, Swiss franc rally reaching 0.9550 against USD, S&P future limit down (-5%).

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Euro Bond Fund (continued)

MARKET OVERVIEW (CONTINUED)

Then, all of these markets turned, equities rallied substantially and safe havens started a decrease. In this environment, the only behaviour which seemed “normal” was the drop of some Emerging currencies (the Mexican peso being the most emblematic) and the widening of Emerging market bond spreads. This Treasury sell-off has been massively amplified by the record volumes of transactions. The decrease of the bond markets (i.e. the increase of bond yields) can be explained by the accumulation of massive sell orders. Initially, market participants thought that these orders came from China but once analysed the origin of these trades showed that Hedge Funds and CTAs were the leaders of this market action and that high-frequency trading was primarily responsible for the amplification of the sell-off.

In December, markets had been driven by the two major Central bank meetings, the FOMC and the ECB. In the US, the Fed raised its Fed Fund rate to 0.5%-0.75%. This decision was unanimous for the first time since July and was responding to the strength of the labour market and economic growth. In addition, the Fed mentioned that inflation expectations had risen “considerably”. In Europe, the ECB extended its QE program until (at least) the end of 2017 but will reduce its asset purchases from 80 to 60 billion EUR after March. Sovereign bonds yielding below -0.4% and bonds maturing below two years were to be included in the purchase list. This was clearly an increase of the QE (60x9= 540 billion EUR instead of 80x6=480 expected) but the markets responded badly to the decrease of monthly purchases. During December, US economic indicators showed that growth was rising from modest to moderate, employment still expanding and the housing sector continued to show signs of improvement. On another hand, consumption indicators were disappointing and the strength of the US Dollar was mentioned as a threat by the Fed in its beige book. The European economy was still improving as consumption, business confidence, consumer confidence and unemployment suggest an improvement in the pace of the recovery. But inflation remains too low. After November was dominated by the outcome of the Presidential election in the US, all eyes were focused on Europe. As expected, in Italy, Matteo Renzi lost his referendum and resigned. In France, Mr Hollande decided not to stand again for election as President in May. In terms of rescue plans, the Greek short-term debt relief had been frozen by the Eurogroup Finance Ministers and the ECB announced that the amount of capital needed by Monte dei Paschi to avoid bankruptcy was 8.8 billion EUR instead of 5! Outside Europe, the main event was the OPEC agreement on November 30th to cut the output (up to 1.8 million barrels/day), leading to a jump of oil prices from \$45 to \$55 in December.

In this context, the German 2y yield decreased from -0.35% to -0.80% (-45bp), the 5y yield from -0.05% to -0.54% (-50bp) and the 10y Bund yield from +0.63% to +0.2% (-42bp).

With increasing concerns about risks surrounding Italian politics and fragile economic recovery, Italian 10y yield increased from 1.60% to 1.82% (+22bp). Spanish 10y yield was more resilient, decreasing from 1.77% to 1.38% (-39bp). In the US, the 2y US Treasury yield increased from 1.05% to 1.19% (+14bp), the 5y yield from 1.76% to 1.93% (+17bp), the 10y from 2.27% to 2.45% (+18bp) and the 30y long bond from 3.02% to 3.07% (+5bp). On the credit side, the European iTraxx Main decreased from 77 bps to 72 bps (Post-Brexit banks and cyclicals spreads widening having been largely retraced afterwards) while the US corporate CDX index decreased from 88 bps to 68 bps. In Emerging Markets, the CDX 10y EM index spread tightened dramatically from 369 bps to 286 bps (-83 bps) finishing the year 2016 tighter than on the eve of the Presidential election!

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Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Euro Bond Fund (continued)

MARKET OUTLOOK

The Investment Adviser's global outlook has not changed for the moment. Mr Trump is not a magician and during his 4-year mandate, the US will not avoid a recession or at least a significant slowdown. In terms of growth, the trend will remain broadly the same. Regarding inflation, a significant reflation is considered unlikely. The Investment Adviser believes that the current behaviour of the US Treasury bond market looks like the Taper tantrum in June 2013. The sell-off in the Treasury market could continue in Q1 2017 but the Treasury yield curve is probably already normalised at the current levels. Regarding Europe, The ECB must maintain its policy (massive QE) as we will see the first real consequences of the Brexit in one year (probably Q4 2017 / Q1 2018). Emerging Markets will stay volatile but technical factors such as low net issuance, negative or low yields environment in most Developed Markets, higher commodities and oil prices (OPEC's behaviour is bullish for Emerging bonds), stabilisation of emerging currencies and a "not-too-hawkish" Fed suggest that the environment will remain supportive for further spread tightening. Any correction would be a buying opportunity.

PORTFOLIO STRATEGY

In 2016, the Sub-Fund started the year with a size of EUR 127 million and declined to EUR 66 million at the end of December due to the launch of Strategic Quality Emerging Bond Fund in April. Some investors switched from the low yielding Euro fund into a more attractive yielding fund despite more risk and more volatility. During the year, the investment grade corporate bond exposure remained stable around 90% until end of June before being increased to a peak at 99.1% in December. The Investment Manager managed actively the modified duration of the Sub-Fund: the duration decreased from 2.2 to 2 in January, then stayed between 2.3-2.4 until March, increasing to 2.7-2.8 in April and May and finally decreasing to 2.2 in June for risk management purposes before the Brexit. As yields reached historical lows post-Brexit, the modified duration was maintained around 2.2 until the end of August. In October, the duration was moderately raised to 2.5 and maintained unchanged until the end of the year. Regarding the credit exposure, the S&P score of the Sub-Fund has been maintained around 78 in January, increasing to around 84 in February and March, and rising to around 86-87 in Q2 and progressively increasing to a peak at 88.9 in December.

In January, the Investment Adviser focused its attention on the decrease of the weight of bonds maturing in 2021, reducing Pepsico, Essilor, Toyota, Syngenta and Rolls Royce. It sold Klépierre 2016, and reduced KFW and Enel to decrease their weight below 5%. Finally, as the Sub-Fund bought the new Sagess 2023, LVMH and Sagess 2022 were sold. The Modified Duration of the Sub-Fund stayed above 2 and the duration overlay policy was maintained with a short position of 250 Bobls and 70 Bunds instead of 50 in December 2015 (in order to hedge the duration of the new Sagess 2023).

In February, the Investment Adviser continued to favour high quality and liquidity and to decrease the duration overlay (i.e. long 6-10y A and BBB rated credit with duration partially hedge by short Bund and Bobl futures). It focused its attention on the decrease of the weight of bonds maturing in 2021, reducing TenneT and Essilor and selling the remaining positions in Toyota, Rolls-Royce, AstraZeneca, PepsiCo, Siemens and Syngenta. It also reduced KFW and IBM 2020, Deutsche Bahn 2024, RTE-EDF 2023 and Nederlandse Gasunie 2022 (switch against the new Temasek 2022).

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Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Euro Bond Fund (continued)

PORTFOLIO STRATEGY (CONTINUED)

It implemented a duration extension trade in FCE (Ford Credit Europe), selling the old issue maturing in September 2016, against the 1.875% 2019. On the buy side, two new issues were included in the portfolio: Schlumberger 2019 (strong AA rated Oil & Gas services company offering a very attractive spread due to current weak oil prices) and Temasek 2022 (Sovereign Fund of Singapore government, AAA rated, first issue in euro). Finally, the Investment Adviser, despite its strategy of avoiding bonds maturing in 2021, increased substantially Renault Crédit International 2021 as Renault's recovery was impressive and deserved a rating upgrade. The timing of the purchase, on February 15th and 16th, just after the publication of the earnings was optimal as Moody's eventually upgraded Renault on the 18th. The Modified Duration of the Sub-Fund stayed above 2 (around 2.4) and the duration overlay policy was reduced dramatically with a short position of 140 Bobls instead of 250 in January, simultaneously with the sale of bonds maturing in 2021. However, the Sub-Fund stayed short 70 Bunds in order to hedge the whole 7-9y government-owned corporate position (Sagess 2023, Aéroports de Paris 2023, RTE-EDF 2023 and Deutsche Bahn 2024).

In March, the Investment Adviser bought two government-owned corporate bonds that may be included in the new APP of the ECB with a very high probability: Proximus (ex-Belgacom), the Belgian telecom operator, and Fortum, the Finnish utility company. It sold the remaining stake in Deutsche Bahn and took profit on US issuers, selling Oracle and decreasing the weight of IBM. The Modified Duration of the Sub-Fund stayed above 2 (around 2.3) and the duration overlay policy was not modified.

In April, the Investment Adviser sold or decreased the weight of the following names (mostly taking profit on Eurozone governments and PSPP): Netherlands, Belgium, Ireland, KfW, Enexis, TenneT (2020 and 2021), Enel, Sagess, Nederlandse Gasunie and RTE-EdF. The Modified Duration of the Sub-Fund increased significantly, from 2.3 to around 2.7 and the duration overlay policy was reduced from -1.6 to -1.0.

In May, the Investment Adviser sold or decreased the weight of the following Government bonds and PSPP: KfW 2020, Snam 2016, Belgium 2020 and Terna 2018. At the same time, it increased the weight of CSPP names, buying three new issuers: Total 2021 (Oil & Gas, France), Iberdrola 2020 (Oil & Gas, Spain) and ENI (Oil & Gas, Italy). It also took profit on some low-yielding BBB names, selling the whole position TeliaSonera 2017 and decreasing the position Wolters Kluwer 2018. The Modified Duration of the Sub-Fund increased slightly, from 2.7 to around 2.8 and the duration overlay policy was increased from -1.0 to -1.2.

In June, the Investment Adviser sold Enel 2026 (CSPP) and bought Valeo 2024. It also slightly decreased the weight of Nederlandse Gasunie 2022. Finally, it increased the duration overlay in order to decrease the overall modified duration of the Sub-Fund from 2.8 (close to the authorized maximum of 3) to 2.3 due to uncertainties around Brexit.

In July, the Investment Adviser continued to favour high quality and liquidity. Yields having reached new lows post-Brexit, meant it took profit on most of Finnish Government 2020 exposure and decreased the weight of Wuerth 2018, Nederlandse Watershopsbank 2019, TenneT 2020, Enexis 20 and Nederlandse Gasunie 2022. Finally, it maintained the duration overlay unchanged to 2.1 in the current low yield environment.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Euro Bond Fund (continued)

PORTFOLIO STRATEGY (CONTINUED)

In August, the Investment Adviser continued to favour high quality and liquidity. With yields continuing the trend of new lows post-Brexit, it took profit on most Government bonds, selling the remaining position in Finland 2020 and decreasing the French OAT position to EUR 1 million. In order to increase the average yield of the portfolio, Linde was partially sold (offering a very tight spread that could widen depending on the outcome of negotiations with Praxair) and the weight of Valeo was increased. The duration was maintained around 2.1 in the current low yield environment, with portfolio duration around 3.8 and a duration overlay position of -1.7.

In September, the trends continued and the remaining position in the French OAT 2020 was sold and the weight of Wolters Kluwer 2018 decreased in order to maintain the S&P score of the portfolio below 90 points. Finally, Telstra 2017 was switched into Telstra 2022 (duration extension trade). The duration was increased slightly from 2.1 to 2.3, with portfolio duration around 3.8 and duration overlay position of -1.5.

In October, the Investment Advisor adopted a more defensive approach with particular focus on duration management. Since Q2 2012, the particularity of Strategic Euro Bond Fund was to be partially invested in medium-term corporate bonds (7-10y) with most of the duration being hedged with a short position in the Future market (both 5y Bobl and 10y Bund).

Due to the behaviour of the market and the increasing probability of tensions in the inter-bank market, the Investment Adviser decided to abandon this approach in favour of investments in Floating Rate corporates (non-Financials), i.e. bonds with low duration (between 0 and 0.3) and coupons indexed on the 3 month Euribor. As a result, all bonds maturing above Q3 2022 were sold (Proximus 2024, Valeo 2024, Aéroports de Paris 2023, RTE-EDF 2023, Nederlandse Gasunie 2023, Sagess 2023). At the same time short Bunds and Bobls were bought back. Almost 16% of the Sub-Fund had been invested in FRNs issued by Anheuser Busch Inbev, Honda, Coca Cola, Total, 3M and General Electric. The weight of Total 2021 had been reduced in order to increase the weight of the FRN and Terna 2019 was sold, switched against FCE 2019.

Earlier in October, issuers which had a weight to close to 5% were reduced (Enexis 2020, TenneT 2020, Nederlandse WaterschapsBank 2019 and Würth 2018). The duration was slightly increased to 2.5, with portfolio duration decreased from 3.8 to 2.5 and duration overlay increased from -1.5 to 0.0.

In November, the Investment Adviser did not modify its new approach implemented in October, favouring investments in Floating Rate corporates (non-Financials), i.e. bonds with low duration (between 0 and 0.3) and coupons indexed on the 3 month Euribor. The duration was maintained around 2.5.

In December, this approach remained unchanged, favouring investments in Floating Rate corporates (non-Financials), i.e. bonds with low duration (between 0 and 0.3) and coupons indexed on the 3 month Euribor. As usual in December, the trading activity was lower due to low liquidity. The Investment Adviser sold KfW 2020, decreased the weight of Nederlandse WaterschapsBank 2019, Terna 2018 and Snam 2019. It also bought 1 million EUR of Bund 2026 at 96.478 and sold it at 97.133 in order to take advantage of the volatility of 10y German yields. The duration was maintained around 2.5. In terms of portfolio diversification, the Sub-Fund held 34 issues from 33 different issuers.

Banque Eric Sturdza SA

E.I. Sturdza Strategic Management Limited

January 2017

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

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 share for the Sub-Fund, on a Japanese yen basis as of 30 December 2016 went down 2.2% compared with that of 30 December 2015, while the TOPIX declined 1.9% during the same period. Thus the Sub-Fund underperformed the index just slightly. The Sub-Fund put four new names (Shimadzu, SCSK, Seibu Holdings and Mitsubishi Motors) into the portfolio with three stocks (Lixil, Keihin and Sumitomo Forestry) sold out. Overweightings in banks and real estate damaged the performance. The best five performers among the TSE 33 sectors were miscellaneous manufacturing, oil, machinery, commerce (mainly trading companies) and fishery & forestry, while the worst five sectors were air transportation, utilities, pharmaceuticals, marine transportation, and transport equipment.

MARKET OVERVIEW

The Japanese stock market had a poor start to the new year with 6 consecutive days of decline, which is unprecedented in the post war era. This was partially because the Japanese market held up relatively well in 2015, and partially because the JPY appreciated rapidly against the US dollar. On 20 January 2016 the WTI crude oil fell to a 12 year low at USD26.5/bbl, which made a huge negative impact on the stock market with the TOPIX falling to almost 1300, 16% off year to date. Against this background, the BoJ announced the adoption of negative interest rates on 29 January.

The market fell sharply again in February due to rapid movements in forex and long-term bond yields. Concerns arose over the earnings of financials. But on 26-27 February, the G20 meeting was held in Shanghai, where finance ministers and central bankers declared clearly "we will use all policy tools – monetary, fiscal and structural – individually and collectively to achieve strong growth". In March, the Japanese market rebounded for the first time in four months. China announced monetary easing at the end of February together with fiscal stimulus and structural reforms, which contributed to the recovery of commodity prices. But on 24 June, when it became clear that the "leave" camp had won a majority in the UK's EU referendum, the JPY strengthened to 99 against the US dollar and the market declined at the greatest rate in more than 16 years. The Japanese economy itself remained on course for a sound recovery with industrial production gathering momentum (3Q +1.3% QoQ, 2Q +0.2% QoQ, and 1Q -1.0% QoQ), and job offers to applicants ratio rising to 1.41x in November, the highest since July 1991. The biggest changes to the Japanese market did not materialize until a more aggressive fiscal policy was taken by the government. Prime Minister Abe's cabinet approved an economic stimulus package with JPY28.1 trillion on 2 August to combat deflation and shore up the economy with infrastructure investment and enhanced welfare services. The supplementary budget for FY2016, as part of the JPY28.1 trillion package, was legalised in the Diet on 11 October. Investors, in particular foreign investors, came back to the market as big buyers, encouraged by the huge fiscal stimulus. Mr. Trump's victory on the US presidential election changed investors' mind quite drastically. The TOPIX recorded three months straight rise from October to December, and ended the year at 1518 (down 1.9% YoY).

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Nippon Growth (UCITS) Fund (continued)

MARKET OUTLOOK

There are plenty of signs that the Japanese economy is returning to strong growth. The job offers to applicants ratio in December 2016 increased to 1.43x, the highest in the past 25 years. Industrial production in December rose 0.5% MoM, and the government estimates that industrial production in January 2017 would rise 3.0% MoM, and further increase 0.8% MoM in February. Corporate profits for 4Q 2016 started from late January 2017, it is expected that corporate profits in general would be sharply revised up, judging from the level of the economic activity and currency movements.

The Basel Committee on Banking Supervision announced on 3rd January 2017 that a meeting of the world's top bank supervisors and central bankers was scheduled for 7-8th January to consider a contentious reform package that had been postponed until at least the next meeting scheduled in March. This results in key parts of the reform still not being agreed between the US and the European supervisors. The US supervisors are said to be requesting stricter rules on the so-called output floor that limits banks' lending. European banks have welcomed this postponement as it means the committee will be dealing with a new US administration. Mr Donald Trump has said he wants to relax financial regulation so this postponement looks to be good news for global economic growth and the banking sector on a long term view. But for the short term, uncertainty over the banking system may continue for a few months, meaning investors may be discouraged from investing in banking stocks. We hope this matter will be resolved at the next meeting. For Japanese banks, the level of the output floor does not matter, as they have built strong balance sheets to prepare for it. What matters is how quickly the uncertainty on the rules is removed.

For the time being, market attention should be focused on President Trump's policies, which should be clearer in February. There remains some uncertainty on his defense and trade policies, but we believe that his top priority should be how to strengthen the US economy, which in turn would be very positive for global economic growth.

The Japanese stock market should be one of the major beneficiaries of these policies. Mr. Abe is expected to utilise fiscal policy more effectively and speed up structural reforms from now on with the BoJ maintaining monetary easing until 2% CPI is foreseeable. We think the Japanese stock market would rise almost 50% with the TOPIX touching to 2300 by the end of 2018.

PORTFOLIO STRATEGY

The Sub-Fund is increasing its allocation to the machinery and IT service sectors with the conviction that capex will expand significantly as the labour shortage is getting serious and capacity constraints are emerging. Cyclical sectors such as steel and nonferrous metals are also targeted for higher exposure. The Sub-Fund retains a very positive stance towards banks and trading companies, while defensive sectors such as foods, pharmaceuticals and utilities are avoided.

Evarich Asset Management

E.I. Sturdza Strategic Management Limited

January 2017

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

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 - NAV per share

The EUR Class fell EUR 16.67 to EUR 195.56. A total return of -7.85%.

The EUR Institutional Class fell EUR 12.81 to EUR 171.77. A total return of -6.94%.

The CHF Class fell CHF 14.21 to CHF 153.71. A total return of -8.46%.

The GBP Institutional Class fell GBP 9.89 to GBP 125.88. A total return of -7.28%.

The EUR Retail Share Class fell EUR 8.97 to EUR 82.11. A total return of -8.87%.

The EUR Institutional Distribution Class fell EUR 7.49 to EUR 93.36. A total return of -7.43%.

The USD Class was launched on the 10th March 2016. It fell USD 0.05 to USD 99.95. A total return of -0.05%.

The USD Institutional Class fell USD 5.72 to USD 91.74. A total return of -5.87%.

The EUR Super Institutional Class was launched on 25 August 2016. It fell 5.38 to EUR 94.62. A total return of -5.38%.

The USD Super Institutional Class was launched on 25 August 2016. It fell 5.13 to USD 94.87. A total return of -5.13%.

During the period in question the benchmark MSCI Europe Total Return Index increased by 2.58%.

MARKET OVERVIEW

European markets had a difficult start to the year driven by concerns regarding China, weakening oil prices, weaker than expected economic data and the perceived risk of a global slowdown. The oil price (NYMEX WTI CRUDE) bottomed out around \$29 per barrel in January but rose from there to finish the half around \$48 with further gains following the discussions surrounding oil production caps by OPEC. European markets also rallied from their lows in February as the ECB responded to weaker than expected growth and inflation by extending their quantitative easing policies. In Japan the BoJ surprised investors with a move to a negative interest rate policy, before changing tack and instituting a zero target for ten year yields. Meanwhile US equities gained as a dovish sounding Janet Yellen saw forecasts for interest rate raises were pushed further out.

The UK's EU referendum result was the most important news in the first six months and it saw sterling weakening 10.4% against the Euro to the end of December, while hitting a 31 year low against the dollar. The decision forced the resignation of Prime Minister David Cameron and led to the formation of a new Government under Theresa May, tasked with the challenge of becoming the first country in Europe to attempt to exit the EU by triggering Article 50.

The second half was dominated by more political news, in Europe the Italian referendum, French primaries and Brexit preparations all pushed volatility higher. Government bond yields and financials both notably benefited as inflation expectations rose in the autumn and then again after the election victory for Donald Trump. The victory, alongside improving US economic data, led to a large year-end rally in equity markets and in the dollar. The US 10year yield rose from 1.8% at the end of October to 2.4% at the end of the year while inflation expectations also increased. In December the Federal Reserve took the decision to raise the benchmark interest rate by a further 25bps and increased its expectation for the number of rate hikes in 2017.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

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 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, consumer discretionary, healthcare, IT, media and support service sectors whilst avoiding the commercial banks, insurance and commodity sectors.

Going into 2016, the Investment Adviser became increasingly concerned about the global outlook and throughout the first half of the year the Sub-Fund positioning became more cautious as underlying data deteriorated. Earnings growth ex-financials was going backwards in both Europe and the US. In Europe expectations for further growth were the lowest they have been for some time and in the US profits as a percentage of GDP looked to have peaked. On top of this there were political concerns regarding Brexit, US Election and referendums across Europe. Given this backdrop the portfolio was defensively positioned.

The Sub-Fund had a strong start to the year and closed the first half ahead of its benchmark by 4.2%*. However the second half of the year proved more challenging as the portfolio was hit by the perfect storm. A strong sector rotation as inflation expectations rose alongside several stock specific issues. The Investment Adviser initially saw the sector rotation as short-term and therefore did not change the Sub-Fund's positioning. However, following the US election result on the 8th of November it became clear the new US administration would look to make changes and that inflation and interest rate expectations would move higher in the short-term as well as the longer term. The Investment Adviser rebalanced the portfolio to increase the Sub-Fund's exposure to financials. These companies have visible top lines but less so in terms of margins. As such they are not normally in the Sub-Fund, however should the yield curve steepen they stand to benefit. The Investment Adviser will be watching them very carefully.

For the year 2016 the Strategic Europe Value Fund underperformed its benchmark by -9.5%*, with an annual return of -6.9%*. At a sector level, over the year, Energy and Materials were the best performing sectors in the benchmark returning 32.3% and 28.6% respectively; these are sectors where the Sub-Fund does not typically invest and was not invested. The worst performing sectors in the benchmark over the year were Health Care, -9.4% and Telecommunication Services, -13.6%. The Sub-Fund is invested in the Health Care sector but not the Telecommunication sector.

On a total return basis Sophos was the best performing stock in the portfolio, advancing 28.5%. Sophos was listed on the London Stock Exchange in June 2015 and is a leader in the provision of Information Technology security products and services to the mid-market. Sophos is focused on cloud-enabled end-user and network security solutions, which is a high growth segment of the market. Sophos has a large and loyal client base with high recurring subscription revenue.

Reynolds American returned 18.6% during the period held. The US cigarette maker is a great example of a very well run, high quality compounding stock. In October Reynolds was bid for by BAT, shortly after which the Investment Adviser closed the position.

E.I. Sturza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Europe Value Fund (continued)

PORTFOLIO STRATEGY (CONTINUED)

Auto Trader returned 15.6%. The Sub-Fund re-established a position following the Brexit referendum result in June, the Investment Adviser had recently met with management and the share price had declined 32% post the event.

SAP delivered a total return of 14.3%. The company is going through an upgrade cycle driven by HANA.

The bottom 5 contributors to total return for 2016 were GrandVision, Galenica, Livanova, Bayer and Qiagen.

GrandVision is a global optical retailer with a top 3 market position in the 43 geographies within which it operates. The company disappointed on poor operating performance, notably in Italy where they are merging a large acquisition with their current business. The Investment Adviser expects the problems to be temporary and to not affect the investment case longer-term and hence remains invested.

Galenica is a global pharmaceutical company. The market did not like the Relypsa deal as although there are strategic merits the cash and time it would take until 2019 to become EPS accretive. Relypsa's drug is called Veltassa, a first in class potassium binder which has blockbuster potential.

Livanova, a small medtech company, disappointed on its top line guidance and the shares came off sharply, despite maintaining its bottom line guidance. It has also had some issues with a product in the US, although this was sector-wide and they believe they have a solution in place. The investment case is unchanged and the Sub-Fund still holds a position in Livanova.

Bayer, a German multinational chemical, pharmaceutical and life sciences company, announced a deal with Monsanto indicating a strategic shift in the company's direction of travel. The position was exited.

Qiagen, a provider of pharmaceutical technologies and research, issued a profit warning in early January after half of the programs within their companion diagnostics franchise were delayed or discontinued in Q4 2015. The Investment Adviser subsequently sold the shares.

MARKET OUTLOOK

The Investment Adviser remains concerned about global volatility for 2017. It seems clear that it will be another year driven by politics. At the time of writing, the President-elect in America has yet to take office, time will tell which policies he will focus on and over what timeframe he will likely be able to implement them. In Europe investors will be concerned by events including the Dutch elections in March, the French presidential elections in April/May, the German elections likely to be in October and the possibility of an early Italian election. Populist party support in France and Germany has recently been around 30% and 12% respectively, as such they cannot form parties on their own but it is clear that the political momentum in Europe is with those seeking change. Most pressing of all for Europe will be the UK triggering Article 50 by the end of March. There continues to be significant uncertainty regarding what sort of exit the UK will have from the EU and the potential economic challenges both sides of the discussion will face as a consequence.

E.I. Sturdza Funds Plc

**Investment Manager's Report (continued)
for the year ended 31 December 2016**

Strategic Europe Value Fund (continued)

MARKET OUTLOOK (CONTINUED)

More positively the Investment Adviser is now broadly seeing economic data improve in both Europe and the US. This bodes well for companies in the Sub-Fund. When the markets are moved by the macro rather than the companies this will tend to present investment opportunities for those with a long-term view prepared to look through the noise. The Investment Adviser is looking forward to investing in 2017.

Lofoten Asset Management Limited

E.I. Sturdza Strategic Management Limited

January 2017

*Refers to EUR Institutional Share Class

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

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, the year was positive until November, when Mr Trump's presidential election victory increased volatility. The portfolio strategy implemented in 2015 favoring 30y US Treasuries and the decision to split the position between nominal bonds and TIPS (inflation-linked) in January, started to bear fruit in Q2 and performed well until Q3. In this context, the Sub-Fund achieved positive performance despite the major post-election sell-off: +0.27% YTD on December 30th (USD share class) whilst the benchmark (ICE LIBOR 3m USD +1%) had a performance of + 1.66%. Due to the decision of the PBoC (Chinese Central bank) to weaken the renminbi, the performance of the RMB share class was -3.73%, 4% lower than the USD share class. This was largely expected due to the shift in the Chinese strategy avoiding a currency that is too strong.

MARKET OVERVIEW

In January, all eyes were focused on any bad news that could deteriorate the political and economic climate in 2016: fears of a hard landing in China (and renminbi devaluation), negative rates in Japan, oil prices and commodity prices in general, Emerging markets, the (too hawkish) Fed but also Brexit, Spain (with no Government), migrants in Europe, turmoil in Brazil, Donald Trump and Italian banks. The BoJ took the market by surprise, adopting a negative interest rate policy but other Central banks did not change their key rates and policies. In Europe, Mr Draghi said that the ECB program would be reviewed in March with "no limits" on how far they can go.

In February, concerns about a possible Brexit impacted the GBP bond market (both yields and currency), uncertainty about the size of Italian banks' non-performing loans and the exposure to the oil & gas sector in European banks balance sheet led to a fall in subordinated bank debt (including CoCos). Regarding Central banks activity, the Fed stayed in "wait and see" mode. Mrs Yellen said that due to economic conditions, only gradual increases would be implemented. She added that it was not necessary to cut rates but in saying that, she gave substance to the thesis that it was a possible scenario in the coming months.

In March, the major event and driver of the behaviour of financial markets, has by far been the ECB's meeting on March 10th. In the global bond market, concerns about a possible Brexit, US Presidential election and political turmoil in Brazil had a less pronounced impact. However, the strong rebound of oil prices, from \$33.70 to \$38.30 helped the recovery of risky asset markets to the detriment of safe havens. As expected, the ECB did not miss its target with an expanded QE (EUR 80 billion / month instead of 60) open to corporate bonds purchases, a deposit rate decreased to -0.4% (from -0.3%) and a new TLTRO, which was probably the less commented measure but the most important. The expanded APP (Asset Purchase Program) added private corporate bonds (CSPP, Corporate Sector Purchase Program) to government-owned corporates (known as PSPP, Public Sector Purchase Program). In the US, Mrs Yellen said that the Fed should "proceed cautiously". The US Central bankers were still in "wait and see" mode: they were convinced that the pace of the domestic economy deserved a rate hike but they had difficulties in analysing the potential impact of a weaker global growth (first and foremost in China) on the behaviour of the US economy.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Global Bond Fund (continued)

MARKET OVERVIEW (CONTINUED)

In April, concerns about Brexit and Greece in Europe combined with US Presidential election and Dilma's probable impeachment in Brazil were among the key drivers of the markets, but with a less pronounced impact than the pursuit of the strong rebound of oil prices, from \$38.30 to \$45.90. Central Banks did not change their monetary policies. In the US, the Fed left its rate unchanged but opened the door to raising interest rates in June thanks to an improvement in global financial markets.

In May, markets seemed to hold their breath before a busy and hectic month of June. In the US, Ms Yellen's speech pointed out improvements in the US economy, confirming that the Fed was open to raising rates soon. In Europe, concerns about Brexit rose sharply. In this environment, oil prices continued to climb, from \$45.9 to \$49.1 while gold fell sharply (-6%) from \$1,293 to \$1,213 an ounce. In the US, the economy seemed to gain momentum and the release of minutes from the FOMC meeting in April showed that the Fed was ready to raise interest rates at every meeting including on June 15th.

In June, Brexit led to a flight to quality towards US Treasuries and Bunds. At the same time, low quality debt such as high yield and deeply subordinated bank debt fell sharply, in line with equity markets. The other major event was the poor number of 38,000 jobs created in the US, the smallest number in five years. As a result, market participants decreased dramatically the probability of a Fed rate hike in July and after Brexit, they started to price in (up to 20%) a possible rate cut in December! In Europe, as expected, the ECB started its CSPP program on June 8th. At the same time, peripheral banks (Spanish and Italian) became the biggest borrowers of the TLTRO program.

In July, risky assets recovered strongly as the slowdown due to the Brexit had not yet materialized. In line with equity markets, low quality debt as high yield and deeply subordinated debt rebounded following their post-Brexit sharp correction. In this context, IG Corporates, US Treasuries and Bunds, managed also to perform well. In the US, 287'000 jobs were added in June, easing concerns after last months poor number. Globally US Data were better than expected with housing momentum and confidence continuing to point up. As a result, market participants cancelled the probability of a Fed rate cut in December and started to price in a possible rate hike (up to 35%) before the end of the year. In Europe, as expected, the ECB left monetary policy unchanged but remained ready to increase stimulus should economic forecasts dramatically change following UK Referendum. Any expansion of the current Asset Purchase Programme (APP) will need changes in bonds eligibility rules given ultra-low yields environment. The BoE didn't cut rates but offered additional liquidity operations and reducing capital requirements.

In August, macroeconomic data was strong in Europe and in the US. In the Eurozone, the PMI index showed a recovery confirmed by the unemployment rate which reached 10.1%, the lowest in five years. Some disappointing data in southern Europe was offset by the French recovery. In the US, job creations reached 255k this month and hourly average earnings rose to 2.6% annualized (a major indicator of future inflationary pressures). Home sales were encouraging and home construction reached its highest level in five months. As a consequence, market participants were waiting impatiently for the Central bankers meeting in Jackson Hole in order to dispel prevailing doubts about their monetary policies and first and foremost Ms Yellen's speech as the Fed has the most unclear or unpredictable behaviour.

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Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Global Bond Fund (continued)

MARKET OVERVIEW (CONTINUED)

This indicated clearly that nobody really knew in which direction the macroeconomic environment was moving, including the FOMC members! In Emerging markets, inflows accumulation and risk appetite have continued to drive the market as the Fed monetary policy normalization process is considered by the market to remain slow and prudent. In Brazil, as expected, President Dilma Rousseff was removed from office as more than two-thirds of senators voted for impeachment, leaving its successor the task of implementing difficult reforms to rescue the economy from recession. With positive technical factors and stable commodity prices, major credit markets performed well during the month with Turkish assets retracing most of the correction linked to the July Turkish Coup Attempt.

In September, markets have been driven by China (non-performing loans), Japan (the slope of the yield curve managed by the BoJ), the US presidential election and the drop of Deutsche Bank shares (fears about the future of the European banking sector, mostly Germans and Italians). Macroeconomic data was strong in Europe and softer in the US. In the Eurozone, the Q2 GDP reached +0.3% and confidence indicators improved. In the US, the ISM indicators (both manufacturing and non-manufacturing) decreased and job creations reached 151k instead of 180k expected by the consensus. Consequently, the Fed voted 7-3 to leave its rates unchanged and the ECB did not modify its policy. Regarding other major Central banks, another BoE rate cut was likely in the United Kingdom and a new wave of unconventional easing began in Japan. The main concern had already been mentioned by the Investment Advisor the month before: the 3 month US\$ Libor had already increased by 25 bp and a Fed rate hike would only be a readjustment of official key rates with the level of money market rates. This US\$ Libor increase was not circumstantial at all. Corporate loans and mortgages in USD were increasing; the cost of a currency hedge had already increased (by 2% to hedge the USD against the CHF), the cost of leverage for banks and hedge funds was higher. As a result, negative flows affected the US Treasury curve to an unsustainable level. In this environment, a Fed rate hike becomes less relevant than money market rates evolution.

In October, markets had been driven by the US presidential election, the probable Fed rate hike in December and the incredible rumour of tapering in Europe. Macroeconomic data was stronger in the US, led by consumer spending, labour market (both employment and wage growth), industrial production and residential real estate. In Europe, two major sets of economic data gave the impression that the situation was improving: the Spanish unemployment rate decreased below 20% for the first time in six years and the German Ifo index reach a two-year high. Consequently, the Fed is supposed to raise its Fed fund rate on December 14th even though there was a FOMC meeting on November 2nd (considered as too close to the Presidential election). In Europe, an incredible rumour affected the bond market. The ECB would consider a tapering of its QE. Some ECB members contradicted this rumour that led to a jump in the euro and Bund yields. The official version of the ECB continued to be that they were open to further stimulus. In the meantime, they took advantage of this correction to purchase short term bonds which climbed above the deposit rate.

In November, markets had been driven by the US presidential election outcome and the victory of Donald Trump. Against all odds, stocks rallied and safe havens such as gold and bonds underperformed dramatically. The most frequent argument that explains this behaviour is that Mr Trump's policy would spur growth and favour inflation. Mr Trump's program contains many uncertainties: what exactly is this program? Will it be implemented? After how many years will it see the first results? Will the majority of the Republicans at the Congress vote for some controversial measures? It is too early to develop a new economic scenario and the US economy will not change dramatically in the coming weeks or months.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Global Bond Fund (continued)

MARKET OVERVIEW (CONTINUED)

Just after the announcement of Trump's victory, the markets' behaviour was logical: a Treasury rally (30y at 2.52%), gold above 1330, Swiss franc rally reaching 0.9550 against USD, S&P future limit down (-5%). Then, all these markets turned, equities rallying substantially and safe havens starting a decrease. In this environment, the only behaviour which seemed "normal" was the drop of some Emerging currencies (the Mexican peso being the most emblematic) and the widening of Emerging market bond spreads. This Treasury sell-off has been massively amplified by the record volumes of transactions. The decrease of the bond markets (i.e. the increase of bond yields) can be explained by the accumulation of massive sell orders. Initially, market participants thought that these orders came from China but once analysed the origin of these trades it appeared that Hedge Funds and CTAs were the leaders of this market action and that high-frequency trading was primarily responsible for the amplification of the sell-off.

In December, markets had been driven by the two major Central Banks meetings, the FOMC and the ECB. In the US, the Fed raised its Fed Fund rate to 0.5%-0.75%. This decision was unanimous for the first time since July and was responding to the strength of the labour market and economic growth. In addition, the Fed mentioned that inflation expectations had risen "considerably". In Europe, the ECB extended its QE program until (at least) the end of 2017 but reduced its asset purchases from 80 to 60 billion EUR after March. Sovereign bonds yielding below -0.4% and bonds maturing below two years will be included in the purchase list. This was clearly an increase of the QE (60x9= 540 billion EUR instead of 80x6=480 expected) but the markets did not really like the decrease of monthly purchase. US economic indicators showed that growth was rising from modest to moderate, employment was still expanding and the housing sector continued to show signs of improvement. On another hand, consumption indicators were disappointing and the strength of the US Dollar was mentioned as a threat by the Fed in its beige book. The European economy was still improving as consumption, business confidence, consumer confidence and unemployment suggest an improvement in the pace of the recovery. But inflation remains too low. After November was dominated by the outcome of the Presidential election in the US, all eyes were now focused on Europe. As expected, in Italy, Matteo Renzi lost his referendum and resigned. In France, Mr Hollande decided not to stand again for election as President in May. In terms of rescue plans, the Greek short-term debt relief had been frozen by the Eurogroup Finance Ministers and the ECB announced that the amount of capital needed by Monte dei Paschi to avoid bankruptcy was 8.8 billion EUR instead of 5! Outside Europe, the main event was the OPEC agreement on November 30th to cut the output (up to 1.8 million barrels/day), leading to a jump of oil prices from \$45 to \$55 in December.

In this context, the German 2y yield decreased from -0.35% to -0.80% (-45bp), the 5y yield from -0.05% to -0.54% (-50bp) and the 10y Bund yield from +0.63% to +0.2% (-42bp). With increasing concerns about risks surrounding Italian politics and fragile economic recovery, Italian 10y yield increased from respectively 1.60% to 1.82% (+22bp). Spanish 10y yield was more resilient, decreasing from 1.77% to 1.38% (-39bp). In the US, the 2y US Treasury yield increased from 1.05% to 1.19% (+14bp), the 5y yield from 1.76% to 1.93% (+17bp), the 10y from 2.27% to 2.45% (+18bp) and the 30y long bond from 3.02% to 3.07% (+5bp). On the credit side, the European iTraxx Main decreased from 77 bp to 72 bp (Post-Brexit banks and cyclicals spreads widening having largely recovered the following months) while the US corporate CDX index decreased from 88 bp to 68 bp. In Emerging Markets, the CDX 10y EM index spread tightened dramatically from 369 bp to 286 bp (-83 bp) finishing the year 2016 tighter than on the eve of the Presidential election!

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Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Global Bond Fund (continued)

PORTFOLIO STRATEGY

In 2016, the Sub-Fund started the year with a size of USD 95 million and declined to USD 64 million at the end of December due to the launch of Strategic Quality Emerging Bond Fund in April. Some investors switched from the high quality but lower yield USD fund into a more attractive yielding fund despite more risk and more volatility. During this year, the Investment Manager managed actively the modified duration of the Sub-Fund: the duration increased from 4.1 to 4.6 in January and continued to increase progressively until 5.9 in April. In May, for risk management purposes before the Brexit, the duration had been decreased to 4.5 and stayed around 4.6 in June. Yields having reached historical lows post-Brexit, the modified duration was maintained around 4.9 until the end of August. In October, the duration was moderately raised to 6 before being decreased aggressively after Mr Trump's presidential election victory to 4.8 in November and to 3.8 in December.

In January 2016, The Investment Adviser did not change the strategy it had implemented back in June 2015, favouring high quality and liquidity. The only Corporate bond transaction that had been made was the sale of the remaining position in Mubadala Abu Dhabi 2021. Consequently, there was no longer a Middle East position in the portfolio. Regarding US Treasuries, the Investment Adviser implemented the following strategy: it switched 20% of its exposure to 30y Treasuries into 30y TIPS (i.e. Inflation Linked Treasuries) as the inflation breakeven was very attractive. In terms of duration and duration overlay, the Investment Adviser increased substantially the modified duration of the Sub-Fund from 4.1 to 4.6.

In February, a KfW (German government) duration extension trade was implemented: KfW maturing in March 2016 was sold against KfW 2021. More importantly, the strategy which consists of being exposed to 30y US Treasuries has been amended.

This exposure actually included three different strategies:

- 1: Long 30y Treasuries outright
- 2: Long 30y inflation-linked Treasuries outright
- 3: Long 30y Treasuries / short 2y and 5y notes futures (flattening 2-30y and 5-30y)

Due to the fact that the Fed could postpone any rate hike in Q1 and Q2 2016, the Investment Adviser thought that 2y and 5y yields could continue rallying simultaneously with 30y yields. Consequently, the third strategy (flattening) has been removed. The Investment Adviser sold the Treasury maturing in August 2044 (whole position) and bought back the totality of the short future position (i.e. 100 2y notes and 100 5y notes). In terms of duration, the Investment Adviser increased substantially the modified duration of the Sub-Fund from 4.6 to 5.3.

In March, the Investment Adviser sold Goldman Sachs, Republic of Poland and Procter & Gamble (profit taking). It decreased the weight of EDF, KfW, Rentenbank, EDC, Cisco and Oracle. More importantly, the exposure to 30y bonds was amended. Temasek 2042 (AAA Singapore Government) has been decreased against the purchase of the new US Treasury 2.5% February 2046. Then, the position in the US Treasury 2044 was reduced significantly in order to increase investments in 30y inflation-linked Treasury 2043. In terms of duration, the Investment Adviser increased the modified duration of the Sub-Fund from 5.3 to 5.6.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Global Bond Fund (continued)

PORTFOLIO STRATEGY (CONTINUED)

In April, the Investment Adviser bought the new Korea Resources 2021 in the primary market, decreasing the weight of General Electric 2017. It sold the remaining position in Temasek 2042 (AAA Singapore Government) against the 30y benchmark US Treasury 2.5% February 2046. Finally, it also increased the weight of this position when 30y yields climbed to 2.75% on April 26th pushing the modified duration of the Sub-Fund to 5.9.

In May, following the minutes of the April FOMC and Ms Yellen's comments, the Investment Adviser partly took profit on the huge 30y Treasury position, selling USD 5 million US Treasury 3% 2045, switched against a US T-Bond maturing in December 2016. Consequently, the modified duration of the Sub-Fund, which had been raised to 5.9 when 30y yields reached 2.75%, decreased to 4.5.

In June, the Investment Adviser slightly decreased the weight of 30y US Treasuries (already decreased in May) and added a position in EDP Finance 2021. The modified duration of the Sub-Fund, which had been decreased from 5.9 to 4.5 in May, stayed around 4.6.

In July, the Investment Adviser added new positions in LVMH 2017, McDonald 2018, Pepsico 2019, Orange 2019, Hyundai Capital America 2020. The modified duration of the Sub-Fund was increased from around 4.6 to 4.9 by buying additional 30yr Treasury on a yield retracement level of 2.35%.

In August, the modified duration of the Sub-Fund has been maintained between 4.9 and 5.0. The Investor Adviser was waiting for a correction in the 30y US Treasury yield but it did not materialized in August. Anticipating this to happen in September, the position in long bond and long TIPS (inflation linked) would be increased, which could lead to a substantial increase of duration towards 6.

Consequently, in September, the Investment Adviser increased the weight of the TIPS 2043 (Inflation-linked US Treasury) and US Treasury 2046 when the US curve steepened, and invested in Shell 2019 and Korea Gas 2021 (switched against the sale of US Treasury December 2016) in order to keep the weight of corporate bonds above 50%. The modified duration increased from 5.0 to 5.4.

In October, the Investment Adviser increased the weight of the TIPS 2043 (Inflation-linked US Treasury) and US Treasury 2046 when the US curve steepened and sold the remaining position in US Treasury maturing in December 2016. It also implemented a switch, selling Korea Ressources 2021 (Government-owned but in a challenging sector, coal) and buying Tesco November 2017 (1y maturity yielding above 2%), a British falling angel (BB+ rated) in a recovery phase. The modified duration increased from 5.4 to 6.0.

During November, the Investment Adviser adopted a more defensive approach with particular focus on duration management. Due to the behaviour of the market recently and the increasing probability of tensions in the inter-bank market, the Investment Adviser started to build a significant portion of investments (around 6.7% at Month end) in Floating Rate Notes (mainly non-Financial corporates), i.e. bonds with low duration (between 0 and 0.3) and coupons indexed on the 3 month USD Libor. Consequently, it bought the following FRN bonds: Ford Motor Credit 2018, Apple 2018, Cisco 2018, Siemens 2018, Exxon Mobil 2018, Toronto Dominion 2018 (the only financial issue), Roche 2019 and Nissan 2019. Regarding the sell-off in the 30y Treasury market, the Investment Adviser had previously identified two major stop-loss levels: 2.81% and 3.13%. Once the yield climbed above this first level, it sold half of the position in 30y bonds at 2.84% (and a small position at 2.99%).

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Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Global Bond Fund (continued)

PORTFOLIO STRATEGY (CONTINUED)

Consequently, the position in 30y Treasuries decreased substantially from \$ 8 to \$3.5 million but the investments in TIPS (inflation-linked) had been kept. The proceeds of this sale were reinvested in short term corporates (Toyota 2017, RCI banque 2018, Honda 2018 and Pfizer 2019). Finally, due to a weight approaching 5% of the portfolio, positions in Engie 2017, Linde 2018 and EDF 2019 were reduced. The modified duration decreased from 6.0 to 4.8 and could be decreased substantially in December should 30y Treasury yield climb above 3.13% (second stop-loss level that would trigger the sale of the remaining stake in long bonds).

During December, the Investment Adviser did not modify its approach implemented in November, favouring investments in Floating Rate Notes, i.e. bonds with low duration (between 0 and 0.3) and coupons indexed on the 3 month USD Libor (which reached 1% at month end). The weight of Floaters (6.7% on November 30th) climbed above 10% in December. The weight of the following FRN bonds had been increased: Ford Motor Credit 2018, Apple 2018, Cisco 2018, Siemens 2018, Exxon Mobil 2018 and Nissan 2019. Regarding the sell-off in the 30y Treasury market, the Investment Adviser had identified a second major stop-loss level at 3.13% (after 2.81% in November). Once the yield climbed above this level, remaining position in 30y bonds at 3.16% were sold. As a result, the position in 30y Treasuries which had already decreased substantially from \$ 8 to \$3.5 million in November had been totally sold in December. The investments in TIPS (inflation-linked) have been slightly decreased (from \$ 6 to 5.5 million). The proceeds of these sales were reinvested in short term corporates by increasing the positions in Tesco 2017 and Honda 2018. In addition, due to a weight approaching 5% of the portfolio, positions in Engie 2017, Linde 2018 and Enel 2019 were reduced. Sanofi 2021 had been sold due to uncertainties around the purchase of Actelion (initially taken over by Johnson & Johnson) and a possible litigation risk after the Dépakine scandal in France. Finally, the Investment Adviser initiated a position in US Treasury 2026 at 2.38% as the evolution of 10y Treasury yields looks more clear than the behaviour of 30y long bonds. The modified duration decreased from 4.8 to 3.8 In terms of portfolio diversification, the Sub-Fund held 42 issues from 37 different issuers.

MARKET OUTLOOK

The Investment Adviser's global outlook remains unchanged. Mr Trump is not a magician and during his 4-year mandate, the US will not avoid a recession or at least a significant slowdown. In terms of growth, the trend will remain broadly the same. Regarding inflation, a significant reflation is considered unlikely. The Investment Adviser believes that the current behaviour of the US Treasury bond market looks like the Taper tantrum in June 2013. The sell-off in the Treasury market could continue in Q1 2017 but the Treasury yield curve is probably already normalised at the current levels. Regarding Europe, The ECB must maintain its policy (massive QE) as the first real consequences of the Brexit in one year (probably Q4 2017 / Q1 2018) are seen. Emerging Markets will stay volatile but technical factors such as low net issuance, negative or low yields environment in most Developed Markets, higher commodities and oil prices (OPEC's behaviour is bullish for Emerging bonds), stabilisation of emerging currencies and a "not-too-hawkish" Fed suggest that the environment will remain supportive for further spread tightening. Any correction would be a buying opportunity.

Banque Eric Sturdza SA

E.I. Sturdza Strategic Management Limited

January 2017

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Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic US Momentum & Value Fund

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

FUND PERFORMANCE

In 2016, the Sub-Fund returned -1.91% whilst the MSCI USA returned 10.89%.

MARKET OVERVIEW

Even though the US economy was already building momentum, the ongoing shift in the economic narrative was bolstered by the potential impact of a Republican Party sweep in the second half of 2016. Therefore, heading into 2017 the US was already poised for an economic backdrop that was likely to see real GDP growth increase above the post-recession average. The election basically took an already decent starting point and diluted some of the downside risks as the increased prospective for significant fiscal policy has the potential to alter the growth trajectory for a number of years.

A central point that supports this pro-growth view is the healthy state of US households. Households are not only gaining from a tighter labor market, which has a positive impact on wage pressures, they also seem to be in balance. Household liabilities are still growing at a year-over-year rate that is lower than any historical cycle low. This combined with the boost we've seen in aggregate incomes, has extended the de-levering process beyond what is typically defined as the final stages of a recovery as the creation and the resulting correction of imbalances has most often been a good leading indicator of a faltering expansion. Currently the US economy seems to be far away from such a situation. The Investment Advisor believes that increases in rates will be implemented under the right circumstances (i.e. rising growth and inflation prospects), which would offset any increase in mortgage costs. Also in terms of the US consumer, households have been saving more in recent years and the possibility for a sudden cash flow increase (through, for example, tax reform) could boost real consumption and extend the economic expansion. Even though anything regarding tax relief policy and its potential effect on the backdrop is just speculation at this point, most sentiment metrics have moved higher. An example would be the Conference Board Consumer Confidence Index that surged from 100 to 107. This is a good sign as sentiment shifts are more common to see in the mid-cycle part of an economic recovery and therefore also supports the idea that increased spending could occur even before any actual tax rate changes are implemented.

The refreshed optimism on the economic outlook and backdrop was accompanied by a noteworthy increase in hiring plans. Usually, this is a leading indicator for the unemployment rate. Also, the share of small firms expecting higher real sales went up to pre-crisis ranges. Such moves are usually witnessed in early stages of an expansion and the small business sector, which is responsible for an important chunk of net new hiring, might only now start participating in the current recovery and could also prolong the cycle.

The Sub-Fund underperformed its benchmark essentially due to sector allocation. The exposure to financials (approx. +31% over the second half of 2016), which has substantially been increased (from 3.8% to 12.4%) through the use of an ETF and the weighting of the two banks held by the Sub-Fund, remains slightly below the 14.6% exposure of its benchmark. Also the Sub-Fund's overexposure to healthcare hasn't, as of yet, helped in terms of relative performance as this sector as a whole has as a whole has remained flat over this same period.

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Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic US Momentum & Value Fund

MARKET OVERVIEW (CONTINUED)

Finally, the cash held by the Sub-Fund detracted from performance against the benchmark and has been reduced from approximately 14% to currently 4.4% was also a relative performance deterrent. Nonetheless, the sentiment rotation that has taken place and which is poised to continue leaves the Investment Advisor convinced that maintaining the Sub-Fund's investment discipline will generate outperformance over time as the backdrop improves and investors will want to buy companies that are cheap on a relative basis and grow at a steady and above average pace.

On the selection level, positions in Alaska Airlines, Skyworks Solutions, and Team Health have been closed whilst a position in Envision Healthcare has been initiated. Alaska Airlines is considered a great stock but had an elevated beta and a slowing growth outlook. Also, in the pursuit of rendering the portfolio sturdier the company did not match the desired profile. As such the position was closed after the stock price had recovered. Skyworks Solutions was closed for two reasons: (1) the desire to reduce the portfolio's exposure to similar themes (also a result of wanting to make the portfolio sturdier) such as Apple and its supply chain and (2) the fact that Skyworks Solutions also had an elevated beta, a stock price that had recovered, and a slowing growth outlook. Envision Healthcare was initiated to replace Team Health as a health care services provider. Not only does Envision Healthcare have a larger market capitalization and lower beta, it also offers a more steady growth profile (more historical data available) on both a historical and forward looking perspective.

PORTFOLIO STRATEGY

The strategy 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. The Sub-Fund's 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 realized and potential growth. The process makes full use of both quantitative screens and fundamental analysis to select the most attractive companies within the mandate's universe. The Sub-Fund aims at maintaining a portfolio of at least 25 stocks, and 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 in the previous report, a key factor for GDP growth is the US consumer. The signs that have been elaborated in the "Market Overview" segment of this report are encouraging and all point towards an economic cycle that has the potential to be prolonged.

In terms of the US election, the Investment Advisor believes that president-elect Trump has highlighted factors that could enhance economic activity (regulatory change/easing and tax reform) and hurt the backdrop (restricting trade). For now though, the Investment Advisor believes that the net result will be positive but of course it depends on how much of what has been said will actually be implemented and more critically how much common ground can be found between President-elect Trump and Congress. The Investment Advisor's thoughts on the market reaction post-election are that expectations of fiscal stimulus (i.e. higher spending on infrastructure and defense, tax reform etc.) resulted in the industrial, defense, financial, and healthcare sectors

E.I. Sturdza Funds Plc

**Investment Manager's Report (continued)
for the year ended 31 December 2016**

Strategic US Momentum and Value Fund (continued)

MARKET OUTLOOK (CONTINUED)

to rally alongside “value” stocks in general. For the Investment Advisor, the defense play has been overdone whilst financials still have some leeway and healthcare and transport are still below historical norms. Therefore, the Sub-Fund will maintain its overweight in healthcare and the exposure to financials and transportation will be slowly increased as was the case before the election.

Looking forwards, the Investment Advisor thinks that the industries which could perform best in a rising rate environment are technology, commodities and energy. However, in the current cycle financials have (up until now) the highest sensitivity to increases in 10-year bond yields. The Investment Advisor also believes that potential changes in tax policy will impact sectors differently. Those with higher current tax rates (i.e. healthcare services, transports, consumer staples, and in some cases financials) have the potential to see a strong earnings boost. The Investment Advisor is nonetheless aware that sectors with lower current tax rates (i.e. energy and technology) could see their multiples become more expensive on a relative basis. Another big subject that was raised since Trump's election is cash repatriation. As it is well known, many companies have moved their operations overseas so that they can generate and recognize a large chunk of their earnings in more tax friendly locations. Generally speaking, technology companies are amongst the ones that have the highest levels of cash “stuck” overseas and the Investment Advisor believes that they would be the ones to benefit the most from an increased ability to access that cash. Examples of these would be Alphabet and Apple which are both held in the Sub-Fund.

Looking forward the Investment Advisor remains confident in the Sub-Fund's strategy, positioning and potential for outperformance. Indeed, the sector rotation, which accelerated following Trump's election, is expected to continue and most importantly, the expected earnings growth of the Sub-Fund's holdings should offer substantially better upside than the market.

Banque Eric Sturdza SA

E.I. Sturdza Strategic Management Limited

January 2017

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

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

The NAV per share of the USD Institutional. Class fell USD 6.07 to USD 108.49. A total return of -5.30%.

The USD Class was launched on the 12th Feb 2016. It rose USD 0.80 to USD 100.80. A total return of +0.80%.

The CHF Class was launched on the 3rd June 2016. It fell CHF -10.05 to CHF 89.95. A total return of -10.05%.

During the period in question the benchmark MSCI Daily Total Return Net World Index increased by 5.33%.

MARKET OVERVIEW

The volatility of 2015 continued into 2016 with the markets falling at the start of the year on fears of a US recession, a slowdown in global growth, weakness in Chinese industrial data and the falling price of oil. The European and American central banks responded with fresh monetary easing and dovish words respectively, and this helped the market regain most of their losses by the end of the first quarter. European, Japanese and American yields fell significantly in the first quarter and continued to do so throughout the half.

In Q2 the markets were volatile but traded largely sideways until the UK referendum on June 23rd. Expectations were for a status quo vote to remain and hence the days following the result saw significant moves in all asset classes. In the following two days the S&P fell 5.4%, the STOXX 600 10.9% and the FTSE 100 5.6%. Over the same period sterling fell 12% against the Dollar and 8.4% against the Euro. Since the event, UK 10year gilt yields have fallen 37.7% to end the half at 0.86, as US 10year treasuries fell 15.5% and German 10year debt went negative for the first time, ending the half at -0.14%. The uncertainty this raises surrounding both the UK and the EU concerns investors globally and with clarity unlikely to be provided while the negotiations are ongoing volatility is to be expected.

The second half of the year was dominated by political news flows, in Europe around the Italian referendum, French primaries and Brexit negotiations. The lead up to the US election also impacted on major currencies and on the fortunes of different companies and sectors. This all caused volatility to increase and to a year-end rally following the election of Donald Trump. The US 10year yield rose from 1.8% at the end of October to 2.4% at the end of the year as inflation expectations also increased. In December the Federal Reserve made the decision to raise the benchmark interest rate by a further 25bps and increased its expectation for the number of rate hikes in 2017.

Japanese equities declined significantly in the first half of the year with most of the move happening in the first two months as the Yen strengthened throughout the period against the dollar. After a period of calm both moves reversed, with the Nikkei rallying ~16% post the US elections as the Yen fell from 103 to close around 117 against the dollar.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Global Quality Fund (continued)

MARKET OVERVIEW (CONTINUED)

Emerging markets ended their negative streak in 2016, finishing up 11.2% despite sweeping political change during the year. Recovery in commodity prices helped to support emerging market assets which were additionally boosted by a continued search for yield. For Emerging Market debt in particular, the perception that political risks had stabilized boosted foreign capital inflows.

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 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, consumer discretionary, healthcare, IT, media and support service sectors whilst avoiding the commercial banks, insurance and commodity sectors.

Going into 2016, the Investment Adviser became increasingly concerned about the global outlook and throughout the first half of the year the Sub-Fund positioning became more cautious as underlying data deteriorated. Earnings growth ex-financials was going backwards in both Europe and the US. In Europe expectations for further growth were the lowest they have been for some time and in the US profits as a percentage of GDP looked to have peaked. On top of this there were political concerns regarding Brexit, US Election and referendums across Europe. Given this backdrop the portfolio was defensively positioned.

The Sub-Fund performed fine in the first half, closing 1.1%* ahead of its benchmark. For the full year, however, the Sub-Fund was hit by the perfect storm and underperformed its index by 12.8%*. A strong sector rotation as inflation expectations rose alongside several stock specific issues. Most of the underperformance came from allocation and currency effects rather than stock selection. More specifically, the best performing sectors in the benchmark were Energy and Materials, returning 26.4% and 22.5% respectively, neither of which the Sub-Fund is invested in. The worst performing sectors in the benchmark over the year were Health Care (-6.6%) and Consumer Staples (1.6%), both of which the Sub-Fund was, and is, invested in.

In terms of attribution the best performing stocks were Reynolds American, Altria Group, Japan Tobacco, Fresenius Medical Care and Equifax.

Reynolds is a US cigarette maker and a great example of a very well run, high quality compounder. The company was bid for in October by BAT.

Also in the tobacco sector, Altria benefitted from the ABI and SAB merger, receiving \$5.3billion in cash and a 9.6% share in the newly formed company for its 27% stake in SAB.

Equifax provides information and analytical tools to businesses, governments and consumers. It has data on 91million businesses and 800million individuals worldwide. The company beat expectations every quarter in 2016 as it continues to shift towards becoming a more diversified risk management solutions provider.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Global Quality Fund (continued)

PORTFOLIO STRATEGY (CONTINUED)

Fresenius Medical Care runs around 3,579 small dialysis centers worldwide. Their revenues are highly recurring as patients often live close to their dialysis centers and become a part of that community. With high single digit topline growth and mid-teens EBIT margins

The bottom five contributors to performance for 2016 were H&R Block, KAO Corp, Qiagen, Smith & Nephew and Heineken Holding.

The competitive pressure were greater than anticipated with regards to H&R Block and therefore the position was closed.

The position in Qiagen has also been exited. Qiagen issued a profit warning in early January after half of the programs within their companion diagnostics franchise were delayed or discontinued in Q4 2015.

Smith & Nephew saw significant management change as the CEO sadly became ill and the CFO left for Burberry. The shares subsequently recovered but were then hurt by the sector rotation in the second half of the year. The Sub-Fund still holds a position in Smith and Nephew.

Heineken suffered due to the sector rotation which took place in the second half of the year. Heineken is continuing to improve its offering whilst managing its cost base and as such the investment case is unchanged. The Sub-Fund still has a position in Heineken.

MARKET OUTLOOK

The Investment Adviser remains concerned about global volatility for 2017. It seems clear that it will be another year driven by politics. The President-elect in America has yet to take office, time will tell which policies he will focus on and over what timeframe he will likely be able to implement them. In Europe investors will be concerned by events including the Dutch elections in March, the French presidential elections in April/May, the German elections likely to be in October and the possibility of an early Italian election. Populist party support in France and Germany has recently been around 30% and 12% respectively, as such they cannot form parties on their own but it is clear that the political momentum in Europe is with those seeking change. Most pressing of all for Europe will be the UK triggering Article 50 by the end of March. There continues to be significant uncertainty regarding what sort of exit the UK will have from the EU and the potential economic challenges both sides of the discussion will face as a consequence.

E.I. Sturdza Funds Plc

**Investment Manager's Report (continued)
for the year ended 31 December 2016**

Strategic Global Quality Fund (continued)

MARKET OUTLOOK (CONTINUED)

More positively the Investment Adviser is now broadly seeing economic data improve in both Europe and the US. This bodes well for companies in the Sub-Fund. When the markets are moved by the macro rather than the companies this will tend to present investment opportunities for those with a long-term view prepared to look through the noise. The Investment Adviser is looking forward to investing in 2017.

Going forward the Sub-Fund will focus on Europe and the US.

Lofoten Asset Management Limited

E.I. Sturdza Strategic Management Limited

January 2017

*Refers to Institutional Share Class

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic European Smaller Companies Fund

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

FUND PERFORMANCE

During the covered period, the net asset value per share of the EUR class increased by EUR 134.32 from EUR 993.04 to EUR 1'127.36, a total return of +13.53%. The STOXX 600 Total Return Index increased by +0.67% over the same period leading to a 12.74% annual outperformance.

The Sub-Fund outperformed its benchmark for 10 months out of 12. More importantly, it outperformed its benchmark for every single quarter and as a consequence for each semester as well. The outperformance comes from the fact that the Sub-Fund managed to limit its decline to 33% of the benchmark's drawdown in the first semester and captured 163% of the second half's upturn.

The +13.53% performance can be divided between +17.04% of gross portfolio performance and -3.51% of fees and expenses.

At the individual stock level, the biggest contributors to performance during the period were Aubay (+1.53% contribution to the performance), Jacquet Metal Services (+1.37%) and Trigano (+1.37%) while the most important detractors were Fermentalg (-1.04%), Norma (-0.67%) and Beneteau (-0.50%). Out of the 41 positions held by the Sub-Fund during the period: 32 of them were profitable (+20.41% contribution) this year and 9 of them were loss making (-3.27% contribution) leading to a profitability ratio of 78%.

The Sub-Fund was launched on May 5th, 2015. As such, the first anniversary was celebrated in the course of the second calendar quarter this year. Since inception, the Sub-Fund's performance was +12.74% and compares favorably versus the Sub-Fund's benchmark index, STOXX 600 Total Return Index, which declined by 3.45%, translating into an 16.19% outperformance over close to 20 months.

E.I. Sturdza Funds Plc

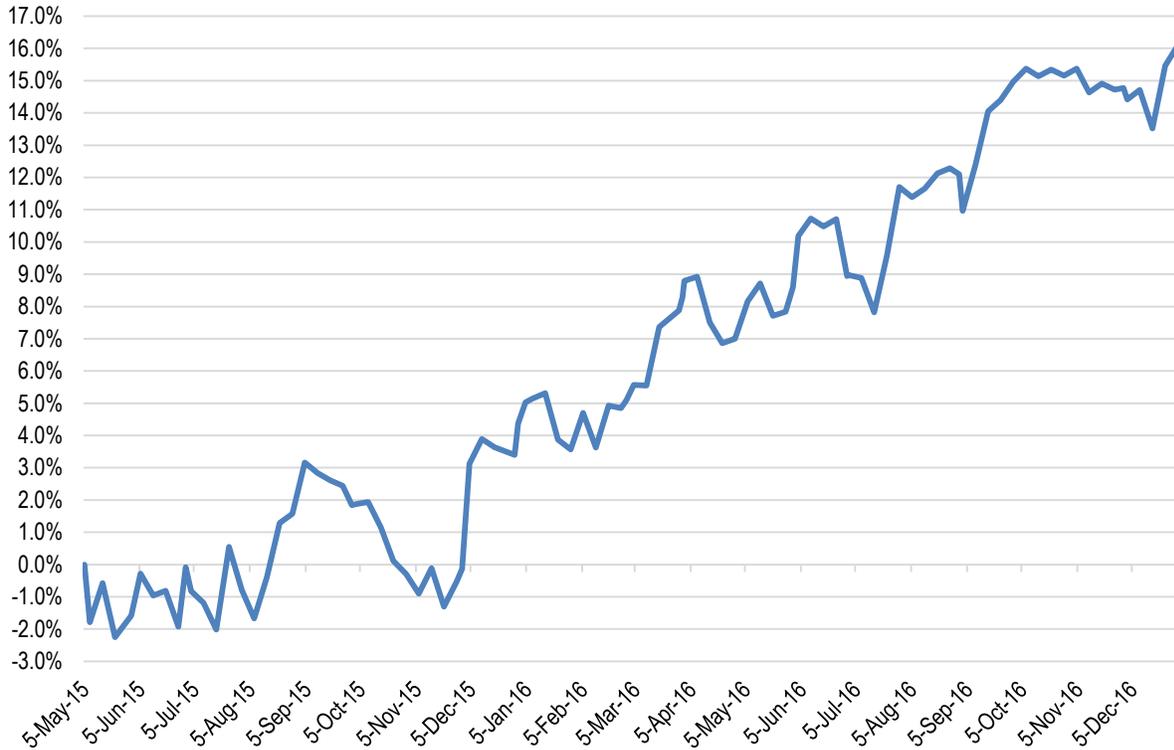
**Investment Manager's Report (continued)
for the year ended 31 December 2016**

Strategic European Smaller Companies Fund

FUND PERFORMANCE (CONTINUED)

The below graph shows the evolution of the outperformance since inception versus the Sub-Fund's benchmark:

Sub-Fund's Outperformance vs. Stoxx 600 Total Return Index



MARKET OVERVIEW

The period under review covers the Sub-Fund's evolution from January 1st, 2016 to December 31st, 2016 and saw the Sub-Fund's benchmark index, STOXX 600 Total Return Index posting a marginal +0.67% performance thanks to a strong rebound in the last month of the year.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic European Smaller Companies Fund

MARKET OVERVIEW (CONTINUED)

The year was divided in two parts, coinciding exactly with the two semesters. The first semester was heavily down (-8.81%) followed by a sharp upturn (+10.40%) in the second one. Chinese slowdown and Brexit fears were the main reasons for the weak development at the beginning of the year. The outcome of the US elections was the biggest piece of news of the latter part of the year.

Contrary to what market participants might have anticipated, it triggered a stock market rally coupled with significant rotations between asset classes and sectors. After the facts, it appears that many investors were patiently holding off investing prior to the elections results. Investors' reallocation towards risk assets resumed after the US elections in spite of the Italian referendum results.

PORTFOLIO STRATEGY

The investment strategy deployed by the Investment Adviser remains unchanged and relies on the belief that, over time, a company's stock price converges with the company's intrinsic value, such a value being determined through an analysis of the discretionary free cash flows that the business generates, based upon normalized margins and normalized return on capital employed. Our screening concentrates on companies with understandable businesses and predictable earnings and cash flow streams. One of the consequences of this strategy leads to structural and permanent underweighting in some sectors being financials, real estate, pharmaceuticals and commodity related companies.

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 approximately 30 stocks.

As of December 31st, the five biggest holdings of the Sub-Fund were:

1. Spie (France)	4.34%
2. Tarkett (France)	4.11%
3. Norma (Germany)	4.05%
4. SAF-Holland (Germany)	3.91%
5. Jacquet Metal Services (France)	3.90%

Another aspect of the strategy is based on disciplined investing i.e. the ability to wait patiently for the market to present opportunities in order to deploy capital in great businesses at appropriate discount to their intrinsic value. The market downturns in the first two months of the year and in June proved to be a good example of that strategy and enabled the Sub-Fund to initiate new positions at very attractive levels. 13 new positions were initiated this year and 7 investments were exited, increasing the number of positions to 33 at year end.

E.I. Sturdza Funds Plc

**Investment Manager's Report (continued)
for the year ended 31 December 2016**

Strategic European Smaller Companies Fund

MARKET OUTLOOK

With the Italian referendum behind us now, financial markets have demonstrated this year, on several occasions, their ability to cope with unexpected and disruptive events. Global activity had been accelerating for months and economic conditions across the world seems to be in fact fairly positive, leaving us comfortable with the global macroeconomic picture. In the Eurozone, the recovery remains on track and exporting companies should benefit from the Euro weakness for the months to come.

Looking ahead, 2017 should mark the end of an era with unconventional monetary policies across the globe, no inflation and a zero or negative interest rate environment. As a consequence, riskier asset classes should be favored and equity markets mechanically benefit from that change of paradigm, notably the European equity space that suffered its longest net outflow streak since 2012.

The investment Adviser shall continue to deploy the Sub-Fund's assets with discipline and selectivity.

Pascal Investment Advisers SA

E.I. Sturdza Strategic Management Limited

January 2017

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

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

The Sub-Fund was launched on 28 April 2016. For the period from inception to October 2016 performance reached unexpected levels, outperforming the benchmark by 1.91% over this period, which was unexpected due to the initial construction phase of the Sub-Fund. This was attributed to the rally of US treasuries (underlying USD yields) and the behavior of emerging bond spreads. In November, the performance was impacted by Mr. Trump's presidential election victory as Treasury and emerging spreads volatility increased. In December, both spreads and rates stabilized and initiated a strong recovery.

Since the Sub-Fund inception date, the returns of each class for the period ended December 30th, were as follows:

+0.71% (USD share class) vs +1.81% for the benchmark (ICE LIBOR 3MTH USD +2%)

-2.77% (USD Institutional share class)*

-0.59% (EUR share class) and -0.23% (EUR Institutional share class)

-0.86% (CHF share class)

*Inception date 22.09.2016

MARKET OVERVIEW (FROM JANUARY TO DECEMBER 2016)

In January, all eyes were focused on any bad news that could deteriorate the political and economic climate in 2016: fears of a hard landing in China (and renminbi devaluation), negative rates in Japan, oil prices and commodity prices in general, Emerging markets, the (too hawkish) Fed but also Brexit, Spain (with no Government), migrants in Europe, turmoil in Brazil, Donald Trump and Italian banks. The BoJ took the market by surprise, adopting a negative interest rate policy but other Central Banks did not change their key rates and policies. In Europe, Mr. Draghi said that the ECB program would be reviewed in March with "no limits" on how far they could go.

In February, concerns about a possible Brexit impacted the GBP bond market (both yields and currency), uncertainty about the size of Italian banks' non-performing loans and about the exposure to the oil & gas sector in European banks balance sheet led to a drop of subordinated bank debt (including CoCos). Regarding Central banks activity, the Fed stayed in "wait and see" mode. Mrs. Yellen said that due to economic conditions, only gradual increases would be implemented. She added that it was not necessary to cut rates but in saying that, she gave substance to the thesis that it was a possible scenario in the coming months.

In March, the major event and driver of the behaviour of financial markets, was the ECB's meeting on March 10th. In the global bond market, concerns about a possible Brexit, US Presidential election and political turmoil in Brazil had a less pronounced impact. However, the strong rebound of oil prices, from \$33.70 to \$38.30 helped the recovery of risky asset markets to the detriment of safe havens.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Quality Emerging Bond Fund (continued)

MARKET OVERVIEW (FROM JANUARY TO DECEMBER 2016) (CONTINUED)

As expected, the ECB did not miss its target with an expanded QE (EUR 80 billion / month instead of 60) open to corporate bonds purchases, a deposit rate decreased to -0.4% (from -0.3%) and a new TLTRO, which was probably the less commented measure but the most important. The expanded APP (Asset Purchase Program) added private corporate bonds (CSPP, Corporate Sector Purchase Program) to government-owned corporates (known as PSPP, Public Sector Purchase Program). In the US, Mrs Yellen said that the Fed should "proceed cautiously".

The US Central bankers were still in "wait and see" mode: they were convinced that the pace of the domestic economy deserved a rate hike but they had difficulties to analyse the potential impact of a weaker global growth (first and foremost in China) on the behaviour of the US economy.

In April, concerns about Brexit and Greece in Europe combined with the US Presidential election and Dilma's probable impeachment in Brazil were among the key drivers of the markets, but with a less pronounced impact than the pursuit of the strong rebound of oil prices, from \$38.30 to \$45.90. Central Banks did not change their monetary policies. In the US, the Fed left its rate unchanged but opened the door to raising interest rates in June thanks to an improvement in global financial markets.

In May, markets seemed to hold their breath before a busy and hectic month of June. In the US, Ms Yellen's speech pointed out improvements in the US economy, confirming that the Fed was open to raising rates soon. In Europe, concerns about Brexit rose sharply. In this environment, oil prices continued to climb, from \$45.9 to \$49.1 while gold fell sharply (-6%) from \$1,293 to \$1,213 an ounce. In the US, the economy seemed to gain momentum and the release of minutes from the FOMC meeting in April showed that the Fed was ready to raise interest rates at every meeting including on June 15th. In June, Brexit led to a flight to quality towards US Treasuries and Bunds. At the same time, low quality debt such as high yield and deeply subordinated bank debt fell sharply, in line with equity markets. The other major event was the poor number of 38,000 jobs created in the US, the smallest number in five years. As a result, market participants decreased dramatically the probability of a Fed rate hike in July and after Brexit, they started to price in (up to 20%) a possible rate cut in December! In Europe, as expected, the ECB started its CSPP program on June 8th. At the same time, peripheral banks (Spanish and Italian) became the biggest borrowers of the TLTRO program.

In July, risky assets recovered strongly as the slowdown due to the Brexit did not yet materialize. In line with equity markets, low quality debt as high yield and deeply subordinated debt rebounded following their post-Brexit sharp correction. In this context, IG Corporates, US Treasuries and Bunds managed also to perform well. In the US, 287,000 jobs were added in June, easing concerns after last month's poor number. Globally US Data was better than expected with housing momentum and confidence continuing to point up. As a result, market participants cancelled the probability of a Fed rate cut in December and started to price in a possible rate hike (up to 35%) before the end of the year.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Quality Emerging Bond Fund (continued)

MARKET OVERVIEW (FROM JANUARY TO DECEMBER 2016) (CONTINUED)

In Europe, as expected, the ECB left monetary policy unchanged but remained ready to increase stimulus should economic forecasts dramatically change following UK Referendum. Any expansion of the current Asset Purchase Programme (APP) would need changes in bonds eligibility rules given ultra-low yields environment. The BoE didn't cut rates but offered additional liquidity operations and reduced capital requirements.

In August, macroeconomic data was strong in Europe and in the US. In the Eurozone, the PMI index showed a recovery confirmed by the unemployment rate which reached 10.1%, the lowest in five years. Some disappointing data in southern Europe was offset by the French recovery. In the US, job creations reached 255k this month and hourly average earnings rose to 2.6% annualized (a major indicator of future inflationary pressures). Home sales were encouraging and home construction reached its highest level in five months. As a consequence, market participants were waiting impatiently for the Central bankers meeting in Jackson Hole in order to dispel prevailing doubts about their monetary policies and first and foremost Ms Yellen's speech as the Fed had the most unclear or unpredictable behaviour. This indicates clearly that nobody really knew in which direction the macroeconomic environment was moving, including the FOMC members! In Emerging markets, inflows accumulation and risk appetite continued to drive the market as the Fed monetary policy normalization process was considered by the market to remain slow and prudent. In Brazil, as expected, President Dilma Rousseff was removed from office as more than two-thirds senators voted for impeachment, leaving its successor the task of implementing difficult reforms to rescue the economy from recession. With positive technical factors and stable commodity prices, major credit markets performed well during the month with Turkish assets retracing most of the correction linked to the July Turkish Coup Attempt.

In September, markets were driven by China (non-performing loans), Japan (the slope of the yield curve managed by the BoJ), the US presidential election and the drop of Deutsche Bank shares (fears about the future of the European banking sector, mostly German and Italian). Macroeconomic data was strong in Europe and softer in the US. In the Eurozone, the Q2 GDP reached +0.3% and confidence indicators improved. In the US, the ISM indicators (both manufacturing and non-manufacturing) decreased and job creations reached 151k instead of 180k expected by the consensus. Consequently, the Fed voted 7-3 to leave its rates unchanged and the ECB did not modify its policy. Regarding other major Central Banks, another BoE rate cut was considered likely in the United Kingdom and a new wave of unconventional easing possible in Japan. The main concern had already been mentioned by the Investment Adviser last month: the 3 month US\$ Libor had already increased by 25 bps and a Fed rate hike would only be a readjustment of official key rates with the level of money market rates. This \$ Libor increase was not anecdotal at all. Corporate loans and mortgages in USD were increasing; the cost of a currency hedging had already increased (2% to hedge the USD against the CHF) and the cost of leverage for banks and hedge funds was higher. As a result, negative flows affected the US Treasury curve and should this trend continue, it would become unsustainable. In this environment, a Fed rate hike becomes less relevant than money market rates evolution.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Quality Emerging Bond Fund (continued)

MARKET OVERVIEW (FROM JANUARY TO DECEMBER 2016) (CONTINUED)

In October, markets had been driven by the US presidential election, the probable Fed rate hike in December and the incredible rumour of tapering in Europe. Macroeconomic data was stronger in the US, led by consumer spending, labour market (both employment and wage growth), industrial production and residential real estate. In Europe, two major sets of economic data gave the impression that the situation was improving: the Spanish unemployment rate decreased below 20% for the first time in six years and the German Ifo index reach a two-year high. Consequently, the Fed was supposed to raise its Fed fund rate on December 14th even though there was a FOMC meeting on November 2nd (considered too close to the Presidential election). In Europe, an incredible rumour affected the bond market. The ECB would consider a tapering of its QE. Some ECB members contradicted this rumour that led to a jump in the euro and Bund yields. The official version of the ECB continued to be that they were open to further stimulus. In the meantime, they took advantage of this correction to purchase short term bonds which climbed above the deposit rate.

In November, markets were driven by the US presidential election outcome and the victory of Donald Trump. Against all odds, stocks rallied and safe havens such as gold and bonds underperformed dramatically. The most frequent argument that explains this behaviour is that Mr Trump's policy would spur growth and favour inflation. Mr Trump's program contains many uncertainties: what exactly is this program? Will it be implemented? After how many years will the first results be seen? Will the majority of the Republicans at the Congress vote for some controversial measures? It is too early to develop a new economic scenario and the US economy will not change dramatically in the coming weeks or months.

Just after the announcement of Trump's victory, the markets' behaviour was logical: a Treasury rally (30y at 2.52%), gold above 1330, Swiss franc rally reaching 0.9550 against USD, S&P future limit down (-5%). Then, all of these markets turned, equities rallied substantially and safe havens started a decrease. In this environment, the only behaviour which seemed "normal" was the drop of some Emerging currencies (the Mexican peso being the most emblematic) and the widening of Emerging market bond spreads. This Treasury sell-off had been massively amplified by the record volumes of transactions. The decrease of the bond markets (i.e. the increase of bond yields) can be explained by the accumulation of massive sell orders. Initially, market participants thought that these orders came from China but once analysed the origin of these trades showed that Hedge Funds and CTAs were the leaders of this market action and that high-frequency trading was primarily responsible for the amplification of the sell-off.

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Quality Emerging Bond Fund (continued)

MARKET OVERVIEW (FROM JANUARY TO DECEMBER 2016) (CONTINUED)

In December, markets had been driven by the two major Central Banks meetings, the FOMC and the ECB. In the US, the Fed raised its Fed Fund rate to 0.5%-0.75%. This decision was unanimous for the first time since July and was responding to the strength of the labour market and economic growth. In addition, the Fed mentioned that inflation expectations had risen "considerably". In Europe, the ECB extended its QE program until (at least) the end of 2017 but will reduce its asset purchases from 80 to 60 billion EUR after March. Sovereign bonds yielding below -0.4% and bonds maturing below two years will be included in the purchase list. This was clearly an increase of the QE (60x9= 540 billion EUR instead of 80x6=480 expected) but the markets responded badly the decrease of monthly purchase. This month, US economic indicators showed that growth was rising from modest to moderate, employment was still expanding and the housing sector continued to show signs of improvement. On another hand, consumption indicators were disappointing and the strength of the US Dollar was mentioned as a threat by the Fed in its beige book. The European economy was still improving as consumption, business confidence; consumer confidence and unemployment suggest an improvement in the pace of the recovery. But inflation remains too low. After November was dominated by the outcome of the Presidential election in the US, all eyes were focused on Europe this month. As expected, in Italy, Matteo Renzi lost his referendum and resigned. In France, Mr. Hollande decided not to stand again for election as President in May. In terms of rescue plans, the Greek short-term debt relief has been frozen by the Eurogroup Finance Ministers and the ECB announced that the amount of capital needed by Monte dei Paschi to avoid bankruptcy was 8.8 billion EUR instead of 5! Outside Europe, the main event was the OPEC agreement on November 30th to cut the output (up to 1.8 million barrels/day), leading to a jump of oil prices from \$45 to \$55 in December.

In this context, the German 2y yield decreased from -0.35% to -0.80% (-45bp), the 5y yield from -0.05% to -0.54% (-50bp) and the 10y Bund yield from +0.63% to +0.2% (-42bp). With increasing concerns about risks surrounding Italian politics and fragile economic recovery, Italian 10y yield increased from 1.60% to 1.82% (+22bp). Spanish 10y yield was more resilient, decreasing from 1.77% to 1.38% (-39bp). In the US, the 2y US Treasury yield increased from 1.05% to 1.19% (+14bp), the 5y yield from 1.76% to 1.93% (+17bp), the 10y from 2.27% to 2.45% (+18bp) and the 30y long bond from 3.02% to 3.07% (+5bp). On the credit side, the European iTraxx Main decreased from 77 bps to 72 bps (Post-Brexit banks and cyclicals spreads widening having largely recovered the following months) while the US corporate CDX index decreased from 88 bps to 68 bps. In Emerging Markets, the CDX 10y EM index spread tightened dramatically from 369 bps to 286 bps (-83 bps) finishing the year 2016 tighter than on the eve of the Presidential election!

PORTFOLIO STRATEGY

Since the inception of the Sub-Fund on April 28th with USD 35 million, the size of the Sub-Fund increased progressively to reach USD 52 million at the end of December as some investors switched from lower beta bond funds into this more attractive yielding fund despite more risk and more volatility. Since the launching, the Investment Adviser managed the portfolio with a cautious stance. The number of issuers bought in order to provide sufficient diversification was maintained around 35 along the year. In terms of geographical breakdown at the end of the year, the top 3 countries were Russia (19.2%), Brazil (10.8%) and India (8.2%), Turkey exposure being reduced following the Turkish coup attempt in July. Along the year, inflows were mostly invested with an objective of reducing spread volatility and lowering the risk profile. As a result, the top 3 sectors were Governments (32.7%) followed by Materials (18.3%) and Energy (18.0%), with a rating allocation of 47.7%

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Quality Emerging Bond Fund (continued)

PORTFOLIO STRATEGY (continued)

BB, 45.8% BBB and 4.8% A-AA (and 1.7% cash). The Modified Duration reached a peak at 6.4 in October before being decreased to 5.8 in November.

In June, the Investment Adviser sold African Export-Import Bank 2021 and partially switched Gazprom 2034 into Vnesheconombank 2025. The weight of Export Credit Bank of Turkey 2019, Turkiye Garanti Bankasi 2022 and State Oil Co. of Azerbaijan 2023 were increased. In terms of geographical breakdown, the top 3 countries remained Russia (18%), Turkey (17%) and Brazil (9%). The top 3 sectors were now Government (32%), Energy (18%) and Basic Materials (13%), and the rating allocation was 54% BB, 36% BBB and 3% A (and 7% cash). The modified duration slightly decreased to 5.8 at month end.

In July, the Investment Adviser switched out of BNDES 2020 and Croatia 2021 on downgrade risks perspectives. Following the Turkish coup attempt, the entire exposure to Export Credit Bank of Turkey, Turkiye Garanti Bankasi 2022 was sold and the weight of Anadolu Efes 22 and Turkcell 2025 was reduced. Proceeds and inflows were mostly invested in A-BBB issuers with an objective of reducing spread volatility and lowering the risk profile: Development Bank of Kazakhstan 2022, State Oil of the Azerbaijan 2023, Hungarian Development Bank 2020, Poland 2026, Export-Import Bank of India 2023, Romania 2024, Azerbaijan 2024, Namibia 25 vs Namibia 21, China Development Bank 2026, Lithuania 2020, MMC Norilsk Nickel 2022. In terms of geographical breakdown, the top 3 countries were Russia (16.9%), Brazil (7%) and Hungary (6.2%). The top 3 sectors were Government (40.7%), Energy (16.5%) and Basic Materials (12.6%). The rating allocation was 44.9% BB, 35.9% BBB, 3.8% A and 7.4% AA (and 8% cash). The modified duration reached 6.04 at month end.

In August, the assets under management of the Sub-Fund climbed significantly to reach \$50 million. Due to the strong rally that took place year to date, the Investment Adviser took the decision to keep a substantial amount in cash (almost 6%) and partially invest this new money in the safest names, such as Lithuania and China Development bank. A small position in Tencent 2020 was also purchased. The weight of the existing investments in Norilsk nickel, Severstal, Eskom, Pertamina, Bharti Airtel, Namibia, AngloGold, State oil Co. of Azerbaijan, Pemex and Tata motors was increased. In terms of geographical breakdown, the top 3 countries were Russia (17%), India (7%) and Brazil (6%). The rating allocation was 48% Investment Grade and 46% Crossover (BB+ and BB). The breakdown of the portfolio in terms of market allocation was 90% Emerging Markets, 4% Developed Markets (US Treasuries) and 6% cash. In terms of sector allocation, the Investment Adviser favoured Corporates (52%) followed by Sovereign & Government Agencies (40%) and Financials (only 2%). In reality, in terms of risk, this allocation to corporates is lower as most of these companies are partially or totally government-owned. The modified duration stayed around 6 during the month.

In September, the assets under management of the Sub-Fund climbed significantly from \$50 to \$55 million. Due to the strong rally that took place year to date, the Investment Adviser took the decision to keep a substantial amount in cash (almost 6%) and to increase slightly the weight of US long bonds simultaneously with the same purchase for Strategic Global Bond Fund (\$1 million, half in TIPS 2043, half in US Treasury 2046). The Investment Adviser increased the weight of the following holdings: AngloGold 2022, Norilsk 1Nickel 2022, Namibia 2025, Bharti Airtel 2024, Tata Motors 2020, Grupo Bimbo 2044 and Sberbank 2019. It also added a new name in the portfolio: Suzano 2026, a BB+ rated Brazilian pulp and paper producer. In terms of geographical breakdown, the top 3 countries were Russia (17.1%), Brazil (8.6%) and India (8.0%).

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

Strategic Quality Emerging Bond Fund (continued)

PORTFOLIO STRATEGY (continued)

5.9% cash. In terms of sector allocation, the Investment Advisor favoured Governments (39.6%) followed by Materials (16.3%) and Energy (14.6%). The modified duration reached 6.4 during the month.

In October, the assets under management of the Sub-Fund climbed from \$55 to \$57 million. The Investment Adviser increased the weight of the following holdings: Sberbank 2019, Mol 2019, Tencent 2020, Romania 2024, Codelco 2025, Namibia 2025 and Gazprom 2034. It also added a new name in the portfolio: BRF 2024, a Ba1/BBB rated Brazilian food producer (mainly meat, poultry and pork but also pizza, pasta and frozen vegetables). In terms of geographical breakdown, the top 3 countries were Russia (18.3%), Brazil (10.0%) and India (7.6%). The rating allocation was 46.9% Investment Grade and 49.9% Crossover (BB+ and BB). The breakdown of the portfolio in terms of market allocation was 92.4% Emerging Markets, 4.4% Developed Markets (US Treasuries) and 3.2% cash. In terms of sector allocation, the Investment Advisor favoured Governments (37.6%) followed by Materials (16.6%) and Energy (15.9%). The modified duration stayed around 6.4 during the month.

In November, the Investment Adviser increased the weight of Mol 2019 and sold the whole position in Eskom 2021 due to a possible lack of support of the South-African government that could lead to a multiple-notch downgrade. A small position (\$ 1 million) in 30y US Treasury was sold at 2.84% (stop-loss level). In terms of geographical breakdown, the top 3 countries were Russia (18.8%), Brazil (10.1%) and India (7.7%). The rating allocation was 45.8% Investment Grade and 49.2% Crossover (BB+ and BB). The breakdown of the portfolio in terms of market allocation was 92.3% Emerging Markets, 2.7% Developed Markets (US Treasuries) and 5.0% cash. In terms of sector allocation, the Investment Adviser favoured Governments (34.0%) followed by Energy (17.0%) and Materials (16.9%). The modified duration decreased from 6.4 to 5.8 during the month.

In December, the Investment Adviser sold the remaining position in 30y TIPS and slightly decreased the positions in two Russian issuers, Gazprom and Vnesheconombank as their weight reached 5%. In terms of geographical breakdown, the top 3 countries were Russia (19.2%), Brazil (10.8%) and India (8.2%). The rating allocation was 50.4% Investment Grade and 47.3% Crossover (BB+ and BB). The breakdown of the portfolio in terms of market allocation was 97.7% Emerging Markets and 2.3% cash. In terms of sector allocation, the Investment Adviser favoured Governments (32.7%) followed by Materials (18.3%) and Energy (18.0%). The modified duration increased slightly from 5.8 to 5.9 during the month. In terms of portfolio diversification, the Sub-Fund held 35 issues from 35 different issuers.

MARKET OUTLOOK

Regarding Europe, the Investment Adviser believes that the ECB will stay ultra-accommodative in the coming months, especially after Brexit. Mr Draghi will not hesitate to implement other non-conventional measures if needed. The economic conditions are slightly improving in the Eurozone but not enough to prompt the ECB to modify its policy and Bund yields to climb substantially. The problem is still low inflation and Mr Draghi has announced a decrease of his inflation forecast in 2018 to 1.8%, still below the ECB target of 2%.

E.I. Sturdza Funds Plc

**Investment Manager's Report (continued)
for the year ended 31 December 2016**

Strategic Quality Emerging Bond Fund (continued)

MARKET OUTLOOK (CONTINUED)

It means that “Super Mario” admits implicitly that the ECB will not reach its goal during the two coming years. Regarding the Fed’s policy, the behaviour of the FOMC in 2016 is still unclear: inflation is low but will increase gradually (due to the base effect after the sharp decrease of oil prices in 2015), oil prices seem to stabilize around \$45, international issues are unclear (Brexit today but do not forget China) and the Fed is still expecting more rate hikes than the market. The Investment Adviser still believes that there will be no more than one rate hike this year and that the probability of a rate cut in December will increase gradually (simultaneously with the probability of a recession in 2017). Emerging Markets will stay volatile but the current environment, with low yields in the US, Europe and Japan, higher commodities and oil prices, stabilisation of emerging currencies and a “not-too-hawkish” Fed leave room for further spread tightening.

Banque Eric Sturdza SA

E.I.Sturdza Strategic Management Limited

January 2017

E.I. Sturdza Funds Plc

Investment Manager's Report (continued) for the year ended 31 December 2016

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 launched at the end of 2016, on 23 December. As such, no performance review has been included.

MARKET OVERVIEW

Last year was characterized by two very distinct phases, the first two months saw the fall of the stock markets due to the fears of a hard landing of the Chinese economy, followed by a slow recovery which gradually gained traction, with sustained volatility from time to time. 2016 was full of very important political events with unexpected outcomes: it turned out that all the events that the consensus judged as "worst case scenario" produced unexpectedly positive market dynamics.

From the political point of view, "Brexit" and the election results in the United States are the direct consequence of a growing intolerance for the consequences of globalization. In the Eurozone periphery the inefficiency of austerity policies allowed the spread of an increasingly "anti – Euro" feeling.

In 2016 a true revolution was experienced, with the recurring themes that characterised the last few years coming to an end. The Central Banks moved towards a new path and language, giving up on the negative rates policy and focusing instead on how to drop out of the huge package of unconventional policies they had put to work.

All these factors, together with the changes potentially introduced by Trump policy, led to a violent sector rotation and to a hint of global rebalancing of investments in stocks and bonds, showing how unbalanced the risk / reward ratio on the bond markets had been.

MARKET OUTLOOK

In 2017 the context is still positive for the equity markets for many reasons: first of all the monetary policies will remain generally accommodative; and secondly, there is still not enough of a tightening effect from rates and inflation. When short-term US rates exceed certain thresholds, it will be particularly critical due to the late stage of the economic cycle. A more defensive portfolio structure will be increasingly appropriate for the second part of the year, as the financial markets may experience some stress and volatility.

Political risk has not fully vanished, the elections scheduled in France, Germany and Italy in 2017 could lead to some volatility, but planning investments from a strategic point of view means analysing the economic context and not focusing on the individual event, especially when talking about European politics, which is, by definition, volatile.

E.I. Sturdza Funds Plc

**Investment Manager's Report (continued)
for the year ended 31 December 2016**

Strategic Beta Flex Fund

MARKET OUTLOOK (CONTINUED)

The first part of the year could be interesting for equity investments and for risky assets in general, even with the anticipated volatility. The revision of inflation expectations is the first positive driver for an equity repricing, and a sustained rise of the risk-free yields will be very favourable for banking and insurance sectors, both for equities and credit.

In the event of a positive global scenario, the European area could offer a benefit in relative terms. For example, with a reduction of the political risk premium, there is the possibility for a repricing of the European valuations and a convergence towards more global ones. In a still very problematic local landscape, with low inflation and lacklustre growth and huge imbalances between "core" and periphery, the main support to the potential upside of European equities will come from the global context. So, as long as the bullish driver comes from outside Europe and as there are no clear sources of internal growth yet, it is desirable that aggressive and effective fiscal policies are put in place as soon as possible, only of course, if the crowded electoral agenda of 2017 will allow it.

The risks to this example are readily identifiable and help to create a positive outlook but with the possibility of substantial increases in volatility during the year.

PORTFOLIO STRATEGY

The Investment Advisor expects that 2017 will show two different trends, one for each semester, so it is ready to adopt two different approaches in the portfolio construction.

In the first semester both macro and behavioural analysis show very interesting targets for the Eurostoxx50 index, so it is estimated to be close to the maximum net exposure allowed. Even if the forecasted scenarios are positive the Investment Adviser believes it will have to actively manage hedging, increasing it tactically from time to time when the equity risk premium shrinks too much or when politics provokes an increase in volatility.

Sofia Gestione del Patrimonio Sgr (Italy)

E.I. Sturdza Strategic Management Limited

January 2017

E.I. Sturdza Funds Plc

Directors' Report for the year ended 31 December 2016

The Directors submit their Annual Report and financial statements for the year ended 31 December 2016.

Activities, Business Review and Future Prospects

The Directors have directed the affairs of the Company in accordance with the Companies Act 2014. A detailed business review is outlined in the Investment Manager's Reports on pages 6-49. Significant events during the year have been disclosed on page on 54-56, including the change in Administrator and Depository during the year.

Risk Management Objectives and Policies

The information in relation to the use by the Company of financial instruments and the financial risk management objectives and policies of the Company and the exposures of the Company to market risk (currency risk, interest rate risk and price risk), liquidity risk and credit risk are outlined in Note 7 to these financial statements.

Key performance indicators monitored by the Directors for each of the Sub-Funds include: NAV timeliness; NAV accuracy; Reconciliations (Cash and Assets); and the Incidents and Errors log.

Results and Dividends

The results for the year are shown in the Statement of Comprehensive Income on pages 64-65. Please see Note 12 of the financial statements for details of dividends approved during the year.

Directors

The Directors of the Company are detailed on page 2.

Directors' Responsibility Statement

The Directors are responsible for preparing the Annual Report and the Company's financial statements, in accordance with applicable law and regulations.

Company Law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and applicable law.

Under Company Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profits for that year.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union ("EU") and ensure that they contain additional information required by the Companies Act 2014; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business for a period of at least 12 months from 31 December 2016.

E.I. Sturdza Funds Plc

Directors' Report (continued) for the year ended 31 December 2016

Directors' Responsibility Statement (continued)

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Under the Central Bank's UCITS Regulations, the Directors are required to entrust the assets of the Company to the Depository for safe-keeping. In carrying out this duty, the Company has delegated custody of the Company's assets to BNY Mellon Trust Company (Ireland) Limited of Guild House, Guild Street, IFSC, Dublin 1, Ireland.

The Central Bank UCITS Regulations came into effect on 1 November 2015. The Central Bank UCITS Regulations consolidate into one location all of the requirements which the Central Bank imposes on UCITS, UCITS management companies and depositories of UCITS. They supplement existing legislative requirements, in particular the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank UCITS Regulations").

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act, 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate Governance Statement

The Company is subject to compliance with the requirements of the Companies Act, 2014 and with, the Central Bank UCITS Regulations, as applicable to the Company. The Company is not subject to the EC (Takeover Bids (Directive 2004/25/EC)) Regulations 2006.

The European Communities (Directive 2006/46/EC) Regulations (S.I. 450 of 2009 and S.I. 83 of 2010) requires the inclusion of a corporate governance statement in the Directors' Report. Relevant information on the Company's governance arrangements for the year ended 31 December 2016 is set out below.

Presently, the Company is subject to corporate governance practices imposed by:

- i) The Memorandum and Articles of Association of the Company;
- ii) The Companies Act, 2014;
- iii) The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and the Central Bank UCITS Regulations issued by the Central Bank; and
- iv) The Irish Stock Exchange ("ISE") Code of Listing Requirements and Procedures.

Copies of all of the above are available for inspection at the Company's registered office at 4th Floor, 76 Baggot Street Lower, Dublin 2, Ireland.

E.I. Sturdza Funds Plc

Directors' Report (continued) for the year ended 31 December 2016

Corporate Governance Statement (continued)

With effect from 1 January 2013, the Directors have adopted the Code on Corporate Governance for Collective Investment Schemes and Management Companies published by the Irish Fund Industry Association (the "IFIA Code"), following an assessment of the measures included in the IFIA Code as being consistent with its existing corporate governance principles and procedures for the financial year. This publication is available from the IFIA website (www.irishfunds.ie).

Internal control and risk management systems in relation to financial reporting

The Directors are responsible for establishing and maintaining adequate internal control and risk management systems in relation to the financial reporting processes of the Company. Such systems are designed to manage, rather than eliminate, the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has procedures in place which are designed to ensure that all relevant accounting records are properly maintained and are readily available, including production of annual and half yearly financial statements. The Board has appointed the Administrator to maintain the accounting records of the Company. The Administrator is authorised and regulated by the Central Bank and must comply with the rules imposed by the Central Bank. From time to time, the Board of Directors receives reports with respect to the Administrator's financial accounting and reporting routines.

The annual and half yearly financial statements of the Company are produced by the Administrator and reviewed by the Investment Manager. They are required to be approved by the Board and the annual and half yearly financial statements of the Company are required to be filed with the Central Bank. As certain shares in the Company are listed on the Irish Stock Exchange (ISE), the annual financial statements of the Company are also required to be filed with the ISE.

The annual financial statements are required to be audited by an independent auditor who reports annually to the Board on their findings. As part of its review procedures, the Board receives presentations from relevant parties including consideration of IFRS accounting standards and their impact on the annual financial statements, and presentations and reports on the audit process. The Board evaluates and discusses significant accounting and reporting issues as the need arises.

Board composition and activities

The Directors of the Company meet regularly to review the business and affairs of the Company and they also discuss and evaluate significant accounting and reporting issues as the need arises. The minimum required number of Directors is two, which is also the minimum number of Directors required for a meeting to take place. At year end there were four non-executive Directors, one of whom is independent and three of whom do not hold an executive function with the Investment Manager or any of its affiliates. One Director resigned effective 31 December 2016. The Directors are listed on page 2.

The business of the Company is managed by the Directors, who are responsible for the Company's overall direction and strategy, including review of investment management performance, administration of the Company's Sub-Funds and compliance with the Company's regulatory requirements. Custody of the Company's assets is maintained by an independent Depository, BNY Mellon Trust Company (Ireland) Limited.

E.I. Sturdza Funds Plc

Directors' Report (continued) for the year ended 31 December 2016

Corporate Governance Statement (continued)

Board composition and activities (continued)

The Board meets at least four times a year, and more frequently if required, to review the operations of the Company, address matters of strategic importance and to receive reports from the Administrator, the Depository and the Investment Manager. During the financial year the Board met fourteen times. A Director may convene a meeting of Directors at any time.

Questions arising at any meeting of the Directors are generally decided by consensus, but majority voting can be used if necessary to reach a decision. If there are an equal number of votes for or against a resolution the Chairman of the meeting can effectively decide the matter by exercising a second or casting vote.

In accordance with the requirements of the Central Bank's UCITS Regulations, all transactions carried out with the Company by the Promoter, Investment Manager, Depository, Investment Advisers and associates/group companies ("connected parties") 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 the UCITS Regulations are applied to all transactions with connected parties and transactions with connected parties entered into during the period complied with the obligations set out in UCITS Regulations.

Dealings with Shareholders

The convening and conduct of Shareholders' meetings are governed by Irish company law and the Memorandum and Articles of Association. Shareholders together holding 5 per cent or more in aggregate of the shares of the Company in issue may at any time request that the directors convene a meeting of Shareholders to consider any matters that may be proposed by the Shareholders requesting the meeting.

A meeting of Shareholders held in accordance with the provisions of the Memorandum and Articles of Association may by a 75% majority of those voting approve a change to the Memorandum and Articles of Association or a proposal to wind up the Company. A simple majority vote is required for most other proposals, including proposals to determine that the Directors shall retire, or to terminate any of its Sub-Funds, and any material change in the investment objective and policies or the investment restrictions set out in the Prospectus issued by the Company.

Twenty one clear days' notice at least of every meeting shall be given to Shareholders in the manner provided in the Memorandum and Articles of Association. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the Chairman or by at least two Members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at the meeting. Unless a poll is so demanded, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

If a poll is duly demanded, it shall be taken in such manner and at such place as the Chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

E.I. Sturdza Funds Plc

Directors' Report (continued) for the year ended 31 December 2016

Compliance Statement

The Directors' of the Company acknowledge their responsibility for ensuring the Company's compliance with relevant obligations. In doing so, they confirm that:

- (i) A compliance policy statement has been prepared and approved by the Board
- (ii) Appropriate arrangements and structures are in place to ensure material compliance with the relevant obligations; and
- (iii) A review of the effectiveness of the procedures and arrangements has been completed during the year.

Principal risks and uncertainties

The Company is an umbrella fund with segregated liability between Sub-Funds. The principal risks facing the Company relate primarily to the holding of financial instruments and markets in which it invests. The most significant types of financial risks to which the Company is exposed are market risk, credit risk and liquidity risk. Market risk includes other price risk, currency risk and interest rate risk. Details of the risks associated with financial instruments are included in Note 7 to the financial statements.

Accounting records

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent service providers. The accounting records are kept at SS&C Financial Services (Ireland) Limited (formerly, GlobeOp Financial Services (Ireland) Limited), 1st Floor, La Touche House, IFSC, Dublin 1, Ireland.

Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' and Secretary's Interests in the Share Capital of the Company

The Company's Secretary did not hold any interest, beneficial or otherwise, in the share capital of the Company during or at the end of the year.

Directors' interests are disclosed in Note 11.

Significant events during the year

The JPY Class A of the Nippon Growth (UCITS) Fund, which had previously been closed to subscriptions, was reopened on 1 January 2016 for new investment, and the performance fee of the class was reduced to 12.5 per cent effective from 1 January 2016.

In relation to the Strategic China Panda Fund securities that were suspended during 2015, Sound Global Limited stock was sold on 22 January 2016. Sihuan Pharmaceuticals resumed trading on 29 February 2016 and was sold in April 2016.

E.I. Sturdza Funds Plc

Directors' Report (continued) for the year ended 31 December 2016

Significant events during the year (continued)

The CHF Institutional Class of Strategic Euro Bond Fund was delisted on 20 January 2016 as a result of the share class being fully redeemed.

On 15 February 2016 Banque Baring Brothers Sturdza S.A. changed its legal and company name to Banque Eric Sturdza S.A.

From 18 March 2016, UCITS V depository liability provisions became effective.

Two new Sub-Funds were launched during the year, Strategic Quality Emerging Bond Fund was approved by the Central Bank of Ireland on 14 April 2016 and Strategic Beta Flex Fund was approved by the Central Bank of Ireland on 12 December 2016.

On 1 July 2016, the performance fees payable to the Investment Manager across the Sub-Funds were reduced as follows:

- For Strategic China Panda Fund the performance fee reduced from 20 per cent to 10 per cent of the relative outperformance for the USD Institutional Class, Hedged Euro Institutional Class, Hedged Sterling Institutional Class and Hedged CHF Institutional Class and from 20 per cent to 15 per cent for USD Class, Hedged Euro Class, Hedged Sterling Class and Hedged CHF Class.
- For Nippon Growth (UCITS) Fund, the performance fee reduced from 20 per cent to 10 per cent of the relative outperformance for the JPY Class D Institutional, Euro Hedged Institutional Class, CHF Hedged Institutional Class, GBP Hedged Institutional Class and USD Hedged Institutional Class and from 20 per cent to 15 per cent for JPY Class B Accumulating, JPY Class C Distributing, Euro Hedged Class, CHF Hedged Class, GBP Hedged Class, USD Hedged Class, Euro Hedged R Class and USD Hedged R Class.
- For Strategic Europe Value Fund, the performance fee reduced from 20 per cent to 15 per cent of the relative outperformance for the Euro Class, GBP Class, CHF Class, USD Class, EUR R Class and USD R Class.
- For Strategic US Momentum and Value Fund, the performance fee reduced from 15 per cent to 10 per cent of the relative outperformance for the USD Institutional Class, EUR Hedged Institutional Class, GBP Hedged Institutional Class and CHF Hedged Institutional Class Shares.
- In the Strategic European Smaller Companies Fund, the performance fee reduced from 20 per cent to 15 per cent of the relative outperformance for the Euro Class, Euro X Class, USD Class, CHF Class Shares.

On 10 August 2016 revised Fund Supplements were issued for the Nippon Growth (UCITS) Fund, the Strategic China Panda Fund, the Strategic European Smaller Companies Fund, the Strategic Europe Value Fund and the Strategic US Momentum and Value Fund primarily to include the following:

- change to the calculation methodology of the performance fee to permit crystallization upon redemption.
- Standardisation of subscription and redemption settlement dates,
- Removal of minimum follow on subscription and redemption criteria.
- Establishment of new share classes.

E.I. Sturdza Funds Plc

Directors' Report (continued) for the year ended 31 December 2016

Significant events during the year (continued)

On 5 September 2016 the Memorandum and Articles of Association were approved by Shareholders and revised to comply with recent and impending legal and regulatory requirements.

On 12 September 2016 a performance fee of 10 per cent of the relative outperformance for the Euro Class, GBP Class, USD Class, CHF Class, Euro Institutional Class, GBP Institutional Class, USD Institutional Class and CHF Institutional Classes of the Strategic Global Quality Fund was introduced.

Following the closure of Strategic Emerging Europe Fund in 2015, the "Withdrawal of Approval" request was submitted to the Central Bank of Ireland, and revocation was completed on 23 September 2016.

On 4 November 2016 the Administrator was changed from HSBC Securities Services (Ireland) Limited, to SS&C Financial Services (Ireland) Limited (formerly, GlobeOp Financial Services (Ireland) Limited). In conjunction with this change, the Depository was changed from HSBC Institutional Services (Ireland) Limited to BNY Mellon Trust Company (Ireland) Limited.

On 7 November 2016 a full consolidation of the Prospectus was undertaken to consolidate all changes which occurred throughout the year. In addition:

- The Strategic Europe Value Fund and the Strategic Global Quality Fund investment policies were updated to permit a maximum of 10% investment in long dated bonds in the event of a downturn in the market;
- There was a reduction to the performance fee charged on the Strategic Europe Value Fund. All share classes with the exception of the super institutional classes now charge a 10% performance fee.

During the year, the following share classes were launched and listed on the Irish Stock Exchange:

Share Class	Launch Date	Date listed on Irish Stock Exchange
Strategic Global Quality Fund - USD Class	16 February 2016	17 February 2016
Strategic Global Quality Fund - CHF Class	7 June 2016	9 June 2016
Strategic Quality Emerging Bond Fund - USD Class	28 April 2016	Not listed
Strategic Quality Emerging Bond Fund - Euro Institutional Class	28 April 2016	Not listed
Strategic Quality Emerging Bond Fund - CHF Class	28 April 2016	Not listed
Strategic Quality Emerging Bond Fund - Euro Class	28 April 2016	Not listed
Strategic Quality Emerging Bond Fund- USD Institutional Class	22 September 2016	Not listed
Strategic Europe Value Fund - USD Class	11 March 2016	15 March 2016
Strategic Europe Value Fund - EUR Super Institutional Class	24 August 2016	29 September 2016
Strategic Europe Value Fund - USD Super Institutional Class	25 August 2016	29 September 2016
Strategic European Smaller Companies – Euro X Class	7 October 2016	20 October 2016
Strategic Beta Flex Fund- Euro Class	23 December 2016	Not listed

Johannes Yntema resigned as a Director of the Company effective 31 December 2016.

E.I. Sturdza Funds Plc

Directors' Report (continued) for the year ended 31 December 2016

Events since the year end

On 12 January 2017, the EUR Institutional Class was launched in Strategic Beta Flex Fund.

A new Sub-Fund, Strategic Opportunities Japan Fund, was approved by the Central Bank of Ireland on 15 February 2017.

Audit Committee

The Company has not established an audit committee. Given the size, nature and complexity of the Company and the existing processes and procedures adopted by the Company, the Directors considered the requirement to have an audit committee and decided to retain responsibility for this function.

Independent Auditors

In accordance with section 383(2) of the Companies Act, 2014, the auditor KPMG, Chartered Accountants and Registered Auditors, will continue in office.

The Directors confirm to the best of their knowledge so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the reasonable steps he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board

Brian Dillon

Denise Kinsella

12 April 2017

REPORT FROM THE DEPOSITORY TO THE SHAREHOLDERS

We have enquired into the conduct of E.I. Sturdza Funds Plc during the period 1 January 2016 to 3 November 2016, in our capacity as Depository to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company, as a body, in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the “UCITS Regulations”), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depository

Our duties and responsibilities are outlined in the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders. Our report shall state whether, in our opinion, the Company has been managed in that period, in accordance with the provisions of the Company’s Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depository must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depository Opinion

The Depository conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Regulations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company’s constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and the UCITS Regulations; and
- (ii) Otherwise in accordance with the provisions of the Memorandum & Articles of Association and the UCITS Regulations.

On behalf of

HSBC Institutional Trust Services (Ireland) DAC
1 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland
4 April 2017

REPORT FROM THE DEPOSITORY TO THE SHAREHOLDERS

For the period from 04 November 2016 to 31 December 2016 (the “**Period**”)

BNY Mellon Trust Company (Ireland) Limited (the “**Depository**” “**us**”, “**we**”, or “**our**”), has enquired into the conduct of E.I. Sturdza Funds plc (the “**Company**”) for the Period ended 31 December 2016, in its capacity as Depository to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company, in accordance with our role as Depository to the Company and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depository

Our duties and responsibilities are outlined in Regulation 34 of the of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended (the “**Regulations**”).

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company’s Memorandum and Articles of Association and the Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not been so managed, we as Depository must state in what respects it has not been so managed and the steps which we have taken in respect thereof.

Basis of Depository Opinion

The Depository conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company’s constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the Regulations.

David Kelly

For and on behalf of BNY Mellon Trust Company (Ireland) Limited,
Guild House,
Guild Street,
IFSC,
Dublin 1.

Independent Auditor's report to the members of E.I. Sturdza Funds Plc

We have audited the financial statements of E.I. Sturdza Funds Plc ("the Company") for the year ended 31 December 2016 which comprise 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 the related notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union. Our audit was conducted in accordance with International Standards on Auditing (UK and Ireland).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2016 and of its changes in net assets attributable to holders of redeemable participating shares for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report, in relation to information given in the Corporate Governance Statement on pages xx-xx, that:

- based on knowledge and understanding of the Company and its environment obtained in the course of our audit, no material misstatements in the information identified above have come to our attention; and
- based on the work undertaken in the course of our audit, in our opinion:
 - the description of the main features of the internal control and risk management systems in relation to the process for preparing the financial statements is consistent with the financial statements and has been prepared in accordance with the Companies Act 2014,
 - the Company is not subject to the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 and therefore not required to include information relating to voting rights and other matters required by those Regulations and specified by the Companies Act 2014 for our consideration in the Corporate Governance Statement,
 - the Corporate Governance Statement contains the information required by the Companies Act 2014.

3 We have nothing to report in respect of matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Independent Auditor's report to the members of E.I. Sturdza Funds Plc (continued)

In addition, the Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities set out on page xx, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

12 April 2017

Colm Clifford

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

1 Harbourmaster Place

IFSC

Dublin 1

Ireland

E.I. Sturdza Funds Plc

Statement of Financial Position as at 31 December 2016

		Strategic China Panda	Strategic Euro Bond	Nippon Growth (UCITS) Fund	Strategic Europe Value Fund	Strategic Global Bond Fund	Strategic US Momentum and Value Fund	Strategic Global Quality Fund	Strategic European Smaller Companies Fund	Strategic Quality Emerging Bond Fund ⁽¹⁾	Strategic Beta Flex Fund ⁽²⁾	
	Notes	Total 2016 EUR	Fund 2016 USD	Fund 2016 EUR	Fund 2016 JPY	Fund 2016 EUR	Fund 2016 USD	Fund 2016 USD	Fund 2016 USD	Fund 2016 EUR	Fund 2016 USD	
Assets												
Cash and cash equivalents		49,736,072	6,066,569	2,094,934	67,718,950	15,665,362	636,398	14,575,366	1,157,603	2,153,422	4,790,924	3,458,319
Financial assets at fair value through profit or loss	4											
- Investment Funds		6,236,940	-	-	-	-	-	-	-	4,094,632	-	2,638,596
- Transferable securities		1,515,998,891	85,814,324	64,716,347	4,149,745,494	921,625,415	63,007,371	203,939,946	57,995,962	59,340,513	49,729,943	-
- Derivative Financial Instruments		932,047	258,168	-	5,386,457	309	5,679	260,251	82,639	-	329,832	-
Subscription receivable		16,588,335	112,161	56,479	-	16,036,372	-	29,491	380,227	695	-	-
Due from broker		6,356,787	539,786	-	-	5,651,833	-	1,263	4,067	188,134	-	-
Dividend and interest receivable		2,358,789	101,499	668,375	7,339,000	453,567	424,396	35,021	130,824	-	549,902	-
Other receivables		129,330	7,018	6,283	2,435,811	18,610	5,988	7,045	53,276	1,141	14,740	-
Total assets		1,598,337,191	92,899,525	67,542,418	4,232,625,712	959,451,468	64,079,832	218,848,383	59,804,598	65,778,537	55,415,341	6,096,915
Liabilities												
Bank Overdraft		-	-	-	55	-	-	-	-	-	-	-
Redemptions payable		33,718,989	315,435	1,441,127	10,950,858	27,570,805	-	602,600	74,431	-	3,878,329	79
Financial liabilities at fair value through profit or loss	4											
- Transferable securities		-	-	-	-	-	-	-	-	-	-	-
- Derivative Financial Instruments		895,543	1,229	14,164	-	192,659	-	725,198	-	-	-	-
Due to broker		2,622,326	-	-	-	-	-	2,765,898	-	-	-	-
Investment management fees payable	5	1,555,904	103,942	38,341	5,000,130	900,276	50,043	263,948	60,359	81,497	42,298	1,578
Performance fees payable	5	399,935	12,531	-	1,444,322	1,291	-	112	1,331	372,971	-	684
Administration fees payable	5	301,791	19,119	14,754	974,685	182,662	14,061	42,441	-	13,322	11,700	342
Depository fees payable	5	235,528	61,416	11,236	2,099,007	93,763	10,952	32,863	-	4,268	9,701	233
Directors' fees payable	5	67,239	4,129	3,071	174,936	43,001	2,899	9,072	-	2,294	2,284	21

See accompanying notes to the financial statements

E.I. Sturdza Funds Plc

Statement of Financial Position as at 31 December 2016 (continued)

	Strategic China Panda Fund 2016 EUR	Strategic Euro Bond Fund 2016 EUR	Nippon Growth (UCITS) Fund 2016 JPY	Strategic Europe Value Fund 2016 EUR	Strategic Global Bond Fund 2016 USD	Strategic US Momentum and Value Fund 2016 USD	Strategic Global Quality Fund 2016 USD	Strategic European Smaller Companies Fund 2016 EUR	Strategic Quality Emerging Bond Fund ⁽¹⁾ 2016 USD	Strategic Beta Flex Fund ⁽²⁾ 2016 EUR
Interest payable	13,334	6,099	21,199	438	55	267	-	3,056	17	-
Sundry payables and accrued expenses	1,758,431	246,612	16,299,864	365,416	77,626	142,943	4,185	61,986	55,194	580,718
Total liabilities	41,569,020	770,512	36,965,056	29,350,311	155,636	4,585,342	140,306	539,394	3,999,523	583,655
Net assets attributable to holders of redeemable participating shares	1,556,768,171	92,129,013	4,195,660,656	930,101,157	63,924,196	214,263,041	59,664,292	65,239,143	51,415,818	5,513,260

On behalf of the Board
Brian Dillon

Denise Kinsella

12 April 2017

⁽¹⁾ For the period 28 April 2016 (commenced operations) to 31 December 2016

⁽²⁾ For the period 23 December 2016 (commenced operations) to 31 December 2016

See accompanying notes to the financial statements

E.I. Sturdza Funds Plc

Statement of Financial Position as at 31 December 2015

		Strategic China Panda Fund 2015 EUR	Strategic Euro Bond Fund 2015 EUR	Nippon Growth (UCITS) Fund 2015 JPY	Strategic Emerging Europe Fund ⁽¹⁾ 2015 USD	Strategic Europe Value Fund 2015 EUR	Strategic Global Bond Fund 2015 USD	Strategic US Momentum and Value Fund 2015 USD	Strategic Global Quality Fund 2015 USD	Strategic European Smaller Companies Fund 2015 EUR	
Assets											
Cash and cash equivalents		48,913,519	8,798,695	2,309,882	411,506,165	-	18,085,897	3,136,445	14,334,155	274,732	926,124
Financial assets at fair value through profit or loss	4										
- Transferable securities		1,721,267,562	145,050,864	122,213,555	21,558,306,996	-	888,020,486	90,650,310	308,095,280	12,470,123	33,742,936
- Derivative Financial Instruments		19,079,710	19,747,628	-	1,088,278	-	675,204	77,453	155,000	-	-
Subscription receivable		6,577,572	136,029	79,694	-	-	5,932,256	-	-	328,520	137,900
Due from broker		42,112,143	7,432,595	865,433	-	-	11,542	251,525	36,956,926	-	133,017
Dividends and interest receivable		3,270,158	62,926	1,592,956	27,725,869	-	483,088	878,575	104,487	20,294	-
Other receivables		86,488	32,448	4,378	882,446	-	13,827	4,603	6,977	22,564	211
Total assets		1,841,307,152	181,261,185	127,065,898	21,999,509,754	-	913,222,300	94,998,911	359,652,825	13,116,233	34,940,188
Liabilities											
Redemptions payable		4,416,646	12,797	71,496	220,374,843	-	2,563,617	-	7,986	-	74,478
Financial liabilities at fair value through profit or loss	4	-	-	-	-	-	-	-	-	-	-
- Derivative Financial Instruments		2,171,732	170,494	178,089	75,457,379	-	459,270	65,054	791,990	11,231	-
Due to broker		35,066,718	6,260,566	-	-	-	-	-	31,825,396	-	-
Investment management fees payable	5	1,791,725	200,025	67,844	23,613,904	-	868,213	74,163	400,682	10,604	43,668
Performance fees payable	5	13,173,467	795,500	-	2	-	12,050,740	-	-	-	390,290
Administration fees payable	5	289,177	33,655	23,075	3,957,328	-	123,476	18,260	59,060	-	10,138
Depository fees payable	5	147,700	16,066	11,026	1,897,646	-	54,197	8,624	28,604	-	18,873
Directors' fees payable	5	73,907	8,474	5,889	1,018,339	-	32,766	4,761	14,913	-	1,536
Interest payable		2,136	-	-	-	-	-	-	-	-	2,136
Sundry payables and accrued expenses		1,190,697	223,825	202,444	21,623,253	-	223,913	186,757	205,351	-	31,617
Total liabilities		58,323,905	7,721,402	559,863	347,942,694	-	16,376,192	357,619	33,333,982	21,835	572,736
Net assets attributable to holders of redeemable participating shares		1,782,983,247	173,539,783	126,506,035	21,651,567,060	-	896,846,108	94,641,292	326,318,843	13,094,398	34,367,452

⁽¹⁾ Strategic Emerging Europe Fund was terminated on 21 July 2015

See accompanying notes to the financial statements

E.I. Sturdza Funds Plc

Statement of Comprehensive Income for the year ended 31 December 2016

		Strategic China Panda Fund	Strategic Euro Bond Fund	Nippon Growth (UCITS) Fund	Strategic Europe Value Fund	Strategic Global Bond Fund	Strategic US Momentum and Value Fund	Strategic Global Quality Fund	Strategic European Smaller Companies Fund	Strategic Quality Emerging Bond Fund ⁽¹⁾	Strategic Beta Flex Fund ⁽²⁾
	Total	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016
Notes	EUR	USD	EUR	JPY	EUR	USD	USD	USD	EUR	USD	EUR
Income from operating activities											
Interest income	5,421,489	-	2,050,678	-	-	2,271,438	29	-	-	1,449,136	-
Dividend income	30,808,311	2,446,534	-	143,560,571	24,694,063	-	1,546,526	836,039	546,463	-	-
Other income	1,058,156	98,630	740,081	2,348,089	169,780	618	25,505	5,663	10,632	-	-
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	4 (120,006,171)	(7,882,489)	(980,796)	(2,756,727,733)	(81,350,640)	(857,859)	(7,915,566)	(4,336,421)	6,842,213	(2,877,275)	11,596
Net gain/(loss) on foreign exchange	677,204	(22,920)	34,123	(3,928,143)	802,674	(12,674)	452	(64,307)	(8,931)	(30,833)	6
Total income/(expense) from operating activities	(82,041,011)	(5,360,245)	1,844,086	(2,614,747,216)	(55,684,123)	1,401,523	(6,343,054)	(3,559,026)	7,390,377	(1,458,972)	11,602
Expenses											
Investment management fees	5 19,489,423	1,532,601	597,733	87,179,521	11,705,907	716,477	3,456,737	479,615	576,292	308,749	1,578
Performance fees	5 6,741,515	12,508	-	1,444,373	6,020,750	-	123	1,330	695,433	-	684
Administration fees	5 1,573,558	119,685	96,059	7,300,190	924,345	82,998	250,772	7,797	38,077	39,950	346
Depository fees	5 1,040,304	154,786	64,769	6,970,812	531,819	55,867	162,929	5,564	18,119	26,433	235
Directors' fees	5 282,795	17,645	14,805	757,474	187,833	12,147	38,297	-	6,498	6,244	21
Consulting fees	5 55,571	1,447	2,780	139,628	38,409	2,316	7,203	-	2,128	1,220	54
Audit fees	14 135,137	10,691	7,101	2,195,707	77,811	1,580	18,758	-	2,625	1,372	3
Legal and other professional fees	206,988	21,487	21,375	2,554,512	98,860	15,617	9,324	257	12,581	11,582	160
Other expenses	5 1,630,440	255,702	103,064	15,068,225	675,453	84,036	199,765	89,969	79,641	83,968	730
Total expenses	31,155,731	2,126,552	907,686	123,610,442	20,261,187	971,038	4,143,908	584,532	1,431,394	479,518	3,811

See accompanying notes to the financial statements

E.I. Sturdza Funds Plc

Statement of Comprehensive Income (continued) for the year ended 31 December 2016

<i>Notes</i>	Total 2016 EUR	Strategic China Panda Fund 2016 USD	Strategic Euro Bond Fund 2016 EUR	Nippon Growth (UCITS) Fund 2016 JPY	Strategic Europe Value Fund 2016 EUR	Strategic Global Bond Fund 2016 USD	Strategic US Momentum and Value Fund 2016 USD	Strategic Global Quality Fund 2016 USD	Strategic European Smaller Companies Fund 2016 EUR	Strategic Quality Emerging Bond Fund⁽¹⁾ 2016 USD	Strategic Beta Flex Fund⁽²⁾ 2016 EUR
Foreign exchange gain on translation	3(e) 24,605,860	-	-	-	-	-	-	-	-	-	-
Operating Profit/(loss)	(88,590,882)	(7,486,797)	936,400	(2,738,357,658)	(75,945,310)	430,485	(10,486,962)	(4,143,558)	5,958,983	(1,938,490)	7,791
Finance costs											
Interest expense	119,056	10,087	10,252	164,550	79,184	7,611	2,265	2,048	7,116	568	681
Dividends to holders of redeemable participating shares	12 439,574	-	78,207	-	361,367	-	-	-	-	-	-
Increase/(decrease) in net assets attributable to holders of redeemable participating shares	558,630	10,087	88,459	164,550	440,551	7,611	2,265	2,048	7,116	568	681
Withholding tax on interest income	20,067	-	76	-	-	21,127	-	-	-	938	-
Withholding tax on dividend income	3,275,439	50,317	-	21,986,323	2,457,115	-	492,516	82,252	69,345	-	-
Increase/(decrease) in net assets attributable to holders of redeemable participating shares	(92,445,018)	(7,547,201)	847,865	(2,760,508,531)	(78,842,976)	401,747	(10,981,743)	(4,227,858)	5,882,522	(1,939,996)	7,110

⁽¹⁾ For the period 28 April 2016 (commenced operations) to 31 December 2016

⁽²⁾ For the period 23 December 2016 (commenced operations) to 31 December 2016.

E.I. Sturdza Funds Plc

Statement of Comprehensive Income for the year ended 31 December 2015

		Strategic China Panda Fund 2015 EUR	Strategic Euro Bond Fund 2015 EUR	Nippon Growth Fund (UCITS) Fund 2015 JPY	Strategic Emerging Europe Fund ⁽¹⁾ Fund 2015 USD	Strategic Europe Value Fund 2015 EUR	Strategic Global Bond Fund 2015 USD	Strategic US Momentum and Value Fund 2015 USD	Strategic Global Quality Fund 2015 USD	Strategic European Smaller Companies Fund ⁽²⁾ Fund 2015 EUR
Income from operating activities										
Interest income		6,630,370	-	2,693,398	-	225,256	-	4,119,160	-	-
Dividend income		20,423,641	4,061,836	-	487,800,452	992,946	9,780,773	-	2,193,855	148,302
Other income		1,346,978	508,212	1,456	6,936,622	631,744	218,847	1,405	8,660	-
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	4	82,923,788	(5,750,935)	(2,188,394)	(366,997,384)	5,660,252	109,918,513	(4,981,268)	(20,527,204)	928,976
Net gain/(loss) on foreign exchange		107,487	45,413	3,046	(644,390)	53,066	(19,486)	12,547	17,854	9,941
Total income/(expense) from operating activities		111,432,264	(1,135,474)	509,506	127,095,300	7,563,264	119,898,647	(848,156)	(18,306,835)	1,087,219
Expenses										
Investment management fees	5	18,471,720	3,446,145	840,413	305,068,095	208,208	6,362,759	1,063,647	4,753,557	71,028
Performance fees	5	17,102,160	1,164,929	-	4,695,974	2,632	14,061,589	-	1,718,191	-
Administration fees	5	1,774,697	328,696	158,230	28,314,151	36,673	581,387	141,892	368,905	-
Depository fees	5	1,016,629	232,925	78,651	15,718,705	66,905	274,831	73,581	196,569	-
Directors fees	5	293,552	46,799	24,331	4,652,481	4,189	105,476	22,852	62,961	-
Consulting fees	5	64,462	13,848	3,855	736,970	1,513	27,969	3,644	10,241	-
Audit fees	14	123,367	21,511	11,661	2,018,866	6,636	36,429	11,502	24,790	439
Legal and other professional fees		513,879	124,696	51,781	8,157,545	2,715	130,108	39,262	118,941	-
Termination expenses		88,044	-	-	-	97,156	-	-	-	-
Other expenses		983,284	349,259	92,636	13,968,490	178,262	82,265	94,673	93,539	17,322
Total expenses		40,431,794	5,728,808	1,261,558	383,331,277	604,889	21,662,813	1,451,053	7,347,694	88,789
Foreign exchange gain on translation	3(e)	93,330,015	-	-	-	-	-	-	-	-
Operating profit/(loss)		164,330,485	(6,864,282)	(752,052)	(256,235,977)	6,958,375	98,235,834	(2,299,209)	(25,654,529)	998,430

See accompanying notes to the financial statements

E.I. Sturdza Funds Plc

Statement of Comprehensive Income (continued) For the year ended 31 December 2015

	Notes	Total 2015 EUR	Strategic China Panda Fund 2015 USD	Strategic Euro Bond Fund 2015 EUR	Nippon Growth (UCITS) Fund 2015 JPY	Strategic Emerging Europe Fund ⁽¹⁾ 2015 USD	Strategic Europe Value Fund 2015 EUR	Strategic Global Bond Fund 2015 USD	Strategic US Momentum and Value Fund 2015 USD	Strategic Global Quality Fund 2015 USD	Strategic European Smaller Companies Fund 2015 ⁽²⁾ EUR
Finance costs											
Interest expense		22,572	9,665	6,354	115,692	160	2,606	-	1,707	72	2,230
Dividends to holders of redeemable participating shares	12	187,531	-	187,531	-	-	-	-	-	-	-
Increase/(decrease) in net assets attributable to holders of redeemable participating shares before tax		164,120,382	(6,873,947)	(945,937)	(256,351,669)	6,958,215	98,233,228	(2,299,209)	(25,656,236)	998,358	(224,408)
Withholding tax on interest income		-	-	-	-	-	-	-	-	-	-
Withholding tax on dividend income		2,603,995	69,865	-	69,105,119	35,768	1,367,518	-	600,048	27,852	54,167
Increase/(decrease) in net assets attributable to holders of redeemable participating shares		161,516,387	(6,943,812)	(945,937)	(325,456,788)	6,922,447	96,865,710	(2,299,209)	(26,256,284)	970,506	(278,575)

¹Strategic Emerging Europe Fund terminated on 21 July 2015.

²For the period 5 May 2015 (commenced operations) to 31 December 2015

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 year ended 31 December 2016

	Strategic China Panda Fund 2016 USD	Strategic Euro Bond Fund 2016 EUR	Nippon Growth (UCITS) Fund 2016 JPY	Strategic Europe Value Fund 2016 EUR	Strategic Global Bond Fund 2016 USD	Strategic US Momentum and Value Fund 2016 USD	Strategic Global Quality Fund 2016 USD	Strategic European Smaller Companies Fund 2016 EUR	Strategic Quality Emerging Bond Fund ⁽¹⁾ 2016 USD	Strategic Beta Flex Fund ⁽²⁾ 2016 EUR
Net assets attributable to redeemable participating shares at beginning of year/period	173,539,783	126,506,035	21,651,567,060	896,846,108	94,641,292	326,318,843	13,094,398	34,367,452	-	-
Proceeds from redeemable participating shares issued:										
- USD Class	3,143,067	-	-	1,706,046	8,515,804	6,324,014	19,935,604	-	26,582,186	-
- Euro Class	-	-	-	136,355,875	-	-	-	24,731,219	14,838,746	5,506,150
- Eurp Class X	-	-	-	-	-	-	-	10,099,473	-	-
- Hedged Euro Class	1,472,940	-	17,476,032	-	-	389,005	-	-	-	-
- Euro Distributing Class	-	105,470	-	-	-	-	-	-	-	-
- Euro Accumulating Class	-	5,162,085	-	-	-	-	-	-	-	-
- JPY Class B Accumulating	-	-	125,124,500	-	-	-	-	-	-	-
- EUR Institutional Class	-	13,705,476	-	418,386,646	-	-	-	-	3,314,562	-
- CHF Accumulating Class	-	1,517,371	-	-	-	-	-	-	-	-
- Euro Hedged Institutional Class	3,319,735	-	62,125,120	-	-	-	-	-	-	-
- Hedged CHF Class	-	-	-	-	-	816,420	-	-	-	-
- USD Institutional Class	12,696,726	-	-	7,019,632	-	7,678,535	30,575,477	-	6,500,000	-
- USD Super Institutional Class	-	-	-	2,217,508	-	-	-	-	-	-
- GBP Institutional Class	-	-	-	1,536,294	-	-	-	-	-	-
- CHF Class	-	-	-	9,775,125	-	-	8,015,909	-	12,291,696	-
- Euro Retail Class	-	-	-	10,685,869	-	-	-	-	-	-
- Euro Super Institutional Class	-	-	-	158,373,889	-	-	-	-	-	-
- Euro Institutional Distributing Class	-	-	-	27,864,103	-	-	-	-	-	-
Total proceeds from redeemable participating shares issued	20,632,468	20,490,402	204,725,652	773,920,987	8,515,804	15,207,974	58,526,990	34,830,692	63,527,190	5,506,150

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 year ended 31 December 2016 (continued)

	Strategic China Panda Fund 2016 USD	Strategic Euro Bond Fund 2016 EUR	Nippon Growth (UCITS) Fund 2016 JPY	Strategic Europe Value Fund 2016 EUR	Strategic Global Bond Fund 2016 USD	Strategic US Momentum and Value Fund 2016 USD	Strategic Global Quality Fund 2016 USD	Strategic European Smaller Companies Fund 2016 EUR	Strategic Quality Emerging Bond Fund ⁽¹⁾ 2016 USD	Strategic Beta Flex Fund ⁽²⁾ 2016 EUR
Payment on the redemption of participating shares:										
- USD Class	(32,984,044)	-	-	(470,341)	(28,909,412)	(75,687,855)	(1,838,676)	-	(7,025,049)	-
- Hedged Euro Class	(22,887,296)	-	(2,104,329,195)	-	-	(13,992,248)	-	-	-	-
- Hedged Streling Class	(348,758)	-	-	-	-	-	-	-	-	-
- Euro Distributing Class	-	(6,707,990)	-	-	-	-	-	-	-	-
- Euro Super Institutional Class	-	-	-	(4,157,774)	-	-	-	-	-	-
- Euro Accumulating Class	-	(20,307,657)	-	-	-	-	-	-	-	-
- JPY Class A	-	-	(219,242,355)	-	-	-	-	-	-	-
- JPY Class B Accumulating	-	-	(4,353,776,225)	-	-	-	-	-	-	-
- RMB Class	-	-	-	-	(10,725,235)	-	-	-	-	-
- EUR Institutional Class	-	(44,812,215)	-	(423,956,546)	-	-	-	-	-	-
- Euro Institutional Distributing Class	-	-	-	(54,115,086)	-	-	-	-	-	-
- Euro Retail Class	-	-	-	(2,309,685)	-	-	-	-	-	-
- Euro Hedged Institutional Class	-	-	(151,788,877)	-	-	-	-	-	-	-
- CHF Accumulating Class	-	(9,757,167)	-	-	-	-	-	-	-	-
- CHF Class	-	-	-	(20,706,178)	-	-	(230,023)	-	(1,793,353)	-
- JPY Class D Institutional	-	-	(5,747,703,812)	-	-	-	-	-	-	-
- USD Institutional Class	(29,645,908)	-	-	(13,693,801)	-	(19,316,247)	(5,660,539)	-	-	-
- USD Super Institutional Class	-	-	-	(50,513)	-	-	-	-	-	-
- GBP Institutional Class	-	-	(2,323,283,061)	(1,528,888)	-	-	-	-	-	-
- CHF Institutional Class	-	(361,699)	-	-	-	-	-	-	-	-
- Hedged CHF Class	-	-	-	-	-	(7,285,683)	-	-	-	-
- Euro Class	-	-	-	(140,834,150)	-	-	-	(9,841,523)	(1,352,974)	-
- Euro Hedged Institutional Class	(8,630,031)	-	-	-	-	-	-	-	-	-
Total payment on the redemption of participating shares	(94,496,037)	(81,946,728)	(14,900,123,525)	(661,822,962)	(39,634,647)	(116,282,033)	(7,729,238)	(9,841,523)	(10,171,376)	-

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 year ended 31 December 2016

	Strategic China Panda Fund 2016 USD	Strategic Euro Bond Fund 2016 EUR	Nippon Growth (UCITS) Fund 2016 JPY	Strategic Europe Value Fund 2016 EUR	Strategic Global Bond Fund 2016 USD	Strategic US Momentum and Value Fund 2016 USD	Strategic Global Quality Fund 2016 USD	Strategic European Smaller Companies Fund 2016 EUR	Strategic Quality Emerging Bond Fund ⁽¹⁾ 2016 USD	Strategic Beta Flex Fund ⁽²⁾ 2016 EUR
(Decrease)/Increase in net assets attributable to holders of redeemable participating shares from operations	(7,547,201)	847,865	(2,760,508,531)	(78,842,976)	401,747	(10,981,743)	(4,227,858)	5,882,522	(1,939,996)	7,110
Net assets attributable to redeemable participating shares at end of year/period	92,129,013	65,897,574	4,195,660,656	930,101,157	63,924,196	214,263,041	59,664,292	65,239,143	51,415,818	5,513,260

⁽¹⁾ For the period 28 April 2016 (commencement of operations) to 31 December 2016

⁽²⁾ For the period 23 December 2016 (commenced operations) to 31 December 2016

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 year ended 31 December 2015

	Strategic China Panda Fund 2015 USD	Strategic Euro Bond Fund 2015 EUR	Nippon Growth (UCITS) Fund 2015 JPY	Strategic Emerging Europe Fund ⁽¹⁾ 2015 USD	Strategic Europe Value Fund 2015 EUR	Strategic Global Bond Fund 2015 USD	Strategic US Momentum and Value Fund 2015 USD	Strategic Global Quality Fund 2015 USD	Strategic European Smaller Companies Fund 2015 ⁽²⁾ EUR
Net assets attributable to redeemable participating shares at beginning of year	366,572,309	111,564,523	21,318,487,451	78,401,391	248,696,174	115,460,846	286,441,996	5,056,567	-
Proceeds from redeemable participating shares issued:									
- USD Class	35,028,001	-	-	520,088	-	25,792,831	95,404,530	-	-
- Euro Class	-	-	-	-	224,610,326	-	-	-	38,614,662
- Euro Hedged Class	7,522,708	-	541,505,862	214,001	-	-	15,759,323	-	-
- Hedged Sterling Class	268,653	-	-	-	-	-	-	-	-
- Euro Distributing Class	-	1,358,175	-	-	-	-	-	-	-
- Euro Accumulating Class	-	7,329,445	-	-	-	-	-	-	-
- JPY Class B	-	-	4,529,249,995	-	-	-	-	-	-
- RMB Class	-	-	-	-	-	565,910	-	-	-
- EUR Institutional Class	-	48,849,185	-	-	360,302,015	-	-	-	-
- CHF Accumulating Class	-	5,531,757	-	-	-	-	-	-	-
- Euro Hedged Institutional Class	7,856,452	-	520,454,376	-	-	-	-	-	-
- JPY Class D Institutional	-	-	3,033,038,748	-	-	-	-	-	-
- CHF Hedged Class	-	-	-	-	-	-	17,684,707	-	-
- USD Institutional Class	17,578,010	-	-	-	10,245,696	-	38,198,533	7,172,598	-
- USD Select Institutional Class	-	-	-	12,347,493	-	-	-	-	-
- GBP Institutional Class	-	-	-	-	11,185,481	-	-	-	-
- GBP Hedged Institutional Class	-	-	442,393,456	-	-	-	-	-	-
- CHF Class	-	-	-	-	21,021,105	-	-	-	-
- Euro Retail Class	-	-	-	-	9,850	-	-	-	-
- Euro Institutional Distributing class	-	-	-	-	50,521,549	-	-	-	-
Total proceeds from redeemable participating shares issued	68,253,824	63,068,562	9,066,642,437	13,081,582	677,896,022	26,358,741	167,047,093	7,172,598	38,614,662

See accompanying notes to the financial statements

E.I. Sturza Funds Plc

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued) For the year ended 31 December 2015

	Strategic China Panda Fund 2015 USD	Strategic Euro Bond Fund 2015 EUR	Nippon Growth (UCITS) Fund 2015 JPY	Strategic Emerging Europe Fund ⁽¹⁾ 2015 USD	Strategic Europe Value Fund 2015 EUR	Strategic Global Bond Fund 2015 USD	Strategic US Momentum and Value Fund 2015 USD	Strategic Global Quality Fund 2015 USD	Strategic European Smaller Companies Fund ⁽²⁾ 2015 EUR
Payment on the redemption of participating shares:									
- USD Class	(161,842,893)	-	-	(7,144,058)	-	(33,552,742)	(64,115,036)	-	-
- Euro Hedged Class	(43,565,696)	-	(1,028,308,784)	(13,130,704)	-	-	(21,822,505)	-	-
- Hedged Sterling Class	(468,393)	-	-	-	-	-	-	-	-
- Euro Distributing Class	-	(8,024,301)	-	-	-	-	-	-	-
- Euro Accumulating Class	-	(15,564,621)	-	-	-	-	-	-	-
- JPY Class A	-	-	(140,913,812)	-	-	-	-	-	-
- JPY Class B	-	-	(3,921,835,863)	-	-	-	-	-	-
- JPY Class C	-	-	(32,819,200)	-	-	-	-	-	-
- RMB Class	-	-	-	-	-	(11,326,344)	-	-	-
- EUR Institutional Class	-	(15,322,368)	-	-	(34,892,797)	-	-	-	-
- CHF Accumulating Class	-	(6,284,647)	-	-	-	-	-	-	-
- CHF Class	-	-	-	-	(11,889,952)	-	-	-	-
- JPY Class D Institutional	-	-	(2,135,799,578)	-	-	-	-	-	-
- USD Institutional Class	(48,280,811)	-	-	(1,663,026)	-	-	(364,424)	(105,273)	-
- USD Select Institutional Class	-	-	-	(76,467,632)	-	-	-	-	-
- GBP Institutional Class	-	-	-	-	(406,761)	-	-	-	-
- GBP Hedged Institutional Class	-	-	(414,248,897)	-	-	-	-	-	-
- CHF Institutional Class	-	(1,985,176)	-	-	-	-	-	-	-
- CHF Hedged Class	-	-	-	-	-	-	(14,611,997)	-	-
- Euro Class	-	-	-	-	(79,422,288)	-	-	-	(3,968,635)
- Euro Hedged Institutional Class	(184,745)	-	(734,179,906)	-	-	-	-	-	-
Total payment on the redemption of participating shares (Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations	(254,342,538)	(47,181,113)	(8,408,106,040)	(98,405,420)	(126,611,798)	(44,879,086)	(100,913,962)	(105,273)	(3,968,635)
Net assets attributable to redeemable participating shares at the end of year	(6,943,812)	(945,937)	(325,456,788)	6,922,447	96,865,710	(2,299,209)	(26,256,284)	970,506	(278,575)
	173,539,783	126,506,035	21,651,567,060	-	896,846,108	94,641,292	326,318,843	13,094,398	34,367,452

¹Strategic Emerging Europe Fund terminated on 21 July 2015.

²For the period 5 May 2015 (commenced operations) to 31 December 2015

See accompanying notes to the financial statements

E.I. Sturdza Funds Plc

Statement of Cash Flows for the year ended 31 December 2016

	Total 2016 EUR	Total 2015 EUR
Cash flows from operating activities		
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations	(92,445,018)	161,516,387
<i>Adjustment to reconcile (decrease)/ increase in net assets attributable to Redeemable participating shares to net cash used in operating activities:-</i>		
Net decrease /(increase) in receivables	36,623,883	(7,023,339)
Net (decrease) /increase in liabilities	(44,781,039)	2,383,212
Net decrease /(increase) in investments	215,903,205	(554,458,613)
Net cash inflow/(outflow) from operations	115,301,031	(397,582,353)
Cash flows from financing activities		
Proceeds on issue of participating redeemable shares	976,707,695	1,096,890,482
Payments on the redemption of redeemable participating shares	(1,091,186,173)	(689,635,086)
Net cash (used in)/provided by financing activities	(114,478,478)	407,255,396
Net movement in cash and cash equivalents	822,553	9,673,043
Cash and cash equivalents at beginning of the year	48,913,519	39,240,476
Cash and cash equivalents at end of the year	49,736,072	48,913,519
Cash and cash equivalents at end of the year is comprised of :		
Cash and cash equivalents	49,736,072	48,913,519
Cash and cash equivalents at end of the year	49,736,072	48,913,519
Supplementary disclosure of cash flow information		
Interest received	6,231,272	7,322,623
Dividend received	30,909,896	19,908,621
Interest paid	(11,198)	(20,436)

E.I. Sturdza Funds Plc

Notes to the Financial Statements for the year ended 31 December 2016

1. General Information

E.I. Sturdza Funds Plc (the “Company”) is an open-ended 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 as a UCITS pursuant to the Central Bank’s UCITS Regulations.

The Company is structured as an umbrella fund consisting of ten Sub-Funds as per the table below namely; Strategic China Panda Fund, Strategic Euro Bond Fund, Nippon Growth (UCITS) Fund, Strategic Europe Value Fund, Strategic Global Bond Fund, Strategic US Momentum and Value Fund, Strategic Global Quality Fund, Strategic European Smaller Companies Fund, Strategic Quality Emerging Bond Fund and Strategic Beta Flex Fund (together “the Sub-Funds”)

Certain share classes of each of the Sub-Funds were listed on the Irish Stock Exchange on the following dates:

	Strategic China Panda Fund	Strategic Euro Bond Fund	Nippon Growth (UCITS) Fund	Strategic Europe Value Fund	Strategic Global Bond Fund	Strategic US Momentum and Value Fund	Strategic Global Quality Fund	Strategic European Smaller Companies Fund	Strategic Quality Emerging Bond Fund	Strategic Beta Flex Fund
CHF Accumulating Class	-	28 Jan 2013	-	-	-	-	-	-	-	-
CHF Class	-	-	-	28 Jan 2013	-	-	9 Jun 2016	-	-	-
CHF Hedged Class	-	-	-	-	-	5 Dec 2013	-	-	-	-
Euro Hedged Class	-	-	-	-	-	5 Dec 2013	-	-	-	-
Euro Accumulating Class	-	28 Apr 2009	-	-	-	-	-	-	-	-
Euro Class	-	-	-	1 Nov 2010	-	-	-	6 May 2015	-	-
Euro Class X	-	-	-	-	-	-	-	20 Oct 2016	-	-
Euro Distributing Class	-	28 Apr 2009	-	-	-	-	-	-	-	-
Euro Hedged Class	-	-	17 May 2013	-	-	-	-	-	-	-
Euro Hedged Institutional Class	6 Aug 2015	-	2 Apr 2013	-	-	-	-	-	-	-
Euro Institutional Class	-	7 Jan 2013	-	7 Jan 2013	-	-	-	-	-	-
GBP Institutional Class	-	-	-	1 Jul 2014	-	-	-	-	-	-
Hedged Euro Class	2 Oct 2008	-	-	-	-	-	-	-	-	-
Hedged Sterling Class	2 Oct 2008	-	-	-	-	-	-	-	-	-
JPY Class A	-	-	27 Oct 2009	-	-	-	-	-	-	-

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

1. General Information (continued)

	Strategic China Panda Fund	Strategic Euro Bond Fund	Nippon Growth (UCITS) Fund	Strategic Europe Value Fund	Strategic Global Bond Fund	Strategic US Momentum and Value Fund	Strategic Global Quality Fund	Strategic European Smaller Companies Fund	Strategic Quality Emerging Bond Fund	Strategic Beta Flex Fund
JPY Class B Accumulating	-	-	18 Jan 2010	-	-	-	-	-	-	-
JPY Class D Institutional	-	-	27 May 2013	-	-	-	-	-	-	-
RMB Class	-	-	-	-	18 Jul 2012	-	-	-	-	-
USD Class	2 Oct 2008	-	-	15 Mar 2016	12 Jun 2012	2 Jul 2012	17 Feb 2016	-	-	-
USD Institutional Class	13 Mar 2014	-	-	4 Dec 2015	-	30 Jun 2014	30 Dec 2014	-	-	-
Euro Institutional Distributing Class	-	-	-	11 Nov 2015	-	-	-	-	-	-
Euro Retail Class	-	-	-	18 Dec 2015	-	-	-	-	-	-
Euro Super Institutional Class	-	-	-	29 Sep 2016	-	-	-	-	-	-
USD Super Institutional Class	-	-	-	29 Sep 2016	-	-	-	-	-	-

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

2. Basis of preparation

(a) Statement of compliance

The Financial Statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and interpretations adopted by the International Accounting Standards Board (IASB).

The accounting policies set out in note 3 have been applied in preparing the financial statements for the financial year ended 31 December 2016. The comparative information for the financial year ended 31 December 2015 presented in these financial statements have been prepared on consistent basis. These financial statements have been prepared on a going concern basis.

These financial statements are also prepared in accordance with the Companies Act, 2014.

(b) Basis of measurement

The financial statements have been prepared on an historical cost basis, except for financial instruments classified at fair value through profit or loss that have been measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Euro (€), which is the Company's functional currency (Note 3(e)).

(d) Use of estimates and judgments

The preparation of financial statements, in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

For financial instruments, where a quoted price is not available the Directors use a variety of techniques and make assumptions that are based on market conditions existing at the statement of financial position date, further details of which are outlined in Note 3(a)(iv) of the financial statements.

3. Significant Accounting Policies

The significant accounting policies adopted by the Company are as follows:

(a) Financial instruments

(i) Classification

The Company has classified its investments into the financial assets and liabilities at fair value through profit or loss category in accordance with International Accounting Standards ("IAS") 39.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

3. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(i) Classification (continued)

This category has two sub-categories: financial assets and liabilities held for trading, and those designated as at fair value through profit or loss upon initial recognition. Financial assets or liabilities held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short term. All investments and derivative contracts have been categorised as held for trading.

(ii) Recognition and initial measurement

Financial assets and liabilities at fair value through profit and loss are recognised initially on the trade date at which the Company becomes a party to contracted provisions of the instruments. Other financial assets and liabilities are recognised on the date they are originated.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in the profit and loss. Financial assets or financial liabilities not at fair value through profit and loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(iii) Derecognition

A financial asset is derecognised when the Company no longer has control over the contractual rights that comprise that asset. This occurs when the contractual rights to the cash flow from the asset expire or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. A financial liability is derecognised when it is extinguished or when the obligation specified in the contract is discharged, cancelled or expired. Assets held for trading that are sold are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Company commits to sell the assets.

(iv) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss, at their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When available the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is considered to be “active” if transactions for that asset or liability take place with sufficient frequency and value to provide pricing information on an ongoing basis.

If a quoted market price is not available on a recognised stock exchange or from a reputable broker/counterparty, the fair value of the financial instruments may be estimated by the Directors using valuation techniques, including use of recent arm’s length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

3. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(iv) Subsequent measurement (continued)

Where discounted cash flow techniques are used, estimated future cash flows are based on the Directors' best estimates and the discount rate used is a market rate at the Statement of Financial Position date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data available at the Statement of Financial Position date. Fair values for unquoted equity investments are estimated, if possible, using price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are included in the Statement of Comprehensive Income in the year in which they arise.

Realised gains and losses are calculated using the average cost method for Strategic China Panda Fund, Strategic Euro Bond Fund, Nippon Growth (UCITS) Fund, Strategic Europe Value Fund and for Strategic US Momentum and Value Fund. Strategic Global Bond Fund, Strategic Global Quality Fund, Strategic European Smaller Companies Fund, Strategic Quality Emerging Bond Fund and Strategic Beta Flex Fund using FIFO method. Net gain on financial assets and liabilities at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences but excludes interest on cash and cash equivalents and dividend income.

Interest earned on fixed income securities is recorded on an effective interest rate basis (EIR) and is included as a gain on financial assets and liabilities at fair value through profit or loss for the Strategic Euro Bond Fund, the Strategic Global Bond Fund, and Strategic Quality Emerging Bond Fund.

(v) Specific instruments

Forward foreign exchange contracts

Forward foreign exchange contracts are fair valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward foreign exchange contracts is calculated as the difference between the forward rate for the transaction specified in the contract and the forward rate on the valuation date as reported in published sources, multiplied by the face amount of the forward contract. Any resulting unrealised gains are recorded as assets and losses as liabilities in the Statement of Financial Position. Realised gains and losses are recognised in the Statement of Comprehensive Income at the time the forward foreign exchange contract settles. Realised and unrealised gains and losses applicable to forward foreign exchange contracts entered into at Sub-Funds level are allocated at Sub-Fund level.

Futures Contracts

During a period in which futures contracts are open, changes in the value of the contracts are recognised as unrealised gains and losses by marking-to-market on a daily basis to reflect the value of the contracts at the end of each day's trading. Futures contracts are valued at the settlement price established each day by the exchange on which they are traded and the Company's investment therein, representing unrealised gain or loss on the contracts, is included in the Statement of Financial Position and in the Statement of Comprehensive Income.

Commission charges to open such contracts are expensed at the time that the contracts are opened.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

3. Significant Accounting Policies (continued)

(a) Financial instruments (continued)

(v) Specific instruments (continued)

Options

Options are valued at fair value based on the closing price on the relevant valuation date provided by the relevant counterparty.

The premium on written call options exercised is added to the proceeds from the sale of the underlying security or foreign currency in determining the realised gain or loss. The premium on written put options exercised is subtracted from the cost of the securities or foreign currencies purchased. Premiums received from written options, which expire unexercised, are treated as realised gains. For unsettled positions, unrealised gains or losses are recognised in the Statement of Comprehensive Income.

Equitised participation notes

Equitised participation notes are valued at fair value based on the closing price of the underlying reference asset and prevailing spot currency exchange rate on the relevant valuation day. The notes represent an exposure to reference assets such as equity securities.

The Company purchases a fully equitised instrument traded over the counter and designed to replicate the performance of the underlying reference asset, similar to a total return swap but issued in note form and traded over the counter with a selected market counterparty. Although the fair value of the participation note varies dependent on the fair value of the underlying reference asset the participation note also bears a degree of credit risk in addition to the market risk of the underlying reference asset as a result of the exposure to the counterparty generated by the over the counter nature of the position.

As at the year end there was no counterparty exposure with respect to equitised participation notes.

(vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in Note 7 when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

The Company holds master netting or similar agreements with BNY Mellon Trust Company (Ireland) Limited and Royal Bank of Scotland for the Strategic China Panda Fund, Strategic Euro Bond Fund, Nippon Growth (UCITS) Fund, Strategic Europe Value Fund, Strategic Global Bond Fund, Strategic US Momentum and Value Fund, Strategic Global Quality Fund, Strategic European Smaller Companies Fund, Strategic Quality Emerging Bond Fund and Strategic Beta Flex Fund. The Company is considered to have a legally enforceable right to set-off recognised amounts as further described in Note 7 to the financial statements, however it is not expected to realise the relevant assets and settle the liabilities simultaneously and therefore has not offset the relevant financial assets and liabilities under such agreements. During the year the Company also held a master netting agreement or similar with HSBC Bank plc.

(b) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value, and are held for the purpose of the meeting short-term cash commitments rather than for investments or other purposes.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

3. Significant Accounting Policies (continued)

(c) Taxation

Dividends, interest and capital gains (if any) received on investments made by the Sub-Funds may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Sub-Funds or its shareholders.

Income that is subject to such tax is recognised gross of the taxes and the corresponding withholding tax is recognised as a tax expense.

(d) Other income

Other income includes income received from securities lending (Note 8), tax refunds and other miscellaneous income. Investments on loan under securities lending agreements continue to be recognised in the Statement of Financial Position as the Company continues to be exposed to all gains and losses arising from the ownership of the securities and are measured in accordance with the accounting policies for financial instruments held for trading.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements are measured and presented using the currency of the primary economic environment in which it operates (the 'functional currency'). The Euro is the functional as well as presentation currency for the Company.

The Sub-Funds functional and presentation currencies are as below:

	Functional currency	Presentation currency
Strategic China Panda Fund	USD	USD
Strategic Euro Bond Fund	EUR	EUR
Nippon Growth (UCITS) Fund	JPY	JPY
Strategic Europe Value Fund	EUR	EUR
Strategic Global Bond Fund	USD	USD
Strategic US Momentum and Value Fund	USD	USD
Strategic Global Quality Fund	USD	USD
Strategic European Smaller Companies Fund	EUR	EUR
Strategic Quality Emerging Bond Fund	USD	USD
Strategic Beta Flex Fund	EUR	EUR

For the purpose of aggregating the financial statements of the Sub-Funds, the Statement of Financial Position figures for the Strategic China Panda Fund, Nippon Growth (UCITS) Fund, Strategic Global Bond Fund, Strategic US Momentum and Value Fund, Strategic Global Quality Fund and Strategic Quality Emerging Bond Fund have been translated to Euro at the exchange rate ruling at the year 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 rate for the year. The resulting gain or loss that arises at the 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 year ended 31 December 2016

3. Significant Accounting Policies (continued)

(e) Foreign currency translation (continued)

(ii) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than Euro are translated into Euro at the closing rates of exchange at each year end. Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency translation gains and losses are included in realised and unrealised gain and loss on investments, in the Statement of Comprehensive Income. Non-monetary assets and liabilities measured at fair value are re-translated into Euro at the prevailing foreign exchange rate on the date at which fair value is determined.

(f) Amounts due from and to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date, respectively.

(g) Dividend income

Dividends are credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as “ex-dividend”. Income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

(h) Interest income and expense

Interest income and interest expense are recognised in the Statement of Comprehensive Income on an effective interest rate basis.

(i) Fees and Expenses

All expenses, including management and performance fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

(j) Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder’s option and are classified as financial liabilities. The participating shares can be put back to the Sub-Funds on any dealing day for cash equal to a proportionate share of the Sub-Fund’s Net Asset Value.

(k) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs on the purchase of bonds and forwards are included on the purchase and sale price of the investment. They cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

3. Significant Accounting Policies (continued)

(k) Transaction costs (continued)

Transaction costs on purchases and sales of equities, options and futures are included in net gains/(losses) on investments in the Statement of Comprehensive Income for each Sub-Fund.

(l) Standards, amendments and interpretations that are effective 1 January 2016 and have been adopted by the Company

Amendments to IAS 1 Presentation of Financial Statements: In December 2014, the International Accounting Standards Board issued amendments to IAS 1 Presentation of Financial Statements and an exposure draft proposing amendments to IAS 7 Statement of Cash Flows as part of its Disclosure Initiative.

The following narrow-scope amendments have been made to IAS 1:

- Materiality and aggregation: clarifies that an entity should not obscure useful information by aggregating or disaggregating information; and that materiality considerations apply to the primary statements, notes and any specific disclosure requirements in IFRSs, i.e. disclosures specifically required by IFRSs need to be provided only if the information is material.
- Statement of Financial Position and Statement of Comprehensive Income: clarifies that the list of line items specified by IAS 1 for these statements can be disaggregated and aggregated as relevant. Additional guidance has been added on the presentation of subtotals in these statements.
- Presentation of items of other comprehensive income (“OCI”): clarifies that an entity’s share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.
- Notes: clarifies that entities have flexibility when designing the structure of the notes and provides guidance on how to determine a systematic order of the notes. Also, unhelpful examples regarding the identification of a significant accounting policy have been removed.

The amendments are applicable for annual periods beginning on or after 1 January 2016, with early adoption permitted. Based on the initial assessment, this standard is not expected to have a material impact on the Company.

Amendments to IFRS 10, IFRS 12 and IAS 28: On 18 December 2014, the International Accounting Standards Board (IASB) issued Investment Entities: Applying the Consolidation Exception (amendments to IFRS 10, IFRS 12 and IAS 28). The amendments address the following issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements:

- Exemption from preparing consolidated financial statements: the amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Subsidiary that provides services that support the investment entity’s investment activities: the amendments clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

3. Significant Accounting Policies (continued)

(l) Standards, amendments and interpretations that are effective 1 January 2016 and have been adopted by the Company (continued)

Amendments to IFRS 10, IFRS 12 and IAS 28: (continued)

Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: the amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. Based on the initial assessment, this standard is not expected to have a material impact on the Company.

(m) Accounting standards in issue that are not yet effective and have not been early adopted

IFRS 15, 'Revenue from Contracts with Customers' (effective 1 January, 2018): IFRS 15 requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers. This standard is not expected to have a material impact on the Company.

IFRS 9, 'Financial Instruments' (effective 1 January 2018): 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. Based on the initial assessment, this standard is not expected to have a material impact on the Company.

Amendments to IAS 12 – 'Income Taxes' issued by IASB effective 1 January 2017 clarify that:

- Unrealised losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits
- Estimates for future taxable profits excludes tax deductions resulting from the reversal of those deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

3. Significant Accounting Policies (continued)

(m) Accounting standards in issue that are not yet effective and have not been early adopted (continued)

The amendments are effective for annual periods beginning on or after 1 January 2017. Earlier application is permitted. As transition relief, an entity may recognise the change in the opening equity of the earliest comparative period in opening retained earnings on initial application without allocating the change between opening retained earnings and other components of equity. This standard is not expected to have a material impact on the Company.

Amendments to IAS 7: Statement of Cash Flows (effective 1 January 2017): The International Accounting Standards Board (IASB) has published amendments to IAS 7 'Statement of Cash Flows'. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. To achieve this objective, the IASB requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. They are effective for annual periods beginning on or after 1 January 2017, with earlier application being permitted. This standard is not expected to have a material impact on the Company.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

4. Financial Assets and Liabilities at Fair Value through Profit or Loss

	Total 2016 EUR	Strategic China Panda Fund 2016 USD	Strategic Euro Bond Fund 2016 EUR	Nippon Growth (UCITS) Fund 2016 JPY	Strategic Europe Value Fund 2016 EUR	Strategic Global Bond Fund 2016 USD	Strategic US Momentum and Value Fund 2016 USD	Strategic Global Quality Fund 2016 USD	Strategic European Smaller Companies Fund 2016 EUR	Strategic Quality Emerging Bond Fund ⁽¹⁾ 2016 USD	Strategic Beta Flex Fund ⁽²⁾ 2016 EUR
Financial Assets at Fair Value through Profit or Loss											
<i>Held for trading:</i>											
Investment funds	6,236,940	-	-	-	-	-	-	-	4,094,632	-	2,638,596
Transferable securities											
- Equity securities	1,344,397,202	85,814,324	-	4,149,745,494	921,625,415	-	203,939,946	57,995,962	59,340,513	-	-
- Debt securities	171,601,689	-	64,716,347	-	-	63,007,371	-	-	-	49,729,943	-
Financial derivatives		-	-	-	-	-	-	-	-	-	-
- Forward foreign exchange contracts	796,992	258,168	-	5,386,457	309	5,679	117,801	82,639	-	329,832	-
- Option Contracts	135,055	-	-	-	-	-	142,450	-	-	-	-
Total financial assets at fair value through profit or loss	1,523,167,878	86,072,492	64,716,347	4,155,131,951	921,625,724	63,013,050	204,200,197	58,078,601	63,435,145	50,059,775	2,638,596
Financial Liabilities at Fair Value through Profit or Loss											
<i>Held for trading:</i>											
Transferable securities											
- Equity Securities	-	-	-	-	-	-	-	-	-	-	-
Financial derivatives											
- Forward foreign exchange contracts	(209,124)	(1,229)	(14,164)	-	(192,659)	-	(1,198)	-	-	-	-
- Option Contracts	(686,419)	-	-	-	-	-	(724,000)	-	-	-	-
Total financial liabilities at fair value through profit or loss	(895,543)	(1,229)	(14,164)	-	(192,659)	-	(725,198)	-	-	-	-
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	(120,006,171)	(7,882,489)	(980,796)	(2,756,727,733)	(81,350,640)	(857,859)	(7,915,566)	(4,336,421)	6,842,213	(2,877,275)⁽¹⁾	11,596⁽²⁾

⁽¹⁾For the period 28 April 2016 (commenced operations) to 31 December 2016.

⁽²⁾For the period 23 December 2016 (commenced operations) to 31 December 2016

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2015

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

	Total 2015 EUR	Strategic China Panda Fund 2015 USD	Strategic Euro Bond Fund 2015 EUR	Nippon Growth (UCITS) Fund 2015 JPY	Strategic Emerging Europe Bond Fund ⁽¹⁾ 2015 USD	Strategic Europe Value Fund 2015 EUR	Strategic Global Bond Fund 2015 USD	Strategic US Momentum and Value Fund 2015 USD	Strategic Global Quality Fund 2015 USD	Strategic European Smaller Companies Fund ⁽²⁾ 2015 EUR
Financial Assets at Fair Value through Profit or Loss										
<i>Held for trading:</i>										
Transferable securities										
- Equity securities	1,515,589,952	145,050,864	-	21,558,306,996	-	888,020,486	-	308,095,280	12,470,123	33,742,936
- Debt securities	205,677,610	-	122,213,555	-	-	-	90,650,310	-	-	-
Financial derivatives										
- Equitised participation notes	18,182,145	19,747,628	-	-	-	-	-	-	-	-
- Forward foreign exchange contracts	41,977	-	-	1,088,278	-	33,642	-	-	-	-
- Future contracts	71,313	-	-	-	-	-	77,453	-	-	-
- Option contracts	784,275	-	-	-	-	641,562	-	155,000	-	-
Total financial assets at fair value through profit or loss	1,740,347,272	164,798,492	122,213,555	21,559,395,274	-	888,695,690	90,727,763	308,250,280	12,470,123	33,742,936
Financial Liabilities at Fair Value through Profit or Loss										
<i>Held for trading:</i>										
Financial derivatives										
- Forward foreign exchange contracts	(1,582,418)	(170,494)	(131,589)	(75,457,379)	-	(459,270)	(65,054)	(202,440)	(11,231)	-
- Future contracts	(46,500)	-	(46,500)	-	-	-	-	-	-	-
- Option contracts	(542,814)	-	-	-	-	-	-	(589,550)	-	-
Total financial liabilities at fair value through profit or loss	(2,171,732)	(170,494)	(178,089)	(75,457,379)	-	(459,270)	(65,054)	(791,990)	(11,231)	-
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	82,923,788	(5,750,935)	(2,188,394)	(366,997,384)	5,660,252	109,918,513	(4,981,268)	(20,527,204)	928,976	298,817²

¹Strategic Emerging Europe Fund terminated on 21 July 2015.

²For the Period 5 May 2015 (commenced operations) to 31 December 2015

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

The following tables present the financial instruments carried on the Statement of Financial Position by caption and by level within the fair valuation hierarchy as at 31 December 2016 and 31 December 2015.

Strategic China Panda Fund	Level 1	Level 2	Level 3	Total
	2016	2016	2016	2016
	USD	USD	USD	USD
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Equity securities	85,814,324	-	-	85,814,324
- Forward foreign exchange contracts	-	258,168	-	258,168
Total financial assets at fair value through profit or loss	85,814,324	258,168	-	86,072,492

Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	1,229	-	1,229
Total financial liabilities at fair value through profit or loss	-	1,229	-	1,229

The following table includes a roll forward of Level 3 reconciliation for the period/year ended 31 December 2016 and 31 December 2015.

	2016	2015
	Total	Total
	USD	USD
Opening Balance	6,624,397	-
Transfer from Level 1	-	13,244,228
Purchases	-	840,517
Sales/Settlements	(4,591,553)	(1,847,218)
Realised Gains/(Losses)	(4,621,290)	490,238
Unrealised Gains/(Losses)	2,588,446	(6,103,368)
Closing Balance	-	6,624,397

The Company considers transfers between levels to have occurred at the beginning of the reporting period

Strategic China Panda Fund	Level 1	Level 2	Level 3	Total
	2015	2015	2015	2015
	USD	USD	USD	USD
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Equity securities	134,999,590	3,426,877	6,624,397	145,050,864
- Equitised participation notes	-	19,747,628	-	19,747,628
Total financial assets at fair value through profit or loss	134,999,590	23,174,505	6,624,397	164,798,492

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

Strategic China Panda Fund	Level 1 2015 USD	Level 2 2015 USD	Level 3 2015 USD	Total 2015 USD
Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	170,494	-	170,494
Total financial liabilities at fair value through profit or loss	-	170,494	-	170,494

The Company considers transfers between levels to have occurred at the beginning of the reporting period

Strategic Euro Bond Fund	Level 1 2016 EUR	Level 2 2016 EUR	Level 3 2016 EUR	Total 2016 EUR
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Debt securities	64,716,347	-	-	64,716,347
Total financial assets at fair value through profit or loss	64,716,347	-	-	64,716,347

Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	14,164	-	14,164
- Futures contracts	-	-	-	-
Total financial liabilities at fair value through profit or loss	-	14,164	-	14,164

Strategic Euro Bond Fund	Level 1 2015 EUR	Level 2 2015 EUR	Level 3 2015 EUR	Total 2015 EUR
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Debt securities	122,213,555	-	-	122,213,555
Total financial assets at fair value through profit or loss	122,213,555	-	-	122,213,555

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

Strategic Euro Bond Fund	Level 1 2015 EUR	Level 2 2015 EUR	Level 3 2015 EUR	Total 2015 EUR
Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	131,589	-	131,589
- Futures contracts	46,500	-	-	46,500
Total financial liabilities at fair value through profit or loss	46,500	131,589	-	178,089
Nippon Growth (UCITS) Fund	Level 1 2016 JPY	Level 2 2016 JPY	Level 3 2016 JPY	Total 2016 JPY
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Equity securities	4,149,745,494	-	-	4,149,745,494
- Forward foreign exchange contracts	-	5,386,457	-	5,386,457
Total financial assets at fair value through profit or loss	4,149,745,494	5,386,457	-	4,155,131,951
Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	-	-	-
Total financial liabilities at fair value through profit or loss	-	-	-	-
Nippon Growth (UCITS) Fund	Level 1 2015 JPY	Level 2 2015 JPY	Level 3 2015 JPY	Total 2015 JPY
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Equity securities	21,558,306,996	-	-	21,558,306,996
- Forward foreign exchange contracts	-	1,088,278	-	1,088,278
Total financial assets at fair value through profit or loss	21,558,306,996	1,088,278	-	21,559,395,274
Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	75,457,379	-	75,457,379
Total financial liabilities at fair value through profit or loss	-	75,457,379	-	75,457,379

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

Strategic Europe Value Fund	Level 1	Level 2	Level 3	Total
	2016	2016	2016	2016
	EUR	EUR	EUR	EUR
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Equity securities	921,625,415	-	-	921,625,415
- Forward foreign exchange contracts	-	309	-	309
Total financial assets at fair value through profit or loss	921,625,415	309	-	921,625,724
Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Equity securities	-	-	-	-
- Forward foreign exchange contracts	-	192,659	-	192,659
Total financial liabilities at fair value through profit or loss	-	192,659	-	192,659
Strategic Europe Value Fund	Level 1	Level 2	Level 3	Total
	2015	2015	2015	2015
	EUR	EUR	EUR	EUR
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Equity securities	888,020,486	-	-	888,020,486
- Forward foreign exchange contracts	-	33,642	-	33,642
- Option contracts	641,562	-	-	641,562
Total financial assets at fair value through profit or loss	888,662,048	33,642	-	888,695,690
Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	459,270	-	459,270
Total financial liabilities at fair value through profit or loss	-	459,270	-	459,270

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

Strategic Global Bond Fund	Level 1 2016 USD	Level 2 2016 USD	Level 3 2016 USD	Total 2016 USD
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Debt securities	63,007,371	-	-	63,007,371
- Forward foreign exchange contracts	-	5,679	-	5,679
Total financial assets at fair value through profit or loss	63,007,371	5,679	-	63,013,050
Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	-	-	-
Total financial liabilities at fair value through profit or loss	-	-	-	-
Strategic Global Bond Fund	Level 1 2015 USD	Level 2 2015 USD	Level 3 2015 USD	Total 2015 USD
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Debt securities	90,650,310	-	-	90,650,310
- Future contracts	77,453	-	-	77,453
Total financial assets at fair value through profit or loss	90,727,763	-	-	90,727,763
Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	65,054	-	65,054
Total financial liabilities at fair value through profit or loss	-	65,054	-	65,054

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

Strategic US Momentum and Value Fund	Level 1 2016 USD	Level 2 2016 USD	Level 3 2016 USD	Total 2016 USD
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Equity securities	203,939,946	-	-	203,939,946
- Option contracts	142,450	-	-	142,450
- Forward foreign exchange contracts	-	117,801	-	117,801
Total financial assets at fair value through profit or loss	204,082,396	117,801	-	204,200,197
Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	1,198	-	1,198
- Option contracts	724,000	-	-	724,000
Financial Liabilities at Fair Value through Profit or Loss	724,000	1,198	-	725,198
Strategic US Momentum and Value Fund	Level 1 2015 USD	Level 2 2015 USD	Level 3 2015 USD	Total 2015 USD
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Equity securities	308,095,280	-	-	308,095,280
- Option contracts	155,000	-	-	155,000
Total financial assets at fair value through profit or loss	308,250,280	-	-	308,250,280
Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	202,440	-	202,440
- Option contracts	589,550	-	-	589,550
Financial Liabilities at Fair Value through Profit or Loss	589,550	202,440	-	791,990

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

Strategic Global Quality Fund	Level 1 2016 USD	Level 2 2016 USD	Level 3 2016 USD	Total 2016 USD
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Equity securities	57,995,962	-	-	57,995,962
- Forward foreign exchange contracts	-	82,639	-	82,639
Total financial assets at fair value through profit or loss	<u>57,995,962</u>	<u>82,639</u>	<u>-</u>	<u>58,078,601</u>
Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	-	-	-
Financial Liabilities at Fair Value through Profit or Loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Strategic Global Quality Fund	Level 1 2015 USD	Level 2 2015 USD	Level 3 2015 USD	Total 2015 USD
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Equity securities	12,470,123	-	-	12,470,123
Total financial assets at fair value through profit or loss	<u>12,470,123</u>	<u>-</u>	<u>-</u>	<u>12,470,123</u>
Financial Liabilities at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	11,231	-	11,231
Financial Liabilities at Fair Value through Profit or Loss	<u>-</u>	<u>11,231</u>	<u>-</u>	<u>11,231</u>

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

Strategic European Smaller Companies Fund	Level 1 2016 EUR	Level 2 2016 EUR	Level 3 2016 EUR	Total 2016 EUR
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Investment Funds	4,094,632	-	-	4,094,632
- Equity securities	59,340,513	-	-	59,340,513
Total financial assets at fair value through profit or loss	63,435,145	-	-	63,435,145

Strategic European Smaller Companies Fund	Level 1 2015 EUR	Level 2 2015 EUR	Level 3 2015 EUR	Total 2015 EUR
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Investment Funds	2,998,733	-	-	2,998,733
- Equity securities	30,744,203	-	-	30,744,203
Total financial assets at fair value through profit or loss	33,742,936	-	-	33,742,936

Strategic Quality Emerging Bond Fund	Level 1 2016 USD	Level 2 2016 USD	Level 3 2016 USD	Total 2016 USD
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Debt securities	49,729,943	-	-	49,729,943
- Forward foreign exchange contracts	-	329,832	-	329,832
Total financial assets at fair value through profit or loss	49,729,943	329,832	-	50,059,775

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

Strategic Beta Flex Fund	Level 1 2016 EUR	Level 2 2016 EUR	Level 3 2016 EUR	Total 2016 EUR
Financial Assets at Fair Value through Profit or Loss				
<i>Held for trading:</i>				
- Investment Funds	2,638,596	-	-	2,638,596
Total financial assets at fair value through profit or loss	2,638,596	-	-	2,638,596

IFRS 13 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;
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.

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

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

4. Financial Assets and Liabilities at Fair Value through Profit or Loss (continued)

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 year ended 31 December 2016

5. 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, director's insurance, listing fees, regulatory fees, establishment costs, bank charges, broker fees and adjustments to fee estimates accrued at year end that were subsequently clarified post year end.

Investment Manager's Fees

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

Class Name	Strategic China Panda Fund	Nippon Growth (UCITS) Fund	Strategic Euro Bond Fund	Strategic Europe Value Fund	Strategic Global Bond Fund
EUR Hedged Class	1.50%	1.50%	-	-	-
Sterling Hedged Class	1.50%	-	-	-	-
EUR Hedged Institutional Class	1.00%	1.00%	-	-	-
USD Institutional Class	1.00%	-	-	0.90%	-
USD Class	1.50%	-	-	1.50%	0.90%
JPY Class A	-	1.50%	-	-	-
JPY Class B Accumulating	-	1.50%	-	-	-
JPY Class D Institutional	-	1.00%	-	-	-
CHF Accumulating Class	-	-	0.75%	-	-
Euro Accumulating Class	-	-	0.75%	-	-
Euro Distributing Class	-	-	0.75%	-	-
Euro R Class	-	-	-	2.20%	-
Euro Institutional Distributing Class	-	-	-	0.90%	-
Euro Super Institutional Class	-	-	-	0.90%	-
USD Super Institutional Class	-	-	-	0.90%	-
CHF Class	-	-	-	1.50%	-
EUR Class	-	-	-	1.50%	-
RMB Class	-	-	-	-	0.90%
EUR Institutional Class	-	-	0.45%	0.90%	-
GBP Institutional Class	-	-	-	0.90%	-
GBP Hedged Institutional Class	-	1.00%	-	-	-

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

5. Fees and Expenses (continued)

Investment Manager's Fees (continued)

Class Name	Strategic US Momentum and Value Fund	Strategic Global Quality Fund	Strategic European Smaller Companies Fund	Strategic Quality Emerging Bond Fund	Strategic Beta Flex Fund
EUR Hedged Class	1.50%	-	-	-	-
USD Institutional Class	1.00%	1.00%	-	0.50%	-
USD Class	1.50%	1.50%	-	1.00%	-
CHF Class	-	1.50%	-	1.00%	-
EUR Class	-	-	1.50%	1.00%	-
CHF Hedged Class	1.50%	-	-	-	-
Euro Class X	-	-	1.50%	-	-
EUR Institutional Class	-	-	-	0.50%	-
Euro Class	-	-	-	-	1.20%

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

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 each share class of the Strategic China Panda Fund, each share class of the Nippon Growth (UCITS) Fund, each share class of the Strategic Europe Value Fund, each share class of Strategic US Momentum and Value Fund, each share class of the Strategic Beta Flex Fund, each share class of the Strategic Global Quality Fund and each share class of the Strategic European Smaller Companies Fund.

This Performance Fee will be taken into account on each Valuation Day 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 Movementum and Value Fund will crystallise on a quarterly basis. The Investment Manager is not entitled to a Performance Fee on any class of the Strategic Euro Bond Fund, Strategic Global Bond Fund and Strategic Quality Emerging Bond Fund.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

5. Fees and Expenses (continued)

Investment Manager's Fees (continued)

Classes Name	Strategic China Panda Fund	Nippon Growth (UCITS) Fund	Strategic Europe Value Fund	Strategic US Momentum and Value Fund
EUR Hedged Class	15.00% ²	15.00% ²	-	15.00%
Sterling Hedged Class	15.00% ²	-	-	-
EUR Hedged Institutional Class	10.00% ¹	10.00% ¹	-	-
USD Institutional Class	10.00% ¹	-	10.00%	10.00% ³
USD Class	15.00% ²	-	10.00%	15.00%
JPY Class A	-	12.50%	-	-
JPY Class B Accumulating	-	15.00% ²	-	-
JPY CLASS D Institutional	-	10.00% ¹	-	-
Euro R Class	-	-	10.00%	-
Euro Institutional Distributing Class	-	-	10.00%	-
Euro Institutional Class	-	-	10.00%	-
Sterling Institutional Class	-	15.00%	10.00%	-
CHF Class	-	-	10.00%	15.00%
EUR Class	-	-	10.00%	-

Classes Name	Strategic Global Quality Fund	Strategic European Smaller Companies Fund	Strategic Beta Flex Fund
USD Institutional Class	10.00%	-	-
USD Class	10.00%	-	-
JPY Class A	-	-	-
CHF Class	10.00%	-	-
EUR Class	-	15.00% ²	-
CHF Hedged Class	-	-	-
Euro Class X	-	15.00% ²	-
Euro Class	-	-	10.00%

1 - On 1st July 2016, the performance fee rates were reduced from 20% to 10%

2 - On 1st July 2016, the performance fee rates were reduced from 20% to 15%

3 - On 1st July 2016, the performance fee rates were reduced from 15% to 10%

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

5. Fees and Expenses (continued)

Investment Manager's 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.

Investment Management fees for the year ended 31 December 2016 amounted to EUR 19,489,423 (2015: EUR 18,471,720) of which EUR 1,555,904 (2015: EUR 1,791,725) was payable at year end.

Performance fees for the year ended 31 December 2016 amounted to EUR 6,741,515 (2015: EUR 17,102,160) of which EUR 399,935 (2015: EUR 13,173,467) was payable at year end.

Investment Adviser's Fees

The investment Adviser's Fees methodology of each of the Sub-Funds is set out in the relevant supplemental prospectus relating to the Sub-Funds issued by the Company. 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 Adviser out of the remuneration it receives pursuant to the terms of the Investment Management Agreement.

Administrators's Fees

Until 3 November 2016; HSBC Securities Services (Ireland) Limited was the Administrator and entitled to a fee payable out of the assets of the Company. An annual fee accrued at each Valuation Point and payable monthly in arrears was charged at the following rates for Strategic European Smaller Companies Fund and Strategic Global Quality Fund:

- 0.09% per annum of the Net Asset of each Sub-Fund on the portion of the Net Asset Value up to EUR 350 million;
 - 0.05% per annum of the Net Asset of each Sub-Fund on the portion of the Net Asset Value in excess of EUR 350 million;
- subject to a monthly minimum fee of EUR 2,000 borne by each Sub-Fund (plus VAT, if any thereon).

The following rates were applied for Strategic China Panda Fund, Strategic Euro Bond Fund, Nippon Growth (UCITS) Fund, Strategic Europe Value Fund, Strategic Global Bond Fund, Strategic Quality Emerging Bond Fund and Strategic US Momentum and Value Fund:

- 0.1% per annum of the Net Asset of each Sub-Fund on the portion of the Net Asset Value up to EUR 350 million;
 - 0.075% per annum of the Net Asset of each Sub-Fund on the portion of the Net Asset Value in excess of EUR 350 million;
- subject to a monthly minimum fee of EUR 4,000 and borne by each Sub-Fund (plus VAT, if any thereon).

On 4 November 2016; SS&C Financial Services (Ireland) Limited became the Administrator 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 below table.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

Administrators's Fees (continued)

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 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 fee for the year ended 31 December 2016 amounted to EUR 1,573,558 (2015: EUR 1,774,697) of which EUR 301,791 (2015: EUR 289,177) was payable at year end.

Depository's Fees

HSBC Institutional Trust Services (Ireland) Limited was Depository until 3 November 2016, and was entitled to receive out of the assets of the Company an annual fee, accrued at each Valuation Point and payable monthly in arrears, which shall not exceed:

- 0.05% per annum of the Net Asset of each Sub-Fund on the portion of the Net Asset Value up to EUR 350 million;
- 0.003% per annum of the Net Asset of each Sub-Fund on the portion of the Net Asset Value in excess of EUR 350 million;

subject to a minimum monthly fee of EUR 2,000 and borne by each Sub-Fund (plus VAT, if any) thereon.

On 4 November; BNY Mellon Trust Company (Ireland) Limited became the Depository 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 Depository 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 Depository will be paid out of the assets of the relevant Sub-Fund.

The Depository fees for the year ended 31 December 2016 amounted to EUR 1,040,304 (2015: EUR 1,016,629) of which EUR 235,528 (2015: EUR 147,700) was payable at year end.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

5. Fees and Expenses (continued)

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 Euro 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 year ended 31 December 2016 amounted to EUR 282,795 (2015: EUR 293,552) of which EUR 67,239 (2015: EUR 73,907) was payable at year end.

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 of Ireland. Bridge Consulting receives an annual fee for governance services of no more than EUR 50,000, payable out of the assets of the Company, accrued weekly and payable quarterly in arrears.

The Consulting fees for the year ended 31 December 2016 amounted to EUR 55,571 (2015: EUR 64,462). The reason that this exceeds EUR 50,000 is due to the foreign exchange conversion across the Sub-Funds.

Legal Fees

The Company has appointed Dillon Eustace as Irish legal adviser to the Company. The legal fees for the year ended 31 December 2016 amounted to EUR 169,462 (2015: EUR 135,920).

Company Secretarial Fees

The Company has appointed Sanne Group Plc as company secretary to the Company. The Company Secretarial fees for the year ended 31 December 2016 amounted to EUR 23,441 (2015: EUR 19,993).

Transaction costs

The below table provides a breakdown of the total transaction costs for the year ended 31 December 2016 and 2015.

	2016	2015
Strategic China Panda Fund	USD 908,716	USD 2,515,950
Strategic Euro Bond Fund	EUR 3,228	EUR 4,150
Nippon Growth (UCITS) Fund	JPY 15,640,773	JPY 13,803,223
Strategic Emerging Europe Fund	-	USD 525,721
Strategic Europe Value Fund	EUR 4,965,792	EUR 2,586,452
Strategic Global Bond Fund	USD 2,879	USD 21,231
Strategic US Momentum & Value Fund	USD 271,858	USD 424,738
Strategic Global Quality Fund	USD 170,588	USD 24,392
Strategic European Smaller Companies Fund	EUR 70,568	EUR 42,310
Strategic Beta Flex Fund	EUR 57	-
Total	EUR 6,391,374	EUR 5,918,935

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

6. Share Capital

The authorised share capital of the Company is 500,000,000,000 shares of no par value initially designated as redeemable participating shares and 300,000 redeemable non-participating shares of no par value.

The Company's objective is managing the redeemable share capital to ensure a stable and strong base to maximise returns to all investors, and to manage liquidity risk arising from redemptions.

The Company is a self managed UCITS company and the minimum capital requirement is met by taking into account the participating and non-participating shares.

Non-participating shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. The authorised share capital of the Company is 300,000 redeemable non-participating shares of no par value and 500,000,000,000 participating shares of no par value. There are two non-participating shares currently in issue. Non-participating shares have not been included in these financial statements.

The movement in the number of participating redeemable shares during the year is as follows:

	At 1 January 2016	Shares Issued	Shares Redeemed	At 31 December 2016
Strategic China Panda Fund				
-USD Class	33,088.640	1,420.933	(15,993.786)	18,515.787
-Hedged Euro Class	17,314.616	641.393	(10,185.025)	7,770.984
-Hedged Sterling Class	266.200	-	(129.006)	137.194
-USD Institutional Class	58,908.812	15,480.798	(36,153.212)	38,236.398
-Euro Hedged Institutional Class	7,050.896	3,388.186	(8,199.000)	2,240.082
Strategic Euro Bond Fund				
-Euro Distributing Class	9,030.216	76.774	(6,272.702)	2,834.288
-Euro Accumulating Class	39,694.226	4,524.700	(14,935.455)	29,283.471
-EUR Institutional Class	50,770.137	13,402.798	(41,317.588)	22,855.347
-CHF Accumulating Class	22,965.573	1,685.026	(10,463.920)	14,186.679
-CHF Institutional Class	400.000	-	(400.000)	-
Nippon Growth (UCITS) Fund				
-Euro Hedged Class	23,449.153	149.241	(19,492.475)	4,105.919
-JPY Class A Class	3,446.854	-	(2,563.249)	883.605
-JPY Class B Class	89,645.329	1,782.740	(60,678.589)	30,749.480
-JPY Class D Institutional	129,966.402	-	(117,661.611)	12,304.791
-Euro Hedged Institutional Class	3,224.472	519.982	(1,277.441)	2,467.013
-Sterling Hedged Institutional Class	12,800.993	-	(12,800.993)	-

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

6. Share Capital (continued)

	At 1 January 2016	Shares Issued	Shares Redeemed	At 31 December 2016
Strategic Europe Value Fund				
-Euro Class	1,545,166.670	681,132.753	(711,825.400)	1,514,474.023
-EUR Institutional Class	2,331,943.404	2,386,911.201	(2,451,148.253)	2,267,706.352
-CHF Class	376,556.327	67,528.272	(143,918.355)	300,166.244
-Sterling Institutional Class	106,596.633	9,603.952	(9,822.772)	106,377.813
-Euro Institutional Distributing Class	505,364.797	288,622.833	(562,128.159)	231,859.471
-USD Institutional Class	108,630.000	83,522.707	(168,996.970)	23,155.737
-Euro Retail Class	98.500	112,642.584	(24,934.446)	87,806.638
-USD Class	-	18,166.330	(5,199.597)	12,966.733
-EUR Super Institutional Class	-	1,636,047.279	(45,134.631)	1,590,912.648
-USD Super Institutional Class	-	24,840.816	(600.000)	24,240.816
Strategic Global Bond Fund				
-USD Class	69,575.564	7,957.101	(27,251.408)	50,281.257
-RMB Class	21,290.112	-	(77.010)	21,213.102
Strategic US Momentum and Value Fund				
-USD Class	325,934.376	8,662.503	(106,144.046)	228,452.833
-Euro Hedged Class	28,449.848	694.096	(25,137.424)	4,006.520
-CHF Hedged Class	26,725.349	1,713.642	(14,513.237)	13,925.754
-USD Institutional Class	92,835.326	15,871.403	(40,475.281)	68,231.448
Strategic Global Quality Fund				
-USD Institutional Class	114,304.970	267,739.774	(49,925.415)	332,119.329
-USD Class	-	185,453.398	(18,262.192)	167,191.206
-CHF Class	-	79,194.756	(2,584.933)	76,609.823
Strategic European Smaller Companies Fund				
-Euro Class	34,614.798	23,767.356	(10,044.691)	48,337.463
-Euro X Class	-	10,073.144	-	10,073.144
Strategic Quality Emerging Bond Fund				
-CHF Class	-	11,956.212	(1,718.212)	10,238.000
-EUR Class	-	13,062.564	(1,260.324)	11,802.240
-EUR Institutional Class	-	3,006.260	-	3,006.260
-USD Class	-	26,368.060	(6,942.820)	19,425.240
-USD Institutional Class	-	6,508.220	-	6,508.220
Strategic Beta Flex Fund				
-Euro Class	-	5,506.150	-	5,506.150

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

6. Share Capital (continued)

	At 1 January 2015	Shares Issued	Shares Redeemed	At 31 December 2015
Strategic China Panda Fund				
-USD Class	87,316.300	14,038.084	(68,265.744)	33,088.640
-Hedged Euro Class	31,865.842	2,878.417	(17,429.643)	17,314.616
-Hedged Sterling Class	318.603	80.464	(132.867)	266.200
-USD Institutional Class	95,313.843	17,820.802	(54,225.833)	58,908.812
-Euro Hedged Institutional Class	-	7,230.896	(180.000)	7,050.896
Strategic Euro Bond Fund				
-Euro Distributing Class	15,476.572	1,293.291	(7,739.647)	9,030.216
-Euro Accumulating Class	47,010.483	6,317.025	(13,633.282)	39,694.226
-EUR Institutional Class	17,796.745	48,091.648	(15,117.256)	50,770.137
-CHF Accumulating Class	23,666.910	5,998.630	(6,699.967)	22,965.573
-CHF Institutional Class	2,430.000	-	(2,030.000)	400.000
Nippon Growth (UCITS) Fund				
-Hedged Euro Class	26,784.637	3,516.269	(6,851.753)	23,449.153
-JPY Class A Class	4,822.401	-	(1,375.547)	3,446.854
-JPY Class B Class	85,708.619	49,976.505	(46,039.795)	89,645.329
-JPY Class C Class	400.000	-	(400.000)	-
-JPY Class D Institutional	114,743.115	52,762.783	(37,539.496)	129,966.402
-Euro Hedged Institutional Class	4,590.544	2,744.778	(4,110.850)	3,224.472
-Sterling Hedged Institutional Class	12,612.639	1,900.336	(1,711.982)	12,800.993
Strategic Emerging Europe Fund				
-USD Class	8,221.381	723.439	(8,944.820)	-
-Hedged Euro Class	14,336.135	271.712	(14,607.847)	-
-USD Institutional Class	2,081.395	-	(2,081.395)	-
-USD Select Institutional Class	74,854.608	16,561.364	(91,415.972)	-
Strategic Europe Value Fund				
-Euro Class	826,245.726	1,116,141.123	(397,220.179)	1,545,166.670
-EUR Institutional Class	438,819.379	2,093,700.422	(200,576.397)	2,331,943.404
-CHF Class	316,808.234	141,010.564	(81,262.471)	376,556.327
-Sterling Institutional Class	46,457.500	62,490.133	(2,351.000)	106,596.633
-Euro Institutional Distributing Class	-	505,364.797	-	505,364.797
-USD Institutional Class	-	108,630.000	-	108,630.000
-Euro Retail Class	-	98.500	-	98.500

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

6. Share Capital (continued)

	At 1 January 2015	Shares Issued	Shares Redeemed	At 31 December 2015
Strategic Global Bond Fund				
-USD Class	77,235.720	24,398.317	(32,058.473)	69,575.564
-RMB Class	31,369.052	517.700	(10,596.640)	21,290.112
Strategic US Momentum and Value Fund				
-USD Class	291,346.966	112,294.695	(77,707.285)	325,934.376
-Hedged Euro Class	36,961.575	24,597.748	(33,109.475)	28,449.848
-Hedged CHF Class	21,990.440	28,255.325	(23,520.416)	26,725.349
-USD Institutional Class	25,884.668	67,638.186	(687.528)	92,835.326
Strategic Global Quality Fund				
-USD Institutional Class	51,000.000	64,241.425	(936.455)	114,304.970
Strategic European Smaller Companies Fund				
- Euro Class	-	38,687.249	(4,072.451)	34,614.798

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments

Risk profile

The Company's risks are those set out in the Prospectus and each supplement and any consideration of risk here should be viewed in the context of the Prospectus which is the primary documentation governing the operations of the Company and any subscriptions and redemptions.

The Company's activities expose it to a variety of financial risks: market risk (including equity price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to mitigate potential adverse effects on the Company's financial performance.

The Investment Manager seeks to mitigate the financial risk in the Company in its daily risk management process. From year to year, the Company's exposure to risk will alter as market conditions change and as the components of the portfolio change and are adjusted through trading, subscriptions and redemptions. With regard to the objectives, policies and processes for managing the risk, whilst adapting to the current market conditions, the approach will remain consistent from year to year.

The Investment Manager has advised the Directors that the Commitment Approach to measuring position exposure is an adequate measure of risk and the global exposure and leverage of each Sub-Fund is calculated on this basis.

Limitations of sensitivity analyses

The sensitivity analyses in the notes below, of the risk factors, represent sensitivity analyses of the effect of movements in various risk variables on the Company's performance. In certain cases a linear relationship between movements in the risk variable and the Company's performance is assumed to create the sensitivity analyses. In reality, a linear relationship is unlikely. The various analysis shown are static scenarios and represent the effect on the Company of movements in a single risk variable. In reality, the Company is affected by dynamic movements in these risk variables and in a global context the risk variables have certain inter-relationships which cause dynamic movements in the variables. As a result, it should be noted that movements to the Company may be greater than that shown in the sensitivity analysis.

The analysis is that of a reasonably possible change in the relevant risk variable and not a worst case or best case analysis. IFRS 7, 'Financial Instruments Disclosure', does not require a sensitivity analysis of the worst case scenario, but states that analysis should be of reasonably possible changes. The analysis should not be taken to rule out a worst case scenario occurring in the future the impact of which is greater than the represented adverse movements in Company performance.

It should be noted that future exposures may differ from exposures at the Statement of Financial Position date.

The potential for changes in the fair value or cash flows of the Sub-Funds' investment portfolios is referred to as Market Risk. Categories of Market Risk include equity price risk, currency risk and interest rate risk.

(a) Market Risk

(i) Equity Price Risk

Equity price risk is the risk that the value of instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The equity securities held by the Sub-Funds are held at fair value with fair value changes recognised in the Statement of Comprehensive Income.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(i) Equity Price Risk (continued)

All changes in market conditions will therefore directly affect net investment income for these Sub-Funds. The Sub-Funds manage this exposure to individual price movements of underlying positions by only making investments which are in line with the investment restrictions. The investment restrictions aim to ensure that the Sub-Funds are not overly exposed to individual investments through spreading the investment across a significant number of investments, and ensuring that the investments that are made are subject to conditions such as being listed or traded on a recognised world exchange or are subject to market capitalisation requirements.

The below table provides an analysis of the management's best estimate of the effect on net assets and profit/(loss) of the respective Sub-Fund due to a reasonably possible change in market indices, with all other variables held constant. In practice, the actual results may differ from the sensitivity analysis below and the difference could be material. Following is the analysis as at 31 December 2016 and 31 December 2015:

Sub-Fund	Market index	Change in market index 31 December 2016	Portfolio Beta 31 December 2016	Effect on net assets and profit/(loss) 31 December 2016
Strategic China Panda Fund	MXCN China (in USD terms)	+5%	0.67	USD3,086,322
Strategic China Panda Fund	MXCN China (in USD terms)	-5%	0.67	USD(3,086,322)
Nippon Growth (UCITS) Fund	TOPIX TOTAL RETURN	+5%	1.30	JPY272,717,943
Nippon Growth (UCITS) Fund	TOPIX TOTAL RETURN	-5%	1.30	JPY(272,717,943)
Strategic Europe Value Fund	MSCI EUROPE NET TOTAL RETURN	+5%	0.78	EUR36,273,945
Strategic Europe Value Fund	MSCI EUROPE NET TOTAL RETURN	-5%	0.78	EUR(36,273,945)
Strategic US Momentum and Value Fund	MSCI USA NET TOTAL RETURN	+5%	0.99	USD10,606,021
Strategic US Momentum and Value Fund	MSCI USA NET TOTAL RETURN	-5%	0.99	USD(10,606,021)
Strategic Global Quality Fund	MSCI WORLD NET TOTAL RETURN	+5%	0.74	USD2,207,579
Strategic Global Quality Fund	MSCI WORLD NET TOTAL RETURN	-5%	0.74	USD(2,207,579)
Strategic European Smaller Companies Fund	STOXX EUROPE 600 NET RETURN	+5%	0.85	EUR2,772,664
Strategic European Smaller Companies Fund	STOXX EUROPE 600 NET RETURN	-5%	0.85	EUR(2,772,664)

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(i) Equity Price Risk (continued)

Sub-Fund	Market index	Change in market index 31 December 2015	Portfolio Beta 31 December 2015	Effect on net assets and profit/(loss) 31 December 2015
Strategic China Panda Fund	MSCI DAILY TOTAL RETURN CHINA (in USD terms)	+5%	0.80	USD6,941,591
Strategic China Panda Fund	MSCI DAILY TOTAL RETURN CHINA (in USD terms)	-5%	0.80	USD(6,941,591)
Nippon Growth (UCITS) Fund	TOPIX TOTAL RETURN	+5%	0.99	JPY1,071,752,569
Nippon Growth (UCITS) Fund	TOPIX TOTAL RETURN	-5%	0.99	JPY(1,071,752,569)
Strategic Europe Value Fund	MSCI EUROPE NET TOTAL RETURN	+5%	0.85	EUR38,115,960
Strategic Europe Value Fund	MSCI EUROPE NET TOTAL RETURN	-5%	0.85	EUR(38,115,960)
Strategic US Momentum and Value Fund	S&P 500	+5%	0.94	USD15,336,986
Strategic US Momentum and Value Fund	S&P 500	-5%	0.94	USD(15,336,986)
Strategic Global Quality Fund	MSCI WORLD NET TOTAL RETURN	+5%	0.75	USD491,040
Strategic Global Quality Fund	MSCI WORLD NET TOTAL RETURN	-5%	0.75	USD(491,040)
Strategic European Smaller Companies Fund	STOXX EUROPE 600 NET RETURN	+5%	0.63	EUR1,082,575
Strategic European Smaller Companies Fund	STOXX EUROPE 600 NET RETURN	-5%	0.63	EUR(1,082,575)

This analysis is not provided for the Strategic Euro Bond Fund, Strategic Global Bond Fund and the Strategic Quality Emerging Bond Fund as these Sub-Funds do not hold equity securities and therefore do not have a significant exposure to movement in equity prices.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(ii) Currency Risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Sub-Funds may hold assets or liabilities denominated in currencies other than the functional currencies of the respective Sub-Funds. Each Sub-Fund may, therefore, be exposed to currency risk as the value of the assets and liabilities denominated in other currencies other than the functional currency may fluctuate as a result of movements in the exchange rates.

The Sub-Funds may enter into forward foreign exchange contracts to hedge the currency exposures of securities denominated in a currency other than the functional currency of the relevant Sub-Fund and to hedge against other changes in currency rates which may have an impact on a Sub-Fund. Forward foreign exchange contracts may be also used by the Investment Manager to hedge the currency exposure on behalf of investors invested in foreign currency share classes offered by each Sub-Fund in relation to the functional currency of that Sub-Fund.

Any financial instruments used to implement such strategies with respect to one or more classes shall be assets/liabilities of a Sub-Fund as a whole but will be attributable to the relevant class and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant class.

The table below outlines the Sub-Funds' net foreign currency risk exposure as at the Statement of Financial Position date.

Strategic China Panda Fund 31 December 2016

	Non-Monetary Asset and Liabilities	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	USD	USD	USD	USD
Euro	-	(232,988)	18,975,130	18,742,142
Great British Pound	-	(408)	353,123	352,715
Hong Kong Dollar	73,896,011	4,765,521	(3,869,114)	74,792,418
Swiss Franc	-	(370)	-	(370)
Chinese Yuan	-	43,829	-	43,829
Total	73,896,011	4,575,584	15,459,139	93,930,734

31 December 2015

	Non-Monetary Asset	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	USD	USD	USD	USD
Euro	-	(136,493)	48,211,080	48,074,587
Great British Pound	-	2,635	866,696	869,331
Hong Kong Dollar	129,414,972	8,371,232	-	137,786,204
Swiss France	-	(219)	-	(219)
Total	129,414,972	8,237,155	49,077,776	186,729,903

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(ii) Currency Risk (continued)

The forward fx contract exposure amounts in the above table arise as a result of forward contracts entered into by the Company to hedge currency risk exposure on the following non-base share classes.

	Total Net Assets 2016 USD	Total Net Assets 2015 USD
Hedged Euro Class	17,104,180	40,981,966
Hedged Sterling Class	359,828	867,288
Euro Hedged Institutional Class	2,138,787	7,230,052

Strategic Euro Bond Fund

31 December 2016

	Monetary Asset and Liabilities EUR	Forward FX Contract (notional amounts) EUR	Total EUR
Swiss Franc	(1,858)	12,653,514	12,651,656
Great British Pound	(11,738)	-	(11,738)
US Dollar	(21,236)	-	(21,236)
Total	(34,832)	12,653,514	12,618,682

31 December 2015

	Monetary Asset and Liabilities EUR	Forward FX Contract (notional amounts) EUR	Total EUR
Swiss Franc	29,580	21,135,647	21,165,227
Great British Pound	(5,498)	-	(5,498)
US Dollar	(95,959)	-	(95,959)
Total	(71,877)	21,135,647	21,063,770

The forward fx contract exposure amounts in the above table arise as a result of forward contracts entered into by the Company to hedge currency risk exposure on the following non-base share classes.

	Total Net Assets 2016 EUR	Total Net Assets 2015 EUR
CHF Accumulating class	12,867,848	20,729,790
CHF Institutional class	-	363,921

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(ii) Currency Risk (continued)

Nippon Growth (UCITS) Fund 31 December 2016

	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	JPY	JPY	JPY
Euro	(3,748,544)	901,275,478	897,526,934
Great British Pound	(2,000,837)	-	(2,000,837)
US Dollar	(4,127,743)	-	(4,127,743)
Swiss Franc	(31,149)	-	(31,149)
Total	(9,908,273)	901,275,478	891,367,205

31 December 2015

	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	JPY	JPY	JPY
Euro	(16,848,740)	3,839,860,791	3,823,012,051
Great British Pound	3,495,622	2,691,218,036	2,694,713,658
US Dollar	(3,148,089)	-	(3,148,089)
Swiss France	(23,173)	-	(23,173)
Total	(16,524,380)	6,531,078,827	6,514,554,447

The forward fx contract exposure amounts in the above table arise as a result of forward contracts entered into by the Company to hedge currency risk exposure on the following non-base share classes.

	Total Net Assets 2016 JPY	Total Net Assets 2015 JPY
Hedged Euro Class	526,742,253	3,339,942,954
Euro Hedged Institutional Class	373,661,452	541,072,758
GBP Hedged Institutional Class	-	2,714,022,513

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(ii) Currency Risk (continued)

Strategic Europe Value Fund 31 December 2016

	Non-Monetary Asset and Liabilities	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	EUR	EUR	EUR	EUR
US Dollar	68,594,653	1,904,864	5,386,342	75,885,859
Great British Pound	264,491,726	2,649,378	14,209,079	281,350,183
Danish Krone	32,434,077	13,399	-	32,447,476
Swedish Krona	32,655,290	66,369	-	32,721,659
Swiss Franc	70,132,219	1,914,608	42,734,226	114,781,053
Total	468,307,965	6,548,618	62,329,647	537,186,230

31 December 2015

	Non-Monetary Asset	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	EUR	EUR	EUR	EUR
US Dollar	95,371,073	387,746	9,664,965	105,423,784
Great British Pound	249,631,837	183,960	19,463,956	269,279,753
Danish Krone	41,248,161	7,822	-	41,255,983
Swedish Krona	46,217,861	4,200	-	46,222,061
Swiss Franc	95,690,516	(1,317,731)	57,770,115	152,142,900
Total	528,159,448	(734,003)	86,899,036	614,324,481

The forward fx contract exposure amounts in the above table arise as a result of forward contracts entered into by the Company to hedge currency risk exposure on the following non-base share classes.

	Total Net Assets 2016 EUR	Total Net Assets 2015 EUR
CHF Class	43,039,890	58,118,660
Sterling Institutional Class	15,687,500	19,646,940
USD Institutional Class	2,014,039	9,748,035
USD Class	1,228,751	-
USD Super Institutional Class	2,180,352	-

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(ii) Currency Risk (continued)

Strategic Global Bond Fund 31 December 2016

	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	USD	USD	USD
Euro	(40,915)	-	(40,915)
Great British Pound	(7,718)	-	(7,718)
Chinese Yuan	-	11,444,255	11,444,255
Swiss Franc	(212)	-	(212)
Total	(48,845)	11,444,255	11,395,410

31 December 2015

	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	USD	USD	USD
Euro	(121,818)	-	(121,818)
Great British Pound	(5,538)	-	(5,538)
Chinese Yuan	-	22,303,487	22,303,487
Swiss Franc	(109)	-	(109)
Total	(127,465)	22,303,487	22,176,022

Strategic US Momentum and Value Fund 31 December 2016

	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	USD	USD	USD
Swiss Franc	(58,161)	7,143,568	7,085,407
Euro	(86,749)	2,205,483	2,118,734
Great British Pound	(11,221)	-	(11,221)
Canadian Dollar	6,973	-	6,973
Total	(149,158)	9,349,051	9,199,893

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(ii) Currency Risk (continued)

Strategic US Momentum and Value Fund (continued)

31 December 2015

	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	USD	USD	USD
Swiss Franc	47,014	14,156,118	14,203,132
Euro	(197,438)	16,465,761	16,268,323
Great British Pound	(8,129)	-	(8,129)
Total	(158,553)	30,621,879	30,463,326

The forward fx contract exposure amounts in the above table arise as a result of forward contracts entered into by the Company to hedge currency risk exposure on the following non-base share classes.

	Total Net Assets 2016 USD	Total Net Assets 2015 USD
Hedged CHF Class	6,981,169	14,114,279
Hedged Euro Class	2,180,003	16,441,646

Strategic Global Quality Fund

31 December 2016

	Non-Monetary Asset	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	USD	USD	USD	USD
Euro	13,604,787	4,548	-	13,609,335
Great British Pound	12,109,825	23,297	-	12,133,122
Japanese Yen	2,489,376	20,666	-	2,510,042
Danish Krone	-	121	-	121
Swedish Krona	1,274,520	6,230	-	1,280,750
Swiss Franc	2,529,995	10,249	6,764,864	9,305,108
Total	32,008,503	65,111	6,764,864	38,838,478

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(ii) Currency Risk (continued)

Strategic Global Quality Fund

31 December 2015

	Non-Monetary Asset	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	USD	USD	USD	USD
Swiss Franc	499,382	1	-	499,383
Euro	1,524,132	470	-	1,524,602
Great British Pound	3,890,397	6,659	-	3,897,056
Japanese Yen	494,670	5,997	(498,102)	2565
Danish Krona	-	124	-	124
Swedish Krona	222,488	-	-	222,488
Total	6,631,069	13,251	(498,102)	6,146,218

Strategic European Smaller Companies Fund

31 December 2016

	Non-Monetary Asset	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	EUR	EUR	EUR	EUR
Great British Pound	-	(3,208)	-	(3,208)
Swiss Franc	8,581,369	14,646	-	8,596,015
US Dollar	-	(15,913)	-	(15,913)
Swedish Krona	2,243,795	284	-	2,244,079
Total	10,825,164	(4,191)	-	10,820,973

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(ii) Currency Risk (continued)

Strategic European Smaller Companies Fund (continued)

31 December 2015

	Non-Monetary Asset	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	EUR	EUR	EUR	EUR
Great British Pound	-	(3,188)	-	(3,188)
Swiss Franc	4,861,846	176,731	-	5,038,577
US Dollar	-	(176)	-	(176)
Total	4,861,846	173,367	-	5,035,213

Strategic Quality Emerging Bond Fund

31 December 2016

	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	USD	USD	USD
Euro	(9,693)	15,520,270	15,510,577
Great British Pound	(2,920)	-	(2,920)
Swiss Franc	11,620	9,980,175	9,991,795
Total	(993)	25,500,445	25,499,452

The forward fx contract exposure amounts in the above table arise as a result of forward contracts entered into by the Company to hedge currency risk exposure on the following non-base share classes.

	Total Net Assets 2016 USD	Total Net Assets 2015 USD
Euro Class	12,374,594	-
CHF Class	9,986,467	-
Euro Institutional Class	3,163,464	-

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(ii) Currency Risk (continued)

Strategic Beta Flex Fund

31 December 2016

	Monetary Asset and Liabilities	Forward FX Contract (notional amounts)	Total
	EUR	EUR	EUR
Great British Pound	(5)	-	(5)
US Dollar	(509)	-	(509)
Total	(514)	-	(514)

At 31 December 2016, had any non-functional currencies strengthened by 5% in relation to the respective functional currency of each of the Sub-Funds, with all other variables held constant, net assets attributable to holders of redeemable participating shares would have increased by the amounts shown below.

Strategic China Panda Fund

	31 December 2016	31 December 2015
	USD	USD
Euro	937,107	2,403,729
Great British Pound	17,636	43,467
Hong Kong Dollar	3,739,621	6,889,310
Swiss Franc	(19)	(11)
Chinese Yuan	2,191	-
Total	4,696,536	9,336,495

Strategic Euro Bond Fund

	31 December 2016	31 December 2015
	EUR	EUR
Swiss Franc	632,583	1,058,262
Great British Pound	(587)	(275)
US Dollar	(1,062)	(4,798)
Total	630,934	1,053,189

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(ii) Currency Risk (continued)

Nippon Growth (UCITS) Fund

	31 December 2016	31 December 2015
	JPY	JPY
Euro	44,876,347	191,150,603
Great British Pound	(100,042)	134,735,683
US Dollar	(206,387)	(157,404)
Swiss Franc	(1,557)	(1,159)
Total	44,568,361	325,727,722

Strategic Europe Value Fund

	31 December 2016	31 December 2015
	EUR	EUR
US Dollar	3,794,293	5,271,189
Great British Pound	14,067,509	13,463,988
Danish Krona	1,622,374	2,062,799
Swedish Krona	1,636,083	2,311,103
Swiss Franc	5,739,053	7,607,145
Total	26,859,312	30,716,224

Strategic Global Bond Fund

	31 December 2016	31 December 2015
	USD	USD
Euro	(2,046)	(6,091)
Great British Pound	(386)	(277)
Chinese Renminbi Yuan	572,213	1,115,174
Swiss Franc	(11)	(5)
Total	569,770	1,108,801

Strategic US Momentum and Value Fund

	31 December 2016	31 December 2015
	USD	USD
Swiss Franc	354,270	710,157
Euro	105,937	813,416
Great British Pound	(561)	(407)
Canadian Dollar	349	-
Total	459,995	1,523,166

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(ii) Currency Risk (continued)

Strategic Global Quality Fund

	31 December 2016	31 December 2015
	USD	USD
Swiss Franc	465,255	24,969
Euro	680,467	76,230
Great British Pound	606,656	194,853
Danish Krona	6	6
Swedish Krona	64,038	11,124
Japanese Yen	125,502	128
Total	1,941,924	307,311

Strategic European Smaller Companies Fund

	31 December 2016	31 December 2015
	EUR	EUR
Swiss Franc	429,801	251,929
Great British Pound	(160)	(159)
Swedish Krona	112,204	-
US Dollar	(796)	(9)
Total	541,049	251,761

Strategic Quality Emerging Bond Fund

	31 December 2016
	USD
Euro	775,529
Great British Pound	(146)
Swiss Franc	499,590
Total	1,274,973

Strategic Beta Flex Fund

	31 December 2016
	EUR
Great British Pound	-
U.S.Dollar	(25)
Total	(25)

A 5% decrease in non-functional currencies in relation to the respective functional currency of each of the Sub-Funds, with all other variables held constant, would lead to a corresponding decrease in the net assets attributable to holders of redeemable participating shares by the exact amounts as shown in the above tables. The estimated movement is based on management's determination of a reasonably possible change in foreign exchange rates. In practice, the actual results may differ from the sensitivity analysis above and the difference could be material.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The portfolio of investments held by the Strategic Euro Bond Fund, Strategic Global Bond Fund and Strategic Quality Emerging Bond Fund includes debt securities. The fair values of debt securities will fluctuate in response to changes in market interest rates. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of those instruments. Additionally fair values of interest rate sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument and other general market conditions. Fixed interest rate investments may be more sensitive to interest rate changes than variable rate investments.

The majority of the financial assets and liabilities held by the other Sub-Funds, Strategic China Panda Fund, Nippon Growth (UCITS) Fund, Strategic Europe Value Fund, Strategic US Momentum and Value Fund, Strategic European Smaller Companies Fund, Strategic Global Quality Fund and Strategic Beta Flex Fund are non-interest bearing. Interest bearing financial assets and liabilities include cash at bank which matures or reprices in the short-term, no longer than 3 months. As a result, these Sub-Funds are subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

The Investment Manager mitigates interest rate risk by constructing a diversified portfolio of debt securities with differing modified duration and term to maturity characteristics, which acts to reduce the Sub-Fund's overall exposure to interest rate risk. The Investment Manager constantly monitors its view of the Sub-Fund's exposure to interest rate risk and makes decisions accordingly about the composition of the Sub-Fund's portfolio of debt securities in order to ensure the interest rate risk in the portfolio is maintained at an appropriate level.

The following tables detail the Sub-Funds' exposure to interest rate risk at 31 December 2016. It includes the Sub-Funds' assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity date measured by the carrying value of assets and liabilities.

Strategic Euro Bond Fund

31 December 2016	Less than 1 year EUR	1-3 years EUR	More than 3 years EUR	Non-interest bearing EUR	Total EUR
Non interest bearing					
Derivative contracts (fair value)	-	-	-	(14,164)	(14,164)
Other assets and liabilities	-	-	-	(899,543)	(899,543)
Cash flow interest rate risk					
Debt securities		29,232,950	35,483,397	-	64,716,347
Cash at bank	2,094,934	-	-	-	2,094,934
Total	2,094,934	29,232,950	35,483,397	(913,707)	65,897,574

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Strategic Euro Bond Fund (continued)

31 December 2015	Less than 1 year EUR	1-3 years EUR	More than 3 years EUR	Non-interest bearing EUR	Total EUR
Non interest bearing					
Derivative contracts (fair value)	-	-	-	(178,089)	(178,089)
Other assets and liabilities	-	-	-	2,160,687	2,160,687
Cash flow interest rate risk					
Debt securities	4,045,350	22,291,805	95,876,400	-	122,213,555
Cash at bank	2,309,882	-	-	-	2,309,882
Total	6,355,232	22,291,805	95,876,400	1,982,598	126,506,035

Strategic Global Bond Fund

31 December 2016	Less than 1 year USD	1-3 years USD	More than 3 years USD	Non-interest bearing USD	Total USD
Non interest bearing					
Derivative contracts (fair value)				5,679	5,679
Other assets and liabilities				274,748	274,748
Cash flow interest rate risk					
Debt securities	14,091,356	31,144,026	17,771,989	-	63,007,371
Cash at bank	636,398	-	-	-	636,398
Total	14,727,754	31,144,026	17,771,989	280,427	63,924,196

31 December 2015	Less than 1 year USD	1-3 years USD	More than 3 years USD	Non-interest bearing USD	Total USD
Non interest bearing					
Derivative contracts (fair value)	-	-	-	12,399	12,399
Other assets and liabilities	-	-	-	842,138	842,138
Cash flow interest rate risk					
Debt securities	23,857,168	25,719,886	41,073,256	-	90,650,310
Cash at bank	3,136,445	-	-	-	3,136,445
Total	26,993,613	25,719,886	41,073,256	854,537	94,641,292

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(a) Market Risk (continued)

(iii) Interest Rate Risk (continued)

Strategic Quality Emerging Bond Fund

31 December 2016	Less than 1 year USD	1-3 years USD	More than 3 years USD	Non- interest bearing USD	Total USD
Non interest bearing					
Derivative contracts (fair value)	-	-	-	329,832	329,832
Other assets and liabilities	-	-	-	(3,434,881)	(3,434,881)
Cash flow interest rate risk					
Debt securities	-	4,740,360	44,989,583	-	49,729,943
Cash at bank	4,790,924	-	-	-	4,790,924
Total	4,790,924	4,740,360	44,989,583	(3,105,049)	51,415,818

For Strategic China Panda Fund, Nippon Growth (UCITS) Fund, Strategic Europe Value Fund, Strategic US Momentum and Value Fund, Strategic Global Quality Fund, Strategic Beta Flex Fund and Strategic European Smaller Companies Fund, the only interest bearing financial asset is cash and cash equivalents.

At 31 December 2016, should interest rates have increased by 50 basis points with all other variables remaining constant, the decrease in net assets attributable to holders of redeemable shares for the year are as below:

- Strategic Euro Bond Fund would amount to approximately EUR 799,246 (2015: EUR 1,356,570)
- Strategic Global Bond Fund would amount to approximately USD 1,222,343 (2015: USD 1,948,982)
- Strategic Quality Emerging Bond Fund would amount to approximately USD 1,479,466.

As described above, 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, and Strategic Beta Flex Fund Fund have limited exposure to interest rate risk and therefore an interest rate sensitivity analysis has not been presented.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(b) Credit Risk and collateral provided

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. It arises principally from debt securities held and also from derivative financial assets, cash and cash equivalents and balances due from brokers. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty for non-exchange traded financial instruments is not backed by an exchange clearing house.

Credit risk includes settlement risk which is the risk that a counterparty will not discharge an obligation to deliver a security or its value in cash when the Company has already delivered the security or its value in cash as per the agreement.

Credit risk associated with investing activities is managed by the Investment Manager as part of the overall investment process. To reduce the Company's counterparty credit exposures, securities trading is primarily conducted on authorised exchanges and on a delivery-versus-payment basis.

The assets which do not trade this way will be exposed to different forms of credit risk. When these securities are sold delivery is only made once the custodian has received payment. The trade will fail if either party fails to meet its obligation.

The Strategic Euro Bond Fund, Strategic Global Bond Fund and Strategic Quality Emerging Bond Fund invest in debt securities which are subject to credit risk. The Investment Manager analyses the credit risk of the Sub-Fund's debt securities prior to purchase and continues to monitor developments in credit quality subsequently.

Balances under due from brokers represent primarily sales transactions awaiting settlement and cash collateral from derivatives. Credit risk relating to unsettled transactions is considered small due to the short settlement period involved and the high quality of the brokers used.

As at 31 December 2016, the significant balance of the amount due from brokers was concentrated with one broker, The Bank of New York Mellon, having a credit rating of AA- (Standard and Poor's). The credit rating of the brokers are monitored on a quarterly basis.

Substantially all the assets and cash held by the Company is held with The Bank of New York Mellon. Bankruptcy or insolvency by The Bank of New York Mellon may cause the Company's rights with respect to the cash held to be delayed or limited.

The Investment Manager monitors the credit rating of The Bank of New York Mellon on a monthly basis, as reported by Standard and Poor's, Moody's and Fitch. In addition, the Investment Manager monitors the financial position of The Bank of New York Mellon on a quarterly basis by reviewing earnings releases. If the credit quality or the financial position of this bank deteriorates significantly the Investment Manager will recommend to the Board of Directors that the cash holdings be moved to another bank.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(b) Credit Risk and collateral provided (continued)

The Company will also be exposed to a credit risk in relation to the counterparties with whom it transacts or places margin or collateral in respect of transactions in Derivative Financial Instruments and may bear the risk of counterparty default. The Investment Manager seeks to enter into netting agreements with counterparties that would allow receivables and payables to that counterparty to be offset. Additionally, certain Sub-Funds engage in securities lending activities which expose the Sub-Funds to credit risk. The maximum exposure of each Sub-Funds is equal to the value of the securities loaned at 31 December 2016 as described in Note 8. To mitigate this risk, the Sub-Funds take collateral which is in excess of the value of the securities loaned as disclosed in Note 8. The programme is indemnified by The Bank of New York Mellon in the event of broker default.

The below table provides an analysis of the Company's main financial assets at the Statement of Financial Position date that are exposed to credit risk together with the relevant counterparty's credit rating as reported by Standard and Poor's and Moody's.

Strategic China Panda Fund

At 31 December 2016

	Counterparty	Credit Rating	USD
Financial assets			
Forward foreign exchange contracts	The Bank of New York Mellon	AA-	256,939
Cash and cash equivalents	The Bank of New York Mellon	AA-	6,065,757
Cash and cash equivalents	HSBC Bank Plc	AA-	812
Total			<u>6,323,508</u>

Strategic China Panda Fund

At 31 December 2015

	Counterparty	Credit Rating	USD
Financial assets			
Equitised participation notes	HSBC Bank Plc	AA-	8,884,131
	Morgan Stanley	BBB+	10,863,497
Forward foreign exchange contracts	HSBC Bank Plc	AA-	(170,494)
Cash and cash equivalents	HSBC Bank Plc	AA-	8,798,695
Total			<u>28,375,829</u>

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(b) Credit Risk and collateral provided (continued)

Strategic Euro Bond Fund

At 31 December 2016

Financial assets	Counterparty	Credit Rating	EUR
Forward foreign exchange contracts	The Bank of New York Mellon	AA-	(14,164)
Debt Securities		A	9,599,423
		A-	5,892,171
		A+	20,138,014
		AA+	5,464,515
		AAA	4,143,534
		BBB	3,749,606
		BBB+	11,016,438
		Not Rated	4,712,646
Cash and cash equivalents	The Bank of New York Mellon	AA-	2,058,033
Cash and cash equivalents	HSBC Bank Plc	AA-	36,901
Total			<u>66,797,117</u>

At 31 December 2015

Financial assets	Counterparty	Credit Rating	EUR
Forward foreign exchange contracts	HSBC Bank Plc	AA-	(131,589)
Futures	HSBC Bank Plc	AA-	(46,500)
Debt Securities		A	8,947,408
		A-	12,592,065
		A+	22,160,595
		A1	3,890,600
		A2	7,629,998
		AA	1,165,125
		AA-	12,798,615
		AA+	6,403,885
		Aa1	5,045,795
		AAA	12,378,220
		AAAu	1,160,150
		AAu	4,349,100
		Baa2	7,485,723
		BBB	7,647,076
		BBB+	4,230,300
		Not Rated	4,328,900
Cash and cash equivalents	HSBC Bank Plc	AA-	2,309,882
Total			<u>124,345,348</u>

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(b) Credit Risk and collateral provided (continued)

The Investment Manager actively invests in corporate bonds to reduce the credit risk inherent in the investment portfolio. Any investment in corporate bonds is actively monitored to ensure that the credit rating of these securities is maintained at the highest level and that the sovereign risk exposure is limited as far as possible.

The credit ratings for debt securities are assessed using the highest ratings for the relevant bonds as rated by Moody's, Fitch and Standard & Poor's.

Concentration of credit risk of the debt securities based on geographical location is disclosed in each relevant schedule of investments.

Nippon Growth (UCITS) Fund

At 31 December 2016

	Counterparty	Credit Rating	JPY
Financial assets			
Forward foreign exchange contracts	The Bank of New York Mellon	AA-	5,386,457
Cash and cash equivalents	The Bank of New York Mellon	AA-	35,418,007
Cash and cash equivalents	HSBC Bank Plc	AA-	32,300,943
Total			<u>73,105,407</u>

At 31 December 2015

	Counterparty	Credit Rating	JPY
Financial assets			
Forward foreign exchange contracts	HSBC Bank Plc	AA-	(74,369,101)
Cash and cash equivalents	HSBC Bank Plc	AA-	411,506,165
Total			<u>337,137,064</u>

Strategic Europe Value Fund

At 31 December 2016

	Counterparty	Credit Rating	EUR
Financial assets			
Forward foreign exchange contracts	The Bank of New York Mellon	AA-	(192,350)
Cash and cash equivalents	The Bank of New York Mellon	AA-	15,155,863
Cash and cash equivalents	HSBC Bank Plc	AA-	509,499
Total			<u>15,473,012</u>

At 31 December 2015

	Counterparty	Credit Rating	EUR
Financial assets			
Cash and cash equivalents	HSBC Bank Plc	AA-	18,085,897
Option contracts	HSBC Bank Plc	AA-	641,562
Forward foreign exchange contracts	HSBC Bank Plc	AA-	(425,628)
Total			<u>18,301,831</u>

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(b) Credit Risk and collateral provided (continued)

Strategic Global Bond Fund

At 31 December 2016	Counterparty	Credit Rating	USD
Financial assets			
Forward foreign exchange contracts	The Bank of New York Mellon	AA-	5,679
Debt securities		A	5,080,088
		A-	9,238,714
		A+	5,829,284
		AA	2,503,423
		AA-	10,012,153
		AA+	5,543,600
		AAA	15,187,910
		BB+	3,658,791
		BBB	3,934,522
		BBB+	1,017,735
		Not Rated	1,001,151
Cash and cash equivalents	The Bank of New York Mellon	AA-	614,695
Cash and cash equivalents	HSBC Bank Plc	AA-	21,703
Total			<u><u>63,649,448</u></u>

Strategic Global Bond Fund

At 31 December 2015

At 31 December 2015	Counterparty	Credit Rating	USD
Financial assets			
Forward foreign exchange contracts	HSBC Bank Plc	AA-	(65,054)
Futures contracts	HSBC Bank Plc	AA-	77,453
Debt securities		A	4,456,735
		A-	1,114,000
		A+	7,407,767
		A1	9,164,571
		A3	2,014,070
		AA	4,200,561
		AA-	8,597,544
		AA+	3,152,943
		AA+	13,081,915
		Aa2	1,122,780
		Aa3	997,475
		AAA	19,327,894
		BAA	3,255,030
		BBB	6,627,885
		BBB+	6,129,140
Cash and cash equivalents	HSBC Bank Plc	AA-	3,136,445
Total			<u><u>93,799,154</u></u>

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(b) Credit Risk and collateral provided (continued)

Strategic US Momentum and Value Fund

At 31 December 2016

	Counterparty	Credit Rating	USD
Financial assets			
Forward foreign exchange contracts	The Bank of New York Mellon	AA-	116,603
Option contracts	Cantor Fitzgerald	BBB-	142,450
Options contracts	Royal Bank Of Scotland	AA-	(724,000)
Cash and cash equivalents	The Bank of New York Mellon	AA-	12,774,750
Cash and cash equivalents	Royal Bank Of Scotland	AA-	1,735,051
Cash and cash equivalents	HSBC Bank Plc	AA-	65,565
Total			<u><u>14,110,419</u></u>

Strategic US Momentum and Value Fund

At 31 December 2015

	Counterparty	Credit Rating	USD
Financial assets			
Forward foreign exchange contracts	HSBC Bank Plc	AA-	(202,440)
Option contracts	HSBC Bank Plc	AA-	(434,550)
Cash and cash equivalents	HSBC Bank Plc	AA-	14,334,155
Total			<u><u>13,697,165</u></u>

Strategic Global Quality Fund

At 31 December 2016

	Counterparty	Credit Rating	USD
Financial assets			
Forward foreign exchange contracts	The Bank of New York Mellon	AA-	82,639
Cash and cash equivalents	The Bank of New York Mellon	AA-	1,128,654
Cash and cash equivalents	HSBC Bank Plc	AA-	28,949
Total			<u><u>1,240,242</u></u>

At 31 December 2015

	Counterparty	Credit Rating	USD
Financial assets			
Forward foreign exchange contracts	HSBC Bank Plc	AA-	274,732
Cash and cash equivalents	HSBC Bank Plc	AA-	(11,231)
Total			<u><u>263,501</u></u>

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(b) Credit Risk and collateral provided (continued)

Strategic European Smaller Companies Fund

At 31 December 2016

	Counterparty	Credit Rating	EUR
Financial assets			
Cash and cash equivalents	The Bank of New York Mellon	AA-	2,060,033
Cash and cash equivalents	HSBC Bank Plc	AA-	93,389
Total			<u>2,153,422</u>

At 31 December 2015

	Counterparty	Credit Rating	EUR
Financial assets			
Cash and cash equivalents	HSBC Bank Plc	AA-	926,124
Total			<u>926,124</u>

Strategic Quality Emerging Bond Fund

At 31 December 2016

	Counterparty	Credit Rating	USD
Financial assets			
Forward foreign exchange contracts	The Bank of New York Mellon	AA-	329,832
Debt Securities		A-	3,924,974
		A+	1,429,315
		BB	4,444,368
		BB+	18,548,253
		BBB	3,007,671
		BBB-	16,157,844
		BBB+	2,217,518
Cash and cash equivalents	The Bank of New York Mellon	AA-	4,755,463
Cash and cash equivalents	HSBC Bank Plc	AA-	35,461
Total			<u>54,850,699</u>

Strategic Beta Flex Fund

At 31 December 2016

	Counterparty	Credit Rating	EUR
Financial assets			
Cash and cash equivalents	The Bank of New York Mellon	AA-	3,458,319
Total			<u>3,458,319</u>

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(b) Credit Risk and collateral provided (continued)

Amounts due from and to brokers

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund in accordance with normal market practice.

Collateral received and any investment of such collateral must meet the requirements of the Central Bank as set out in the Central Bank's UCITS Regulations. Collateral received on a title transfer basis should be held by the Depository. For other types of collateral arrangement, the collateral can be held by a third party Depository which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Non-cash collateral cannot be sold, pledged or re-invested. Cash collateral may only be reinvested in:

- (i) deposits with relevant institutions;
- (ii) high-quality government bonds;
- (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Sub-Fund is able to recall at any time the full amount of cash on an accrued basis; and
- (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds.

In addition, all reinvested cash collateral must be diversified in terms of country, market and issuers. This diversification requirement is deemed satisfied if the maximum exposure to any given issuer is 20% of the Sub-Fund's net asset value. Where the Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

The level of collateral required to be posted may vary by counterparty with which the Sub-Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Sub-Fund, taking into account the credit standing and price volatility of the relevant counterparty.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(b) Credit Risk and collateral provided (continued)

Concentration Risk : Sector wise allocation of debt securities

The portfolio of investments held by the Strategic Euro Bond Fund, Strategic Global Bond Fund and Strategic Quality Emerging Bond Fund includes debt securities. The following table shows the allocation of debt securities by sectors at 31 December 2016 and 31 December 2015.

Sector	Strategic Euro Bond Fund 2016	Strategic Global Bond Fund 2016	Strategic Quality Emerging Bond Fund ⁽¹⁾ 2016	Strategic Euro Bond Fund 2015	Strategic Global Bond Fund 2015
Basic materials	4.11%	3.96%	18.62%	6.03%	3.84%
Communications	4.44%	7.46%	8.69%	5.33%	6.79%
Consumer, Non-Cyclical	8.68%	13.04%	6.48%	5.55%	12.03%
Consumer, Cyclical	23.42%	12.36%	2.08%	14.49%	5.55%
Energy	13.63%	4.34%	18.58%	3.20%	-
Financial	6.52%	15.85%	23.32%	10.95%	21.31%
Government	-	-	-	12.88%	29.21%
Industrial	13.91%	2.54%	3.17%	10.15%	4.53%
Sovereign	8.55%	16.24%	19.06%	-	-
Technology	1.66%	6.80%	-	3.49%	5.01%
Utilities	15.08%	17.41%	-	27.93%	11.73%
	100.00%	100.00%	100.00%	100.00%	100.00%

⁽¹⁾ For the period 28 April 2016 (commenced operations) to 31 December 2016

(c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's Prospectus provides for the daily creation and cancellation of shares for Strategic China Panda Fund, Strategic Euro Bond Fund, Nippon Growth (UCITS) Fund, Strategic Europe Value Fund, Strategic Global Bond Fund, Strategic US Momentum and Value Fund, Strategic Global Quality Fund, weekly Strategic European Smaller Companies Fund, Strategic Quality Emerging Bond Fund, Strategic Beta Flex Fund and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time. The Company therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

The Company's financial instruments also comprise investments in derivative contracts traded over-the-counter, which are not traded in an organised public market and which generally may be illiquid. As a result, the Company may not be able to liquidate quickly some of its investments in these instruments at an amount close to its fair value in order to meet its liquidity requirements, or to respond to specific events such as deterioration in the credit worthiness of any particular issuer.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(c) Liquidity Risk (continued)

The Company has also obtained an overdraft facility in order to manage its short-term liquidity requirements. Details of the overdraft facility are outlined in Note 10.

All of the Company's financial liabilities at 31 December 2016 are payable within one month including liabilities on outstanding forward foreign currency contracts. Please see the following table for notional value of forward foreign currency contracts:

At 31 December 2016	Fair Value/ Notional Value EUR	Less than 1 month EUR	1 - 3 months EUR	More than 3 months EUR
Derivative financial liabilities settled net				
Forward foreign currency contracts (Notional Value):				
- Outflows	(158,170,108)	(158,170,108)	-	-
- Inflows	158,757,973	158,757,973	-	-
Total	<u>587,865</u>	<u>587,865</u>	<u>-</u>	<u>-</u>
At 31 December 2015	Fair Value/ Notional Value EUR	Less than 1 month EUR	1 - 3 months EUR	More than 3 months EUR
Derivative financial liabilities settled net				
Forward foreign currency contracts (Notional Value):				
- Outflows	(256,520,278)	(256,061,663)	(458,615)	-
- Inflows	254,979,839	254,531,564	448,275	-
Total	<u>(1,540,439)</u>	<u>(1,530,099)</u>	<u>(10,340)</u>	<u>-</u>

(d) Derivatives

The Company engages in transactions in Derivative Financial Instruments for the purpose of efficient portfolio management. Efficient portfolio management techniques include futures contracts, forward foreign exchange contracts, option contracts, securities lending and equitised participation notes. The derivatives counterparty for forward foreign exchange contracts and option contracts is The Bank of New York Mellon.

(i) Forward foreign exchange contracts and futures

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.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(i) Forward foreign exchange contracts and futures (continued)

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 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 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.

Strategic China Panda Fund

As at 31 December 2016, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss)
			USD
USD 3,868,621	HKD (30,000,000)	03/01/2017	(764)
EUR 78,546	USD (82,383)	04/01/2017	470
EUR 15,991,083	USD (16,661,941)	26/01/2017	226,079
USD 82,486	EUR (78,546)	26/01/2017	(465)
GBP 285,805	USD (349,869)	26/01/2017	3,501
EUR 1,988,812	USD (2,072,247)	26/01/2017	28,118
			256,939

As at 31 December 2015, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss)
			USD
EUR 37,705,247	USD (41,118,138)	29/01/2016	(138,643)
EUR 6,653,784	USD (7,256,052)	29/01/2016	(24,466)
GBP 587,627	USD (874,082)	29/01/2016	(7,385)
			(170,494)

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(i) Forward foreign exchange contracts and futures (continued)

Strategic Euro Bond Fund

As at 31 December 2016, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) EUR
CHF 13,562,731	EUR (12,669,523)	26/01/2017	(14,132)
EUR 9,112	CHF (9,799)	26/01/2017	(32)
			(14,164)

As at 31 December 2015, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) EUR
CHF 22,586,424	EUR (20,900,332)	29/01/2016	(129,319)
CHF 396,504	EUR (366,904)	29/01/2016	(2,270)
			(131,589)

Nippon Growth (UCITS) Fund

As at 31 December 2016, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) JPY
EUR 4,385,039	JPY (536,321,215)	26/01/2017	3,134,517
JPY 12,513,606	EUR (101,580)	26/01/2017	17,043
EUR 3,109,792	JPY (380,349,473)	26/01/2017	2,222,943
JPY 8,776,895	EUR (71,247)	26/01/2017	11,954
			5,386,457

As at 31 December 2015, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) JPY
JPY 146,351,947	EUR (1,113,582)	29/01/2016	951,284
EUR 26,422,220	JPY (3,481,531,803)	29/01/2016	(31,576,023)
JPY 21,076,094	EUR (160,367)	29/01/2016	136,994
EUR 4,260,119	JPY (561,335,853)	29/01/2016	(5,091,079)
GBP 15,188,120	JPY (2,730,008,313)	29/01/2016	(38,790,277)
			(74,369,101)

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(i) Forward foreign exchange contracts and futures (continued)

Strategic Europe Value Fund

As at 31 December 2016, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) EUR
EUR 1,398,077	GBP (1,200,000)	03/01/2017	(7,245)
CHF 95,090	EUR (88,621)	04/01/2017	76
CHF 45,771,648	EUR (42,757,240)	26/01/2017	(47,691)
CHF 250,000	EUR (233,092)	26/01/2017	183
EUR 232,992	CHF (250,000)	04/01/2017	(201)
EUR 88,659	CHF (95,090)	26/01/2017	70
USD 1,288,245	EUR (1,236,595)	26/01/2017	(16,791)
EUR 3,665	GBP (3,130)	26/01/2017	1
EUR 11,827	GBP (10,061)	26/01/2017	48
GBP 10,061	EUR (11,836)	03/01/2017	(53)
GBP 13,332,713	EUR (15,672,277)	26/01/2017	(63,297)
USD 2,111,340	EUR (2,026,689)	26/01/2017	(27,519)
USD 2,285,667	EUR (2,194,026)	26/01/2017	(29,791)
			(192,350)

As at 31 December 2015, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) EUR
CHF 1,547,195	EUR (1,433,319)	29/01/2016	(10,482)
CHF 61,272,097	EUR (56,698,092)	29/01/2016	(350,814)
GBP 424,995	EUR (579,449)	29/01/2016	(2,702)
GBP 13,917,689	EUR (18,982,481)	29/01/2016	(95,272)
USD 245,986	EUR (224,515)	29/01/2016	1,817
USD 10,258,264	EUR (9,406,807)	29/01/2016	31,825
			(425,628)

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(i) Forward foreign exchange contracts and futures (continued)

Strategic Global Bond Fund

As at 31 December 2016, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
CNH 80,413,273	USD (11,446,645)	26/01/2017	5,679
			5,679

As at 31 December 2015, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
CNH 147,178,643	USD (22,368,540)	29/01/2016	(65,054)
			(65,054)

Strategic US Momentum and Value Fund

As at 31 December 2016, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
CHF 82,403	USD (79,895)	03/01/2017	987
CHF 7,254,445	USD (7,061,548)	26/01/2017	87,268
USD 80,005	CHF (82,403)	26/01/2017	(1,198)
EUR 2,089,801	USD (2,177,472)	26/01/2017	29,546
			116,603

As at 31 December 2015, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
CHF 14,163,454	USD (14,302,849)	29/01/2016	(146,732)
EUR 15,150,152	USD (16,521,468)	29/01/2016	(55,708)
			(202,440)

Strategic Global Quality Fund

As at 31 December 2016, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
CHF 6,869,603	USD (6,686,939)	26/01/2017	82,639
			82,639

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

Strategic Global Quality Fund (continued)

(i) Forward foreign exchange contracts and futures (continued)

As at 31 December 2015, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
USD 486,872	JPY (59,800,000)	03/02/2016	(11,231)
			(11,231)

Strategic Quality Emerging Bond Fund

As at 31 December 2016, the Sub-Fund held the following forward foreign exchange contracts:

Bought amount	Sold amount	Maturity date	Unrealised gain/(loss) USD
CHF 10,134,696	USD (9,865,213)	26/01/2017	121,917
EUR 11,717,500	USD (12,209,072)	26/01/2017	165,661
EUR 2,988,702	USD (3,114,084)	26/01/2017	42,254
			329,832

(ii) Options

As at 31 December 2016, the Company has no exposure to the Option contracts within the portfolio for the Strategic Europe Value Fund.

As at 31 December 2015, the Company maintained exposure to the following option positions within the portfolio for the Strategic Europe Value Fund:

March 2016	Strike price: 1900	Put Options on S&P 500 Index	260 contracts
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As at 31 December 2016, the Company maintained exposure to the following option positions within the portfolio for the Strategic US Momentum and Value Fund:

January 2017	Strike Price: 97.5	Call Options on Apple Inc	(400) contracts
June 2017	Strike Price: 70	Call Options on CVS Health Corp	140 contracts

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(ii) Options (continued)

As at 31 December 2015, the Company maintained exposure to the following option positions within the portfolio for the Strategic US Momentum and Value Fund:

January 2016	Strike price: 155	Call Options on Becton Dickinson	200 contracts
January 2016	Strike price: 55	Call Options on Carmax	1000 contracts
January 2016	Strike price: 310	Call Options on Allergan	(150) contracts
January 2016	Strike price: 315	Call Options on Allergan	(300) contracts
January 2016	Strike price: 400	Call Options on Amerco	(100) contracts
January 2016	Strike price: 150	Call Options on Avago Technologies	(150) contracts
January 2016	Strike price: 62.5	Call Options on Carmax	(1000) contracts
January 2016	Strike price: 55	Call Options on Jarden	(750) contracts
January 2016	Strike price: 57.5	Call Options on Jarden	(600) 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 Europe Value Fund and Strategic US Momentum and Value Fund are exposed. As a consequence the Investment Manager considers these option positions to be covered option positions.

(iii) Equitised participation notes

Equitised participation notes are valued at fair value based on the closing price of the underlying reference asset and prevailing spot currency exchange rate on the relevant valuation day. The notes represent an exposure to reference assets such as equity securities. The Company purchases a fully equitised instrument traded over the counter and designed to replicate the performance of the underlying reference asset, similar to a total return swap but issued in note form and traded over the counter with a selected market counterparty. Although the fair value of the participation note varies dependent on the fair value of the underlying reference asset the participation note also bears a degree of credit risk in addition to the market risk of the underlying reference asset as a result of the exposure to the counterparty generated by the over the counter nature of the position.

At 31 December 2016, Strategic China Panda Fund did not hold equitised participation notes.

At 31 December 2015, Strategic China Panda Fund held equitised participation notes.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(iv) Offsetting Financial Instruments

Strategic China Panda Fund

31 December 2016

Financial assets which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognised Financial Assets USD	Gross amount of Financial Liabilities offset in the Statement of Financial Position USD	Net amount of Financial Assets presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral received USD	
Derivatives	258,168	-	258,168	(1,229)	-	256,939
	258,168	-	258,168	(1,229)	-	256,939

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities USD	Gross amount of Financial Assets offset in the Statement of Financial Position USD	Net amount of Financial Liabilities presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral pledged USD	
Derivatives	(1,229)	-	(1,229)	1,229	-	-
	(1,229)	-	(1,229)	1,229	-	-

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(iv) *Offsetting Financial Instruments (continued)*

Strategic China Panda Fund (continued)

31 December 2015

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities USD	Gross amount of Financial Assets offset in the Statement of Financial Position USD	Net amount of Financial Liabilities presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral pledged USD	
Derivatives	(170,494)	-	(170,494)	-	-	(170,494)
	(170,494)	-	(170,494)	-	-	(170,494)

Strategic Euro Bond Fund

31 December 2016

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities EUR	Gross amount of Financial Assets offset in the Statement of Financial Position EUR	Net amount of Financial Liabilities presented in the Statement of Financial Position EUR	Gross amounts not offset in the Statement of Financial Position		Net amount EUR
				Financial instrument EUR	Cash Collateral pledged EUR	
Derivatives	(14,164)	-	(14,164)	-	-	(14,164)
	(14,164)	-	(14,164)	-	-	(14,164)

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(iv) Offsetting Financial Instruments (continued)

31 December 2015

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities EUR	Gross amount of Financial Assets offset in the Statement of Financial Position EUR	Net amount of Financial Liabilities presented in the Statement of Financial Position EUR	Gross amounts not offset in the Statement of Financial Position		Net amount EUR
				Financial instrument EUR	Cash Collateral pledged EUR	
Derivatives	(178,089)	-	(178,089)	-	-	(178,089)
	<u>(178,089)</u>	<u>-</u>	<u>(178,089)</u>	<u>-</u>	<u>-</u>	<u>(178,089)</u>

Nippon Growth (UCITS) Fund

31 December 2016

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognised Financial Assets JPY	Gross amount of Financial Liabilities offset in the Statement of Financial Position JPY	Net amount of Financial Assets presented in the Statement of Financial Position JPY	Gross amounts not offset in the Statement of Financial Position		Net amount JPY
				Financial instrument JPY	Cash Collateral received JPY	
Derivatives	5,386,457	-	5,386,457	-	-	5,386,457
	<u>5,386,457</u>	<u>-</u>	<u>5,386,457</u>	<u>-</u>	<u>-</u>	<u>5,386,457</u>

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(iv) Offsetting Financial Instruments (continued)

Nippon Growth (UCITS) Fund (continued)

31 December 2015

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognised Financial Assets JPY	Gross amount of Financial Liabilities offset in the Statement of Financial Position JPY	Net amount of Financial Assets presented in the Statement of Financial Position JPY	Gross amounts not offset in the Statement of Financial Position		Net amount JPY
				Financial instrument JPY	Cash Collateral received JPY	
Derivatives	1,088,278	-	1,088,278	(1,088,278)	-	-
	1,088,278	-	1,088,278	(1,088,278)	-	-

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities JPY	Gross amount of Financial Assets offset in the Statement of Financial Position JPY	Net amount of Financial Liabilities presented in the Statement of Financial Position JPY	Gross amounts not offset in the Statement of Financial Position		Net amount JPY
				Financial instrument JPY	Cash Collateral pledged JPY	
Derivatives	(75,457,379)	-	(75,457,379)	1,088,278	-	(74,369,101)
	(75,457,379)	-	(75,457,379)	1,088,278	-	(74,369,101)

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(iv) Offsetting Financial Instruments (continued)

Strategic Europe Value Fund

31 December 2016

Financial assets which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognised Financial Assets EUR	Gross amount of Financial Liabilities offset in the Statement of Financial Position EUR	Net amount of Financial Assets presented in the Statement of Financial Position EUR	Gross amounts not offset in the Statement of Financial Position		Net Amount EUR
				Financial instrument EUR	Cash Collateral pledged EUR	
Derivatives	309	-	309	(309)	-	-
	309	-	309	(309)	-	-

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities EUR	Gross amount of Financial Assets offset in the Statement of Financial Position EUR	Net amount of Financial Liabilities presented in the Statement of Financial Position EUR	Gross amounts not offset in the Statement of Financial Position		Net amount EUR
				Financial instrument EUR	Cash Collateral pledged EUR	
Derivatives	(192,659)	-	(192,659)	309	-	(192,350)
	(192,659)	-	(192,659)	309	-	(192,350)

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(iv) Offsetting Financial Instruments (continued)

Strategic Europe Value Fund (continued) 31 December 2015

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognised Financial Assets EUR	Gross amount of Financial Liabilities offset in the Statement of Financial Position EUR	Net amount of Financial Assets presented in the Statement of Financial Position EUR	Gross amounts not offset in the Statement of Financial Position		Net amount EUR
				Financial instrument EUR	Cash Collateral received EUR	
Derivatives	675,204	-	675,204	(459,270)	-	215,934
	675,204	-	675,204	(459,270)	-	215,934

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognised Financial Assets EUR	Gross amount of Financial Liabilities offset in the Statement of Financial Position EUR	Net amount of Financial Assets presented in the Statement of Financial Position EUR	Gross amounts not offset in the Statement of Financial Position		Net amount EUR
				Financial instrument EUR	Cash Collateral received EUR	
Derivatives	(459,270)	-	(459,270)	459,270	-	-
	(459,270)	-	(459,270)	459,270	-	-

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(iv) *Offsetting Financial Instruments (continued)*

Strategic Global Bond Fund

31 December 2016

Financial assets which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognised Financial Assets USD	Gross amount of Financial Liabilities offset in the Statement of Financial Position USD	Net amount of Financial Assets presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral pledged USD	
Derivatives	5,679	-	5,679	-	-	5,679
	5,679	-	5,679	-	-	5,679

31 December 2015

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognised Financial Assets USD	Gross amount of Financial Liabilities offset in the Statement of Financial Position USD	Net amount of Financial Assets presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral received USD	
Derivatives	77,453	-	77,453	(65,054)	-	12,399
	77,453	-	77,453	(65,054)	-	12,399

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(iv) *Offsetting Financial Instruments (continued)*

Strategic Global Bond Fund (continued)

31 December 2015

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities USD	Gross amount of Financial Asset offset in the Statement of Financial Position USD	Net amount of Financial Assets presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral received USD	
Derivatives	(65,054)	-	(65,054)	65,054	-	-
	(65,054)	-	(65,054)	65,054	-	-

Strategic US Momentum and Value Fund

31 December 2016

Financial assets which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognised Financial Assets USD	Gross amount of Financial Liabilities offset in the Statement of Financial Position USD	Net amount of Financial Liabilities presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral pledged USD	
Derivatives	260,251	-	260,251	(260,251)	-	-
	260,251	-	260,251	(260,251)	-	-

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(iv) Offsetting Financial Instruments (continued)

Strategic US Momentum and Value Fund (continued)

31 December 2016

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities USD	Gross amount of Financial Assets offset in the Statement of Financial Position USD	Net amount of Financial Liabilities presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral pledged USD	
Derivatives	(725,198)	-	(725,198)	260,251	-	(464,947)
	(725,198)	-	(725,198)	260,251	-	(464,947)

31 December 2015

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognised Financial Assets USD	Gross amount of Financial Liabilities offset in the Statement of Financial Position USD	Net amount of Financial Assets presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral received USD	
Derivatives	155,000	-	155,000	(155,000)	-	-
	155,000	-	155,000	(155,000)	-	-

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(iv) *Offsetting Financial Instruments (continued)*

Strategic US Momentum and Value Fund (continued)

31 December 2015 (continued)

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognised Financial Assets USD	Gross amount of Financial Liabilities offset in the Statement of Financial Position USD	Net amount of Financial Assets presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral received USD	
Derivatives	(791,990)	-	(791,990)	155,000	-	(636,990)
	(791,990)	-	(791,990)	155,000	-	(636,990)

Strategic Global Quality Fund

31 December 2016

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognised Financial Assets USD	Gross amount of Financial Liabilities offset in the Statement of Financial Position USD	Net amount of Financial Assets presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral received USD	
Derivatives	82,639	-	82,639	-	-	82,639
	82,639	-	82,639	-	-	82,639

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

7. Risks Associated with Financial Instruments (continued)

(d) Derivatives (continued)

(iv) *Offsetting Financial Instruments (continued)*

Strategic Global Quality Fund (continued)

31 December 2015

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities USD	Gross amount of Financial Assets offset in the Statement of Financial Position USD	Net amount of Financial Liabilities presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral pledged USD	
Derivatives	(11,231)	-	(11,231)	-	-	(11,231)
	(11,231)	-	(11,231)	-	-	(11,231)

Strategic Quality Emerging Bond Fund

31 December 2016

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognised Financial Assets USD	Gross amount of Financial Liabilities offset in the Statement of Financial Position USD	Net amount of Financial Assets presented in the Statement of Financial Position USD	Gross amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instrument USD	Cash Collateral received USD	
Derivatives	329,832	-	329,832	-	-	329,832
	329,832	-	329,832	-	-	329,832

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

8. Securities lending

The Company on behalf of Strategic China Panda Fund, Strategic Euro Bond Fund, Nippon Growth (UCITS) Fund, Strategic Europe Value 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 Quality Emerging Bond Fund was engaged in a securities lending program in accordance with an agreement with HSBC Bank plc (the “Bank”), a related party to the Depository, as securities lending agent dated 22 September 2014. The Company was lending securities with a value of up to 15% of the net asset value of each fund. The Company receives collateral to in the form of government securities, equities, certificates of deposit and cash against the loaned securities.

The Company was entitled to 70% of such securities lending income and the Bank was entitled to 30% of the securities lending income as its fee under the agreement. The Bank meets any additional custody charges and other operating costs incurred under this agreement out of its own fee.

Collateral held on behalf of the Company was minimum margin of between 102.5% and 105% of the value of the securities on loan.

The Securities lending agreement with the bank terminated on 4 November 2016. As a result none of the Sub-Funds held any securities on loan and there were no corresponding collateral held by any of the Sub-Funds as at 31 December 2016.

At 31 December 2015, the aggregate value of the securities on loan and the corresponding collateral held by the Sub-Funds are shown below:

Fund Name	Aggregate value of securities on loan EUR	*Aggregate value of collateral held EUR
Strategic China Panda Fund	6,982,680	10,718,130
Nippon Growth (UCITS) Fund	2,022,134	2,135,211
Strategic Europe Value Fund	1,034,522	1,093,965
Total	10,039,336	13,947,306

** Collateral held in the form of other securities*

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

9. 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 year ended 31 December 2016 and 31 December 2015.

31 December 2016	Total EUR	Strategic China Panda Fund USD	Strategic Euro Bond Fund EUR	Nippon Growth (UCITS) Fund JPY	Strategic Europe Value Fund EUR
Forward foreign exchange contracts	(6,112,286)	(464,634)	34,254	(282,550,954)	(2,725,357)
Futures contracts	(1,398,371)	364,020	(1,359,074)	-	-
Option contracts	1,102,910	-	-	-	(2,718,487)
Net gain/(loss)	(6,407,747)	(100,614)	(1,324,820)	(282,550,954)	(5,443,844)

31 December 2016	Strategic Global Bond Fund USD	Strategic US Momentum and Value Fund USD	Strategic Global Quality Fund USD	Strategic European Smaller Companies Fund EUR	Strategic Quality Emerging Bond Fund USD
Forward foreign exchange contracts	(266,241)	14,744	(474,868)	4,768	(1,781,251)
Futures contracts	(405,469)	-	-	-	-
Option contracts	-	4,109,272	(78,653)	-	-
Net gain/(loss)	(671,710)	4,124,016	(553,521)	4,768	(1,781,251)

31 December 2015	Total EUR	Strategic China Panda Fund USD	Strategic Euro Bond Fund EUR	Nippon Growth (UCITS) Fund JPY	Strategic Emerging Europe Fund USD
Forward foreign exchange contracts	(10,625,681)	(8,089,307)	2,315,229	(621,157,938)	(799,598)
Futures contracts	(2,814,553)	-	(1,365,112)	(19,868,511)	(4,754)
Option contracts	5,443,550	-	-	-	-
Net (loss)/gain	(7,996,684)	(8,089,307)	950,117	(641,026,449)	(804,352)

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

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

31 December 2015	Strategic Europe Value Fund EUR	Strategic Global Bond Fund USD	Strategic US Momentum and Value Fund USD	Strategic Global Quality Fund USD	Strategic European Smaller Companies Fund EUR
Forward foreign exchange contracts	2,974,878	(497,111)	(3,039,243)	(4,637)	610
Futures contracts	-	(1,342,993)	(84,774)	-	(2,462)
Option contracts	(55,787)	-	6,068,473	-	-
Net gain/(loss)	2,919,091	(1,840,104)	2,944,456	(4,637)	(1,852)

The below table lists the income earned on the securities lending transactions for the year ended 31 December 2016 (2015: EUR 385,587).

	2016	2015
Strategic China Panda Fund	USD 87,915	USD 305,591
Nippon Growth (UCITS) Fund	JPY 2,482,050	JPY 2,442,319
Strategic Europe Value Fund	EUR 93,883	EUR 90,364
Strategic Euro Bond Fund	EUR 739,306	-
Strategic European Smaller Companies Fund	EUR 1,504	-
Total	EUR 934,964	EUR 385,587

10. Overdraft facility

The Company has entered into the following overdraft facilities with The Bank of New York Mellon for the year ended 31 December 2016.

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.

The Company had entered into the following overdraft facilities with HSBC Bank plc for the year ended 31 December 2015:

Strategic China Panda Fund – the lower of US\$55,000,000 or 10% of the net value of assets under custody with the Depository. Interest was charged on the facility at the HSBC Bank Plc's currency overdraft rate.

Strategic Euro Bond Fund – the lower of US\$15,000,000 or 10% of the net value of assets under custody with the Depository. Interest was charged on the facility at the HSBC Bank Plc's currency overdraft rate.

Nippon Growth (UCITS) Fund – the lower of US\$5,000,000 or 10% of the net value of assets under custody with the Depository. Interest was charged on the facility at the HSBC Bank Plc's currency overdraft rate.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

10. Overdraft facility (continued)

Strategic Emerging Europe Fund – the lower of US\$12,000,000 or 10% of the net value of assets under custody with the Depository. Interest was charged on the facility at the HSBC Bank Plc's currency overdraft rate.

Strategic Europe Value Fund – the lower of US\$30,000,000 or 10% of the net value of assets under custody with the Depository. Interest was charged on the facility at the HSBC Bank Plc's currency overdraft rate.

Strategic Global Bond Fund – the lower of US\$17,000,000 or 10% of the net value of assets under custody with the Depository. Interest was charged on the facility at the HSBC Bank Plc's currency overdraft rate.

Strategic US Momentum and Value Fund – the lower of US\$25,000,000 or 10% of the net value of assets under custody with the Depository. Interest was charged on the facility at the HSBC Bank Plc's currency overdraft rate.

Strategic Global Quality Fund – the lower of US\$10,000,000 or 10% of the net value of assets under custody with the Depository. Interest was charged on the facility at the HSBC Bank Plc's currency overdraft rate.

Strategic European Smaller Companies Fund – the lower of US\$8,000,000 or 10% of the net value of assets under custody with the Depository. Interest was charged on the facility at the HSBC Bank Plc's currency overdraft rate.

The assets and cash balances held by the Depository, HSBC Institutional Trust Services (Ireland) Limited, were held as collateral for the above overdraft facilities.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

11. Related Parties and Connected Parties

(i) Related Parties

The below table provides an analysis of related party transactions for the year ended 31 December 2016:

<u>Name</u>	<u>Relationship</u>	<u>Transaction type</u>	<u>Fees paid</u>
E.I. Sturdza Strategic Management Limited	Investment Manager, Promoter & Common Directors	Investment management services	See note 5
Banque Eric Sturdza SA	Investment Adviser/Shareholder	Investment adviser services	See note 5
Dillon Eustace	Common Director/Partner	Legal and tax advice	See note 5

L. Georges Gutmans, 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. Johannes Yntema who is a Director of Banque Eric Sturdza SA (effective 15 February 2016), Investment Adviser to the Strategic Euro Bond Fund, Strategic Global Bond Fund and Strategic US Momentum and Value Fund has resigned from the Board of the Company with effect from 1 January 2017.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

11. Related Parties and Connected Parties (continued)

Related party shareholding

The below table provides an analysis of the number of shares held in the Company by related parties as at 31 December 2016.

<u>Name</u>	<u>Relationship</u>	<u>Share Class</u>	<u>2016</u>	<u>2015</u>
Strategic China Panda Fund				
Banque Eric Sturdza SA*	Investment Adviser to other Sub-Funds	USD Class	6,584.16	10,209.18
		Hedged Euro Class	2,711.03	5,185.86
		Hedged Sterling Class	3.76	39.22
		Euro Hedged Institutional Class	1,181.08	480.90
Banque Pâris Bertrand Sturdza SA	A corporate affiliate of the Investment Manager and Banque Eric Sturdza SA*	USD Class	144.85	43.94
		Hedged Euro Class	1,408.48	1408.48
L.Georges Gutmans	Director	Hedged Euro Class	20.62	20.62
Strategic Euro Bond Fund				
Banque Eric Sturdza SA*	Investment Adviser	Euro Distributing Class	2,529.91	8,980.46
		Euro Accumulating Class	24,005.76	37,429.19
		Euro Institutional Class	3,733.92	8,006.22
		CHF Accumulating Class	13,338.59	22,498.58
		CHF Institutional Class	Nil	400.00
Nippon Growth (UCITS) Fund				
Banque Eric Sturdza SA*	Investment Adviser	JPY Class A	883.61	3,247.12
		JPY Class B	15,856.80	69,138.01
		Hedged Euro Class	731.30	14,782.22
		JPY Class D Institutional	Nil	11,203.64
		Hedged Euro Institutional Class	482.54	Nil

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

11. Related Parties and Connected Parties (continued)

Related party shareholding (continued)

The below table provides an analysis of the number of shares held in the Company by related parties as at 31 December 2016 (continued).

<u>Name</u>	<u>Relationship</u>	<u>Share Class</u>	<u>No of Shares</u>	
			<u>2016</u>	<u>2015</u>
Strategic Europe Value Fund				
Banque Eric Sturdza SA*	Investment Adviser to other Sub-Funds	Euro Class	479,263.10	665,321.17
		EUR Institutional Class	195,211.90	248,898.93
		CHF Class	241,738.72	349,303.33
		Euro Institutional Distributing Class	47,919.88	44,660.78
		Euro Retail Class	98.50	98.50
Banque Paris Bertrand Sturdza	A corporate affiliate of the Investment Manager and Banque Eric Sturdza SA	Euro Institutional Class	2,244.00	Nil
L.Georges Gutmans The Guardian Angel Trust	Director	CHF Class	1,071.08	840.00
	A trust for beneficiaries related to L. Georges Gutmans (Director of the Company)	CHF Class	299.78	299.78
Jan Willem Goudriaan	Family member of Willem Vinke (PM to Investment Adviser of Strategic Europe Value Fund)	Euro Class	190.00	190.00
Azure Trust Company Limited	Trust company of Willem Vinke (PM of Investment Adviser of Strategic Europe Value Fund, beneficiary of this trust)	Euro Institutional Class	1,756.71	1,756.71
DB Retirement Investment Scheme	Pension plan of Rosemary Diana Rachel Bichard (wife of PM of Investment Advisor of Strategic Europe Value Fund)	Euro Class	296.91	296.91

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

11. Related Parties and Connected Parties (continued)

Related party shareholding (continued)

The below table provides an analysis of the number of shares held in the Company by related parties as at 31 December 2016 (continued).

<u>Name</u>	<u>Relationship</u>	<u>Share Class</u>	<u>No of Shares</u>	
			<u>2016</u>	<u>2015</u>
Strategic Global Bond Fund				
Banque Eric Sturdza SA*	Investment Adviser	USD Class	46,996.60	64,906.03
		RMB Class	521.74	598.75
Banque P�aris Bertrand Sturdza SA	A corporate affiliate of the Investment Manager and Banque Eric Sturdza SA*	RMB Class	251.50	440.32
Strategic US Momentum and Value Fund				
Banque Eric Sturdza SA*	Investment Adviser	USD Class	158,820.50	247,610.88
		Hedged Euro Class	3,757.00	15,129.49
		Hedged CHF Class	13,888.81	25,242.28
		USD Institutional Class	67,131.45	67,831.45
Strategic Global Quality Fund				
Banque Eric Sturdza SA*	Investment Adviser to other Sub-Funds	USD Class	150,882.00	Nil
		CHF Class	63,033.38	Nil
		USD Institutional Class	239,967.50	76,504.62
E.I. Sturdza Strategic Management Limited	Investment Manager	USD Institutional Class	10,000.00	10,000.00
		USD Institutional Class	10,000.00	10,000.00
Willem Vinke	PM to Investment Adviser of Strategic Global Quality Fund	USD Institutional Class	2,500.00	5,000.00
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

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

11. Related Parties and Connected Parties (continued)

Related party shareholding (continued)

The below table provides an analysis of the number of shares held in the Company by related parties as at 31 December 2016 (continued).

Strategic Global Quality Fund (continued)

<u>Name</u>	<u>Relationship</u>	<u>Share Class</u>	<u>No of Shares</u>	
			<u>2016</u>	<u>2015</u>
Azure Trust Company Limited	Trust company of Willem Vinke (PM of Investment Adviser of Strategic Global Quality Fund, beneficiary of this trust)	USD Class	2,500.00	Nil

Strategic European Smaller Companies Fund

Banque Eric Sturdza SA*	Investment Adviser	Euro Class	43,302.93	34,088.55
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Strategic Beta Flex Fund

Banque Eric Sturdza SA*	Investment Adviser to Sub-Funds	other Euro Class	5,506,15	Nil
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*These shares are held by Banque Eric Sturdza SA as part of a nominee account.

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

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 will be declared for Hedged Sterling Class on an annual basis in line with the completion of the preparation of the audited and interim financial statements. It is not intended to distribute dividends to Shareholders of the USD Class, Hedged Euro Class, Hedged CHF Class, USD Institutional Class, Euro Hedged Institutional Class, Sterling Hedged Institutional Class, CHF Hedged Institutional Class, USD R Class and Hedged Euro R Class Shares. For the Strategic Euro Bond Fund it is intended that distributions will be declared for the Distributing Class on a annual basis in line with the completion of the audited and interim financial statements. It is not the intention to distribute dividends to investors in the Accumulating Class, Institutional Class and R Class.

For the Nippon Growth (UCITS) Fund it is intended that dividends would be declared for the JPY Class C Distributing on an annual basis in line with the completion of the audited and interim financial statements. It is not the intention of the Company to declare dividends in respect of the JPY Class A Shares, JPY Class B Accumulating Shares, JPY Class D Institutional Shares, Euro Hedged Class Shares, Euro Hedged Institutional Class Shares, CHF Hedged Class Shares, CHF Hedged Institutional Class Shares, GBP Hedged Class Shares, GBP Hedged Institutional Class Shares, USD Hedged Class Shares, USD Hedged Institutional Class Shares, Euro Hedged R Class Shares and USD Hedged R Class Shares

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

12. Distributions (continued)

For Strategic Quality Emerging Bond Fund it is intended that dividends would be declared for the USD Distributing Class, EUR Distributing Class, CHF Distributing Class and GBP Distributing Class on a semi-annual basis in line with the completion of the audited and interim financial statements.

For the Strategic Europe Value Fund it is intended that dividends would be declared for the Euro Institutional Distributing Class on a semi-annual and an annual basis in line with the completion of the audited and interim financial statements. It is not the intention to distribute dividends to investors in the the Euro Class, CHF Class, GBP Class, USD Class, Euro Institutional Class, CHF Institutional Class, GBP Institutional Class, USD Institutional Class, Euro R Class, USD R Class Shares, Euro Super Institutional Class Shares, CHF Super Institutional Class Shares, GBP Super Institutional Class Shares, USD Super Institutional Class Shares.

For the Strategic Global Bond Fund, Strategic US Momentum and Value Fund, Strategic Global Quality Fund and Strategic European Smaller Companies Fund, Strategic Beta Flex Fund it is not the current intention of the Directors that dividends be recommended for payment to Shareholders in the Funds.

The dividends declared and paid during the year ended 31 December 2016 were as follows.

Fund	Share Class	Date	Dividend per share	Gross amount
			EUR	EUR
Strategic Euro Bond Fund	Euro Distributing Class	26 September 2016	12.98	78,206
Strategic Europe Value Fund	Euro Institutional Distributing Class	27 September 2016	0.50	361,367

The dividends declared and paid during year ended 31 December 2015 were as follows.

Fund	Share Class	Date	Dividend per share	Gross amount
			EUR	EUR
Strategic Euro Bond Fund	Euro Distributing Class	18 May 2015	13.59	187,531

13. Comparative figures

The comparative figures for the Statement of Financial Position are as at 31 December 2015. The comparative figures for the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares and Statement of Cash Flows are for the year ended 31 December 2015.

14. Auditors' Remuneration

Fees and expenses paid to statutory auditors, KPMG Ireland, in respect of the financial year are as follows:

	2016	2015
	EUR	EUR
Audit of financial statements	*80,344	79,500
Tax advisory services	36,350	25,583
	116,694	105,083

The fees in the above table are calculated exclusive of VAT.

*Total VAT on these fees totals €18,443.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

15. 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.

16. Significant matters arising during the year

The JPY Class A of the Nippon Growth (UCITS) Fund, which had previously been closed to subscriptions, was reopened on 1 January 2016 for new investment, and the performance fee of the class was reduced to 12.5 per cent effective from 1 January 2016.

In relation to the Strategic China Panda Fund securities that were suspended during 2015, Sound Global Limited stock was sold on 22 January 2016. Sihuan Pharmaceuticals resumed trading on 29 February 2016 and was sold in April 2016.

The CHF Institutional Class of Strategic Euro Bond Fund was delisted on 20 January 2016 as a result of the share class being fully redeemed.

On 15 February 2016 Banque Baring Brothers Sturdza S.A. changed its legal and company name to Banque Eric Sturdza S.A.

From 18 March 2016, UCITS V depository liability provisions became effective.

Two new Sub-Funds were launched. Strategic Quality Emerging Bond Fund was approved by the Central Bank of Ireland on 14 April 2016 and Strategic Beta Flex Fund was approved by the Central Bank of Ireland on 12 December 2016.

On 1 July 2016, the performance fees payable to the Investment Manager across the Sub-Funds were reduced as follows:

- For Strategic China Panda Fund the performance fee reduced from 20 per cent to 10 per cent of the relative outperformance for the USD Institutional Class, Hedged Euro Institutional Class, Hedged Sterling Institutional Class and Hedged CHF Institutional Class and from 20 per cent to 15 per cent for USD Class, Hedged Euro Class, Hedged Sterling Class and Hedged CHF Class.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

16. Significant matters arising during the year (continued)

- For Nippon Growth (UCITS) Fund, the performance fee reduced from 20 per cent to 10 per cent of the relative outperformance for the JPY Class D Institutional, Euro Hedged Institutional Class, CHF Hedged Institutional Class, GBP Hedged Institutional Class and USD Hedged Institutional Class and from 20 per cent to 15 per cent for JPY Class B Accumulating, JPY Class C Distributing, Euro Hedged Class, CHF Hedged Class, GBP Hedged Class, USD Hedged Class, Euro Hedged R Class and USD Hedged R Class.
- For Strategic Europe Value Fund, the performance fee reduced from 20 per cent to 15 per cent of the relative outperformance for the Euro Class, GBP Class, CHF Class, USD Class, EUR R Class and USD R Class.
- For Strategic US Momentum and Value Fund, the performance fee reduced from 15 per cent to 10 per cent of the relative outperformance for the USD Institutional Class, EUR Hedged Institutional Class, GBP Hedged Institutional Class and CHF Hedged Institutional Class Shares.
- In the Strategic European Smaller Companies Fund, the performance fee reduced from 20 per cent to 15 per cent of the relative outperformance for the Euro Class, Euro X Class, USD Class, CHF Class Shares.

On 10 August 2016 revised Fund Supplements were issued for the Nippon Growth (UCITS) Fund, the Strategic China Panda Fund, the Strategic European Smaller Companies Fund, the Strategic Europe Value Fund and the Strategic US Momentum and Value Fund primarily to include the following:

- change to the calculation methodology of the performance fee to permit crystallization upon redemption.
- Standardisation of subscription and redemption settlement dates,
- Removal of minimum follow on subscription and redemption criteria.
- Establishment of new share classes.

On 5 September 2016 the Memorandum and Articles of Association were updated to comply with recent and impending legal and regulatory requirements.

On 12 September 2016 a performance fee of 10 per cent of the relative outperformance for the Euro Class, GBP Class, USD Class, CHF Class, Euro Institutional Class, GBP Institutional Class, USD Institutional Class and CHF Institutional Classes of the Strategic Global Quality Fund was introduced.

Following the closure of Strategic Emerging Europe Fund in 2015, the “Withdrawal of Approval” request was submitted to the Central Bank of Ireland, and revocation was completed on 23 September 2016.

On 4 November 2016 the Administrator was changed from HSBC Securities Services (Ireland) Limited, to SS&C Financial Services (Ireland) Limited (formerly, GlobeOp Financial Services (Ireland) Limited). In conjunction with this change, the Depository was changed from HSBC Institutional Services (Ireland) Limited to BNY Mellon Trust Company (Ireland) Limited.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

16. Significant matters arising during the year (continued)

On 7 November 2016 a full consolidation of the Prospectus was undertaken to consolidate all changes which occurred throughout the year. In addition:

- The Strategic Europe Value Fund and the Strategic Global Quality Fund investment policies were updated to permit a maximum of 10% investment in long dated bonds in the event of a downturn in the market;
- Reduction to the performance fee charged on the Strategic Europe Value Fund. All share classes with the exception of the super institutional classes now charge a 10% performance fee.

During the year, the following share classes were launched and listed on the Irish Stock Exchange:

Share Class	Launch Date	Date listed on Irish Stock Exchange
Strategic Global Quality Fund - USD Class	16 February 2016	17 February 2016
Strategic Global Quality Fund - CHF Class	7 June 2016	9 June 2016
Strategic Quality Emerging Bond Fund - USD Class	28 April 2016	Not listed
Strategic Quality Emerging Bond Fund - Euro Institutional Class	28 April 2016	Not listed
Strategic Quality Emerging Bond Fund - CHF Class	28 April 2016	Not listed
Strategic Quality Emerging Bond Fund - Euro Class	28 April 2016	Not listed
Strategic Quality Emerging Bond Fund- USD Institutional Class	22 September 2016	Not listed
Strategic Europe Value Fund - USD Class	11 March 2016	15 March 2016
Strategic Europe Value Fund - EUR Super Institutional Class	24 August 2016	29 September 2016
Strategic Europe Value Fund - USD Super Institutional Class	25 August 2016	29 September 2016
Strategic European Smaller Companies – Euro X Class	7 October 2016	20 October 2016
Strategic Beta Flex Fund- Euro Class	23 December 2016	Not listed

Johannes Yntema resigned as a Director of the Company effective 31 December 2016.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

17. Subsequent Events

Strategic Beta Flex Fund EUR Institutional Class launched on 12 January 2017.
Strategic Beta Flex Fund EUR R Class launched on 17 February 2017.

Strategic European Smaller Companies Fund CHF Class launched on 31 March 2017.
Strategic European Smaller Companies Fund EUR Institutional Class on 20 March 2017.

Strategic Euro Value Fund CHF Institutional Class launched on 6 April 2017.

A new Sub-Fund, Strategic Opportunities Japan Fund, was approved by the Central Bank of Ireland on 15 February 2017 and subsequently launched on 16 March with the following share classes; USD Hedged Institutional Class, USD Hedged Class, EUR Hedged Class, JPY Institutional Class and JPY Class.

18. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the Board of Directors on 12 April 2017.

E.I. Sturdza Funds Plc

Notes to the Financial Statements (continued) for the year ended 31 December 2016

Strategic China Panda Fund		Fair Value	% of
Holding	Financial Assets at Fair Value through Profit or Loss	USD	Net Assets
Transferable Securities			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Equity Securities			
Bermuda			
3,386,000	Global Brands Group Holding Ltd	449,827	0.49
2,422,800	Man Wah Holdings Ltd	1,640,585	1.78
2,769,000	Nine Dragons Paper Holdings Ltd	2,510,730	2.73
		4,601,142	5.00
Cayman Islands			
565,000	AAC Technologies Holdings Inc	5,133,946	5.57
75,200	Alibaba Group Holding Ltd	6,603,312	7.17
168,000	Asm Pacific Technology Ltd	1,780,076	1.93
542,000	China Medical System Holdings Ltd	858,459	0.93
646,000	China State Construction International Holdings Ltd	966,523	1.05
2,008,200	Chow Tai Fook Jewellery Group Ltd	1,535,973	1.67
66,500	CK Hutchison Holdings Ltd	753,932	0.82
6,166,475	Far East Consortium International Ltd/Hk	2,632,612	2.86
4,408,000	Goodbaby International Holdings Ltd	2,109,295	2.29
4,767,000	International Housewares Retail Co Ltd	996,052	1.08
970,000	Jnby Design Ltd	920,813	1.00
3,229,000	Lee & Man Paper Manufacturing Ltd	2,507,185	2.72
2,811,400	Luen Thai Holdings Ltd	1,185,747	1.29
1,354,000	Minth Group Ltd	4,217,524	4.58
92,300	New Oriental Education & Technology Group Inc	3,885,830	4.22
4,495,500	Nexteer Automotive Group Ltd	5,334,425	5.79
771,000	Pacific Textiles Holdings Ltd	837,314	0.91
6,968,000	SITC International Holdings Co Ltd	4,242,013	4.60
578,000	Sunny Optical Technology Group Co Ltd	2,530,984	2.75
20,201	Tal Education Group	1,417,100	1.54
377,500	Tencent Holdings Ltd	9,236,472	10.03
3,013,100	Texhong Textile Group Ltd	4,080,606	4.43
4,400,000	Tongda Group Holdings Ltd	1,135,023	1.23
2,192,000	Uni-President China Holdings Ltd	1,546,500	1.68
		66,447,716	72.14

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (Continued) as at 31 December 2016

Strategic China Panda Fund (continued)

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Transferable Securities (continued)			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Equity Securities (continued)			
China			
453,600	Fuyao Glass Industry Group Co Ltd	1,407,051	1.53
1,000	Zto Express Cayman Inc	12,070	0.01
		1,419,121	1.54
Hong Kong			
394,800	AIA Group Ltd	2,227,804	2.42
380,000	China Mobile Ltd	4,028,814	4.37
1,064,000	CSPC Pharmaceutical Group Ltd	1,136,302	1.23
326,000	HKT Trust / HKT Ltd	399,871	0.43
		7,792,791	8.45
Italy			
419,400	Prada Spa	1,422,676	1.54
		1,422,676	1.54
United Kingdom			
514,495	HSBC Holdings Plc	4,130,878	4.48
		4,130,878	4.48
Total Transferable Securities			
(31 December 2015: USD 145,050,864 - 83.58%)		85,814,324	93.15
Derivative Financial Instruments at positive fair value			
OTC Derivative Financial Instruments			
Forward Foreign Currency Contracts			
	Appreciation in Foreign Currency Contracts (Note 7)	258,168	0.28
Total Derivative Financial Instruments at positive fair value			
(31 December 2015: USD 19,747,628 - 11.38%)		258,168	0.28
Total Financial Assets at fair value through profit or loss		86,072,492	93.43

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (Continued) as at 31 December 2016

Strategic China Panda Fund (continued)

Holding	Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Derivative Financial Instruments at negative fair value			
OTC Derivative Financial Instruments			
Forward Foreign Currency Contracts			
	Depreciation in Foreign Currency Contracts (Note 7)	(1,229)	0.00
Total Derivative Financial Instruments at negative fair value (31 December 2015: USD (170,494) (0.10)%)		(1,229)	0.00
Total Financial Liabilities at fair value through profit or loss		(1,229)	0.00
Total Financial Assets and Liabilities at fair value through profit or loss		86,071,263	93.43
Cash and cash equivalents*		6,066,569	6.58
Other Assets and Liabilities		(8,819)	(0.01)
Total Net Assets Attributable to Holders of Redeemable Participating Shares		92,129,013	100.00
Analysis of Total Assets			
	Transferable securities	85,814,324	92.37
	OTC Derivative Financial Instruments	258,168	0.28
	Cash and cash equivalents	6,066,569	6.53
	Other Assets (inclusive of derivative collateral of USD Nil)	760,464	0.82
Total Assets		92,899,525	100.00

* Cash and cash equivalents are held with The Bank of New York Mellon (AA-).

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Euro Bond Fund

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
Transferable Securities			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Debt Securities			
Australia			
1,000,000	Telstra Corp Ltd 3.5% 21/09/2022	1,175,148	1.78
		1,175,148	1.78
Austria			
1,000,000	Autobahnen- Und Schnellstrassen-Finanzierungs-AG 1.75%21/10/2020	1,073,760	1.63
2,000,000	OEGB Infrastruktur Ag , 3.50% , 10/19/2020	2,281,517	3.46
1,500,000	Telekom FinanzmanAGement Gmbh 3.13% 03/12/2021	1,701,360	2.58
		5,056,637	7.67
Belgium			
2,000,000	Anheuser-Busch Inbev SA/NV 0.06% 29/03/2018	2,005,642	3.04
		2,005,642	3.04
Finland			
1,000,000	Tyottomyysvakuutusrahasto 0.38% 23/09/2019	1,017,632	1.54
		1,017,632	1.54
France			
500,000	Essilor International SA 1.75% 09/04/2021	533,197	0.81
2,500,000	RCI Banque SA 2.25% 29/03/2021	2,682,895	4.07
2,500,000	Schlumberger Finance France SAs 0.63% 12/02/2019	2,537,737	3.85
2,500,000	Total Capital International SA 0% 19/03/2020	2,505,131	3.80
		8,258,960	12.53
Germany			
2,500,000	Daimler AG 2.63% 02/04/2019	2,652,570	4.03
1,000,000	Linde AG 1.75% 17/09/2020	1,066,530	1.62
		3,719,100	5.65
Italy			
1,000,000	Eni SPA 4.25% 03/02/2020	1,125,649	1.71
500,000	SNAM SPA 5% 18/01/2019	550,484	0.84
500,000	Terna Rete Elettrica Nazionale SPA 2.88% 16/02/2018	516,227	0.78
		2,192,360	3.33

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Euro Bond Fund (continued)

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
Transferable Securities (continued)			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Debt Securities (continued)			
Netherlands			
2,000,000	Bank Nederlandse Gemeenten 1.88% 06/06/2019	2,109,238	3.20
3,000,000	BMW Finance NV 0.5% 21/01/2020	3,047,844	4.63
3,000,000	Enexis Holding NV 1.88% 13/11/2020	3,220,649	4.89
1,000,000	Iberdrola International BV 2.88% 11/11/2020	1,101,361	1.67
1,500,000	Linde Finance BV 3.13% 12/12/2018	1,595,324	2.42
1,000,000	Nederlandse Gasunie NV 2.63% 13/07/2022	1,130,621	1.72
2,000,000	Nederlandse Waterschapsbank NV 1.63% 23/08/2019	2,103,375	3.19
2,500,000	Shell International Finance BV 4.38% 14/05/2018	2,654,437	4.03
2,500,000	Siemens Financieringsmaatschappij NV 5.63% 11/06/2018	2,714,579	4.12
3,000,000	Tennet Holding BV 2.13% 01/11/2020	3,239,601	4.92
3,000,000	Wuerth Finance International BV 3.75% 25/05/2018	3,161,817	4.80
		26,078,846	39.59
Spain			
2,000,000	Instituto De Credito Oficial 6% 08/03/2021	2,477,961	3.76
		2,477,961	3.76
Singapore			
2,000,000	Temasek Financial I Ltd 0.5% 01/03/2022	2,040,158	3.10
		2,040,158	3.10
United States of America			
2,000,000	3M Co 0% 15/05/2020	2,004,596	3.04
1,000,000	American Honda Finance Corp 0.08% 11/03/2019	1,002,737	1.52
2,000,000	Coca-Cola Co/The 0% 09/09/2019	2,006,682	3.05
2,000,000	General Electric Co 0% 28/05/2020	2,003,483	3.04
1,000,000	International Business Machines Corp 1.88% 06/11/2020	1,071,940	1.62
		8,089,438	12.27
United Kingdom			
2,500,000	FCE Bank Plc 1.88% 18/04/2019	2,604,465	3.95
		2,604,465	3.95

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Euro Bond Fund (continued)

Holding	Financial Liabilities at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
Transferable Securities (continued)			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Debt Securities (continued)			
Total Transferable Securities			
(31 December 2015: EUR 122,213,555 – 96.61%)		64,716,347	98.21
Total Financial Assets at fair value through profit or loss		64,716,347	98.21
Derivative Financial Instruments at negative fair value			
OTC Derivative Financial Instruments			
Forward Foreign Currency Contracts			
Depreciation in Foreign Currency Contracts (Note-7)		(14,164)	(0.02)
		(14,164)	(0.02)
Total Derivative Financial Instruments at negative fair value (31 December 2015: EUR (178,089) – (0.14)%)		(14,164)	(0.02)
Total Financial Liabilities at fair value at fair value through profit or loss		(14,164)	(0.02)
Total Financial Assets and Liabilities at fair value through profit or loss			
Cash and cash equivalents*		2,094,934	3.18
Other Assets and Liabilities		(899,543)	(1.37)
Total Net Assets Attributable to Holders of Redeemable Participating Shares		65,897,574	100.00
Analysis of Total Assets			
Transferable securities		64,716,347	95.82
OTC derivative financial instruments		-	0.00

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Euro Bond Fund (continued)

 Holding 	 Financial Liabilities at Fair Value through Profit or Loss 	 Fair Value EUR 	 % of Net Assets
 Analysis of Total Assets (continued) 			
	Cash and cash equivalents	2,094,934	3.10
	Other assets (inclusive of derivative collateral of EUR NIL)	731,137	1.08
	 Total Assets 	 67,542,418 	 100.00

*Cash and cash equivalents are held with The Bank of New York Mellon (AA-).

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Nippon Growth (UCITS) Fund

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value JPY	% of Net Assets
Transferable Securities			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Equity Securities			
Japan			
12,000	Daiwa House Industry Co Ltd	38,352,000	0.91
45,000	Fujifilm Holdings Corp	199,575,005	4.76
180,000	Fujitsu Ltd	116,910,000	2.79
44,000	GS Yuasa Corp	21,383,999	0.51
30,000	Haseko Corp	35,670,000	0.85
38,000	H.I.S. Co Ltd	116,850,006	2.79
190,000	IHI Corp	57,760,000	1.38
160,000	Iino Kaiun Kaisha Ltd	73,760,000	1.76
28,000	Isuzu Motors Ltd	41,468,000	0.99
185,000	Itochu Corp	287,120,000	6.84
60,000	Kajima Corp	48,540,000	1.16
55,000	Kobe Steel Ltd	61,435,000	1.46
140,000	Makino Milling Machine Co Ltd	128,099,996	3.05
190,000	Marubeni Corp	125,932,002	3.00
30,000	Mitsubishi Chemical Holdings Corp	22,740,000	0.54
39,000	Mitsubishi Corp	97,110,000	2.31
18,000	Mitsubishi Estate Co Ltd	41,894,993	1.00
65,000	Mitsubishi Motors Corp	43,290,000	1.03
310,000	Mitsubishi Ufj Financial Group Inc	223,261,998	5.32
135,000	Mitsui OSK Lines Ltd	43,740,000	1.04
950,000	Mizuho Financial Group Inc	199,310,000	4.75
38,000	Nabtesco Corp	103,322,011	2.46
210,000	Nachi-Fujikoshi Corp	106,470,001	2.54
440,000	NEC Corp	136,400,000	3.25
70,000	Nissan Motor Co Ltd	82,284,996	1.96
225,000	Nomura Holdings Inc	155,047,499	3.70
21,000	Otsuka Corp	114,660,000	2.73
3,000	Rohm Co Ltd	20,190,020	0.48
15,000	SCSK Corp	61,349,996	1.46
30,000	Seibu Holdings Inc	62,880,000	1.50
13,000	Sekisui Chemical Co Ltd	24,232,004	0.58
30,000	Shimadzu Corp	55,860,000	1.33
200,000	Sojitz Corp	56,799,999	1.35
38,000	Sumitomo Metal Mining Co Ltd	57,265,996	1.36
47,000	Sumitomo Mitsui Financial Group Inc	209,619,996	5.00
44,000	Sumitomo Mitsui Trust Holdings Inc	184,052,000	4.39
34,000	Sumitomo Realty & Development Co Ltd	105,604,000	2.52
120,000	Taisei Corp	98,159,998	2.34

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Nippon Growth (UCITS) Fund (continued)

Holding	Financial Liabilities at Fair Value through Profit or Loss	Fair Value JPY	% of Net Assets
Transferable Securities (continued)			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Equity Securities (continued)			
Japan (continued)			
80,000	Tokyo Tatemono Co Ltd	125,039,994	2.98
120,000	Tokyu Corp	103,080,000	2.46
170,000	Tokyu Fudosan Holdings Corp	117,300,003	2.80
150,000	Toyo Engineering Corp	46,800,000	1.12
8,000	Toyota Motor Corp	55,023,986	1.31
70,000	Yamada Denki Co Ltd	44,099,996	1.05
		4,149,745,494	98.91
Total Transferable Securities (31 December 2015: JPY 21,558,306,996 – 99.57%)		4,149,745,494	98.91
Derivative Financial Instruments at positive fair value			
OTC Derivative Financial Instruments			
Forward Foreign Currency Contracts			
	Appreciation in Foreign Currency Contracts (Note 7)	5,386,457	0.12
		5,386,457	0.12
Total Derivative Financial Instruments at positive fair value (31 December 2015: JPY 1,088,278 - 0.01 %)		5,386,457	0.12
Total Financial Assets at Fair Value through Profit or Loss		4,155,131,951	99.03
	Cash and cash equivalents*	67,718,895	1.61
	Other Assets and Liabilities	(27,190,190)	(0.64)
Total Net Assets Attributable to Holders of Redeemable Participating Shares		4,195,660,656	100.00

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Nippon Growth (UCITS) Fund (continued)

	Fair Value JPY	% of Net Assets
Analysis of Total Assets		
Transferable securities	4,149,745,494	98.04
OTC financial derivative instruments	5,386,457	0.13
Cash and cash equivalents	67,718,950	1.60
Other assets (inclusive of derivative collateral of JPY Nil)	9,774,811	0.23
Total Assets	<u>4,232,625,712</u>	<u>100.00</u>

*Cash and cash equivalents are held with The Bank of New York Mellon (AA-).

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Europe Value Fund

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
Transferable Securities			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Equity Securities			
Denmark			
261,000	Pandora A/S	32,434,077	3.49
		32,434,077	3.49
France			
458,000	Danone SA	27,571,600	2.96
426,000	Societe Generale SA	19,913,370	2.14
		47,484,970	5.10
Germany			
251,000	Beiersdorf AG	20,230,600	2.18
605,000	CTS Eventim AG & Co Kga	18,119,750	1.95
378,000	Fresenius Medical Care AG & Co Kga	30,410,100	3.27
480,000	SAP SE	39,748,800	4.27
910,000	Wirecard AG	37,209,900	4.00
		145,719,150	15.67
Jersey (Channel Islands)			
536,000	Shire Plc	29,412,207	3.16
		29,412,207	3.16
Luxembourg			
965,000	SES SA	20,192,625	2.17
		20,192,625	2.17
Netherlands			
363,679	Asr Nederland NV	8,219,145	0.88
985,000	Grandvision NV	20,591,425	2.21
414,000	Heineken Holding NV	27,381,960	2.94
1,275,000	Intertrust NV	21,318,000	2.29
1,420,000	Koninklijke Ahold NV	28,442,600	3.06
1,168,000	NN Group NV	37,603,760	4.04
1,275,000	Relx NV	20,387,250	2.19
848,000	Wolters Kluwer NV	29,188,160	3.14
		193,132,300	20.75
Spain			
434,000	Amadeus IT Holding SA	18,735,780	2.01
1,565,000	Red Electrica Corp SA	28,052,625	3.02
		46,788,405	5.03

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Europe Value Fund (continued)

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
Transferable Securities (continued)			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Equity Securities (continued)			
Sweden			
788,000	Svenska Cellulosa AB SCA	21,159,757	2.29
500,000	Swedbank AB	11,495,534	1.24
		32,655,291	3.53
Switzerland			
1,200	Galenica AG	1,286,199	0.14
602,000	Nestle SA	41,022,667	4.41
1,870,000	UBS Group AG	27,823,353	2.99
		70,132,219	7.54
United Kingdom			
2,940,000	Auto Trader Group Plc	14,086,937	1.51
10,700,000	Barclays Plc	28,009,804	3.01
742,000	British American Tobacco Plc	40,172,865	4.32
1,232,000	Diageo Plc	30,453,632	3.27
12,875,000	Legal & General Group Plc	37,345,976	4.02
37,800,000	Lloyds Banking Group Plc	27,681,348	2.98
2,035,000	Smith & Nephew Plc	29,108,915	3.13
6,113,000	Sophos Group Plc	18,734,326	2.01
3,000,000	Worldpay Group Plc	9,485,715	1.02
		235,079,518	25.27
United States of America			
673,000	Livanova Plc	28,693,823	3.09
460,000	Philip Morris International Inc	39,900,830	4.29
		68,594,653	7.38
Total Transferable Securities			
(31 December 2015: EUR 888,020,486 - 99.02 %)		921,625,415	99.09
Derivative Financial Instruments at positive fair value			
OTC Derivative Financial Instruments			
Forward Foreign Currency Contracts			
	Appreciation in Foreign Currency Contracts	309	0.00
		309	0.00

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Europe Value Fund (continued)

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
Derivative Financial Instruments at positive fair value (continued)			
Total Derivative Financial Instruments at positive fair value (31 December 2015: EUR 675,204 – 0.07%)		309	0.00
Total Financial Assets at fair value through profit or loss		921,625,415	99.09
Transferable Securities			
Derivative Financial Instruments at negative fair value			
OTC Derivative Financial Instruments			
Forward Foreign Currency Contracts			
Depreciation in Foreign Currency Contracts		(192,659)	(0.02)
		(192,659)	(0.02)
Total Derivative Financial Instruments at negative fair value (31 December 2015: EUR (459,270) - (0.05)%)		(192,659)	(0.02)
Total Financial Liabilities at fair value through profit or loss		(192,659)	(0.02)
Total Financial Assets and Liabilities at fair value through profit or loss		921,433,065	99.07
Cash and cash equivalents*		15,665,362	1.68
Other Assets and Liabilities		(6,997,270)	(0.75)
Total Net Assets Attributable to Holders of Redeemable Participating Shares		930,101,157	100.00

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Europe Value Fund (continued)

	Fair Value	% of
	EUR	Net
		Assets
Analysis of Total Assets		
Transferable securities	921,625,415	96.06
OTC derivative financial instruments	309	0.00
Cash and cash equivalents	15,665,362	1.63
Other assets (inclusive of derivative collateral of EUR NIL)	22,160,382	2.31
Total Assets	959,451,468	100.00

*Cash and cash equivalents are held with The Bank of New York Mellon (AA-).

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Global Bond Fund

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Transferable Securities			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Debt Securities			
Austria			
3,000,000	Oesterreichische Kontrollbank AG 5% 25/04/2017	3,035,358	4.75
		3,035,358	4.75
Canada			
3,000,000	Export Development Canada 1.5% 03/10/2018	3,007,587	4.70
500,000	Toronto-Dominion Bank/The 1.42% 23/07/2018	501,251	0.78
2,000,000	Toronto-Dominion Bank/The 1.63% 13/03/2018	2,002,172	3.13
		5,511,010	8.61
France			
2,500,000	Electricite De France SA 6.5% 26/01/2019	2,719,513	4.25
2,500,000	Engie SA 1.63% 10/10/2017	2,500,681	3.91
1,000,000	Lvmh Moet Hennessy Louis Vuitton SA 1.63% 29/06/2017	1,001,151	1.57
1,000,000	Orange SA 2.75% 06/02/2019	1,013,381	1.59
500,000	RCI Banque SA 3.5% 03/04/2018	509,272	0.80
		7,743,998	12.12
Germany			
3,000,000	KFW 1.63% 15/03/2021	2,945,219	4.61
2,500,000	Linde AG 1.5% 18/04/2018	2,495,850	3.90
		5,441,069	8.51
Netherlands			
2,000,000	EDP Finance Bv , 5.25% , 01/14/2021	2,117,500	3.31
2,500,000	ENEL Finance International Nv , 5.13% , 10/07/2019	2,672,931	4.18
2,000,000	Shell International Finance BV 1.38% 10/05/2019	1,980,053	3.10
1,100,000	Siemens Financieringsmaatschappij NV 1.21% 25/05/2018	1,100,741	1.72
500,000	Siemens Financieringsmaatschappij NV 1.45% 25/05/2018	499,476	0.78
		8,370,701	13.09
Republic of Korea			
1,000,000	Korea Gas Corp 1.88% 18/07/2021	958,608	1.50
		958,608	1.50
Singapore			
1,000,000	SingTel Group Treasury Pte Ltd 3.25% 30/06/2025	999,504	1.56
		999,504	1.56

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Global Bond Fund (continued)

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Transferable Securities (continued)			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Debt Securities (continued)			
United States of America			
1,000,000	American Honda Finance Corp 1.6% 16/02/2018	1,000,941	1.57
750,000	Apple Inc 1.13% 03/05/2018	751,848	1.18
700,000	Cisco Systems Inc 1.27% 15/06/2018	701,684	1.10
1,000,000	Cisco Systems Inc 3.15% 14/03/2017	1,004,438	1.57
2,000,000	Daimler Finance North America LLC , 2.40% , 04/10/2017	2,006,340	3.14
750,000	Exxon Mobil Corp 1.54% 28/02/2018	754,800	1.18
750,000	Ford Motor Credit Co LLC , 1.82% , 01/09/2018	752,316	1.18
1,500,000	General Electric Capital Corp 2.9% 09/01/2017	1,500,532	2.35
500,000	Hyundai Capital America 2.6% 19/03/2020	496,560	0.78
500,000	Mcdonald'S Corp 5.35% 01/03/2018	521,175	0.82
1,500,000	Merck Sharp & Dohme Corp/Old 5% 30/06/2019	1,624,423	2.54
2,000,000	Microsoft Corp 1.63% 06/12/2018	2,011,341	3.15
1,000,000	Nestle Holdings Inc 1.38% 21/06/2017	1,001,594	1.57
1,000,000	NisSAn Motor Acceptance Corp 1.48% 13/09/2019	998,800	1.56
1,500,000	Oracle Corp 2.38% 15/01/2019	1,520,198	2.38
500,000	Pepsico Inc 1.5% 22/02/2019	498,294	0.77
500,000	Pfizer Inc 2.1% 15/05/2019	504,683	0.79
1,000,000	Roche Holdings Inc 1.34% 30/09/2019	1,001,293	1.57
2,000,000	Roche Holdings Inc 3.35% 30/09/2024	2,046,815	3.20
1,500,000	Tesco Plc 5.5% 15/11/2017	1,541,291	2.41
500,000	Toyota Motor Credit Corp 1.25% 05/10/2017	499,971	0.78
5,781,820	TSY Infl Ix N B 0.63% 15/02/2043	5,302,311	8.29
2,000,000	United States Treasury 2% 15/11/2026	1,921,453	3.01
1,000,000	Walt Disney Co/The 2.35% 01/12/2022	984,022	1.54
		30,947,123	48.43
Total Transferable Securities			
(31 December 2015: USD 90,650,310 – 95.79 %)		63,007,371	98.57
Derivative Financial Instruments at positive fair value			
OTC Derivative Financial Instruments			
Forward Foreign Currency Contracts			
Appreciation in Foreign Currency Contracts		5,679	0.01

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Global Bond Fund (continued)

Holding	Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Derivative Financial Instruments at positive fair value (continued)			
Total Derivative Financial Instruments at positive fair value (31 December 2015: USD 77,453 - 0.08%)		5,679	0.01
Total Financial Assets at fair value through profit or loss		63,013,050	98.58
Cash and cash equivalents*		636,398	0.99
Other Assets and Liabilities		274,748	0.43
Total Net Assets Attributable to Holders of Redeemable Participating Shares		63,924,196	100.00
Analysis of Total Assets			
Transferable securities		63,007,371	98.33
OTC derivative financial instruments		5,679	0.01
Cash and cash equivalents		636,398	0.99
Other assets (inclusive of derivative collateral of USD Nil)		430,384	0.67
Total Assets		64,079,832	100.00

*Cash and cash equivalents are held with The Bank of New York Mellon (AA-).

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic US Momentum and Value Fund

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Transferable Securities			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Equity Securities			
Canada			
18,700	Canadian Pacific Railway Ltd	2,669,798	1.25
		2,669,798	1.25
Jersey (Channel Islands)			
47,000	Shire Plc	8,007,859	3.74
		8,007,859	3.74
Netherlands			
10,000	NXP Semiconductor NV	980,100	0.46
		980,100	0.46
Singapore			
45,900	Broadcom Ltd	8,113,743	3.79
		8,113,743	3.79
United States of America			
40,300	Allergan Plc	8,463,403	3.95
25,750	Alliance Data Systems Corp	5,883,875	2.75
10,725	Alphabet Inc	8,499,026	3.97
20,800	AMERCO	7,687,472	3.59
72,000	AO Smith Corp	3,409,200	1.59
82,100	Apple Inc	9,508,822	4.44
10,325	Autozone Inc	8,154,582	3.81
145,000	Bank Of The Ozarks Inc	7,625,550	3.56
4,100	Becton Dickinson And Co	678,755	0.32
21,350	Biogen Idec Inc	6,054,433	2.83
47,000	Casey'S General Stores Inc	5,587,360	2.61
73,600	Celgene Corp	8,519,200	3.98
56,700	Cerner Corp	2,685,879	1.25
66,700	Citrix Systems Inc	5,956,977	2.78
76,800	Cognizant Technology Solutions Corp	4,303,104	2.01
87,500	Comcast Corp	6,041,875	2.82
67,400	CVS Health Corp	5,318,534	2.48
52,900	Dollar Tree Inc	4,082,822	1.91
530,800	Financial Select Sector Spdr Fund	12,341,102	5.72
38,700	Eplus Inc	4,458,240	2.08
50,100	Ishares Russell 2000 ETF	6,755,985	3.15
138,500	Kroger Co/The	4,779,635	2.23
61,500	Mastercard Inc	6,349,875	2.96
75,400	New Amethyst Corp	4,772,066	2.23

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic US Momentum and Value Fund (continued)

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Transferable Securities (continued)			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Equity Securities (continued)			
United States (continued)			
4,820	Priceline Group Inc/The	7,066,409	3.30
60,000	Quintiles Transnational Holdings Inc	4,563,000	2.13
13,950	Sherwin-Williams Co/The	3,748,923	1.75
43,200	Signature Bank/New York NY	6,488,640	3.03
3,000	SPDR S&P 500 Etf Trust	670,590	0.31
28,600	Union Pacific Corp	2,965,248	1.38
41,700	Universal Health Services Inc	4,436,046	2.07
80,900	Visa Inc	6,311,818	2.95
		184,168,446	85.94
Total Transferable Securities			
(31 December 2015: USD 308,095,280 – 94.41 %)		203,939,946	95.18
Derivative Financial Instruments at positive fair value			
Derivative Financial Instruments dealt on a regulated market			
Covered Option Contracts			
140	Cvs Health Corp Call Option, Strike Price Usd 70.0000 , Expiry 16/06/2017	142,450	0.07
		142,450	0.07
OTC Derivative Financial Instruments			
Forward Foreign Currency Contracts			
Appreciation in Foreign Currency Contracts		117,801	0.05
Total Derivative Financial Instruments at positive fair value (31 December 2015: USD 155,000 - 0.05%)		260,251	0.12
Total Financial Assets at fair value through profit or loss		204,200,197	95.30

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic US Momentum and Value Fund (continued)

Holding	Financial Liabilities at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Derivative Financial Instruments at negative fair value			
Derivative Financial Instruments dealt on a regulated market			
Covered Option Contracts			
(400)	Apple Inc Call Option, Strike Price Usd 97.5000 , Expiry 20/01/2017	(724,000)	(0.33)
		(724,000)	(0.33)
OTC Derivative Financial Instruments			
Forward Foreign Currency Contracts			
	Depreciation in Foreign Currency Contracts (Note 7)	(1,198)	0.00
	Total Derivative Financial Instruments at negative fair value (31 December 2015: USD (791,990)- (0.24)%)	(1,198)	0.00
	Total Financial Liabilities at fair value through profit or loss	(725,198)	(0.33)
	Total Financial Assets and Liabilities at fair value through profit or loss	203,474,999	94.97
	Cash and cash equivalents*	14,575,366	6.80
	Other Assets and Liabilities	(3,787,324)	(1.77)
	Total Net Assets attributable to the Holders of Redeemable Participating Shares	214,263,041	100.00
Analysis of Total Assets			
	Transferable securities	203,939,946	93.19
	Derivative Financial Instruments dealt on a regulated market	142,450	0.00
	OTC Derivative Financial Instruments	117,801	0.00
	Cash and cash equivalents	14,575,366	6.66
	Other assets (inclusive of derivative collateral of USD Nil)	72,820	0.00
	Total Assets	218,848,383	100.00

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

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Global Quality Fund

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Transferable Securities			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Equity Securities			
Germany			
21,200	Beiersdorf AG	1,802,271	3.02
30,700	Fresenius Medical Care AG & Co Kga	2,605,036	4.37
28,600	Sap SE	2,498,034	4.19
54,450	Wirecard AG	2,348,359	3.94
		9,253,700	15.52
Ireland			
33,100	Medtronic Plc	2,357,713	3.95
		2,357,713	3.95
Japan			
52,400	Kao Corp	2,489,376	4.17
		2,489,376	4.17
Jersey (Channel Island)			
37,900	Shire Plc	2,193,570	3.68
		2,193,570	3.68
Netherlands			
34,500	Heineken Holding NV	2,406,760	4.03
53,556	Wolters Kluwer NV	1,944,324	3.26
		4,351,084	7.29
Sweden			
45,000	Svenska Cellulosa Ab SCA	1,274,520	2.14
		1,274,520	2.14
Switzerland			
35,200	Nestle SA	2,529,995	4.24
		2,529,995	4.24
United Kingdom			
43,200	British American Tobacco Plc	2,466,960	4.13
94,800	DiAGeo Plc	2,471,646	4.14
132,400	Relx Plc	2,370,565	3.97
172,800	Smith & Nephew Plc	2,607,083	4.37
		9,916,254	16.61
United States of America			
36,900	Altria Group Inc	2,495,178	4.18
21,050	Clorox Co/The	2,526,421	4.23
35,500	Colgate-Palmolive Co	2,323,122	3.90
19,350	International Flavors & FrAGrances Inc	2,280,011	3.82
24,150	Mastercard Inc	2,493,488	4.18

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Global Quality Fund (continued)

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Transferable Securities (continued)			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Equity Securities (continued)			
United States of America (continued)			
49,000	Microsoft Corp	3,044,860	5.10
39,400	Philip Morris International Inc	3,604,706	6.04
43,600	Reynolds American Inc	2,443,344	4.10
31,000	Visa Inc	2,418,620	4.05
		23,629,750	39.60
Total Transferable Securities			
(31 December 2015: USD 12,470,123 – 95.23 %)		57,995,962	97.20
Derivative Financial Instruments at positive fair value			
Forward Foreign Currency Contracts			
	Appreciation in Foreign Currency Contracts	82,639	0.14
Total Derivative Financial Instruments at positive fair value (31 December 2015: USD Nil - Nil%)		82,639	0.14
Total Financial Assets at fair value through profit or loss		58,078,601	97.34
	Cash and cash equivalents*	1,157,603	1.94
	Other Assets and Liabilities	428,088	0.72
Total Net Assets attributable to the Holders of Redeemable Participating Shares		59,664,292	100.00

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Global Quality Fund (continued)

 Holding	 Financial Liabilities at Fair Value through Profit or Loss	 Fair Value USD	 % of Net Assets
Analysis of Total Assets			
	Transferable securities	57,995,962	96.98
	OTC Derivative Financial Instruments	82,639	0.14
	Cash and cash equivalents	1,157,603	1.94
	Other assets (inclusive of derivative collateral of USD Nil)	568,394	0.94
	Total Assets	59,804,598	100.00

* Cash and cash equivalents are held with The Bank of New York Mellon (AA-).

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic European Smaller Companies Fund

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
Investment Funds			
Luxembourg			
2,022	Amundi Money Market Fund - Short Term EUR	2,047,144	3.14
14,570	BNP Paribas Insticash EUR	2,047,488	3.14
Total Investment Funds			
(31 December 2015: EUR 2,998,733 – 8.73)		4,094,632	6.28
Transferable Securities			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Equity Securities			
Austria			
40,160	Andritz AG	1,915,431	2.94
		1,915,431	2.94
Belgium			
24,250	Barco NV	1,940,970	2.98
		1,940,970	2.98
France			
17,451	1000Mercis	767,844	1.18
131,826	Albioma SA	2,180,402	3.34
28,500	Alten SA	1,901,520	2.91
77,577	Aubay	2,055,790	3.15
126,400	Elis SA	2,142,480	3.28
130,000	Jacquet Metal Service	2,575,300	3.95
69,000	Lisi	2,114,850	3.24
250,000	Mauna Kea Technologies	755,000	1.16
99,970	Mersen	2,031,390	3.11
67,244	Mgi Coutier	1,915,782	2.94
35,275	Serge Ferrari Group	410,954	0.63
1,929	Somfy SA	747,680	1.15
143,000	SPIE SA	2,862,145	4.39
79,464	Tarkett SA	2,708,928	4.15
22,034	Trigano SA	1,637,787	2.51
132,555	Vexim SA	1,238,064	1.90
		28,045,916	42.99
Germany			
21,500	Cancom SE	967,823	1.48
40,965	Gfk SE	1,777,266	2.71
65,800	NORMA Group SE	2,668,190	4.09
150,000	Tom Tailor Holding Ag	777,000	1.19
		6,190,279	9.47

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic European Smaller Companies Fund (continued)

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
Transferable Securities (continued)			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Equity Securities (continued)			
Italy			
35,261	Brembo Spa	2,027,508	3.11
120,000	Moncler Spa	1,983,600	3.04
		4,011,108	6.15
Luxembourg			
189,000	SAF-Holland SA	2,569,455	3.94
		2,569,455	3.94
Netherlands			
62,000	Aalberts Industries NV	1,910,840	2.93
72,200	Kendrion NV	1,931,350	2.96
		3,842,190	5.89
Sweden			
250,000	Granges AB	2,243,795	3.44
		2,243,795	3.44
Switzerland			
8,485	Kardex AG	1,044,201	1.60
636	Komax Holding AG	1,988,680	3.04
11,675	Metall Zug AG	1,921,654	2.95
21,905	Rieter Holding AG	1,928,780	2.96
2,554,406	SFS Group AG	1,698,054	2.60
		8,581,369	13.15
Total Transferable Securities			
(31 December 2015: EUR 30,744,203 –89.45 %)		59,340,513	90.96
Total Financial Assets and Liabilities at fair value through profit or loss		63,435,145	97.24
Cash and cash equivalents*		2,153,422	3.30
Other Assets and Liabilities		(349,424)	(0.54)
Total Net Assets Attributable to Holders of Redeemable Participating Shares		65,239,143	100.00

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic European Smaller Companies Fund (continued)

 Holding	 Financial Assets at Fair Value through Profit or Loss	 Fair Value EUR	 % of Net Assets
Analysis of Total Assets			
	Investment Funds	4,094,632	6.22
	Transferable securities	59,340,513	90.22
	Cash and cash equivalents	2,153,422	3.27
	Other assets (inclusive of derivative collateral of EUR Nil)	189,970	0.29
	Total Assets	65,778,537	100.00

* Cash and cash equivalents are held with The Bank of New York Mellon (AA-).

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Quality Emerging Bond Fund

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Transferable Securities			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Debt Securities			
Austria			
1,500,000	Bahia Sul Holdings Gmbh 5.75% 14/07/2026	1,449,375	2.82
		1,449,375	2.82
Azerbaijan			
500,000	Azerbaijan Republic OF (Government) 4.75% 18/03/2024	498,640	0.97
1,500,000	State Oil Co Of The Azerbaijan Republic 4.75% 13/03/2023	1,462,313	2.84
		1,960,953	3.81
Brazil			
1,000,000	BRF SA 4.75% 22/05/2024	976,500	1.90
		976,500	1.90
Cayman Islands			
1,500,000	Embraer Overseas Ltd 5.7% 16/09/2023	1,575,000	3.06
1,500,000	Fibria Overseas Finance Ltd 5.25% 12/05/2024	1,503,750	2.92
1,000,000	Tencent Holdings Ltd 2.88% 11/02/2020	1,004,081	1.95
		4,082,831	7.93
Chile			
1,750,000	Corp Nacional Del Cobre De Chile 4.5% 16/09/2025	1,778,644	3.46
		1,778,644	3.46
China			
1,500,000	China Development Bank Corp 3% 01/06/2026	1,429,316	2.78
		1,429,316	2.78
Colombia			
1,500,000	Ecopetrol SA 5.88% 18/09/2023	1,591,500	3.10
500,000	Colombia Republic OF (Government) 4% 26/02/2024	506,250	0.98
		2,097,750	4.08
Hungary			
2,000,000	MFB Magyar Fejlesztési Bank ZRT 6.25% 21/10/2020	2,210,362	4.30
		2,210,362	4.30
India			
500,000	Export-Import Bank Of India 4% 14/01/2023	509,934	0.99
500,000	Oil India Ltd 5.38% 17/04/2024	533,933	1.04
1,000,000	Tata Motors Ltd 4.63% 30/04/2020	1,034,040	2.01
		2,077,907	4.04

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Quality Emerging Bond Fund (continued)

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Transferable Securities (continued)			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Debt Securities (Continued)			
Indonesia			
1,500,000	Pertamina Persero PT 4.88% 03/05/2022	1,545,375	3.01
1,000,000	Indonesia Republic OF (Government) 5.95% 08/01/2046	1,107,835	2.15
		2,653,210	5.16
Ireland			
1,750,000	MMC Norilsk Nickel Ojsc Via Mmc Finance Ltd 6.63% 14/10/2022	1,954,750	3.80
2,250,000	Vnesheconombank Via Veb Finance Plc 6.8% 22/11/2025	2,405,882	4.68
		4,360,632	8.48
Isle of Man			
1,500,000	Anglogold Ashanti Holdings Plc 5.13% 01/08/2022	1,496,775	2.91
		1,496,775	2.91
Kazakhstan			
2,000,000	Development Bank Of Kazakhstan Jsc 4.13% 10/12/2022	1,934,080	3.76
		1,934,080	3.76
Luxembourg			
1,750,000	Gazprom Oao Via Gaz Capital SA 8.63% 28/04/2034	2,265,039	4.41
1,500,000	Mol Group Finance SA 6.25% 26/09/2019	1,631,520	3.17
2,000,000	Sberbank Of Russia Via Sb Capital SA 5.18% 28/06/2019	2,093,840	4.07
1,000,000	Severstal Oao Via Steel Capital SA 5.9% 17/10/2022	1,077,175	2.10
		7,067,574	13.75
Lithuania			
1,000,000	Lithuania Government International Bond 7.38% 11/02/2020	1,142,250	2.22
		1,142,250	2.22
Mexico			
1,000,000	Grupo Bimbo Sab De CV 4.88% 27/06/2044	906,237	1.76
2,000,000	Petroleos Mexicanos 5.5% 27/06/2044	1,674,400	3.26
		2,580,637	5.02
Namibia			
2,000,000	Namibia Republic OF (Government) 5.25% 29/10/2025	1,965,680	3.82
		1,965,680	3.82
Netherlands			
2,000,000	Bharti Airtel International Netherlands BV 5.35% 20/05/2024	2,098,931	4.08
		2,098,931	4.08

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Quality Emerging Bond Fund (continued)

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
Transferable Securities (continued)			
Transferable securities admitted to official stock exchange listing or dealt in on another regulated market			
Debt Securities (Continued)			
Peru			
1,000,000	Corp Financiera De Desarrollo SA 3.25% 15/07/2019	1,015,000	1.97
		<u>1,015,000</u>	<u>1.97</u>
Poland			
1,250,000	Poland Republic OF (Government) 3.25% 06/04/2026	1,202,515	2.34
		<u>1,202,515</u>	<u>2.34</u>
Romania			
1,500,000	Romania Republic OF (Government) 4.88% 22/01/2024	1,592,010	3.12
		<u>1,592,010</u>	<u>3.12</u>
Turkey			
1,500,000	Anadolu Efes Biracilik Ve Malt Sanayii AS 3.38% 01/11/2022	1,338,323	2.60
1,250,000	Turkcell Iletisim Hizmetleri AS 5.75% 15/10/2025	1,218,688	2.37
		<u>2,557,011</u>	<u>4.97</u>
Total Transferable Securities		<u>49,729,943</u>	<u>96.72</u>
Derivative Financial Instruments at positive fair value			
OTC Derivative Financial Instruments			
Forward Foreign Currency Contracts			
	Appreciation in Foreign Currency Contracts	329,832	0.64
		<u>329,832</u>	<u>0.64</u>
Total Derivative Financial Instruments at positive fair value		<u>329,832</u>	<u>0.64</u>
Total Financial Assets at fair value through profit or loss		50,059,775	97.36

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Quality Emerging Bond Fund (continued)

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value USD	% of Net Assets
	Cash and cash equivalents*	4,790,924	9.32
	Other Assets and Liabilities	(3,434,881)	(6.68)
	Total Net Assets attributable to the Holders of Redeemable Participating Shares	51,415,818	100.00
	Analysis of Total Assets		
	Transferable securities	49,729,943	89.74
	OTC Derivative Financial Instruments	329,832	0.60
	Cash and cash equivalents	4,790,924	8.65
	Other assets (inclusive of derivative collateral of Nil)	564,642	1.01
	Total Assets	55,415,341	100.00

* Cash and cash equivalents are held with The Bank of New York Mellon (AA-).

E.I. Sturdza Funds Plc

Schedule of Investments (unaudited) (continued) as at 31 December 2016

Strategic Beta Flex Fund

Holding	Financial Assets at Fair Value through Profit or Loss	Fair Value EUR	% of Net Assets
Investment Funds			
Ireland			
2,889	EI Sturdza Funds Plc - Strategic Europe Value Fund	496,288	9.01
		496,288	9.01
Luxembourg			
29,280	Fidelity Funds - European Dynamic Growth Fund	498,635	9.04
54,724	Fidelity Funds - European Growth Fund	895,831	16.25
733	Via Smart-Equity Europe	747,842	13.56
		2,142,308	38.85
Total Investment Funds			
(31 December 2015: EUR Nil – Nil%)		2,638,596	47.86
Total Financial Assets at Fair Value through Profit or Loss		2,638,596	47.86
Cash and cash equivalents*		3,458,319	62.73
Other Assets and Liabilities		(583,655)	(10.59)
Total Net Assets Attributable to Holders of Redeemable Participating Shares		5,513,260	100.00
Analysis of Total Assets			
	Investment Funds	2,638,596	43.28
	Cash and cash equivalents	3,458,319	56.72
	Total Assets	6,096,915	100.00

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

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) for the year ended 31 December 2016

Strategic China Panda Fund

Top 20 Purchases

Investments	Cost USD
Amundi Money Market Fund - Short Term (USD) CI IV (C) Acc Sh	16,500,000
China Mobile Ltd	10,945,974
Alibaba Group Holding Ltd Spon ADR (1 ADR Reps 1 Ord Shr)	10,643,945
US Treasury Bill 0% 03/03/2016	9,998,208
US Treasury Bill 0% 04/07/2016	9,997,922
AAC Technologies Holdings Inc	5,913,628
HSBC Holdings Plc (HKSE)	4,890,622
New Oriental Education & Technology Group Inc Spon ADR (1 ADR Reps 1 Ord Shrs)	4,711,363
Minth Group Ltd	4,599,034
Techtronic Industries Co Ltd	4,441,411
China State Construction International Holdings Ltd (HKSE)	4,350,350
Power Assets Holdings Ltd	3,450,495
Xinjiang Goldwind Science & Technology Co Ltd H Shrs	3,201,469
HKT Trust and HKT Ltd (Stapled)	3,141,118
CSOP FTSE CHINA A50 ETF-HKD(HKG)	3,092,794
Ping An Insurance (Group) Co of China Ltd H Shrs (HKSE)	2,999,079
Sunny Optical Technology Group Co Ltd	2,907,340
China Medical System Holdings Ltd	2,901,527
Qihoo 360 Technology Co Ltd ADR (1 ADR Reps 1.5 Ord Shrs)	2,871,463
Lee & Man Paper Manufacturing Ltd	2,839,953

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic China Panda Fund (continued)

Top 20 Sales

Investments	Proceeds USD
Amundi Money Market Fund - Short Term (USD) CI IV (C) Acc Sh	16,517,534
Ping An Insurance (Group) Co of China Ltd H Shrs (HKSE)	15,613,279
Tencent Holdings Ltd	10,800,158
US Treasury Bill 0% 07/04/2016	7,999,960
China State Construction Int(Hkg)	7,550,061
HSBC Bank Plc (Chongqing Changan Automobile Co Ltd B Shrs) CWts 21/12/2022	6,912,378
Nexteer Automotive Group Ltd	6,808,309
China Mobile Ltd (Hkg)	6,653,650
Vipshop Holdings Ltd ADR (1 ADR Reprs 0.2 Ord Shrs)	6,287,384
AIA Group Ltd	6,148,825
Li Ning Co Ltd	5,828,429
JD.com Inc ADR (1 ADR Reprs 2 Ord Shrs)	5,275,483
China Life Insurance Co Ltd H Shrs	5,273,578
Qihoo 360 Technology Co Ltd ADR (1 ADR Reprs 1.5 Ord Shrs)	5,241,342
ZTE Corp H Shrs	5,107,684
China Overseas Land & Investment Ltd (HKSE)	4,806,689
Techtronic Industries Co Ltd	4,754,055
Morgan Stanley Asia Product (Midea Group Co Ltd A Shrs) CWts 04/11/2016	4,710,564
Morgan Stanley (China Merchants Shekou Industrial Zone Co Ltd) Wts 12/29/2017	4,678,465
Sihuan Pharmaceutical Holdings Group Ltd	4,591,553

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic Euro Bond Fund

Top 20 Purchases

Investments	Cost EUR
Sagess (BR) 0.625% 25/05/2023	4,990,400
Valeo 3.25% 22/01/2024	3,627,467
FCE Bank Plc (BR) 1.875% 18/04/2019	2,612,894
Total Capital Intl (BR) FRN 19/03/2020	2,507,740
Schlumberger Finance Fra (BR) 0.625% 12/02/2019	2,506,788
Proximus 2.375% 04/04/2024	2,282,072
RCI Banque (BR) 2.25% 29/03/2021	2,117,590
3M Co (REG) FRN 15/05/2020	2,007,000
Coca-Cola Co/The (REG) FRN 09/09/2019	2,005,400
General Electric Co (REG) FRN 28/05/2020	2,005,328
Anheuser-Busch Inbev FRN 29/03/2018	2,005,310
Temasek Financial I Ltd (REG) 0.5% 01/03/2022	1,986,720
Telstra Corp Ltd 3.5% 21/09/2022	1,197,394
ENI 4.25% 03/02/2020	1,151,925
Iberdrola Intl (BR) 2.875% 11/11/2020	1,124,703
Total Capital Intl (BR) 2.125 19/11/2021	1,108,925
American Honda Finance (REG) FRN 11/03/2019	1,004,036
DBR 0.0% 15/08/ 2026	964,780
Euro-Bobl Fut Mar 16 08/03/2016	587,038
Fortum (BR) 6% 20/03/2019	584,429

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic Euro Bond Fund (continued)

Top 20 Sales

Investments	Proceeds EUR
KFW (BR) 0.125% 01/06/2020	7,119,719
RTE EDF Transport (BR) 2.875% 12/09/2023	5,864,566
Sagess (BR) 0.625% 25/05/2023	5,168,887
Nederlandse Gasunie 2.625% 13/07/2022	4,606,082
Valeo 3.25% 22/01/2024	3,656,837
Enel Finance International 1.375% 01/06/2026	3,513,253
Aeroports De Paris (BR) 1.5% 24/07/2023	3,253,849
Pepsico Inc 1.75% 28/04/2021	3,201,566
Neder Waterschapsbank (BR) 1.625% 23/08/2019	3,174,921
Rolls-Royce Plc 2.125% 18/06/2021	3,162,468
BOGAEI 3.625% 04/12/2017 EMTN	3,126,390
Toyota Motor Credit Corp (REG) 1% 10/09/2021	3,056,037
Syngenta Finance 1.875% 02/11/2021	3,049,291
Belgium Kingdom (Ser 58) 3.75% 28/09/2020	2,401,630
Deutsche Bahn Finance (BR) 3% 08/03/2024	2,388,878
Ireland (Govt of) Treasury (REG) 4.5% 18/04/2020	2,363,616
Proximus 2.375% 04/04/2024	2,317,526
Lvmh Moet Hennessy Vuitton (BR) 4% 06/04/2018	2,237,017
Oracle Corp 2.25% 10/01/2021	2,189,098
Teliasonera (BR) 4.75% 07/03/2017	2,094,479

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Nippon Growth (UCITS) Fund

Top 20 Purchases

Investments	Cost JPY
SCSK Corp	90,954,544
Shimadzu Corp	90,553,062
Seibu Holdings Inc	50,982,601
Mitsubishi Motors Corp (Tyo)	41,592,390
Kobe Steel Ltd(Tyo)	40,069,716
Fujitsu Ltd	38,529,894
Mitsubishi Corp	22,854,211
Sumitomo Metal Mining Co Ltd(Tyo)	18,465,296
Otsuka Corp	8,513,273
H.I.S Co Ltd	7,820,460

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Nippon Growth (UCITS) Fund (continued)

Top 20 Sales

Investments	Proceeds JPY
Fujifilm Holdings Corp	912,091,225
Itochu Corp	88,852,996
Sumitomo Mitsui Trust Holdings Inc	762,690,670
Mitsubishi UFJ Financial Group Inc	753,488,450
Mizuho Financial Group Inc	725,371,097
Sumitomo Mitsui Financial Group Inc	725,048,494
Tokyu Fudosan Holdings Corp	590,016,198
Otsuka Corp	567,611,663
NEC Corp	550,201,910
Tokyu Corp	544,247,201
Taisei Corp	505,223,370
Tokyo Tatemono Co Ltd	481,610,372
Marubeni Corp	443,785,419
H.I.S Co Ltd	424,867,057
Nomura Holdings Inc	413,712,566
Nabtesco Corp	402,579,014
Toyo Engineering Corp	396,790,231
Sumitomo Realty & Development Co Ltd	365,174,355
Makino Milling Machine Co Ltd	324,373,163
Toyota Motor Corp	319,763,244

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic Europe Value Fund

Top 20 Purchases

Investments	Cost EUR
SAP	49,542,314
Fresenius Medical Care	48,156,412
Wirecard	46,580,106
Philip Morris International Inc	45,025,483
Visa Inc - Cl A Shrs	41,697,482
UBS Group	40,106,518
Snam	39,925,828
SES FDR (1 FDR Reprs 1 Ord Shr) (ENXP)	38,923,458
NN GROUP NV(EOE)	38,625,315
Worldpay Group Plc	36,297,507
Legal & General Group Plc(Lse)	36,214,192
Barclays Plc [Lse]	35,829,075
CTS Eventim	35,197,732
Danone	34,990,241
Novo Nordisk Cl B	34,082,474
Pandora	33,924,424
Red Electrica Corporacion	33,323,230
Shire Plc	32,681,634
Koninklijke Ahold Delhaize N	30,339,526
British American Tobacco Plc	29,987,789

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic Europe Value Fund (continued)

Top 20 Sales

Investments	Proceeds EUR
Visa Inc - Cl A Shrs	55,956,993
Unilever Plc	49,653,177
Bayer - REG	48,874,648
Reckitt Benckiser Group Plc	40,574,920
UBS Group	37,568,049
Novartis (REG)	35,112,641
Reynolds American Inc	34,743,890
Swedish Match	34,577,641
SAP	34,525,315
Paysafe Group Plc	33,586,912
Anheuser-Busch InBev	32,718,539
Sage Group Plc (The)	32,336,275
Pandora	31,469,100
InterContinental Hotels Group Plc	31,137,757
Shire Plc	30,613,914
Amadeus IT Group	28,514,076
Novo Nordisk Cl B	27,817,799
SNAM SPA	27,750,531
Henkel AG & Co KGaA	26,511,995
Cerved Information Solutions	25,315,667

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic Global Bond Fund

Top 20 Purchases

Investments	Cost USD
TSY Infl Ix N/B 0.625% 15/02/2043	5,538,992
US Treasury Note 0.625% 15/12/2016	5,017,555
KFW (Reg) 1.625% 15/03/2021	4,004,540
US Treasury Bond 2.5% 15/02/2046	3,854,628
EDP Finance Bv (Reg S) 5.25% 14/01/2021	2,172,292
US Treasury Bond 2.5% 15/05/2046	2,062,712
Shell International Fin (Reg) 1.375% 10/05/2019	2,006,930
T 2.0% 15/11/ 2026	1,932,500
US Treasury Bond 2.25% 15/08/2046	1,896,784
Tesco Plc (Reg S) (Reg) 5.5% 15/11/2017	1,575,902
Siegr Frn 25/05/2018 Regs	1,101,176
Orange (Reg) 2.75% 06/02/2019	1,044,875
Korea Gas Corp (Reg S) 1.875% 18/07/2021	1,007,429
Lvmh Moet Hennessy Vuitt (Reg S) (Reg) 1.625% 29/06/2017	1,006,598
Hnda 1.6% 16/02/2018 Regs	1,002,440
Rosw Frn 30/09/2019 Regs	1,002,390
Nsany Frn 13/09/2019 Regs	1,000,560
Korea Resources Corp (Reg) 2.25% 19/04/2021	999,915
Xom Frn 28/02/2018	754,960
F Float 09/01/2018	752,980

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic Global Bond Fund (continued)

Top 20 Sales

Investments	Proceeds USD
US Treasury Bond 3.125% 08/15/2044	5,403,468
US Treasury Bond 3% 05/15/2045	5,364,744
US Treasury Note 0.625% 12/15/2016	4,510,063
Temasek Financial I Ltd (Reg S) (Reg) 3.375% 07/23/2042	4,419,526
KFW (Reg) 5.125% 03/14/2016	4,101,532
T 2.5% 02/15/2046	3,728,906
Lafarge (Reg) 6.5% 07/15/2016	3,500,000
US Treasury Bond 3% 11/15/2044	3,251,947
Sanfp 4.0% 03/29/2021	3,181,880
RCI Banque (Reg S) (Reg) 4.6% 04/12/2016	3,000,000
T 2.25% 08/15/2046	2,092,109
Procter & Gamble Co/The (Reg) 1.9% 11/01/2019	2,062,093
Orange (Reg) 2.75% 09/14/2016	2,000,000
Ge Capital Intl Funding (Reg S) (Reg) 0.964% 04/15/2016	1,923,000
T 2.5% 05/15/2046	1,746,250
MDC-Gmtn (Reg S) 5.5% 04/20/2021	1,131,917
Republic Of Poland (Reg) 5% 03/23/2022	1,117,611
Electricite De France (Reg S) 6.5% 01/26/2019	1,110,873
Goldman Sachs Group Inc 4% 03/03/2024	1,044,991
Landwirtsch. Rentenbank (Reg) 5% 11/08/2016	1,044,921

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic US Momentum and Value Fund

Top 20 Purchases

Investments	Cost USD
Amundi Money Market Fund - Short Term (USD) Cl IV (C) Acc Sh	25,000,000
Autozone Inc	14,367,246
Vanguard S&P 500 ETF	13,174,625
Alaska Air Group Inc	12,516,493
Broadcom Ltd	9,596,720
SPDR S&P 500 ETF Trust	8,674,517
Shire Plc ADR (1 ADR Reps 3 Ord Shrs)	7,327,852
Financial Select Sector SPDR Fund	7,132,380
Canadian Pacific Railway Ltd (NYSE)	7,131,433
Bank of the Ozarks Inc	6,975,524
Citrix Systems Inc	6,947,751
Celgene Corp	6,708,277
Ishares Russell 2000 Etf	6,656,297
Alphabet Inc Cl A	6,469,115
Mastercard Inc Cl A	6,022,706
Comcast Corp Cl A	5,226,238
Financial Select Sector Spdr(Pse)	4,866,714
Union Pacific Corp	4,850,666
Priceline.com Inc	4,723,226
CVS Caremark Corp	4,709,795

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic US Momentum and Value Fund (continued)

Top 20 Sales

Investments	Proceeds USD
Amundi Money Market Fund - Short Term (USD) CI IV (C) Acc Sh	25,011,948
Comcast Corp CI A	13,422,459
Alaska Air Group Inc	11,926,494
Becton Dickinson & Co	11,541,713
Team Health Holdings Inc	10,814,077
Edwards Lifesciences Corp	10,716,406
McKesson Corp	10,607,661
Allergan plc	9,953,327
Jarden Corp	9,198,170
Autozone Inc	9,147,071
Skyworks Solutions Inc	9,000,503
Biogen Idec Inc	8,875,330
Alphabet Inc CI A	8,690,895
Ecolab Inc	8,639,476
Grand Canyon Education Inc	8,544,234
SPDR S&P 500 ETF Trust	7,875,073
Broadcom Ltd	7,670,000
Universal Health Services Inc CI B	7,244,939
NXP Semiconductors	7,207,026
Vanguard S&P 500 ETF	7,205,067

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic Global Quality Fund

Top 20 Purchases

Investments	Cost USD
Philip Morris International Inc	4,648,178
Mastercard Inc Cl A	4,315,822
Nestle Reg Shrs	3,211,620
SAP	3,119,194
Microsoft Corp	2,953,763
Kao Corp	2,911,881
Visa Inc - Cl A Shrs	2,782,295
Fresenius Medical Care	2,743,567
Shire Plc	2,708,206
Smith & Nephew Plc	2,669,921
Wirecard	2,614,905
Clorox Co/The	2,599,357
Altria Group Inc	2,475,214
Heineken Holding	2,418,256
Japan Tobacco Inc	2,327,245
Medtronic Plc	2,298,347
Diageo Plc	2,261,992
H&R Block Inc	2,255,415
International Flavors & Fragrances Inc	2,212,362
Svenska Cellulosa B Shrs	2,210,298

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic Global Quality Fund (continued)

Top 20 Sales

Investments	Proceeds USD
Japan Tobacco Inc	2,826,357
Microsoft Corp	2,559,730
Mastercard Inc Cl A	2,485,612
Unilever Plc [Lse]	2,115,264
Anheuser-Busch Inbev Adr (1 Adr Rep 1 Com Shr)	2,077,165
Reynolds American Inc	1,896,752
Reckitt Benckiser Group Plc	1,880,160
Sage Group Plc (The)	1,867,747
H&R Block Inc	1,798,215
Philip Morris International	1,134,190
Visa Inc - Cl A Shrs	975,755
Svenska Cellulosa B Shrs	925,264
Nestle Sa-Reg(Vtx)	913,473
Shire Plc	873,761
Sap Se(Ger)	633,663
Beiersdorf Ag	501,610
Altria Group Inc	488,357
Qiagen	473,889
Alphabet Inc Cl C	471,161
Mead Johnson Nutrition Co	404,125

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic European Smaller Companies Fund

Top 20 Purchases

Investments	Cost EUR
SPIE SA	2,146,315
Granges AB(STO)	2,145,551
BNP Paribas Insticash CI I - Capitalisation	2,050,000
Amundi Money Market Fund - Short Term (Euro) CI IV CI ACCUMULATION SHARES	2,050,000
ELIS SA	1,897,316
Interpump Group Spa(Mil)	1,880,719
Metall Zug AG-SHS B-Reg	1,857,312
AALBERTS INDUSTRIES NV(EOE)	1,797,545
SFS GROUP AG	1,537,985
MGI Coutier(PAR)	1,535,242
SAF-Holland SA	1,490,102
Moncler SPA(MIL)	1,419,018
Jacquet Metal Service(PAR)	1,391,032
Brembo SPA	1,210,861
Andritz Ag(VIE)	1,189,241
Vexim SA	1,184,175
Trigano SA	1,181,532
Tarkett	1,149,748
Somfy SA(PAR)	1,090,720
NORMA Group SE	983,512

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic European Smaller Companies Fund (continued)

Top 20 Sales

Investments	Proceeds EUR
BNP Paribas Insticash CI I - Capitalisation	1,998,427
Interpump Group SPA(MIL)	1,895,823
SLM Solutions Group	1,339,966
Amundi Money Market Fund - Short Term (Euro) CI IV CI ACCUMULATION SHARES	999,245
STEF	842,628
Brembo	777,970
Ascom Holdings	768,509
Mersen	761,329
Komax Holding (REG)	722,497
Rieter Holding AG-REG	709,429
Aubay	704,527
Alten	662,039
Tom Tailor Holding	622,003
Lisi	547,008
Metsa Board (HEX)	546,241
SOMFY SA(PAR)	500,041
Fermentalg	458,473
Kendrion	449,415
Beneteau	424,075
NORMA Group	348,387

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic Quality Emerging Bond Fund

Top 20 Purchases

Investments	Cost USD
US Treasury Note 0.625% 15/12/2016	3,004,723
Vnesheconombank (VEB Finance Ltd) (REG S) 6.8% 22/11/2025	1,627,183
VEB Finance Ltd (REG S) 6.902% 09/07/2020	1,612,747
Petroleos Mexicanos (REG) 5.5% 27/06/2044	1,375,054
Hungarian Development BA (REG S) 6.25% 21/10/2020	1,115,145
Bharti Airtel Internatio (REG S) (REG) 5.35% 20/05/2024	1,112,724
MMC Norilsk Nickel OJSC via MMC Fina (REG S) 6.625% 14/10/2022	1,085,813
Turk Eximbank (REG S) 5.875% 24/04/2019	1,057,274
Republic Of Namibia (REG S) 5.25% 29/10/2025	1,064,604
Republic of Poland (REG) 3.25% 06/04/2026	1,056,889
Sberbank (SB CAP) (REG S) 5.18% 28/06/2019	1,065,281
Codelco Inc (REG S) (REG) 4.5% 16/09/2025	1,047,375
Embraer Overseas Ltd (REG S) (REG) 5.696% 16/09/2023	1,044,902
Turkiye Garanti Bankasi (REG S) 5.25% 13/09/2022	1,040,792
Corp Financiera De Desar (REG S) 3.25% 15/07/2019	1,040,153
BRF (REG S) (REG) 4.75% 22/05/2024	1,043,340
China Development Bank (REG) 3% 01/06/2026	1,025,500
Suzano Austria GMBH (REG S) (REG) 5.75% 14/07/2026	1,031,021
Turkcell Iletisim Hizmet (REG S) 5.75% 15/10/2025	1,008,354
Fibria Overseas Finance (REG) 5.25% 12/05/2024	1,029,083

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic Quality Emerging Bond Fund (continued)

Top 20 Sales

Investments	Proceeds USD
US Treasury Note 0.625% 15/12/2016	2,002,973
Turkiye Garanti Bankasi (REG S) 5.25% 13/09/2022	1,722,547
VEB Finance Ltd (REG S) 6.902% 09/07/2020	1,613,610
Turk Eximbank (REG S) 5.875% 24/04/2019	1,569,248
ESKOM 5.75% 26/01/2021 REGS	1,487,100
Croatia (REGS) (REG) 6.375% 24/03/2021	1,120,365
T 2.5% 15/05/2046	933,008
GAZPRU 8.625% 28/04/2034 REGS	633,336
Namibia International Bo (REG S) (REG) 5.5% 03/11/2021	546,035
Banco Nac De Desen Econo (REG S) (REG) 5.5% 12/07/2020	525,611
Russian Railways 5.739% 03/04/2017	517,035
Phosagro OAO via Phosagro Bond Fund (REG S) (REG) 4.204% 13/02/2018	514,589
Turkcell Iletisim Hizmet (REG S) 5.75% 15/10/2025	503,576
TII I/L 0.625% 15/02/2043	479,701
Anadolu Efes (REG S) (REG) 3.375% 01/11/2022	434,761
VEBBNK 6.8% 22/11/2025 REGS	266,875
African Export - Import BA (REG) 4% 24/05/2021	198,389

E.I. Sturdza Funds Plc

Schedule of Changes in Investments (unaudited) (continued) for the year ended 31 December 2016

Strategic Beta Flex Fund

Top 20 Purchase

Investments	Cost EUR
Fidelity Fds-Euro Grow-Yacc	892,000
Via Smart-Equit Eur-Inst Eur	743,000
Fidelity Fd-Eur Dyn G-Y Acc	496,000
E.I.Sturdza-Strat Eur VI-Ei	495,999

Strategic Beta Flex Fund

Top 20 Sales

Investments	Proceeds EUR
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No sales during the period

E.I. Sturdza Funds Plc

Appendix I (unaudited)

Exchange Rates

The following exchange rates were used to translate assets and liabilities into functional currency United States Dollar (USD) at 31 December 2016 for the Strategic China Panda Fund.

Currency	31 December 2016	31 December 2015
Euro	1.0548	1.0861
Hong Kong Dollar	0.1290	0.1290
Singapore Dollar	0.6922	0.7062
Great British Pound	1.2357	1.4748
Swiss Franc	0.9839	0.9983
Chinese Yuan	0.1439	-

The following exchange rates were used to translate assets and liabilities into functional currency Euro (EUR) at 31 December 2016 for the Strategic Euro Bond Fund.

Currency	31 December 2016	31 December 2015
Swiss Franc	0.9328	0.9192
Great British Pound	1.1715	1.3579
U.S. Dollar	0.9481	0.9207

The following exchange rates were used to translate assets and liabilities into functional currency Japanese Yen (JPY) at 31 December 2016 for Nippon Growth (UCITS) Fund.

Currency	31 December 2016	31 December 2015
Euro	0.0081	0.0077
Great British Pound	0.0069	0.0056
U.S. Dollar	0.0086	0.0083
Swiss Franc	0.0087	0.0083

The following exchange rates were used to translate assets and liabilities into functional currency Euro (EUR) at 31 December 2016 for Strategic Europe Value Fund.

Currency	31 December 2016	31 December 2015
Danish Krone	0.1345	0.1340
Swedish Krona	0.1044	0.1091
Swiss Franc	0.9328	0.9192
Great British Pound	1.1715	1.3579
U.S.Dollar	0.9481	0.9207

E.I. Sturdza Funds Plc

Appendix I (unaudited) (continued)

Exchange Rates (continued)

The following exchange rates were used to translate assets and liabilities into functional currency United States Dollar (USD) at 31 December 2016 for Strategic Global Bond Fund.

Currency	31 December 2016	31 December 2015
Euro	1.0548	1.0861
Swiss Franc	0.9839	0.9983
Great British Pound	1.2357	1.4748
China Renminbi Offshore	0.1435	-

The following exchange rates were used to translate assets and liabilities into functional currency United States Dollar (USD) at 31 December 2016 for Strategic US Momentum and Value Fund.

Currency	31 December 2016	31 December 2015
Euro	1.0548	1.0861
Swiss Franc	0.9839	0.9983
Great British Pound	1.2357	1.4748
Canadian Dollar	0.7457	-

The following exchange rates were used to translate assets and liabilities into functional currency United States Dollar (USD) at 31 December 2016 for Strategic Global Quality Fund.

Currency	31 December 2016	31 December 2015
Swiss Franc	0.9839	0.9983
Great British Pound	1.2357	1.4748
Danish Krone	0.1419	0.1455
Japanese Yen	0.0086	0.0083
Euro	1.0548	1.0861
Swedish Krona	0.1101	-

The following exchange rates were used to translate assets and liabilities into functional currency Euro (EUR) at 31 December 2016 for Strategic European Smaller Companies Fund.

Currency	31 December 2016	31 December 2015
Swiss Franc	0.9328	0.9192
Great British Pound	1.1715	1.3579
U.S. Dollar	0.9481	0.9207
Swedish Krona	0.1044	-
Danish Krone	0.1345	-

E.I. Sturdza Funds Plc

Appendix I (unaudited) (continued)

Exchange Rates (continued)

The following exchange rates were used to translate assets and liabilities into functional currency United States Dollar (USD) at 31 December 2016 for the Strategic Quality Emerging Bond Fund.

Currency	31 December 2016
Great British Pound	1.2357
Swiss Franc	0.9839
Euro	1.0548

The following exchange rates were used to translate assets and liabilities into functional currency Euro (EUR) at 31 December 2016 for Strategic Beta Flex Fund.

Currency	31 December 2016
Great British Pound	1.1715
U.S.Dollar	0.9481

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Appendix I (unaudited) (continued)

Soft Commission Arrangements

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 an agreed amount of business 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.

The Strategic China Panda Fund has entered into an Agreement with CIMB. The Strategic Europe Value Fund has entered into an Agreement with Bloomberg CSA. The Strategic US Momentum and Value Fund has entered into Agreements with Knight Capital Europe Limited and Bloomberg Tradebook Europe Limited. The Strategic Global Quality Fund has entered into Agreements with Bloomberg CSA.

As at 31 December 2016, Strategic China Panda Fund held the below balance in accordance with the Agreement:

CIMB	HKD 153,683 (31 December 2015: HKD 41,571)
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As at 31 December 2016, Strategic US Momentum and Value Fund held the below balances in accordance with the Agreements:

Knight Capital Europe Limited	USD 491 (31 December 2015: USD 16,581)
Bloomberg Tradebook Europe	USD 14,920 (31 December 2015: USD 26,576)

The balances of Strategic Europe Value Fund and Strategic Global Quality Fund are co-mingled. As at 31 December 2016, the below combined balances were held in accordance with the Agreements:

Bloomberg Tradebook	EUR 81,602.49 (31 December 2015: EUR 46,296)
JP Morgan	EUR 52,042 (31 December 2015: EUR 24,671)

E.I. Sturdza Funds Plc

Appendix I (unaudited) (continued)

	Strategic China Panda Fund 2016 USD	Strategic Euro Bond Fund 2016 EUR	Nippon Growth (UCITS) Fund 2016 JPY	Strategic Europe Value Fund 2016 EUR	Strategic Global Bond Fund 2016 USD
Net Asset Value					
USD Class	40,377,562	-	-	1,228,751	48,833
Euro Class	-	-	-	296,170,540	-
Hedged Euro Class	17,104,180	-	526,742,253	-	-
Hedged Sterling Class	359,828	-	-	-	-
Euro Distributing Class	-	2,877,227	-	-	-
Euro Accumulating Class	-	33,336,303	-	-	-
EUR Institutional Distributing Class	-	-	-	21,646,400	-
JPY Class A	-	-	87,187,956	-	-
JPY Class B	-	-	2,544,673,217	-	-
JPY Class C	-	-	-	-	-
JPY Class D Institutional	-	-	663,388,197	-	-
EUR Institutional Class	-	23,273,371	-	389,523,920	-
EUR Super Institutional Class	-	-	-	150,532,155	-
CHF Accumulating Class	-	12,867,848	-	-	-
CHF Class	-	-	-	43,039,890	-
GBP Hedged Institutional Class	-	-	-	-	-
GBP Institutional Class	-	-	-	15,687,500	-
Euro Hedged Institutional Class	2,138,787	-	373,661,452	-	-
USD Institutional Class	32,148,781	-	-	2,014,039	-
Euro Retail Class	-	-	-	8,087,869	-
RMB Class	-	-	-	-	123,591
USD Super Institutional Class	-	-	-	2,180,352	-
	Strategic US Momentum and Value Fund 2016 USD	Strategic European Smaller Companies Fund 2016 EUR	Strategic Global Quality Bond Fund 2016 USD	Strategic Quality Emerging Bond Fund 2016 USD	Strategic Beta Flex Fund 2016 EUR
Net Asset Value					
USD Class	170,985,523	-	16,852,874	19,563,348	-
Euro Class	-	54,493,724	-	12,374,594	5,513,253
Euro Class X	-	10,745,325	-	-	-
CHF Class	-	-	6,780,197	9,986,467	-
Hedged Euro Class	2,180,003	-	-	-	-
Hedged CHF Class	6,981,169	-	-	-	-
USD Institutional Class	34,115,042	-	36,031,626	6,327,945	-
EUR Institutional Class	-	-	-	3,163,464	-

E.I. Sturdza Funds Plc

Appendix I (unaudited) (continued)

	Strategic China Panda Fund 2016 USD	Strategic Euro Bond Fund 2016 EUR	Nippon Growth (UCITS) Fund 2016 JPY	Strategic Europe Value Fund 2016 EUR	Strategic Global Bond Fund 2016 USD
Net asset value per share					
USD Class	US\$2,180.71	-	-	US\$99.95	US\$1,043.66
Euro Class	-	-	-	€195.56	-
Hedged Euro Class	€2,086.78	-	€1,042.82	-	-
Hedged Sterling Class	£2,122.58	-	-	-	-
Euro Distributing Class	-	€1,015.15	-	-	-
Euro Accumulating Class	-	€1,138.40	-	-	-
EUR Institutional Distributing Class	-	-	-	€93.36	-
JPY Class A	-	-	JPY98,673	-	-
JPY Class B	-	-	JPY82,755	-	-
JPY Class C	-	-	-	-	-
JPY Class D Institutional	-	-	JPY53,913	-	-
EUR Institutional Class	-	€1,018.29	-	€171.77	-
EUR Super Institutional Class	-	-	-	€94.62	-
CHF Accumulating Class	-	CHF980.13	-	-	-
CHF Class	-	-	-	CHF153.71	-
GBP Hedged Institutional Class	-	-	-	-	-
GBP Institutional Class	-	-	-	£125.88	-
Euro Hedged Institutional Class	€905.22	-	€1,231.20	-	-
USD Institutional Class	US\$840.79	-	-	US\$91.74	-
Euro Retail Class	-	-	-	€92.11	-
RMB Class	-	-	-	-	US\$1,004.89
USD Super Institutional Class	-	-	-	US\$94.87	-
	Strategic US Momentum and Value Fund 2016 USD	Strategic European Smaller Companies Fund 2016 EUR	Strategic Global Quality Bond Fund 2016 USD	Strategic Quality Emerging Bond Fund 2016 USD	Strategic Beta Flex Fund 2016 EUR
Net asset value per share					
USD Class	US\$748.45	-	US\$100.80	US\$1,007.11	-
Euro Class	-	€1,127.36	-	€994.07	€1,001.29
Euro Class X	-	€1,066.73	-	-	-
CHF Class	-	-	CHF89.95	CHF991.38	-
Hedged Euro Class	€515.87	-	-	-	-
EUR Institutional Class	-	-	-	€997.67	-
Hedged CHF Class	CHF509.51	-	-	-	-
USD Institutional Class	US\$499.99	-	US\$108.49	US\$972.30	-

E.I. Sturdza Funds Plc

Appendix I (unaudited) (continued)

	Strategic China Panda Fund 2015 USD	Strategic Euro Bond Fund 2015 EUR	Nippon Growth (UCITS) Fund 2015 JPY	Strategic Europe Value Fund 2015 EUR
Net Asset Value				
USD Class	73,952,122	-	-	-
Euro Class	-	-	-	327,928,096
Hedged Euro Class	40,981,966	-	3,339,942,954	-
Hedged Sterling Class	867,288	-	-	-
Euro Distributing Class	-	9,223,913	-	-
Euro Accumulating Class	-	44,928,224	-	-
JPY Class A	-	-	347,855,139	-
JPY Class B	-	-	7,586,161,071	-
EUR Institutional Class	-	51,260,187	-	430,430,904
CHF Accumulating Class	-	20,729,790	-	-
CHF Class	-	-	-	58,118,660
Euro Hedged Institutional Class	7,230,052	-	541,072,758	-
JPY Class D Institutional	-	-	7,122,512,625	-
USD Institutional Class	50,508,355	-	-	9,748,035
CHF Institutional Class	-	363,921	-	-
GBP Hedged Institutional Class	-	-	2,714,022,513	-
GBP Institutional Class	-	-	-	19,646,940
Euro Institutional Distributing Class	-	-	-	50,963,516
Euro Retail Class	-	-	-	9,957
	Strategic Global Bond Fund 2015 USD	Strategic US Momentum and Value Fund 2015 USD	Strategic Global Quality Fund 2015 USD	Strategic European Smaller Companies Fund 2015 EUR
Net Asset Value				
USD Class	72,417,092	248,706,173	-	-
Hedged Euro Class	-	16,441,646	-	-
RMB Class	22,224,200	-	-	-
Hedged CHF Class	-	14,114,279	-	-
USD Institutional Class	-	47,056,745	13,094,398	-
Euro Class	-	-	-	34,367,452

E.I. Sturdza Funds Plc

Appendix I (unaudited) (continued)

	Strategic China Panda Fund 2015 USD	Strategic Euro Bond Fund 2015 EUR	Nippon Growth (UCITS) Fund 2015 JPY	Strategic Europe Value Fund 2015 EUR
Net asset value per share				
USD Class	US\$2,234.97	-	-	-
Euro Class	-	-	-	€212.23
Hedged Euro Class	€2,179.30	-	€1,090.94	-
Hedged Sterling Class	£2,209.17	-	-	-
Euro Distributing Class	-	€1,021.45	-	-
Euro Accumulating Class	-	€1,131.86	-	-
JPY Class A	-	-	JPY100,920	-
JPY Class B	-	-	JPY84,624	-
EUR Institutional Class	-	€1,009.65	-	€184.58
CHF Accumulating Class	-	CHF982.03	-	CHF167.92
Euro Hedged Institutional Class	€944.12	-	€1,285.25	-
JPY Class D Institutional	-	-	JPY54,803.00	-
USD Institutional Class	US\$857.40	-	-	US\$97.46
CHF Institutional Class	-	CHF989.86	-	-
GBP Hedged Institutional Class	-	-	£1,195.89	-
GBP Institutional Class	-	-	-	£135.77
Euro Institutional Distributing Class	-	-	-	€100.85
Euro Retail Class	-	-	-	€101.08
	Strategic Global Bond Fund 2015 USD	Strategic US Momentum and Value Fund 2015 USD	Strategic Global Quality Fund 2015 USD	Strategic European Smaller Companies Fund 2015 EUR
Net asset value per share				
USD Class	US\$1,040.84	US\$763.06	-	-
Hedged Euro Class	-	€532.10	-	-
RMB Class	US\$1,043.87	-	-	-
CHF Hedged Class	-	CHF529.02	-	-
USD Institutional Class	-	US\$506.88	US\$114.56	-
Euro Class	-	-	-	€992.85

E.I. Sturdza Funds Plc

Appendix I (unaudited) (continued)

	Strategic China Panda Fund 2014 USD	Strategic Euro Bond Fund 2014 EUR	Nippon Growth (UCITS) Fund 2014 JPY	Strategic Emerging Europe Fund 2014 USD	Strategic Europe Value Fund 2014 EUR
Net Asset Value					
USD Class	198,097,204	-		6,336,788	-
Euro Class	-	-	-	-	141,705,993
Hedged Euro Class	85,088,997	-	4,150,513,787	13,105,791	-
Hedged Sterling Class	1,110,016	-	-	-	-
Euro Distributing Class	-	16,429,946	-	-	-
Euro Accumulating Class	-	54,578,872	-	-	-
JPY Class A	-	-	471,627,515	-	-
JPY Class B	-	-	7,031,061,176	-	-
JPY Class C	-	-	31,874,810	-	-
EUR Institutional Class	-	18,375,836	-	-	64,155,126
CHF Accumulating Class	-	20,105,167	-	-	-
CHF Class	-	-	-	-	36,347,075
Euro Hedged Institutional Class	-	-	833,037,281	-	-
JPY Class D Institutional	-	-	6,066,408,494	-	-
USD Institutional Class	82,276,092	-	-	1,515,174	-
CHF Institutional Class	-	2,074,702	-	-	-
GBP Hedged Institutional Class	-	-	2,733,964,388	-	-
USD Select Institutional Class	-	-	-	57,443,638	-
GBP Institutional Class	-	-	-	-	6,487,980
	Strategic Global Bond Fund 2014 USD	Strategic US Momentum and Value Fund 2014 USD	Strategic Global Quality Fund 2014 USD		
Net Asset Value					
USD Class	81,564,710	234,979,851	-		
Hedged Euro Class	-	25,199,578	-		
RMB Class	33,896,136	-	-		
Hedged CHF Class	-	12,418,547	-		
USD Institutional Class	-	13,844,020	5,056,567		

E.I. Sturdza Funds Plc

Appendix I (unaudited) (continued)

	Strategic China Panda Fund 2014	Strategic Euro Bond Fund 2014	Nippon Growth (UCITS) Fund 2014	Strategic Emerging Europe Fund 2014	Strategic Europe Value Fund 2014
Net asset value per share					
USD Class	US\$2,268.74	-	-	US\$770.76	-
Euro Class	-	-	-	-	€171.51
Hedged Euro Class	€2,206.08	-	€1,068.64	€755.57	-
Hedged Sterling Class	£2,235.51	-	-	-	-
Euro Distributing Class	-	€1,061.60	-	-	-
Euro Accumulating Class	-	€1,160.99	-	-	-
JPY Class A	-	-	JPY97,799	-	-
JPY Class B	-	-	JPY 82,034	-	-
JPY Class C	-	-	JPY 79,687	-	-
EUR Institutional Class	-	€1,032.54	-	-	€146.20
CHF Accumulating Class	-	CHF1,021.45	-	-	-
CHF Class	-	-	-	-	CHF137.95
Euro Hedged Institutional Class	-	-	€1,251.45	-	-
JPY Class D Institutional	-	-	JPY52,869	-	-
USD Institutional Class	US\$863.20	-	-	US\$727.96	-
CHF Institutional Class	-	CHF1,026.60	-	-	-
GBP Hedged Institutional Class	-	-	£1,160.96	-	-
USD Select Institutional Class	-	-	-	US\$767.40	-
GBP Institutional Class	-	-	-	-	£108.46
	Strategic Global Bond Fund 2014	Strategic US Momentum and Value Fund 2014	Strategic Global Quality Fund 2014		
Net asset value per share					
USD Class	US\$1,056.05	US\$806.53	-		
Hedged Euro Class	-	€563.27	-		
RMB Class	US\$1,080.56	-	-		
CHF Hedged Class	-	CHF561.00	-		
USD Institutional Class	-	US\$534.83	US\$99.15		

E.I. Sturdza Funds Plc

Supplementary Information (unaudited)

1. Total expense ratio

The total expense ratio for each share class of each Sub-Fund for the year ended 31 December 2016 and 31 December 2015 is as follows:

	31 December 2016	31 December 2015
Strategic China Panda Fund		
USD Class	2.02%	2.57%
Hedged Euro Class	2.01%	2.12%
Hedged Sterling Class	2.01%	2.18%
USD Institutional Class	1.52%	1.77%
Euro Hedged Institutional Class	1.53%	2.70%
Strategic Euro Bond Fund		
Euro Distributing Class	1.17%	1.08%
Euro Accumulating Class	1.17%	1.08%
EUR Institutional Class	0.87%	0.78%
CHF Accumulating Class	1.17%	1.08%
CHF Institutional Class	-	0.78%
Nippon Growth (UCITS) Fund		
Hedged Euro Class	2.09%	2.05%
JPY Class A	2.04%	2.04%
JPY Class B	2.07%	2.08%
JPY Class C	-	2.04%
JPY Class D Institutional	1.54%	-
Euro Hedged Institutional Class	1.54%	1.54%
JPY Class D Institutional	-	1.55%
GBP Hedged Institutional Class	1.54%	1.55%
Strategic Europe Value Fund		
Euro Class	2.60%	5.12%
EUR Institutional Class	1.63%	3.14%
CHF Class	2.49%	4.74%
GBP Institutional Class	1.43%	2.98%
Euro Institutional Distributing Class	2.04%	1.55%
Euro Retail Class	3.11%	2.63%
USD Super Institutional Class	1.18%	-
USD Class	2.14%	-
Euro Super Institutional Class	1.18%	-
USD Institutional Class	1.29%	1.41%
Strategic Global Bond Fund		
USD Class	1.22%	1.22%
RMB Class	1.22%	1.22%

E.I. Sturdza Funds Plc

Supplementary Information (unaudited) (continued)

1. Total expense ratio (continued)

The total expense ratio for each share class of each Sub-Fund for the year ended 31 December 2016 and 31 December 2015 is as follows (continued):

	31 December 2016	31 December 2015
Strategic US Momentum and Value Fund		
USD Class	1.78%	2.29%
Hedged Euro Class	1.78%	2.40%
Hedged CHF Class	1.78%	2.18%
USD Institutional Class	1.28%	1.76%
Strategic Global Quality Fund		
USD Institutional Class	1.20%	1.25%
USD Class	1.70%	-
CHF Class	1.70%	-
Strategic European Smaller Companies Fund		
Euro Class	3.86%	2.99%
Euro X Class	1.94%	-
Strategic Quality Emerging Bond Fund		
CHF Class	1.53%	-
EUR Class	1.53%	-
EUR Institutional Class	1.03%	-
USD Class	1.53%	-
USD Institutional	1.03%	-
Strategic Beta Flex Fund		
EUR Class	1.29%	-

The total expense ratio (excluding performance-related fee paid to the Manager) for each share class of each Sub-Fund for the year ended 31 December 2016 and 31 December 2015 is as follows:

	31 December 2016	31 December 2015
Strategic China Panda Fund		
USD Class	2.01%	1.93%
Hedged Euro Class	2.01%	1.93%
Hedged Sterling Class	2.01%	1.93%
USD Institutional Class	1.51%	1.43%
Euro Hedged Institutional Class	1.51%	1.43%
Strategic Euro Bond Fund		
Euro Distributing Class	1.17%	1.08%
Euro Accumulating Class	1.17%	1.08%
EUR Institutional Class	0.87%	0.78%
CHF Accumulating Class	1.17%	1.08%
CHF Institutional Class	-	0.78%

E.I. Sturdza Funds Plc

Supplementary Information (unaudited) (continued)

1. Total expense ratio (continued)

The total expense ratio (excluding performance-related fee paid to the Manager) for each share class of each Sub-Fund for the year ended 31 December 2016 and 31 December 2015 is as follows (continued):

	31 December 2016	31 December 2015
Nippon Growth (UCITS) Fund		
Hedged Euro Class	2.04%	2.04%
JPY Class A	2.04%	2.04%
JPY Class B	2.04%	2.04%
JPY Class C	-	2.04%
JPY Class D Institutional	1.54%	-
Euro Hedged Institutional Class	1.54%	1.54%
JPY Class D Institutional	-	1.54%
GBP Hedged Institutional Class	1.54%	1.54%
Strategic Europe Value Fund		
Euro Class	1.78%	1.74%
EUR Institutional Class	1.18%	1.14%
CHF Class	1.78%	1.74%
GBP Institutional Class	1.18%	1.14%
Euro Institutional Distributing Class	1.18%	1.14%
Euro Retail Class	2.48%	2.44%
USD Class	1.78%	-
Euro Super Institutional Class	1.18%	-
USD Super Institutional Class	1.18%	-
USD Institutional Class	1.18%	1.14%
Strategic Global Bond Fund		
USD Class	1.22%	1.22%
RMB Class	1.22%	1.22%
Strategic US Momentum and Value Fund		
USD Class	1.78%	1.77%
Hedged Euro Class	1.78%	1.77%
Hedged CHF Class	1.78%	1.77%
USD Institutional Class	1.28%	1.27%
Strategic Global Quality Fund		
USD Institutional Class	1.20%	1.25%
CHF Class	1.70%	-
USD Class	1.70%	-
Strategic European Smaller Companies Fund		
Euro Class	1.93%	1.84%
Euro X Class	1.93%	-

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Supplementary Information (unaudited) (continued)

The total expense ratio (excluding performance-related fee paid to the Manager) for each share class of each Sub-Fund for the year ended 31 December 2016 and 31 December 2015 is as follows (continued):

1. Total expense ratio (continued)

	31 December 2016	31 December 2015
Strategic Quality Emerging Bond Fund		
CHF Class	1.53%	-
EUR Class	1.53%	-
EUR Institutional Class	1.03%	-
USD Class	1.53%	-
USD Institutional	1.03%	-
Strategic Beta Flex Fund		
Euro Class	1.29%	-

The total expense ratio for performance related fee paid to the Manager for each share class of each Sub-Fund for the year ended 31 December 2016 and 31 December 2015 is as follows:

	31 December 2016	31 December 2015
Strategic China Panda Fund		
USD Class	0.01%	0.64%
Hedged Euro Class	0.00%	0.19%
Hedged Sterling Class	0.00%	0.24%
USD Institutional Class	0.01%	0.34%
Euro Hedged Institutional Class	0.02%	1.27%
Strategic Euro Bond Fund		
Euro Distributing Class	-	-
Euro Accumulating Class	-	-
EUR Institutional Class	-	-
CHF Accumulating Class	-	-
CHF Institutional Class	-	-
Nippon Growth (UCITS) Fund		
Hedged Euro Class	0.05%	0.01%
JPY Class A	-	-
JPY Class B	0.03%	0.04%
JPY Class C	-	-
JPY Class D Institutional	-	-
Euro Hedged Institutional Class	-	0.01%
JPY Class D Institutional	-	0.01%
GBP Hedged Institutional Class	-	0.01%

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Supplementary Information (unaudited) (continued)

The total expense ratio for performance related fee paid to the Manager for each share class of each Sub-Fund for the year ended 31 December 2016 and 31 December 2015 is as follows: (continued)

	31 December 2016	31 December 2015
Strategic Europe Value Fund		
Euro Class	0.82%	3.39%
EUR Institutional Class	0.45%	2.00%
CHF Class	0.71%	3.01%
GBP Institutional Class	0.25%	1.85%
Euro Institutional Distributing Class	0.86%	0.41%
USD Class	0.36%	-
USD Super Institutional Class	-	-
EUR Super Institutional Class	-	-
Euro Retail Class	0.63%	0.20%
USD Institutional Class	0.11%	0.28%
Strategic Global Bond Fund		
USD Class	-	-
RMB Class	-	-
Strategic US Momentum and Value Fund		
USD Class	-	0.53%
Hedged Euro Class	-	0.64%
Hedged CHF Class	-	0.41%
USD Institutional Class	-	0.49%
Strategic Global Quality Fund		
USD Institutional Class	-	-
USD Class	-	-
CHF Class	-	-
Strategic European Smaller Companies Fund		
Euro Class	1.93%	1.15%
Euro X Class	0.01%	-
Strategic Quality Emerging Bond Fund		
CHF Class	-	-
EUR Class	-	-
EUR Institutional Class	-	-
USD Class	-	-
USD Institutional	-	-
Strategic Beta Flex Fund		
EUR Class	-	-

The total expense ratio calculations are prepared in accordance with the requirements of the Swiss Funds & Asset Management Association Guidelines.

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Supplementary Information (unaudited) (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 31 December 2016		Inception to 31 December 2015	
	Fund	Index	Fund	Index
Strategic China Panda Fund				
USD Class	118.07%	53.53%	123.50%	52.16%
Hedged Euro Class	108.68%	53.53%	117.93%	52.16%
Hedged Sterling Class	112.26%	53.53%	120.92%	52.16%
USD Institutional Class	(15.92)%	10.67%	(14.26)%	9.69%
Euro Hedged Institutional Class	(9.48)%	(9.09)%	(5.59)%	(9.90)%
Strategic Euro Bond Fund				
Euro Distributing Class	1.52%	3.84%	2.15%	4.04%
Euro Accumulating Class	13.84%	3.84%	13.19%	4.04%
EUR Institutional Class	1.83%	0.19%	0.96%	0.39%
CHF Accumulating Class	(1.99)%	0.18%	(1.80)%	0.38%
CHF Institutional Class	-	-	(1.01)%	0.12%
Nippon Growth (UCITS) Fund				
Hedged Euro Class	4.28%	30.11%	9.09%	29.70%
JPY Class A	62.46%	96.42%	66.16%	95.80%
JPY Class B	65.51%	83.74%	69.25%	83.16%
Euro Hedged Institutional Class	23.12%	64.49%	28.53%	63.97%
JPY Class D Institutional	7.83%	41.29%	9.61%	40.84%
GBP Hedged Institutional Class	-	-	19.59%	35.32%
Strategic Europe Value Fund				
Euro Class	95.56%	68.46%	112.23%	55.00%
EUR Institutional Class	71.77%	38.69%	84.58%	35.21%
CHF Class	53.71%	37.23%	67.92%	33.79%
GBP Institutional Class	25.88%	11.68%	35.77%	8.88%
Euro Institutional Distributing Class	(6.64)%	(0.39)%	0.85%	(2.90)%
Euro Retail Class	(7.89)%	2.87%	1.08%	0.28%
USD Institutional Class	(8.26)%	(2.48)%	(2.54)%	(4.93)%
USD Class	(0.05)%	8.90%	-	-
Euro Super Institutional Class	(5.38)%	6.05%	-	-
USD Super Institutional Class	(5.13)%	6.60%	-	-
Strategic Global Bond Fund				
USD Class	4.37%	16.05%	4.08%	11.43%
RMB Class	0.49%	13.48%	4.39%	8.97%

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Supplementary Information (unaudited) (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 (continued):

	Inception to 31 December 2016		Inception to 31 December 2015	
	Fund	Index	Fund	Index
Strategic US Momentum and Value Fund				
USD Class	43.27%	79.76%	46.07%	53.79%
Hedged Euro Class	3.17%	224.15%	6.42%	14.50%
Hedged CHF Class	1.90%	224.15%	5.80%	14.50%
USD Institutional Class	0.00%	195.07%	1.38%	4.23%
Strategic Global Quality Fund				
USD Institutional Class	8.49%	10.18%	14.56%	2.48%
CHF Class	(10.05)%	6.14%	-	-
USD Class	0.80%	15.95%	-	-
Strategic European Smaller Companies Fund				
Euro Class	12.74%	(4.25)%	(0.71)%	(5.88)%
Euro Class X	6.67%	5.25%	-	-
Strategic Quality Emerging Bond Fund				
USD Institutional Class	(2.77)%	8.82%	-	-
USD Class	0.71%	6.25%	-	-
CHF Class	(0.86)%	6.25%	-	-
EUR Class	(0.59)%	6.25%	-	-
EUR Institutional Class	(0.23)%	6.25%	-	-
Strategic Beta Flex Fund				
Euro Class	0.13%	(0.01)%	-	-

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.

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

Remuneration Disclosure for the period from 18 March 2016 (effective date) to 31 December 2016 (unaudited)

Introduction

The below disclosures are made in respect of the remuneration policies of E.I Sturdza Strategic Management Limited (the “Investment Manager” to E.I. Sturdza Funds Plc (the “Funds”). The disclosures are made in accordance with the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) regulations 2016 – SI 143 of 2016 (“UCITS V Directive”), effective from 18 March 2016.

The remuneration policy of the Investment Manger has been designed to promote sound and effective risk management and to not encourage risk taking which may be inconsistent with the risk profile and constitution of the Funds managed.

The policy adopted by the Investment Manager is subject to review on an annual basis and is assessed to determine whether the system of remuneration operates as intended and is compliant with the remuneration requirements as set out by the UCITS V Directive.

Decision making process

The decision making in relation to investment strategy and portfolio management is made by external Investment Advisers, under a contractual relationship with the Investment Manager. No employees of the Investment Manager are considered Identified Persons, as defined by the UCITS V Directive. The risk profile of the Funds is monitored on a continuous basis by the employees of the Investment Manager to ensure it remains within the parameters outlined in the Funds governing documents. The remuneration policies of the Investment Advisers have been reviewed by the Investment Manager to ensure the remuneration policies are designed to align the interests of the Investment Adviser’s with those of the shareholders and to discourage excessive risk taking.

Due to the implementation of the UCITS V Directive during the financial year, no quantitative information is yet available.