BL-Global 75
a sub-fund of SICAV BL

BANQUE DE LUXEMBOURG INVESTMENTS

Fund Fact Sheet

29/06/2018

Asset Class

Mixed Asset Global Balanced

Caratteristiche del fondo

AUM	€ 529,7 mn
Launch date	28/10/1993
Oldest share class (B)	LU0048293368
Turnover (2017) *	21%
Reference currency	EUR
Hedged share classes available in	CHF
Legal structure	SICAV, UCITS
Domicile	Luxembourg
European passport	Yes
Countries of registration	AT, BE, DK, FI, FR, DE, ES, IT, LU, NL, NO, SG, SE, CH, GB

Fund Manager

Joël Reuland has been responsible for the fund since 2005. He joined BLI in 1999.
Joël is being supported by a team of 9 regional equity and bond managers.

Management Company

BLI - Banque de Luxembourg Investments S.A.
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www.bli.lu
www.blinvestmentsblog.com

Dealing & Administrator Details

European Fund Administration (EFA)

Tel	+352 48 48 80 582
Fax	+352 48 65 61 8002
Dealing frequency	daily**
Cut-off time	12:00 CET
Front-load fee	max. 5%
Redemption fee	none
NAV calculation	daily**
NAV publication	www.fundinfo.com

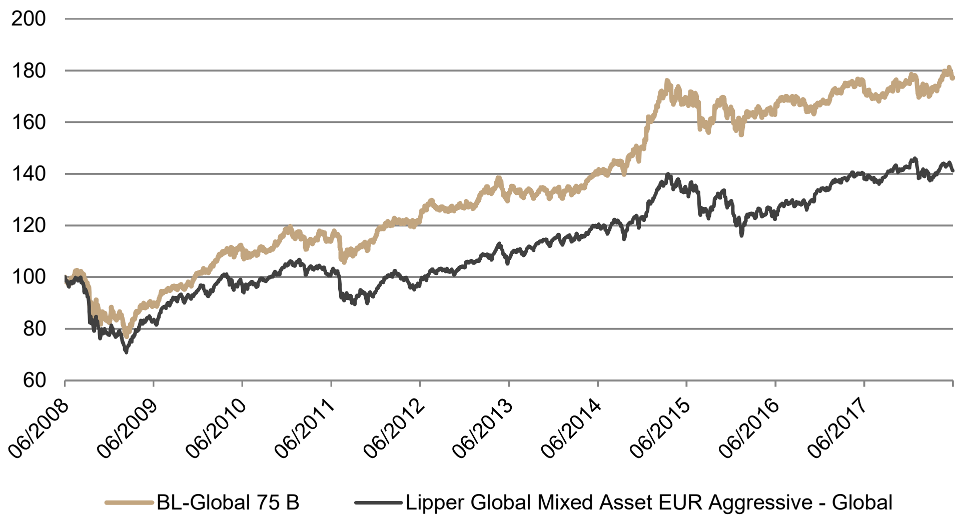
* min (purchases, sales) / average of net assets
** Luxembourg banking business day

Investment Objective

BL-Global 75 is the dynamic profile of the SICAV's wealth management fund family. The fund's objective is to grow capital over time while posting considerably lower volatility than the equity markets, combining global equities (weighted between 60% and 90%), government bonds, cash and gold.

Key Facts

- Conservative wealth management fund.
- Percentage invested in equities between 60% and 90%.
- Globally diversified portfolio of high-quality companies
- Particular importance placed on analysis of competitive advantage and valuation.
- Credit risk in the bond portfolio limited to sovereign risk.
- Exposure to precious metals through ETCs (exchange-traded commodities) as insurance against systemic risk.
- Derivatives may be used for hedging or portfolio optimisation.



Performance	YTD	2017	2016	2015	2014	2013
Fund (B shares)	1,3%	5,1%	0,9%	9,8%	12,5%	5,2%
Lipper Peergroup	-0,8%	6,8%	3,0%	5,0%	7,2%	10,7%

Performance	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	-0,7%	3,2%	1,3%	3,0%	5,9%	34,0%	77,3%
Lipper Peergroup	-1,0%	2,4%	-0,8%	2,3%	6,4%	32,1%	41,2%

Volatility	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	4,8%	8,8%	6,9%	7,8%	8,0%	9,1%
Lipper Peergroup	5,0%	8,4%	6,5%	8,4%	8,2%	10,0%

The index (Lipper Global Mixed Asset EUR Bal-Global) is shown in the performance chart as well as in the performance tables above for performance measurement purposes only and it should under no circumstances be considered as an indication of a specific investment style or strategy.
Investors are also invited to consult the performance chart disclosed in the key investor information document of the sub-fund.

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Current Portfolio

29/06/2018

Top Holdings Equity Portfolio	
LVMH	3,0%
SAP	2,7%
Pernod Ricard	2,4%
Unilever	2,4%
Roche Holding	1,9%

# holdings equity portfolio	**102**

Top Holdings Bond Portfolio	
Deutschland 0% 08-04-22	3,1%
Deutschland 0% 08-10-21	3,1%
Deutschland 0% 07-10-22	1,9%
Deutschland 0% 17-04-2020	1,9%
Deutschland 0,5% 15-02-25	1,0%

# holdings bond portfolio	**5**

Bond Portfolio Technicals	
average modified duration	3,63
average maturity	3,63 years
average yield to maturity	-0,48%

New Investments in June (Equities)

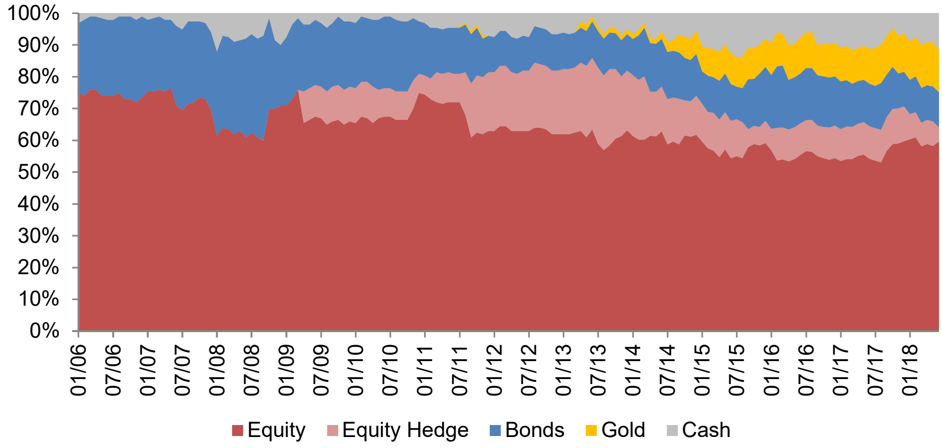
no transactions

Investments sold in June (Equities)

no transactions

Currency allocation	before hedging	after hedging
EUR	39,5%	51,6%
USD	23,3%	11,2%
JPY	8,7%	8,7%
GBp	4,2%	4,2%
CHF	4,0%	4,0%
DKK	2,8%	2,8%
SEK	1,3%	1,3%
Other	2,8%	2,8%
Gold	13,4%	13,4%

Historic asset allocation



	Strategic Allocation	Portfolio June 2018		
Equity		**Gross**	**Hedging**	**Net**
Europe	26,5%	33,5%	-4,5%	29,0%
US	30,0%	18,6%	0,0%	18,6%
Japan	7,5%	8,0%		8,0%
Asia	8,5%	3,7%		3,7%
Latin America	2,5%	0,3%		0,3%
Total equity	**75,0%**	**64,1%**	**-4,5%**	**59,7%**
Bonds				
Eurozone	22,5%	11,0%		
US	0,0%	0,0%		
Emerging Markets	2,5%	0,0%		
Total bonds	**25,0%**	**11,0%**		
Cash				
Euro	0,0%	8,0%		
USD	0,0%	3,5%		
Total cash	**0,0%**	**11,5%**		
Precious metals	**0,0%**	**13,4%**		
Total	**100,0%**	**100,0%**		

Investor Type	Clean Share	Eligibility Restrictions	Income	Share Class	Currency	Mgmt Fees	On-going Charges	SRRI	ISIN	Bloomberg Ticker
Retail	No	No	Dis	**A**	EUR	1,25%	1,45%	4	LU0048293285	BLG4718 LX
Retail	No	No	Cap	**B**	EUR	1,25%	1,45%	4	LU0048293368	BL4717 LX
Retail	No	No	Cap	**B CHF Hedged**	CHF	1,25%	1,44%	4	LU1305478429	BLG75BH LX
Retail	Yes	Yes	Dis	**AM**	EUR	0,85%	1,03%	4	LU1484140337	BLG75AM LX
Retail	Yes	Yes	Cap	**BM**	EUR	0,85%	1,04%	4	LU1484140410	BLG75BM LX
Retail	Yes	Yes	Cap	**BM CHF Hedged**	CHF	0,85%	1,04%	4	LU1484140501	BL75BMC LX
Institutional	No	Yes	Cap	**BI**	EUR	0,60%	0,76%	4	LU0495654708	BLGL75I LX

BANQUE DE LUXEMBOURG INVESTMENTS

Management Report

29/06/2018

Bond market yields eased very slightly in June. In view of the increasingly protectionist rhetoric from the US President Donald Trump with regard to China and Europe, investors have been reluctant to increase risk in their portfolios. The 10-year government bond yield remained unchanged at 2.86% in the United States, and dipped from 0.34% to 0.30% in Germany. Among the eurozone periphery countries, the 10-year yield dropped from 1.50% to 1.32% in Spain and from 2.79% to 2.68% in Italy. Due to the formation of the populist government in May, Italian bond yields are at much higher levels than they were at the beginning of the year. At the end of June, the average yield to maturity in the bond portfolio was -0.5% (0.7% for the benchmark) and the modified duration was 3.6 (7.8 for the benchmark).

Equity markets saw little change in June; the MSCI All Country World Index net total return expressed in euros dropped back slightly, by 0.6%. Over the month, the S&P 500 in the United States gained 0.5% (in USD), while the Stoxx 600 in Europe and the Topix in Japan fell by 0.8% (in EUR) and 1.0% (in JPY) respectively. Emerging market equities were particularly weak, with the MSCI Emerging Markets index giving up 4.6% (in USD). The strength of the dollar or, alternatively, the weakness of many emerging market currencies such as the Turkish lira, the Brazilian real and recently the Chinese yuan, weighs heavily on the equity markets of the countries in question. Generally speaking, the escalating threat of trade wars coupled with less abundant cash in dollars as a result of steady monetary policy tightening in the United States is currently a damper on the equity markets.

During the month, we slightly strengthened our positions in the Asian companies Thai Beverage and KT&G. We also ended the partial hedge on US equities by closing the short positions on S&P 500 futures. At the same time, we reduced our exposure to US equities by the same amount, leaving the net equity weighting unchanged and limiting the need to use currency futures any more, as these are becoming more and more expensive due to the ever-widening interest rate differential between Europe and the United States. At the end of June, the fund's exposure to European equities came to 33.5%, of which 4.5% was hedged through the sale of Euro Stoxx 50 futures. Exposure to US, Japanese and emerging market equities amounted to 18.5%, 8% and 4% respectively.

Investment Approach

Investment Principles

Limit losses

The value of an investment that has lost 50% must double to recover incurred losses.

> *Avoiding losses is more important than generating extraordinary gains.*

Master investment risks

Risks arise when the parameters of an investment are not properly understood.

> We avoid investing in assets we do not fully understand.

Valuation / margin of safety

The price paid for an investment determines its potential return.

> We invest with a margin of safety in order to limit the risk of loss and increase the potential return.

Consideration of an entire business cycle

Foregoing part of potential gains in strongly rising markets pays dividends in falling markets.

> Our objective is to outperform the relevant market indices over an entire business cycle by limiting the drawdown in challenging markets.

Active management

The market reference index is solely used for performance measurement principles.

> *Owing to the active investment approach of our portfolio management, the portfolio structure may deviate strongly from that of market indices.*

Asset Allocation

Analysis of the valuation of the S&P 500 is the basis for determining the percentage invested in equities, which is between 60% and 90%. The potential use of derivatives and the sale of futures on equity market indices may lead to net equity exposure outside this bracket. The default regional weighting of equities (26.5% for Europe, 30% for the United States, 7.5% for Japan, 8.5% for Asia excluding Japan and 2.5% for Latin America) is adjusted according to valuation levels and the manager’s opinion on the relative attractiveness of each region.

Equity Investment Approach: Business-Like Investing

We consider an equity investment as a long-term participation in a quality business. As a consequence, we need to make sure that the businesses we invest in are able to compete successfully within their line of business and remain profitable for the years to come.

Quality

In the first step of our investment process, we perform an in-depth review of the targeted company's business model in order to identify its sustainable competitive advantage. A competitive advantage differentiates the company from its competitors and creates barriers to entry, adding value for its investors.

In the second step we analyse whether the competitive advantage translates into recurrent free cash flow. We put a special emphasis on the analysis of the maintenance capex requirements of the targeted companies to make sure that the cash flow generated is not absorbed by investment needs to sustain the company’s current business operations.

In the third step, we analyse how the targeted company uses its capital. The company's management faces the following options: investment in current business activities, development of new activities, takeovers, dividend payments, stock buybacks or debt repayments.

Only companies that comply with our bottom-up quality criteria are considered for inclusion into our portfolios, which may lead to significant deviations from the relevant market indices.

Valuation

Even investments in quality companies may result in significant capital losses if the price that was paid for the investment proves too high. To avoid this pitfall, we determine a fair value for each targeted company prior to investing. This fair value is based on the company's normalised free cash flow and serves as reference point for our buy and sell discipline.

Bond Investment Approach: Government Bonds Only

In the bond portfolio, we only invest in government and supranational bonds. We include both developed and emerging market government bonds in the portfolio. As the objective of the bond segment is to stabilise the portfolio during equity market corrections, we limit corporate risk to equities and avoid it altogether for bonds. Given the excessive debt racked up by most countries following the collapse of Lehman Brothers in 2008, we limit our exposure to the most solid government issuers. The main management decisions for the bond portfolio are duration and exposure to emerging markets.

Gold: Insurance Against Systemic Risk

Given massive state intervention in the financial markets since the collapse of Lehman Brothers, the economic system has evolved from market capitalism in which the financial markets are a meeting point between savers and investors, to state capitalism in which the authorities decide who receives money and who does not. The authorities have turned the financial markets into an instrument for political ends on the pretext that the economy will go into freefall without government intervention, thus suspending the rules governing the operation of the market economy.

Political decisions that clash permanently with economic forces destabilize the financial system. Despite the unlimited capacity of central banks’ financial resources in a paper money system, failure to respect economic laws is jeopardising the viability of the financial system. For this reason, we also include gold index certificates (physically deposited in bank vaults in London) which act as an insurance against systemic risk.

BANQUE DE LUXEMBOURG INVESTMENTS

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Legal documentation of the fund may be obtained, free of charge, at the offices of the Swiss representative, CACEIS (Switzerland) S.A.,7-9, Chemin de Précossy, CH-1260 Nyon, Switzerland, in accordance with the provisions of the Swiss Collective Investment Schemes Act of 23 June 2006 (“CISA”).
The SICAV has appointed Banque CIC (Suisse) SA, Marktplatz 13, CH-4001 Bâle, Switzerland to act as paying agent for Switzerland.
The present document may be distributed to Swiss qualified investors.

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