

Fund Fact Sheet

29/06/2018

Asset Class

Equities North America, large caps

Fund Characteristics

AUM	\$ 855,7 mn
Launch date	03/01/1992
Oldest share class (B)	LU0093570256
Turnover (2017) *	15%
Reference currency	USD
Hedged share class available in	EUR
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

Representative Market Index

MSCI USA NR (USD)

Team



Luc Bauler has managed the fund since 2005. He joined BLI in 1996.



Henrik Blohm joined BLI in 2014 as analyst for North American equities.

Management Company

BLI - Banque de Luxembourg Investments S.A.
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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

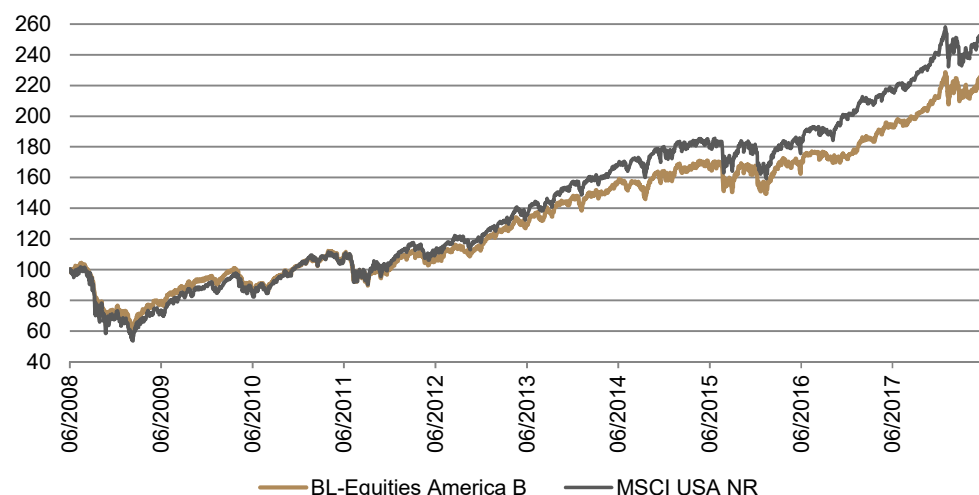
Investment Objective

The objective of BL-Equities America is to achieve long-term capital gains by investing in high-quality North American large-cap companies enjoying a sustainable competitive advantage.

The fund manager implements an active investment strategy based on strong convictions. Since the portfolio structure is the outcome of individual bottom-up investment opportunities, it may deviate significantly from its relevant market index in terms of sector and market-cap allocation.

Key Facts

- Concentrated portfolio of 40 - 60 companies quoted on US stock exchanges, selected on the basis of their fundamentals.
- Bottom-up portfolio construction process irrespective of US equity market structure.
- North American large cap equity portfolio of quality companies.
- Long only, fully invested.
- Low turnover.



Performance	YTD	2017	2016	2015	2014	2013
Fund (B shares)	3,5%	23,3%	4,3%	1,9%	9,4%	29,8%
MSCI USA NR	2,6%	21,2%	10,9%	0,7%	12,7%	31,8%

Performance	1 month	3 months	6 months	1 year	3 years	5 years
Fund (B shares)	0,8%	2,2%	3,5%	13,3%	32,0%	70,4%
MSCI USA NR	0,6%	3,4%	2,6%	13,9%	36,9%	82,0%

Annualised

Performance	3 years	5 years	10 years
Fund (B shares)	9,7%	11,2%	8,2%
MSCI USA NR	11,0%	12,7%	9,4%

Annualised

Volatility	3 years	5 years	10 years
Fund (B shares)	12,3%	11,7%	16,1%
MSCI USA NR	12,5%	11,8%	18,1%

The market index (MSCI USA NR) 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.

* min (purchases, sales) / average of net assets

** Luxembourg & US full banking business day

Current Portfolio

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Top Holdings

Microsoft	5,8%
MasterCard	4,4%
Becton Dickinson	4,2%
Constellation Brands	4,1%
Visa	3,9%
Amazon.com	3,6%
Nike	3,3%
Honeywell International	3,2%
Fedex	3,1%
Medtronic	3,0%
Weight of Top 10	38,4%
Number of holdings	42

Asset Allocation

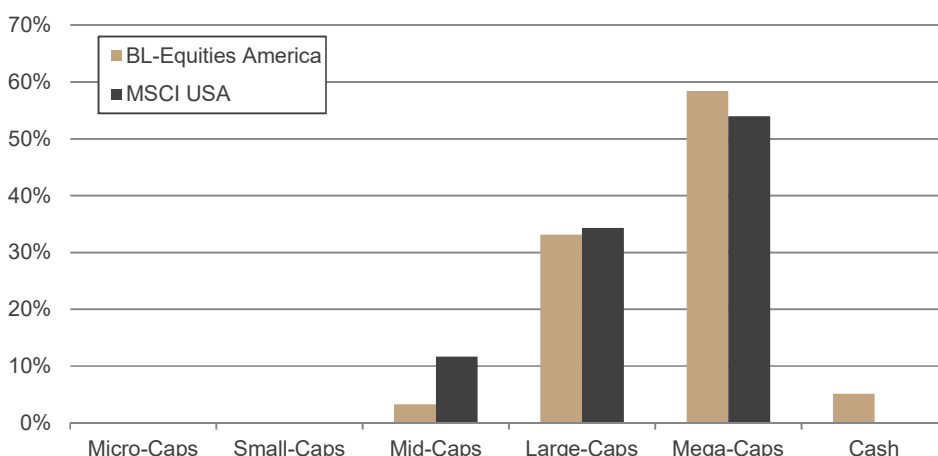
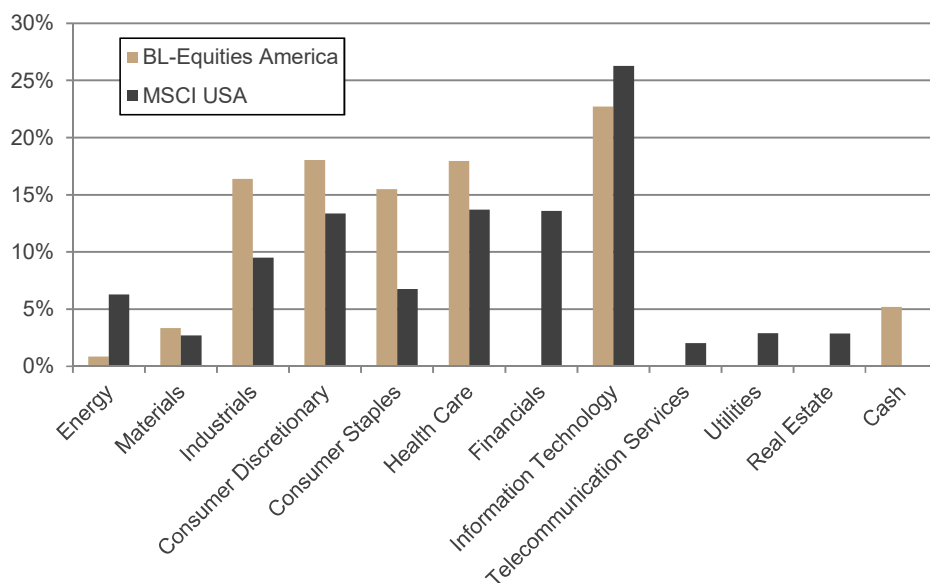
United States	94,8%
Cash	5,2%

New Investments in June

no transactions

Investments sold in June

no transactions



Market capitalisation classifies stocks based on their position in the cumulative capitalisation of their market region. Mega-cap stocks account for the top 40% of the market capitalisation of the market region, large-cap stocks represent the next 30%, mid-cap stocks the next 20%, small-cap stocks the next 7% and micro-cap stocks the remaining 3%.

Investor Type	Clean Share	Eligibility Restrictions	Share class	Currency	Currency Hedging	Income	Mgmt Fees	On-going Charges	SRRI	ISIN	Bloomberg Ticker
Retail	No	No	A	USD	No	Dis	1,25%	1,42%	5	LU0439764944	BLEQAMA LX
Retail	No	No	B	USD	No	Cap	1,25%	1,42%	5	LU0093570256	BLE4727 LX
Retail	No	No	B EUR Hedged	EUR	Yes	Cap	1,25%	1,41%	5	LU1194985112	BLEABEH LX
Retail	Yes	Yes	AM	USD	No	Dis	0,85%	1,01%	5	LU1484141061	BLEQAAM LX
Retail	Yes	Yes	BM	USD	No	Cap	0,85%	1,03%	5	LU1484141145	BLEABMU LX
Retail	Yes	Yes	BM EUR Hedged	EUR	Yes	Cap	0,85%	1,01%	5	LU1484141228	BLEQABM LX
Institutional	No	Yes	BI	USD	No	Cap	0,60%	0,73%	5	LU0439765248	BLEABIC LX

Management Report

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After the small losses in the first quarter, US Equity markets performed much better in the second quarter this year. Markets have been supported by positive economic and consumption data during the quarter. Over the quarter, the S&P 500 gained 2.93% and the Dow Jones Industrial Average was up 0.7%, while thanks to strong performance from tech stocks, the Nasdaq soared by 6.33%.

A strong US economic backdrop gave the Federal Reserve the confidence to raise interest rates again in June and signal two further hikes to come this year, followed by three more next year.

The dollar not just strengthened against the euro this quarter but against most major currencies, and this has had important implications for equity markets. In emerging markets, a stronger dollar has often proved a headwind to equity performance and that was the case again this quarter sending the MSCI Emerging Market Index down more than 8%.

In June, BL-Equities America (+0.8%) outperformed its benchmark, the MSCI USA Net Total Return, which gained 0.64%. In the second quarter BL-Equities America added 2.19% but underperformed its benchmark which gained 3.40%.

The main contributors to the fund's performance in June were the sports shoe and apparel company Nike, the medical equipment producer Becton Dickinson, the US brewer Molson Coors, as well as Amazon and the payment card company Mastercard.

The main detractors from performance were the logistic company Fedex, the automotive supplier Aptiv, as well as Starbucks and the online booking platform Booking.com.

No new investment lines were added to the portfolio.

Investment Approach

Investment Principles

Avoid Losses

Avoiding a big loss on an investment is more important than realising an extraordinary gain.

Focus on Quality

We seek companies enjoying a sustainable competitive advantage.

Valuation: the concept of margin of safety

The price paid for an investment determines its potential return.

Master Investment Risks

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

Active Management

The market reference is solely used for the principle of performance measurement. The portfolio structure may deviate from that of its market reference index.

Equity Investment Approach: Business-Like Investing

Rationale

We consider an equity investment as a long-term participation in a quality business. As a consequence, we need to make sure that the companies we invest in are able to compete successfully in their line of business, ensuring high levels of profitability and strong free cash flow generation.

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 makes it stand out and creates entry barriers for competitors.

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 focus on the strength of the management team and analyse how the targeted company uses its capital and manages its balance sheet. Company management has to consider investment in current business activities, development of new activities, takeovers, dividend payments, stock buybacks or debt repayments.

Only companies that meet our investment criteria are considered for inclusion in our portfolios. This may lead to significant deviations from the relevant market index.

Valuation

Even investments in quality companies may result in significant capital losses if the price paid for the investment is 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.

Portfolio characteristics

BL-Equities America's portfolio consists of 40 to 60 large-cap companies that have been selected on the basis of the quality of their fundamentals and their valuation.

The structure of the fund's market reference index does not play any role in the portfolio's construction: the portfolio structure is the outcome of the addition of individual bottom-up investment opportunities. The weight given to each security in the portfolio is a function of its valuation level, stock liquidity and our degree of conviction in the investment thesis.

Owing to our quality investment style, the fund's sector allocation is geared towards consumer discretionary, consumer staples, health care, industrials, technology and materials sectors. Conversely, in sectors like financials, utilities or telecoms, we find few - if any - companies that meet our investment criteria.

BL-Equities America is a pure equity fund: the fund manager does not time the market and the cash level within the portfolio is maintained at a minimum.

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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 Précoissy, 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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