

## Fund Fact Sheet

29/06/2018

### Asset Class

Global Equities

### Fund Characteristics

AUM	€ 276,0 mn
Launch date	11/03/2000
Oldest share class (B)	LU0117287580
Turnover (2017) *	9%
Reference currency	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

### Fund Manager



Joël Reuland has been responsible for the fund since 2005. He joined BLI in 1999. He is head of equities team that is in charge of managing the wealth management funds. Joël graduated in Management from the Ecole de Commerce Solvay in Brussels in 1995. In 2004, he earned the CFA (chartered financial analyst) charter.

### Management Company

BLI - Banque de Luxembourg Investments S.A.  
16, boulevard Royal  
L-2449 Luxembourg  
Tel: (+352) 26 26 99 - 1  
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	<a href="http://www.fundinfo.com">www.fundinfo.com</a>

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

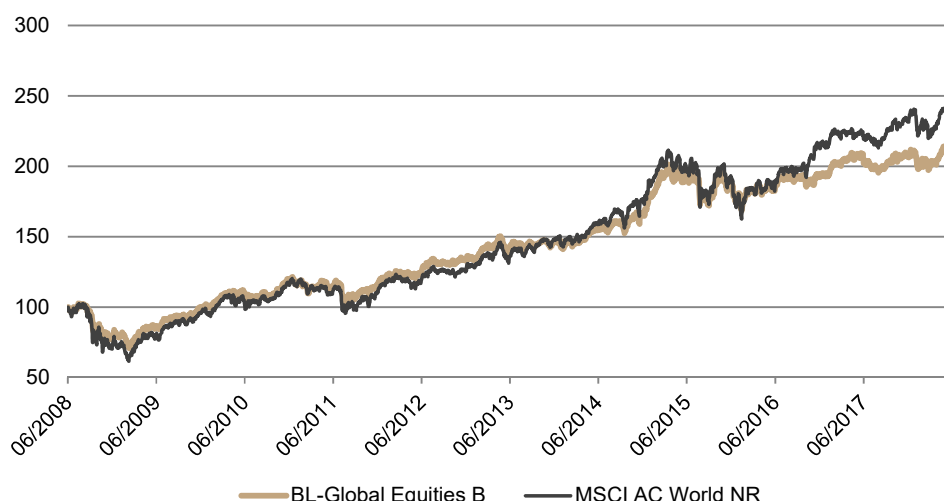
\*\* Luxembourg banking business day

### Investment Objective

BL-Global Equities is an international equity fund. The fund's objective is to grow capital over time by investing in a diversified global portfolio of high-quality companies posting a long-term competitive advantage. To reduce the potential downturn of the fund, the manager has the possibility of adjusting the exposure to equities (between 70% and 100%) by cash and/or hedging.

### Key Facts

- Globally diversified portfolio of high-quality companies
- Exposure to equity markets may vary between 70% and 100%
- Particular importance placed on analysis of competitive advantage and valuation
- Derivatives may be used for hedging or portfolio optimisation



Performance	YTD	2017	2016	2015	2014	2013
Fund (B shares)	2,1%	7,5%	2,5%	12,7%	13,7%	9,9%
MSCI AC World NR	2,4%	8,9%	11,1%	8,8%	18,6%	17,5%

Performance	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	-0,6%	4,6%	2,1%	4,0%	10,9%	47,7%	110,8%
MSCI AC World NR	-0,6%	5,9%	2,4%	8,2%	20,8%	74,6%	137,1%

Volatility	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	6,6%	11,6%	9,2%	11,2%	10,9%	11,9%
MSCI AC World NR	7,3%	14,5%	11,4%	14,5%	13,8%	17,4%

The index (MSCI World AC) 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.

## Current Portfolio

29/06/2018

### Top Holdings Equity Portfolio

SAP	3,3%
LVMH	3,1%
Unilever	3,1%
Pernod Ricard	2,4%
Essilor	2,3%
Danone	2,0%
Air Liquide	1,9%
Reckitt Benckiser	1,7%
TSMC	1,7%
Microsoft	1,7%

<b>Cash</b>	<b>7,3%</b>
<b>Weight of Top 10</b>	<b>23,1%</b>
<b>Number of holdings</b>	<b>130</b>

### New Investments in June

no transactions

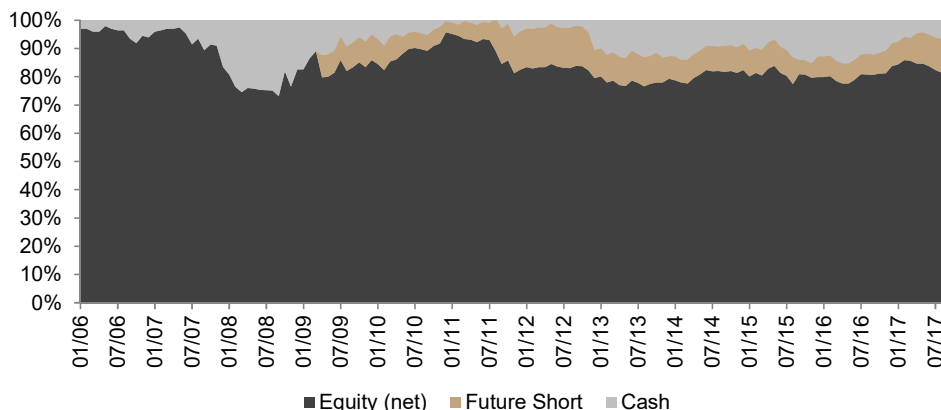
### Investments sold in June

no transactions

### Currency Allocation

USD	31,8%
EUR	29,9%
JPY	15,5%
GBp	5,0%
KRW	3,3%
HKD	3,1%
CHF	3,0%
SGD	2,1%
SEK	1,6%
DKK	1,5%
TWD	1,1%
BRL	1,0%
#REF!	#REF!
MXN	0,5%
ZAR	0,4%

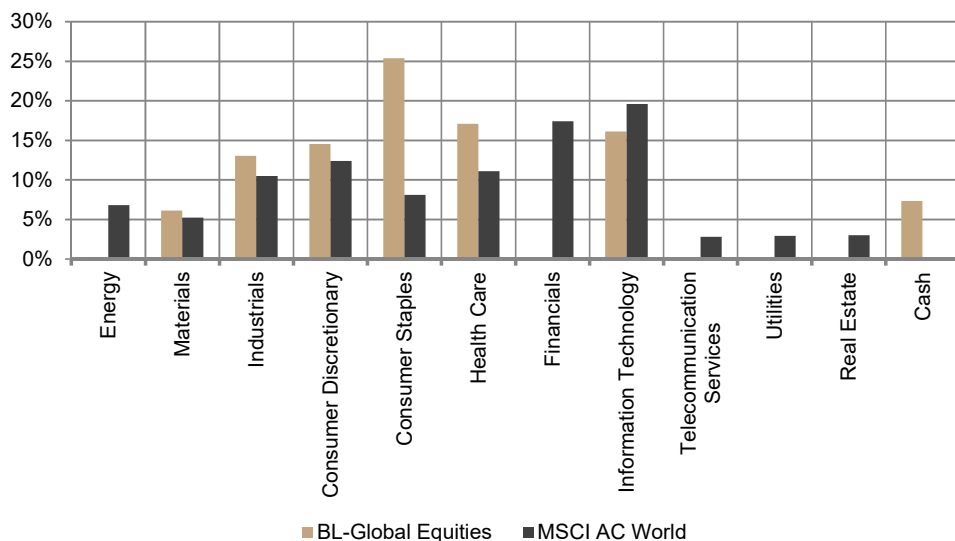
### Historic asset allocation



### Asset Allocation

Strategic		June 2018			
		Gross	Hedging	Net	MSCI World AC
Europe	35,0%	36,9%	-3,7%	33,2%	21,5%
US	30,0%	28,1%	-5,5%	22,6%	56,5%
Japan	10,0%	13,3%		13,3%	7,6%
Asia ex Japan	19,0%	11,8%		11,8%	12,8%
Latin America	6,0%	2,5%		2,5%	1,3%
<b>Total Equities</b>	<b>100,0%</b>	<b>92,7%</b>			
<b>Cash</b>		<b>7,3%</b>			
<b>Total</b>		<b>100,0%</b>			

### Sector Allocation



Investor Type	Clean Share	Eligibility Restrictions	Share Class	Currency	Income	Mgmt Fees	On-going Charges	SRRI	ISIN	Bloomberg Ticker
Retail	No	No	<b>A</b>	EUR	Dis	1,25%	1,44%	5	LU0439764787	BLGLBEA LX
Retail	No	No	<b>B</b>	EUR	Cap	1,25%	1,45%	5	LU0117287580	BLGLBEQ LX
Retail	Yes	Yes	<b>AM</b>	EUR	Dis	0,85%	1,02%	5	LU1484140683	BLGLEAM LX
Retail	Yes	Yes	<b>BM</b>	EUR	Cap	0,85%	1,03%	5	LU1484140766	BLGLEBM LX
Institutional	No	Yes	<b>BI</b>	EUR	Cap	0,60%	0,76%	5	LU0439765164	BLGLBEI LX

## **Management Report**

**29/06/2018**

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.

No changes were made to the portfolio in June. It is mainly dominated by high-quality companies capable of generating solid and consistent profit growth in an environment of moderate economic growth. Although many of these companies can no longer be considered as being cheap, they should continue to find favour with investors due to the lack of attraction in financials and high-cyclicals, whose growth prospects are not very convincing in an environment of excessive debt and low interest rates.

## 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 realising extraordinary gains.*

**Master investment risks :**

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

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

**Valuation / margin of safety:**

The price paid determines the return.

> *The objective is to invest with a safety margin to increase the potential return and limit the risk of loss.*

**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 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.*

### Equity investment approach: “Business-Like Investing” approach

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 generated cash-flow 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.

### Portfolio structure

BL-Global Equities has a diversified portfolio of around 150 companies. The default regional weighting of equities (35% for Europe, 40% for the United States, 10% for Japan, 11.5% for Asia excluding Japan and 3.5% for Latin America) is adjusted according to valuation levels and the manager's opinion on the relative attractiveness of each region. Given the diversified nature of the portfolio and the importance placed on the analysis of competitive advantage and valuation, the specific risk related to an unfavourable movement in an individual stock is contained.

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