

**BANQUE
DE LUXEMBOURG**

**Audited annual report
as at 30th September 2012**

BL FUND SELECTION

SICAV with multiple sub-funds under Luxembourg law

R.C.S. Luxembourg B 133 040

This report is the English translation of the audited annual respectively unaudited semi-annual report in French. In case of a discrepancy of the stated figures between the French and the English versions, the French version shall prevail.

Subscriptions of shares shall be made on the basis of the prospectus and the key investor information ("KIID").

The prospectus is only valid together with the most recent annual report or semi-annual report, if published thereafter. A description of the historical performance of the respective sub-funds is attached to the key investor information ("KIID").

Application forms for the subscription, conversion and redemption of shares are available upon request from:

- the registered office of the SICAV, 14, Boulevard Royal, L-2449 LUXEMBOURG
 - the Sub-Transfert Agent: European Fund Administration, 2, Rue d'Alsace, L-1122 LUXEMBOURG.
-

BL FUND SELECTION

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BL FUND SELECTION

Organisation

Registered office

BL FUND SELECTION
Société d'Investissement à Capital Variable
14, Boulevard Royal
L-2449 LUXEMBOURG

Board of Directors

Chairman

Pierre AHLBORN
Administrateur-Délégué
BANQUE DE LUXEMBOURG
Société Anonyme
14, Boulevard Royal
L-2449 LUXEMBOURG

Members

Antoine CALVISI
Conseiller du Comité de Direction
BANQUE DE LUXEMBOURG
Société Anonyme
14, Boulevard Royal
L-2449 LUXEMBOURG

Philippe HOSS
Avocat
ELVINGER, HOSS & PRUSSEN
2, Place Winston Churchill
B.P. 425
L-2014 LUXEMBOURG

Mario KELLER
Administrateur de Sociétés
14, Boulevard Royal
L-2449 LUXEMBOURG

Jacques RECKINGER
Directeur
COMPAGNIE FINANCIERE DE GESTION
LUXEMBOURG S.A.
40, Boulevard Joseph II
L-1840 LUXEMBOURG

Fernand REINERS
Membre du Comité de Direction
BANQUE DE LUXEMBOURG
Société Anonyme
14, Boulevard Royal
L-2449 LUXEMBOURG

Luc RODESCH
Membre du Comité de Direction
BANQUE DE LUXEMBOURG
Société Anonyme
14, Boulevard Royal
L-2449 LUXEMBOURG

BL FUND SELECTION

Organisation (continued)

Management Company

BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A.
7, Boulevard Prince Henri
L-1724 LUXEMBOURG

Managing Directors of the Management Company

Dieter HEIN
Directeur
BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A.
7, Boulevard Prince Henri
L-1724 LUXEMBOURG

Guy WAGNER
Administrateur Directeur
BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A.
7, Boulevard Prince Henri
L-1724 LUXEMBOURG

Board of Directors of the Management Company

Chairman

Pierre AHLBORN
Administrateur-Délégué
BANQUE DE LUXEMBOURG
Société Anonyme
14, Boulevard Royal
L-2449 LUXEMBOURG

Vice-Chairman

Mario KELLER
Administrateur de Sociétés
14, Boulevard Royal
L-2449 LUXEMBOURG

Members

Antoine CALVISI
Conseiller du Comité de Direction
BANQUE DE LUXEMBOURG
Société Anonyme
14, Boulevard Royal
L-2449 LUXEMBOURG
(since 21st March 2012)

Pierre RECKINGER
Avocat
ELVINGER, HOSS & PRUSSEN
2, Place Winston Churchill
B.P. 425
L-2014 LUXEMBOURG

Fernand REINERS
Membre du Comité de Direction
BANQUE DE LUXEMBOURG
Société Anonyme
14, Boulevard Royal
L-2449 LUXEMBOURG

BL FUND SELECTION

Organisation (continued)

	<p>Luc RODESCH Membre du Comité de Direction BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG</p>
	<p>Guy WAGNER Administrateur Directeur BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A. 7, Boulevard Prince Henri L-1724 LUXEMBOURG</p>
<p>Custodian Bank, Central Administration and Principal Paying Agent</p>	<p>BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG</p>
<p>Central Administration Subcontractor</p>	<p>EUROPEAN FUND ADMINISTRATION S.A. 2, Rue d'Alsace L-1122 LUXEMBOURG</p>
<p>Entities authorised to receive subscription, redemption and conversion orders</p>	<p>EUROPEAN FUND ADMINISTRATION S.A. 2, Rue d'Alsace L-1122 LUXEMBOURG</p>
	<p>BANQUE DE LUXEMBOURG Société Anonyme 14, Boulevard Royal L-2449 LUXEMBOURG</p>
<p>Independent auditor of the SICAV</p>	<p>ERNST & YOUNG Société Anonyme 7, Rue Gabriel Lippmann Parc d'Activité Syrdall 2 L-5365 MUNSBACH</p>
<p>Cabinet de révision agréé of the Management Company</p>	<p>DELOITTE Audit Société à responsabilité limitée 560, Rue de Neudorf L-2220 LUXEMBOURG</p>

BL FUND SELECTION

General information

BL FUND SELECTION was established on 9th July 2001 by FUND-MARKET FUND MANAGEMENT S.A. in the form of a mutual fund. Since 12th May 2006, BL FUND SELECTION has been managed by BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A..

On 18th October 2007, the meeting of shareholders decided to convert BL FUND SELECTION (hereinafter referred to as the "SICAV") into an Investment Company with Variable Capital. The SICAV has been set up for an unlimited period. At the date of the report, the SICAV is subject to Part I of the law of 17th December 2010 relating to Undertakings for Collective Investments in accordance with directive 2009/65/CE such as amended.

On 29th December 2008, the Extraordinary General Meeting of shareholders of the SICAV decided to change the name from FUND-MARKET FUND to BL FUND SELECTION with effect on 30th December 2008. The Articles have been amended for the last time by the Extraordinary General Meeting on 13th June 2012. The latest version of the Articles of Incorporation was published on 20th June 2012.

New sub-funds may be created at any time. In this case, the prospectus shall be amended accordingly. All of the sub-funds put together make up the SICAV. At the date of the report, the SICAV offers the following sub-funds:

BL FUND SELECTION - Equities	denominated in EUR
BL FUND SELECTION - 50-100	denominated in EUR
BL FUND SELECTION - Asia	denominated in USD
BL FUND SELECTION - 0-50	denominated in EUR.

The following share classes are issued for the sub-funds currently available for subscription:

- Class A shares : distribution shares denominated in the reference currency of the sub-fund, that give the holder the right to receive a dividend.
- Class B shares: accumulation shares that do not give the holder the right to receive a dividend; the share of the amount for distribution that is not paid out to the holder is reinvested in the sub-fund.
- Class I shares: accumulation shares which differ from the shares of other classes in that they are intended exclusively for institutional investors within the meaning of Article 174 paragraph (2) c) of the law of 17th December 2010 and on the basis of a different management and/or performance fee structure, as specified in the factsheet of each sub-fund.

The Net Asset Value ("NAV") per share is calculated on each entire bank business day in Luxembourg.

The NAV, the issue, redemption and conversion prices of all the sub-funds are available on each bank business day in Luxembourg at the registered office of the SICAV and from the Principal Paying Agent.

Amendments to the SICAV's Articles of Incorporation shall be published in the "*Mémorial, Recueil des Sociétés et Associations*" in Luxembourg.

The SICAV publishes every year an annual report as at 30th September audited by its independent auditor and an unaudited semi-annual report as at 31st March. These financial reports include among others the statement of net assets of the SICAV and the number of shares outstanding at their respective date. They also include separate financial statements for each sub-fund. The consolidation currency of the SICAV is the euro.

BL FUND SELECTION

General information (continued)

The following documents are available to the public from the registered office of the SICAV:

- the SICAV's prospectus and Articles of Incorporation,
- the key investor information ("KIID"),
- the SICAV's financial reports.

The Annual General Meeting of shareholders is held each year at the registered office of the SICAV, or at any other place in Luxembourg as specified on the convening notice. The Annual General Meeting may be held abroad at the request of the Board of Directors if it deems it necessary in exceptional circumstances.

The General Meeting is held on the second Thursday of January at 15:00, or if this is a public holiday, on the next bank business day.

BL FUND SELECTION

Report on activities

BL FUND SELECTION - Equities

Market review

Over the past 12 months, the economic and financial environment has been marked by a slowdown in activity. Within the eurozone, the public debt crisis continued to have a negative impact on activity. In China economic slowdown set in despite the monetary relaxation initiated by the public authorities. In Japan the economy stagnated. The most robust region was the US economy even though the structural problems there were just as deep as in most of the other industrialised countries.

The majority of the stock exchange indices generated solid positive performances. In the face of procrastination in the eurozone, the markets were able to recover some or even all and more of the losses of the previous year owing to various relief rallies triggered by repeated interventions of the central banks. Between September 2011 and September 2012 the S&P 500 in the USA, the Stoxx Europe 600 in Europe, the Nikkei 225 in Japan and the MSCI Emerging Markets rose by 30.2%, 23.6%, 1.95% and 17.3% respectively.

With regard to eurozone bonds, the yields of the top-rated countries such as Germany, the Netherlands, Finland and Austria remained at very low levels while the long-term rates of peripheral countries with tight public finances, such as Italy and Spain, stayed in the high range, evolving in tandem with the various announcements made by the European Central Bank. During the summer, Central Bank President, Mario Draghi, announced the unlimited repurchase of 0-3 year sovereign bonds issued by eurozone countries under financial pressure provided they accepted the conditions imposed to benefit from European bailout funds. These developments led to a significant increase in the JP Morgan EMU Government Bond Index (+6.98%). Emerging countries' bonds notched up excellent performances and the JP Morgan Emerging Market Bond Index Global Diversified index rose by 20.3% (in US dollars) between 30th September 2011 and 30th September 2012.

On the currencies market, financial difficulties within the eurozone led to a weakening of the euro, which resulted in a 4.3% decline in the European currency against the US dollar.

Review of portfolio

Performance from September 2011 to September 2012:

BL FUND SELECTION - Equities: +18.52%

Allocation of assets

Owing to the extent of the economic problems of a structural nature, the manager maintained a relatively defensive strategy throughout the financial year. In fact fundamental data remained fragile and the central banks continued to provide strong support to the economy.

The equity weighting remained at around 86/88%.

The weighting of the Total Return funds varied between 12% and 8% of the portfolio

BL FUND SELECTION

Report on activities (continued)

Fund selection

The portfolio selection has been established according to the main sentiments of BLI - Banque de Luxembourg Investments S.A.:

Asia excluding Japan: The region is still one of the principal drivers of world growth. However, the region, and China in particular, is facing a challenge: how to transform an economy which is entirely export-based into a more balanced economy based on growth via domestic consumption. The consequences of growth are uncertain. This is why in the face of this transition, which gives rise to uncertainty and instability, the manager has increased investments in more defensive funds

Example of funds: Schroder Intl Select Fd Asian Total Return, Aberdeen GI SICAV Asia Pacific Eq Fd, F Templeton Inv Fds Asian Growth, Robeco Capital Growth Fds Emerging Cons Equities

High quality stocks: These are the stocks which are at the core of BLI's investment philosophy. This theme remained the priority during the financial year.

Example of funds: Schroder Intl Select Fd European Special Sit, FAST Europe, Vontobel Fd US Value Equity

Stocks with high dividend yields: Over the long term, buying shares with a high dividend yield is one of the strategies which gives the best combination of high yield and low risk. In the context of the past year this type of fund, which produces a solid performance, was increased.

Example of funds: Amundi ETF MSCI Europe Hlth, Danske Inv Europe High Dividend, M&G Global Div Fd

Outlook

Traditional investment rules, and more particularly the distinction between monetary and bond investments as risk-free or low risk investments, and equities as risk assets no longer makes sense. The risks differ according to the type and horizon of the investment. For fixed-income investments, the risks lie in the loss of purchasing power (practically guaranteed at present, but which the majority of investors seem prepared to accept while official inflation is still moderate) and the possibility of not being fully repaid if looking for higher interest rates. In the case of stock exchange investments, the risk is the loss of some of the capital. An ultimate loss on an equity investment, or at least a loss which cannot be recovered within a reasonable period, may be due to two factors: the purchase of shares in a poor quality companies or the purchase of good quality shares at a price that is much too high.

Concentrating on qualitative analysis and solid themes can contribute as far as possible to reducing the risk of an ultimate loss on equity investments. The manager will continue to identify themes that meet these requirements.

BL FUND SELECTION - 50-100

Market review

Over the past 12 months, the economic and financial environment has been marked by a slowdown in activity. Within the eurozone, the public debt crisis continued to have a negative impact on activity. In China economic slowdown set in despite the monetary relaxation initiated by the public authorities. In Japan the economy stagnated. The most robust region was the US economy even though the structural problems there were just as deep as in most of the other industrialised countries.

BL FUND SELECTION

Report on activities (continued)

The majority of the stock exchange indices generated solid positive performances. In the face of procrastination in the eurozone, the markets were able to recover some or even all and more of the losses of the previous year owing to various relief rallies triggered by repeated interventions of the central banks. Between September 2011 and September 2012 the S&P 500 in the USA, the Stoxx Europe 600 in Europe, the Nikkei 225 in Japan and the MSCI Emerging Markets rose by 30.2%, 23.6%, 1.95% and 17.3% respectively.

With regard to eurozone bonds, the yields of the top-rated countries such as Germany, the Netherlands, Finland and Austria remained at very low levels while the long-term rates of peripheral countries with tight public finances, such as Italy and Spain, stayed in the high range, evolving in tandem with the various announcements made by the European Central Bank. During the summer, Central Bank President, Mario Draghi, announced the unlimited repurchase of 0-3 year sovereign bonds issued by eurozone countries under financial pressure provided they accepted the conditions imposed to benefit from European bailout funds. These developments led to a significant increase in the JP Morgan EMU Government Bond Index (+6.98%). Emerging countries' bonds notched up excellent performances and the JP Morgan Emerging Market Bond Index Global Diversified index grew by 20.3% (in US dollars) between 30th September 2011 and 30th September 2012.

On the currencies market, financial difficulties within the eurozone led to a weakening of the euro, which resulted in a 4.3% decline in the European currency against the US dollar.

Review of portfolio

Performance from September 2011 to September 2012:

BL FUND SELECTION - 50-100: +13.89%

Allocation of assets

Owing to the extent of the economic problems of a structural nature, the manager maintained a relatively defensive strategy throughout the financial year. In fact fundamental data remained fragile and the central banks continued to provide strong support to the economy.

On the other hand, the manager takes the view that due to the low appeal of fixed-income investments, equities are the default investment. This is particularly so since, unlike monetary and bond investments, equities represent real assets.

The portfolio has an equities weighting of between 60% and 65%. At the end of the period, the equities rating stood at around 63.5%. This, it should be noted, is the net weighting.

The weighting of the Total Return funds varied between 15.5% and 13% of the portfolio

At the very beginning of the period, the last of the eurozone bond funds - principally in AAA rated bonds - were sold. Only a few direct lines remained and accounted for around 5/6% of the portfolio.

BL FUND SELECTION

Report on activities (continued)

Fund selection

The portfolio selection has been established according to the main sentiments of BLI - Banque de Luxembourg Investments S.A.:

Asia excluding Japan: The region is still one of the principal drivers of world growth. However, the region, and China in particular, is facing a challenge: how to transform an economy which is entirely export-based into a more balanced economy based on growth via domestic consumption. The consequences of growth are uncertain. This is why, in the face of this transition, which gives rise to uncertainty and instability, the manager has increased investment in more defensive funds.

Example of funds: Schroder Intl Select Fd Asian Total Return, Vontobel Fd Far East Equity, F Templeton Inv Fds Asian Growth, Robeco Capital Growth Fds Emerging Cons Equities

High quality stocks: These are the stocks which are at the core of BLI's investment philosophy. This theme remained the priority during the financial year.

Example of funds: Schroder Intl Select Fd European Special Sit, FAST Europe, Vontobel Fd US Value Equity

Stocks with high dividend yields: Over the long term, buying shares with a high dividend yield is one of the strategies which gives the best combination of high yield and low risk. In the context of the past year this type of fund, which produces a solid performance, was increased.

Example of funds: Amundi ETF MSCI Europe Hlth, Danske Inv Europe High Dividend, M&G Global Div Fd, Schroder Intl Select Fd Asian Equity Yield

Total return funds: These funds employ alternative strategies. Only funds formed in a regulated UCIT 3/UCIT 4 type format are included in the portfolio. Their objective in principle is to limit risks and set themselves restrictions in terms of volatility. Performance is sought at a second stage. Excluding Stability Notes, which matured or were redeemed by the seller, this part of the portfolio saw little change over the period.

Example of funds: Schroder GAIA Egerton European Equity, Schroder GAIA Egerton European Equity, BofAML Invest Fds Plc MLCX Commodity Alpha EUR 5

Outlook

Traditional investment rules, and more particularly the distinction between monetary and bond investments as risk-free or low risk investments, and equities as risk assets no longer makes sense. The risks differ according to the type and horizon of the investment. For fixed-income investments, the risks lie in the loss of purchasing power (practically definite at present, but which the majority of investors seem prepared to accept while official inflation is still moderate) and the possibility of not being fully repaid if looking for higher interest rates. In the case of stock exchange investments, the risk is the loss of some of the capital. An ultimate loss on an equity investment, or at least a loss which cannot be recovered within a reasonable period, may be due to two factors: the purchase of shares in a poor quality companies or the purchase of good quality shares at a price that is much too high.

Concentrating on qualitative analysis and solid themes can contribute as far as possible to reducing the risk of an ultimate loss on equity investments. The manager will continue to identify themes that meet these requirements.

BL FUND SELECTION

Report on activities (continued)

BL FUND SELECTION - Asia

Market review

Investors acted favourably at the end of the year to the latest monetary measures taken by the principal central banks. In the USA, the Federal Reserve began a second stage of quantitative easing with the redemption each month of USD 40 billion worth of bonds for as long as there was no improvement in US unemployment figures.

The People's Bank of China (PBOC) meanwhile maintained its wait-and-see stance, but the government gave its approval to several infrastructure projects which suggests it may be considering new measures to boost the economy.

The violent anti-Japanese protests relating to the sovereignty of the Diaoyu/Senkaku islands weakened the activities of several Japanese companies in China. However, it is difficult to assess the long-term impact of this stand-off.

In China, the slowdown is evident but it also seems to be under control. Sales in the real estate sector are picking up. In the automotive sector, a car scrapping incentive has even been introduced in rural areas. This is part of a set of measures which have been taken in addition to the drop in interest rates, which was introduced in early June.

Recently published economic figures confirm a slowdown in activity which should stabilise at around 7.5% / 8% this year and probably slightly less next year. Consequently, investors are nervous, although perhaps they have overreacted. With regard to the structural slowdown in the Chinese economy, the government remains in control of the situation and, more than anywhere else in the world, it has significant room for manoeuvre.

Performance from September 2011 to September 2012:

BL FUND SELECTION - Asia: +14.02%

Review of portfolio

The manager liquidated the Invesco Fds Ser 5 Korean Equity fund at the start of the year.

Investment in the F Templeton Inv Fds Asian Growth and Invesco Fds Asia Infrastructure funds were also reduced. These sales were used to finance the purchase of a new fund: Coupland Cardiff Fds Plc CC Asian Evolution accounting for 4.5% of the portfolio. It is a small fund of less than 100 million dollars managed from Singapore by a manager who applies a "Business like Investing" strategy. The fund is quite concentrated, with less than 30 stocks, investing mostly in small companies in the Asia-Pacific region.

Over the year, the First State Inv ICVC Asia Pacific Leaders Fd, Schroder Intl Select Fd Asian Total Return and especially Fidelity Fds SICAV Thailand funds contributed to the portfolio's performance.

On the other hand, the Fds Asia Infrastructure and JPMorgan Fds JF India funds had a negative impact the portfolio's performance.

In Asia, Thailand was the best performer, gaining 42%. On the other hand, the Indian market was in last position, 'only' rising 7.5%.*

*Performances in USD of the MSCI Thailand and MSCI India indexes from 30/09/2011 to 28/09/2012.

BL FUND SELECTION

Report on activities (continued)

BL FUND SELECTION - 0-50

Market review

Over the past 12 months, the economic and financial environment has been marked by a slowdown in activity. Within the eurozone, the public debt crisis continued to have a negative impact on activity. In China economic slowdown set in despite the monetary relaxation initiated by the public authorities. In Japan the economy stagnated. The most robust region was the US economy even though the structural problems there were just as deep as in most of the other industrialised countries.

The majority of the stock exchange indices generated solid positive performances. In the face of procrastination in the eurozone, the markets were able to recover some or even all and more of the losses of the previous year owing to various relief rallies triggered by repeated interventions of the central banks. Between September 2011 and September 2012 the S&P 500 in the USA, the Stoxx Europe 600 in Europe, the Nikkei 225 in Japan and the MSCI Emerging Markets rose by 30.2%, 23.6%, 1.95% and 17.3% respectively.

With regard to eurozone bonds, the yields of the top-rated countries such as Germany, the Netherlands, Finland and Austria remained at very low levels while the long-term rates of peripheral countries with tight public finances, such as Italy and Spain, stayed in the high range, evolving in tandem with the various announcements made by the European Central Bank. During the summer, Central Bank President, Mario Draghi, announced the unlimited repurchase of 0-3 year sovereign bonds issued by eurozone countries under financial pressure provided they accepted the conditions imposed to benefit from European bailout funds. These developments led to a significant increase in the JP Morgan EMU Government Bond Index (+6.98%). Emerging countries' bonds notched up excellent performances and the JP Morgan Emerging Market Bond Index Global Diversified index rose by 20.3% in US dollars between 30th September 2011 and 30th September 2012.

On the currencies market, financial difficulties within the eurozone led to a weakening of the euro, which resulted in a -4.3% decline in the European currency against the US dollar.

Review of portfolio

Performance from September 2011 to September 2012:

BL FUND SELECTION - 0-50: +5.8%.

Allocation of assets and fund selection

The manager increased the weighting in corporate bonds in the portfolio at the start of the year to 14%, buying issues maturing in 2017 and 2018 in euros from issuers such as APRR, Vivendi, Imperial Tobacco and also Eutelsat and a New Zealand dollar issue by General Electric 2017. All these investments were highly profitable given the contraction of credit spreads.

The portion invested in perpetual bonds also did very well with its investments in Bayer AG VAR Sub 05/29.07.2105, Henkel AG & Co KGaA Step-up Sub 05/25.11.2104 and SSE Plc 5.025% EMTN Perpetual.

The manager also initiated two stability notes on the Eurostoxx 50 with respective coupons of 10% and 14%.

In the equities portion, the manager liquidated the positions in Invesco Fds Japanese Value Equity in order to reinvest in ValueInvest Lux Japan.

BL FUND SELECTION

Report on activities (continued)

The equities portion was made up of funds investing in the United States, Europe, Japan and on emerging markets, to the tune of almost 30% of the portfolio. These investments were highly beneficial to the fund's overall performance. On the other hand, the equities position was at least one quarter hedged by future contracts on the S&P500 and Euro Stoxx 50 indexes. The hedging came at a price in terms of performance but contributed by significantly reducing volatility.

Lastly, over the year under review, absolute performance accounting for almost 25% of the portfolio turned out to be highly disappointing and did not generate any value added.

The section of the audit report labelled "Responsibility of the Board of Directors of the SICAV for the financial statements" corresponds to the International Standards on Auditing (ISA) established by the International Federation of Accountants.

Without making any judgement on such section of the audit report, the Board of Directors of the SICAV recalls that its responsibility is determined by law. The Board of Directors of the SICAV is, more particularly, responsible for the true preparation and presentation of the annual accounts in accordance with European Directives as implemented into Luxembourg law.

The Board of Directors of the SICAV considers that it has fully complied with these obligations.

Luxembourg, 7th December 2012

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.

Independent auditor's report

To the Shareholders of
BL FUND SELECTION
Luxembourg

We have audited the accompanying financial statements of BL FUND SELECTION and of each of its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at 30th September 2012 and the statement of operations and other changes in net assets for the year then ended, and a summary of significant accounting policies and other notes to the financial statements.

Responsibility of the Board of Directors of the SICAV for the financial statements

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the SICAV, as well as evaluating the overall presentation of the financial statements.

Independent auditor's report (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of BL FUND SELECTION and of each of its sub-funds as of 30th September 2012, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé

Nadia FABER

Luxembourg, 7th December 2012

BL FUND SELECTION

Consolidated statement of net assets (in EUR)

as at 30th September 2012

Assets

Securities portfolio at market value	493,384,112.73
Deposits on futures contracts	2,411,374.40
Cash at banks	17,742,721.08
Formation expenses, net	9,300.17
Receivable on issues of shares	4,538.51
Income receivable on portfolio	904,590.08
Interest receivable on bank accounts	7.02
Unrealised gain on futures contracts	1,031,204.02
Other receivables	411,451.56
Prepaid expenses	5,657.01
	<hr/>
Total assets	515,904,956.58

Liabilities

Bank liabilities	213,391.77
Accrued capital gain taxes	490,863.64
Interest on bank liabilities and expenses payable	2,553,154.97
Other liabilities	1,128,264.61
	<hr/>
Total liabilities	4,385,674.99
	<hr/>
Net assets at the end of the year	511,519,281.59

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION

Consolidated statement of operations and other changes in net assets (in EUR)

from 1st October 2011 to 30th September 2012

Income

Dividends, net	479,036.94
Interest on bonds and other debt securities, net	3,436,039.79
Interest on bank accounts	45,152.57
Commissions received	1,449,443.09
Other income	20,657.37
Total income	5,430,329.76

Expenses

Management fees	5,817,783.95
Performance fees	859,422.17
Custodian fees	520,728.47
Banking charges and other fees	17,321.51
Transaction fees	96,639.75
Central administration costs	351,137.41
Professional fees	34,593.29
Other administration costs	156,433.84
Subscription duty ("taxe d'abonnement")	72,320.80
Other taxes	16,714.20
Interest paid on bank liabilities	4,482.25
Other expenses	55,719.41
Total expenses	8,003,297.05

Net investment loss	-2,572,967.29
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Net realised gain/(loss)

- on securities portfolio	14,299,299.45
- on options	-67,500.00
- on futures contracts	-9,788,611.37
- on forward foreign exchange contracts	-30.81
- on foreign exchange	-41,051.45
Realised result	1,829,138.53

Net variation of the unrealised gain/(loss)

- on securities portfolio	60,800,007.77
- on futures contracts	2,045,048.92
Result of operations	64,674,195.22

Subscriptions	60,494,146.22
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Redemptions	-135,390,457.19
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Total changes in net assets	-10,222,115.75
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Total net assets at the beginning of the year	516,579,894.20
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Revaluation difference	5,161,503.14
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Total net assets at the end of the year	511,519,281.59
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The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - Equities

Statement of net assets (in EUR)

as at 30th September 2012

Assets

Securities portfolio at market value	105,473,533.19
Deposits on futures contracts	153,680.00
Cash at banks	1,730,195.01
Receivable on issues of shares	1,119.21
Income receivable on portfolio	9,515.33
Interest receivable on bank accounts	7.02
Unrealised gain on futures contracts	94,400.00
Other receivables	36,000.00
Prepaid expenses	1,165.11
	<hr/>
Total assets	107,499,614.87

Liabilities

Interest on bank liabilities and expenses payable	390,463.44
Other liabilities	94,400.00
	<hr/>
Total liabilities	484,863.44

Net assets at the end of the year	107,014,751.43
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Number of Class B shares outstanding	810,879.995
Net asset value per Class B share	131.97

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - Equities

Statement of operations and other changes in net assets (in EUR)

from 1st October 2011 to 30th September 2012

Income

Dividends, net	42,054.06
Interest on bonds and other debt securities, net	244,572.52
Interest on bank accounts	3,429.91
Commissions received	272,849.75
Total income	562,906.24

Expenses

Management fees	1,312,482.62
Custodian fees	109,617.37
Banking charges and other fees	802.07
Transaction fees	19,454.73
Central administration costs	92,106.22
Professional fees	7,201.20
Other administration costs	38,313.39
Subscription duty ("taxe d'abonnement")	9,953.92
Other taxes	676.66
Interest paid on bank liabilities	2,641.35
Other expenses	10,296.88
Total expenses	1,603,546.41

Net investment loss	-1,040,640.17
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Net realised gain/(loss)

- on securities portfolio	5,216,433.82
- on futures contracts	-462,348.90
- on foreign exchange	-7,972.12
Realised result	3,705,472.63

Net variation of the unrealised gain/(loss)

- on securities portfolio	15,021,215.45
- on futures contracts	108,000.90

Result of operations	18,834,688.98
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Subscriptions	27,784,283.54
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Redemptions	-50,704,004.44
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Total changes in net assets	-4,085,031.92
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Total net assets at the beginning of the year	111,099,783.35
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Total net assets at the end of the year	107,014,751.43
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The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - Equities

Statistical information (in EUR)

as at 30th September 2012

Total net assets	
- as at 30.09.2012	107,014,751.43
- as at 30.09.2011	111,099,783.35
- as at 30.09.2010	136,199,100.18
Number of Class B shares	
- outstanding at the beginning of the year	822,620.194
- issued	221,743.272
- redeemed	-233,483.471
- outstanding at the end of the year	810,879.995
Net asset value per Class B share	
- as at 30.09.2012	131.97
- as at 30.09.2011	111.04
- as at 30.09.2010	119.32
Number of Class I shares	
- outstanding at the beginning of the year	215,832.354
- issued	0.000
- redeemed	-215,832.354
- outstanding at the end of the year	-
Net asset value per Class I share	
- as at 30.09.2012	-
- as at 30.09.2011	91.54
- as at 30.09.2010	97.63

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - Equities

Statement of investments and other net assets (in EUR)

as at 30th September 2012

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Index linked bonds					
EUR	1,000,000	Crédit Industriel et Comm CIC VAR Lk ES 50 Index 11/06.12.12	992,475.00	1,012,484.67	0.95
Total index linked bonds			992,475.00	1,012,484.67	0.95
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	53,300	Alken Fd SICAV European Opportunities R Cap	4,641,276.16	7,069,712.00	6.61
EUR	1,345	Amundi Fds Absolute Volatility EUR Equities IE Cap	1,840,992.69	2,162,464.10	2.02
EUR	185,700	BlackRock Global Fds World Gold A2 EUR Hedged Cap	2,022,308.00	1,845,858.00	1.72
EUR	252,400	Danske Inv Europe High Dividend I Cap	2,288,879.17	2,439,698.40	2.28
EUR	19,040	EDR Europe Synergy I Cap	2,018,204.60	2,425,315.20	2.27
EUR	6,770	FCP Op Medical BioHealth Trends EUR I Dist Units	909,363.82	1,143,317.60	1.07
EUR	33,780	Fidelity Active Strateg Europe Fd Y EUR Cap	3,973,316.11	4,505,238.60	4.21
EUR	22,229.435	GLG Investment VI Plc Eur AI Alternative IN EUR Cap	2,500,000.00	2,470,134.82	2.31
EUR	91,175	JPMorgan Fds Global Consumer Trends A EUR Cap	1,177,247.02	1,196,215.09	1.12
EUR	61,800	Julius Baer Multipartner SAM Smart Energy Fd C Cap	1,142,577.31	1,042,566.00	0.97
EUR	123,600	M&G Global Div Fd C EUR Cap	2,008,646.24	1,960,827.48	1.83
EUR	9,716.849	Marshall Wace GaveKal Asian Bal UCITS Fd Units A EUR	1,443,652.49	1,468,507.39	1.37
EUR	410,000	Nordea 1 SICAV European Alpha Fd BI Cap	2,117,717.68	3,423,500.00	3.20
EUR	3,490	Oyster European Selection I EUR Cap	4,184,479.30	4,597,760.90	4.30
EUR	14,700	Oyster SICAV Japan Opportunities EUR	1,800,797.80	1,574,370.00	1.47
EUR	10,120	Petercam B Fd Equities Agrivalue F Cap	1,086,811.70	1,094,984.00	1.02
EUR	27,150	Robeco Capital Growth Fds Emerging Cons Equities I EUR Cap	2,820,062.63	3,302,254.50	3.09
EUR	21,300	Robeco Capital Growth Fds Eur Conservative Equity I EUR Cap	1,965,809.70	2,219,460.00	2.07
EUR	66,800	Schroder Intl Select Fd European Special Sit A Cap	5,199,321.68	7,517,672.00	7.03
			45,141,464.10	53,459,856.08	49.96
JPY	43,200	Fidelity Active Strategy SICAV Japan Fd Y Cap	2,412,167.51	2,732,171.91	2.55
JPY	1,027,000	J O Hambro Cap Mgt Umbr Fd Plc Japan Intl JPY	1,282,080.32	1,640,515.79	1.53
			3,694,247.83	4,372,687.70	4.08
USD	71,300	Aberdeen GI SICAV Asia Pacific Eq Fd Ser A2 Cap	2,502,546.28	3,833,510.58	3.58
USD	245,800	Alger SICAV American Asset Growth Fd I Cap	4,260,597.12	6,622,947.10	6.19
USD	61,600	BlackRock Global Fds World Energy A2 Cap	1,201,281.79	1,080,819.37	1.01
USD	26,350	BofAML Invest Fds Plc MLCX Commodity Alpha EB D5 Cap	1,938,808.60	2,120,731.01	1.98
USD	139,500	F Templeton Inv Fds Asian Growth I Cap	2,537,251.75	3,597,166.40	3.36
USD	61,600	Henderson Horizon Fd Global Technology A2 Cap	1,511,830.49	1,805,835.11	1.69
USD	228,500	JPMorgan Fds Brazil Equity A USD Cap	1,824,353.82	1,609,367.59	1.50
USD	25,250	Reyl (Lux) Global Fds North American Equities I Cap	2,849,687.75	3,308,891.44	3.09
USD	123,000	Schroder Intl Select Fd Asian Equity Yield A Cap	2,064,548.07	2,232,712.71	2.09
USD	39,980	Schroder Intl Select Fd Asian Total Return C Cap	3,932,652.62	5,596,298.67	5.23
USD	21,600	Vontobel Fd Far East Equity I Cap	1,853,580.57	2,253,949.55	2.11
USD	15,480	Vontobel Fd US Value Equity B Cap	4,917,656.00	7,441,254.71	6.95
			31,394,794.86	41,503,484.24	38.78
Total investment funds (UCITS)			80,230,506.79	99,336,028.02	92.82

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - Equities

Statement of investments and other net assets (in EUR) (continued)

as at 30th September 2012

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Tracker funds (UCITS)					
EUR	17,500	Amundi ETF MSCI Europe Hlth	1,743,603.79	2,420,950.00	2.26
EUR	30,650	Lyxor Stoxx Europe 600 Oil Gas	1,001,188.38	1,082,098.25	1.01
			2,744,792.17	3,503,048.25	3.27
USD	145,700	iShares Plc S&P500 Dist	1,634,569.94	1,621,972.25	1.52
			4,379,362.11	5,125,020.50	4.79
Total tracker funds (UCITS)			85,602,343.90	105,473,533.19	98.56
Total investments in securities				1,730,195.01	1.62
Cash at banks				-188,976.77	-0.18
Other net assets/(liabilities)				107,014,751.43	100.00
Total					

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - Equities

Industrial and geographical classification of investments

as at 30th September 2012

Industrial classification

(in percentage of net assets)

Investment funds	97.61 %
Banks	<u>0.95 %</u>
Total	<u><u>98.56 %</u></u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Grand Duchy of Luxembourg	80.51 %
Ireland	8.71 %
France	5.54 %
United Kingdom	2.78 %
Belgium	<u>1.02 %</u>
Total	<u><u>98.56 %</u></u>

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - 50-100

Statement of net assets (in EUR)

as at 30th September 2012

Assets

Securities portfolio at market value	183,163,410.99
Deposits on futures contracts	1,530,172.33
Cash at banks	3,712,113.24
Receivable on issues of shares	3,419.30
Income receivable on portfolio	197,131.74
Unrealised gain on futures contracts	566,487.40
Other receivables	243,790.48
Prepaid expenses	2,118.03
	<hr/>
Total assets	189,418,643.51

Liabilities

Bank liabilities	0.52
Interest on bank liabilities and expenses payable	670,354.25
Other liabilities	618,322.99
	<hr/>
Total liabilities	1,288,677.76

Net assets at the end of the year	188,129,965.75
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Number of Class B shares outstanding	1,382,586.567
Net asset value per Class B share	136.07

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - 50-100

Statement of operations and other changes in net assets (in EUR)

from 1st October 2011 to 30th September 2012

Income

Dividends, net	13,608.03
Interest on bonds and other debt securities, net	1,079,340.32
Interest on bank accounts	15,102.31
Commissions received	320,855.83
Other income	11,840.37
Total income	1,440,746.86

Expenses

Management fees	2,376,621.29
Custodian fees	192,338.82
Banking charges and other fees	3,261.11
Transaction fees	42,825.85
Central administration costs	95,442.34
Professional fees	12,683.48
Other administration costs	49,994.75
Subscription duty ("taxe d'abonnement")	24,261.79
Other taxes	10,246.16
Interest paid on bank liabilities	536.04
Other expenses	17,748.33
Total expenses	2,825,959.96

Net investment loss -1,385,213.10

Net realised gain/(loss)

- on securities portfolio	7,079,225.75
- on futures contracts	-6,691,190.98
- on foreign exchange	83,972.75
Realised result	-913,205.58

Net variation of the unrealised gain/(loss)

- on securities portfolio	25,301,654.58
- on futures contracts	1,241,423.08

Result of operations 25,629,872.08

Subscriptions 16,875,189.20

Redemptions -46,256,379.17

Total changes in net assets -3,751,317.89

Total net assets at the beginning of the year 191,881,283.64

Total net assets at the end of the year 188,129,965.75

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - 50-100

Statistical information (in EUR)

as at 30th September 2012

Total net assets

- as at 30.09.2012	188,129,965.75
- as at 30.09.2011	191,881,283.64
- as at 30.09.2010	111,682,230.87

Number of Class B shares

- outstanding at the beginning of the year	1,566,594.065
- issued	130,296.745
- redeemed	-314,304.243
- outstanding at the end of the year	1,382,586.567

Net asset value per Class B share

- as at 30.09.2012	136.07
- as at 30.09.2011	119.06
- as at 30.09.2010	126.88

Number of Class I shares

- outstanding at the beginning of the year	52,455.326
- issued	0.000
- redeemed	-52,455.326
- outstanding at the end of the year	-

Net asset value per Class I share

- as at 30.09.2012	-
- as at 30.09.2011	102.13
- as at 30.09.2010	108.00

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - 50-100

Statement of investments and other net assets (in EUR)

as at 30th September 2012

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Bonds					
BRL	1,000,000	KFW AG 9.5% Ser EMTN 10/01.03.13	449,446.33	389,269.43	0.21
EUR	1,850,000	EIB 2.625% EMTN Sen 10/15.03.18	1,815,266.25	2,001,052.50	1.06
EUR	1,600,000	KFW AG 4.375% EMTN 08/04.07.18	1,752,520.00	1,896,800.00	1.01
EUR	750,000	Neste Oil Oyj 4% Sen 12/18.09.19	746,547.50	764,737.50	0.41
EUR	1,600,000	Netherlands 4% 09/15.07.19	1,711,730.00	1,891,200.00	1.01
			6,026,063.75	6,553,790.00	3.49
IDR	12,000,000,000	EBRD 6.75% EMTN Ser 10/19.02.13	978,207.90	979,464.99	0.52
NOK	28,500,000	EIB 4.25% EMTN 08/19.05.17	4,127,202.27	4,142,223.81	2.20
Total bonds			11,580,920.25	12,064,748.23	6.42
Index linked bonds					
EUR	1,829,000	Crédit Industriel et Comm CIC VAR Lk ES 50 Index 11/06.12.12	1,815,236.78	1,851,834.46	0.98
Total index linked bonds			1,815,236.78	1,851,834.46	0.98
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	75,400	Alken Fd SICAV European Opportunities R Cap	6,344,624.13	10,001,056.00	5.32
EUR	3,160	Amundi Fds Absolute Volatility EUR Equities IE Cap	4,433,552.42	5,080,584.80	2.70
EUR	226,000	BlackRock Global Fds World Gold A2 EUR Hedged Cap	2,576,173.66	2,246,440.00	1.19
EUR	417,000	Danske Inv Europe High Dividend I Cap	3,808,599.36	4,030,722.00	2.14
EUR	42,800	DNCA Invest Miura I Cap	4,583,321.29	4,500,848.00	2.39
EUR	17,400	FCP Op Medical BioHealth Trends EUR I Dist Units	2,349,029.72	2,938,512.00	1.56
EUR	85,510	Fidelity Active Strateg Europe Fd Y EUR Cap	9,757,826.26	11,404,468.70	6.06
EUR	33,622.81	GLG Investment VI Plc Eur Al Alternative IN EUR Cap	3,800,035.00	3,736,166.65	1.99
EUR	125,650	JPMorgan Fds Global Consumer Trends A EUR Cap	1,651,365.91	1,648,526.74	0.88
EUR	104,300	Julius Baer Multipartner SAM Smart Energy Fd C Cap	1,878,903.23	1,759,541.00	0.94
EUR	177,000	M&G Global Div Fd C EUR Cap	2,814,812.90	2,807,981.10	1.49
EUR	32,422.596	Marshall Wace GaveKal Asian Bal UCITS Fd Units A EUR	5,089,603.17	4,900,026.93	2.60
EUR	356,000	Nordea 1 SICAV European Alpha Fd BI Cap	2,152,960.42	2,972,600.00	1.58
EUR	2,250	Oyster European Selection I EUR Cap	2,687,367.50	2,964,172.50	1.58
EUR	11,200	Oyster SICAV Japan Opportunities EUR	1,312,115.00	1,199,520.00	0.64
EUR	48,070	Robeco Capital Growth Fds Emerging Cons Equities I EUR Cap	4,987,250.42	5,846,754.10	3.11
EUR	51,100	Robeco Capital Growth Fds Eur Conservative Equity I EUR Cap	4,417,266.50	5,324,620.00	2.83
EUR	44,800	Schroder GAIA Egerton European Equity C Cap	5,035,587.50	5,479,040.00	2.91
EUR	103,240	Schroder Intl Select Fd European Special Sit A Cap	7,669,238.27	11,618,629.60	6.18
			77,349,632.66	90,460,210.12	48.09
JPY	100,100	Fidelity Active Strategy SICAV Japan Fd Y Cap	5,578,877.12	6,330,796.48	3.37
USD	398,800	Alger SICAV American Asset Growth Fd I Cap	6,447,228.51	10,745,448.75	5.71
USD	60,400	BofAML Invest Fds Plc MLCX Commodity Alpha EB D5 Cap	4,391,412.01	4,861,182.26	2.58
USD	190,000	F Templeton Inv Fds Asian Growth I Cap	3,648,104.96	4,899,366.42	2.60
USD	287,800	Guinness Asset Mgt Fd Plc Guinness Global Energy Fd A	2,164,394.18	2,052,869.67	1.09
USD	116,000	Henderson Horizon Fd Global Technology A2 Cap	2,884,135.01	3,400,598.59	1.81
USD	240,200	JPMorgan Fds Brazil Equity A USD Cap	1,872,538.41	1,691,772.85	0.90

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - 50-100

Statement of investments and other net assets (in EUR) (continued)

as at 30th September 2012

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
USD	35,640	Reyl (Lux) Global Fds North American Equities I Cap	3,963,001.94	4,670,451.12	2.48
USD	106,500	Schroder Intl Select Fd Asian Equity Yield A Cap	1,688,255.96	1,933,202.47	1.03
USD	88,610	Schroder Intl Select Fd Asian Total Return C Cap	9,351,395.79	12,403,402.34	6.59
USD	40,400	Vontobel Fd Far East Equity I Cap	3,421,363.75	4,215,720.45	2.24
USD	28,100	Vontobel Fd US Value Equity B Cap	8,788,676.27	13,507,703.97	7.18
USD	113,600	Worldwide Investors Ptf SICAV Em Mks Fixed Income Fd IX	2,667,792.68	2,724,421.81	1.45
			51,288,299.47	67,106,140.70	35.66
Total investment funds (UCITS)			134,216,809.25	163,897,147.30	87.12
Tracker funds (UCITS)					
EUR	22,900	Amundi ETF MSCI Europe Hlth	2,308,898.10	3,167,986.00	1.68
EUR	5,125	Lyxor ETF S&P Vix Fut En Rol	590,564.02	345,835.00	0.18
EUR	52,000	Lyxor Stoxx Europe 600 Oil Gas	1,590,321.13	1,835,860.00	0.98
Total tracker funds (UCITS)			4,489,783.25	5,349,681.00	2.84
Total investments in securities			152,102,749.53	183,163,410.99	97.36
Cash at banks				3,712,113.24	1.97
Bank liabilities				-0.52	0.00
Other net assets/(liabilities)				1,254,442.04	0.67
Total				188,129,965.75	100.00

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - 50-100

Industrial and geographical classification of investments

as at 30th September 2012

Industrial classification

(in percentage of net assets)

Investment funds	89.96 %
International institutions	3.78 %
Banks	2.20 %
Countries and governments	1.01 %
Energy	0.41 %
Total	<u>97.36 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Grand Duchy of Luxembourg	80.63 %
Ireland	8.26 %
United Kingdom	2.99 %
France	2.84 %
Germany	1.22 %
The Netherlands	1.01 %
Finland	0.41 %
Total	<u>97.36 %</u>

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - Asia

Statement of net assets (in USD)

as at 30th September 2012

Assets

Securities portfolio at market value	121,629,416.74
Cash at banks	5,259,996.06
Formation expenses, net	1,887.01
Prepaid expenses	1,272.99
Total assets	<u>126,892,572.80</u>

Liabilities

Accrued capital gain taxes	631,422.44
Interest on bank liabilities and expenses payable	499,134.42
Total liabilities	<u>1,130,556.86</u>
Net assets at the end of the year	<u>125,762,015.94</u>

Number of Class B shares outstanding	59,025.880
Net asset value per Class B share	2,130.63

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - Asia

Statement of operations and other changes in net assets (in USD)

from 1st October 2011 to 30th September 2012

Income

Dividends, net	70,598.10
Interest on bank accounts	352.36
Commissions received	775,691.36
Total income	846,641.82

Expenses

Management fees	1,766,026.28
Custodian fees	118,158.80
Banking charges and other fees	391.90
Transaction fees	1,625.66
Central administration costs	101,849.96
Professional fees	7,913.27
Other administration costs	40,286.09
Subscription duty ("taxe d'abonnement")	5,014.93
Other taxes	4,401.38
Interest paid on bank liabilities	33.69
Other expenses	14,574.32
Total expenses	2,060,276.28

Net investment loss	-1,213,634.46
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Net realised gain/(loss)

- on securities portfolio	3,153,674.85
- on foreign exchange	-47,251.34
Realised result	1,892,789.05

Net variation of the unrealised gain/(loss)

- on securities portfolio	14,547,460.68
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Result of operations	16,440,249.73
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Subscriptions	11,525,989.26
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Redemptions	-17,712,050.22
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Total changes in net assets	10,254,188.77
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Total net assets at the beginning of the year	115,507,827.17
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Total net assets at the end of the year	125,762,015.94
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The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - Asia

Statistical information (in USD)

as at 30th September 2012

Total net assets

- as at 30.09.2012	125,762,015.94
- as at 30.09.2011	115,507,827.17
- as at 30.09.2010	149,323,311.56

Number of Class B shares

- outstanding at the beginning of the year	62,386.212
- issued	5,715.240
- redeemed	-9,075.572
- outstanding at the end of the year	59,025.880

Net asset value per Class B share

- as at 30.09.2012	2,130.63
- as at 30.09.2011	1,851.50
- as at 30.09.2010	2,056.81

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - Asia

Statement of investments and other net assets (in USD)

as at 30th September 2012

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	3,260,000	First State Inv ICVC Asia Pacific Leaders Fd A Cap	3,253,052.87	6,442,894.94	5.12
USD	270,000	Aberdeen GI SICAV Asia Pacific Eq Fd Ser A2 Cap	10,288,273.74	18,673,686.00	14.85
USD	168,000	Aberdeen GI SICAV Asian Smaller Co Fd A2 Cap	5,798,958.49	6,767,644.80	5.38
USD	395,000	Coupland Cardiff Fds Plc CC Asian Evolution A USD Dist	5,043,799.14	5,347,115.00	4.25
USD	530,000	F Templeton Inv Fds Asian Growth I Cap	11,339,783.99	17,580,100.00	13.98
USD	510,000	Fidelity Fds China Consumer Y ACC USD Cap	5,532,829.35	5,237,700.00	4.17
USD	139,000	Fidelity Fds SICAV Thailand A GI Certif	2,854,541.48	6,124,340.00	4.87
USD	460,000	Invesco Fds Asia Infrastructure A Cap	6,192,290.08	6,256,000.00	4.97
USD	130,000	JPMorgan Fds JF India A USD Dist	10,316,303.02	9,233,900.00	7.34
USD	360,000	JPMorgan Fds JF Taiwan A USD Cap	6,148,421.74	5,580,000.00	4.44
USD	110,000	Schroder Intl Select Fd Asian Total Return A Cap	13,731,770.70	18,965,100.00	15.08
USD	40,900	Vontobel Fd SICAV Far East Equity B Cap	9,850,256.56	15,420,936.00	12.26
			<u>87,097,228.29</u>	<u>115,186,521.80</u>	<u>91.59</u>
Total investments in securities			90,350,281.16	121,629,416.74	96.71
Cash at banks				5,259,996.06	4.18
Other net assets/(liabilities)				-1,127,396.86	-0.89
Total				<u>125,762,015.94</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - Asia

Industrial and geographical classification of investments as at 30th September 2012

Industrial classification

(in percentage of net assets)

Investment funds	96.71 %
Total	<u>96.71 %</u>

Geographical classification

(by domicile of the issuer)
(in percentage of net assets)

Grand Duchy of Luxembourg	87.34 %
United Kingdom	5.12 %
Ireland	4.25 %
Total	<u>96.71 %</u>

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - 0-50

Statement of net assets (in EUR)

as at 30th September 2012

Assets

Securities portfolio at market value	110,193,262.74
Deposits on futures contracts	727,522.07
Cash at banks	8,211,326.61
Formation expenses, net	7,833.22
Income receivable on portfolio	697,943.01
Unrealised gain on futures contracts	370,316.62
Other receivables	131,661.08
Prepaid expenses	1,384.26
	<hr/>
Total assets	120,341,249.61

Liabilities

Bank liabilities	213,391.25
Interest on bank liabilities and expenses payable	1,104,313.48
Other liabilities	415,541.62
	<hr/>
Total liabilities	1,733,246.35

Net assets at the end of the year	118,608,003.26
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Number of Class B shares outstanding	1,072,588.690
Net asset value per Class B share	110.58

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - 0-50

Statement of operations and other changes in net assets (in EUR)

from 1st October 2011 to 30th September 2012

Income

Dividends, net	368,492.35
Interest on bonds and other debt securities, net	2,112,126.95
Interest on bank accounts	26,346.43
Commissions received	252,720.17
Other income	8,817.00
Total income	2,768,502.90

Expenses

Management fees	755,782.87
Performance fees	859,422.17
Custodian fees	126,916.41
Banking charges and other fees	12,953.67
Transaction fees	33,095.39
Central administration costs	84,411.36
Professional fees	8,556.89
Other administration costs	36,807.56
Subscription duty ("taxe d'abonnement")	34,206.52
Other taxes	2,369.78
Interest paid on bank liabilities	1,278.67
Other expenses	16,344.22
Total expenses	1,972,145.51

Net investment income	796,357.39
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Net realised gain/(loss)

- on securities portfolio	-448,006.13
- on options	-67,500.00
- on futures contracts	-2,635,071.49
- on forward foreign exchange contracts	-30.81
- on foreign exchange	-80,319.20
Realised result	-2,434,570.24

Net variation of the unrealised gain/(loss)

- on securities portfolio	9,168,037.82
- on futures contracts	695,624.94

Result of operations	7,429,092.52
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Subscriptions	6,874,445.50
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Redemptions	-24,660,842.64
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Total changes in net assets	-10,357,304.62
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Total net assets at the beginning of the year	128,965,307.88
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Total net assets at the end of the year	118,608,003.26
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The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - 0-50

Statistical information (in EUR)

as at 30th September 2012

Total net assets

- as at 30.09.2012	118,608,003.26
- as at 30.09.2011	128,965,307.88
- as at 30.09.2010	94,829,026.47

Number of Class B shares

- outstanding at the beginning of the year	1,236,909.177
- issued	63,784.807
- redeemed	-228,105.294
- outstanding at the end of the year	1,072,588.690

Net asset value per Class B share

- as at 30.09.2012	110.58
- as at 30.09.2011	104.26
- as at 30.09.2010	105.88

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - 0-50

Statement of investments and other net assets (in EUR)

as at 30th September 2012

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Investment certificates					
USD	35,000	Gold Bullion Sec Ltd Certif Gold Perpetual	3,544,844.55	4,663,038.83	3.93
Total investment certificates			3,544,844.55	4,663,038.83	3.93
Bonds					
BRL	1,875,000	KFW AG 9.5% Ser EMTN 10/01.03.13	840,289.51	729,880.17	0.62
EUR	2,590,000	Bayer AG VAR Sub 05/29.07.2105	2,525,485.00	2,698,650.50	2.28
EUR	1,400,000	Deutschland 2.25% Ser 154 09/11.04.14	1,415,480.60	1,448,265.00	1.22
EUR	2,380,000	Henkel AG & Co KGaA Step-up Sub 05/25.11.2104	2,417,778.80	2,539,936.00	2.14
EUR	750,000	Imperial Tobacco Finance Plc 4.5% EMTN Sen 11/05.07.18	744,552.50	843,375.00	0.71
EUR	2,100,000	Korea 3.625% 05/02.11.15	2,087,387.00	2,257,668.00	1.90
EUR	1,600,000	Mexico 5.375% 03/10.06.13	1,704,076.40	1,653,040.00	1.39
EUR	750,000	Morocco 4.5% Reg-S 10/05.10.20	744,675.00	751,875.00	0.63
EUR	2,100,000	Neste Oil Oyj 4.875% Sen 10/06.07.15	2,090,272.00	2,228,544.36	1.88
EUR	3,000,000	Netherlands 4.25% 03/15.07.13	3,165,950.00	3,099,525.00	2.61
EUR	500,000	Nyrstar NV 5.375% 11/11.05.16	503,165.00	522,995.00	0.44
EUR	900,000	SSE Plc 5.025% EMTN Perpetual	879,837.50	914,625.00	0.77
EUR	600,000	Ste Autoroute Paris-Rhin-Rhone 5.125% EMTN Sen 12/18.01.18	601,970.00	666,240.00	0.56
EUR	400,000	Vivendi 4.125% EMTN Sen 12/18.07.17	399,450.00	429,820.00	0.36
			19,280,079.80	20,054,558.86	16.89
IDR	26,400,000,000	EBRD 6.75% EMTN Ser 10/19.02.13	2,187,809.67	2,154,822.99	1.82
NOK	16,100,000	EBRD 4% Ser GMTN 10/11.05.17	2,035,144.71	2,336,932.57	1.97
NZD	1,300,000	General Electric Capital Corp 5.5% EMTN Sen 12/01.02.17	811,255.82	882,548.56	0.74
PLN	5,900,000	EIB 6.5% EMTN Sen 04/12.08.14	1,625,297.50	1,523,882.20	1.29
TRY	1,500,000	EIB 9% EMTN REGS Sen 09/22.01.13	706,070.67	655,658.01	0.55
Total bonds			27,485,947.68	28,338,283.36	23.88
Index linked bonds					
EUR	600,000	Crédit Industriel et Comm CIC VAR Lk ES 50 Index 11/06.12.12	595,485.00	607,490.80	0.51
Total index linked bonds			595,485.00	607,490.80	0.51
<u>Transferable securities dealt in on another regulated market</u>					
Bonds					
EUR	1,350,000	Fidelity Intl Ltd 6.875% EMTN Sen 10/24.02.17	1,446,022.06	1,508,017.50	1.27
Total bonds			1,446,022.06	1,508,017.50	1.27
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	3,005	Amundi Fds Absolute Volatility EUR Equities IE Cap	4,474,861.88	4,831,378.90	4.07
EUR	13,000	BofAML Invest Fds Plc MLCX Commodity Alpha EUR 5 Istl Cap	1,456,685.00	1,397,542.90	1.18
EUR	29,603.77	Brevan Howard Inv Fd II Mac FX B EUR Cap	3,012,175.67	3,112,836.42	2.63
EUR	9,000	Custom Markets Plc Credit Suisse MOVERS Fd K EUR Cap	934,444.35	807,300.00	0.68
EUR	32,000	DNCA Invest Eurose I Cap	3,769,670.00	4,083,840.00	3.44
EUR	195	Exane Fds 1 Templiers A Cap	3,313,958.45	3,322,924.80	2.80
EUR	160,000	F Templeton Inv Fds Mutual European A Cap	2,548,987.73	2,769,600.00	2.34
EUR	250,000	Fidelity Fds SICAV Global Health Care A EUR Dist	4,010,875.00	4,925,000.00	4.15
EUR	290,000	Fidelity Fds SICAV Global Telecommunications Fd A EUR Dist	1,937,083.00	2,409,610.00	2.03
EUR	43,390.884	GLG Investment VI Plc Eur AI Alternative IN EUR Cap	4,735,710.01	4,821,595.03	4.07

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - 0-50

Statement of investments and other net assets (in EUR) (continued)

as at 30th September 2012

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
EUR	150,000	JPMorgan Fds Global Consumer Trends A EUR Cap	1,918,253.38	1,967,998.50	1.66
EUR	40,000	JPMorgan Fds Global Strategic Bond A EUR (Hedged) Cap	3,464,191.25	3,649,200.00	3.08
EUR	28,300	Lutetia Patrimoine P Cap	3,005,212.00	2,984,518.00	2.52
EUR	9,070	Oyster SICAV Japan Opportunities EUR	1,121,493.30	971,397.00	0.82
EUR	25,000	Schroder GAIA Egerton European Equity C Cap	2,916,109.40	3,057,500.00	2.58
EUR	17,000	ValueInvest Lux Japan A Cap	2,361,360.00	2,630,410.00	2.22
			<u>44,981,070.42</u>	<u>47,742,651.55</u>	<u>40.27</u>
USD	600,000	Aberdeen Global Asian Local Cur Short Dur Bond Fd A2 Cap	2,979,473.75	3,209,219.89	2.71
USD	100,000	BlackRock Global Fds World Gold A2 Cap	4,368,772.75	4,414,817.12	3.72
USD	35,000	BofAML Invest Fds Plc MLCX Commodity Alpha EB D5 Cap	2,578,543.87	2,816,910.25	2.38
USD	90,000	JPMorgan Fds Brazil Equity A USD Cap	731,794.52	633,886.58	0.53
USD	20,000	JPMorgan Inv Fds Income Opportunity A USD Cap	2,422,215.86	2,708,127.65	2.28
USD	42,000	Schroder Intl Select Fd Asian Total Return C Cap	4,908,992.76	5,879,053.13	4.96
USD	13,300	Vontobel Fd US Value Equity B Cap	4,518,142.44	6,393,326.08	5.39
			<u>22,507,935.95</u>	<u>26,055,340.70</u>	<u>21.97</u>
		Total investment funds (UCITS)	<u>67,489,006.37</u>	<u>73,797,992.25</u>	<u>62.24</u>
		Real estate funds (UCI)			
EUR	31,000	SEB Immoinvest Dist	1,768,892.00	1,278,440.00	1.08
		Total real estate funds (UCI)	<u>1,768,892.00</u>	<u>1,278,440.00</u>	<u>1.08</u>
		Total investments in securities	<u>102,330,197.66</u>	<u>110,193,262.74</u>	<u>92.91</u>
		Cash at banks		8,211,326.61	6.92
		Bank liabilities		-213,391.25	-0.18
		Other net assets/(liabilities)		416,805.16	0.35
		Total		<u>118,608,003.26</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION - 0-50

Industrial and geographical classification of investments

as at 30th September 2012

Industrial classification

(in percentage of net assets)

Investment funds	62.24 %
Countries and governments	7.75 %
Materials	6.65 %
International institutions	5.63 %
Diversified financial services	2.72 %
Household and personal products	2.14 %
Energy	1.88 %
Banks	1.13 %
Real estate funds	1.08 %
Utilities	0.77 %
Transportation	0.56 %
Media	0.36 %
Total	<u>92.91 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Grand Duchy of Luxembourg	53.25 %
Ireland	8.31 %
Germany	7.34 %
United Kingdom	5.78 %
Jersey	3.93 %
France	3.44 %
The Netherlands	2.61 %
South Korea	1.90 %
Finland	1.88 %
Mexico	1.39 %
Bermuda	1.27 %
United States of America	0.74 %
Morocco	0.63 %
Belgium	0.44 %
Total	<u>92.91 %</u>

The accompanying notes are an integral part of these financial statements.

BL FUND SELECTION

Notes to the financial statements

as at 30th September 2012

Note 1 - Principal accounting methods

The financial statements of the SICAV are established in accordance with the Luxembourg legal and regulatory requirements in force in Luxembourg concerning Undertakings for Collective Investment.

a) Valuation of securities and the derivations instruments

- a) Securities, financial derivative instruments and money market instruments listed on a stock exchange or traded on another regulated market that functions regularly, is recognised and is open to the public are determined according to the latest available price;
- b) In the cases which investments of the society listed on a stock exchange or traded on another regulated market, which functions regularly, is recognised and is open to the public traded by market-makers outside the stock exchange on which the investments are listed or the market on which they are traded, the Board of Directors may determine the main market for the investments in question, which shall be valued according to the latest available price;
- c) The financial derivative instruments not listed on an official stock exchange or traded on another regulated market, that functions regularly and is recognised and is open to the public, will be valued in accordance with market practices.
- d) Cash and money-market instruments may be valued at their nominal price plus interest, or on the basis of the amortized cost. All other assets may, when this method is feasible, be valued on the same basis.
- e) Holdings of an open-ended undertakings for collective investment will be valued at the latest official Net Asset Value per share or at the latest estimated Net Asset Value if this is more recent than the official Net Asset Value. In this case, the Society must provide assurance that the valuation method used for this estimation is consistent with the valuation method used to calculate the official Net Asset Value;

f) In the case of

securities, money-market instruments and/or financial derivative instruments held in portfolio on the Valuation Day that are not listed or traded on an official stock exchange or other official regulated market, which functions regularly and is open to the public; or,

securities, money-market instruments and/or financial derivative instruments listed and traded on a stock exchange or on another market but for which the price determined pursuant to the paragraph (ii), is not, in the opinion of the Board of Directors, representative of the true value of these transferable securities, money-market instruments and/or financial derivative instruments, or

for financial derivative instruments traded over-the-counter and/or securities representing undertakings for collective investment, the price determined in accordance with (iv) or 4th subparagraphs, is not, in the opinion of the Board of Directors, representative of the real value of these financial derivative instruments or securities representing undertakings for collective investment,

the Board of Directors estimate the probable realisation value prudently and in good faith.

BL FUND SELECTION

Notes to the financial statements (continued)

as at 30th September 2012

The value of cash in hand or on deposit, bills and notes payable on presentation, accounts due, prepaid expenses and dividends and interest declared and fallen due but not yet received consist of the nominal value of such assets, except, however, in the event that it seems that such value can be realised, in which event the value shall be determined by deducting a sum which the Directors of the SICAV consider appropriate to reflect the real value of such assets;

The products structured from the CIC range are valued by the Banque de Luxembourg (which is the market maker for these products).

b) Conversion of foreign currencies

Cash at banks, other net assets and liabilities and the market value of the securities in portfolio expressed in currencies other than the currency of the sub-fund are converted into this currency at the exchange rate prevailing on the date of the report. Income and expenses expressed in currencies other than currency of the sub-fund are converted into this currency at the exchange rate prevailing on the date of the transaction. Exchange gains or losses are recorded in the statement of operations and other changes in net assets.

The sub-funds are denominated in the following currencies:

BL FUND SELECTION - Equities	denominated in EUR
BL FUND SELECTION - 50-100	denominated in EUR
BL FUND SELECTION - Asia	denominated in USD
BL FUND SELECTION - 0-50	denominated in EUR

c) Consolidation

The consolidated financial statements of the SICAV are established in EUR and equal the sum of the corresponding captions in the financial statements of each sub-fund converted in EUR at the rates prevailing the date of the report.

At the date of the report, the consolidation rates were as follow:

1	EUR	=	1.2863500	USD	US Dollar
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d) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by each sub-fund that are denominated in currencies other than the reference currency of the sub-fund is converted into this currency at the exchange rate prevailing on the date of purchase.

e) Net realised gain and loss on sales of securities in each sub-fund

The net realised gain and loss made on sales of securities are calculated on the basis of the average cost of the securities sold. These results are recorded in the statement of operations and other changes in net assets.

f) Forward foreign exchange contracts

Outstanding forward foreign exchange contracts are valued on the closing date on the basis of the forward rate for the remaining term of the contract applicable at this date. Realised and unrealised gains and losses are recorded in the statement of net assets and in the statement of operations and other changes in net assets.

BL FUND SELECTION

Notes to the financial statements (continued)

as at 30th September 2012

g) Valuation of futures contracts

Futures contracts are posted off-balance sheet and valued at their last available price. Realised and unrealised gains or losses are recorded in the statement of operations and other changes in net assets.

h) Valuation of option contracts

Premiums received on issued options are recorded as liabilities in the statement of net assets and are valued at the market price. If a call option is exercised, the received premium is presented in the statement of operations and other changes in net assets as realised gains in options. Realised and unrealised gains and losses are recorded in the statement of operations and other changes in net assets.

i) Investment income

Dividends incomes are recorded at the ex-date, net of any withholding tax.

Interest income accrued and payable are recorded, net of any withholding tax.

j) Transaction fee

Transaction costs disclosed under the caption "Transaction fees" in the statement of operations and other changes in net assets are mainly composed of supported fees by the SICAV included in the purchase and sale price of transactions, of liquidation fee of transactions paid to custodian bank as well as of fees relating to the transactions on financial instruments and on derivatives

Note 2 - Management fees

The SICAV has appointed BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A. as Management Company. Its role includes the tasks of managing the assets, the administration and the distribution services of the SICAV. BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A. is subject to the provisions of Chapter 15 of the law of 17th December 2010.

For the management of each sub-fund, BLI - BANQUE DE LUXEMBOURG INVESTMENTS S.A. receives the following annual commission expressed in percentage per annum and based on the net assets of each sub-fund:

Sub-funds	Class B share	Class I share
- BL FUND SELECTION - Equities	up to 1.25%	up to 0.50%
- BL FUND SELECTION - 50-100	up to 1.25%	up to 0.50%
- BL FUND SELECTION - Asia	up to 1.50%	up to 0.50%
- BL FUND SELECTION - 0-50	up to 0.60%	up to 0.30%

The management fee is calculated on the basis of the average net assets of each sub-fund for the relevant quarter and is payable quarterly in arrears.

The Management Company shall only be entitled to receive management fees for the various sub-funds in respect of the shares acquired if the shares concerned are managed by the Management Company or by another company affiliated to the Management Company by means of a substantial direct or indirect shareholding.

BL FUND SELECTION

Notes to the financial statements (continued)

as at 30th September 2012

Note 3 - Performance fee

For Class B and Class I shares of the sub-fund BL FUND SELECTION - 0-50, the Manager is entitled to a performance fee corresponding to 10% of the annual increase in the NAV multiplied by the average net assets for the relevant financial year. This annual increase (the "Performance") is defined as being the positive difference between the final NAV at the end of the financial year in question and the final NAV of the previous financial year, expressed as a percentage.

The NAV taken as the reference NAV for the first financial year is the first NAV calculated. The NAV taken as the reference NAV for subsequent financial years is that one of the previous financial year-end closing.

No performance fee is payable if the performance is negative.

The performance fee is payable on an annual basis in the month following the end of the relevant financial year.

Note 4 - Management fee of target funds

The management fee applicable to target funds in which the SICAV invests is up to 2.50% p.a. of the net assets invested in the target fund.

Note 5 - Commission on shares issued, converted and redeemed

The issue price is equal to the net asset value per share plus a subscription fee. The issue price may be increased by other fees or charges applicable in the respective countries in which the SICAV is marketed. When the shares are issued, the following fees shall apply:

- BL FUND SELECTION - Equities	up to 5.00%
- BL FUND SELECTION - 50-100	up to 5.00%
- BL FUND SELECTION - Asia	up to 5.00%
- BL FUND SELECTION - 0-50	up to 5.00%

No commission on redemptions or conversions is paid for any sub-fund.

Note 6 - Retrocession of fees

Retrocession of fees on underlying UCITS are paid to the sub-funds and are recorded in the statement of operations and other changes in net assets under the caption "Commissions received".

Note 7 - Subscription duty ("*taxe d'abonnement*")

The SICAV is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the SICAV is subject to an annual subscription duty of 0.05% which is payable quarterly and calculated on the basis of the net assets of each sub-fund on the last day of each quarter.

According to article 175 (a) of the law of 17th December 2010, the net assets invested in undertakings for collective investment already subject to the subscription duty are exempt from this duty.

A lower rate of 0.01% is applied to the Class I shares reserved to institutional investors.

BL FUND SELECTION

Notes to the financial statements (continued)

as at 30th September 2012

Note 8 - Belgian annual tax

Articles 307 to 311 of the Belgian law of 22nd December 2003 require that undertakings for collective investment and authorised for public distribution in Belgium pay an annual tax of 0.08% on the total net amount subscribed in Belgium as at 31st December of the preceding year starting at the date the undertakings were registered with the "Autorité des Services et Marchés Financiers" ("FSMA") (formerly "Commission Bancaire, Financière et des Assurances"). The aforementioned articles 307 to 311 came into force on 1st January 2004.

The SICAV is required to pay this tax on 31st March of each year.

Note 9 - Risk management

As required by Circular CSSF 11/512, the Board of Directors needs to determine the global risk exposure of the SICAV either by applying the commitment approach or the VaR approach. In terms of risk management, the Board of Directors of the SICAV decided to adopt the commitment approach as a method of determining the global exposure.

Note 10 - Future contracts

As at 30th September 2012, the following sub-funds of the SICAV were committed in the following future contracts:

BL FUND SELECTION - Equities

	Number of contracts	Denomination	Currency	Market value (in EUR)	Unrealised result (in EUR)
Sale	80	Euro Stoxx 50 EUR (Price) Index FUT 12/12 EUX	EUR	-1,964,000.00	94,400.00
					<u>94,400.00</u>

BL FUND SELECTION - 50-100

	Number of contracts	Denomination	Currency	Market value (in EUR)	Unrealised result (in EUR)
Sale	20	DAX Germany Index FUT 12/12 EUX	EUR	-3,619,250.00	81,500.00
Sale	300	Euro Stoxx 50 EUR (Price) Index FUT 12/12 EUX	EUR	-7,365,000.00	354,000.00
Sale	40	Hang Seng Index FUT 10/12 HKFE	HKD	-4,185,949.03	-38,600.97
Sale	35	RUSSELL 2000 FUT 12/12 NYFE	USD	-2,270,299.69	73,191.59
Sale	20	S&P 500 Composite Index FUT 12/12 CME	USD	-5,574,688.07	96,396.78
					<u>566,487.40</u>

BL FUND SELECTION - 0-50

	Number of contracts	Denomination	Currency	Market value (in EUR)	Unrealised result (in EUR)
Sale	230	Euro Stoxx 50 EUR (Price) Index FUT 12/12 EUX	EUR	-5,646,500.00	269,100.00
Sale	21	S&P 500 Composite Index FUT 12/12 CME	USD	-5,853,422.47	101,216.62
					<u>370,316.62</u>

BL FUND SELECTION

Notes to the financial statements (continued)

as at 30th September 2012

Note 11 - Statement of changes in investment

A copy of the statement of changes in investment during the period referring to this report are available free of charge at the registered office of the SICAV and from the Principal Paying Agent.

Note 12 - Income regularisation

Since its inception, the SICAV has continually applied an income-regularisation procedure using a methodology based on the "permanence" principal. Income regularisation was carried out on the basis of the net income recorded over the course of the financial year, included in the issue price and paid by the person who acquired the shares, and recovered in the redemption price by the person to whom they were redeemed. The items included in the income account were, in accordance with investment law, recorded without the income being regularised. The regularisation of income determined by the SICAV was accounted for during the calculation of taxable amounts in accordance with the regulations currently in force.