BL-Global 50

a sub-fund of SICAV BL

BANQUE DE LUXEMBOURG INVESTMENTS

Fund Fact Sheet

28/02/2018

Asset Class

Mixed Asset Global Balanced

Fund Characteristics

AUM	€ 375,9 mn
Launch date	28/10/1993
Oldest share class (B)	LU0048292808
Turnover (2017) *	22%
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.
Joël is being supported by a team of 9 regional equity and bond managers.

Management Company

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

Dealing & Administrator Details

European Fund Administration (EFA)

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

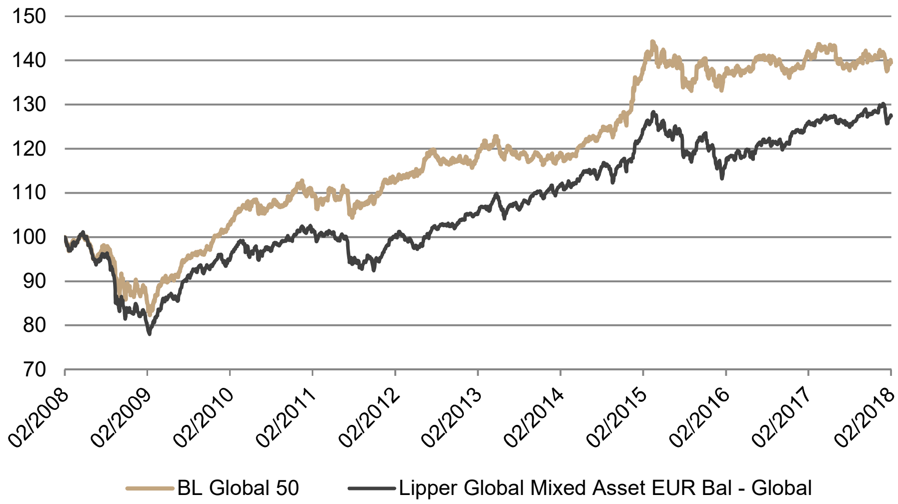
* min (purchases, sales) / average of net assets
** Luxembourg banking business day

Investment Objective

BL-Global 50 is the neutral profile of the BL SICAV's wealth management fund family. The fund's objective is to generate a positive return over the medium term while keeping volatility at a moderate level by combining global equities (weighted between 35% and 65%), government bonds, cash and gold.

Key Facts

- Balanced wealth management fund.
- Percentage invested in equities between 35% and 65%.
- Globally diversified portfolio of high-quality companies
- Particular importance placed on analysis of competitive advantage and valuation.
- Credit risk in the bond portfolio limited to sovereign risk.
- Exposure to precious metals through ETCs (exchange-traded commodities) as insurance against systemic risk.
- Derivatives may be used for hedging or portfolio optimisation.



Performance	2017	2016	2015	2014	2013
Fund (B shares)	1,9%	0,1%	7,2%	9,0%	0,7%
Lipper Peergroup	3,7%	2,4%	2,8%	6,4%	6,3%

Performance	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	-0,4%	0,5%	-1,4%	0,9%	17,3%	39,5%
Lipper Peergroup	-0,4%	1,6%	1,5%	2,4%	20,7%	27,4%

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

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

BL-Global 50
a sub-fund of SICAV BL

BANQUE DE LUXEMBOURG INVESTMENTS

Current Portfolio

28/02/2018

Top Holdings Equity Portfolio	
LVMH	2,0%
Pernod Ricard	1,8%
SAP	1,8%
Unilever	1,6%
Roche Holding	1,5%

 # holdings equity portfolio **103**

Top Holdings Bond Portfolio	
Deutschland 1,5% 15-02-2023	5,7%
Deutschland 0% 08-10-21	4,8%
Deutschland 0% 07-10-22	4,8%
Deutschland 0% 08-04-22	4,3%
Deutschland 0% 09-04-2021	4,0%

 # holdings bond portfolio **7**

Bond Portfolio Technicals	
average modified duration	4,17
average maturity	4,20 years
average yield to maturity	-0,17%

New Investments in February (Equities)

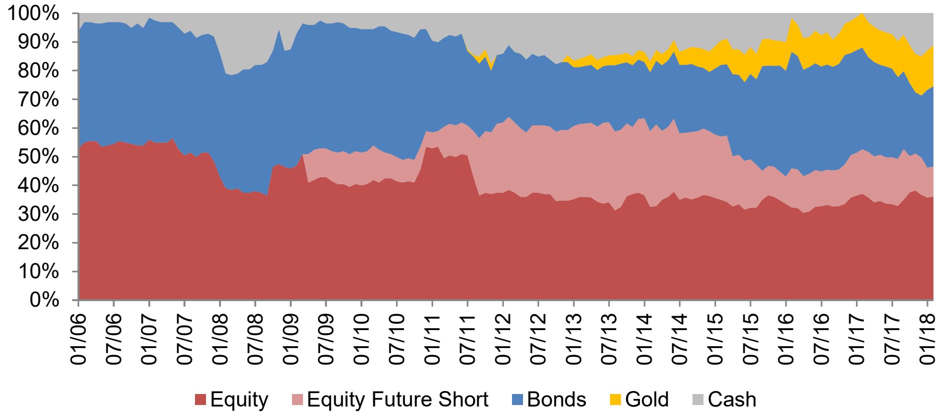
Booking Holdings

Investments sold in February (Equities)

The Priceline Group

Currency allocation	before hedging	after hedging
EUR	50,9%	58,3%
JPY	7,9%	7,9%
USD	13,6%	6,2%
CHF	4,4%	4,4%
GBp	3,8%	3,8%
Other	4,1%	4,1%
Gold	14,4%	14,4%
Silver	1,1%	1,1%

Historic asset allocation



	Strategic	Portfolio February 2018		
Equity		**Gross**	**Hedging**	**Net**
Europe	17,5%	26,1%	-6,7%	19,3%
US	20,0%	11,3%	-3,7%	7,6%
Japan	5,0%	6,2%		6,2%
Asia	6,0%	2,7%		2,7%
Latin America	1,5%	0,3%		0,3%
Total equity	**50,0%**	**46,6%**	**-10,4%**	**36,1%**
Bonds				
Eurozone	40,0%	28,0%		
US	0,0%	0,0%		
Emerging Markets	5,0%	0,0%		
Total bonds	**45,0%**	**28,0%**		
Cash				
Euro	5,0%	8,9%		
USD	0,0%	1,1%		
Total cash	**5,0%**	**10,0%**		
Precious metals	**0,0%**	**15,4%**		
Total	**100,0%**	**100,0%**		

Investor Type	Eligibility Restrictions	Share Class	Currency	Income	Mgmt Fees	On-going Charges	SRRI	ISIN	Bloomberg Ticker
Retail	No	**A**	EUR	Dis	1,25%	1,45%	4	LU0048292634	BLG4716 LX
Retail	No	**B**	EUR	Cap	1,25%	1,44%	4	LU0048292808	BLG4715 LX
Retail	Yes	**AM**	EUR	Dis	0,85%	1,04%	4	LU1484140170	BLG50AM LX
Retail	Yes	**BM**	EUR	Cap	0,85%	1,03%	4	LU1484140253	BLG50BM LX
Institutional	Yes	**BI**	EUR	Cap	0,60%	0,75%	4	LU0495653056	BLGL50I LX

Management Report

28/02/2018

In the United States, the prospects of economic growth continued to drive bond yields higher in February. The yield on the 10-year Treasury note edged up from 2.71% to 2.86%, nearing the psychological 3% threshold. In the eurozone, bond yields stabilised after their rise in January, with the 10-year government bond yield edging from 0.70% to 0.66% in Germany, from 2.03% to 1.97% in Italy, and from 1.43% to 1.54% in Spain. Generally speaking, the bond markets still hold little appeal. In the eurozone, the yields on offer continue to be very low, while the higher yields offered on US Treasuries are eroded for European investors by the costs of hedging the dollar-to-euro exchange risk. At the end of February, the average yield to maturity in the bond portfolio was -0.2% (0.7% for the benchmark) and the modified duration was 4.2 (7.6 for the benchmark).

Volatility, which was exceptionally low throughout 2017, marked its return to the equity markets in February. From its peak on 26 January to a low on 8 February, America's S&P 500 flagship index retreated by 10%. The S&P 500 in the United States, the Stoxx 600 in Europe, the Topix in Japan and the MSCI Emerging Markets (in USD) gave up 3.9%, 4.0%, 3.7% and 4.7% respectively (in local currencies) over the month. The fall in equities was triggered by a higher-than-expected wage rise in the United States, leading to fears of an increase in inflation and hence interest rates. In terms of sectors, a number of stocks traditionally considered defensive (e.g. food sector companies) were unable to withstand the downward trend: given that in recent years many investors had come to consider them as alternatives to fixed-income investments in a low interest rate environment, they came under pressure when yields started to climb. However, since, unlike bond coupons, the dividends from good quality companies increase over time, we consider the underperformance of defensive stocks to be only temporary. Despite having posted the strongest performance in 2017, the technology sector corrected the least and has been the most buoyant sector since the start of the year.

In order to have greater diversification on our exposure to gold, which now accounts for just over 15% of the portfolio, two additional ETCs (exchange traded commodities), iShares Physical Gold and Xetra-Gold, were introduced into the fund. These two certificates will be steadily increased at the expense of the current positions in the Physical Gold and Source Physical Gold ETCs, the objective being to maintain total exposure to gold at 15%. Otherwise, no transactions were made within the portfolio during the month.

February’s equity market correction was not enough to encourage us to increase the weighting of equities. The portfolio withstood the market fall relatively well, even though defensive stocks (which generally post a relatively better performance in bear markets) underperformed and provided a negative contribution. The NAV of BL-Global 50 is down 0.7% in the first two months of the year.

BANQUE DE LUXEMBOURG INVESTMENTS

Investment Approach

Investment Principles

Limit losses
The value of an investment that has lost 50% must double to recover incurred losses.
> Avoiding losses is more important than generating extraordinary gains.

Master investment risks
Risks arise when the parameters of an investment are not properly understood.
> We avoid investing in assets we do not fully understand.

Valuation / margin of safety
The price paid for an investment determines its potential return.
> We invest with a margin of safety in order to limit the risk of loss and increase the potential return.

Consideration of an entire business cycle
Foregoing part of potential gains in strongly rising markets pays dividends in falling markets.
> Our objective is to outperform the relevant market indices over an entire business cycle by limiting the drawdown in challenging markets.

Active management
The market reference index is solely used for performance measurement principles.
> Owing to the active investment approach of our portfolio management, the portfolio structure may deviate strongly from that of market indices.

Asset Allocation

Analysis of the valuation of the S&P 500 is the basis for determining the percentage invested in equities, which is between 35% and 65%. The potential use of derivatives and the sale of futures on equity market indices may lead to net equity exposure outside this bracket. The default regional weighting of equities (17.5% for Europe, 20% for the United States, 5% for Japan, 6% for Asia excluding Japan and 1.5% for Latin America) is adjusted according to valuation levels and the manager’s opinion on the relative attractiveness of each region.

Equity Investment Approach: Business-Like Investing

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

Quality
In the first step of our investment process, we perform an in-depth review of the targeted company's business model in order to identify its sustainable competitive advantage. A competitive advantage differentiates the company from its competitors and creates barriers to entry, adding value for its investors.
In the second step we analyse whether the competitive advantage translates into recurrent free cash flow. We put a special emphasis on the analysis of the maintenance capex requirements of the targeted companies to make sure that the cash flow generated is not absorbed by investment needs to sustain the company’s current business operations.
In the third step, we analyse how the targeted company uses its capital. The company's management faces the following options: investment in current business activities, development of new activities, takeovers, dividend payments, stock buybacks or debt repayments.
Only companies that comply with our bottom-up quality criteria are considered for inclusion into our portfolios, which may lead to significant deviations from the relevant market indices.

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

Bond Investment Approach: Government Bonds Only

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

Gold: Insurance Against Systemic Risk

Given massive state intervention in the financial markets since the collapse of Lehman Brothers, the economic system has evolved from market capitalism in which the financial markets are a meeting point between savers and investors, to state capitalism in which the authorities decide who receives money and who does not. The authorities have turned the financial markets into an instrument for political ends on the pretext that the economy will go into freefall without government intervention, thus suspending the rules governing the operation of the market economy.
Political decisions that clash permanently with economic forces destabilize the financial system. Despite the unlimited capacity of central banks’ financial resources in a paper money system, failure to respect economic laws is jeopardising the viability of the financial system. For this reason, we also include gold index certificates (physically deposited in bank vaults in London) which act as an insurance against systemic risk.

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

Specific Information for France:
The present document may be distributed to French professional investors.