

Fund Fact Sheet

31/03/2025

Asset Class

Equities Europe, All Caps

Fund Characteristics

AUM € 48,8 mn
Launch date 19/12/2018
Oldest share class (M) BE6309901518
Reference currency EUR
Legal structure SICAV, UCITS
Domicile Belgium
European Passport Yes
Country of registration BE, LU

Representative Market Index

MSCI Europe NR (EUR)

Fund Manager

Ivan Bouillot joined Banque de Luxembourg in 2000 as a financial analyst, and was appointed head of European equity investments for BLI's fund range in 2004.

Ivan has a degree in Business and Finance from the ICHEC University in Brussels. In 2000, he obtained his CEFA (Certified EFFAS Financial Analyst) diploma and he has been a CFA (chartered financial analyst) charter holder since 2006.

Management Company

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Dealing & Administrator Details

Caceis Investor Services Belgium
Dealing frequency daily¹
Cut-off time 12:00 CET
Front-load fee max. 5%
Redemption fee none
NAV calculation daily¹
NAV Publication www.beama.be

Investment Objective

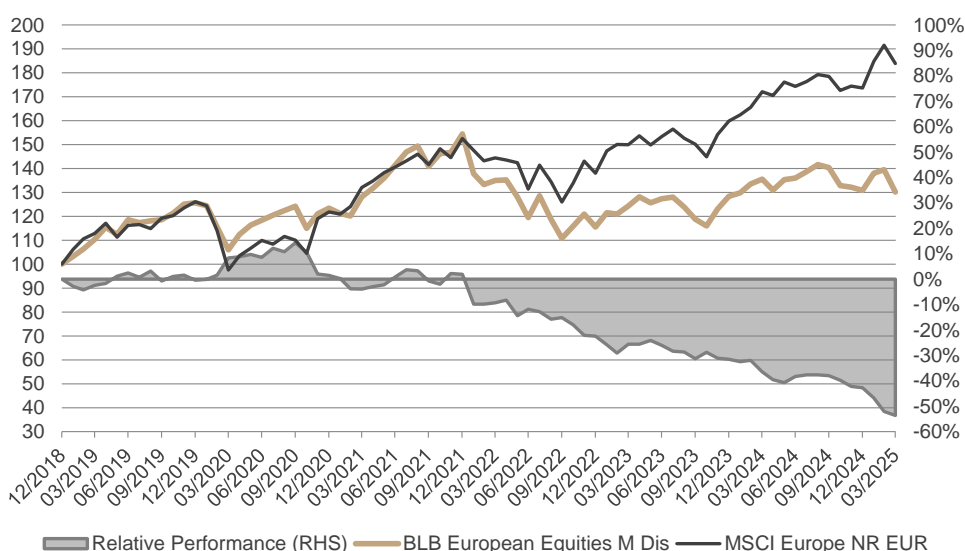
The fund's objective is to generate long-term capital gains by investing in high-quality European companies which have a sustainable competitive advantage. It aims to achieve higher risk-adjusted returns than its benchmark universe over a full market cycle.

A minimum of 30% of the fund's assets will be invested in sustainable assets.

The fund manager implements an active, long-term strategy based on solid convictions.

Key Facts

- An active, fundamental, conviction-based approach (30 to 40 stocks), purely bottom-up and oriented towards the long term;
- As well as valuation, constant attention is paid to the financial and extra-financial quality of the companies in the portfolio;
- Integration of ESG factors at different stages of the investment process (exclusions, analysis, valuation, monitoring of controversies, voting policy and engagement);
- Regular review of the valuation of each stock and the average valuation of the portfolio;
- Non-benchmarked management resulting in significant deviations from the initial investment universe;
- Low turnover.



Performance	YTD	2024	2023	2022	2021
Fund (M shares)	-0,5%	2,0%	11,0%	-25,1%	25,2%
MSCI Europe NR	5,9%	8,6%	15,8%	-9,5%	25,1%

Performance	1 month	3 months	6 months	1 year
Fund (M shares)	-6,6%	-0,5%	-7,3%	-4,0%
MSCI Europe NR	-4,0%	5,9%	3,0%	6,8%

The market index (MSCI Europe NR) is shown in the performance chart as well as in the performance tables above for performance measurement purposes only and it should under no circumstances be considered as an indication of a specific investment style or strategy.

¹ Belgium banking business day

Current Portfolio

31/03/2025

Top Holdings

AstraZeneca PLC	4,9%
Novartis	4,6%
AstraZeneca PLC	4,4%
ASML Holding NV	3,8%
Air Liquide	3,7%
Novartis	3,7%
LVMH	3,6%
Novo Nordisk	3,5%
SGS SA	3,5%
Assa Abloy	3,5%
Weight of Top 10	39,2%
Number of holdings	47

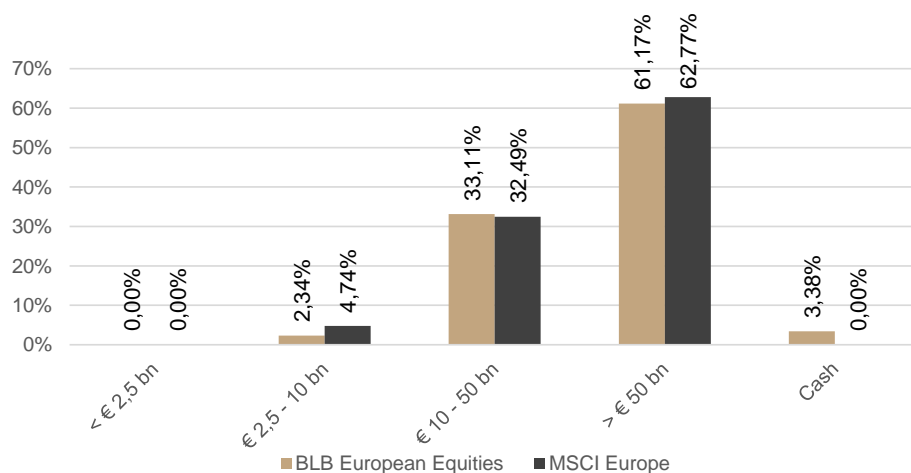
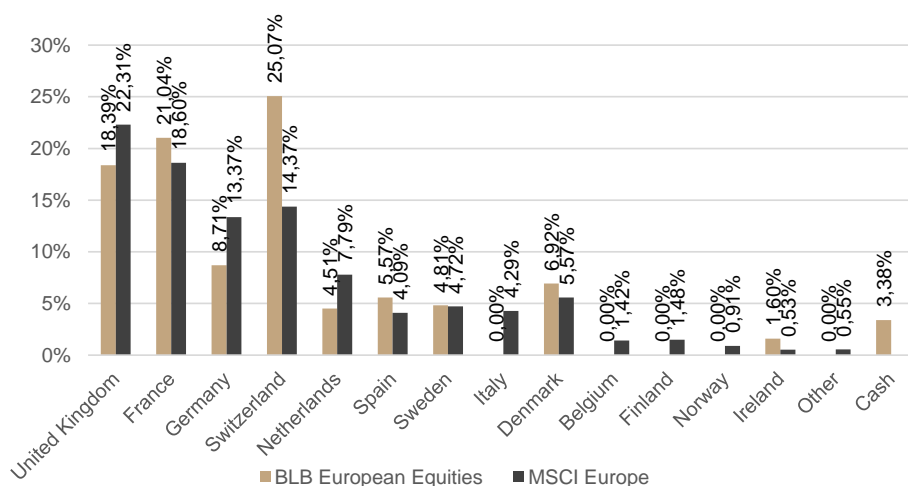
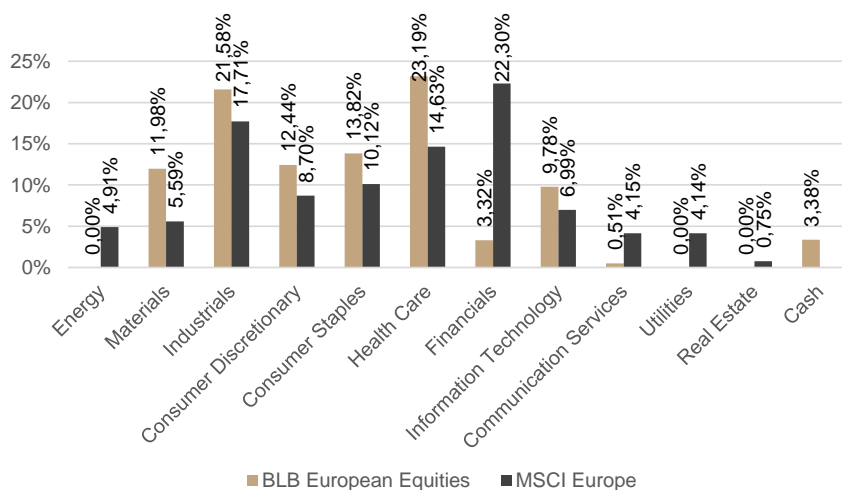
Currency Allocation

EUR	43,8%
CHF	25,1%
GBP	16,1%
DKK	6,9%
SEK	4,8%
USD	0,0%
Cash	3,4%

Redemption of Ventilation on

31/03/2025

BE6309902524	100,0%
BE6309901518	100,0%
BE6309900502	100,0%
BE6309899498	100,0%



Investor Type	Share class	Eligibility Restrictions	Clean Share	Minimum Investment	Currency	Income	Mgmt fee	On-going Charges	SRI	ISIN
Retail	R	Yes	No	None	EUR	Dis	1,25%	1,82%	4	BE6309902524
Retail	M	Yes	Yes	None	EUR	Dis	0,85%	1,05%	4	BE6309901518
Institutional	I	Yes	No	None	EUR	Dis	0,85%	0,98%	4	BE6309900502
Institutional	P	Yes	No	EUR 10 mn.	EUR	Dis	0,70%	0,78%	4	BE6309899498

Management Report

31/03/2025

After two months of growth, the European markets ended March on a firmly negative note, with the MSCI Europe Net Total Return retreating by -4.01%. The markets were shaken by Donald Trump's numerous announcements regarding the introduction of tariffs from 2 April, fuelling concerns over intensifying the trade war. Trump is now considering tariffs for all countries, not just for a limited list of 10 to 15. The United States wants to impose tariffs of 25% on all imported cars, and on all goods from countries buying Venezuelan gas or oil. Tariffs of 25% have already been imposed on Canadian steel and aluminium. Tariffs of 20% are levied on Chinese products. France and the European Union are threatened with tariffs of 200% on wines and champagnes.

At the same time, geopolitical uncertainty linked to the war in Ukraine and the difficulties in reaching an agreement have only added to investor caution. Donald Trump is trying to end the war that began more than three years ago and is expressing his frustration at the obstacles preventing a ceasefire agreement between the two countries. On 19 March, Vladimir Putin and Donald Trump agreed to a 30-day ceasefire in Ukraine limited to energy infrastructure, whereas Washington wanted to persuade Moscow to accept a comprehensive truce. A ceasefire in the Black Sea has been agreed by Russia and Ukraine to ensure the safe navigation of ships and prevent the use of commercial vessels for military purposes.

On a more positive note, the German parliament adopted a major debt-rule reform, putting an end to the country's strict policy of limiting debt and the deficit. This reform frees the defence budget from the usual fiscal restrictions and establishes a special fund of €500bn over 12 years for infrastructure, with the aim of reviving a struggling economy.

The sectors that generated positive returns over the month were utilities, insurance, oil & gas, and telecommunications. BLB European Equities was negatively impacted because it does not invest in these sectors.

Within the portfolio, the main contributors to performance were certain defensive positions, such as Deutsche Boerse, Novartis and Unilever, but also Geberit, which is spared the risk of US tariffs as it has little exposure to the United States, and SAAB, a Swedish arms company. The main detractors from the month's performance were Novo Nordisk (impacted by a lack of visibility on the volume of prescriptions for its obesity drug Wegovy), LVMH, ASML and Schneider (both impacted by a lack of visibility on investments in data centres), and AstraZeneca.

A new position was opened during the month in Universal Music Group, the world's largest music group, with a market share of around 30%. It owns an enviable catalogue of artists and music rights spanning several decades. UMG generates income through streaming (Spotify, Apple Music), the sale of licences, merchandising, music synchronisation (films, adverts, video games) and concerts. UMG has a robust economic model, with recurring income and a dominant position. With the growth of streaming, thanks to the surge in music subscriptions (+15% per year on average), UMG benefits from a stable and growing revenue stream. UMG also monetises its catalogue with its old titles alongside signing new artists, creating a stable musical income. Beyond streaming, UMG capitalises on the monetisation of music rights in cinemas, and advertising in particular. The group is a beneficiary of the potential for expansion in the Asian and African markets, which strengthens its growth prospects. And last but not least, music is a cultural asset used on a daily basis, with little price elasticity, which gives UMG relative protection from economic crises.

Investment Approach

Investment Principles

Limit investment 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

Control company specific risk

Risks arise when the parameters of an investment are not properly understood
We avoid investing in companies we do not fully understand

Valuation monitoring

The price paid for an investment determines its potential return
We monitor the margin of safety to minimize the likelihood of suffering losses on our investments

Consideration of an entire market cycle

Foregoing part of potential gains in strongly rising markets pays dividends in falling markets
Our objective is to outperform the relevant benchmark through an entire market cycle.

Benchmark agnostic

The market reference is solely used for performance measurement principles
Owing to the active investment approach of our portfolio management, the portfolio structure deviates strongly from that of the benchmark.

Equity Investment Approach: Business-Like Investing

We consider an equity investment as a long-term participation in a business. The companies we target enjoy a sustainable competitive advantage that differentiates them from their competitors. They need to show an attractive return profile and generate high and consistent levels of free cash-flow.

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 competitive advantage. Differentiation through a competitive advantage creates entry barriers against competitors and enables a company to better execute its strategy. In the second step we analyse whether the competitive advantage translates into high ROCE and whether the company generates consistent cash-flow. We analyse the maintenance capex requirements of the targeted companies to make sure that the generated cash-flow is not absorbed by investments needs to sustain its current business operations. We emphasize the analysis of the balance sheet and look for companies with a low level of gearing through the cycle. In the third step, we analyse how the targeted company has used and will use 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 meet our investment criteria are considered for inclusion into our portfolios, which may lead to significant deviations from the market benchmarks.

Valuation

Investments may lead to important capital losses if the price paid for the investment is too high. To avoid this pitfall, we derive 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. We invest in a company, when its stock price offers the most attractive margin of safety, taking into account its development prospects.

Portfolio characteristics

BLB European Equities invests in a focused selection of European companies. Targeted companies are typically among the top-3 in their respective markets and offer favourable development prospects. We construct a concentrated portfolio of approximately 35 positions, which allows us to have a good handle of each individual investment, to express our convictions and to minimise errors. Our investment process singles out companies that stand out against their competitors - through an added value product or service, through a good corporate strategy and production process, which underscores high levels of profitability and a healthy financial situation. Portfolio candidates need to enjoy favourable sales growth and / or margin progression prospects.

Our investment choices lead to significant and structural deviations from the fund's relevant market (MSCI Europe NR). We do not invest in all sectors that are represented in the market index. We identify most investment opportunities in the consumer, industrial, health care, chemical and technology sectors. Conversely, there are sectors like financials, utilities or telecom, where we find few - if any - companies that meet our investment criteria. The fund's geographical focus is biased towards Switzerland, Germany, France, Sweden, Denmark and the UK. In terms of market capitalisations, 3/4 of the portfolio are usually invested in companies with a market cap between € 2 and 50 bn.

Our investment strategy has a long-term orientation: our investment cases are constructed with a 3 to 5-year investment horizon. When implementing our bottom-up investment strategy, we do not consider any short term macroeconomic views. Owing to this approach, portfolio turnover rate is low: 25% annual turnover rate is to be expected on average. When making an investment, we are wary of valuation levels of each individual company: at investment, the market price needs to offer a discount against the company's fair value (margin of safety). The average valuation level of the portfolio is also closely monitored.

Portfolio construction rests on three main pillars: the stable core portfolio consists of well-established companies. It is complemented by pockets consisting of growth franchises (focus on growth prospects) and of special situations (focus on turnaround of fundamentals). The portfolio structure is the outcome of individual bottom-up investment opportunities without consideration of the fund's relevant benchmark structure. The weight given to each security in the portfolio is a function of their valuation level, stock liquidity and our level of conviction in the investment thesis. We are mindful of a sound diversification of the portfolio in terms of the earnings drivers of each company.

We don't implement market or currency hedging strategies in the portfolio and the portfolio is fully invested.

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