

Fund Fact Sheet

29/07/2022

Asset Class

US Government Bonds

Fund Characteristics

AUM	\$ 141,9 mn
Launch date	16/09/1988
Oldest share class (B)	LU0093570926
Turnover (2021) *	14%
Reference currency	USD
Legal structure	SICAV, UCITS
Domicile	Luxembourg
European Passport	Yes
Countries of registration	AT, BE, CH, DE, DK, ES, FI, FR, GB, IT, LU, NL, NO, SE, SG, PT

Fund Manager

In 2001, after an initial series of experiences at financial institutions including BNY Mellon and Brown Brothers Harriman, **Jean-Philippe Donge** joined BLI – Banque de Luxembourg Investments as a corporate bond financial analyst. Winner of a number of awards for his fund management, Jean-Philippe is currently in charge of bond market management and research. Emerging markets account for a significant proportion of the management methodology. His many years of experience, from sovereign debt to impact investing, have given Jean-Philippe an in-depth knowledge of the different categories of assets associated with these markets. This expertise is backed by a dedicated research team and the generation of convictions to feed into the construction of bond portfolios. In addition to microfinance and impact investing in general, the team and the methodology established by Jean-Philippe are also designed to provide an optimum response to sustainable development objectives. Jean-Philippe has an Engineering degree from the Université Catholique de Louvain. At present, he is responsible for the bond fund range of BL SICAV.

Management Company

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Dealing & Administrator Details

European Fund Administration (EFA)
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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

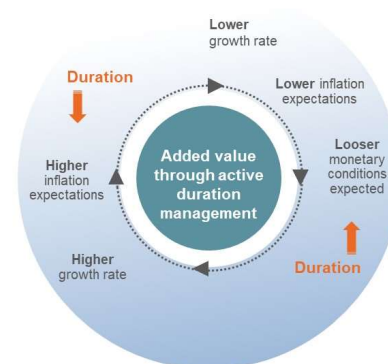
* min (purchases, sales) / average of net assets
** Luxembourg banking business day

Investment Objective

BL Bond Dollar seeks capital protection by investing in US Treasuries and US TIPS, while providing a greater return than a money market investment in US Dollars.

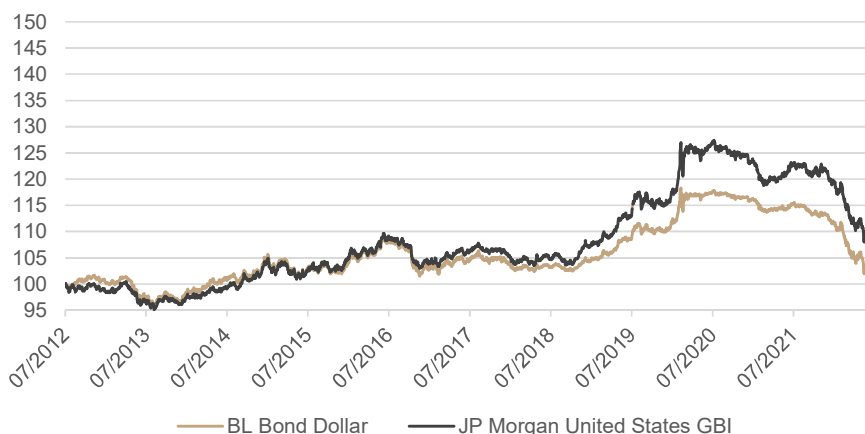
Strategy

The fund's investment strategy draws on macroeconomic factors such as inflation expectations and central bank monetary policy to define the portfolio's duration and positioning on the yield curve. The fund manager adheres to the concept of natural rate of interest to assess market yield levels: In equilibrium, the fair value yield of an issuer-risk-free bond is defined by the sum of the corresponding economy's potential growth, inflation expectations and the relevant maturity premium. If market yields exceed the derived fair value yield, the portfolio's duration will be above market duration. On the contrary, if market yields are below fair value yield, the portfolio's duration will be below market duration. Yield curve positioning is defined using relative value considerations.



Key Facts

- US Treasury only strategy
- Added value through active duration management
- Positioning on the yield curve using relative value considerations
- Opportunistic addition of US TIPS depending on inflation expectations
- Possibility to hedge duration using treasury futures



Performance	YTD	2021	2020	2019	2018	2017
Fund (B shares)	-6,1%	-2,9%	6,0%	5,2%	-0,5%	2,3%
JPM USA GBI	-7,4%	-2,6%	8,4%	7,1%	0,8%	2,5%

Performance	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	1,7%	1,3%	-4,9%	-7,9%	-2,3%	1,7%	6,3%
JPM USA GBI	1,7%	0,9%	-5,8%	-8,3%	-0,5%	6,0%	12,5%

Annualised Performance**		1 year	3 years	5 years	10 years
		Fund (B shares)	-7,9%	-0,8%	0,3%
	JPM USA GBI	-8,3%	-0,2%	1,2%	1,2%
Annualised Volatility**		1 year	3 years	5 years	10 years
		Fund (B shares)	4,6%	4,0%	3,5%
	JPM USA GBI	5,6%	5,5%	4,7%	4,4%

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

Current Portfolio

29/07/2022

Summary Statistics

Average Yield to Maturity	2,5%
Modified Duration (before hedging)	4,9
Modified Duration (after hedging)	no hedging
Average Maturity	4,9 years
Weight of Top 10 Holdings	67,1%
Number of holdings	16

Top Holdings

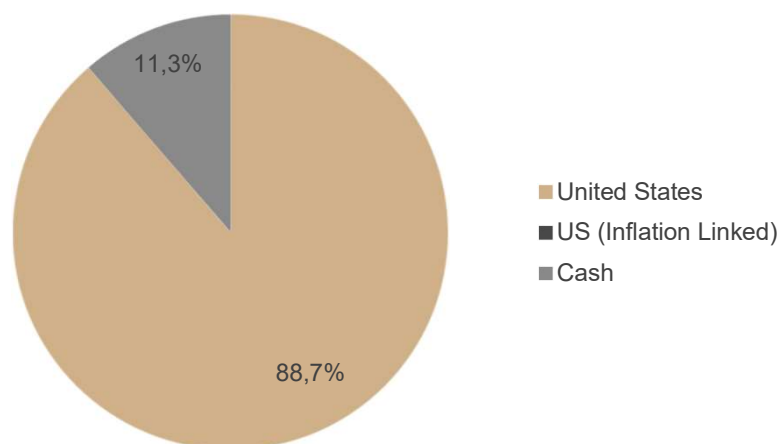
US Treasuries 2,625% 15-2-2029	7,1%
US 1,5% 31-10-24	6,9%
US 1,125% 28-02-25	6,8%
US 0,125% 15-02-24	6,8%
US 1,625% 30-11-26	6,8%
US 1,75% 15-11-29	6,7%
US 1,875% 15-02-32	6,6%
US 0,5% 31-03-25	6,6%
US Treasuries 2,875% 15-8-2028	6,5%
US 0,625% 31-03-27	6,4%

New Investments in July

Investments sold in July

Maturity Breakdown

Cash	11,3%
<1 Years	0,0%
1-3 Years	27,0%
3-5 Years	21,1%
5-7 Years	13,6%
7-10 Years	16,6%
>10 Years	10,4%



Investor Type	Clean Share	Eligibility Restrictions	Share class	Currency	Currency Hedging	Income	Mgmt fee	On-going Charges	SRI	ISIN	Bloomberg Ticker
Retail	No	No	A	USD	No	Dis	0,60%	0,82%	3	LU0093570843	BLM4708 LX
Retail	No	No	B	USD	No	Cap	0,60%	0,82%	3	LU0093570926	BLM4707 LX
Institutional	No	Yes	BI	USD	No	Cap	0,30%	0,48%	3	LU0495661315	BLBODBI LX

Management Report

29/07/2022

The US Treasury debt market recorded a negative performance of around -3.9% in the second quarter. The yield on the 10-year Treasury bond increased from 2.34% to 3% over the period. Annual US inflation continued to rise over the period and is currently estimated at around 8.6%. In this context, the US Federal Reserve decided to ramp up the pace of its interest rate hikes. Having initially raised the rate by 25 basis points in March, the Fed proceeded to a second increase of 50 basis points in May and a third increase of 75 basis points in June. The Fed Funds Rate currently stands at 1.75%. Despite the continuing high level of inflation, we perceive the beginning of a weakening of the US economy, evidenced by the recent decline in the composite purchasing managers' index. The index currently stands at 52.3, down from 57.7 in May.

BL Bond Dollar declined by 3.19% in the second quarter. Its average yield is around 2.7% while the modified duration is 5.24.

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