

Fund Fact Sheet

31/08/2023

Asset Class

Global Equities - High Dividend Yield

Fund Characteristics

AUM	€ 583,9 mn
Launch date	30/10/2007
Oldest share class (B)	LU0309191657
Turnover (2022) ¹	19%
Reference currency	EUR
Hedged share classes	USD / CHF
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 Managers



Jérémie Fastnacht joined BLI in 2016. He has been the lead manager of the fund since November 2017.



Guy Wagner, Managing Director of BLI, is the co-manager of the fund. He joined BLI in 1986.

Management Company

BLI - Banque de Luxembourg Investments
16, boulevard Royal
L-2449 Luxembourg
Tel: (+352) 26 26 99 - 1
www.bli.lu

Dealing & Administrator Details

UI efa S.A.	
Tel	+352 48 48 80 582
Fax	+352 48 65 61 8002
Dealing frequency	daily**
Cut-off time	17:00 CET
Front-load fee	max. 5%
Redemption fee	none
NAV calculation	daily ²
NAV publication	www.fundinfo.com

Investment policy

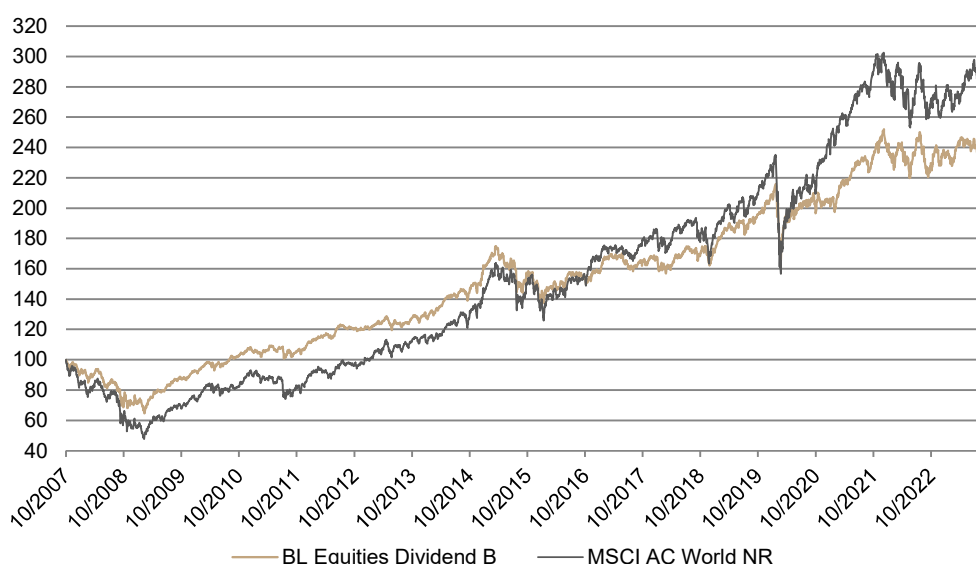
The fund's objective is to generate long-term capital gains by investing in high-quality companies listed on equity markets anywhere in the world. The selected companies have sustainable competitive advantages and offer attractive, sustainable and growing dividends. The fund aims to generate higher risk-adjusted 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 and purely bottom-up approach, oriented towards the long term;
- A concentrated portfolio composed solely of high-quality companies offering attractive, sustainable and growing dividends;
- A prudent risk profile to contain the downside during periods of market decline;
- Non-benchmarked management resulting in significant deviations from the initial investment universe;
- Integration of ESG factors at different stages of the investment process (exclusions, analysis, valuation, monitoring of controversies, voting policy and engagement);
- Low turnover.



Performance	YTD	2022	2021	2020	2019	2018
Fund (B shares)	4,7%	-8,8%	21,6%	1,4%	23,7%	-2,1%
MSCI World AC NR	12,9%	-13,0%	27,5%	6,7%	28,9%	-4,8%

Performance	3 months	6 months	1 year	3 years	5 years	10 years	since launch
Fund (B shares)	-0,9%	3,0%	0,7%	18,5%	38,0%	94,5%	138,8%
MSCI World AC NR	4,7%	7,8%	5,6%	35,9%	53,6%	176,2%	194,0%

Volatility	3 months	6 months	1 year	3 years	5 years	10 years	since launch
Fund (B shares)	8,2%	8,0%	9,8%	11,0%	12,5%	11,1%	11,3%
MSCI World AC NR	9,6%	9,4%	10,8%	12,9%	16,6%	14,8%	16,3%

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

Investors are also invited to consult the performance chart disclosed in the key investor document of the sub-fund.

¹ min (purchases, sales) / average of net assets

² Luxembourg banking business day

Current Portfolio

31/08/2023

Top Holdings

Unilever	5,6%
Nestle	4,8%
Reckitt Benckiser	4,7%
Givaudan	4,5%
Union Pacific	4,4%
SGS SA	4,4%
Canadian National Railway Co	4,2%
Accenture	4,0%
Colgate Palmolive	4,0%
National Grid	3,7%
Weight of Top 10	44,4%
Number of holdings	29

New investments in August

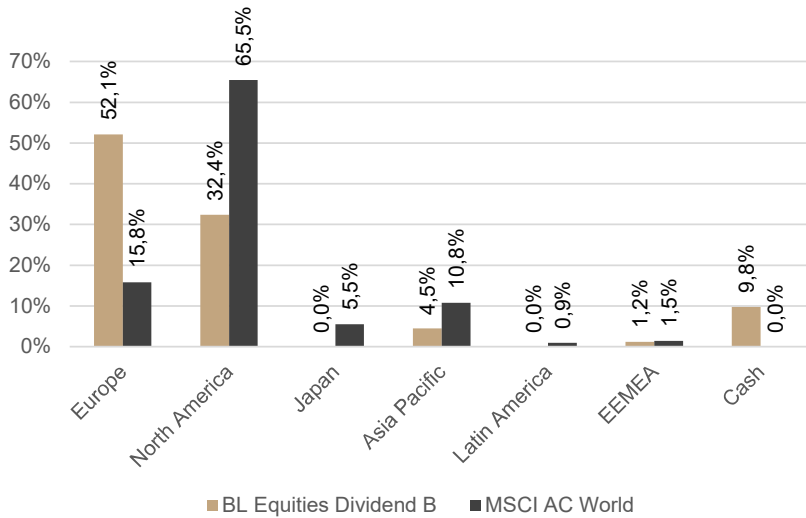
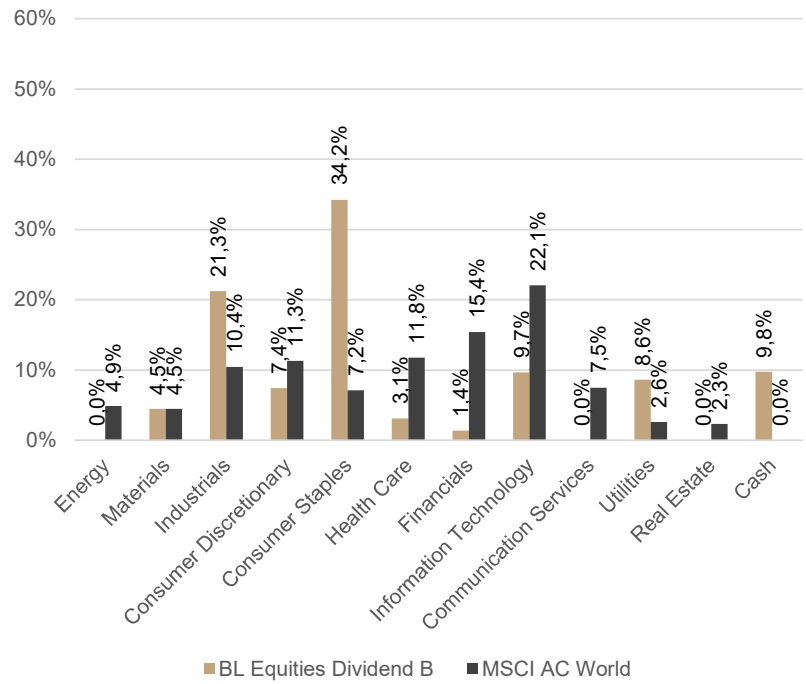
No transactions

Investments sold in August

No transactions

Currency Allocation

EUR	28,2%
USD	28,2%
GBP	16,9%
CHF	13,7%
CAD	4,2%
DKK	3,1%
TWD	2,3%
VND	1,3%
ZAR	1,2%
AUD	0,9%



Investor type	Clean Share	Eligibility Restrictions	Share Class	Curr.	Income	Hedging	Mgmt fees	On-going Charges	SRI	ISIN	Bloomberg Ticker
Retail	No	No	A	EUR	Dis	No	1,25%	1,44%	4	LU0309191491	BLEQDIA LX
Retail	No	No	B	EUR	Cap	No	1,25%	1,44%	4	LU0309191657	BLEQDIB LX
Retail	No	No	B CHF Hedged	CHF	Cap	Yes	1,25%	1,44%	4	LU1305477611	BLEDDBCH LX
Retail	No	No	B USD Hedged	USD	Cap	Yes	1,25%	1,44%	4	LU0751781666	BLEQDH1 LX
Retail	Yes	Yes	AM	EUR	Dis	No	0,85%	1,04%	4	LU1484142978	BLEQDAM LX
Retail	Yes	Yes	BM	EUR	Cap	No	0,85%	1,04%	4	LU1484143190	BLEQDBM LX
Retail	Yes	Yes	BM CHF Hedged	CHF	Cap	Yes	0,85%	1,04%	4	LU1484143356	BLEDDBMC LX
Retail	Yes	Yes	BM USD Hedged	USD	Cap	Yes	0,85%	1,04%	4	LU1484143430	BLEDDBMU LX
Institutional	No	Yes	AI	EUR	Dis	No	0,60%	0,75%	4	LU0495663105	BLEQDAI LX
Institutional	No	Yes	BI	EUR	Cap	No	0,60%	0,75%	4	LU0439765594	BLEQDVI LX
Institutional	No	Yes	BI USD Hedged	USD	Cap	Yes	0,60%	0,75%	4	LU1191324448	BLEBIUH LX

Management Report

31/08/2023

Over the month of August 2023, BL Equities Dividend (retail accumulation share net of fees in euros) was down 2.78%.

No transactions were carried out during the period.

During the summer, Coloplast, a company that has been held in the fund since November 2017, made two important announcements. Firstly, the continuation of strong (highly profitable) organic sales growth of 8% in the second quarter of 2023, above the (already attractive) average of 7% over the past decade. Secondly, the Group announced the acquisition of the Icelandic company Kerecis, a niche leader in the development of innovative, patented cod-skin-based treatments for wounds, burns and other complex acute and chronic wounds.

Coloplast is the global leader in solutions for ostomy, incontinence and laryngectomy, and is also active in wound care, skincare and urology. These are areas involving intimate and critical products and consumables, for which quality (reliability and comfort) is much more important than price (which in any case is quite low in absolute terms). These products tend to be consumed at regular, short intervals, and over many years in the case of chronic care, generating very strong patient loyalty. Coloplast stands out for the quality of its (patented) products that derive from targeted innovation. The group maintains close relations with key parties – nurses, doctors, purchasing managers, distributors and health insurance companies – and with patients via its Coloplast Care service. As it operates in niche sectors which are not major cost centres for healthcare systems, the risk of very negative regulatory changes concerning social security reimbursements seems contained. The activity is characterised by a limited investment requirement and the group has efficient production facilities (chiefly in Hungary, China and Costa Rica). These factors help generate very high profit margins, return on capital employed and free cash flow (gross margin of 68%, ROCE of 20% including goodwill, FCF margin of 23%). Apart from its evident pricing power, growth is largely driven by an ageing population in developed countries and improving access to healthcare in emerging markets.

At the end of the period, BL Equities Dividend offered a gross weighted average dividend yield of 2.6% (cash included). The companies currently held in the fund post an average compound annual growth rate of their gross dividend per share of 7% over the last five years.

(Data source: Bloomberg, company reports)

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

Consideration of an entire business cycle

Our circumspect approach may lead us to forego part of potential performance in soaring markets, but will pay off in falling markets.
> *Our objective is to outperform the relevant markets indices over an entire business cycle, with lower volatility and by limiting the drawdown in challenging markets.*

Active Management

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

Equity selection: "Business-Like Investing" approach

We consider an equity investment as a long-term participation in a quality business. As a consequence, we need to make sure that the businesses we invest in are able to compete successfully within their lines 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 advantages. A competitive advantage differentiates the company from its competitors and creates barriers to entry, adding value for its investors. Secondly, we analyse whether the competitive advantage translates into high return on capital employed and recurrent free cash flows. 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. Thirdly, we analyse if the targeted company uses its capital wisely. The company's management faces the following options: investment in current business, 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.

Dividends

In the long term, a significant proportion of the total return from equities comes from dividends. Moreover, empirical studies show that over the long term, the shares of companies with an efficient dividend policy have outperformed the equity markets, with lower volatility. This is even more significant when dividends are reinvested. Also, unlike declared profits dividends represent actual expenses for a company and cannot be manipulated. Dividends can also be an indicator of a company's future performance, and tend to offer protection against inflation. In the current environment (historically low interest rates, unconventional monetary policies, generally quite high valuations) the dividend strategy is more attractive than ever. Furthermore, in the future, shares of companies that pay generous dividends will be more sought after, buoyed by the demand of an ageing global population (as they offer income without the need to sell off capital, and tend to be less volatile).

BLI specifics

First, we select high-quality value-creating companies, then we apply our strict dividend filter to pick those which offer attractive and sustainable yields. In our view, a portfolio with a shrewd combination of "dividend growers" and "dividend payers" can offer a higher risk-adjusted return than the equity markets. The term "dividend growers" relates to companies offering a moderate dividend yield but strong potential to increase their dividend. Historically, shares of companies in a position to "grow" their dividend have outperformed those of companies content with a high payout. "Dividend payers" are companies offering less potential to increase their dividend but a high (and sustainable) yield that could constitute a cushion in hard times.

Legal Information

This document is issued by BLI - Banque de Luxembourg Investments ("BLI"). It refers directly or indirectly to one or more financial products (the "Financial Product") and constitutes a marketing communication within the meaning of Regulation (EU) 2019/1156 of 20 June 2019 on facilitating cross-border distribution of collective investment undertakings. Economic and financial information contained in this publication is provided for information purposes only based on information known at the date of publication. This information does not constitute investment advice, an investment recommendation or a solicitation to invest and should not be understood as legal or tax advice. No warranty is given as to the accuracy, reliability, timeliness or completeness of this information.

BLI draws the attention of any recipient of this document on the need to use with the utmost caution all information relating to a Financial Product, in particular that relating to the performance of such Financial Product:

- Where applicable, any scenarios relating to future performance in this document are an estimate of such future performance based on evidence from the past on how the value of this Financial Product varies and/or current market conditions. They are not an exact indicator and what you will get will vary depending on how the market performs and how long you keep the Financial Product.
- Conversely, the past performance of the Financial Product does not predict its future returns.

In general, BLI does not assume any responsibility for the future performance of these Financial Products and will not be liable for any decision that an investor may make based on this information. Interested persons should ensure that they understand all the risks inherent in their investment decisions and should refrain from investing until they have carefully assessed, in collaboration with their own advisors, the suitability of their investments to their specific financial situation, in particular with regard to legal, tax and accounting aspects.

They must, moreover, consider all the characteristics and objectives of the Financial Product, in particular where it refers to sustainability aspects in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

Subscriptions in a Financial Product are only permitted on the basis of its current prospectus, Key Information Document (KID) and the latest annual or semi-annual report (the "Documents"). The Documents are available free of charge at BLI's registered office at regular business hours. All the Documents, including the sustainability information and the summary of investor's rights, are available on BLI's website at www.bli.lu

Any reproduction of this document is subject to the prior written consent of BLI.

Specific Information concerning MSCI Data:

All MSCI data is provided "as is". Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the result to be obtained by the use thereof) and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

Specific Information concerning GICS Data:

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard and Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed to use by Banque de Luxembourg S.A.. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if noticed of the possibility of such damages.

Specific Information for Switzerland:

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.