

## Fund Fact Sheet

### Fund Information

ISIN Code	LU1526088379
Net assets (Mio Eur)	303,1
Launch date	12/12/2016
Reference currency	EUR
Management fee	0,70%
Performance fee	No
Legal structure	SICAV
Domicile	Luxembourg
European passport	Yes
Countries of registration	AT, BE, DE ES, FR, LU, NL, SE, SG

### Fund Managers



Fabrice Kremer  
has managed the fund since 2013  
He joined BLI in 2006



Maxime Hoss  
has managed the fund since  
2013. He joined BLI in 2013

### Management Company

BLI - Banque de Luxembourg  
Investments S.A.  
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### Dealing & Administrator Details

European Fund Administration  
Tél: (+352) 48 48 80 582  
Fax: (+352) 48 65 61 8002

Dealing frequency: daily\*  
Cut-Off time: 12h  
NAV publication : [www.fundinfo.com](http://www.fundinfo.com)

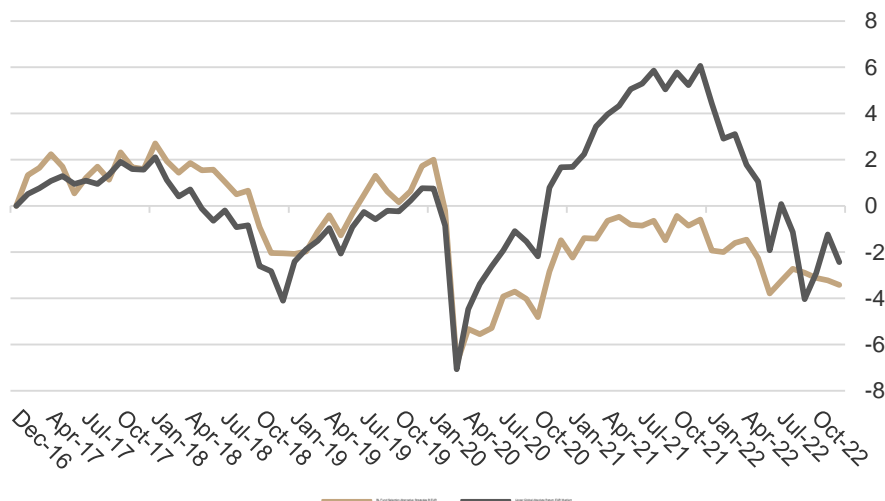
\* Luxembourg banking business day

\*\*Lipper Global Mixed Asset EUR Cons - Global

### Investment policy

The aim of this sub-fund is to achieve long-term capital growth. This flexible sub-fund invests a minimum of 51% of its net assets in investment funds investing in various asset classes. Most of these investment funds are specialised in investment strategies deemed "alternative". The underlying investment funds may adopt short positions when they are seeking to benefit from the sale of certain assets of which they are not the holder or through derivative products. The remaining assets may be invested in "c". The underlying investment funds may adopt short positions when they are seeking to benefit from the sale of certain assets of which they are not the holder or through derivative products.

### Performance since launch



Performance	1 mth	Year to date	2021	2020	2019
BLFS Alternative Strategies	-0,2	-2,9	0,9	-3,2	3,9
Moyenne Lipper**	-1,2	-8,0	4,3	0,9	5,1

Max. drawdown	Year to date	2021	2020	2019
BLFS Alternative Strategies	-3,7	-1,5	-12,1	-1,8
Moyenne Lipper**	-9,9	-1,4	-11,6	-1,2

Performance	3 mths	6 mths	1 yr
BLFS Alternative Strategies	-0,6	0,4	-2,9
Moyenne Lipper**	1,7	-0,5	-8,0

Annualised performance	1 yr	3 yr
BLFS Alternative Strategies	-2,9	-1,7
Moyenne Lipper**	-8,0	-1,1

Annualised volatility	1 yr	3yrs
BLFS Alternative Strategies	2,1	3,7

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## Management Report

31/12/2022

### MARKET REVIEW:

Despite multiple headwinds, the global economy continues to show remarkable resilience, ending 2022 on a positive note. In the United States, a robust labour market, excess savings from the pandemic and sustained wage growth are maintaining a high propensity for consumer spending, with services activities continuing to benefit from a catch-up effect. Thanks particularly to a price effect, corporate revenues and profits also remain robust, boosting investment spending. In the eurozone, the verdict on Q4 growth is less clear. Nevertheless, domestic consumption may also prove sufficiently robust to offset the moderation in industrial activity. In China, the abandonment of the zero-covid policy triggered a sharp rise in coronavirus infections, leading to a distinct slowdown in activity at the end of the year. However, the gradual normalisation of the health situation should ensure a cyclical recovery from Q2 at the latest.

In the US, inflation recorded its fifth successive month of easing after peaking at 9.1% in June. Headline inflation fell from 7.7% in October to 7.1% in November. Excluding energy and food, inflation declined from 6.3% to 6.0%. In the eurozone, inflation slowed for the second month after rising for 16 consecutive months. From November to December, headline inflation declined from 10.0% to 9.5%. Excluding energy and food, it came out unchanged at 5.0%.

As expected, the US Federal Reserve's monetary policy committee (the FOMC) continued to tighten its monetary policy in December. The increase in the federal funds rate target range was as previously indicated, 50 basis points. The Fed Funds Rate is now in the target range of 4.25% to 4.50%. For 2023, the FOMC expects further tightening of 75 basis points in 0.25% increments. In Europe, the Governing Council of the ECB also raised its key rates by 50 basis points, taking its deposit facility rate to 2% and refinancing rate to 2.5%. ECB president Christine Lagarde struck a particularly hawkish tone, suggesting continued upward movements in 0.5% increments and announcing the start of quantitative tightening from March. In Japan, the central bank adjusted the upper limit of the 10-year rate from 0.25% to 0.50% as part of its yield curve control. The central banks' ongoing monetary tightening drove up bond market yields. In the United States, the yield on the 10-year Treasury note increased from 3.61% to 3.87%. The rise in yields to maturity was particularly marked in Europe given the prospect of more interest rate hikes by the ECB. The 10-year benchmark bond yield rose from 1.93% to 2.57% in Germany, from 2.40% to 3.11% in France, and from 3.87% to 4.70% in Italy. Over full-year 2022, the JP Morgan EMU Government Bond Index plummeted by 17.9%.

In December, equity markets weakened sharply, leading most stock market indices to record significant declines for full-year 2022. The decline in equity prices is the result of the central banks' monetary tightening, which has led to a reduction in valuation multiples, primarily affecting so-called growth stocks in virtually all regions. According to the MSCI All Country World Index Net Total Return expressed in euros, global equities fell 7.3% over the month and 13.0% over the year. The year-on-year decline in the index would have been much greater had it not been mitigated by the strength of the dollar against the European currency. By region, over the month the S&P 500 in the United States fell 5.9% (in USD), the Stoxx 600 in Europe 3.4% (in EUR), the Topix in Japan 4.7% (in JPY) and the MSCI Emerging Markets 1.6% (in USD).

Boosted by the European monetary authorities' restrictive tone, the euro continued to rebound against the dollar, with the euro/dollar exchange rate rising from 1.04 to 1.07 during the month. The dollar's depreciation in December had a positive impact on precious metal prices. Gold progressed for the second consecutive month, up 3.1% from \$1,769 to \$1,824. The price of silver rose from \$22.2 to \$24.0 per ounce, a 7.9% increase.

### PORTFOLIO REVIEW:

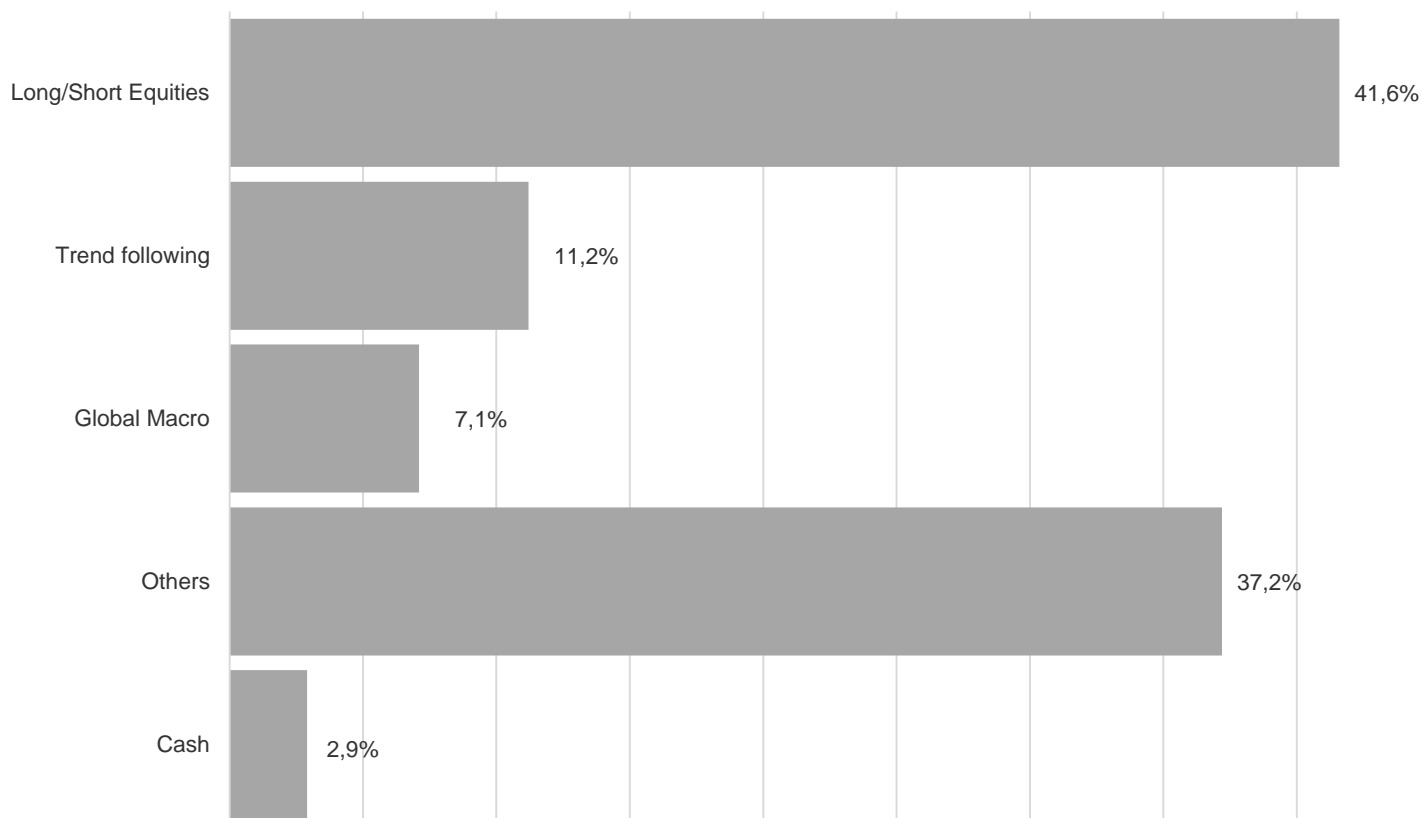
BL Fund Selection Alternative Strategies gave up -0.2% in December, outperforming the average for funds in its category (-1.2%). For full-year 2022, the respective performances were -2.9% and -8.0%, a relatively satisfactory record in a very difficult context for bonds which are traditionally defensive. The alternative asset class played its diversification role even though it failed to preserve capital in full. The portfolio was well balanced during the month, with 15 of the 27 funds in the portfolio ending the month in positive territory. Unfortunately the biggest swings were on the downside and dragged down overall performance. Among the long/short equity strategies, overall performance was disappointing with 5 out of the 12 funds in positive territory. Performance within this category ranged from -2.6% to +0.7%, with the worst performing fund being Franklin K2 Electron Global UCITS while at the top of the podium came the Man GLG Alpha Select Alternative fund. The trend-following funds (CTAs) generated a negative result, with all three funds used in this category in the red. Among the M&A arbitrage funds, Cigogne M&A Arbitrage stabilised but ML Abrax Merger Arbitrage was down -2.1%. In the event-driven category, Boussard & Gavaudan Absolute Return gained 1.9% in December. The main satisfactions came from other funds in the portfolio, especially the arbitrage strategies. The largest lines in the portfolio, Lumyna BofAML MLCX Commodity Alpha (+2.3%) and Assenagon Alpha Volatility (+1.3%) ended the year in good heart, as did the three convertible arbitrage strategies, which rose from +0.6% to +1.0%. The global macro fund Lyxor Bridgewater All Weather Sustainability (-2.6%) erased some of its autumn gains as a result of the difficulties in bonds and equities. The portfolio's performance over the month was satisfactory given the decorrelation it provided to the equity and bond indices. The same can be said for the year as a whole, although the record is a little less gratifying as the portfolio was not able to fully preserve capital. An additional positive factor in the coming year will be the rise in interest rates which will finally remunerate the excess capital that is often available in alternative strategies, since these are generally adept at taking relative value positions or positions in derivatives which consume little capital. This should provide a potential additional risk-free return of around 2% in 2023.

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## Current Portfolio

31/12/2022

### Breakdown by type of strategy



### Top holdings

LUMYNA BOFA MLCX COMMODITY ALPHA	6,1%
ASSENAGON ALPHA VOLATILITY	5,0%
CIGOGNE UCITS M&A ARBITRAGE	4,8%
FRANKLIN K2 ELECTRON GLOBAL UCITS	4,7%
LYXOR EPSILON GLOBAL TRENDS	4,1%
LUMYNA MW SYSTEMATIC ALPHA UCITS	3,9%
MAN GLG ALPHA SELECT ALTERNATIVE	3,9%
ML CRABEL GEMINI UCITS	3,8%
BUTLER CREDIT OPPORTUNITIES	3,6%
ADVENT GLOBAL PARTNERS UCITS	3,5%
EXANE OVERDRIVE	3,5%

### Performance attribution

#### Underlying funds

Best underlying funds	déc-22
LUMYNA BOFA MLCX COMMODITY ALPHA	2,3%
BOUSSARD&GAVAUDAN ABSOLUTE RETURN	2,0%
ASSENAGON ALPHA VOLATILITY	1,3%
LAZARD RATHMORE ALTERNATIVE	1,1%
LYXOR CHENAVARI CREDIT	0,8%

#### Worst underlying funds

Worst underlying funds	déc-22
ML ABRAX MERGER ARBITRAGE	-3,0%
FRANKLIN K2 ELECTRON GLOBAL UCITS	-2,6%
LYXOR BRIDGEWATER ALL WEATHER	-2,6%
ML CRABEL GEMINI UCITS	-1,9%
THREADNEEDLE PANEUROP. ABSOL. ALPHA	-1,5%

All performances are denominated in EUR

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