

Fund Fact Sheet

31/08/2022

Asset Class

Equities North America, Large Caps

Fund Characteristics

AUM	\$ 112,1 mn
Launch date	19/12/2018
Oldest share class (M)	BE6309898482
Reference currency	USD
Legal structure	SICAV, UCITS
Domicile	Belgium
European Passport	Yes
Countries of registration	BE, LU

Representative Market Index

MSCI USA NR (USD)

Fund Manager

Luc Bauler joined Banque de Luxembourg in 1996 as a bond trader, before moving into managing bond portfolios. Since 2005, he has been in charge of US equity investments for the BLI's funds range. Luc has a degree in Economics and Business Management from the Université Louis Pasteur in Strasbourg, France.

Management Company

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Dealing & Administrator Details

RBC Investor Services Belgium S.A.	
Dealing frequency	daily ¹
Cut-off time	12:00 CET
Front-load fee	max. 5%
Redemption fee	none
NAV calculation	daily ¹
NAV Publication	www.beama.be

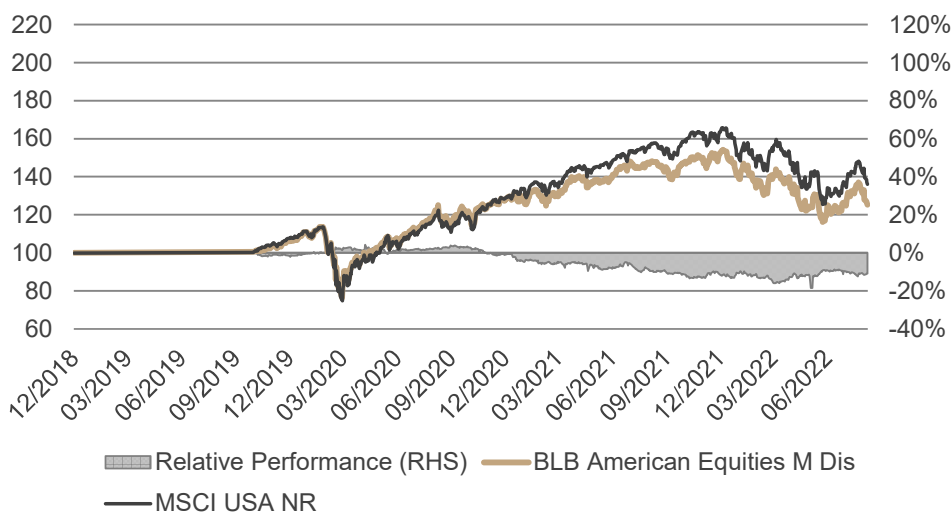
Investment Objective

The objective of BLB American Equities is to achieve long-term capital gains by investing in high-quality North American large-cap companies enjoying a sustainable competitive advantage.

The fund manager implements an active investment strategy based on strong convictions. Since the portfolio structure is the outcome of individual bottom-up investment opportunities, it may deviate significantly from its relevant market index in terms of sector and market-cap allocation.

Key Facts

- Concentrated portfolio of 40 - 60 companies quoted on US stock exchanges, selected on the basis of their fundamentals.
- Bottom-up portfolio construction process irrespective of US equity market structure.
- North American large cap equity portfolio of quality companies.
- Long only, fully invested.
- Low turnover.



Performance	YTD	2021
Fund (R shares)	-18,5%	18,5%
MSCI USA NR	-17,4%	26,5%

Performance	1 month	3 months	6 months	1 year
Fund (R shares)	-4,9%	-3,2%	-9,0%	-15,2%
MSCI USA NR	-4,0%	-3,8%	-9,7%	-13,5%

The market index (MSCI USA 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.

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

¹ Belgium & US banking business day

Current Portfolio

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Top Holdings

Microsoft	8,1%
Lowes Companies	5,4%
Visa	5,4%
Amazon.com	5,3%
Unitedhealth Group	5,2%
Apple	5,1%
Alphabet	4,9%
Nike	4,6%
Constellation Brands	4,2%
MasterCard	4,0%
Weight of Top 10	52,1%
Number of holdings	39

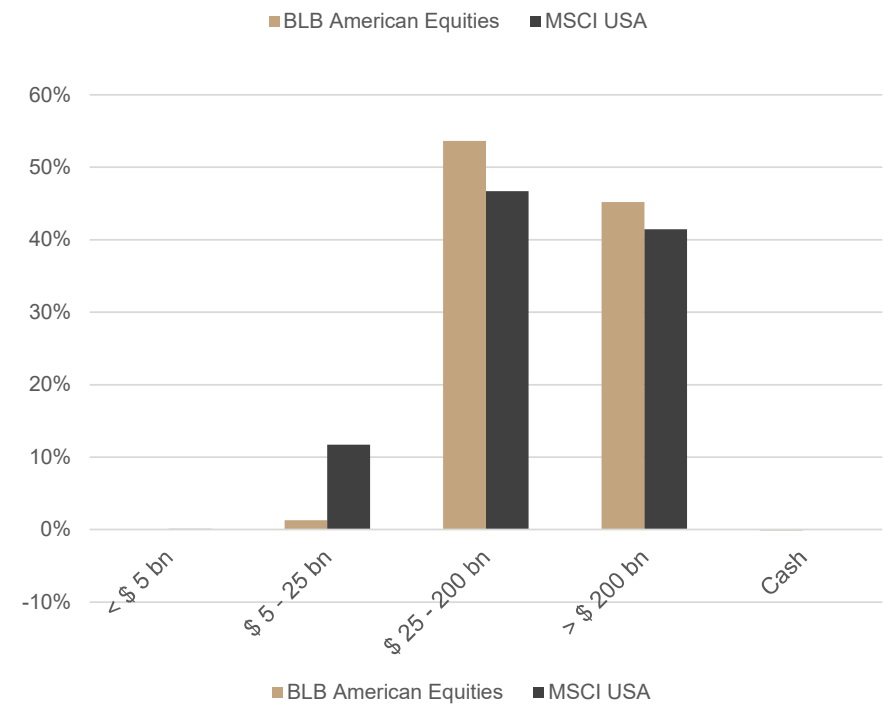
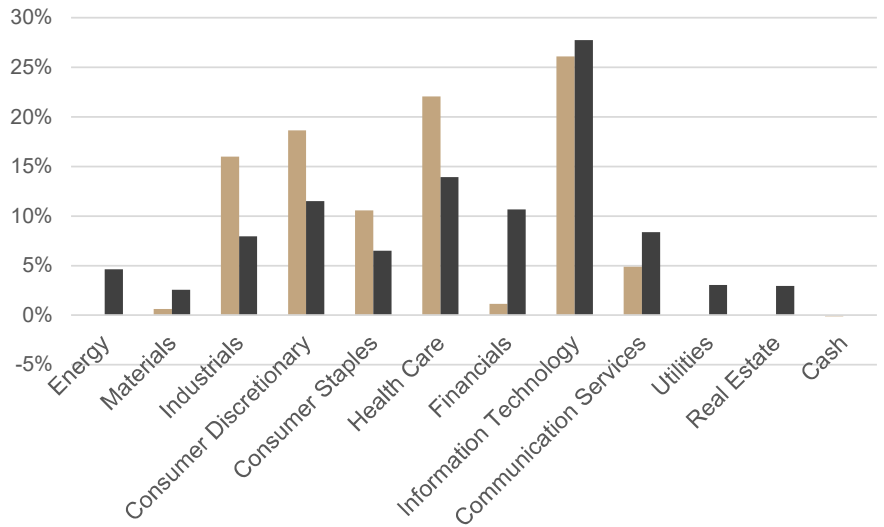
Country Allocation

United States	100,1%
Other	0,0%
Cash	-0,1%

Ventilation of redemption on

31/08/2022

BE6309898482	99,99%
BE6309895454	99,98%
BE6309897476	99,99%
BE6309896460	99,99%



Investor Type	Share class	Eligibility Restrictions	Clean Share	Minimum Investment	Currency	Income	Mgmt Fees	On-going Charges	SRRI	ISIN
Retail	M	Yes	Yes	None	USD	Dis	0,85%	1,16%	6	BE6309898482
Retail	R	No	No	None	USD	Dis	1,25%	0,82%	6	BE6309895454
Institutional	I	Yes	No	None	USD	Dis	0,85%	1,10%	6	BE6309897476
Institutional	P	Yes	No	USD 10 mn.	USD	Dis	0,70%	0,93%	6	BE6309896460

Management Report

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In an uncertain global economic environment, global equity markets came under downward pressure following their strong rebound in July. The S&P 500 fell 4.2% in August.

Although the US economy has already recorded two consecutive quarters of negative economic growth this year, some of the economic data released in August was quite positive. US employment data was surprisingly strong and showed a significant pick-up in hiring across all sectors. Unemployment was lower and wages higher.

At the same time, inflation seems to have temporarily peaked, with the consumer price index up 8.5% year-on-year in July, compared to 9.1% in June. However, core inflation remains above the Federal Reserve's target. This, combined with high wage growth figures, could force the Fed to raise interest rates by a further 75 basis points at its next meeting in September. The Fed remains committed to fighting inflation, as evidenced by Jay Powell's remarks at the Jackson Hole Economic Symposium at the end of August. This continued to support the US dollar throughout the month, while weighing on the equity and bond markets.

In August, the Dow Jones Industrial Average gave up 4.1%, the S&P 500 4.2% and the Nasdaq 4.6%.

Over the month, the net asset value of BL American Equities (retail share net of fees in USD) fell by 4.9%.

No major changes were made to the portfolio in August.

The main contributors to absolute performance over the month were US brewer Constellation Brands, home improvement company Lowe's, healthcare company Becton Dickinson, leading discount retailer TJX, and online payment company Paypal.

The main detractors from the month's performance were technology giant Microsoft, animal health company Zoetis, payment company Visa, sports goods manufacturer Nike, and Google's parent company Alphabet.

Investment Approach

Investment Principles

Avoid Losses

Avoiding a big loss on an investment is more important than realising an extraordinary gain.

Focus on Quality

We seek companies enjoying a sustainable competitive advantage.

Valuation: the concept of margin of safety

The price paid for an investment determines its potential return.

Master Investment Risks

Risks arise when the parameters of an investment are not properly understood.

Active Management

The market reference is solely used for the principle of performance measurement. The portfolio structure may deviate from that of its market reference index.

Equity Investment Approach: Business-Like Investing

Rationale

We consider an equity investment as a long-term participation in a quality business. As a consequence, we need to make sure that the companies we invest in are able to compete successfully in their line of business, ensuring high levels of profitability and strong free cash flow generation.

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 makes it stand out and creates entry barriers for competitors.

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 focus on the strength of the management team and analyse how the targeted company uses its capital and manages its balance sheet. Company management has to consider 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 in our portfolios. This may lead to significant deviations from the relevant market index.

Valuation

Even investments in quality companies may result in significant capital losses if the price paid for the investment is 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.

Portfolio characteristics

BLB American Equities portfolio consists of 40 to 60 large-cap companies that have been selected on the basis of the quality of their fundamentals and their valuation.

The structure of the fund's market reference index does not play any role in the portfolio's construction: the portfolio structure is the outcome of the addition of individual bottom-up investment opportunities. The weight given to each security in the portfolio is a function of its valuation level, stock liquidity and our degree of conviction in the investment thesis.

Owing to our quality investment style, the fund's sector allocation is geared towards consumer discretionary, consumer staples, health care, industrials, technology and materials sectors. Conversely, in sectors like financials, utilities or telecoms, we find few - if any - companies that meet our investment criteria. BLB American Equities is a pure equity fund: the fund manager does not time the market and the cash level within the portfolio is maintained at a minimum.

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Subscriptions are only permitted on the basis of the current prospectus, the latest annual or semi-annual report and the Key Investor Information Document (KIID) (the "Documents"). The Documents are available free of charge from BLI at any time. All of the Documents, including the sustainability information, are available on BLI's website at www.bli.lu.

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