

### Fund Fact Sheet

29/02/2024

#### Asset Class

Equities North America, Large Caps

#### Fund Characteristics

|                           |              |
|---------------------------|--------------|
| AUM                       | \$ 100,8 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

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

#### Dealing & Administrator Details

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

#### Investment Objective

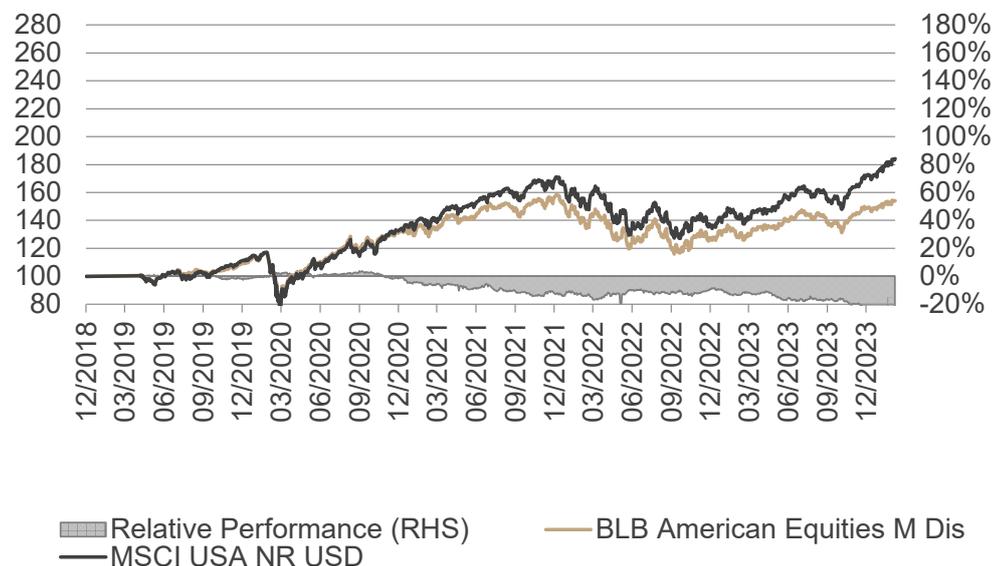
The fund's objective is to generate long-term capital gains by investing in high-quality North American large-cap companies, which have a sustainable competitive advantage. It aims to generate higher risk-adjusted returns than its benchmark universe over a full market cycle.

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 approach (35 to 50 stocks), purely bottom-up and oriented towards the long term;
- A portfolio of North American large-cap companies;
- As well as valuation, constant attention is paid to the financial and ESG 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);
- Non-benchmarked management resulting in significant deviations from the initial investment universe;
- Low turnover.



| Performance     | YTD  | 2023  | 2021   | 2020  |
|-----------------|------|-------|--------|-------|
| Fund (R shares) | 3,1% | 17,3% | -19,4% | 18,5% |
| MSCI USA NR     | 6,9% | 26,5% | -19,8% | 26,5% |

| Performance     | 1 month | 3 months | 6 months | 1 year |
|-----------------|---------|----------|----------|--------|
| Fund (R shares) | 3,3%    | 6,4%     | 6,5%     | 20,0%  |
| MSCI USA NR     | 5,3%    | 11,9%    | 13,9%    | 30,1%  |

<sup>1</sup> Belgium & US banking business day

### Current Portfolio

29/02/2024

#### Top Holdings

|                           |              |
|---------------------------|--------------|
| Microsoft                 | 9,6%         |
| Visa                      | 7,3%         |
| MasterCard                | 6,2%         |
| Constellation Brands      | 5,1%         |
| Apple                     | 4,4%         |
| Amazon.com                | 4,3%         |
| Lowe's Companies          | 3,7%         |
| Nike                      | 3,6%         |
| Becton Dickinson          | 3,5%         |
| Unitedhealth Group        | 3,4%         |
| <b>Weight of Top 10</b>   | <b>51,0%</b> |
| <b>Number of holdings</b> | <b>37</b>    |

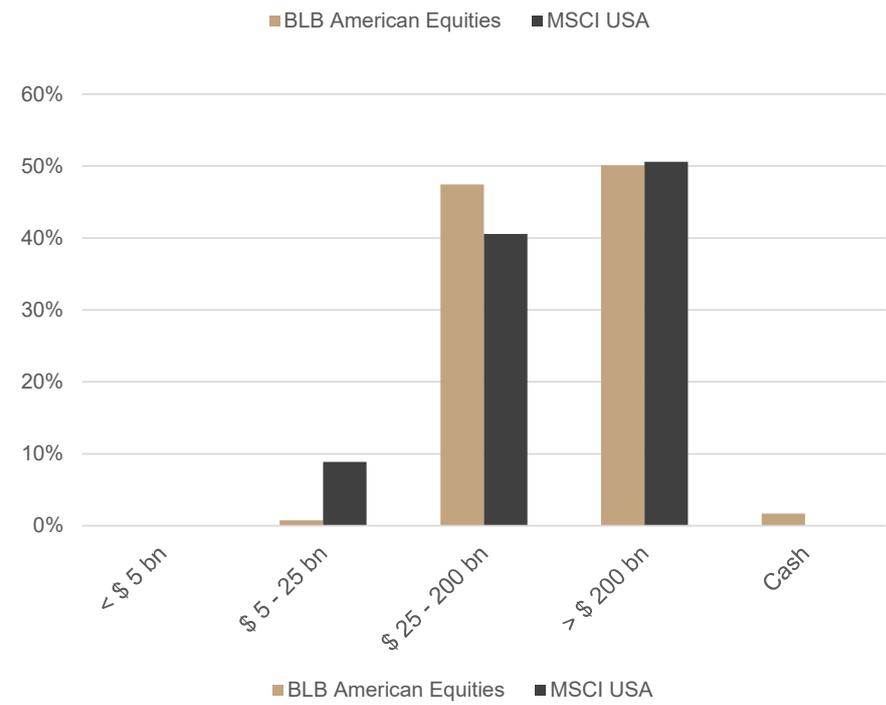
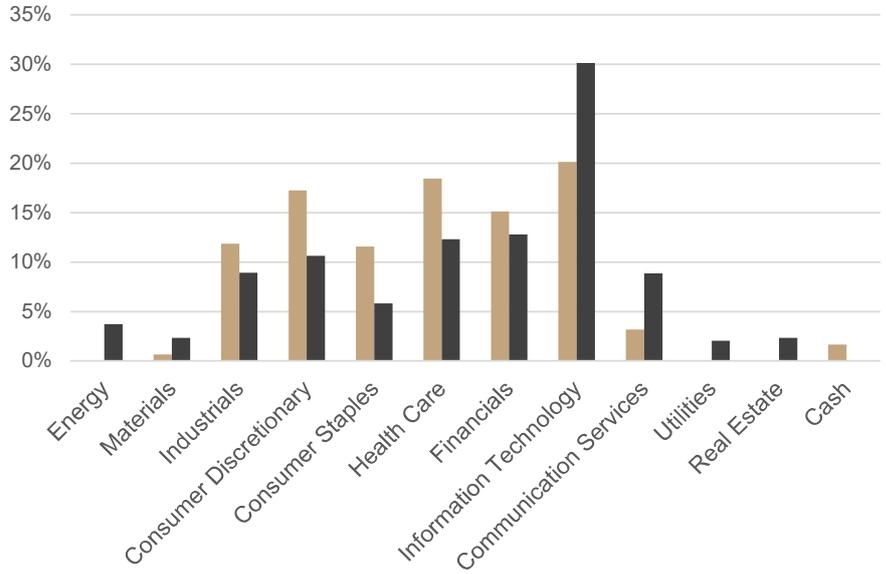
#### Country Allocation

|               |       |
|---------------|-------|
| United States | 98,3% |
| Other         | 0,0%  |
| Cash          | 1,7%  |

#### Ventilation of redemption on

29/02/2024

|              |        |
|--------------|--------|
| BE6309898482 | 99,96% |
| BE6309895454 | 99,95% |
| BE6309897476 | 99,96% |
| BE6309896460 | 99,97% |



| Investor Type | Share class | Eligibility Restrictions | Clean Share | Minimum Investment | Currency | Income | Mgmt Fees | On-going Charges | SRI | ISIN         |
|---------------|-------------|--------------------------|-------------|--------------------|----------|--------|-----------|------------------|-----|--------------|
| Retail        | M           | Yes                      | Yes         | None               | USD      | Dis    | 0,85%     | 1,08%            | 5   | BE6309898482 |
| Retail        | R           | No                       | No          | None               | USD      | Dis    | 1,25%     | 1,56%            | 4   | BE6309895454 |
| Institutional | I           | Yes                      | No          | None               | USD      | Dis    | 0,85%     | 1,00%            | 5   | BE6309897476 |
| Institutional | P           | Yes                      | No          | USD 10 mn.         | USD      | Dis    | 0,70%     | 0,85%            | 5   | BE6309896460 |

## Management Report

29/02/2024

February was a very good month for the equity markets, with strong economic data and earnings releases both contributing to this year's gains. With the earnings season in full flow, five of the seven biggest US stocks reported their results for the previous quarter. These companies amply delivered on investors' expectations, helping to drive the S&P 500 5.2% higher over the month. More than 90% of S&P 500 companies have now reported their results, and nearly three-quarters of them have beaten analysts' earnings forecasts. Economic data also proved resilient, with the composite Purchasing Managers' Index (PMI) indicating that economic activity continued to expand in February and that the US economy created 353,000 jobs in January.

The net asset value of BLB American Equities (1 share net of fees in USD) gained 3.3% in USD in February.

No new positions were added to the portfolio during the month. However, the position in Enphase Energy was sold.

The results of the solar energy technology and management company Enphase Energy continue to highlight the difficulties facing the solar sector, with very disappointing deliveries of microinverters and more problems still to come. Given limited visibility of a full recovery, we remain cautious on the outlook. Although signs of recovery in Europe appear to be a little more tangible, the United States, especially California, are not faring so well.

The main contributors to the fund's absolute return in February were the leading online retailer Amazon.com, the home improvement products and services company Lowe's, the technology giant Microsoft, the payment company Mastercard, and Caterpillar, one of the leading manufacturers of heavy equipment, power solutions and locomotives.

The main detractors from performance were the technology companies Adobe and Apple, the health insurer UnitedHealth Group, the diagnostics company Becton Dickinson, and the sweet snack producer Mondelez.

## 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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