

### Fund Fact Sheet

31/07/2022

#### Asset Class

Equities Europe, All Caps

#### Fund Characteristics

AUM	€ 99,8 mn
Launch date	19/12/2018
Oldest share class (M)	BE6309901518
Reference currency	EUR
Legal structure	SICAV, UCITS
Domicile	Belgium
European Passport	Yes
Country of registration	BE, LU

#### Representative Market Index

MSCI Europe NR (EUR)

#### Fund Manager

Ivan Bouillot joined Banque de Luxembourg in 2000 as a financial analyst, and was appointed head of European equity investments for BLI's fund range in 2004.

Ivan has a degree in Business and Finance from the ICHEC University in Brussels. In 2000, he obtained his CEFA (Certified EFFAS Financial Analyst) diploma and he has been a CFA (chartered financial analyst) charter holder since 2006.

#### 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

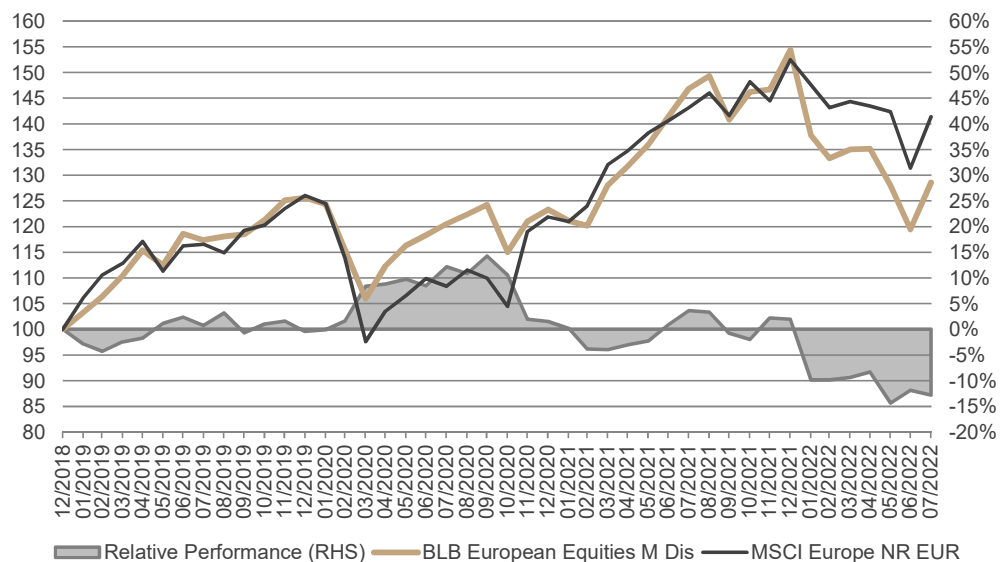
#### Investment Objective

The objective of the fund is to achieve long-term capital gains by investing in high-quality European companies benefiting from a sustainable competitive advantage. It aims to outperform its relevant benchmark return with a lower volatility.

The fund manager implements an active investment strategy based on strong convictions with a long term investment horizon.

#### Key Facts

- Concentrated portfolio of 35 to 40 companies.
- Fundamental stock picking methodology.
- Investments in quality business models.
- Monitoring of company and average portfolio valuation.
- Portfolio with structural deviations from the relevant market index.
- Diversification according to the companies' underlying earnings drivers.
- Through the cycle perspective.
- Low turnover.



#### Performance

	YTD	2021
Fund (M shares)	-16,7%	25,2%
MSCI Europe NR	-7,3%	25,1%

#### Performance

	1 month	3 months	6 months	1 year
Fund (M shares)	7,6%	-4,9%	-6,6%	-12,4%
MSCI Europe NR	7,6%	-1,5%	-4,2%	-1,3%

The market index (MSCI Europe 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.

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

### Current Portfolio

31/07/2022

#### Top Holdings

Novo Nordisk	7,0%
SAP	5,1%
Sika	4,9%
Teleperformance	4,9%
Air Liquide	4,8%
EssilorLuxottica	4,6%
LVMH	4,4%
Pernod Ricard	4,2%
Assa Abloy	4,1%
Legrand	4,0%
<b>Weight of Top 10</b>	<b>48,0%</b>
<b>Number of holdings</b>	<b>38</b>

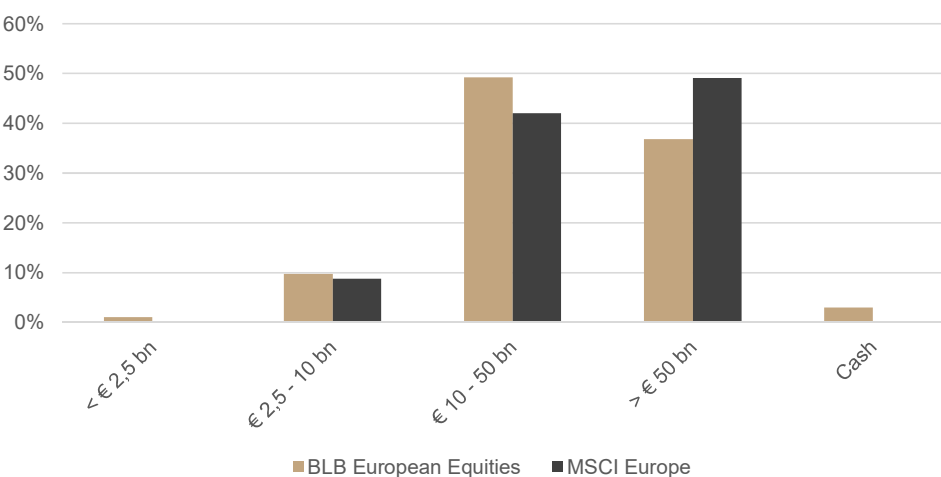
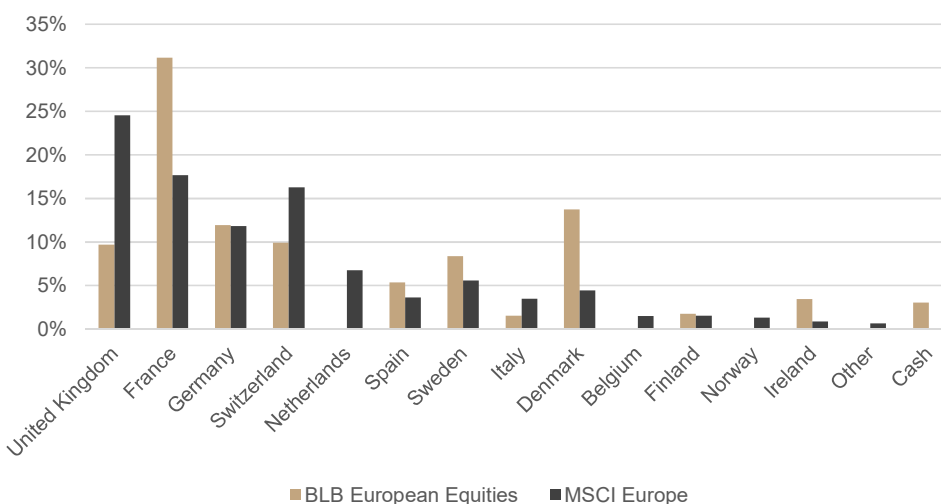
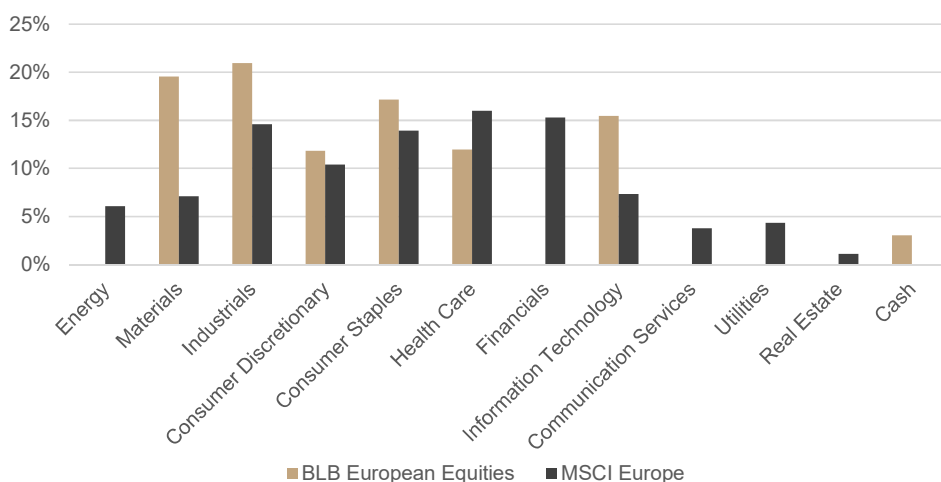
#### Currency Allocation

EUR	55,6%
DKK	13,7%
CHF	9,9%
GBP	9,3%
SEK	8,4%
Cash	3,1%

#### Redemption of Ventilation on

31/07/2022

BE6309902524	100,0%
BE6309901518	100,0%
BE6309900502	100,0%
BE6309899498	100,0%



Investor Type	Share class	Eligibility Restrictions	Clean Share	Minimum Investment	Currency	Income	Mgmt fee	On-going Charges	SRRI	ISIN
Retail	R	Yes	No	None	EUR	Dis	1,25%	1,24%	6	BE6309902524
Retail	M	Yes	Yes	None	EUR	Dis	0,85%	1,12%	6	BE6309901518
Institutional	I	Yes	No	None	EUR	Dis	0,85%	1,10%	6	BE6309900502
Institutional	P	Yes	No	EUR 10 mn.	EUR	Dis	0,70%	0,88%	6	BE6309899498

## Investment Approach

### Investment Principles

#### **Limit investment 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*

#### **Control company specific risk**

Risks arise when the parameters of an investment are not properly understood  
*We avoid investing in companies we do not fully understand*

#### **Valuation monitoring**

The price paid for an investment determines its potential return  
*We monitor the margin of safety to minimize the likelihood of suffering losses on our investments*

#### **Consideration of an entire market cycle**

Foregoing part of potential gains in strongly rising markets pays dividends in falling markets  
*Our objective is to outperform the relevant benchmark through an entire market cycle.*

#### **Benchmark agnostic**

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

### Equity Investment Approach: Business-Like Investing

We consider an equity investment as a long-term participation in a business. The companies we target enjoy a sustainable competitive advantage that differentiates them from their competitors. They need to show an attractive return profile and generate high and consistent levels of free cash-flow.

#### **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 competitive advantage. Differentiation through a competitive advantage creates entry barriers against competitors and enables a company to better execute its strategy. In the second step we analyse whether the competitive advantage translates into high ROCE and whether the company generates consistent cash-flow. We analyse the maintenance capex requirements of the targeted companies to make sure that the generated cash-flow is not absorbed by investments needs to sustain its current business operations. We emphasize the analysis of the balance sheet and look for companies with a low level of gearing through the cycle. In the third step, we analyse how the targeted company has used and will use its capital. The company's management faces the following options: 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 into our portfolios, which may lead to significant deviations from the market benchmarks.

#### **Valuation**

Investments may lead to important capital losses if the price paid for the investment is too high. To avoid this pitfall, we derive 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. We invest in a company, when its stock price offers the most attractive margin of safety, taking into account its development prospects.

#### **Portfolio characteristics**

BLB European Equities invests in a focused selection of European companies. Targeted companies are typically among the top-3 in their respective markets and offer favourable development prospects. We construct a concentrated portfolio of approximately 35 positions, which allows us to have a good handle of each individual investment, to express our convictions and to minimise errors. Our investment process singles out companies that stand out against their competitors - through an added value product or service, through a good corporate strategy and production process, which underscores high levels of profitability and a healthy financial situation. Portfolio candidates need to enjoy favourable sales growth and / or margin progression prospects. Our investment choices lead to significant and structural deviations from the fund's relevant market (MSCI Europe NR). We do not invest in all sectors that are represented in the market index. We identify most investment opportunities in the consumer, industrial, health care, chemical and technology sectors. Conversely, there are sectors like financials, utilities or telecom, where we find few - if any - companies that meet our investment criteria. The fund's geographical focus is biased towards Switzerland, Germany, France, Sweden, Denmark and the UK. In terms of market capitalisations, 3/4 of the portfolio are usually invested in companies with a market cap between € 2 and 50 bn. Our investment strategy has a long-term orientation: our investment cases are constructed with a 3 to 5-year investment horizon. When implementing our bottom-up investment strategy, we do not consider any short term macroeconomic views. Owing to this approach, portfolio turnover rate is low: 25% annual turnover rate is to be expected on average. When making an investment, we are wary of valuation levels of each individual company: at investment, the market price needs to offer a discount against the company's fair value (margin of safety). The average valuation level of the portfolio is also closely monitored. Portfolio construction rests on three main pillars: the stable core portfolio consists of well-established companies. It is complemented by pockets consisting of growth franchises (focus on growth prospects) and of special situations (focus on turnaround of fundamentals). The portfolio structure is the outcome of individual bottom-up investment opportunities without consideration of the fund's relevant benchmark structure. The weight given to each security in the portfolio is a function of their valuation level, stock liquidity and our level of conviction in the investment thesis. We are mindful of a sound diversification of the portfolio in terms of the earnings drivers of each company. We don't implement market or currency hedging strategies in the portfolio and the portfolio is fully invested.

## Legal Information

This document is a marketing communication and is solely aimed at institutional and professional investors. It refers directly or indirectly to one or more financial products (the "Financial Product"). The economic and financial information contained in this publication is provided for information purposes only on the basis of 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 - Banque de Luxembourg Investments ("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.

BLI does not assume any responsibility for the future performance of these Financial Products and will not be liable for this information or 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, take into account 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 reporting in the financial services sector.

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](http://www.bli.lu).

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