

BL-GLOBAL 30

July 2019

Management Report

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The surprise announcement in July of a new wave of monetary expansion measures in the eurozone led to further easing of bond market yields to maturity. The 10-year government bond yield fell from -0.33% to -0.44% in Germany, from -0.01% to -0.19% in France, from 0.39% to 0.28% in Spain, and from 2.10% to 1.54% in Italy. The yield on the US 10-year Treasury note was virtually unchanged, rising marginally from 2.01% to 2.02%. At the end of July, the average yield to maturity in the bond portfolio was -0.8% (+0.1% for the benchmark) and the modified duration was 4.9 (8.3 for the benchmark).

The MSCI All Country World Index Net Total Return expressed in euros reached a new all-time high in July, after gaining 2.6% over the month. The flagship index for global equities benefited from the favourable performance of the US equity market, with the S&P 500 up 1.3% (in USD), topping 3,000 points for the first time in its history. The Stoxx 600 in Europe and the Topix in Japan gained 0.2% (in EUR) and 0.9% (in JPY) respectively, while the MSCI Emerging Markets gave up 1.7% (in USD).

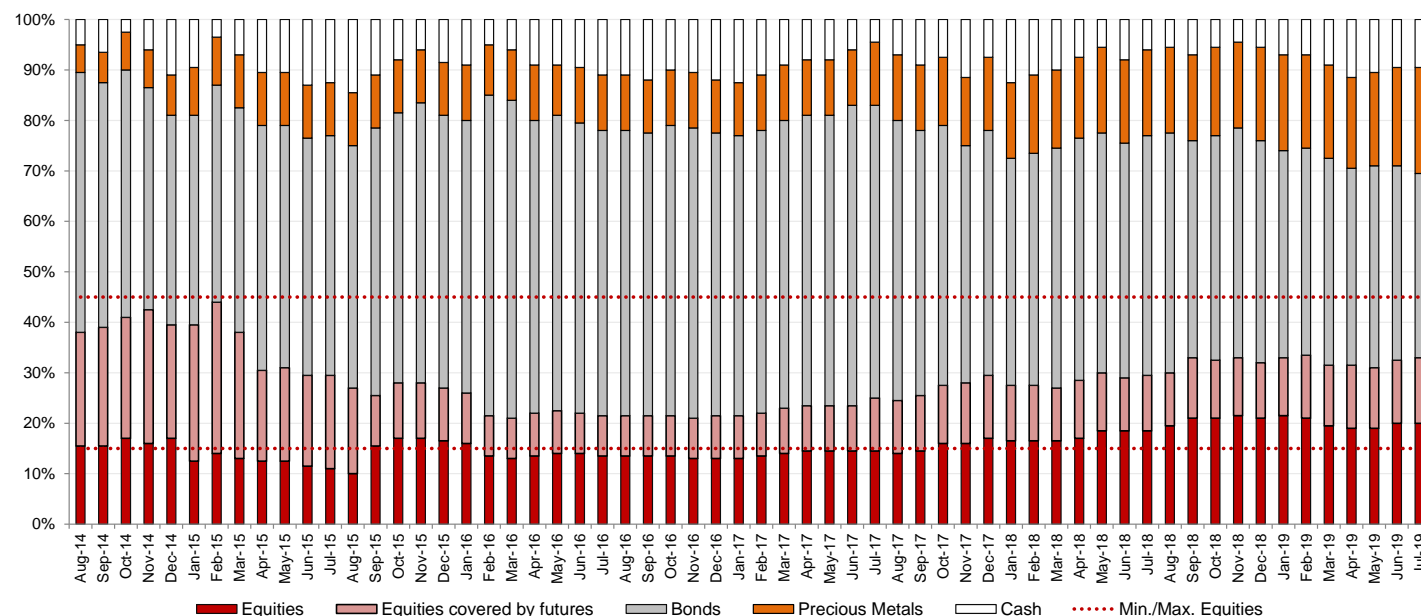
In the bond portfolio, German government bonds maturing in 2022 were swapped for maturities of 2024 and 2026 to limit the negative carry of interest rates on maturities of less than 3 years. The portfolio's duration was thus raised from 4.0 to 4.9. Due to the growing proportion of debt securities offering negative yields to maturity, the bond portfolio now only represents 36.5% of the portfolio's total value compared to a strategic weighting of 65%. The portfolio's diversification is achieved via gross exposure to equities of 33%, a partial hedge on the equity risk by selling equity index futures amounting to 13%, cash deposits in the safe-haven currencies Swiss franc and Japanese yen for 2% and 4.75% respectively, and exposure to gold and silver of 21% (the maximum weighting according to the prospectus being 25%).

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Current Portfolio

Asset Allocation



	Strategic	June 19	July 19	+/- ¹
Equities Europe	10,5	21,0	20,5	-0,5
Equities USA	9,0	5,5	6,0	0,5
Equities Japan	3,0	4,0	4,5	0,5
Equities Asia Pacific ex-Japan	5,5	2,0	2,0	
Equities Lat. Am.	2,0			
Total Equities	30,0	32,5	33,0	0,5 ▲
EURO Bonds	55,0	38,5	36,5	-2,0
US Bonds				
Em. Market Bonds	10,0			
Total Bonds	65,0	38,5	36,5	-2,0 ▼
EUR CASH	5,0	1,5	1,0	-0,5
USD CASH				
Other currencies		8,0	8,5	0,5
Cash	5,0	9,5	9,5	0,0
Precious Metals		19,5	21,0	1,5 ▲
Equity futures		-12,5	-13,0	-0,5 ▼
Net equity exposure		20,0	20,0	0,0

Performance²

	Since 31/12/18	2018	2017	2016	2015	2014
Fund (B shares)	6,0%	-1,3%	-1,2%	0,1%	4,7%	5,8%
Benchmark	5,8%	-4,9%	2,0%	1,6%	1,5%	4,9%
Quartile	2	1	4	4	1	2

	Since 31/12/18	1 month	6 months	1 Year	3 Years	5 Years
Fund (B shares)	6,0%	1,1%	4,8%	5,1%	0,8%	11,9%
Benchmark	5,8%	0,8%	3,7%	1,5%	3,5%	7,5%
Quartile	2	2	2	1	4	2

General Information

Total Assets	117 mio EUR
Turnover 2018 ³	12%
TER 2018	1,37%
ISIN Code (B shares)	LU0048292394

¹ Change compared to previous month

² Source: Lipper
Benchmark: Lipper Global Mixed Asset EUR Conservative Global
min (purchases, sales) / average of net assets