

BL-GLOBAL 50

July 2019

Management Report

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Fund Manager



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 4.3 (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).

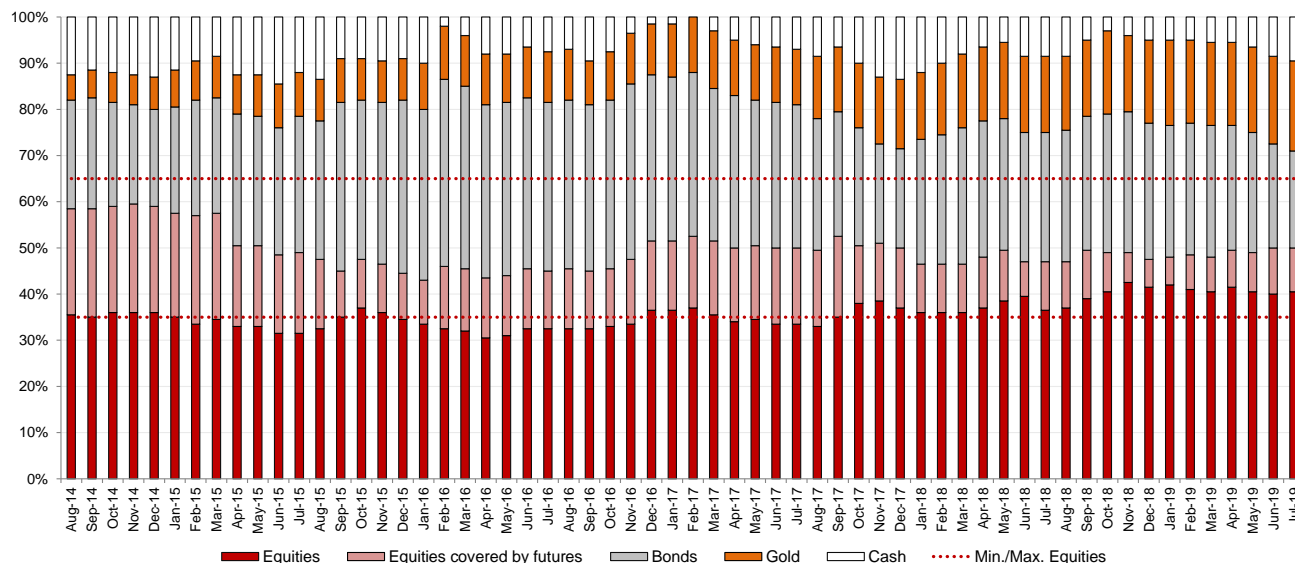
In the bond portfolio, a German government bond maturing in 2022 was swapped for a maturity of 2024 to limit the negative carry of interest rates on maturities of less than 3 years. The portfolio's duration was thus raised from 4.0 to 4.3. Due to the growing proportion of debt securities offering negative yields to maturity, the bond portfolio now only represents 21% of the portfolio's total value compared to a strategic weighting of 45%. The portfolio's diversification is achieved via gross exposure to equities of 50%, a partial hedge on the equity risk by selling equity index futures amounting to 9.5%, cash deposits in the safe-haven currencies Swiss franc and Japanese yen for 2% and 6% respectively, and exposure to gold and silver of 19.5% (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	17,5	30,5	30,0	-0,5
Equities USA	15,0	10,0	10,5	0,5
Equities Japan	5,0	6,0	6,0	
Equities Asia ex-Japan	9,5	3,5	3,5	
Equities Lat. Am.	3,0			
Total Equities	50,0	50,0	50,0	0,0
EURO Bonds	40,0	22,5	21,0	-1,5
US Bonds				
Em. Market Bonds	5,0			
Total Bonds	45,0	22,5	21,0	-1,5 ▼
EUR CASH	5,0	1,0	1,0	
USD CASH				
Other currencies		7,5	8,5	1,0
Cash	5,0	8,5	9,5	1,0 ▲
Gold		19,0	19,5	0,5 ▲
Equity futures		-10,0	-9,5	0,5 ▲
Net equity exposure		40,0	40,5	0,5 ▲

Performance²

	Since 31/12/18	2018	2017	2016	2015	2014
Fund (B shares)	10,1%	-1,8%	1,9%	0,1%	7,2%	9,0%
Benchmark	8,7%	-6,6%	3,7%	2,4%	2,8%	6,4%
Quartile	2	1	4	4	1	2

	Since 31/12/18	1 month	6 months	1 Year	3 Years	5 Years
Fund (B shares)	10,1%	1,2%	7,7%	7,2%	7,8%	24,4%
Benchmark	8,7%	1,1%	5,1%	1,5%	7,2%	13,4%
Quartile	2	2	1	1	3	1

General Information

Total Assets	331 mio EUR
Turnover 2018 ³	19%
TER 2018	1,32%
ISIN Code (B shares)	LU0048292808

¹ Change compared to previous month

² Source: Lipper.

Benchmark: Lipper Global Mixed Asset EUR Balanced Global
min (purchases, sales) / average or net assets