

BL-GLOBAL 75

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 4.9 (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).

Following the excellent performance of the US equity market, the weighting of the 'US equities' asset class was cut from 21% to 19%. Otherwise, no changes were made to the equity portfolio.

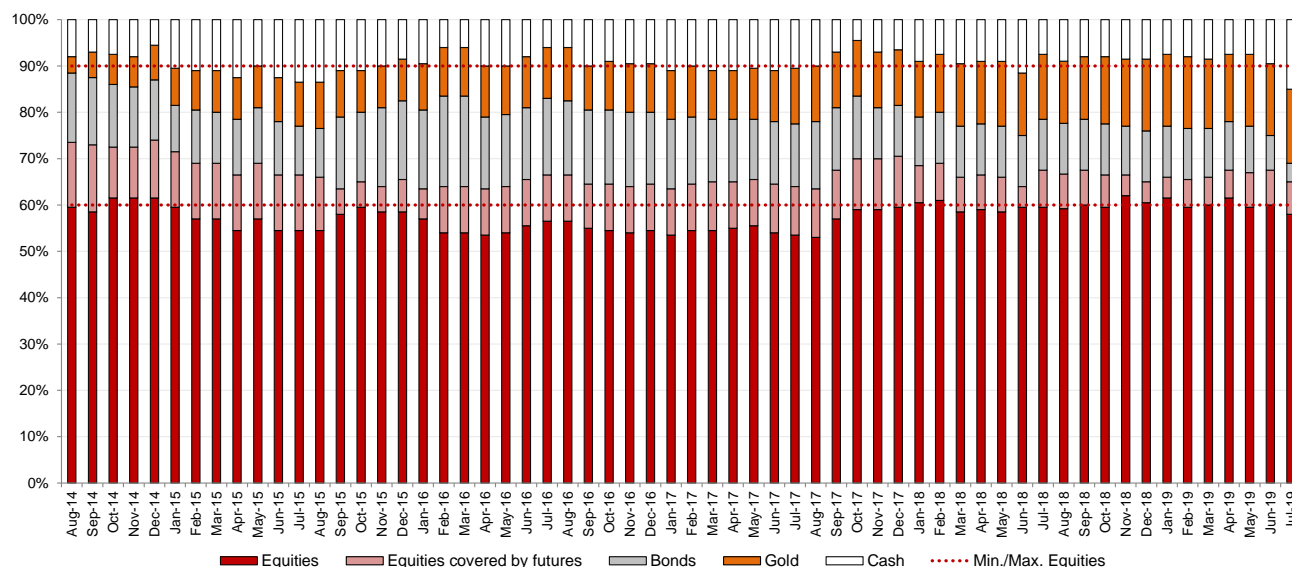
Due to the growing proportion of debt securities offering negative yields to maturity, the bond portfolio was reduced and now only represents 4% of the portfolio's total value compared to a strategic weighting of 25%. The portfolio's diversification is achieved via gross exposure to equities of 65%, a partial hedge on the equity risk by selling equity index futures amounting to 7%, cash deposits in the safe-haven currencies Swiss franc and Japanese yen for 2% and 8% respectively, and exposure to gold of 16%.

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Current Portfolio

Asset Allocation



	Strategic	June 19	July 19	+/- ¹
Equities Europe	26,5	35,0	34,5	-0,5
Equities USA	22,5	21,0	19,0	-2,0
Equities Japan	7,5	7,5	7,5	
Equities Asia ex-Japan	14,0	4,0	4,0	
Equities Lat. Am.	4,5			
Total Equities	75,0	67,5	65,0	-2,5 ▼
EURO Bonds	22,5	7,5	4,0	-3,5
US Bonds				
Em. Market Bonds	2,5			
Total Bonds	25,0	7,5	4,0	-3,5 ▼
EUR CASH		1,5	2,0	0,5
USD CASH			3,0	3,0
Other currencies		8,0	10,0	2,0
Cash		9,5	15,0	5,5 ▲
Gold		15,5	16,0	0,5 ▲
Equity futures		-7,5	-7,0	0,5 ▲
Net equity exposure		60,0	58,0	-2,0 ▼

Performance²

	Since 31/12/18	2018	2017	2016	2015	2014
Fund (B shares)	13,6%	-3,1%	5,1%	0,9%	9,8%	12,5%
Benchmark	12,3%	-9,2%	6,8%	3,0%	5,0%	7,2%
Quartile	2	1	4	4	1	1

	Since 31/12/18	1 month	6 months	1 Year	3 Years	5 Years
Fund (B shares)	13,6%	1,4%	10,1%	7,8%	13,7%	37,3%
Benchmark	12,3%	1,4%	6,9%	1,2%	13,1%	21,9%
Quartile	2	2	1	1	3	1

General Information

Total Assets	570 mio EUR
Turnover 2018 ³	13%
TER 2018	1,31%
ISIN Code (B shares)	LU0048293368

¹ Change compared to previous month

² Source: Lipper.

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