

## BL-GLOBAL EQUITIES

July 2019

### Management Report

Joël Reuland  
Fund Manager



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 31% to 29.5%. This asset class has recorded by far the best performance in recent years, hence its significant underweighting. In the longer term, the Asia region appears to have the greatest potential for appreciation.

## BL-GLOBAL EQUITIES

July 2019

### Current Portfolio

#### Sector Allocation

	Fund
Energy	0,2%
Materials	4,5%
Industrials	13,8%
Consumer Discretionary	12,8%
Consumer Staples	28,0%
Health Care	15,0%
Financials	0,0%
Information Technology	16,2%
Communication Services	1,2%
Utilities	0,0%
Real Estate	0,0%
Equity futures	-10,0%
Cash	8,3%

#### New Investments


#### Investments sold


#### Market Capitalizations

Large Caps	(EUR >10 milliards)	76,5%
Medium Caps	(EUR 1-10 milliards)	14,9%
Small Caps	(< EUR 1 milliard)	0,4%

#### Performance <sup>5</sup>

	Since 31/12/18	2018	2017	2016	2015	2014
Fund (B shares)	16,5%	-4,1%	7,5%	2,5%	12,7%	13,7%
Index	19,7%	-4,8%	8,9%	11,1%	8,8%	18,6%
Quartile	3	1	3	4	1	3

	Since 31/12/18	1 month	6 months	1 year	3 years	5 years
Fund (B shares)	16,5%	1,9%	11,8%	7,8%	20,4%	49,0%
Index	19,7%	2,6%	11,3%	8,2%	34,3%	64,5%
Quartile	3	3	2	2	3	2

#### General Information

Total Assets	EUR 281,5 Mn
Turnover 2018*	8%
TER 2018	1,37%
ISIN Code	LU0117287580

\* min (purchases, sales) / average of net assets

#### Top Equity holdings

Unilever	3,3%
SAP	2,7%
Pernod-Ricard	2,7%
Danone	2,5%
Essilor	2,3%
LVMH	2,2%
Air Liquide	2,1%
Taiwan Semiconductor	2,0%
Microsoft	2,0%
Reckitt Benckiser	1,7%
Weight of Top 10	23,4%
Number of holdings	130

#### Geographic Breakdown

Europe	36,1%
United States	29,4%
Japan	11,3%
Asia Pacific ex Japan	11,9%
Latin America	3,1%
Cash	8,3%
Total	100,0%
Equity futures	-10,0%

#### Company Profiles

Consistent earners	67,3%
Growing franchises	19,5%
Value opportunities	4,9%

#### Statistical Data <sup>5</sup>

	1 year	3 years
Correlation	0,94	0,93
Beta	0,74	0,73
Alpha*	1,58	-0,90
Tracking Error*	4,77	4,35

\*annualized

<sup>1</sup> Company is well-known and enjoys strong market share acquired over a long period through the expert management of its competitive advantage. It is very profitable, has a solid financial structure and low levels of debt. Shareholder payouts and/or maintaining a high level of ROE are important criteria in the management of the company.

<sup>2</sup> Company specialised in a market niche that it has either created or in which it has established itself as a key player. Its revenue growth is outpacing the market average. The structure of the income statement is still rather flexible, but the return on investments is starting to stabilise or exhibit a rising trend.

<sup>3</sup> Company with strong assets embarking on restructuring to refocus the business or move up the value chain to achieve more structurally sound profitability. No significant financial imbalance.

<sup>4</sup> Estimation of the fund's intrinsic value calculated using normalised data according to the Banque de Luxembourg Fund Research & Asset Management internal valuation model.

<sup>5</sup> Source: Lipper. Benchmark: MSCI AC World Net Total Return in EUR