

Fund Fact Sheet

31/07/2019

Asset Class

Equities Asia ex Japan, all cap

Fund Characteristics

AUM	USD 460.7 mn
Launch date	31/01/2014
Oldest share class (B)	LU1008593946
Turnover (2018) *	7%
Reference currency	USD
Available currencies (unhedged)	EUR
Legal structure	SICAV, UCITS
Domicile	Luxembourg
European Passport	Yes
Countries of registration	AT, BE, DK, FI, FR, DE, ES, IT, LU, NL, NO, SG, SE, CH, GB

Representative Market Index

MSCI Asia ex Japan NR (USD)

Team



Marc Erpelding took over the management in April 2019. He joined BLI in 2002.

Management Company

BLI - Banque de Luxembourg Investments S.A.
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L-2449 Luxembourg
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Dealing & Administrator Details

European Fund Administration (EFA)	
Tel	+352 48 48 80 582
Fax	+352 48 65 61 8002
Dealing frequency	daily**
Cut-off time	17:00 CET
Front-load fee	max. 5%
Redemption fee	none
NAV calculation	daily**
NAV publication	www.fundinfo.com

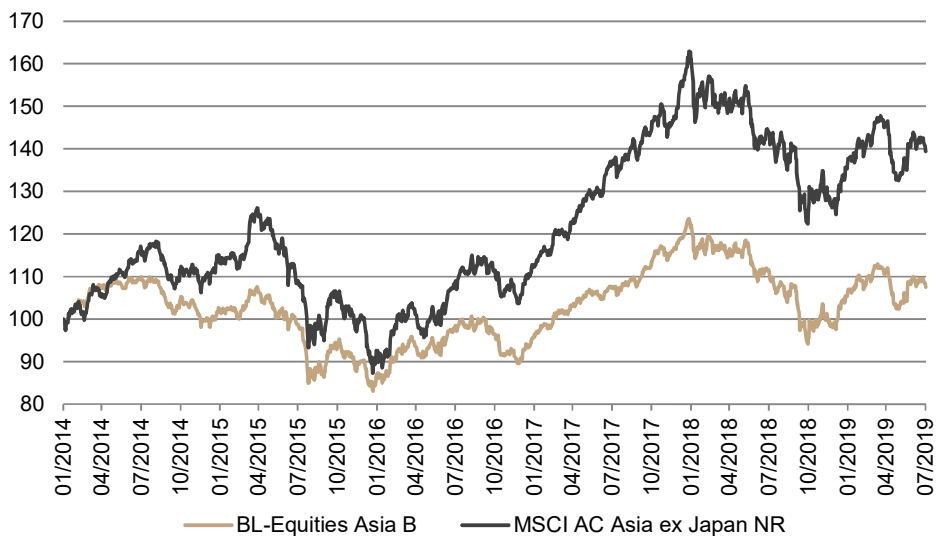
Investment Objective

The objective of the fund is to achieve long-term capital gains by investing in high-quality Asian companies (excluding Japan) benefiting from a sustainable competitive advantage.

The fund manager implements an active investment strategy based on strong convictions. The portfolio structure in terms of countries, sectors and market caps is not linked to a market index, but derives from the addition of individual investment opportunities selected by virtue of their quality and their valuation levels.

Key Facts

- Portfolio of 60-70 investments.
- Bottom-up portfolio construction process without consideration of relevant market structure.
- Significant deviations from relevant market given no candidates meeting our requirements in some heavily weighted sectors within the market.
- Focus on quality companies with a healthy balance sheet and delivering high returns on equity.
- Focus on valuation: for initial investment, we invest with a margin of safety against the company's fair value.
- Long only, fully invested.
- Low turnover.



Performance	YTD	2018	2017	2016	2014***
Fund (B shares)	8.3%	-15.7%	29.8%	0.5%	0.3%
MSCI AC Asia ex Japan NR (USD)	10.8%	-13.9%	37.0%	6.8%	8.3%

Performance	1 month	3 months	6 months	1 year	3 years	since launch***
Fund (B shares)	-1.0%	-3.5%	0.7%	-3.2%	9.9%	7.5%
MSCI AC Asia ex Japan NR	-1.3%	-2.4%	3.2%	-1.6%	29.0%	36.9%

Annualised Performance	1 year	3 years	since launch***
Fund (B shares)	-3.2%	3.2%	1.3%
MSCI AC Asia ex Japan NR (USD)	-1.6%	8.9%	5.9%

Annualised Volatility	1 year	3 years	since launch***
Fund (B shares)	13.0%	11.1%	11.5%
MSCI AC Asia ex Japan NR (USD)	14.2%	13.2%	14.4%

The market index (MSCI AC Asia ex Japan 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.

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

** Luxembourg banking business day

*** 31/1/2014

Current Portfolio

31/07/2019

Top Holdings

Tencent Holding	5.1%
Samsung Electronics	5.0%
TSMC	4.3%
Thai Beverage	3.9%
Alibaba	3.8%
Techtronic Industries	2.9%
CP All	2.9%
Jardine Strategic Holdings	2.6%
Sands China	2.4%
LG Household + Health Care	2.3%
Weight of Top 10	35.2%
Number of holdings	56

New Investments in July

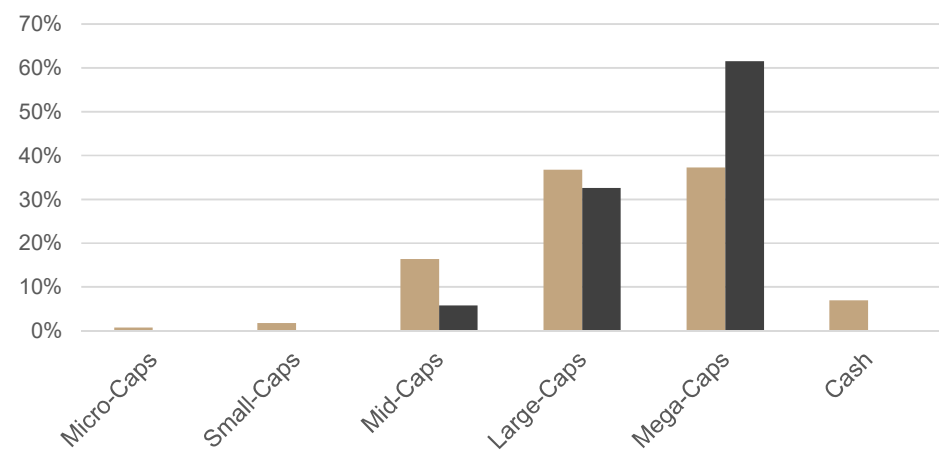
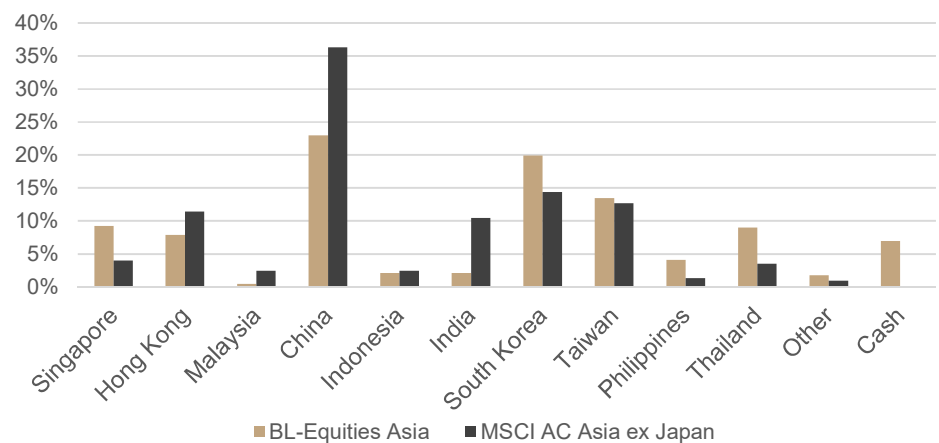
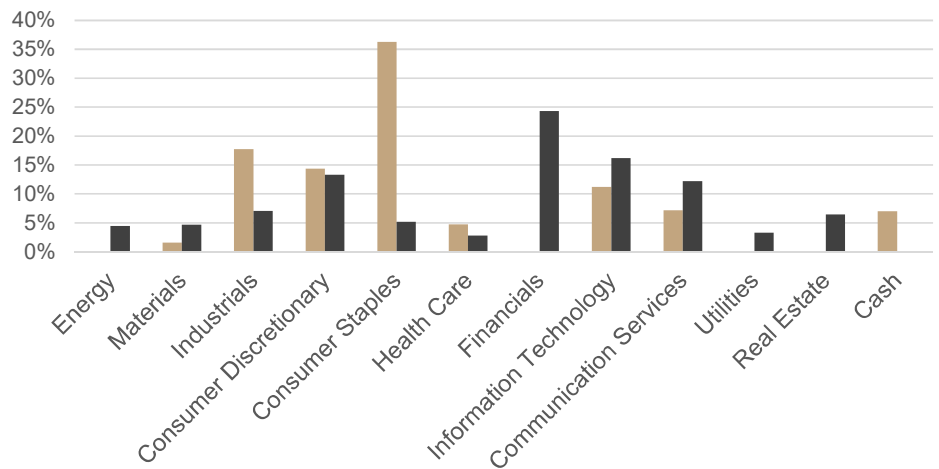
no transactions

Investments sold in July

no transactions

Currencies

HKD	21.6%
KRW	19.9%
TWD	13.5%
USD	11.1%
SGD	6.9%
THB	5.1%
CNY	4.5%
PHP	4.1%
IDR	2.1%
INR	2.1%
VND	1.8%
MYR	0.5%
Cash	7.0%



Market capitalisation classifies stocks based on their position in the cumulative capitalisation of their market region. Mega-cap stocks account for the top 40% of the market capitalisation of the market region, large-cap stocks represent the next 30%, mid-cap stocks the next 20%, small-cap stocks the next 7% and micro-cap stocks the remaining 3%.

Investor Type	Clean Share	Eligibility Restrictions	Share class	Currency	Currency Hedging	Income	Mgmt fee	On-going Charges	SRRI	ISIN	Bloomberg Ticker
Retail	No	No	A	USD	No	Dis	1.25%	1.50%	5	LU1008593862	BLEQAIU LX
Retail	No	No	B	USD	No	Cap	1.25%	1.51%	5	LU1008593946	BLEQBAU LX
Retail	No	No	BC	EUR	No	Cap	1.25%	1.52%	5	LU1008594084	BLEQCAE LX
Retail	Yes	Yes	AM	USD	No	Dis	0.85%	1.10%	5	LU1484142549	BLEQAMU LX
Retail	Yes	Yes	BM	USD	No	Cap	0.85%	1.10%	5	LU1484142622	BLEQBMA LX
Retail	Yes	Yes	BCM	EUR	No	Cap	0.85%	1.12%	5	LU1484142895	BLEQBME LX
Institutional	No	Yes	BI	USD	No	Cap	0.60%	0.82%	5	LU1008594837	BLEQAIA LX

Management Report

31/07/2019

The Asian equity index, the MSCI AC Asia ex Japan Net Total Return, was down by -1.8% (in USD) during the month of July. The fund (retail class B) was down by -1.0% (in USD) over the same period.

Asian markets traded sideways for most of the month. The best performing sector with a positive performance in USD was information technology. All other sectors ended the month in negative territory, the worst being materials, real estate and energy.

No new company entered or exited the portfolio during the month.

Investment Approach

Investment Principles

Investment

Equity investments are considered as a long-term participation in a business.

Focus on Quality

We seek companies with a sustainable competitive advantage.

Invest with a margin of safety in terms of valuation

The price paid for an investment determines its potential return.

Investment Risks

Risks arise when the parameters of an investment are not properly understood.

Active Management

The portfolio structure results from the addition of individual investment opportunities.

Equity Investment Approach: Business-Like Investing

Rationale

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. This should be translated into higher profitability and high generation of free cash-flow. Typically these businesses pay also good dividends.

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. A competitive advantage differentiates the company from its competitors and creates barriers to entry for competitors, adding value for its investors.

In the second step we analyse whether the competitive advantage translates into recurrent free cash-flow & high ROCE. We put a special emphasis on the analysis of the maintenance capex requirements of the targeted companies to make sure that the generated cash-flow is not absorbed by investment needs to sustain its current business operations.

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.. We favour companies with good track record in terms of capital allocation and those that are run in shareholders' best interest. Treatment of minorities is also critical.

Only companies that meet our investment criteria are considered for inclusion into our portfolios, which may lead to significant deviations from the market indices.

Valuation

Any investment may lead to permanent 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 (including depreciation and amortisation, after maintenance capex) and serves as reference point for our buy and sell discipline.

We initiate an investment only if the company's stock price offers a discount against its fair value.

Portfolio characteristics

BL-Equities Asia's investment portfolio consists of 60 to 70 stocks from Asian companies (excluding Japan) that meet our quality and valuation criteria.

Investments are mostly concentrated in defensive sectors such as health care, consumer goods or industrials. On the other hand there are sectors like energy, financials, utilities or telecom where we find few - if any - companies that meet our criteria.

When implementing our bottom-up investment strategy we are able to identify more candidates in the mid- and small cap market segments benefiting from a competitive advantage than in the large cap segment. In Asia, the latter is dominated by large financial holdings or resource companies with few meeting our investment criteria. Many of the companies held in the portfolio are local or regional players with dominant market position.

The portfolio structure is purely the outcome of individual bottom-up investment opportunities. We do not rely on any top-down considerations in terms of countries, sectors, market cap to manage the portfolio allocations.

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Legal documentation of the fund may be obtained, free of charge, at the offices of the Swiss representative, CACEIS (Switzerland) S.A., 7-9, Chemin de Précoissy, CH-1260 Nyon, Switzerland, in accordance with the provisions of the Swiss Collective Investment Schemes Act of 23 June 2006 ("CISA"). The SICAV has appointed Banque CIC (Suisse) SA, Marktplatz 13, CH-4001 Bâle, Switzerland to act as paying agent for Switzerland. The present document may be distributed to Swiss qualified investors.

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