

Fund Fact Sheet

31/07/2019

Fund Information

ISIN Code	LU1526088379
Net assets (Mio Eur)	265,0
Launch date	12/12/2016
Reference currency	EUR
Management fee	0,70%
Performance fee	No
Legal structure	SICAV
Domicile	Luxembourg
European passport	Yes
Countries of registration	AT, BE, DE ES, FR, LU, NL, SE, SG

Fund Managers



Fabrice Kremer
has managed the fund since 2013
He joined BLI in 2006



Maxime Hoss
has managed the fund since
2013. He joined BLI in 2013

Management Company

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Dealing & Administrator Details

European Fund Administration
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Dealing frequency: daily*
Cut-Off time: 12h
NAV publication : www.fundinfo.com

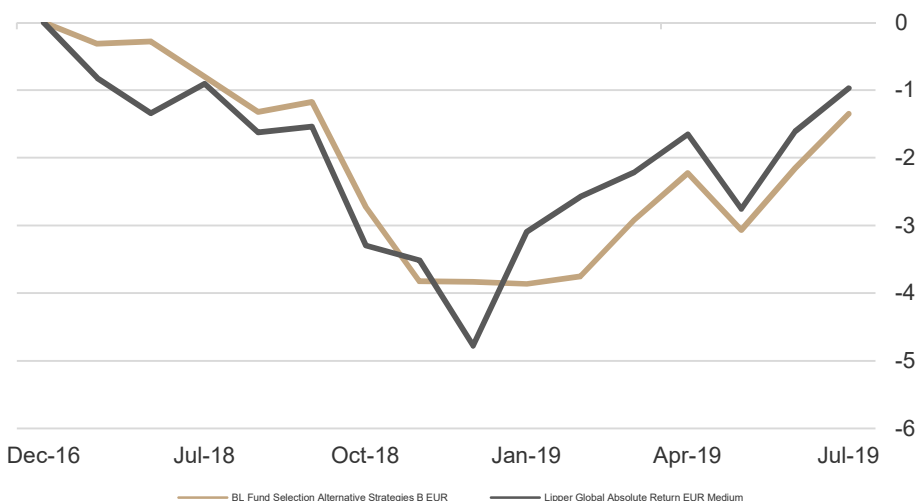
* Luxembourg banking business day

**Lipper Global Mixed Asset EUR Cons - Global

Investment policy

The aim of this sub-fund is to achieve long-term capital growth. This flexible sub-fund invests a minimum of 51% of its net assets in investment funds investing in various asset classes. Most of these investment funds are specialised in investment strategies deemed "alternative". The underlying investment funds may adopt short positions when they are seeking to benefit from the sale of certain assets of which they are not the holder or through derivative products. The remaining assets may be invested in "c". The underlying investment funds may adopt short positions when they are seeking to benefit from the sale of certain assets of which they are not the holder or through derivative products.

Performance since launch



Performance	1 mth	Year to date	2018	2017
BLFS Alternative Strategies	0,8	2,6	-3,6	1,4
Moyenne Lipper**	0,7	4,0	-5,6	1,5

Max. drawdown	Year to date	2018	2017
BLFS Alternative Strategies	-1,2	-5,6	-2,1
Moyenne Lipper**	-1,1	-6,6	-0,8

Performance	3 mths	6 mths	1 yr
BLFS Alternative Strategies	0,9	2,6	-0,6
Moyenne Lipper**	0,7	2,2	-0,1

Annualised performance	1 yr
BLFS Alternative Strategies	-0,6
Moyenne Lipper**	-0,1

Annualised volatility	1 yr
BLFS Alternative Strategies	2,3

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Management Report

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MARKET REVIEW:

The global economy continues to be characterised by the divergence between a weak manufacturing sector and resilient services activities. The gulf between the secondary and tertiary sectors has led to economic slowdown in most countries, without resulting in negative growth rates. For example, in the United States, real GDP grew at an annualised rate of 2.1% in the second quarter compared to the first three months of the year, which represents a deceleration against its previous increase of 3.1%. The main contributors to growth were consumer spending (up 4.3%) and public expenditure, while exports and business investment had no impact. In the eurozone, economic growth was much more moderate, with GDP up 0.2% in the second quarter compared to the January to March period. In Japan, the government has just revised downwards its estimate for GDP growth in fiscal 2019 due to weak exports. In China, GDP grew 6.2% year-on-year in the second quarter, its slowest increase since quarterly data were first published in 1992. However, this increase is still within the Beijing government's official target range of 6.0 to 6.5%.

As expected, the US Federal Reserve Open Market Committee (FOMC) cut interest rates by a quarter of a percentage point at its July meeting, dropping the target range to 2.00% to 2.25% from the previous 2.25% to 2.50%. This was the first interest rate cut since the 2008 financial crisis. However, the Fed Chairman, Jerome Powell, made it clear that the interest rate reduction should be viewed as a mid-cycle adjustment rather than the beginning of a long series of rate cuts. The Fed also decided, two months earlier than expected, to stop shrinking its balance sheet. In Europe, ECB President Mario Draghi hinted at a new round of monetary expansion measures in the near future. Specifically, he confirmed at the July meeting that interest rates would remain at current levels, or even lower, at least until mid-2020. A whole series of expansionary measures is likely to be announced at the next meeting in September.

The surprise announcement 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%.

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).

Despite the Federal Reserve's interest rate cut, the euro reached a new low against the greenback since the start of the year, with the euro/dollar exchange rate dropping from 1.13 to 1.11 in July. Mario Draghi's announcement that the ECB would launch a new wave of monetary stimulus measures in the near future was a considerable drag on the value of the single currency.

PORTFOLIO REVIEW:

BL Fund Selection Alternative Strategies continued its good momentum and rebounded by 0.8% in July. It is up 2.6% since the start of the year. Maintaining the trend of recent months, the CTA (trend-following) category is continuing to ride the waves and notch up gains. Over the month, Lynx UCITS, Echiquier QME, Lyxor Epsilon Global Trend, FORT Global Contrarian and MLIS Millburn Diversified all posted gains of between 2% and 5.1%, thereby contributing significantly to the portfolio's good performance this month.

Among the long/short equity strategies, the best performances came from JL Equity Market Neutral (+2.4%), SEB PS Bodenholm Absolute Return (+2.2%) and DNB TMT Absolute Return (1.5%). Overall, apart from Exane Care (-2.1%) and Liontrust European Strategic Equity (-1.6%) the long/short segment boosted the portfolio's progress. In the Global Macro strategies, the divergent performances of H2O Allegro (+12.2%) and IPM Systematic Macro (-3.9%) balanced each other out given their respective weighting in the portfolio (3.2% and 7.3%). Lastly, in the satellite strategies, the most valuable contributions came from Boussard & Gavaudan Absolute Return (+1.7%) and Butler Credit Opportunities (+0.5%) while MLIS MLCX Commodity Alpha (-0.5%) and Satellite Event-Driven (0.3%) weighed on the month's performance.

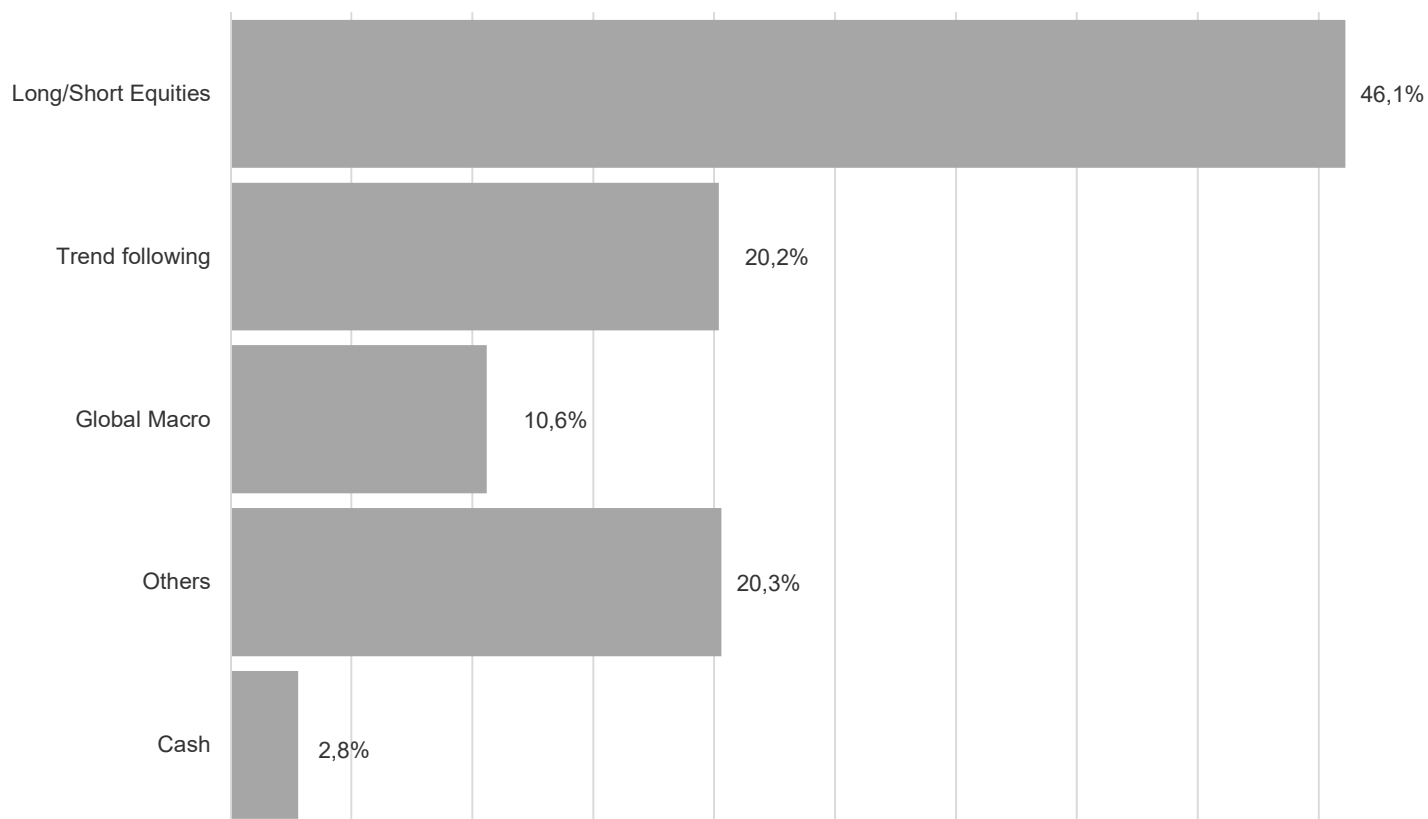
Overall the portfolio's performance has been satisfactory although quite dependent recently on trend-following strategies. It will therefore be fairly sensitive to a trend reversal, especially on bond markets. However, the portfolio is extremely diversified and should benefit from better fortune in stock-picking in the long/short strategies, a factor which started to gain traction in the latest results reporting season.

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Current Portfolio

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Breakdown by type of strategy



Top holdings

IPM SYSTEMATIC MACRO	7,3%
BOUSSARD&GAVAUDAN ABSOLUTE RETURN	5,4%
JL EQUITY MARKET NEUTRAL	5,1%
LAZARD EUROPEAN ALTERNATIVE	4,8%
FORT GLOBAL UCITS CONTRARIAN	4,8%
CIGOGNE UCITS M&A ARBITRAGE	4,6%
MLIS MILLBURN DIVERSIFIED	4,5%
POLAR UK ABSOLUTE EQUITY	4,2%
SEB PS BODENHOLM ABSOLUTE RETURN	4,2%
RAM LONG/SHORT EUROPEAN EQUITIES	4,0%

Performance attribution

Underlying funds	
Best underlying funds	juil-19
H2O ALLEGRO	12,2%
LYNX UCITS	5,1%
ECHQUIER QME	3,5%
JL EQUITY MARKET NEUTRAL	2,4%
LYXOR EPSILON GLOBAL TREND	2,3%
Worst underlying funds	juil-19
IPM SYSTEMATIC MACRO	-3,9%
EXANE CARE	-2,1%
LIONTRUST EUROPEAN STRATEGIC EQU.	-1,6%
MLIS MLCX COMMODITY ALPHA	-0,5%
PHILEAS L/S EUROPE	-0,4%

All performances are denominated in EUR

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