

Fund Fact Sheet

31/03/2017

Asset Class	
Equities Europe, all Caps	
Fund Characteristics	
AUM	€ 806,2 mn
Launch date	28/09/1990
Oldest share class (B)	LU0093570330
Turnover (2016) *	17%
Reference currency	EUR
Hedged share classes available in	USD / CHF
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 Europe NR	
Team	
	Ivan Bouillot has managed the fund since 2004. He joined BLI in 2000.
	Tom Michels joined BLI in 2014 as analyst for European equities.
Management Company	
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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	12:00 CET
Front-load fee	max. 5%
Redemption fee	none
NAV calculation	daily**
NAV publication	www.fundinfo.com
* min (purchases, sales) / average of net assets	
** Luxembourg banking business day	

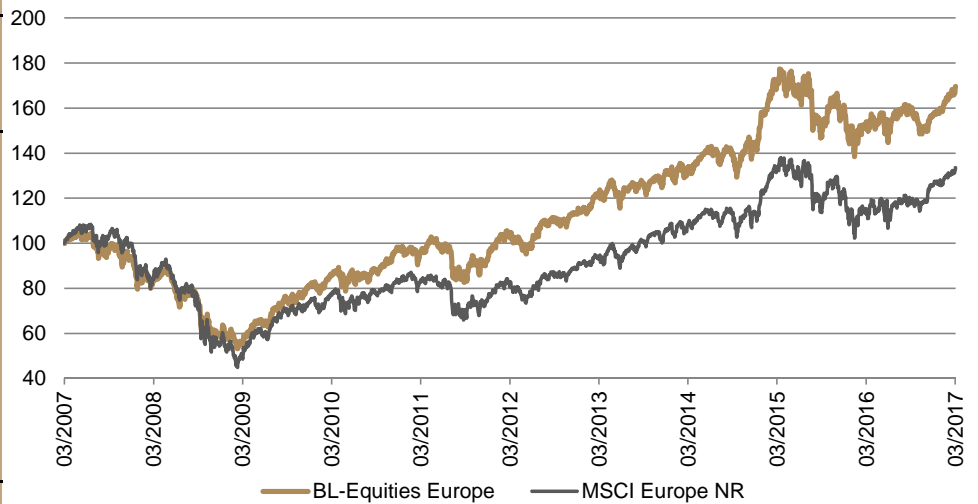
Investment Objective

The objective of the fund is to achieve long-term capital gains by investing in high-quality European companies benefiting from a sustainable competitive advantage. It aims to outperform its relevant benchmark return with a lower volatility.

The fund manager implements an active investment strategy based on strong convictions with a long term investment horizon.

Key Facts

- Concentrated portfolio of 35 to 40 companies.
- Fundamental stock picking methodology.
- Investments in quality business models.
- Monitoring of company and average portfolio valuation.
- Portfolio with structural deviations from the relevant market index.
- Diversification according to the companies' underlying earnings drivers.
- Through the cycle perspective.
- Low turnover.



Performance	YTD	2016	2015	2014	2013	2012
Fund (B shares)	8,0%	-1,8%	10,7%	9,2%	17,0%	21,0%
MSCI Europe NR	6,0%	2,6%	8,2%	6,8%	19,8%	17,3%

Performance	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	8,0%	7,0%	11,2%	26,7%	65,7%	69,6%
MSCI Europe NR	6,0%	12,4%	16,9%	23,1%	63,7%	33,5%

Annualised Performance	1 year	3 years	5 years	10 years
Fund (B shares)	11,2%	8,2%	10,6%	5,4%
MSCI Europe NR	16,9%	7,2%	10,4%	2,9%

Annualised Volatility	1 year	3 years	5 years	10 years
Fund (B shares)	10,2%	14,4%	13,1%	15,7%
MSCI Europe NR	12,8%	16,3%	14,9%	20,4%

The market index (MSCI Europe 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.

Current Portfolio

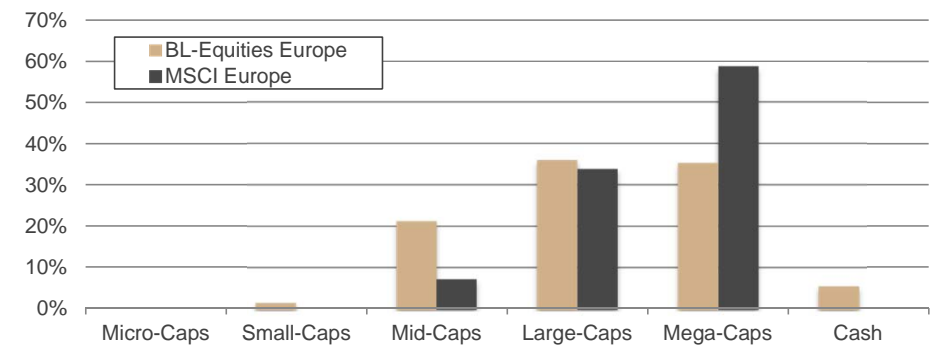
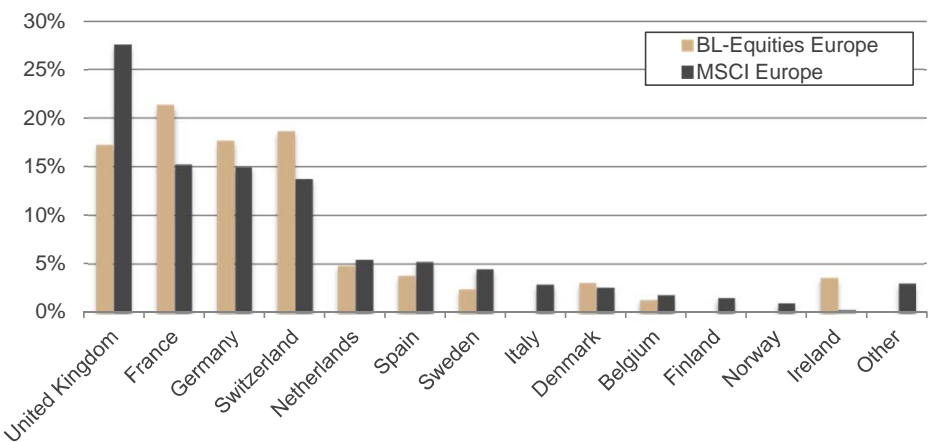
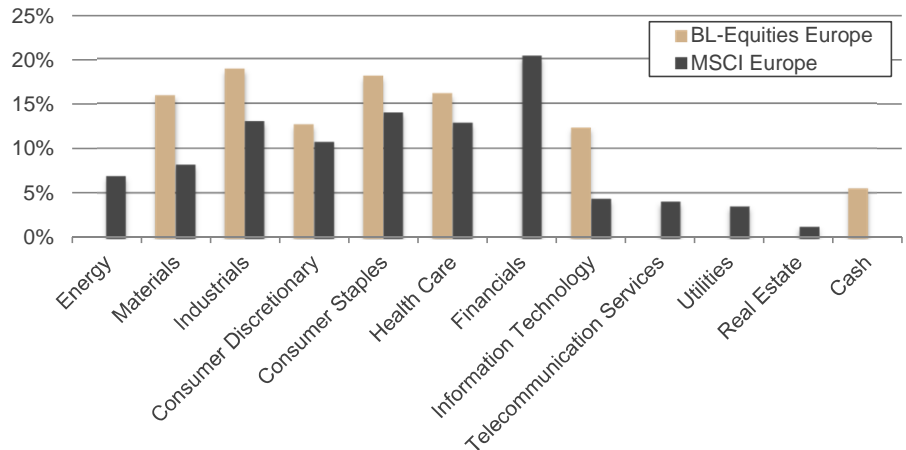
31/03/2017

Top Holdings	
SAP	5,0%
Unilever	4,4%
Roche Holding	4,3%
Syngenta	4,1%
Dufry	4,0%
LVMH	4,0%
Grifols	3,8%
DCC	3,6%
Legrand	3,5%
Sika	3,5%
Weight of Top 10	40,0%
Number of holdings	36

New Investments in March	
Essilor	

Investments sold in March	
no transactions	

Investor Type	Eligibility Restrictions	Share class	Currency	Currency Hedging	Income	Mgmt fee	On-going Charges	SRRI	ISIN	Bloomberg Ticker
Retail	No	A	EUR	No	Dis	1,25%	1,45%	5	LU0439765081	BLEQEUA LX
Retail	No	B	EUR	No	Cap	1,25%	1,46%	5	LU0093570330	BLE4725 LX
Retail	No	B CHF Hedged	CHF	Yes	Cap	1,25%	1,44%	5	LU1305477884	BLEQBCH LX
Retail	No	B USD Hedged	USD	Yes	Cap	1,25%	1,46%	5	LU1273297371	BLEQEUC LX
Retail	Yes	AM	EUR	No	Dis	0,85%	1,05%	5	LU1484141491	BLEQAMD LX
Retail	Yes	BM	EUR	No	Cap	0,85%	1,06%	5	LU1484141574	BLEQEBM LX
Retail	Yes	BM CHF Hedged	CHF	Yes	Cap	0,85%	1,04%	5	LU1484141657	BLEQBMC LX
Retail	Yes	BM USD Hedged	USD	Yes	Cap	0,85%	1,06%	5	LU1484141731	BLEQBMU LX
Institutional	Yes	BI	EUR	No	Cap	0,60%	0,77%	5	LU0439765321	BLEQEIC LX



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%.

The net asset value of BL-Equities Europe rose 3.62% in March, while the Stoxx 600 Total Return was up 3.32%.

The portfolio benefited from the good performance of certain core positions, such as LVMH, Grifols, Intertek, Legrand and Wirecard. In the UK, Intertek, a leading player on the inspection and certification market, was buoyed by good results. It reported strong figures for organic growth, profits and debt levels in 2016, despite the ongoing weakness of the energy product market. Grifols, a Spanish family company operating on the haemoglobin market, continued the upward trend it has enjoyed since the start of the year. Fears that the group's profits would be curtailed by its investment projects seem to be receding. In fact, the ability of the company and the sector to exploit new production capacities through new outlets is one of the key points in our investment case. Among the smaller positions, Spirax-Sarco (engineering services and products for industrial fluid management and control), Kion and Norma (connector technologies for fixings, joints and hydraulic systems) stood out. Kion, operating on the market forklifts, saw its discount against its German competitor, Jungheinrich, narrow on the back of good results and the structural potential for organic growth and increased profits. In contrast, companies recording poor performance included Pandora (jewellery), Novartis (healthcare, generics, ophthalmology), Novo Nordisk (diabetes) and Sage (business software), while Gemalto (digital security solutions) plummeted. While there are fears that Pandora's organic growth on mature markets is stagnating, it was a fresh round of disappointment that swamped Gemalto following further significant contraction of its activity on the payment securitisation market in the United States.

Recent news from Roche (oncology) provided reassuring results from its Aphinity trials, aimed at studying the beneficial effects of combining two molecules in its portfolio for the treatment of breast cancer. Although it published fewer details than expected, Roche seems well placed to continue defending its niche position. Reckitt Benckiser (household products and healthcare) received Federal Trade Commission approval in the United States for its takeover of Mead Johnson.

Within the portfolio, the positions in Pandora and Gemalto were significantly reduced. Some profits were taken on Novartis and Wirecard (online payment services). The sale of Pandora was due to a stock market performance that is out of step with its fundamentals. Aware of the structural risks looming over the company, we were uncomfortable about keeping the position in the portfolio. Our retreat from Gemalto was justified by the continuing lack of visibility on its two main activities, payment and telecommunication.

Following these sales, we opened a new position in Essilor. Essilor is a French group and world leader in ophthalmic lenses. The company has reached these heights through a sustained policy of research and development, training, partnerships and acquisitions. Essilor controls over 40% of the market and accounts for nearly two-thirds of the sector's R&D expenditure. We like the potential for its products to penetrate an under-equipped market. The merger announced with Luxottica is also attractive due to the revenue and cost synergies that this vertical integration could generate. The positions in Danone (dairy products), Unilever (consumer products), Smith & Nephew (orthopaedic medical devices, endoscopy) and Sage were strengthened. For Unilever, we continue to have confidence in the plans that Paul Pollman and the management are putting in place as these should lead to strengthening the group's quality profile.

Investment Approach

Investment Principles

Limit investment losses

The value of an investment that has lost 50% must double to recover incurred losses
Avoiding losses is more important than generating extraordinary gains

Control company specific risk

Risks arise when the parameters of an investment are not properly understood
We avoid investing in companies we do not fully understand

Valuation monitoring

The price paid for an investment determines its potential return
We monitor the margin of safety to minimize the likelihood of suffering losses on our investments

Consideration of an entire market cycle

Foregoing part of potential gains in strongly rising markets pays dividends in falling markets
Our objective is to outperform the relevant benchmark through an entire market cycle.

Benchmark agnostic

The market reference is solely used for performance measurement principles
Owing to the active investment approach of our portfolio management, the portfolio structure deviates strongly from that of the benchmark.

Equity Investment Approach: Business-Like Investing

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. They need to show an attractive return profile and generate high and consistent levels of free cash-flow.

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. Differentiation through a competitive advantage creates entry barriers against competitors and enables a company to better execute its strategy. In the second step we analyse whether the competitive advantage translates into high ROCE and whether the company generates consistent cash-flow. We analyse the maintenance capex requirements of the targeted companies to make sure that the generated cash-flow is not absorbed by investments needs to sustain its current business operations. We emphasize the analysis of the balance sheet and look for companies with a low level of gearing through the cycle. 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. Only companies that meet our investment criteria are considered for inclusion into our portfolios, which may lead to significant deviations from the market benchmarks.

Valuation

Investments may lead to important 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 and serves as reference point for our buy and sell discipline. We invest in a company, when its stock price offers the most attractive margin of safety, taking into account its development prospects.

Portfolio characteristics

BL-Equities Europe invests in a focused selection of European companies. Targeted companies are typically among the top-3 in their respective markets and offer favourable development prospects. We construct a concentrated portfolio of approximately 35 positions, which allows us to have a good handle of each individual investment, to express our convictions and to minimise errors. Our investment process singles out companies that stand out against their competitors - through an added value product or service, through a good corporate strategy and production process, which underscores high levels of profitability and a healthy financial situation. Portfolio candidates need to enjoy favourable sales growth and / or margin progression prospects.

Our investment choices lead to significant and structural deviations from the fund's relevant market (MSCI Europe NR). We do not invest in all sectors that are represented in the market index. We identify most investment opportunities in the consumer, industrial, health care, chemical and technology sectors. Conversely, there are sectors like financials, utilities or telecom, where we find few - if any - companies that meet our investment criteria. The fund's geographical focus is biased towards Switzerland, Germany, France, Sweden, Denmark and the UK. In terms of market capitalisations, 3/4 of the portfolio are usually invested in companies with a market cap between €2 and 50 bn.

Our investment strategy has a long-term orientation: our investment cases are constructed with a 3 to 5-year investment horizon. When implementing our bottom-up investment strategy, we do not consider any short term macroeconomic views. Owing to this approach, portfolio turnover rate is low: 25% annual turnover rate is to be expected on average. When making an investment, we are wary of valuation levels of each individual company: at investment, the market price needs to offer a discount against the company's fair value (margin of safety). The average valuation level of the portfolio is also closely monitored.

Portfolio construction rests on three main pillars: the stable core portfolio consists of well-established companies. It is complemented by pockets consisting of growth franchises (focus on growth prospects) and of special situations (focus on turnaround of fundamentals). The portfolio structure is the outcome of individual bottom-up investment opportunities without consideration of the fund's relevant benchmark structure. The weight given to each security in the portfolio is a function of their valuation level, stock liquidity and our level of conviction in the investment thesis. We are mindful of a sound diversification of the portfolio in terms of the earnings drivers of each company.

We don't implement market or currency hedging strategies in the portfolio and the portfolio is fully invested.

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Legal Information for Switzerland:

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 Précossy, 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.