

## BL-EQUITIES EUROPE

October 2011

### Management Report

Ivan Bouillot, CFA  
Fund Manager



The fund manager is maintaining a conservative approach in the current environment, with a focus on companies that provide visibility on their margins and revenues and pay dividends. Only small adjustments have been made over the month of October.

The allocations in the new holdings bought in September, namely Assa Abloy, Spirax Sarco and Unilever, have been increased.

The manager has also capitalize on the weak price levels of Akzo Nobel, Halma and Imtech to increase his holdings.

These investments have been partly financed by taking profits on British American Tobacco.

## BL-EQUITIES EUROPE

October 2011

### Current Portfolio

New Holdings	Additions to investments	
-	Akzo Nobel	Unilever
	Assa Abloy	
	Halma	
	Imtech	
	Spirax Sarco	

Investments sold	Investments reduced	
-	British American Tobacco	

Top Holdings	
ENI	6,1%
Total	6,0%
Reckitt Benckiser	5,5%
British American Tobacco	5,1%
Akzo Nobel	4,1%
SAP	3,8%
Bayer	3,8%
Danone	3,5%
Linde	3,0%
Sage	3,0%
Weight of Top 10	43,8%
Number of holdings	45

Sector Allocation	Fund	DJ 600
Consumer Discretionary	1,0%	8,7%
Consumer Staples	25,8%	13,6%
Energy	13,1%	10,4%
Financials	2,3%	18,8%
Health Care	8,9%	11,8%
Industrials	14,5%	11,7%
Information technology	11,4%	3,3%
Materials (and chemicals)	19,9%	9,7%
Telecommunication Services	0,0%	6,9%
Utilities	0,0%	5,1%
Cash	3,0%	-

Geographic Allocation	
England	21,0%
France	17,4%
Switzerland	16,5%
Germany	16,2%
Netherlands	7,8%
Sweden	6,1%
Italy	6,1%
Spain	2,7%
Belgium	1,9%
Denmark	1,4%
-	-

Market Capitalizations		
Large Caps	(> EUR 10 billion)	56,4%
Medium Caps	(EUR 1-10 billion)	39,0%
Small Caps	(< EUR 1 billion)	1,6%

Company Profiles	
Consistent earners <sup>1</sup>	54,5%
Growth franchises <sup>2</sup>	22,8%
Value opportunities <sup>3</sup>	19,7%

Performance <sup>4</sup>	Since 31/12/10					
	2010	2009	2008	2007	2006	
Fund (B shares)	-3,0%	19,5%	36,6%	-36,6%	-0,9%	20,7%
Index	-9,3%	11,6%	32,4%	-43,8%	2,4%	20,8%
Quartile	1	1	1	1	3	2

Performance <sup>4</sup>	Since 31/12/10					
	1 month	6 months	1 year	3 years	5 years	
Fund (B shares)	8,8%	-5,9%	5,0%	47,9%	5,0%	
Index	7,7%	-12,8%	-5,7%	20,2%	-20,1%	
Quartile	2	1	1	1	1	

General Information	
Total Assets (EUR)	EUR 365 Mn
Turnover 2010*	32%
TER 2010 (B shares)**	1,57%
ISIN Code (class B shares)	LU0093570330
ISIN Code (class I shares)	LU0439765321

\*  $\frac{\text{min}(\text{purchases}, \text{sales})}{\text{average of net assets}}$   
 \*\*  $\frac{\text{TER}}{\text{average of net assets}}$

Statistical Data <sup>4</sup>	Since 31/12/10	
	1 year	3 years
Correlation	0,89	0,89
Beta	0,88	0,76
Information ratio	1,32	0,84
Tracking Error*	9,23	9,39

\*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> Benchmark: DJ Stoxx 600 Net Total Return / Quartile source : Lipper universe