

BL-EQUITIES EUROPE

September 2014

Management Report

Ivan Bouillot, CFA
Fund Manager



In September, the manager sold its remaining holding in Shire. Two reasons guided the decision:

1. As it was not a 100% cash offer, the manager did not want to be exposed to a decline in AbbVie share price should anything unexpected happen, to AbbVie or to the markets in general.
2. The manager was worried that the US government could enact a law in order to prevent tax inversions acquisitions (given official public comments going in that sense) that could have impacted the financial benefit of AbbVie acquiring Shire.

Both these risks, and the return the manager already had on the Shire investment were sufficient to sell the position, even if a fraction was sold below the offer price.

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Current Portfolio

New Holdings

Additions to investments	
	Sika

Investments sold

Investments reduced	
	Shire

Top Holdings

British American Tobacco	5,5%
SAP	5,2%
Linde	4,8%
Novo Nordisk	4,5%
Reckitt Benckiser	4,2%
Air Liquide	3,8%
Sanofi	3,8%
Bayer	3,6%
Schneider Electric	3,5%
Sage Group	3,3%
Weight of Top 10	42,1%
Number of holdings	39

Sector Allocation

Energy	0,0%
Materials	20,3%
Industrials	11,9%
Consumer Discretionary	11,4%
Consumer Staples	21,9%
Health Care	18,0%
Financials	0,0%
Information Technology	12,9%
Telecommunication Services	0,0%
Utilities	0,0%
Cash	3,7%

Geographic Allocation

United Kingdom	23,2%
Germany	22,1%
Switzerland	18,7%
France	18,1%
Sweden	6,2%
Denmark	4,5%
Netherlands	3,5%
Spain	0,0%
Cash	3,7%

Market Capitalizations

Large Caps (> EUR 10 billion)	65,5%
Medium Caps (EUR 1-10 billion)	29,3%
Small Caps (< EUR 1 billion)	1,6%

Performance¹

	Since 31/12/2013	2013	2012	2011	2010	2009
Fund (B shares)	5,8%	17,0%	21,0%	-3,8%	19,5%	36,6%
DJ Stoxx Europe 600	7,0%	20,8%	18,2%	-8,6%	11,6%	32,4%
Quartile	2	3	1	1	1	1

	1 month	3 months	6 months	1 year	3 years	5 years
Fund (B shares)	-0,5%	-0,5%	4,6%	11,1%	61,5%	86,3%
DJ Stoxx Europe 600	0,4%	0,8%	4,5%	13,5%	65,8%	63,8%
Quartile	3	3	1	2	2	1

General Information

Total Assets (EUR)	EUR 595,4 mn
Turnover 2013*	41%
TER 2013 (class B shares)	1,10%
ISIN Code (class B shares)	LU0093570330
ISIN Code (class I shares)	LU0439765321

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

Statistical Data¹

	1 year	3 years
Correlation	0,94	0,84
Beta	0,85	0,72
Information ratio	-0,43	-0,22
Tracking Error*	3,98	7,78

*annualized

¹ Source : Lipper