

BL-EQUITIES EUROPE

July 2013

Management Report

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Fund Manager



July saw the fund strengthen its positions in two recent investments: Hugo Boss and Swatch. Offsetting these investments, the position in Diageo was sold due to its high valuation. Other lines in the portfolio were reduced. Profits were taken on certain investments that had done well: Roche, Novartis, SES, Sika, and Swedish Match. However, the positions in Oriflame and Van de Velde, both in the "Value Opportunities" category, were reduced because the restructuring measures undertaken will take some time to bring about the major changes anticipated for sales growth and profit revival.

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Current Portfolio

New Holdings

-	Hugo Boss
	Swatch

Investments sold

Diageo	Novartis	Swedish Match
	Oriflame	Van de Velde
	Roche	
	SES	
	Sika	

Additions to investments

Hugo Boss
Swatch

Investments reduced

Novartis	Swedish Match
Oriflame	Van de Velde
Roche	
SES	
Sika	

Top Holdings

Sanofi S.A.	5,6%
Novartis AG	4,8%
British American Tobacco PLC	4,8%
SAP AG	4,6%
Deutsche Boerse AG	4,4%
Linde AG	4,3%
Reckitt Benckiser Group PLC	3,9%
Unilever N.V.	3,8%
Sage Group PLC	3,4%
Schneider Electric S.A.	2,9%
Weight of Top 10	42,5%
Number of holdings	43

Sector Allocation

Energy	0,0%
Materials	14,3%
Industrials	12,8%
Consumer Discretionary	7,4%
Consumer Staples	25,9%
Health Care	22,7%
Financials	4,4%
Information Technology	11,4%
Telecommunication Services	0,0%
Utilities	0,0%
Cash	1,1%

Geographic Allocation

Germany	22,3%
United Kingdom	21,9%
Switzerland	19,1%
France	13,4%
Sweden	12,2%
Netherlands	3,8%
Denmark	2,9%
Luxembourg	1,7%
Spain	1,1%
Belgium	0,5%

Market Capitalizations

Large Caps	(> EUR 10 billion)	60,2%
Medium Caps	(EUR 1-10 billion)	35,6%
Small Caps	(< EUR 1 billion)	2,1%

Company Profiles

Consistent earners ¹	66,3%
Growing franchises ²	30,9%
Value opportunities ³	1,7%

Performance⁴

	Since 31/12/2012	2012	2011	2010	2009	2008
Fund (B shares)	9,7%	21,0%	-3,8%	19,5%	36,6%	-36,6%
DJ Stoxx Europe 600	9,5%	18,2%	-8,6%	11,6%	32,4%	-43,8%
Quartile	2	1	1	1	1	1

	Since 31/12/2012	3 months	6 months	1 year	3 years	5 years
Fund (B shares)	9,7%	0,9%	8,1%	15,9%	46,4%	61,5%
DJ Stoxx Europe 600	9,5%	1,9%	6,5%	18,0%	28,6%	23,3%
Quartile	2	4	1	3	1	1

General Information

Total Assets (EUR)	EUR 621,7 mn
Turnover 2012*	17%
TER 2012 (class B shares)	1,14%
ISIN Code (class B shares)	LU0093570330
ISIN Code (class I shares)	LU0439765321

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

¹ 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.

² 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.

³ 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.

⁴ Source : Lipper