

BL-EQUITIES EUROPE

January 2014

Management Report

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Fund Manager



The manager reduced the fund's position in pharmaceuticals group Sanofi and offset this by increasing the investment in Roche. This switch was prompted by improved growth and earnings prospects at Roche compared to Sanofi. Following their good run on the stock market, the manager took profits in Deutsche Boerse and SES. At the same time, the investment in Syngenta was increased. The various factors that weighed on the group's activity and operating performance in 2013 are expected to ease, making the company's valuation attractive.

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Current Portfolio

New Holdings

	Additions to investments
	Roche Holding AG
	Syngenta AG

Investments sold

	Investments reduced
	Deutsche Boerse
	Novartis AG
	Sanofi SA
	SES SA
	Aryzta AG
	SAP AG
	Sage Group PLC
	Ebro Foods SA

Top Holdings

SAP AG	4,6%
British American Tobacco PLC	4,6%
Novo Nordisk AS	4,2%
Linde AG	4,2%
Reckitt Benckiser Group Plc	4,0%
Sanofi SA	4,0%
Sage Group PLC	3,8%
Shire PLC	3,8%
Schneider Electric SA	3,4%
Syngenta AG	3,2%
Weight of Top 10	39,7%
Number of holdings	41

Sector Allocation

Energy	0,0%
Materials	15,8%
Industrials	14,6%
Consumer Discretionary	7,3%
Consumer Staples	22,9%
Health Care	22,9%
Financials	2,4%
Information Technology	13,2%
Telecommunication Services	0,0%
Utilities	0,0%
Cash	0,9%

Geographic Allocation

United Kingdom	25,0%
Germany	22,4%
Switzerland	20,3%
France	12,0%
Sweden	10,4%
Denmark	4,2%
Netherlands	3,0%
Spain	0,8%
Other	1,0%
Cash	0,9%

Market Capitalizations

Large Caps	(> EUR 10 billion)	65,7%
Medium Caps	(EUR 1-10 billion)	32,3%
Small Caps	(< EUR 1 billion)	1,0%

Company Profiles

Consistent earners ¹	63,9%
Growing franchises ²	22,6%
Value opportunities ³	12,6%

Performance⁴

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

	1 month	3 months	6 months	1 year	3 years	5 years
Fund (B shares)	-3,0%	0,8%	3,5%	11,8%	34,3%	116,2%
DJ Stoxx Europe 600	-1,7%	0,4%	8,5%	15,5%	26,2%	96,4%
Quartile	4	2	4	3	1	1

General Information

Total Assets (EUR)	EUR 641,4 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 Data⁴

	1 year	3 years
Correlation	0,90	0,85
Beta	0,81	0,73
Information ratio	-0,66	0,29
Tracking Error*	5,26	8,70

*annualized

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