

BL-EQUITIES EUROPE

January 2015

Management Report

Ivan Bouillot
Fund Manager



Tom Michels
Analyst



January saw the Swiss franc appreciate dramatically following the Swiss National Bank's decision to abandon the 1.2 cap on its rate of exchange with the euro. The manager used this opportunity to take profits on certain positions whose value in EUR had risen sharply as a result, such as Roche, Novartis, Syngenta and Swatch. At the same time, investments in BAT and Symrise were reduced due to their valuation.

The manager also sold the fund's holdings in Swedish Match, as its price had reached the sell target, and in Indivior, these shares having been received following Reckitt Benckiser's flotation of its pharmaceutical unit. Although Indivior has interesting long-term potential, it will face a couple of difficult years in terms of declining sales and the necessary injection of capital.

Offsetting this, the positions in Grifolfs, Arysza and LVMH were increased.

The manager also opened two new positions: Legrand and Lonza. Legrand specialises in the electrical and digital infrastructure of buildings. It should benefit from an improving situation in Europe after three years of real setback to its business on its main markets of France and Italy. Lonza, a global specialist in drug manufacturing, is undergoing an in-depth restructuring of its business and organisation driven by its new CEO, Richard Ridinger. Lower capital intensity and a stronger commercial focus will feed into improving the group's return on capital invested.

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Current Portfolio

New Holdings

Legrand	Grifols
Lonza	Akzo Nobel
	Aryzta
	Intertek
	LVMH
	Hugo Boss

Investments sold

Swedish Match	Syngenta
Indivior	Swatch
	Symrise
	British American Tob

Additions to investments

Grifols
Akzo Nobel
Aryzta
Intertek
LVMH
Hugo Boss

Investments reduced

Syngenta
Swatch
Symrise
British American Tob

Top Holdings

Bayer	4,5%
Linde	4,4%
British American Tobacco	4,0%
SAP	4,0%
Novo Nordisk	3,9%
Air Liquide	3,8%
Reckitt Benckiser	3,8%
Sage Group	3,7%
LVMH	3,4%
Novartis	3,2%
Weight of Top 10	38,6%
Number of holdings	40

Sector Allocation

Energy	0,0%
Materials	19,1%
Industrials	14,5%
Consumer Discretionary	10,7%
Consumer Staples	17,0%
Health Care	21,6%
Financials	0,0%
Information Technology	12,5%
Telecommunication Services	0,0%
Utilities	0,0%
Cash	4,7%

Geographic Allocation

United Kingdom	21,4%
Germany	21,8%
Switzerland	17,4%
France	20,1%
Sweden	4,7%
Denmark	3,9%
Netherlands	3,9%
Spain	2,3%
Cash	4,7%

Market Capitalizations

Large Caps (> EUR 10 billion)	63,6%
Medium Caps (EUR 1-10 billion)	30,9%
Small Caps (< EUR 1 billion)	0,8%

Performance¹

	Since 31/12/2014	2014	2013	2012	2011	2010
Fund (B shares)	9,1%	9,2%	17,0%	21,0%	-3,8%	19,5%
DJ Stoxx Europe 600	7,3%	7,2%	20,8%	18,2%	-8,6%	11,6%
Quartile	1	1	3	1	1	1

	1 month	3 months	6 months	1 year	3 years	5 years
Fund (B shares)	9,1%	13,4%	14,2%	22,8%	60,8%	98,5%
DJ Stoxx Europe 600	7,3%	9,3%	10,1%	16,9%	57,6%	72,0%
Quartile	1	1	1	1	1	1

General Information

Total Assets (EUR)	EUR 729,0 mn
Turnover 2014*	19%
TER 2014 (class B shares)	1,09%
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	0,96	0,90
Beta	0,84	0,77
Information ratio	1,07	0,20
Tracking Error*	4,57	5,90

*annualized

¹ Source : Lipper