

## BL-EQUITIES EUROPE

February 2015

### Management Report

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Three new positions were opened in February: **DCC**, **Gemalto** and **Rotork**.

**DCC** is an Irish company operating in oil and gas distribution, technological and pharmaceutical products, and waste management. The company's main activity is in its energy division, chiefly through the operation of petrol stations and the distribution of fuel oil and liquid gas. The technology division is an intermediary in equipment distribution as a supplier for the major brands. DCC's growth has largely come from its strategy of acquisitions of distributors operating in its core areas. As the company has pursued this strategy since the 1980s, it has considerable experience in the identification of targets and their integration.

**Gemalto** is the world leader in digital security, enabling companies and governments to offer consumers secure digital services for transactions, personal identification and connection. Gemalto provides its customers with software, products and services in SIM-cards, bank cards, tokens, electronic passports and electronic ID cards and holds data securely on its own networks.

**Rotork** is a leader in the manufacture of actuators and flow control. Operating on all markets where gas and liquid flow control is critical, the company has manufacturing sites and a global network of offices and agencies providing support all over the world. The group comprises four specialist divisions, supported by a fifth Services division which offers planned and emergency interventions worldwide, including reviewing and checking the condition of actuators, equipment upgrades, preventive maintenance and extension projects. Engineers have relied on Rotork and its innovative and reliable management of liquids, gas and powders for nearly 60 years. Its products and services help companies improve their return, safeguard their equipment and protect the environment in oil, gas, water, wastewater treatment, electricity and the marine, mining, food, pharmaceutical and chemical industries.

The fund manager also continued to build the position in **Hella**, the German automotive supplier specialising in vehicle lighting systems and electronic solutions. The company can be considered as world number three in its sector and is among the 40 biggest suppliers in the automotive sector. With its production and international distribution network, Hella is in tune with its clients and understands their needs. Drawing on these strengths, Hella has proved itself as a preferred supplier for motor manufacturers and as a company able to deliver stable growth of its business. Another reason for our confidence in investing in Hella is its after-sales business. One-fifth of its revenues come from this division and can be considered as recurring income.

In terms of **sales**, the fund manager continued to take profits on **Symrise** and reduced the position in **Danone**.

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### Current Portfolio

#### New Holdings

Gemalto	Grifols
DCC	Johnson Matthey
Hella	Halma
Rotork	

#### Additions to investments

#### Investments sold

	Danone
	Symrise

#### Investments reduced

#### Top Holdings

Linde	4,4%
Bayer	4,4%
SAP	4,0%
British American Tobacco	3,9%
Novo Nordisk	3,9%
Reckitt Benckiser	3,8%
Air Liquide	3,7%
LVMH	3,6%
Sage Group	3,6%
Schneider Electric	3,3%
Weight of Top 10	38,6%
Number of holdings	44

#### Sector Allocation

Energy	0,0%
Materials	18,1%
Industrials	16,6%
Consumer Discretionary	11,4%
Consumer Staples	15,9%
Health Care	21,4%
Financials	0,0%
Information Technology	14,9%
Telecommunication Services	0,0%
Utilities	0,0%
Cash	1,7%

#### Geographic Allocation

United Kingdom	21,9%
Germany	21,3%
Switzerland	17,0%
France	19,3%
Sweden	4,7%
Denmark	3,9%
Netherlands	6,2%
Spain	2,4%
Cash	1,7%

#### Market Capitalizations

Large Caps (> EUR 10 billion)	65,4%
Medium Caps (EUR 1-10 billion)	32,3%
Small Caps (< EUR 1 billion)	0,7%

#### Performance<sup>1</sup>

	Since 31/12/2014	2014	2013	2012	2011	2010
Fund (B shares)	15,0%	9,2%	17,0%	21,0%	-3,8%	19,5%
DJ Stoxx Europe 600	14,7%	7,2%	20,8%	18,2%	-8,6%	11,6%
Quartile	2	1	3	1	1	1

	1 month	3 months	6 months	1 year	3 years	5 years
Fund (B shares)	5,4%	14,6%	18,1%	22,9%	61,5%	107,3%
DJ Stoxx Europe 600	7,0%	13,3%	15,4%	19,1%	61,9%	84,6%
Quartile	4	1	1	1	1	1

#### General Information

Total Assets (EUR)	EUR 778,9 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 Data<sup>1</sup>

	1 year	3 years
Correlation	0,95	0,91
Beta	0,83	0,77
Information ratio	0,66	-0,01
Tracking Error*	4,73	5,80

\*annualized

<sup>1</sup> Source : Lipper