

BL-EQUITIES EUROPE

May 2015

Management Report

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In May, the manager sold the investment in Sanofi as the target share price had been reached. We will continue to follow the company closely and watch the group's projects under the new direction of M Brandicourt and its growth opportunities on the diabetic market in the United States. The position in Hermès, a legacy of our investment in LVMH after the group sold the majority of the shares it held, was also sold due to a lack of liquidity to construct the desired position.

At the same time, the manager took profits on a number of the portfolio's lines. The allocation in SAP was reduced following the upturn in its share price. We still hold to our investment case but realise that the transition to the cloud, the adoption of Hana and the economic slowdown are not boosting the uptake of licences and a subsequent rebound in profits within our target timeframe. The position in British American Tobacco was also reduced with a view to removing the stock from the portfolio. The fund manager thinks that the sector's consolidation is now well advanced and any new acquisition would only have a limited impact on BAT's profitability structure. BAT also needs to adapt to emerging markets where demand seems more elastic and there is rather less brand loyalty than on the European and American markets. Some profits were taken on Reckitt Benckiser and Novo Nordisk due to their high valuation. Lastly, the investment in Domino Printing, which is being taken over by the Japanese group Brother Industries, was sold on the market at Brother Industries' offer price.

Meanwhile, the manager has reinforced the fund's positions in the following stocks, which all offer more attractive valuations: Dufry, Boss, Kion, Publicis, Syngenta, Wirecard, Akzo and Unilever.

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Current Portfolio

New Holdings

Additions to investments	
Publicis	
Syngenta	
Swatch	
Hugo Boss	
Wirecard	
Dufry	

Investments sold

Investments reduced	
Sanofi	
Domino Printing	
Hermes International	
SAP	
British American Tob	
Reckitt Benckiser	
Novo Nordisk	

Sector Allocation

Energy	0,0%
Materials	18,8%
Industrials	17,3%
Consumer Discretionary	13,6%
Consumer Staples	12,6%
Health Care	19,5%
Financials	0,0%
Information Technology	14,4%
Telecommunication Services	0,0%
Utilities	0,0%
Cash	3,8%

Market Capitalizations

Large Caps (> EUR 10 billion)	57,2%
Medium Caps (EUR 1-10 billion)	39,0%
Small Caps (< EUR 1 billion)	0,0%

Top Holdings

Roche Holding	4,2%
Sage Group	3,7%
Bayer	3,7%
Linde	3,7%
Novo Nordisk	3,7%
Gemalto	3,6%
Novartis	3,5%
Syngenta	3,4%
Air Liquide	3,2%
LVMH	3,1%
Weight of Top 10	35,9%
Number of holdings	41

Geographic Allocation

United Kingdom	18,6%
Germany	20,8%
Switzerland	20,5%
France	15,4%
Netherlands	7,9%
Denmark	3,7%
Spain	2,5%
Sweden	4,1%
Denmark	3,7%
Ireland	2,9%
Cash	3,8%

Performance¹

	Since 31/12/2014	2014	2013	2012	2011	2010
Fund (B shares)	19,5%	9,2%	17,0%	21,0%	-3,8%	19,5%
DJ Stoxx Europe 600	18,7%	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)	2,7%	3,9%	19,1%	23,8%	75,6%	110,4%
DJ Stoxx Europe 600	1,7%	3,5%	17,2%	19,2%	81,4%	88,7%
Quartile	1	3	2	1	2	1

General Information

Total Assets (EUR)	EUR 897,2 mn
Turnover 2014*	19%
TER 2014 (class B shares)	1,09%
ISIN Code (class B shares)	LU0093570330
ISIN Code (class BI shares)	LU0439765321

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

Statistical Data¹

	1 year	3 years
Correlation	0,96	0,94
Beta	0,87	0,84
Information ratio	0,87	-0,21
Tracking Error*	4,80	4,72

*annualized

¹ Source : Lipper