

## BL-EQUITIES EUROPE

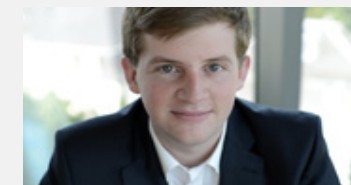
October 2015

### Management Report

Ivan Bouillot  
Fund Manager



Tom Michels  
Analyst



Equity markets rebounded sharply in October, with the Stoxx 600 TR gaining 8.08%. The market broke with the downward trend of recent months, especially in terms of responding to the central banks' policies. Taking the case of the European Central Bank in particular, Draghi suggested the possibility of additional quantitative easing to stimulate economic activity and rekindle inflation. Over the period, the European manufacturing index remained stable. Preliminary reports of company earnings are lacklustre and the consensus is for a downward revision of European earnings growth forecasts for 2016.

Over the period, BL-Equities Europe gained 6.38%. Companies reporting good earnings played a significant part in the month's performance, among them being Linde, Air Liquide, Unilever, Reckitt Benckiser, Lonza, LVMH and Assa Abloy, whose earnings have continued to build on recent operational success.

We should also note the rise at SAP and Akzo Nobel.

SAP has managed to ramp up interest in and adoption of its new platform HANA while Akzo Nobel has announced increasing profits thanks to the restructuring introduced by its new, CEO, Ton Büchner. Wirecard and Syngenta also stood out: Wirecard due to a new acquisition in India paving the way for deployment of its platform on this market, and Syngenta in response to the announcement of its CEO's departure. Companies dragging the portfolio down during the month included Hugo Boss on the back of sluggish earnings growth, Gemalto (which despite an overall 23% increase in its activity is hampered by lack of visibility for its sim card business), Publicis and SKF. Novartis and Novo Nordisk were down more marginally. Novartis announced weakness in its ophthalmological division, Alcon, while Novo Nordisk remains cautious about the outlook for 2016.

We have started to sell the position in Aryzta due to lack of visibility on the operating levers driving the group's activity.

## BL-EQUITIES EUROPE

October 2015

### Current Portfolio

#### New Holdings

Additions to investments	
Rotork	
Publicis	
Akzo Nobel	
Bayer	
Kion	
Legrand	

#### Investments sold

Investments reduced	
Aryzta	

#### Top Holdings

Hugo Boss	4,5%
Roche Holding	4,4%
Bayer	4,4%
Dufry	4,0%
DCC	3,7%
Novo Nordisk	3,7%
Linde	3,5%
LVMH	3,5%
Grifols	3,3%
Reckitt Benckiser	3,2%
Weight of Top 10	38,2%
Number of holdings	40

#### Sector Allocation

Energy	0,0%
Materials	18,9%
Industrials	17,3%
Consumer Discretionary	22,0%
Consumer Staples	8,8%
Health Care	21,3%
Financials	0,0%
Information Technology	13,8%
Telecommunication Services	0,0%
Utilities	0,0%
Cash	-2,2%

#### Geographic Allocation

United Kingdom	16,6%
Germany	25,6%
Switzerland	21,3%
France	11,7%
Netherlands	8,3%
Denmark	6,7%
Spain	3,3%
Sweden	5,0%
Denmark	6,7%
Ireland	3,7%
Cash	-2,2%

#### Market Capitalizations

Large Caps (> EUR 10 billion)	57,8%
Medium Caps (EUR 1-10 billion)	44,4%
Small Caps (< EUR 1 billion)	0,0%

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

	Since 31/12/2014	2014	2013	2012	2011	2010
Fund (B shares)	10,7%	9,2%	17,0%	21,0%	-3,8%	19,5%
DJ Stoxx Europe 600	12,2%	7,2%	20,8%	18,2%	-8,6%	11,6%
Quartile	3	1	3	1	1	1

	1 month	3 months	6 months	1 year	3 years	5 years
Fund (B shares)	6,4%	-6,4%	-4,8%	15,1%	46,8%	78,1%
DJ Stoxx Europe 600	8,1%	-4,8%	-3,9%	14,4%	50,7%	63,2%
Quartile	4	4	3	2	2	1

#### General Information

Total Assets (EUR)	EUR 789,9 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	0,97	0,95
Beta	0,91	0,86
Information ratio	0,14	-0,16
Tracking Error*	4,34	4,64

\*annualized

<sup>1</sup> Source : Lipper