

BL-EQUITIES EUROPE

April 2016

Management Report

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European markets gained 1.75% in April, extending the rebound that had started in February. Macroeconomic data failed to produce convincing arguments, illustrated by weak industrial orders in Germany and a disappointing eurozone Purchasing Managers' Index. Inflation also remained stubbornly depressed. The market rally was driven by the rebound in the oil price, despite the failure of the Doha negotiations between OPEC and non-OPEC countries to reach a deal on freezing oil output. The oil price rise was driven by better-than-expected Chinese export data and reduced production of refined oil products in the United States. The ECB's accommodative stance at its meeting on 21 April also gave a boost to European equities. As a result, the markets were buoyed by base materials, energy and banking stocks, while technology, media and telecoms lagged behind.

Over the period, BL-Equities Europe posted a lesser gain of 0.37%. Performance was dented by sector allocation, the fund being structurally absent from commodities and financials. In terms of individual stocks, Gemalto, SAP, LVMH, Grifols, Unilever and Reckitt Benckiser dampened the portfolio's monthly performance whereas Dufry, Publicis, Novartis, Wirecard, Sika and Assa Abloy boosted it. Overall, quarterly results dictated the pace this month. Gemalto and SAP, although posting results in line with expectations, suffered from weak areas, such as Gemalto's SIM card division, despite dynamic development elsewhere. SAP was impacted by weak activity in Latin America, despite steady progress in cloud business and very comfortable margins. For their part, Wirecard, Assa Abloy and Sika posted decent performance.

Dufry allayed fears with better-than-expected organic growth, marking a turnaround in its business and higher-than-anticipated margins, especially following the successful integration of its recent acquisitions.

There were no changes to the portfolio in April.

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Current Portfolio

New Holdings

no transactions	no transactions

Investments sold

no transactions	no transactions

Additions to investments

no transactions

Investments reduced

no transactions

Top Holdings

Dufry	4,6%
Roche Holding	4,1%
SAP	3,9%
Bayer	3,9%
Gemalto	3,7%
DCC	3,6%
Syngenta	3,4%
Novo Nordisk	3,3%
Reckitt Benckiser	3,3%
LVMH	3,2%
Weight of Top 10	36,9%
Number of holdings	37

Sector Allocation

Energy	0,0%
Materials	19,3%
Industrials	18,8%
Consumer Discretionary	14,5%
Consumer Staples	10,0%
Health Care	17,1%
Financials	0,0%
Information Technology	15,2%
Telecommunication Services	0,0%
Utilities	0,0%
Cash	5,2%

Geographic Allocation

United Kingdom	18,3%
Germany	18,9%
Switzerland	18,1%
France	13,3%
Netherlands	9,2%
Denmark	6,1%
Sweden	4,2%
Ireland	3,6%
Spain	3,1%
Cash	5,2%

Market Capitalizations

Large Caps	(> EUR 10 billion)	57,7%
Medium Caps	(EUR 1-10 billion)	37,1%
Small Caps	(< EUR 1 billion)	0,0%

Performance¹

	Since 31/12/2015	2015	2014	2013	2012	2011
Fund (B shares)	-4,2%	10,7%	9,2%	17,0%	21,0%	-3,8%
DJ Stoxx Europe 600	-5,5%	9,6%	7,2%	20,8%	18,2%	-8,6%
Quartile	1	2	1	3	1	1

	1 month	3 months	6 months	1 year	3 years	5 years
Fund (B shares)	0,4%	0,7%	-4,3%	-8,9%	24,5%	52,9%
DJ Stoxx Europe 600	1,8%	0,9%	-7,8%	-11,3%	24,8%	39,3%
Quartile	3	3	1	2	2	1

General Information

Total Assets (EUR)	EUR 759,8 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	0,95
Beta	0,87	0,86
Information ratio	0,44	0,02
Tracking Error*	5,43	4,94

*annualized

¹ Source : Lipper