

BL-EQUITIES EUROPE

June 2016

Management Report

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European equity markets fell 5.56% in June after the UK's 'leave' vote in the Brexit referendum on 23 June. This result fuelled fears over the potential political consequences for the European Union and the economic fallout in the UK.

BL-Equities Europe posted a 3% drop over the month. The portfolio was bolstered by its exposure to pharmaceuticals and consumer staples. UK stocks made a useful contribution despite the fall in the pound. On the other hand, Pandora, due to its exposure to the British market, and Dufry, due to macroeconomic uncertainties, corrected sharply.

In the middle of the month, we opened a new line in the French food group Danone, European leader in dairy products and world number two in water and baby foods. Activia, Actimel, Duravit, Blédina and Evian are key brands in its portfolio. With the arrival of Emmanuel Faber as CEO, we expect the management to be geared to strengthening growth and improving the return on invested capital. Work has already begun to enhance the product mix, optimise costs and streamline the supply chain. Meanwhile, the fund's positions in Wirecard and Smith & Nephew were slightly increased.

We sold our position in Akzo Nobel due to the many challenges facing the group's business, especially its exposure to oil sector capex, the downturn in the maritime segment's order book and the weakness of the Russian and Brazilian paint markets. We completed the sale of our investment in Bayer, begun the previous month.

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Current Portfolio

New Holdings

New Holdings	Additions to investments
Danone	Ontex
	Smith + Nephew
	Pernod Ricard
	Henkel
	Wirecard
	Norma Group Se

Investments sold

Investments sold	Investments reduced
Bayer	Gemalto
Akzo Nobel	

Sector Allocation

Energy	0,0%
Materials	16,1%
Industrials	18,4%
Consumer Discretionary	13,9%
Consumer Staples	14,8%
Health Care	15,9%
Financials	0,0%
Information Technology	14,9%
Telecommunication Services	0,0%
Utilities	0,0%
Cash	6,1%

Market Capitalizations

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

Top Holdings

Roche Holding	4,5%
Dufry	4,0%
SAP	3,8%
DCC	3,7%
Syngenta	3,6%
Novo Nordisk	3,5%
Grifols	3,5%
Reckitt Benckiser	3,5%
Henkel	3,2%
Wirecard	3,1%
Weight of Top 10	36,2%
Number of holdings	38

Geographic Allocation

United Kingdom	19,8%
Germany	16,0%
Switzerland	18,2%
France	15,5%
Netherlands	5,9%
Denmark	6,6%
Sweden	3,7%
Ireland	3,7%
Spain	3,5%
Cash	6,1%

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	-7,8%	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)	-2,7%	0,4%	-4,2%	-6,7%	27,7%	56,9%
DJ Stoxx Europe 600	-4,8%	-0,8%	-7,8%	-10,9%	25,6%	39,8%
Quartile	1	1	1	1	1	1

General Information

Total Assets (EUR)	EUR 763,4 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	0,94
Beta	0,78	0,82
Information ratio	0,63	0,12
Tracking Error*	7,72	5,90

*annualized

¹ Source : Lipper