

Fund Fact Sheet

30/06/2020

Asset Class

Global Equities, SRI

Fund Characteristics

| | |
|------------------------------|--|
| AUM | € 62,9 mn |
| Launch date | 06/03/1997 |
| SRI since | 01/01/2008 |
| Oldest share class (B) | LU0093570173 |
| Turnover (2019) ¹ | 46% |
| Reference currency | EUR |
| Legal structure | SICAV, UCITS |
| Domicile | Luxembourg |
| European passport | Yes |
| Countries of registration | AT, BE, DK, FI, FR, DE, ES, IT, LU, NL, NO, SG, SE, CH, GB |

Fund Manager

After nearly four years as financial analyst at Banque Générale du Luxembourg, Joël Reuland joined the Asset Management department of Banque de Luxembourg in 1999. Joël graduated in Management from the Ecole de Commerce Solvay in Brussels in 1995, and in 2004, he earned the CFA (chartered financial analyst) charter.

Management Company

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Dealing & Administrator Details

European Fund Administration (EFA)

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Dealing frequency daily**
Cut-off time 17:00 CET
Front-load fee max. 5%
Redemption fee none
NAV calculation daily²
NAV publication www.fundinfo.com

Investment objective

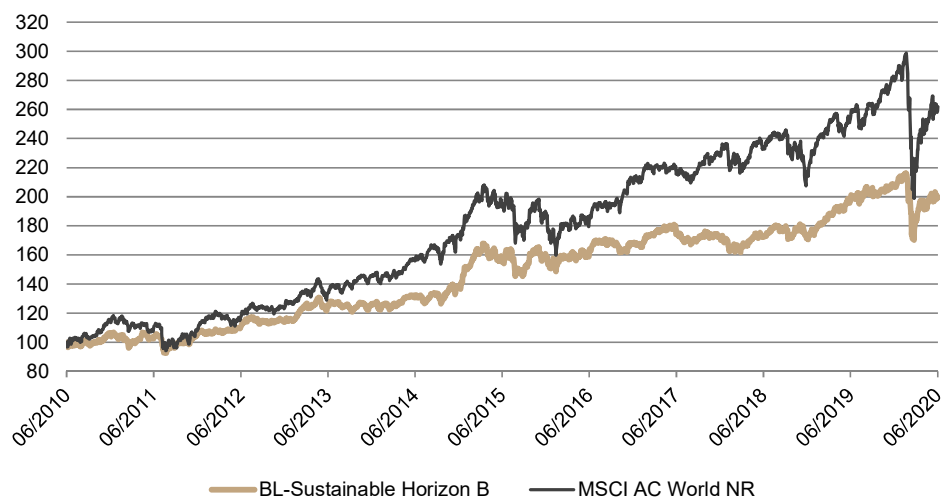
The fund invests at least 75% of its assets in high-quality companies with a stable competitive advantage. In addition to financial criteria, the selection process integrates environmental (E), social (S) and governance (G) factors.

The investment strategy combines several sustainability dimensions with BLI's Business-Like Investing approach:

1. Implementation of exclusion criteria for activities exhibiting significant controversies.
2. Quantitative screening based on MSCI's ESG ratings is used to assess the ESG performance of companies and to select those with a superior profile.
3. Construction of a themed segment within the portfolio comprising of companies contributing directly or indirectly to the achievement of the United Nations' Sustainable Development Goals (SDGs). Impact targets have been set in terms of the portfolio's environmental, social and governance performance. These targets are monitored on a regular basis.

Highlights

- Active, conviction-based (25 to 50 stocks), purely bottom-up, long term oriented investment approach
- A conservative risk profile to reduce the downside risk in market downturns
- The combination of rigorous fundamental financial analysis and a considered ESG approach helps to identify quality companies with clear competitive advantages and a solid ESG profile
- A multi-faceted ESG approach: exclusion criteria, quantitative ESG screening and a themed segment based on the SDGs
- Clear and quantifiable impact targets covering environmental, social, governance and human rights aspects



| Performance | YTD | 2019 | 2018 | 2017 | 2016 | 2015 |
|------------------|-------|-------|-------|------|-------|-------|
| Fund (B shares) | -3,3% | 19,6% | 0,9% | 2,3% | 5,2% | 15,2% |
| MSCI AC World NR | -6,3% | 28,9% | -4,8% | 8,9% | 11,1% | 8,8% |

| Performance | 3 months | 6 months | 1 year | 3 years | 5 years | since 01/01/2008 |
|------------------|----------|----------|--------|---------|---------|------------------|
| Fund (B shares) | 7,0% | -3,3% | 1,7% | 14,7% | 29,1% | 93,7% |
| MSCI AC World NR | 16,5% | -6,3% | 3,5% | 21,4% | 35,6% | 120,5% |

| Volatility | 3 months | 6 months | 1 year | 3 years | 5 years | since 01/01/2008 |
|------------------|----------|----------|--------|---------|---------|------------------|
| Fund (B shares) | 9,4% | 17,5% | 13,6% | 10,3% | 10,6% | 11,2% |
| MSCI AC World NR | 16,1% | 27,4% | 20,8% | 15,4% | 15,9% | 16,6% |

The index (MSCI World) is shown in the performance chart as well as in the performance tables above for performance measurement purposes only and it should under no circumstances be considered as an indication of a specific investment style or strategy.

Investors are also invited to consult the performance chart disclosed in the key investor information document of the sub-fund.



¹ min (purchases, sales) / average of net assets

² Luxembourg banking business day

Current Portfolio

30/06/2020

Top Holdings Equity Portfolio

| | |
|------------------------------|--------------|
| Kimberly-Clark | 8,0% |
| Essity | 7,3% |
| Unilever | 7,1% |
| Colgate Palmolive | 5,7% |
| Canadian National Railway Co | 5,0% |
| SGS | 3,8% |
| SAP | 3,6% |
| Air Liquide | 3,4% |
| Danone | 3,3% |
| Home Depot | 3,3% |
| Cash | 19,7% |
| Weight of Top 10 | 50,5% |
| Number of holdings | 25 |

New Investments in June

no transactions

Investments sold in June

BIC

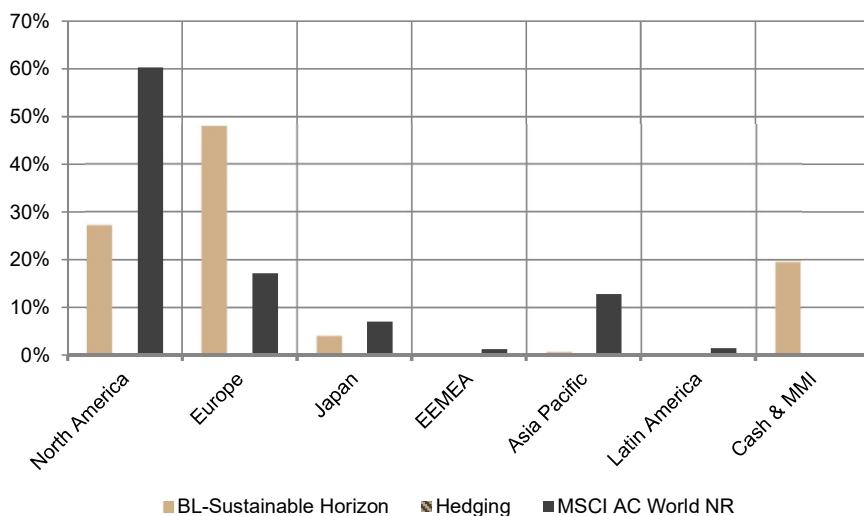
Currency Allocation

| | |
|-----|-------|
| CAD | 5,0% |
| CHF | 7,6% |
| DKK | 3,4% |
| EUR | 38,1% |
| GBp | 5,0% |
| HKD | 0,8% |
| JPY | 9,3% |
| SEK | 8,4% |
| USD | 22,3% |

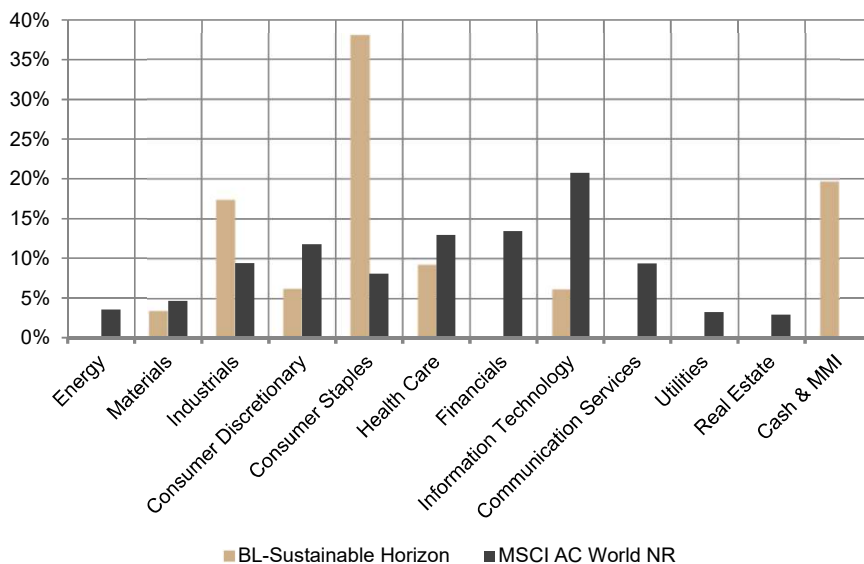
Asset Allocation

| | Exposure | Hedging |
|----------------|----------|---------|
| Equity (gross) | 80,3% | |
| Equity (net) | 80,3% | 0,0% |
| Cash | 19,7% | |

Regional Allocation



Sector Allocation



| Investor Type | Clean Share | Eligibility Restrictions | Share Class | Currency | Income | Mgmt Fees | On-going Charges | SRR1 | ISIN | Bloomberg Ticker |
|----------------|-------------|--------------------------|-------------|----------|--------|-----------|------------------|------|--------------|------------------|
| Retail | Non | Non | A | EUR | Dis | 1,25% | 1,69% | 5 | LU0439764860 | BLEQHAD LX |
| Retail | Non | Non | B | EUR | Cap | 1,25% | 1,70% | 5 | LU0093570173 | BLE4723 LX |
| Retail | Oui | Oui | AM | EUR | Dis | 0,85% | 1,33% | 5 | LU1484140840 | BLEQHAM LX |
| Retail | Oui | Oui | BM | EUR | Cap | 0,85% | 1,31% | 5 | LU1484140923 | BLEQHBM LX |
| Institutionnel | Non | Oui | BI | EUR | Cap | 0,60% | 0,95% | 5 | LU0495657552 | BLEQHBI LX |

ESG Report

Method of assessing the impact achieved

The fund manager aims to achieve concrete environmental, social and governance targets:

- Limitation of global warming (environmental impact)
- Implementation of high-quality working conditions in companies (social impact)
- Respect for Human Rights as defined by the United Nations
- Existence of independent Boards of Directors with equal numbers of men and women (governance impact).

These impact targets are measured regularly using the following indicators:

- **Environmental performance measurement: greenhouse gas emissions (carbon intensity)**
- **Social performance measurement: number of severe controversies in human resources management (remuneration, hours worked, respect for privacy, abuses in the event of dismissal or downsizing, etc.)**
- **Performance measurement in terms of respect for Human Rights: signatory of the United Nations Global Compact and assessment of the company's compliance with it in its practices**
- **Performance measurement in terms of governance: independence of the members of the Board of Directors, equal number of men and women on the Board.**

| Environment | |
|-------------|---|
| | Carbon intensity (tCO2 / €m turnover) (weighted average) |
| Fund | 142,90 |
| MSCI ACWI | 162,72 |

| Social | |
|-------------|--------------------------------------|
| | Severe controversies - HR management |
| Fund | 4,99% |
| MSCI ACWI | 9,98% |

| Governance | | |
|-------------|-------------------|-----------------------|
| | Independent Board | % of female directors |
| Fund | 85,10% | 35,72% |
| MSCI ACWI | 75,65% | 28,07% |

| UN Global Compact Signatory | |
|-----------------------------|----|
| Yes | 18 |
| No | 5 |
| No, but aligned | 2 |

| UN Global Compact Compliance | | |
|------------------------------|-----------|-----------|
| | Watchlist | Fail |
| Funds | 0% | 0% |
| MSCI ACWI | 12,2% | 1,9% |

Management Report

The remainder of the holding in the French company BIC was sold in June. With hindsight, BIC's inclusion in the portfolio some three years ago was not a good decision for two reasons. Financially, the company's competitive advantage turned out to be too fragile, since lighters, pens and razors are highly competitive product categories and manufacturers have limited capacity to impose their prices on the market. In terms of sustainability, most of the company's products are designed for single-use, and even though they are good quality products, they are rarely recycled. Alongside these weaknesses, the company nevertheless has many strengths, such as its capacity for innovation, a very healthy balance sheet, local production in France and very good ESG ratings from our extra-financial research provider despite the disposable nature of most of its products. Taking all these considerations into account, we finally decided to liquidate the balance of the position which had come to represent only 0.6% of the portfolio's total value.

At the end of June, the fund was positioned very defensively. Equities accounted for 80% and cash 20%. The breakdown by currency was as follows: 38% in EUR, 22.5% in USD, 9% in JPY, 8.5% in SEK, 7.5% in CHF, 5% in GBP, 5% in CAD, 3.5% in DKK and 1% in HKD.

Investment Method

BL Sustainable Horizon is managed using a **bottom-up, conviction-based, long-term strategy** aimed at investing in high-quality companies with a **strong and tangible competitive advantage, solid growth prospects, an above-market-average ESG profile, and attractive valuations.**

The fund's management approach integrates extra-financial analysis (ESG) and financial analysis across a multi-dimensional investment process.

Extra-financial dimension:

1. Exclusions:

Companies involved in the production of controversial weapons and companies generating more than 5% of their revenues in highly controversial activities (tobacco, GMOs, weapons, alcohol, nuclear and fossil fuels, and gambling) are excluded from the portfolio.

2. Quantitative extra-financial analysis:

Quantitative E/S/G screening (MSCI ratings): only companies whose average rating is greater than or equal to 5 out of 10 and have no individual rating below 4 out of 10 are selected as eligible for investment.

3. Qualitative extra-financial analysis - themed segment:

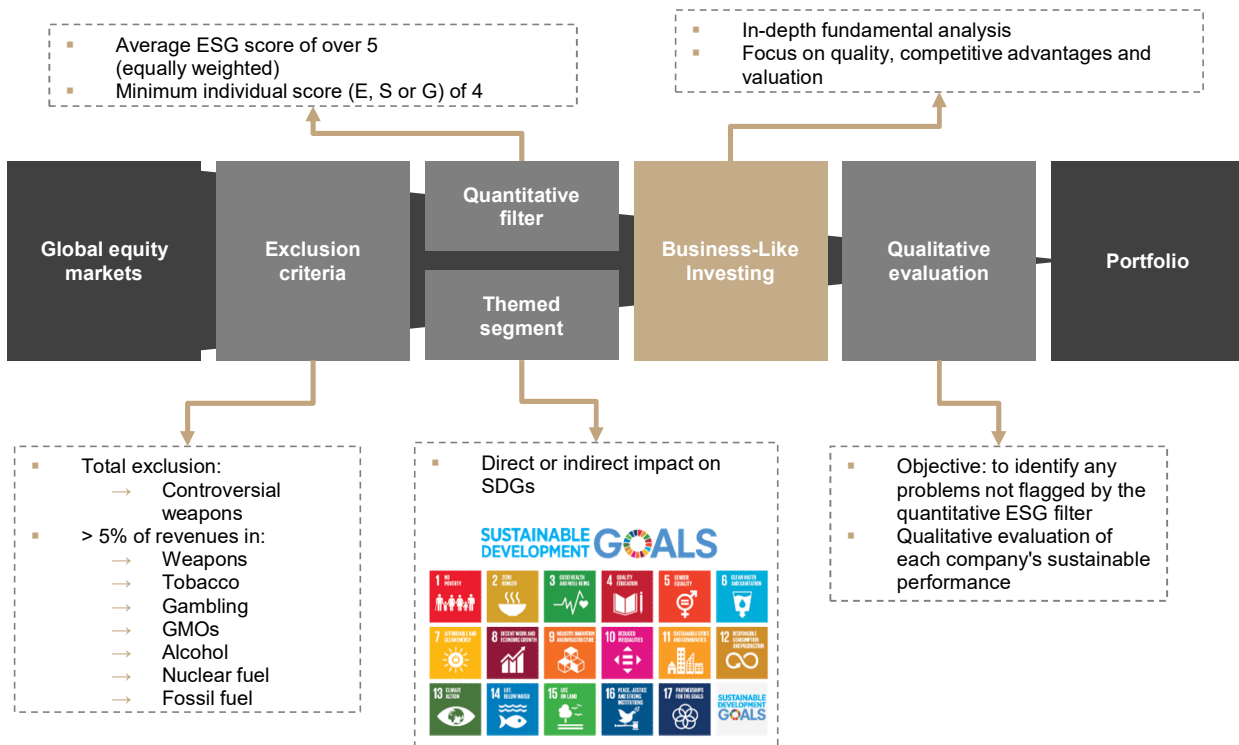
Selection of companies whose products or services contribute to reducing social and environmental imbalances. The UN's Sustainable Development Goals (SDGs) represent the core principle of this themed approach.

Financial dimension – Business-Like Investing:

Companies considered for inclusion in the portfolio must meet the following criteria:

1. The company's business model must be based on a strong and sustainable competitive advantage.
2. There is strong visibility on the company's capacity to generate free cash flow.
3. Capital is allocated in the best interest of shareholders and other stakeholders.
4. The valuation must not be excessive in relation to the company's estimated intrinsic value.

Schematic representation of the investment approach



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