

**Fund Fact Sheet**

30/09/2021

**Asset Class**

Global Equities, SRI

**Fund Characteristics**

AUM	€ 70,3 mn
Launch date	06/03/1997
SRI since	01/01/2008
Oldest share class (B)	LU0093570173
Turnover (2020) <sup>1</sup>	21%
Reference currency	EUR
Legal structure	SICAV, UCITS
Domicile	Luxembourg
European passport	Yes
Countries of registration	AT, BE, CH, DE, DK, ES, FI, FR, GB, IT, LU, NL, NO, SE, SG, PT

**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)

Tel +352 48 48 80 582  
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Dealing frequency daily\*\*  
Cut-off time 17:00 CET  
Front-load fee max. 5%  
Redemption fee none  
NAV calculation daily<sup>2</sup>  
NAV publication [www.fundinfo.com](http://www.fundinfo.com)

**Investment objective**

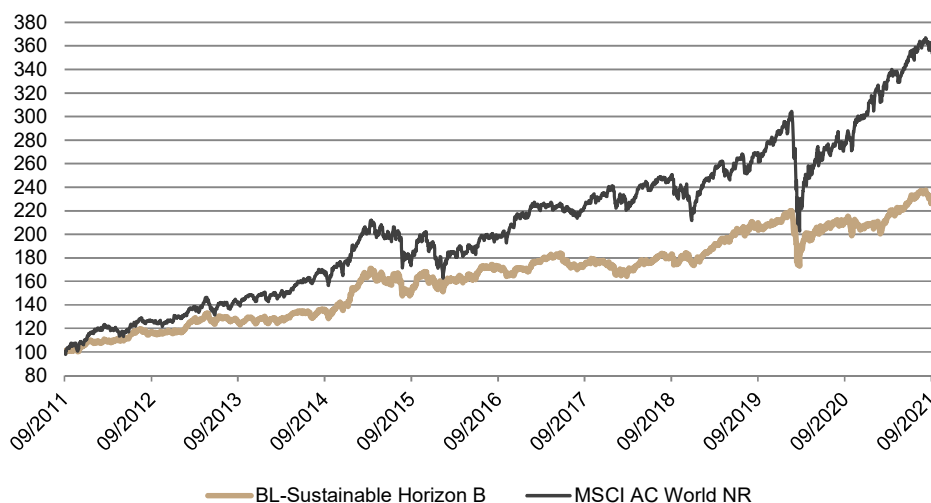
The fund invests at least 75% of its assets in high-quality companies with a stable competitive advantage. In addition to financial criteria, the selection process integrates environmental (E), social (S) and governance (G) factors.

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	2020	2019	2018	2017	2016
Fund (B shares)	9,1%	-1,4%	19,6%	0,9%	2,3%	5,2%
MSCI AC World NR	17,3%	6,7%	28,9%	-4,8%	8,9%	11,1%

Performance	3 months	6 months	1 year	3 years	5 years	since 01/01/2008
Fund (B shares)	-0,5%	5,3%	7,5%	24,5%	31,9%	115,5%
MSCI AC World NR	1,2%	7,8%	28,9%	43,0%	80,2%	194,4%

Volatility	3 months	6 months	1 year	3 years	5 years	since 01/01/2008
Fund (B shares)	7,2%	7,3%	9,9%	13,2%	11,1%	11,1%
MSCI AC World NR	7,1%	7,1%	10,6%	18,4%	15,5%	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.



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

<sup>2</sup> Luxembourg banking business day

**Current Portfolio**

30/09/2021

**Top Holdings Equity Portfolio**

Unilever	7,0%
Kimberly-Clark	6,3%
Essity	6,2%
Canadian National Railway Co	5,5%
Waters	4,4%
Novo Nordisk	4,3%
Colgate Palmolive	4,2%
SGS	3,9%
Air Liquide	3,6%
Home Depot	3,4%
Cash	8,4%
<b>Weight of Top 10</b>	<b>48,9%</b>
<b>Number of holdings</b>	<b>31</b>

**New Investments in September**

no transactions

**Investments sold in September**

no transactions

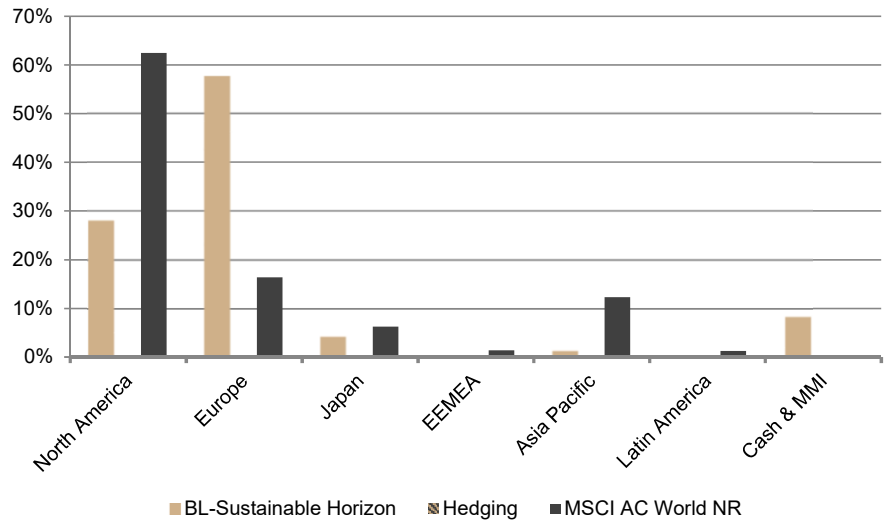
**Currency Allocation**

CAD	5,5%
CHF	9,0%
DKK	6,6%
EUR	33,7%
GBP	4,4%
HKD	1,4%
JPY	4,4%
SEK	9,5%
USD	25,3%

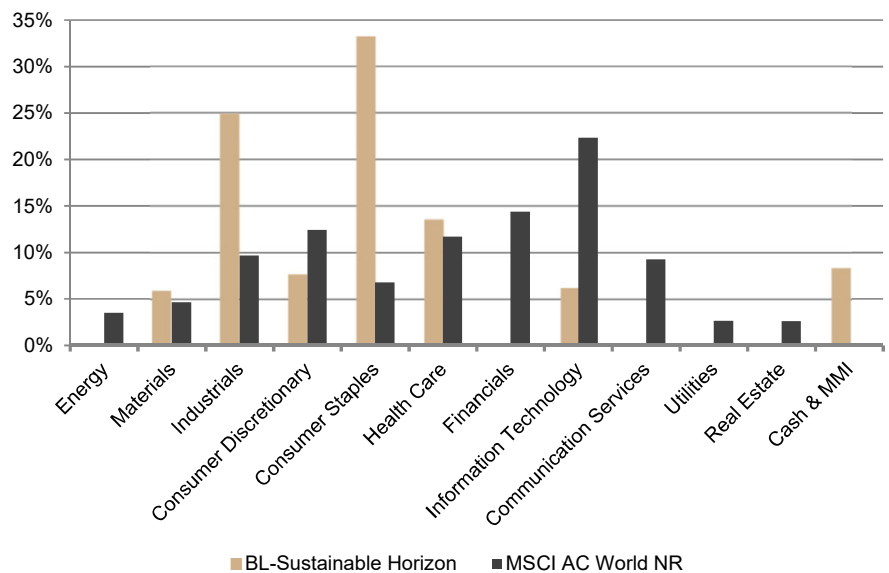
**Asset Allocation**

	<b>Exposure</b>	<b>Hedging</b>
Equity (gross)	91,6%	
Equity (net)	91,6%	0,0%
Cash	8,4%	

**Regional Allocation**



**Sector Allocation**



Investor Type	Clean Share	Eligibility Restrictions	Share Class	Currency	Income	Mgmt Fees	On-going Charges	SRRI	ISIN	Bloomberg Ticker
Retail	Non	Non	<b>A</b>	EUR	Dis	1,25%	1,59%	5	LU0439764860	BLEQHAD LX
Retail	Non	Non	<b>B</b>	EUR	Cap	1,25%	1,58%	5	LU0093570173	BLE4723 LX
Retail	Oui	Oui	<b>AM</b>	EUR	Dis	0,85%	1,19%	5	LU1484140840	BLEQHAM LX
Retail	Oui	Oui	<b>BM</b>	EUR	Cap	0,85%	1,18%	5	LU1484140923	BLEQHBM LX
Institutionnel	Non	Oui	<b>BI</b>	EUR	Cap	0,60%	0,87%	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)
<b>Fund</b>	<b>118,8</b>
MSCI ACWI	154,4

Social	
	Severe controversies - HR management
<b>Fund</b>	<b>3,1%</b>
MSCI ACWI	16,6%

Governance		
	Independent Board	% of female directors
<b>Fund</b>	<b>86,2%</b>	<b>36,0%</b>
MSCI ACWI	76,4%	29,8%

UN Global Compact Signatory	
Yes	22
No	9
No, but aligned	0

UN Global Compact Compliance		
	Watchlist	Fail
<b>Funds</b>	<b>0,0%</b>	<b>0,0%</b>
MSCI ACWI	13,1%	0,9%

## Management Report

Central bank leaders met in September to discuss the future direction of monetary policy in an environment of high (although considered transitory) inflationary pressures. Investor nervousness about the potential for monetary policy to be normalised sooner than expected drove long-term interest rates higher and prompted a decline in most equity indices. The fund was not immune to this weakness, especially as the defensive and growth stocks that are dominant in the portfolio weakened more than the sparsely represented cyclical companies. Also, the fund has no exposure to energy, which was the only strong sector during the month. Companies in the testing, inspection and certification (TIC) market, such as SGS and Intertek which are in the portfolio, operate throughout the supply chains and manufacturing processes of diversified end markets (e.g. electronics, pharma, agriculture). Their long-standing global expertise means that they are well placed to enable their clients to comply with legal requirements, be they operational, environmental or social. The biggest share of the end markets is in consumer goods and retail, followed by food, agriculture and industry. Geographically, the market for the companies in the portfolio remains focused on Europe and the United States, but a new trend is emerging as the Chinese market opens up. China is subject to rigorous quality assurance requirements from local markets. Other notable favourable trends are in the areas of health and nutrition, e-commerce, technology and connectivity. Despite good prospects for future growth and improved earnings this year, the sector has also seen its activities impacted by the health crisis. Ongoing supply chain disruptions only serve to reinforce inflationary fears. The recovery of the global economy at uneven rates in different countries and regions does not undermine the favourable structural trends in the TIC sector, such as an increase in demand from developing countries or the general rise in the level of standards to be met.

In terms of sustainability, both major players recognise the growing importance and future opportunity of anchoring their services to the realisation of their clients' sustainability plans. These services cover ESG audits, supply chain traceability, employee training, and the calculation of CO2 and water footprints. SGS and Intertek operate in a low environmental impact area with regard to their own operations (i.e. not energy intensive or exposed to natural resource depletion). Nevertheless, both companies have higher exposure to issues such as human resource management or good board governance. SGS reports that 45% of its revenues are based on the UN SDG definitions, particularly those related to chemical waste management and emissions reduction. As testing and certification touch all aspects of our daily lives, these companies have an important role to play, especially as they drive change for hundreds of thousands of their customers by promoting best practice in product safety, health, and climate change mitigation.

At the end of September, the split between the quantitative segment, which is mainly composed of traditional large caps with favourable ratings from our ESG research provider MSCI, and the themed segment, which is composed of generally smaller companies that contribute directly to one or more of the UN's sustainable development goals, was 71.2% for the quantitative segment and 20.3% for the themed segment.

## 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:

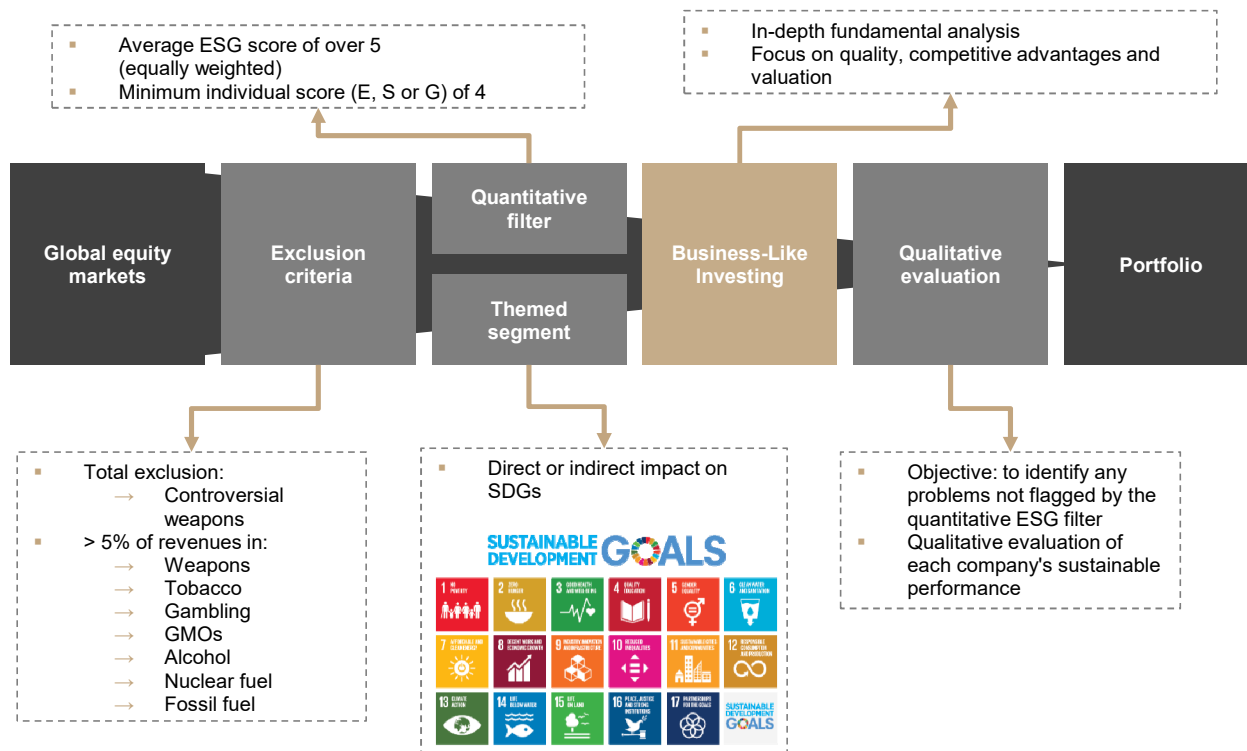
Selection of companies whose products or services contribute to reducing social and environmental imbalances. The UN's Sustainable Development Goals (SDGs) represent the core principle of this themed approach.

### 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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Legal documentation of the fund may be obtained, free of charge, at the offices of the Swiss representative, CACEIS (Switzerland) S.A., 7-9, Chemin de Précossy, CH-1260 Nyon, Switzerland, in accordance with the provisions of the Swiss Collective Investment Schemes Act of 23 June 2006 ("CISA").

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