

**Fund Fact Sheet**

29/10/2021

**Asset Class**

Global Equities, SRI

**Fund Characteristics**

AUM	€ 73,1 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**

BLI - Banque de Luxembourg Investments  
16, boulevard Royal  
L-2449 Luxembourg  
Tel: (+352) 26 26 99 - 1  
www.bli.lu

**Dealing & Administrator Details**

European Fund Administration (EFA)

Tel +352 48 48 80 582  
Fax +352 48 65 61 8002

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**

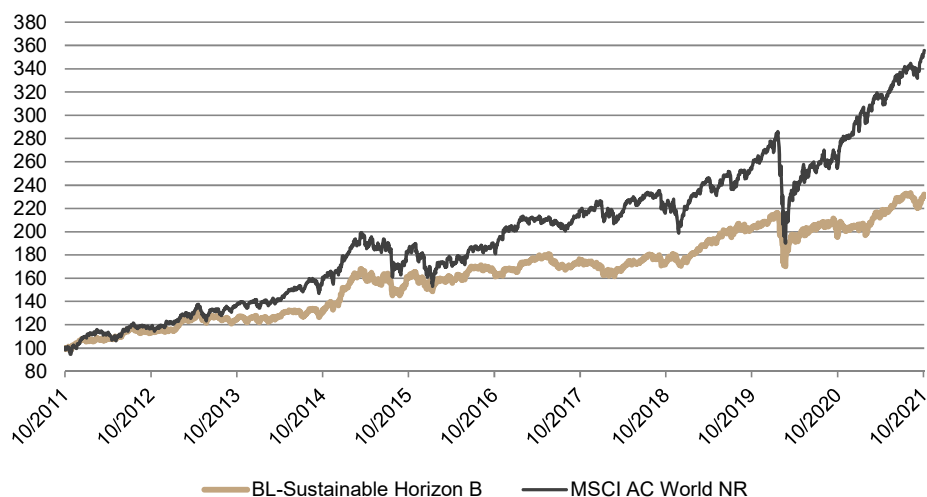
The fund invests at least 75% of its assets in high-quality companies with a stable competitive advantage. In addition to financial criteria, the selection process integrates environmental (E), social (S) and governance (G) factors.

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)	12,8%	-1,4%	19,6%	0,9%	2,3%	5,2%
MSCI AC World NR	23,5%	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)	0,9%	7,9%	17,8%	32,6%	39,3%	122,8%
MSCI AC World NR	5,8%	11,3%	38,2%	58,7%	88,2%	209,9%

Volatility	3 months	6 months	1 year	3 years	5 years	since 01/01/2008
Fund (B shares)	8,4%	7,5%	8,9%	12,4%	10,9%	11,2%
MSCI AC World NR	7,0%	7,1%	10,3%	17,6%	15,3%	17,4%

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**

29/10/2021

**Top Holdings Equity Portfolio**

Unilever	6,7%
Essity	6,2%
Canadian National Railway Co	6,1%
Kimberly-Clark	6,0%
Novo Nordisk	4,7%
Waters	4,3%
Colgate Palmolive	4,1%
SGS	3,9%
Home Depot	3,7%
Air Liquide	3,6%
Cash	8,5%
<b>Weight of Top 10</b>	<b>49,2%</b>
<b>Number of holdings</b>	<b>31</b>

**New Investments in October**

no transactions

**Investments sold in October**

no transactions

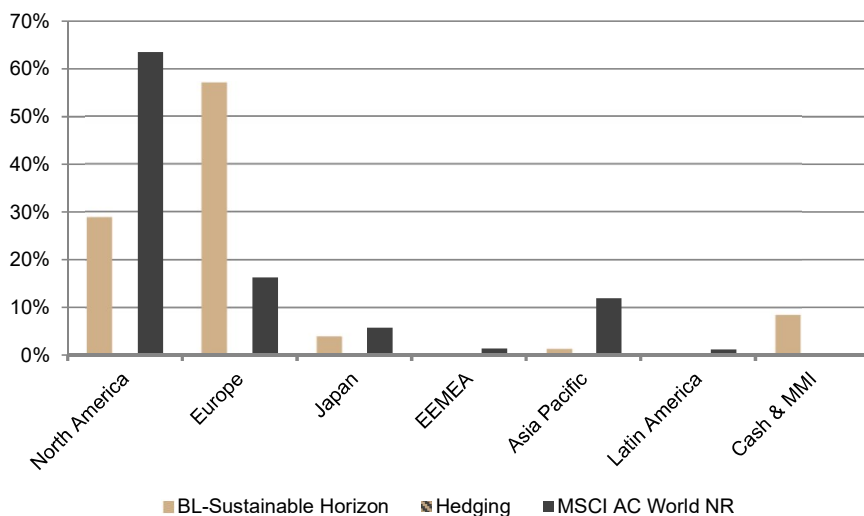
**Currency Allocation**

CAD	6,1%
CHF	9,1%
DKK	7,0%
EUR	33,2%
GBp	4,2%
HKD	1,4%
JPY	4,0%
SEK	9,4%
USD	25,5%

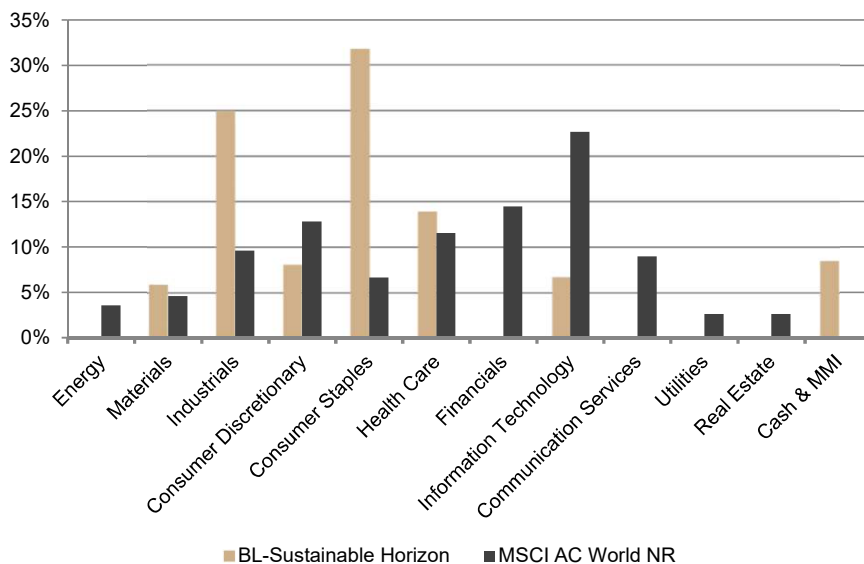
**Asset Allocation**

	<b>Exposure</b>	<b>Hedging</b>
Equity (gross)	91,5%	
Equity (net)	91,5%	0,0%
Cash	8,5%	

**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%	4	LU0439764860	BLEQHAD LX
Retail	Non	Non	<b>B</b>	EUR	Cap	1,25%	1,58%	4	LU0093570173	BLE4723 LX
Retail	Oui	Oui	<b>AM</b>	EUR	Dis	0,85%	1,19%	4	LU1484140840	BLEQHAM LX
Retail	Oui	Oui	<b>BM</b>	EUR	Cap	0,85%	1,18%	4	LU1484140923	BLEQHBM LX
Institutionnel	Non	Oui	<b>BI</b>	EUR	Cap	0,60%	0,87%	4	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 (tCO <sub>2</sub> / \$m turnover) (weighted average)
<b>Fund</b>	<b>120,4</b>
MSCI ACWI	152,3

Social	
	Severe controversies - HR management
<b>Fund</b>	<b>3,5%</b>
MSCI ACWI	17,0%

Governance		
	Independent Board	% of female directors
<b>Fund</b>	<b>86,3%</b>	<b>35,6%</b>
MSCI ACWI	76,7%	30,1%

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	11,8%	0,9%

## Management Report

Equity prices enjoyed a rising trend in October on the back of a fairly good start to the Q3 results season. The majority of results came in slightly ahead of expectations, as was the case for SAP, Microsoft, Novozymes, Canadian National Railway and Essity among others in the portfolio. On the other hand, Kimberly-Clark, Assa Abloy and Sweco posted results below expectations. The Swedish entrance systems manufacturer Assa Abloy continues to be affected by the pandemic, particularly in China following the turmoil instigated by Evergrande, and in Oceania, which has been subject to extended lockdowns. Kimberly-Clark, Essity and Colgate Palmolive are facing ever-rising raw material, distribution and logistics costs. Essity has been able to offset rising costs with higher volumes and retail prices and even adjusted its future growth forecasts upwards, in contrast to Kimberly-Clark. L'Occitane en Provence continued to advance, helped by its Elemis brand posting exceptional results with over 40% growth.

In terms of sustainability – and mindful of COP26 in Glasgow at the end of October – the fund recorded a reduction in carbon intensity between the end of September 2020 (132 tonnes/million revenues) and September 2021 (118 tonnes/million revenues). The reduction was achieved through weighting changes of the thematic pocket, particularly reducing the position of Canadian National Railway, the largest emitter. Using data on the fund's climate (energy efficiency, alternative energy, green infrastructure) and natural (water management, agriculture, pollution prevention) impacts provided by MSCI ESG Research and measured by the percentage of total revenues derived from products and services that minimise environmental impacts in these six areas, the fund's exposure is acceptable. Schneider Electric achieves 30% of its revenues in the area of cleaner energy supply, while Microsoft and SAP record 20% of revenues in energy efficiency through their software solutions. Novozymes generates 18% of revenues from alternative energies mainly linked to the biofuels division. Geberit gets 18% of revenue from sustainable water use and supply, and Komatsu and Sweco have impacts in several categories.

In regard to carbon reduction targets, Henkel has published the most ambitious aim of carbon neutrality by 2030, followed by Unilever in 2040. A dozen companies have published fairly ambitious pre-2035 reductions, which are important intermediate steps in our analysis. In total, six investee companies report using between 35% and 55% renewable energy in their own operations, a point on which data coverage is otherwise limited. In addition to the MSCI database, we rely on the Science Based Targets initiative, according to which 55% of companies in the portfolio have targets in line with the Paris agreement. We will monitor these statistics and engage with companies to track progress, which is expected to accelerate with the introduction of the Green Taxonomy and other regulations in Europe as well as COP26 in terms of commitments set by global leaders.

At the end of October, the split between the quantitative pocket, which is mainly composed of traditional 'large caps' with favourable ratings from our ESG research provider MSCI, and the thematic pocket, which is composed of generally smaller companies that contribute directly to one or more of the UN Sustainable Development Goals, was 70.3% for the quantitative segment and 21.1% for the themed segment.

The fund was 91.4% invested in equities and 8.6% in cash. The breakdown by currency was as follows: 32.9% in EUR, 25.5% in USD, 9.4% in SEK, 9.1% in CHF, 6.9% in DKK, 6.1% in CAD, 4.3% in JPY, 4.3% in GBP and 1.4% 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:

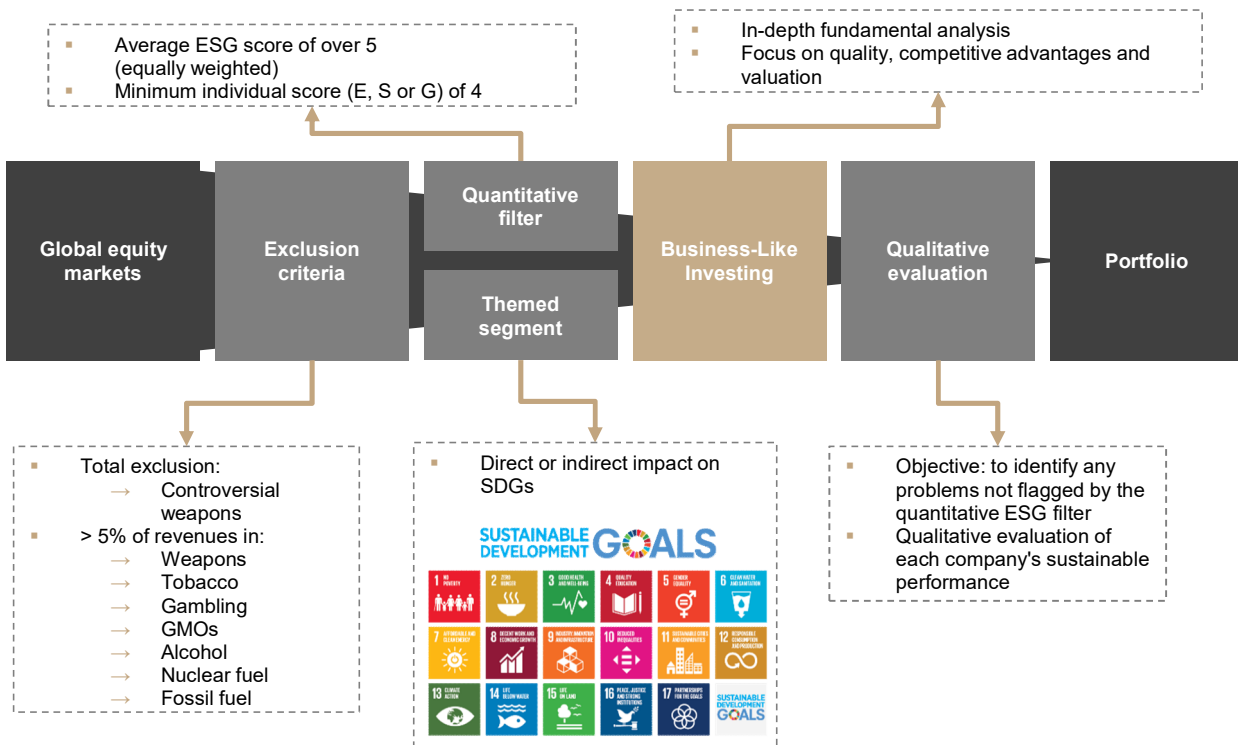
Selection of companies whose products or services contribute to reducing social and environmental imbalances. The UN's Sustainable Development Goals (SDGs) represent the core principle of this themed approach.

### 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



## Legal Information

This document is issued by Banque de Luxembourg Investments ("BLI"), with the greatest care and to the best of its knowledge and belief. However, no guarantee is provided with regard to its content and completeness and BLI does not accept any liability for any losses which might arise from making use of the information contained herein. The opinions expressed in this document are those of BLI at the time of writing and are subject to change at any time without notice. If nothing is indicated to the contrary, all figures are unaudited.

The product description contained herein is for information purposes only and is for the exclusive use of the recipient. Nothing in this document should be construed as an offer and is therefore not a recommendation to purchase or sell shares. It does not release the recipient from exercising his own judgement. Unless specifically indicated, this description is solely aimed at institutional investors according to the Luxembourgish law of 17 december 2010.

The securities and financial instruments described in this document may generate considerable losses and are not therefore suitable for all investors. Among other risks, these include market risks, currency fluctuation risks, credit or payment default risks, liquidity risks and interest rate risks. BLI cannot guarantee that the securities and financial instruments will achieve the intended investment objectives. Each investor must ensure that he is aware of the risks and the consequent legal, tax, accounting and commercial aspects related to these securities and financial instruments.

The accuracy of the data, the evaluation, opinions and estimates of which are included in this document, has been very carefully checked. Any statements made in this document may be subject to change without prior warning.

References to past performances of financial instruments should not be interpreted as a guarantee of future returns.

The recipient is recommended in particular to check that the information provided is in line with his own circumstances with regard to any legal, regulatory, tax or other consequences, if necessary with the help of a professional adviser. It is expressly not intended for persons who, due to their nationality or place of residence, are not permitted access to such information under local law. Neither this document nor any copy thereof may be sent, taken into or distributed in the United States or to any U.S. person as defined in the fund's prospectus. This material is not for distribution to the general public. It is intended for the recipient personally, and it may be used solely by the person to whom it was presented. It does not constitute and may not be used for or in connection with a public offer in Luxembourg of the products referred to herein.

The prospectus, the articles of incorporation, the annual and semi-annual reports of BL as well as the key investor information document (KIID) of the sub-fund are available on [www.bli.lu](http://www.bli.lu) or upon request from BLI. The KIIDs are available in French, English and in any other official language of registration of BL.

This document may not be reproduced either in part or in full without the prior written consent of BLI.

### Specific Information concerning MSCI Data:

All MSCI data is provided "as is". Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the result to be obtained by the use thereof) and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

### Specific Information concerning GICS Data:

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard and Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed to use by Banque de Luxembourg S.A.. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if noticed of the possibility of such damages.

### Specific Information for Switzerland:

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"). The SICAV has appointed Banque CIC (Suisse) SA, Marktplatz 13, CH-4001 Bâle, Switzerland to act as paying agent for Switzerland. The present document may be distributed to Swiss qualified investors.

### Specific Information for France:

The present document may be distributed to French professional investors.