BL-Equities Dividend
a sub-fund of SICAV BL

Fund Fact Sheet

30/11/2021

Asset Class
Global Equities - High Dividend Yield

Fund Characteristics

AUM	€ 530,6 mn
Launch date	30/10/2007
Oldest share class (B)	LU0309191657
Turnover (2020)[1]	24%
Reference currency	EUR
Hedged share classes	USD / CHF
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 Managers

Jérémie Fastnacht joined BLI in 2016. He has been the lead manager of the fund since November 2017.

Guy Wagner, Managing Director of BLI, is the co-manager of the fund. He joined BLI in 1986.

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

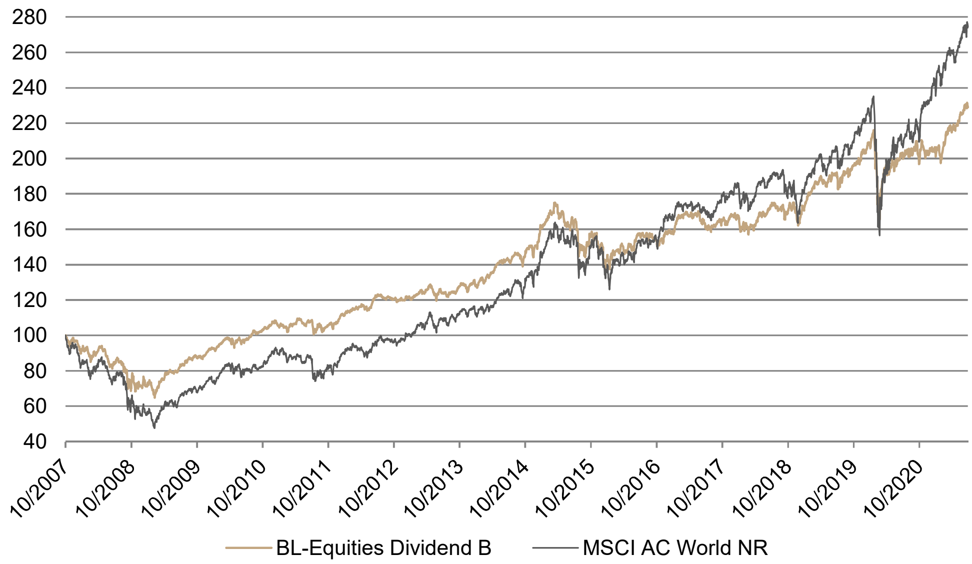
Dealing & Administrator Details
European Fund Administration (EFA)

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[2]
NAV publication	www.fundinfo.com

[1] min (purchases, sales) / average of net assets
[2] Luxembourg banking business day

Investment Objective
BL-Equities Dividend aims to offer better risk-adjusted returns than the global equity markets over complete cycles, through investments in high-quality companies which offer attractive, sustainable and growing dividends. The fund invests with no geographic, monetary or sector limitation.
We look for companies with strong business models protected by sustainable barriers to entry / competitive advantages that allow them to grow while compounding their high cash flows at superior rates of return on capital employed. We then apply our strict dividend filters to pick those which offer attractive, sustainable and growing dividends.

Key Facts
- High-quality companies that offer attractive, sustainable and growing dividends.
- Pure bottom-up approach, no index hugging, no geographic, monetary or sector limitation.
- Long-term investment horizon.
- Conviction portfolio.
- Low turnover.



Performance	YTD	2020	2019	2018	2017	2016
Fund (B shares)	15,0%	1,4%	23,7%	-2,1%	6,5%	3,9%
MSCI World AC NR	23,9%	6,7%	28,9%	-4,8%	8,9%	11,1%

Performance	3 months	6 months	1 year	3 years	5 years	10 years	since launch
Fund (B shares)	1,9%	8,2%	16,5%	35,1%	53,6%	123,8%	136,5%
MSCI World AC NR	3,1%	11,7%	26,8%	56,9%	81,4%	251,7%	190,9%

Volatility	3 months	6 months	1 year	3 years	5 years	10 years	since launch
Fund (B shares)	10,7%	8,4%	7,6%	10,9%	9,9%	9,9%	11,7%
MSCI World AC NR	11,2%	8,6%	8,2%	15,3%	13,5%	13,9%	16,1%

The index (MSCI World AC) 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.

BL-Equities Dividend
a sub-fund of SICAV BL

BANQUE DE LUXEMBOURG INVESTMENTS

Current Portfolio

30/11/2021

Top Holdings	
Unilever	5,8%
PepsiCo	5,6%
Nestle	5,2%
Microsoft	4,6%
Colgate Palmolive	4,3%
Reckitt Benckiser	4,2%
Givaudan	4,2%
National Grid	4,0%
SGS	4,0%
Intertek	3,9%
Weight of Top 10	**45,8%**
Number of holdings	**31**

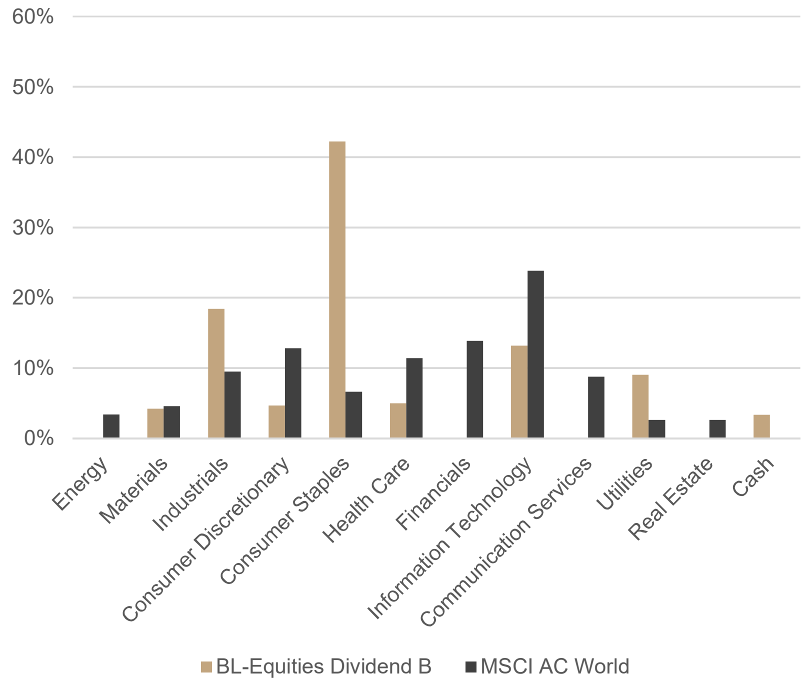
New investments in November

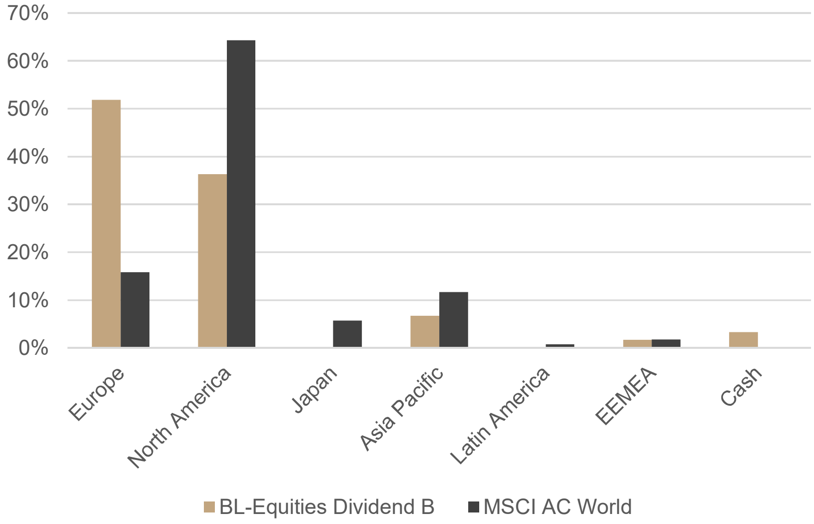
No transactions

Investments sold in November

No transactions

Currency Allocation	
USD	32,5%
EUR	18,4%
GBp	18,1%
CHF	13,4%
CAD	3,9%
SEK	3,5%
DKK	2,4%
AUD	1,9%
HKD	1,7%
ZAR	1,7%
VND	1,3%
TWD	1,3%





Investor type	Clean Share	Eligibility Restrictions	Share Class	Curr.	Income	Hedging	Mgmt fees	On-going Charges	SRRI	ISIN	Bloomberg Ticker
Retail	No	No	**A**	EUR	Dis	No	1,25%	1,44%	5	LU0309191491	BLEQDIA LX
Retail	No	No	**B**	EUR	Cap	No	1,25%	1,45%	5	LU0309191657	BLEQDIB LX
Retail	No	No	**B CHF Hedged**	CHF	Cap	Yes	1,25%	1,44%	5	LU1305477611	BLEDBCH LX
Retail	No	No	**B USD Hedged**	USD	Cap	Yes	1,25%	1,45%	5	LU0751781666	BLEQDH1 LX
Retail	Yes	Yes	**AM**	EUR	Dis	No	0,85%	1,05%	5	LU1484142978	BLEQDAM LX
Retail	Yes	Yes	**BM**	EUR	Cap	No	0,85%	1,04%	5	LU1484143190	BLEQDBM LX
Retail	Yes	Yes	**BM CHF Hedged**	CHF	Cap	Yes	0,85%	1,04%	5	LU1484143356	BLEDBMC LX
Retail	Yes	Yes	**BM USD Hedged**	USD	Cap	Yes	0,85%	1,05%	5	LU1484143430	BLEDBMU LX
Institutional	No	Yes	**AI**	EUR	Dis	No	0,60%	0,76%	5	LU0495663105	BLEQDAI LX
Institutional	No	Yes	**BI**	EUR	Cap	No	0,60%	0,75%	5	LU0439765594	BLEQDVI LX
Institutional	No	Yes	**BI USD Hedged**	USD	Cap	Yes	0,60%	0,76%	5	LU1191324448	BLEBIUH LX

BANQUE DE LUXEMBOURG INVESTMENTS

Management Report

30/11/2021

BL Equities Dividend (retail accumulation share net of fees in euros) gained 0.59% in November 2021.

More specifically, Intertek, Givaudan and National Grid posted the best contributions to the fund's monthly performance.

Conversely, Swedish Match, PMI and Domino’s Pizza Ent. were the main detractors over the month.

During the period, we trimmed our substantial positions in PepsiCo and PMI, and strengthened our holdings in Visa, Swedish Match and TSMC.

At the end of the period, BL Equities Dividend offered a gross weighted average dividend yield of 2.7% (cash included). The companies currently held in the fund post an average compound annual growth rate of their gross dividend per share of 7% over the last five years (data: Bloomberg).

In recent months, a significant trend affecting the companies held in the fund (and other companies too...) is accelerating inflation. It has greater or lesser impact depending on the business activity, but the advantages enjoyed by our quality companies are reassuring as they offer value-added, critical, and in some cases indispensable products or services. They have solid competitive advantages (brand, reputation for quality, captive client base, patents, unique technology, strategic distribution networks, etc.). These give them pricing power, the ultimate weapon against inflation, allowing them to continuously increase the prices of their products or services and offset the impact of their rising costs.

The figures confirm these advantageous characteristics: Our quality companies post an average gross margin of 54%, compared to a median 36% for the thousands of companies in the leading global equity index (data: Bloomberg). In concrete terms, this means that our companies make a product for 10 euros and are able to sell it for 21.7 euros, while others make a product for 10 euros and sell it for only 15.6 euros.

Moreover, given identical cost inflation, our quality companies do not need to increase their prices as much to maintain their gross margin, even though they have greater pricing power. It is much easier to raise prices when selling quintessential Nespresso capsules, delicious Lay's crisps, a miracle-working Lancôme beauty cream, an aspirational Louis Vuitton bag, a critical Microsoft Office 365 licence, a mandatory inspection service or a vital freight transport service in the middle of a desert than it is when selling a basic car, iron ore, an airline ticket, a base chemical product or car insurance...
Furthermore, our quality companies generate an operating margin of 26% and ROCE of 18%, compared to only 13% and 10% respectively for companies in the index (data: Bloomberg). Our superior companies thus have vastly greater financial resources to reinvest (in marketing, R&D, innovation, distribution, etc.) to further develop their competitive advantages and grow, and in the end, they are still able to generate an operating margin twice as high!

Continuing this theme, below are some recent statements from the leaders of companies held by BL Equities Dividend:

"When we do price increases, we don't see a particular response from the client base in terms of volumes. And this has been true for as long as I have been following the industry." J-J Guiony, CFO of LVMH, Oct 21.

"What we're seeing across the world is much lower elasticity on the pricing that we've seen historically." R. Laguarta, CEO of PepsiCo, Oct 21.

"Our first round of price increases, we've seen very little volume impact." L. Narasimhan, CEO of Reckitt Benckiser, Oct 21.

"In the last five years, our comparable price increase has been on average nearly 2% higher than rail cost inflation." J Cairns, VP at Canadian National Railway, Oct 21.

"Take the 18% growth year-to-date. One-third is generated by volume, two-thirds are generated by value, so that gives you a good idea of how strong is valorization ." N. Hieronimus, CEO of L’Oréal, Oct 21.

Investment Approach

Investment Principles

Limit losses
The value of an investment that has lost 50% must double to recover incurred losses.
> *Avoiding losses is more important than generating extraordinary gains.*

Master investment risks
Risks arise when the parameters of an investment are not properly understood.
> *We avoid investing in assets we do not fully understand.*

Valuation / margin of safety
The price paid for an investment determines its potential return.
> *The objective is to invest with a safety margin to increase the potential return and limit the risk of loss.*

Consideration of an entire business cycle
Our circumspect approach may lead us to forego part of potential performance in soaring markets, but will pay off in falling markets.
> *Our objective is to outperform the relevant markets indices over an entire business cycle, with lower volatility and by limiting the drawdown in challenging markets.*

Active Management
The market reference is solely used for performance measurement principles.
> *Owing to the active investment approach of our portfolio management, the portfolio structure may deviate strongly from that of market indices.*

Equity selection: "Business-Like Investing" approach

We consider an equity investment as a long-term participation in a quality business. As a consequence, we need to make sure that the businesses we invest in are able to compete successfully within their lines of business and remain profitable for the years to come.

Quality
In the first step of our investment process, we perform an in-depth review of the targeted company's business model in order to identify its sustainable competitive advantages. A competitive advantage differentiates the company from its competitors and creates barriers to entry, adding value for its investors.
Secondly, we analyse whether the competitive advantage translates into high return on capital employed and recurrent free cash flows. We put a special emphasis on the analysis of the maintenance capex requirements of the targeted companies to make sure that the cash flow generated is not absorbed by investment needs to sustain the company's current business operations.
Thirdly, we analyse if the targeted company uses its capital wisely. The company's management faces the following options: investment in current business, development of new activities, takeovers, dividend payments, stock buybacks or debt repayments.
Only companies that comply with our bottom-up quality criteria are considered for inclusion into our portfolios, which may lead to significant deviations from the relevant market indices.

Valuation
Even investments in quality companies may result in significant capital losses if the price that was paid for the investment proves too high. To avoid this pitfall, we determine a fair value for each targeted company prior to investing. This fair value is based on the company's normalised free cash flow and serves as reference point for our buy and sell discipline.

Dividends

In the long term, a significant proportion of the total return from equities comes from dividends. Moreover, empirical studies show that over the long term, the shares of companies with an efficient dividend policy have outperformed the equity markets, with lower volatility. This is even more significant when dividends are reinvested. Also, unlike declared profits dividends represent actual expenses for a company and cannot be manipulated. Dividends can also be an indicator of a company's future performance, and tend to offer protection against inflation.
In the current environment (historically low interest rates, unconventional monetary policies, generally quite high valuations) the dividend strategy is more attractive than ever.
Furthermore, in the future, shares of companies that pay generous dividends will be more sought after, buoyed by the demand of an ageing global population (as they offer income without the need to sell off capital, and tend to be less volatile).

BLI specifics
First, we select high-quality value-creating companies, then we apply our strict dividend filter to pick those which offer attractive and sustainable yields.
In our view, a portfolio with a shrewd combination of "dividend growers" and "dividend payers" can offer a higher risk-adjusted return than the equity markets.
The term "dividend growers" relates to companies offering a moderate dividend yield but strong potential to increase their dividend. Historically, shares of companies in a position to "grow" their dividend have outperformed those of companies content with a high payout.
"Dividend payers" are companies offering less potential to increase their dividend but a high (and sustainable) yield that could constitute a cushion in hard times.

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 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.