

Fund Fact Sheet

31/08/2023

Asset Class

Mixed Asset Global Flexible

Fund Characteristics

AUM	€ 1610,6 mn
Launch date	06/04/2005
Oldest share class (B)	LU0211340665
Turnover (2022) ¹	33%
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

Guy Wagner has been managing BL Global Flexible EUR since launch.

An economics graduate from the Université Libre de Bruxelles, he joined Banque de Luxembourg in 1986 and headed the Financial Analysis and Asset Management departments. Director & CIO of BLI - Banque de Luxembourg Investments from 2005 to July 2022, he now focuses on his duties as CIO and manager.

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

UI efa S.A.	
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**
NAV publication	www.fundinfo.com



¹ min (purchases, sales) / average of net assets
² Luxembourg banking business day
³ Lipper Global Mixed Asset Balanced

Investment policy

The fund's objective is to generate a positive real (inflation-adjusted) return in euros over the medium term through a flexible, global asset allocation strategy. The strategy combines different asset classes that are traditionally negatively correlated: primarily equities, bonds and money market instruments, precious metals and cash.

Investments in equities may vary between 25% and 100% of the net assets.

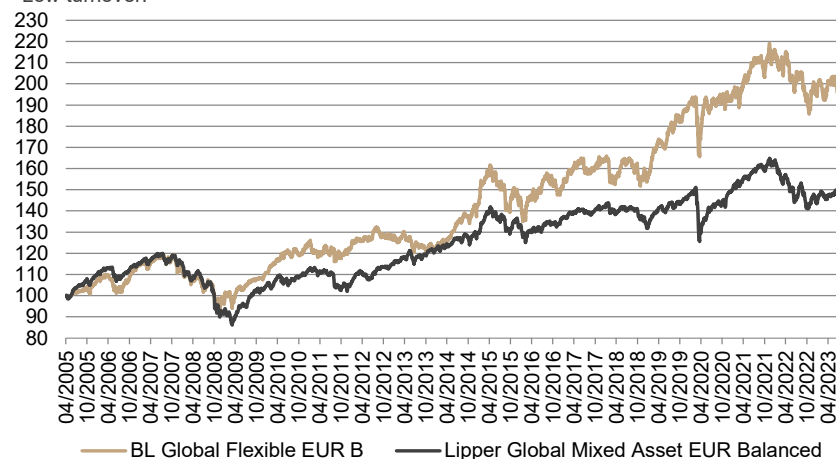
A minimum of 20% of the fund's assets will be invested in sustainable assets.

Alongside these financial goals, targets have been set in terms of the portfolio's ESG performance and these are regularly monitored.

The fund also aims to limit the decline during periods of stock market correction.

Key features

- An active, conviction-based, non-benchmarked approach;
- Flexible style of wealth management geared to limiting the downside risk during periods of stock market correction;
- Allocation combining asset classes that are often inversely correlated:
 - o Equities as the main performance driver;
 - o Bonds and precious metals as protection for the portfolio;
- Investments in equities according to strict quality and valuation criteria;
- Indirect exposure to gold through gold-mining companies;
- Integration of ESG factors at different stages of the investment process (exclusions, analysis, valuation, monitoring of controversies, voting policy and engagement);
- Defined and quantifiable impact indicators on environmental, social, governance and human rights aspects;
- Low turnover.



Performance	YTD	2022	2021	2020	2019	2018
Fund (B shares)	-1,0%	-10,0%	11,0%	1,9%	22,5%	-4,9%
Lipper Peergroup***	4,6%	-12,4%	9,0%	1,8%	11,5%	-6,6%

Performance	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	-2,94%	-4,2%	-0,3%	-3,7%	0,0%	18,9%	55,4%
Lipper Peergroup***	-0,9%	1,3%	2,1%	1,3%	4,2%	6,3%	27,8%

Volatility	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	9,1%	8,1%	8,8%	9,1%	9,4%	8,7%
Lipper Peergroup***	4,3%	3,7%	5,2%	5,8%	7,2%	6,2%

The index (Lipper Global Mixed Asset EUR Balanced) 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 document of the sub-fund.

Current Portfolio

31/08/2023

Top Holdings Equity Portfolio

Roche Holding	5,1%
Franco Nevada	4,4%
Wheaton Precious Metals Corp	3,7%
Nestle	3,1%
Royal Gold	3,0%

holdings equity portfolio **65**

Top Holdings Bond Portfolio

US 2% 15-08-51	3,6%
US 1,25% 15-5-2050	3,6%
US TIPS 15-02-2050	3,3%

holdings bond portfolio **3**

Bond Portfolio Technicals

average modified duration	17,1
average maturity	27,1 years
average yield to maturity	3,6%

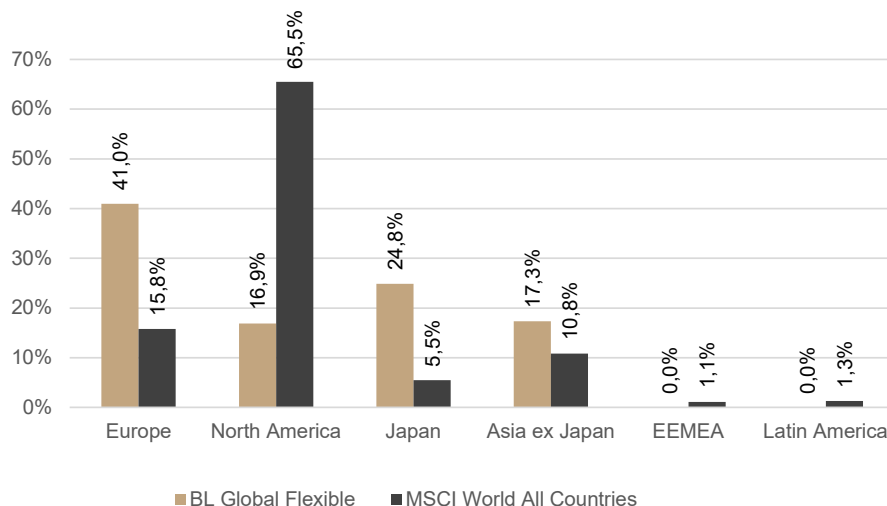
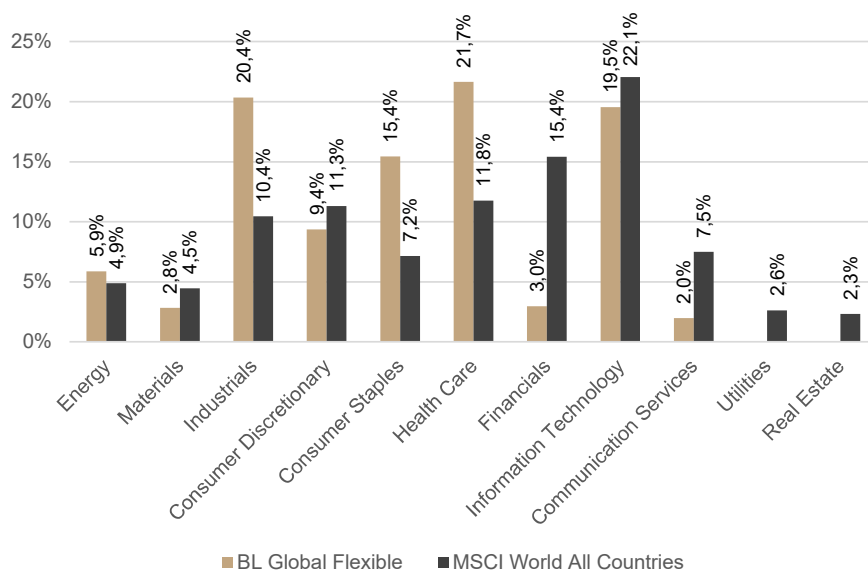
New Investments in August (Equities)

Sinbon Electronics Co Ltd
VAT

Investments sold in August (Equities)

Vietnam Dairy Product
Aptargroup

Currency allocation	before hedging	after hedging
EUR	9,9%	29,3%
JPY	18,5%	18,5%
CAD	15,8%	15,8%
CHF	14,8%	14,8%
HKD	5,6%	5,6%
GBp	4,4%	4,4%
USD	22,1%	2,6%
KRW	2,3%	2,3%
TWD	2,1%	2,1%
DKK	1,6%	1,6%
INR	1,0%	1,0%
SEK	1,0%	1,0%
SGD	1,0%	1,0%



Asset Allocation August 2023

	Gross	Hedging	Net
Equity	74,56%	-15,5%	59,03%
Bonds	10,50%		10,50%
Precious Metals Related Stocks	13,81%		13,81%
Cash & Cash Equivalents	1,13%		1,13%
Total	100,0%		

Investor Type	Clean Share	Elegibility restrictions	Share Class	Currency	Currency Hedging	Income	Mgmt Fees	On-going Charges	SRI	ISIN	Bloomberg Ticker
Retail	No	No	A	EUR	No	Dis	1,25%	1,40%	3	LU0211339816	BLGLFLX LX
Retail	No	No	B	EUR	No	Cap	1,25%	1,40%	3	LU0211340665	BLGLFLC LX
Retail	No	No	B CHF Hedged	CHF	Yes	Cap	1,25%	1,40%	3	LU1305478262	BLGLFBCH LX
Retail	Yes	Yes	AM	EUR	No	Dis	0,85%	1,00%	3	LU1484143513	BLGLFAM LX
Retail	Yes	Yes	BM	EUR	No	Cap	0,85%	1,00%	3	LU1484143604	BLGLFBM LX
Retail	Yes	Yes	BM CHF Hedged	CHF	Yes	Cap	0,85%	1,00%	3	LU1484143786	BLGLFBMC LX
Institutional	No	Yes	BI	EUR	No	Cap	0,60%	0,71%	3	LU0379366346	BLGLFLI LX

Management Report

31/08/2023

Macroeconomic environment

The resilience of activity despite monetary tightening is now increasingly confined to the US economy, while signs of weakening are multiplying in Europe and China. In the United States, July's retail sales figures point to a strong start to domestic consumption in the third quarter, suggesting continued positive GDP growth over the summer. On the other hand, in the eurozone, service sector activity seems to be joining the downward trend already observed for several months in the manufacturing sector, with the purchasing managers' index for services falling below the 50 mark, which is supposed to separate expansion from contraction. In China, there seems to be no end in sight to the rout in the property sector, with financial problems affecting new developers and house prices remaining under pressure, despite the recent support measures announced by the government. In Japan, second-quarter GDP rose by 1.5% quarter-on-quarter, thanks to strong exports supported by a weak yen.

The easing in inflation rates is beginning to slow, as the basis for comparison becomes less favourable in the second half of the year. In the United States, headline inflation rose from 3.0% in June to 3.2% in July. Excluding energy and food, inflation fell from 4.8% to 4.7%. The PCE (personal consumption expenditure) core price index, which is the Federal Reserve's favourite price indicator, rose from 4.1% to 4.2%. In the eurozone, the headline inflation rate remained unchanged at 5.3% in August. Excluding energy and food, inflation fell from 5.5% to 5.3%.

At the traditional central bankers' conference in Jackson Hole in the United States, Federal Reserve Chairman Jerome Powell's speech contained little new information. He reiterated the need to continue efforts to bring inflation back down to 2%, while pointing out that the interest rate hikes already made require a more cautious approach in the future in order to avoid excessive tightening. The President of the European Central Bank focused on the fact that interest rates could remain permanently higher than the levels seen before the Covid era.

Financial markets

Continued central bank intervention since the financial crisis has made the financial system fragile.

The factors that have been so favorable to equity markets over the last decades are slowly beginning to revert: the world economy looks to have entered a new regime in which both deflationary and inflationary forces co-exist, the potential for interest rates to decline seems exhausted, the return to policies promoting the national interest over international cooperation is introducing economic and geopolitical risks, and the demographic structure of the population has reached a stage where it threatens to negatively impact available savings. Over the long term, valuation multiples therefore have a strong chance of declining and it will be all the more difficult to generate attractive returns from equities by simply adopting a passive approach. Even in difficult markets, it is nevertheless possible to invest intelligently in equities, provided one has a rigorous stock selection process.

The risk/return ratio for bonds has deteriorated sharply over the past decade: yields have fallen and duration has increased. It has improved somewhat in 2022 given the rise in bond yields. In an environment where demographic trends, environmental constraints, military spending and social demands are leading to ever-increasing government financing needs and where inflation is likely to be structurally higher, the longer-term outlook for bonds could prove unfavorable. It is not clear whether high-quality (Investment Grade) bonds can still offer a positive inflation-adjusted return over the medium term. Low bond yields also mean that government bonds offer less diversification capacity in a balanced portfolio.

The investment case for precious metals remains valid. Gold is an investment in monetary and financial disorder as well as a hedge against inflation. Gold-mining companies offer significant leverage to the gold price.

Management Report

31/08/2023

Monthly comment August

After hitting a new post-Covid record during August, the yield to maturity on the 10-year US Treasury note eased again, in the wake of Federal Reserve Chairman Jerome Powell's relatively neutral speech in Jackson Hole. In Europe, long-term bond yields rose less than in the United States, ending the month virtually unchanged. The benchmark 10-year rate moved from 3.96% to 4.11% in the United States, from 2.49% to 2.46% in Germany, from 3.02% to 2.98% in France, from 4.10% to 4.12% in Italy and from 3.51% to 3.48% in Spain. Since the beginning of the year, the JP Morgan EMU Government Bond Index has gained 2.6%.

The stock market euphoria triggered by the artificial intelligence theme subsided somewhat in August, with share prices consolidating their gains of the previous months. However, hopes of a soft landing for the US economy have so far prevented a major correction. As a result, the MSCI All Country World Index Net Total Return expressed in euros fell by 1.3% during August. At regional level, the S&P 500 in the United States fell by 1.8% (in USD), the Stoxx 600 in Europe by 2.8% (in EUR), the Topix in Japan rose by 0.4% (in JPY) and the MSCI Emerging Markets index fell by 6.4% (in USD). In terms of sectors, energy was the only one to post a slightly positive performance, while utilities, materials and finance recorded the biggest declines.

The euro depreciated slightly against the dollar from 1.10 to 1.08. Since the beginning of February, the European currency has been moving without a clear trend against the greenback, fluctuating within a range between 1.06 and 1.12. Precious metals prices showed little movement following their rebound of the previous month. The price of an ounce of gold fell by 1.3%, from USD 1965 to USD 1940. The price of an ounce of silver fell by 1.2%, from USD 24.7 to USD 24.4.

At the end of the month, the asset allocation of BL-Global Flexible was:

- Equities 74.5% (of which 15% were hedged)
- Bonds 10.5%
- Cash / Options 1%
- Gold 14%

An important change has been made in the way part of the equity exposure is hedged. The short position in the futures on the Euro Stoxx 50, S&P 500 and SMI indices has been closed and replaced by the purchase of Put options on the Euro Stoxx 50 and S&P 500 indices. The reasons behind this decision are as follows:

- The use of Put options allows the fund to continue to participate in a potential further upward movement in the equity markets;
- Put options are currently cheap, given the low volatility of the markets.

It is important to note that, insofar as factors such as time value and volatility are involved in the pricing of options, the relationship between changes in the underlying index and in the price of the option is not as linear as for futures. Also, given the underlying characteristics of options, the degree of hedging will vary more importantly compared to what would be the case if the fund were to continue to use futures. Going forward, it will thus be managed in a more dynamic way.

3 positions were added to the portfolio during the month: VAT Group in Switzerland, ASMPT in Hong Kong and Sinbon Electronics in Taiwan. The positions in Aptar group and Vietnam Dairy Products were sold.

VAT Group is the global leader in vacuum valves, which are used in many high-tech manufacturing processes, such as for microchips, photovoltaics and flat-panel displays. The company has a dominant market share thanks to industry-leading innovation. It invests circa 8x more in R&D than its nearest peer and dominates the global market for high-spec vacuum valves, with a 58% market share across all industries and a 74% share in semiconductors.

ASMPT designs, manufactures and markets semiconductor packaging equipment, surface-mount equipment and lead frames. Its equipment is mainly used for semiconductor chip packaging.

Sinbon Electronics is a manufacturer of electronic connectors. The company offers an extensive range of value-added services to its customers in the IT, automotive, industrial control, medical and consumer electronics industries. Sinbon is a structural beneficiary of the trend towards renewables, EV and factory automation demand.

BL-Global Flexible's equity and bond holdings contributed negatively to the performance in August, whilst the equity hedge had a slight positive impact. Within the equity portfolio, the main positive contributors were SECOM, Novo Nordisk, Recruit, Unicharm and Infosys, the main negative contributors Roche, Alibaba, Kone, Hong Kong Exchanges and Novozymes.

	BL Global Flexible Eur	MSCI ACWI
ESG Quality Score	7,49	6,80
Environmental		
Carbon Emissions Intensity	48,7 (98%)	137,1 (100%)
Environmental Controversy Score	9,10 (99%)	8,94 (100%)
Social		
Social Controversy Score	6,03 (99%)	4,64 (100%)
Governance		
Corporate Governance Theme Score	8,44 (99%)	7,01 (100%)
Global Norms		
UN Global Compact Signatories	67,7% (100%)	44,5% (99%)
UN Global Compact Compliant	90,8% (99%)	80,7% (100%)
UN Global Compact Watchlist	9,2% (99%)	16,2% (100%)
UN Global Compact Fail	0,0% (99%)	0,6% (100%)

(*) Analysis methodology only for equity investments (including gold stocks) in the portfolio.

Scores / 10

(%): Data Coverage

The fund excludes the 20% worst performing companies in terms of ESG from its investment universe

The objectives in terms of impact indicators are to outperform the relevant market index over the long term.

ESG Methodology

PRE INVESTMENT

Exclusions (BLI's general policy):

- Companies
 - Active in the production of **controversial weapons**
 - Included in the **Global Coal Exit List**
- Companies not complying with the Principles of the **UN Global Compact (*)**
- Companies involved in **highly severe controversies (red flag) (*)**

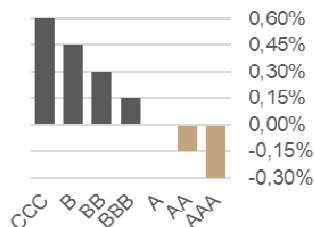
Reduction of the universe by 20%:

- minimum ESG rating for inclusion
- Equities: **BB ***
- Gold stocks and Government Bonds: **BBB ***

INTRA INVESTMENT

ESG Integration

- **Equities: Integration of ESG factors in the valuation process**
 - Increase / Reduction of Cost of equity depending on ESG rating (*)



POST INVESTMENT

Voting policy

- As an active investor, BLI votes at the annual meetings of invested companies

Engagement policy

- BLI initiates an active engagement policy with invested companies.
- Focus is on defined impact factors as well as wider ESG topics.

Controversies follow-up: Ongoing monitoring of analysed controversies to assess realised progress

monthly and annual **monitoring of impact indicators** on E, S and G factors and on respect for human rights (UN GC)

(*) ESG ratings and data are sourced from the specialised MSCI ESG Manager database

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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").

The SICAV has appointed Banque CIC (Suisse) SA, Marktplatz 13, CH-4001 Bâle, Switzerland to act as paying agent for Switzerland.

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