

Fund Fact Sheet

29/12/2023

Asset Class

Equities US, Small & Mid Cap

Fund Characteristics

AUM	USD 664,5 mn
Launch date	13/11/2015
Oldest share class (B)	LU1305478775
Turnover (2023) ¹	14%
Reference currency	USD
Hedged share class available in	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

Representative Market Index

MSCI US Small & Mid Cap NR USD

Fund Manager

Henrik Blohm joined BLI - Banque de Luxembourg Investments in 2014. He is responsible for U.S. small and mid-cap investments and launched the BL American Smaller Companies Fund in November 2015. He has a business studies degree from the University of Innsbruck and the San Diego State University, with a specialization in Banking and Finance. Following a two-year bank internship at a German bank in Luxembourg, Henrik started his professional career as a fund manager at BCEE Asset Management in November 2010.

Management Company

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Dealing & Administrator Details

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Tel	+352 48 48 80 582
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Dealing frequency	daily ²
Cut-off time	12:00 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

³ since 16/11/2015

Investment policy

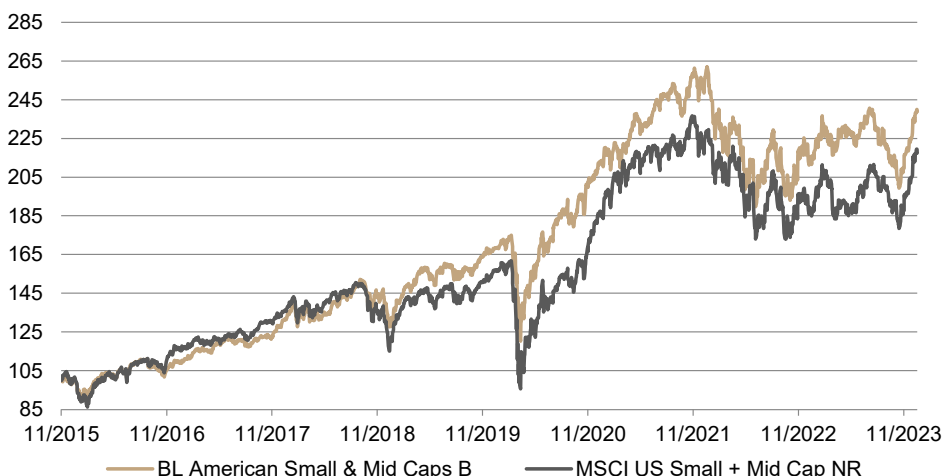
The fund's objective is to generate long-term capital gains by investing primarily in quality American small and mid-cap companies that have a sustainable competitive advantage. Companies with a market capitalisation of less than \$30 billion are considered for investment. The fund aims to generate higher risk-adjusted returns than its benchmark universe over a full market cycle.

A minimum of 30% of the fund's assets will be invested in sustainable assets.

The fund manager implements an active strategy based on solid convictions.

Key features

- An active, fundamental, conviction-based approach (40 to 60 stocks), purely bottom-up and oriented towards the long term;
- A portfolio of quality North American small and mid-cap companies offering access to the most dynamic segment of the US equity market;
- Constant attention is paid to the quality of the fundamentals and the valuation of the companies included in the portfolio;
- Integration of ESG factors at different stages of the investment process (exclusions, analysis, valuation, monitoring of controversies, voting policy and engagement);
- Non-benchmarked management resulting in significant deviations from the initial investment universe;
- Low turnover.



Performance	2023	2022	2021	2019
Fund (B shares)	11,4%	-18,1%	22,5%	26,9%
MSCI US Small + Mid NR USD	15,6%	-17,7%	22,4%	19,0%

Performance	1 month	3 months	6 months	1 year	since launch ³
Fund (B shares)	8,5%	11,1%	1,0%	11,4%	139,0%
MSCI US Small + Mid NR USD	9,3%	13,0%	7,4%	15,6%	115,0%

Annualised Volatility	3 months	6 months	1 year	since launch ³
Fund (B shares)	17,2%	16,7%	16,3%	17,8%
MSCI US Small + Mid NR USD	21,4%	18,7%	19,0%	21,3%

The market index (MSCI US Small & Mid Cap Net Return) 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

29/12/2023

Top Holdings

Resmed	3,5%
Verisk Analytics	3,3%
Tyler Technologies	3,2%
Siteone Landscape Supply	2,7%
Ansys	2,7%
Pool	2,6%
Idexx Laboratories	2,6%
Waters	2,6%
Msci	2,5%
Equifax	2,5%
Weight of Top 10	28,1%
Number of holdings	46

Asset Allocation

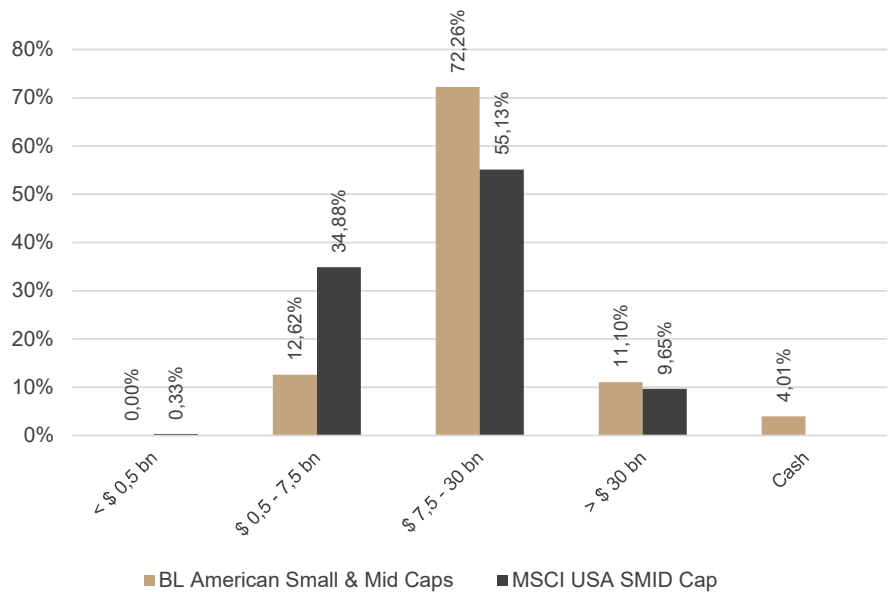
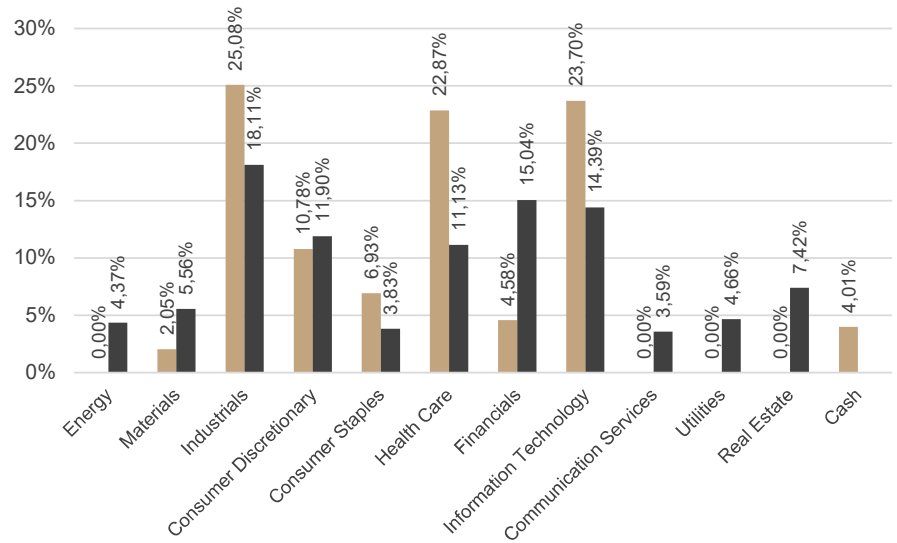
United States	96,0%
Canada	0,0%
Cash	4,0%

New Investments in December

Exponent Inc

Investments sold in December

no transactions



Investor Type	Clean Share	Elegibility restrictions	Share class	Currency	Hedging	Income	Mgmt fees	On-going Charges	SRI	ISIN	Bloomberg ticker
Retail	No	No	A	USD	No	Dis	1,25%	1,41%	5	LU1484763229	BLEFBAU LX
Retail	No	No	B	USD	No	Cap	1,25%	1,41%	5	LU1305478775	BLAMSCB LX
Retail	No	No	B Eur Hedged	EUR	Yes	Cap	1,25%	1,41%	5	LU1305478932	BLASBEH LX
Retail	Yes	Yes	AM	USD	No	Dis	0,85%	1,02%	5	LU1484763575	BLASCAM LX
Retail	Yes	Yes	BM	USD	No	Cap	0,85%	1,02%	5	LU1484763658	BLASCBM LX
Retail	Yes	Yes	BM Eur Hedged	EUR	Yes	Cap	0,85%	1,02%	5	LU1484763732	BLASBME LX
Inst.	No	Yes	BI	USD	No	Cap	0,60%	0,73%	5	LU1484763815	BLASCB I LX
Inst.	No	Yes	BI Eur Hedged	EUR	Yes	Cap	0,60%	0,74%	5	LU1867116706	BLASBIH LX

Management Report

29/12/2023

The Santa Claus rally kept on moving forward over the last weeks of December and delivered a welcome Christmas present for investors. The global equity rally, which began on October 28, has led to a stunning mid-high teens return for large cap indexes, 20%-ish returns for mid-cap indexes and 23%-ish returns for small cap indexes, with no meaningful difference between growth and value (they both rallied spectacularly).

In December, the BL-American Small & Mid Caps Fund (retail share class capitalization net of fees in USD) underperformed its Benchmark, the MSCI US Small + Mid Cap NR USD Index, by 0,78%. In absolute terms, the fund showed a positive performance of 8,54%.

During the month we completed the purchase of a position in IDEX Corporation, a diversified manufacturer of industrial, life sciences and safety products with a track record of supplementing organic growth with bolt-on acquisitions at attractive returns. IDEX owns a collection of moat businesses that tend to be leaders in their niche end markets, typically holding the number-one or -two market share. A common theme across the businesses is that they specialize in making highly engineered mission-critical equipment that performs a vital function where the cost of failure is high but typically constitutes a small part of the customer's total bill of materials. This aspect contributes to IDEX's moat through customer switching costs and allows the firm to command premium pricing. IDEX has limited competition from major global industrial players due to the relatively small size of their end markets. Management has a solid track record of capital allocation and historically has been able to boost sales growth through acquisitions without diluting operating margins or profitability. IDEX generates average ROICs through the economic cycle in the upper teens, roughly double our estimated cost of capital for the firm. The company enjoys a strong competitive position across a variety of niche markets with high barriers to entry, and we believe that IDEX is well positioned to continue outearning its cost of capital in the future.

The top 5 contributors in the month were Ansys, Idexx Laboratories, Bio-Techne, Waters and SiteOne. The top 5 detractors were Verisign, Manhattan Associates, Church & Dwight, Aptargroup and Verisk.

Investment Approach

Investment Principles

Avoid Losses

Avoiding a big loss on an investment is more important than realising extraordinary gain.

Focus on Quality

We seek companies enjoying a sustainable competitive advantage.

Valuation: the concept of margin of safety

The price paid for an investment determines its potential return.

Master Investment Risks

Risks arise when the parameters of an investment are not properly understood.

Active Management

The market reference is solely used for the principle of performance measurement. The portfolio structure may deviate from that of its reference index.

Equity Investment Approach: Business-Like Investing

Rationale

We consider an equity investment as a long-term participation in a quality business. As a consequence, we need to make sure that the companies we invest in are able to compete successfully in their line of business, ensuring high levels of profitability and strong free cash-flow generation.

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 advantage. A competitive advantage makes it stand out and creates entry barriers for competitors.

In the second step we analyse whether the competitive advantage translates into recurrent free cash flow. 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.

In the third step, we focus on the strength of the management team and analyse how the targeted company uses its capital and manages its balance sheet. Company management has to consider investment in current business activities, development of new activities, takeovers, dividend payments, stock buybacks or debt repayments.

Only companies that meet our investment criteria are considered for inclusion in our portfolios. This may lead to significant deviations from the relevant market index.

Valuation

Even investments in quality companies may result in significant capital losses if the price paid for the investment is 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.

Portfolio characteristics

BL American Small & Mid Caps portfolio consists of 40 to 60 small- and mid-sized companies (maximum market cap USD 25bn) that have been selected on the basis of the quality of their fundamentals and their valuation.

The structure of the fund's market reference index does not play any role in the portfolio's construction: the portfolio structure is the outcome of the addition of individual bottom-up investment opportunities. The weight given to each security in the portfolio is a function of its valuation level, stock liquidity and our degree of conviction in the investment thesis.

Owing to our quality investment style, the fund's sector allocation is geared towards consumer discretionary, consumer staples, health care, industrials, technology and materials sectors. Conversely, in sectors like financials, utilities or telecoms, we find few - if any - companies that meet our investment criteria.

BL American Small and Mid Caps is a pure equity fund: the fund manager does not time the market and the cash level within the portfolio is maintained at a minimum.

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