

Fund Fact Sheet

30/06/2020

Asset Class

Equities US, Small & Mid Cap

Fund Characteristics

AUM	USD 363,9 mn
Launch date	13/11/2015
Oldest share class (B)	LU1305478775
Turnover (2019) ¹	17%
Reference currency	USD
Hedged share class available in	EUR
Legal structure	SICAV, UCITS
Domicile	Luxembourg
European Passport	Yes
Countries of registration	AT, BE, DK, FI, FR, DE, ES, IT, LU, NL, NO, SG, SE, CH, GB

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

BLI - Banque de Luxembourg Investments S.A.
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Dealing & Administrator Details

European Fund Administration (EFA)	
Tel	+352 48 48 80 582
Fax	+352 48 65 61 8002
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

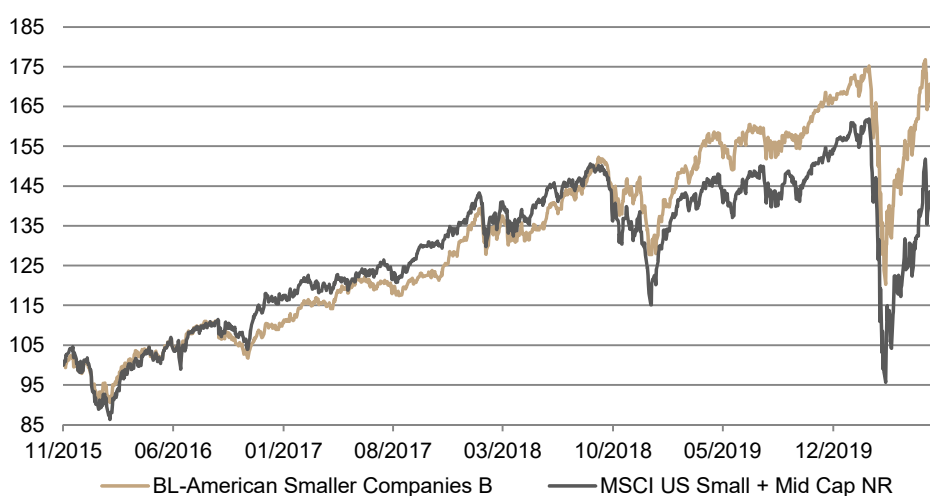
Investment Objective

The objective of BL-American Smaller Companies is to achieve long-term capital gains by predominantly investing in high-quality US small- and mid-cap companies benefiting from a sustainable competitive advantage.

The fund manager implements an active investment strategy based on strong convictions. Since the portfolio structure is the outcome of individual bottom-up investment opportunities, it may deviate significantly from its relevant market index in terms of sector and market-cap allocations.

Key Facts

- Portfolio consisting of 40 to 60 companies quoted on US stock exchanges with a maximum market cap of USD 20 bn.
- Bottom-up portfolio construction process irrespective of the US equity market structure.
- North American small- and mid-cap equity portfolio of quality companies.
- Long only, fully invested.
- Low turnover.



Performance	YTD	2019	2018	2017	2016
Fund (B shares)	2,0%	27,1%	0,9%	20,6%	9,5%
MSCI US Small + Mid NR USD	-10,0%	28,1%	-9,7%	17,6%	15,2%

Performance	1 month	3 months	6 months	1 year	since launch ³
Fund (B shares)	1,3%	24,6%	2,0%	8,5%	71,9%
MSCI US Small + Mid NR USD	2,6%	26,1%	-10,0%	-3,7%	39,6%

Annualised Volatility	3 months	6 months	1 year	since launch ³
Fund (B shares)	20,3%	28,4%	21,0%	13,7%
MSCI US Small + Mid NR USD	28,7%	38,8%	28,6%	17,8%

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 information document of the sub-fund.

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

² Luxembourg banking business day

³ since 16/11/2015

Current Portfolio

30/06/2020

Top Holdings

Resmed	3,7%
Church + Dwight	3,2%
Check Point Software Technologies	3,0%
Lamb Weston Holdings	2,5%
Tractor Supply	2,5%
Verisk Analytics	2,5%
Pool	2,5%
Ansys	2,4%
Aptargroup	2,4%
Mccormick & Co	2,3%
Weight of Top 10	26,9%
Number of holdings	50

Asset Allocation

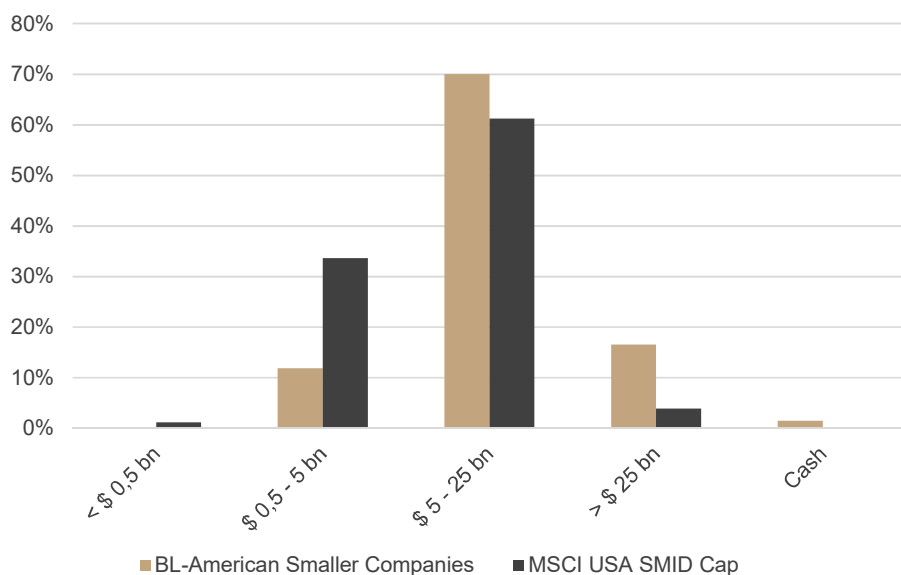
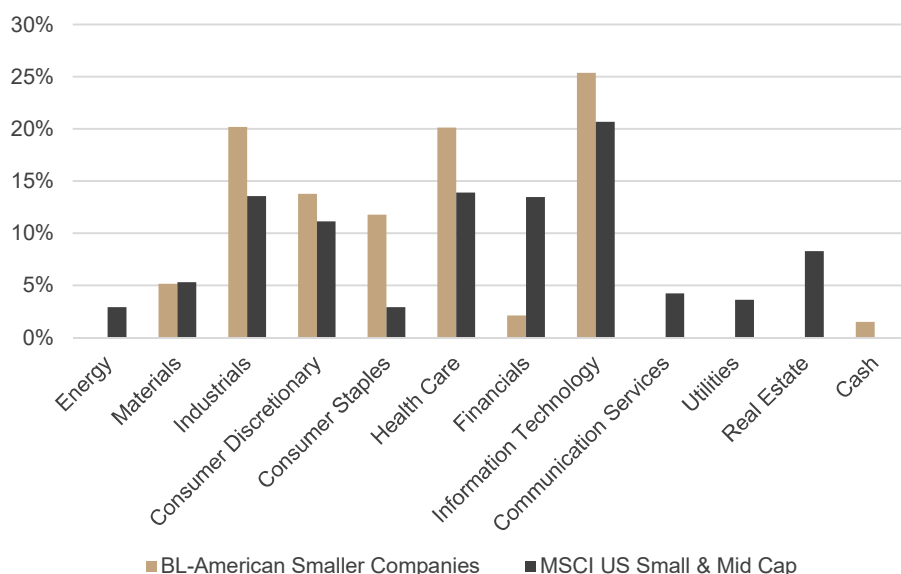
United States	96,6%
Canada	1,9%
Cash	1,5%

New Investments in June

Insulet

Investments sold in June

no transactions



Investor Type	Clean Share	Eligibility restrictions	Share class	Currency	Hedging	Income	Mgmt fees	On-going Charges	SRR1	ISIN	Bloomberg ticker
Retail	No	No	A	USD	No	Dis	1,25%	1,47%	5	LU1484763229	BLEFBAU LX
Retail	No	No	B	USD	No	Cap	1,25%	1,47%	5	LU1305478775	BLAMSCB LX
Retail	No	No	B Eur Hedged	EUR	Yes	Cap	1,25%	1,46%	5	LU1305478932	BLASBEH LX
Retail	Yes	Yes	AM	USD	No	Dis	0,85%	1,07%	5	LU1484763575	BLASCAM LX
Retail	Yes	Yes	BM	USD	No	Cap	0,85%	1,07%	5	LU1484763658	BLASCBM LX
Retail	Yes	Yes	BM Eur Hedged	EUR	Yes	Cap	0,85%	1,08%	5	LU1484763732	BLASBME LX
Inst.	No	Yes	BI	USD	No	Cap	0,60%	0,82%	5	LU1484763815	BLASCBI LX
Inst.	No	Yes	BI Eur Hedged	EUR	Yes	Cap	0,60%	0,78%	5	LU1867116706	BLASBIH LX

Management Report

30/06/2020

It's been a very strong quarter for equities as central banks and governments provided enormous amounts of stimulus and economies started to reopen. Despite the strong rebound in risk assets, traditional portfolio hedges such as government bonds and gold have held up well. We believe the monetary support is here to stay, but that there is a risk that fiscal stimulus may become less generous. Meanwhile, rising infection rates could lead to further social distancing measures being imposed or voluntarily adopted.

In June, the BL American Smaller Companies Fund (retail share class capitalization net of fees in USD) underperformed its Benchmark, the MSCI US Small + Mid Cap NR USD Index, by 1,3%. In absolute terms, the fund showed a positive performance of 1,3%.

During the month, we initiated a position in Insulet. The company develops and manufactures its proprietary tubeless insulin infusion system, the OmniPod System. The device is the only commercially available tube-free insulin infusion system for T1 diabetes in the U.S., and this distinguishing feature has been the primary factor enabling the company to capture ~21% share of the \$3 billion worldwide insulin pump market in recent years. The system is inconspicuous and easy to use and has so far been very successful among patients new to insulin pumps. These patients represent lots of growth potential, as roughly 70% of Americans with Type 1 diabetes still take daily insulin injections. The Omnipod has been particularly successful among children and teens as the device (smaller than the size of a deck of cards) is stuck directly on the body for three days at a time and is waterproof. The tubeless system also means patients don't have to cut holes in their clothing to accommodate the tube, wear clothes with belt loops to clip the pump to, and still end up getting the tubing snagged on furniture or knobs. After a major management changeover in 2014-15, Insulet has improved its manufacturing and commercialization strategies and has made progress in gaining economies of scale to bring down costs, while enlarging its user base. Insulet is currently enjoying adoption of its OmnipodDash, which allows for access to personal blood glucose and insulin readings from the pump to a smartphone. Beyond Dash, Insulet is working on a hybrid closed-loop pump that is set for launch in 2020. Insulet has accelerated its pace of technological innovation under the new management team and we remain favorable about the pipeline. We think Insulet's competitive advantage stems from intangible assets, which include intellectual property, materials engineering expertise and experience in manufacturing these complicated devices. A large competitor like Medtronic had expressed interest in developing a competitive patch pump eight years ago, but after several years of working on it, the firm turned its attention to furthering the technology of its traditional tubed insulin pump to increase the automation of its products. Bottom line, given the healthy multi-year revenue outlook and potential new product catalysts, we believe Insulet is well positioned to profitable grow revenue in the 20%+ range for several years to come.

There were no outright sales of holdings made in the month.

The top 5 contributors in the month were Resmed, Align Technology, Middleby, Tractor Supply and Lennox. The top 5 detractors were Ulta Beauty, Waters, Tyler Technologies, Cooper and Globus Medical.

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 Smaller Companies portfolio consists of 40 to 70 small- and mid-sized companies (maximum market cap USD 20bn) 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 Smaller Companies 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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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.

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