

# BDL CONVICTIONS – C SHARE

## Investment approach and objectives

BDL Convictions is a Long Only fund invested in European companies (EU + UK + Switzerland + Norway) with market capitalization or revenues over €1 billion. The fund performance relies on a stock picking process, driven by fundamentals and a proprietary research. The fund uses mainly investment decisions from the Long book of BDL Rempart. BDL Convictions follows a "Best-Effort" approach, its entire portfolio is rated ESG (external service provider + internal QIRA methodology).

## Risk and Return profile



The SRI assumes that you hold the Product for the full recommended holding period of at least 5 years

The investor's attention is drawn to the risk factors of the fund, in particular equity risk, credit risk, liquidity risk, counterparty risk, and risks related to derivatives and counterparties

	1 year	3 years	5 years
<b>Outperformance vs Index</b>	-5.5%	-7.8%	-6.1%
<b>Fund volatility</b>	14.0%	16.5%	20.0%
<b>Index volatility</b>	11.3%	14.5%	17.6%
<b>Sharpe ratio</b>	0.33	0.45	0.38
<b>Sortino ratio</b>	0.45	0.59	0.45
<b>Calmar ratio</b>	0.39	0.31	0.18
<b>Tracking Error</b>	6.4%	6.9%	8.5%
<b>Information Ratio</b>	0.73	1.07	0.89
<b>Fund Max. drawdown</b>	-12.1%	-23.7%	-42.3%
<b>Recovery (in calendar days)</b>	43	155	350

## Contacts

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## Monthly Comment

Over the month of February, the BDL Convictions fund posted a performance of 0.6% against a European market (SXXR) of 2.0%.

In terms of portfolio performance, Saint Gobain (0.7%) was the main positive contributor. The publication of 2023 results validates our investment thesis, with a group that can now structurally deliver margins in excess of 10%, despite a new construction market in Europe and the USA at low points. There are several reasons for this: the resilience of renovation in these markets, structural growth in construction chemicals, an exit since 2019 from markets where Saint-Gobain was not the leader, and a strengthening outside Europe that make it a leader in the sustainable construction market, with cash generation of €3.3 billion in 2023, an all-time high. Daimler truck (0.5%) published results for 2023 that demonstrate the Group's transformation since its IPO, with a now double-digit industrial margin (10.1%) and cash generation close to €3 billion. The guidance for 2024 also reassured the market, with expected stable or rising sales, an estimated industrial margin of between 9.0% and 10.5%, and slightly higher cash flow, confirming the resilience of the company's business model. Smurfit Kappa (+0.4%) reported reassuring results, with slightly higher volumes heralding the end of destocking. In addition, several announcements of price rises for cardboard raw materials supported the share, with a beneficial effect for Smurfit, which is vertically integrated. Siemens' results (+0.4%) were slightly better than expected, with good cash generation. In line with Vinci's results, Eiffage's results (+0.3%) were in line on the income statement and well ahead on cash generation at €2.3 billion, with an order book up 40%, providing visibility on future years in the infrastructure sector.

On the detractors' side, Reckitt (-0.3%) reported annual results below expectations, notably due to a commercial irregularity in the Middle East. We remain shareholders, as the underlying market remains solid, with good pricing power and little competition from private labels. Debt is under control, the company is returning cash via a dividend and share buybacks, and the valuation has become more attractive. Equinor (-0.3%) fell on the publication of its annual results, on the announcement of high returns to shareholders in absolute terms (~25% of market capitalization over 2 years) but below market expectations, combined with a \$1 billion increase in investments in renewable energy. We remain shareholders because profitability remains very strong at these oil and gas price levels, capital allocation remains very shareholder-friendly, and the company should be able to reassure on its investments in renewables with the entry of new partners in wind projects. JD Peet's (-0.2%) reported results in line with expectations, but its outlook was slightly below expectations. With coffee prices still at record highs (Arabica and Robusta combined), JDEP continues to raise prices to protect its profits, which is preventing volumes from rebounding. We remain shareholders because the company's fundamentals are still solid: #2 in coffee and the only "sizeable" player alongside Nestlé, premiumization of the industry (aluminum capsules expected to grow by 10% in 2023). The valuation is also very attractive.



## Calendar Performances



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Fund</b>	23.6%	7.2%	14.4%	5.9%	12.3%	-15.1%	27.5%	-5.7%	21.6%	-6.9%	15.6%
<b>Index</b>	20.8%	7.2%	9.6%	1.7%	10.6%	-10.8%	26.8%	2.0%	25.0%	-10.7%	15.8%

## Cumulated Performances

	YTD	1 Month	3 Months	6 Months	9 Months	1 year	2 years	3 years	5 years	10 years	Inception
<b>Fund</b>	0.4%	0.6%	5.7%	7.7%	12.7%	4.7%	12.4%	23.8%	44.0%	86.2%	261.6%
<b>Index</b>	3.5%	2.0%	7.4%	8.6%	10.7%	10.2%	15.1%	31.5%	50.1%	89.9%	168.9%

## Annualized Performances

	1 year	2 years	3 years	5 years	10 years
<b>Fund</b>	4.7%	6.0%	7.4%	7.6%	6.4%
<b>Index</b>	10.2%	7.3%	9.6%	8.5%	6.6%

This is an advertising communication. Please refer to the BDL Convictions prospectus and the key investor information document available on <https://www.bdlcm.com/convictions> before making any final investment decision. The investment being promoted relates to the acquisition of units or shares of a fund, and not of a given underlying asset, such as the shares of a company, as these are only underlying assets held by the fund

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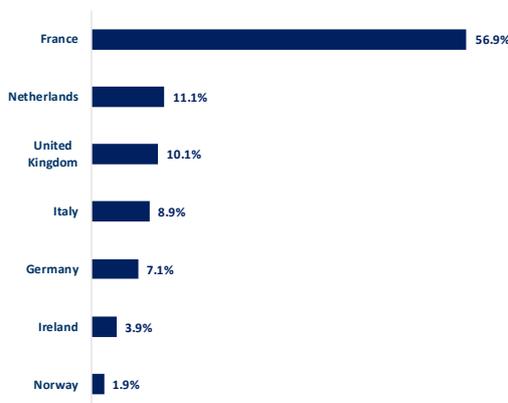
## Fund Characteristics

Fund manager : Hughes Beuzelin  
 Co-fund manager : Bastien Bernus  
 Legal Structure : French Law FCP  
 Classification : European Equities  
 Reference Index : STOXX 600 (dividends reinvested)  
 Currency : EUR  
 Recommended investment horizon : above 5 years  
 Eligibility : PEA  
 Dividends Policy : Accumulation  
 Registration : : France, Luxembourg, Germany, Belgium, Switzerland, Sweden, Austria, Spain  
 ISIN Code : FR0010651224  
 Bloomberg Code : BDLCONV FP

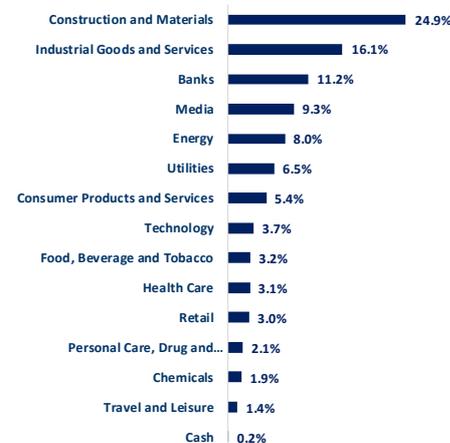
## Administrative Information

Custodian : CACEIS Bank France  
 Valuator : CACEIS Fund Administration  
 Valuation Frequency : Daily  
 Subscription/Redemption Deadline : Before 2pm CET  
 Subscription Fees : 2% Max  
 Redemption Fees : None  
 Management Fees : 2.00%  
 Performance Fees : 20% incl. tax above the capitalized SXXR, only if the fund's performance is positive and with a High Water Mark

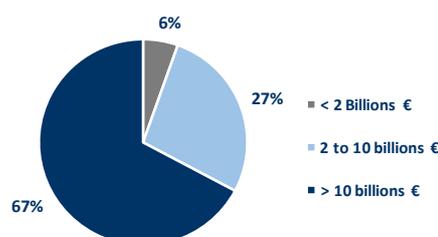
## Geographical breakdown



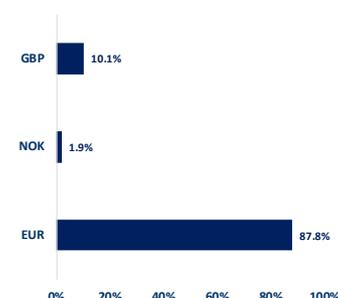
## Sector breakdown



## Market Capitalization breakdown for the invested net asset



## Currency breakdown of invested assets (hedging of currencies)



Main lines	GICS Sectors	Country	Weight
VIVENDI SE	Communication Services	France	9.3%
SAINT GOBAIN	Industrials	France	8.8%
EIFFAGE	Industrials	France	8.2%
VINCI SA	Industrials	France	7.9%
REXEL SA	Industrials	France	4.7%

	End of the Month	Average 1 yr	Average 3 yrs	Average 5 yrs
Total number of Long positions	27	27	30	31
% Top 5 Long Positions	38.9%	29.9%	27.4%	25.7%
% Top 10 Long Positions	58.8%	51.6%	48.6%	46.0%
Net Exposure	99.8%	98.3%	96.6%	93.1%

## Top 5 Contributors

Stocks	Contributions
SAINT GOBAIN	0.7%
DAIMLER TRUCK HO	0.5%
SMURFIT KAPPA GR	0.4%
SIEMENS AG-REG	0.4%
EIFFAGE	0.3%

## Top 5 Detractors

Stocks	Detractors
BNP PARIBAS	-0.4%
ELIOR GROUP	-0.3%
RECKITT BENCKISE	-0.3%
EQUINOR ASA	-0.3%
JDE PEET'S NV	-0.2%



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## GLOSSARY

**Alpha** : The alpha measures the performance of a portfolio compared to its benchmark. A negative alpha means that the fund has done less well than its indicator (e.g. the indicator has risen by 10% in one year and the fund has only risen by 6%: its alpha is equal to -4). A positive alpha characterizes a fund that has done better than its indicator (e.g. the indicator has risen by 6% in one year and the fund has risen by 10%: its alpha is equal to 4).

**Bottom-up approach** : Bottom-up investment : Investment based on the analysis of companies, where the history, management and potential of the companies in question are considered more important than the general trends of the market or the sector (as opposed to top-down investment).

**Beta**: Beta measures the existing relationship between fluctuations in the fund's net asset values and fluctuations in the levels of its benchmark. A beta of less than 1 indicates that the fund is "cushioning" the fluctuations of its index (beta = 0.6 means that the fund increases by 6% if the index increases by 10% and decreases by 6% if the index decreases by 10%). A beta greater than 1 indicates that the fund "amplifies" the fluctuations of its index (beta = 1.4 means that the fund rises by 14% when the index rises by 10% but also falls by 14% when the index falls by 10%). A beta lower than 0 indicates that the fund reacts inversely to the fluctuations of its index (beta = -0.6 means that the fund falls by 6% when the index rises by 10% and vice versa).

**Sharpe ratio**: The Sharpe ratio measures the excess return over the risk-free rate divided by the standard deviation of that return. It is a measure of the marginal return per unit of risk. When it is positive, the higher it is, the more risk is rewarded. A negative Sharpe ratio does not necessarily mean that the portfolio has had a negative performance but that it has been lower than a risk-free investment.

**SICAV: Société d'Investissement à Capital Variable (open-ended investment company)**

**Investment rate/exposure rate**: The investment rate corresponds to the amount of assets invested expressed as a % of the portfolio. The exposure rate corresponds to the investment rate plus the impact of derivative strategies. It corresponds to the percentage of real assets exposed to a given risk. Derivative strategies may be designed to increase exposure (boosting strategy) or reduce exposure (immunizing strategy) to the underlying asset.

**Net asset value**: Price of a unit (in the case of a mutual fund) or a share (in the case of a SICAV).

**VaR**: The value at risk (VaR) represents the maximum potential loss of an investor on the value of a portfolio of financial assets given a holding horizon (20 days) and a confidence interval (99%). This potential loss is represented as a percentage of the portfolio's total assets. It is calculated from a sample of historical data (over a period of 2 years)

**Cyclical stocks**: A cyclical stock is, as its name indicates, a stock that will follow a cycle. It is linked to the economic cycle. It will take off in good times of economic recovery or growth and will decline at the slightest downturn. Cyclical stocks therefore have a cyclical evolution.

## DISCLAIMER

The purpose of this commercial document is to give information in a simple way on the fund's characteristics. It is intended for French professional investors. This document has been prepared for information purposes only and does not constitute an offer to sell. This document is not and shall not be interpreted or perceived as an offer or solicitation to invest in the fund presented, nor as investment, legal, tax or other advice, nor shall it inspire any investment or decision whatsoever. The information contained in this document is not a substitute for the recipient's own judgment, which must be relied upon. In any event, the information presented is not sufficient to provide an understanding for an informed investment in this product. An investment in one of BDL Capital Management's funds should only be considered after consulting the prospectus. Past performance is not a reliable indicator of future performance. They are not constant over time and are not guaranteed. The investor's attention is drawn to the risk factors of the fund, in particular the credit risk, the liquidity risk, the counterparty risk and the impact of management techniques, particularly Forward Financial Instruments. The fund's benchmark (Capitalised SXXR) is computed excluding dividends, it can be misleading when comparing performances. For more information on the risks to which the fund is exposed, we invite you to consult the fund's DICI, available on request or on the electronic platform [www.fundinfo.com](http://www.fundinfo.com). You can find on the website of BDL Capital Management thorough information on the right on claim or a class action in French and English version <https://www.bdlcm.com/informations-reglementaires> BDL Capital Management has the right to decide to stop the commercialization of the funds according to the 93 bis article of the 2009/65/CE guideline and the 32 bis article of the 2011/61/UE guideline. BDL Capital Management | 24 rue du Rocher 75008 Paris | Tél : +33 1 56 90 50 90 | [www.bdlcm.com](http://www.bdlcm.com) | SAS au capital de 250 000 € | Paris B 481 094 480 - 6630Z | Agrément AMF n°GP-05000003. Performance fees : 20% incl. tax above the capitalised SXXR, only if the fund's performance is positive and with a High Water Mark, annually following the end of the financial year on 31/12 or on the redemption date.

## Information for Luxembourg investors

The Fund's articles of incorporation or association, the prospectus and the latest periodical documents (annual and semi-annual reports) of each fund may be obtained on request and free of charge from the Representative and Paying Agent for Luxembourg CACEIS Bank, Luxembourg Branch, 5 allée Scheffer, L-2520 Luxembourg. All information for Luxembourg investors concerning BDL Capital Management or the OPCVM will be published on the website of BDL Capital Management, <https://www.bdlcm.com>.

## Information for Swiss Investors

The Regulations, the Prospectus, the Key Investor Information Document (KIID) as well as the annual and semi-annual reports can be obtained on request and free of charge from the representative in Switzerland on request.

The full prospectus of the Fund and the latest annual and interim documents are available free of charge on written request from BDL Capital Management, 24 rue du Rocher - 75008 PARIS. These documents are available in French.

Subscription and redemption requests are centralised each day with the Custodian until 2p.

The net asset value is available on the company's website.

As the fund only offers accumulation units, the tax regime is that of capital gains tax on securities applicable in the holder's country of residence, according to the rules appropriate to his situation. Depending on the tax regime, any capital gains and income linked to the holding of units of the UCITS may be subject to taxation. The investor is advised to check his tax situation with the marketer of the fund.

BDL Capital Management may only be held liable on the basis of statements contained in this document which are misleading, inaccurate or inconsistent with the corresponding parts of the fund's prospectus.

Custodian: CACEIS Bank France, 1-3 place Valhubert, 75206 PARIS Cedex 13

The representative in Switzerland is CACEIS (Switzerland) S.A., Route de Signy 35, CH-1260 Nyon.

The payment service in Switzerland is provided by CACEIS Bank, Paris, Nyon / Switzerland branch, Route de Signy 35, CH-1260 Nyon.