



## BL EQUITIES EUROPE

## B EUR Acc

Share Class of BL

**BLI** BANQUE DE  
LUXEMBOURG  
INVESTMENTS

## Fund Characteristics

AUM	€ 1246.98 mn
Fund Launch date	28/09/1990
Share class	
Reference currency	EUR
Legal structure	(SICAV)
Domicile	LU
European Passport	Yes
Countries of registration	
AT, BE, CH, DE, DK, ES, FI, FR, GB, IT, LU, NL, NO, PT, SE, SG	
Risk Indicator (SRI)	5
SFDR Classification	8
% Sustainable Assets	73%

## Representative Market Index

MSCI Europe NR EUR

## Fund Manager

Ivan Bouillot

## Backup

Tom Michels



## Management Company

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

## Dealing &amp; Administrator Details

UI efa S.A.  
Telephone +352 48 48 80 582  
Fax +352 48 65 61 8002  
Dealing frequency daily<sup>1</sup>

Cut-off-time 12:00 CET  
Front-load fee max. 5%  
Redemption fee none

NAV calculation daily<sup>1</sup>  
NAV publication www.fundinfo.com

<sup>1</sup> Luxembourg banking business day

## Investment Objective

The fund's objective is to generate long-term capital gains by investing in high-quality European companies which have a sustainable competitive advantage and a sound ESG (environmental, social and governance) profile. It aims to achieve 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.

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

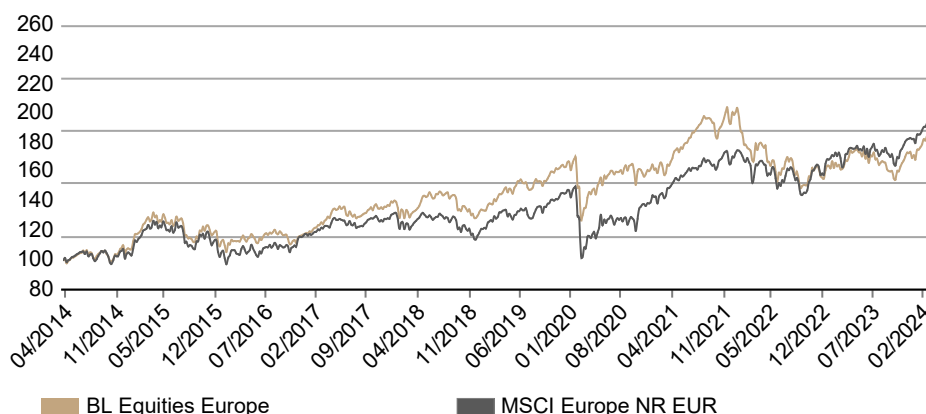
The fund manager implements an active, long-term strategy based on solid convictions.

## Key Facts

- An active, fundamental, conviction-based approach (30 to 40 stocks), purely bottom-up and oriented towards the long term;
- As well as valuation, constant attention is paid to the financial and extra-financial quality of the companies in the portfolio;
- Integration of ESG factors at different stages of the investment process (exclusions, analysis, valuation, monitoring of controversies, voting policy and engagement);
- Regular review of the valuation of each stock and the average valuation of the portfolio;
- Non-benchmarked management resulting in significant deviations from the initial investment universe;
- Defined and quantifiable impact indicators on environmental, social, governance and human rights aspects;
- Low turnover.

## Fund Performance

Past performance does not guarantee or predict future performance. References to a market index or peer group are made for comparison purposes only; the market index or peer group are not mentioned in the investment policy of the sub-fund. Investors are also invited to consult the performance chart disclosed in the key information document of the shareclass.



Yearly Performance		YTD	2023	2022	2021	2020	2019
B EUR Acc		5.5%	11.6%	-23.6%	25.5%	-0.6%	25.9%
Reference Index		7.6%	15.8%	-9.5%	25.1%	-3.3%	26.0%
Cumulative Performance		1 Month	QTD	1 year	3 years	5 years	10 years
B EUR Acc		1.4%	5.5%	9.1%	8.8%	28.3%	83.3%
Reference Index		3.9%	7.6%	14.8%	30.3%	52.5%	97.1%
Annualized Performance				1 year	3 years	5 years	10 years
B EUR Acc				9.1%	2.8%	5.1%	6.2%
Reference Index				14.8%	9.2%	8.8%	7.0%
Annualized Volatility				1 year	3 years	5 years	10 years
B EUR Acc				12.2%	14.6%	16.4%	15.0%
Reference Index				10.9%	13.5%	17.9%	16.3%

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## Top 10 Holdings

SAP	4.8%
SGS	4.4%
Air Liquide	4.2%
Assa Abloy	4.1%
EssilorLuxottica	4.1%
Legrand	4.0%
Nestle	4.0%
Roche Holding	3.6%
Schneider Electric	3.5%
LVMH	3.4%

## Summary Statistics

Weight of Top 10	40.1%
Number of holdings	39
Active Share vs MSCI Europe	71.7%

## New investments

Lonza  
Novonosis (Novozymes) B

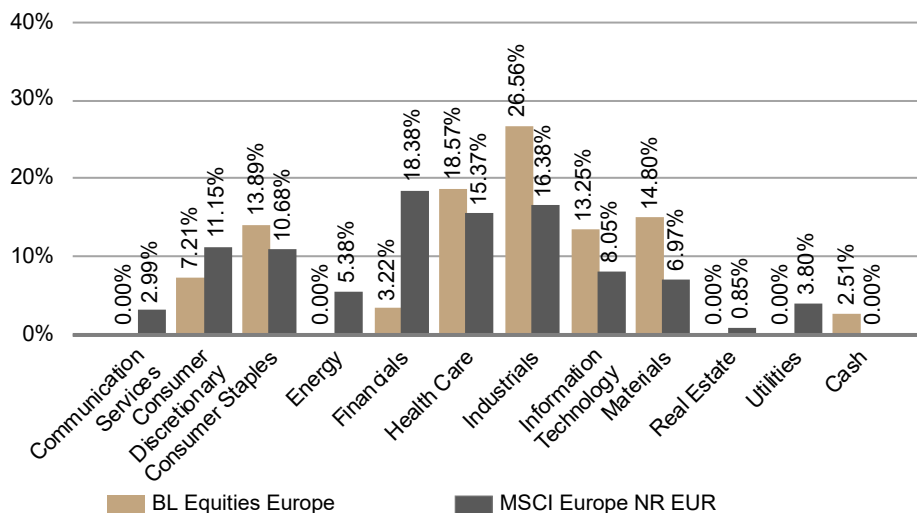
## Investments sold

Intertek  
Novozymes  
Reckitt Benckiser Group

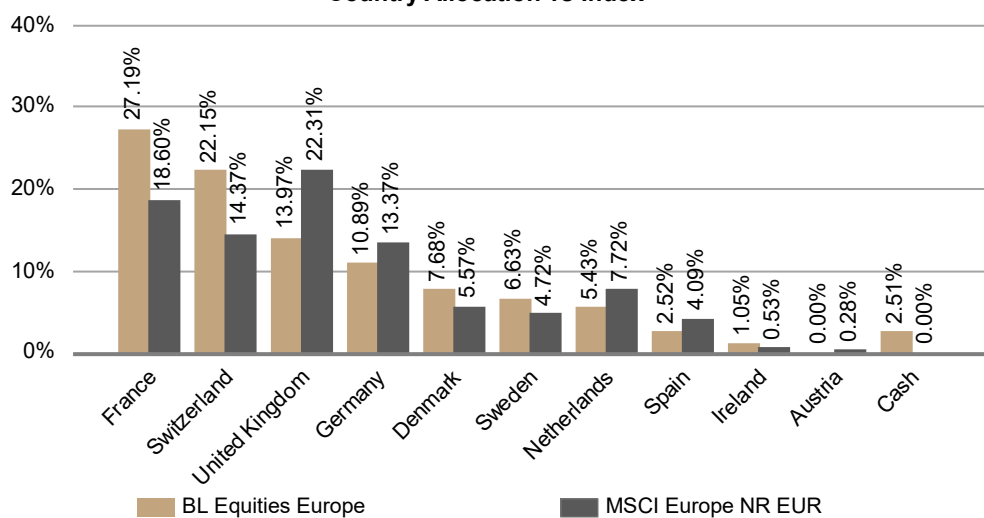
## Currency Allocation

EUR	49.7%
CHF	22.2%
GBP	11.4%
DKK	7.7%
SEK	6.6%
Other	0.0%
Cash	2.5%

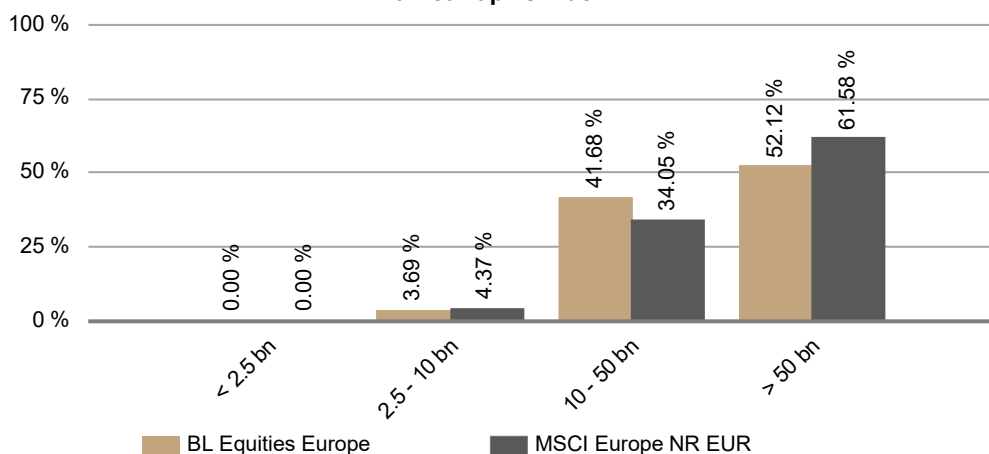
## Sector Allocation vs Index



## Country Allocation vs Index



## Market Cap vs Index





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The European market ended March with the MSCI Europe Net Total Return up 3.94%, its fifth successive month of positive performance. The index was driven by financials and commodities. In contrast, it was a difficult month for consumer goods and technology.

As regards the central banks, both the ECB and the Fed kept their rates unchanged. Lagarde and Powell made similar statements to the effect that future central bank decisions will be based on economic indicators. They say that they do not currently have enough confidence in the future course of these indicators to cut rates. Nevertheless, the ECB lowered its inflation forecast for 2024 to +2.3% (vs. +2.7% in December), suggesting that the economic outlook is brightening. The FOMC is expecting a 75bps rate cut in 2024. The FED has revised its 2024 growth forecast upwards (+2.1% vs. 1.4% in December).

On the economic front, in the eurozone the PMI indices are mixed, with manufacturing falling and services rising. Industrial production figures for January came in well below expectations. Inflation figures for the eurozone were down year-on-year, as were those for Germany and France. In the US, final GDP figures for Q4 23 showed growth of 3.4%, compared with the initial estimate of 3.2%, which seems to rule out the prospect of recession in the world's leading economy. China has announced a growth target of 5% for 2024, which looks ambitious given the difficulties the country has experienced in recovering since the pandemic, but it remains a modest target for China.

The BL Equities Europe portfolio lagged the market in March, with little alignment between the month's sector dynamics and the portfolio's composition. The main contributors to performance were Inditex, EssilorLuxottica, Novo Nordisk, Symrise and SAP. Their gains came on the back of announcing good results for 2023 and the confirmation of business projections for 2024. The main detractors from performance were Reckitt Benckiser, Alcon, Pernod Ricard, Deutsche Boerse and Dassault Systèmes. The principal culprit was Reckitt Benckiser, which fell sharply in March following an unfavourable ruling by a judge in Illinois (USA) in a lawsuit against Reckitt relating to the death of a child after using Enfamil, a premature baby formula. Alcon consolidated following its strong rise in February. With no sceptical catalysts in the group, Dassault Systèmes stagnated along with the technology sector.

The position in Reckitt Benckiser was sold during the month due to a lack of visibility on the Enfamil dossier and the possible shortcomings attributable to the company. A new investment was made in Lonza. Lonza is the world's biggest player in the production of medicinal products, thanks to its extensive technical expertise and capacity for innovation. It has good visibility over its business, particularly with the development of biologics and the trend for outsourcing by pharmaceutical companies. The position in Vinci was increased based on its attractive valuation.

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<b>Environmental</b>	<b>6.48</b>	<b>6.47</b>
Carbon Emissions Intensity	74.27 (100.0%)	87.35 (100.0%)
Climate Change Theme Score	9.52 (100.0%)	8.99 (100.0%)
<b>Social</b>	<b>5.6</b>	<b>5.29</b>
Human Capital Theme Score	5.54 (100.0%)	5.41 (100.0%)
Severe Human Resources Controversies	4.0% (100.0%)	10.0% (100.0%)
<b>Governance</b>	<b>6.75</b>	<b>6.43</b>
Corporate Governance Theme Score	7.73 (100.0%)	7.62 (100.0%)
<b>Global Norms</b>		
UN Global Compact Signatories	77.0% (100.0%)	70.0% (100.0%)
UN Global Compact Watchlist	7.0% (100.0%)	14.0% (100.0%)
UN Global Compact Fail	0.0% (100.0%)	0.0% (100.0%)

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**
  - Listed on the **Global Oil & Gas Exit List** and generating 25% or more of their revenues from the extraction and production of non-conventional hydrocarbons
- Companies not complying with the Principles of the **UN Global Compact** (\*)
- Companies involved in **highly severe controversies** (red flag) (\*)

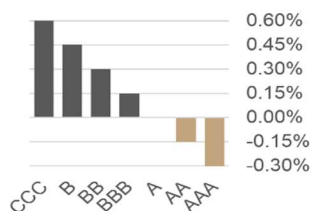
**Reduction of the universe by 20%:** exclusion of companies with an ESG rating below BBB \*

## INTRA INVESTMENT

## ESG Integration

## → Integration of ESG factors in the valuation process

- Increase / Reduction of Cost of equity depending on ESG rating (\*)



## Consideration of Principal Adverse Impacts (PAIs) at portfolio level

## POST INVESTMENT

## Voting policy

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

## Engagement policy

- BLI initiates dialogue 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

## Monitoring of the sustainability status of companies

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

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Investor Type	Clean Share	Share class	Curr.	Income	Mgmt Fees	On-going charges	ISIN	Bloomberg Ticker
Institutional	No	BI	EUR	Acc	0.60%	0.71%	LU0439765321	BLEQEIC LX
Retail	No	A	EUR	Dis	1.25%	1.42%	LU0439765081	BLEQEUA LX
Retail	Yes	AM	EUR	Dis	0.85%	1.08%	LU1484141491	BLEQAMD LX
Retail	No	B	EUR	Acc	1.25%	1.41%	LU0093570330	BLE4725 LX
Retail	No	B CHF Hedged	CHF	Acc	1.25%	1.41%	LU1305477884	BLEQBCH LX
Retail	No	B USD Hedged	USD	Acc	1.25%	1.41%	LU1273297371	BLEEBUH LX
Retail	Yes	BM	EUR	Acc	0.85%	1.03%	LU1484141574	BLEQEBM LX
Retail	Yes	BM CHF Hedged	CHF	Acc	0.85%	1.01%	LU1484141657	BLEQBMC LX
Retail	Yes	BM USD Hedged	USD	Acc	0.85%	1.00%	LU1484141731	BLEQBMU LX



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