

Fund Fact Sheet

28/02/2022

Asset Class

Equities North America, large caps

Fund Characteristics

AUM	\$ 1904,3 mn
Launch date	03/01/1992
Oldest share class (B)	LU0093570256
Turnover (2021) ¹	4%
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 USA NR (USD)

Fund Manager

Luc Bauler joined Banque de Luxembourg in 1996 as a bond trader, before moving into managing bond portfolios. Since 2005, he has been in charge of US equity investments for the Bank's funds range.

Luc has a degree in Economics and Business Management from the Université Louis Pasteur in Strasbourg, France.

Management Company

BLI - Banque de Luxembourg Investments
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Dealing & Administrator Details

European Fund Administration (EFA)
Tel +352 48 48 80 582
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Dealing frequency daily²
Cut-off time 12:00 CET
Front-load fee max. 5%
Redemption fee none
NAV calculation daily²
NAV publication www.fundinfo.com

Investment Objective

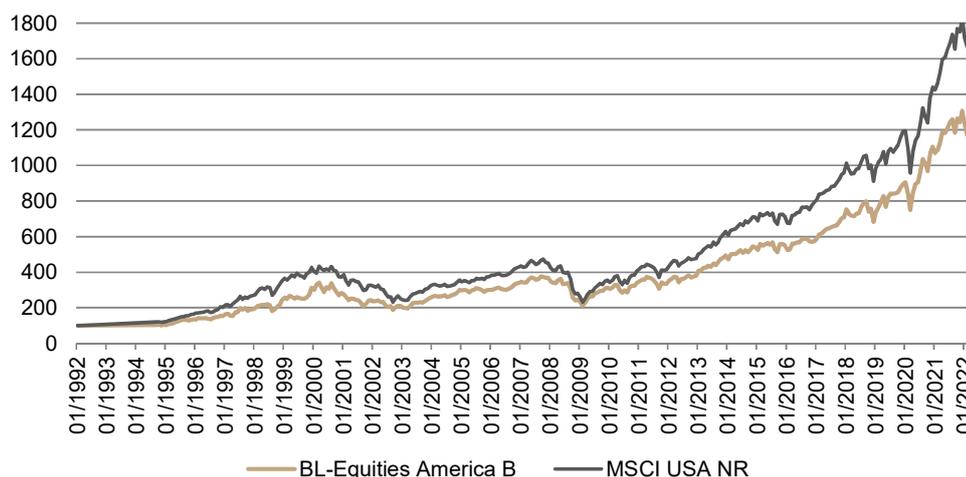
The fund's objective is to generate long-term capital gains by investing in high-quality North American large-cap companies, which have a sustainable competitive advantage and a sound ESG (environmental, social and governance) profile. It aims to generate higher risk-adjusted returns than its benchmark universe over a full market cycle.

Alongside these financial goals, impact 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 (35 to 50 stocks), purely bottom-up and oriented towards the long term;
- A portfolio of North American large-cap companies;
- As well as valuation, constant attention is paid to the financial and ESG quality of the companies in the portfolio;
- Integration of ESG factors at different stages of the investment process (exclusions, analysis, valuation, monitoring);
- Non-benchmarked management resulting in significant deviations from the initial investment universe;
- Defined and quantifiable impact targets on environmental, social, governance and human rights aspects;



Performance	YTD	2021	2020	2019	2018	2017
Fund (B shares)	-10,5%	18,2%	23,4%	31,3%	-3,7%	23,3%
MSCI USA NR	-8,5%	26,5%	20,7%	30,9%	-5,0%	21,2%

Performance	1 month	3 months	6 months	1 year	3 years	5 years
Fund (B shares)	-4,7%	-5,8%	-7,0%	7,7%	52,5%	90,7%
MSCI USA NR	-3,0%	-4,9%	-4,1%	13,9%	63,7%	98,5%

Annualised Performance	3 years	5 years	10 years
Fund (B shares)	15,1%	13,8%	12,4%
MSCI USA NR	17,8%	14,7%	13,9%

Annualised Volatility	3 years	5 years	10 years
Fund (B shares)	21,4%	18,5%	15,9%
MSCI USA NR	21,3%	18,8%	16,1%

The market index (MSCI USA NR) 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 & US full banking business day



Current Portfolio

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Top Holdings

Microsoft	8,2%
Amazon.com	6,5%
Lowes Companies	5,5%
Alphabet	5,4%
Visa	5,1%
Apple	4,7%
Nike	4,3%
Unitedhealth Group	4,2%
MasterCard	4,0%
Constellation Brands	3,2%
Weight of Top 10	50,9%
Number of holdings	42

Asset Allocation

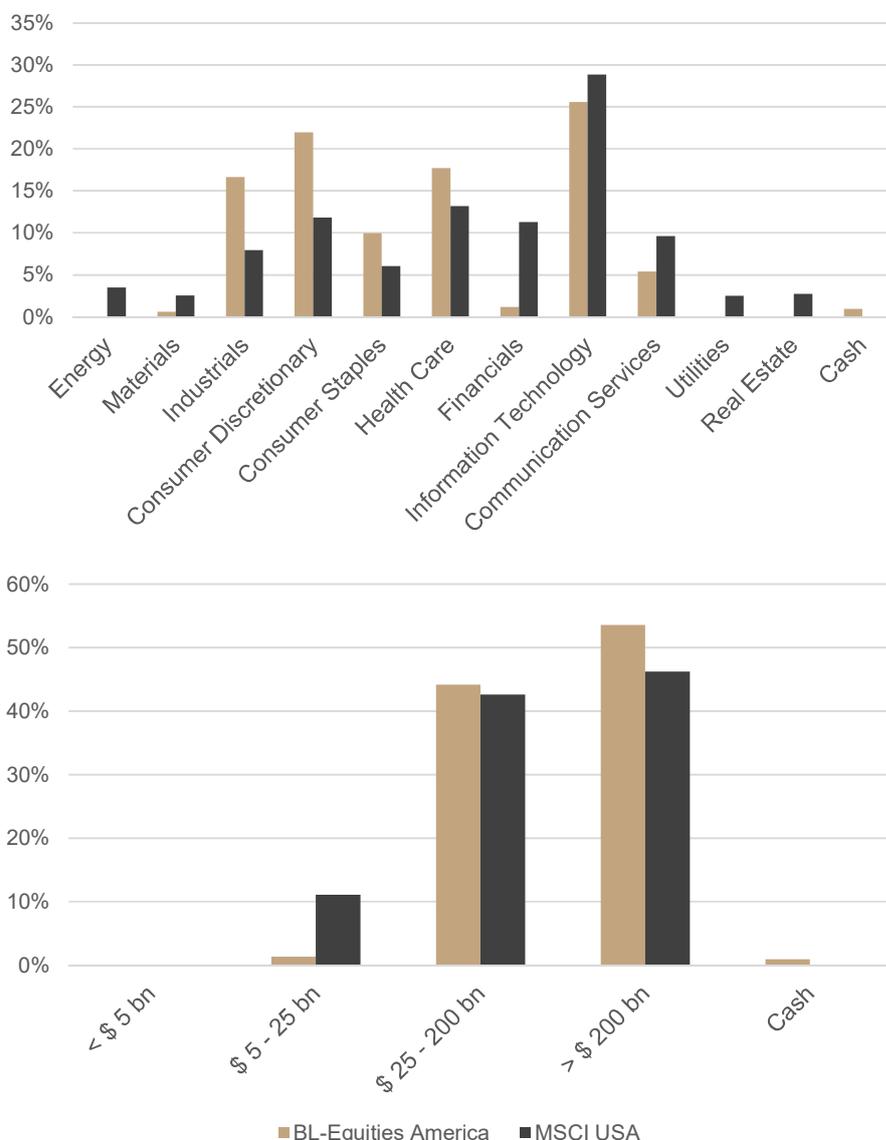
United States	97,7%
Other	1,4%
Cash	1,0%

New Investments in February

no transactions

Investments sold in February

Fiserv



Investor Type	Clean Share	Eligibility Restrictions	Share class	Currency	Currency Hedging	Income	Mgmt Fees	On-going Charges	SRR1	ISIN	Bloomberg Ticker
Retail	No	No	A	USD	No	Dis	1,25%	1,40%	6	LU0439764944	BLEQAMA LX
Retail	No	No	B	USD	No	Cap	1,25%	1,39%	6	LU0093570256	BLE4727 LX
Retail	No	No	B EUR Hedged	EUR	Yes	Cap	1,25%	1,40%	6	LU1194985112	BLEABEH LX
Retail	Yes	Yes	AM	USD	No	Dis	0,85%	1,00%	6	LU1484141061	BLEQAAM LX
Retail	Yes	Yes	BM	USD	No	Cap	0,85%	1,00%	6	LU1484141145	BLEABMU LX
Retail	Yes	Yes	BM EUR Hedged	EUR	Yes	Cap	0,85%	1,00%	6	LU1484141228	BLEQABM LX
Institutional	No	Yes	BI	USD	No	Cap	Cap	0,60%	6	LU0439765248	BLEABIC LX
Institutional	No	Yes	BI Eur Hedged	EUR	Yes	Cap	0,60%	0,71%	6	LU1867116532	BLEQBIH LX

Management Report

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February was a difficult month for equity markets due to concerns over Russia's invasion of Ukraine.

During the first half of the month, expectations rapidly escalated over the number of interest rate hikes likely to be made by the US Federal Reserve (Fed). Investors feared that the central banks would stifle growth in their efforts to control inflation. In the second half of the month, investors focused all their attention on the conflict in Ukraine. Anticipations of interest rate hikes fell back from the peak reached during the month and expectations for growth were also downwardly revised. Over the month, growth stocks were again hit hard, falling by 4.6%. Yield stocks outperformed growth stocks, but still fell by 1.6%. The S&P500 was down 3.1% for a year-to-date decline of 8%.

In February, the Dow Jones Industrial Average gave up 3.5%, the S&P 500 3.1% and the Nasdaq 3.4%.

Over the month, the net asset value of BL Equities America (retail accumulation share net of fees in USD) fell by 4.7% in USD.

Within the portfolio, all the Fiserv shares were sold.

The main contributors to absolute return in February were medical technology company Becton Dickinson, leading online retailer Amazon.com, restaurant chain Yum China, logistics company UPS and industrial group Roper Technologies.

The main detractors from performance were the home improvement company Lowe's, sports equipment manufacturer Nike, US brewer Constellation Brands, payment company PayPal and technology giant Microsoft.

ESG

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	BL-Equities America	MSCI USA
ESG Score	5,30	5,11
Environmental	6,60	6,10
Carbon Emissions Intensity (t / EUR mn sales)	37,70 (100%)	131,60 (100%)
Total Water Withdrawal Intensity (m3/ EUR million sales)	791,00 (29%)	42337,00 (38%)
Climate Change Theme Score	8,90 (99%)	0,09 (100%)
Social	5,10	5,00
Human Capital Theme Score	4,40 (99%)	4,40 (100%)
Severe Labor Management Controversies	26,90% (99%)	26,40% (100%)
Governance	4,80	4,90
Corporate Governance Theme Score	6,00 (99%)	6,00 (100%)
Global Norms		
UN Global Compact Signatories	36,00% (99%)	28,00% (99%)
UN Global Compact Watchlist	15,9% (100%)	15,9% (100%)
UN Global Compact Fail	0% (100%)	0% (100%)

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.

Méthodologie ESG

Pre Investment

Exclusions

All companies active in the production of controversial weapons.
Companies with an ESG rating below BB, which reduces the investment universe by at least 20%.
The remaining companies offer a superior ESG profile.

Controversies screening

Investment candidates and investments are monitored on an ongoing basis to identify substantial ESG events that could affect a company's business model, reputation and thus potentially BLI's investment case.

Intra Investment

ESG Integration

The rating bands define the ESG adjustment factor that is applied to the actualisation factors used in BLI's valuation model.



A company with a superior ESG profile enjoys lower cost of equity, which leads to a higher fair value, while a company lagging in terms of ESG faces higher cost of equity, which leads to a lower fair value.

Post Investment

Engagement & Voting

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

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

Controversies follow-up

Ongoing monitoring of analysed controversies to assess realised progress.

Investment Approach

Investment Principles

Avoid Losses

Avoiding a big loss on an investment is more important than realising an 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 market 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-Equities America's portfolio consists of 40 to 60 large-cap companies 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-Equities America 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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