BL Global 75

a sub-fund of SICAV BL

BANQUE DE LUXEMBOURG INVESTMENTS

Fund Fact Sheet

29/09/2023

Asset Class

Mixed Asset Dynamic

Fund Characteristics

AUM	€ 790,5 mn
Launch date	28/10/1993
Oldest share class (B)	LU0048293368
Turnover (2021)[1]	17%
Reference currency	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, PT, SE, SG

Fund Manager

After nearly four years as financial analyst at Banque Générale du Luxembourg, **Joël Reuland** joined the Asset Management department of Banque de Luxembourg in 1999.

Joël graduated in Management from the Ecole de Commerce Solvay in Brussels in 1995.

Management Company

BLI - Banque de Luxembourg Investments
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Dealing & Administrator Details

UI efa S.A.

Tel	+352 48 48 80 582
Fax	+352 48 65 61 8002
Dealing frequency	daily[2]
Cut-off time	17:00 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

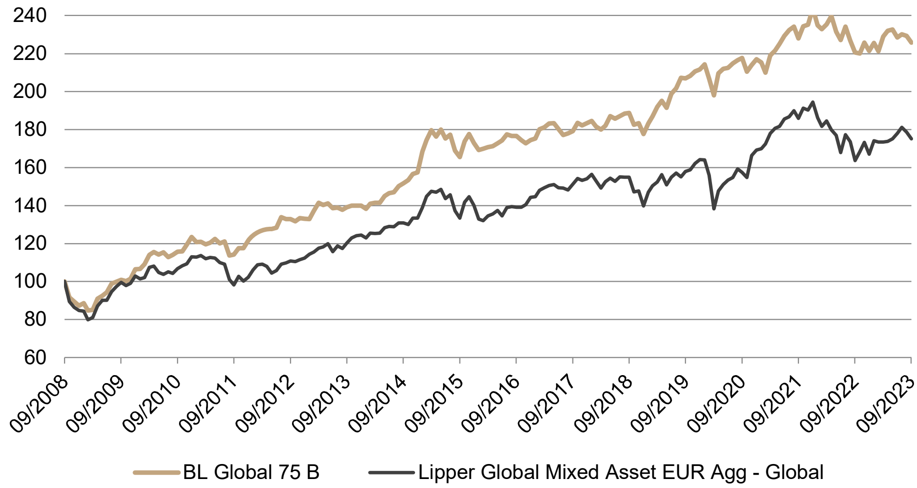
Investment policy

The objective of this dynamic mixed fund is to generate capital appreciation with lower volatility than the equity markets. The fund has a global investment universe of equities, bonds and money market instruments; exposure to precious metals is also possible through ETCs (Exchange Traded Commodities).
The allocation to equities varies between 50% and 100% with a neutral allocation set at 75%.
A minimum of 20% of the fund's assets will be invested in sustainable assets.
The fund aims to preserve capital over the long term and to reduce the downside probability during equity market corrections.

Key features

- A dynamic profile within BLI's family of wealth management funds;
- An active, conviction-based approach oriented towards generating an attractive risk-adjusted return over the long term;
- Allocation to different asset classes, according to their risk-return characteristics:
  - o Equities as the main performance driver;
  - o Sovereign bonds as protection for the portfolio;
  - o Precious metals (via ETCs) to protect against systemic risk.
- Equity allocation between 50% and 100%;

- Investments in equities according to strict quality and valuation criteria;
- 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;
- Particular attention paid to reducing downside risk;
- Low turnover.



Performance	YTD	2022	2021	2020	2019	2018
Fund (B shares)	2,0%	-9,2%	12,3%	2,6%	19,1%	-3,1%
Lipper Peergroup	4,8%	-14,1%	14,9%	3,1%	17,4%	-9,2%

Performance	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	-1,5%	-1,2%	-1,4%	2,4%	3,7%	19,6%	62,3%
Lipper Peergroup	-2,0%	-1,7%	0,9%	7,0%	11,2%	13,1%	45,5%

Volatility	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	6,6%	6,2%	6,8%	7,7%	9,1%	8,5%
Lipper Peergroup	7,8%	6,5%	7,4%	8,7%	10,7%	9,5%

The index (Lipper Global Mixed Asset EUR Bal-Global) 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.

BL Global 75
a sub-fund of SICAV BL

Current Portfolio

29/09/2023

Top Holdings Equity Portfolio	
Unilever	3,6%
Reckitt Benckiser	3,5%
Roche Holding	3,3%
Nestle	3,0%
Novartis	2,8%

 # holdings equity portfolio **57**

Top Holdings Bond Portfolio	
Deutschland 0,25% 15-02-27	1,9%
Deutschland 0,5% 15-02-25	1,8%
Deutschland 0,5% 15-02-2026	1,8%
Bundesobligation 0% 5-4-2024	1,2%

 # holdings bond portfolio **4**

Bond Portfolio Technicals	
average modified duration	1,97
average maturity	2,04 years
average yield to maturity	3,20%

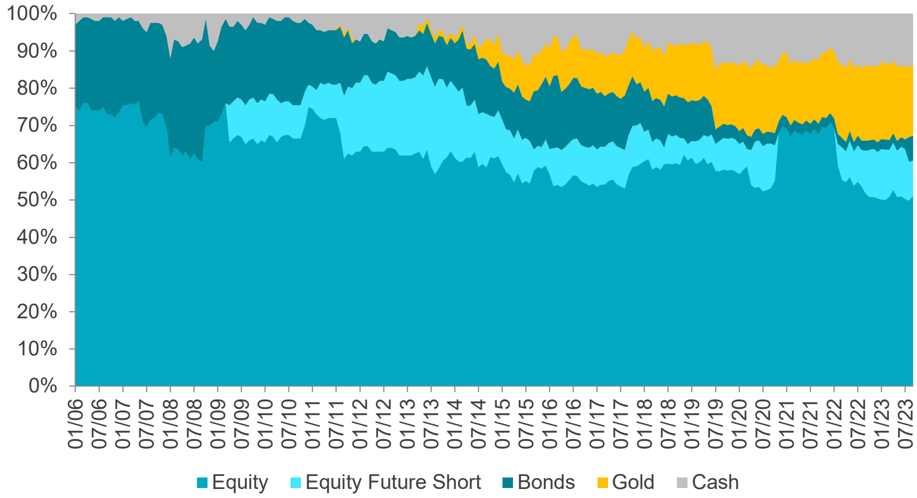
New investments in September (Equity)

no transactions

Investments sold in September (Equity)

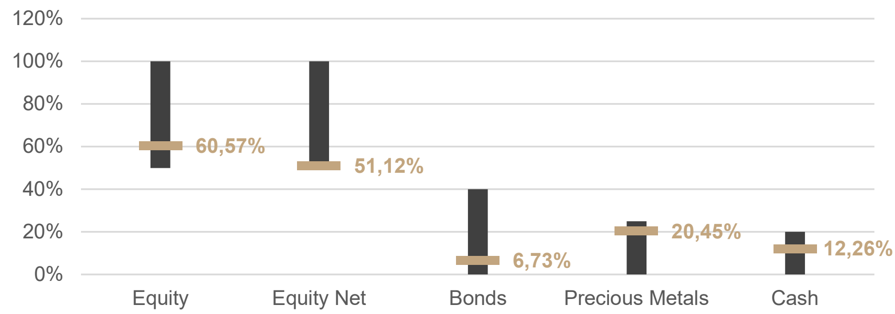
no transactions

Currency allocation	before hedging	after hedging
EUR	22,5%	22,5%
USD	20,5%	20,5%
JPY	12,4%	12,4%
CHF	10,8%	10,8%
GBP	6,5%	6,5%
DKK	3,0%	3,0%
CAD	1,8%	1,8%
Other	2,0%	2,0%
Silver	1,6%	1,6%
Gold	18,9%	18,9%



Portfolio September 2023

		Strategic Allocation	Gross	Hedging	Net
Equity	Europe	26,5%	33,8%	-4,8%	29,0%
	US	30,0%	19,8%	-4,7%	15,1%
	Japan	7,5%	4,5%		4,5%
	Asia	8,5%	2,5%		2,5%
	Lain America	2,5%			
	Total equity	**75,0%**	**60,6%**	**-9,4%**	**51,1%**
Bonds	Eurozone	22,5%	6,7%		
	US				
	Emerging market	2,5%			
	Total bonds	**25,0%**	**6,7%**		
Cash	Euro		3,1%		
	CHF				
	HKD				
	JPY		7,9%		
	USD		1,2%		
	Total cash	**0,0%**	**12,3%**		
	Precious metals	**0,0%**	**20,4%**		
	Total	**100,0%**	**100,0%**		



Investor Type	Clean Share	Eligibility Restrictions	Income	Share Class	Devise	Mgmt Fees	On-going Charges	SRI	ISIN	Bloomberg Ticker
Retail	No	No	Dis	**A**	EUR	1,25%	1,43%	3	LU0048293285	BLG4718 LX
Retail	No	No	Cap	**B**	EUR	1,25%	1,43%	3	LU0048293368	BL4717 LX
Retail	No	No	Cap	**B CHF Hedged**	CHF	1,25%	1,43%	3	LU1305478429	BLG75BH LX
Retail	Yes	Yes	Dis	**AM**	EUR	0,85%	1,03%	3	LU1484140337	BLG75AM LX
Retail	Yes	Yes	Cap	**BM**	EUR	0,85%	1,03%	3	LU1484140410	BLG75BM LX
Retail	Yes	Yes	Cap	**BM CHF Hedged**	CHF	0,85%	1,03%	3	LU1484140501	BL75BMC LX
Institutionnel	No	Yes	Cap	**BI**	EUR	0,60%	0,74%	3	LU0495654708	BLGL75I LX

Management Report

29/09/2023

In line with expectations, the US Federal Reserve left the target range for the federal funds rate unchanged at 5.25% - 5.50% at its September meeting. While Chairman Jerome Powell did not rule out further tightening of monetary conditions, his main message was to suggest the prospect of permanently higher interest rates, dampening hopes of significant monetary easing in 2024. In the eurozone, the European Central Bank raised its key rates for the tenth time in a row, taking the refinancing rate from 4.25% to 4.5%. President Christine Lagarde suggested that interest rates had now reached a sufficiently high level which, if maintained for long enough, should allow inflation to return to the 2% target.

In September, long-term bond yields rose considerably, due to the prospects of permanently higher interest rates put forward by the US and European monetary authorities. In the US, the 10-year Treasury bond yield rose from 4.11% to 4.57%, its highest level since October 2007. In the eurozone, the benchmark 10-year rate rose from 2.46% to 2.84% in Germany, from 2.98% to 3.40% in France, from 4.12% to 4.78% in Italy and from 3.48% to 3.93% in Spain. The rise in long-term interest rates has put pressure on bond indices, with the JP Morgan EMU Government Bond Index now unchanged since the start of the year. At the end of September, the average yield to maturity in the bond portfolio was 3.2% (3.5% for the benchmark) and the modified duration was 2.0 (7.0 for the benchmark).

Overall, most stock prices fell in September, affected by the rise in long-term yields following the Federal Reserve's more restrictive guidance for 2024. The strength of the dollar mitigated the decline in the MSCI All Country World Index Net Total Return expressed in euros, which fell by 1.7% over the month. At regional level, the S&P 500 in the United States fell by 4.9% (in USD), the Stoxx 600 in Europe by 1.7% (in EUR), the Topix in Japan by 0.4% (in JPY) and the MSCI Emerging Markets index by 2.8% (in USD). In terms of sectors, energy, benefiting from the rebound in oil prices, recorded by far the best monthly performance. Alongside energy, finance was the only sector to post a positive performance, while technology, real estate and consumer discretionary suffered the biggest declines.

As a result of the more robust economic growth in the United States compared with Europe, the euro depreciated against the dollar from 1.08 to 1.06, with the euro-dollar exchange rate touching the bottom of its fluctuation band since the start of the year. The strength of the dollar put pressure on precious metals prices. The price of an ounce of gold fell by 4.7%, from USD 1,940 to USD 1,849. The price of an ounce of silver fell by 9.3%, from USD 24.4 to USD 22.2.

Apart from a slight strengthening of the position in **SGS** (the world leader in testing, inspection and certification), there were no changes to the portfolio during the month. The defensive positioning remains unchanged, as the weakness in stock prices in September was deemed insufficient to increase risk taking given our assumption of a recession in the months ahead.

Investment Approach

Investment Principles
Limit losses
The value of an investment that has lost 50% must double to recover incurred losses.
> Avoiding losses is more important than generating extraordinary gains.
Master investment risks
Risks arise when the parameters of an investment are not properly understood.
> We avoid investing in assets we do not fully understand.
Valuation / margin of safety
The price paid for an investment determines its potential return.
> We invest with a margin of safety in order to limit the risk of loss and increase the potential return.
Consideration of an entire business cycle
Foregoing part of potential gains in strongly rising markets pays dividends in falling markets.
> Our objective is to outperform the relevant market indices over an entire business cycle by limiting the drawdown in challenging markets.
Active management
The market reference index is solely used for performance measurement principles.
> Owing to the active investment approach of our portfolio management, the portfolio structure may deviate strongly from that of market indices.

Asset Allocation
Analysis of the valuation of the S&P 500 is the basis for determining the percentage invested in equities, which is between 60% and 90%. The potential use of derivatives and the sale of futures on equity market indices may lead to net equity exposure outside this bracket. The default regional weighting of equities (26.5% for Europe, 30% for the United States, 7.5% for Japan, 8.5% for Asia excluding Japan and 2.5% for Latin America) is adjusted according to valuation levels and the manager's opinion on the relative attractiveness of each region.

Equity Investment Approach: Business-Like Investing
We consider an equity investment as a long-term participation in a quality business. As a consequence, we need to make sure that the businesses we invest in are able to compete successfully within their line of business and remain profitable for the years to come.

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 differentiates the company from its competitors and creates barriers to entry, adding value for its investors.
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 analyse how the targeted company uses its capital. The company's management faces the following options: investment in current business activities, development of new activities, takeovers, dividend payments, stock buybacks or debt repayments.
Only companies that comply with our bottom-up quality criteria are considered for inclusion into our portfolios, which may lead to significant deviations from the relevant market indices.

Valuation
Even investments in quality companies may result in significant capital losses if the price that was paid for the investment proves 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.

Bond Investment Approach: Government Bonds Only
In the bond portfolio, we only invest in government and supranational bonds. We include both developed and emerging market government bonds in the portfolio. As the objective of the bond segment is to stabilise the portfolio during equity market corrections, we limit corporate risk to equities and avoid it altogether for bonds. Given the excessive debt racked up by most countries following the collapse of Lehman Brothers in 2008, we limit our exposure to the most solid government issuers. The main management decisions for the bond portfolio are duration and exposure to emerging markets.

Gold: Insurance Against Systemic Risk
Given massive state intervention in the financial markets since the collapse of Lehman Brothers, the economic system has evolved from market capitalism in which the financial markets are a meeting point between savers and investors, to state capitalism in which the authorities decide who receives money and who does not. The authorities have turned the financial markets into an instrument for political ends on the pretext that the economy will go into freefall without government intervention, thus suspending the rules governing the operation of the market economy.
Political decisions that clash permanently with economic forces destabilize the financial system. Despite the unlimited capacity of central banks' financial resources in a paper money system, failure to respect economic laws is jeopardising the viability of the financial system. For this reason, we also include gold index certificates (physically deposited in bank vaults in London) which act as an insurance against systemic risk.

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