BL-Global 75
a sub-fund of SICAV BL

BLI BANQUE DE LUXEMBOURG INVESTMENTS

Fund Fact Sheet

31/05/2019

Asset Class

Mixed Asset Dynamic

Fund Characteristics

AUM	€ 540,8 mn
Launch date	28/10/1993
Oldest share class (B)	LU0048293368
Turnover (2018) *	13%
Reference currency	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

Fund Manager

Joël Reuland has been responsible for the fund since 2005. He joined BLI in 1999.
Joël is being supported by a team of 9 regional equity and bond managers.

Management Company

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www.blinvestmentsblog.com

Dealing & Administrator Details

European Fund Administration (EFA)

Tel	+352 48 48 80 582
Fax	+352 48 65 61 8002
Dealing frequency	daily**
Cut-off time	12:00 CET
Front-load fee	max. 5%
Redemption fee	none
NAV calculation	daily**
NAV publication	www.fundinfo.com

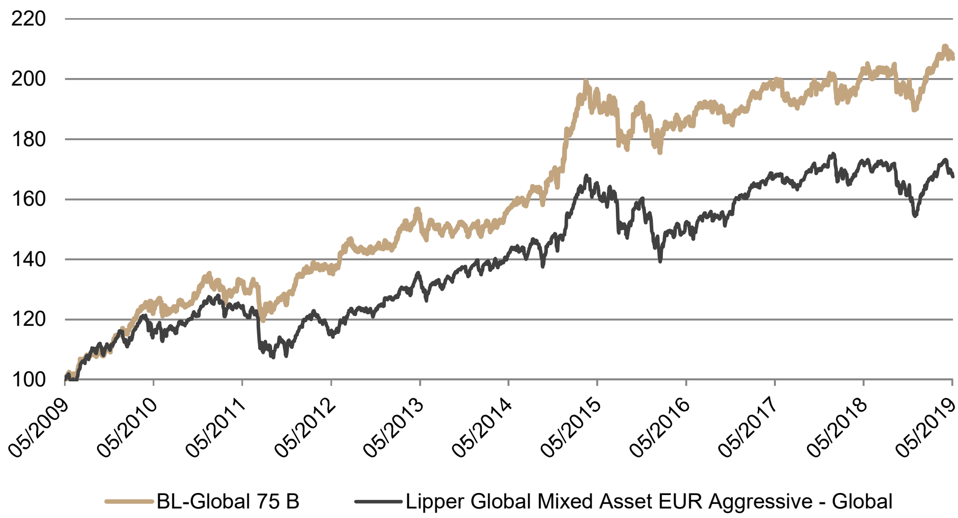
* min (purchases, sales) / average of net assets
** Luxembourg banking business day

Investment Objective

BL-Global 75 is the dynamic profile of the SICAV's wealth management fund family. The fund's objective is to grow capital over time while posting considerably lower volatility than the equity markets, combining global equities (weighted between 60% and 90%), government bonds, cash and gold.

Key Facts

- Conservative wealth management fund.
- Percentage invested in equities between 60% and 90%.
- Globally diversified portfolio of high-quality companies
- Particular importance placed on analysis of competitive advantage and valuation.
- Credit risk in the bond portfolio limited to sovereign risk.
- Exposure to precious metals through ETCs (exchange-traded commodities) as insurance against systemic risk.
- Derivatives may be used for hedging or portfolio optimisation.



Performance	YTD	2018	2017	2016	2015	2014
Fund (B shares)	7,8%	-3,1%	5,1%	0,9%	9,8%	12,5%
Lipper Peergroup	8,1%	-9,2%	6,8%	3,0%	5,0%	7,2%

Performance	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	-1,9%	2,4%	4,4%	2,4%	10,9%	32,1%	106,9%
Lipper Peergroup	-3,2%	0,5%	2,3%	-2,1%	9,9%	17,8%	67,6%

Volatility	3 months	6 months	1 year	3 years	5 years	10 years
Fund (B shares)	5,8%	7,3%	6,9%	6,6%	8,1%	7,8%
Lipper Peergroup	6,4%	8,2%	8,1%	7,0%	8,6%	8,6%

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 information document of the sub-fund.

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BANQUE DE LUXEMBOURG INVESTMENTS

Current Portfolio

31/05/2019

Top Holdings Equity Portfolio	
Unilever	3,2%
SAP	2,8%
Pernod Ricard	2,7%
Roche Holding	2,3%
Danone	2,2%

 # holdings equity portfolio **100**

Top Holdings Bond Portfolio	
Bundesobligation 0% 5-4-2024	3,0%
Deutschland 0% 08-04-22	2,3%
Deutschland 0% 14-04-23	1,9%
Deutschland 0% 07-10-22	1,9%
Deutschland 0,5% 15-02-25	1,0%

 # holdings bond portfolio **5**

Bond Portfolio Technicals	
average modified duration	4,03
average maturity	4,02 years
average yield to maturity	-0,63%

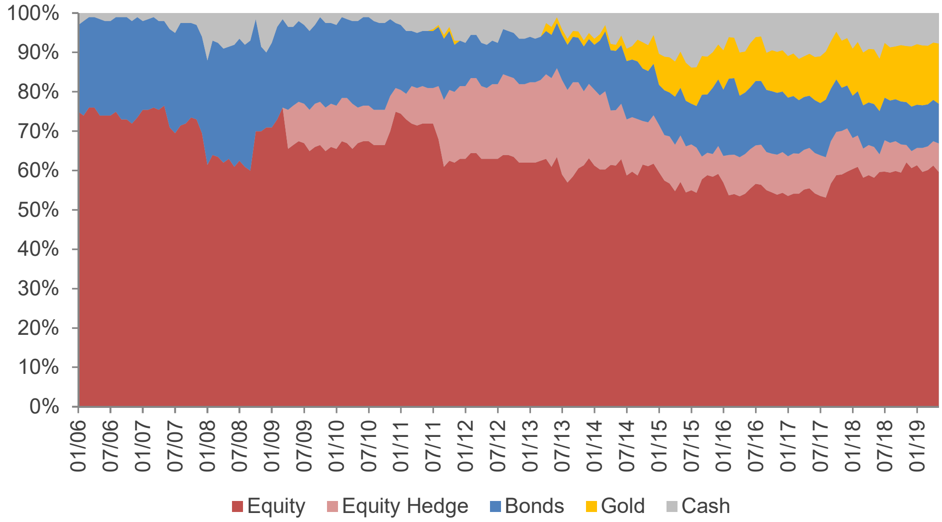
New investments in May (Equity)

Fiserv
Komatsu

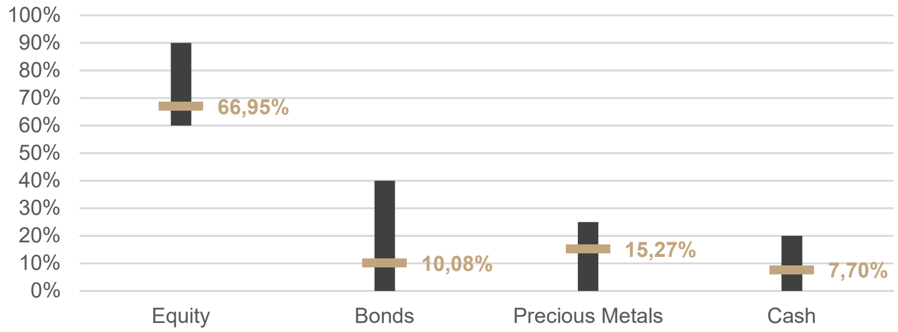
Investments sold in May (Equity)

PPG Industries

Currency allocation	before hedging	after hedging
EUR	33,6%	38,6%
USD	22,2%	17,2%
JPY	11,2%	11,2%
GBp	5,7%	5,7%
CHF	5,1%	5,1%
SEK	2,4%	2,4%
DKK	1,8%	1,8%
Other	2,7%	2,7%
Gold	15,3%	15,3%



		Strategic Allocation	Portfolio May 2019 Gross	Hedging	Net
Equity	Europe	26,5%	34,4%	-7,3%	27,1%
	US	30,0%	20,9%	0,0%	20,9%
	Japan	7,5%	7,7%		7,7%
	Asia	8,5%	4,0%		4,0%
	Lain America	2,5%	0,0%		0,0%
	Total equity	**75,0%**	**67,0%**	**-7,3%**	**59,7%**
Bonds	Eurozone	22,5%	10,1%		
	US	0,0%	0,0%		
	Emerging market:	2,5%	0,0%		
	Total bonds	**25,0%**	**10,1%**		
Cash	Euro	0,0%	7,7%		
	USD	0,0%	0,0%		
	Total cash	**0,0%**	**7,7%**		
	Precious metals	**0,0%**	**15,3%**		
	Total	**100,0%**	**100,0%**		



Investor Type	Clean Share	Eligibility Restrictions	Income	Share Class	Devise	Mgmt Fees	On-going Charges	SRRI	ISIN	Bloomberg Ticker
Retail	No	No	Dis	**A**	EUR	1,25%	1,45%	4	LU0048293285	BLG4718 LX
Retail	No	No	Cap	**B**	EUR	1,25%	1,45%	4	LU0048293368	BL4717 LX
Retail	No	No	Cap	**B CHF Hedged**	CHF	1,25%	1,44%	4	LU1305478429	BLG75BH LX
Retail	Yes	Yes	Dis	**AM**	EUR	0,85%	1,05%	4	LU1484140337	BLG75AM LX
Retail	Yes	Yes	Cap	**BM**	EUR	0,85%	1,04%	4	LU1484140410	BLG75BM LX
Retail	Yes	Yes	Cap	**BM CHF Hedged**	CHF	0,85%	1,04%	4	LU1484140501	BL75BMC LX
Institutional	No	Yes	Cap	**BI**	EUR	0,60%	0,75%	4	LU0495654708	BLGL75I LX

Management Report

31/05/2019

In May, the resurgence of trade tensions between the United States and China drove government bond yields down further. In the United States, the yield on the 10-year Treasury note fell from 2.50% to 2.12%, causing inversion of the yield curve. In the eurozone, government bond yields continued to decline, despite a growing number of issues with negative yields to maturity. The 10-year government bond yield declined from 0.01% to -0.20% in Germany, from 0.37% to 0.21% in France, and from 1.00% to 0.71% in Spain. Italian bond yields were alone in bucking the trend, rising slightly from 2.55% to 2.67%, following the Northern League's victory in the European elections. At the end of May, the average yield to maturity in the bond portfolio was -0.6% (0.5% for the benchmark) and the modified duration was 3.9 (8.0 for the benchmark).

After their strong rally in the first four months of the year, equity markets fell back in May. The Trump administration's new round of protectionist measures, like the introduction of further customs tariffs on Chinese imports, the executive order barring American companies from supplying electronic components to the Chinese telecoms giant, Huawei, and the threat of customs tariffs on imports from Mexico, put a damper on the equity markets. The MSCI All Country World Index Net Total Return expressed in euros gave up 5.4% over the month. The S&P 500 in the United States, the Stoxx 600 in Europe, the Topix in Japan and the MSCI Emerging Markets were all down, shedding 6.6% (in USD), 5.7% (in EUR), 6.5% (in JPY) and 7.5% (in USD) respectively. In terms of sectors, so-called defensive stocks like utilities, healthcare and non-cyclical consumer goods held up relatively well, while tech stocks saw the biggest correction.

The hedging of European equities through the sale of Euro Stoxx 50 futures was increased by 1% in May. In terms of individual stocks, two new positions were opened during the month: Fiserv in the United States and Komatsu in Japan. Fiserv is a US fintech company specialising in the development and integration of IT solutions for the finance and insurance sectors. Its key strength lies in the durability of its customer relations given the significant costs of change. The group generates steady growth in sales revenues of around 5% per annum, achieving a high return on capital employed. The recent acquisition of its competitor, First Data, constitutes the biggest risk. Komatsu is the second biggest construction and mining-operation equipment supplier, after the US company Caterpillar. It offers high product quality, a strong brand, technological expertise and a robust sales network, giving it a significant competitive edge over smaller manufacturers. Komatsu's main attraction is its excellent positioning on high-growth-potential markets. The group generates over 50% of its sales in emerging markets and is the leading company in the field in China.

On the other hand, US industrial company PPG Industries was sold.

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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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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