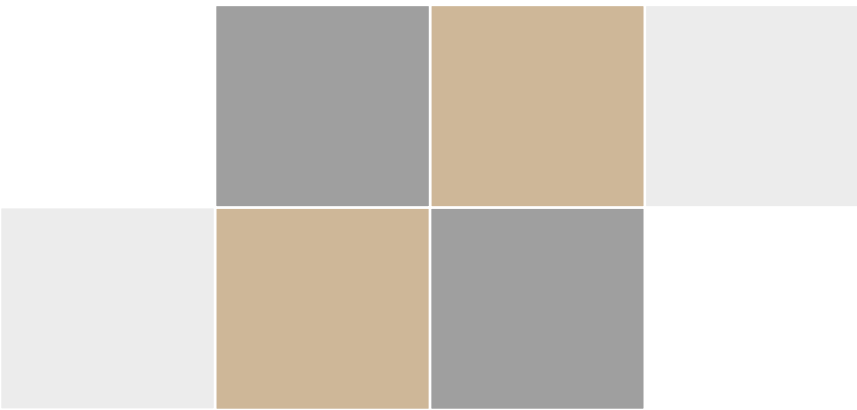
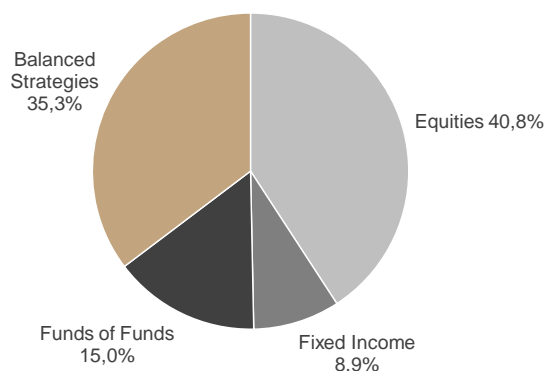


BL-Global Flexible EUR

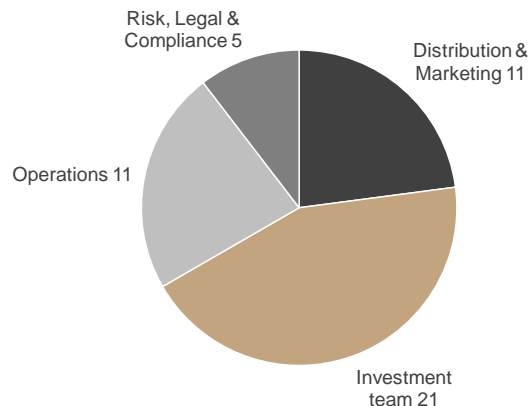


Who are we?

AUM Breakdown by Strategies



Employees Breakdown by Key Functions

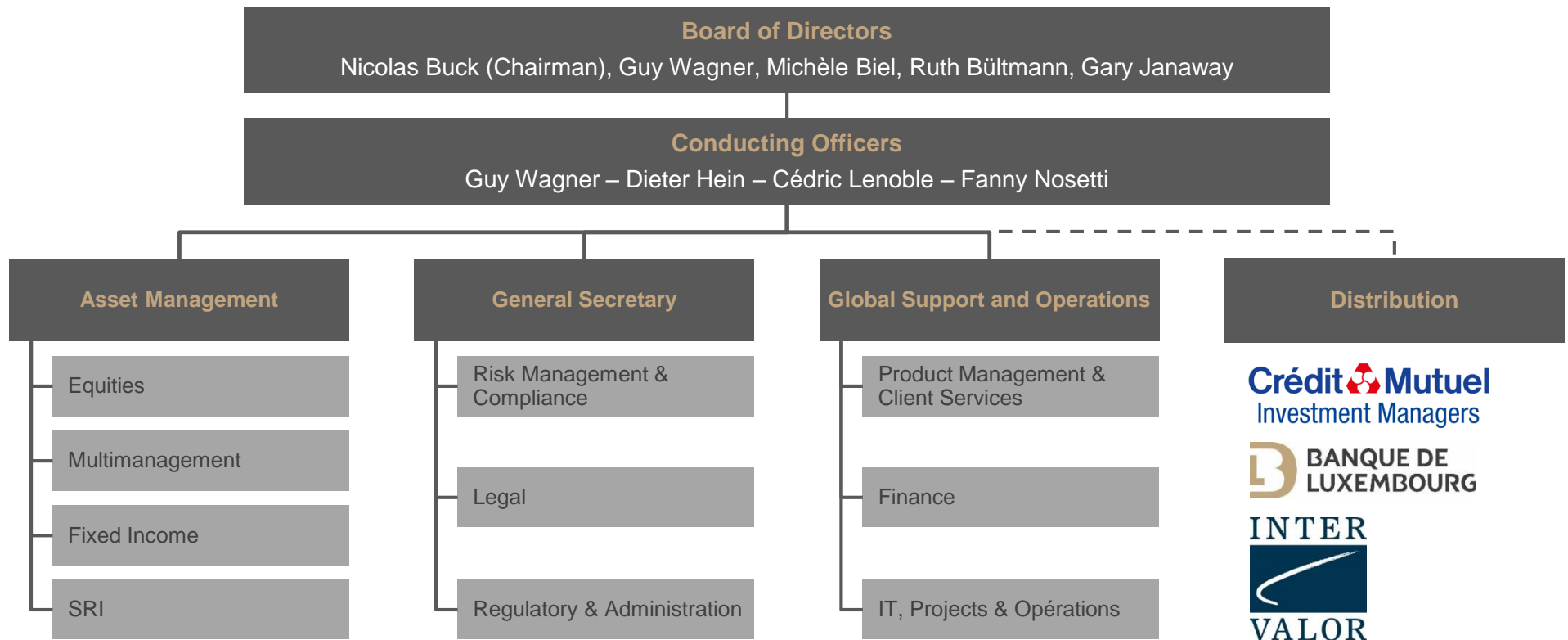


- Investment arm of Banque de Luxembourg, a leading Private Bank in Luxembourg,
- EUR 12.4 bn assets under management as of May, 31st 2020,
- Strong corporate culture linked to our private banking heritage:
 - We stress human values, integrity and collegiality,
 - Culture of independent thinking and passion for investing,
 - Focus on our sphere of competence: “common sense for a complex world”,
 - Conviction-based investment approach centred on the generation of attractive long-term risk adjusted returns.
- 48 employees of whom 21 are investment professionals with long company tenure,
- Investment team located in Luxembourg, away from the noise of major financial centres.

Corporate Structure



Organisational Chart



BL-Global Flexible EUR: Drawing on BLI's Combined Expertise in Equities and Fixed Income

Portfolio Managers / Analysts

Global Equities	Japanese Equities
Joël Reuland Jérémie Fastnacht	Steve Glod
European Equities	EM Equities
Ivan Bouillot Tom Michels	Marc Erpelding
US Equities	Fixed Income
Luc Bauler Henrik Blohm	Jean-Philippe Donge

Investment Analysts

European Equities	Pan-Asian Equities
Amélie Morel	Luc Heger
SRI Strategist	EM Fixed Income
Julien Jonas	Maxime Smekens

Guy Wagner, *Lead Fund Manager*

- Economics graduate from the Université Libre de Bruxelles,
- Professional experience since 1986,
- Joined Banque de Luxembourg / BLI in 1986,
- Managing Director and CIO of BLI since 2005



Investment Case

Deliver Attractive Long-Term Real Returns Through a Flexible Asset Allocation

- **Exposure to a range of often negatively correlated assets** that do well in different economic environments:
 - Equities: economic growth
 - Government bonds: economic slowdown / recession
 - Precious metals: inflation / geopolitical uncertainties / financial turmoil
- While the concept of **flexibility is central to the approach**, it needs some clarification

It means	It does not mean
<ul style="list-style-type: none">■ Broad flexibility in terms of both top-down allocation decisions and bottom-up security picking■ Asset allocation based on an assessment of<ul style="list-style-type: none">→ The fundamentals of the different asset classes→ The availability of attractive individual opportunities within each asset class	<ul style="list-style-type: none">■ Changes in the Fund's asset allocation due to short-term considerations or market timing

The Balanced Portfolio Manager's Dilemma

Traditional diversification struggles to add value in current market conditions

Fixed Income

- Central Bank rates at negative levels in some major economies
- Government bond markets with deteriorating metrics:
 - Very low bond yields
 - Increasing sensitivity to market movements leading to higher volatility levels
 - High public debt levels

Equities

- Declining interest rates have led to above average valuation levels
- ➔ Equity bias through investments in defensive companies benefiting from relatively stable earnings

Ways to Handle This Dilemma

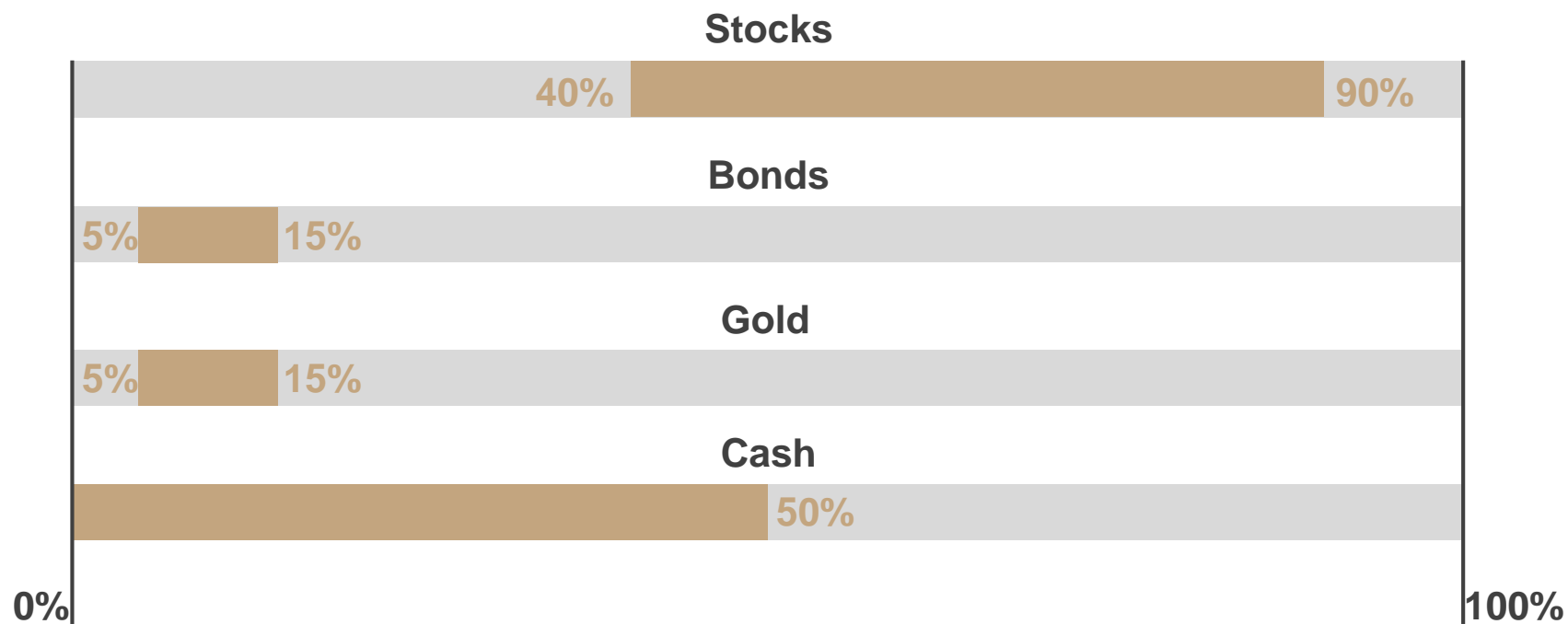
- Flexible combination of different asset classes
- Equities still have appeal
 - Equity dividend yields exceed high quality bond yields
 - Higher valuation levels partly due to changes in market composition (higher percentage of technology companies)
 - Above average profit margins
- Different role for first quality fixed income
 - Very low yields mean little performance contribution in normal conditions
 - Government bonds' safe haven status helps protect the portfolio in case of economic downturn
- Allocation to precious metals to hedge against financial, inflation and geopolitical risks

Asset Allocation

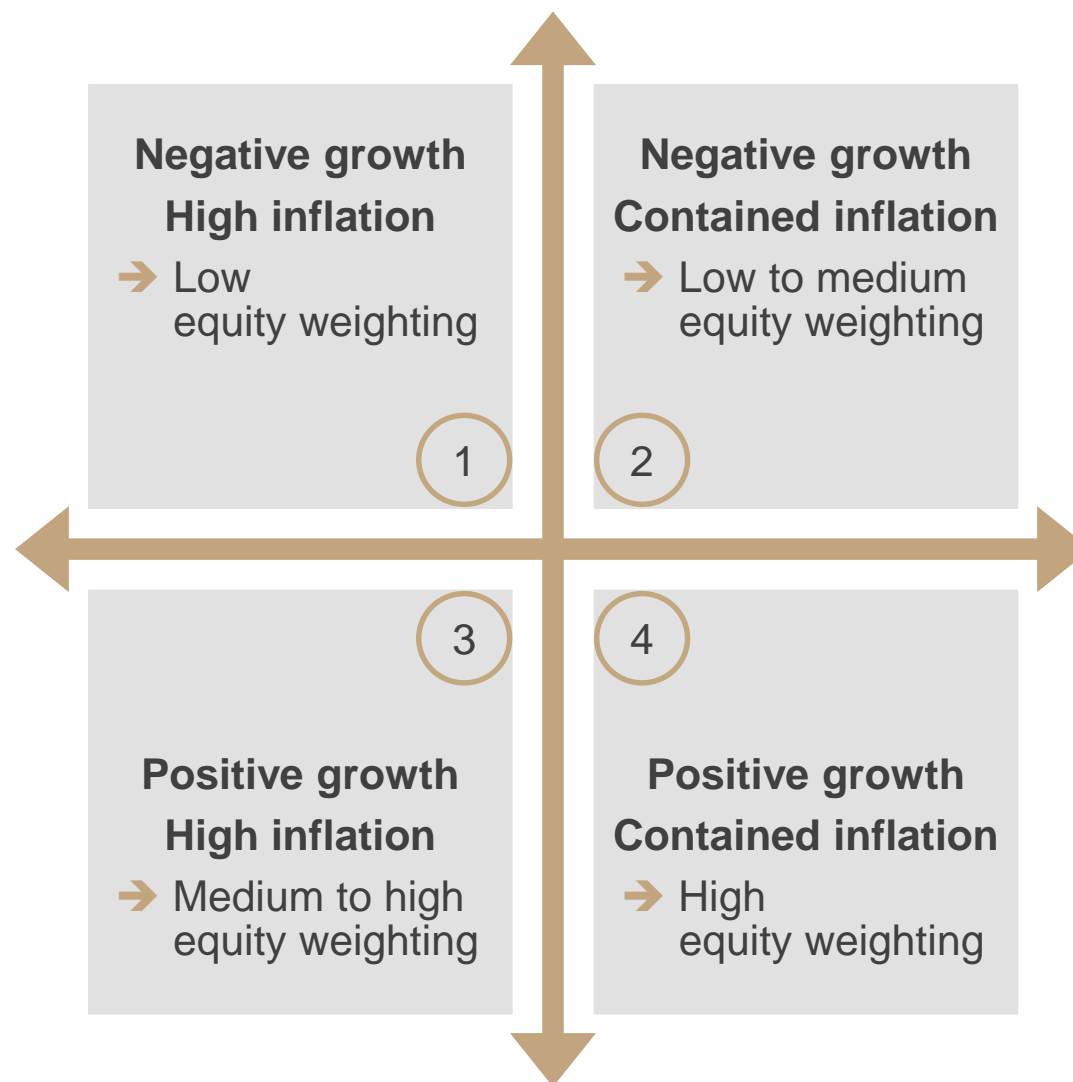
Investment Universe

- **Equities:**
 - Generate long-term returns
 - Allocation range as per prospectus: 25%-100% of portfolio
- **Bonds:**
 - Provide stability when the economic environment turns to be more challenging for the equity markets
 - Allocation range as per prospectus: 0-75% of portfolio
- **Cash:**
 - Buffer to be invested when opportunities arise
 - Allocation range as per prospectus: less than 50%
- **Precious Metals:**
 - Protection against macroeconomic / systemic risks / Ultimate safe haven
 - Indirect exposure through investments in Precious Metals – related companies
 - Allocation range as per prospectus: max. 25% (through ETC)

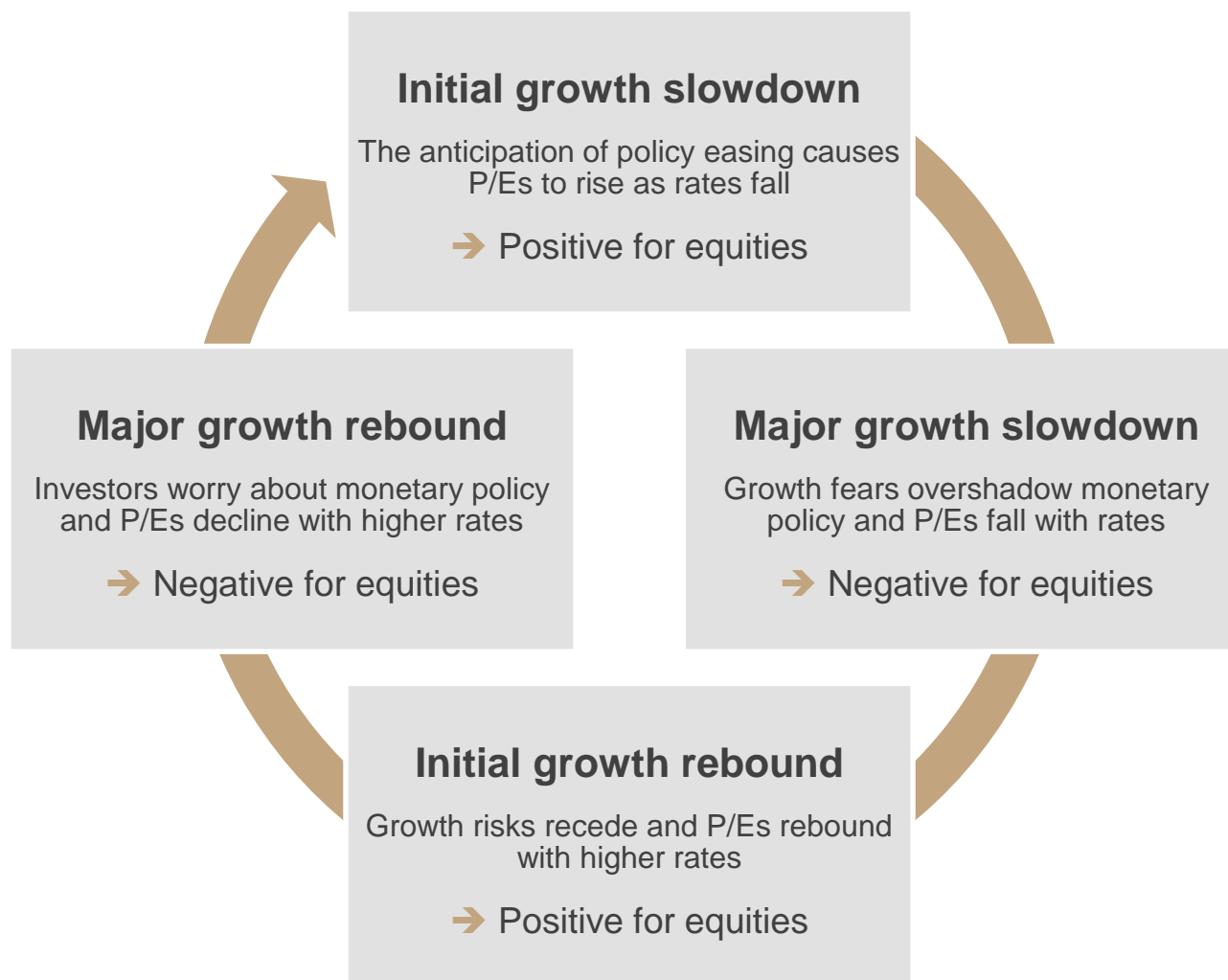
Framework in Current Market Conditions



Strategic Equity Allocation – Contingent to Secular Economic Trends



Tactical Equity Allocation – the Contrarian Cycle



Target / Current Allocation

Equities

Target:	40-90%
Dec. 2019:	51,2%
Jun. 2020:	41,1%

Current Strategy

- **Equity bias** given still **supportive conditions** in terms of interest rates and corporate earnings
- Priority given to quality companies with lasting competitive advantages

Fixed Income

Target:	5-15%
Dec. 2019:	4,2%
Jun. 2020:	0,3%

- **Leverage effect** through investment in long-dated **US Treasuries**
- 2.5 % - 3.5 % range for the 30-year US bond yield

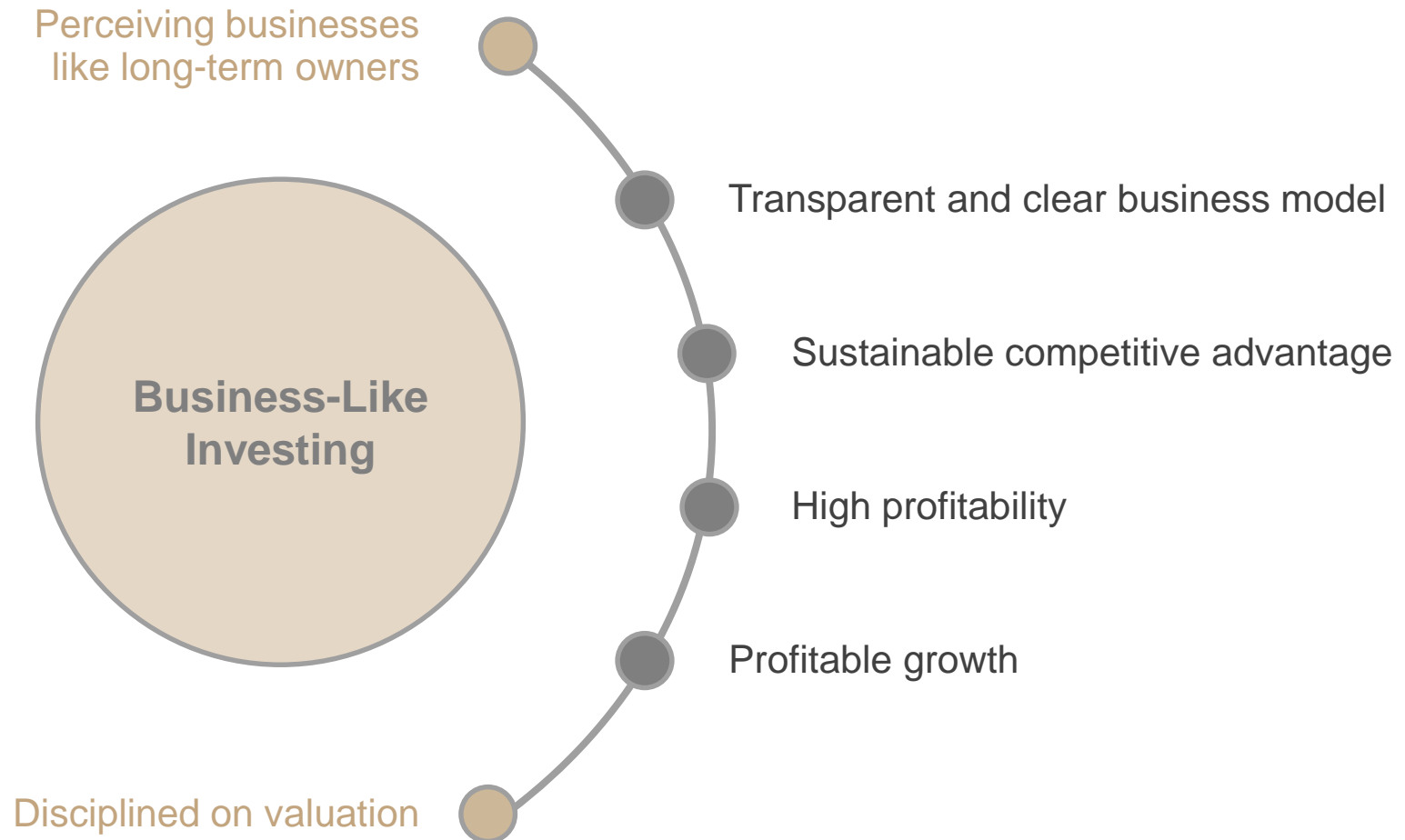
Precious Metals

Target:	5-15%
Dec. 2019:	12,6%
Jun. 2020:	13,8%

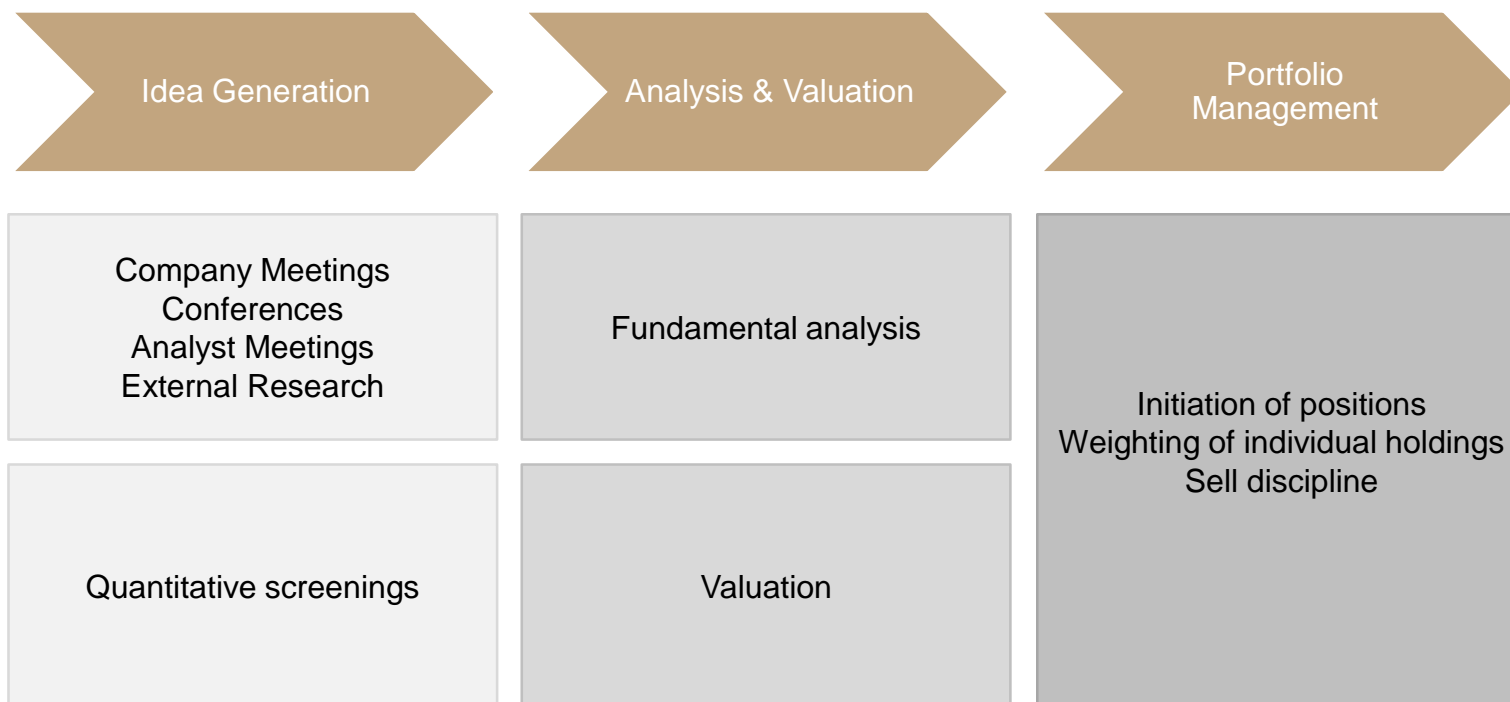
- **Leverage effect** through investments in **gold companies**
- **Contrarian approach:** increasing/decreasing exposure in periods of falling/rising gold price
- **Priority given to royalty companies** given superior business model

Equity Investment Process

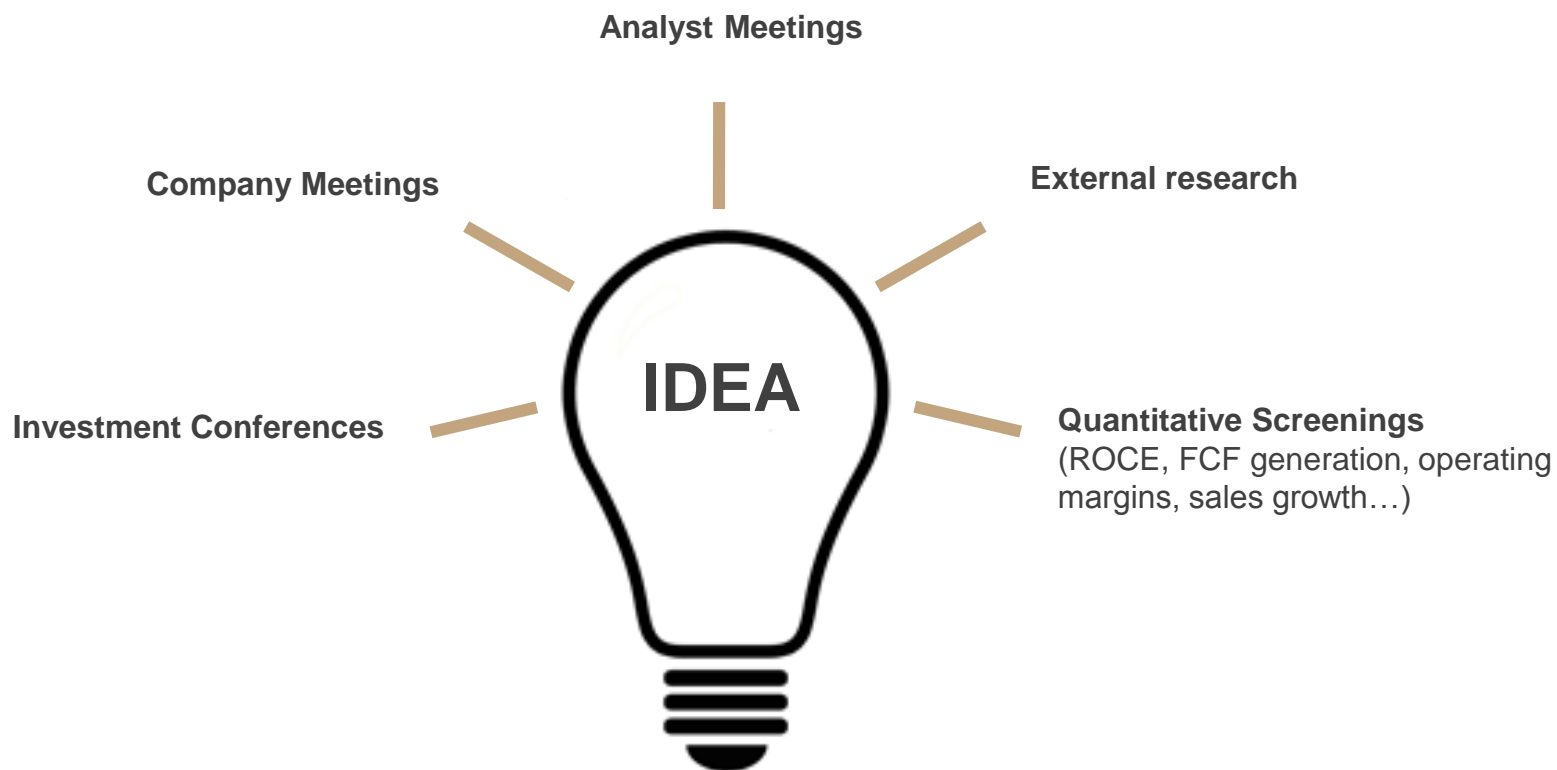
Philosophy



Bottom-up investment process




Different Sources of Investment Ideas



Business Model Differentiation

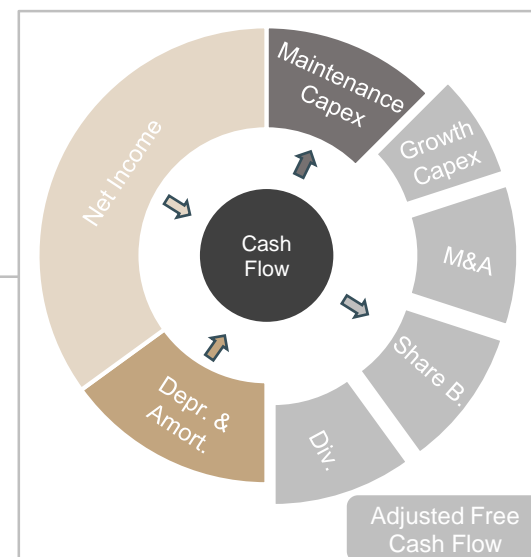
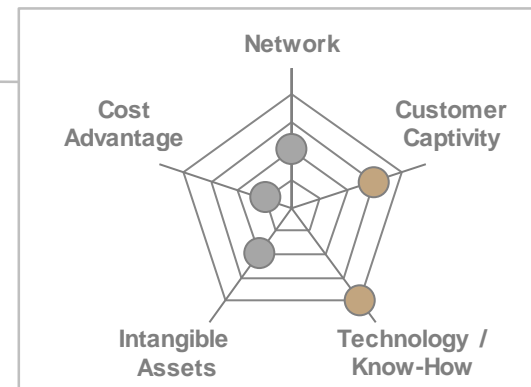
No long-term success without competitive advantage

Intangible Assets	Customer Captivity	Network	Cost Advantage	Technology & Know-How
Brand Perceived Quality	Switching Costs Aftermarket Sales Ongoing Service	Network Effect Distribution Network	Lower Costs Economies of Scale	Proprietary Technology Innovation Patents
  	  	 	 	 

Fundamental Analysis

No profitable growth without competitive advantage

- Qualitative assessment of the company's competitive advantage(s)
- Quantitative evidence of an economic moat
 - Economic profit levels (ROCE, ROE)
 - Operating Margins
- Analyse additional company fundamentals
 - Balance sheet strength
 - Capital Intensity
 - Quality of management
- Assess the company's ESG profile
- Assess the company's FCF-generation capacity
- Identify the company's secular growth drivers
 - Favourable industry trends
 - Innovation capacity



Valuation Model*

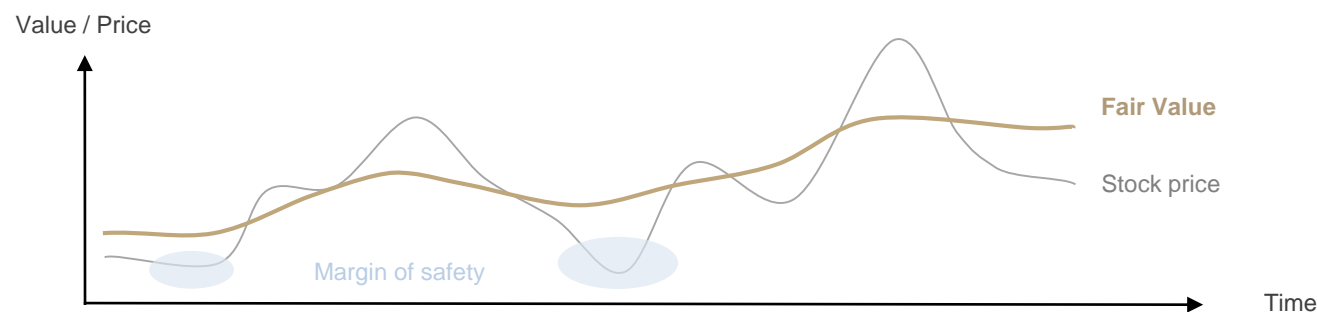
Provide a reference point to avoid overpaying for quality companies

- Get an indication about the value of the company without future growth
 - Calculation of the Earnings Power Value **EPV** (the value of the company based on its current business using adjusted FCF).
- Future growth only creates value if the company benefits from a sustainable competitive advantage
 - Calculation of the growth-related value multiplier **GM** and the fair value of the company **FV**.

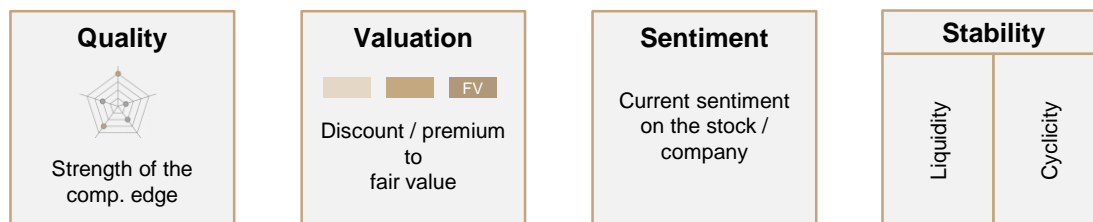


Portfolio Construction

- Investments are initiated with a discount (margin of safety) to the fair-value



- Investment weightings depend on the following factors:



- Stocks are sold when the investment thesis fundamentally weakens, the growth profile deteriorates, valuation becomes excessive or better investment opportunities arise

Focus on Quality Growth Companies Leads to Some Structural Sector Biases

Sectors typically strongly represented

- Consumer Staples
- Consumer Cyclicals
- Industrials
- Health Care
- Technology

Sectors typically not represented

- Banks
- Insurance
- Utilities
- Telecommunications
- Automobile (producers)
- Commodities
- Airlines

Fixed Income Investment Process

Main Role: Protect the Portfolio in Challenging Economic Environments

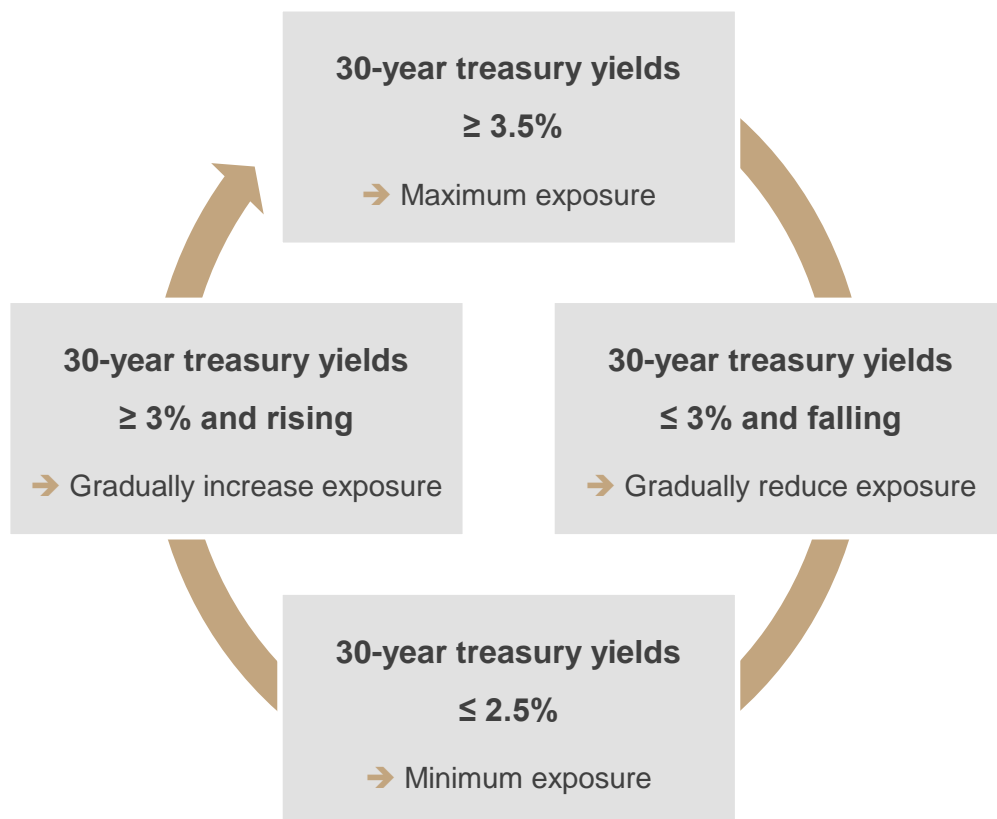
Rationale:

- Quality government bonds remain safe haven assets
 - ➔ In cases of economic stress (“risk off” scenarios), they tend to exhibit a negative correlation with equities

Implementation of the strategy:

- Bond allocation limited in terms of percentage of the portfolio but with high modified duration to deliver impact when needed

Interest Rate Exposure – the Contrarian Cycle for US Treasuries



Why 3%?

- Neutral rate : Level of the Fed Funds that neither accelerates nor decelerates the economy
 - Various factors are currently keeping the neutral rate at a low level (around 2.5%)
 - Unless there is an inflation threat, there is no need for the Fed to raise rates above the neutral rate
- History shows that once the Fed is done tightening, the yield curve tends to be flat

A 15% Allocation Can Have a Significant Impact

Total Return Analysis of the 30-Year US Government Bond	
Yield Shift (bp)	Total Return
-100	24.86%
-75	18.88 %
-50	13.13 %
-25	7.60 %
0	2.29 %
25	-2.83 %
50	-7.74 %
75	-12.47 %
100	-17.01 %

Precious Metals Investment Process

Ultimate Safe Haven

Rationale:

- Gold is the ultimate safe haven asset
 - ➔ In cases of financial, economic or geopolitical turmoil, gold can provide protection

Implementation of the strategy:

- Gold allocation limited in terms of percentage of the portfolio but with precious metals-related companies amplifying the movements of the gold price

An Effective Way to Protect Portfolio Against Equity Risk

Gold performance in periods of market stress

	Start	End	S&P500 Index	US Treasuries	Gold
1987 crash	25/8/1987	19/19/1987	-33,2%	-7,2%	5,0%
Iraq invades Kuwait	17/7/1990	12/10/1990	-17,6%	-0,4%	7,6%
Russia / Long-Term Capital Management crisis	20/7/1998	8/10/1998	-18,7%	5,3%	1,2%
Sept. 11	10/9/2001	11/10/2002	-22,3%	11,2%	16,6%
Global financial crisis	11/10/2007	6/3/2009	-54,5%	15,8%	25,6%
2010 euro zone crisis and flash crash	20/4/2010	1/7/2010	-14,5%	4,5%	5,1%
U.S. sovereign debt downgrade	25/7/2011	9/8/2011	-12,3%	3,6%	7,8%
China worries	18/8/2015	11/2/2016	-11,8%	3,5%	11,5%
Covid-19	19/2/2020	23/3/2020	-33,9%	6,0%	-3,6%
Average			-22,5%	4,2%	7,2%

The Case for the “Royalty Company” Business Model

■ Royalty Company Business Model

- A **gold royalty** is a contract that gives the owner the **right to a percentage of gold production** or revenue in exchange for an upfront payment
- Gold royalty companies use these contracts as a way to **finance mining companies** in need of capital
- Since royalties typically cover the life of a mine, gold royalty companies benefit from the exploration upside that may extend the life of the mine which increase the amount of revenue they receive from the mining company

■ Advantages

- Exposure to precious metals price optionality
- A perpetual discovery option over large areas of geologically prospective lands. No cost other than the initial investment
- Limited exposure to many of the risks associated with operating companies
- A free cash-flow business with limited cash calls
- A high-margin business that can generate cash through the entire commodity cycle
- A scalable and diversified business in which a large number of assets can be managed with a small stable overhead
- A forward-looking business in which management focuses on growth opportunities rather than operational or development issues

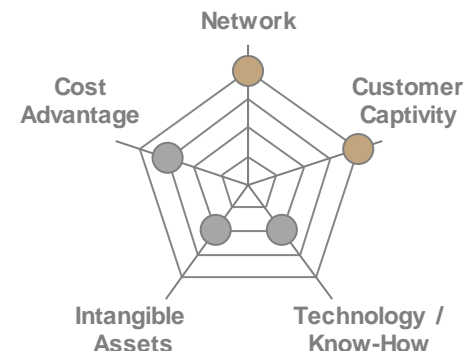
Case Studies Equity Portfolio

Secom is Japan's leading security service company with a focus on on-line security systems. Based on its dominant position in this field, it continues to enlarge its service offering to other areas like healthcare, IT security, or fire protection. Secom is also offering its services in other Asian countries.

Capitalizing on dominant market share in on-line security to provide vast array of services

Investment Case

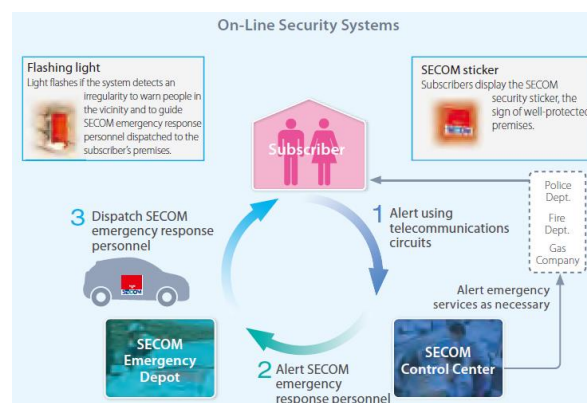
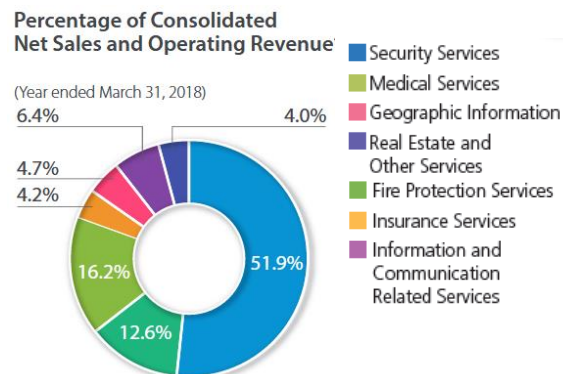
- Market share of more than 50% in commercial and residential monitoring systems and strongest security network in Japan, leading to high economies of scale.
- Subscription based business model leading to recurring free cash flow and strong customer captivity.
- Strong balance sheet and track record in terms of shareholder remuneration.
- Capturing growth from ageing population (security systems, medical alert systems, home medical services, access control for retirement homes), from demand for security and data protection services in a connected society and automation solutions due to labor shortage.
- Strong growth contribution from Asian countries through holdings in Taiwan Secom, S1 Corp (Korea) and several Chinese subsidiaries.



CE

DOM

**Portfolio holding since
Q3 2011 (launch)**



SECOM My Doctor Watch



SECOM Home Security NEO



SECOM LX



SECOM control center



SECOM Robot X2



SECOM Drone patrol and monitoring services

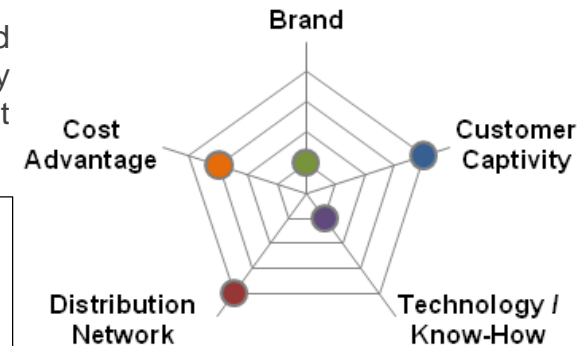
Guangdong Investment's core business is supplying water to Hong Kong, Shenzhen and Dongguan within the Dongshen Water project. The company also has investments in property (malls, offices and hotels), toll roads and power generation. The Guangdong provincial government owns 64,6% of the company.

Investment Case

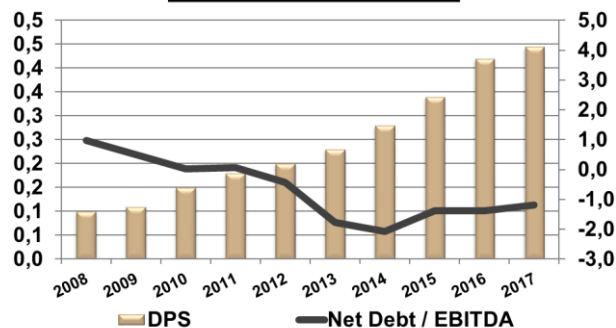
- Strong entry barriers : 30-year water concession until 2030, extendable
- Own rights on several critical infrastructure assets
- The water business is highly cash generative (□ 30% FCF margin)
- Potential to increase prices as water bill still a relatively small share of disposable income Contracts in HK (□ 50% of earnings) are set for attractive price increases.
- High visibility on $\frac{3}{4}$ of cash flows (water concession + property rental income + toll)
- Well positioned to get further water management projects (distribution, wastewater)
- Great financial position

Risks

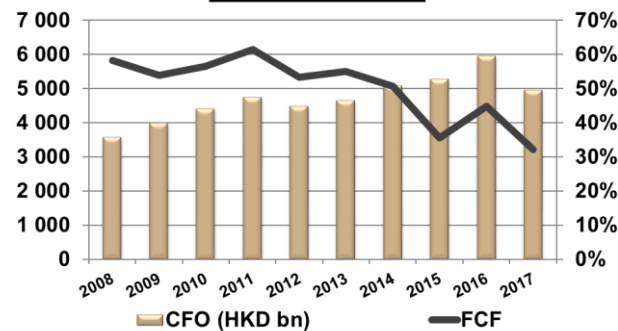
- Change in regulation



Dividend Track Record



Cash Generation



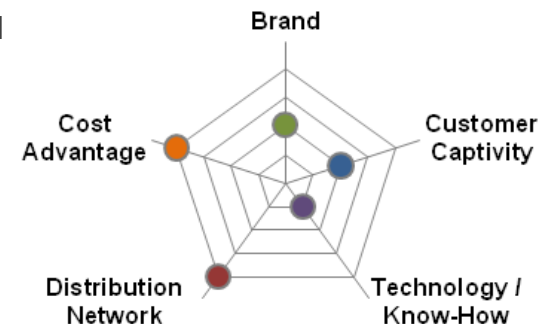
Unilever is a leading supplier of fast moving consumer goods. Its areas of operations are Personal Care, Home Care, Foods and Refreshment.

Investment Case

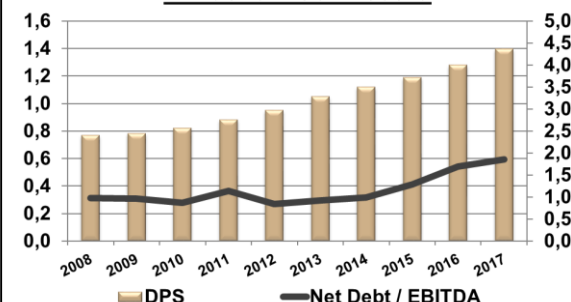
- Huge and efficient distribution network (products sold in >190 countries)
- Strong relationships with retailers to negotiate shelf space
- Scale and cost advantages (marketing power, production costs)
- Diversified portfolio (personal care, food, home care, refreshments) of strong brands (13 with EUR 1bn sales)
- N°1 in >85% of category/country cells
- > 20% of advertising investments towards digital and social media
- Special unit with CEOs of acquired fast-growing companies
- High economic profitability (ROCE: 19%) and free cash flow generation (FCF margin: 11%)
- 58% sales in emerging markets
- Sound balance sheet
- Sustained by population growth, urbanisation and emerging middle class rising income

Risks

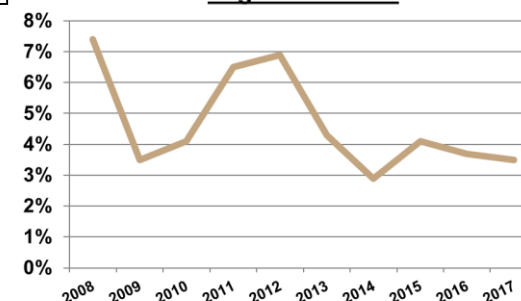
- Channel shifts and changing level of customer acquisition costs
- Value-destroying M&A
- Volatility of FX and energy prices



Dividend Track Record



Organic Growth



2,5bn consumers worldwide use a Unilever product on any given day



Portfolio Review

Top Holdings

Top 10 Positions (Equity Portfolio)

Roche Holding	3,7%
Franco Nevada	3,7%
Newmont Mining	2,3%
Agnico Eagle Mines	2,2%
Accenture	1,9%
Nestle	1,7%
Royal Gold	1,6%
Gilead Sciences	1,6%
CK Asset Holdings	1,5%
Fresenius	1,4%

# Holdings (Equity Portfolio)	93
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Cash & cash equivalents	12,2%
-------------------------	-------

Weight top 10 holdings	28,6%
------------------------	-------

Weight top 20 holdings	41,7%
------------------------	-------

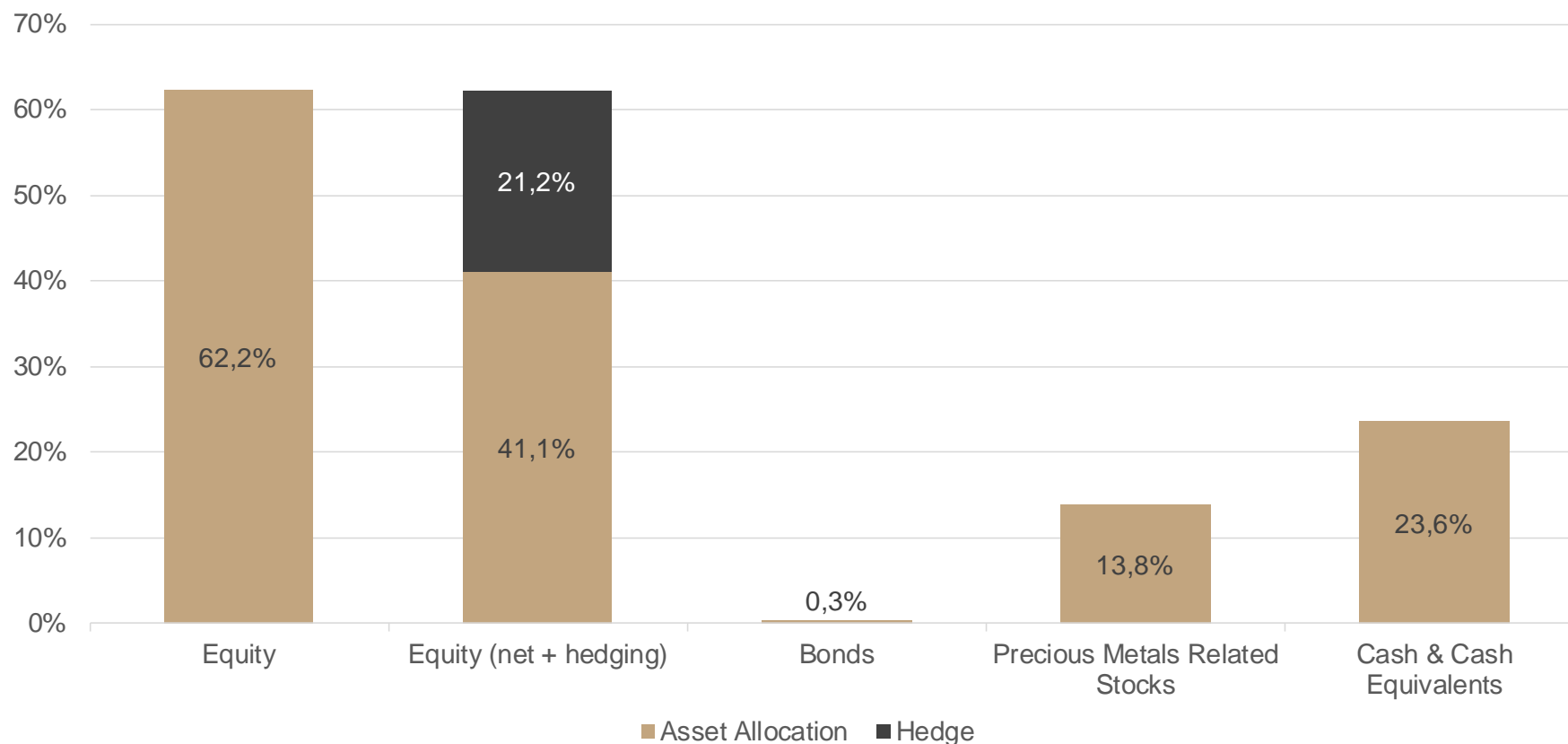
Top 10 Positions (Bond Portfolio)

US 1,25% 15-5-2050	0,3%
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# Holdings (Bond Portfolio)	1
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Data as of 30/6/2020

Asset Allocation

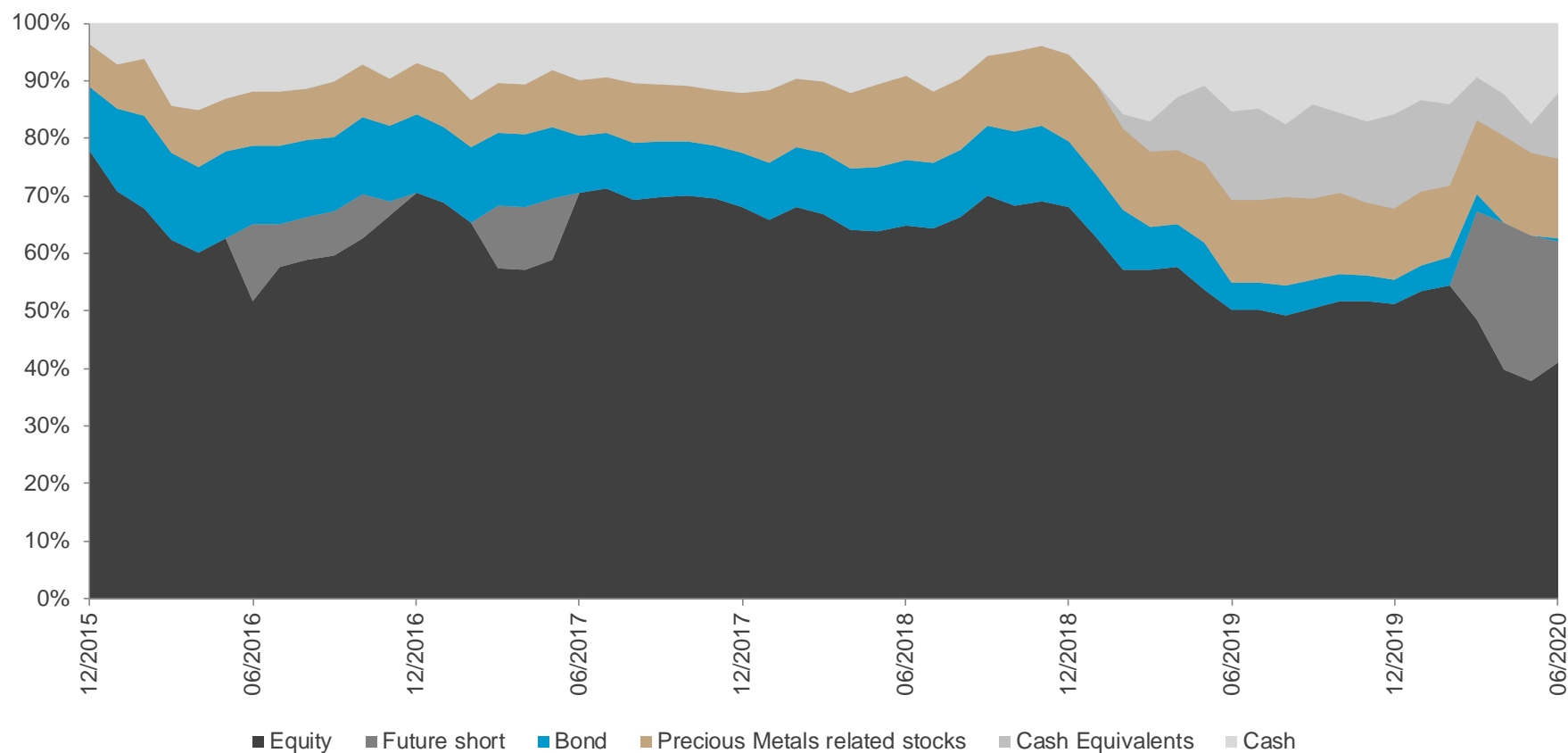


Data as of 30/6/2020

Data source: BLI

Data is given as information only and is as a given date and may evolve over time.

Historic Asset Allocation

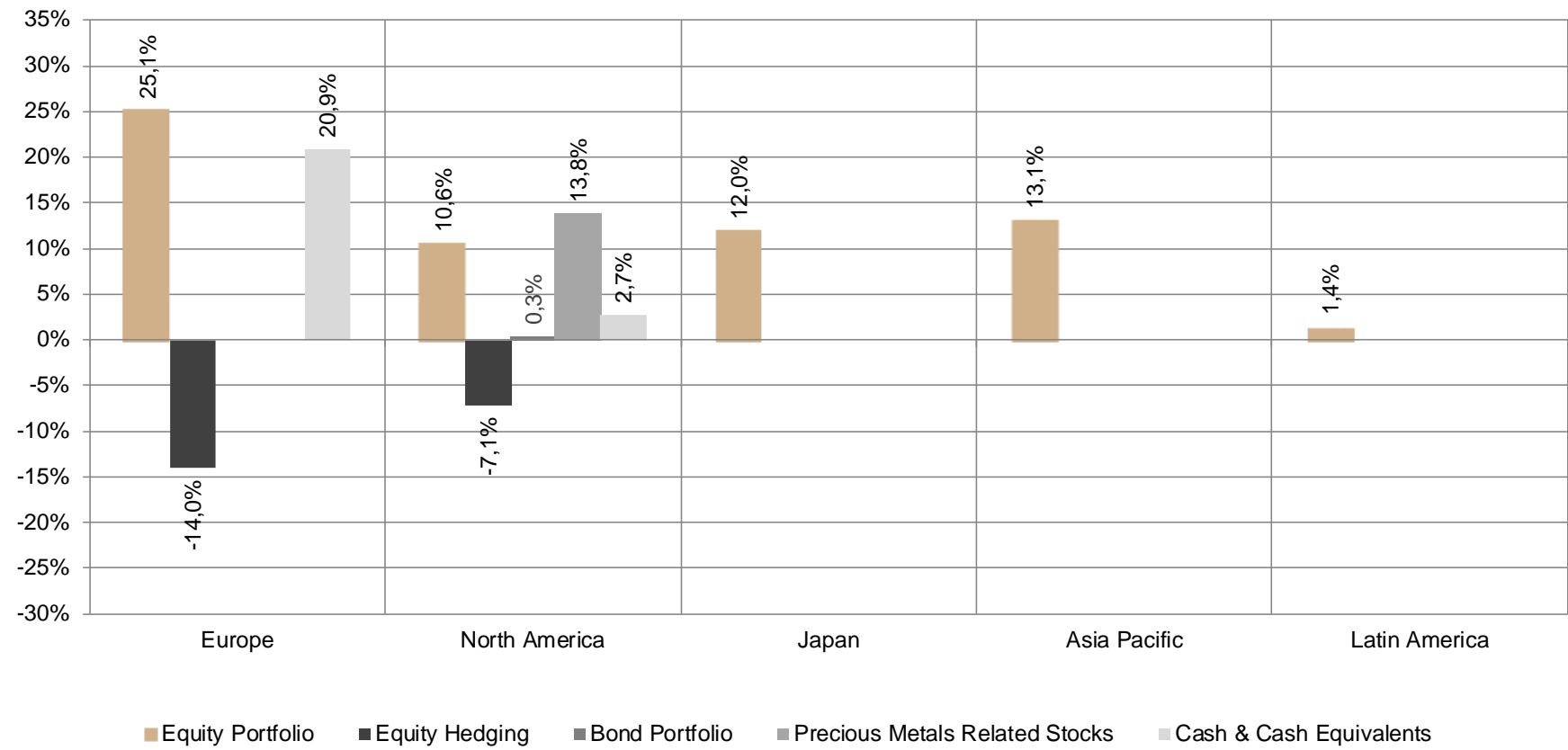


Data as of 30/6/2020

Data source: BLI

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Regional Allocation

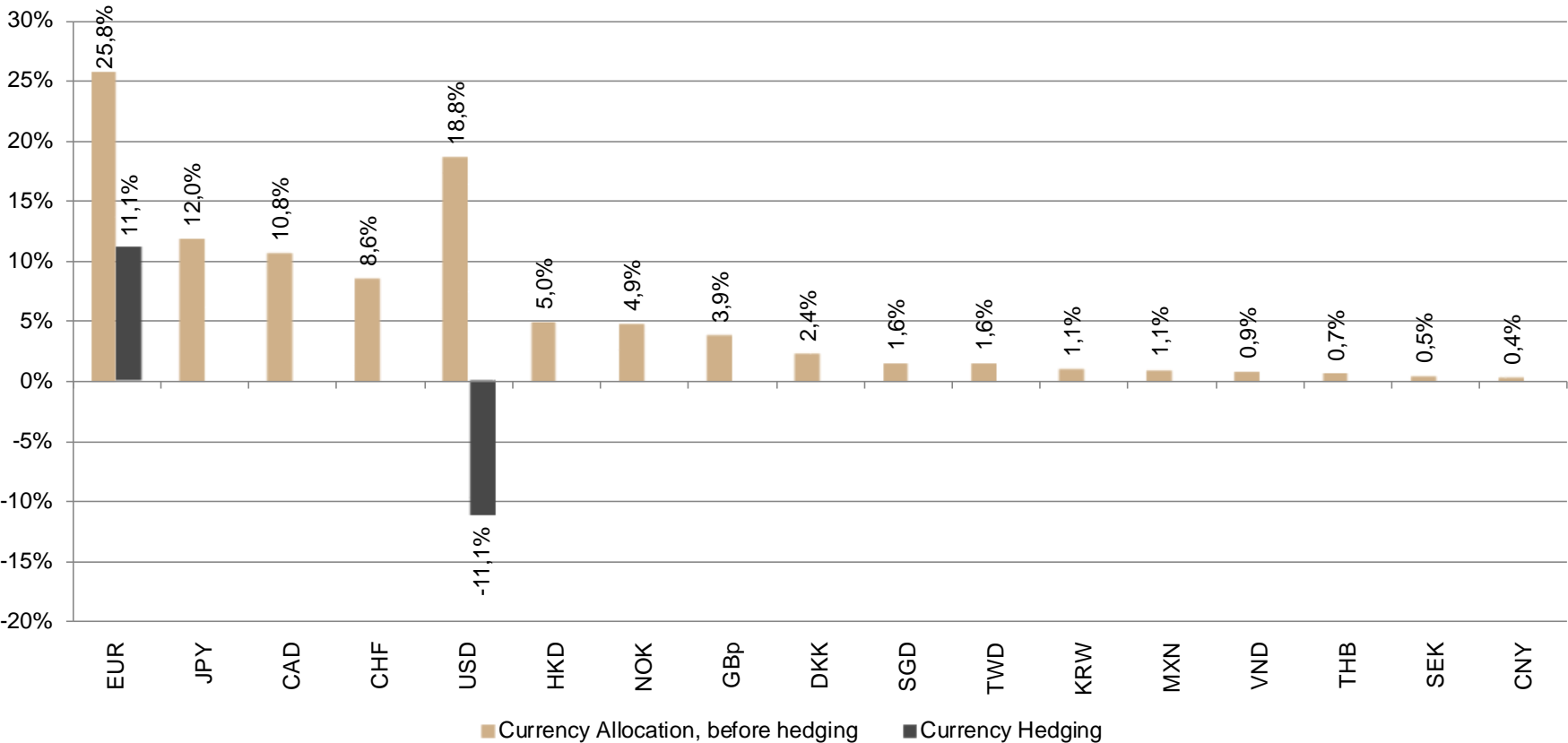


Data as of 30/6/2020

Data source: BLI

Data is given as information only and is as a given date and may evolve over time.

Currency Allocation

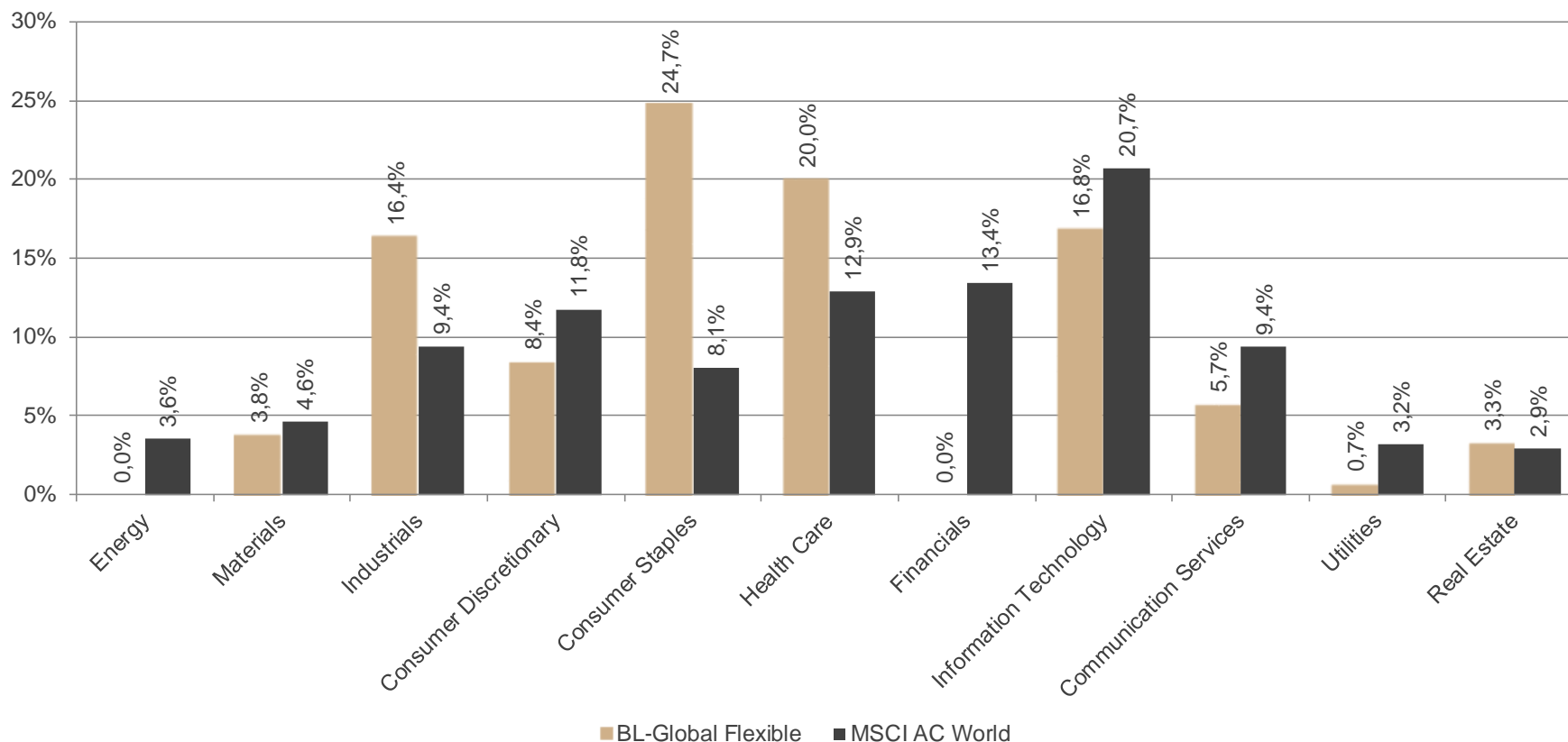


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Data source: BLI

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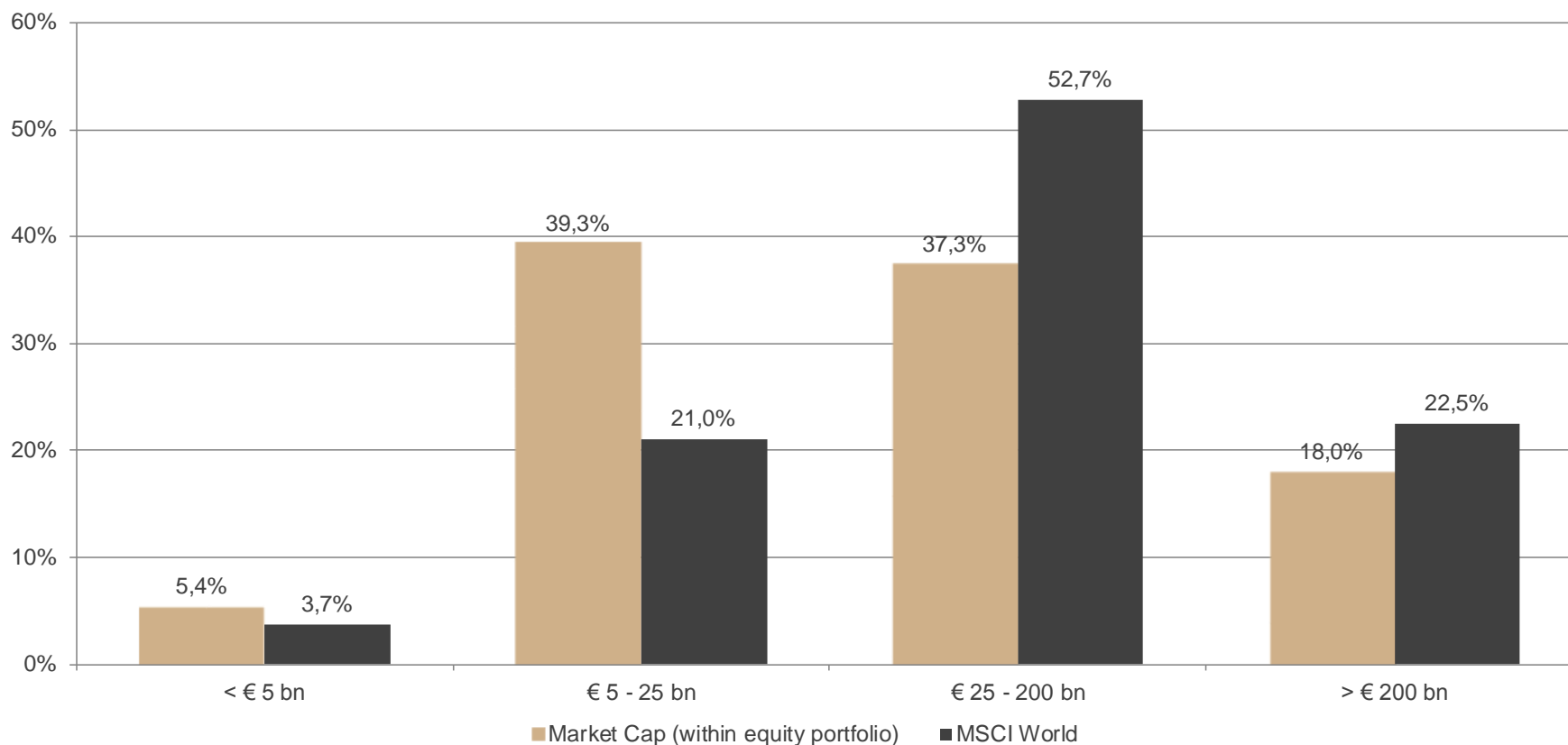
Sector Allocation (equity portfolio)



Data source: MSCI / BLI

Data as of 30/6/2020

Market Cap Allocation (equity portfolio)



Data as of 30/6/2020

Data source: MSCI / BLI

43 Data is given as information only and is as a given date and may evolve over time. Reference to a market index is made for comparison purposes only; the market index is not mentioned in the investment policy of the sub-fund.

Performance Review

Ranking

1 year	Performance	Volatility*
BL-Global Flexible Eur B	7,3%	9,5%
Lipper Global Mixed Asset EUR Flex - Global	-1,7%	11,1%
JP Morgan EMU	2,9%	6,4%
MSCI AC World NR	3,5%	20,8%
Quartile	1	2
Ranking	77 / 1810	460 / 1810

3 years	Performance	Volatility*
BL-Global Flexible Eur B	18,5%	8,3%
Lipper Global Mixed Asset EUR Flex - Global	-1,4%	7,5%
JP Morgan EMU	11,4%	4,5%
MSCI AC World NR	21,4%	15,4%
Quartile	1	2
Ranking	45 / 1451	574 / 1451

5 years	Performance	Volatility*
BL-Global Flexible Eur B	25,2%	9,0%
Lipper Global Mixed Asset EUR Flex - Global	0,2%	7,0%
JP Morgan EMU	17,4%	4,3%
MSCI AC World NR	35,6%	15,9%
Quartile	1	2
Ranking	48 / 1200	599 / 1200

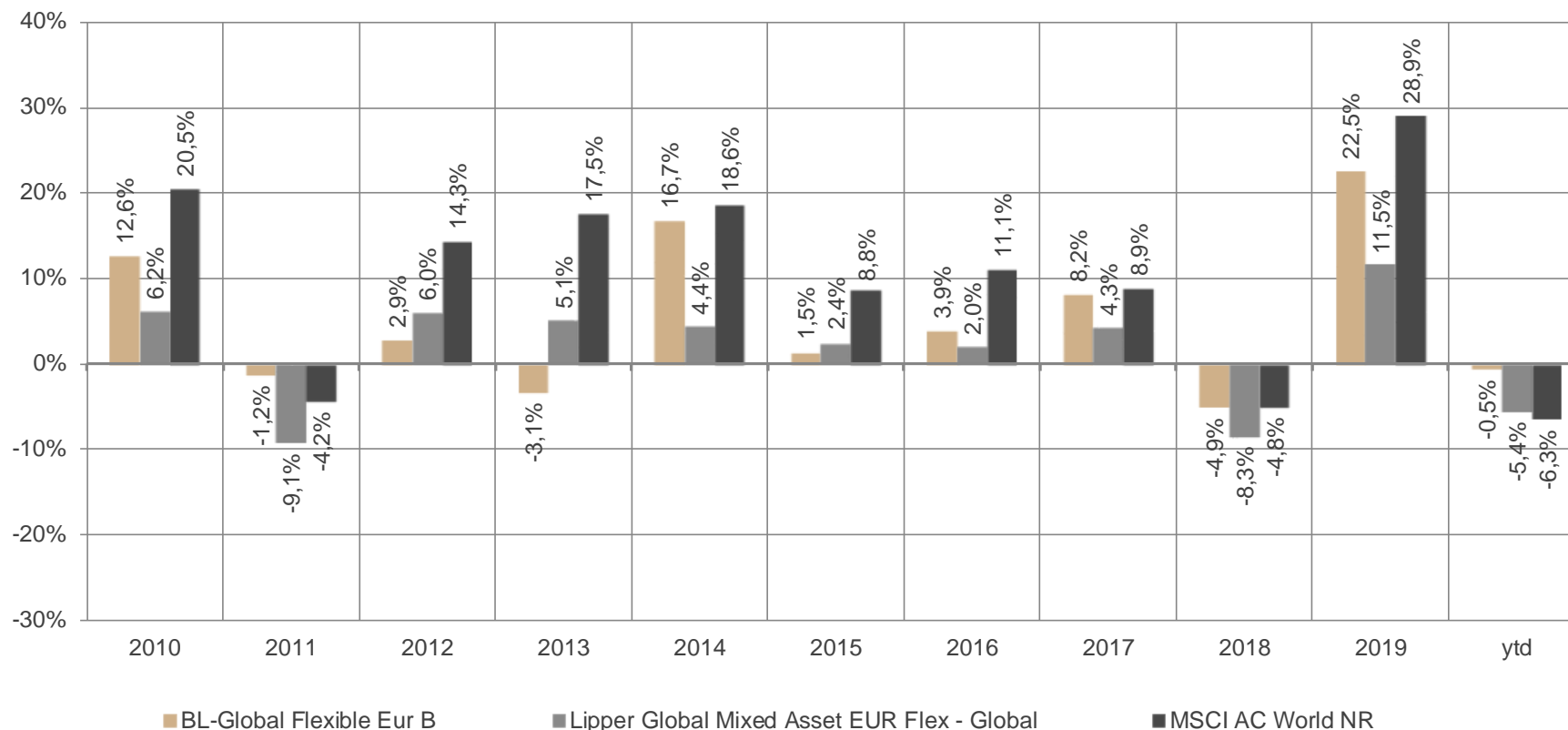
* Annualised

Data in EUR as of 30/6/2020

Data source: Lipper / MSCI / BLI

Performance net of fees. Past performance does not guarantee or predict future performance. Reference to a market index is made for comparison purposes only; the market index is not mentioned in the investment policy of the sub-fund.

Performance vs Peers and Index

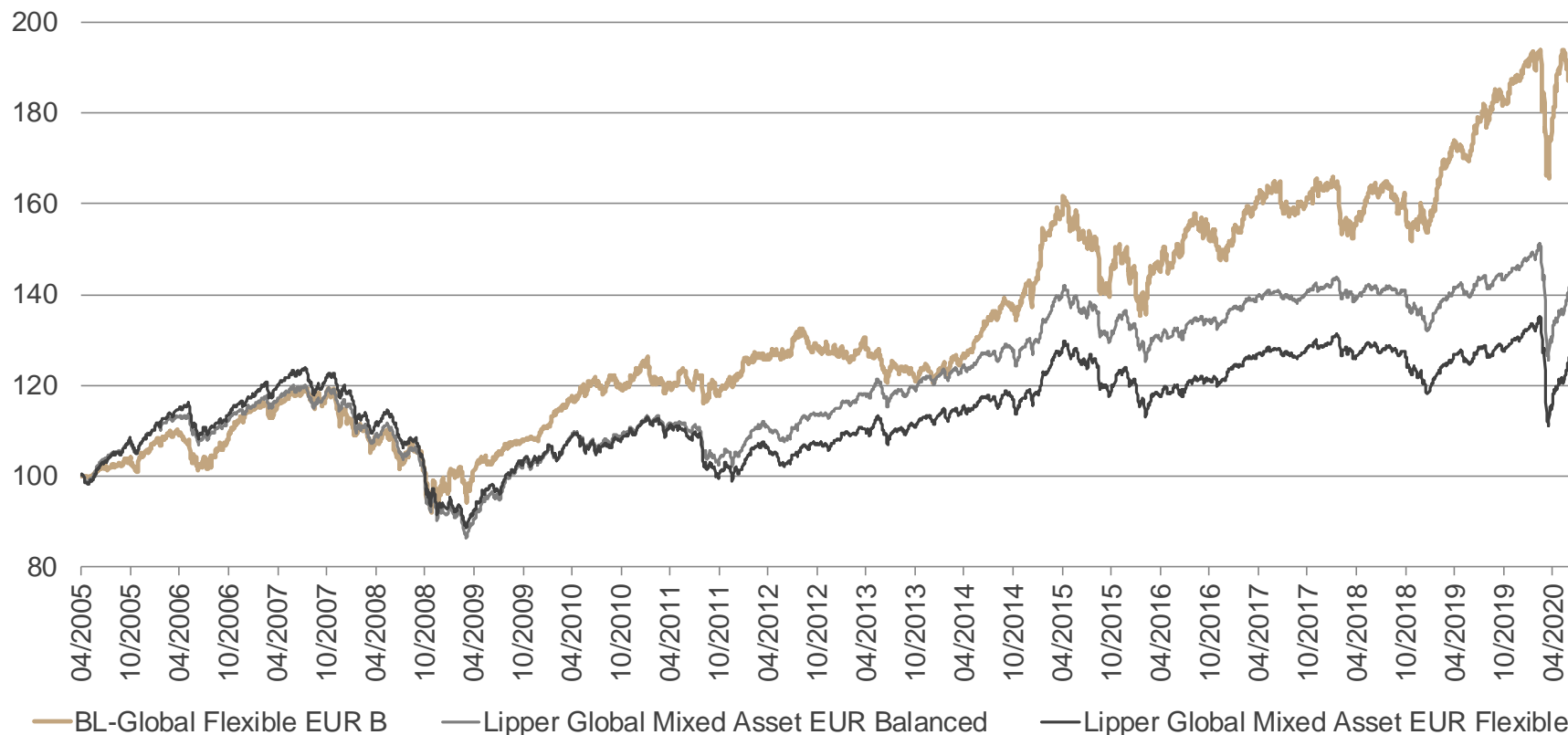


Data source: Lipper / MSCI / BLI

Data in EUR as of 30/6/2020

Performance Review

Performance vs Peers and Index

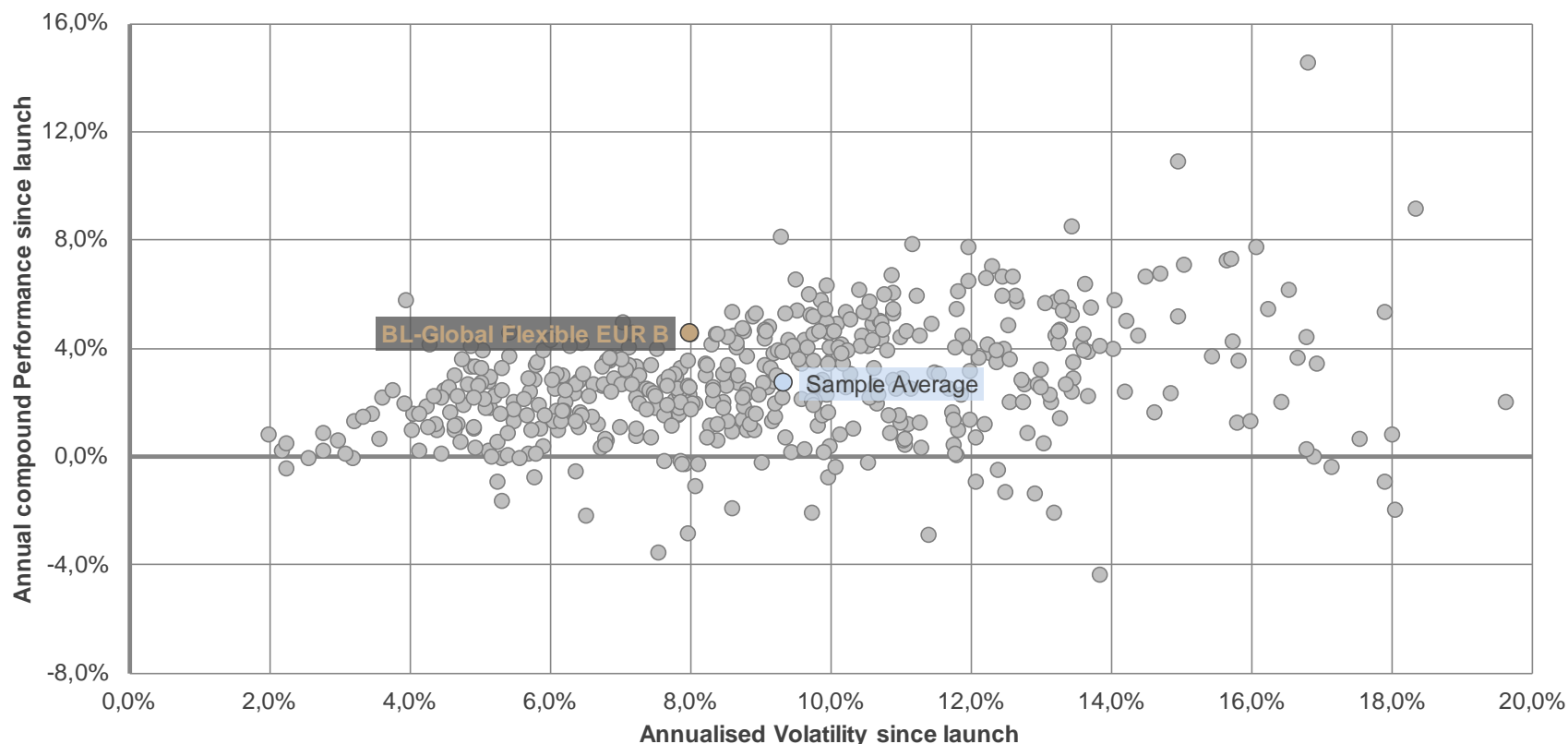


Data source: Lipper / MSCI / BLI

Data in EUR as of 30/6/2020

47 Performance net of fees. Past performance does not guarantee or predict future performance. Reference to a market index is made for comparison purposes only; the market index is not mentioned in the investment policy of the sub-fund.

Scatter Chart vs Mixed Asset Flexible Funds



Data in EUR as of 30/6/2020

*Peer Group Average: The average of the fund's Lipper peer group, minus the funds not registered for sale in the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Netherlands, Norway, Singapore, Spain, Sweden, Switzerland, UK.

Data source: Lipper / BLI

48 Performance net of fees. Past performance does not guarantee or predict future performance. Reference to a market index is made for comparison purposes only; the market index is not mentioned in the investment policy of the sub-fund.

Operational Data

BL-Global Flexible

Fund Volume (overall)	EUR 1 526 mn						
Launch Date	06/04/2005						
Currency	EUR	EUR	CHF	EUR	EUR	CHF	EUR
Share class	A	B	B CHF Hedged	AM	BM	BM CHF Hedged	BI
Investor type	Retail	Retail	Retail	Retail*	Retail*	Retail*	Institutional*
Cap/Dis	Dis	Cap	Cap	Dis	Cap	Cap	Cap
Management fee	1,25%	1,25%	1,25%	0,85%	0,85%	0,85%	0,60%
Ongoing charges	1,41%	1,40%	1,40%	1,01%	1,00%	1,02%	0,71%
Turnover (2019) **	57,12%						
ISIN	LU0211339816	LU0211340665	LU1305478262	LU1484143513	LU1484143604	LU1484143786	LU0379366346
WKN	A0D9HV	A0D9HW	A1421P	A2ARA8	A2ARA9	A2ARBA	A0Q678
Bloomberg	BLGLFLX LX	BLGLFLC LX	BLGLFBCH LX	BLGLFAM LX	BLGLFBM LX	BLGFBMC LX	BLGLFLI LX
Countries registered for sale	Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Netherlands, Norway, Singapore***, Spain, Sweden, Switzerland, UK						

* Eligibility criteria according to Prospectus SICAV BL

** min (purchases, sales) / average of net assets

*** under restricted scheme

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