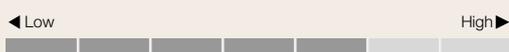




Risk / return ratio



Investment objective and policy

BL-European Smaller Companies invests up to 80% of its net assets in shares of small and mid-cap European companies. The companies selected have high profitability due to exploiting their competitive advantage and offer favorable development prospects. In addition, they have a sound financial position and feature low levels of capital intensity. Management decisions will be based on strict valuation and quality criteria.

Portfolio manager comments

Equity markets rallied in the last quarter of the year. They were boosted by the good news associated with the results of the development of a Covid-19 vaccine. The markets are anticipating a more normal year in 2021, once the vaccine is widely distributed around the world. The main beneficiaries of this news were the more cyclical sectors, including energy, financials and consumer discretionary. In contrast, the sectors that held up best at the beginning of the health crisis trailed the field: healthcare, consumer staples and technology. Over the quarter, the benchmark index (MSCI Europe SMID Cap Net Return EUR) gained 14.96%. For its part, BL European Smaller Companies (retail accumulation share in EUR net of fees) added 6.88%.

The fund's underperformance compared to the index was partly due to its overweight position in the lagging sectors and underweight position in the best performing sectors.

The biggest contributions came from the more cyclical stocks. Nibe, Interpump, Virbac, Mycronic and Amplifon were the top 5 contributors.

Conversely, the more defensive stocks were penalised by the markets. De'Longhi, Gerresheimer, Fagron, KWS and WDP made the biggest negative contributions.

Two new stocks were purchased during the quarter: Sopra Steria and AAK. The French IT company Sopra Steria offers digital services and is a consultancy for businesses' digital transformation. It has two divisions, consulting & integration services and business development software.

BL FUNDS

BL European Small + Mid Caps

Equity funds

Minimum investment horizon: > 10 years

Data as of 03/03/2021

Performance

Annualised performance since launch 20/11/2012 : **+ 9,17 %**



	Since 01/01/2021	2020	2019	2018	2017	2016	Since launch
■ Fund (%)	-0,19	12,54	28,27	-11,75	15,02	-1,10	105,89
■ Benchmark ¹ (%)	6,08	12,90	27,31	-18,82	22,43	1,35	167,46

¹ = Morningstar - Europe Small-Cap Equity (EUR)

Portfolio breakdown

Asset breakdown

Equities	94,31 %	
Cash	5,69 %	

Top holdings

Carl Zeiss Meditec AG	5,86 %
Amplifon SPA After Split Post Frazionamento	5,72 %
Nibe Industrier AB B	5,00 %
Viscofan SA	3,74 %
De Longhi SPA	3,66 %

Portfolio manager comments

The consulting & services activity helps customers integrate new IT programs, install and maintain their IT architectures, and analyse and optimise their IT processes. The software development activity is particularly focused on the banking sector. Sopra Steria has high earnings visibility as about 50% of its revenues are recurring and the company has longstanding relations with its customers. The Swedish company AAK is a specialist in the production of vegetable oils and fats. These products are used in a variety of applications including raw materials in sectors such as the food industry (bakery, confectionery and dairy products), the chemical, pharmaceutical and cosmetic industries, and in animal feed. As a large part of their products are developed in partnership with clients, AAK enjoys a high degree of client loyalty. Generally, changing suppliers means that the attributes (velocity, haptics, etc.) of the product change and this affects consumer appreciation. As one of the biggest companies in this sector, AAK has a large client address book and derives synergies from research and development.

The position in DormaKaba was sold and Britvic, Spirax Sarco and Rotork were reduced. On the other hand, the positions in Fagron, Stabilus and Loomis were strengthened.

Management company

BLI - Banque de Luxembourg Investments S.A.

Countries of registration

AT, BE, CH, DE, DK, ES, FI, FR, GB, IT, LU, NL, NO, PT, SE, SG

NAV publications

www.blfunds.com, www.bli.lu, Fundinfo.com, De Tijd, L'Echo, Luxemburger Wort

Fund information

Launch date	20/11/2012	Last updated	05/03/2021
Currency	EUR	Management fee	1,25 %
Net assets (Mio)	EUR 224,26	Subscription fee max.	5,00 %
NAV calculation	Every business day	Redemption fee	0,00 %
NAV CAP (03/03/2021)	EUR 205,48	ISIN CAP	LU0832875438
NAV DIS (03/03/2021)	EUR 198,57	ISIN DIS	LU0832875354
Ongoing Charges	1,48 %		

DISCLAIMER

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Tax applicable for Belgian residents (individuals and corporate entities) - Tax on stock market transactions for the redemption of accumulation units: 1.32% (max EUR 4,000) - Distribution units are not subject to the stock market transaction tax. - Withholding taxes on units held at the Belgian branch are as follows: 30% on dividends (part A distribution units) and on the capital gain considered as interest when accumulation units (part B) in sub-funds with more than 10% invested in debt securities are redeemed. - The tax treatment depends on each investor's individual situation and may be subject to change.

Complaints - Internal department: Banque de Luxembourg, Belgian branch, by letter to the head office or by email to Reclamations@bdlux.be - External department: Service de Médiation Banques-Crédits-Placements, by post to Box 8, 15-17 Rue Belliard, B-1040 Brussels or by email to ombudsman@ombfin.be.

LEGAL INFORMATION FOR SWITZERLAND

The legal documents for the funds described in this document can be obtained free of charge from CACEIS (Switzerland) S.A., 7-9 Chemin de Précossy, CH-1260 Nyon, Switzerland, which is the SICAV's representative in Switzerland, in accordance with the provisions of the Federal Law of 23 June 2006 on collective investment schemes. The SICAV has appointed Banque CIC (Suisse) SA, Marktplatz 13, CH-4001 Bâle, Switzerland as its paying agent in Switzerland.

Last updated: 31/08/2016