ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: BL Fund Selection – 50-100 SRI

Legal entity identifier: 549300XSMGBAHBX5FD72

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted environmental/social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 50.6%[1] of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

[1]All figures in this document are given at the year-end of the financial product concerned.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Due to the bottom-up approach used by the fund manager, the fund promotes a combination of environmental and/or social characteristics, without targeting any particular characteristics. The environmental and/or social characteristics of the portfolio were a result of the manager's investment strategy, which promoted sustainability through the selection of funds categorised under Article 8, which target sustainable investments, or under Article 9 of the SFDR.

As a result, depending on the investment opportunities identified by the fund manager, the fund has been able to promote characteristics such as:

- Compliance with the principles of the United Nations Global Compact;
- Respect for the principles of good governance;
- Respect for human rights;
- Reasonable use of natural resources;
- Reduction in emissions.

Although the fund does not have sustainable investment as an objective, at the end of the period under review, 50.6% of the portfolio's investments were in sustainable assets.

How did the sustainability indicators perform?

The product did not promote any specific environmental or social characteristics. The manager has integrated sustainability factors into its decisions to buy and sell the underlying funds. As a result, the balance of the buy/sell discipline has been shifted in favour of funds with a favourable sustainability profile.

The manager has monitored the level of sustainability of its investments through the percentage of investments made in sustainable assets.

The values used in monitoring sustainability indicators have not been reviewed by a third party.

Indicators:

% of the portfolio's assets invested (excluding cash and derivatives) in funds that comply with internal ESG criteria	87.8% (minimum 75%)
% of fund of funds net assets invested in sustainable assets	50.6% (minimum 30%)

… and compared to previous periods?

There had been no publication for the previous period.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

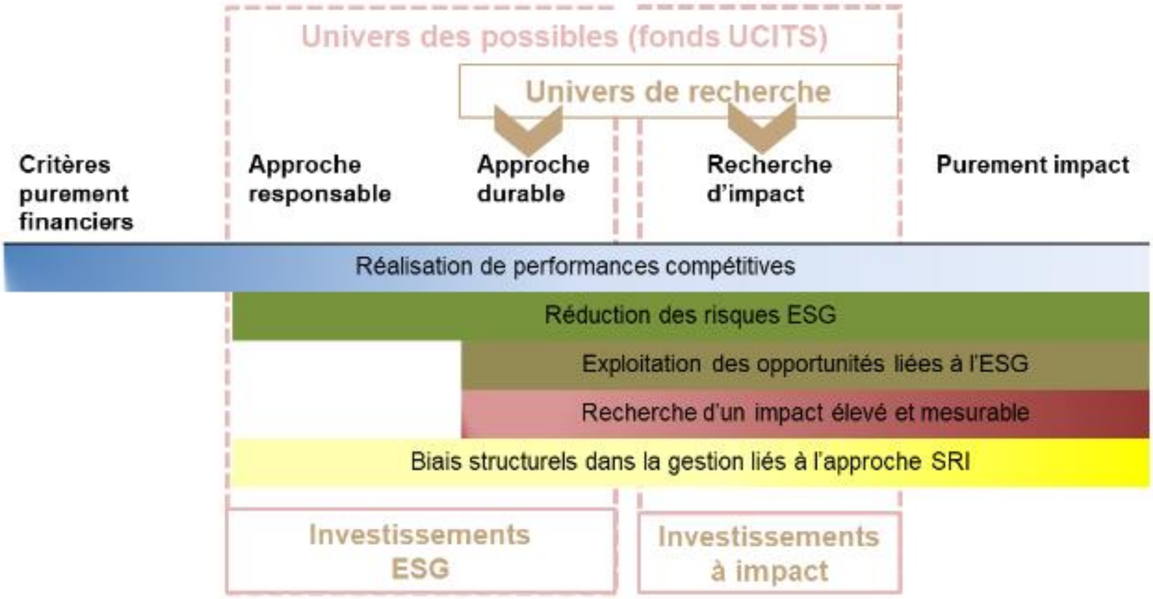
At the level of the selected funds, the manager referred to the definition of sustainability implemented within the selected funds. The analysis of the SRI profile covered not only the fund in question but also its portfolio management company and is structured in several stages:

- Conducting due diligence on the basis of a questionnaire;
- Analysis of relevant documentation;
- Regular meetings and discussions with the management team.

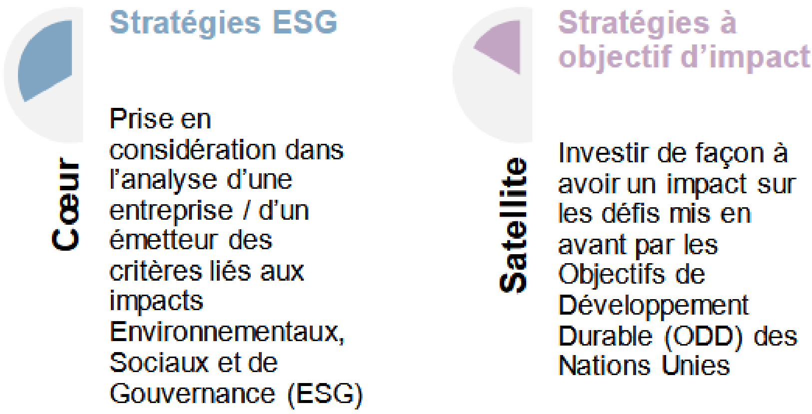
The manager applied a management methodology that combined active asset allocation and rigorous fund selection, focusing on the environmental, social and governance aspects of the strategies analysed as well as on purely financial aspects.

The manager’s objective was to generate long-term capital appreciation by investing in funds with a relevant and well-documented SRI methodology, while maintaining an attractive risk/return profile. The manager has identified several general objectives that are part of a long-term transition towards more sustainable finance and society, and has targeted investments that promote the transition in terms of ecology, health, lifestyles, demographics, etc.

The underlying funds were selected on the basis of both traditional financial criteria and ESG/impact criteria. The fund of funds covered a very broad investment universe and differentiated between two main families of strategies, as illustrated in the diagram below:



The manager has taken a global approach to sustainable and responsible investment. It has adopted a multi-dimensional approach combining ESG investments and investments with a more specific impact objective, based on a core-satellite approach.



The aim of this analysis was to understand to what extent, and how, sustainable and responsible investment was taken into account in the management process of each fund analysed.

An internal ESG rating was established for each fund analysed and making up this segment. This rating took into account various criteria such as the ESG or SRI process followed by the manager of the target fund, any impact objectives of the target fund, the presence and/or quality of ESG/SRI reports in place for the target fund and whether the target fund has a recognised sustainable or responsible investment label.

The sub-fund manager then completed its analysis of the target funds with an analysis of the managers of the said funds. For these managers, an assessment of the integration of sustainable and responsible investment within the entity was carried out by analysing the initiatives implemented by said manager in terms of SRI.

In particular, the sub-fund manager analysed whether the manager of the targeted fund was a signatory to the UNPRI or other responsible investment charters, whether it had implemented SRI/ESG policies (CSR policy, SRI policy, engagement and voting policy) and whether resources were dedicated to SRI, as well as the proportion of the manager's assets that were managed in compliance with an ESG policy.

The sub-fund manager selected funds with an internal ESG rating above a set minimum. They also ensured that the fund manager of the selected funds had sufficiently integrated sustainable and responsible investment, by completing a minimum number of SRI initiatives.

This rating and assessment were reviewed on an annual basis, enabling the sustainability profile of each fund selected to be compared and thereby enabling informed investment decisions to be made.

In building its portfolio, the manager met the following criteria:

- At least 75% of the invested assets (excluding cash and derivatives) in the fund of funds portfolio were invested in funds that met each of the following three criteria:
    - Classification under Article 8 SFDR, targeting sustainable investments, or under Article 9 SFDR;
    - Internal fund rating of at least 70/100;
    - Minimum internal rating of 2/4 at the level of the fund's portfolio management company.
- At least 30% of the fund of funds' net assets were invested in sustainable assets.

The fund manager implemented specific monitoring dedicated to analysing the sustainable and responsible profile of the underlying funds.

Sustainable investments were selected differently depending on the type of instrument in which the manager was investing.

1. Investments in funds

For investments in funds, sustainable investments were selected on the basis of the approaches implemented by the managers of the underlying funds. The definition of a sustainable asset may therefore have varied from one manager to another, depending on the nature of their activities, their methodological choices or the data sources.

2. Investments in individual securities

For investments in individual securities, the manager selected sustainable investments on the basis of their status as impact bonds or, in cases where the issuer of the security was a company, on the basis of their dual materiality:

- The impact upon the company of material sustainability risks;
- The material environmental or social impact that the company and its products and services have had on its stakeholders.

In addition, the manager excluded from the universe of investments in sustainable individual securities those companies generating more than a defined minimum proportion of their revenues from the following activities: oil and gas production chain; coal; arms; gambling; alcohol; tobacco; gold mining.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The manager defined an internal methodology for taking into account Principal Adverse Impacts (PAIs) to ensure that any investment contributing to one area of sustainability does not cause significant harm to others.

How were the indicators for adverse impacts on sustainability factors taken into account?

For investments in target investment funds, the manager referred to the definition of “Do No Significant Harm” (DNSH) applied within the target investment funds. To ensure that the approaches implemented within the funds selected are well-founded, BLI has developed a fundamental analysis methodology that is systematically applied.

Similarly, the manager referred to the analyses of the managers of the underlying funds in terms of the principal adverse impacts (PAIs) and compliance with the principles of good governance. Through an in-depth analysis of the approaches applied at the target fund level, the manager has ensured that the targeted funds take account of all mandatory PAI and are able to identify any significant negative impacts of one sustainable investment on the other investments of that fund.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding principles on Business and Human Rights? Details:

The manager has ensured that the underlying funds have an exclusion policy covering companies that do not comply with international standards on human rights or working conditions.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

How did this financial product consider principal adverse impacts on sustainability factors?

The manager aggregated the PAI indicators at portfolio level and monitored them periodically. This periodic review has enabled the manager to optimise their portfolio in terms of PAI indicators.

More details on this assessment model are available on the fund manager's website: www.banquedeluxembourginvestments.com, under the "Responsible Investment" tab.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period, i.e. d27 September 2024 – 30 September 2024 – classification of sectors according to the GICS nomenclature for the equities part and BICS for the bonds segment.

Largest investments	Sector	% Assets	Country
Amundi ETC Gold	ETC gold	3.6%	France
France T-Bill. BTF 0.00% 23/10/2024	Government bond	2.7%	France
Microsoft	Information technology	2.5%	United States
Taiwan Semiconductor	Information technology	1.5%	Taiwan
Nvidia	Information technology	1.2%	United States
Alphabet	Communication Services	1.2%	United States

Schneider Electric	Industry	1.1%	France
SAP SE	Information technology	1.0%	Germany
Thermo Fisher Scientific	Health	0.8%	United States
Mastercard	Finance	0.8%	United States
Novo Nordisk	Health	0.8%	Denmark
RELX	Industry	0.8%	United
DBR 0.5 02/15/26	Government bond	0.8%	Germany
Unilever	Consumer staples	0.7%	United
AstraZeneca	Health	0.6%	United

What was the proportion of sustainability-related investments?

50.6% of the net assets of the financial product.

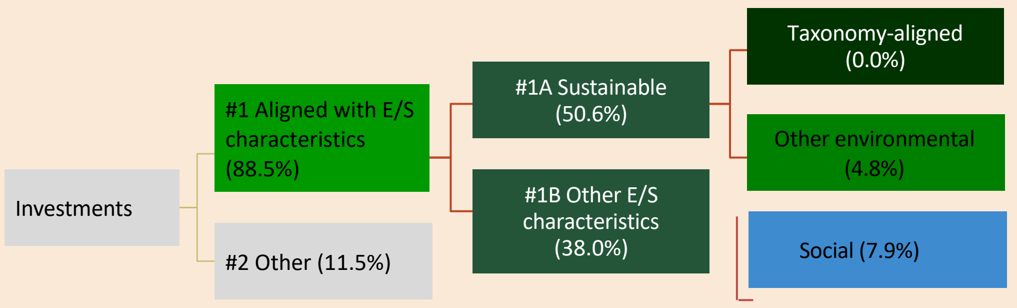
***What was the asset allocation*?**

Asset allocation describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy,** the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments

The category **#1 Aligned with E/S characteristics** covers:

- the sub-category **#1A Sustainable** covers environmentally and socially sustainable investments;

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

It is not possible to break down all #1A Sustainable investments into Other environmental and Social due to a lack of data.

In which economic sectors were the investments made?

Information technology 23.68%

21.11%

Health	15.44%
Finance	9.25%
Discretionary consumption	9.13%
Materials	8.08%
Consumer staples	5.62%
Communication services	4.35%
Utilities	2.02%
Property	0.89%
Energy	0.43%

The manager analyses the exclusion policies applicable to target funds in relation to exposure to fossil fuel-related activities and performs transparent monitoring of the portfolios of the financial product every quarter to exclude any company on the Global Oil & Gas Exit List.

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The financial product has not committed to holding sustainable investments with an environmental objective in line with the EU taxonomy.

Irrespective of the above, the fund has no investments in activities linked to fossil gas and/or nuclear energy.

The data used by the manager comes from an external data provider that provides the figures reported by the companies analysed. These figures have not been reviewed by any third party.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[2]?

☐ Yes

☐ In fossil gas ☐ In nuclear energy

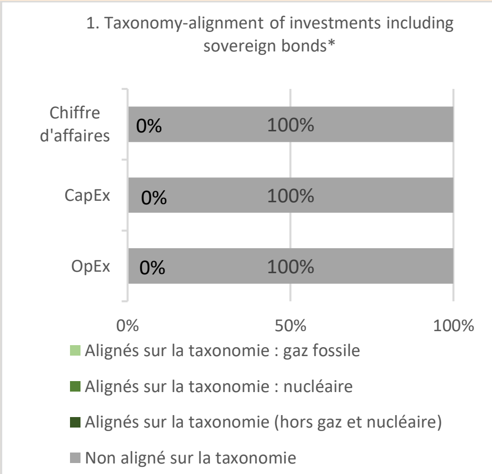
☒ No

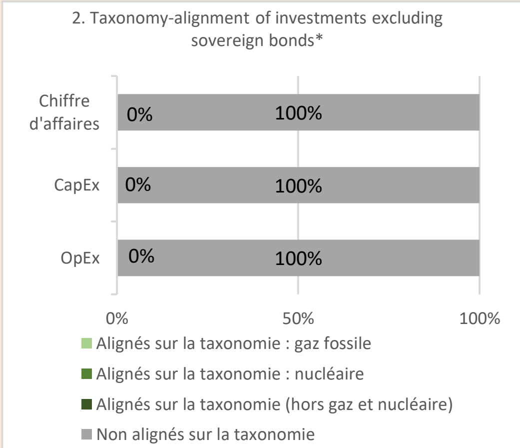
[2] Fossil gas and/or nuclear activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. All the criteria applicable to economic activities in the fossil gas and nuclear energy sectors that comply with the EU Taxonomy are set out in Commission delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies;
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy;
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





Ce graphique représente 98% des investissements totaux.

****For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.***

What was the share of investments made in transitional and enabling activities?

0%. Due to the bottom-up approach adopted by the fund manager, based on the selection of individual securities, the latter was not able to commit in advance to a minimum level of investment in transitional and enabling activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

At the end of September 2024, 0% of investments were aligned with the EU taxonomy. This information was not available at the end of September 2023.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

4.8% of the net assets of the financial product.

These investments have been classified as sustainable on the basis of BLI's methodology for defining sustainable investments under Article 2(17) of Regulation (EU) 2019/2088.

The financial product has not made any commitment to the EU taxonomy and continues to face an environment of incomplete and/or erroneous data.

What was the share of socially sustainable investments?

7.9% of the net assets of the financial product.

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The investments included in category “#2 Other” corresponded to cash positions that are necessary for proper management of the inflows and outflows of the financial product. Due to the nature of these positions, no environmental or social guarantees could be applied.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The SRI approach implemented by BLI has enabled the manager:

- to exclude financial products on the basis of the exclusion policy and on the basis of qualitative analyses of the ESG profile of the target funds and their management companies;
- to adopt a multi-dimensional approach combining ESG investments and more specific impact investments in order to diversify sustainable and responsible investments;
- to understand to what extent, and how, sustainable and responsible investment is taken into account in the management process of each fund analysed;
- to carry out specific monitoring dedicated to analysing the sustainable and responsible profile of the underlying funds;
- to follow general objectives that are part of a long-term transition towards a more sustainable finance and society via themes addressed by the underlying funds, such as improving investment practices or the ecological, lifestyle, health or demographic transition.

  These topics are discussed by the Sustainable and Responsible Investment Committee and the ESG Investment Working Group for all of the management company’s financial products.

  The relevant methodologies and the annual SRI activity reports are available on the fund manager’s website: www.banquedeluxembourginvestments.com, under the “Responsible Investment” tab.

How did this financial product perform compared to the reference benchmark?

N/A

- ***How does the reference benchmark differ from a broad market index?***

  N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  N/A

- ***How did this financial product perform compared with the reference benchmark?***

  N/A

- ***How did this financial product perform compared with the broad market index?***

  N/A