Template pre-contractual 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

Product name: BDLCM Funds – Durandal **Legal entity identifier:** 969500HKMVQJWEA6XJ92

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?

☐ Yes	☒ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% 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 will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

BDLCM Funds - Durandal (the "Sub-Fund") promotes environmental, social and governance characteristics and qualifies as product in accordance with Article 8 of SFDR.

The Sub-Fund does not target any specific thematic focus.

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

A majority of securities within the portfolio's investment universe are subject to a prior analysis of their profile with regards to ESG criteria. The non-financial ratings are primarily sourced from an external non-financial research data provider: Sustainalytics. The Master Fund integrates ESG sustainable investment criteria through Sustainalytics ESG Risk Ratings as well as criteria from BDL Capital Management's proprietary scoring methodology called QIRA.

No benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product.

Sustainalytics Risk Ratings :

Sustainalytics' ESG Risk Ratings are designed to help investors identify and understand financially material ESG-related risks within their investment portfolios and how those risks might affect performance. The ESG Risk Ratings, combined with qualitative analyses, provide investors with a differentiated risk signal and deeper insights into the materiality of certain ESG issues for a company and what the company is or is not doing to manage them effectively.

BDL Capital Management's proprietary scoring methodology "QIRA":

BDL Capital Management uses an internal scoring system called QIRA. QIRA measures the long-term sustainability of companies and is the most important pillar of BDL Capital Management's fundamental company quality rating. The QIRA score is an ESG score out of 20.
This score is split into Environmental ("E"), Social ("S") and Governance ("G") components with the following weightings:

- E approximately 30%.
- S approximately 20%.
- G approximately 50%.

QIRA takes into account around thirty ESG indicators and uses around ten questions to rate companies.

These questions address the ESG issues that are priorities for BDL Capital Management as a long-term shareholder of these companies.

The Environmental questions focus on the company's climate strategy and more specifically the reduction of its greenhouse gas (GHG) emissions.

Social questions focus on gender equality and the company's societal role.

The Governance issues are mainly based on transparency, the quality of management and governance and take into account the level of controversy of the company.

The sources for the QIRA rating are multiple: meetings with companies, reports published by companies, data providers, place-based initiatives, etc.

The QIRA rating is reviewed as soon as necessary (e.g. when a controversy arises) and at least once a year.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To determine the sustainability of an investments, BDL Capital Management has designed a 4-step process.

Step 1: Normative and sector exclusions, monitoring of controversies

BDL Capital Management has defined a policy of sector exclusions, i.e. companies active in controversial sectors, as well as normative exclusions, i.e. companies in violation of one or more of the 10 principles of the United Nations Global Compact.

Companies in BDL Capital Management's initial investment universe that do not meet the criteria and thresholds below are considered non-investable for BDL Capital Management funds.

Exclusion criteria	Company excluded from
Cluster munitions and anti-personnel mines	From the 1st euro of turnover
Controversial weapons	From the 1st euro of turnover
Civilian weapons	Strictly above 25% of turnover
Tobacco	Producer: Strictly above 5% of turnover Distributor: Strictly over 15% of turnover
Coal	Strictly above 25% of turnover
Pornographic activities	Strictly above 25% of turnover

UN Global Compact	Non-compliant companies are excluded
Controversial jurisdictions	Excluded

This exclusion policy allows to avoid supporting the negative social and/or environmental impact of these companies by not financing certain sectors. The data on which the exclusions are based comes from several sources (company reports, external data providers such as Sustainalytics, BDL Capital Management's own analyses) and is updated regularly.

In addition, companies that are guilty of very severe controversies according to Sustainalytics (Controversies Research) will not be considered sustainable. More information on Sustainalytics' Controversies Research can be found at: https://www.sustainalytics.com/investor-solutions/esg-research/controversies-research

Step 2: Taking into account the Principals Adverse Impacts (PAI)

As part of its responsible investment policy, BDL Capital Management relies on the list of mandatory sustainability indicators published by the European authorities under the SFDR Regulation. This list covers 14 mandatory indicators and also includes 2 additional indicators.

In this step, the following negative impacts are addressed

- Environmental and climate
- Social, including human resources
- Respect for human rights

Companies with too high levels of negative impacts will not be considered sustainable.

The data on negative impacts is provided by our service provider Sustainalytics and is updated on an ongoing basis. More information on Sustainalytics' controversy research can be found at https://www.sustainalytics.com/investor-solutions/esg-research/eu-sustainable-finance-action-plan-solutions#sfdr.

More information on BDL Capital Management's consideration of negative impacts can be found at https://www.bdlcm.com/documents/politique-investissement-durable

Step 3: ESG analysis

Internal ESG analysis (QIRA):

In the event that a company has been subject to an internal ESG analysis at BDL Capital Management, i.e. has a QIRA score, that company will not be considered sustainable if its score is strictly below 10 out of 20.

External ESG analysis (Sustainalytics Risk Rating):

If a company does not have a QIRA rating, but has undergone an external ESG analysis, i.e. has a Sustainalytics Risk Rating, the company cannot be considered sustainable if its rating is strictly above 25 out of 100.

No ESG analysis:

If the company is not subject to ESG analysis, i.e. does not have a QIRA or Sustainalytics rating, the company cannot be considered sustainable.

Step 4: Looking for greenhouse gas reduction targets

This final step is to ensure that companies have set greenhouse gas reduction targets.

If the company has validated the first three steps and has set a greenhouse gas reduction target, then the company is considered sustainable.

If, on the other hand, the company has validated the first three steps but does not have a greenhouse gas reduction target, then the company cannot be considered sustainable.

The search for greenhouse gas reduction targets is carried out in several ways:

- The company has had its greenhouse gas reduction targets validated or committed to validation by Science Based Targets Initiative ("SBTI"). SBTI is an initiative that provides companies with an independent assessment and validation of their greenhouse gas reduction targets (https://sciencebasedtargets.org/). The list of companies engaged with SBTI is public

- ESG research provided by the service provider Sustanalytics indicates that the company has set a greenhouse gas reduction target, including through the additional PAI "companies without carbon reduction initiatives".

- Internal ESG research conducted by BDL Capital Management.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objective of the sustainable investments is to invest in companies with greenhouse gas reduction targets (step 4 mentioned above).

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

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.

Steps 1 and 2 as described above, namely the normative and sector exclusion filters and the analysis of 16 principal adverse impacts indicators, verify that investible companies do not cause significant environmental or social harm.

The exclusion policy makes it possible to avoid supporting the negative social and/or environmental impact of these companies by not financing certain sectors. The consideration of principal adverse impacts indicators is part of the assessment of the level of sustainability of companies.

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

Principal adverse impacts indicators are taken into account as described in step 2 of the definition of a sustainable investment above.

More information on the principal adverse impacts can be found on the following website: https://www.bdlcm.com/documents/politique-investissement-durable

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

The OECD Guidelines and the UN Global Compact principles are relatively similar. They share the same ethical values, including human rights, labour and industrial relations, the environment and anti-corruption.

In Step 1, as described above, a normative exclusion filter is applied to companies in violation of one or more of the 10 UN Global Compact principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

✖ Yes, indicators relating to principal advser impacts on sustainability factors are taken into account as described in step 2 of the definition of a sustainable investment above.

More information on the principal adverse impacts can be found on the following website: https://www.bdlcm.com/documents/politique-investissement-durable

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund follows a "best effort" approach. This approach consists of favouring issuers that demonstrate improvement or good prospects in their ESG practices and performance over time.

The ESG performance of companies is measured mainly through the external provider Sustainalytics.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

In addition to the process of identifying sustainable investments as described above, the Sub-Fund applies the following investment constraints:

Sustainalytics Risk Ratings :

Coverage rate : The proportion of portfolio positions analysed on the basis of ESG criteria will be greater than :

- 90% in the number of companies with a capitalisation of more than €10 billion
- 75% in number of companies with a capitalisation of less than €10 billion

Binding elements : The average Sustainalytics Risk Rating (by number of companies) of the Sub-Fund will be higher than the average ESG rating of the investment universe as described above.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There is no minimum commitment rate to reduce the scope of investments.

What is the policy to assess good governance practices of the investee companies?

Good governance practices are assessed in step 3 as described above.

In the QIRA internal rating, good governance practices represent a significant part of the rating. The analysis of governance practices is based mainly on transparency, management quality, accounting practices and the level of controversy of the company.

In the Sustainalytics Risk Ratings, the final contribution of corporate governance practices is about 20% on average. More information on the Sustainalytics methodology at: https://www.sustainalytics.com/.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the asset allocation planned for this financial product?

To understand the full asset allocation of the Sub-Fund, please refer to the prospectus.

The the Sub-Fund will mainly invest in equities listed on the regulated markets as described in the prospectus. The strategy is divided into two portfolios, i.e. the long portfolio and the short portfolio.

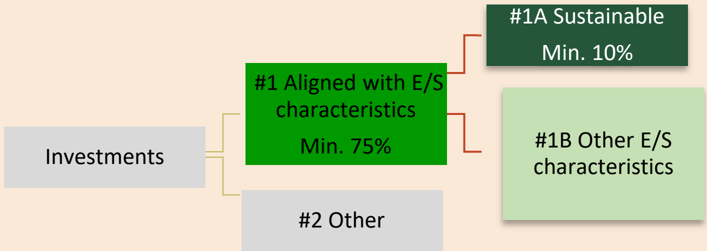
Regarding the long portfolio the minimum proportion of sustainable investments is 10%.

The short portfolio does not take into account E/S characteristics.

The other investable assets are mainly derivatives (for exposure and hedging purposes), governements bonds, cash, deposits and units of other UCITS. The other assets do not promote E/S characteristics.

Asset allocation describes the share of investments in specific

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.



#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.

#2Other 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 sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

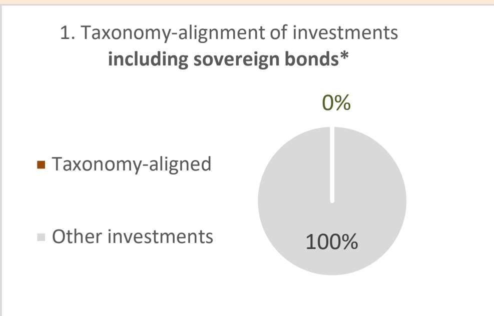
The derivatives of the long portfolio are used to attain the environmental or social characteristics promoted by the Sub-Fund. They are used on an ad hoc basis to gain exposure to selected companies.

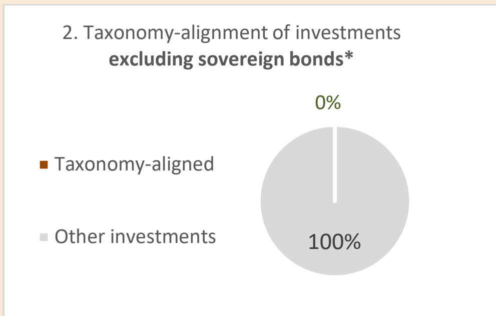
The derivatives of the short portfolio are not used to attain the environmental or social characteristics promoted by the Sub-Fund.

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

The Sub-Fund Durandal has no sustainable investments aligned with Taxonomy.

The two graphs below show in green the minimum percentage of investments that are 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.





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

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.

What is the minimum share of investments in transitional and enabling activities?

Not applicable

are **sustainable investments** with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

There is 10% of sustainable investments in the Sub-Fund's portfolio. Out of this 10%, 10% has an environmental objective that is not aligned with EU Taxonomy.

What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investment is 0%.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The "#2 Other" category primarily contains derivative instruments for short positions (including currency derivatives) and debt instruments, bank deposits and other liquid instruments for exposure and hedging purposes.

The Sub-Fund does not consider any minimum environmental or social safeguards on these remaining investments.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

There is no specific index designated as a reference benchmark for the purpose of attaining the environmental or social characteristics.

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

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

  Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website:

BDL Capital Management website: https://www.bdlcm.com/fonds/durandal

BDL Capital Management ESG approach : https://www.bdlcm.com/approche-esg

BDL Capital Management sustainable investement policy : https://www.bdlcm.com/documents/politique-investissement-durable