Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: BDLCM Funds – BDL Transitions **Legal entity identifier:** 549300MZFAKZM10O8P89

Sustainable investment objective

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 include 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:** 80%	☐ 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 ___% 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 is the sustainable investment objective of this financial product?

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

BDL Transitions (the "Sub-Fund") invests 100% of its equity portfolio following a sustainable thematic approach: ecology & energy transition, digital transition, mobility & infrastructures transition, new economic challenges transition, health and wellbeing transition. To each of these five thematises are allocated specific UN SDGs to monitor the contribution of the portfolio to the sustainability investment framework. Each stock in the Sub-Fund's portfolio is directly linked to one of the five themes of the sustainable objective. Within the sustainable thematic approach, the Sub-Fund seeks to achieve positive environmental impact by investing primarily in companies that foster sustainable growth and have environmental certifications, products, and services with environmental added value or that have put in place contribution towards environmental and energy transition, in particular measures to address environmental issues such as energy, climate, air quality, biodiversity. Regarding the social impact, the Sub-Fund seeks to achieve positive social impact by investing in companies that respect the issue of health and safety, absenteeism and staff turnover, corporate culture and values, restructuring management, evaluation of social atmosphere, work life balance, responsible procurement policy and suppliers' audits.

The impact intention of the BDL Transitions fund is expressed by the correspondence between each of the five transitions (energy, digitalization, mobility & infrastructure, health, new economy) and the main SDGs on which they have a positive impact.

The five themes have a direct and majority impact on five SDGs (the "primary" SDGs):

- Energy transition: SDG#7 Affordable and clean energy
- Digital transition: SDG#9 Industry, innovation and infrastruture
- Mobility and infrastructure: SDG#11 Sustainable cities and communities
- Health: SDG#3 Good health and well-being
- New economy: SDG#8 Decent work and economic growth

The five themes also have a secondary impact on 3 other SDGs (the "secondary" SDGs):

- SDG#10 Reduced inequalities
- SDG#12 Sustainable cities and communities
- SDG#13 Responsible consumprion and production

No benchmark has been designated for the purpose of attaining the sustainable investment objective of the financial product.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

To determine the sustainability of an investment, 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 us 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 (PAIs)

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 two 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.

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 do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

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?

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

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

What investment strategy does this financial product follow?

The Management Company includes non-financial criteria in their fundamental analysis of companies in the investment universe and favor those whose ESG criteria target sustainable growth. The ESG analysis of the Sub-Fund is based on the match between each of the five sustainable development themes (energy & ecology, digitalisation, transport & infrastructure, healthcare & well-being and new economic challenges) and the main SDGs on which they have a positive impact. All of the portfolio companies are ESG-scored. Issuers always undergo an ESG analysis prior to an investment being made. A minimum ESG score is required for admission to the Sub-Fund. The Sub-Fund uses its proprietary QIRA scoring system for this purpose, with a minimum score of 12 out of 20.

More specifically, the Sub-Fund's initial universe (≈ 1 200 companies) consists of:

- All of the companies listed on stock exchanges in OECD countries that have a revenue of more than €1 billion or a market capitalisation of more than €1 billion;
- The whole of the Management Company's investable universe. This universe is reviewed daily.

The investable universe (≈ 1 000 companies) is obtained with the exclusion the 20% of issuers with the lowest ESG scores (as per Sustainalytics Risk Rating).

As a result, the Sub-Fund's portfolio contains approximately 40 active companies from the investable universe.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

Sustainable investment:

Coverage rate : 100% of the equity portfolio

Binding elements: The Sub-Fund only invest in equity identified as "sustainable" as per the methodology described above

Sustainalytics Risk Ratings :

Coverage rate : The ESG rating will cover a minimum of 90% (weighted) of the holdings of the portfolio of the Sub-Fund

Binding elements : The ESG score of the Sub-Fund's equity portfolio will be higher than the ESG score of the initial investment universe after eliminating at least 20% of the least well-rated securities

QIRA rating :

Coverage rate : 100% of the equity portfolio

Binding elements: The ESG QIRA score must be greater than or equal to 12/20

Controversies level:

Binding elements: The companies with controversie level = 5 (as per Sustainalytics Controversies Reseach) are excluded from the investment process

Exclusion policy - Additional thresholds :

For this sub-fund, certain thresholds are more restrictive than those of the BDL Capital Management policy:

- Coal : strictly above 20% of turnover
- Tobbaco : from the 1st euro of turnover.

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/.

What is the asset allocation and the minimum share of sustainable investments?

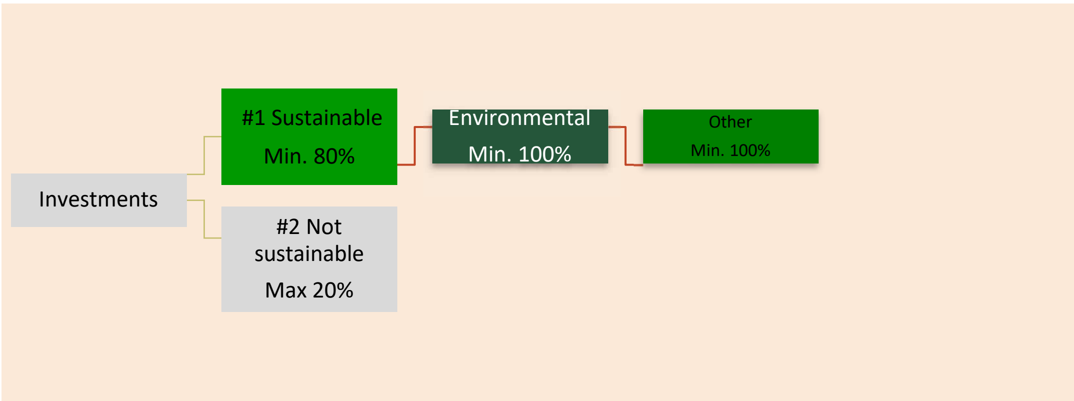
Asset allocation describes the share of investments in specific assets.

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 Sub-Fund invests at least 80% of its net assets that have been determined as "eligible" as per the ESG process in place, hence in investments that are defined as sustainable (#1 Sustainable). Within this equity portfolio, all investments (100%) have an enviromental objective.

Up to 20% of the net assets of the Sub-Fund are invested in investments that do not qualify as sustainable investments (#2 Not sustainable).



How does the use of derivatives attain the sustainable investment objective?

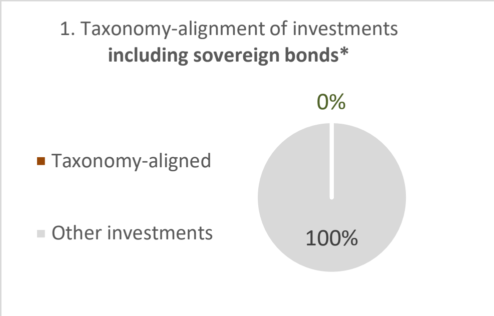
The Sub-Fund does not use derivatives to attain the sustainable investment objective.

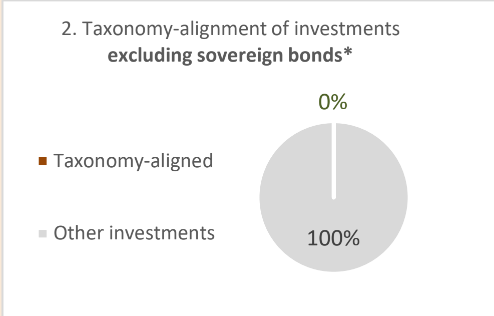
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund invests 100% of its equity portfolio with an environmental objective but does not target investments that take into account the EU criteria for environmentally sustainable economic activities as set out in article 9 of the Taxonomy Regulation. However, it is not excluded that the Sub-Fund may be exposed to such criteria via its underlying investments. The extent to which the underlying investments of this Sub-Fund employ economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation cannot be determined as there is insufficient reported data available at the time of this Prospectus. Should the portfolio of the Sub-Fund fall within the scope of environmentally sustainable economic activities.This paragraph will be updated in accordance with article 5 of the Taxonomy Regulation.
The "do not significant harm" principle applies only to those investments underlying the SubFund that take into account the EU criteria for environmentally sustainable economic activities.

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*

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

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

Not applicable

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 ad among others have greenhouse gas emission levels corresponding to the best performance.

are environmentally sustainable investments 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?

The Sub-Fund invests 100% of its equity portfolio with an environmental objective not aligned with the EU Taxonomy. It has a sustainable objective but does not target investments that take into account the EU criteria for environmentally sustainable economic activities as set out in article 9 of the Taxonomy Regulation. However, it is not excluded that the Sub-Fund may be exposed to such criteria via its underlying investments. The extent to which the underlying investments of this Sub-Fund employ economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation cannot be determined as there is insufficient reported data available at the time of this Prospectus. Should the portfolio of the Sub-Fund fall within the scope of environmentally sustainable economic activities, this paragraph will be updated in accordance with article 5 of the Taxonomy Regulation.

What is the minimum share of sustainable investments with a social objective?

The minimum share of sustainable investment with a social objective is 0%.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The "#2 Not sustainable" category primarily contains cash, bank deposits and other liquid instruments (i.e. Money Market Funds) for liquidity purposes (i.e. reimbursements of investors). The proportion and use of investments that are considered as not sustainable does not affect the delivery of the sustainable investment objective, as these investments are neutral to such objective.

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 meet the sustainable investment objective?

There is no a specific index designated as a reference benchmark to meet the sustainable investment objective of the Sub-Fund.

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

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/transitions

BDL Transitions transparency code: https://global-uploads.web-flow.com/61ff0028e65b7de84b1ec745/62d812f59ec3bf0d980ef13d_2022%2003%2028%20-%20BDL%20Capi-tal%20Management%20-%20Code%20de%20Transparence%20AFG%20FIR%20EUROSIF%20vdef3.pdf

BDL Transitions impact report: https://www.bdlcm.com/documents/politique-investissement-durable