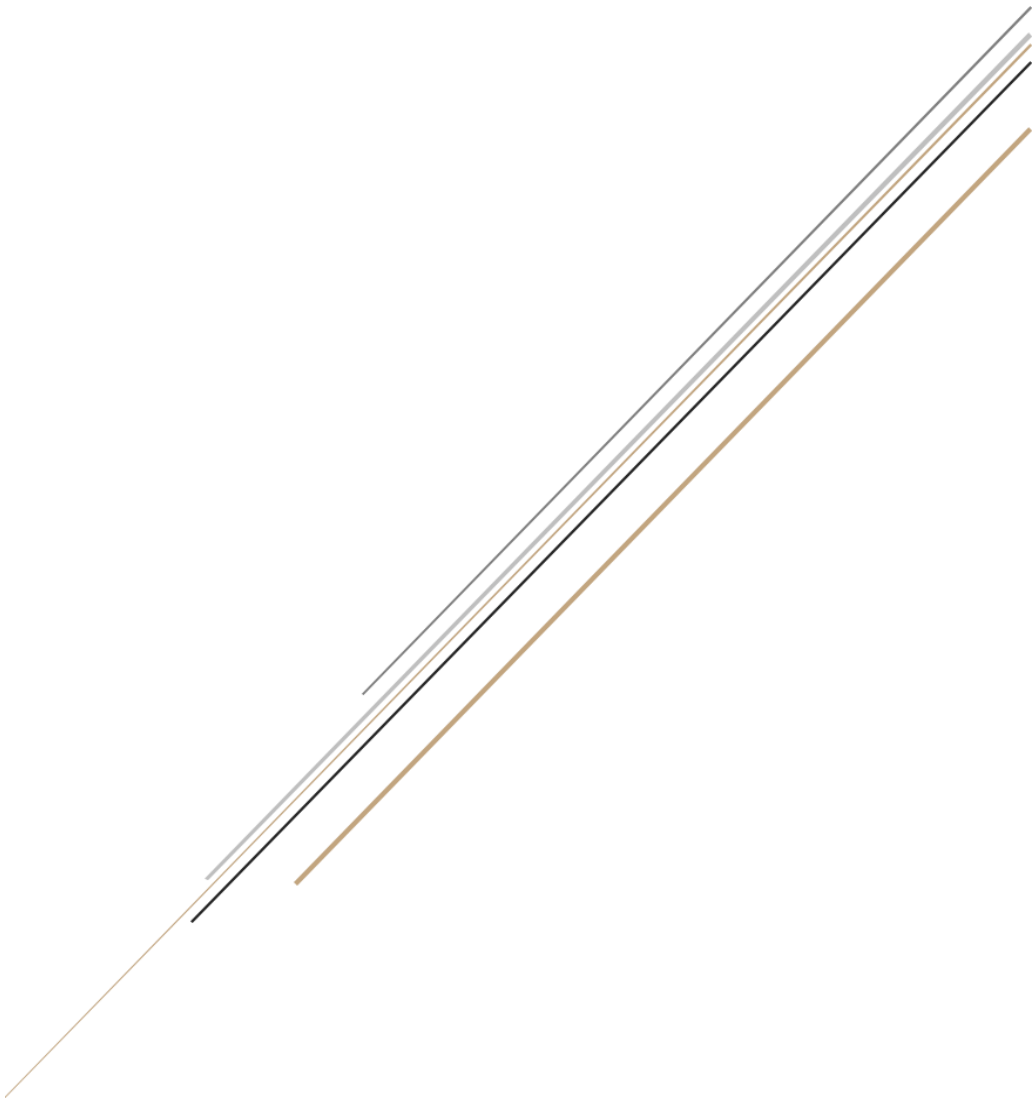


Exclusion Policy

BLI – Banque de Luxembourg Investments



Document history

Version	Date	Description	Author	Document manager	Approval
2	April 2023	SFDR integration	Misch Koob SRI CRM manager	Thierry Feltgen Head of SRI Strategy & Stewardship	Sustainable & Responsible Investment Committee

Contents

1	Introduction	3
1.1	BLI – Banque de Luxembourg Investments	3
1.2	Purpose and scope of application of the Policy	3
1.3	Typology of exclusions	3
1.4	Additional exclusions for sustainable assets under SFDR	4
1.5	Additional and specific exclusions for certain Funds	5
2	Legal information	6
3	Appendix Summary of exclusions in the BL SICAV sub-funds	7

1 Introduction

1.1 BLI – Banque de Luxembourg Investments

BLI - Banque de Luxembourg Investments ('BLI' or 'the Company') is a management company and alternative investment fund manager in accordance with Chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment as amended, whose authorisation covers, in addition to the activity of collective management according to Article 101 (2), one or more services provided for by Article 101 (3) of the law of 17 December 2010 and pursuant to the Luxembourg law of 12 July 2013 on alternative investment fund managers.

BLI is a wholly owned subsidiary of Banque de Luxembourg, *société anonyme*.

BLI offers its services to investment funds initiated by Banque de Luxembourg and other entities of the Caisse Fédérale de Crédit Mutuel group in which case it conducts the portfolio management itself, and to third-party funds and fund initiators, when it generally delegates the portfolio management function to external regulated portfolio managers proposed by the third-party funds or fund initiators.

1.2 Purpose and scope of application of the Policy

This document (the "**Policy**") defines the exclusion policy applied by BLI:

- i. in the general context of BLI's conviction-based management according to an approach that can be described as prudent, conservative and highly selective
- ii. in the different stages of the implementation of BLI's sustainable and responsible investment policy.

The Policy applies to every portfolio invested in direct equity and/or bond lines (the "**Funds**") for which BLI acts as portfolio manager – unless the client expressly requests otherwise.

1.3 Typology of exclusions

BLI identifies and applies several types of exclusions:

- controversy-based exclusions
- norms-based exclusions
- sector exclusions.

Controversy-based exclusions are intended to protect the financial value of investments made and the reputation of investors by avoiding their involvement in controversies when scandals arise. Controversies facing companies include situations such as industrial accidents, severe environmental pollution, convictions for corruption, money laundering, serious violations of UN human rights conventions, and structurally damaging governance problems.

To analyse controversies, BLI uses MSCI ESG as a data provider (the "**Provider**"). Controversies are classified into different categories based on their severity:

- "Red" controversy status corresponds to the most severe controversies
- "Orange" controversy status corresponds to severe controversies
- "Yellow" controversy status corresponds to moderate controversies
- "Green" controversy status indicates the absence of controversies.

Norms-based exclusions are based on non-compliance with certain international standards by the companies concerned. At BLI, non-compliance with the United Nations Global Compact is a norms-based exclusion that results in the exclusion of the issuer from the Funds' investment universe. The Global Compact is a strategic initiative defining ten fundamental principles that guide companies in their commitment to responsible business practices in the areas of human rights, labour, the environment and corruption. The Provider proposes a classification of companies into different categories:

- Companies are classified as "fail" if they are involved in one or more controversies that present serious allegations that the company or its management bodies have caused severe and large-scale harm in violation of the Compact
- Companies under review are classified on the "watchlist"
- Companies that comply with the Global Compact are classified as "pass".

Companies with "red" controversy status and/or classified as "fail" in relation to the Global Compact are systematically removed from the Funds' investment universe within 3 months of the date of the status in question being noted.

Sector exclusions concern:

- companies active in the production of controversial weapons such as landmines¹, cluster munitions^{Error! Bookmark not defined.}, depleted uranium, white phosphorous munitions, and chemical and biological weapons
- companies on the Global Coal Exit List² (GCEL) which lists companies involved in the coal value chain
- companies on the Global Oil & Gas Exit List³ (GOGEL) that generate more than 25% of their revenues from the production of unconventional hydrocarbons.

Exceptions:

When the SRI team and/or risk manager determines that a company in the portfolio is no longer eligible for our investment universe, they will notify the manager(s) holding that company in the portfolio. The manager(s) can either choose to apply the exclusion or put an SRI case for the company's continued eligibility to the Sustainable and Responsible Investment Committee (SRIC) which will decide.

1.4 Additional exclusions for sustainable assets under SFDR

In addition to the exclusions described above, BLI applies additional sector and norms-based exclusion criteria⁴ to determine the investment universe for sustainable assets in accordance with EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR").

Sector exclusions:

¹ Companies listed by the NGO International Campaign to Ban Landmines – Cluster Munition Coalition (ICBL-CMC), www.stopexplosiveinvestments.org

² The GCEL is compiled by the German NGO Urgewald (<https://coalexit.org>)

³ The GOGEL is compiled by the German NGO Urgewald (<https://coalexit.org>)

⁴ Sovereign, parastatal and supranational issuers are not affected by these additional exclusions.

Companies whose activities derive more than 10% of their revenues in the following controversial sectors are excluded from the universe of sustainable assets:

- The hydrocarbon production chain (extraction, refining, energy production)⁵
- Thermal coal (extraction and energy production)
- Weapons
- Gambling
- Alcohol
- Tobacco
- Gold mining

Norms-based exclusions:

Companies not in compliance with the UN Global Compact (i.e. classified as “fail” or “watchlist”) will not be classified as sustainable. These will be companies involved in one or more controversies that present serious allegations that the company or its management bodies have caused severe or very severe harm in violation of the Global Compact. Companies on the UN Global Compact Watchlist because of a controversy that is considered closed may be exempted.

1.5 Additional and specific exclusions for certain Funds

Certain Funds managed by BLI apply additional exclusions which are more fully described in the individual Funds’ investment policies and are published on BLI’s website.

A summary of the exclusions applied to the BL SICAV sub-funds can be found in the Appendix.

⁵ The natural gas production chain is not included in these exclusions.

2 Legal information

This document has been written by BLI and describes the exclusion policy applied by BLI for the Funds that fall within its scope. This document is not an advertising communication within the meaning of Regulation (EU) 2019/1156 of the European Parliament and of the Council of 20 June 2019 on facilitating cross-border distribution of collective investment undertakings and amending Regulations (EU) No 345/2013, (EU) No 346/2013 and (EU) No 1286/2014. The economic, financial and non-financial information contained in this publication is provided for information purposes only based on data known at the date of publication. This information does not constitute investment advice or a recommendation or inducement to invest, nor should it be construed under any circumstances as legal or tax advice. No guarantee is given as to the accuracy, reliability, recency or completeness of this information.

BLI draws the attention of the recipient of this document to the need to apply the utmost caution when using any information relating to a Fund, in particular the fact that **past performance is no guarantee of the future performance of that Fund.**

Generally, BLI does not assume any responsibility for the future returns of these Funds and shall not be liable for any decision that an investor may or may not make on the basis of this information. Interested parties should ensure that they understand all the risks inherent in their investment decisions and should refrain from investing until they have carefully assessed, in collaboration with their own advisers, the suitability of their investments for their specific financial situation, especially with regard to legal, tax and accounting aspects.

They must also take into account all the characteristics and objectives of the Fund, in particular those referring to sustainability aspects in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services.

Subscriptions to a Fund representing units in a collective investment undertaking are only permitted on the basis of the current prospectus, the latest annual or semi-annual report and the Key Information Document (KID) (the “**Documents**”) of the Fund concerned. The Documents may be obtained free of charge from BLI. All the Documents, including the sustainability information and the summary of investors’ rights are available on BLI’s website: www.bli.lu

Any reproduction of this Policy is strictly prohibited without prior written consent from BLI.

3 Appendix Summary of exclusions in the BL SICAV sub-funds

	Funds	Exclusions from the investment universe (% turnover / presence on GCEL list)					Exclusions from the "sustainable assets" universe (% turnover)							
		Controversial weapons	Thermal coal	Unconventional hydrocarbons	Weapons	Tobacco	Coal	Hydrocarbons	Weapons	Gambling	Alcohol	Tobacco	Gold mining	Nuclear energy
Equities	BL American Small & Mid Caps	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-
	BL Equities Emerging Markets	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-
	BL Equities America	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-
	BL Equities Asia	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-
	BL Equities Dividend	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-
	BL Equities Europe	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-
	BL Equities Japan	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-
	BL European Family Businesses	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-
	BL European Small & Mid Caps	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-
	BL Global Equities	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-
BL Global Impact	0%	GCEL	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	

Mixed Funds	BL Global Flexible EUR	0%	GCEL	25%	10%	5%	10%	10%	10%	10%	10%	5%	10%	-	
	BL Global Flexible USD	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-	
	BL Global 30 / 50 / 75	0%	GCEL	25%	10%	5%	10%	10%	10%	10%	10%	5%	10%	-	
	BL Emerging Markets	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-	
Bonds	BL Bond Dollar	0%	GCEL	25%	-	-									-
	BL Bond Euro	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-	
	BL Bond Emerging Markets Dollar	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-	
	BL Bond Emerging Markets Euro	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-	
	BL Corporate Bond Opportunities	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-	
	BL Global Bond Opportunities	0%	GCEL	25%	-	-	10%	10%	10%	10%	10%	10%	10%	-	