

Website Product Disclosures further to art. 10(1) of the Sustainable Finance Disclosure Regulation for art. 9 sub-funds

This document provides information on the sustainable investment objectives of Premier Umbrella Fund - BlueOrchard Public Fund - Blue II ("**BlueOrchard Public Bond Fund – Blue II**") and the methodologies that are used to assess, measure and monitor these characteristics in accordance with:

- Article 10 of Regulation (EU) 2019/2088 of the European parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended ("**SFDR**") and
- Chapter IV, Section 2 of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports, as amended ("**Level II RTS**").

Defined terms used in this disclosure (unless defined herein) are set out in the specific part of the offering document describing sub-fund Premier Umbrella Fund - BlueOrchard Public Bond Fund – Blue II (the "**Prospectus**"). Terms used in the summary have the same meaning as in the rest of this website disclosure.

a) Summary

Summary	BlueOrchard Public Fund - Blue II is categorised as an Article 9 financial product for the purposes of SFDR.
No significant harm to the sustainable investment objective	All investments are assessed against the mandatory adverse impact indicators of Table 1 as well as any applicable indicators of Tables 2 and 3 of the Level II RTS. in order to ensure that the sustainable investments made by BlueOrchard Public Fund - Blue II do not cause significant harm to any of its environmental and social sustainable investment objectives. These indicators are included in the Investment Manager's B.Impact Framework.
Sustainable investment objective of the financial product	BlueOrchard Public Bond Fund - Blue II aims to allocate at least 60% of its Net Asset Value to sustainable investments with environmental or social objectives (such as transition to a low carbon economy, reduction of carbon emissions and social inclusion), with a minimum of 20% in each sub-category. BlueOrchard Public Bond Fund - Blue II aims to contribute to various UN SDGs, such as clean energy, water, sanitation, and economic growth. BlueOrchard Public Bond Fund - Blue II targets investments that positively impact at least one of eight specific SDGs while avoiding significant harm to other sustainability goals.
Investment strategy	BlueOrchard Public Bond Fund - Blue II invests in use-of-proceeds bonds, sustainability-linked bonds and Impact Bonds with measurable impact metrics and targets aligned with and contributing to at least one of its environmental or social objectives.
Proportion of investments	The total minimum share of sustainable investment of BlueOrchard Public Bond Fund - Blue II is 60% of its Net Asset Value. With the exception of cash, cash management services, U.S. government securities and short-term treasury bills for liquidity management purposes, derivatives for hedging purposes as well as collateral received in this regard and repurchase transactions entered into by BlueOrchard Public Bond Fund – Blue II with the intent of raising cash in order to provide collateral to the counterparty in the context of hedging activities, all investments are considered and required to qualify as sustainable investments. The minimum exposure of BlueOrchard Public Bond Fund - Blue II to sustainable investments in each of the two sub-categories (i.e., investments with an environmental objective and investments with a social investment) will be at least 20% of its Net Asset Value. The cash ratio of BlueOrchard Public Bond Fund – Blue II is set at 5% of the total book value (excluding cash, short-term treasury bills, U.S. government securities and derivative exposures), which may be temporarily increased.

Monitoring of sustainable the investment objective	BlueOrchard Public Bond Fund - Blue II is assessed using the B.Impact Framework, which includes an ESG Scorecard and an Impact Scorecard to measure and report on the attainment of its sustainable investment objectives. BlueOrchard Public Bond Fund – Blue II only invests in issuances which achieve impact ratings with "Very High" impact, "High" impact and "Medium" impact and which have at the utmost a "medium risk" rating according to the ESG Scorecard or “high risk” ESG rating with Impact Committee approval.
Methodologies	BlueOrchard Public Bond Fund - Blue II uses the B.Impact Framework and its assessments as methodologies to measure the attainment its sustainable investment objectives.
Data sources and processing	The ESG Scorecard uses data derived from both publicly available information sourced from the issuers (i.e. sustainability report, environmental policy, code of conduct etc.) as well as the analysis prepared by RepRisk. The Impact Scorecard uses data derived from publicly available information sourced from the issuers, mostly the bonds framework as well as the allocation reporting and impact reporting about the bonds.
Limitations to methodologies and data	The Investment Manager regularly updates its proprietary ESG and impact tools to align with industry best practices, ensuring consistent metrics across Impact Bonds. If data for scorecards is missing, the Impact Team will seek to obtain it from the issuers. In case the information is material and cannot be retrieved, the Impact Team will exclude the issuer. The team also requests RepRisk to add uncovered issuers to its coverage.
Due diligence	The due diligence applied results in impact (in accordance with the ESG Scorecard and the Impact Scorecards) and financial scorings used for the portfolio construction. A credit selection has been established to ensure social and financial goals are pursued and aligned. The process includes: issuer background analysis, ESG risk assessment, external rating review, ESG and Impact Scorecards assessments and SDG alignment, capital adequacy and performance, risk / return assessment.
Engagement policies	The Investment Manager may engage with issuers in case the Impact Team challenges issuers on ESG and impact characteristics identified during its analysis. The Investment Manager sees engagement as a tool to communicate to companies any weaknesses identified in their ESG and impact performance and possible measures to improve their ESG practices and impact performance. An engagement with the investee will also take place in respect to envisaged investments in assets with a "high ESG risk".
Attainment of the sustainable investment objective	BlueOrchard Public Bond Fund - Blue II is actively managed, but does not have a benchmark index.

b) No significant harm to the sustainable investment objective

The mandatory principal adverse impact ("PAI") indicators of Table 1 as well as any relevant PAI indicators of Tables 2 and 3 of Annex I of the Level II RTS are part of the ESG assessment performed on every sustainable investment at the time of investment and over the holding period of the investment. These indicators are, directly or through proxies, part of the B.Impact Framework and its Impact Scorecard and ESG Scorecard and the answers will be tracked to monitor the change of these impacts over time.

Considering these PAIs together with additional data allows BlueOrchard Finance Ltd. as the investment manager of BlueOrchard Public Bond Fund - Blue II (the "**Investment Manager**"):

- to gain a more holistic picture of the sustainability risk that can have a material impact on the risk adjusted return of the investments and those that are already discounted by the price of the security.
- to better understand the real negative impact of investments. As an example, the simple number of reported CO2 emissions does not provide the direction of emissions nor the efforts in place by the company to reduce them. A company with significant GHG emissions, but implementing strong reduction might have a more positive impact than one with lower emissions but no reduction in sight.

When seeking to identify significant harm, BlueOrchard Public Bond Fund – Blue II's approach to taking into account the PAIs involve a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

The Investment Manager's approach includes:

1. Quantitative - this includes indicators where specific thresholds have been established:
 - a) Via the application of exclusions. This approach is relevant to PAI 4 (Exposure to companies active in the fossil fuel sector), PAI 5 (Share of non-renewable energy consumption and production), PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises), and PAI 14 (Exposure to controversial weapons).
 - b) Further, the following PAIs are assessed as part of the Investment Manager's ESG Scorecard which seeks to analyse where significant harm is occurring and exclude them if significant harm is confirmed: PAI 7 (Activities negatively affecting biodiversity-sensitive areas); PAI 8 (Emissions to water); PAI 9 (Hazardous waste and radioactive waste ratio) ; PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) ; and PAI 14 (Number of identified cases of severe human rights issues and incidents).
 - c) Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by the

Investment Manager's Impact Team and monitored systematically. This approach applies to indicators where the Investment Manager has segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, PAI 1 (GHG emissions), PAI 2 (Carbon footprint) and PAI 4 (Investing in companies without carbon emission reduction initiatives). PAI 3 (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for PAI 6 (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for PAI 15 (GHG intensity). PAI 16 (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from BlueOrchard Public Bond Fund – Blue II.

2. Qualitative - This includes PAIs where the Investment Manager believes that the data available does not enable the Investment Manager to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. This approach applies to indicators such as PAI 12 (Unadjusted gender pay gap) and PAI 13 (Board gender diversity), where the Investment Manager engages where considered appropriate.

The systematic use of the proprietary B.Impact Framework defines the use of the ESG Scorecard and the Impact Scorecard to assess all potential sustainable investments and their alignment to the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Furthermore, the Investment Manager excludes issuers which are involved on a structural, repetitive, or severe basis directly or indirectly via their subsidiaries in controversies or violations of the UN Global Compact (UNGC) principles.

c) Sustainable investment objective of the financial product

The sustainable investment objectives of BlueOrchard Public Bond Fund - Blue II are to invest the substantial majority of its portfolio into:

1. Sustainable investments that contribute to the transition to a low carbon economy and the reduction of carbon emissions via climate mitigation solutions such as renewable energy, clean transportation or energy efficiency solutions, along with climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control or protection and restoration of biodiversity and ecosystems.

Investments can for example be in green, sustainability and climate bonds.

2. Sustainable investments with a social inclusion objective, particularly investing in bonds that contribute to improve financial inclusion, access to essential services and basic infrastructure to underserved populations. Essential services considered are clean drinking water, sewers, sanitation, information and communication systems,

and basic infrastructure categories comprise access to health, education and vocational training.

At least 60% of the Net Asset Value of BlueOrchard Public Bond Fund - Blue II will be made in sustainable investments within the meaning of article 2 (17) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended (the "SFDR"), whereas the minimum exposure of BlueOrchard Public Bond Fund - Blue II to sustainable investments in each of aforesaid sub-categories (i.e., investments with an environmental objective and investments with a social investment) will be at least 20% of its Net Asset Value. The different asset classes follow either environmental or social objectives and the allocation of the asset classes depends on market conditions.

BlueOrchard Public Bond Fund - Blue II aims to contribute towards the following UN Sustainable Development Goals (the "SDGs") specifically:

- SDG 3: Good Health and Well-Being
- SDG 6: Clean Water and Sanitation
- SDG 7: Affordable, Reliable, Sustainable and Modern Energy
- SDG 8: Decent Work and Economic Growth
- SDG 9: Industry, Innovation and Infrastructure
- SDG 11: Sustainable Cities and Communities
- SDG 12: Responsible Consumption and Production; and
- SDG 13: Climate Action

Each sustainable investment should positively contribute to at least one of those eight SDGs, without significantly harming any sustainable objectives.

d) Investment strategy

The universe is constituted mostly of use-of-proceeds bonds, sustainability-linked bonds and bonds from corporates, sovereigns and supranational institutions which meet the impact investment criteria of the Investment Manager (each an "Impact Bond"), and equivalents as determined by the Investment Manager with clear and measurable impact metrics and targets that are aligned and contribute to at least one of the environmental or social sustainable investment objectives of BlueOrchard Public Bond Fund - Blue II.

The Impact Team of the Investment Manager has full ownership of the ESG & Impact assessments and is responsible for its monitoring, including the review of any major update/change. The Impact Team also performs the Impact Scorecard and ESG Scorecard as well as SDG mapping and impact categorisation. The Investment Manager's portfolio management team ("PM Team") provides a pre-evaluated potential investment universe, taking the exclusion list and impact potential into account. Thereafter, the Impact Team is in charge of reviewing and approving an investment opportunity from a sustainability perspective. Investments can only be done on these approved securities.

The PM Team is responsible for the risk-return balance and the diversification of BlueOrchard Public Bond Fund - Blue II. There is no involvement of the PM Team in the ESG and impact assessment of an investment opportunity. The Investment Manager's risk, legal and compliance team ("RLC Team") may flag potential country or investment risk on an ad-hoc basis and may request the Impact Team to complete a re-evaluation, to ensure that none of the issuers cause any significant reputational risk for the Investment Manager.

The Investment Manager's "Impact Committee", composed of a representative of the Impact Team (mandatory and with voting rights), a representative of the RLC Team (mandatory and with voting rights), a representative of the relevant regional investment team bringing local expertise (optional, without voting rights), a representative of the PM Team (optional, observer role without voting rights), can be conveyed on an ad-hoc basis in case of controversies accompanying an investment opportunity. Decisions are taken exclusively unanimously.

BlueOrchard Public Bond Fund - Blue II may only acquire assets with an impact score of "Very High", "High" or "Medium" as well as assets with an ESG risk score of "Very Low", "Low" or "Medium".

Investments into assets with a "high ESG risk" are possible but require an additional approval of the Impact Committee (IMCO) approval and might require additional engagement with the investee, or additional monitoring requirements (to be defined during the Impact Committee).

For hedging purposes, BlueOrchard Public Bond Fund – Blue II may use financial derivative instruments (cross-currency swaps, interest rate swaps and FX forwards). Repurchase transactions may be used with the intent of raising cash in order to provide collateral to the counterparty in the context of such hedging activities.

Category "#2 Not sustainable" includes investments that are used for liquidity management, such as cash and cash management service (CMS) of Brown Brothers Harriman or other depository banks, U.S. government securities and short-term treasury bills, or for hedging purposes, such as financial derivative instruments (limited to cross-currency swaps, interest rate swaps and FX forwards) as well as collateral received in this regard and repurchase transactions entered into by BlueOrchard Public Bond Fund – Blue II with the intent of raising cash in order to provide collateral to the counterparty in the context of such hedging activities.

Minimum safeguards are applied in relation to cash and hedging investments via the operation of good governance test procedures and by reference to the OECD Guidelines for Multinational Enterprises and the UNGP, including the 33 principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Investments in assets included under "#2 Not sustainable" are consistent with and do not affect the delivery of the sustainable investment objective on a continuous basis as they are only made for the purposes of liquidity or hedging, but not for investment purposes.

e) Proportion of investments

The share of sustainable investment is exclusively allocated to investment in fully vetted (for impact and ESG purposes) issuers and their bond issuances. All these bond investments are considered as "category 1" or "Sustainable" as they are subject to the previously described requirements for impact/ESG/sustainability and required to achieve at minimum a "Medium" ESG risk score or "High"

ESG risk score with IMCO approval, and a “Medium” impact score for admission into the portfolio universe of acceptable investments.

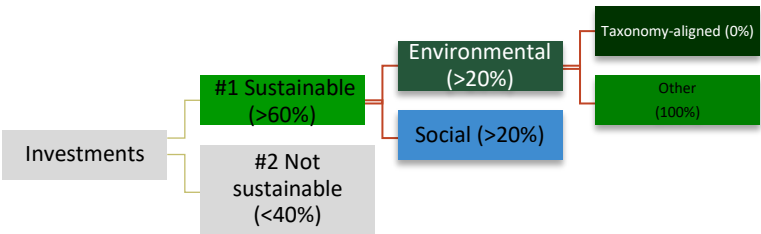
In respect of “category 2” or “Not Sustainable”, BlueOrchard Public Bond Fund - Blue II may, for purposes of liquidity management, also maintain an allocation of cash and cash management service (CMS) of Brown Brothers Harriman or other depositary banks, short-term treasury bills and U.S. government securities. This category (limited to up to 40% of the Net Asset Value of BlueOrchard Public Bond Fund – Blue II) also includes financial derivative instruments (whereas only cross-currency swaps, interest rate swaps and FX forwards are eligible financial derivative instruments) used for hedging purposes as well as collateral received in this regard and repurchase transactions entered into by BlueOrchard Public Bond Fund – Blue II with the intent of raising cash in order to provide collateral to the counterparty in the context of such hedging activities.

The total minimum share of sustainable investment is 60% of the Net Asset Value of BlueOrchard Public Bond Fund - Blue II. With the exception of the cash, cash management service, U.S. government securities and short term treasury bills for liquidity management, derivatives for hedging of the portfolio as well as collateral received in this regard and repurchase transactions entered into by BlueOrchard Public Bond Fund – Blue II with the intent of raising cash in order to provide collateral to the counterparty in the context of such hedging activities, all investments are considered and required to be “sustainable” and meet the criteria established in section 5. “Investment Guidelines and Restrictions” of the Specific Part of the Prospectus.

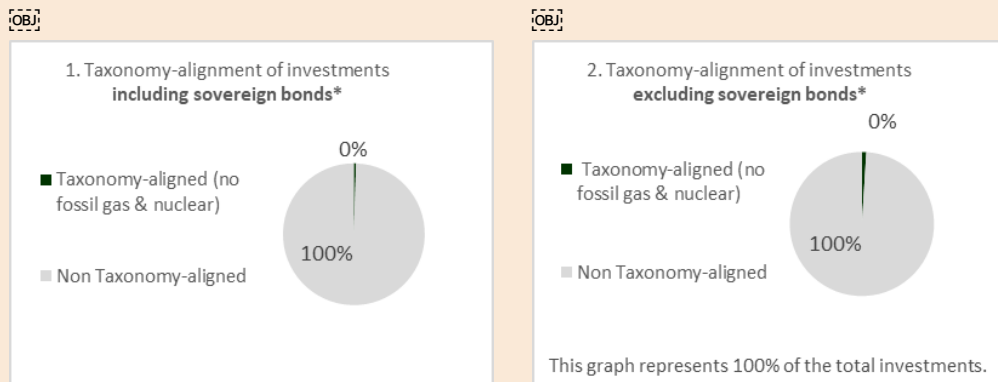
The Management Company may temporarily allow the Investment Manager to increase the cash ratio above 5% of the total book value of BlueOrchard Public Bond Fund - Blue II (excluding any cash, short-term treasury bills, U.S. government securities and derivative exposures) at its discretion to help the Investment Manager to protect BlueOrchard Public Bond Fund - Blue II through periods of intense market stress as determined by the Management Company or period of holding securities being matured after consultation with the Investment Manager.

BlueOrchard Public Bond Fund - Blue II is not using derivatives as part of the sustainable investment strategy. Therefore, derivatives are only used for hedging purposes (limited to cross-currency swaps, interest rate swaps and FX forwards), hence being considered as neutral.

At the date of this website disclosure, it is not yet possible to commit to BlueOrchard Public Bond Fund - Blue II maintaining a minimum alignment with the EU Taxonomy, as the Investment Manager is currently not in a position to accurately determine to what extent the investments of BlueOrchard Public Bond Fund - Blue II are in taxonomy-aligned environmentally sustainable activities. However, it is expected that BlueOrchard Public Bond Fund - Blue II invests in companies and economic activities that contribute to the environmental objectives of climate change mitigation and climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control or protection and restoration of biodiversity and ecosystems within the meaning of the EU Taxonomy. Therefore there is no minimum extent to which BlueOrchard Public Bond Fund - Blue II’s sustainable investments with an environmental objective are aligned with the EU 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.

f) Monitoring of the sustainable investment objective

BlueOrchard Public Bond Fund - Blue II will be assessed using the B.Impact Framework which includes two scorecards: an ESG scorecard (the "ESG Scorecard") and an impact scorecard (the "Impact Scorecard"). These scorecards (that have an associated rating scale) will be used to measure and report on the attainment of the sustainable investment objectives of BlueOrchard Public Bond Fund - Blue II.

BlueOrchard Public Bond Fund - Blue II will only invest in issuances that achieve impact ratings with "Very High" impact, "High" impact and "Medium" impact and that have at the utmost a "medium risk" rating according to the ESG Scorecard or "high risk" ESG rating with IMCO approval.

The B.Impact Framework follows best impact practices and is aligned with the Operating Principles for Impact Management ("OPIM").¹ The B.Impact Framework for public assets has already been externally verified regarding its alignment to the OPIM.²

B.Impact Framework explained:

B.Impact is the Investment Manager's holistic approach to manage and measure ESG risks and impact potential across asset classes and impact themes. The B.Impact Framework has been verified externally, as per the Operating Principles of Impact Management, receiving the highest score and being showcased in BlueMark's Practice Leaderboard³.

¹ <https://www.impactprinciples.org/>

² https://www.blueorchard.com/wp-content/uploads/2024/03/2023.11.30_BO_Disclosure-Statement-Final.pdf

³ See https://www.blueorchard.com/wp-content/uploads/2024/03/2023.11.30_BO_Disclosure-Statement-Final.pdf for additional details.

- The Investment Manager uses different sustainability indicators to measure the impact contribution at bond or issuer company level. In particular, the Investment Manager uses the Impact Scorecard to analyze how the use of proceeds of bonds or the contribution of issuers are contributing to the sustainable investment objectives of BlueOrchard Public Bond Fund - Blue II. Examples of the indicators include, but are not limited to, number of beneficiaries reached (students, hospital patients), number of households reached (new water and sanitation connection, access to telecommunication network, affordable housing loans), number of micro/small/medium enterprises supported, CO2 emissions reduced or avoided, MWh of renewable energy generated, MW of renewable energy capacity installed, or MWh of energy saved.

BlueOrchard's Scope

**Impact Scorecard
Rating Scale**

Very high impact	Above 70	Main BO target
High impact	60 < score <= 70	
Medium impact	50 < score <= 60	
Low impact	Below 50	Excluded from investment universe

BlueOrchard's Scope

**ESG Scorecard
Rating Scale**

Very Low & Low risk	Above 60	Main BO target
Medium risk	50 < score <= 60	
High risk	40 < score <= 50	IMCO Approval & further engagement
Very high risk	Below 40	Excluded from investment universe

- The ESG and impact assessment process is performed independently from any other fund activity and team, and involves multiple steps. It is also the first step of the investment process, which plays the role of a gate keeper in relation to the investable universe. In fact, it is the responsibility of the

⁴ <https://impactmanagementproject.com/> The IMP has brought together a range of different organisations to build and further global consensus on how to measure, assess and report impacts on people and the environment.

Investment Manager's Impact Team to potentially include a company or bond issuance in the investment universe. The process has been externally verified.

A breakdown by ESG risk and impact score will be reported at portfolio level with percentages of exposure to "Very High" impact, "High" impact and "Medium" impact for the impact scores of every investment, and "Very Low" ESG risk, "Low" ESG risk, "Medium" ESG risk and "High" ESG risk, for the ESG score of every investment.

Each investment will be analyzed on the contribution to the environmental or social sustainable objectives of BlueOrchard Public Bond Fund - Blue II.

The assessment based on the B.Impact Framework will include pre-investment screens and an assessment of the good governance practices of each investment, including on factors such as sound management structures, employee relations, remuneration of staff, tax compliance, a code of conducts and ESG incident screening. The good governance score represents at least 33% of the ESG Scorecard's score and comprises topics such as business integrity, compliance with local regulation, corporate governance accountability or transparency and disclosure maturity.

Once the ESG and impact assessments are made, the Impact Team records the analysis in the listed debt database. This database is the Investment Manager's proprietary monitoring dashboard and reflects the different steps of the assessment from an impact perspective. The database is the source for impact reporting and monitoring of investments, a responsibility held by the Impact Team.

Post-investment, changes to these factors will be monitored, assessed and engaged with. All impact assessments are updated on a yearly basis. An important part of this assessment is the collection of updated impact KPIs, which allows to monitor the progress of the expected impact. The ESG assessments will be updated every 1 to 4 years, based on the level of ESG risk assessed in the previous assessment. Where potential issues arise, the performance of an issuer is below expected, or when the reported data is incomplete to reach a conclusion, the Investment Manager will engage with the issuer to evaluate the performance. The Investment Manager will encourage investee companies to improve their good governance practices and disclosures as well as their contribution to the social and climate related transformation. In case the score of an investee company in the rating scale of the Impact Scorecard falls below 50 in the periodic re-assessment performed by the Investment Manager, such position in the portfolio of BlueOrchard Public Bond Fund - Blue II has to be sold, taking into account the interests of the Unitholders.

g) Methodologies

Over time, the Investment Manager has developed, implemented and refined a strong ESG and impact performance management practice with unique management tools that track its impact and ESG footprint in terms of enhanced social and environmental impact and financial returns for both its investors and investees.

To systematically assess the impact of each current and prospective investee and identify potential for improvement, the Investment Manager has developed its proprietary B.Impact Framework. The main pillars of the B.Impact Framework include the expansion of the Investment Manager's long-standing and innovative tool into dedicated ESG and Impact Scorecards. These ESG and Impact Scorecards have been developed to evaluate relevant and material ESG and impact factors across all BlueOrchard's asset classes and impact themes.

The ESG Scorecard assesses the ESG risks of each portfolio company considered for investment and produces a rating that is used as a key input for the origination and monitoring of investments. The Impact Scorecard assesses the potential impact of each investment opportunity and follows the five dimensions of the Impact Management Project. The Scorecard combines the investment intent with impact KPIs and information on the end beneficiaries. It also assesses BlueOrchard's investment contribution while factoring potential unintended negative effects. The impact KPIs are mapped against the UN's SDGs at both an individual company and overall fund level.

Further information in respect of the B.Impact Framework and how the sustainability indicators are used to measure the attainment of the sustainable investment objectives of BlueOrchard Public Bond Fund – Blue II can be found in sections "Investment strategy" and "Monitoring of the sustainable investment objective".

As further described in section "No significant harm to the sustainable investment objective" above, the mandatory PAI indicators of Table 1 as well as any relevant PAI indicators of Tables 2 and 3 of Annex I of the Level II RTS are an important step of the ESG assessment performed on every sustainable investment.

h) Data sources and processing

The ESG Scorecard uses data derived from both publicly available information sourced from the issuer (i.e. sustainability report, environmental policy, code of conduct etc.) and the analysis prepared by RepRisk, an external data provider synthesizing 28 material ESG issues into a comprehensive analytics report.

The Impact Scorecard uses data derived from publicly available information sourced from the issuer, mostly the bonds framework as well as the allocation reporting and impact reporting about the bonds.

The Investment Manager's data quality assurance team monitors and reconciles the data feeds in order to ensure data quality, including the identification of missing data and potential data errors, as well as any incoherence with data previously received or other data. Critical data elements are closely reviewed as part of the internal reporting. In view of ensuring data quality, the Investment Manager may subscribe to additional data vendors in order to enable it to evaluate coverage and data quality. In addition, the Investment Managers continues to explore new data products and vendors to assess potential enhancements to existing data coverage.

ESG related data is integrated throughout the Investment Manager's operating management system, compliance and risk management systems, providing those stakeholders transparency in real time.

The Investment Manager expects that a low proportion of data will be estimated. The proportion of data that is estimated will depend on numerous factors, notably the nature of the business and sectors in which the issuers operate. The Investment Manager expects that data availability and quality will improve as the market and methods for obtaining and reporting data mature.

i) Limitations to methodologies and data

Limitations in both methodology and data, experienced by the Investment Manager, include but are not limited to:

- Lack of standardization;
- Gaps in issuer coverage;

- Limitations in application for certain markets;
- Some data sets are reported at a significant time-lag (such as carbon emissions); and
- Some of the available third-party data is calculated based on data estimates.

Given the fast-paced development of ESG and impact management tools and methodologies across the industry, the Investment Manager's proprietary tools are reviewed and updated on a regular basis to drive industry best-practice. The last update was reviewed and launched in December 2020. Using a proprietary tool eases comparability across the Impact Bonds based on the same metrics and standards.

Some of the data and information to fill the ESG and Impact Scorecards might not be published or exist. If this is the case, the Impact Team will engage with the issuer to retrieve this information. In the event that the information cannot be retrieved, the Impact Team will decide whether this information is material or not and whether to exclude the issuer from the investable universe of BlueOrchard Public Bond Fund - Blue II.

RepRisk data coverage might not fully cover the issuers selected in BlueOrchard Public Bond Fund - Blue II. If it is the case, the Impact Team will request from RepRisk that the issuer is added to the coverage. The Investment Manager is satisfied that the limitations do not affect the attainment of the sustainable investment objective, in particular because the Impact Team will engage with the issuer or RepRisk, respectively, in order to retrieve any missing data or information. Otherwise, in case of material gaps an issuer might be excluded from the investment universe.

j) Due diligence

Investments will be selected by applying a 3-stage top-down, country risk and bottom-up process. These analyses result in impact (in accordance with the ESG and Impact Scorecards) and financial scorings and determine the portfolio construction process. A rigorous bottom-up credit selection has been established to ensure social and financial goals are pursued and aligned. The process includes: issuer background analysis, ESG risk assessment, external rating review, ESG and Impact scorecards assessments and SDG alignment, capital adequacy & performance, risk / return assessment.

k) Engagement policies

The Impact Team can challenge issuers on ESG and impact characteristics identified during the analysis. Such engagement can take the form of oral or written communication and can be incorporated into a respective issuer assessment, in case the issuer has additional documentation available or credibly demonstrates its approach further. The Investment Manager also sees engagement as a useful tool to communicate to companies any weaknesses identified in their ESG and impact performance and possible measures to improve both their ESG practices and impact performance.

The engagement with companies may also consist in 1-to-1 investor calls, where the Impact Team takes the opportunity to challenge issuers about ESG and impact related questions identified during the ESG and impact assessments and analyses. The discussions can be a source for change/improvement of documentation available and approach.

For example, an engagement will take place in case the Investment Manager comes during its post-investment assessments to the conclusion that the ESG or impact performance of an issuer is below the expected level, or when gaps in the reported data are identified.

An engagement with the investee might also take place in respect investments in assets with a "high ESG risk" in accordance with the ESG Scorecard (which require the approval of the Impact Committee).

I) Attainment of the sustainable investment objective

There is no external reference benchmark designated for the purpose of attaining the sustainable investment objectives. Instead, internal proprietary assessments based on the B.Impact Framework are used to screen the investment universe.