

Green Blue Funds SCA SICAV-RAIF

CGE– Tech Care

(the “financial product”)

Sustainability-related disclosures

DISCLAIMER -

Any reference to “We” throughout this document shall be construed as a reference to the person(s) in charge of portfolio management.

1. Summary

The CGE - TECH CARE Fund and its management methodology prioritize the incorporation of social/environmental considerations. The investment approach employs the Sustainable Development Goals (SDGs) and their associated targets as a guiding structure for evaluating corporations' responsible elements. Particular emphasis is placed on enhancing results linked to UN SDG 3, which pertains to "good health and wellbeing" and UN SDG 8, which pertains to “decent work and economic growth”.

In terms of allocation, the financial product allocates at least 70% of its assets to investments aligned with E/S characteristics and up to 30% to other investments.

In order to ensure the portfolio reflects the commitment to responsible investing, the fund mandated an independent provider, a collaborative platform that produces high-quality impact analysis and scores based on collective intelligence and artificial intelligence.

No reference benchmark has been identified for this financial product.

2. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

3. Environmental or social characteristics of the financial product

The financial product and its management methodology prioritize the incorporation of social / environmental considerations. The investment approach employs the Sustainable Development Goals (SDGs) and their associated targets as a guiding structure for evaluating corporations' responsible elements. Particular emphasis is placed on enhancing results linked to UN SDG 3, which pertains to "good health and wellbeing" and UN SDG 8, which pertains to "decent work and economic growth".

4. Investment strategy

The investment objective of the financial product is to provide significant long-term value by investing in a diversified portfolio, made primarily of equity securities or equity-related securities issued by companies worldwide (including Emerging Markets and China), operating a significant part of their business activities in the healthcare industry, with a focus on small and mid-cap biotechnology companies.

The essential components of the financial product encompass the following key aspects:

- Social characteristics: This involves enterprises significantly contributing to areas like innovative disease management solutions, diagnostic tools, technology platforms, medical equipment, digital tools and enhanced therapies. Criteria for selection include metrics such as revenue, enterprise value, earnings before interest and tax (EBIT), or similar measures.
- Exclusion Criteria: The CGE – TECH CARE Fund abstains from investing in issuers connected to the production of contentious weaponry, including anti-personnel mines, cluster munitions, biological and chemical weapons, nuclear weapons, and depleted uranium. Additionally, the financial product abstains from investing in companies that pertain to sectors like thermal coal extraction and power generation, unconventional oil and gas exploration, conventional oil and gas production, nuclear power generation, conventional weapons, small arms, tobacco production, adult entertainment, and gambling operations. The financial product also refrains from investments in entities that significantly breach international norms, including principles outlined in the UN Global Compact related to human rights, labor standards, environmental preservation, and anti-corruption.
- Net impact: The financial product aims at allocating minimum 70% of its assets to investments with an overall positive net impact score as measured by an independent provider.

To assess good governance practices of the investee companies, the following indicators are monitored: presence of anti-corruption and anti-bribery policy, number of identified severe human rights issues and incidences, absence of violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises.

5. Proportion of investments

The financial product allocates at least 70% of its assets to investments aligned with E/S characteristics and up to 30% to other investments.

6. Monitoring of environmental or social characteristics

The main sustainability indicator is the overall positive net impact score mainly sustained by the positive impact of SDG 3, and the positive impact on SDG 8. The impact score is determined by an independent provider and is based on an Impact Analysis. Depending on the core business activity of an investee company, the Analysis may cover various impact topics, including:

- Adverse Health Impacts from Products or Services
- Anti-Competitive Behavior
- Core Business Impact
- Employee Gender Diversity
- Employee Inclusion
- GHG Emissions
- Job Creation
- Operational Waste Production
- Operational Water Consumption
- Positive Health Impacts from Products or Services
- Product End-of-Life Waste
- Product Quality & Safety
- Taxes
- Water Pollution
- Workforce Health & Safety

7. Methodologies

To measure the attainment of the environmental/social characteristics promoted, the financial product mandated an independent provider. The provider produces Impact Analyses and Impact Ratings with the support of two different communities: Impact Analysts and Impact Raters. Analysts are responsible for collecting and verifying the data, then writing the Impact Analysis for each of the impact topics related to a given company. Impact Analyses cover both universal and industry-specific topics, ensuring high coverage of the topics along with consistency of the analyses and scores within the same industry. The analyses are then submitted for approval to a team of Reviewers. Once the analyses are approved by the Reviewers, Impact Raters are in charge rating the Impact Analyses based on two dimensions: value (positive or negative), and scale (how small/large are the breadth, depth and persistence of each of these impacts). The final impact score derives from a weighted average of all values scores and scale scores for all analyses of a given company. The same is done to calculate the SDG scores.

The process implies consistency checks of the ratings which are continuously performed through an outlier detection algorithm. Whenever the content of an analysis becomes obsolete, it undergoes a refresh or a rewrite. The provider developed its own platform to produce and maintain their impact research. The in-house content team oversees the work of the community of analysts and raters in the following ways:

- establishing the list of topics available for each of the 77 SASB industries;
- opening the topics to the community of analysts through a call-for-contribution mechanism;
- reviewing and approving the submitted analyses before publication;
- organizing rating campaigns to ensure adequate number of ratings on all analyses.

8. Data sources and processing

Impact analyses performed by the independent provider have to be documented using publicly available data (open data approach). Only trustworthy sources coming from verified and reputable organizations are accepted. This can include data published by the companies themselves as well as academic reports, governmental sources, scientific studies and other articles published by established institutions.

In addition, ESG data provided by Sustainalytics is used by the AIFM to independently monitor some of the ESG metrics of the portfolio investments as well as their adverse impacts on sustainability.

9. Limitations to methodologies and data

The methodology used by the ESG provider is based, amongst other things, on the principles of collective intelligence, with over 50.000 Impact Raters, ultimately assessing the scoring of a company. Consequently,

the human factor plays an important role. Some limitations could be related to the latter, such as consistency for each analyst voting, variability amongst voters, and rigorousness for each vote.

A rigorous process has been put in place by our provider to address those eventual limitations: once analysts have completed their analysis, they submit it for review to the reviewing team. Reviewers ensure that each analysis matches all the quality standards, complies with the guidelines available for this topic, and is globally unbiased, rigorous and accurate. Reviewers also make sure that all the sources used are trustworthy and reputable. If the analysis is deemed not sufficiently valid, it can be rejected or sent back to the analyst with a list of required improvement.

A series of controls have been put in place to ensure the full quality of the ratings and scores:

- User identification: Only registered individuals are allowed to perform ratings. They are accountable for the quality of their votes, that can be tracked down to their author.
- Robot detection: With each user login, human identity is checked via a robot detection algorithm. This ensures programmed automats are kept out.
- Minimum number of ratings: The provider has set the minimum of ratings per company at 200 to get meaningful scores.
- Outliers removal: Outlying votes, namely out of the average vote of other votes +/- twice their standard deviation, are excluded from scores calculation at all levels. This ensures a good quality of the provider's statistics, while valuing the diversity of opinions that makes up collective intelligence.
- Detection and removal of suspicious patterns: Raters whose behavior significantly deviates from normality (excessive rating speed, single sided opinion, repeated outlying votes, focus on a given company or industry) are detected by an artificial intelligence algorithm and triggers a series of warnings ending up in these votes being erased and their author banned.

10. Due diligence

Based on the independent provider's reports, the impact scores and the SDG scores of the underlying assets are analyzed and major positive/negative impacts are monitored.

Independently and in addition to the above, the AIFM is using Sustainalytics to conduct an independent review of some of the ESG metrics of the portfolio investments to ensure a continuous monitoring of the underlying assets' responsible elements.

11. Engagement policies

There is no engagement policy implemented as part of an environmental or social investment strategy.

12. Designated reference benchmark

No reference benchmark has been identified for this Financial Product.