



## KEY INFORMATION DOCUMENT

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

### PRODUCT

BlueOrchard Microfinance Fund (the "Fund"),

BlueOrchard Microfinance Fund (the "Sub-Fund"),

Class S Cap EUR (H) (ISIN: LU1399444535)

AIFM: BlueOrchard Asset Management (Luxembourg) S.A.

Website: <https://www.blueorchard.com/>

Call +352 26482186 for more information

The Commission de Surveillance du Secteur Financier is responsible for supervising BlueOrchard Asset Management (Luxembourg) S.A. in relation to this Key Information Document.

This PRIIP is authorised in Luxembourg.

Date of Production of the KID: 27/02/2023

### WHAT IS THIS PRODUCT?

#### Type

The Product is a share of the Sub-fund BlueOrchard Microfinance Fund (the Sub-fund) which is part of the BlueOrchard Microfinance Fund (the "Umbrella Fund"), a société anonyme qualifying as a société d'investissement à capital variable governed by part II of the 2010 Law.

#### Term

The Company is created for an unlimited period of time and may be dissolved at any time by the general meeting of Shareholders.

#### Objectives

##### Investment Objective

The Sub-Fund seeks primarily, as its core objective and as a sustainable investment fund in accordance with article 9 of the Sustainable Financial Disclosure Regulation ("SFDR"), to contribute to economic, environmental and social development and to improve access to financial services to those at the bottom of the pyramid as well as small and medium enterprises, mainly in emerging markets.

##### Investment Policy

The Sub-Fund directly finances investees with private loans to support microentrepreneurs / microenterprises in emerging markets. At the same time, the Sub-Fund aims to provide a stable financial return to investors combining financial and social return objectives. In addition to financing microfinance institutions, the Sub-Fund also contributes among others to the development needs of the local financial system, infrastructure, educational system, sustainable/green energy projects and sustainable real estate projects.

The Sub-Fund is actively managed and does not refer to any benchmark. The strategy employed reduces the local currency exposure and actively manages the remaining USD interest rate risk.

The Sub-Fund may also invest in other debt instruments, money market instruments, other undertakings for collective investments,

cash and cash equivalents. All liquid assets must be denominated in USD or hedged into USD.

The Sub-Fund shall not generally invest in derivative instruments other than currency and interest rate hedging instruments. Please refer to the section "Currency and Interest Rate Hedging" in the prospectus (the "Prospectus") for more detailed information.

##### Share Class Policy:

The share class does not provide you with a dividend. It will reinvest all earnings.

The Fund's value is calculated and expressed in USD. The currency risk in relation to the base currency USD is mainly hedged.

##### Processing of subscription and redemption orders

**Subscription:** Investors can subscribe shares on a monthly basis. Applications for subscriptions must be received in Luxembourg at the registered office of the administrative agent not later than 05.00 p.m., Luxembourg time, on the business day preceding the corresponding valuation day which is the last business day of the month.

**Redemption:** Investors can redeem their shares on a monthly basis. Applications for redemption must be received in Luxembourg at the registered office of the administrative agent not later than 05.00 p.m., Luxembourg time, on the ninetieth (90th) calendar day preceding the corresponding valuation day which is the last business day of the month.

##### Intended retail Investor

The Fund is suitable for investors who have an informed knowledge and/or experience of financial markets with the understanding that they may not get back the full amount invested in the Fund.

##### Depositary

Banque de Luxembourg

##### Further Information

Please refer to the 'Other relevant information' section below.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

### Risk Indicator

1	2	3	4	5	6	7
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← Lower risk Higher risk →



The risk indicator assumes you keep the product for 5 years.

The actual risk can vary significantly if you cash in at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 1 out of 7, which is the lowest risk class. This rates the potential losses from future performance at a very low level, and poor market conditions are very unlikely to impact the capacity to pay you.

**Be aware of currency risk.** You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Other risks materially relevant to the PRIIP not included in the summary risk indicator:

- ESG Investment risk
- Credit risk

For more information, please see prospectus.

This product does not include any protection from future market performance so you could lose some or all of your investment.

## PERFORMANCE SCENARIOS

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product over the last 10 years. Markets could develop very differently in the future.

Recommended holding period:		5 years	
Example Investment:		10,000 EUR	
Scenarios		If you exit after 1 year	If you exit after 5 years
<b>Minimum</b>	There is no minimum guaranteed return. You could lose some or all of your investment.		
<b>Stress</b>	<b>What you might get back after costs</b>	9,450 EUR	9,420 EUR
	<b>Average return each year</b>	-5.50%	-1.19%
<b>Unfavourable</b>	<b>What you might get back after costs</b>	9,640 EUR	9,710 EUR
	<b>Average return each year</b>	-3.60%	-0.59%
<b>Moderate</b>	<b>What you might get back after costs</b>	9,810 EUR	10,740 EUR
	<b>Average return each year</b>	-1.90%	1.44%
<b>Favourable</b>	<b>What you might get back after costs</b>	10,010 EUR	11,130 EUR
	<b>Average return each year</b>	0.10%	2.16%

The stress scenario shows what you might get back in extreme market circumstances.

Unfavourable scenario: This type of scenario occurred for an investment between December 2021 and January 2023.

Moderate scenario: This type of scenario occurred for an investment between July 2015 and July 2020.

Favourable scenario: This type of scenario occurred for an investment between February 2013 and February 2018.

## WHAT HAPPENS IF BLUEORCHARD ASSET MANAGEMENT (LUXEMBOURG) S.A. IS UNABLE TO PAY OUT?

BlueOrchard Asset Management (Luxembourg) S.A. is the alternative investment fund manager of the Fund. The assets of the Fund are held separately by the Fund's appointed depository, i.e. Banque de Luxembourg. The depository is liable to the Fund or its shareholders for losses caused by its negligent or intentional failure to fulfil its safekeeping or record-keeping obligations. (Cash could however be lost in case of default of the depository or its delegates).

## WHAT ARE THE COSTS?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

### Costs over Time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario
- EUR 10 000

	If you exit after 1 year	If you exit after 5 years
Total costs	€523	€1135
Annual cost impact (*)	5.2%	2.1% each year

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 3.5 % before costs and 1.4 % after costs.

We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.

#### Composition of Costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	4.0% of the amount you pay in when entering this investment.	Up to 400 EUR
Exit costs	We do not charge an exit fee for this product, but the person selling you the product may do so.	0 EUR
Ongoing costs taken each year		
Management fees and other administrative or operating costs	1.2% of the value of your investment per year. This is an estimate based on actual costs over the last year.	117 EUR
Transaction costs	0.1% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	6 EUR
Incidental costs taken under specific conditions		
Performance fees (and carried interest)	There is no performance fee for this product.	0 EUR

#### HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

##### Recommended holding period: 5 years

This Product has no minimum required holding period, the 5 has been calculated to be in line with the time frame which the Product may need in order to achieve its investment objectives. Please refer to "Processing of subscription and redemption orders" under "What is this product" for more information about the description of the features of the disinvestment procedure or in the relevant section of the Prospectus for a complete description ([www.blueorchard.com](http://www.blueorchard.com)).

#### HOW CAN I COMPLAIN?

For out-of court complaints, please contact the Complaints Officer of the External AIFM (1, rue Goethe, L-1637 Luxembourg or at [complaints@blueorchard.com](mailto:complaints@blueorchard.com)).

#### OTHER RELEVANT INFORMATION

The latest annual report and any subsequent halfyearly report as well as the Prospectus in English will be made available to investors free of charge at the registered office of the Fund.

Other practical information on the Sub-Fund, as well as on the net asset value, the issue, conversion and redemption prices of the Sub-Fund's shares may be obtained on any day which is open for business at the administrative address of the Fund and at the registered office at 2, rue d'Alsace, L-1122 Luxembourg and on the web-site [www.blueorchard.com](http://www.blueorchard.com).

You can find information related to the product past performance up to the last 10 years and to previous performance scenario calculations at:

- [https://docs.data2report.lu/documents/KID\\_PP/KID\\_annex\\_PP\\_BlueOrchard\\_LU1399444535\\_en.pdf](https://docs.data2report.lu/documents/KID_PP/KID_annex_PP_BlueOrchard_LU1399444535_en.pdf).
- [https://docs.data2report.lu/documents/KID\\_PS/KID\\_annex\\_PS\\_BlueOrchard\\_LU1399444535\\_en.pdf](https://docs.data2report.lu/documents/KID_PS/KID_annex_PS_BlueOrchard_LU1399444535_en.pdf).