



News release

Luxembourg Ministry of Finance appoints Schroders and BlueOrchard to accelerate climate action with a landmark partnership

Luxembourg/Zurich, 16 June 2022

Schroders, BlueOrchard Finance Ltd (part of the Schroders Group), and the Luxembourg Ministry of Finance are launching an impact strategy with the goal of contributing to the transition to carbon-neutral and resilient economies and achieving sustainable growth in emerging markets. The initiative will specifically focus on the environment: climate mitigation, climate adaptation, and the protection of water and biodiversity. The partnership is focused on channelling investments from both the public and the private sectors via an innovative Luxembourg-based financing vehicle that will help to close the climate finance funding gap.

Global investment manager Schroders and its impact investment specialist BlueOrchard were selected in an international tender process. Schroders will provide the portfolio and risk management services as the AIFM¹, while BlueOrchard has been appointed as the investment manager for this climate impact strategy. The strategy aims to invest in solutions that address the environmental goals of the Paris Agreement and the United Nations Sustainable Development Goals (SDGs), among others.

"It is crucial to our common future that we solve the issues of climate change and environmental protection both nationally and internationally. As a leading international financial centre and investment fund hub, Luxembourg is uniquely positioned to mobilise capital to address these urgent issues. With this new partnership, we are strengthening our long-term commitment to blended finance and helping seed a new strategy that supports sustainable investments and contributes to resilient economies in emerging markets," said Luxembourg Minister of Finance, Yuriko Backes.

"This landmark mandate will help us further accelerate climate and environmental action in markets where we can make the greatest impact. We are proud that the Luxembourg government has recognised our expertise in innovative blended finance strategies. We look forward to advancing climate change mitigation and adaptation with our partners, whose objectives are firmly aligned with our own," said BlueOrchard's CEO, Philipp Mueller.

"Schroders in Luxembourg is proud to have been selected as the management company by the Ministry of Finance. Schroders has had a significant and successful presence in Luxembourg for over 30 years, through which we offer a broad range of asset management products and related services. We look forward to working with BlueOrchard and partnering with the Luxembourg government to bring this innovative strategy to the market," said Finbarr Browne, CEO Schroder Investment Management (Europe).

There is an urgent need to address climate change and environmental degradation, however, there is continued dependency on public funds for sustainable related investments, in particular in emerging markets. Building on common goals, the Luxembourg Ministry of Finance, Schroders, and BlueOrchard will combine their strengths to address this funding gap with an innovative investment strategy.

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¹ Alternative Investment Fund Manager



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About Luxembourg Ministry of Finance

Please visit: <https://mfin.gouvernement.lu/fr.html>

About BlueOrchard Finance Ltd

BlueOrchard is a leading global impact investment manager and member of the Schroders Group. As a pioneering impact investor, the firm is dedicated to generating lasting positive impact for communities and the environment, while aiming at providing attractive returns to investors. BlueOrchard was founded in 2001, by initiative of the UN, as the first commercial manager of microfinance debt investments worldwide. Today, the firm offers impact investment solutions across asset classes, connecting millions of entrepreneurs in emerging and frontier markets with investors with the aim to make impact investment solutions accessible to all and to advance the conscious use of capital. Being a professional investment manager and expert in innovative blended finance mandates, BlueOrchard has a sophisticated international investor base and is a trusted partner of leading global development finance institutions. To date, BlueOrchard has invested over USD 9bn across more than 90 countries. Around 230 million poor and vulnerable people in emerging and frontier markets received access to financial and related services with the support of BlueOrchard as of December 2021. For additional information, please visit: www.blueorchard.com.

Schroders Capital

Schroders Capital provides investors with access to a broad range of private asset investment opportunities, portfolio building blocks and customised private asset strategies. Its team focuses on delivering best-in-class, risk-adjusted returns and executing investments through a combination of direct investment capabilities and broader solutions in all private market asset classes, through comingled funds and customised private asset mandates.

The team aims to achieve sustainable returns through a rigorous approach and in alignment with a culture characterised by performance, collaboration and integrity.

With \$74.9 billion* assets under management, Schroders Capital offers a diversified range of investment strategies, including real estate, private equity, secondaries, venture capital, infrastructure, securitised products and asset-based finance, private debt, insurance-linked securities and BlueOrchard (Impact Specialists).

**Assets under management as at 31 December 2021 (including non-fee earning dry powder and in-house cross holdings)*

Schroders plc

Founded in 1804, Schroders is one of Europe's largest independent investment management firms by assets under management. As at 31 December 2021, assets under management were £731.6 billion (€871.3 billion; \$990.9 billion). The founding family remain a core shareholder, holding approximately 48% of the firm's voting shares.



Schroders has continued to deliver strong financial results. It has a market capitalisation of circa £8 billion and employs over 5,700 people across 37 locations.

Schroders has benefited from the most diverse business model of any UK asset manager by geography, by asset class and by client type. Schroders offers innovative products and solutions across their five business areas of solutions; institutional; mutual funds; private assets & alternatives; and wealth management. Clients include insurance companies, pension schemes, sovereign wealth funds, endowments and foundations. They also manage assets for end clients as part of their relationships with distributors, financial advisers and online platforms. Schroders' Wealth Management offering reflects their strategic ambition to provide wealth management and financial planning services to clients across the wealth spectrum.

Schroders' strategic aims are to grow their asset management business, build closer relationships with end clients and expand their private assets and alternatives business. Schroders' purpose is to provide excellent investment performance to clients through active management. The business channels capital into sustainable and durable businesses to accelerate positive change in the world. Schroders' business philosophy is based on the belief that if they deliver for clients, they deliver for Shareholders and other stakeholders.

Further information about Schroders can be found at www.schroders.com.

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