

Template pre-contractual disclosure for the financial products referred to in  
Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6,  
first paragraph, of Regulation (EU) 2020/852

Product name: FFG Global Flexible Convictions  
Legal entity identifier: 549300ZIWU0E011GD443

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **5%** of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments**



## What environmental and/or social characteristics are promoted by this financial product?

This Sub-Fund promotes the following environmental and social characteristics:

- Via its investments
  - o Reduction of carbon emissions
  - o Compliance with international human and labour rights standards
  - o Excluding socially controversial activities
- Indirectly, through the Coordinator of Distribution of the SICAV
  - o Fighting poverty through job creation

No benchmarks have been identified to determine whether this Sub-Fund is consistent with the environmental and social characteristics it promotes.

### ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The following sustainability indicators are used to assess the achievement of each of the environmental or social characteristics promoted by the Sub-Fund via its investments:

#### **Reduction of carbon emissions**

The average carbon emissions intensity (scope 1 and scope 2) of the equity and corporate bond portion of the Sub-Fund's portfolio will be at least 20% lower than the average carbon emissions intensity (scope 1 and scope 2) of a benchmark index representative of the investment universe of the equity portion of the Sub-Fund (MSCI All Country World Index).

#### **Compliance with international human and labour rights standards**

This Sub-Fund will only invest in securities issued by companies and governments that do not violate certain international principles, standards or frameworks relating to human rights, labour, the environment and anti-corruption. Therefore, the issuing companies must not violate the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the International Labour Organisation standards and the OECD Guidelines for Multinational Enterprises. Furthermore, the Sub-Fund will not hold financial instruments issued by governments (or other sovereign entities) or public companies in countries that violate the United Nations Global Compact, or are subject to international sanctions, or are under embargo by the European Union.

#### **The exclusion of socially controversial activities**

For the portion of the Sub-Fund's portfolio invested in securities issued by companies, the Sub-Fund will only invest in securities issued by companies that are not materially involved in economic activities considered harmful.

The harmful activities considered by the Sub-Fund are:

- Armaments (with a 0% tolerance for controversial weapons);
- Tobacco;
- Conventional and unconventional fossil fuels;
- Coal-fired power generation.

Involvement is measured based on the share of the company's turnover that comes from the harmful activity. Involvement above a certain materiality threshold results in the company being excluded from the investment universe, unless certain exceptions have been defined.

The definition of harmful activities, the materiality thresholds applied and any exceptions granted are detailed in Funds For Good's Responsible Investment Policy, available at [www.fundsforgood.eu/documents](http://www.fundsforgood.eu/documents).

If the issuing company is listed on the FFG Exclusion List, all securities issued by that company are excluded from the investment universe of the Sub-Fund. This exclusion list also includes certain states. Furthermore, the Sub-Fund will not invest in derivatives on agricultural commodities.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

### **Promoting job creation to fight poverty**

In addition to the environmental and social characteristics promoted by the Portfolio through its investments, investing in this Portfolio indirectly generates a concrete social impact through Funds For Good, which coordinates the distribution of the Fund. After deducting its operating costs, Funds For Good pays out the greater of the following two amounts 50% of its net profits or 10% of its revenues to the social project it created and manages, "Funds For Good Impact". "Funds for Good Impact" dedicates all of its financial resources to fighting poverty by promoting job creation. "Funds For Good Impact" provides honorary loans with no collateral to people in precarious employment situations with a business project. This financial support (coupled with human support in the form of coaching) enables these entrepreneurs to start their own business. Since launching its activities in 2013, Funds For Good Impact has enabled more than 1,300 entrepreneurs to launch their business projects. Any investment in the Sub-Fund therefore (albeit indirectly via Funds For Good Impact) generates a positive social impact in the geographical vicinity of the investor, particularly in the countries where the SICAV is registered for public distribution. Investors can find out about the entrepreneurs supported or get involved as volunteers in the social project of Funds For Good Impact. More information is available at [www.fundsforgood.eu](http://www.fundsforgood.eu).

### **Note on the Sub-Fund's investment in target funds:**

In accordance with its investment policy, the Sub-Fund may invest up to 10% of its net assets in target funds (UCITS and other UCIs). Specific sustainability indicators are used to measure the achievement of the environmental or social characteristics promoted by the Sub-Fund through its investment in target funds. In this regard, the Sub-Fund will invest in 1) target funds that hold the Towards Sustainability label, or 2) target funds that promote ESG characteristics and take into account the main negative impacts on sustainability factors, or 3) target funds that have sustainable investment as their objective, or 4) in sovereign bond target funds that meet the criteria applicable to high-income economies (as defined by the Towards Sustainability label).

### **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

The Sub-Fund's sustainable investments pursue various environmental or social objectives, such as:

- the rational use and the preservation of natural resources
- the reduction of greenhouse gas emissions; and/or
- the promotion of a healthy, fair and innovative society

Through an in-depth analysis (qualitative and quantitative) of each company, the manager of the Sub-Fund (the "**Manager**") determines the extent to which the company's products, services and operations contribute to the above objectives.

Sustainable investments therefore consist of equity investments selected on the basis of a dual materiality:

- the impact of material sustainability risks (climatic, social, regulatory, etc.) on the company; and
- the material environmental or social impact that the company and its products and services may have on its stakeholders. The Manager assesses this dimension through the alignment and/or misalignment of issuers with one or more Sustainable Development Goals ('SDGs').

The Manager uses an internal methodology to define sustainable assets, which is available on the Manager's website: [www.banquedeluxembourginvestments.com](http://www.banquedeluxembourginvestments.com), specifically under the 'Responsible Investment' tab.

The minimum sustainable investment objective applies to the total net assets of the fund. It is possible that all sustainable investments may be made solely through the shares or bonds held by the Sub-Fund.

### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

The Manager applies an internal model for monitoring principal adverse impacts (PAIs) and compliance with good governance principles, which identifies any significant adverse impact of a sustainable investment on other sustainability objectives. In particular, the Manager excludes companies with very severe governance controversies from its investment universe.

- — — *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The Manager has defined a methodology for taking PAIs into account to ensure that any investment contributing to a sustainability area does not cause significant harm in other sustainability areas. Within this framework, the Manager assesses each potential investment against all PAIs by comparing the level of negative impact with a predefined threshold.

- — — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Manager excludes companies that do not comply with international human rights or labour standards. Thus, companies that do not comply with (i) the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct or (ii) the United Nations Global Compact, which are not in line with the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights, or (iii) are involved in very serious controversies are not included in the sustainable asset universe. The Manager uses data provided by MSCI ESG Research, an external and independent data provider in this field.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## Does this financial product consider principal adverse impacts on sustainability factors?

**X**

Yes. The Principal adverse indicators on sustainability listed in Table 1 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 are taken into account. The Manager aggregates the PAI's at portfolio level and monitors them periodically. This periodic review allows the Manager to optimise his portfolio in terms of PAI's. This information is detailed in the Sub-Fund's annual report.

The following indicators of negative impacts on sustainability factors are currently taken into account in the investment process.

- Greenhouse gas **emissions**: The weighted average carbon emissions (scope 1 and scope 2) of the equity and corporate bond portion of the Sub-Fund's portfolio are monitored and compared to the weighted average carbon emissions of a benchmark index representative of the investment universe of the equity portion of the portfolio (MSCI All Countries World Index).

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.

- Greenhouse gas emission **intensity**: The weighted average carbon emissions intensity (scope 1 and scope 2) of the companies in the portfolio must be at least 50% lower than the weighted average carbon emissions intensity of a benchmark index representative of the investment universe of the equity portion of the portfolio (MSCI All Countries World Index).
- Exposure to **fossil fuels**: As detailed above in this document, a maximum threshold of 5% of revenues applies to all economic activities related to conventional and unconventional fossil fuels, as well as to electricity generation from non-renewable sources. However, certain exceptions may be granted to some companies that do not meet this criterion. These exceptions are detailed in Fund For Good's Responsible Investment Policy, available at [www.fundsforgood.eu/documents](http://www.fundsforgood.eu/documents).
- **Violations** of the UN Global Compact principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises: violations are not tolerated.
- Exposure to **controversial weapons** (anti-personnel mines, cluster munitions, chemical weapons and biological weapons): Zero tolerance applies to exposure to controversial weapons. The Sub-Fund does not invest in stocks or bonds of companies exposed to controversial weapons.
- Board **gender diversity**: this indicator refers to the proportion of women sitting on the boards of directors of portfolio companies. The weighted average proportion at portfolio level is monitored on a regular basis. In addition, the voting policy implemented for this Sub-Fund aims to promote gender diversity on the boards of directors of portfolio companies.
- For sovereign securities – The issuing states in which the Sub-Fund invests must not be subject to **social violations**: Funds For Good's responsible investment policy excludes certain states from the investment universe of the Sub-Fund, via one or more exclusion lists. Exclusion criteria related to social violations for states are related to the ratification of international human rights and labour treaties, and whether the state is "free" or "unfree" as judged by Freedom House. Excluding states that do not meet these criteria reduces the risk of investing in states that present a risk of social violations.

No



**What investment strategy does this financial product follow?**

The Sub-Fund follows a "thematic" strategy whereby the weighted average carbon intensity (scope 1 and scope 2) of the equity and corporate bond portion of the Sub-Fund's portfolio will be at least 20% lower than the weighted average carbon intensity (scope 1 and scope 2) of a benchmark index representative of the investment universe of the equity portion of the Sub-Fund's portfolio (MSCI All Country World Index).

The Sub-Fund also applies an "exclusion" strategy: issuers of financial securities are excluded from the investment universe if they do not meet certain international standards, and/or are involved in controversial activities above a pre-defined materiality threshold. This strategy is also based on an exclusion list of different issuers (companies and/or governments) in which the Fund may not invest.

Finally, the Sub-Fund pursues an active engagement strategy: on a case-by-case basis, and in particular by seeking to protect the interests of the Sub-Fund's investors and achieve the Sub-Fund's ESG objectives, the Manager may engage in dialogue with management teams and exercise its voting rights in order to influence companies in the Sub-Fund's portfolio on material ESG issues.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Reducing carbon emissions, complying with international human rights and labour standards, and excluding activities that are controversial from a societal perspective are binding elements of the investment strategy.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is no predefined minimum reduction rate.

- **What is the policy to assess good governance practices of the investee companies?**

The Manager uses data provided by a third-party data provider that classifies companies into four levels of controversy, ranging from no controversy to the most severe controversies.

The formal exclusion of companies with the most severe controversies in terms of governance and employee relations is a minimum criterion for compliance with good governance practices.

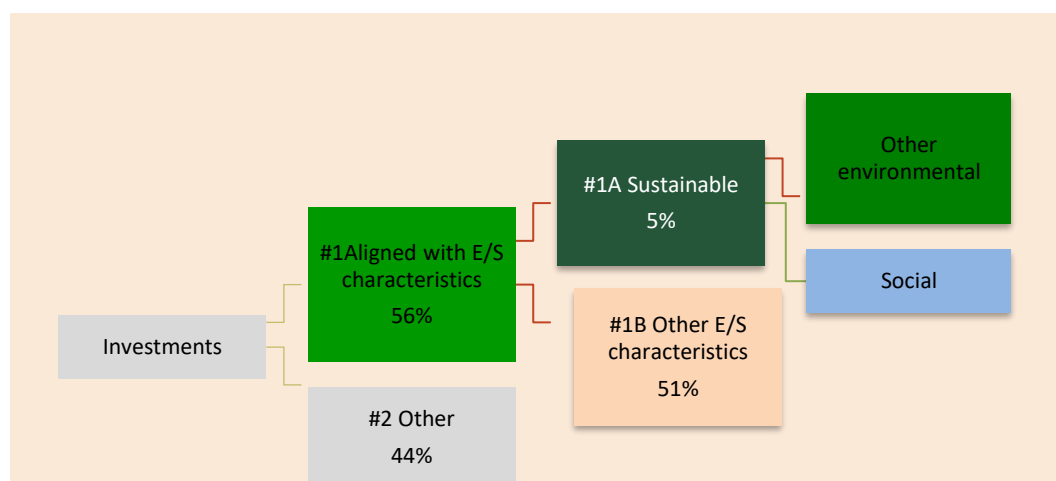


## What is the asset allocation planned for this financial product?

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The Sub-Fund holds a minimum of 56% of its assets in category #1 Aligned with E/S characteristics. Within this category #1 Aligned with E/S characteristics, the Sub-Fund holds a minimum of 5% of its assets in category #1A Sustainable. Consequently, the portion of the Sub-Fund's assets corresponding to category #1B Other E/S Characteristics will correspond to the difference between (i) the portion of the Sub-Fund's assets corresponding to category #1 Aligned with E/S characteristics and (ii) the portion of the Sub-Fund's assets corresponding to category #1A Sustainable. The effective weighting in assets corresponding to category #1A Durable may be higher than the above-mentioned minimum value. Finally, the Sub-Fund holds a maximum of 44% of its assets corresponding to category #2 Other.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are used for hedging purposes. Equity derivatives are used to reduce the equity risk of the portfolio and currency derivatives are used to reduce the exposure of the Sub-Fund to currency risks arising from investments denominated in currencies other than the euro. These derivatives are not used to achieve the environmental or social characteristics promoted by the Sub-Fund.



● **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

This Sub-Fund does not target sustainable investments within the meaning of Article 17(2) of Regulation 2019/2088 and therefore does not commit to a minimum alignment with the EU Taxonomy Regulation, as the Investment Manager is currently unable to determine the precise extent to which the Sub-Fund's investments are environmentally friendly activities aligned with the EU Taxonomy or investments in enabling and transitional activities.

Therefore, the minimum measure is currently 0% for this Sub-Fund.

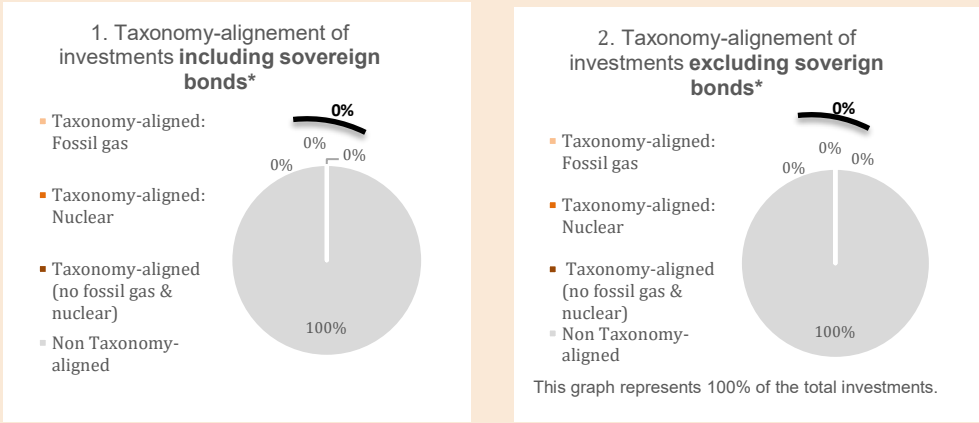
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

☐ Yes:

☐ In fossil gas    ☐ In nuclear energy

☒ No

*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.*



### **What is the minimum share of investments in transitional and enabling activities?**

The minimum share is currently 0% for this Fund



### **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

1%



### **What is the minimum share of socially sustainable investments?**

1%

### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The investments included under ‘#2 Other’ are:

1. cash investments or investments used for hedging purposes
2. investments used for risk diversification purposes.

For risk diversification purposes, the Sub-Fund may invest, among other things:

- in US Treasury bonds: the weighting of these investments shall not exceed 24% of the Sub-Fund's net assets.
- in Exchange Traded Commodities ('ETCs'): The Sub-Fund will favour ETCs whose underlying asset sourcing policy is consistent with a responsible approach, taking into account environmental and social criteria. For example, the Sub-Fund may invest in ETCs that comply with LBMA standards on responsible sourcing, without however being limited to these.

There are no minimum environmental or social guarantees for these investments.



### **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

No reference benchmarks have been identified to determine whether this Sub-Fund is consistent with the environmental and social characteristics it promotes.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

This does not apply to this Sub-Fund.

- ***How does the designated index differ from a relevant broad market index?***

This does not apply to this Sub-Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

This does not apply to this Sub-Fund.



### **Where can I find more product specific information online?**

More product-specific information can be found on the website:  
<https://www.fundsgood.eu/documents/>



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.