

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: FFG – BLI American Impact Equities
Legal entity identifier: 5493000DXP7B9ULHDV14

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ ☒ ☒ Yes	☐ ☐ ☐ No
☒ It will make a minimum of sustainable investments with an environmental objective : 10% ☐ 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 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 ____% 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 will make a minimum of sustainable investments with a social objective : 10% ☐ 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 promotes E/S characteristics, but will not make any sustainable investments



What is the sustainable investment objective of this financial product?

The Investment Manager seeks to invest in companies that have a material and measurable impact on sustainability. To achieve this objective, the Investment Manager selects issuers whose activities contribute directly or indirectly to achieving one or more of the Sustainable Development Goals (SDGs) defined by the United Nations.

No benchmark has been designated to determine whether the sustainable investment objective of this Sub-Fund has been achieved.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Manager bases his sustainability approach on the 17 Sustainable Development Goals (SDGs) defined by the United Nations. Through a detailed qualitative analysis of the company, the Manager identifies the effect of the company's activities on one or more of the SDGs.

The following constraints apply:

- individual issuers must generate at least 5% of their sales through products and services that contribute to one or more of the SDGs
- the weighted average percentage of sales generated by portfolio companies from products and services that contribute to one or more of the SDGs will be at least 20%.

The Investment Manager uses an internal methodology to define sustainable assets, which is available on the Investment Manager's website:

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

www.banquedeluxembourginvestments.com and more specifically under the "Sustainable Investment" tab.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager applies an internal model for monitoring the principal adverse indicators (PAIs) and compliance with the principles of good governance, which makes it possible to identify any significant detrimental effects of a sustainable investment on other sustainability objectives. In particular, the Investment Manager excludes from its investment universe companies that are highly controversial in terms of governance.

How have the indicators for adverse impacts on sustainability factors been taken into account

The Investment Manager has defined a methodology for taking PAIs into account to ensure that any investment contributing to one area of sustainability does not cause significant harm to others. As part of this, the Investment Manager tests each potential investment across all PAIs by applying a threshold to measure the level of negative impact.

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

The Sub-Fund excludes issuers that are subject to very severe controversy in relation to human rights and the OECD Guidelines for Multinational Enterprises. In practice, companies which are not in compliance with the United Nations Global Compact, which are not in compliance with the United Nations Guiding Principles on Business and Human Rights or which are highly controversial are not included in the universe of sustainable assets.

The Investment Manager uses data provided by MSCI ESG Research, an external and independent data provider.

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

  Yes. The Manager aggregates the PAIs at portfolio level and checks them periodically. This periodic review enables the Investment Manager to optimise its portfolio in terms of PAIs. This information is detailed in the fund's annual report. The Manager publishes the list of PAIs monitored and defines its approach in this respect on its website: www.banquedeluxembourginvestments.com and more specifically under the "Sustainable investment" tab.

No

What investment strategy does this financial product follow?

The Sub-Fund follows the following investment strategy:

Investment in companies with a positive impact The Sub-Fund invests a minimum of 80% of its net assets in sustainable environmental or social assets. The Investment Manager seeks to invest in companies that have a material and measurable impact on sustainability and selects those that contribute directly or indirectly through their activities to the achievement of one or more of the Sustainable Development Goals (SDGs) defined by the United Nations.

A detailed analysis of each candidate investment's business model is carried out to identify the impact of its activities on one or more of the SDGs. The result of this fundamental analysis is materialised through an impact investment thesis highlighting the positive and negative impact elements identified, their quantified scale and their interpretation.

Exclusions The Fund applies an exclusion policy based on:

- consideration of controversies including breaches of international social, labour or human rights standards and conventions, such as the United Nations Global Compact principles and the OECD Guidelines for Multinational Enterprises
- the exclusion of companies whose activity involves the manufacture, use or possession of controversial weapons, such as anti-personnel mines, cluster munitions, biological and chemical weapons, depleted uranium, etc.

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.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- In addition to investing in sustainable assets, the Manager excludes from its investment universe companies that generate more than 10% of their revenue from the following activities: thermal coal (extraction and energy generation) and oil (extraction, refining and energy generation), gold mining, armaments (manufacture and sale of weapons and related components), alcohol (production, distribution and sale), tobacco (production and sale of tobacco or tobacco products) or gambling (casinos and betting, including online betting). Companies deriving more than 25% of their products, equipment or services from the above activities are also excluded.

In addition, the Sub-Fund's investments comply with the exclusions applicable to the European Union's "Paris Agreement" benchmark indices, set out in article 12(1)(a)-(g) of the European Commission's Delegated Regulation (EU) 2020/1818.

Active engagement On a case-by-case basis, and in particular with a view to safeguarding the interests of its shareholders and achieving its ESG objectives, the Fund may engage with management and exercise its voting rights to influence its portfolio companies on material ESG issues.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

Exclusions and the quest for positive impact are binding elements of the investment strategy.

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

The formal exclusion of companies with very severe governance and employee relations controversies represents a minimum guarantee of compliance with good governance practices.

In addition, the four pillars of corporate governance (sound corporate management structures, employee relations, employee remuneration and tax compliance) are taken into account at several levels during the Managers' qualitative and quantitative analysis of the company.

Stock selection is naturally geared towards companies with higher environmental, social and governance ratings that are less exposed to sustainability risks - particularly in terms of governance.

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



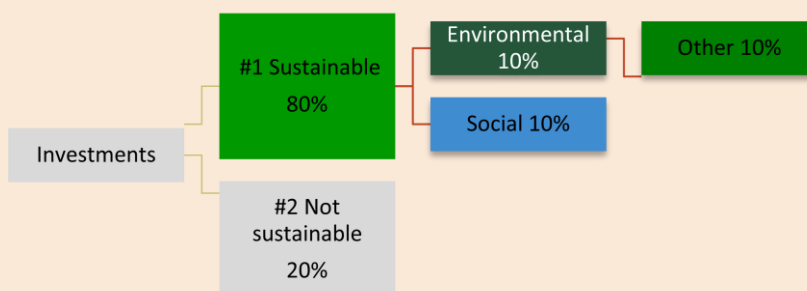
What is the asset allocation and the minimum share of sustainable investments?

The Sub-Fund holds a minimum of 80% of its investments #Sustainable.

The actual weighting in #1A Sustainable assets may be higher than the above minimum.

The Investment Manager does not know in advance the proportion of investments it will make in the #2 Non-Sustainable category, as the size of this pocket will depend on the proportion of investments actually made in the #1 Sustainable pocket. The proportion of investments made in category #2 Non-sustainable will represent a maximum of 20% of the sub-fund's assets.

Asset allocation describes the share of investments in specific assets.



#1 Sustainable covers sustainable investments with environmental or social objectives : minimum 80% of assets

#2 Not sustainable includes investments which do not qualify as sustainable investments : minimum 0% of assets

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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.

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.

● **How does the use of derivatives attain the sustainable investment objective?**
The Sub-Fund does not use derivatives to achieve its environmental or social characteristics.



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

The Sub-Fund has not set a minimum proportion of sustainable investment with an environmental objective aligned with the taxonomy.

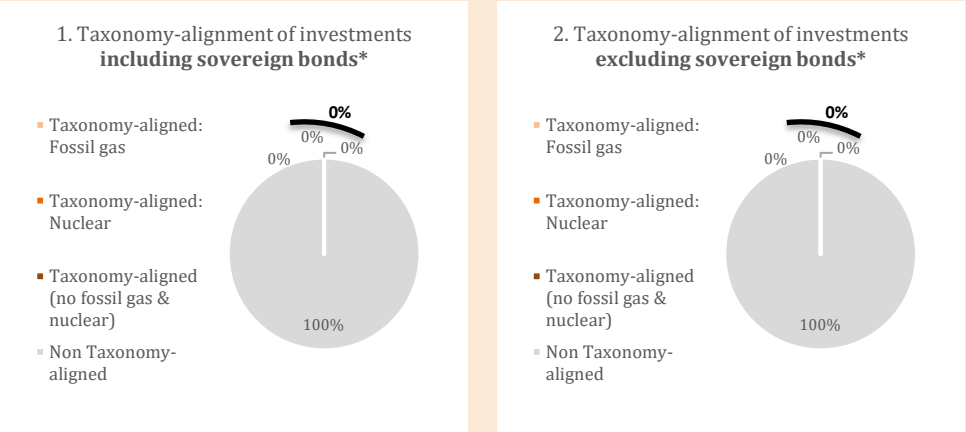
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ 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.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

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

The minimum proportion of the investments underlying this Sub-Fund that target environmentally sustainable economic activities within the meaning of the EU Taxonomy is currently estimated at 0% of the Sub-Fund's net assets.



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

10%



What is the minimum share of sustainable investments with a social objective?

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



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

10%



What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

These investments include cash and derivatives used for hedging purposes.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

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

Reference

benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

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

This does not apply to this Sub-Fund.

- ***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.fundsforgood.eu/documents/>