

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 Sustainable Legal entity identifier: 549300ZIWU0E011GD443

Environmental and/or social characteristics

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 **30%** 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**

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.



Sustainability indicators assess the extent to which the environmental or social characteristics promoted by the financial product are achieved.

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

This Fund promotes the following environmental and social characteristics:

- Reduction of carbon emissions
- Compliance with international human and labour rights standards
- Excluding socially controversial activities
- Prioritising the selection of companies that are virtuous in environmental, social and governance terms
- Fighting poverty through job creation

This Fund promotes a number of environmental and social features, as described below.

Reduction of carbon emissions

The Fund will focus on companies whose carbon emissions profile is aligned with the Paris Climate Agreement and will seek to keep the carbon intensity of the portfolio below a pre-defined level.

Compliance with international human and labour rights standards

This Portfolio will only invest in securities issued by companies and governments that comply with international human rights, labour, environmental and anti-corruption principles, standards or frameworks. Any company that violates these standards is excluded from the investment universe of the Fund.

Excluding socially controversial activities

This Portfolio will only invest in securities issued by companies that are not materially involved in economic activities considered harmful, such as (but not limited to) the manufacture and trade of arms, tobacco or coal. The harmful activities considered and the materiality thresholds applied are detailed in the next question.

Prioritisation of virtuous companies in terms of environmental, social and governance issues

Issuers must have a minimum ESG score as calculated by MSCI. This score covers all three dimensions of ESG and gives an indication of how a given issuer compares to other issuers in terms of ESG risk. The imposition of a minimum ESG score avoids investing in companies that could result in significant ESG risk to the Fund. In addition, the worst companies in terms of labour management will be excluded from this Fund.

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. More information is also available at www.fundsforgood.eu.

No benchmarks have been identified to determine whether this 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 Fund:

Reduction of carbon emissions

This Sub-Fund will focus on companies whose carbon emissions profile is aligned with the Paris Climate Agreement. In addition, the average carbon intensity (scope 1 and scope 2) of the portfolio will be at least 50% lower than the average intensity (scope 1 and scope 2) of a benchmark index representative of the fund's investment universe (MSCI All Country World Index).

Compliance with international human and labour rights standards: Issuing companies must comply with at least 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. Any company that violates these principles or is proven, through controversy screening, to be responsible for undesirable human rights, labour, environmental and anti-corruption behaviour is excluded from our investment universe.

Excluding socially controversial activities

Involvement is measured on the basis of the share of the company's turnover that comes from the harmful activity. Involvement beyond a certain materiality threshold implies the exclusion of the company from the investment universe.

- There is zero tolerance for any involvement in controversial weapons or speculation in agricultural commodities.
- There is a 5% threshold for any economic activity related to tobacco, coal and unconventional oil and gas.
- A threshold of 5% is set at portfolio level for conventional oil and gas activities.
- For electricity generation, power companies are allowed in the portfolio provided that they derive more than 50% of their revenues from renewables and that they do not derive more than 5% of their revenues from coal-fired power generation.
- The Fund will not hold financial instruments issued by governments or public companies in countries that violate the UN Global Compact, or are subject to international sanctions, or in countries under EU embargo.

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 Fund. This exclusion list also includes certain states.

Prioritising the selection of companies with good environmental, social and governance records Minimum ESG score

All issuers must have a minimum ESG score of BBB for developed markets and a minimum ESG score of BB for emerging markets. Any issuer that is in the bottom 5% of the investment universe in terms of *Labor Management* Score is excluded from the investment universe of this Fund.

As some issuers monitored by the Investment Managers are not covered by ESG data providers, the Investment Manager is allowed to invest in securities of non-hedged issuers provided that their total weight in the portfolio does not exceed 10% of the net assets of the Sub-Fund and provided that such securities meet all other economic and social characteristics promoted by the Sub-Fund.

● ***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 will invest at least 30% of its net assets in "sustainable assets", i.e. financial securities (shares and/or bonds) issued by companies contributing to the sustainable investment objective. It is expected that the Fund will, under normal market conditions, invest between 50% and 60% of its net assets in sustainable assets.

The sustainable investment objective promoted by the Fund's investments is to contribute to the long-term temperature objective of the Paris Agreement, which is to keep the increase in global average temperature well below 2°C above pre-industrial levels, and preferably to limit the increase to 1.5°C, by the end of the 21st century. Any company that meets at least one of the following three criteria is considered to contribute to the sustainable investment objective:

- 1) The company's current carbon intensity is compatible with a global temperature increase kept below 2°C by the end of the century.
- 2) The company's current carbon intensity is not yet compatible with a global temperature increase of less than 2°C by the end of the century, but the company has set emissions reduction targets that have been endorsed by the Science Based Targets (SBTi) initiative, meaning that these targets are considered compatible with the Paris Agreement's 2°C or less target. These emission reduction targets set under this initiative are independently verified.
- 3) The company's current carbon intensity is not yet consistent with keeping the global temperature increase below 2°C by the end of the century, but the company's annual emissions reductions (scope 1 and 2) are consistent with those required in the current year to achieve net zero emissions by mid-century and to limit the global temperature increase to below 2°C by the end of the century.

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.



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.

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 principal adverse indicators listed in Table 1 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 are assessed and monitored on an ongoing basis by the investment manager.

The manager applies an internal model for monitoring principal adverse impacts (PAI's) and compliance with good governance principles that allows for the identification of potential material detriments of a sustainable investment on other investments of the fund. In particular, the manager excludes from its investment universe companies with very severe governance controversies.

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

The manager has defined a methodology for taking account PAIs to ensure that any investment contributing to one area of sustainability does not cause significant harm to others. In this context, the manager tests each potential investment across all PAI's 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? Details:

The issuing companies must comply with at least 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, among others. Any company that violates these principles or is proven, through controversy screening, to be responsible for undesirable human rights, labour, environmental and anti-corruption behaviour is excluded from the investment universe. Funds For Good has the discretion to add to its exclusion list any company reported by the media for misinformation, controversial behaviour or irresponsible lobbying.

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.



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 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 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).
- 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**: The Fund does not invest in equities or bonds of companies deriving more than 5% of their revenues from fossil fuel related activities.
- **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 Fund does not invest in stocks or bonds of companies exposed to controversial weapons.

- For sovereign securities - Countries invested in are subject to **social violations**: Funds For Good's responsible investment policy excludes certain countries from its investment universe, via its exclusion list. Exclusion criteria related to social violations for states include 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 overall carbon footprint of the Fund will be reduced. To this end, the Sub-Fund will focus on investing in companies whose carbon emissions profile is aligned with the Paris climate agreements and will maintain a carbon intensity level (scope 1 + scope 2) below a certain pre-defined level.

The Sub-Fund also applies an "exclusion" strategy, whereby 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, or if they are in the bottom 5% of its investment universe in terms of Labor Management Score. This strategy is also based on an exclusion list of different issuers (companies and/or governments) in which the Fund may not invest.

The Sub-Fund also applies a best-in-universe strategy, selecting only issuers with a minimum ESG score (as calculated by MSCI) depending on the investment universe in which the issuer is located. Two universes are distinguished here: the universe of companies from developed countries, and the universe of companies from emerging countries.

● ***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?***

In order to achieve the environmental or social characteristics promoted by this financial product, the Fund invests in securities of financial issuers that meet the following conditions.

The issuer of the financial security must comply with certain international standards, such as 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. Any company that violates these principles or is proven, through controversy screening, to be responsible for undesirable human rights, labour, environmental and anti-corruption behaviour is excluded from our investment universe.

In addition, the issuer of the financial security must not be involved in controversial activities beyond the materiality threshold determined for the activity in question. The degree of involvement is measured on the basis of the share of the company's turnover that comes from the harmful activity.

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

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

- There is zero tolerance for any involvement in controversial weapons or speculation in agricultural commodities.
- There is a 5% threshold for any economic activity related to tobacco, coal and unconventional oil and gas.
- A threshold of 5% is set at portfolio level for conventional oil and gas activities.
- For electricity generation, power companies are allowed in the portfolio provided that they derive more than 50% of their revenues from renewables and that they do not derive more than 5% of their revenues from coal-fired power generation.
- The Sub-Fund will not hold financial instruments issued by governments or state-owned enterprises in countries which are in violation of the UN Global Compact, or subject to international sanctions, or in countries under EU embargo.
- Finally, any company or sovereign entity issuing a financial security should not be included in the Funds For Good exclusion list.

● ***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 assesses quantitatively, through ESG ratings, and qualitatively, through fundamental analysis, the quality of governance of issuers and excludes those with very severe governance controversies.



What is the asset allocation planned for this financial product?

The Sub-Fund promotes environmental and social characteristics and will contain a minimum of 30% of sustainable investments with an environmental objective in economic activities that are not considered environmentally sustainable under the EU taxonomy ("*#1A Sustainable*" below). All corporate and sovereign investments made by the Sub-Fund will be aligned with the environmental and social characteristics promoted by the Sub-Fund. Where one or more stocks in the investment universe monitored by the Investment Manager are not covered by the ESG data provider, the Investment Manager is permitted to invest in such stocks provided that the total weight of the unhedged stocks in the portfolio does not exceed 10% of the assets of the Sub-Fund, and provided that such asset meets all other economic and social characteristics promoted by the Sub-Fund. Therefore, the Sub-Fund will contain a maximum of 70% of investments aligned with the environmental or social characteristics promoted by the Sub-Fund that are not considered sustainable investments ("*#1B Other E/S characteristics*").

Cash and investments for hedging purposes will not be aligned with the environmental and social characteristics promoted by the Sub-Fund. The weight of these investments in the portfolio is not limited by the investment policy.

Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

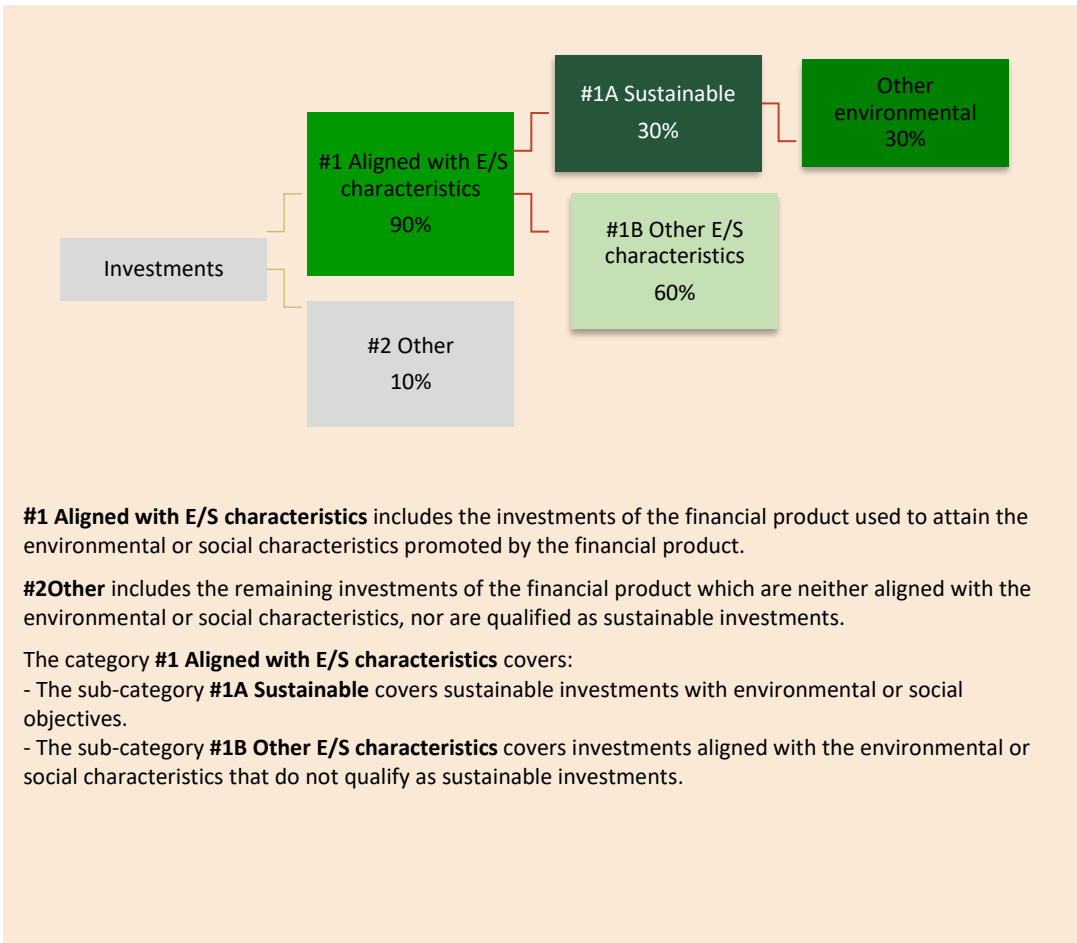
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities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

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.



#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.

#2Other 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.

● **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 modify the currency exposure of the portfolio and reduce the currency risk for a Euro investor. 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?

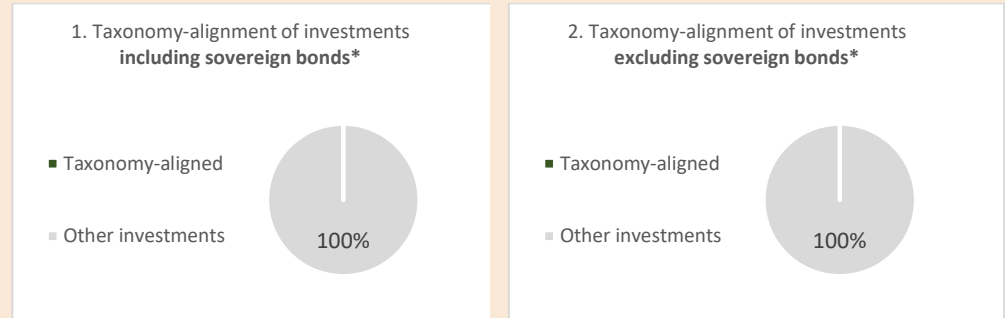
This Sub-Fund does not target sustainable investments within the meaning of Article 17(2) of Regulation 2019/2088 and therefore does not commit to a minimum alignment with the EU Taxonomy Regulation, as the Investment Manager is currently unable to determine the precise extent to which the Sub-Fund's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



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

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 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?

Not all sustainable investments with an environmental objective (minimum 30%) are aligned with the EU taxonomy.



What is the minimum share of socially sustainable investments?

This does not apply to this Sub-Fund.



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

The investments included in "#2 Other" are investments in liquid assets or investments for hedging purposes. 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 Fund is consistent with the environmental and social characteristics it promotes.

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

- **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 Fund.
- **How does the designated index differ from a relevant broad market index?**
This does not apply to this Fund.
- **Where can the methodology used for the calculation of the designated index be found?**
This does not apply to this Fund.



Where can I find more product specific information online?

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