

# FFG Global Flexible Convictions

A fund of FFG, SICAV • Category SFDR : Article 8 • LEI: 549300ZIWU0E011GD443  
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## Summary

This sub-fund promotes environmental and/or social characteristics within the meaning of Article 8 of the Sustainability Regulation and will invest a minimum of 5% of its net assets in sustainable assets as defined in Article 2(17) of the Sustainability Regulation and as further described in the appendix to the sub-fund's fact sheet.

The entire portfolio (equities and bonds) will be invested in companies and sovereign issuers that comply with certain international standards on human rights and labour rights and that are not materially involved in controversial activities. Investment in this Sub-Fund indirectly promotes job creation to combat poverty through the distribution coordinator, Funds For Good.

## No sustainable investment objective

The Sub-Fund promotes environmental or social characteristics but does not have sustainable investment as its objective.

Negative impact indicators are selected and monitored on an ongoing basis by the investment manager. The Manager applies an internal model for monitoring principal negative impacts (PNIs) and compliance with good governance principles, which identifies any significant adverse effects of a sustainable investment on other sustainability objectives. In particular, the Manager excludes companies with very serious governance controversies from its investment universe.

Sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

## E/S characteristics of the financial product

The sub-fund promotes the following environmental and social characteristics through its investments:

- Reduction of carbon emissions
- Compliance with international human rights and labour standards
- Exclusion of socially controversial activities
- For part of its investments, sustainable investment

### 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, the distribution coordinator of the SICAV. After deducting its operating expenses, Funds For Good donates the greater of 50% of its net profits or 10% of its revenues to the social project it has created and manages, "Funds For Good Impact". "Funds for Good Impact" dedicates all of its financial resources to the fight against poverty by promoting job creation. "Funds for Good Impact" grants interest-free, unsecured loans to people in precarious employment situations who have a business project. This financial support (coupled with human support in the form of coaching) enables these

entrepreneurs to create their own business. More information is also available at [www.fundsforgood.eu](http://www.fundsforgood.eu).

## Investment strategy

The sub-fund's objective is to seek a medium-term return higher than that of a bond investment in euros. To this end, the sub-fund will pursue a flexible mixed investment strategy, combining different asset classes while freely adjusting their allocation according to market conditions in order to achieve the sub-fund's objective. The sub-fund will invest without geographical, sectoral or currency restrictions in equities, bonds, ETCs (Exchange Traded Commodities), UCITS and other UCIs (including ETFs), money market instruments or cash.

As part of this investment strategy, the sub-fund applies 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 comply with certain international standards and/or are involved in controversial activities beyond a pre-defined materiality threshold. Involvement is measured on the basis of 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 on the website [www.fundsforgood.eu/documents](http://www.fundsforgood.eu/documents). This strategy is also based on an exclusion list referencing various issuers (companies and/or states) in which the Sub-Fund may not invest.

In addition, the sub-fund undertakes to invest a minimum of 5% of its net assets in sustainable assets. To achieve this objective, the manager selects issuers who, through their activities, contribute directly or indirectly to the achievement of one or more of the Sustainable Development Goals (SDGs) defined by the United Nations.

Finally, the Sub-Fund pursues an active engagement strategy: on a case-by-case basis, and in particular by ensuring that the interests of the Sub-Fund's investors are protected and that the Sub-Fund's ESG objectives are achieved, 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.

## Proportion of investments

The Sub-Fund promotes environmental and social characteristics and will contain a minimum proportion of 56% of investments aligned with the environmental or social characteristics promoted by the Sub-Fund. Among these investments, the Sub-Fund will also hold a minimum proportion of 5% of sustainable investments with an environmental objective

## Sustainability Information - Website sustainability-related disclosure

in economic activities that are not considered environmentally sustainable under the EU taxonomy.

The sub-fund will contain a maximum proportion of 44% of assets that do not take environmental or social characteristics into account and are not considered sustainable investments. These assets are cash investments or investments used for hedging and/or risk diversification purposes.

### *Monitoring of E/S characteristics*

Compliance with the environmental and social characteristics promoted by the sub-fund, and with the minimum sustainable investment to which the sub-fund is committed, is checked before each investment and on a regular basis after the investment, at least once a month.

The indicators monitored to measure the compliance of investments with the environmental and social characteristics monitored are as follows:

- The intensity of greenhouse gas emissions of companies in the portfolio;
- The absence of serious violations of the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation standards and the OECD Guidelines for Multinational Enterprises;
- Involvement in commercial activities related to arms, tobacco and fossil fuels.
- Revenues derived from electricity generation from fossil fuels;
- Presence on the FFG exclusion list (for private and sovereign issuers).

As part of the sustainable investments that the sub-fund aims to make:

- % of investments aligned with the SDGs

### *Methodologies*

Compliance with the environmental and social characteristics promoted by the sub-fund, and with the minimum sustainable investment to which the sub-fund is committed, is monitored on the basis of financial and non-financial information published by the portfolio companies or by third-party data providers.

### *Data sources and processing*

Before making an investment, the Investment Manager uses MSCI, Bloomberg, financial reports from beneficiary companies, broker research reports and publicly available data to perform ESG assessments.

The Investment Manager ensures that it has the appropriate licence to obtain ESG data from the external data providers mentioned. The exact proportion of data estimated by third-party data providers is complex to calculate, may vary depending on the data providers, but is expected to decrease over time.

### *Limitations to methodologies and data*

ESG data coverage doesn't typically cover the investment manager's full investment universe of stocks. In addition to this, estimations are often used and even when data is available, there are cases where methodologies of data calculation are open to interpretation and therefore debatable. Despite these limitations the data received and ultimately processed are robust

and can be relied upon sufficiently to be utilized within the investment process

Neither the Investment Manager, the Management Company nor the Distribution Coordinator can assume any responsibility for the accuracy of the valuation by external data providers and the accuracy, including completeness, of the analyses prepared by third party providers. The Investment Manager, the Management Company and the Distribution Coordinator have no influence over any disruptions or limitations (e.g. due to estimates) in the analysis and preparation of research by third party providers.

### *Due diligence*

The Investment Manager monitors and analyses regularly the financial and non-financial performance of the portfolio companies, including the environmental, social and governance-related risks and/or opportunities based on the external data provider mentioned and additional documentation of the underlying portfolio companies.

### *Engagement policies*

The investment manager uses the opportunity to meet the management of companies as part of its active investment process and as a key element in its stewardship oversight of client assets. In the event that dialogue with the companies fails, or if the measure proves necessary and judicious for other reasons, BLI reserves the right to submit resolutions to the AGMs in the best interest of the investors and the desired impact. The investment manager conducts individual engagement via the manager himself and/or by the SRI team but can take part into collaborative engagement as well.

## Sustainability Information - Website sustainability-related disclosure

### Terms to understand

**E/S** Environmental and/or social.

**ESG** Environmental, social and governance.

**ESG risk, sustainability risk** An ESG event or trend that may bring reputational or financial harm to a corporate or sovereign issuer.

**ESG score** A measure of an issuer's exposure to ESG/ sustainability risks, typically based on data and developed through the investment team's analysis and scoring method.

**EU Taxonomy** The EU's official classification of economic activities that contribute to an environmental objective (such as climate change mitigation, water protection, circular economy, pollution prevention or biodiversity protection). In future the taxonomy will include activities with a social objective.

**issuer** A company, government, government agency, government-sponsored organisation, or supranational or public international entity that registers and sells securities.

**reference benchmark** An index or combination of indices used by the fund to attain or compare its E/S characteristics.

**SFDR** Regulation (EU) 2019/2088 on sustainability-related disclosures for financial products.

**sustainable investment** An investment in economic activities undertaken by companies that follow good governance practices, that contribute to an E/S objective without significantly harming other E/S objectives.

**UN Global Compact** A United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.