



IMPACT INVESTING & PHILANTROPY

FUNDS FOR GOOD

CERTIFICATION DECLARATION 2015

To the investors, intermediated by Funds For Good
To the financial partner(s) of Funds For Good
To the public,

Forum ETHIBEL asbl was appointed by **Funds For Good S.A.** (registered in the Grand Duchy of Luxembourg-RCSL number B156449) to execute an independent control of the financial and procedural aspects of its philanthropic support. Funds For Good seeks to have its social responsibility activities verified, in order to show that the allocated funds are used responsibly for long term and sustainable development projects.



FUNDS FOR GOOD
invest, impact

Funds For Good (FFG) introduces investment strategies of high quality to investors, while offering them the double bottom line of impact investing: combining financial returns with a significant social or environmental impact. More information can be found on www.fundsforgood.eu.

This certification for 2015, the fifth complete financial year, includes an audit of all the constitutional documents, the organigram, the accounts, the agreements between FFG and its beneficiaries, the Philanthropic Charter and the 2015 Impact Report.

Forum ETHIBEL has reviewed the following elements to allow verification of the good governance of the philanthropic aspect of FFG's activities:

1. Mediation. FFG initiates investment funds to institutional investors or authorised distributors, offering the funds to their own clients. FFG is equally committed to develop a European network of authorised distributors for these funds. By investing in funds created by Funds For Good, investors meet two goals: financial results and a concrete societal impact by means of FFG's philanthropic commitments.

One of those funds is the Funds For Good Architect Strategy, a defensive umbrella fund initiated by FFG itself (in 2013).

2. Legal relationships. Interested institutional investors or authorised distributors contact FFG, who will provide the contact details of the concerned asset managers. The interested parties therefore become direct bank clients, and are not legally bound to FFG. Nevertheless, FFG informs the candidates about the concrete support they provide to social projects through their contributions.

3. Responsible Investment and Impact Financing. Several approaches exist in the field of socially responsible investing. The best-known are SRI funds (Socially Responsible Investments), which incorporate extra-financial criteria into investment decisions. FFG supports and promotes the principles of SRI, but does not consider it to be impact financing in the strict sense of the term, due to the lack of a direct link between the investor and a specific project. FFG therefore offers investors the option to support concrete social projects. Impact is achieved as FFG donates part of its revenues to community projects, and this without lowering investors' returns.

4. Resources. According to its (recently updated) Philanthropic Charter, FFG is committed to donating 10% of its revenue –with a minimum of 50% of its net profit– to social projects.

Forum ETHIBEL found that in 2015, a total of € 45.285 was donated, which matches FFG's promised commitment.

Forum ETHIBEL has taken note of the recent changes in FFG's donation policy.

5. Beneficiaries and scope of Philanthropic Action. In 2014, FFG donated to **Generation for Good** and to **Goods to Give**.

FFG created the philanthropic fund **Generation for Good (GFG)**, which is managed by the King Baudouin Foundation, in 2013. The objective of the fund is to support small entrepreneurs from a disadvantaged background. Small entrepreneurs can obtain 'a loan of honour' with flexible repayment terms and with 0% interest. A management committee, consisting of representatives from FFG, the King Baudouin Foundation and other experts select the entrepreneurs with the most realistic business plans. In 2015, around 30 files have been analysed and 14 entrepreneurs have received a loan of honour.

Besides financial support, **Generation for Good** also offers individual assistance through a network of coaches and an online platform. Every member of the FFG team spends ca. 25% of his time on **GFG**.

Goods to Give collects unused surplus stocks from companies and redistributes them amongst poor and disadvantaged people in Belgium. **Goods to Give** has a double objective: to provide disadvantaged people with products that otherwise they cannot afford and to address the waste problem of unused stocks in companies.

6. Profit Optimization. Profit optimisation is achieved through (i) minimizing structural expenses; (ii) an adapted salary policy; and (iii) network relationship with providers, who all support the project through advantageous pricing. FFG publishes an annual balance sheet, profit and loss account and offers transparency on its expenses.

7. Remuneration policy and continuity. FFG is a privately held company with an objective of revenue and profit generation as a result of its activities. By providing a competitive remuneration, FFG aims to attract the best talents in the industry, but the remuneration policy offers no scope for excesses, as witnessed in the financial sector.

8. Reports on the use of donations. FFG issued the Impact Report 2015 to inform its investors on the use and the impact of the donations.

In conclusion, we report that, in our judgment and for the year 2015, the **Funds For Good** activities were conducted in accordance with the terms of the Philanthropic Charter.

For Forum ETHIBEL asbl



Herwig Peeters, General Director
Brussels, 25 July 2016