
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 Defensive
Legal entity identifier: 54930009VSA66KF2JG53

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.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

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:** ___%

No

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 10% 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?

The investment manager aims to promote a wide range of environmental and social characteristics to which the sub-fund's underlying investments may be exposed.

Examples of environmental and social features promoted by the sub-fund include:

- Environmental :

- being an above-average contributor to the reduction of carbon emissions in its production processes or contributing to this objective through the products or solutions the company offers;
- Reduction of water stress, efficient supply of raw materials;
- making above-average contributions to the reduction of (toxic) waste, packaging materials and the like, or offering products that contribute to this objective; and
- opportunities in clean technologies, renewable energies, green building, etc.

- Social :

- respect for labour law ;
- providing customers with affordable access to finance, healthcare and communications
- Respect for diversity and gender equality.

Finally, investing in this Portfolio indirectly generates a concrete social impact through Funds For Good, which coordinates the distribution of the Sub-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 benchmark has been designated to achieve the environmental and/or social characteristics promoted by the Sub-Fund. However, with regard to the Sub-Fund's direct investments in corporate debt securities or equities and related securities, the Sub-Fund may, in order to achieve its objective, select assets from indices (such as the MSCI ESG indices or others) which comply with the social and environmental characteristics promoted by the Sub-Fund.

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

The investment manager uses a variety of sustainability indicators to measure achievement in promoting environmental and social attributes, including

- arms revenues ;
- tobacco revenues ;
- oil and gas revenues, whether 'traditional' or unconventional ;
- revenues from coal, whether 'traditional' or unconventional ;
- revenues from nuclear energy ;
- revenues from alcohol ;
- gambling revenues;
- revenues contributing to the SDGs;
- absence of serious breaches of the United Nations Global Compact, International Labour Organisation conventions, the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises;

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

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- global ESG rating(s) provided by leading ESG service providers; and
 - the Funds For Good exclusion list.

● ***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 investment objectives are to

- to promote sustained, shared and sustainable economic growth, full and productive employment and decent work for all ;- promote the sustainable management and use of natural resources, halve global per capita food waste and significantly reduce waste production;
- build resilience and adaptability to climate-related disasters; and
- significantly reduce corruption and bribery.

These objectives are based on the four United Nations Sustainable Development Goals below:

- SDG 8: Decent work and economic growth ;
- SDG 12: Responsible consumption and production;
- SDG 13: Climate action; and
- SDG 16: Peace, justice and strong institutions.

The investment manager has based its methodology on the UN's SDG Clarity Module, which rates companies on a scale of 0 to 100. For a company to be considered a positive contributor to sustainable investment, it must achieve a minimum score of 60 for at least one of the four SDGs and must not be considered significantly below average (score < 25) in relation to the other three SDGs. For active funds and ETFs, the investment manager analyses the SDG scores of companies according to the composition of their portfolio.

● ***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?***

For a company to be considered a sustainable investment, it must not only make a positive contribution to at least one of the characterised SDGs, but must also not be considered to be significantly below average in terms of the other three SDGs. In addition, the investment manager also takes into account the main indicators of negative impact to verify that sustainable investments do not cause significant damage. Indeed, to be considered sustainable investments, issuers must not demonstrate, among other things, the PAI indicators described below and other activities detailed in the binding elements section.

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

The principal adverse impacts key indicators are taken into account to verify that the sustainable investments the Sub-Fund intends to make do not cause significant damage to an environmental or social sustainable investment objective. In particular, the following key negative impact indicators are taken into account:

- Greenhouse gas emissions;

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.

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- Carbon footprint ;
 - GHG intensity of investee companies;
 - Exposure to companies active in the fossil fuel sector;
 - Share of non-renewable energy consumption and production;
 - Energy consumption intensity by sector with high climate impact;
 - Activities having a negative impact on biodiversity-sensitive areas;
 - Water emissions ;
 - Ratio of hazardous waste and radioactive waste;
 - Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises;
 - Lack of compliance processes and mechanisms to monitor compliance with the UN Global Compact and OECD Guidelines for Multinational Enterprises;
 - Unadjusted gender pay gap;
 - Gender diversity on the board of directors;
 - Exposure to controversial weapons.

In addition to the above-mentioned mandatory indicators, the following optional indicators are taken into account:

- Investments in companies that have not taken initiatives to reduce carbon emissions; and
- Lack of anti-corruption and anti-bribery policies.

In addition, the main negative impact indicators are taken into account by the exclusion and optimisation processes implemented when building the investment universe from which the investment manager selects the sub-fund's investments. To be included in the portfolio, large-cap companies must be included in the MSCI ESG indices. Compared with the so-called 'standard' indices, which include the largest companies in each sector, the ESG indices already exclude 50% of the worst-performing companies in terms of environmental, social and governance criteria, which already eliminates a very significant proportion of the portfolio's potential negative effects.

Secondly, in order to be included in the MSCI ESG index, companies cannot have very serious ongoing controversies. Controversy analysis is an integral part of the MSCI ESG index methodology. MSCI analyses each company according to the 'MSCI Controversies Score Eligibility' in order to identify companies facing serious controversies in terms of environmental, social or governance impact, due to the way they operate, their products or their services. This score has been designed to be consistent with international standards such as the United Nations Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Global Compact.

This score is based on indicators such as :

- biodiversity and land use ;
 - toxic emissions and waste
 - energy and climate change
 - water scarcity
 - operational waste;
 - impact on local communities;
 - human rights concerns ;
 - corruption and fraud;
 - governance structure ;
-

- etc.

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

All companies in which the sub-fund invests must pass the exclusion process, which excludes all companies that are in serious breach of international standards and conventions such as the United Nations Global Compact, ILO conventions, etc.

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?

Yes

No



What investment strategy does this financial product follow?

The sub-fund follows a best-in-class strategy. To apply this strategy, the sub-fund invests in assets with above-average ESG scores. This is achieved through a combination of a best-in-class selection approach and an exclusion policy. In addition, the investment manager applies a selection approach based on information from reputable external sources such as MSCI, Nordea or Norges Bank.

● ***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?***

The sub-fund's investment strategy includes the following binding elements to select investments in order to achieve the environmental or social characteristics promoted:

Best-in-class approach:

For large-cap companies (which are members of the MSCI 'Standard' index), these companies must also be members of the MSCI ESG Leaders index for the region to be allowed to be part of the investment universe. If MSCI's classification does not appear to be consistent with that of other leading providers, the Investment Manager will undertake further analysis.

For small and mid-cap companies, the Investment Manager will assess whether a company fits the investment universe using data from ESG data providers or, in the absence of reliable data, by carrying out an internal analysis based on the company's sustainability report and any other documentation available from the company or other reputable sources.

Sovereign bonds are assessed using internal analysis based on publicly available data from reputable sources such as the UN, the World Bank and international NGOs.

To be eligible, active funds and ETFs must meet at least one of the following criteria

- a label from a reputable labelling agency such as Towards Sustainability or Luxflag
- ;
- an ESG rating of at least BBB from MSCI ESG fund rating; and/or
- at least three Morningstar 'globes'.

In addition to the criteria mentioned above, indexed funds/ETFs must be indexed on an MSCI ESG/SRI index for the region concerned or on a similar ESG/SRI index from an equivalent index provider.

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

Investments already in the sub-fund that no longer meet the selection process must be sold within 3 months on a best efforts basis. This negative screening of the existing portfolio is carried out by the investment manager twice a year for large cap bond and equity investments and once a year for small cap bond and equity investments, government bonds and investments in third party funds and ETFs.

In the event of information about a (very) significant controversy concerning a potential investment which is not (yet) excluded from the negative selection, the investment manager will refrain from investing in this asset until the selection has been updated. In the event of information about a very significant potential controversy concerning a company or country already in the portfolio, the investment manager will decide whether the controversy should indeed be considered (very) significant and, if so, all investments in that asset must be sold within three months of the decision, in the best interests of the investor.

Exclusions:

The Investment Manager uses a combination of different elements for exclusions:

1. The first is standards-based exclusions such as:
 - a. companies that seriously violate international standards and conventions such as the UN Global Compact, ILO conventions, etc.
 - b. debt issued by countries or their state-owned enterprises that the Investment Manager considers controversial. These are countries with (a) high levels of corruption, (b) fundamental violations of human rights, (c) a complete lack of political freedom and (d) countries subject to international sanctions or 'asset freezes' by the European Union.
2. In addition to the exclusions based on the above standards, the Investment Manager will seek to limit investment in the following:
 - a. companies which derive more than 5% of their income from :
 - i. tobacco
 - ii. thermal coal, oil and gas extraction, whether 'traditional' or unconventional; and
 - iii. the production of electricity from thermal coal.
 - b. companies that derive 10% or more of their revenues from :
 - i. the production of weapons ;
 - ii. the production of nuclear energy
 - iii. the production of alcohol; and
 - iv. the ownership or operation of commercial gambling activities.

In addition, any investment in a financial security issued by a company on the Funds For Good exclusion list will be prohibited.

Finally, the Investment Manager will also restrict investments (direct or indirect) in agricultural or hard commodities, with the exception of precious metals.

- ***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.

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

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

Good governance practices are an integral part of the process of selecting the best-performing companies for inclusion in MSCI's ESG indices. They are also part of the process of S&P and Sustainalytics.

MSCI's Corporate Governance Score is an absolute assessment of a company's governance using a universally applied 0-10 scale. Each company starts with a 'perfect' score of 10 and score deductions are applied based on the assessment of key parameters. MSCI's corporate governance score is derived from the raw score which is calculated as the sum of the points associated with the key metrics. The 96 underlying key indicators are grouped into four themes: (i) board of directors, (ii) remuneration, (iii) ownership and control and (iv) accounting.

- Board of Directors: The Board of Directors theme is rated primarily on the basis of the independence of the Board of Directors from management and on various measures of the experience and effectiveness of the Board of Directors. Negative governance events, such as bankruptcies, securities fraud litigation or regulatory investigations, as well as threats of delisting, are included in this section. Although they do not generally apply to the majority of companies and are therefore not ranked separately, these events can have a significant impact on a company's overall governance ranking.

- Remuneration: Remuneration practices for CEOs and other executives are assessed for all companies, including specific remuneration figures where disclosed. Remuneration is rated primarily on the basis of remuneration levels relative to peers, as well as on specific features of the design of the remuneration package. Reflecting the different levels of disclosure in the markets, the remuneration rankings are designed to ensure that companies with poor disclosure are not rewarded.

- Ownership and control: the ownership and control theme assesses the following elements: (1) concerns about the ownership structure of the company, including the presence of controlling shareholders, differential voting rights between different classes of shares and majority voting arrangements; (2) takeover defences, such as poison pills, classified boards and other arrangements affecting the ability of shareholders to accept an attractive offer for a company, with particular emphasis on multiple defences ; (3) shareholder rights that enable investors to act collectively, such as the right to call special meetings or to act by written consent; and (4) provisions that impede shareholder rights, such as limitations on voting rights and the ability of shareholders to approve changes to the charter and by-laws.

- Accounting: the accounting theme assesses corporate transparency and the reliability of financial reporting as an aspect of corporate governance.



What is the asset allocation planned for this financial product?

#1 Aligned with E/S characteristics: 75% of investments (including long positions) are aligned with the environmental or social characteristics promoted by the Sub-Fund.

#1A Sustainable: at least 10% are sustainable investments with environmental and social objectives.

#1B Other E/S characteristics: maximum 65% of investments aligned with environmental or social characteristics that are not sustainable investments.

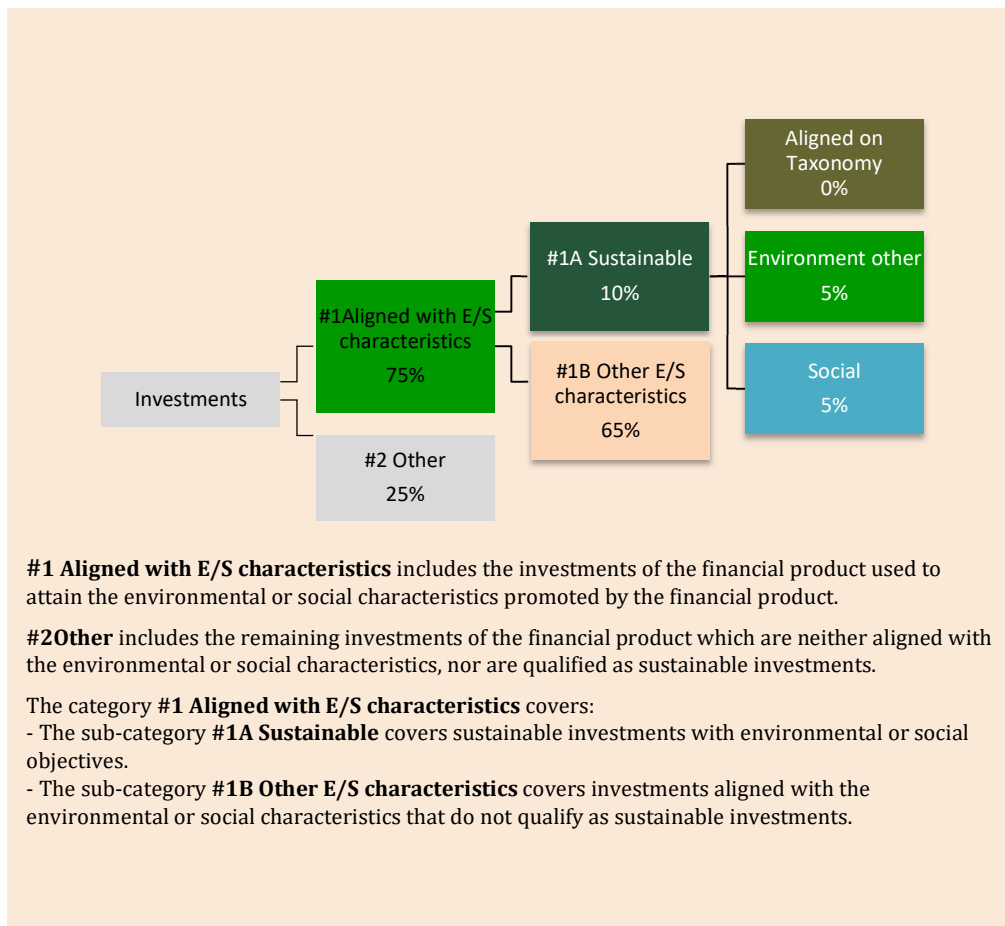
Asset allocation

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.

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.



#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.

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

If the sub-fund uses derivatives, these will not be 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?

Enabling activities

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

Transitional activities

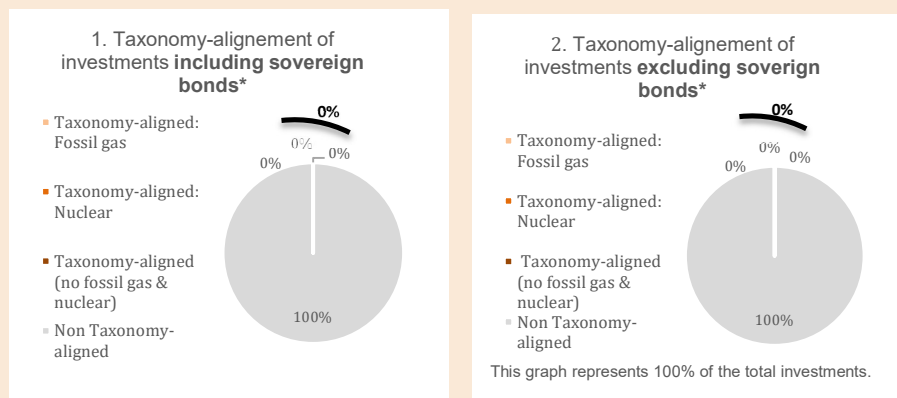
are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

This does not apply to this sub-fund.

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?

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 objective - 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.

This does not apply to 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.



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

The Sub-Fund undertakes to invest a minimum of 5% of its net assets in sustainable investments with an environmental and/or social objective.



What is the minimum share of socially sustainable investments?

The Sub-Fund undertakes to invest a minimum of 5% of its net assets in sustainable investments with an environmental and/or social objective.



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

tem ‘#2 Other’ may include

- cash and cash equivalents ;
- derivatives on unsustainable indices, which are used because there is no sufficiently liquid sustainable alternative at the moment and which are used for hedging purposes;
- investments under ESG review; and
- investments that no longer comply with current ESG criteria and are expected to be sold within the next three months, where possible.



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?

No benchmark has been designated to determine whether this Sub-Fund is aligned with the environmental and/or social characteristics it promotes. However, in respect of the Sub-Fund's direct investments in corporate debt securities or equities and equity-related securities, the Sub-Fund may, in order to achieve its objective, select assets from indices (such as the MSCI ESG indices or others) that are consistent with the social and environmental characteristics promoted by the Sub-Fund.

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

- ***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/>
