



PHILANTROPY & IMPACT INVESTING

FUNDS FOR GOOD CERTIFICATION DECLARATION 2012

*To the investors, intermediated by Funds For Good
To the concerned philanthropists
To the beneficiaries and charities
To the banking partner(s) of Funds For Good
To the public,*

Forum ETHIBEL asbl was appointed by **Funds For Good** S.A. (LU24340175), to execute an independent control of the financial and procedural aspects of its philanthropic support. Funds for Good (FFG) seeks to have its social responsibility activities verified and to show that the allocated funds are well used for long term and self-sustainable development projects.



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

Forum ETHIBEL has examined the constitutional documents, the organigram, the conventions and agreements between Funds For Good and its partners and beneficiaries, the Philanthropic Charter and the forms allowing inspection for clients, while guaranteeing confidentiality.

This Certification Declaration for 2012, the second complete financial year, includes the audit of the accounts and of all other documents that allow verification of the good governance of the philanthropic aspect of **Funds For Good's** activities.

Forum ETHIBEL has reviewed the following elements which constitute the basis for future verification:

1. Fund promotion. FFG promoted a range of funds, while presenting the advantages of impact investing to institutional clients (B2B). In the course of 2012, this activity was renamed "FFG Strategy Explorers". For individuals as well as small and medium-sized enterprises (B2C) a specific offer, called "FFG Financial Architects", was launched. The latter activities were not considered in this report.

2. Legal relationship. Interested institutional investors contact **Funds For Good**, who will provide the coordinates of the bank that helps them in their investment procedure. The interested parties therefore become direct bank clients, and are not legally bound to **Funds For Good**. Nevertheless, FFG informs them about the concrete support provide through their contributions.

3. Responsible Investment and Impact Financing. A series of initiatives regarding responsible investment exist. The best-known are RI funds (Responsible Investments), which incorporate extra-financial criteria into investment decisions and portfolio management. **Funds For Good** supports and promotes the principles of RI, but doesn't 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 allows investors to participate in projects in the field. Impact is

achieved by donating corporate revenues in part to community projects, and this without impacting investors' returns.

4. Resources. 50% of the net profits derived from fund promotion, is donated to charities. FFG is committed to donate 10% of revenue for investments until € 50 mio, 15% for the next € 50 mio and 20% of revenue above. For all other promoted strategies (amongst which passive strategies), Funds For Good donates 10% of its revenue.

Forum ETHIBEL found that in 2012, a total of € 11.000 was donated, which matches the promised commitments for a total of € 79 mio of assets under management.

5. Maximisation of profits and donations. Profits optimization is achieved through (i) minimizing structural expenses; (ii) salary policy and (iii) network relationship with providers, who all support the project through advantageous pricing. **Funds For Good** provides balance sheets and expense transparency.

6. Remuneration policy and continuity. FFG is a privately held company with an objective of revenue and profits by developing its activities. Providing a market standard remuneration is a good way of attracting the best talents in the industry. The remuneration policy is claimed to be far away from excesses, witnessed in the financial sector.

7. Beneficiaries and scope of Philanthropic Action. Beneficiaries of donations are only recognized organizations with a demonstrated process. **FFG** funds medium to long term development projects involved in Health, Education and Entrepreneurship that demonstrate their attention to prevention and that are self-sustainable and sufficiently independent.

8. Philanthropic committee. In order to optimize the selection process and the efficiency of the philanthropic programs, the founders created the Funds For Good Foundation, which is hosted by the King Baudouin Foundation.

9. First beneficiary partner. **Funds For Good** has partnered with la Croix-Rouge de Belgique, that will be the only recipient of its donations until they have reached € 60.000. The donation in 2012 was spent on the project "Burundi Protection de l'Enfance".



10. Reports on the use of donations. In a first impact report **FFG** informed its investors on the precise impact obtained through their donations. The cost of one complete school year (tuition, books and uniforms) was covered for 800 children and wells were drilled for 3 villages.

In conclusion, we report that, in our judgment and for the year 2012, the **Funds For Good** activities were conducted substantially in accordance with the terms of the Philanthropic Charter.

For Forum ETHIBEL asbl

Herwig Peeters, Director
Brussels, 30th of August 2013