



IMPACT INVESTING & PHILANTROPY

FUNDS FOR GOOD

CERTIFICATION DECLARATION 2014

*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,*



FUNDS FOR GOOD
invest, impact

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 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 (FFG) introduces investment strategies of high quality to institutional 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 2014, the fourth 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 2014 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 concrete social 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 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** is donating part of its revenues to community projects, and this without creaming off investors' returns.

4. Resources. According to **FFG's** Philanthropic Charter, 50% of the net profits derived from its activities are donated to social projects. In case no profits are made, **FFG** is committed to donate 10% of revenue.

Forum ETHIBEL found that in 2014, a total of € 25.265 was donated, which matches the promised commitment of 10% of its revenue.

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 2014, around forty files have been analysed and 22 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: provide disadvantaged people with products that they cannot afford and address the waste problem of unused stocks in companies.

6. Maximisation of profits. Profits 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 provides balance sheets, profit and loss accounts as well as expense transparency.

7. Remuneration policy and continuity. FFG is a privately held company with an objective of revenue and profits by developing its activities. By providing a market standard remuneration, FFG aims to attract the best talents in the industry, but the remuneration policy is claimed to be far away from excesses, as witnessed in the financial sector.

8. Reports on the use of donations. FFG issued the Impact Report 2014 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 2014, 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, 11 January 2016