

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

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.

Product name: FFG American Impact Equities
Legal entity identifier: 5493000DXP7B9ULHDV14

Sustainable investment objective

Did this financial product have a sustainable investment objective?	
<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Yes	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> No
<input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: <u>60.4%</u> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promoted environmental/social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of <u> </u> % of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input checked="" type="checkbox"/> It made sustainable investments with a social objective: <u>36.3%</u>	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent was the sustainable investment objective of this financial product met?

The objective of the fund is sustainable investment. Impact generation and sustainability were therefore at the heart of the manager's approach and the investment strategy was to target companies with sustainable activities offering solutions for the future.

The Manager has based his sustainability approach on the 17 United Nations Sustainable Development Goals (SDGs). Through a detailed qualitative analysis of the company, the Manager identifies the effect of the company's activities on one or more SDGs.

In this respect, issuers taken individually generated more than 5% of their revenue through products and services that contribute to one or more SDGs. In addition, the weighted average percentage of turnover achieved by portfolio companies from products and services that contribute to one or more SDGs was above 20%.

● *How did the sustainability indicators perform?*

The weighted average percentage of turnover achieved by portfolio companies from products and services that contribute to one or more SDGs was on average 82.3%. 51.1% were linked to environmental objectives, while 31.2% were linked to social objectives.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.



Illustrative graph showing the breakdown by theme and individual SDGs of revenues effectively aligned with the SDGs – taking into account the main SDGs identified; related impacts on other SDGs are possible. Data as at end of December 2023.

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.

... and compared to previous periods?
This does not apply to the sub-fund, which was launched on 15 June 2023.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The manager has defined a methodology for taking into account Principal Adverse Impacts (PAIs) to ensure that any investment contributing to one area of sustainability does not cause significant harm to others. As part of this, the manager tested each potential sustainable investment across all PAIs by applying thresholds that made it possible to assess whether an issuer's activities significantly undermine sustainability objectives.

How were the indicators for adverse impacts on sustainability factors taken into account?

In its analysis of the 14 mandatory PAIs applicable to private issuers, the manager identified nine numerical indicators and five binary indicators. The manager also selected one additional numerical indicator and one additional binary indicator, which were treated in the same way as the

mandatory indicators.

For each of the mandatory and additional numerical indicators used, the manager has defined thresholds above which it is considered that there is "significant harm" to a sustainability objective. In order to treat all companies fairly, each one was compared with its peers in the same GICS sector and geographical region. The manager has set the "Do No Significant Harm" (DNSH) threshold for each numerical indicator at the limit of the 5th quintile of values for all companies in the same sector and geographical region. Thus, an issuer has passed the DNSH test for a PAI if it is among the top 80% of issuers in its sector and geographical region.

The five mandatory binary indicators are examined individually. The information reported by the binary PAIs reflects basic concepts that any company will have to respect in order to claim that no significant harm has been done to another sustainability objective.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding principles on Business and Human Rights? Details:

The manager has excluded companies that do not comply with international human rights or labour standards as defined by the United Nations Global Compact. In practice, companies that did not comply with the United Nations Global Compact, did not comply with the United Nations Guiding Principles on Business and Human Rights, did not comply with the principles and rights set out in the International Labour Organisation Declaration and the International Bill of Human Rights, or which were highly controversial, were not included in the universe of sustainable assets.

The manager relied on an internal methodology taking into account PAIs. This is available on the fund manager's website: www.banquedeluxembourginvestments.com, under the "Responsible Investment" tab.

It used data provided by MSCI ESG Research, an independent external data provider.



How did this financial product consider principal adverse impacts on sustainability factors?

The manager applied the internal methodology, which describes:

- Analysis of the main negative impacts defined in the SFDR framework to take into account the negative sustainability impacts of a company and its activity on its various stakeholders, as well as
- Its integration into the BLI methodology which makes it possible to identify financial products defined as sustainable assets.

The manager aggregated the PAI indicators at portfolio level and monitored them periodically. This periodic review has enabled the manager to optimise their portfolio in terms of PAI indicators. This information is detailed in the fund's annual report. The fund manager has published a list of the PAIs it monitors and defined its approach in this area on its website: www.banquedeluxembourginvestments.com, under the “Sustainable and responsible investment” tab.



What were the top investments of this financial product?

Largest investments	Country	Sector	% Assets
Quanta Services Inc	United States	Industrials	4,44%
Waters Corp	United States	Healthcare	4,35%
Clean Harbors Inc	United States	Industrials	4,34%
Xylem Inc	United States	Industrials	4,24%
Agilent Technologies Inc	United States	Healthcare	4,18%
Danaher Corp	United States	Healthcare	3,97%
Tyler Technologies Inc	United States	Technology	3,78%
TopBuild Corp	United States	Industrials	3,74%
Waste Management Inc	United States	Industrials	3,71%
Trane Technologies PLC Class A	United States	Industrials	3,62%
Trex Co Inc	United States	Industrials	3,47%
Ansys Inc	United States	Technology	3,46%
Advanced Drainage Systems Inc	United States	Industrials	3,37%
Acuity Brands Inc	United States	Industrials	3,23%
West Pharmaceutical Services Inc	United States	Healthcare	3,22%

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: the 15 largest securities positions held by the financial product (on average since the end of June 2023).



What was the proportion of sustainability-related investments?

96.9% of the net assets of the financial product.

Asset allocation

describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

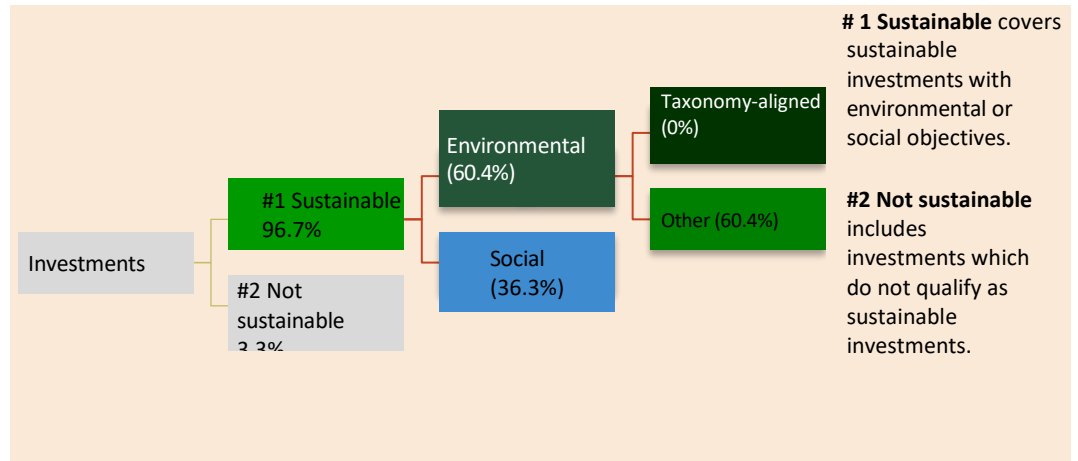
Enabling activities

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

Transitional activities are economic activities

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

What was the asset allocation?



In which economic sectors were the investments made?

Sector	Weight (%)	Sub-sector	Weight (%)
Basic Materials	2,09	Chemicals	2,09
Consumer Cyclical	2,02	Vehicles & Parts	2,02
Consumer Defensive	3,30	Consumer Packaged Goods	2,84
		Education	0,46
Healthcare	27,70	Medical Diagnostics & Research	16,84
		Medical Devices & Instruments	9,88
		Healthcare Providers & Services	0,98
Industrials	38,23	Construction	18,65
		Industrial Products	10,35
		Waste Management	8,05
		Business Services	1,18
Technology	22,14	Software	10,47
		Hardware	7,55
		Semiconductors	4,12



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

The financial product has not committed to holding sustainable investments with an environmental objective in line with the EU taxonomy. Irrespective of the above, the fund has no investments in activities linked to fossil gas and/or nuclear energy.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

Yes

In fossil gas

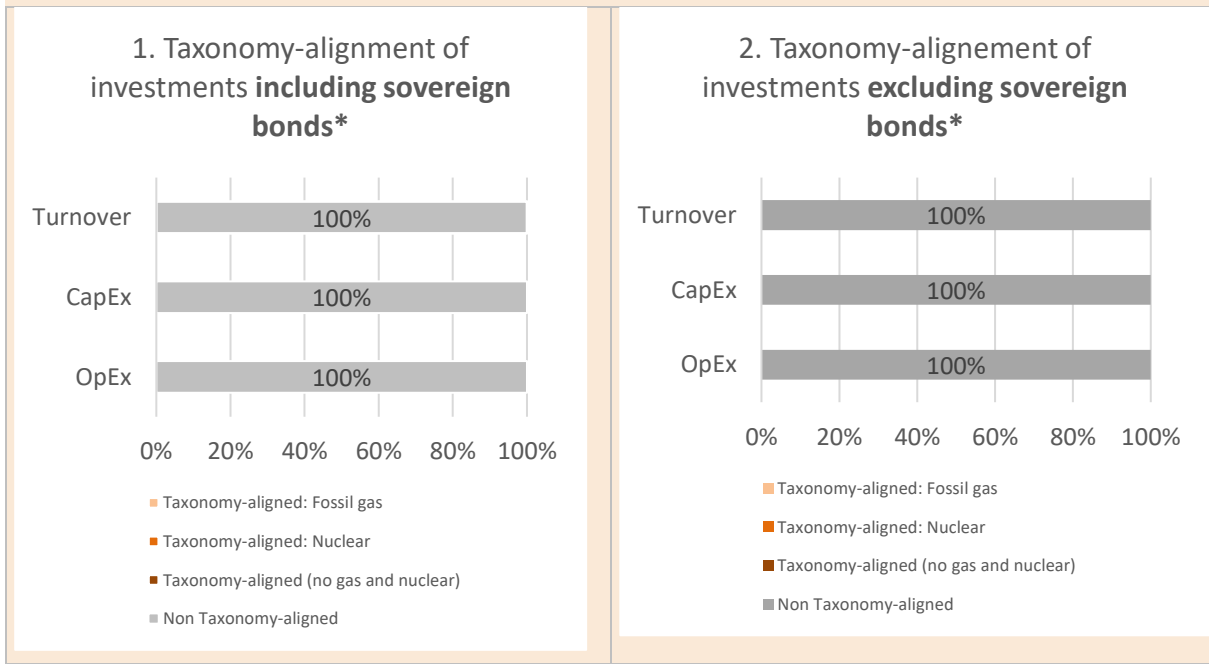
In nuclear energy

No

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.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment in investments of the financial product other than sovereign bonds.*



**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

The financial product has not committed to holding sustainable investments with an environmental objective in line with the EU taxonomy.

¹ Fossil gas and/or nuclear 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. All the criteria applicable to economic activities in the fossil gas and nuclear energy sectors that comply with the EU Taxonomy are set out in Commission delegated Regulation (EU) 2022/1214.

● **What was the share of investments made in transitional and enabling activities?**

The minimum proportion of the investments underlying this financial product that target environmentally sustainable economic activities within the meaning of the EU Taxonomy had been estimated at 0% of the net assets of the sub-fund and was not measured during the period under review.

● **How did the *percentage of investments aligned with the EU Taxonomy compare with previous reference periods?***

n.a.

 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 was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

60.4% of the net assets of the financial product. These investments have been classified as sustainable on the basis of BLI's methodology for defining sustainable investments under Article 2(17) of Regulation (EU) 2019/2088.



What was the share of socially sustainable investments?

36.3% of the net assets of the financial product.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The investments included in category “#2 Not sustainable” corresponded to cash positions that are necessary for proper management of the inflows and outflows of the financial product. Due to the nature of these positions, no environmental or social guarantees could be applied.



What actions have been taken to attain the sustainable investment objective during the reference period?

The manager has pursued a sustainable investment objective along the following lines:

- Investing in companies with a positive impact

A minimum of 75% of the fund's net assets were invested in sustainable environmental or social assets. The manager invested in companies that contributed, directly or indirectly, to the achievement of the United Nations sustainable development goals.

- Exclusions

The manager carried out a preliminary sustainability analysis that resulted in the application of normative and sectoral exclusions.

The fund manager has checked that the fund does not contain any assets from countries on the EU, UN or OFAC sanctions lists. Any additional Luxembourg sanctions list has also been taken into account.

The manager has excluded companies active in the following sectors:

- Manufacture, use or possession of controversial weapons: anti-personnel mines, cluster bombs, biological and chemical weapons, depleted uranium, etc.;
- Manufacture, use or possession of nuclear weapons;
- Coal: stocks on the Global Coal Exit List (GCEL) drawn up by the German NGO Urgewald;
- Gold mines;
- Non-conventional hydrocarbons: stocks on the Global Oil & Gas Exit List (GOGEL) drawn up by the German NGO Urgewald, more than 25% of whose oil and gas production comes from non-conventional deposits or techniques.

Companies generating 5% or more of their revenues from the following controversial activities:

- Armaments;
- Nuclear energy;
- Fossil fuels;
- Gambling;
- Tobacco;
- Alcohol.

The following were also excluded:

- Companies classified as “Failing” or placed on a Watch List by MSCI ESG Research in relation to their compliance with the principles of the United Nations Global Compact (UNGC);
- Companies that are the subject of severe or very severe controversy and categorised as red or orange by MSCI.

- Identification of and alignment with target SDGs

For each investment candidate, the manager identified the SDGs targeted by the products and services. If this preliminary identification proved fruitful, a more in-depth analysis was carried out.

In order to determine the type of impact generated, particularly in terms of the breakdown between environmental and social issues, the manager has chosen to work through the prism of four major impact categories (E: natural resources; climate change; S: good health and longevity; fair and innovative society).

For each of these, the management team has also identified sub-themes and the SDGs likely to be targeted.

Next, in-depth analysis of the impact identified was carried out on the basis of five dimensions of analysis deemed relevant for a comprehensive understanding of the elements influencing corporate culture and the impact (current and future) of the products and services offered (Influence, Quality, Potential, Culture, Revenues).

Finally, the sustainability and impact analysis is formalised in an analysis sheet aimed at summarising the main points of attention: Description of the activity; Importance of the activity in terms of sustainability and impact (what impact, what empirical evidence, etc.); Overview of impact dimensions; Alignment with SDGs (percentage of revenues).

- Engagement

On a case-by-case basis, and in particular with a view to safeguarding the interests of its shareholders and achieving its ESG objectives, the manager has entered into dialogue with company management teams and exercised its voting rights in order to influence the companies in its portfolio regarding material ESG issues.

During the period under review, the manager continued to engage with investee companies regarding their SBTi (Science Based Target initiative) status and their signature of the UN Global Compact; The manager also voted at the general meetings of invested securities in accordance with its voting policy based on sustainability principles. The engagement and voting policies as well as the annual SRI activity reports are available on the fund manager's website: www.banquedeluxembourginvestments.com, under the "Responsible Investment" tab.



How did this financial product perform compared to the reference sustainable benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

- *How did the reference benchmark differ from a broad market index?*
N/A
- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*
N/A
- *How did this financial product perform compared with the reference benchmark?*
N/A
- *How did this financial product perform compared with the broad market index?*
N/A