

ESG PORTFOLIO MANAGEMENT

Monthly report March 2019

OUR LATEST ACHIEVEMENTS

PSD Bank Westfalen-Lippe eG becomes strategic Investor. Besides a significant investment in our bond fund, PSD Bank Westfalen-Lippe eG offers to act as a point of contact for potential investors.

ESG Portfolio Management becomes signatory of CDP (Carbon Disclosure Project).

We joined an initiative of the Church of England to improve the security standards in the mining industry

If you like to know more you are invited to contact us.

SKALIS EVOLUTION FLEX I (WKN: A1W9AZ)

The conservative balanced fund is on track, after the restructuring in late summer. The well diversified portfolio delivered a positive performance driven by the continued recovery in the credit and equity markets. The fund achieved 0,44% during March and a year to date performance of 3,90%.

We like to highlight the successful new issue of the NRW green bond with a maturity of fifteen years. This bond was issued 6th of March at 99,835 and increased to 103,547 at month's end. This increase was mainly caused by the supportive central bank policies but also by a significant spread tightening of 8 basis points. Both funds profited from decent allocations in this attractive new issue.

The fund already achieves a very high ESG portfolio score of 8.3 and shows a very high positive SDG-impact. The carbon emissions of 95,6 t. CO₂ pro Mio. USD sales are significantly lower compared to benchmarks like STOXX Europe 600 (190 t.) and EUR Agg. Corporates (147 t.) (Source: MSCI ESG).

Performance SKALIS EVOLUTION FLEX

Monthly Returns (in %) - ESG Portfolio Management GmbH advises since July 2018

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2014 | | | -0,48 | 0,75 | 0,68 | -0,05 | -0,25 | 1,08 | 0,30 | -1,30 | 2,11 | -1,20 | 1,60 |
| 2015 | 3,23 | 2,58 | 0,63 | -0,49 | -0,38 | -2,49 | 1,52 | -4,97 | -1,13 | 4,00 | 1,90 | -1,86 | 2,19 |
| 2016 | -3,02 | -2,12 | 1,21 | -0,19 | -0,17 | -1,83 | 0,64 | 0,50 | -0,47 | -0,37 | -0,93 | 1,41 | -5,32 |
| 2017 | 0,16 | 1,13 | 1,51 | 0,85 | 0,28 | -1,33 | 0,34 | -0,72 | 2,96 | 0,84 | -0,62 | -0,32 | 5,12 |
| 2018 | 0,92 | -1,36 | -1,01 | 1,38 | -1,23 | -0,53 | 1,16 | -0,84 | -0,12 | -1,57 | 0,42 | -2,09 | -4,84 |
| 2019 | 1,78 | 1,65 | 0,44 | | | | | | | | | | 3,90 |

Source: Universal Investment, April 1st 2019



„We stand for sustainable investment solutions with high ESG-Quality and positive SDG-Impact“ Christoph Klein, ESG Portfolio Management GmbH

MAYENCE FAIR VALUE BOND FONDS (WKN: A2AQZE)

Since February, ESG Portfolio Management advises the Mayence Fair Value Bond Fonds. This bond fund is focussing on European corporate bonds with high credit qualities. The fund has an average credit rating of BBB+ (Source: Universal Investment).

With minus 0,37 % the fund achieved a negative performance in March. The year to date performace stands at 1,32%. The main reason for the disappointing month has been the short position in Bunds with very long maturities.

During March, several supportive statements from central banks led to significant increases in bond prices. In the long term we expect increasing yields of European sovereign bonds and prefer carefully selected corporate bonds with high ESG qualities and positive SDG impact. We screen and exploit the new issue market intensely to fullfill this task.

This fund already achieves a very high ESG score of 8.4 (max. 10) and has now a very high SDG impact – especially in the areas nutrition and alternative energies. The carbon emissions amount to 93,6 t. CO2 per mio USD sales (Source: MSCI ESG).

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WERTENTWICKLUNG MAYENCE FAIR VALUE BOND

Monthly Returns (in %) - ESG Portfolio Management GmbH advises since July 2018

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|-------------|-------|------|-------|------|-------|-------|-------|-------|------|-------|-------|-------|-------|
| 2017 | -0,54 | 1,62 | -0,15 | 1,04 | -0,20 | -0,35 | -0,46 | 0,09 | 0,39 | 0,79 | -0,66 | 0,03 | 1,58 |
| 2018 | -0,55 | 0,07 | -0,66 | 0,61 | -0,41 | -1,75 | 1,31 | -0,56 | 0,81 | -0,68 | -0,73 | -0,52 | -3,07 |
| 2019 | 1,06 | 0,63 | -0,37 | | | | | | | | | | 1,32 |

Source: Universal Investment, April 1st 2019

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ESG Portfolio Management GmbH, headquartered in Frankfurt am Main, is an owner-managed company with core competence in bank-independent advice on capital market products. It develops tailor-made solutions for professional investors in order to generate sustainably adequate income despite rather low risk budgets. ESG Portfolio Management is initiator and advisor to the funds Skalis Evolution Flex and Mayence Fair Value Bond Fonds.

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