

ESG PORTFOLIO MANAGEMENT

Monthly report July 2019

Summary Scorecard

AUM	Module Name	Your Score	Legend: Your Score (Blue), Median Score (Orange)
	01. Strategy & Governance	A	
Direct & Active Ownership Modules			
10-50%	10. Listed Equity - Incorporation	A+	
10-50%	11. Listed Equity - Active Ownership	A	
<10%	12. Fixed Income - SSA	A	
<10%	13. Fixed Income - Corporate Financial	A	
>50%	14. Fixed Income - Corporate Non-Financial	A	
<10%	15. Fixed Income - Securitised	A	

ESG PM RECEIVES A RATING IN PRI REPORTING ASSESSMENT

We are delighted about the very good assessment for our first PRI report. Furthermore, we learned in which areas we can improve.

Our TOP 3 positions in Flex:

Essity (ESG: AAA, SDG: 91)

Danone (ESG AAA, SDG: 51)

Xylem (ESG: AAA, SDG: 45)

Bottom positions in Flex:

Ahold (ESG: A, SDG: 18)

Carrefour (ESG: A, SDG: 17)

Banco Sabadell (ESG: A, SDG: 9)

Source: MSCI ESG

(Source: PRI Assessment Report 2019, ESG Portfolio Management)

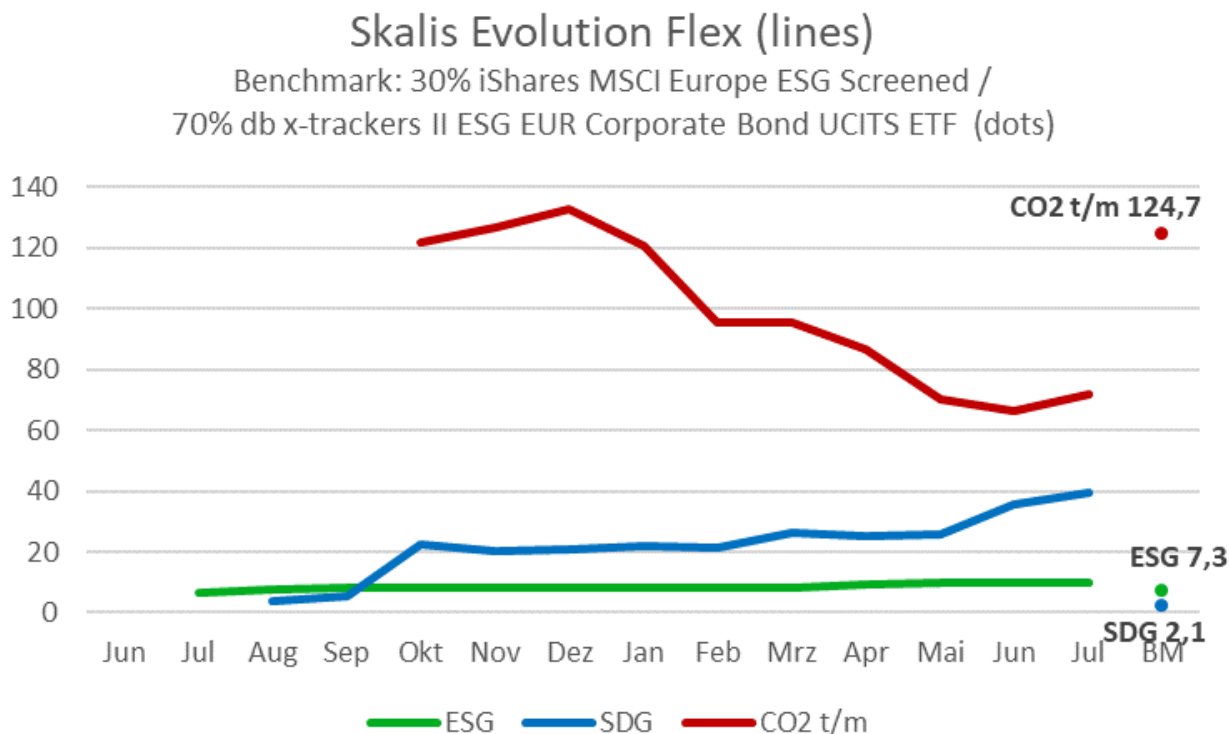
SKALIS EVOLUTION FLEX I (WKN: A1W9AZ)

During July our short interest duration (short BTPs) reduced our performance. In the longer run, we expect a normalization (increase) of global bond yields.

The Flex achieved the maximum MSCI ESG Score of 10, with the components E: 6.6, S: 5.7 and G: 6.7. 21% of our positions got an ESG upgrade and none a downgrade.

With a value of 71.8 tonnes of CO₂ per million USD sales, carbon emissions are still far below the benchmark (30% iShares MSCI Europe ESG Screened / 70% db x-trackers II ESG EUR Corporate Bond UCITS ETF: 124,7 t). Our SDG impact increased to 39.5%. Fund values above 20 are regarded as “very positive”. (Source: MSCI ESG).

The graph presents the fund's ESG quality, SDG impact and carbon emissions over time. The dots represent current benchmark data:



Source: MSCI ESG, August 1st 2019

Performance SKALIS EVOLUTION FLEX

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

	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	1.17	-1.07	-1,13	0,03						2.86

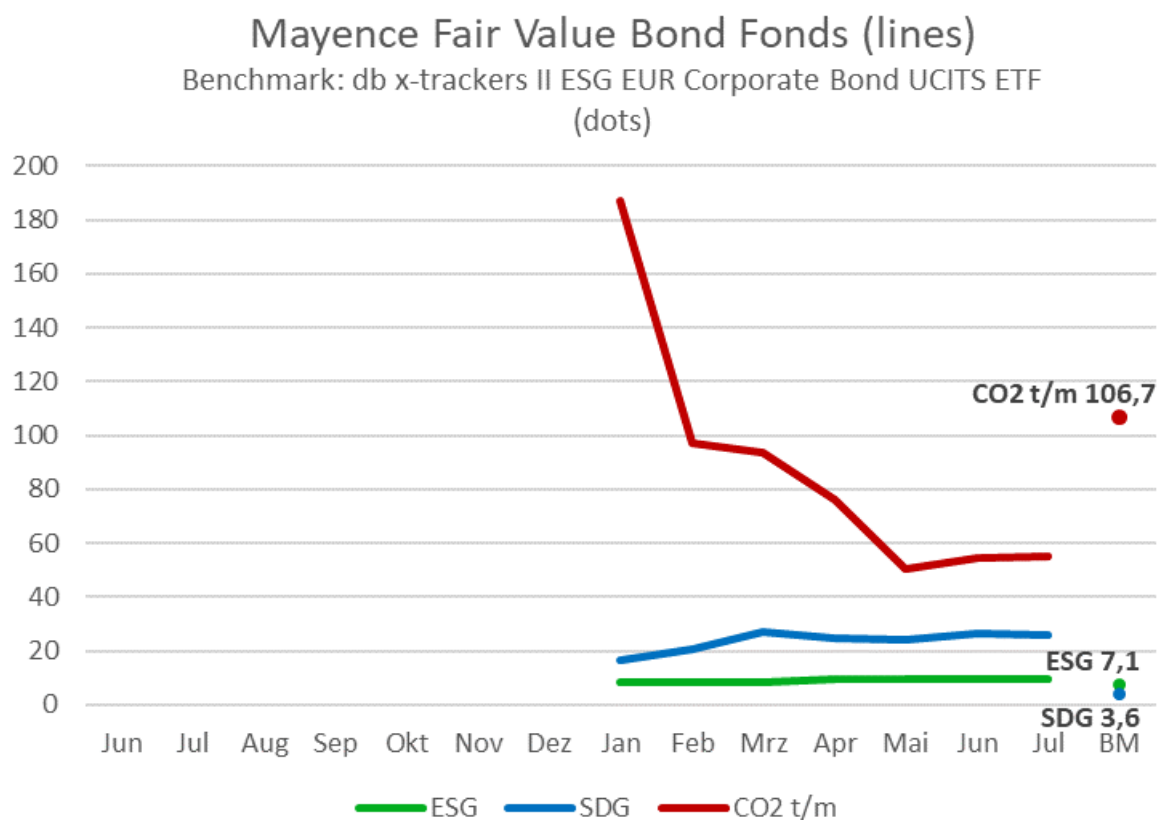
Source: Universal Investment, August 1st 2019

MAYENCE FAIR VALUE BOND FONDS (WKN: A2AQZE)

In July the fund generated a return of 0.07%. Our short duration (especially our short position in Italian government bonds) has cost performance.

We continue to prefer carefully selected corporate bonds with high ESG qualities and positive SDG impact. We screen and exploit the new issue bond market intensely. The fund has an average credit rating of BBB+ (Source: Universal Investment).

This fund now achieves a ESG score of 9.5 (max. 10) with the components E: 6.6, S: 5.7 and G: 6.6 and a “very high” SDG impact of 26.1%. 13% of our positions got an ESG upgrade and none a downgrade. The carbon emissions, with a value of 55.1 tonnes of CO₂ per mio USD sales, are far below the benchmark (db x-trackers II ESG EUR Corporate Bond: 106.7 t) (Source: MSCI ESG). Here, we present the fund’s development of ESG quality, SDG impact and carbon emissions. Again, the dots represent current benchmark data:



PERFORMANCE MAYENCE FAIR VALUE BOND

Monthly Returns (in %) - ESG Portfolio Management GmbH advises since February 2019

	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	0.68	0.01	0.07							1.80

Source: Universal Investment, August 1st 2019

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