

ESG PORTFOLIO MANAGEMENT

Monthly report September 2019



CHRISTOPH KLEIN ATTENDS THE PRI CONFERENCE IN PARIS

The greatest sustainable investment conference worldwide with ca. 1.700 participants is a great opportunity to exchange views and to learn.

SDG Evolution Flexibel is the new name of our balanced fund. To celebrate this event we re-opened the S(eed) class (WKN: A1W9A0).

Christoph Klein published the research paper „Quantitative Credit Rating Models including ESG factors“ with the University of Stuttgart <https://www.bwi.uni-stuttgart.de/abt3/aktuelles/news/N-euer-Forschungsbericht-Quantitative-Credit-Rating-Models-including-ESG-factors/>

PRI Signatory Celebration with Martin Skancke, PRI Chair. Source: PRI.

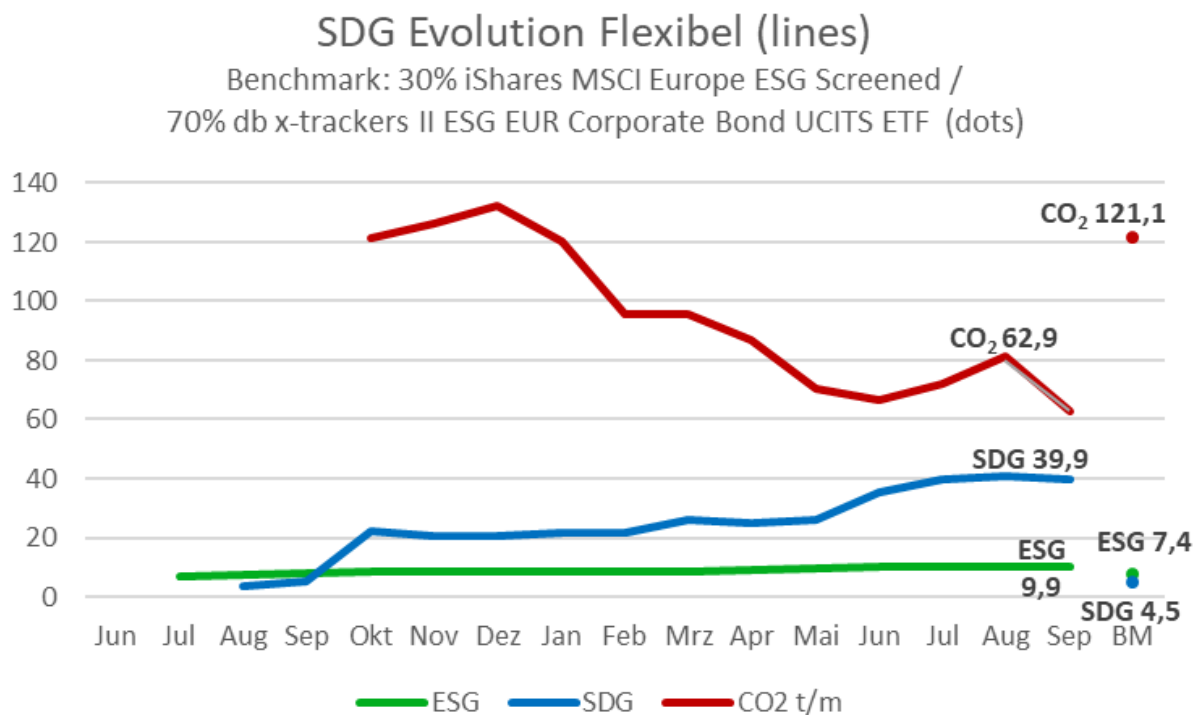
SDG EVOLUTION FLEXIBEL I (WKN: A1W9AZ)

Our short interest duration (especially short BTPs) caused our negative performance in September. We are reducing the interest hedges as politics and central banks dominate market expectations.

The Flex achieved a very high MSCI ESG Score of 9,9 (max. 10), with the components E: 6,5, S: 5,6 and G: 6,6. 15% of our positions got an ESG upgrade and none a downgrade.

With a value of 62.9 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: 121,1 t). Our SDG impact increased to 39.9%. 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, October 1st 2019

Performance SDG EVOLUTION FLEXIBEL

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	-1.22	-0.83				0.75

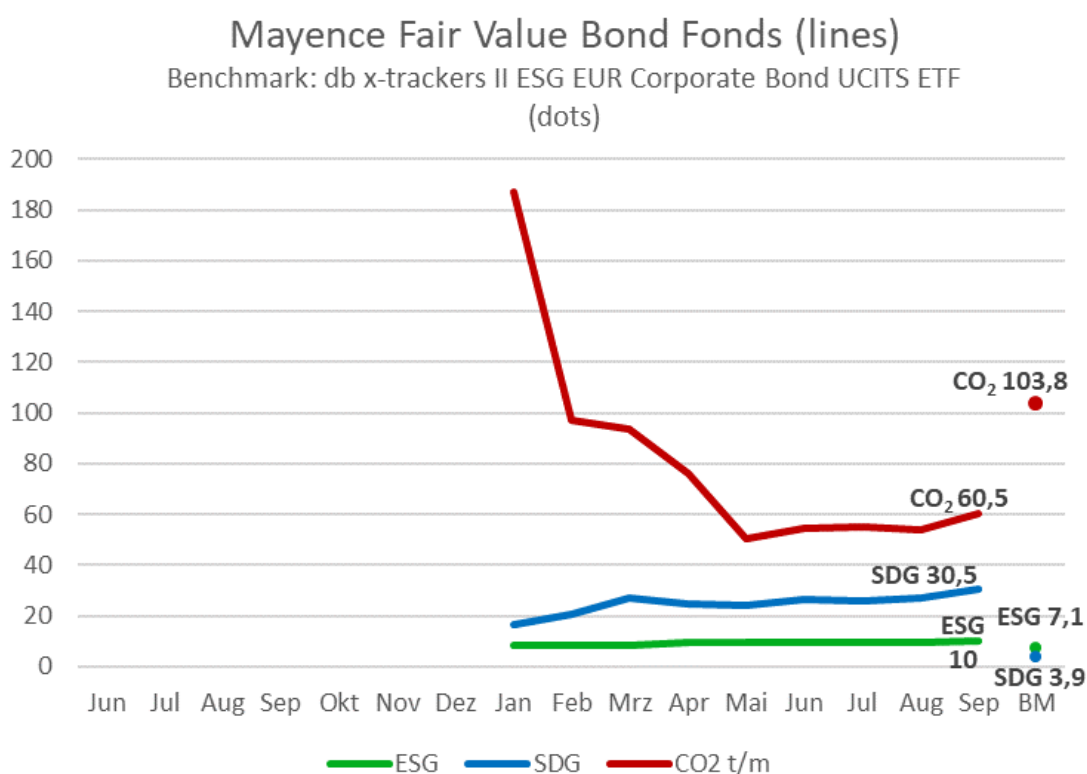
Source: Universal Investment, October 1st 2019

MAYENCE FAIR VALUE BOND FONDS (WKN: A2AQZE)

In September the fund generated a return of minus 0.72%. Our short duration (especially our short position in Italian government bonds) has cost performance. At the end of this month we closed this position. We continue to prefer carefully selected corporate bonds with high ESG qualities and positive SDG impact. The fund has an average credit rating of BBB+ (Source: Universal Investment).

This fund now achieves an ESG score of 10 (max. 10) with the components E: 6.5, S: 5.8 and G: 6.6 and a “very high” SDG impact of 30.5%. 17% of our positions got an ESG upgrade and none a downgrade. The carbon emissions, with a value of 60.5 tonnes of CO₂ per mio USD sales, are far below the benchmark (db x-trackers II ESG EUR Corporate Bond: 103.8 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:



Source: MSCI ESG, 1. Oktober 2019

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	-0.98	-0.72					0.07

Source: Universal Investment, October 1st 2019

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