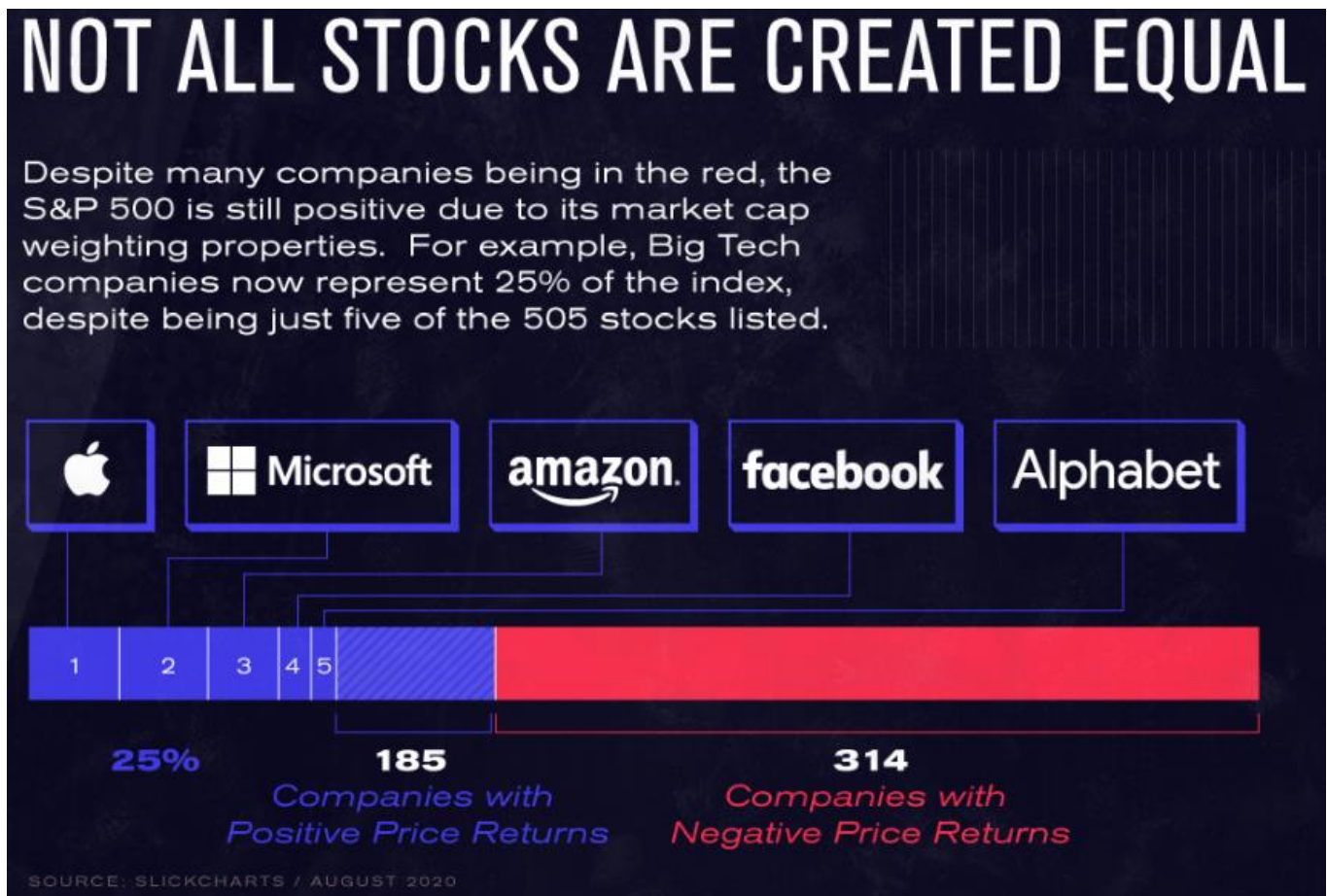


ESG PORTFOLIO MANAGEMENT

MONTHLY REPORT AUGUST 2020



Source: <https://www.visualcapitalist.com/the-stocks-to-rule-them-all-big-techs-might-in-five-charts/>

ESG Portfolio Management uses the PRI collaboration platform for engaging with Kellogg Co.

Our goal is a significant reduction of plastic packaging. We invite further investors to support us.

<https://www.esg-portfolio-management.com/wp-content/uploads/2020/07/Environmental-Finance-Summer-2020.pdf>

OUR MARKET SUMMARY AND OUTLOOK

The outperformance of companies profiting from digitalization (Amazon, Apple, Facebook, etc.) is significant. We are worried about the increasing concentration. On the other hand, many companies suffer and the number of defaults (especially in the energy, retail and travel sector) is increasing.

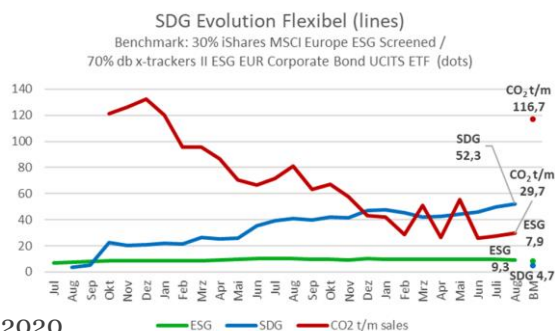
Until a well performing vaccine is found, we remain cautious and we kept our net equity allocation in our balanced fund during August at 21.5% which is below our average (30%). We will continue to invest in companies with positive SDG impact and highest ESG qualities.

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SDG EVOLUTION FLEXIBEL I (WKN: A1W9AZ)

In August, the SDG Evolution Flexibel I performed 0.63%. The prices of Vestas Wind, Siemens Gamesa, and Schneider Electric outperformed further. Otherwise poor earnings stopped the recovery of Mowi ASA. In this quiet month we only bought the new subordinated Vodafone perpetual bond.

The SDG Evolution Flexibel achieves an ESG score of 9.3 (maximum 10). 8% of our positions got an ESG rating upgrade and none a downgrade. For E we get 6.5, for S 5.9 and for G 6.8. Carbon emissions, at 29.7 t CO₂ per USD million of sales, are below the benchmark (30% iShares MSCI Europe ESG Screened / 70% db x-trackers II ESG EUR Corporate Bond UCITS ETF: 116.7 t). The SDG score is 52.3% (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, September 1st 2020

Performance SDG EVOLUTION FLEXIBEL I (WKN: A1W9AZ)

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	-0.08	1.18	0.68	2.55
2020	0.32	0.52	-6.43	2.72	0.20	3.22	0.53	0.63					1.41

Source: Universal Investment, September 1st 2020

Portfolio statistics as at August 31st 2020 (Source: Universal Investment)

(net) Asset Allocation	Risk measurement	Bond Ratings	Awards
Equities 21.53%	Risk-return profile 4 (max.7)	AAA/AA 0%	
Bonds 34.99%	Volatility 3 years 4.97	A 18.52%	
Gold 0%	Ø Credit-Rating BBB+	BBB 66.53%	
Cash 2.46%	(net) Interest duration 1.84	BB 0%	
	Spread duration 5.11	NR 14.96%	

Product details as at August 31st 2020 (Source: Universal Investment)

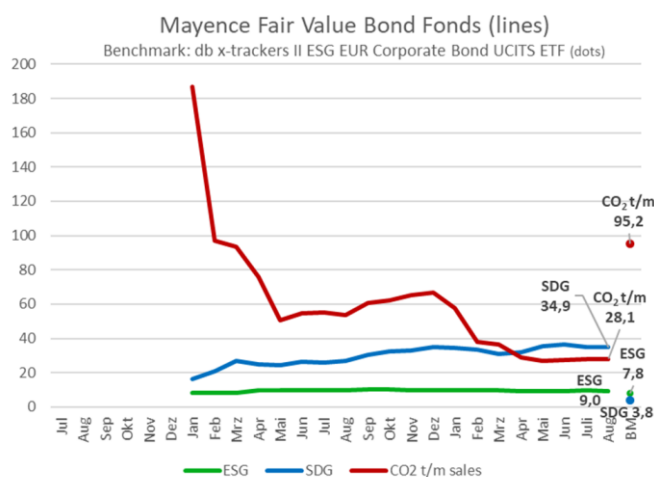
	WKN	ISIN	TER	AuM	Min. Investment
SDG Evolution Flexibel I	A1W9AZ	DE000A1W9AZ5	1.04%	8.6	100,000 EUR
SDG Evolution Flexibel R	A1W9AA	DE000A1W9AA8	2.00%	0.2	100 EUR
SDG Evolution Flexibel S	A1W9A0	DE000A1W9A02	0.67%	1.9	1,000,000 EUR

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MAYENCE FAIR VALUE BOND FONDS (WKN: A2AQZE)

In August, our bond fund generated a return of 0.16%, profiting from a decent credit spread tightening. We also invested in the Vodafone perp. The fund has a very high ESG score of 9.0 (max. 10). 4% of our positions received an ESG rating upgrade and only 2% a downgrade. For E we get 6.7, for S 6.3 and for G 6.7. The Mayence achieves an SDG impact of 34.9%. The CO₂ emissions of the companies in the portfolio amount to 28.1 t CO₂ per million USD of sales (benchmark: db x-trackers II ESG EUR Corporate Bond: 95.2 t) (sources: MSCI ESG).

The following chart shows the fund's performance in terms of ESG quality, SDG impact and CO₂ emissions:



Source: MSCI ESG, September 1st 2020

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	-0.30	0.07	-0.98	-0.72	0.12	-0.29	0.04	-0.06
2020	0.41	0.45	-3.93	0.65	0.75	1.55	0.95	0.16					0.88

Source: Universal Investment, September 1st 2020

Portfolio statistics as at August 31st 2020 (Source: Universal Investment)

Rating Distribution

AAA/AA	3.06%
A	25.52%
BBB	56.00%
BB	1.42%
NR	11.45%

Risk measurement

Risk-return profile	3 (max. 7)
Volatility 3 years	2.97%
Ø Credit-Rating	BBB+
(net) Interest duration	2.63
Spread duration	5.26

Awards



Product details as at August 31st 2020 (Source: Universal Investment)

	WKN	ISIN	TER	AuM	Min. Investment
Mayence Fair Value Bond	A2AQZE	DE000A2AQZE9	1.13%	21.2	25,000 EUR

Strong measures and rules seem to be successful in limiting the spread of Covid-19.

ESG PORTFOLIO MANAGEMENT ordered the production of these masks (see picture). They are made from 100% bio cotton and can be cleaned and reused. For every ordered mask the producer <https://good-give.com/> donates one mask to Africa

If you are interested, please email klein@esg-pm.com



The ESG score is calculated by MSCI ESG

The ESG scores is based on the ESG ratings of the portfolio positions but also on the ratio of ESG rating upgrades to downgrades. Our target ESG score is at least 9.0 (maximum 10)

<https://www.msci.com/esg-fund-ratings/funds/sdg-evolution-flexibel-ak-i/68243264>

The SDG impact is calculated by MSCI ESG

The SDG impact is measured by the companies' turnover which can clearly be attributed to a theme. We translate these MSCI ESG themes in specific SDG impacts without changing the portfolio impact number.

The Carbon intensity is also calculated by MSCI ESG

The Carbon intensity is measured in t CO₂ divided by sales for every company and aggregated for the funds.

We measure our portfolios' climate risk with the support of the company right. based on science.

<https://www.right-basedonscience.de/>

For our bond fund we use for comparison the db x-trackers II ESG Corporate Bond UCITS ETF

For our balanced fund we use 70% of the Corporate Bond ETF mentioned above and 30% of the equity ETF iShares MSCI Europe ESG Screened (reflecting our average equity allocation of 30%)

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The fund has increased volatility due to its composition and investment policy, which means that unit prices may be subject to significant upward and downward fluctuations within a short period of time. Calculations or yield data are not to be understood as a yield commitment; they are purely indicative and based on data and assumptions that may possibly not be realized in practice, only in a different form or at different times. As a result, there is a risk that, in reality, lower returns or even losses, even total loss, will be achieved. Past performance is no indication of future performance.

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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ESG Portfolio Management GmbH
Weißfrauenstraße 12-16
60311 Frankfurt am Main
+49 151 50408817
klein@esg-pm.com
www.esg-portfolio-management.com