

# ESG PORTFOLIO MANAGEMENT

MONTHLY REPORT NOVEMBER 2020



Covid vaccines and US election outcome drive record equity performance

Highest designation for our funds. We receive the FNG labels with three stars.

Sources: unravelmalta, huffingtonpost

**ESG PORTFOLIO MANAGEMENT  
RECEIVE THE FNG LABELS  
WITH THREE STARS**



**ESG PORTFOLIO MANAGEMENT  
SIGNS THE GERMAN  
SUSTAINABILITY CODEX**



## OUR MARKET SUMMARY AND OUTLOOK

The promising vaccine studies give optimism that we will overcome the Covid-19 pandemic soon.

The election of Joe Biden to become US president gives hope for constructive and good governance and the recovery of international agreements and multilateralism. This is good news for our climate.

Both events lead to a record equity performance in November. The DAX jumped from 11,556 to 13,291 points. In addition, the spreads of investment grade corporate bonds tightened ca. 16 Bp.

We increased our allocation to equities to 20 percent and profited from the recovery of our equity holdings like Alstom, Covivio, Mowi, Scatec Solar and Vestas. Also our corporate bonds contributed to our good monthly and annual performance.

We remain cautious as we expect tax increases to finance the expenditures to combat the COVID crisis. This could result in some equity price corrections given some very high valuations.

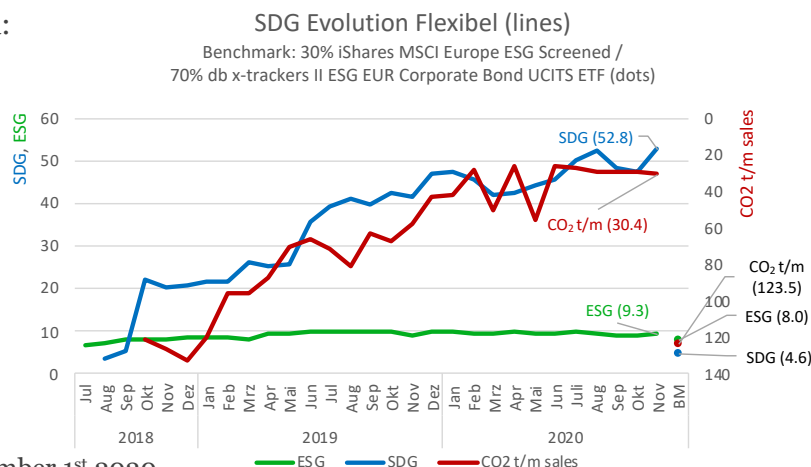
We continue to invest in companies with high ESG qualities, positive SDG impact and low climate risks and we participate in attractive corporate bond new issues.

Only for professional clients and eligible counterparties. Not for private customers - Advertisement.

## SDG EVOLUTION FLEXIBEL I (WKN: A1W9AZ)

In November, the SDG Evolution Flexibel I gained 2.86%. Especially driven by the strong equity performance. It was helpful that we used the market weakness end of October to reduce our DAX put options. In November we bought the new issues of Klepierre and Metso Outotec.

The SDG Evolution Flexibel achieves an ESG score of 9.3 (maximum 10). 5% of our positions got an ESG rating upgrade and none a downgrade. For E we get 7.0, for S 5.9 and for G 6.0. Carbon emissions, at 30.4 t CO<sub>2</sub> 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: 123.5 t). The SDG score is 52.8% (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, December 1<sup>st</sup> 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
<b>2014</b>			-0.48	0.75	0.68	-0.05	-0.25	1.08	0.30	-1.30	2.11	-1.20	1.60
<b>2015</b>	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
<b>2016</b>	-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
<b>2017</b>	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
<b>2018</b>	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
<b>2019</b>	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
<b>2020</b>	0.32	0.52	-6.43	2.72	0.20	3.22	0.53	0.63	-0.81	0.53	2,86		4.01

Source: Universal Investment, December 1<sup>st</sup> 2020

### Portfolio statistics as at November 30<sup>th</sup> 2020 (Source: Universal Investment)

(net) Asset Allocation		Risk measurement		Bond Ratings	
<b>Equities</b>	45.9%(23.8%)	Risk-return profile	4 (max.7)	<b>AAA/AA</b>	0%
<b>Bonds</b>	50.7%(34.5%)	Volatility	3 years	<b>A</b>	29.4%
<b>Gold</b>	0%	Ø Credit-Rating	BBB+	<b>BBB</b>	54.0%
<b>Cash</b>	1.3%	(net) Interest duration	2.43	<b>BB</b>	1.9%
		Spread duration	5.70	<b>NR</b>	14.7%

### Awards



### Product details as at November 30<sup>th</sup> 2020 (Source: Universal Investment)

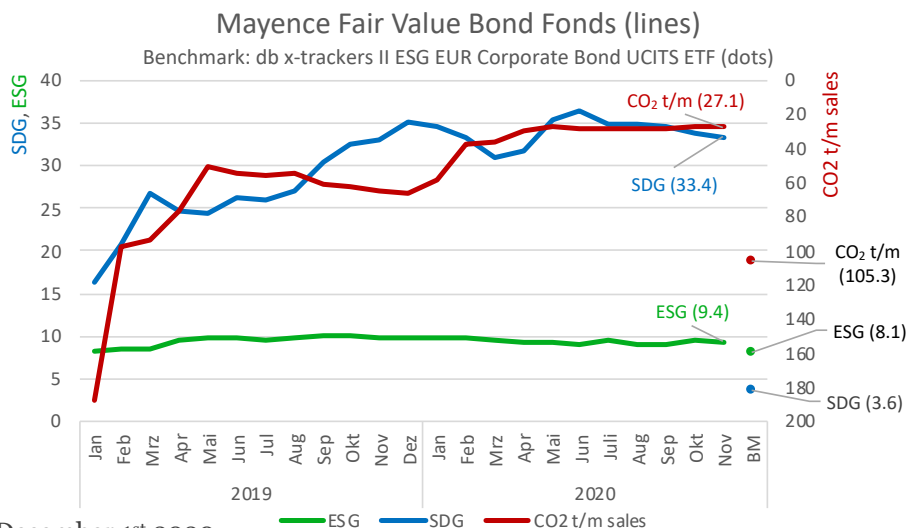
	WKN	ISIN	TER	AuM	Min. Investment
<b>SDG Evolution Flexibel I</b>	A1W9AZ	DE000A1W9AZ5	1.04%	8.8	100,000 EUR
<b>SDG Evolution Flexibel R</b>	A1W9AA	DE000A1W9AA8	2.00%	0.2	100 EUR

Only for professional clients and eligible counterparties. Not for private customers - Advertisement.

## MAYENCE FAIR VALUE BOND FONDS (WKN: A2AQZE)

In November, our bond fund increased 0.34%. We also invested in the new issues mentioned before and profited from the recovery of the Vodafone subordinated bond which we added at 97,95 and which is now trading at 103.80. The fund has a very high ESG score of 9.4 (max. 10). 5% of our positions received an ESG rating upgrade and none a downgrade. For E we get 6.9, for S 6.3 and for G 5.7. The Mayence achieves an SDG impact of 33.4%. The CO<sub>2</sub> emissions of the companies in the portfolio amount to 27.1 t CO<sub>2</sub> per million USD of sales (benchmark: db x-trackers II ESG EUR Corporate Bond: 105.3 t) (sources: MSCI ESG).

The following chart shows the fund's performance in terms of ESG quality, SDG impact and CO<sub>2</sub> emissions:



## 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	0.00	0.56	0,34		1.79

Source: Universal Investment, December 1<sup>st</sup> 2020

### Portfolio statistics as at November 30<sup>th</sup> 2020 (Source: Universal Investment)

Rating Distribution		Risk measurement		Awards
AAA/AA	2.73%	Risk-return profile	3 (max. 7)	
A	27.15%	Volatility 3 years	2.81%	
BBB	56.28%	Ø Credit-Rating	BBB+	
BB	3.76%	(net) Interest duration	3.31	
NR	10.09%	Spread duration	5.69	

### Product details as at November 30<sup>th</sup> 2020 (Source: Universal Investment)

	WKN	ISIN	TER	AuM	Min. Investment
Mayence Fair Value Bond	A2AQZE	DE000A2AQZE9	1.13%	21.4	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](mailto: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 CO<sub>2</sub> 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/> **The result: The positions of the SDG Evolution Flexibel and of the Mayence Fair Value bond fund cause warming of less than 1.75 degrees.**

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%)

Only for professional clients and eligible counterparties. Not for private customers - Advertisement.

**Important Information & Disclaimer** This information is intended exclusively for professional customers or suitable counterparties as defined in the WpHG and is not intended for private customers. This advertisement does not constitute investment advice. No guarantee is given as to the accuracy and completeness of the information and any liability for any damage resulting from the use and / or disclosure of this information is rejected.

The information is directed only at investors in the countries in which the respective fund is authorized for distribution. They are not intended for publication or use by persons or companies in a country in which the fund is not authorized for distribution. In particular, the units of the respective fund may not be offered for sale or sold within the USA nor to or for the account of US citizens or US persons resident in the USA. The documents published here and the information contained therein may not be distributed in the USA or in other countries in which distribution is not permitted.

The fund portrait is for information purposes only and does not constitute investment advice or solicitation to buy or sell shares in the fund. The sole basis for the purchase of units is the sales documents (key investor information, sales prospectus, annual and semi-annual reports) relating to the fund. Sales documents relating to all of the investment funds of Universal-Investment are available free of charge from your adviser / broker, the responsible depository or Universal-Investment at <http://www.universalinvestment.com>.

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.

The information may not be reproduced in extracts or as a whole without the written permission of the creator or passed on to other persons. ESG Portfolio Management GmbH is part of the investment brokerage of financial instruments and investment advice pursuant to Sec. § 1 KWG exclusively on account and under the liability of AHP Capital Management GmbH, Weißfrauenstraße 12-16, 60311 Frankfurt, active (§ 2 para 10 KWG).



**ESG Portfolio Management GmbH**  
Weißfrauenstraße 12-16  
60311 Frankfurt am Main  
+49 151 50408817  
[klein@esg-pm.com](mailto:klein@esg-pm.com)  
[www.esg-portfolio-management.com](http://www.esg-portfolio-management.com)