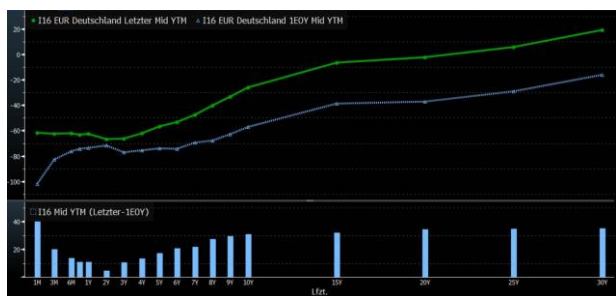


ESG PORTFOLIO MANAGEMENT

Monthly Report February 2021



Yields continue to increase

February: Our BUXL (30y Bund) shorts helped mitigating losses

Source: Bloomberg, BUND yield curves 2/26/2021 vs. 12/30/2020.

ESG PORTFOLIO MANAGEMENT RECEIVED THESE INTERNATIONAL AWARDS



We are very grateful that both funds won the first price in their category amongst strong competition.

We thank everyone who support us and kindly invite further investors.

With increasing assets we can grow our skilled and motivated team and enhance our impact.

<https://www.esginvesting.co.uk/awards/shortlistedfinalists2021/>

OUR SUMMARY AND OUTLOOK

The long term (30 year) BUND yield increased to 0.194 % as inflation expectations intensified and record supply of new government bonds will need to be absorbed.

As the German government bond 0% 08/15/2050 decreased in February from 102.35 to 94.53 our BUXL short delivered decent returns. These helped to partially mitigate losses from increasing yields and credit spread widening. Spreads of EUR IG bonds widened ten basis points on average.

Early February, our equity index put options lost, driven by stronger equity markets and decreasing volatility. They recovered during month end. We will reduce these put position further in future market weaknesses.

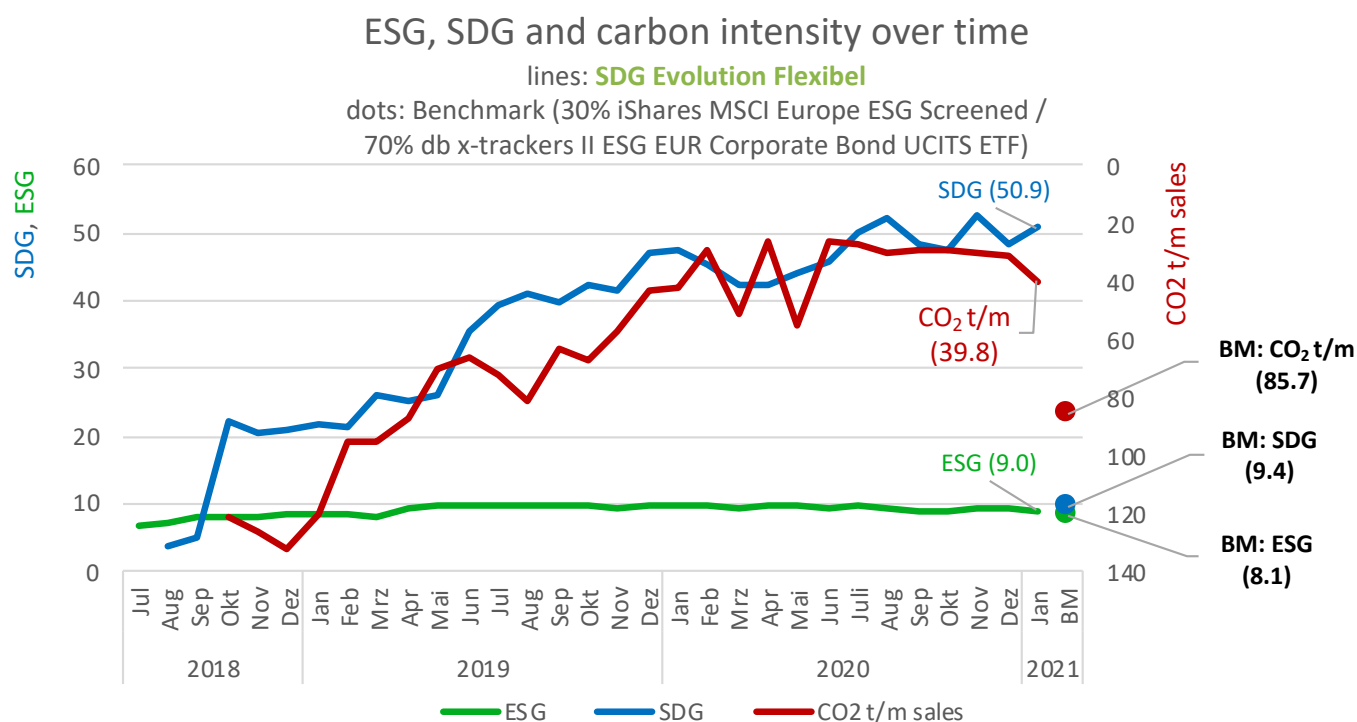
Our equity selection was a mixed bag. It was good that we sold Vestas at 1384 in January (current price: 1154) given the very high valuations and disappointing response regarding our engagement. We also reduced our Scatec ASA holding in January at 363 but bought them back too early at 329, 318 and 264 as the shares fell to 251 at month end. On the other hand our important holding MOWI ASA improved nicely during February from 190 to 209.

With increasing yields, we can imagine that growth companies with extremely high P/E ratios could correct further. We will invest in selected attractive new issues from sustainable companies but will continue to control our overall interest and spread durations for our portfolios.

SDG EVOLUTION FLEXIBEL I (WKN: A1W9AZ)

In February, the SDG Evolution Flexibel I decreased 1.04%. Our put options helped to mitigate weak equity performance (EuroStoxx -2.13%). We sold Vestas Wind bonds and equities completely as we did not receive any response when engaging regarding social improvements. At the end of the month, we added to our positions in Orkla and Scatec Solar and reduced our DAX put options.

The SDG Evolution Flexibel achieves an ESG score of 9.0 (maximum 10). 5% of our positions got an ESG rating upgrade and 1% a downgrade. For E we get 6.8, for S 5.9 and for G 6.2. Carbon emissions, at 39.8 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: 85.7 t). The SDG score is 50,9% (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, February 1st 2021

PERFORMANCE

Monthly Returns (in %):

ESG Portfolio Management advises since July 2018 (green fields)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dez	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	-0.81	0.53	2.86	1.30	5.37
2021	0.03	-1.04											-1.01

Source: Universal Investment, February 1st 2021

Portfolio statistics: as at January 31th 2021 (Source: Universal Investment)

(net) Asset Allocation		Risk measurement		Bond Ratings		Top Equity Holdings
Equities	39.3% (7.4%)	Risk-return profile	4 (max.7)	AAA/AA	0%	Scatec Solar
Bonds	53.1% (29.5%)	Volatility 3 years	5.15	A	25.7%	Mowi
Gold	0%	Ø Credit-Rating	BBB+	BBB	58.8%	Bell Food
Cash	2.9%	(net) Interest duration	0.80	BB	3.4%	Amgen Inc
		Spread duration	5.75	NR	12.1%	Alstom

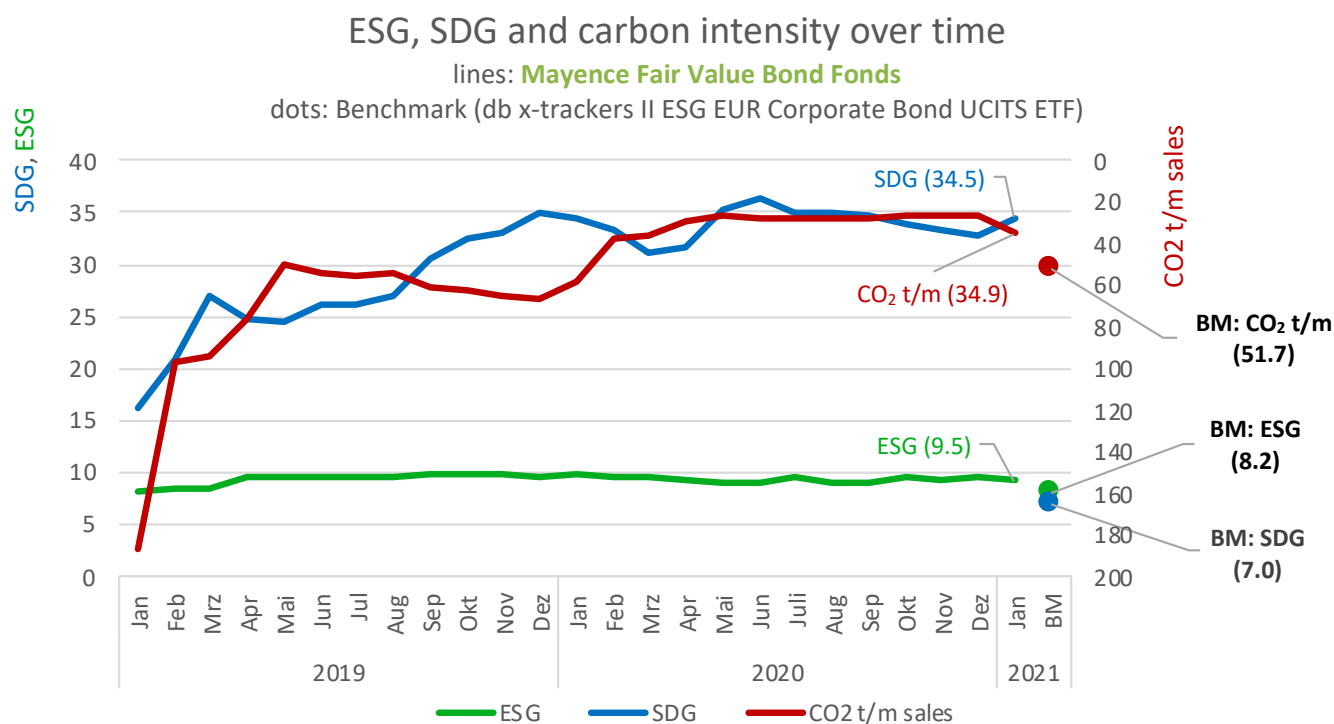
Product details: as at January 31th 2021 (Source: Universal Investment)

	WKN	ISIN	TER	AuM	Min. Investment
SDG Evolution Flexibel I	A1W9AZ	DE000A1W9AZ5	1.14%	9.1	100,000 EUR
SDG Evolution Flexibel R	A1W9AA	DE000A1W9AA8	1.85%	0.2	100 EUR

MAYENCE FAIR VALUE BOND FONDS (WKN: A2AQZE)

In February, our bond fund decreased 0.69%. We bought Elia 28, given their strong ESG, SDG and climate credentials. At the month's end we reduced our BUXL short slightly. The fund has a very high ESG score of 9.3 (max. 10). 7% of our positions received an ESG rating upgrade and none a downgrade. For E we get 6.8, for S 6.3 and for G 5.9. The Mayence achieves an SDG impact of 34.5%. The CO₂ emissions of the companies in the portfolio amount to 34.9 t CO₂ per million USD of sales (benchmark: db x-trackers II ESG EUR Corporate Bond: 51,7 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, February 1st 2021

PERFORMANCE

Monthly Returns (in %):

ESG Portfolio Management GmbH advises since February 2019 (green fields)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dez	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	-0.14	1.65
2021	0.02	-0.69											-0.67

Source: Universal Investment, February 1st 2021

Portfolio statistics: as at January 31th 2021 (Source: Universal Investment)

Rating Distribution		Risk measurements		Top Holdings
AAA/AA	2.88%	Risk-return profile	3 (max. 7)	Amgen
A	28.16%	Volatility 3 years	2.67%	Signify
BBB	58.63%	Ø Credit-Rating	BBB+	ASML
BB	3.87%	(net) Interest duration	3.36	Alstom
NR	6.32%	Spread duration	6.23	Nvidia

Product details: as at January 31th 2021 (Source: Universal Investment)

	WKN	ISIN	TER	AuM	Min. Investment
Mayence Fair Value Bond	A2AQZE	DE000A2AQZE9	1.11%	20.3	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/> 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%)

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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