

ESG PORTFOLIO MANAGEMENT

Monthly Report April 2021



We support fair taxation

German Supreme Court demands changes to Germany's climate law

Source: Klaus Stuttmann, Das Elend der Welt, 2016. „Are you also refugees?“ “Yes, tax refugees!”

BOTH FUNDS HAVE RECEIVED FURTHER INFLOWS

We are very grateful that both funds received inflows and welcome new clients and investors.

To celebrate these positive news, we decided to finance from now on one tree for every new client.

We will support Hessen Forst to plant carefully selected trees which fit to specific climate, soil and water requirements. We aim to make our forests more resilient and sustainable to cope with expected effects from climate change.



OUR SUMMARY AND OUTLOOK

In April, there have been more discussions about fair taxation. During the Covid crisis it became evident that some global companies with high profit margins pay very little taxes as they exploit loopholes in the global tax system, whereas governments had to increase spending and borrowing to fight the negative impact from the Covid crisis. Overall, tax avoidance contributes to increasing income and wealth disparities but also to unfair competition. That is why we see a desire to close such loopholes. We consider the companies' tax gap as a relevant ESG risk factor in our analysis and selection process.

The German Constitutional Court [demands changes](#) to Germany's climate law as it places too much burden on future generations to reduce carbon emissions. We expect more transparency and commitment to reduce emissions.

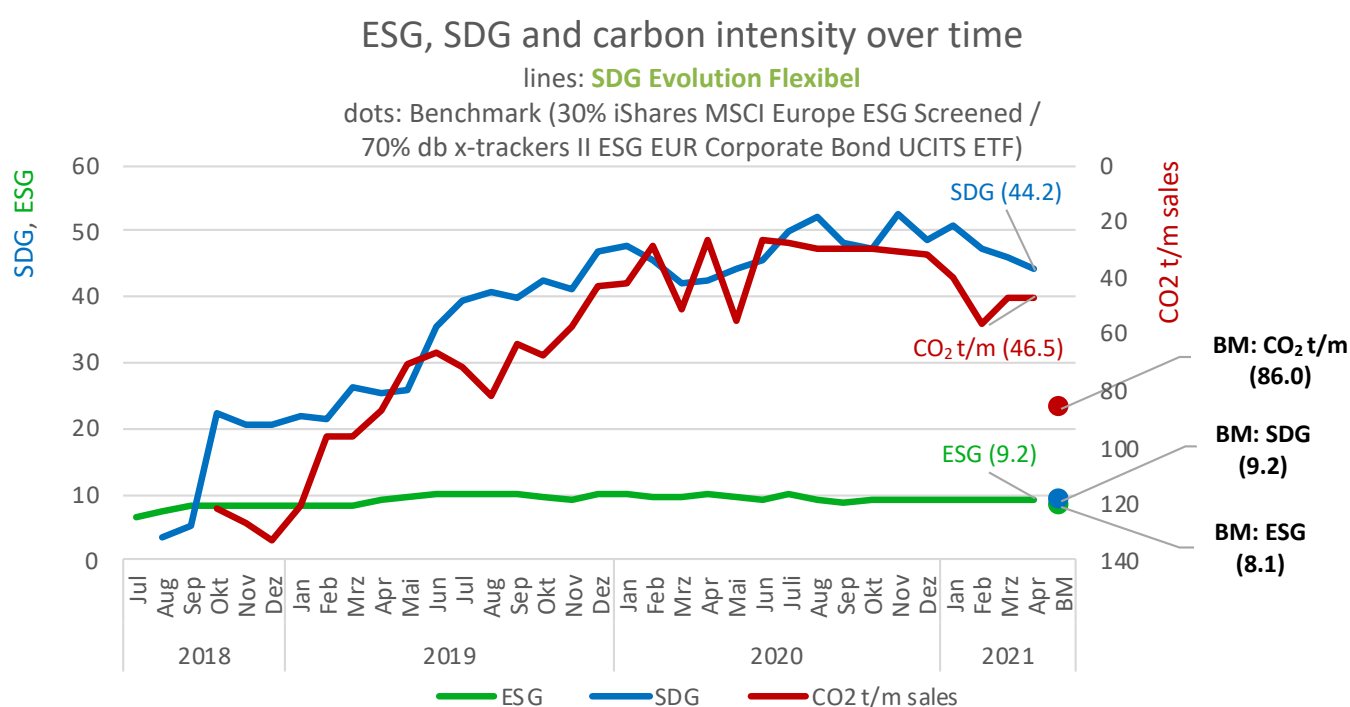
Looking at our individual positions, the main winners this month were the shares of BioNTech (+68.5%), provider of a very successful Covid vaccine and Academedia (+7.5%) and the new Deutsche Wohnen 2041 bond (+2.4%). Losers have been Scatec (-12.8%) and Orsted (-11.9%) shares.

We will continue to invest in attractive new issues from sustainable companies and actively engage to reduce ESG risks and to increase positive SDG impact further.

SDG EVOLUTION FLEXIBEL I (WKN: A1W9AZ)

In April, the SDG Evolution Flexibel I lost 0.19%. We bought the new ten year sustainable Berlin Hyp bond and added Unibail 31. We reduced Scatec 25 bonds and Mowi ASA shares. We sold the Lundbeck position.

The SDG Evolution Flexibel achieves an ESG score of 9.2 (maximum 10). 1% of our positions got an ESG rating upgrade and none a downgrade. For E we get 6.8, for S 5.9 and for G 6.5. Carbon emissions, at 46.5 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: 86.0 t). The SDG score is 44.2% (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, May 3rd 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	-1.67	0.85	-0.19									-1.00

Source: Universal Investment, April 30th 2021

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

Portfolio statistics: as at April 30th 2021 (Source: Universal Investment)

(net) Asset Allocation		Risk measurement		Bond Ratings		Top Equity Holdings
Equities	43.0% (31.5%)	Risk-return profile	4 (max.7)	AAA/AA	4.95%	Sims Ltd
Bonds	54.4% (34.9%)	Volatility 3 years	5.18	A	28.1%	Bell Food
Gold	0%	Ø Credit-Rating	BBB+	BBB	56.9%	Scatec ASA
Cash	1.2%	(net) Interest duration	2.20	BB	0%	Amgen Inc
		Spread duration	6.19	NR	10.0%	Legrand

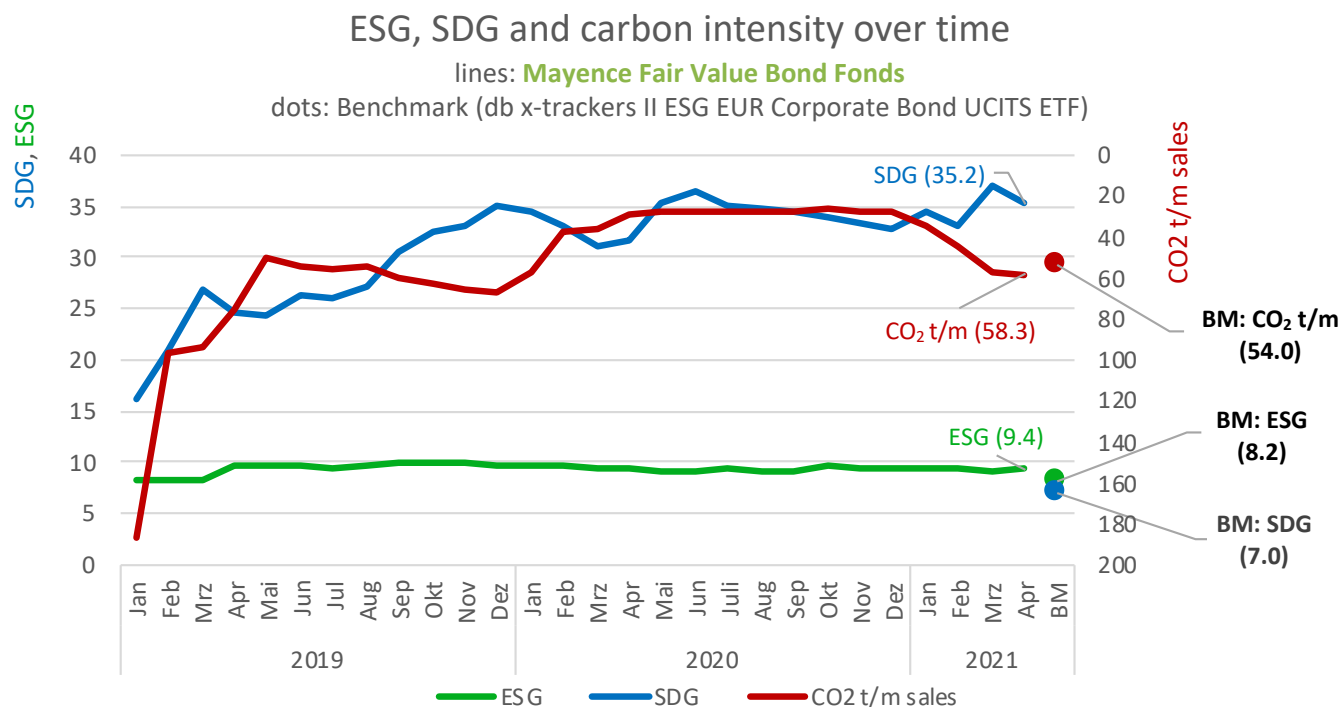
Product details: as at April 30th 2021 (Source: Universal Investment)

	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 April, our bond fund increased 0.29%. We invested in the new issues mentioned before. 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 6.1 and for G 6.2. The Mayence achieves an SDG impact of 35.2%. The CO₂ emissions of the companies in the portfolio amount to 58.3 t CO₂ per million USD of sales (benchmark: db x-trackers II ESG EUR Corporate Bond: 54.0 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, May 3rd 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	-0.64	-0.13	0.29									-0.46

Source: Universal Investment, April 30th 2021

Portfolio statistics: as at April 30th 2021 (Source: Universal Investment)

Rating Distribution		Risk measurements		Top Holdings
AAA/AA	3.14%	Risk-return profile	3 (max. 7)	Amgen
A	33.95%	Volatility 3 years	2.56%	Signify
BBB	53.62%	Ø Credit-Rating	BBB+	ASML
BB	1.56%	(net) Interest duration	3.69	NVIDIA
NR	7.73%	Spread duration	6.49	Legrand

Product details: as at April 30th 2021 (Source: Universal Investment)

	WKN	ISIN	TER	AuM	Min. Investment
Mayence Fair Value Bond	A2AQZE	DE000A2AQZE9	1.11%	20.8	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 are Paris aligned (1.75).**

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
www.esg-portfolio-management.com