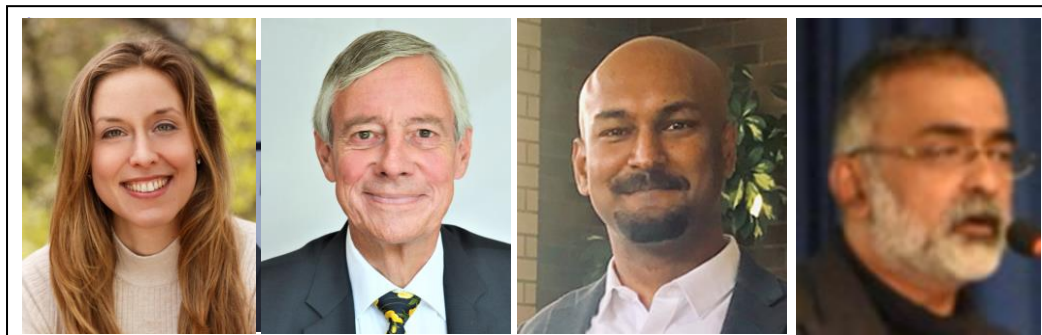


ESG PORTFOLIO MANAGEMENT

Monthly Report August 2021



We welcome our new advisory board members

Lara Obst, Founder and Chief Climate Officer of THE CLIMATE CHOICE, believes that climate transformation is the greatest opportunity of our time. Lara therefore co-founded her Berlin-based ClimateTech Startup in 2020 to help companies reduce emissions.

Dr. Atfried Luetkenhaus is an independent advisor and former board member at Frankfurter Sparkasse 1822.

Dr. Kim Schumacher is a lecturer in Sustainable Finance and ESG at the Tokyo Institute of Technology and Honorary Research Associate at the University of Oxford.

Paresh Sheth is a Director on the board of CASI, the global certification body for CSR & Sustainability and advisor to multiple boards. He is the founder of CSR Diary; one of the world's largest volunteering platform.

OUR SUMMARY AND OUTLOOK

In August the Intergovernmental Panel on Climate Change (IPCC) published the [Sixth Assessment Report](#):

Climate change is intensifying the water cycle. This brings more intense rainfall and associated flooding, as well as more intense drought in many regions.

Climate change is affecting rainfall patterns. In high latitudes, precipitation is likely to increase, while it is projected to decrease over large parts of the subtropics.

Coastal areas will see continued sea level rise throughout the 21st century, contributing to more frequent and severe coastal flooding in low-lying areas and coastal erosion.

Further warming will amplify permafrost thawing, and the loss of seasonal snow cover, melting of glaciers and ice sheets, and loss of summer Arctic sea ice.

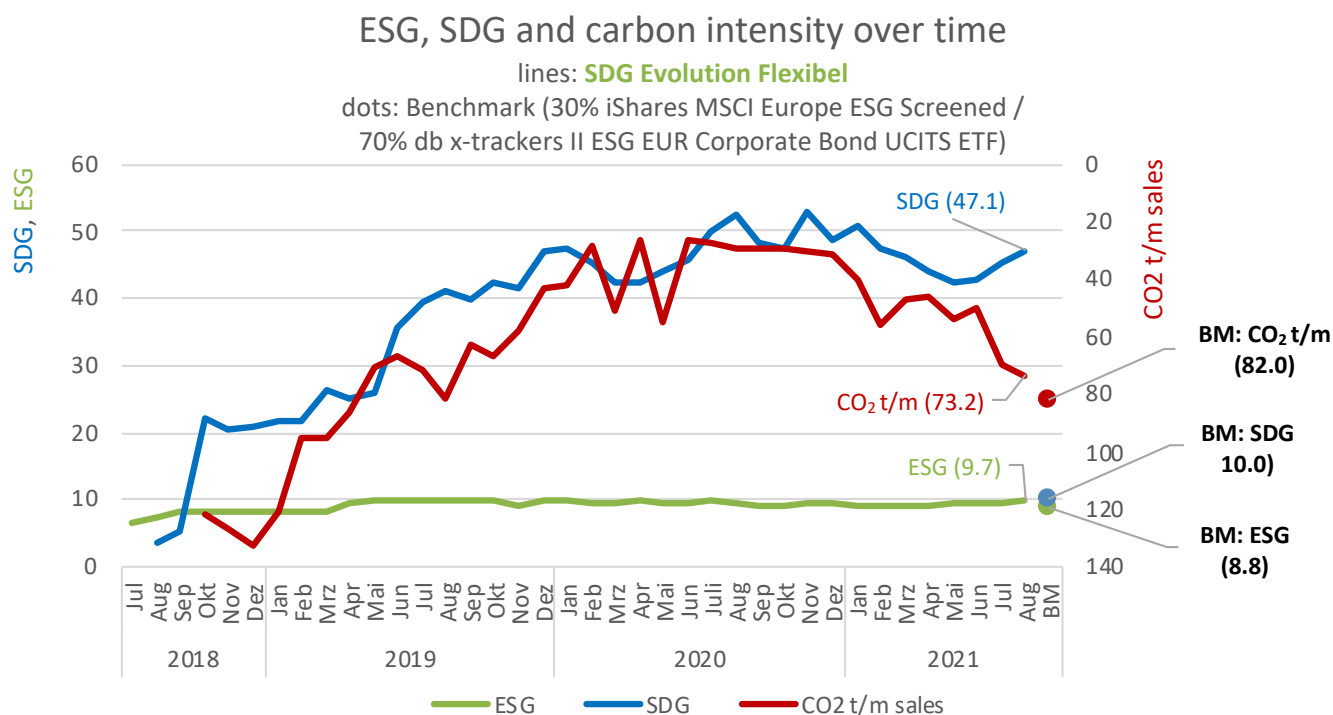
Changes to the ocean, including warming, more frequent marine heatwaves, ocean acidification, and reduced oxygen levels have been clearly linked to human influence.

Therefore, climate mitigation is key! We select committed companies and engage to support their transition efforts. We work hard to keep our funds in alignment with the Paris targets as explained in our June report.

SDG EVOLUTION FLEXIBEL I (WKN: A1W9AZ)

In August, the SDG Evolution Flexibel lost 0.57%. As new issues have been rare in this holiday month, we only participated in the National Grid 2033. Furthermore, we added shares to our position of the metal recycling specialist Sims Ltd. We suffered from the continued weakness of our position Scatec Solar.

The SDG Evolution Flexibel achieves an ESG score of 9.7 (maximum 10). 6% of our positions got an ESG rating upgrade and none a downgrade. For E we get 7.1, for S 6.2 and for G 6.6. Carbon emissions, at 73.2 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: 82.0 t). The SDG score is 47.1% (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 2021

PERFORMANCE

Monthly Returns (in %):

ESG Portfolio Management advises since July 2018 (green fields)

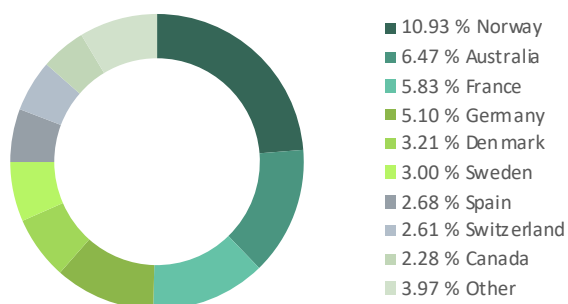
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dez	YTD
2014			-0.48	0.75	0.68	-0.05	-0.25	1.08	0.30	-1.30	2.11	-1.20	1.60
2015	3.23	2.58	0.63	-0.49	-0.38	-2.49	1.52	-4.97	-1.13	4.00	1.90	-1.86	2.19
2016	-3.02	-2.12	1.21	-0.19	-0.17	-1.83	0.64	0.50	-0.47	-0.37	-0.93	1.41	-5.32
2017	0.16	1.13	1.51	0.85	0.28	-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	-0.31	-0.05	-0.40	-0.57					-2.32

Source: Universal Investment, August 31st 2021

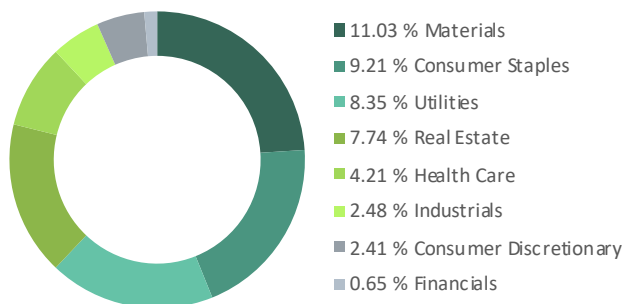
Portfolio statistics: as at August 31st 2021 (Source: Universal Investment)

(net) Asset Allocation		Risk measurement		Bond Ratings		Top Equity Holdings
Equities	46.1% (36.4%)	Risk-return profile	4 (max.7)	AAA/AA	0%	Sims Ltd.
Bonds	52.0% (20.4%)	Volatility 3 years	5.29	A	23.4%	Amgen Inc.
Gold	0%	Ø Credit-Rating	BBB+	BBB	65.6%	Scatec ASA
Cash	1.1%	(net) Interest duration	-1.81	BB	1.94%	Edwards Lifescience
		Spread duration	5.74	NR	9.17%	FCR Immobilien AG

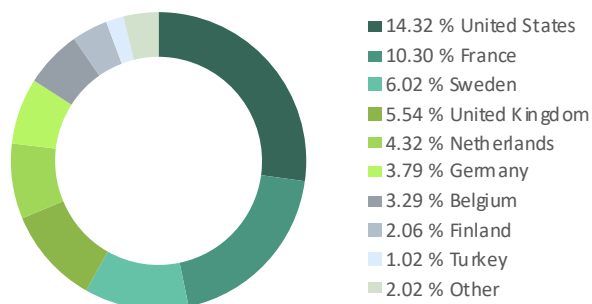
Equities by country



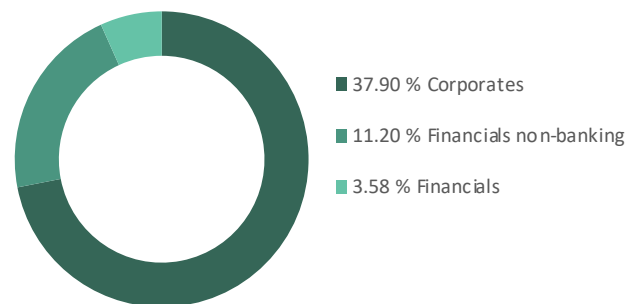
Equities by industry sectors



Fixed Income by country



Fixed Income by industry sectors



Product details: as at August 31st 2021 (Source: Universal Investment)

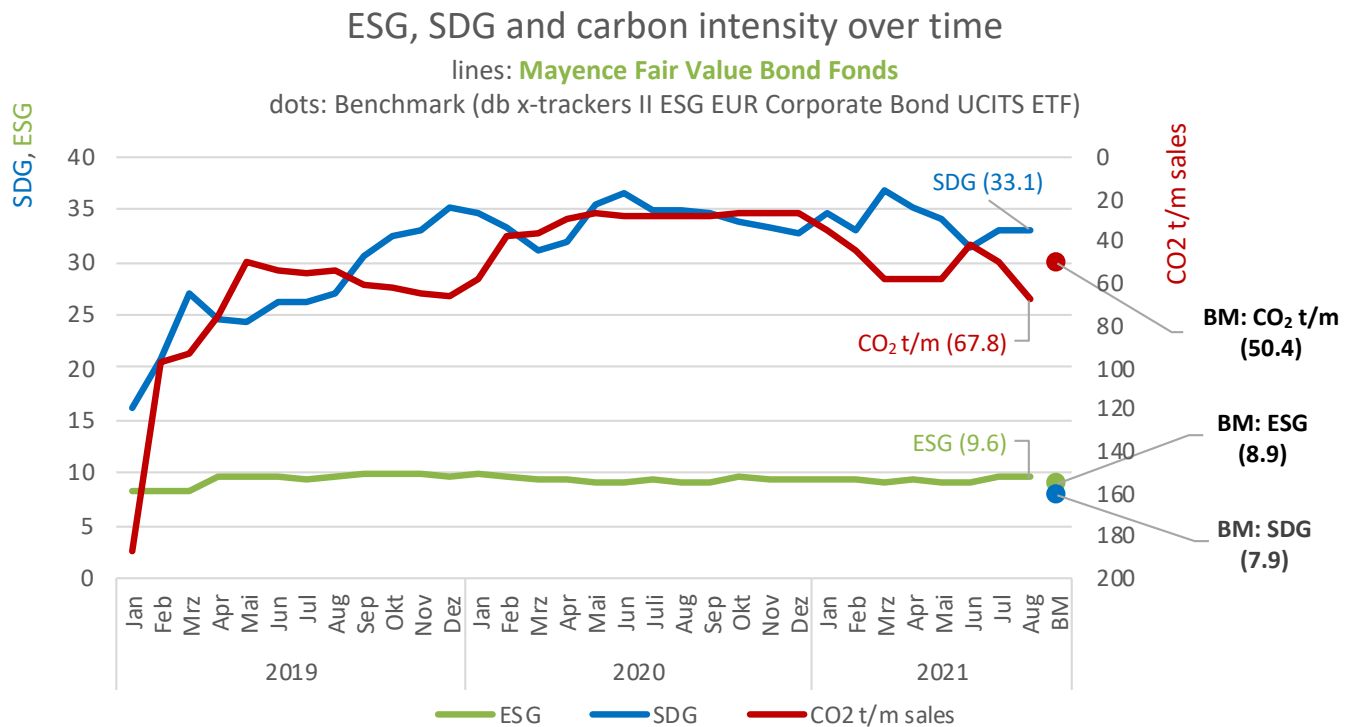
	WKN	ISIN	TER	AuM	Min. Investment
SDG Evolution Flexibel I	A1W9AZ	DE000A1W9AZ5	1.14%	8.2	100,000 EUR
SDG Evolution Flexibel R	A1W9AA	DE000A1W9AA8	1.85%	0.7	100 EUR

MAYENCE FAIR VALUE BOND FONDS (WKN: A2AQZE)

In August, our bond fund decreased 0.37%. We also invested in the new issue National Grid 2033.

The fund has a very high ESG score of 9.6 (max. 10). 7% of our positions received an ESG rating upgrade and none a downgrade. For E we get 7.3, for S 6.4 and for G 6.3. The Mayence achieves an SDG impact of 33.1%. The CO₂ emissions of the companies in the portfolio amount to 67.8 t CO₂ per million USD of sales (benchmark: db x-trackers II ESG EUR Corporate Bond: 50.4 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 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	-0.26	0.04	0.51	-0.37					-0.53

Source: Universal Investment, August 31st 2021

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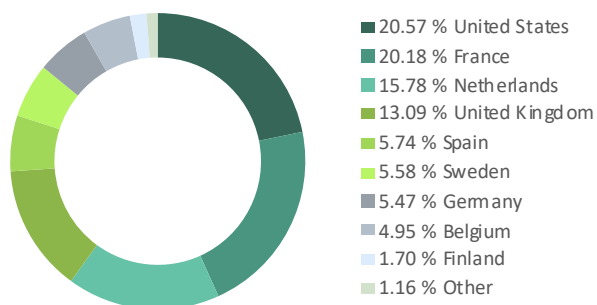
Portfolio statistics: as at August 31st 2021 (Source: Universal Investment)

Rating Distribution	
AAA/AA	1.83%
A	34.87%
BBB	67.49%
BB	0%
NR	5.81%

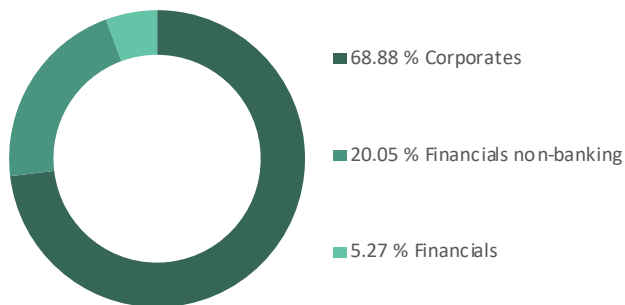
Risk measurements	
Risk-return profile	3 (max. 7)
Volatility 3 years	2.39%
Ø Credit-Rating	BBB+
(net) Interest duration	3.11
Spread duration	6.54

Top Holdings
Elia Group
Legrand S.A.
Signify N.V.
Klepierre S.A.
Red Electrica Finance

Fixed Income by country



Fixed Income by industry sectors



Product details: as at August 31st 2021 (Source: Universal Investment)

	WKN	ISIN	TER	AuM	Min. Investment
Mayence Fair Value Bond	A2AQZE	DE000A2AQZE9	1.11%	8.9	25,000 EUR

Our exclusion criteria

Companies:

We exclude companies with violations against the UN Global Compact Principles and companies with activities in the following business areas:

Exclusion criterion	Maximum share of turnover
- Weapons of mass destruction and controversial weapons	
- Coal mining, processing & services	
- High risk oil & gas (Fracking, Arctic Drilling, Oil Sands)	0%
- Nuclear power generation	
- Uranium mining	
- Embryonic stem cell research and cloning technology	
- Coal-fired power generation	
- Oil extraction, processing and power generation	
- High risk oil & gas (services)	
- Production and distribution of key components for nuclear power plants	
- Biocides	5%
- Animal testing	
- Genetic engineering in food production	
- Civilian weapons	
- Conventional tobacco products and alcohol	
- Entertainment media (gambling, gaming, pornography)	

Countries:

Countries are excluded in case of serious controversies, death penalty, human rights violations, lack of labour rights, child labour, corruption (according to Transparency International), violation of the Nuclear Non-Proliferation Treaty, high military budget, authoritarian regime (according to Freedom House Ranking), non-ratification of the Biosafety Protocol.

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)

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 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/en> The result: **The positions of the SDG Evolution Flexibel and of the Mayence Fair Value bond fund are Paris-aligned (1.75 degree).**

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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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 SDG Evolution Flexibel 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