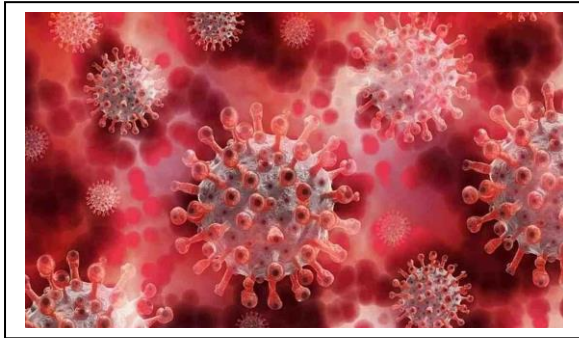


ESG PORTFOLIO MANAGEMENT

Report November 2021



Picture: netindiannews.com

Covid is here to stay.

We need to vaccinate more.

It's a global challenge.

OUR SUMMARY AND OUTLOOK

For the third time in a row, our two funds received the FNG label with three stars.



To qualify for the label, funds must meet strict requirements. These criteria include transparency and process criteria as well as sustainability. In addition, the integration of sustainability in the portfolio management company is evaluated.

We are searching for motivated working students who are interested in sustainability, financial research, and portfolio management.

Please send your application to
Christoph Klein
klein@esg-pm.com

Omicron has been classified as a variant of concern. The B.1.1.529 variant was first reported to WHO from South Africa on November 24th. Preliminary evidence suggests an increased risk of infection compared to other Covid variations. It seems to spread fast.

It is obvious that vaccinations are essential! Unfortunately, young children and persons with some illnesses and preconditions cannot be vaccinated.

We do not understand that many people refuse to get vaccinated despite the seriousness of the situation and the amount and quality of available information. They are responsible that more people get infected and other critical operations have to be delayed as ICU beds are filled with serious Covid cases. In some parts of Germany and Austria hospitals are preparing to introduce triage.

On the other hand, there are many countries where people want to get vaccinated, but the vaccination rate is less than 10 percent. The problem is about how vaccines are distributed and shared, which is extremely unequally. Covax has so far only delivered 400 million doses across 145 countries and says: "no one is safe unless everyone is safe". Also, misinformation around vaccines is a problem in several developing countries.

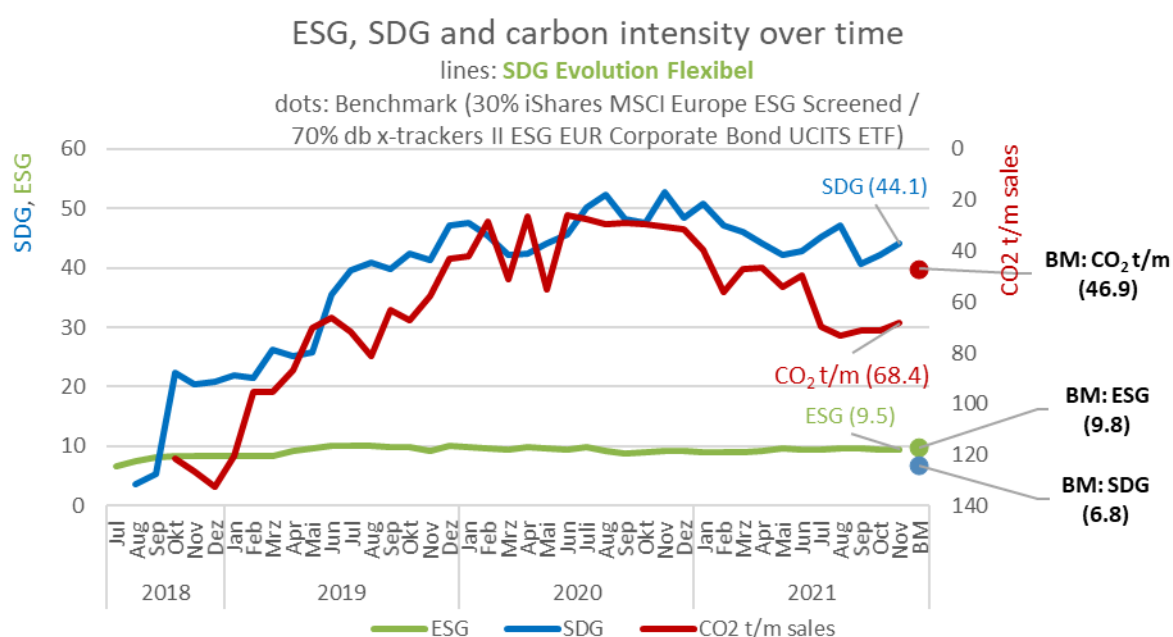
We are happy investors in BioNTech shares and eager to support their growth and innovations. We are waiting for their first corporate bond so that also our bond fund can get exposure to this high-impact company.

We remain cautious in the tourism and travel sector but sell our equity put options in the current market weakness.

SDG EVOLUTION FLEXIBEL I (WKN: A1W9AZ)

In November, the SDG Evolution Flexibel I lost 1,27% driven by weaker equity markets at month's end caused by the new Covid variant described above. Also, widening credit spreads reduced the overall performance. On the positive side, FCR Immobilien delivered a solid outperformance as did BioNTech, and Svenska Cellulosa. During November we bought the new issues of JDE Peets and Kerry Group. At the end of the month, we took partial profit on our DAX put options.

The SDG Evolution Flexibel achieves an overall ESG score of 9.5 (maximum 10). 6% of our positions got an ESG rating upgrade and none a downgrade. For E we achieved a score of 6.9, for S 6.1, and for G 6.3. Carbon emissions, at 68.4 t CO₂ per USD million of sales are above the benchmark (30% Xtrackers MSCI Europe ESG UCITS ETF / 70% db x-trackers II ESG EUR Corporate Bond UCITS ETF: 46.9 t) as we focus more on transition and increased our holdings in industrials. The SDG score is 44.1% (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, December 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	-2.15	1,44	-1.27		-4.27

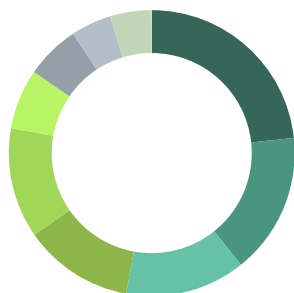
Source: Universal Investment, November 30th, 2021

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Portfolio statistics: as of November 30th, 2021 (Source: Universal Investment)

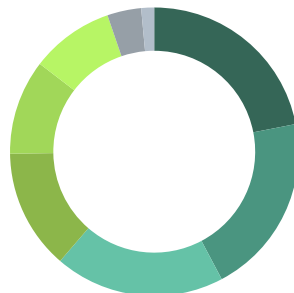
(net) Asset Allocation		Risk measurement		Bond Ratings		Top Equity Holdings
Equities	45.5% (42.7%)	Risk-return profile	4 (max.7)	AAA/AA	5%	FCR Immobilien
Bonds	52.2% (29.9%)	Vola / SharpeR 3 years	5.44 / 0.17	A	21.6%	Sims Ltd.
Gold	0%	Ø Credit-Rating	BBB+	BBB	62.1%	Amgen Inc.
Cash	2.6%	(net) Interest duration	0.13	BB	1.9%	Edwards Lifesciences
		Spread duration	5.29	NR	9.4%	Elia Group

Equities by country



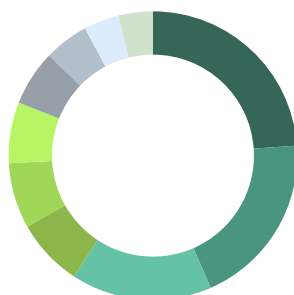
- 9.56 % Norway
- 6.55 % Germany
- 5.57 % France
- 5.11 % Australia
- 5.11 % Denmark
- 2.80 % Switzerland
- 2.51 % Sweden
- 1.88 % Canada
- 1.88 % United States
- 4,50 % Other

Equities by industry sectors



- 9.97 % Materials
- 9.24 % Consumer Staples
- 8.67 % Real Estate
- 6.12 % Utilities
- 4.84 % Industrials
- 4.24 % Health Care
- 1.73 % Consumer Discretionary
- 0.66 % Financials

Fixed Income by country



- 12.47 % United States
- 10.20 % France
- 8.24 % Netherlands
- 3.96 % Sweden
- 3.83 % Germany
- 3.57 % United Kingdom
- 3.24 % Belgium
- 2.61 % Hong Kong
- 2.06 % Finland
- 2.01 % Other

Fixed Income by industry sectors



- 37.5 % Corporates
- 11.12 % Financials non-banking
- 3.57 % Financials

Product details: as of November 30th, 2021 (Source: Universal Investment)

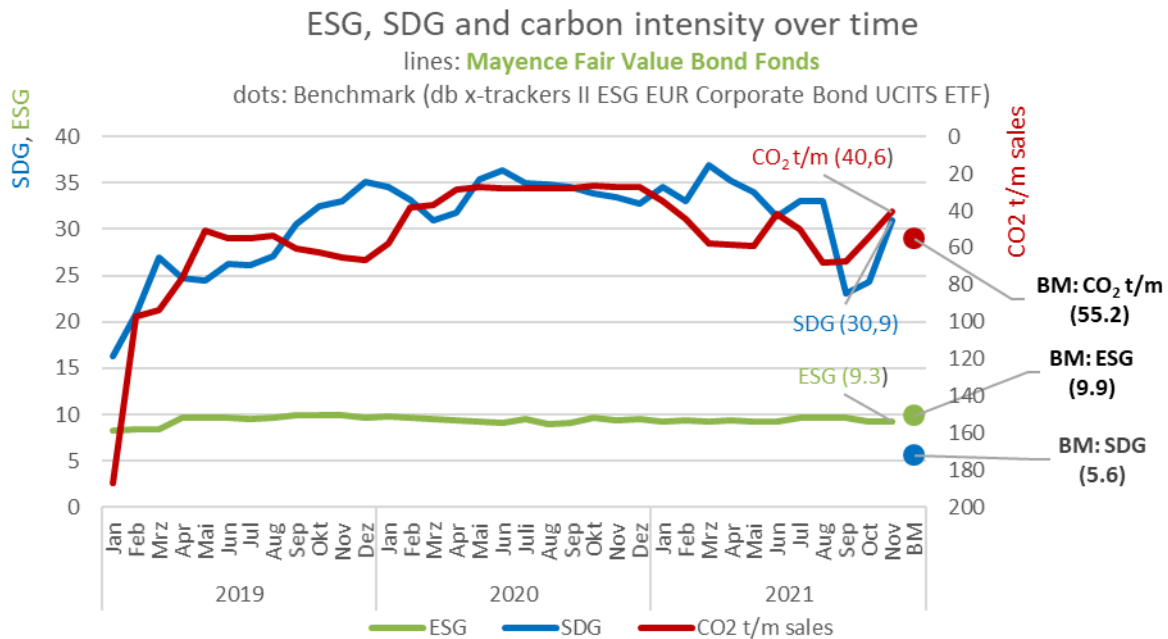
	WKN	ISIN	TER	AuM	Min. Investment
SDG Evolution Flexibel I	A1W9AZ	DE000A1W9AZ5	1.14%	8.0	100,000 EUR
SDG Evolution Flexibel R	A1W9AA	DE000A1W9AA8	1.85%	0.9	100 EUR

MAYENCE FAIR VALUE BOND FONDS (WKN: A2AQZE)

In November, our bond fund decreased 0.93% as credit spreads widened further. We bought the new issues mentioned before and continued to reduce our credit duration.

The fund has a very high ESG score of 9.3 (max. 10). 7% of our positions received an ESG rating upgrade and one a downgrade. For E we get 7.1, for S 6.3, and for G 6.2. The Mayence achieves an SDG impact of 30.9. The CO₂ emissions of the companies in the portfolio amount to 40.6 t CO₂ per million USD of sales (benchmark: db x-trackers II ESG EUR Corporate Bond: 55.2 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, December 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	-0.52	-0.96	-0.93		-2.92

Source: Universal Investment, November 30th, 2021

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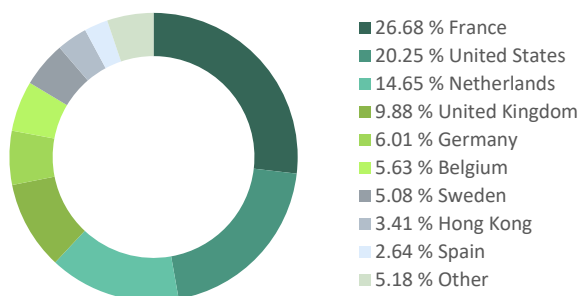
Portfolio statistics: as at November 30th 2021 (Source: Universal Investment)

Rating Distribution	
AAA/AA	3.4%
A	23.3%
BBB	64.7%
BB	0%
NR	8.6%

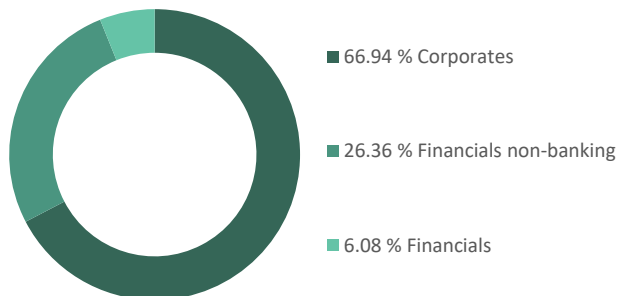
Risk measurements	
Risk-return profile	3 (max. 7)
Vol. / SharpeR 3 y.	2.35% / -0.05
Ø Credit-Rating	BBB+
(net) Interest duration	2.15
Spread duration	6.20

Top Holdings
Elia Group
Signify N.V.
Klepierre
Covivio
Gilead Sciences

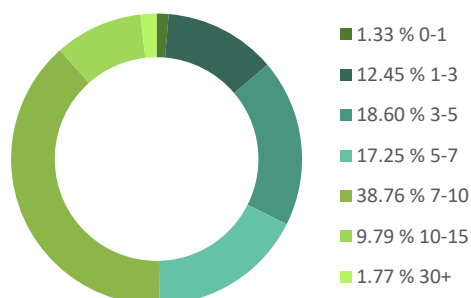
Fixed Income by country



Fixed Income by industry sectors



Fixed Income by maturity profile



Product details: as of November 30th, 2021 (Source: Universal Investment)

	WKN	ISIN	TER	AuM	Min. Investment
Mayence Fair Value Bond	A2AQZE	DE000A2AQZE9	1.11%	7.7	100 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 Xtrackers MSCI Europe ESG UCITS Class 1C (reflecting our average equity allocation of 30%).

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