

DS ESG PORTFOLIO MANAGEMENT

Report March 2023

UBS

Credit Suisse



We welcome Christoph Michel to our advisory board

After completing his MBA in England and holding several leadership positions, he founded the "Foundation Guide" in 2015, a platform for foundations and relevant organizations. To this end, he published magazines and organized conferences.

Currently, Christoph Michel is Head of Philanthropy Service at the Listening Foundation.

Turbulence in the financial industry:

UBS takes on Credit Suisse

Silicon Valley bank collapses after dramatic deposit withdrawal

With tremendous speed, Silicon Valley Bank and Credit Suisse have run into serious problems. Rumors and negative headlines have led to large withdrawals of deposits by concerned customers.

In the UBS takeover of Credit Suisse, led by the Swiss banking regulator Finma, shareholders were given better treatment than the owners of the AT1 bonds. This is not in line with the usual ranking and has led to price declines for subordinated bank bonds.

The rise in yields on the capital markets has led to significant price losses since 2022. However, these have not been "mark to market" valued or disclosed by many banks. This also increases uncertainty.

We currently do not hold any bank shares or bank bonds, as we are not yet able to sufficiently analyze the climate risks in banks' investment and loan portfolios.

In contrast, following the rise in yields and the widening of credit premiums, we consider selected corporate bonds with good credit ratings to be attractive.

As of 3/31/2023, our SDG Evolution Bonds fund has an average credit rating of A-, a net interest duration of 3.3, and a current yield of 4.4%.

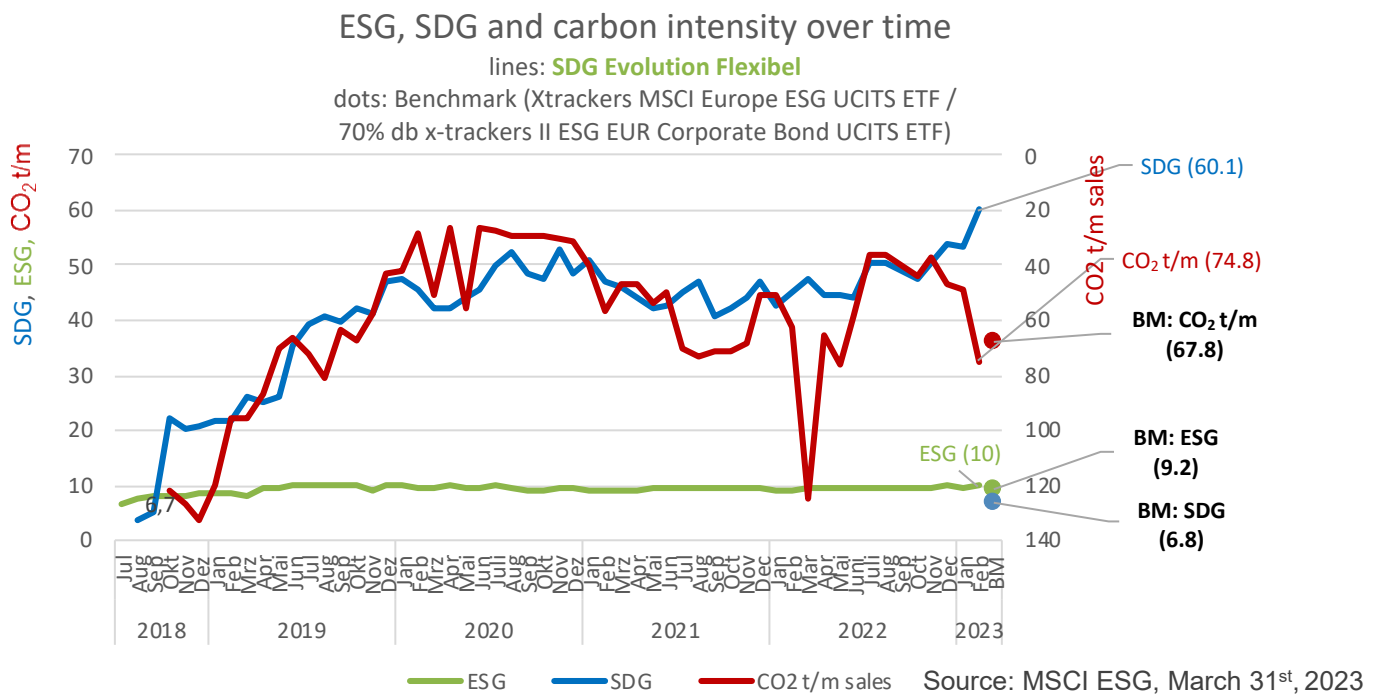
We like to invest in new bonds from companies with high ESG qualities, positive SDG impacts, working hard to reduce their climate risks and PAIs. In this context, we prefer "green bonds" that meet global standards, as this is where specific new sustainable projects are financed.

On the equity side, we cannot rule out price declines and have added "out of the money" DAX put options for the SDG Evolution Flexible. Here, too, sustainable companies should offer more stability.

SDG EVOLUTION FLEXIBEL I (WKN: A1W9AZ)

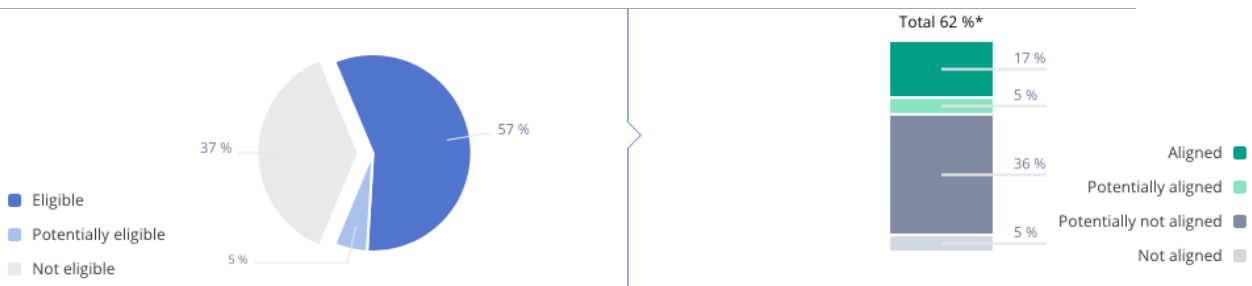
In March, the unit price of SDG Evolution Flexibel I increased by 1.3% due to firmer equity markets and falling yields. Our positions in First Solar, FCR Immobilien and SMA Solar performed very positively. We added DAX put options with strikes of 14,000 and 14,500 during the month.

The SDG Evolution Flexibel achieves an overall ESG score of 10 (maximum 10). 16.9% of our positions got an ESG rating upgrade and none a downgrade. For E, we achieved a score of 7.3, for S 5.6, and for G 6.9. Carbon emissions, at 74.8 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: 67.8 t) as we focus more on transition and increased our holdings in industrial companies which actively reduce their emissions. The SDG score is 60.1 % (source: MSCI ESG). The graph presents the fund's ESG quality, SDG impact, and carbon emissions over time. The dots represent current benchmark data:



EU Taxonomy Alignment

Company	Eligible	Aligned
Clarity AI	57%	17%
MSCI ESG Data	63%	50%



Source: Clarity AI, March 31st, 2023

PRINCIPLE ADVERSE IMPACT INDICATORS (PAIS)

Expand all Close all

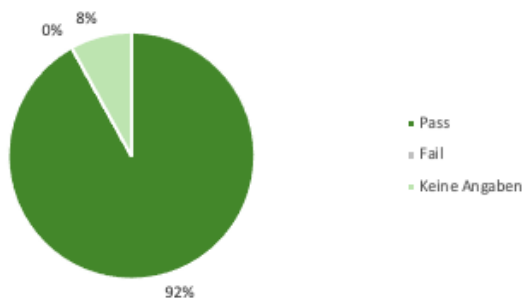
Categories

	Coverage SFDR profile	Total SFDR profile	Units SFDR profile
COMPANIES Calculated from 50 out of 50	-	-	-
Environmental	-	-	-
M1 - Total GHG emissions	93.32 %	26,460.39	tons CO2e
M1.1 - Scope 1 GHG emissions	95.33 %	132.99	tons CO2e
M1.2 - Scope 2 GHG emissions	96.17 %	61.53	tons CO2e
M1.3 - Scope 3 GHG emissions	94.15 %	23,201.17	tons CO2e
M2 - Carbon footprint	93.32 %	2,859.86	tons CO2e / EUR...
M3 - GHG intensity of investee companies	93.32 %	3,293.18	tons CO2e / EUR...
M4 - Exposure to companies active in the fossil fuel sector	86.31 %	0.00	%
M5 - Share of non-renewable energy consumption and production	0.00 %	-	-
M5.1 - Share of non-renewable energy consumption	82.04 %	65.64	%
M5.2 - Share of non-renewable energy production	100.00 %	1.64	%
M6 - Energy consumption intensity per high impact climate sector	92.09 %	0.18	GWh / EUR M re...
M6.1 - Energy consumption intensity per high impact climate sector A	100.00 %	5.80	GWh / EUR M re...
M6.2 - Energy consumption intensity per high impact climate sector B	93.39 %	0.10	GWh / EUR M re...
M6.3 - Energy consumption intensity per high impact climate sector C	96.70 %	0.20	GWh / EUR M re...
M6.4 - Energy consumption intensity per high impact climate sector D	96.20 %	0.37	GWh / EUR M re...
M6.5 - Energy consumption intensity per high impact climate sector E	0.00 %	n/a	GWh / EUR M re...
M6.9 - Energy consumption intensity per high impact climate sector L	91.11 %	0.14	GWh / EUR M re...
M7 - Activities negatively affecting biodiversity sensitive areas	88.83 %	0.00	%
M8 - Emissions to water	1.13 %	0.01	tons / EUR M in...
M9 - Hazardous waste	72.20 %	0.21	tons / EUR M in...
Social	-	-	-
M10 - Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	86.98 %	0.00	%
M11 - Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD-GME	87.35 %	0.32	%
M12 - Unadjusted gender pay gap	40.65 %	8.56	%
M13 - Board gender diversity	92.64 %	37.71	%
M14 - Exposure to controversial weapons	86.31 %	0.00	%

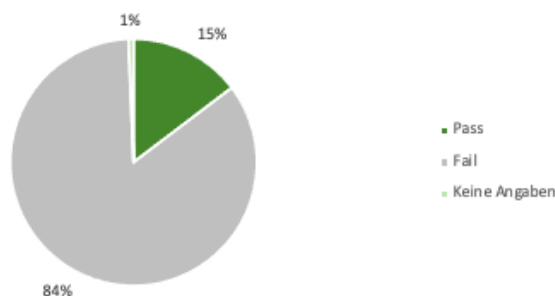
MSCI EU SUSTAINABLE INVESTMENT SCREENING

Source: Clarity AI, March 31st 2023

SDG Flexibel - MSCI EU Sustainable Investment Screening



Benchmark SDG Flexibel - MSCI EU Sustainable Investment Screening



Source: MSCI ESG, March 31st 2023

PERFORMANCE

Monthly Returns (in %):

ESG Portfolio management advises since July 2018 (green fields)

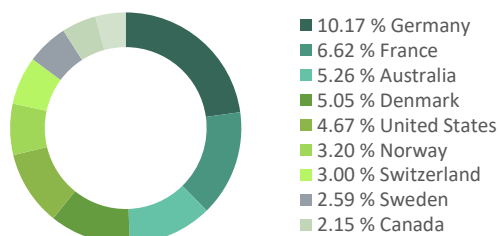
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dez	YTD
2014			-0.48	0.75	0.68	-0.05	-0.25	1.08	0.30	-1.30	2.11	-1.20	1.60
2015	3.23	2.58	0.63	-0.49	-0.38	-2.49	1.52	-4.97	-1.13	4.00	1.90	-1.86	2.19
2016	-3.02	-2.12	1.21	-0.19	-0.17	-1.83	0.64	0.50	-0.47	-0.37	-0.93	1.41	-5.32
2017	0.16	1.13	1.51	0.85	0.28	-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	1.53	-2.81
2022	-3.35	2.92	1.51	-1.26	-2.80	-2.41	5.26	0.55	-6.34	-3.21	3.28	-1.60	-7.77
2023	3.82	-2.01	1.31										3.08

Source: Universal-Investment, March 31st, 2023

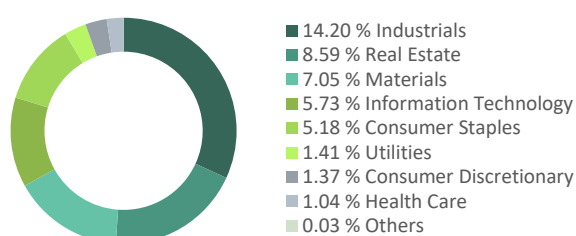
Portfolio statistics: as of March 31st, 2023 (Source: Universal Investment)

(net) Asset Allocation		Risk measurement		Bond Ratings		Top Equity Holdings	
Equities	44.6% (30.2%)	Risk-indicator	3 (max.7)	AAA/AA	3.5%	Sims Ltd.	
Bonds	52.6% (39.8%)	Vola / SharpeR 3 y	6.37 / 0.19	A	14.1%	FCR Immobilien	
Gold	0%	Ø Credit-Rating	BBB+	BBB	75.8%	Vestas Wind	
Cash	1.6%	(net) Interest duration	(2.63) 4,64	BB	1.8%	SMA Solar	
		Spread duration	4.70	NR	4.9%	Gecina	

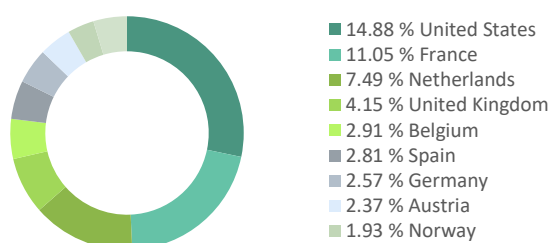
Equities by country



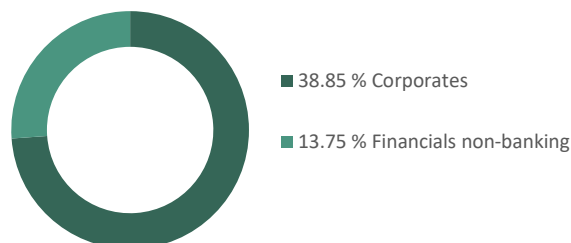
Equities by industry sector



Fixed Income by country



Fixed Income by industry sector



Product details: as of March 31st, 2022 (Source: Universal Investment)

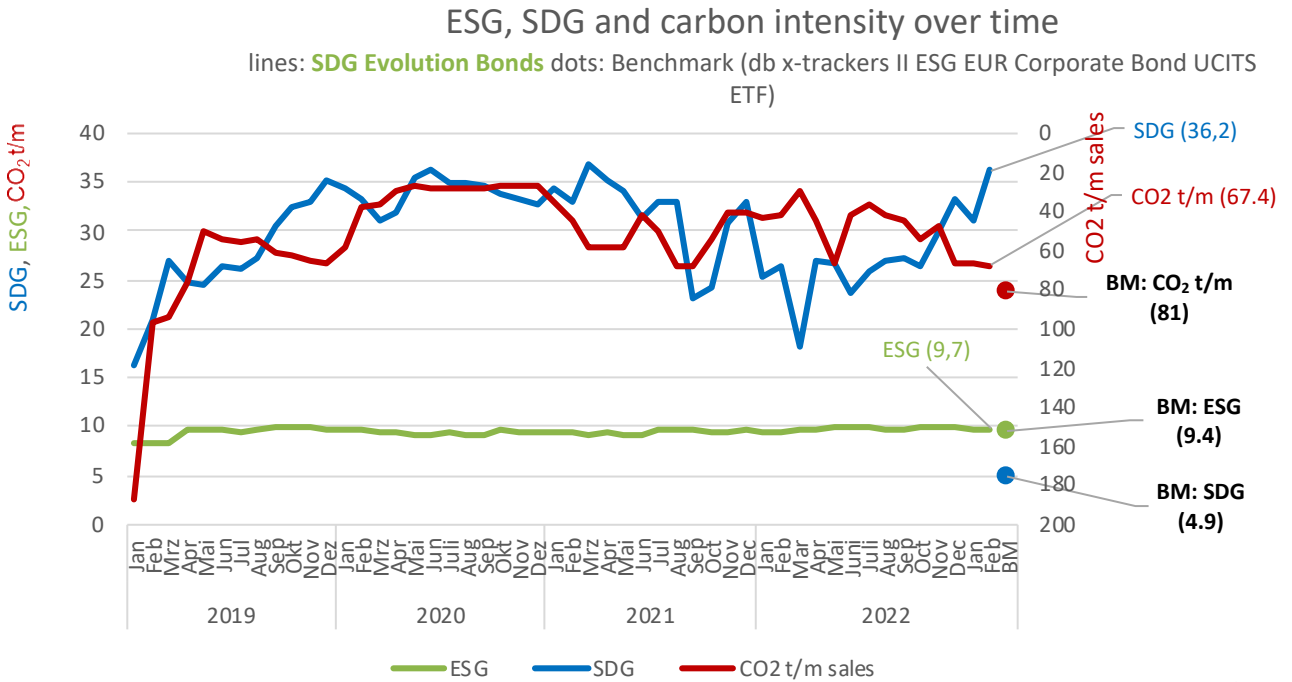
	WKN	ISIN	TER	AuM	Min. Investment
SDG Evolution Flexibel I	A1W9AZ	DE000A1W9AZ5	1.49%	7.7	100,000 EUR
SDG Evolution Flexibel R	A1W9AA	DE000A1W9AA8	2.22%	1.2	100 EUR

SDG EVOLUTION BONDS (WKN: A2AQZE)

In March, the value of our bond fund increased by 0.82% due to falling yields. Our partial interest rate hedges cost some performance. The new issues market was very quiet in March.

The fund has a high ESG score of 9.7 (max. 10). 9.4% of our positions received an ESG rating upgrade and none a downgrade. For E, we get 7.3 for S, 6.0, and for G 7.0. The SDG impact is 36.2 with the highest exposure to renewable energy. The CO₂ emissions of the companies in the portfolio amount to 67.4 t CO₂ per mio. USD of sales (benchmark: db x-trackers II ESG EUR Corporate Bond: 81 t) (source: MSCI ESG).

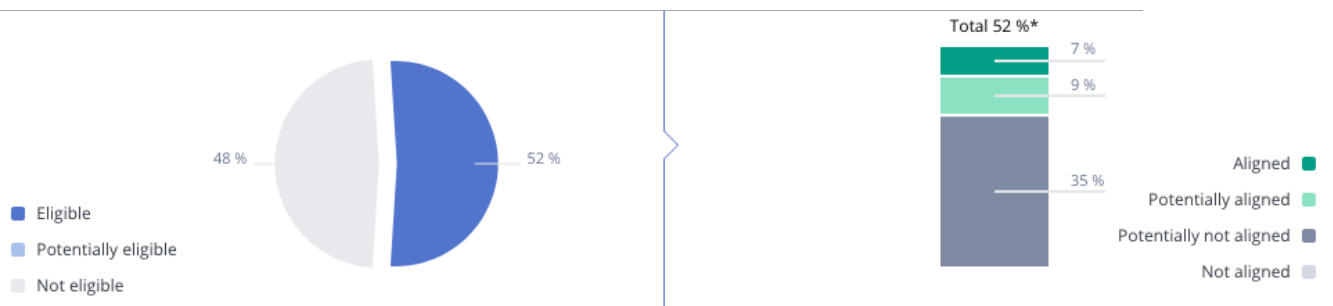
The following chart shows the fund's performance in terms of ESG quality, SDG impact, and CO₂ emissions:



Source: MSCI ESG, March 31st, 2023

EU Taxonomy Alignment EU TAXONOMY ALIGNMENT

Company	Eligible	Aligned
Clarity AI	52%	7%
MSCI ESG Data	56%	35%



*Only revenues that are eligible or potentially eligible can be assessed for EU Taxonomy alignment: 52% + 0% = 52%

Source: Clarity AI, March 31st, 2023

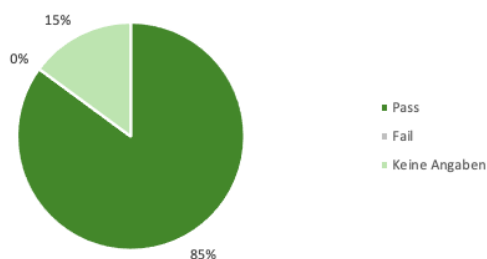
PRINCIPLE ADVERSE IMPACT INDICATORS (PAIS)

	Coverage	Total	Units
	SFDR profile	SFDR profile	SFDR profile
COMPANIES Calculated from 26 out of 26	-	-	-
Environmental	-	-	-
M1 - Total GHG emissions	92.19 %	9,356.83	tons CO2e
M1.1 - Scope 1 GHG emissions	94.10 %	26.23	tons CO2e
M1.2 - Scope 2 GHG emissions	94.10 %	25.27	tons CO2e
M1.3 - Scope 3 GHG emissions	92.19 %	9,553.81	tons CO2e
M2 - Carbon footprint	92.19 %	1,932.70	tons CO2e / EUR...
M3 - GHG intensity of investee companies	92.19 %	2,612.89	tons CO2e / EUR...
M4 - Exposure to companies active in the fossil fuel sector	88.12 %	0.00	%
M5 - Share of non-renewable energy consumption and production	0.00 %	-	-
M5.1 - Share of non-renewable energy consumption	82.20 %	64.91	%
M5.2 - Share of non-renewable energy production	100.00 %	2.69	%
M6 - Energy consumption intensity per high impact climate sector	84.95 %	0.22	GWh / EUR M re...
M6.2 - Energy consumption intensity per high impact climate sector B	100.00 %	0.07	GWh / EUR M re...
M6.3 - Energy consumption intensity per high impact climate sector C	92.60 %	0.13	GWh / EUR M re...
M6.4 - Energy consumption intensity per high impact climate sector D	100.00 %	0.47	GWh / EUR M re...
M6.5 - Energy consumption intensity per high impact climate sector E	0.00 %	n/a	GWh / EUR M re...
M6.9 - Energy consumption intensity per high impact climate sector L	75.00 %	0.27	GWh / EUR M re...
M7 - Activities negatively affecting biodiversity sensitive areas	84.31 %	0.00	%
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M9 - Hazardous waste	73.15 %	0.19	tons / EUR M in...
Social	-	-	-
M10 - Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	79.06 %	0.00	%
M11 - Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD-GME	84.58 %	0.00	%
M12 - Unadjusted gender pay gap	47.56 %	9.49	%
M13 - Board gender diversity	94.10 %	39.97	%
M14 - Exposure to controversial weapons	88.12 %	0.00	%

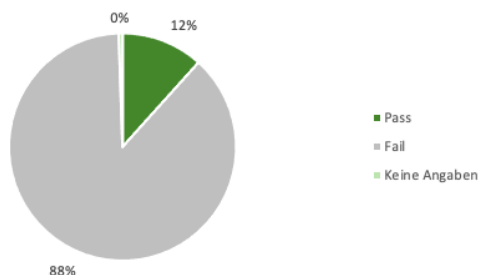
Source: Clarity AI, March 31th 2023

MSCI EU SUSTAINABLE INVESTMENT SCREENING

SDG Bonds - MSCI EU Sustainable Investment Screening



Benchmark SDG Bonds - MSCI EU Sustainable Investment Screening



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	-0.53	-3.43
2022	-1.30	-2.30	-1.70	-2.37	-2.04	-3.60	4.04	-3.14	-3.39	-3.20	2.97	-1.55	-16.52
2023	1.86	-1.91	0.82										0.73

Source: Universal Investment, March 31st, 2023

Portfolio statistics: as of March 31st, 2023 (Source: Universal Investment)

Rating Distribution

AAA/AA	12.1 %
A	22.3%
BBB	58.1%
BB	0%
NR	7.6%

Risk measurements

Risk-category	2 (max. 7)
Vol. / SharpeR 3 y.	3.77% / -1.34
Ø Credit-Rating	A-
(net) Interest duration	(3.35) 5.22
Spread duration	4.81

Top Holdings

Vestas Wind
Bund
Covivio
Klépierre
Gecina

Fixed Income by country



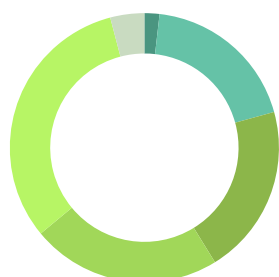
24.42 %	France
21.54 %	United States
12.06 %	Germany
8.98 %	Netherlands
6.00 %	United Kingdom
5.71 %	Norway
5.66 %	Belgium
5.45 %	Spain
4.01 %	Austria
4.23 %	Other

Fixed Income by industry sectors



66.21 %	Corporates
25.26 %	Financials non-banking
6.59 %	Governments

Fixed Income by maturity profile



1.77 %	0-1
18.55 %	1-3
20.09 %	3-5
22.34 %	5-7
31.30 %	7-10
4.01 %	15-30

Product details: as of March 31st, 2023 (Source: Universal Investment)

	WKN	ISIN	TER	AuM	Min. Investment
SDG Evolution Bonds	A2AQZE	DE000A2AQZE9	0.96%	5.1	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, Services)	0%
- Nuclear power generation	
- Uranium mining	
- Embryonic stem cell research and cloning technology	
- Coal-fired power generation	
- Oil extraction, processing and power generation	
- 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 SDG Evolution Bonds are causing a warming of less than 2 degrees. We support climate transition!**

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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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 SDG Evolution Flexibel and SDG Evolution Bonds.

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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