

ESG PORTFOLIO MANAGEMENT

Report August 2023



Source: fotocommunity.de

Climetrics



Source: <https://www.cdp.net/en/investor/climetrics>

SDG Evolution Flexible and

SDG Evolution Bonds receive the highest score for climate protection from Climetrics.

Only 7 percent of all funds evaluated achieved this score.

Climetrics evaluates environmental impact, corporate transparency and performance, as well as engagement in green technologies, targets and transition plans.

Source: Climetrics Methodology
Version 3rd, July 2023

With our funds you protect the climate

We invite everyone to invest

Increasing heat, water shortages, extreme weather and species extinction threaten our planet. Many people's livelihoods are already threatened and they are fleeing.

We are looking for solutions. That's why our Article 9 funds invest particularly in renewable energy, healthy food and education companies, but also in industrial and utility companies that are successfully reducing their emissions.

To enable economic growth while reducing emissions, we need transition. Therefore, it is important that we also assess the future performance of companies and support them with targeted investments. We engage with constructive criticism to increase the sustainability of our portfolio companies.

The company right. based on science regularly determines that the companies in our funds cause global warming of less than two degrees on average. (In comparison, the companies in the DAX are above four degrees).

We achieve the highest ESG qualities (AAA from MSCI ESG) and positive impacts on sustainability targets.

We have already received several awards for this:

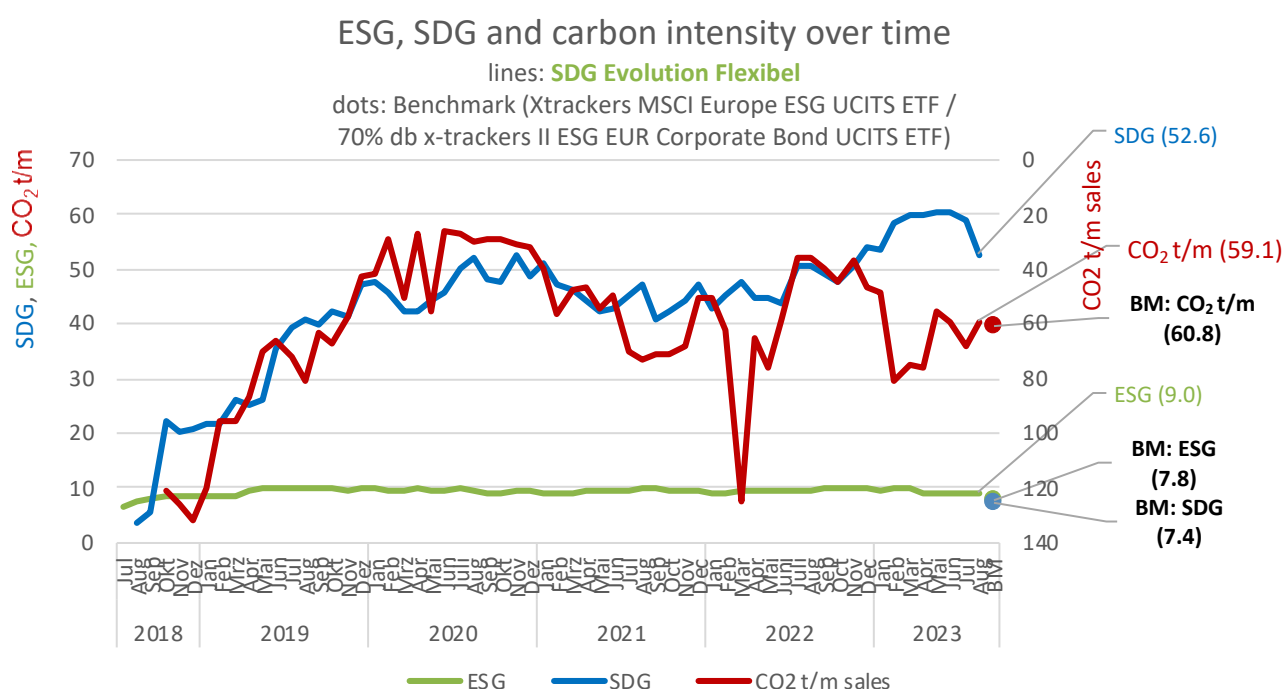


You can obtain our funds from any good bank and via the Düsseldorf, Hamburg and Stuttgart stock exchanges. For the funds SDG Evolution Flexibel R (WKN: A1W9AA) and SDG Evolution Bonds (WKN: A2AQZE), a single unit can be purchased. Both funds are eligible for savings plans.

SDG EVOLUTION FLEXIBEL I (WKN: A1W9AZ)

In August, the share price fell by 1.91% due to the weak stock markets. While some shares like Sims, Mowi and Svenska Cellulosa performed well, there were setbacks for Vestas, SMA Solar, and Plug Power. Hedging via DAX put options helped reduce losses in August.

SDG Evolution Flexible achieved an ESG rating of 9.0 (maximum 10). 7.5% of our positions received an ESG rating upgrade and 1% a downgrade. We achieved a score of 7.2 for E, 5.6 for S, and 7.0 for G. CO2 intensity is 59.1t CO2 per USD million of sales, above benchmark (30% Xtrackers MSCI Europe ESG UCITS ETF / 70% db x-trackers II ESG EUR Corporate Bond UCITS ETF: 60.8t). We encourage transition and therefore like to invest in companies that reduce their emissions in the future. The SDG score is 52.6% (source: MSCI ESG). The graph shows the ESG quality of the fund, SDG impact and CO2 intensity over time. The dots represent the benchmark data:



Source: MSCI ESG, August 31st, 2023

PERFORMANCE

Monthly Returns (in %):

ESG Portfolio management advises since July 2018 (green fields)

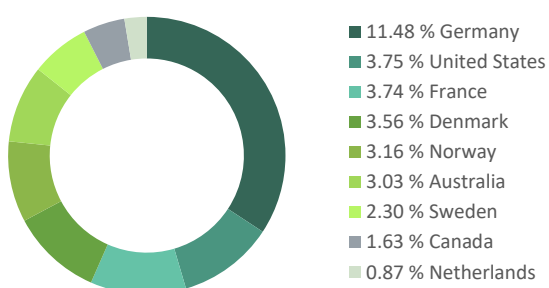
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dez	YTD
2014			-0.48	0.75	0.68	-0.05	-0.25	1.08	0.30	-1.30	2.11	-1.20	1.60
2015	3.23	2.58	0.63	-0.49	-0.38	-2.49	1.52	-4.97	-1.13	4.00	1.90	-1.86	2.19
2016	-3.02	-2.12	1.21	-0.19	-0.17	-1.83	0.64	0.50	-0.47	-0.37	-0.93	1.41	-5.32
2017	0.16	1.13	1.51	0.85	0.28	-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	-1.51	-1.78	-2.52	-0.53	-1.91					-5.16

Source: Universal-Investment, August 31st, 2023

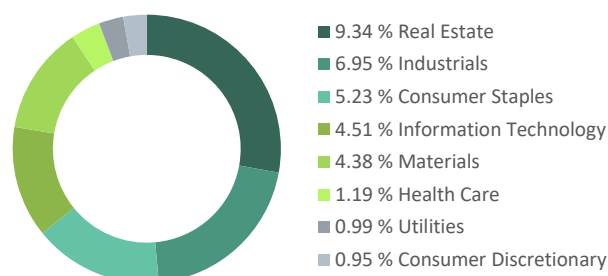
Portfolio statistics: as of August 31st, 2023 (Source: Universal Investment)

(net) Asset Allocation		Risk measurement		Bond Ratings		Top Equity Holdings
Equities	33.5% (20.4%)	Risk-indicator	3 (max.7)	AAA/AA	0%	FCR Immobilien
Bonds	63.2% (57.7%)	Vola / SharpeR 3 y	6.38 / -0.69	A	20.1%	SMA Solar
Gold	0%	Ø Credit-Rating	BBB+	BBB	71.1%	Sims Ltd.
Cash	2.4%	(net) Interest duration	(3.26) 4,52	BB	0.0%	Vestas Wind
		Spread duration	4.57	NR	8.8%	General Mills

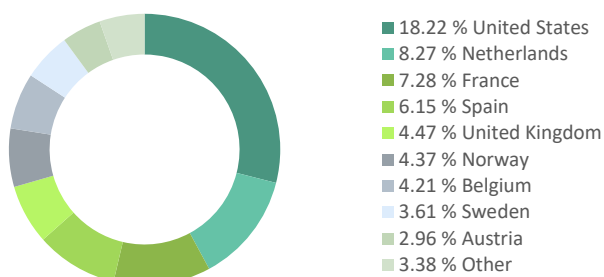
Equities by country



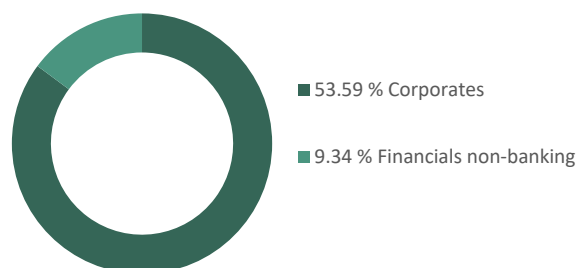
Equities by industry sector



Fixed Income by country



Fixed Income by industry sector



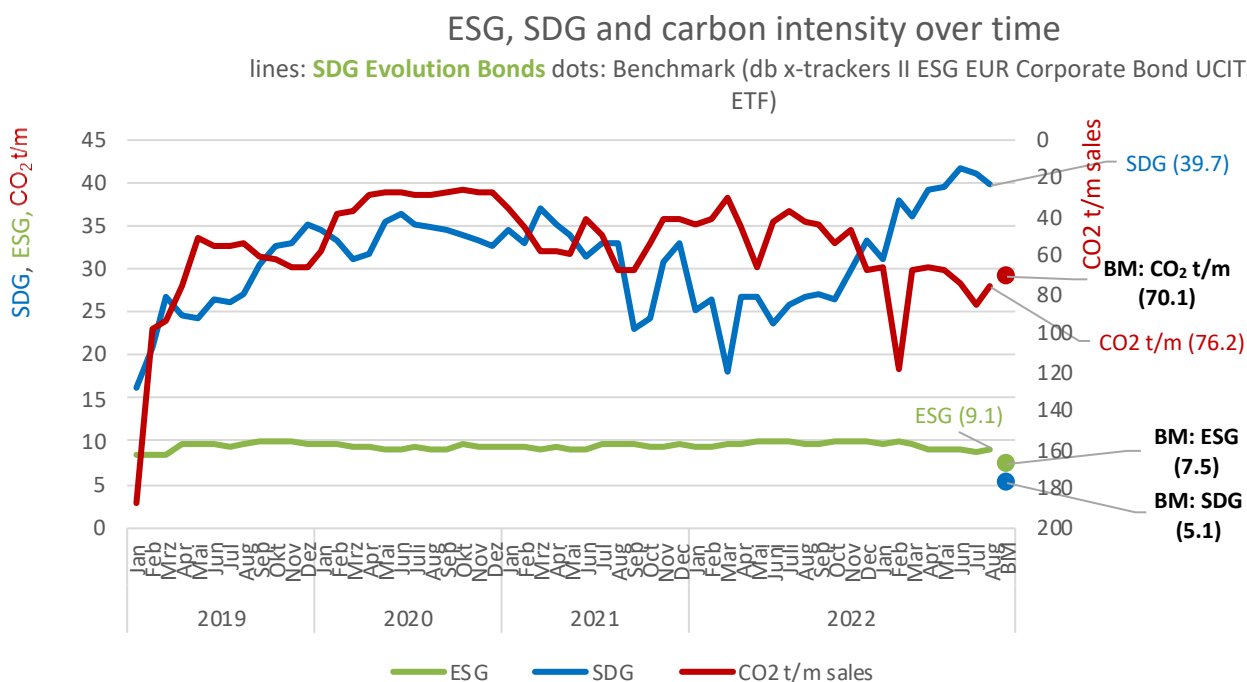
Product details: as of August 31st, 2023 (Source: Universal Investment)

	WKN	ISIN	TER	AuM	Min. Investment
SDG Evolution Flexibel I	A1W9AZ	DE000A1W9AZ5	1.49%	2.4	100,000 EUR
SDG Evolution Flexibel R	A1W9AA	DE000A1W9AA8	2.22%	1.2	100 EUR

SDG EVOLUTION BONDS (WKN: A2AQZE)

In August, the value of our bond fund increased by 0.71% due to falling yields and the narrowing of credit spreads. We found no attractive new issues and reduced our interest rate hedge.

The fund has a high ESG rating of 9.1 (max. 10). 11.1% of our positions received an ESG rating upgrade and 2.5% a downgrade. For E we get 7.5, for S 5.8 and for G 7.0. SDG Evolution Bonds achieves an SDG impact of 39.7. The CO2 emissions of the companies in the portfolio amount to 76.2t CO2 per million USD sales (benchmark: db x-trackers II ESG EUR Corporate Bond: 70.1t) (source: MSCI ESG). The following chart shows the performance of the fund in terms of ESG quality, SDG impact and CO2 emissions:



Source: MSCI ESG, August 31st, 2023

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	0.36	-0.65	-1.32	0.92	0.71					0.73

Source: Universal Investment, August 31st, 2023

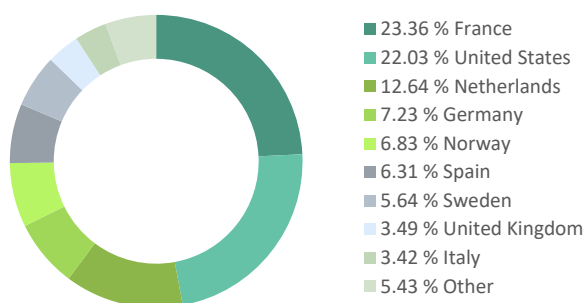
Portfolio statistics: as of August 31st, 2023 (Source: Universal Investment)

Rating Distribution	
AAA/AA	6.3%
A	27.8%
BBB	57.9%
BB	0%
NR	8.0%

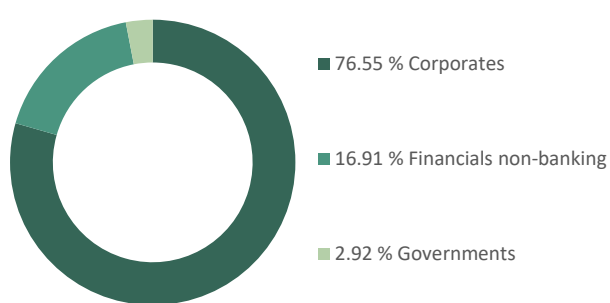
Risk measurements	
Risk-category	2 (max. 7)
Vol. / SharpeR 3 y.	3.82% / -1.79
Ø Credit-Rating	BBB+
(net) Interest duration	(4.29) 4.6
Spread duration	4.45

Top Holdings
Edwards Lifesciences
Vestas
Covivio
Essity
Gecina

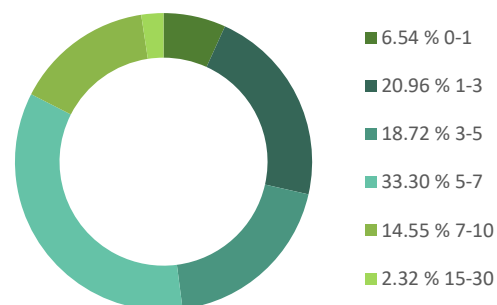
Fixed Income by country



Fixed Income by industry sectors



Fixed Income by maturity profile



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

	WKN	ISIN	TER	AuM	Min. Investment
SDG Evolution Bonds	A2AQZE	DE000A2AQZE9	0.96%	2.90	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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