

ESG PORTFOLIO MANAGEMENT

Report April 2024



SDG Evolution Bonds was dissolved on April 23, 2024 due to the insufficient size of the fund.

The sale of all corporate bonds in April went smoothly.

The fund ended with a unit price of EUR 73.02, which was paid out to investors on 29.4.2024.

This results in a YTD performance of -3.07% for the SDG Evolution Bonds.

We would like to thank all investors for their trust and our partners Baader Bank, Donner & Reuschel and Universal Investment for their excellent cooperation.

We are now fully focused on the SDG Evolution Flexible.

We are happy to offer a new bond fund, mandates or advice if you are interested.

Please feel free to contact me:

Christoph Klein

klein@esg-pm.com

+49 151 50408817

USA introduces new climate regulation

We see recovery potential for renewable energies

The US Environmental Protection Agency (EPA) has issued a regulation that obliges operators of coal-fired power plants in the USA to significantly reduce emissions or shut down power plants. Coal-fired power plants operating beyond 2039 must reduce their greenhouse gas emissions by 90 percent by 2032. (Source The Guardian, April 25). To do this, they must find ways to reduce emissions, capture them from the atmosphere and store them, or avoid them altogether by shutting the plants down.

The rule follows two ambitious regulations issued by the EPA in March that aim to ensure that the majority of new cars sold in the US are all-electric or hybrid by 2032 and to boost sales of trucks with electric or other zero-emission powertrains.

The latest regulation alone has the potential to save 1.38 billion tons of CO₂ by 2047 and prevent up to \$270 billion in damages from flooding, wildfires, supply chain disruptions and higher commodity costs due to climate change. (Source: [nytimes.com 4/25/2024](https://www.nytimes.com/2024/04/25/us/politics/electric-vehicles.html))

The SDG Evolution Flexible is already investing in innovators and market leaders in the renewable energy sector. These include, for example, Ballard Power, Boralex and Vestas, which are playing a leading role in the transformation to sustainable energy production in the USA.

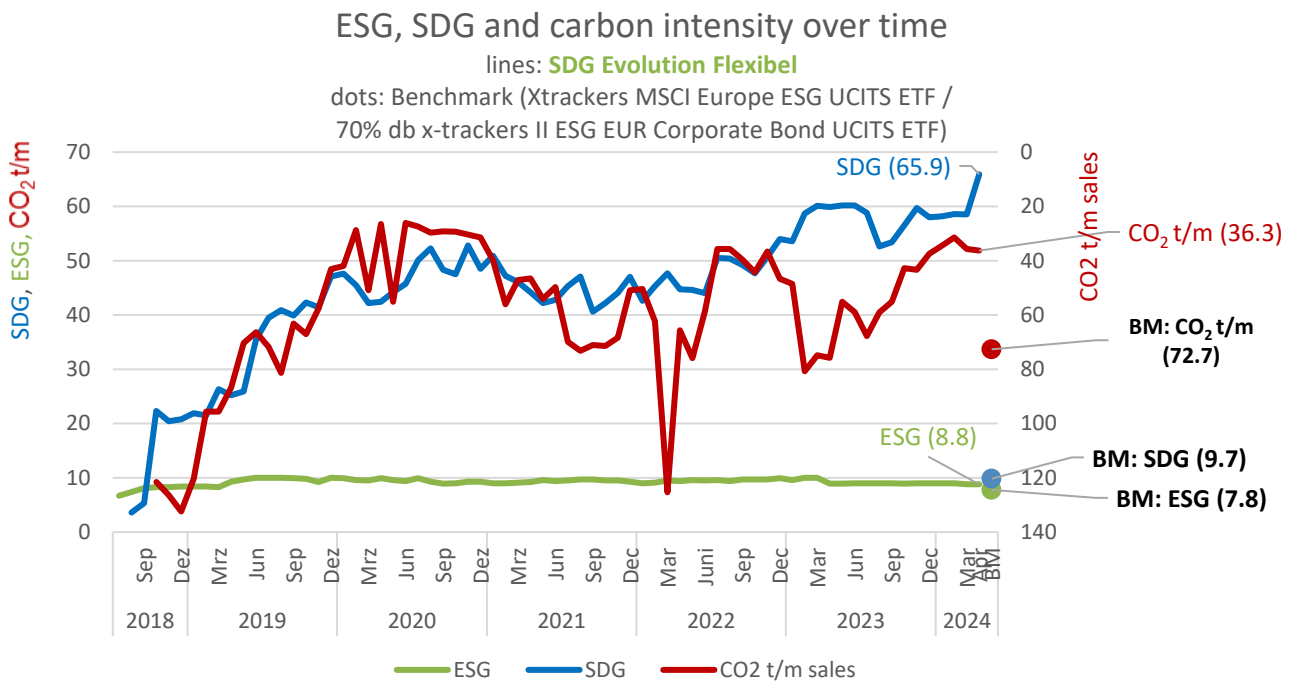


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SDG EVOLUTION FLEXIBEL I (WKN: A1W9AZ)

The fund price fell by 1.93% in April. Both weaker equity and bond markets contributed to this. Alstom, Covivio, Grieg and Orkla performed positively. DAX puts also helped to reduce losses in this overall weak market environment.

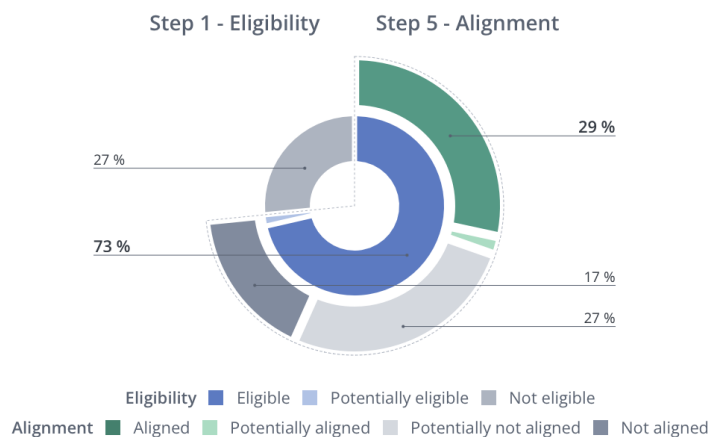
The SDG Evolution Flexibel achieves an overall ESG score of 8.8 (maximum 10). 8,6% of our positions got an ESG rating upgrade and 8.6% a downgrade. For E, we achieved a score of 7.0, for S 5.6, and for G 7.0. Carbon emissions, at 36.3 t CO₂ per USD million of sales are below the benchmark (30% Xtrackers MSCI Europe ESG UCITS ETF / 70% db x-trackers II ESG EUR Corporate Bond UCITS ETF: 72.7 t) as we focus more on transition and increased our holdings in industrial companies which actively reduce their emissions. The SDG score is 65.9 % (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, April 30th, 2024

EU Taxonomy Alignment

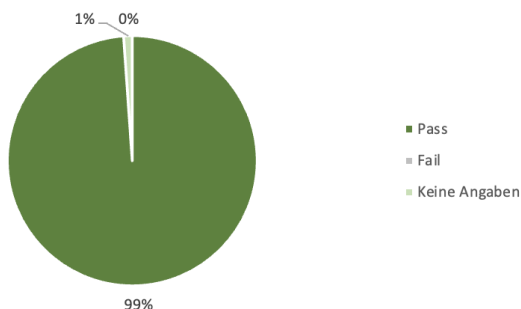
Company	Eligible	Aligned
Clarity AI	73%	29%
MSCI ESG Data	68%	58%



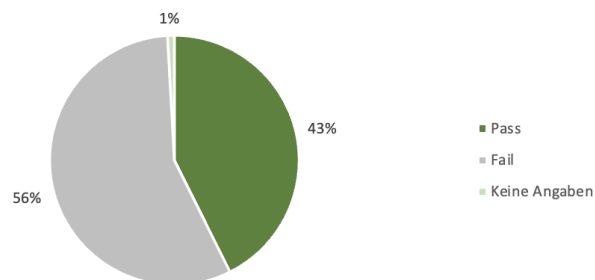
Source: Clarity AI, March 28th, 2024

MSCI EU SUSTAINABLE INVESTMENT SCREENING

SDG Flexibel - MSCI EU Sustainable Investment Screening



Benchmark SDG Flexibel - MSCI EU Sustainable Investment Screening



Source: MSCI ESG, March 28th 2024

PRINCIPLE ADVERSE IMPACT INDICATORS (PAIS)

	Coverage	Total	Units
	SFDR profile	SFDR profile	SFDR profile
COMPANIES Calculated from 33 out of 33	-	-	-
Environmental	-	-	-
M1 - Total GHG emissions	100.00 %	6,807.49	tonne CO2e
M1.1 - Scope 1 GHG emissions	100.00 %	18.58	tonne CO2e
M1.2 - Scope 2 GHG emissions	100.00 %	13.29	tonne CO2e
M1.3 - Scope 3 GHG emissions	100.00 %	6,764.48	tonne CO2e
M2 - Carbon footprint	100.00 %	2,948.43	tonne CO2e / E...
M3 - GHG intensity of investee companies	100.00 %	3,342.41	tonne CO2e / E...
M4 - Exposure to companies active in the fossil fuel sector	100.00 %	4.36 %	%
M5 - Share of non-renewable energy consumption and production	0.00 %	-	-
M5.1 - Share of non-renewable energy consumption	94.53 %	59.96 %	%
M5.2 - Share of non-renewable energy production	100.00 %	6.25 %	%
M6 - Energy consumption intensity per high impact climate sector	100.00 %	0.20	GWh / EUR M re...
M6.1 - Energy consumption intensity per high impact climate sector A	100.00 %	5.19	GWh / EUR M re...
M6.2 - Energy consumption intensity per high impact climate sector B	100.00 %	0.08	GWh / EUR M re...
M6.3 - Energy consumption intensity per high impact climate sector C	100.00 %	0.08	GWh / EUR M re...
M6.4 - Energy consumption intensity per high impact climate sector D	100.00 %	0.55	GWh / EUR M re...
M6.9 - Energy consumption intensity per high impact climate sector L	100.00 %	0.24	GWh / EUR M re...
M7 - Activities negatively affecting biodiversity sensitive areas	94.34 %	0.00 %	%
M8 - Emissions to water	14.66 %	< 0.01	tonne / EUR M i...
M9 - Hazardous waste	100.00 %	5.72	tonne / EUR M i...
Social	-	-	-
M10 - Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	94.34 %	9.21 %	%
M11 - Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD-GME	100.00 %	0.00 %	%
M12 - Unadjusted gender pay gap	46.31 %	8.83 %	%
M13 - Board gender diversity	100.00 %	38.89 %	%
M14 - Exposure to controversial weapons	100.00 %	0.00 %	%

Source: Clarity AI, March 28th 2024

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	-2.52	-0.83	-1.31	5.61	-4.44
2024	-4.45	-3.31	0.13	-1.93									-9.28

Source: Universal-Investment, April 30th, 2024

Portfolio statistics: as of April 30th, 2024 (Source: Universal Investment)

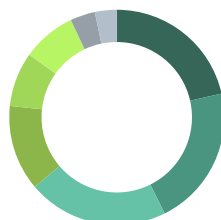
(net) Asset Allocation		Risk measurement		Bond Ratings		Top Equity Holdings
Equities	42.2% (15.1%)	Risk-indicator	3 (max.7)	AAA/AA	0.0%	SMA Solar
Bonds	54.0% (54.0%)	Vola / SharpeR 3 y	7.01 / -1.30	A	28.3%	Umicore
Gold	0%	Ø Credit-Rating	BBB+	BBB	71.7%	Alstom
Cash	1.5%	(net) Interest duration	(4.63) 4.63	BB	0.0%	Sims Ltd.
		Spread duration	4.63	NR	0.0%	Vestas Wind

Equities by country



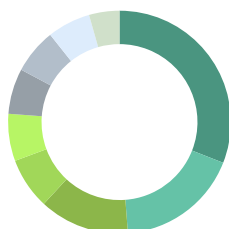
6.71 % France
6.32 % Germany
5.44 % Norway
4.21 % Denmark
3.81 % Belgium
3.60 % Sweden
3.39 % United States
3.21 % Australia
2.05 % Canada

Equities by industry sector



9.05 % Materials
8.93 % Information Technology
8.91 % Industrials
5.44 % Consumer Staples
3.45 % Real Estate
3.42 % Health Care
1.58 % Consumer Discretionary
1.38 % Utilities

Fixed Income by country



16.72 % United States
9.64 % France
7.07 % Netherlands
4.03 % United Kingdom
3.70 % Denmark
3.56 % Germany
3.53 % Spain
3.39 % Belgium
2.38 % Austria

Fixed Income by industry sector



40.85 % Corporates
13.17 % Financials non-banking

Product details: as of April 30th, 2024 (Source: Universal Investment)

	WKN	ISIN	TER	AuM	Min. Investment
SDG Evolution Flexibel I	A1W9AZ	DE000A1W9AZ5	1.52%	1.6	100,000 EUR
SDG Evolution Flexibel R	A1W9AA	DE000A1W9AA8	2.21%	1.1	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.

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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