

ESG PORTFOLIO MANAGEMENT

Report May 2024



An example for good gender diversity

Source: <https://www.nachhaltige.uni-hamburg.de>

SDG Evolution Flexibel moved to Monega KAG in May. We would like to thank Universal Investment and Baader Bank for their outstanding performance and excellent cooperation. At the same time, the custodian function moved to Kreissparkasse Köln. We would like to thank StateStreet for their great work. We are now fully focused on the SDG Evolution Flexible.

In addition to sustainability, we are now increasingly focusing on the financial performance and growth of the fund.

We are happy to offer new funds, mandates, advice and seminars if you are interested.

Please feel free to contact me:

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How we measure and use the Principle Adverse Impact Indicators (PAIs) and engage with companies. Example: Gender Diversity

Strong recovery in US solar stocks

The PAIs are important to us. We not only measure these on a quarterly basis (with Clarity AI) and report regularly in our monthly reports, but also use them for our engagements and in our portfolio management (see our engagement report at www.esg-pm.com).

As an example, we show PAI No. 13: Board Gender Diversity. Our SDG Evolution Flexibel fund has a female quota of 38.9%. Benchmarks usually show values around 30%. As there are no legal or regulatory thresholds for the PAIs, we calculate medians and quartiles of benchmarks and sectors to find reference points for our assessments.

Our portfolio companies ONO Pharmaceutical (Japan) and Enphase (USA) have only 11% and 14% female management. That is not acceptable! Good diversity stands for equal opportunities, helps companies to reduce risks and improve results. We have asked both companies to take effective measures to achieve quotas of over 20% in the near future.

ONO Pharma has responded to us: Prof. Akiko Okuno, as an external member of the Supervisory Board, is working to increase the proportion of women in management through targeted promotions. We have followed up with Enphase.

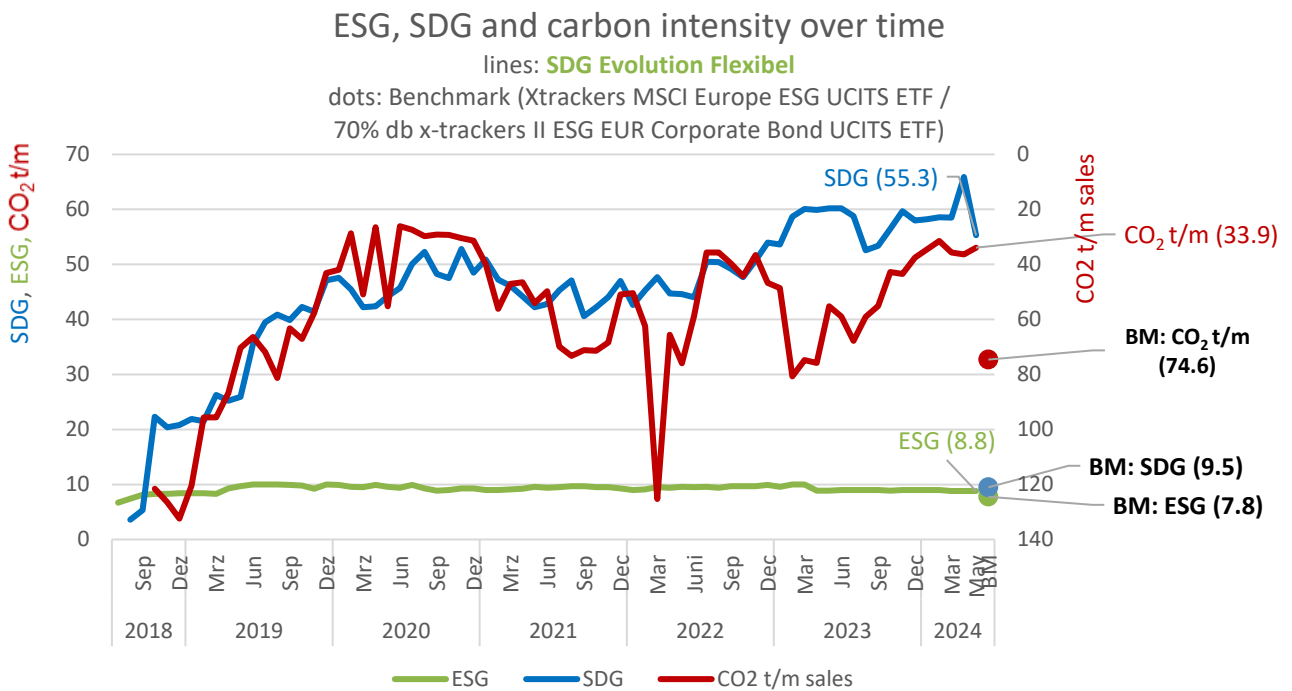
The SDG Evolution Flexible strives for an MSCI ESG fund rating of AAA, positive effects on the sustainability goals and high EU taxonomy ratios, but also improves the PAI values.



SDG EVOLUTION FLEXIBEL I (WKN: A1W9AZ)

The fund price rose by 0.5 % in May despite the renewed weakness of the bond markets. Our equities Alstom, Ballard, Boralex and Plug Power performed well. In contrast to the USA, Europe was unable to fend off Chinese dumping in the solar energy sector. This is weighing on stocks such as SMA Solar.

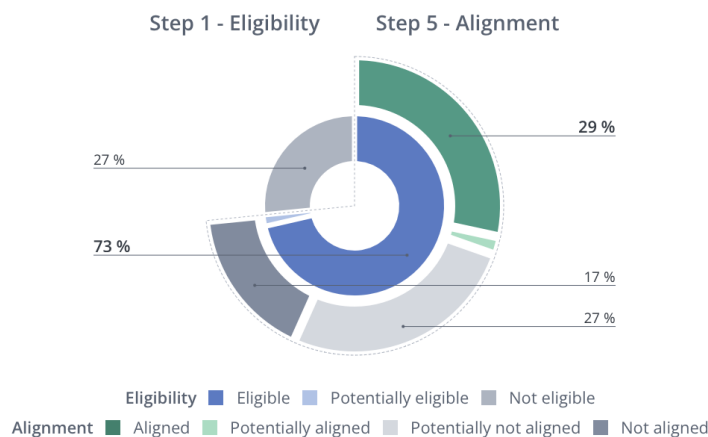
The SDG Evolution Flexibel achieves an overall ESG score of 8.8 (maximum 10). 5.7% of our positions got an ESG rating upgrade and 8.6% a downgrade. For E, we achieved a score of 7.1, for S 5.6, and for G 6.9. Carbon emissions, at 33.9 t CO₂ per USD million of sales are below the benchmark (30% Xtrackers 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 55.9 % (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, May 31st, 2024

EU Taxonomy Alignment

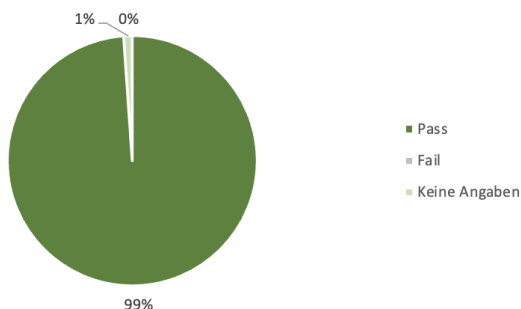
Company	Eligible	Aligned
Clarity AI	73%	29%
MSCI ESG Data	68%	58%



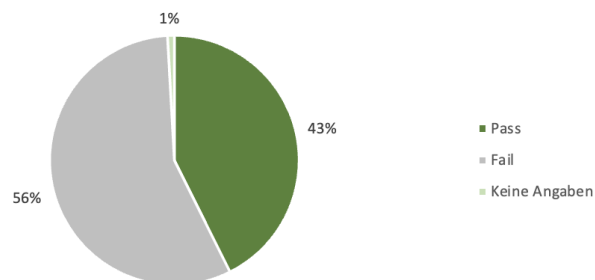
Source: Clarity AI, March 28th, 2024

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)

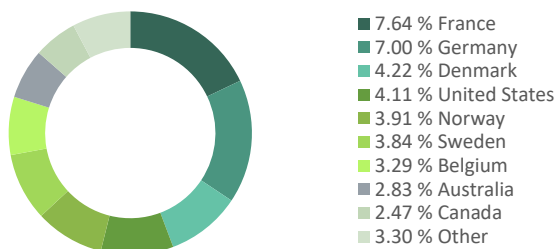
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dez	YTD
2014			-0.48	0.75	0.68	-0.05	-0.25	1.08	0.30	-1.30	2.11	-1.20	1.60
2015	3.23	2.58	0.63	-0.49	-0.38	-2.49	1.52	-4.97	-1.13	4.00	1.90	-1.86	2.19
2016	-3.02	-2.12	1.21	-0.19	-0.17	-1.83	0.64	0.50	-0.47	-0.37	-0.93	1.41	-5.32
2017	0.16	1.13	1.51	0.85	0.28	-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	0.50								-8.83

Source: Monega, May 31st, 2024

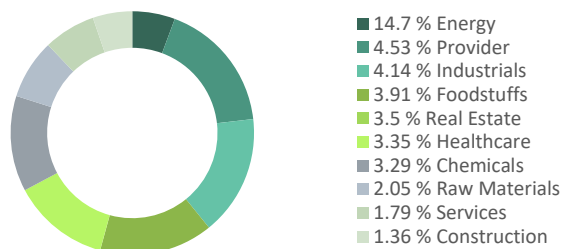
Portfolio statistics: as of May 31st, 2024 (Source: Monega)

Asset Allocation		Risk measurement		Bond Ratings		Top Equity Holdings	
Equities	42.6%	Risk-indicator	3 (max.7)	AAA/AA	6.1%	SMA Solar	
Bonds	52.9%	Vola / SharpeR s.inc.	6.27 / -0.27	A	22.3%	Alstom	
Gold	0%	Ø Credit-Rating	BBB+	BBB	64.6%	Umicore	
Cash	1.4%	(net) Interest duration	(5.09) 5.09	BB	6.9%	Enphase	
		Spread duration	5.09	NR	0.0%	Sims Ltd.	

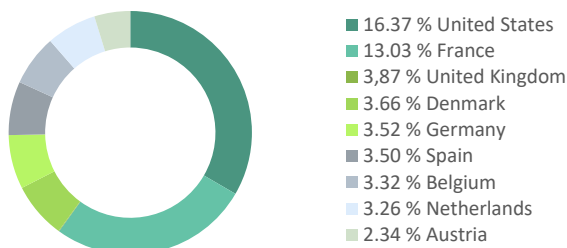
Equities by country



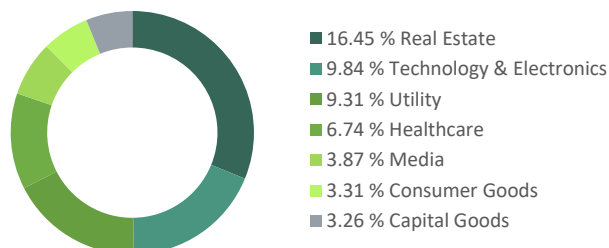
Equities by industry sector



Fixed Income by country



Fixed Income by industry sector



Product details: as of May 31st, 2024 (Source: Monega)

	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	none

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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