

Our multi asset fund *SDG Evolution Flexibel* is classified as article 9 SFDR and focuses on several sustainability targets simultaneously – the fund's ESG rating is AAA, the SDG impact 49.2% (measured with MSCI ESG, September 2022), the EU taxonomy alignment is high at 48% (measured with Clarity AI, September 2022). We measure negative impacts (especially the PAIs) frequently. We use positive lists which consequently consider our long list of exclusion criteria and focus on attractive green bond new issues with convincing second party opinions.

Furthermore, we reduce climate risks and support climate transition. We use TCFD compliant methodologies to ensure that the portfolio contributes to warming of less than 2 degrees. To perform these tasks we use various data providers: MSCI ESG, Clarity AI, ESG Screen17, and right. based on science. We report all dimensions described above in our monthly reporting. See: <https://www.esg-portfolio-management.com/wp-content/uploads/2022/10/ESG-PM-Report-September.pdf>

Active engagements and proxy votings are performed with companies to enhance ESG quality and positive impact and to reduce climate risks, ESG weaknesses, negative impacts and incidents. We report our engagements on our website. See: <https://www.esg-portfolio-management.com/wp-content/uploads/2022/07/Engagement-Report-2022-July.pdf>.

The team reacts flexibly and dynamically to risks. In 2022 we achieved an outperformance versus benchmark and many peers (as at September 30th). We had zero holdings in Russia and actively use DAX put options and bond derivatives to reduce equity, credit and interest rate risks. We also reduce FX exposures.

Christoph Klein, founder and managing partner of ESG Portfolio Management, is frequently invited to speak at sustainability conferences. He is a member of the CFA ESG Technical Committee and the DVFA Sustainable Investing Commission. He was a member of the UN PRI Fixed Income Working Group and is a lecturer for ESG and climate risk seminars at Moody's Analytics and teaches sustainable investment at the European Business School.