

Fund Carbon Analysis

Data as of: 31.03.2019
 Portfolio: H&A Prime Values Income
 Portfolio Value (ex cash): 108'865'254 USD
 Benchmark: MSCI World
 Industry Classification: GICS

Assessment date: 2 May 2019
 Emissions compared to Benchmark: -50%
 Emissions compared to previous year: -13%

Coverage

	Capital-weighted Coverage
Portfolio (ex cash)	84.8%
Benchmark	99.7%

Our analysis covers 99.7% of the benchmark and 84.8% of the portfolio.

Fundamental Indicators

	Absolute emissions (tCO ₂ eq), projected to 100% coverage				
	Total	Scope 1	Scope 2	Scope 3	
				supply	use
Portfolio	23'309	3'146	2'063	9'333	8'767
Benchmark	51'440	7'272	2'831	10'210	31'127
Δ Portfolio/Benchmark	-55%	-57%	-27%	-9%	-72%
Δ Portfolio 18/Portfolio 17	-11%	0%	30%	-22%	-8%

Absolute emissions represent the carbon footprint of the portfolio and the benchmark. They are the yearly emissions (in tCO₂eq) which can be attributed to the fund through its investments. The benchmark emissions are calculated by "investing" the same amount as the portfolio according to benchmark weights.

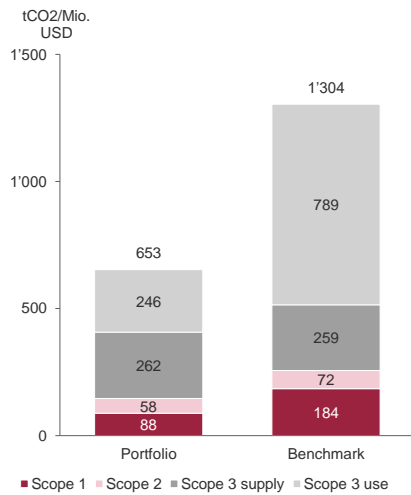
	Relative emissions (tCO ₂ eq/mn USD invested)				
	Total	Scope 1	Scope 2	Scope 3	
				supply	use
Portfolio	214	29	19	86	81
Benchmark	471	67	26	94	285
Δ Portfolio/Benchmark	-55%	-57%	-27%	-8%	-72%
Δ Portfolio18 /Portfolio 17	20%	38%	72%	6%	24%

This relative indicator uses the same data as absolute emissions, but it is normalized by mn USD invested for comparison reasons. The emissions are directly linked to the market value of the portfolio or the benchmark.

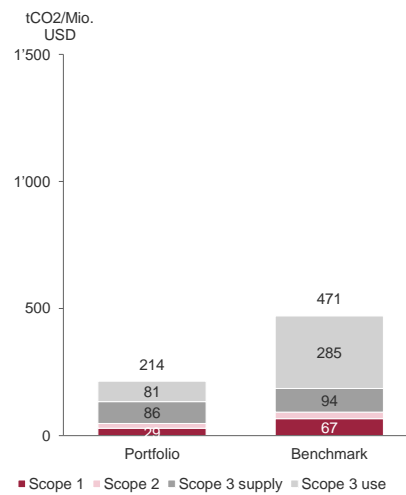
	Carbon intensity (tCO ₂ eq/mn USD Revenue)				
	Total	Scope 1	Scope 2	Scope 3	
				supply	use
Portfolio	653	88	58	262	246
Benchmark	1'304	184	72	259	789
Δ Portfolio/Benchmark	-50%	-52%	-19%	1%	-69%
Δ Portfolio 18/Portfolio 17	-13%	-2%	28%	-23%	-10%

Carbon intensity in tCO₂eq/mn USD Revenue is one of the most widely used intensity metrics. It adjusts for company valuation and focuses therefore on the efficiency of output rather than on a portfolio's carbon footprint.

Relative Emissions per mn USD Revenue



Relative Emissions per mn USD invested

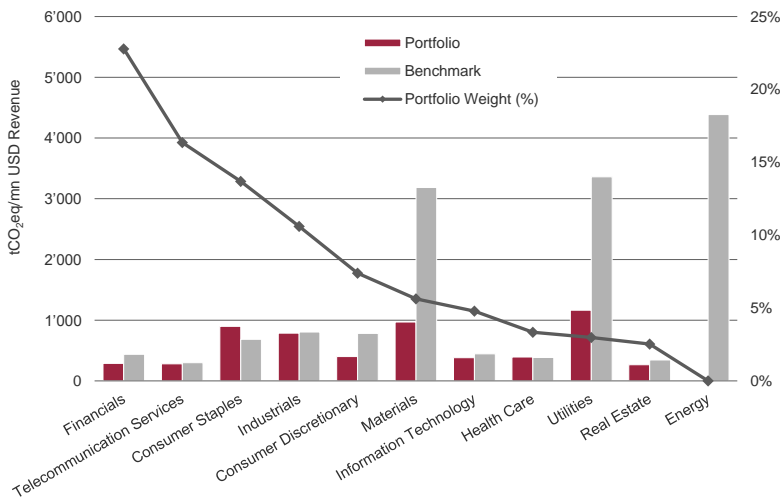


Overall, the portfolio's carbon intensity is 50% lower compared to the benchmark and 13% lower compared to the previous year. Per million USD invested, the portfolio's relative emissions are 55% lower compared to the benchmark and 20% lower compared to the previous year.

Sector analysis (based on tCO2eq per mn USD revenue)

	Portfolio		Benchmark		Comparison	
	Weight	Emissions*	Weight	Emissions*	Weight	Emissions
Financials	22.8%	290	15.4%	440	48%	-34%
Telecommunication Services	16.4%	281	2.7%	300	512%	-6%
Consumer Staples	13.7%	898	8.6%	684	59%	31%
Industrials	10.6%	786	11.1%	804	-5%	-2%
Consumer Discretionary	7.4%	400	10.5%	784	-30%	-49%
Materials	5.6%	971	4.8%	3'183	17%	-70%
Information Technology	4.8%	381	16.6%	444	-71%	-14%
Health Care	3.3%	395	12.8%	387	-74%	2%
Utilities	3.0%	1'164	3.4%	3'358	-12%	-65%
Real Estate	2.5%	267	3.3%	345	-24%	-23%
Energy	0.0%	0	6.0%	4'384	-100%	-100%

*Sector emissions (carbon intensities) are reported in tCO₂eq/mn USD revenue.



The graph on the left shows, how a portfolio's emissions can be explained through sector allocation and stock selection. The lower the portfolio weight of carbon intensive sectors such as Materials, Utilities or Energy, the lower are a portfolio's emissions compared to a benchmark.

The stock selection can reinforce or diminish this effect, depending on the selection on more or less carbon intensive stocks within a specific sector.

Holdings analysis

Top 10 (absolute emissions)

	Sector	Share of carbon footprint	Portfolio weight	Relative emissions (tCO ₂ eq/mn USD invested)	Carbon intensity (tCO ₂ eq/mn USD revenue)
EVONIK INDUSTRIES	Materials	9.0%	2.1%	926	1'110
Danone Group	Food, Beverage & Tobacco	7.3%	3.4%	462	1'109
Veolia Environnement	Utilities	6.6%	0.9%	1'557	1'526
Johnson Matthey	Materials	5.7%	0.8%	1'546	859
Kellogg Co	Food, Beverage & Tobacco	5.1%	3.5%	312	778
Suez Environnement	Utilities	5.1%	1.6%	669	889
SKF AB	Capital Goods	4.8%	1.3%	765	855
Unilever PLC	Household & Personal Products	4.0%	3.4%	253	835
Alstom	Capital Goods	3.2%	0.9%	791	1'032
Proximus	Telecommunication Services	2.5%	3.6%	148	259
Total		53.1%	21.4%		

The top 10 portfolio holdings regarding absolute carbon emissions contribute 53% to the portfolio's carbon footprint and represent an asset weighted 21% of the portfolio.

Method

Emission data

This analysis is based on a combination of reported and modelled data. Reported emissions are taken into account for Scope 1 and Scope 2 emissions, if available. If no emissions are reported by a company, Inrate's envIMPACT data is used. The envIMPACT method models greenhouse gas emissions of a company for the entire lifecycle, including suppliers, the company's own operations as well as the use phase of the products it sells.

Financial data

A portfolio's carbon emissions are calculated by establishing an ownership share, usually calculated by dividing investment through total market cap of a company. Since Hauck & Aufhäuser's portfolio contains equity and bonds, the ownership share is established based on the enterprise value including cash, which also takes short and long term debt at market value into account, rather than on market cap. For financial institutions, total assets is used instead of enterprise value to account for additional capital leverage. For calculating carbon intensity (metric tons of CO₂-Equivalents per million USD Revenue), an ownership share is also established for a company's revenue. Emissions calculated based on enterprise value result in general in lower emissions.

Disclaimer

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