

Fund Carbon Analysis

Data as of: 31.12.2017
 Portfolio: H&A Prime Values Growth
 Portfolio Value (ex cash): 50'322'330 USD
 Benchmark: MSCI World
 Industry Classification: GICS

Assessment date: 15 May 2018
 Emissions compared to Benchmark: **-32%**
 Emissions compared to previous year: **+40%**

Coverage

	Capital-weighted Coverage
Portfolio (ex cash)	83.4%
Benchmark	99.9%

Our analysis covers 99.9% of the benchmark and 83.4% of the portfolio.

Fundamental Indicators

	Absolute emissions (tCO ₂ eq, projected to 100% coverage)				
	Total	Scope 1	Scope 2	Scope 3	
				supply	use
Portfolio	18'528	3'383	968	7'486	6'692
Benchmark	29'202	2'994	385	7'315	18'508
Δ Portfolio/Benchmark	-37%	13%	151%	2%	-64%
Δ Portfolio17/Portfolio16	123%	270%	73%	52%	252%

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.

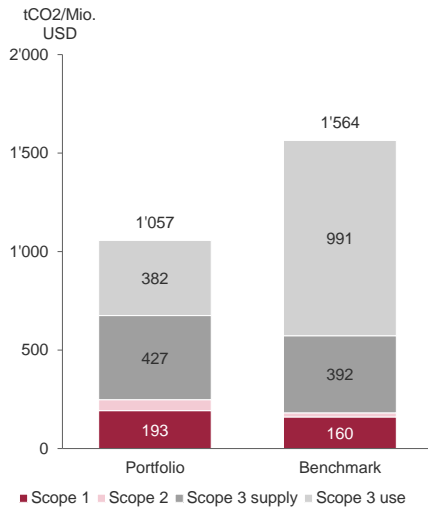
	Relative emissions (tCO ₂ eq/mn USD invested)				
	Total	Scope 1	Scope 2	Scope 3	
				supply	use
Portfolio	368	67	19	149	133
Benchmark	580	59	8	145	368
Δ Portfolio/Benchmark	-37%	13%	151%	2%	-64%
Δ Portfolio17/Portfolio16	63%	170%	26%	11%	156%

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.

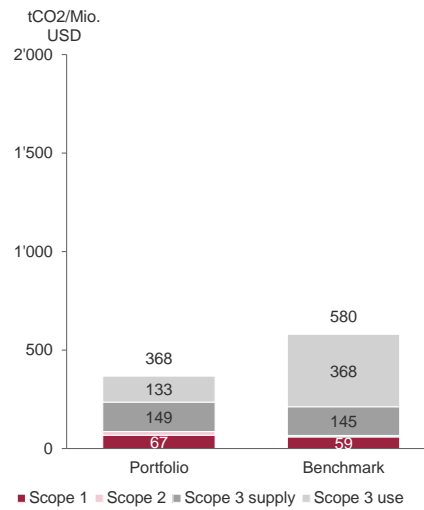
	Carbon intensity (tCO ₂ eq/mn USD Revenue)				
	Total	Scope 1	Scope 2	Scope 3	
				supply	use
Portfolio	1'057	193	55	427	382
Benchmark	1'564	160	21	392	991
Δ Portfolio/Benchmark	-32%	20%	168%	9%	-62%
Δ Portfolio17/Portfolio16	40%	132%	9%	-5%	121%

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

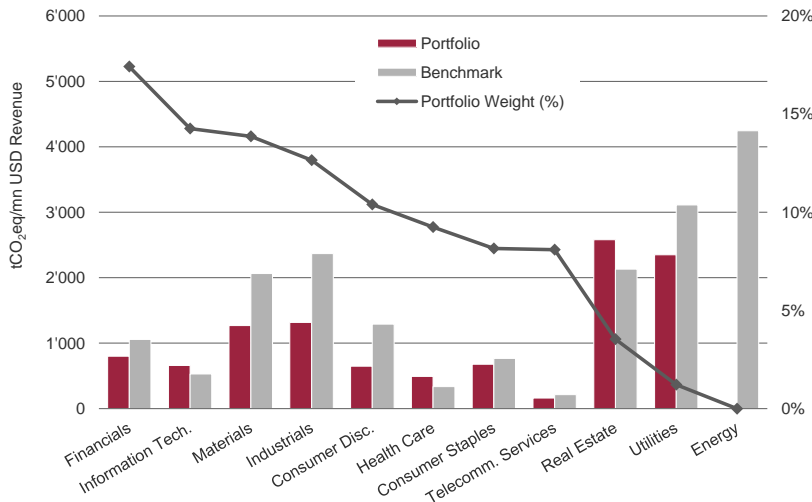


Overall, the portfolio's carbon intensity is 32% lower compared to the benchmark and 40% higher compared to the previous year. Per million USD invested, the portfolio's relative emissions are 37% lower compared to the benchmark and 63% higher compared to the previous year.

Sector analysis (based on tCO2eq per mn USD revenue)

	Portfolio		Benchmark		Comparison		
	Weight	Emissions*	Weight	Emissions*	Weight	Emissions	
Financials	17.4%	801	18.1%	1'058	-4%	-24%	Financials
Information Technology	14.3%	658	16.7%	531	-15%	24%	Information Tech.
Materials	13.9%	1'271	5.2%	2'064	168%	-38%	Materials
Industrials	12.7%	1'317	11.7%	2'369	8%	-44%	Industrials
Consumer Discretionary	10.4%	649	12.2%	1'292	-15%	-50%	Consumer Disc.
Health Care	9.2%	492	11.8%	335	-21%	47%	Health Care
Consumer Staples	8.2%	680	9.0%	769	-10%	-12%	Consumer Staples
Telecommunication Serv.	8.1%	163	2.8%	214	192%	-24%	Telecomm. Services
Real Estate	3.5%	2'582	3.1%	2'132	14%	21%	Real Estate
Utilities	1.2%	2'349	3.0%	3'113	-59%	-25%	Utilities
Energy	0.0%	0	6.4%	4'246	-100%	-100%	Energy

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



Considering the graph on the left, the portfolio's lower emissions can be explained on one hand through the sector allocation. The most carbon intensive sector in the benchmark (Energy) is not included in the portfolio. Furthermore, sectors with a low average carbon intensity, such as Telecommunication Services or Health Care, have a higher portfolio weight than other, more carbon intensive sectors. On the other hand, the stock selection plays a role as well. Except for Real Estate, Health Care and Information Technology, the sector carbon intensities in the portfolio are, sometimes considerably, lower than in the benchmark.

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)
Yara International	Materials	5.8%	1.1%	1'937	2'640
TUI Group	Consumer Discretionary	5.1%	1.2%	1'526	1'168
Alstom	Industrials	4.6%	1.1%	1'571	2'271
SSAB	Materials	4.4%	1.1%	1'523	1'446
Saint-Gobain	Industrials	3.9%	1.0%	1'442	1'297
Evonik Industries	Materials	3.5%	1.9%	696	921
Georg Fischer	Industrials	3.3%	1.3%	915	1'190
Xylem	Industrials	3.3%	1.2%	993	3'288
Voest-Alpine	Materials	3.3%	1.2%	1'000	1'189
Komatsu	Industrials	3.1%	0.7%	1'593	3'771
Total		40.3%	11.8%		

The top 10 portfolio holdings regarding absolute carbon emissions contribute 40% to the portfolio's carbon footprint and represent an asset weighted 12% 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

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