

Fund Carbon Analysis

Data as of: 31.12.2017
 Portfolio: H&A Prime Values Income
 Portfolio Value (ex cash): 147'226'712 USD
 Benchmark: MSCI World
 Industry Classification: GICS

Assessment date: 15 May 2018
 Emissions compared to Benchmark: **-52%**
 Emissions compared to previous year: **+1%**

Coverage

	Capital-weighted Coverage
Portfolio (ex cash)	84.2%
Benchmark	99.9%

Our analysis covers 99.9% of the benchmark and 84.2% of the portfolio.

Fundamental Indicators

	Absolute emissions (tCO ₂ eq), projected to 100% coverage				
	Total	Scope 1	Scope 2	Scope 3	
				supply	use
Portfolio	26'204	3'155	1'582	11'944	9'523
Benchmark	85'436	8'758	1'127	21'401	54'150
Δ Portfolio/Benchmark	-69%	-64%	40%	-44%	-82%
Δ Portfolio17/Portfolio16	-16%	-9%	-33%	-40%	76%

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.

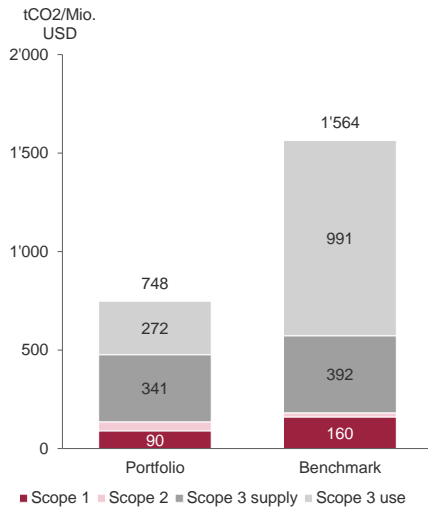
	Relative emissions (tCO ₂ eq/mn USD invested)				
	Total	Scope 1	Scope 2	Scope 3	
				supply	use
Portfolio	178	21	11	81	65
Benchmark	580	59	8	145	368
Δ Portfolio/Benchmark	-69%	-64%	40%	-44%	-82%
Δ Portfolio17/Portfolio16	-10%	-2%	-28%	-35%	89%

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.

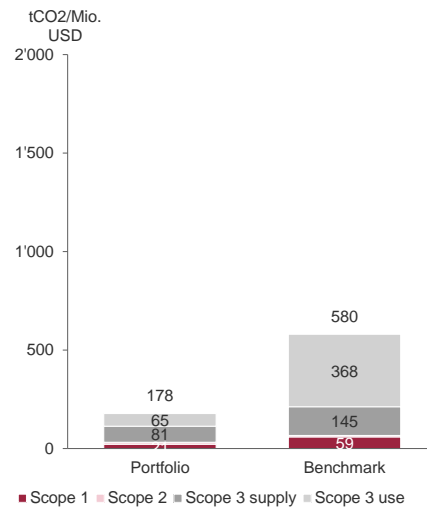
	Carbon intensity (tCO ₂ eq/mn USD Revenue)				
	Total	Scope 1	Scope 2	Scope 3	
				supply	use
Portfolio	748	90	45	341	272
Benchmark	1'564	160	21	392	991
Δ Portfolio/Benchmark	-52%	-44%	119%	-13%	-73%
Δ Portfolio17/Portfolio16	1%	9%	-20%	-28%	110%

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

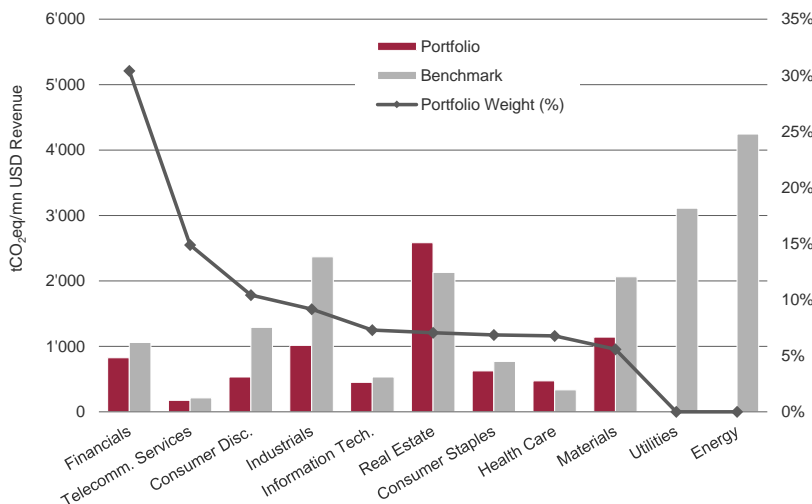


Overall, the portfolio's carbon intensity is 52% lower compared to the benchmark and 1% higher compared to the previous year. Per million USD invested, the portfolio's relative emissions are 69% lower compared to the benchmark and 10% lower compared to the previous year.

Sector analysis (based on tCO2eq per mn USD revenue)

	Portfolio		Benchmark		Comparison		
	Weight	Emissions*	Weight	Emissions*	Weight	Emissions	
Financials	30.4%	826	18.1%	1'058	68%	-22%	Financials
Telecommunication Service	14.9%	175	2.8%	214	436%	-18%	Telecomm. Services
Consumer Discretionary	10.4%	532	12.2%	1'292	-15%	-59%	Consumer Disc.
Industrials	9.2%	1'015	11.7%	2'369	-22%	-57%	Industrials
Information Technology	7.3%	450	16.7%	531	-57%	-15%	Information Tech.
Real Estate	7.1%	2'584	3.1%	2'132	128%	21%	Real Estate
Consumer Staples	6.9%	626	9.0%	769	-24%	-19%	Consumer Staples
Health Care	6.8%	473	11.8%	335	-43%	41%	Health Care
Materials	5.6%	1'142	5.2%	2'064	8%	-45%	Materials
Utilities	0.0%	0	3.0%	3'113	-100%	-100%	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 two most carbon intensive sectors in the benchmark (Energy and Utilities) are not included in the portfolio. Furthermore, the three sectors with the highest portfolio weight (55.7% combined) have low carbon intensities in the benchmark. On the other hand, the stock selection plays a role as well. Except for Health Care and Real Estate, the sector carbon intensities in the portfolio are 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)
TUI Group	Consumer Discretionary	7.2%	0.8%	1'526	1'168
Saint-Gobain	Industrials	5.5%	0.7%	1'442	1'297
Arkema	Materials	3.9%	0.7%	987	1'290
Voest-Alpine	Materials	3.9%	0.7%	1'000	1'189
Xylem	Industrials	3.9%	0.7%	993	3'288
Humana Inc	Health Care	3.8%	0.7%	992	736
ABB	Industrials	3.5%	0.7%	915	1'618
LANXESS	Materials	3.3%	0.7%	905	997
Georg Fischer	Industrials	3.3%	0.6%	915	1'190
K+S	Materials	3.0%	0.9%	608	1'383
Total		41.3%	7.1%		

The top 10 portfolio holdings regarding absolute carbon emissions contribute 41% to the portfolio's carbon footprint and represent an asset weighted 7% 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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