

Performanceanalyse eines FNG-Siegel- konformen

Universums

MSCI Analytics

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Are these screens too restrictive?

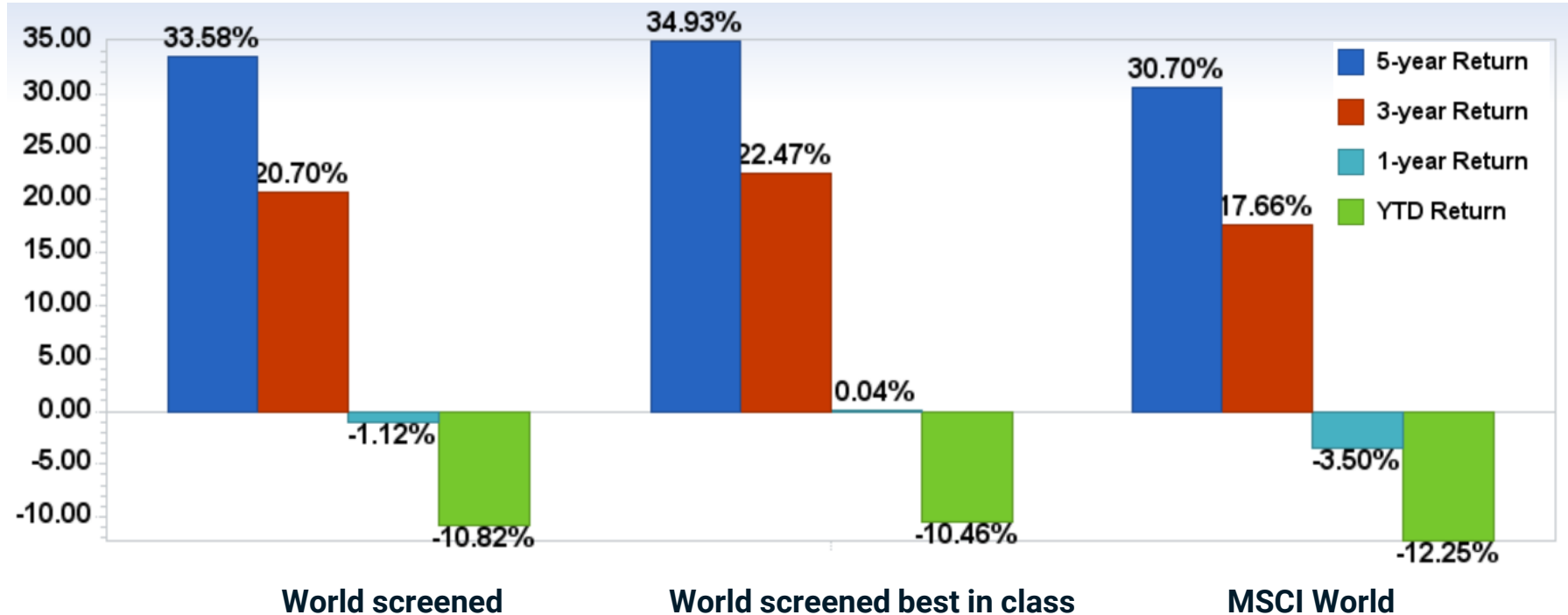
Limit companies with revenues from weapons, nuclear power, thermal coal, unconventional oil and gas, global compact compliance... isn't it too restrictive for an investment universe?

- We ask ourselves if an investor will have to give up on an extra return when following FNG-label minimum requirements

We applied the FNG-label minimum requirements on two universes: MSCI World (approx. 1600+ stocks) and MSCI ACWI (approx. 3000+ stocks)

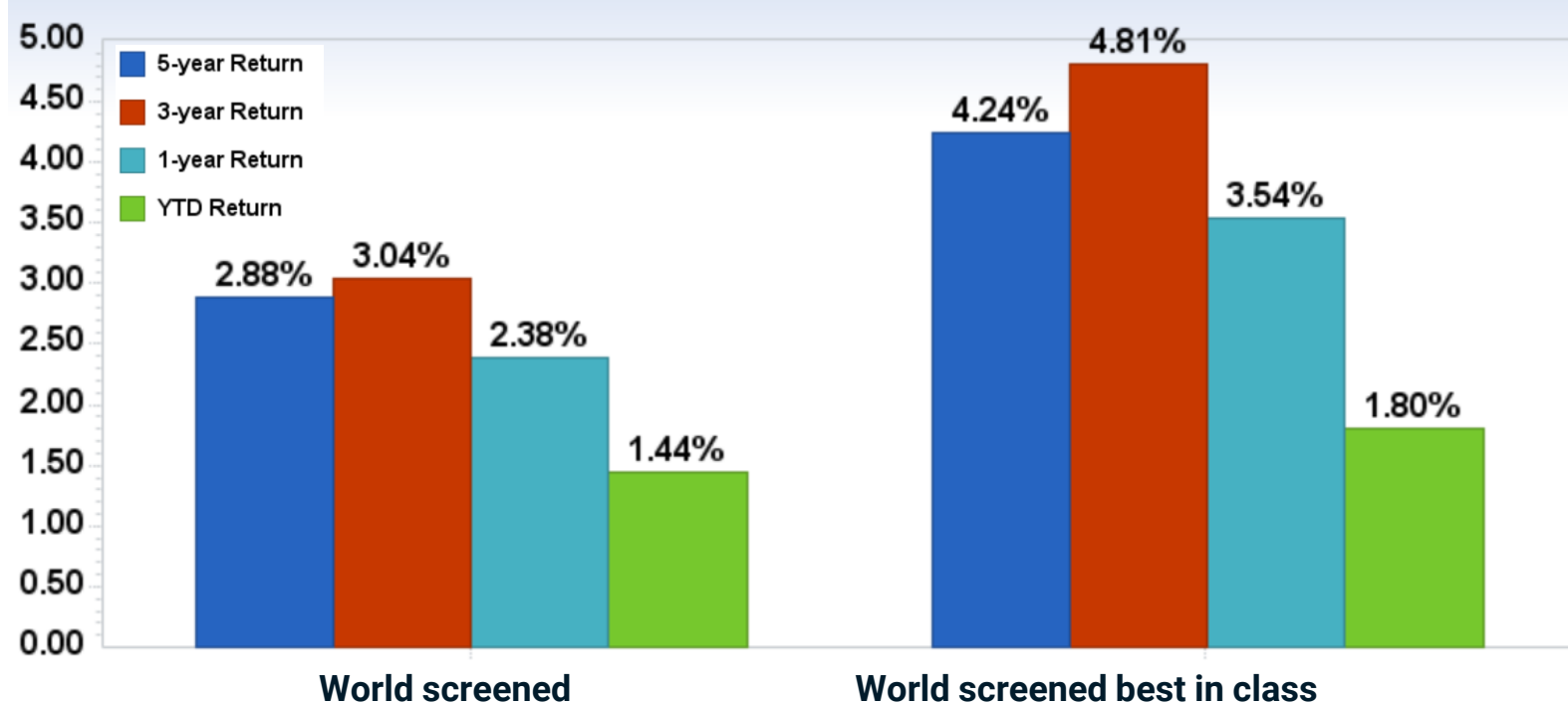
- We want to know:
 - Impact of the screen on Performance and Risk of the screened universe versus initial universe
 - Potential drivers of the out- or under-performance:
 - Are these driven by country or industry systematic effects?
 - Or the drivers are asset fundamentals like company quality, value, and ESG factors?

Cumulative performance



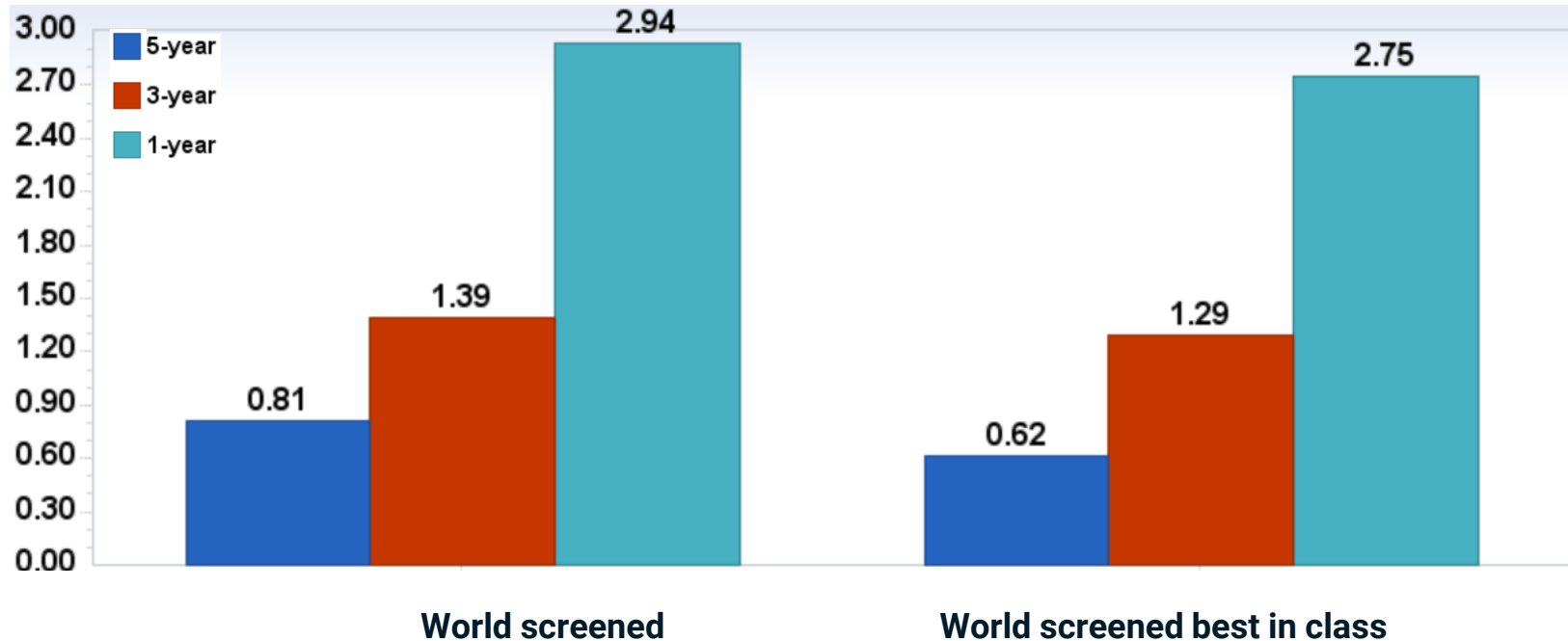
- Best in class methodology: exclude 25% lowest ESG score assets in each GICS Sectors with

World screened and best in class Active Return



FNG Screenings of MSCI World resulted in an outperformance for both strategies historically: FNG screening and FNG screening plus best in class approach

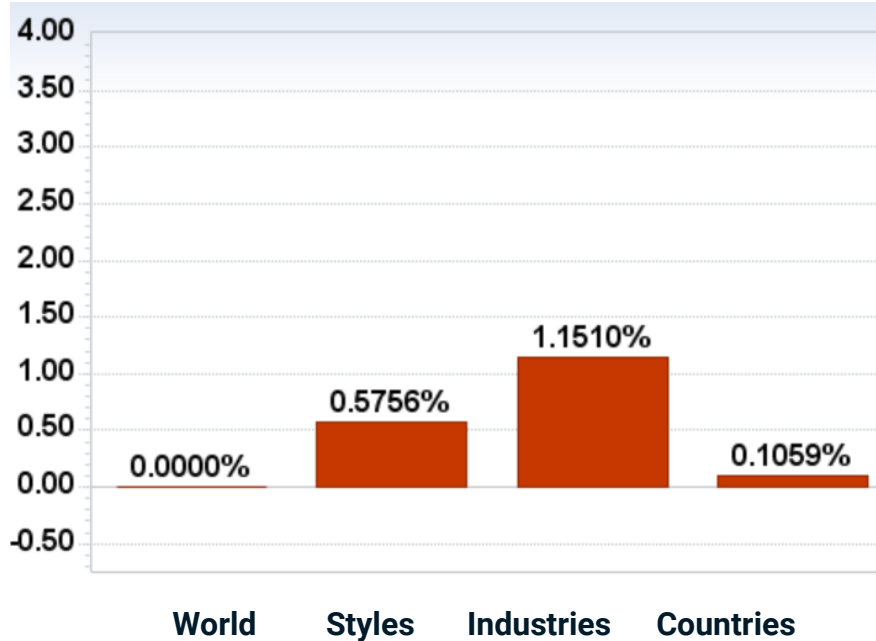
► I.R. of FNG screened MSCI World



Active Risk-adjusted return or Information Ratio of both cases was positive indicating FNG screening had positive risk-return balance

Active Return Drivers

World screened

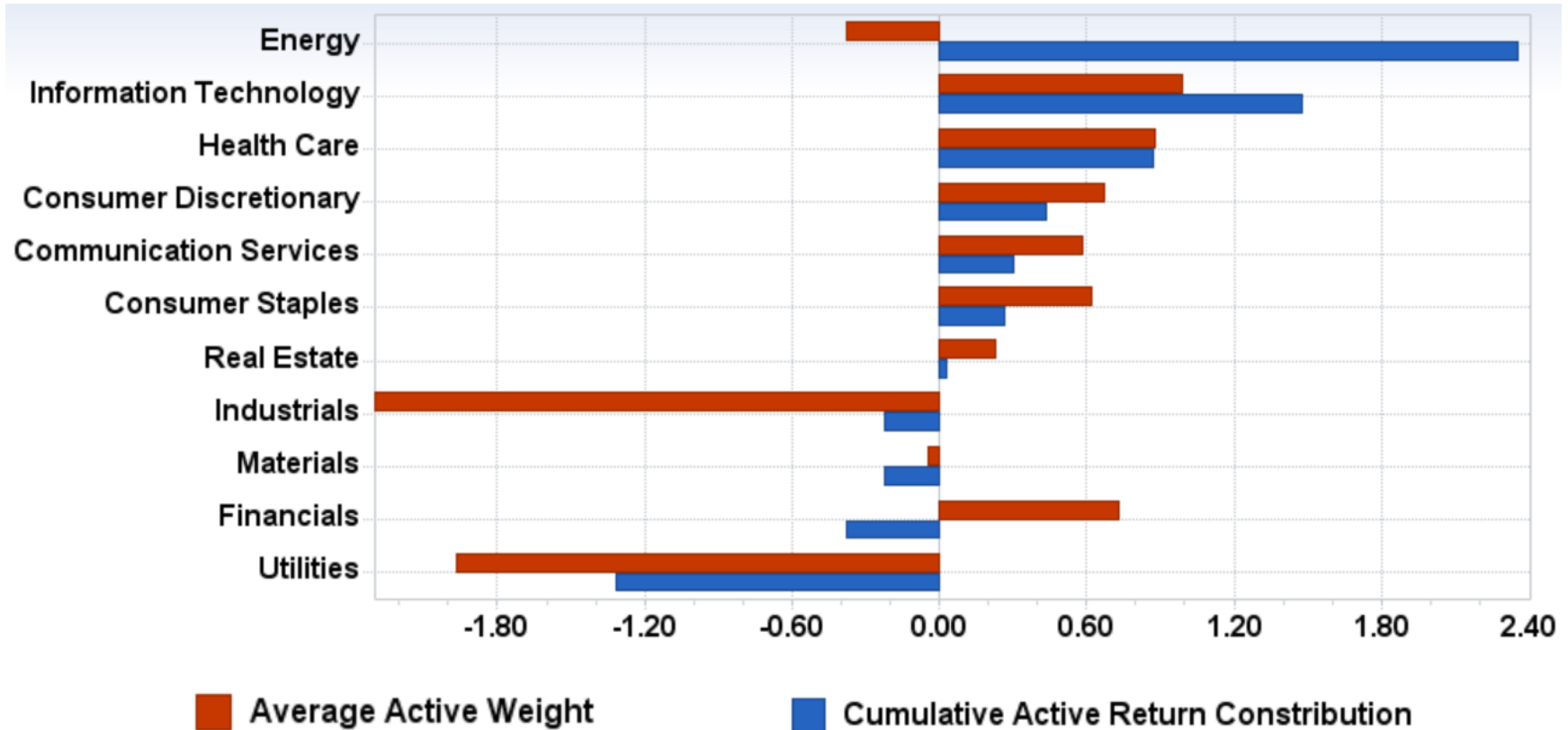


World screened best in class

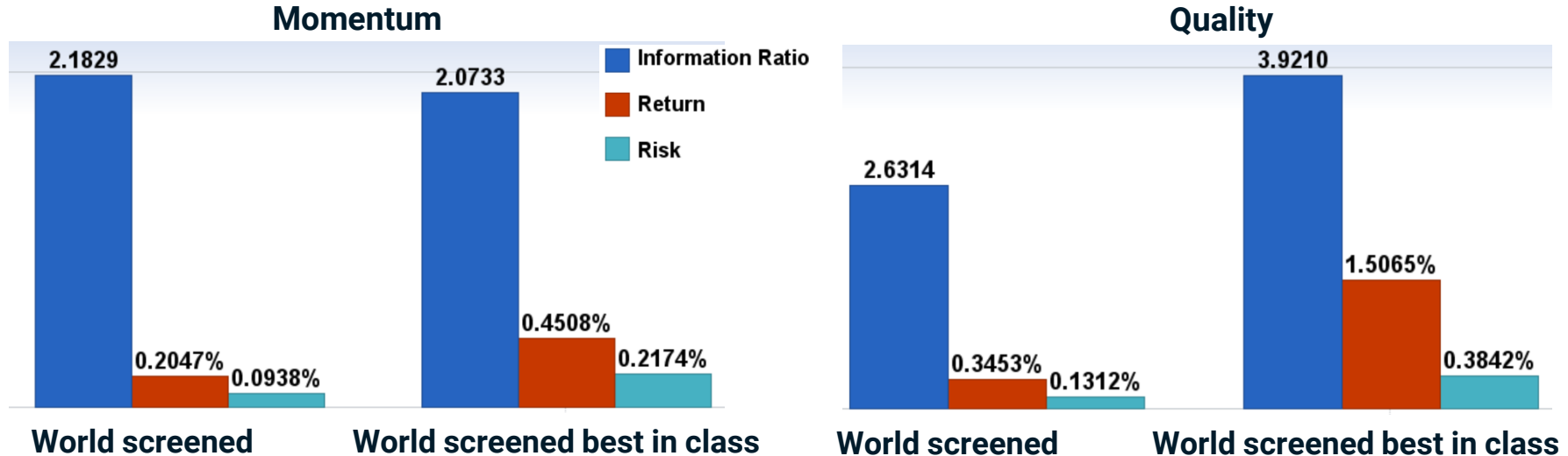


Style (fundamental characteristics) and Industries were main drivers of the outperformance of these portfolios over MSCI World historically

Return Drivers: Industries

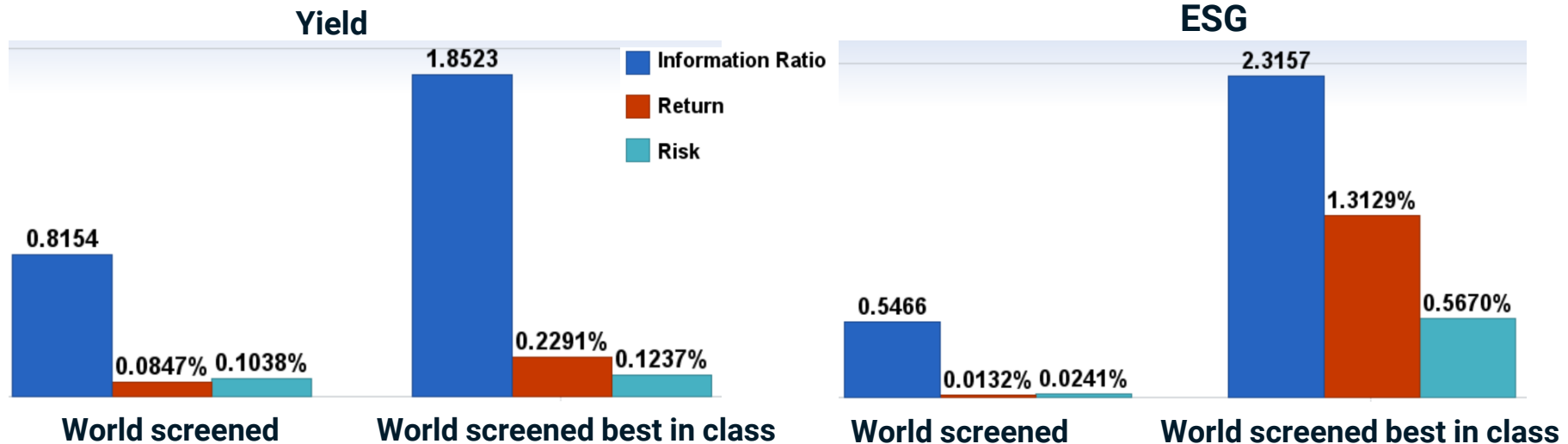


Style Champions Contributors to Active Return



Momentum and **Quality** factors (based on MSCI Global Equity + ESG Factor Model GEMESG) were the first two main drivers of the historical superior performance of FND screened and FNG screened + best in class portfolios

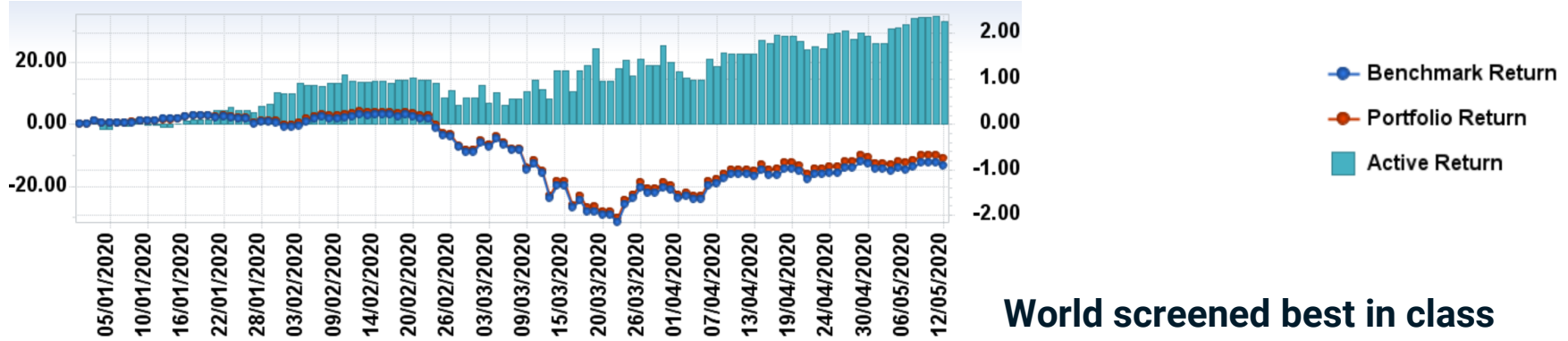
Style Champions Contributors to Active Return



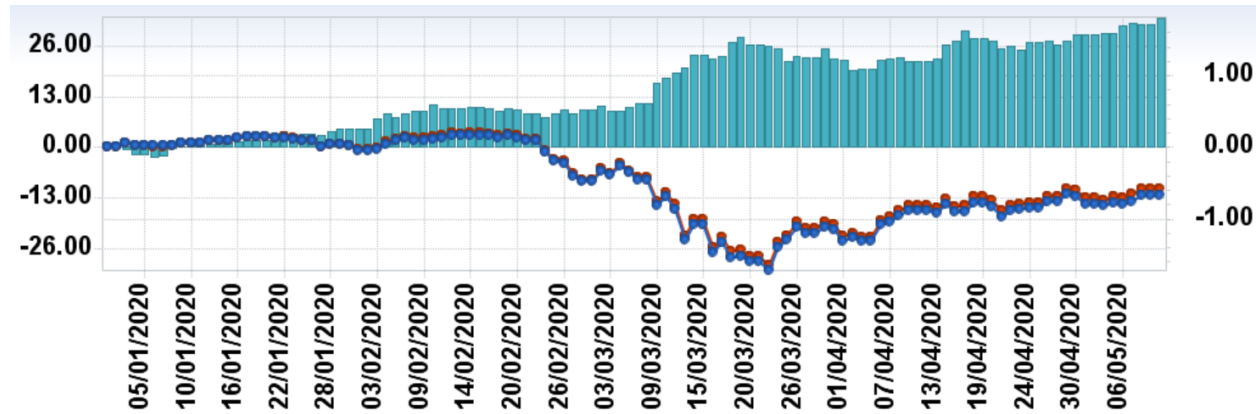
Yield and **ESG** factors (based on MSCI Global Equity + ESG Factor Model GEMESG) were main drivers of historical superior performance of FND screened and FNG screened + best in class portfolios

Performance YTD

World screened



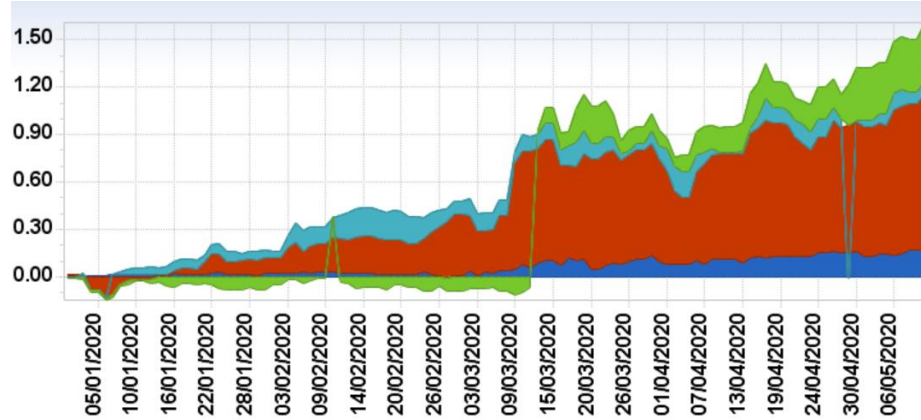
World screened best in class



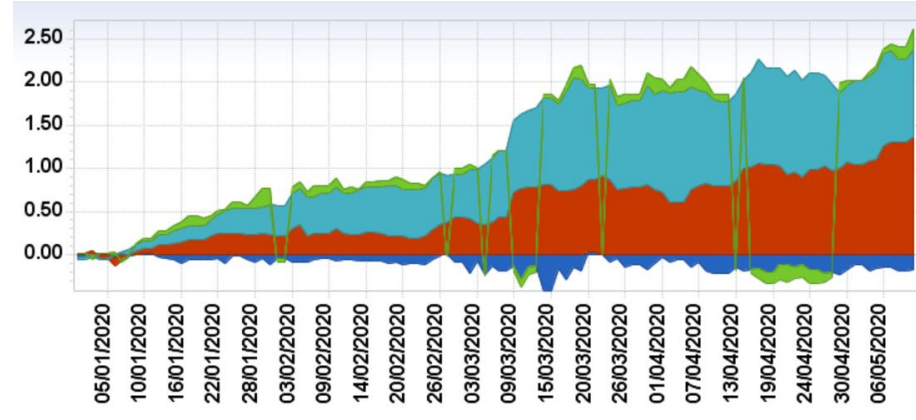
Both portfolios outperformed MSCI World during COVID-19 crisis

World YTD Performance

World screened



World screened best in class



- Asset Specific Return Contribution
- Style Factors Return Contribution
- Industry Factors Return Contribution
- Country Factors Return Contribution

Main Active Performance drivers were Industry and Style Factors

Conclusion

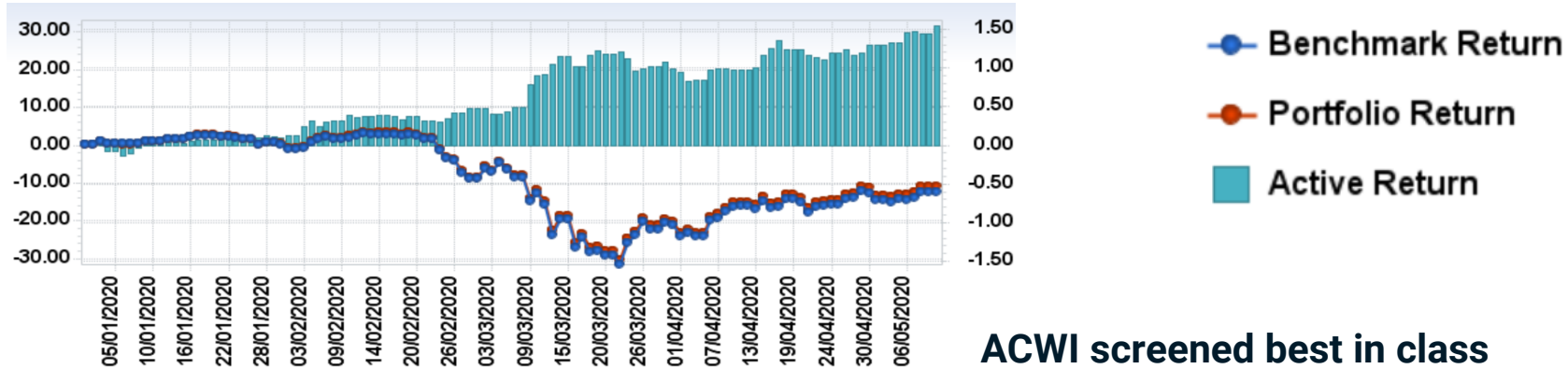
- We applied FNG screening rules to MSCI World and MSCI ACWI universe (results in Appendix)
 - Additionally we applied best in class approach based on ESG ratings of stocks grouped by GICS Sectors
- Results based on the 5, 3, one and YTD time-series analysis prove that FNG screening has positive effect on the universe return, risk, and risk-adjusted return
- FNG-screening and additional best in class approach's performance is driven primarily by Industry and Style factors:
 - Slight underweight in Energy, overweight in Information Technology, Health Care, Consumer Discretionary
 - Stocks with higher exposure to Momentum, Quality, Yield, and ESG Style factors

Appendix

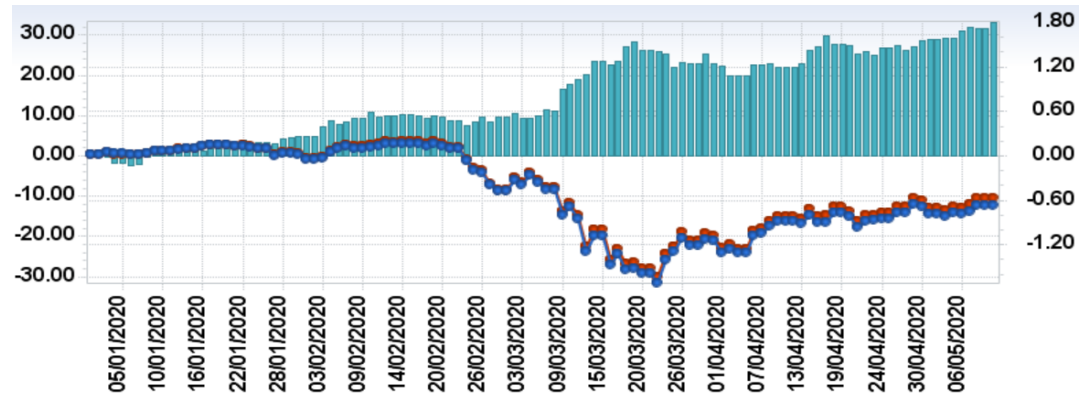
MSCI ACWI FNG-screening analysis

ACWI screened and best in class

ACWI screened



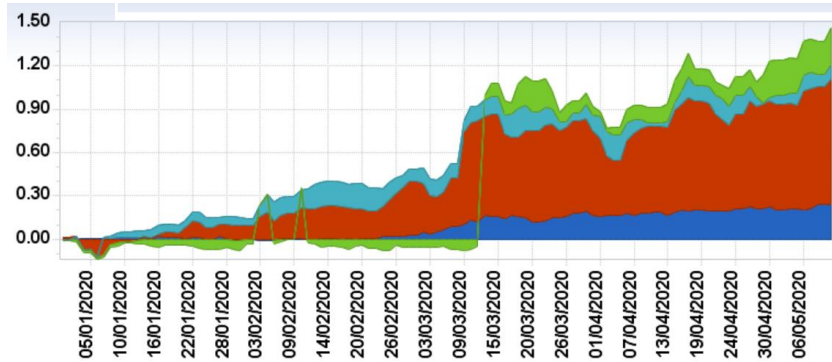
ACWI screened best in class



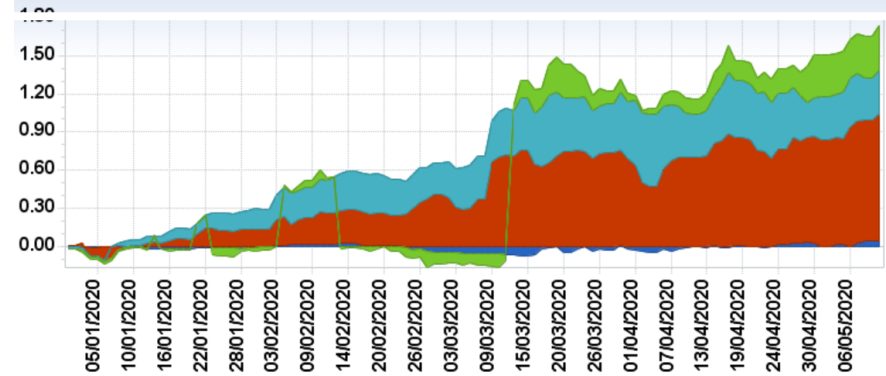
Both strategies outperformed benchmark during COVID-19 crisis

ACWI screened and best in class

ACWI screened



ACWI screened best in class



- Asset Specific Return Contribution
- Style Factors Return Contribution
- Industry Factors Return Contribution
- Country Factors Return Contribution

Main drivers of the performance of both strategies are Industry and Style factors systematic effects