



Putting Environmental, Social
and Governance Risk On The Radar

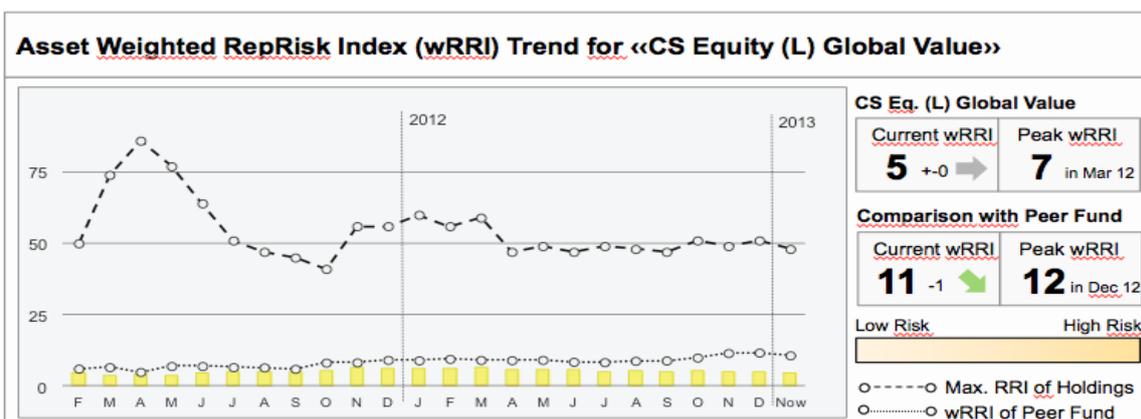
ESG Risk Reports for Investment Fund Screening

In today's economic environment, transparency and comprehensive risk analysis are essential for effective fund management. Large-scale environmental incidents such as BP's Deepwater Horizon oil spill, and labor scandals such as at the Foxconn electronics factory producing for Apple, highlight the importance of considering environmental, social and governance (ESG) risk factors.

RepRisk and AfU's joint Investment Fund Screening Reports provide a solution for the ESG assessment of funds, offering:

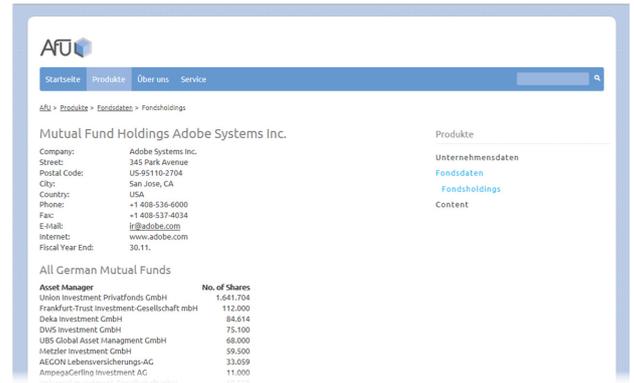
- In-depth analysis on the sustainability risks of funds' holdings as well as peer group comparisons
- A comprehensive, objective and transparent methodology, whereby each company in a portfolio is assigned a sustainability score based on RepRisk's Reputational Risk Indicator. This score is given a weighted average value and aggregated according to the share of the company in the particular fund.
- The average RRI value of funds' holdings and their development over time, the division of fund holdings between various risk classes, a peer group analysis, as well as a comparison with the five best and worst funds according to risk classifications
- The reports can be used by a wide range of investment professionals such as Asset Managers, Private Bankers, Institutional Investors and Investment Consultants

The RepRisk Index (RRI) is a quantitative risk measure that captures criticism and quantifies a company or project's exposure to controversial environmental, social and governance (ESG) issues. It does not measure a company or project's overall reputation, but rather is an indicator of their reputational risk.



Key Usage:

- **Private Banking:** allows the right products to be defined for recommendation lists
- **Institutional Investing:** offers an overview about a fund's holdings and ESG evaluation; gives insight into ESG-related information on holdings for special funds or mandates
- **Asset Management:** can help avoid reputational risks by excluding funds with controversial holdings
- **Investment Consulting:** enables comprehensive, enhanced advisory services to be delivered to clients



The screenshot shows the AfU website interface. The top navigation bar includes 'Startseite', 'Produkte', 'Über uns', and 'Service'. The main content area displays information for 'Mutual Fund Holdings Adobe Systems Inc.' and a table of 'All German Mutual Funds'.

Asset Manager	No. of Shares
Union Investment Privatfonds GmbH	1.641.704
Frankfurt Trust Investment-Gesellschaft mbH	112.000
Deika Investment GmbH	84.614
DIVS Investment GmbH	75.100
USS Global Asset Management GmbH	68.000
Hetzler Investment GmbH	59.500
AEGON Lebensversicherungs-AG	33.059
Almepaerling Investment AG	11.000

Key Benefits

- Identification of companies with a high level of risk exposure based on their environmental, social and governance performance
- Insight into the risks related to the tail holdings' RRI distribution
- Quantitative evaluation of ESG risks
- Evaluation of all portfolio companies as well as fixed income instruments

About RepRisk

RepRisk is the leading provider of business intelligence on environmental, social and governance (ESG) risks. It systematically collects and analyzes negative sentiment related to companies and projects worldwide. It does so on a daily basis and in 13 languages from thousands of public sources including international and local media, government sites, non-governmental organizations (NGOs), newsletters, social media and blogs. The RepRisk database currently includes information on over 32,000 companies, 6,500 projects, 5,500 NGOs and 4,000 governmental bodies. These numbers are continuously growing as relevant ESG information is added. The use of RepRisk business intelligence allows companies and financial institutions to proactively assess ESG issues that may present financial, reputational and compliance risks.

About AfU

AfU Investor Research is specialized in the collection and analysis of information on investment funds. Its database contains the entire portfolios from over 30,000 such funds worldwide. The company compiles shareholder IDs, engages in investor targeting, and is involved in individual projects in the areas of investor relations, corporate finance and M&A as well as the development of trade-related tools.

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