

## Investment Objective

Murphy&Spitz - Umweltfonds Deutschland invests primarily in shares of small, mid and micro caps of companies in the sustainability sector with operations in German-speaking Europe. In addition, the fund may invest in listed securities and money market instruments, certificates, baskets, bonds, currencies and equity and real estate funds.

## Fund Information

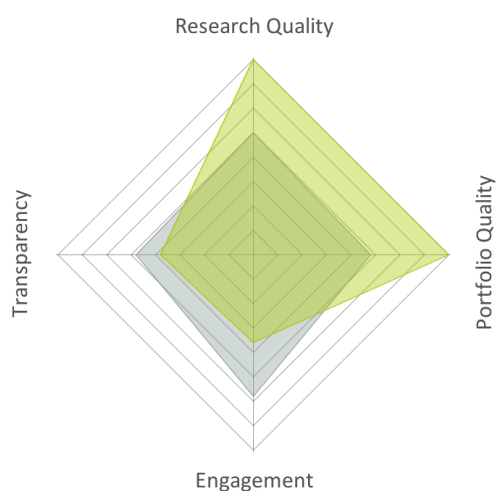
|                                       |                          |   |                             |
|---------------------------------------|--------------------------|---|-----------------------------|
| <b>Domicile</b>                       | Luxembourg               | <b>Promotor</b>                               | Murphy&Spitz                |
| <b>Share Class Currency</b>           | EUR                      | <b>Fund Manager</b>                           | Andrew Murphy               |
| <b>Fund Size (Mio, fund currency)</b> | 5.9 (per 30.04.2016)     | <b>Sustainability Manager</b>                 | Murphy&Spitz Green Research |
| <b>Inception Date</b>                 | 25.06.2008               | <b>Management Fee</b>                         | 1.62%                       |
| <b>ISIN</b>                           | LU0360172109             | <b>Total Expense Ratio</b>                    | 2.89%                       |
| <b>Reference Index</b>                | none                     | <b>Distribution</b>                           | Accumulation                |
| <b>Regional Focus</b>                 | Europe                   | <b>Minimum Investment</b>                     | 1000                        |
| <b>Share Class</b>                    | Retail                   | <b>Return in CHF 1 Year</b> (per 30.09.2016)  | 1.7%                        |
| <b>Asset Allocation</b>               | Equity                   | <b>Return in CHF 3 Years</b> (per 30.09.2016) | 15.9%                       |
| <b>Sustainability strategy</b>        | Thematic: Multi-thematic | <b>Return in CHF 5 Years</b> (per 30.09.2016) | 34.1%                       |

## Allocation Data

Portfolio date: 30.04.2016

| Asset Classes | Country | Sector             | Top positions                                      |
|---------------|---------|--------------------|--|
| Equity        | 89.1    | Germany 74.6%      | Energy 0.0% E.N.O. Energy 7.5%                     |
| Bonds         | 0       | Denmark 9.9%       | Materials 8.0% UmweltBank 6.2%                     |
| Government    | 0       | Netherlands 5.1%   | Industrials 19.8% HELMA Eigenheimbau 4.9%          |
| Corporate     | 0       | Austria 3.3%       | Consumer Discretionary 9.3% Energiekontor 4.7%     |
| Cash & Others | 10.9    | Switzerland 3.7%   | Consumer Staples 9.4% Koninklijke Wessanen 4.6%    |
|               |         | United States 2.3% | Health Care 16.4% Steico 4.2%                      |
|               |         | France 2.0%        | Financials 13.1% Rational 3.7%                     |
|               |         | Spain 0.2%         | Information Technology 7.3% Fiemann 3.4%           |
|               |         |                    | Telecommunication Services 0.0% Capital Stage 3.2% |
|               |         |                    | Utilities 16.8% Vestas Wind Systems 3.2%           |

## Sustainability Summary



| Fund                                   | Sustainability Score |
|--|----------------------|
| Murphy&Spitz - Umweltfonds Deutschland | 5.0*                 |
| Median Fund                            | 3.5                  |

The overall sustainability score of Murphy&Spitz - Umweltfonds Deutschland reaches the maximum of 5.0. The main reason for this are the scores of the two strongly weighted sustainability categories of research quality and portfolio quality, which reach the maximum score as well. The below median engagement and transparency scores have a much lesser impact due to their lower weighting.

| Sustainability Category | Weight | Score |
|-------------------------|--------|-------|
| Research Quality        | 30%    | 5.0   |
| Portfolio Quality       | 40%    | 5.0   |
| Engagement              | 20%    | 2.8   |
| Transparency            | 10%    | 2.9   |

\*) The best possible score is 5, the worst is 1.

■ Median Fund  
■ Murphy&Spitz - Umweltfonds Deutschland

## Disclaimer:

The assessments and data reported above are offered by Partners for Sustainability AG for informational purpose only or for being used by financial professionals. Partners for Sustainability AG cannot in any way guarantee the full accuracy or exhaustiveness of its analyses and cannot therefore accept any responsibility in case of reporting of false, inaccurate or incomplete information. The information is based on sources Partners for Sustainability AG believes to be reliable, but its accuracy is not guaranteed and it may be incomplete. Any opinions expressed are subject to change without notice. Partners for Sustainability AG accepts no liability for financial prejudice allegedly resulting from inaccuracy of assessments or data or from the misinterpretation of their scope. They are in no way recommendations to invest or disinvest in any financial product. They must not be understood as a financial forecast of financial performance of underlying securities of researched companies.

## Sustainability Analysis

**Research Quality (30%)** 5.0

Murphy&Spitz - Umweltfonds Deutschland invests in mid, small and micro caps with a domicile in Germany or with a business focus in German-speaking Europe which contribute to a sustainable development through their products and services. At the time of analysis, the fund favors companies with exposure to health care, environmentally friendly traffic systems, renewable raw materials, alternative energy, water, nutrition, green building, and energy efficiency. A formal set of sector-, product- and norms-based exclusion criteria has been adopted. This leads to the exclusion of companies in a wide range of sectors considered as not sustainable such as defense, nuclear industry, energy generation from fossil sources and related extracting industries, business relationships with governments of countries with low human rights standards, discrimination, pesticides, animal testing, green GMO, and many others. In the case of product- and sector-based exclusion criteria, a turnover/revenue limit of 0% is defined for most criteria. The clear focus on companies with a sustainability added-value product portfolio leads effectively to the exclusion of additional sectors, for example the airline and automobile industry, mining, ozone depleting substances, pesticides, alcohol, gambling and tobacco. Different from most thematic funds, Murphy&Spitz - Umweltfonds Deutschland also performs a best-in-class analysis, which is very unusual for a mid- and small-cap fund. This process includes an evaluation of the four areas of products & services, environmental standards, social standards, and corporate governance, and results in a score ranging from A (highest) to D (lowest).

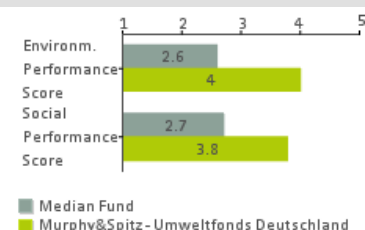
|                                   |                                     |
|-----------------------------------|-------------------------------------|
| Positive Criteria Environmental:  | <input checked="" type="checkbox"/> |
| Positive Criteria Social:         | <input checked="" type="checkbox"/> |
| Positive Criteria Governance:     | <input checked="" type="checkbox"/> |
| Exclusion Criteria Environmental: | <input checked="" type="checkbox"/> |
| Exclusion Criteria Social:        | <input checked="" type="checkbox"/> |

**Portfolio Quality (40%)** 5.0 Portfolio date: 30.04.2016

### Positive Screening: ESG analysis (Environmental, Social and Governance)

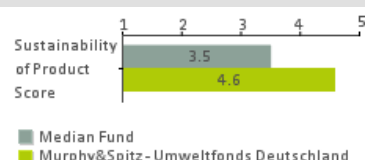
The environmental and social performance scores are both excellent and significantly above the median fund of the thematic peer group, mirroring the application of an actual ESG positive screening in the non-financial research process. The positive impact on the portfolio quality is limited by the thematic nature of the fund and the low 20.9% portfolio share with an environmental and social performance rating, but it is still considerable. Company ratings calculated on the basis of Inrate Ltd. data.

Country ratings calculated on the basis of Zuercher Kantonalbank data.



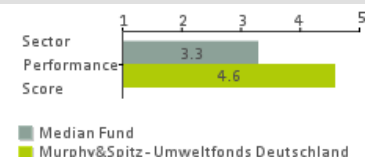
### Positive Screening: Product sustainability analysis

The product sustainability score is excellent. It significantly outperforms the thematic fund peer group. Due to the thematic nature of the fund, the positive impact on the portfolio quality is strong. Company ratings provided by Inrate Ltd. and Partners for Sustainability AG.



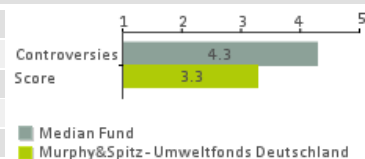
### Sector Analysis: Environmental sector allocation

The portfolio has a below average exposure to the energy and materials sector, which have a high environmental impact. The high score in this chapter is further strengthened by an overweight of the low-impact sectors health care and financials.



### Negative Screening: Controversies

| Company             | Weight | Controv. | Company       | Weight | Controv. |
|---------------------|--------|----------|---------------|--------|----------|
| not disclosed       | 3.0%   | 4.1      | not disclosed | 2.4%   | 4.8      |
| Vestas Wind Systems | 3.2%   | 4.4      | not disclosed | 2.1%   | 4.9      |
| not disclosed       | 2.9%   | 4.5      | not disclosed | 2.7%   | 5.0      |
| not disclosed       | 2.3%   | 4.6      |               |        |          |
| not disclosed       | 2.3%   | 4.8      |               |        |          |



Controversies ratings calculated on the basis of Inrate Ltd. data. The best possible score is 5, the worst is 1.

**Engagement (20%)** 2.8

An engagement policy is in place regulating the activities in the area of company dialogue, voting and the filing of shareholder resolutions. The focus is on company dialogue, which covers about half of the investee companies. Different from most thematic fund managers, Murphy&Spitz also takes environmental and social criteria into account. The voting and the shareholder resolution programs cover only a small minority of the portfolio companies. Transparency about the content and outcome of the engagement programs on single holding level is only provided in exemplary cases.

|                         |                                     |
|-------------------------|-------------------------------------|
| Engagement policy:      | <input checked="" type="checkbox"/> |
| Company dialogue:       | <input checked="" type="checkbox"/> |
| Proxy Voting:           | <input checked="" type="checkbox"/> |
| Shareholder Resolution: | <input checked="" type="checkbox"/> |

**Transparency (10%)** 2.9

The transparency score of the fund is below median. Information about the fund's sustainability strategy, the non-financial investment criteria and the research concept are available on the web page, but could be more detailed. More information about the engagement activities would significantly improve the engagement score, and so would the disclosure of the full portfolio and the comparison of the fund's financial performance to an appropriate benchmark.

|                                  |                                     |
|----------------------------------|-------------------------------------|
| Description of SRI approach:     | <input checked="" type="checkbox"/> |
| Description of ESG criteria:     | <input checked="" type="checkbox"/> |
| Description of research process: | <input checked="" type="checkbox"/> |
| Disclosure of full portfolio:    | <input type="checkbox"/>            |
| Description of engagement:       | <input type="checkbox"/>            |
| EUROSIF signatory:               | <input type="checkbox"/>            |

## Environmental exclusion criteria

Environmental exclusion criteria are products, sectors or corporate practices used by a fund to exclude companies from investment. When relevant, the turnover limit is given, i.e. only companies exceeding the turnover limit for the given product or business line will be excluded from investment by the fund.

|  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> Airline industry (Turnover limit: 0%)          | <input type="checkbox"/> GICS: Oil Equipment & Services                          | <input checked="" type="checkbox"/> Nuclear power generation (Turnover limit: 0%)      |
| <input checked="" type="checkbox"/> Automobile industry (Turnover limit: 5%)       | <input type="checkbox"/> GICS: Pipelines   | <input checked="" type="checkbox"/> Oil drilling (Turnover limit: 0%)                  |
| <input checked="" type="checkbox"/> Chloride chemicals (Turnover limit: 0%)        | <input checked="" type="checkbox"/> Green GMO (Turnover limit: 0%)               | <input checked="" type="checkbox"/> Oil sand processing (Turnover limit: 0%)           |
| <input checked="" type="checkbox"/> Coal mining (Turnover limit: 0%)               | <input checked="" type="checkbox"/> Hydraulic fracturing (Turnover limit: 0%)    | <input checked="" type="checkbox"/> Ozone depleting substances (Turnover limit: 0%)    |
| <input checked="" type="checkbox"/> Conflict minerals (Turnover limit: 0%)         | <input checked="" type="checkbox"/> Intensive farming (Turnover limit: 0%)       | <input checked="" type="checkbox"/> Palm oil production (Turnover limit: 0%)           |
| <input checked="" type="checkbox"/> First generation biofuels (Turnover limit: 0%) | <input checked="" type="checkbox"/> Intensive fishing (Turnover limit: 0%)       | <input checked="" type="checkbox"/> Persistent organic pollutants (Turnover limit: 0%) |
| <input checked="" type="checkbox"/> Fossil power generation (Turnover limit: 0%)   | <input checked="" type="checkbox"/> Intensive forestry (Turnover limit: 0%)      | <input checked="" type="checkbox"/> Pesticides (Turnover limit: 0%)                    |
| <input type="checkbox"/> GICS: Coal  | <input checked="" type="checkbox"/> Mining (general) (Turnover limit: 0%)        | <input checked="" type="checkbox"/> Petroleum industry (Turnover limit: 0%)            |
| <input type="checkbox"/> GICS: Exploration & production                            | <input checked="" type="checkbox"/> Natural gas drilling (Turnover limit: 0%)    | <input checked="" type="checkbox"/> Uranium mining (Turnover limit: 0%)                |
| <input type="checkbox"/> GICS: Integrated oil & gas                                | <input checked="" type="checkbox"/> Nuclear core components (Turnover limit: 0%) |  |

## Social exclusion criteria

Social exclusion criteria are products, sectors or corporate practices used by a fund to exclude companies from investment. When relevant, the turnover limit is given, i.e. only companies exceeding the turnover limit for the given product or business line will be excluded from investment by the fund.

|   |  |   |
|---|--|---|
| <input type="checkbox"/> Abortion   | <input checked="" type="checkbox"/> Cooperation with oppressive regimes                | <input checked="" type="checkbox"/> Irresponsible marketing                             |
| <input checked="" type="checkbox"/> Alcohol, production (Turnover limit: 5%)        | <input checked="" type="checkbox"/> Corruption   | <input checked="" type="checkbox"/> Labor rights  |
| <input type="checkbox"/> Alcohol, sale  | <input checked="" type="checkbox"/> Depleted uranium ammunition (Turnover limit: 0%)   | <input checked="" type="checkbox"/> Land mines, production (Turnover limit: 0%)         |
| <input checked="" type="checkbox"/> Animal testing (cosmetics) (Turnover limit: 0%) | <input checked="" type="checkbox"/> Discrimination                                     | <input checked="" type="checkbox"/> Military goods, production (Turnover limit: 0%)     |
| <input type="checkbox"/> Apparel companies  | <input checked="" type="checkbox"/> Embryonic stem cell research (Turnover limit: 0%)  | <input checked="" type="checkbox"/> Non-conventional weapons, prod (Turnover limit: 0%) |
| <input checked="" type="checkbox"/> Armament, production (Turnover limit: 0%)       | <input checked="" type="checkbox"/> Forced labor                                       | <input checked="" type="checkbox"/> Non-responsive to engagement                        |
| <input checked="" type="checkbox"/> Asbestos mining & fibers (Turnover limit: 0%)   | <input checked="" type="checkbox"/> Fur farms (Turnover limit: 0%)                     | <input checked="" type="checkbox"/> Non-signatory of Global Compact                     |
| <input type="checkbox"/> Banking  | <input checked="" type="checkbox"/> Gambling (Turnover limit: 0%)                      | <input checked="" type="checkbox"/> Pornography, sales (Turnover limit: 0%)             |
| <input checked="" type="checkbox"/> Biopiracy                                       | <input type="checkbox"/> GICS: Tobacco   | <input checked="" type="checkbox"/> Production of illegal drugs (Turnover limit: 0%)    |
| <input checked="" type="checkbox"/> Breaches of Global Compact                      | <input checked="" type="checkbox"/> Handguns/firearms, production (Turnover limit: 0%) | <input checked="" type="checkbox"/> Tobacco, production (Turnover limit: 0%)            |
| <input checked="" type="checkbox"/> Child labor                                     | <input checked="" type="checkbox"/> Human rights                                       | <input checked="" type="checkbox"/> Tobacco, sale (Turnover limit: 0%)                  |
| <input checked="" type="checkbox"/> Cluster bombs, production (Turnover limit: 0%)  | <input type="checkbox"/> ICB: Defense  | <input checked="" type="checkbox"/> Violation of local laws                             |
| <input checked="" type="checkbox"/> Contraceptives (Turnover limit: 0%)             | <input type="checkbox"/> ICB: Tobacco  |   |

## Exclusion criteria countries (only relevant for funds that invest into government bonds)

Exclusion criteria are related to the principles and practices of countries and are used to exclude government bonds from investment.

|   |  |   |
|---|--|---|
| <input type="checkbox"/> Biological/chemical armament     | <input type="checkbox"/> Human rights violations                         | <input type="checkbox"/> Non-sign. of Convention on Cluster Munitions |
| <input type="checkbox"/> Child labor controversies        | <input type="checkbox"/> Insufficient efforts against money laundering   | <input type="checkbox"/> Non-sign. of Non-Proliferation Treaty        |
| <input type="checkbox"/> Death penalty                    | <input type="checkbox"/> Labor rights violations                         | <input type="checkbox"/> Non-signatory of the Kyoto protocol          |
| <input type="checkbox"/> Dictatorial leadership           | <input type="checkbox"/> Legalized voluntary euthanasia                  | <input type="checkbox"/> Nuclear armament                             |
| <input type="checkbox"/> Expansive nuclear power strategy | <input type="checkbox"/> Military budget / Total GDP                     | <input type="checkbox"/> Nuclear power / total power generation       |
| <input type="checkbox"/> Freedom of association           | <input type="checkbox"/> Military presence in other countries            | <input type="checkbox"/> Subject to UN sanctions                      |
| <input type="checkbox"/> Freedom of speech and press      | <input type="checkbox"/> Money laundering                                |   |
| <input type="checkbox"/> High level of corruption         | <input type="checkbox"/> Non-sign. of Anti-Personnel Mine Ban Convention |   |

**Environmental positive criteria**

Environmental positive criteria are related to the policies, processes, practices used to assess the corporate environmental performance of a company.

|   |  |   |
|---|--|---|
| <input checked="" type="checkbox"/> Biodiversity policy         | <input type="checkbox"/> Environmental management system         | <input checked="" type="checkbox"/> Renewable energy                    |
| <input checked="" type="checkbox"/> Climate change risks        | <input checked="" type="checkbox"/> Environmental policy         | <input checked="" type="checkbox"/> Resource efficiency                 |
| <input checked="" type="checkbox"/> Emission control            | <input checked="" type="checkbox"/> Environmental product design | <input checked="" type="checkbox"/> Suppliers environmental guidelines  |
| <input checked="" type="checkbox"/> Energy efficiency           | <input type="checkbox"/> Environmental reporting                 | <input checked="" type="checkbox"/> Toxic releases and waste management |
| <input checked="" type="checkbox"/> Environmental certification | <input type="checkbox"/> Green procurement programs              | <input checked="" type="checkbox"/> Water                               |

**Social positive criteria**

Social positive criteria are related to the policies, processes, practices used to assess the corporate social performance of a company.

|   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Community relations | <input checked="" type="checkbox"/> Human rights              | <input checked="" type="checkbox"/> Social policy      |
| <input checked="" type="checkbox"/> Diversity           | <input checked="" type="checkbox"/> Indigenous peoples rights | <input type="checkbox"/> Social reporting              |
| <input checked="" type="checkbox"/> Employee relations  | <input checked="" type="checkbox"/> Labor rights              | <input type="checkbox"/> Supplier relations            |
| <input checked="" type="checkbox"/> Equal opportunities | <input checked="" type="checkbox"/> Product safety            | <input type="checkbox"/> Suppliers social guidelines   |
| <input checked="" type="checkbox"/> Health & safety     | <input type="checkbox"/> Social management system             | <input checked="" type="checkbox"/> Working conditions |

**Governance positive criteria**

Governance positive criteria are related to the policies, processes and practices used to assess the corporate governance performance of a company.

|   |  |   |
|---|--|---|
| <input checked="" type="checkbox"/> Anti-competitive practices        | <input checked="" type="checkbox"/> Corporate governance | <input checked="" type="checkbox"/> Remuneration        |
| <input checked="" type="checkbox"/> Board structure                   | <input checked="" type="checkbox"/> Corruption           | <input checked="" type="checkbox"/> Shareholders rights |
| <input checked="" type="checkbox"/> Business ethics / code of conduct | <input checked="" type="checkbox"/> ESG risk management  | <input checked="" type="checkbox"/> Transparency        |

**Thematic positive criteria**

Thematic funds invest in companies offering products and services that contribute to the prevention or mitigation of environmental and social problems. This fund favors companies that are active in the areas presented below.

|   |   |  |
|---|---|--|
| <input type="checkbox"/> Affordable communication                       | <input checked="" type="checkbox"/> Health: research & development  | <input checked="" type="checkbox"/> Transport: new engine technologies |
| <input type="checkbox"/> Affordable education                           | <input checked="" type="checkbox"/> Nutrition: healthy nutrition    | <input checked="" type="checkbox"/> Waste: recycling                   |
| <input type="checkbox"/> Affordable finance                             | <input checked="" type="checkbox"/> Nutrition: vegetarian food      | <input type="checkbox"/> Water: access for the under-privileged        |
| <input type="checkbox"/> Affordable housing                             | <input type="checkbox"/> Resources: Efficiency                      | <input checked="" type="checkbox"/> Water: desalination                |
| <input checked="" type="checkbox"/> Agriculture: sustainable production | <input type="checkbox"/> Resources: Sustainable extraction          | <input checked="" type="checkbox"/> Water: efficiency                  |
| <input checked="" type="checkbox"/> Air: emission control               | <input checked="" type="checkbox"/> Technology: new materials       | <input checked="" type="checkbox"/> Water: purification                |
| <input checked="" type="checkbox"/> Energy: alternative production      | <input checked="" type="checkbox"/> Technology: pollution control   | <input checked="" type="checkbox"/> Water: utilities                   |
| <input checked="" type="checkbox"/> Energy: efficiency                  | <input checked="" type="checkbox"/> Timber: sustainable production  | <input checked="" type="checkbox"/> Water: waste water treatment       |
| <input checked="" type="checkbox"/> Health: generic medical products    | <input checked="" type="checkbox"/> Transport: mass transit systems |  |

**Positive criteria countries (only relevant for funds that invest into government bonds)**

Positive criteria are related to policies, action programs and practices used to assess the sustainability performance of government's and countries.

|   |  |   |
|---|--|---|
| <input type="checkbox"/> Air pollution & climate change | <input type="checkbox"/> Environmental policy  | <input type="checkbox"/> Standard of living     |
| <input type="checkbox"/> Biodiversity                   | <input type="checkbox"/> Health care           | <input type="checkbox"/> Technological progress |
| <input type="checkbox"/> Economic indicators            | <input type="checkbox"/> Human rights          | <input type="checkbox"/> Waste management       |
| <input type="checkbox"/> Education                      | <input type="checkbox"/> Political standards   | <input type="checkbox"/> Water quality & usage  |
| <input type="checkbox"/> Energy efficiency              | <input type="checkbox"/> Public transportation |   |