

**Prof. Ernst A. Brugger**

Chairman of the Board of Directors



Dear Shareholders,

Despite the fact that the markets were very turbulent at times during 2000, Sustainable Performance Group (SPG) had a successful year on the stock exchanges. On December 31, 2000, the net asset value (NAV) came to CHF 584.60, and the share was trading at CHF 648. The share thus appreciated 17.8% last year, with the NAV increasing 5.4%. Measured in NAV terms, SPG outperformed the MSCI world share index, which lost 13% in line with the international stock markets, by 18%.

On December 31, 2000, the SPG portfolio was invested in 31 companies in 13 countries. The two successful capital increases staged in May and October met with great interest among private and institutional investors, raising more than CHF 200 million in new capital. SPG's market capitalization came to CHF 400 million at the end of 2000, making it one of Europe's largest investment vehicles with a global sustainability focus.

In what was on the whole a difficult year on the stock markets, the good performance of SPG fell in large part to a number of rapidly-growing pioneering companies. Four interesting stocks in this category which figure prominently in the SPG portfolio are the Norwegian company Tomra, which supplies machines for recycling drinks bottles and packaging (gained 151% in 2000), Danish wind power company Vestas Wind Systems (gained 228%), and US companies Calpine, a leader in the field of combined heat and power generation (up 181%) and FuelCell Energy (gained 447%), which manufactures fuel cells.

Institutional investors currently account for around two-thirds of SPG's shareholders, while private investors in Europe make up around one-third. The fact that there is growing interest among institutional investors in the forward-looking sustainability investment approach is encouraging. In 2000, for example, a major new institution, the Swiss Confederation's pension fund, became a shareholder in SPG.

Sustainable Performance Group has been listed on the Swiss stock exchange for around three-and-a-half years. We are more convinced than ever that the integration of environmental, economic and societal growth factors can generate competitive advantage

and thus above-average returns for investors. With a performance of 62% since its launch in August 1997, translating into average annual returns of 15%, SPG has not only posted a convincing performance in absolute terms over the longer term, but has outstripped most benchmark indices as well.

SPG's balanced portfolio, consisting of around 30 of the world's top sustainability leaders and pioneers, is characterized by high economic, environmental and social added value. We are certain that SPG will continue to generate steady gains for long-term investors like yourselves in the future.

On behalf of the Board of Directors,

A handwritten signature in dark ink, appearing to read 'E. Brugger', written over a light background.

Prof. Ernst A. Brugger  
Chairman

# Sustainability Pioneers/Leaders

Dear Shareholders,

Sustainability continues to gather momentum as an investment theme. As the stock markets became increasingly volatile last year, sustainability – a business approach that integrates economic, environmental and social objectives – aroused growing interest, as has the fact that sustainability investments have often performed better than conventional portfolios. As a result, more and more institutional investors, including pension funds and fund managers, have joined the ranks of private investors interested in this forward-looking approach.

This trend is also reflected in continued growth in the market for sustainable investments. Sustainable Performance Group (SPG), one of the pioneers in this segment, has been able to profit from this development. Two capital increases staged in May and October raised new funds of around CHF 200 million, helping maintain and consolidate SPG's position as one of the leading European vehicles for sustainability investments.

There have also been notable political developments related to the issue of transparency. Last July, the UK successfully introduced regulations governing the way pension funds disclose their policy on sustainability investments, and now the German government has followed suit with similar legislation. Guidelines on private pension schemes passed in January 2001 stipulate that all providers of pension products must in the future disclose "whether, and in what way, they take into account ethical, social and environmental concerns when investing contributions."

The European Union has similar moves on the agenda. As events in the UK have shown, the mere announcement of this kind of disclosure legislation is enough to trigger significant moves to sustainable investments in the financial markets.

Not only is sustainability becoming an important issue for investors, but listed companies are quickly realizing that this is an important strategic factor. Following SAM's collaboration with Dow Jones Indexes, which in 1999 led to the launch of the world's first sustainability index, companies have become even more willing to provide SAM information about their sustainability strategy and performance.



**Reto Ringger,**  
CEO of SAM

Since its launch in 1995, SAM has continually expanded and enhanced its internationally recognized research capability. SAM now has one of the world's largest databases containing information on corporate sustainability performance.

We approach the task of finding and selecting innovative and future-oriented companies for Sustainable Performance Group's portfolio with a great deal of care and our full commitment. This is the only way of assuring that we continue to generate environmental, social and – not least – economic value for you, SPG's shareholders.

A handwritten signature in dark ink, appearing to be 'R. Ringger'.

Reto Ringger  
CEO of SAM