

Dear Shareholders

We can look back on an eventful first half of the year, dominated by the theme of energy. The price of crude oil has climbed to record highs, intensifying public concerns about the limited global oil supply. Potential substitutes are being evaluated and new energy models discussed. CO₂ emission certificates are currently trading at historic highs, while strong demand for natural gas is also forcing up prices to new peaks.

Recently the discussion about the shortage of energy resources had died down a little, but it now seems to be reviving again.

This environment has been conducive to the performance of Sustainable Performance Group's investment portfolio: its net asset value rose 12.6%, while the SPG share price has risen 7.3% year-to-date. The main drivers of this strong performance were energy stocks such as Vestas Wind Systems and Veolia Environnement, as well as the organic food companies Whole Foods Market and Green Mountain Coffee Roasters. You will find portraits of 10 of our portfolio companies on page 13 onwards.

We have implemented the expanded investment strategy presented at the AGM in April 2005, with a focus on sustainability themes and an emphasis on small and mid cap companies, and this is already starting to bear fruit. An environment dominated by limited resources and new technologies is favourable to companies with innovative technology solutions, as they become commercially attractive. SPG intends to broaden the diversification of its portfolio in future by gradually increasing the number of company holdings.

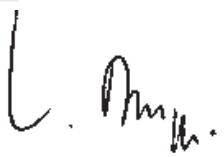
New additions include Centrotec Sustainable, a manufacturer of energy-saving systems, and Solarworld, a leading producer of solar technologies. The stronger focus on sustainability themes such as energy, water or healthy living takes into account demographic trends as well as the limited availability of natural resources. In future SPG will continue to invest up to 10% of the portfolio's assets in young, innovative unlisted companies (private equity).

This spring Richard Sandor, a long-standing SPG board member and founder of the Chicago Climate Exchange (CCX), successfully launched a European subsidiary of CCX, the European Climate Exchange, which now lists and trades carbon financial instruments futures contracts on the International Petroleum Exchange in London. Richard Sandor sits on the board of European Climate Exchange and is thus obliged to resign as a director of SPG so as not to hold a dual function and to avoid any conflict of interests. Richard Sandor will continue to make a contribution as an expert in the SPG network. We would like to thank him for all the work he has done on behalf of SPG and wish him all the best in his innovative projects.

SPG focuses on key sustainability themes, such as energy, water, mobility, healthy living and new materials, which it expects to play an increasingly important role. We are confident that our concentration on innovative business sectors and our focus on small and medium-sized companies will have a positive impact on SPG's performance.

For the Board of Directors

For the Investment Advisor



Prof. Ernst A. Brugger
Chairman of the Board of Directors
Sustainable Performance Group




Reto Ringger
CEO
SAM Group