

Sustainable Performance Group

Monthly Report November 2010

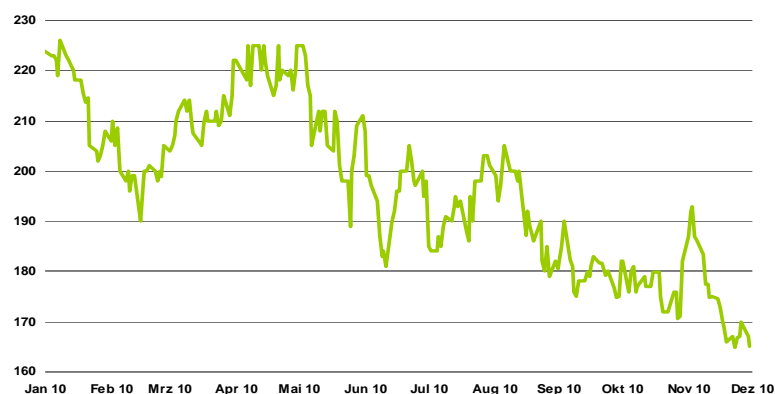
PORTFOLIO COMMENT

Although the Photovoltaics segment accounts for less than 10% of the SPG portfolio, the equity investments in question have a substantial impact on overall performance due to their high volatility. In November both Yingli Green Energy and Trina Solar once again significantly underperformed the market as a whole. The reason for this price fluctuation is mainly to be found in the unpredictable demand for solar modules in the coming years. The sector receives a fair amount of government subsidies, which makes it heavily exposed to political decision-making. Although all the companies contained in the portfolio are reporting good capacity utilisation or strong order intake, some investors are still concerned about massive overcapacity. This would lead to falling prices and shrinking profit margins. The sector has enormous potential but would benefit from broader geographical diversification. This is why the announcement by US utilities of plans to invest in new solar projects is so important. In contrast to the Energy sector, Healthy Living produced another positive performance in November. Green Mountain Coffee Roasters climbed by more than 20% thanks to strong demand for its coffee capsules. Oriflame Cosmetics was another addition to the Healthy Living cluster.

PORTFOLIO COMPANY: RUBICON

Rubicon is material science company targeting the sapphire wafer market for the LED industry. LEDs are mainly used in lighting market. The company develops, manufactures and sells monocrystalline sapphire and other innovative crystalline products. Based on substrate capacity, Rubicon holds 20-25% of the market. Rubicon is now growing capacity for crystal growing as well as wafer processing. Currently, 90% of the LED industry manufactures LED products using sapphire wafers; the remaining portion of the market uses silicon carbide substrates. Sapphire wafer prices are expected to stay flat through 2011, as the buoyant demand for LED applications should persist. LED unit demand is expected to grow by 50% YoY in 2011, as LEDs generate more light from the same amount of energy. Considering also that a lot of the LED production capacity has been added during the last year, it is appropriate to assume that the yields will be low at the beginning of the operations, increasing the amount of wafer used. Therefore it is fair to assume that the demand for sapphire substrates would increase robustly during 2011.

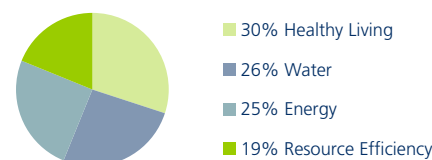
SHARE PRICE DEVELOPMENT (IN CHF)



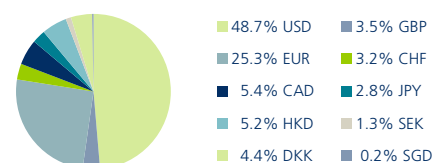
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INVESTMENT THEMES



CURRENCIES



TEN LARGEST POSITIONS

Company	In %
Thermo Fisher Scientific	3.3
Inge watertechnologies	3.2
Mylan	2.8
Johnson Controls	2.7
Green Mountain Coffee Roasters	2.6
Yingli Green Energy	2.6
KSB	2.6
American Water Works	2.5
Atrium Innovation	2.4
Novo Nordisk	2.4

PERFORMANCE

	YTD	1 Month	in CHF
Share Price	-26.3%	-9.3%	165.00
NAV	-8.6%	-4.3%	195.86
Premium/Discount			-15.8%

MARKET CAPITALIZATION + CONVERTIBLE BOND

CHF 160'005'000. -