



Content

Market report from a responsible investor's view	2
Performance data for ESPA Responsible Investment funds	3
ESPA Responsible Investment funds: Assets under Management	3
News from the ESPA Responsibility Team	4
Changes in the investment universe	5
ESPA VINIS Investment Board highlights	5
Engagement activities	5
Stock on the watch	6
Glossary	7

Market report from a responsible investor's view

Equities:

Global markets were slightly weaker in December. Volatilities were substantially down from the previous two months. The dominating issues were the already noticeable weakness of the real economy and potential bailouts in the corporate sector. The Euro gained substantial strength against the US-Dollar. European equities outperformed their US peers on a currency-adjusted basis. The oil price fell under USD 40 per barrel. In this scenario, the energy sector and banks were among the losers, whereas defensives such as food companies and pharmaceuticals showed a comparatively solid performance. Among sustainable sectors wind energy and energy efficiency outperformed the broad market whereas fuel cells and alternative transport were lagging behind.

Most international sustainable equity indices – based on criteria as well as best-in-class indices – underperformed their conventional peers in December. In Austria sustainable VÖNIX index again clearly outperformed the broad ATX and the ATX Prime index in December.

Index comparison (December 08)			
↓ FTSE 4 Good Global Index	-5.6%	↓ FTSE 4 Good Europe 50	-5.2%
↓ Dow Jones Sustainability World TR	-5.6%	↓ Dow Jones STOXX 50	-3.5%
↓ Ethical Index Global Top 30	-2.8%	↓ Dow Jones STOXX 600	-3.8%
↓ Ethical Index Global Tradeable Return	-7.4%	↓ VÖNIX	-1.3%
↑ MSCI World Total Return	0.9%	↓ ATX Prime	-2.5%
		↓ ATX	-2.8%

Fixed Income:

In December the scenario of a global economic downturn and of leading economic nations being hit by recession was again more substantiated. Central banks and governments in these economic regions continued to engage in the full spectrum of measures to support the banking system and the entire economy. The ECB, the BoE, the Swedish Central Bank, and the Fed cut their key lending rates to 2.50%, 2.00%, 2.00%, and a band of 0 to 0.25%, respectively. Practically all economic data continued to decline; most recently the labour market was more severely affected. With the globally shrinking demand for consumer and capital goods and therefore falling commodity prices, the risk of inflation is contained for now. After the banks, it was the large US carmakers' turn to get much needed liquidity injections.

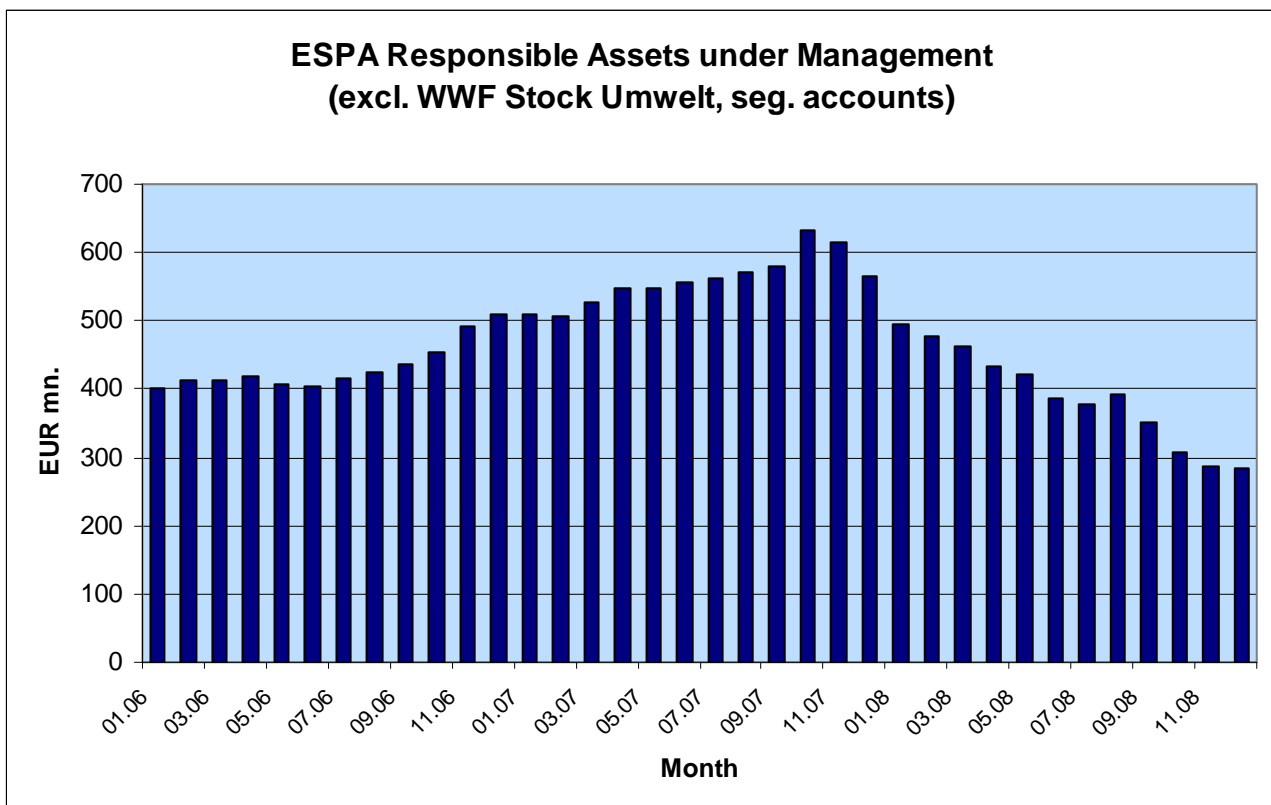
The spreads of corporate and bank bonds remained on very wide levels in December, and the spreads of government bonds in the Eurozone remained high in anticipation of lively issuing activity in 2009. Up until the middle of the month, the market for new issues of bank bonds guaranteed by the government was very active. Attractively priced issues met with largely solid demand. Yields were falling across the entire Euro interest curve. Especially government bonds with short remaining time to maturity continue to serve as safe haven. Sustainable issuers among Supranationals, Agencies and Consumer staples and Telecoms have been outperforming in December.

The Bund futures contract was going through a volatile period in December. Starting from levels around 122.00, it failed to break through 125.00 – 125.50 a couple of times and closed the year just slightly short of its high. The 10Y yield of government bonds closed at around 3.00% at the end of the month. The yield decreased across the entire interest curve of Euro government bonds by 0.2% to 0.4%.

Performance data for the ESPA Responsible Investment funds

Performance data per 31/12/08 Sustainability Funds	2008 YTD	2008 YTD vs. Benchmark	MTD 12/08	fund volume in mn. EUR
ESPA VINIS STOCK GLOBAL	-37.4%	3.2%	-6,0%	106.4
ESPA VINIS STOCK EUROPE	-55,0%	-11.8%	-4.7%	43.8
ESPA VINIS STOCK AUSTRIA	-56.6%	0.1%	-2.5%	28,1
ESPA VINIS STOCK EUROPE EMERGING	-49.9%	10.4%	-7.1%	3,6
ESPA VINIS BOND	4.5%	-3.4%	1,0%	57.2
ESPA VINIS CASH	-2.9%	-8,0%	-0.5%	29,5
Performance data per 31/12/08 Environmental Funds	2008 YTD		MTD 12/08	fund volume in mn. EUR
ESPA WWF STOCK CLIMATE CHANGE	-45.8%		-5.6%	15,1
ESPA WWF STOCK UMWELT	-48,0%		-7.1%	58.9
Total Assets under Management (excl. WWF St.Umw.)				283.7

ESPA Responsible Investment funds: Assets under Management



Latest developments within the ESPA Responsibility Team

Media appearance of ESPA Responsibility Team

- Sustainability report by Finance & Ethics Research from 3rd December 2008
<http://www.fondsprofessionell.at/upload/attach/334051.pdf>
- "corporAID"-article "Sustainable Investing – Economic crisis slashes stock prices" ("Nachhaltig Investieren – Wirtschaftskrise drückt Aktienkurse") in edition Dec. 08
- "corporAID"-roundtable discussion "What to do without money?" ("Was tun ohne Geld?") in edition Dec 08
- "Funds Europe 2008 Award": Socially Responsible Investment Programme for Erste Sparinvest KAG
<http://www.funds-europe.com/awards/>
- Press release / "e-fundresearch.com"-article ""Awards for sustainable fund products" ("Auszeichnung für nachhaltige Fondsprodukte")
<http://at.e-fundresearch.com/newscenter.php?aID=11755&nl=4157181>
- "Lebensart"-article "Sustainable Funds" ("Nachhaltige Fonds") in edition Dec 08/Jan 09

Proceedings & development

- Ongoing research regarding "Microfinance"
- Preparations for membership to UN Principles for Responsible Investment
- Work on a study with the ICCSR (International Centre for Corporate Social Responsibility) in Nottingham
- Participation in launch of a fund investing in "physical gold"
- Participation of ESPA Responsibility Team at the following conferences in Jan / Feb 2009:
 - "Let's make money"-conference hosted by attac and "Ökumenisches Forum" 19/1 in Vienna
 - Ernst & Young Sustainability Conference 29/1 in Vienna
 - Erste Sparinvest KAG Institutional Investment Conference 11/2 in Vienna

Changes in the investment universe (January 09)

The implementation of the SRI concept and the inclusion of SRI-research (oekom, Innovest, RiskMetrics/ former ISS und RFU) adaptations of the investment universe are made on a monthly basis. These adaptations are translated into our responsible investment funds. This means that a security that got excluded from the universe also has to be sold from all SRI-portfolios and on the other hand a security that is included in the SRI-universe can be invested into SRI-portfolios in the future.

Included – Reasons:

VTG, Shire, United Utilities – initial coverage

Sharp, Vivendi – abolition of exclusionary criteria

Excluded – Justification:

Fujifilm Holdings – deterioration regarding environmental & stakeholder-related performance

Waste Management – violation of exclusionary criteria

ESPA VINIS Investment Board highlights

(last Meeting 14/01/09)

The ESPA VINIS Investment Board is hosted by the Responsible Investments Team of ESPA and joins financial specialists of ESPA as well as SRI-specialists of the SRI-rating agencies involved in our process. Topics of discussion are e.g. single issuers, sectors or criteria.

Discussion concerning the portfolio/ single issuers:

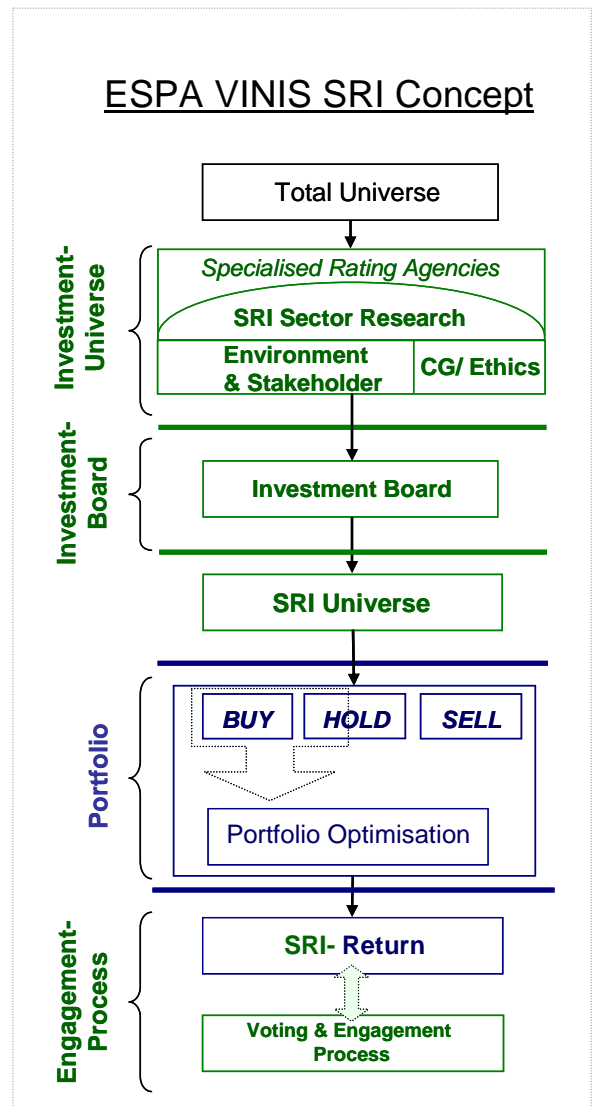
- Discussion of new developments regarding exclusionary criteria
- Discussion of cooperation between SRI rating agencies and NGOs
- Discussion of new trends in SRI and sustainability research in regions like Latin America, Asia, and Africa
- Discussion on 'Ökoauto' strategy of Solarworld and the strategic focus renewable energy companies should have

Engagement activities

ESPA Responsibility started a cooperation with the UK based investment- and research company F&C on engagement and voting on a global basis. F&C provides ESPA with their engagement activities and releases concerning holdings within the Responsible Investment funds of ESPA outside of Austria.

International: Cooperation with F&C, voting platform recently built up

Austria: Engagement with Kapsch TrafficCom



Stock on the watch

Norddeutsche Affinerie

(Materials)

ISIN:

Last price (16/01/09)

Market capitalisation (in mn.)

P/E (Price-earning ratio) current

Dividend yield

Financial rating (Moody's / S&P)

NDA GR

DE0006766504

EUR 25.43

EUR 1,002

3.39

5.91%

-

Performance since 12/2006

SRI-Rating (total):

(Range A-D)

Environment rating (Range A-D):

Stakeholder rating (Range A-D):

Corporate Governance /

Ethics Rating (Range A-D):

B

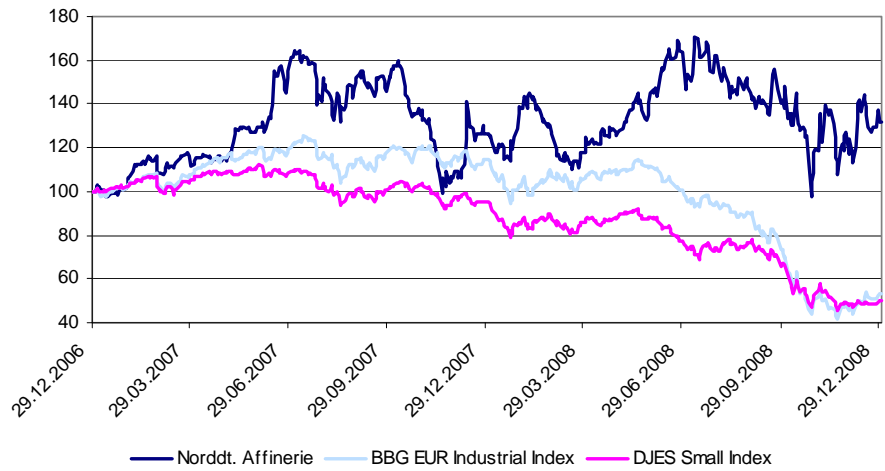
B

B

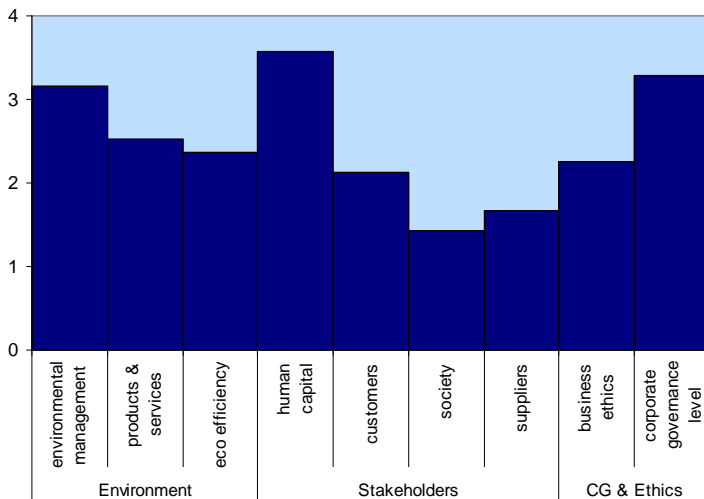
B

Invested in funds as follows:

ESPA VINIS STOCK GLOBAL



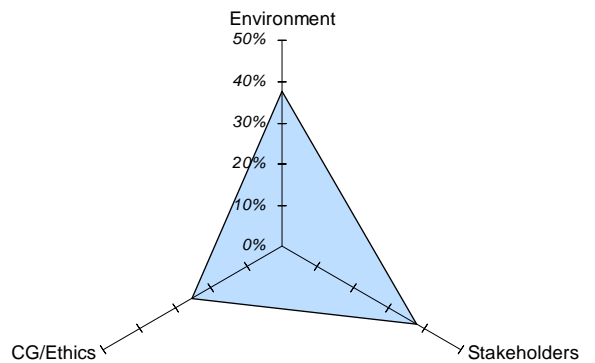
ESPA VINIS SKYLINE (Company level)



(4: best rating; 0: worst rating)

ESPA VINIS STAR (Sector level)

Environment: 37.5%
 Stakeholders: 37.5%
 CG / Ethics: 25.0%



Glossary

SRI – Socially Responsible Investment

YTD – year to date

SRI-Rating agency / SRI Rating – An SRI-rating agency or SRI-research agency analyses and rates the activities of companies according to social, ecological and ethical criteria (e.g. A = best grade to D = worst grade). By using SRI ratings investors can judge a company's exposure to environment and stakeholders. The ESPA Responsibility team has co-operations with several SRI-rating agencies (oekom research, RiskMetrics (former ISS), Innovest Strategic Value Advisors, RFU), which cover different key aspects. In contrast to SRI rating agencies, finance rating agencies (e. g. Moody's, Fitch, S&P, etc.) are focussing on companies' financial data only.

Investment universe – Each investor has a pool of companies (funds universe, investable universe) in which he is allowed to invest. Companies need to perform above average with regards to sustainability performance to become part of the ESPA responsible investment universe. In order to promptly react to changes on a company level, the ESPA Responsibility investment universe is updated on a monthly basis. Finally, the fund manager picks those companies with the best prospects according to fundamental financial data.

Coverage – The sum of all companies analysed by a rating agency is referred to as coverage. If a company is analysed for the first time this is called initial coverage.

Exclusionary criteria – No investments are made in particular sectors or companies, which violate certain (exclusionary) criteria (e. g. violation of labour regulation, nuclear energy, etc.). These criteria include ethical, social and governance risk factors.

ESPA VINIS Investment Board – In this board specialists in terms of sustainability meet financial experts. Together with the ESPA Responsibility team they discuss topical issues and current developments, IPOs, or the latest trends in different industry sectors.

Engagement – Engagement means that the investor tries to convince/persuade the management of a company to take actions in the fields of social responsibility, environment or transparency. On a national basis engagement is done by the ESPA Responsibility Team itself, on a global basis there exists a co-operation with F&C, who is specialised provider in this area.

Voting – Voting means the active exercise of the voting rights at shareholders' meetings. Possible targets are the increase in transparency in case of nominations for the board of directors, or more transparency in management compensation. In the area of voting, the ESPA Responsibility team also cooperates with F&C.

ESPA VINIS SKYLINE – ESPA VINIS SKYLINE illustrates the evaluation of single criteria for each company (e.g. environmental management, products & services, human capital, etc.). This evaluation is based on a rating score ranging from 0 (worst score) to 4 (best score). The single ratings are added up according to their weightings, which finally leads to a combined SRI rating.

ESPA VINIS STAR – Each sector has different areas of focus with regards to sustainability. The ESPA VINIS STAR shows the weightings of the three dimensions (environment vs. stakeholder vs. CG/ethics). The weighting of CG/ethics is held constantly at 25%. The weightings of the other two dimensions vary depending on the sector. For example, stakeholder issues are weighted higher in the service sector, whereas the importance of environmental issues is more dominant in the industrial sector.

Imprint

ERSTE-SPARINVEST KAG

1010 Wien, Habsburgergasse 1a

VINIS Gesellschaft für nachhaltigen Vermögensaufbau und Innovation m.b.H.

1010 Wien, Petersplatz 4

Contact

INSTITUTIONAL SALES - INTERNATIONAL

Tel: +43 (0) 50 100 19960

E-mail: international@sparinvest.com

Disclaimer:

The Monthly Bulletin was prepared for your personal use and for information only. Any form of reception, publication, duplication or dissemination of the content by anyone other than the designated addressee is prohibited.

The Monthly Bulletin was not prepared with the intention to give legal or tax advice. We cannot be held liable for the completeness, reliability, and accuracy of the material or any other information that is passed on or made accessible to the addressee either in writing, orally, or in any other form. We assume the data that is contained in this bulletin on the basis of publicly available information to be accurate, but they have not been verified independently. The contents of this Monthly Bulletin are not legally binding, except where the presentation or parts thereof are confirmed in writing to this effect. The statements made to the addressee are subject to the provisions of the underlying offer or agreement, if any.

Past performance is not necessarily indicative for future income.

We cannot guarantee that a portfolio will achieve the gains or losses exemplified or that a projection will predict the actual performance of a portfolio with the same degree of accuracy as earlier projections. In contrast to the actual development of the portfolio, simulations are not based on actual transactions – hence their significance is limited. Since no actual trading takes place, the influence of some market factors cannot be modelled adequately, such as for example liquidity shortages.