



European SRI Transparency Guidelines

ERSTE-SPARINVEST/ VINIS Statement of Commitment

Social Responsible Investing is an essential part of the strategic positioning and behaviour of ERSTE-SPARINVEST. We have been involved in SRI since 2001 and welcome the European SRI Transparency Guidelines.

This is our third statement of commitment and is valid for the period 01.09.2009 to 30.08.2010. Our full response to the European SRI Transparency Guidelines can be accessed below and is available in the annual report of the retail funds and on our web site.

ERSTE-SPARINVEST/ VINIS Compliance with the Transparency Guidelines

ERSTE-SPARINVEST KAG is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate.

ERSTE-SPARINVEST KAG meets the full recommendations of the European SRI Transparency Guidelines with the exception of questions 6a, 6b and 7c – compliance with the questions is expected to be achieved over the next months.

Date: 01.09.2009

Guideline Categories

Section 1. Basic Details	
1	Signatories* should be clear about who they are and provide background information on the fund*, and the fund manager*.
1a	<p>Provide the name of the fund(s) and fund manager to which these guidelines apply.</p> <p>The guidelines apply to the funds of the 'ESPA VINIS' product range, these being</p> <ul style="list-style-type: none"> - 'ESPA VINIS BOND', - 'ESPA VINIS CASH', - 'ESPA VINIS STOCK AUSTRIA', - 'ESPA VINIS STOCK EUROPE', - 'ESPA VINIS STOCK EUROPE EMERGING' and - 'ESPA VINIS STOCK GLOBAL'. <p>In addition to that they apply to the</p> <ul style="list-style-type: none"> - 'ESPA WWF STOCK CLIMATE CHANGE' and - 'ESPA WWF STOCK UMWELT'. <p>The responsible fund managers are</p> <ul style="list-style-type: none"> - Martin Cech ('ESPA VINIS BOND' and 'ESPA VINIS CASH'), - Wolfgang Pinner ('ESPA VINIS STOCK EUROPE EMERGING', 'ESPA VINIS STOCK GLOBAL' and 'ESPA WWF STOCK UMWELT'), - Robert Heidinger ('ESPA VINIS STOCK EUROPE') and - Thomas Motsch ('ESPA VINIS STOCK AUSTRIA' and 'ESPA WWF STOCK CLIMATE CHANGE').
1b	<p>Provide contact details for further information regarding the funds.</p> <p>Additional information on the funds is available on the websites of VINIS (www.vinis.at) and ERSTE-SPARINVEST (www.sparinvest.com).</p>



	<p>The service-team of ERSTE-SPARINVEST is managed by Anton Kovar (050100-11906, anton.kovar@sparinvest.com). For detailed information please contact Martin Cech (fixed income products, 050100-19931, martin.cech@vinis.at) and Wolfgang Pinner (equity products, 050100-19930, wolfgang.pinner@vinis.at).</p> <p>The asset manager's address is: ERSTE-SPARINVEST KAG, Habsburgergasse 1a, A- 1010 Vienna.</p>
1c	<p>What is the size of the fund? In currency at a specified date.</p> <p>Fund assets per 31.05.2009 were</p> <ul style="list-style-type: none"> - EUR 65.1m ('ESPA VINIS BOND'), - EUR 29.8m ('ESPA VINIS CASH'), - EUR 20.1m ('ESPA VINIS STOCK AUSTRIA'), - EUR 38.4m ('ESPA VINIS STOCK EUROPE'), - EUR 4.5m ('ESPA VINIS STOCK EUROPE EMERGING') and - EUR 109.6m ('ESPA VINIS STOCK GLOBAL'). <p>Fund assets in 'ESPA WWF STOCK CLIMATE CHANGE' were</p> <ul style="list-style-type: none"> - EUR 33.7m and - EUR 52.5m in 'ESPA WWF STOCK UMWELT'. <p>Details on historical data regarding fund sizes are available on the website of ERSTE-SPARINVEST (www.sparinvest.com).</p>
1d	<p>Where can financial performance history data about the fund be found?</p> <p>Performance details are available on the website of ERSTE-SPARINVEST (www.sparinvest.com)</p> <p>ESPA VINIS BOND</p> <p>ESPA VINIS CASH</p> <p>ESPA VINIS STOCK AUSTRIA</p> <p>ESPA VINIS STOCK EUROPE</p> <p>ESPA VINIS STOCK EUROPE EMERGING</p> <p>ESPA VINIS STOCK GLOBAL</p> <p>ESPA WWF STOCK CLIMATE CHANGE</p> <p>ESPA WWF STOCK UMWELT</p>
1e	<p>Provide details of the content, frequency and means of communicating information to investors.</p> <p>Factsheets on the funds mentioned above ('ESPA VINIS' and 'ESPA WWF STOCK CLIMATE CHANGE' resp. 'ESPA WWF STOCK UMWELT') are available on a monthly basis. They are distributed via the branch network of Erste Bank and Sparkassen (savings banks). There is a monthly update of the factsheet available on the VINIS website (www.vinis.at). The semi-annual and the annual report of the funds can be found on the website of ERSTE-SPARINVEST (www.sparinvest.com).</p> <p>ESPA VINIS BOND</p> <p>ESPA VINIS CASH</p> <p>ESPA VINIS STOCK AUSTRIA</p> <p>ESPA VINIS STOCK EUROPE</p> <p>ESPA VINIS STOCK EUROPE EMERGING</p>

	ESPA VINIS STOCK GLOBAL ESPA WWF STOCK CLIMATE CHANGE ESPA WWF STOCK UMWELT
Additional	<p>Briefly describe the corporate responsibility policies of the organisation that manages or promotes the fund(s), or give direction to where this information can be located.</p> <p>CSR policies of Erste Bank – the owner of ERSTE-SPARINVEST – are available on the website of Erste Bank (www.erstebank.at), CSR policies of VBV pension fund – the owner of VINIS – on the website www.vbv.at.</p>

Section 2. SRI Investment Criteria	
2	Signatories should be clear about their purpose* and investment criteria*.
2a	<p>How does the fund define SRI?</p> <p>We are convinced that the application of sustainable criteria does not reduce financial performance prospects, there might even be a positive SRI-premium versus traditional fund products and benchmarks in the long term. Socially responsible investment is defined as 'future-oriented, anticipatory and volatility-reducing'.</p> <p>The 'ESPA VINIS' funds' policies are based on a combination of the following strategies:</p> <p>I) Exclusionary criteria – discussed and defined by the in-house ethics committee II) Best-in-class III) Engagement</p> <p>The ESPA WWF funds' policies are based on a combination of the following strategies:</p> <p>I) Exclusionary criteria – discussed and defined by the WWF environmental committee II) Engagement</p>
2b	<p>What are the SRI investment criteria of the fund?</p> <p>a) For the funds 'ESPA VINIS BOND', 'ESPA VINIS CASH', 'ESPA VINIS STOCK EUROPE' and 'ESPA VINIS STOCK GLOBAL' the following system of criteria is applied:</p> <p>Positive criteria: <i>Work place conditions and environment</i> <i>Corporate governance</i> <i>Energy and water consumption</i> <i>Prioritisation of renewable energies</i> <i>Leading position in the avoidance of environmental pollution</i> <i>Medical care and healthcare</i> <i>Eco-efficiency</i> <i>Leadership in environmental technology</i> <i>Water treatment</i></p> <p>Exclusionary criteria: <i>Nuclear power</i> <i>Green gene technology</i> <i>Child labour</i> <i>Business malpractice (manipulation),</i> <i>Pornography</i> <i>Military devices/weapons</i></p>

Tobacco,
 (avoidable) Animal testing
 Death penalty (for bond issuers)
 Violation of ILO-protocol (for bond issuers)

Negative criteria:

Abortion
 Exploitation of environment, employees and society
 Authoritarian regimes
 Discrimination of women and minorities
 Infringements on the freedom of the press and of individuals
 Red gene technology
 Petroleum industry
 Furs

b) The ‚ESPA VINIS STOCK AUSTRIA‘ is closely tied to the VÖNIX index, for this fund and for the ‚ESPA VINIS STOCK EUROPE EMERGING‘ investment is based on the following criteria:

Exclusionary criteria:

Those companies are excluded which have significant activities in relative terms (% of sales) or absolute terms (technological or market leader) in the fields of

Armaments - ABC-weapons & conventional military weapons/ systems incl. core components, specific military materials and services

Nuclear Energy - Electricity from nuclear power plants, nuclear power plants incl. core components & specific services, nuclear fuels

Addictive Drugs - Tobacco, tobacco products & ingredients, alcoholic beverages with over >20% by volume

Gene Technology - From an ethical or social angle problematic human genome technology and genetic engineering with regards to farming and livestock farming

Gaming - Operation, specific facilities & services

Others - Activities and practices with highly negative ethical, social or ecological effects and risks

The relevance comprises R&D, production, service, sales & financing (regarding non sector-related criteria) practices. For all criteria there is a scope of tolerance for not significant activity (in % of sales).

c) The ‚ESPA WWF STOCK CLIMATE CHANGE‘ and the ‚ESPA WWF STOCK UMWELT‘ invest according to the following criteria:

I. Exclusionary criteria based on products and technology

Nuclear power
 Green gene technology
 Animal testing
 CITES – Convention on International Trade in Endangered Species of Wild Fauna and Flora
 FCKW-producing products (Refrigerators, air-conditioning facilities etc.)
 PVC products

II. Exclusionary criteria based on sectors

Petroleum industry
 Mining industry
 Military devices/weapons
 Airline industry
 Automobile industry (exception: hybrid- & alternative technology)

	<p><i>Gaming</i> <i>Pornography</i></p> <p>III. Human rights and corruption clause <i>Companies are excluded in case of violations of the ILO-protocol or in case of corruption</i></p>
2c	<p>How are the SRI criteria defined, and how frequently and by whom are the criteria reviewed?</p> <p>Conformity with the concept and primarily with regards to the criteria set was verified by an external body in January resp. December 2006, when all ‚ESPA VINIS‘ products in existence then (the ‚ESPA VINIS STOCK EUROPE EMERGING‘ was set up later) were awarded the ‚Austrian Ecolabel‘ (Österreichisches Umweltzeichen).</p> <p><u>External sources of information:</u> There are additional committees respectively partners that support fund management in the screening of their universe:</p> <ol style="list-style-type: none"> 1) VBV ethics/sustainability committee 2) WWF environmental committee 3) VÖNIX-committee for the VÖNIX-index 4) Cooperations with SRI-rating agencies <p>„oekom“: monthly assessments and categorisation into „prime“/“not prime“ according to a best-in-class concept, furthermore negative screening on the basis of the VINIS exclusionary and negative criteria for stocks respectively corporates, financials und sovereign issuers</p> <p>„RiskMetrics“ (former ISS): assessment according to corporate governance criteria on a monthly basis</p> <p>„Innovest“ (taken over by RiskMetrics in 2009): sector research on the basis of continuous updates</p> <p>„RFU-Reinhard Friesenbichler Unternehmensberatung“: research for the VÖNIX-index.</p>
2d	<p>How are criteria changes communicated to investors?</p> <p>Changes of criteria are made public on the website of VINIS (www.vinis.at).</p>

Section 3. Research Process

3	<p>Signatories should provide information on their research process.</p> <p>Describe your SRI research methodology and process.</p>
3a	<p>The SRI methodology of ERSTE-SPARINVEST is based on an interlinked ‘four-layer’ system. The first level comprises the ‘SRI knowledge-base’ of the process. It includes SRI research provided both externally and in-house, an academic co-operation and, the contributions of an ethics-committee including NGOs and the WWF environmental committee.</p> <p>The ‘Investment Board’, being the second step and the link between SRI knowledge plus the SRI universe created (Layer I) and the process of investment and portfolio optimisation (Layer III). Layer II contains the final discussion of the research inputs and the appraisal of additional investment inputs (like IPOs). The responsibility for the reconciliation lies with this investment committee, wherein investment and research expertise are pooled.</p> <p>The third level of the process is focused on portfolio construction on the basis of the ERSTE-SPARINVEST methodology and know-how.</p> <p>Layer IV is characterised by the measurement of portfolio return and the calculation of performance attribution. The portfolio level is also the basis for the structured engagement and voting process.</p>

	<p>From a portfolio management point of view, fund managers aim to anticipate market movements and act in a 'contrarian' way. For the ESPA VINIS products optimization of the portfolio is based on a combination of sustainability leaders – usually rather defensive stocks – and pioneering companies within sustainability issues (like climate change, water etc.). Risk of a portfolio that is constructed on rather defensive stocks on the one hand and growth stocks on the other hand is expected below that of the average market.</p> <p>For the ESPA WWF products there are a diversity of sectors resp. investment themes defined. As those themes focus mainly on pioneering companies, the volatility of the ESPA WWF products tends to be higher than that of the ESPA VINIS products.</p>
3b	<p>Does the fund manager use an in-house research team and/or an external research team? Please explain.</p> <p>With regards to 'classical' research (financial research on the macro, sector and company level) the fund management uses both in-house and external sources.</p>
3c	<p>Is there an external control or external verification process in place for the research process? Where an Advisory Committee is used, please state its responsibilities.</p> <p>Concept and criteria have been verified during the Austrian Ecolabel audit that was done in January respectively December 2006.</p> <p>The ethics/sustainability committee does support fund management in case of critical questions regarding single stocks but does also check criteria and the best-in-class system in place on an ongoing basis.</p> <p>The VÖNIX-committee discusses inputs with regards to the Austrian market for SRI.</p>
3d	<p>Does the research process include stakeholder consultation? If yes, please provide details.</p> <p>Dialogue with stakeholders is ensured via the ethics committee, the members of which represent the most important stakeholder groups.</p> <p>Members of the committee are:</p> <p>Matthias Beck – Medical ethics Reinhard Friesenbichler – Ethical investments Leonhard Gregotsch – Religious ethics Sultana Gruber- Environmental issues David Mum – Social ethics Christian Nohel – Environmental NGO Klaus Stöger – Business ethics</p>
3e	<p>Do companies have the opportunity to see their profile or analysis? If yes, how often?</p> <p>Companies have the opportunity to receive them at any time.</p>
3f	<p>How frequently is the research process reviewed?</p> <p>Reviews are carried out both internally – concerning the employed research agencies – and externally via the Austrian Ecolabel audits.</p>
3g	<p>What research findings are disclosed to the public? How?</p> <p>The results of research done by 'oekom', 'Innovest' and 'RiskMetrics (ISS)' is not made public. The constituents of the 'VÖNIX' index are reviewed on an annual basis, the index structure is made public on the VÖNIX website (www.voenix.at) and via the fact sheets of the fund 'ESPA VINIS STOCK AUSTRIA'.</p>

Section 4. Evaluation and Implementation

4	Signatories should provide information on how the research is used to build and
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	maintain their portfolio*.
4a	<p>How are the results of research integrated into the investment process, including selection and approval of companies for investment?</p> <p>The results of the research agencies employed are reconciled in order to set up the investment universe for the funds, which is updated on a monthly basis and from which the fund manager can 'pick' his stocks. For the ESPA WWF funds the WWF environmental committee approves or rejects companies suggested by the fund management on a regular basis. Those companies that were already approved by the committee are reviewed on an annual basis.</p>
4b	<p>What internal or external measures are in place to ensure portfolio holdings* comply with SRI investment criteria?</p> <p>At the beginning of the investment process for equities there is quantitative screening, which is based both on exclusionary criteria and a 'best-in-class' concept. This 'sustainability filter' is complemented by the VINIS network, which includes sustainability fora (ÖGUT, Forum Nachhaltige Geldanlagen, Eurosif), the ethics committee and selected NGOs. The remaining universe is screened via a top-down approach on the basis of the sector allocation of the benchmark, with the focus on fundamental criteria. The four elements of growth – market position – management – structure of balance sheet are of paramount importance. Applied methods for fundamental analysis are: a) multiples (primary and secondary research) Enterprise value multiples like EV/ sales, EV/ EBITDA, EV/ EBIT and market value multiples like MV/ earnings (PER), MV/ cash-flow, MV/ book value b) DCF (secondary research)</p> <p>The universe for fixed income investments is based on the approved list provided by 'oekom research'. Sub-asset classes include 'sovereign issuers', 'supranational issuers', 'financials', 'covered bonds', 'corporates' and issuers with a particular SRI-focus. Portfolio construction is based on fair-value analyses, spreads and volatilities. In case of corporate bonds there is top-down process for the allocation in sectors and single holdings. In addition to that there is an optimisation with regards to maturity and the yield curve. Further criteria include fundamentals of the issuer, the size of the issue, liquidity and tier.</p>
4c	<p>What is the policy and procedure for divestments* on SRI grounds?</p> <p>In case of downratings on the CSR/sustainability scale the fund manager has to sell the holding within one month's time. There are exceptions in case of companies where ESPA/VINIS is involved in an active engagement process and where changes in company policies are to be expected. For the ESPA WWF products any violation of exclusionary criteria leads to an exclusion from the investment universe and a divestment when already invested in the funds. Additionally any major downrating in the annual review of each company leads to a divestment.</p>
4d	<p>Are investors informed about divestments on SRI grounds? If yes, how frequently and by what means?</p> <p>Most of these changes are reported via the monthly ESPA VINIS Bulletin.</p>
4e	<p>Does the fund manager inform companies of portfolio exclusions* or divestments due to non-compliance with its SRI policy and criteria?</p> <p>A respective scheme will be implemented. In some cases information flow is made sure via the engagement process.</p>
Additional	<p>To what extent do any results of engagement* activities feed into company selection?</p>

	Positive results out of the engagement process are increasing the number of shares/issuers in the SRI universe after having been discussed with the ethics committee.
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Section 5. Engagement Approach**	
5	Signatories should explain their approach to engagement if the fund has such a policy.
5a	<p>What are the aims of the engagement policy?</p> <p>The ethics committee has drawn up an ,engagement directive'.</p> <p><i>Engagement is the active use of voting rights based on equity holdings with the goal of an encouragement of sustainable developments and the discouragement of unwanted practices within companies.</i></p> <p><i>The directive is relevant for the administration of shareholder interests.</i></p> <ol style="list-style-type: none"> I. <i>Engagement is based on the sustainability criteria defined by VINIS (exclusionary, negative and positive criteria), which are set up by the VBV ethics committee.</i> II. <i>Administration of interests may be either direct (via using voting rights) or indirect (via a dialogue with the respective company).</i> III. <i>A direct and indirect dialogue, especially with companies in the domestic market, is intended. Indirect dialogue can be based on the co-operation with sustainability research-agencies.</i> IV. <ol style="list-style-type: none"> a) <i>The use of voting rights in the domestic market is of particular importance in the case of a violation of criteria given in point I.</i> b) <i>Voting rights on the basis of holdings in VINIS portfolios shall also be used in an international context. In order to achieve this goal, co-operations with international partners, which bundle the interests of several investors, appear to be necessary and sensible. The participation in an SRI-related platform for proxy voting is intended.</i> c) <i>The VINIS group is interested in a bundling of interests of investors also in the domestic market.</i> <p><i>The VINIS group is committed to give feedback to companies in case of changes in their sustainability rating. This is even more the case if the change in rating leads to a divestment in the holding (equity or bond). Positive changes should be acknowledged via appropriate feedback.</i></p>
5b	<p>How does the fund prioritise which companies it will engage with?</p> <p>The start of an engagement process is based on decisions of the ethics committee or on market considerations.</p>
5c	<p>Who undertakes engagement on behalf of the fund?</p> <p>Engagement is done by fund management (Martin Cech, Wolfgang Pinner) in Austria. On an international basis there is a co-operation with F&C (UK).</p>
5d	<p>What methods of engagement are employed?</p> <p>See engagement directive point 5a.</p>
5e	<p>How is the effectiveness of engagement activity monitored/addressed?</p> <p>Supervision of activities in Austria is performed by the ethics committee. On the international level, there are quarterly reviews provided by F&C.</p>
5f	<p>What further steps, if any, are taken if engagement is considered unsuccessful?</p>



	In case of unsuccessful engagement the holding (equity or bond) is divested.
5g	How, and how frequently, are engagement activities communicated to investors and other stakeholders? This information is made public via the monthly ESPA VINIS Bulletin.

Section 6. Voting Policy**	
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6	Signatories should make clear their policies on voting*.
6a	Does the fund have a voting policy? If so, what is it? Apart from the 'engagement directive' there is no other procedure for the usage of voting rights at the moment.
6b	Does the fund disclose its voting practices and reasoning for decisions? If so, where can this information be found? See point 6a.
6c	Does the fund sponsor/co-sponsor shareholder resolutions? In the case that proposals are submitted they are checked (in co-operation with the ethics committee) and – based on the result - supported or rejected.

Section 7. Periodical Activities	
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7	Signatories should periodically disclose information about their activities. This should be done at least on an annual basis.
7a	List the fund holdings at a specified date within the last 6 months. The semi-annual and annual reports of the funds are available on the ERSTE-SPARINVEST website (www.sparinvest.com).
7b	What engagement activity has been carried out on behalf of the fund during the past year? In-house initiatives concerned Austrian companies, on an international level there is the co-operation with F&C.
7c	What voting actions occurred that were related to the SRI fund criteria? See point 6a.
Additional	What divestments occurred in the past year related to the SRI fund criteria? Due to on-going rating changes made by the rating agencies divestments are done on a monthly basis. These 'forced divestments' are usually limited to at most five holdings only.
Additional	What were the amount of donations and the percentage of management fees that the fund gave to charities this past year? Donations for charities were made via the ethics committee last year. The amount was some 1,000 EUR. In addition to that ERSTE-SPARINVEST supports the climate protection programme and the water protection programme of WWF Austria by donating ca. 20% based on the retail fees earned through the ESPA WWF funds.

** if applicable



Definitions of key terms used in the guidelines

Definitions of key terms have been included to assist those reporting in line with the Guidelines as well as consumers who will use the information reported. Words appearing in the guidelines that have definitions are cited by a * next to them.

Term	Definition
SRI Investment Criteria	The principle or standard of judgement used to determine what the fund can and cannot invest in from an environmental, social or ethical perspective.
Divestments	Companies that are sold from the fund portfolio.
Engagement	A long term process of dialogue with companies which seeks to influence company behaviour in relation to their social, ethical and environmental practices.
Exclusion	The exclusion of sectors or companies from a fund if involved in certain activities based on specific SRI fund criteria (i.e. no tobacco or no animal testing).
Fund manager	The entity responsible for overall management of the fund.
Fund(s)	A legal entity, the purpose of which is solely the acquisition of portfolio investments. This also includes compartments and sub-funds.
Holdings	Equities and/or bonds of companies that collectively comprise the fund portfolio.
Portfolio	A collection of investments managed by the fund manager.
Fund Purpose	The spirit and overall focus of the fund, but not the investment criteria employed.
Signatories	Fund(s) and/or fund manager that commits to disclose SRI information in line with the Guidelines.
Voting Policy	Policy of a fund to exercise its voting rights as investors to influence company behaviour.

National social investment fora to date include:

- Belsif, Belgium
- Forum Nachhaltige Geldanlagen, Germany
- Forum per la Finanza Sostenibile, Italy
- Forum pour l'Investissement Responsable, France
- Swesif, Sweden
- UK Social Investment Forum, UK
- VBDO (Vereniging van Beleggers voor Duurzame Ontwikkeling), The Netherlands

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