

# Sustainable Performance Group

## Monthly Report July 2010

### PORTFOLIO COMMENT

After a mixed performance in June, markets remained volatile in July, although the overall trend was positive. The recovery of the euro against the US dollar and Swiss franc confirms that some of the confidence has been restored in EMU countries. As a result, companies domiciled in the euro zone gained ground again. Macroeconomic indicators sent out mixed signals, particularly regarding consumer confidence and economic growth. Q2 company results and guidance for the full year varied, but the overall picture is one of growth. The net asset value of the SPG share increased by around 7%. The four investment clusters made more or less equal contributions to performance in July, with a significant improvement in Energy. Among solar companies, Chinese firms recovered thanks to the stronger euro, which is the principal sales currency. This can be seen as evidence that the business performance of solar companies is still strong despite the unfavourable currency movements. Manufacturers of components for vehicles powered by natural gas, such as Landi Renzo and Fuel Systems, stand to benefit from new legislation in the USA promoting their use. In the area of food additives, the American company NBTY was the subject of a takeover bid from the private equity group Carlyle, which triggered strong price gains.

### PORTFOLIO COMPANY: YINGLI GREEN ENERGY

Yingli Green Energy, headquartered in Baoding China, is a leading solar energy company and one of the world's largest vertically integrated photovoltaic manufacturers. The company develops, manufactures and sells photovoltaic modules to a wide range of markets, including Germany, Spain, Italy, Greece, France, South Korea, China, and the United States. Yingli is well positioned to benefit from a shift to clean energy productions from dirty fossil fuels. The company is a cost leader in the solar industry with low manufacturing costs. As a result, we expect the company to be able to maintain and expand their gross margin while lowering considerably their Average Selling Prices. This would also get solar energy closer to grid parity, reduce their dependency on government subsidies and open new markets for their products. Shorter term, we also believe that Yingli will benefit from increasing Chinese support for solar, the opening of its own polysilicon production and higher volumes shipped.

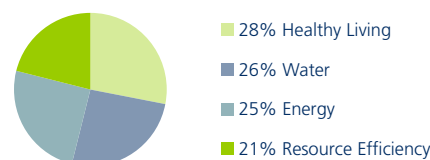
### SHARE PRICE DEVELOPMENT (IN CHF)



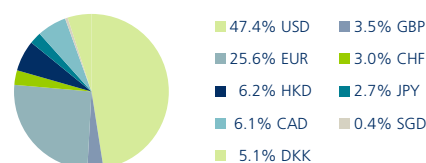
### Sustainable Performance Group AG

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### INVESTMENT THEMES



### CURRENCIES



### TEN LARGEST POSITIONS

Company	In %
American Water Works	3.2
Atrium Innovations	3.0
Chaoda Modern Agriculture	2.9
Yingli Green Energy	2.8
Iberdrola Renovables	2.7
KSB	2.5
ITC	2.5
Quanta Services	2.4
Green Mountain Coffee Roasters	2.4
Noble	2.4

### PERFORMANCE

	YTD	1 Month	in CHF
Share Price	-10.3%	1.5%	201.00
NAV	-6.4%	7.6%	200.52
Premium/Discount			1.4%

### MARKET CAPITALIZATION + CONVERTIBLE BOND (IN CHF)

CHF 184'322'000.-