

Zegora Environmental Fund (EUR)

Fund Information

Domicile:	Switzerland	Fund Advisor:	Zegora Investment Management
Fund Currency:	EUR	Fund Manager:	Quantex AG
Fund Volume (Mil):	9.50 (as of 31.03.2010)	SRI Manager:	Silvio Mattanza
Inception Date:	07.06.2006	Management Fee:	1.50%
ISIN:	CH0025706174	Total Expense Ratio:	2.44%
Reference Index:	MSCI World in EUR	Minimum Investment:	1 share
Investment Style:	Thematic	Investment Universe:	6000
Fund average P/E:	20.8	Portfolio:	29
Distribution:	Accumulation	Web Page:	www.zegora.com

Fund Strategy Sustainability

The Zegora Environmental Fund is an open-end fund incorporated in Switzerland. The fund's objective is long-term capital growth and its portfolio is conservative and diversified. The fund primarily invests in equities issued by the world's leading listed environmental solution providers. These companies are offering answers to today's environmental challenges. The fund selects companies through structured, detailed and strict financial, environmental and social screening.

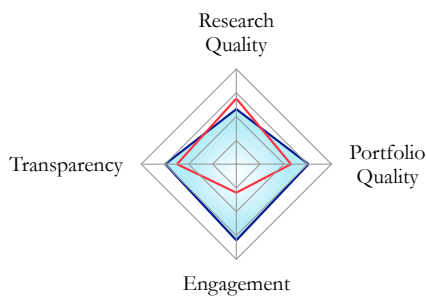
Fund Allocation

portfolio as of date: 16.06.2010

Asset Classes (%)	Currencies (%)	Sectors (%)	Index ¹	Top Positions (%)	P/E ²	Target ³				
Equity	90.0	USD	28.6	Energy	2.8	10.35	Hyflux	4.4	22.7	13.1
Bonds	0.0	CAD	0.0	Materials	2.9	7.3	Kühne + Nagel	4.3	29.7	6.0
<i>Government</i>	<i>0.0</i>	GBP	7.0	Industrials	53.6	11.0	SMA Solar Technology	4.3	19.1	15.2
<i>Corporate</i>	<i>0.0</i>	EUR	26.3	Consumer Disc.	5.3	10.1	Stericycle	4.3	29.8	1.4
Cash & Others	10.0	Nord.	8.2	Consumer Stap.	2.8	10.2	Veolia Environnement	4.3	17.4	18.2
		CHF	10.2	Health Care	2.7	9.8	Vestas Wind Systems	4.2	17.4	24.9
		AUD	0.0	Financials	0.0	20.6	Iberdrola Renovables	4.2	27.8	34.2
		JPY	13.3	Information Tec.	3.3	12.3	Severn Trent	4.1	19.3	16.3
		Others	8.3	Telecom Serv.	0.0	4.1	Kurita Water Industries	4.1	11.6	3.6
				Utilities	26.6	4.3	Union Pacific	4.1	19.5	12.5

¹Sector values of MSCI World per 31.05.2010 ²P/E values as of 22.06.2010 ³Target Performance = (Price Target/Close -1) * 100 // Source: Bloomberg

Fund Rating



■ Zegora Environmental Fund (EUR)

□ Median Fund

Criteria	Score	Weight
Research Quality	3.3	30%
Portfolio Quality	4.0	40%
Engagement	4.2	20%
Transparency	4.0	10%

From a sustainability point of view, the Zegora Environmental Fun receives an excellent sustainability rating of 4.5 compared to an average of 3.5. The fund is also clearly above the average thematic fund. It outperforms its peers in every sub-category with the exception of research quality. The research quality would improve through a broader application of exclusion criteria.

Sustainability rating

4.5

*The final fund rating does not necessarily coincide with the aggregated criteria scores. For more details please refer to rating methodology.

Sustainability Analysis

4.5

Research Quality (30%)

3.3

The Zegora Environmental Fund invests primarily in the world's leading listed environmental solution providers, but also in companies with above average environmental and social management systems. The portfolio construction process consists of three steps: Identification of environmental impact areas, structuring the universe into thematic categories and sustainability screening. The ESG criteria are outlined in the strategy documentation which is approved by the investment committee. The criteria are reviewed at least twice a year. Zegora's sustainability research is conducted with a specific focus on the environmental impact of business models while also covering formal environmental and social criteria. The research is covering the three areas activity, environmental and social. In the activity area, the actual business of the company and its environmental impact is examined. It contains exclusions for nuclear energy and weapons. Moreover, the fund does not invest in sectors with a high negative environmental impact such as oil and mining nor in areas with a very low operational impact such as banking, insurance or telecom. In the environmental area, Zegora looks at environmental policies, management systems and certificates and contains environmental due diligence. In the social area, social policies, management systems and certificates are examined. It includes also a social due diligence. The sustainability research is done mostly in-house, based on a multitude of data sources. In addition, the RepRisk tool by RepRisk AG is used to gather risk-related information.

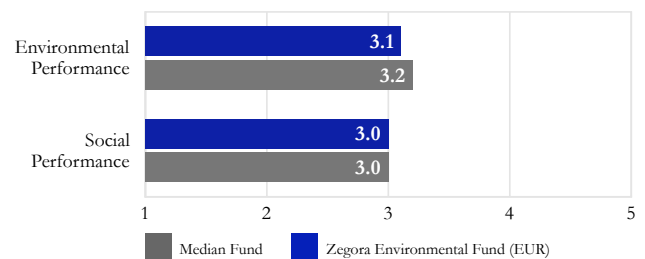
Portfolio Quality (40%)

portfolio as of date: 16.06.2010

4.0

Environmental & Social Performance

Both the environmental and the social performance of the portfolio are about inline with the average SRI fund, but clearly ahead of the average thematic fund. Thematic funds usually do not consider the analysis of stakeholder relations during the company research. The main reason for the surprisingly strong rating in this area is probably the analysis of environmental and social management systems by Zegora.



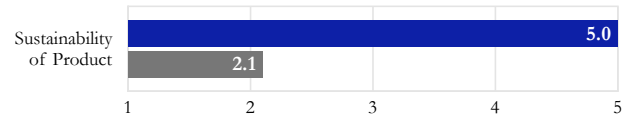
Company ratings (environmental & social) are provided by Centre Info.

Coverage (Equities & Corp. Bonds) in %: 62.2

Coverage (Gov. Bonds) in %: 0.0

Sustainability of Product

The product sustainability of the Zegora Environmental Fund is excellent. Although this rating represents less than one third of the portfolio, it has a strong positive impact on the final portfolio quality.

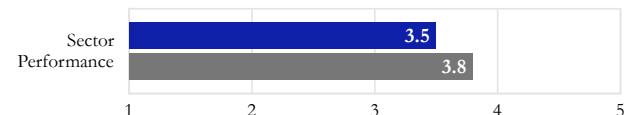


Company ratings (evaluation of products for non Centre Info covered comp.) are provided by Care Group.

Coverage in %: 37.8

Sector Analysis: Environmental Performance

Like many thematic funds, the sector allocation of the Zegora Environmental Fund is slightly below average, mostly due to an overweight in the high-impact sector utilities.

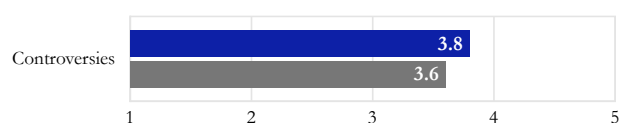


Environmental industry sector data is provided by CEDA 3.0 (Comprehensive Environmental Data Archive).

Full coverage.

Company Analysis: Controversies

Company	Controv.	Portfolio (%)
Johnson & Johnson	3.25	2.66
Veolia Environnement	3.71	4.26
ABB	3.85	2.90
Honda Motor	4.20	2.61
L'Oreal	4.25	2.84
Severn Trent	4.25	4.13
Holcim	4.47	2.94
Union Pacific	4.54	4.09
Kühne + Nagel International	4.67	4.33
East Japan Railway	4.68	3.89



Controversies are a measure for the occurrence and frequency of controversial business activities, such as lawsuits or severe environmental damage.

The controversy score ranges from 1 (maximum controversial activities) to 5.

Median of all companies rated: 4.92. Data provided by Centre Info.

Engagement (20%)

4.2

Compared to the 2008 analysis, Care Group observed a clear improvement of Zegora's engagement activities. There is a formal engagement policy in place. Zegora is carrying out an engagement dialogue with companies regarding social and environmental issues. Voting rights are also exercised. This is a clear competitive advantage compared to other thematic funds which are usually not involved in engagement activities.

Forms of Engagement

- Engagement Policy
- Company Dialogue
- Proxy Voting
- Shareholder Resolutions

Transparency (10%)

4.0

The fund is transparent. All relevant information regarding the fund's philosophy, its sustainability strategy and the investment process are available from the web page. Moreover, Zegora is reporting according to the EUROSIF transparency guidelines. The report also includes data regarding the engagement activities.