

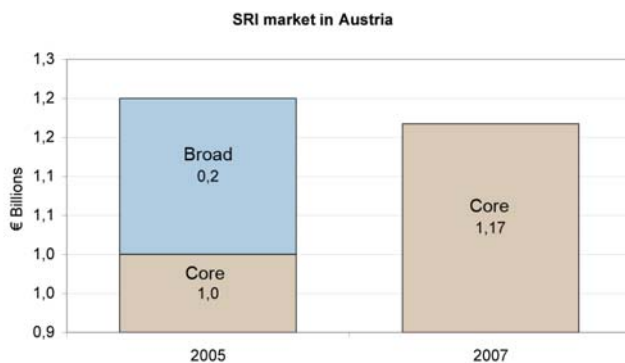
AUSTRIA

Compared to the last 2006 survey, the Austrian SRI market has slightly declined. This is mainly due to one of the large pensions funds cutting back on their SRI investments. In addition, the stock market crisis led to some reluctance of private investors.

KEY FEATURES OF SRI

The Austrian SRI market amounts to €1.17 billion as illustrated in Figure 1 and is mostly composed of Core SRI, combined with engagement. Investment funds are the largest group of assets among the Austrian SRI AuM (€1.12 billion). As the volume of overall Austrian funds, funds of funds and special funds sums up overall €163.8 billion, the share of SRI funds is very low (0.7%).

FIGURE 1



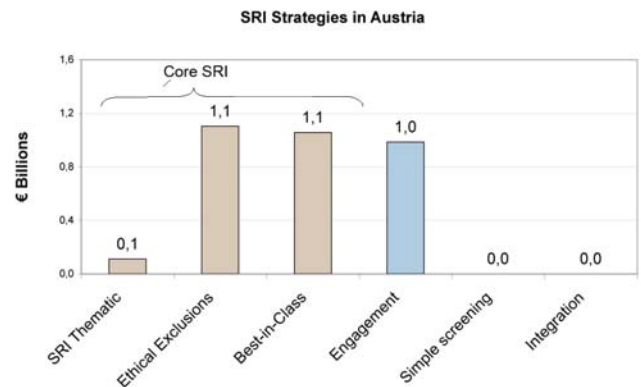
Source: Eurosif European SRI Survey, 2008

Core and Broad SRI Market

As illustrated in Figure 2, within Core SRI, ethical exclusions as well as Best-in-Class have the biggest share with close to €1.1 billion each. Thematic funds with an SRI approach are at the early stage and account for €100 million. The Austrian financial service providers combine ethical exclusions and positive screening in nearly all their assets.

Austrian SRI actors practice engagement on about €1 billion of assets, also in conjunction with Core strategies. This is the reason why the total Broad SRI amounts to zero, to avoid double counting as those assets are already included in Core SRI.

FIGURE 2



Source: Eurosif European SRI Survey, 2008

Note: Total of individual strategies may be superior to total Core SRI and total Broad due to overlaps.

Who are the main investors?

Retail investors account for approximately one fourth of the total SRI AuM, while institutional investors account for 73%. Religious institutions and charities, as well as insurance companies seem to play the most important role as institutional investors, followed by corporate/occupational pension funds.

What do SRI fund managers and service providers offer?

In Austria, investment funds play the most important role as investment vehicles, accounting for €1.15 billion. Mandates have a very small share of approximately € 50 million. Other products are negligible.

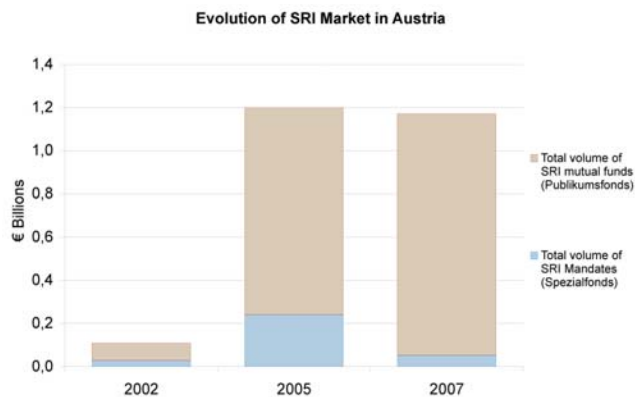
The Austrian SRI market is almost equally split between equity (56%) and bonds (44%).

MARKET EVOLUTION

The total SRI AuM in Austria has experienced a slight decrease (-3%) since 2005 (CAGR: -1%) as shown in Figure 3. While the volume of investment funds increased by 17%, there was a sharp decrease in SRI mandates.

The overall Austrian funds market (€163.8 billion at the end of 2007) showed a slight decrease from 2006 to 2007 (-2%). Compared to the volume of 2005 (€155.6 billion), it still increased by 5%.

FIGURE 3



Source: Eurosif European SRI Survey, 2008, Forum Nachhaltige Geldanlagen

MARKET PREDICTIONS

In the next three years, the financial service providers taking part in this study estimate that their SRI assets under management will increase by 55% on average. They are even more optimistic regarding their own SRI management teams for which they expect an 85% staffing increase in the next three years. It can be assumed that a recovery of the conventional stock market will also lead to a rise in SRI investments.

One major regulation that might positively affect the Austrian SRI market is the opening-up of the former employment retirement payment funds to self-employed occupational groups. The funds therefore can expect a rise in their volume.

