



SARASIN

Sarasin Portfolio Management

Sustainable Asset Management

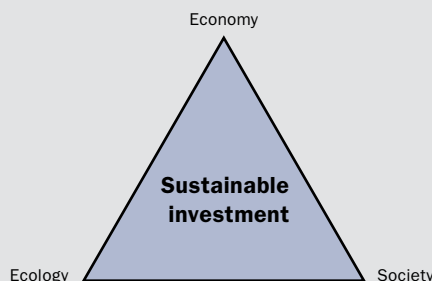
Sustainable Swiss Private Banking since 1841.

Economy, ecology and society



Sarasin Portfolio Management allows you to delegate the time-consuming tasks of researching, selecting and continuously monitoring your portfolio to Bank Sarasin's investment experts. As market leader and trendsetter in sustainable investment, Sarasin has a strong track record stretching back 20 years in this field.

Economic activity is inextricably linked to its environmental and social context, and its success therefore relies heavily on the contribution it makes to long-term sustainable growth. This should allow society to "meet the needs of the present without compromising the ability of future generations to meet their own needs". This mission statement was first tabled in 1987 by the U.N. World Commission on Environment and Development chaired by the former Norwegian prime minister, Gro Harlem Brundtland.



Sarasin Portfolio Management takes into account the interplay between these three aspects of sustainable development and uses them to good effect, because:

Sustainability helps to reduce risks

Sustainable companies are as a rule more sensitive with regard to specific risks and therefore tend to act in a far-sighted manner. A food manufacturer, for example, minimises the risk to his reputation by not uncritically favouring the cheapest suppliers, which in the worst-case scenario could potentially expose him to a food scandal. Fair conduct towards employees, customers and other social partners pays off – certainly when the economy is doing well, but even more so when it is struggling. Companies that have the foresight to avoid environmental impacts and use dwindling natural resources efficiently ultimately enjoy a clear competitive advantage.

Sustainability offers opportunities

In order to secure the foundations for commercial success over the long run, far-sighted solutions need to be found. Examples of such entrepreneurial challenges include how to meet the energy and water needs of private consumers and of industry. Companies that develop the products needed for this can break into new, attractive markets.

Sustainability pays off

Numerous scientific studies have shown that sustainable investment is not a charitable action, nor does it automatically entail a compromise on investment performance. In fact, many studies have identified a statistically significant positive effect.

Sustainable investment – a risk analysis



The implementation of our investment philosophy is based on risk considerations: sustainable business practices are defined as those involving the provision of goods and services in a socially responsible way, using production methods that present minimal potential for conflict. Industries and companies are subjected to detailed analysis with respect to their social and environmental criteria. To ensure systematic analysis of ratings for companies, institutions and countries, Bank Sarasin has developed the Sarasin Sustainability Matrix®.

Analysing the sustainability rating of companies

Bank Sarasin has developed a two-step process to analyse the sustainability of companies.

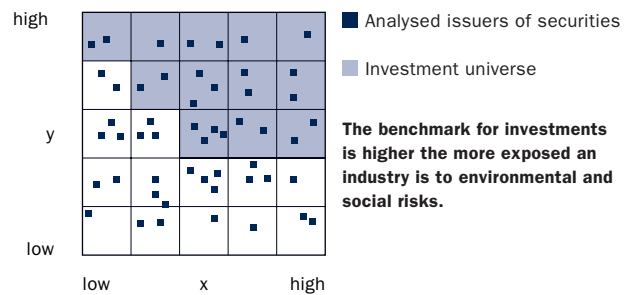
- The sustainability of the industry (x-axis) describes the scale of the environmental and social risks and opportunities in the industry the company is active in.
- The sustainability of a company (y-axis) measures the concrete ways in which the company meets these challenges.

Assessing the sustainability rating of countries

In the case of government bonds, the analysis focuses on a country's economic and social system and poses the following two questions:

- How high is the sustainability rating of the country overall (x-axis), in other words what sort of impact is there on nature and on people?
- How efficiently does the company use the available resources and translate them into quality of life (y-axis)?

Sarasin Sustainability-Matrix®



- y **Companies:** sustainability of the company
Countries: resource efficiency
Institutions: sustainability in implementation
- x **Companies:** sustainability of the industry
Countries: availability of resources
Institutions: sustainability of the mandate

Exclusion criteria

Many industries or business segments which currently seem to be financially attractive are so exposed to risks that they are excluded from Bank Sarasin's sustainability portfolios. For example, companies are ruled out if they earn more than five percent of their sales from the manufacture of the following products: nuclear power, armaments, chlorine and agrochemicals, tobacco, pornography and the use of GM crops in farming.

Sarasin Portfolio Management



Sustainable and tailored to your individual needs

Sarasin Portfolio Management mandates offer a choice of three strategies – Defensive, Balanced and Dynamic – all of which are available with the Swiss franc, the euro, sterling or the US dollar as the reference currency.

In addition, all three mandate strategies offer you two options:

With the first option, you can have your entire portfolio managed in accordance with sustainable principles. In this case the portfolio manager only invests in those companies, bonds and other financial instruments which Sarasin's Sustainability Research has rated as eligible for investment. Here the accent is placed more firmly on the investment strategy "exploiting sustainable opportunities", with thematic investments in leading-edge technologies, such as in the areas of water and energy. This results in a higher proportion of small and mid-cap companies, among other things.

With the second option, sustainability criteria are applied for the larger part of the portfolio. The smaller portion usually comprises investments to which the sustainability rating cannot currently be applied, such as emerging markets, commodities, real estate and other alternative investments.

Defensive Strategy

You are very safety conscious and value a steady return on your investments. You aim to preserve the real value of your assets and favour investments that generate regular income and fluctuate little in value. The level of risk is below average over a longer investment horizon and rises as the investment horizon shortens. The total portfolio value may fluctuate a little.

Balanced Strategy

You expect a higher return and are therefore prepared to accept certain short-term fluctuations in the value of your investments. Your long-term aim is not only to preserve but also to increase the real value of your assets. The level of risk is average over a longer investment horizon and rises as the investment horizon shortens. The total portfolio value may fluctuate a little.

Dynamic Strategy

You wish to invest your assets for the long term and exploit selected investment opportunities to generate gains. You are prepared to accept fluctuations in value so that, over a longer horizon, you can achieve an attractive average return. The level of risk is above average and continues to rise as the investment horizon shortens. The total portfolio value may fluctuate substantially.

Good reasons for your success



Good reasons why asset management by Bank Sarasin can bring you success:

- You receive individual and professional advice in selecting the risk profile best suited to you.
- There is no need to concern yourself with investment decisions on a daily basis.
- By taking into consideration the environmental and social aspects of sustainable development, you can reduce certain risks and exploit growth potential.
- You benefit from our many years of experience in asset management.
- You can also make use of the expertise we have built up over the last 20 years as pioneers and current market leaders in sustainable investments.
- You can draw on the know-how of our specialists. An interdisciplinary team of analysts and a highly qualified portfolio management team work alongside you every day to ensure your money is in safe hands.
- You can take advantage of our state-of-the-art infrastructure.

Important: risk warning

The chosen asset management strategy may lead to short-term volatility in the value of the assets, i.e. their price may move up or down. The bigger the potential rewards, the higher the risks. The broader the diversification of assets, the lower the risk. The value of investments may also be affected by exchange rate movements. Negative performance by (inter)national financial markets can increase the risk associated with a particular investment.

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Bank Sarasin & Co. Ltd

Elisabethenstrasse 62
4002 Basel, Switzerland
Phone +41 (0)61 277 77 77
Fax +41 (0)61 272 02 05
www.sarasin.com

Bank Sarasin & Co. Ltd

Taunusanlage 17
60325 Frankfurt am Main, Germany
Phone +49 (0)69 71 44 97 100
Fax +49 (0)69 71 44 97 199
www.sarasin.com