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Fund savings plans: investing sustainable with “green” equities

Erste AM Communications



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Even though savings interest rates have recently started to move slightly, securities remain the first choice for laying a financial foundation for oneself or one's children. This can be done with monthly contributions from as little as EUR 50. With a [fund savings plan](#), you invest bit by bit in the investment funds of your choice, and you can combine your gradual building of assets with a sustainable investment approach.

Small monthly contribution with growth potential

With a fund savings plan, the world of securities is open to small investors and can be navigated in line with their ideas. All you have to do is decide once how much money you want to put regularly into which fund – the rest is taken care of automatically. During the savings phase, your capital is managed by experienced fund managers, and after a few years your monthly payments will have grown to a respectable size on your balance.

Benefits of the cost average effect

One of the benefits of a fund savings plan is the fact that through regular purchases of fund shares, investors pay sometimes more, sometimes less for the selected assets and thus reduce the risk of an unfavourable purchase time. They buy more fund shares when prices are low and fewer when prices are high. This results in a mixed price for the current purchases – a benefit that is called the “cost-average effect”. It makes it easier to invest in funds with strong price fluctuations.

In a few steps to your regular investment plan

- First, think about how long you want to invest money for and how much capital you want to have available later. The amount of your regular payments depends on this aspect.
- Your risk tolerance plays an important role in the selection of the appropriate fund. You can split your payments across a maximum of five different funds, depending on your preferences.

Green investments to change the world

More and more people want to invest their money responsibly and do something for a green future. When you sign up for an s Fund Savings Plan, you can of course choose (a) sustainable fund(s) from Erste Asset Management.

As insignificant as it may seem to oneself, every single decision in favour of a green investment is relevant. The trend towards sustainable investment is already having an effect: as investors invest more and more money in sustainable companies, the latter also have an incentive to meet ever higher sustainability standards. This fundamental change in the flow of money is leading to significant changes across entire industries towards sustainability.

The number one in sustainable investments

As the largest provider of sustainable funds in Austria and one of the most important sustainable investment companies in Germany and Switzerland, Erste Asset Management manages a sustainably invested volume EUR 15.4bn (as of the end of 2022).

The ethical minimum standards of all retail funds of Erste AM include:

- the exclusion of controversial weapons
- the renunciation of food speculation
- and no investments in coal.

When selecting equities for the funds, Erste Asset Management applies strict selection criteria from all sustainability perspectives: environmental, social and, corporate governance data – the so-called ESG criteria – are incorporated into an ESG rating created specifically for this purpose. The rating forms the basis for the assessment of companies. An additional best-in-class approach ensures that the most sustainable companies are selected in each industry.

This green commitment and the associated know-how are also reflected in objective rankings: Erste Asset Management 2022's sustainability and ethical fund family received several awards from Forum für Nachhaltige Geldanlagen e.V. (FNG; Sustainable Investment Forum).

All 16 funds submitted by Erste AM received the **FNG label**, one of the most important awards for sustainable investment funds in the German-speaking world. In addition, all funds submitted were awarded the top rating – a three-star seal of approval.



Source: Forum für Nachhaltige Geldanlagen e.V.

Together for a better world: ERSTE RESPONSIBLE STOCK GLOBAL

One fund that particularly stands out from the sustainable fund range is the [ERSTE RESPONSIBLE STOCK GLOBAL](#) equity fund. Before the fund managers allow a company into this fund, they examine it specifically with regard to its sustainability criteria. As a result, investments are only made in companies that perform particularly well in the environmental, social, and corporate governance areas.

ERSTE RESPONSIBLE STOCK GLOBAL invests in the global equity market and thus contains shares from the USA, Europe, Asia ex. Japan, Japan, and (other) emerging markets. This gives the fund management team enough flexibility to look for particularly sustainability-oriented companies worldwide and include them in the portfolio if they are found suitable. In selecting equities, the focus is on high-quality and high-growth companies. The investment selection focuses on the shares of companies that are pioneers in terms of environmental, social, and governance aspects. As part of a holistic ESG approach, ethical aspects are also taken into account.

The fund is suitable for investors who wish to invest broadly and sustainably in the global equity market.

Sustainability creates value

Equities are one of the asset classes with the highest fluctuations in value. Especially in economically or politically challenging times, share prices can react quite turbulently. In the past 20 years, such times have included the US real estate crisis, the great financial crash, the euro debt crisis, Corona or the Ukraine war.

Over a long period of time, however, the fluctuations in value in a broadly diversified equity portfolio usually balance each other out, because equities are not only among the riskier asset classes, but also among those with the highest expected returns. Thanks to the global sustainability boom and the careful selection of the shares in the fund, ERSTE RESPONSIBLE STOCK GLOBAL has increased by almost 358% in its 20 years of existence. This corresponds to a compound annual growth rate of about 7.96 % per year (as of 24 May 2023) – a rate of return that other forms of investment can only dream of.

ERSTE RESPONSIBLE STOCK GLOBAL – opportunities and risks at one glance:

Benefits for the investor

- Broadly diversified investment in equities from global equity markets
- Participation in ecologically, ethically, and socially acting companies
- Active selection of companies on the basis of fundamental criteria
- Chances of attractive gains

Risks to bear in mind

- The price of the fund may be subject to significant fluctuations (i.e. volatility)
- Due to investment in foreign currency, the value of the fund may be affected by foreign exchange fluctuations
- Capital loss is possible
- The following risks may be of particular relevance to the fund: credit risk, counterparty risk, liquidity risk, deposit risk, derivative risk, and operational risks. For comprehensive information on the risks of the fund, please refer to the prospectus and to the information for investors according to sec. 21, part II, chapter "Risk notices" of the Austrian Alternative Investment Fund Managers Act

For further information on the sustainable focus of ERSTE RESPONSIBLE STOCK GLOBAL as well as on the disclosures in accordance with the Disclosure Regulation (Regulation (EU) 2019/2088) and the Taxonomy Regulation (Regulation (EU) 2020/852), please refer to the current [Prospectus](#), section 12 and the Annex "Sustainability Principles". In deciding to invest in ERSTE RESPONSIBLE STOCK GLOBAL, consideration should be given to any characteristics or objectives of the ERSTE RESPONSIBLE STOCK GLOBAL as described in the Fund Documents.

Please note that an investment in securities also involves risks in addition to the opportunities described.

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The prospectus for UCITS funds (including any amendments) is prepared and published in accordance with the provisions of the InvFG 2011 as amended. Information for Investors pursuant to § 21 AIFMG is prepared for the alternative investment funds (AIF) administered by Erste Asset Management GmbH pursuant to the provisions of the AIFMG in conjunction with the InvFG 2011.

The currently valid versions of the prospectus, the Information for Investors pursuant to § 21 AIFMG, and the key information document can be found on the website www.erste-am.com under "Mandatory publications" and can be obtained free of charge by interested investors at the offices of the Management Company and at the offices of the depositary bank. The exact date of the most recent publication of the prospectus, the languages in which the key information document is available, and any other locations where the documents can be obtained are indicated on the website www.erste-am.com. A summary of the investor rights is available in German and English on the website www.erste-am.com/investor-rights and can also be obtained from the Management Company.

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Note: You are about to purchase a product that may be difficult to understand. We recommend that you read the indicated fund documents before making an investment decision. In addition to the locations listed above, you can obtain these documents free of charge at the offices of the referring Sparkassen bank and the offices of Erste Bank der oesterreichischen Sparkassen AG. You can also access these documents electronically at www.erste-am.com.

N.B.: The performance scenarios listed in the key information document are based on a calculation method that is specified in an EU regulation. The future market development cannot be accurately predicted. The depicted performance scenarios merely present potential earnings, but are based on the earnings in the recent past. The actual earnings may be lower than indicated. Our analyses and conclusions are general in nature and do not take into account the individual characteristics of our investors in terms of earnings, taxation, experience and knowledge, investment objective, financial position, capacity for loss, and risk tolerance.

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