

<https://blog.en.erste-am.com/you-invest-funds-become-sustainable-questions-and-answers-about-the-reorganization/>

## YOU INVEST funds become sustainable – Questions and answers about the reorganization

Erste AM Communications



YOU INVEST becomes YOU INVEST GREEN. With the reorganization of the YOU INVEST funds, customers now have the opportunity to invest in actively and professionally managed multi-asset funds with an ESG focus within the framework of this product family. Gerhard Beulig, Senior Fund Manager at Erste Asset Management, explains what this means for investors and who might be interested in YOU INVEST GREEN funds:

### What does the reorganization of the YOU INVEST funds mean for investors?

The basic orientation, for example in terms of the equity ratio, remains unchanged, and the return/risk characteristics of the funds will therefore remain very similar. The change will be made by substituting the investment funds in which investments are made and adapting the possible asset classes. The funds used will employ a sustainable investment approach. Some market segments, such as alternative investments, US Treasuries or Chinese government bonds will no longer be invested in for sustainability reasons.

### What's behind the term „sustainability“?

The key word in sustainable investing is “ESG”. This refers to the terms environment, social, and governance – the three core issues of sustainable investing, so to speak. A sustainable fund or investment must meet certain minimum criteria in these three areas. Sustainability in the sense of the ESG standards therefore does not only mean “environmental protection”, but also includes other topics. For example, aspects such as equal rights, human rights or the exclusion of outlawed weapons.

You can find out more about sustainability and sustainable investing here: [Sustainability | Erste Asset Management \(erste-am.at\)](https://www.erste-am.at/sustainability)

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*“Some market segments, such as alternative investments, US Treasuries or Chinese government bonds, will no longer be invested in for sustainability reasons.”*

**– Gerhard Beulig, Senior Fund Manager**

### How is it ensured that investments are only made in ESG-compliant industries and companies?

On the one hand, the funds used undergo a review of the securities currently held. On the other hand, the entire investment process will also be evaluated. The focal points and exclusion criteria set by the sub-fund managers must correspond to those of Erste Asset Management; an evaluation in this regard is carried out by our sustainability experts.

**The stock market environment has been very difficult this year. YOU INVEST funds have also suffered from high inflation and the Ukraine war. How do you assess the situation?**

Unfortunately, the entire YOU INVEST fund family was unable to escape the extremely challenging market conditions. As both the stock markets and almost all bond markets recorded

significant declines, the performance of the YOU INVEST funds was also negative in the first half of the year – although more stability was brought into the portfolios with a relatively high money market ratio.

The change in the interest rate policy of the major central banks and the tightening of inflation, mainly via energy prices caused by the conflict between Russia and Ukraine, were the main reasons for this. The particularly difficult situation in the first half of 2022 was the fact that there were no asset classes that generated significantly positive returns in an environment of falling equity markets. Thus, the effect of diversification across different asset classes was limited in this short-term period. As already mentioned, the money market share helped to dampen the development.

### What advice would you give to investors of YOU INVEST funds?

In challenging times, it is advisable to reflect on the medium to long-term goals that are to be achieved with the investment. Fluctuations in the capital markets can certainly be seen as an opportunity to take advantage of these short-term declines by making favorable purchases, even through fund savings plans ([more information on fund savings in turbulent times](#)). The yield level of bonds is more attractive again, an equity share is recommended against the background of the long-term substance-preserving character.

### Risk notes according to 2011 Austrian Investment Fund Act:

The YOU INVEST funds may make significant investments in investment funds (UCITS, UCI) pursuant to section 71 of the 2011 Austrian Investment Fund Act

## Advantages for the investor

- ✓ A modern, active investment strategy ensures a fair balance of risk and return.
- ✓ The broad investment in a vast array of asset classes allows for a significant degree of risk diversification, which may reduce the risk of capital losses.
- ✓ You can sell your YOU INVEST fund at any time at the current redemption price.

## Risks to be considered

- ⚠ Investments on the capital markets are subject to market price fluctuations.
- ⚠ Capital loss is possible.
- ⚠ Foreign exchange fluctuations may have a negative effect on the price of the fund.
- ⚠ Risks that may be significant for the fund are in particular: credit and counterparty risk, liquidity risk, custody risk, derivative risk and operational risk. Comprehensive information on the risks of the fund can be found in the prospectus or the information for investors pursuant to § 21 AIFMG, section II, "Risk information".

### Legal disclaimer

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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](http://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](http://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](http://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 österreichischen Sparkassen AG. You can also access these documents electronically at [www.erste-am.com](http://www.erste-am.com).

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