

Schoellerbank FundsRating

Selecting the best

In Austria, there are around 11,000 investment funds to choose from. Although having such a wide range of choices is very pleasing for investors, it makes it more and more difficult to select the right products from such an overwhelming wealth of options. Often, investors make the error of concentrating on only certain criteria such as past performance of an investment fund, thereby overestimating its value. A single criterion alone is not enough.

We offer customers an advisory universe of investment funds to provide the ideal investment solution for their needs and investment goals. To achieve this, we work together with selected renowned investment fund partners and follow a transparent and independent investment fund selection process.

Mercer, an international leader in investment advisory services, confirmed the clarity and transparency of our selection process in an independent external study. The assessment by Mercer shows that our fund partners are major portfolio management companies that offer a large and broad selection of investment strategies.

The quality criteria of Schoellerbank

Stringent criteria for the selection of investment funds in our advisory universe.

The fund experts at Schoellerbank systematically and comprehensively evaluate fund products using quantitative and qualitative criteria to “separate the wheat from the chaff”.

- The quantitative assessment covers primarily performance, risk indicators and the development of an investment fund in comparison to its peer group.
- The quality assessment looks in detail at factors such as investment philosophy, investment process, risk management, experience and competence of the fund’s management, research capacities, costs, liquidity, taxation transparency, and much more. This type of information is not available or hard to obtain for private investors. Being able to communicate directly with the investment

fund company or fund manager when evaluating the aforementioned factors is essential for Schoellerbank’s fund experts. It is the only way to obtain a maximum amount of information that is up to date and permits a swift response to any changes.

- Having the option of selecting investment fund partners makes it possible to work together only with the best investment fund companies with many years of experience and that are major players in investment management. They offer a very wide range of investment fund products and have expert know-how in the individual asset classes. By concentrating on selected fund partners we are able to establish ideal working relations – a key benefit when selecting investment funds.

Your account manager will recommend only investment funds that meet the strict quality standards of Schoellerbank. Changes in the quality features of an investment fund are constantly monitored.

The following quality features are especially important:

- Excellent investment fund company
- Experienced fund managers and research team
- Clear and transparent investment strategy including structured investment process
- Sales representation and tax transparency of the fund in Austria
- Good risk/earnings profile compared to peer group

Only investment funds which meet all five quality criteria are included in the advisory universe of Schoellerbank.

The Schoellerbank FundsRating provides guidance

The investment funds selected in the advisory universe of Schoellerbank are assessed based on their risk/earnings profile. This makes it possible to recognize at a glance how successful an investment fund is, compared to the corresponding peer group. The goal is to select funds that attain a good risk/earnings ratio over the medium to long term in their peer group.

Schoellerbank FundsRating

The fund rating scheme is based on an internal quantitative valuation by Schoellerbank's investment fund experts.

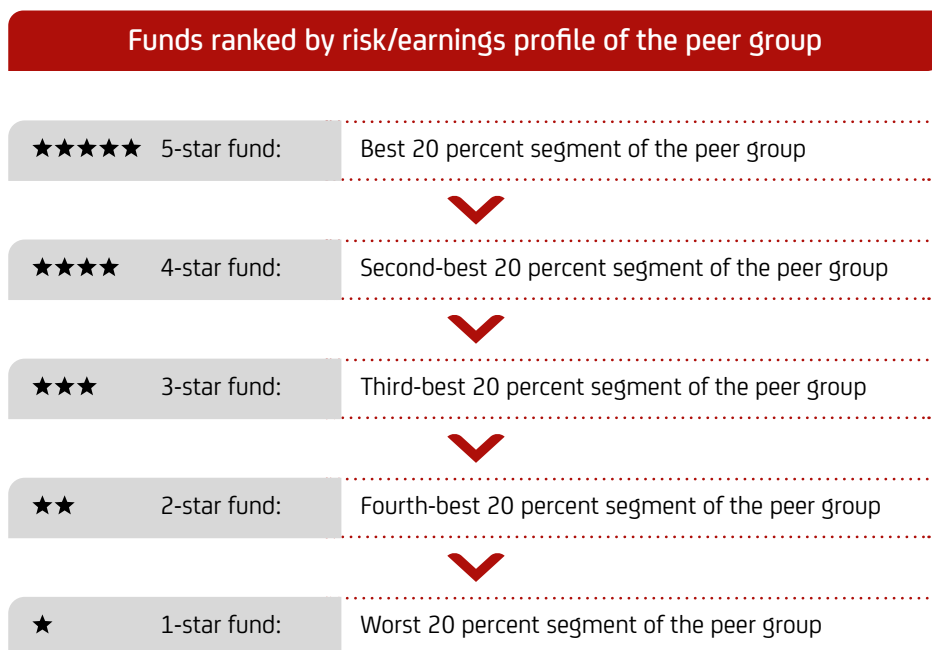
- The investment funds offered by the investment fund partners are analysed based on a number of quantitative factors. The factors are calculated based on the earnings/risk ratios over various time periods (three to seven years).
- The valuation is done within their peer group, i.e. the group of comparison. The peer group comprises all investment funds available on the Austrian market that offer a comparable investment. Currently, there are some 196 groups of comparison, for example, "Austrian stocks", "global corporate bonds" or "healthcare stock funds". These are made available by Morningstar, an independent data vendor.

In accordance with the current earnings/risk profile, the funds are grouped into five rating categories compared to their peer group (star rating) using Schoellerbank's internal quantitative scoring.

Funds ranked by their risk/earnings profile in the peer group:

- 5-star fund: Best 20 percent segment of the peer group
- 4-star fund: Second-best 20 percent segment of the peer group
- 3-star fund: Third-best 20 percent segment of the peer group
- 2-star fund: Fourth-best 20 percent segment of the peer group
- 1-star fund: Worst 20 percent segment of the peer group

Investment funds with a history shorter than three years as well as funds for which there is no relevant peer group cannot be used for the Schoellerbank internal fund rating.



Investors should note the following/Important risk disclosure:

Every capital investment involves risk. The value of the investment and the earnings generated by the investment can change suddenly and considerably and therefore cannot be guaranteed. Currency fluctuations can also influence the performance of the investment. The investor may fail to recover the full amount of capital invested, for example, if the capital is only invested for a short period. Under extraordinary circumstances, it is possible to lose all of the invested capital, including the purchasing fees. Please note that the provided figures and performance information refer to past performance, which is not a reliable indicator of future performance.

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Please contact your tax advisor for information regarding tax treatment. Tax treatment depends on the investor's personal situation and may be subject to future changes.

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