



Certification of fund selection processes

Certification criteria

Kompetenz.
Sicherheit.
Qualität.

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0. Preamble

This criteria catalog defines the roles, responsibilities and assessment techniques to be applied to the certification of financial services companies which maintain fund-selection processes. It forms the standard underlying assessment and certification of the management, fund selection process, client orientation and relevant employee qualifications in a financial services company.

Assessment and certification require the organization to have established a transparent, independent fund selection process that can be presented comprehensibly and completely to investors at any time.

For TÜV Management Service GmbH, the fund selection process means the selection and private-client-oriented marketing, sales and distribution of all open-ended funds approved for public trading in Germany.

Within the scope of independent investment consulting services, the fund selection process covers recommendation of both internal funds and external funds from institutes and asset management companies, provided these funds have been evaluated by fund rating agencies and/or are considered particularly well positioned on the basis of an internal selection process described in detail below. Internal asset management companies and other investment companies affiliated to the financial services company must be organizationally and financially independent to avoid conflicts of interest.

This criteria catalog defines quality-related, technical and client-oriented requirements and minimum requirements pertaining to the structure of the organization under certification in as far as the fund selection and consulting processes are concerned.

The "Certified Fund Selection" certification mark and certificate are only issued to financial services companies after all requirements outlined in this criteria catalog have been thoroughly assessed. Nevertheless, TÜV Management Service GmbH cannot assume any guarantee that all criteria underlying certification are observed at all times.



The criteria developed by TÜV Management Service GmbH were listed in consideration of and complementary to any legal regulations, ordinances and announcements that may exist and observance of which is legally binding upon financial services companies.

Issue of the "Certified Fund Selection" certification mark does not replace legal, tax-law or business-law consultancy as defined, for example, in the German Act on Legal Advice (Rechtsberatungsgesetz, RBerG) or in the meaning of consultant liability as per the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG). TÜV Management Service GmbH expressly points out that the order to assess the fund selection process does not involve any order for consulting services.



Fund selection and the pertinent consulting services are assessed by conducting process-oriented document reviews, an on-site assessment, mystery analyses and a client survey. In this context, document review may form part of the on-site assessment.

Certification according to this standard exclusively focuses on fund history and does not allow any statements on associated future profits or losses.

The following criteria must be observed by the organization to be certified:

1. Requirements pertaining to standard compliance

1.1. Management supports and communicates to its employees all criteria of this catalog. To fulfill these criteria, all responsibilities and authorities within the organization are set forth in full, clearly and unambiguously.

Assessment techniques:

- Document review (e.g. corporate policy, management guidelines, organizational charts, job profiles, delegations of authority, representation regulations, signature authorizations)
- On-site assessment (e.g. requirement profiles, process descriptions, name and authorities of a certification representative)

1.2. Procedures which are suitable to implement these criteria in the organization must have been established. Additionally, suitable resources which are required to fulfill these criteria must be provided. Such resources may include but not be limited to trained personnel or the necessary technical infrastructure.

Assessment techniques:

- Document review (e.g. documented procedures of the research, personnel, marketing and audit departments and of company headquarters)
- On-site assessment (e.g. IT systems, employee interviews)

1.3. Management takes the following steps to ensure prevention of misleading or otherwise inadmissible advertising, particularly in connection with the certification mark or certificate, and any other misuse thereof:

Assessment techniques:

- Document review (e.g. communications materials)

? The "Certified Fund Selection" certificate or certification mark is only used for promoting the certified fund selection process. If the certificate or certification



- mark are referred to or shown on fund- or partner-related communications materials, the fact that certification refers to the fund-selection process as a whole and not to either products or partners must be pointed out expressly and unmistakably.
- ? When the certification mark is shown, a note giving information as to where or how (potential) investors may find out about the fund-selection process as a whole is provided in the vicinity of the certification mark. Such information may take the form of a telephone number, an e-mail address and/or a website.
- ? With reference to competition law-related aspects in particular, all communications materials referring to certification and showing the certificate or certification mark are informally submitted to TÜV Management Service GmbH for information.
- ? Further to the above, only the size of the certification mark provided by TÜV Management Service GmbH may be changed. The colors and fonts used therein will remain unaltered.
- 1.4. Management reviews observance of these criteria on an ongoing basis and initiates corrective action if necessary, after consulting TÜV Management Service GmbH if requested. In this context, the result of the annual review and assessment may serve as the basis for optimizing the corresponding processes and procedures.
- Assessment techniques:
- Document review (e.g. review results, action catalogs)
 - On-site assessment (e.g. implementation and effectiveness of corrective action)



2. Requirements pertaining to the fund selection process

2.1. Management-related requirements

2.1.1. Management takes steps to ensure that all open-ended funds approved for public trading in Germany are offered at all times.

Assessment techniques:

- Document review (e.g. corporate policy, fund selection process)
- Mystery analyses (e.g. consultants)

2.1.2. Management undertakes to document fund selection and the pertinent downstream fund marketing, sales and distribution processes; any changes in these processes, e.g. through optimization or re-engineering, are also documented without delay and communicated to TÜV Management Service GmbH. The sequence and interaction of selection and distribution processes are defined in this context.

Assessment techniques:

- Document review (e.g. process description, action catalog)
- On-site assessment (e.g. interactions)

2.1.3. The responsible employees communicate the fund selection process throughout the entire organization and see to its correct application.

Assessment techniques:

- Document review (e.g. internal communications materials, work instructions)
- On-site assessment (e.g. employee interviews)

2.1.4. Criteria necessary to monitor, measure and analyze the effectiveness, impartiality and objectivity of the fund selection and distribution process are defined. These criteria form the basis for defining the action required to achieve the target results and continuous process improvement.

Assessment techniques:

- Document review (e.g. figures regarding buy recommendations, distribution statistics, action catalog)
- On-site assessment (e.g. verification of fund selection process)

2.1.5. Management provides sufficient resources and information to ensure implementation and monitoring of the fund selection process.

Assessment techniques:

- On-site assessment (e.g. budget, personnel, IT system, premises)

2.1.6. Management undertakes to be in a position to select a fund at all times

Assessment techniques:

- Document review (e.g. fund selection



on behalf of investors, via its financial consultants and on the basis of current rating information. Management is responsible for ensuring that ratings will be continuously updated; the implementation of updating may be delegated accordingly.

2.1.7. Management takes steps to ensure, both technically and professionally, that quantitative and qualitative ratings obtained from the respective rating agencies are updated continuously and simultaneously with the ratings of the agencies in question.

2.1.8. Management must review fund- or rating-agency-related requirements before entering into an obligation with the investor. In this context, steps must be taken to ensure that

- ? fund-related requirements have been set forth, and
- ? the requirements of the Securities Trading Act (WpHG) pertaining to client-related risk classification in particular have been taken into account.

2.1.9. Records of review results and follow-up action are maintained.

2.1.10. In cases in which processing, administration and storage of securities are outsourced, work processes and interfaces must be defined and reviewed on an ongoing basis.

process, current ratings, consulting form)

- On-site assessments (e.g. internal communications, employee interviews)
- Mystery analyses (e.g. information quality)

Assessment techniques:

- Document review (e.g. inspection of quantitative and qualitative ratings)
- On-site assessment (e.g. data updating)

Assessment techniques:

- Document review (e.g. fund selection process)
- On-site assessment (e.g. degree of implementation of requirements, orders)

Assessment techniques:

- Document review (e.g. records of reviews and follow-up action)

Assessment techniques:

- Document review (e.g. organizational structure, work processes, service level agreements)
- On-site assessment (e.g. employee interviews)



2.2. Fund selection requirements

2.2.1. Fund-related client requirements (investment goals, risk appetite, financial position, knowledge and experience) are identified and funds grouped into product classes as per the Securities Trading Act (WpHG) – specifically the general and special codes of conduct.

Assessment techniques:

- On-site assessment (e.g. grouping into product classes, investor order and instructions, recording and operationalizing of investor objectives)
- Client survey (e.g. addressing individual requirements)

2.2.2. Fund selection data must describe the fund to be procured by means of specific criteria.

Assessment techniques:

- On-site assessment (e.g. quantitative and qualitative criteria)

2.2.3. Starting from fund-related client requirements, fund selection is based on an investment category analogous to the respective peer group (stock / bond / guaranty / hedge / mixed fund / etc.).

Assessment techniques:

- Document review (e.g. categorization)

2.2.4. An investment recommendation for a specific fund in this investment category is determined exclusively on the basis of quantitative and qualitative information, which can be drawn up in an identical and equivalent manner for all funds in the respective investment category.

Assessment techniques:

- On-site assessment (e.g. quantitative and qualitative criteria, allocation criteria)

2.2.5. If, within the scope of the selection process, a preliminary selection is first made via external fund rating, independent information accessible to every market player must be used in further selection to maintain impartiality.

Assessment techniques:

- Document review (e.g. corporate policy, communications materials, information sources)
- On-site assessment (e.g. fund selection process)

The preliminary-selection process must be presented to the investor in a clear and unambiguous manner.

2.2.6. To make buy recommendations, the company effects quantitative selection in order to ensure a

Assessment techniques:

- Document review (e.g. fund selection process)



minimum rating from one of the rating agencies listed below, and selects funds awarded at least one of the following ratings:

- ? S&P Star Ranking / ***** , ****
- ? FERI Trust / (A), (B)
- ? Morningstar / ***** , ****
- ? Lipper-Reuters / Lipper-Leader Total Return Highest, Lipper-Leader Total Return Score 2, Lipper-Leader Consistent Return Highest, Lipper-Leader Consistent Return Score 2

2.2.7. Rating agencies operating in a similar manner may also be used for quantitative evaluations. These quantitative evaluations must, as a minimum requirement, include risk-adjusted performance compared to benchmarks as quantitative criteria, and only assess funds that have been on the market for a minimum of three, but preferably five, years or more.

Additionally, ratings should be as independent from orders as possible. If ratings are effected within the scope of an order placed by the organization to be certified, the results must be made publicly available to investors within four weeks of the rating – either by the rating agency or directly by the client.

2.2.8. To consider qualitative criteria in the fund selection process, i.e. to make buy recommendations, the organization carries out a qualitative selection on the basis of the rating agencies listed below, and additionally selects funds with one of the following ratings as a

- On-site assessment (e.g. rating-agency results)

Assessment techniques:

- Document review (e.g. performance, market presence, publication of ratings)

Assessment techniques:

- Document review (e.g. fund selection process)
- On-site assessment (e.g. results of rating agencies)



minimum requirement:

- ? S&P Fund Management Rating / AAA, AA
- ? Moody's / Aaa, Aa

2.2.9. Should qualitative evaluations in line with 2.2.8 above for certain investment categories or funds be unavailable, not publicly accessible or not procured independently from an order, a qualitative evaluation from another rating agency must be used or an internal qualitative evaluation system established. The latter may also be developed in addition.

In this context, the following criteria and indicators must be defined and complied with as standards:

(1) Fund management review

- ? Fund managers must have a minimum of two but preferably five years of experience in the fund industry.
- ? Past success and the ability to achieve above-average returns must be examined and documented.
- ? Fund and investment targets must be analyzed, compared with the details of the investment policy to be accurately defined in offering prospectuses, with other information provided by the asset management company, and with press releases, and evaluated.
- ? Incentive systems for fund managers, such as participation in the managed fund in the form of shares or profit-sharing in the performance of the managed fund, should be examined and

Assessment techniques:

- Document review (e.g. records pertaining to the criteria of fund management, investment philosophy and product clarity, investment process, definition of fund volume and re-evaluation of qualitative criteria, reports on cases of limit violations)



- documented.
- ? Clear evidence of how and from where fund managers receive the information underlying their investment decisions and of the available research capacities must have been documented.
 - ? In addition to the above, steps must be taken to ensure that fund managers are in command of investment processes in their asset management companies and aware of their competencies and duties. The Research and Sales departments, for example, shall be strictly separated from each other.
- (2) Review of investment philosophy and product clarity
- ? Investment philosophy must be based on clear fund goals.
 - ? Product clarity must be reviewed at regular intervals via comparison with offering prospectuses, general information provided by the asset management company, and fund-manager statements.
 - ? Limit violations are addressed proactively.
- (3) Transparency of the investment process
- ? Steps must be taken to ensure that the asset management company maintains a defined investment process which identifies the requirements and steps to be observed in order to be able to make sound, informed investment decisions.
 - ? This investment process must be monitored at regular intervals



and optimized if necessary.

- ? Additionally, clear definitions regarding competencies at fund manager and fund management team level must have been specified. The company maintains a documented procedure governing, in particular, changes to the analysis team or responsible fund manager.

(4) Definition of the minimum volume of each fund per peer group

- ? Each fund in the respective peer group should have a minimum volume of EUR 20 million, preferably EUR 50 million.

(5) Re-assessment of qualitative criteria

- ? Qualitative criteria must be reviewed once a year.
- ? In cases involving a change in management or investment philosophy, re-assessment must be conducted within four weeks.

2.2.10. The organization must maintain a ranking system to group funds into Buy / Hold / Sell categories. If the organization does not maintain its own ranking system, a system based on risk- and performance-oriented criteria must be established and one of the following combinations of performance indicators used for this purpose:

- ? Performance (figures showing returns for a range of maturities), risk (volatility or semivariance), similarity analyses (tracking error or R

Assessment techniques:

- Document review (e.g. ranking, combination of performance indicators)
- On-site assessment (e.g. system traceability)



square) OR

- ? Performance (figures showing returns for a range of maturities), outperformance (divergences from benchmark shown by returns for a range of maturities), risk (volatility or semivariance), similarity analyses (tracking error or R square) OR
 - ? Performance (figures showing returns for a range of maturities), risk (volatility or semivariance), risk-adjusted performance indicators (Sharpe or Sortino ratio and information ratio), similarity analyses (tracking error or R square) OR
 - ? Performance (figures showing returns for a range of maturities), outperformance (divergences from benchmark shown by returns for a range of maturities), risk (volatility or semivariance), risk-adjusted success indicators (Sharpe or Sortino ratio and information ratio), similarity analyses (tracking error or R square).
- 2.2.11. The organization in charge of fund marketing, sales and distribution does not implement any changes in the assessment procedure.
- 2.2.12. If fund reassessments result in a change from one Buy/Hold/Sell category to another, reallocations may be recommended to the investor.
- 2.3. Requirements pertaining to data updating**
- 2.3.1. To ensure that the ranking resulting from further selection, and thus the
- Assessment techniques:
- Document review (e.g. ongoing presentation of the assessment procedure)
- Assessment techniques:
- Document review (e.g. ranking, reallocation recommendation)
- Assessment techniques:
- Document review (e.g. update interval,



investors, are fully up-to-date, the following basic data must be updated at least once per quarter and published in all communications materials used in fund selection and investment consulting:

- ? Fund name
- ? Investment company
- ? Date of issue
- ? Fund currency
- ? Fund domicile
- ? Fund type
- ? Peer group
- ? Name of fund manager
- ? Fund goal
- ? Active benchmark
- ? ISIN (international securities identification number)
- ? Security identification code (WKN, CUSIP)
- ? Top holdings and their shares

The basic data listed below must be obtained, updated and made accessible to investors on a monthly basis:

- ? Fund volume
- ? Offering premium
- ? Operating expenses
- ? Total expense ratio
- ? Distribution policy
- ? Date of distribution
- ? Jensen's Alpha
- ? R square
- ? Treynor ratio
- ? Investment level

2.3.2. Additionally, steps are taken to ensure that the following indicators

communication materials)

- On-site assessment (e.g. IT system)

Assessment techniques:

- Document review (e.g. update interval,



are determined, updated and made accessible to investors in a comprehensible and clear manner on a daily basis:

- ? Performance and outperformance of both the fund and appropriate benchmark over various intervals including differences in return
- ? Volatility of both fund and benchmark for comparison
- ? Tracking error
- ? Beta factor
- ? Sharpe ratio
- ? Information ratio
- ? Total expense ratio

- communications materials)
- On-site assessment (e.g. IT systems, stock charts including benchmark)



2.4. Requirements pertaining to documentation

2.4.1. To ensure planning, implementation and control of fund selection processes, the latter are documented in the financial services company's organizational regulations. This documentation must be prepared and controlled in line with the criteria outlined below:

- ? Prior to publication, documentation is approved for appropriateness, then reviewed regularly, updated if necessary and re-approved. Observance of these obligations to pursue documentation and regular review is monitored by the technical audit department of the organization in question.
- ? Fund-related documents, such as offering prospectuses, already include all information required pursuant to the German Offering-Prospectuses Act (Verkaufsprospektgesetz, VerkProspG) to approve the fund for public trading.
- ? Steps must be taken to ensure that amendments to, and the current revision status of, documents are clearly indicated.
- ? The valid versions of applicable documents must be available at their respective places of use and identified accordingly to prevent accidental use of obsolete documents.

Assessment techniques:

- Document review (e.g. documented procedure of internal audit department, communications materials, distribution)
- On-site assessment (e.g. revision status)

2.5. Requirements pertaining to partner management

2.5.1. If the financial services company maintains a partner network for the marketing, sales and distribution of open-ended funds approved for trading in Germany, such a network must serve to achieve corporate objectives and increase client satisfaction.

Assessment techniques:

- Document review (e.g. corporate policy, vision, corporate targets and objectives)

2.5.2. In this context, steps are taken to ensure that products tailored to the investor's individual requirements are selected on an impartial basis and independently of any commissions and/or premiums, e.g. offering premiums or operating expenses.

Assessment techniques:

- On-site assessment (e.g. target agreements, contracts)

2.5.3. Management must assess and select partners on the basis of their abilities to offer services satisfying the requirements of the financial services company and its clients. Essentially, all investment companies approved in Germany may be taken into consideration.

Assessment techniques:

- Document review (e.g. partner assessment)

2.5.4. Management must take steps to ensure that partners satisfy the defined selection, assessment and reassessment criteria and must monitor the fulfillment of these criteria on a regular basis

Assessment techniques:

- Document review (e.g. partner review, contracts, target agreements)

2.5.5. These criteria provide particularly for uniform, verifiable remuneration to market standards. The partner will not promise or request any additional commissions and/or premiums, e.g. for negotiating a certain volume, from the company marketing, selling and distributing the funds.

Assessment techniques:

- Document review (e.g. records pertaining to the criteria of fund management, investment philosophy, product clarity, investment process, establishment of the fund volume and reassessment of qualitative criteria)
- On-site assessment (e.g. target agreements, contracts)

2.5.6. Additionally, partners must fulfill the criteria outlined in Article 2.2.9

Assessment techniques:

- Document review (e.g. records of



above.

- criteria pertaining to fund management, investment philosophy, product clarity, investment process, establishment of the fund volume and reassessment of qualitative criteria, reports of limit violations)
- 2.5.7. The financial services company must maintain records of the results of partner evaluations and any necessary corrective action.
- Assessment techniques:
- Document review (e.g. records of evaluation reports)
- 2.5.8. As part of the clear identification of partnerships, the following information must be recorded, updated at regular intervals and presented clearly and concisely to (potential) investors in the relevant communications materials:
- Assessment techniques:
- Document review (e.g. communications materials)
 - On-site assessment (e.g. IT system, update interval)
- ? Predefined, company-specific data (name, contact, address, etc.)
 - ? Additional data (history, financial data, etc.)
 - ? Contractual data (potential, maturity dates, grouping in profile categories on the basis of defined criteria etc.)
 - ? Possible buy recommendation as the goal of partnership-based cooperation
- 2.5.9. It has been documented that the partner will notify the financial services company marketing, selling and distributing the fund without delay in the event of fund closure.
- Assessment techniques:
- Document review (e.g. marketing, selling and distribution agreement)
- 2.5.10. The relevant legal regulations, such as the Federal Data Protection Act (Bundesdatenschutzgesetz, BDSG) must be observed when personal investor data are passed on to partners.
- Assessment techniques:
- On-site assessment (e.g. inspection of fund-selection process, data-protection representative)



3. Requirements pertaining to client orientation

3.1. Management-related requirements

3.1.1. Management undertakes to regularly determine client requirements pertaining to the fund selection process, its communication and establishment in the organization.

Assessment techniques:

- Document review (e.g. corporate policy, vision)
- On-site assessment (e.g. employee interviews, internal communications materials)
- Client surveys (e.g. analysis procedures and internal communications)

3.1.2. The methods of obtaining and using this information and the objective of increasing client satisfaction by meeting client requirements must be defined and documented.

Assessment techniques:

- Document review (e.g. corporate policy, vision, contracts with external agencies, continuous improvement process)
- On-site assessment (e.g. employee interviews, internal communications materials)
- Client survey (e.g. procedures for analyzing client expectations, internal communication thereof)

3.1.3. Objectives and measures which will also be delegated to the responsible employees are derived from identified client requirements. Steps must be taken to ensure that these objectives and targets are understood and implemented throughout all levels.

Assessment techniques:

- Document review (e.g. action catalog from client survey and mystery analyses)
- On-site assessment (e.g. employee interviews, training plans)
- Client survey (e.g. assessments in year-by-year comparison)
- Mystery analyses (e.g. targeted consulting, technical competency, speed of response)

3.1.4. The legal and official requirements, in particular the code of conduct as per Articles 31 et seq. of the Securities Trading Act (Wertpapierhandelsgesetz WpHG), are communicated and their observance is verified on a regular basis.

Assessment techniques:

- Document review (e.g. order and investor instructions, invoice covering commissions and expenses, audit reports, securities reports, reports by the Federal Supervisory Office for Financial Services (BAFin))
- On-site assessment (e.g. review of a



3.1.5. Additionally, steps have been taken to ensure that individual consulting services take the following factors into account:

- ? Investor's level of knowledge, information and experience
- ? Investor's risk appetite
- ? Investor's investment goal
- ? Investor's financial conditions
- ? Special features of the investment object
- ? General market situation

3.1.6. In terms of the consulting services offered, criteria for measuring the quality of these services are defined.

These criteria should address the following points:

- ? Correctness, i.e. reliable and exact provision of the promised consulting services
- ? Outward presentation, i.e. appropriate and convincing appearance of employees, organization, advertising materials, etc.
- ? Responsiveness, i.e. attentive interest in individual clients and readiness to provide services to them promptly
- ? Command, i.e. confidence-inspiring, attentive and expert impression.

3.1.7. The company undertakes to ensure high quality of customer care in fund selection at any time, i.e. when initiating and conducting the transaction and thereafter.

client-consultant contact)

- Client survey (e.g. avoidance of conflicts of interest)

Assessment techniques:

- Document review (e.g. work instructions for consultants)
- On-site assessment (e.g. employee interviews, IT systems, grouping in product categories)
- Client survey (e.g. consideration of customized requirements)
- Mystery analyses (e.g. targeted consulting, quality of information)

Assessment techniques:

- Document review (e.g. corporate policy, management guidelines, corporate identity)
- On-site assessment (e.g. requirement profiles, corporate identity)
- Client survey (e.g. presentation of company branches, signposting)
- Mystery analyses (e.g. consulting services)

Assessment techniques:

- On-site assessment (e.g. employee interviews, communications materials, client loyalty programs, update interval)



- 3.1.8. Within the scope of process definition, the persons responsible for fund selection and investment consulting and the availability of resources and responsibilities necessary to provide these consulting services and/or satisfy client requirements are identified on an ongoing basis.
- Client survey (e.g. satisfaction with after-sales services)
 - Mystery analyses (e.g. employee commitment)
- Assessment techniques:
- Document review (e.g. organizational chart, regulations governing substitutes, technical infrastructure)
 - On-site assessment (e.g. documented procedures, work instructions, employee interviews)
 - Client survey (e.g. speed of response, waiting times, technical competence)
 - Mystery analyses (e.g. availability, problem-solving capabilities)
- 3.1.9. All measures required for rendering processes and the necessary infrastructure compatible with consulting are established.
- Assessment techniques:
- Document review (e.g. handling of organizational and IT-infrastructure failures and emergencies)
 - On-site assessment (e.g. suggestion system)
- 3.1.10. Steps are taken to examine how consulting units can be integrated or affiliated from an organizational point of view.
- Assessment techniques:
- Document review (e.g. organizational chart)
 - On-site assessment (e.g. interface regulation)
- 3.1.11. Process design must ensure that clients will obtain consulting rapidly and reliably. If necessary, the technical infrastructure for facilitating, improving or reducing the costs of consulting must be established.
- Assessment techniques:
- Document review (e.g. process optimization)
 - On-site assessment (e.g. statistics regarding processing times)
 - Mystery analyses (e.g. reliability, processing time)
- 3.1.12. If a fund is closed in the loss phase, steps must have been taken to ensure that an alternative or more favorable fund with a different orientation will be offered to the investor. The plan is that investors can switch funds under special terms and conditions, including, for example, low
- Assessment techniques:
- Document review (e.g. documented procedure, research department)
 - Client survey (e.g. quality of information, alternatives)



offering premiums or no offering premiums at all. For this reason, management must regularly review the publications in the Federal Official Gazette.

- 3.1.13. Complaints are recognized as sources of information for service improvement. A functioning complaint management system is essential.

Assessment techniques:

- Document review (e.g. complaints processing procedure, processing and internal and external communications requirements, evaluation, action)
- On-site assessment (e.g. IT systems, complaints statistics)
- Client survey (e.g. good will, alternatives)
- Mystery analyses (e.g. complaints processing, courtesy, employee commitment)

3.2. Requirements pertaining to communications

- 3.2.1. Clients are informed proactively about the service offerings of the organization. The statements made in this context are realistic.

Assessment techniques:

- Document review (e.g. communications materials and their distribution, such as semi-annual and annual reports)
- On-site assessment (e.g. product clarity)
- Client survey (e.g. selection and variety of offerings, service presentation)
- Mystery analyses (e.g. realistic nature of statements)

- 3.2.2. Clients can contact and consult with the organization through various channels.

Assessment techniques:

- Document review (e.g. communications materials)
- Mystery analyses (e.g. by e-mail, telephone or personal contact)

- 3.2.3. Any ranking resulting at the end of the selection or consulting process must be part of the consulting meeting and accessible to the client at any time. Ranking may be customized to individual needs. Information may be provided, for

Assessment techniques:

- Document review (e.g. communications materials)
- Mystery analyses (e.g. by e-mail, telephone or personal contact)



example, through personal consulting by the investment consultant or by quoting a phone number, e-mail address and/or website in the communications materials. In addition, the investment consultant is also able to explain the development of the ranking applied.

3.2.4. The investment-recommendation structure is explained clearly and comprehensibly to clients.

Assessment techniques:

- Document review (e.g. communications materials)
- Mystery analyses (e.g. by e-mail, telephone or personal contact)

3.2.5. If investment recommendations are issued, the reason underlying the recommendation must be presented in a comprehensible and clearly visible manner in the pertinent communications materials.

Assessment techniques:

- Document review (e.g. communications materials, disclaimer)

3.2.6. Notification of major changes, such as a change to the Sell category or closure of a fund, is guaranteed verbally to clients during the consulting meeting and effected without delay, if necessary.

Assessment techniques:

- Document review (e.g. consulting form)
- On-site assessment (e.g. employee interviews)
- Client survey (e.g. quality of information)

3.3. Requirements pertaining to complaints processing

3.3.1. The following rules are applied to the processing of complaints regarding investment consulting and the activities resulting therefrom:

- ? Feedback promises made are kept;
- ? Reasons underlying complaints are clarified;
- ? Information about contact options is provided;
- ? Competent employees are available;

Assessment techniques:

- Document review (e.g. complaint-management procedures, instructions regarding processing, internal and external communications, evaluation, action)
- On-site assessment (e.g. IT systems, quotation)
- Client survey (e.g. goodwill, alternatives)
- Mystery analyses (e.g. processing, courtesy, employee commitment, feedback, communications, technical)



- ? Notification will be effected without delay when a solution is found;
- ? The anticipated time for developing a solution is communicated;
- ? If the matter cannot be rapidly concluded to the client's satisfaction, the client is informed of the next action to be taken;
- ? If the problem cannot be solved, meaningful alternatives are proposed.
- competence, alternatives)

4. Requirements pertaining to employee qualifications

4.1. Management-related requirements

4.1.1. Management must identify and provide the human and technical resources and premises required to establish, maintain and continuously improve the fund selection and consulting system.

Assessment techniques:

- Document review (e.g. personnel needs analysis)
- On-site assessment (e.g. continuous improvement process, IT system)

4.1.2. The necessary qualifications for personnel carrying out activities that influence performance quality are identified and continuously improved.

Assessment techniques:

- Document review (e.g. qualifications matrix)
- On-site assessment (e.g. employee interviews, personnel files)

4.1.3. Management takes measures to satisfy training needs. The measures taken are evaluated for effectiveness.

Assessment techniques:

- Document review (e.g. qualifications matrix, employee interviews, training-needs analysis, training plans)



4.2. Employee-related requirements

4.2.1. Steps must be taken to ensure that employees are aware of the significance and importance of their activities and their contribution to the defined objectives

Assessment techniques:

- Document review (e.g. organizational chart, target agreements, training courses, job profiles, internal-communications media)
- On-site assessment (e.g. competencies, personnel files, interviews with the personnel department, employee interviews)

4.2.2. The financial services company maintains suitable records of education, training, skills and experience.

Assessment techniques:

- Document review (e.g. qualifications matrix, job profiles, training plans, documented procedures for the personnel department)
- On-site assessment (e.g. personnel files, employee interviews, mentor)

4.2.3. Employee qualifications are considered a key prerequisite for ensuring above-average, reliable consulting and client loyalty and thus for understanding and meeting the requirements of the fund selection and consulting process. In light of the above, the financial services company employs trained investment specialists, bankers with relevant additional qualifications (e.g. business management or banking qualifications etc.) or masters of business administration with several years of market experience and extensive knowledge in the field of asset allocation. Trained bankers with additional qualifications or several years of experience, e.g. in investment consulting, are available for direct consulting of investors.

Assessment techniques:

- Document review (e.g. qualifications matrix, job profiles, documented procedures for the personnel department)
- On-site assessment (e.g. personnel files, employee interviews)
- Mystery analyses (e.g. technical competencies, training, experience)



4.2.4. Employees in direct contact with clients must be courteous and patient, thorough, fast and competent in the specialist field and its applications. Over and above their basic qualifications, they are trained as needed in the company's specific consulting services, client expectations and communications skills, creative problem-solving and technical competencies.

4.2.5. Back-office employees in charge of processing must be reliable and possess quality and process awareness.

Assessment techniques:

- Document review (e.g. principles, vision, qualifications matrix, action catalog from client survey and mystery analyses)
- On-site assessment (e.g. target agreement, training needs analyses, training plans, employee feedback)
- Client survey (e.g. technical competence, atmosphere at the meeting, courtesy)
- Mystery analyses (e.g. technical competence, atmosphere at the meeting, courtesy)

Assessment techniques:

- Document review (e.g. organizational chart, job profiles, interface regulations, target agreements)
- On-site assessment (e.g. teamwork and internal service philosophy, competencies, interaction processes)