

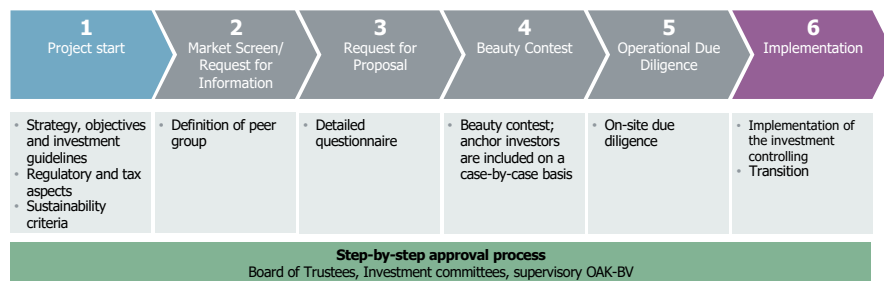
„Best-in-class approach“ to manager selection

We guarantee complete independence and transparency when it comes to selecting the managers of the different investment groups. Our proprietary selection process is focused on the following factors: Selection of managers with an excellent track record, attractive terms, stable team of experienced investment specialists, and a robust and proven investment process. IST, as a non-profit organization, passes on cost advantages achieved due to pooled volumes to its investors. A common thread running through our best-in-class approach is the inclusion of sustainability criteria - from manager selection to voting.

Proven best-in-class approach in practice

In managing individual investment groups, we rely on external portfolio management expertise and select the most suitable specialized asset manager after detailed analysis. The structured approach is supported by our independent research using external databases.

based on a market and competitor analysis and a „Request for Information“ is sent out. After a thorough analysis, potentially suitable providers are filtered out and then sent a detailed questionnaire on the company, product, investment process and integration of ESG at company and product level. Transparent quantitative and qualitative criteria are



Step 1: Project start

In addition to defining the strategy, objectives and investment guidelines for the investment groups, regulatory and tax aspects are included from the outset. An integral part of the entire process is the consideration of sustainability criteria. Minimum requirements must be met by the external managers. Based on the aforementioned criteria, an initial filtering of the universe and the selection of potentially suitable asset managers takes place.

Steps 2 to 5: Structured manager selection process

In a first step, a peer group is defined

used for the evaluation. The result is a well-founded pre-selection of the finalists for the "beauty contest".

The finalists present their investment approaches and processes to the relevant foundation board committees. On a case-by-case basis, anchor investors are invited to the decision-making process, which is then followed by a comprehensive on-site due diligence. This risk assessment is performed on site at the selected asset manager's location in order to minimize structural and operational risks as much as possible.

Step 6: Implementation

After selection and approval by the Board

of Trustees and the supervisory OAK-BV, the mandate is implemented in accordance with the defined investment guidelines. This includes legal aspects (contracts, investment prospectus if applicable), investment controlling and administrative implementation. The latter is carried out by IST and its partners.

Broad-based control mechanisms

Investment controlling ensures efficient and objective monitoring of the external asset managers, which guarantees the achievement of the defined investment objectives while complying with the risk specifications.

Investment controlling and risk management are applied at different levels. The various steps are performed by a well diversified taskforce of different specialists. In addition to the portfolio manager, the product teams of IST, the Administration and the Finance department are involved, as well as the investment committee, the Board of Trustees, external advisors, the custodian and the auditor are involved. Internal and external risk controls are part of our service package.





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