

How to become a part of the EFC Classification

The European Fund Classification (EFC) is a pan-European classification system of investment funds which has been developed by the European Fund Categorization Forum (EFCF) – a working group of the European Fund and Asset Management Association (EFAMA). Leading cross-border fund management companies and information providers are members of the EFCF.

Why EFC?

- 1) It is owned and managed by the entire European fund industry without being controlled by any particular singular commercial interest.
- 2) It involves regular monitoring of holdings by a neutral classification administrator to ensure that funds do not drift from their stated objectives.
- 3) It is built on well-defined criterias that supports simple comparison of comparable funds and ensures transparency for investors and fund management companies and is free of charge for fund companies and distributors.

Requirements

In order to be classified, the Fund Company has to provide information on a quarterly basis to the Classification Administrator (FundConnect). The Classification Administrator will, on a quarterly basis, analyze the funds' investments and monitor that each fund complies with the defined thresholds set for the Classification. The Fund Company consequently needs to provide:

- The regular holdings reporting on a fund level to the Classification Administrator. The Classification Administrator will respect the standard disclosure policy defined by the fund group.

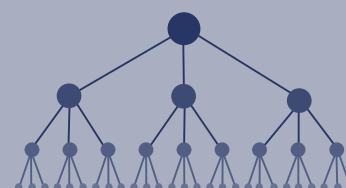
The Classification is performed free of charge by the Classification Administrator.

Process

Initially, in order to get on-boarded quickly, the Classification Administrator is able to provide a temporary indicative classification.

- Financial Express (FE) has provided indicative classification for the majority of funds distributed in Germany and Switzerland and
- FundConnect for the Nordics and a number of other fund groups

The indicative classification can form the basis for a first validation process with the Classification Administrator. Hereafter, the Classification Administrator will monitor the received classification on the basis of the received holding reporting.



Ongoing reporting and new classes

The Fund Group will on a quarterly basis receive the result of the verification process and in case of deviations the Classification Administrator will discuss those with the Fund Group.

New funds/classes at launch, can also receive an indicative classification until first holding reporting.

Who to contact

EFAMA has selected FundConnect as the Classification Administrator. FundConnect can be contacted at:

EFCF@Fundconnect.com

Additional information including information of the classification system can be found on EFAMA's webpage:

<http://www.efama.org/SitePages/EFCF.aspx>