



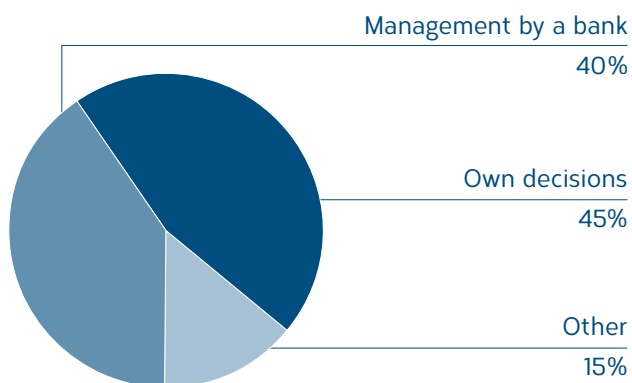
Stiftungsmonitor AT 2020

In December 2020, we supported the foundation platform [stiftung-nextgen \(www.stiftung-nextgen.at\)](http://www.stiftung-nextgen.at) with our know-how in the design and implementation of the annual survey “Stiftungsmonitor 2020”.

The results in the area of investment organization and investment results were not only highly interesting for the more than 100 participants in the Austrian foundation sector. On the following pages you will find the evaluations for this area in detail.

How are the financial assets managed?

Answers



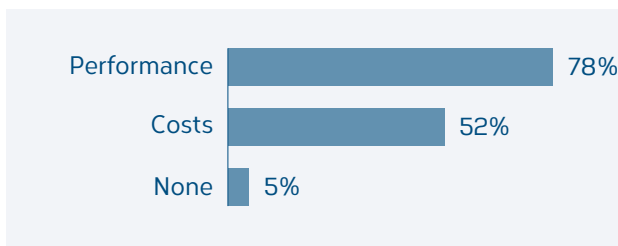
Our opinion

Just under half of the participants say they make their own investment decisions. This should be done on a well-documented basis, weighing up risk, return and costs, in order to avoid liability risks.



What controls are in place on your financial assets?

Answers



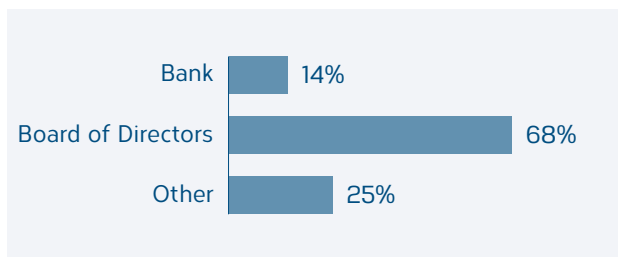
Our opinion

When controlling performance, it is crucial to use the right comparative variables (benchmark and/or peer group) for an objective assessment of performance.

Only about half of the participants state that they carry out cost controls. In practice, we repeatedly find that there are deviations from the agreement in the automated settlements. Generally, too little attention is paid to indirect costs, which are contained in margins and settlement rates.

Who performs these controls?

Answers



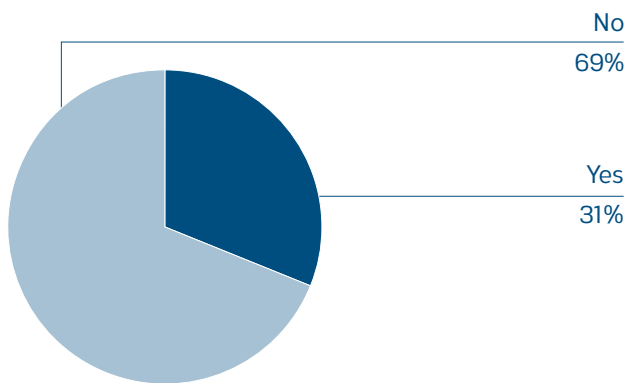
Our opinion

Complete and efficient control requires appropriate systems and resources, which are often not available to the Board of Management. In addition, the independence of the controls should be ensured.



Did the bank set sustainability (ESG) targets for its investments?

Answers

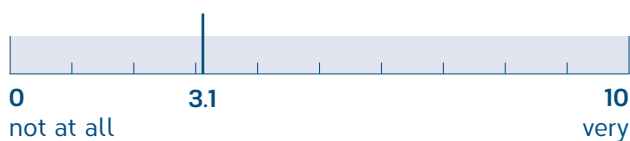


Our opinion

The topic of ESG/sustainability has not yet arrived in the asset management of foundations. There is still a widespread perception that it is about implementing values. However, it is primarily an extension of risk management or additional ways of valuing companies. However, effective implementation must be monitored in order to expose “deceptive packages”.

How satisfied are you with the service (coverage, advice...) of your bank especially in the Corona year 2020?

Answers



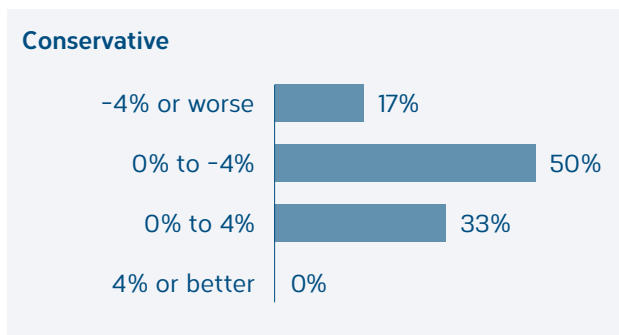
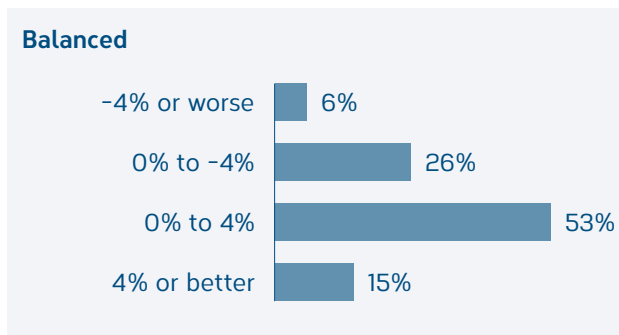
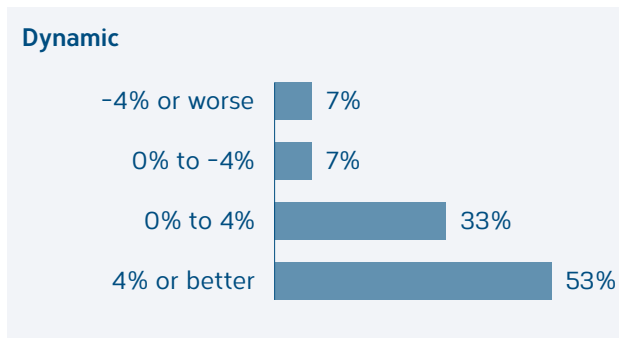
Our opinion

Particularly in volatile phases, it is important for investors to be informed in a compact and timely manner about key developments. Only the independence of an advisor ensures that the information is objective and the interests of the investor are protected.



What performance have your financial assets achieved to date in 2020?

Answers



Our opinion

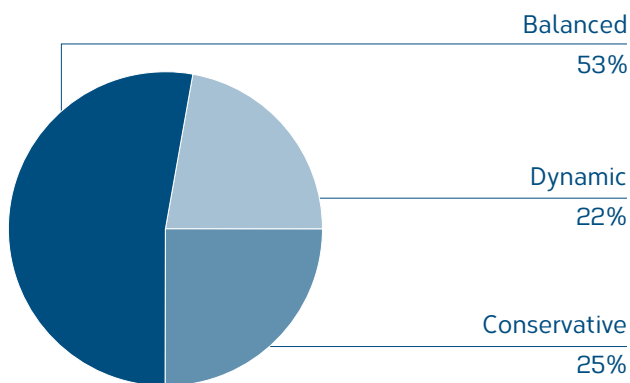
In a simplified market comparison (benchmark definition see table below), the results are predominantly lagging behind. The reasons for underperformance can be manifold, ranging from different specifications, interventions in the strategy to high costs or disadvantageous decisions of the asset manager. The results show the need for an objective performance assessment.

Benchmark	Performance 01.01.-30.11.2020	Index weights	
		Bbg Barc Global-Aggregate TR Hgd EUR	MSCI AC World Net USD
Conservative	4.45%	80%	20%
Balanced	4.71%	50%	50%
Dynamic	4.58%	20%	80%



What is your current allocation?

Answers



Our opinion

In addition to the investment strategy, the way it is implemented is crucial for the investment result. At first glance, a high bond allocation appears conservative. However, if corporate bonds are used predominantly, their stabilizing effect may be limited in times of stress.

If you have any questions, please do not hesitate to contact the two co-authors [Manfred Wieland \(m.wieland@lmm-ic.com\)](mailto:m.wieland@lmm-ic.com) and [Stefan Kargl \(s.kargl@lmm-ic.com\)](mailto:s.kargl@lmm-ic.com). The complete results of the survey can be found at www.stiftung-nextgen.at.