FINANCIAL INSTITUTIONS RATING CRITERIA

GLOBAL MASTER CRITERIA FOR RATING FUNDS AND ASSET MANAGERS

This is an update to the methodology previously published in November 2019.

There are no material changes and as such no rating impact.

November 2020

I. CRITERIA SUMMARY

An ARC Ratings S.A.'s ("ARC") fund rating is an independent assessment of a specific fund's exposure to factors that could lead to unexpected Net Asset Value ("NAV") and total return volatility in the underlying investment portfolio of securities. These securities are typically tradeable financial instruments, such as debt and hybrids of both equity and debt, and can also include specific asset classes such as real estate.

Fund ratings address a fund's exposure to interest rate risk, credit risk, liquidity risk, concentration risk, prepayment and extension risk, derivatives risk and currency risk that may affect the volatility of the fund's NAV. This assessment begins with an analysis of the fund's historical performance in terms of price and total return volatility, and then focuses on the fund's portfolio quality and market risk exposure, all made within the context of a review of the fund manager, the fund's published investment objectives, and the fund's policies. ARC's fund ratings are opinions regarding the funds' ability to preserve principal value under varying market conditions that may be affected by credit, liquidity, and other market conditions. Fund ratings may apply to money market funds, mutual bond funds, exchange traded funds (ETFs), income trusts and other applicable investment vehicles.

An ARC fund rating is not a recommendation to buy, sell or hold units in a rated fund.

ARC's asset manager ratings ("Management Quality" or "mq" ratings) assess an asset manager's organisational structures, risk management capabilities, management characteristics, and operational practices and controls, in order to assess the organisation's overall quality. The rating is intended to help investors assess the skill sets and performance of the portfolio managers, and facilitate the process of evaluating investment management firms' overall quality, regardless of size, ownership structure, and scope of operations.

This integrated report details the rating factors that are considered by ARC when assigning any rating within the scope of the criteria. However, each specific rating report and/or release will discuss those factors most relevant to the individual rating action (as not all factors may be valid).

It should be noted that fund and asset manager ratings are not credit ratings and carry respectively the (f) and (mq) modifiers.

II. ARC'S FUND RATING CRITERIA

Although fundamental analysis of a fund's performance is an important starting point in our assessment, it is important to stress that ARC does not subscribe to a 'tick box' approach. This implies that we do not simply infer a rating based primarily on quantitative analysis or any rigid 'checklist' of factors. Rather, the approach is to integrate our quantitative analysis with a robust and thorough qualitative analysis, relying mainly on the latter to arrive at the appropriate rating. ARC's analytical process for its fund ratings focuses on the following areas:

- Management Assessment;
- Historical Performance Analysis; and
- Assessment of Portfolio Quality and Market Risk.

MANAGEMENT ASSESSMENT

An ARC asset manager rating may be used as an input for the rating of the fund. The factors considered in ARC's assessment of fund management quality are covered in the Asset Manager Rating Criteria section below. The most significant areas taken into consideration are:

- the financial condition of the fund's sponsor and its level of expertise and reputation in the relevant fund category;
- the supporting organisation structure;
- the relationship between the manager and the board of the fund, particularly in respect of voting rights and corporate governance;
- the professional background of the fund's portfolio managers and depth of experience in relevant asset classes;
- its operational infrastructure (including real time portfolio management systems), and adequacy of risk and performance reporting.

HISTORICAL PERFORMANCE ANALYSIS

A review of a fund’s historical performance is an important element when used as part of the overall analysis of a fund’s quality and volatility. It is an important factor in evaluating the investment style and culture of a fund manager.

However, it is important to stress that the fund’s historical performance track record is not a predictor of the prospective performance of that same portfolio. Rather, ARC’s focus is on the systems and measures in place to mitigate risk and the extent to which these have been successful.

The principal areas of analysis in assessing the historical performance of a fund centre around:

1) a quantifiable analysis of total returns over specified periods of time, generally three and five year horizons, in comparison with a benchmark of low risk fixed-income instruments, usually government securities, and other indices; and

2) analysing how historical volatility relates to the fund's investment objectives, portfolio selection parameters and existing market conditions over the relevant period.

The latter analysis is undertaken within the context of the portfolio quality and market risk assessment discussed later in this report.

ARC's quantitative analysis of a portfolio's historical performance uses traditional analytical tools and measures that summarise various aspects of fund performance over time. One of the key rating drivers is the calculation of monthly returns relative to those of appropriate benchmarks, including their average returns. In addition, these drivers are based both on calculating total returns before and after factoring in fund charges, (although ARC believes that a more accurate analysis of a fund's performance and total return should take into account fund expenses). ARC focuses on portfolio performance within its analysis, thus keeping in line with its stability assessment objective as opposed to the overall performance of the fund.

PORTFOLIO QUALITY AND MARKET RISK

One of the principal goals in the analysis of the quality and risk of a portfolio is to determine to what extent the fund compares with the historical investment policies and related risk profile. By reviewing the potential for volatility in the form of possible principal loss relative to historical performance, current market conditions or stated investment objectives, ARC is able to give funds an ordinal ranking within a spectrum of volatility. The factors that contribute to that volatility include risks in the form of interest rate movement, credit default, liquidity levels, portfolio concentrations, payment modification, speculative derivative use and foreign currency exposure. Where derivatives are used this is most important, as the source of valuation of positions is subject to considerable variations. Independent valuations may be sought. Particular focus will be given to illiquid or long-term securities where the spreads or differences between fair value and mark to market calculations can vary significantly.

ARC looks at each of these factors when reviewing the profile of the fund portfolio and considers the effects of these risks when evaluating the overall price sensitivity of a fund. Ultimately, it is the total portfolio risk that is measured, after taking into account the fund's efforts to mitigate individual risks through diversification or other risk aversion techniques. A brief description of each of these risks follows, along with ARC's views as to their potential impact on a fund's rating.

ARC's analysis also includes a review of the fund's profile, in particular its objectives and primary investment strategies in terms of capital appreciation or conservation of capital and current income generation. The fund's investment objectives and risk tolerance drive its asset mix. Its investment policies promote continuity in the fund's investment strategy, particularly when there is turnover among the fund's portfolio managers, and this is crucial to the rating analysis. Another area of analysis addresses the primary risks to which the fund is exposed, as well as the processes and controls used to manage the primary areas of risk in the fund, such as its internal credit evaluation system/credit review processes and controls over portfolio investment risk, which may be in the form of formalised risk limits or maximum permissible deviation from a benchmark portfolio.

INTEREST RATE RISK

Interest rate risk, expressed as a portfolio's sensitivity to interest rate movements, is a key determinant in a fund's potential volatility. As a security's or a portfolio's average maturity is extended, more uncertainty is introduced as to the direction and size of possible future movements in interest rates. Therefore, additional risk is present, although this can be mitigated through various hedging techniques. The sensitivity of a security's market price to that risk is important. That sensitivity is generally measured by means of the security's duration and convexity. This aspect of portfolio risk is addressed by carefully reviewing the specific characteristics of the securities in a fund's portfolio (e.g. mix of fixed vs floating rate assets) in order to ascertain the overall portfolio's sensitivity to interest rate changes and the extent to which these are managed/mitigated.

CREDIT RISK

In its basic form, credit risk refers to the possibility that an obligor of a security will be unable or unwilling to pay interest and principal on time and in full. ARC undertakes an analysis of the securities to determine the overall aggregate credit risk inherent in the portfolio. ARC will review any available credit ratings assigned to the securities in question (including ratings not issued by ARC, if from a recognised credit rating agency). In the case of unrated securities, ARC will, where possible, assign credit assessments (unpublished, point-in-time, assessments of the credit risk based on limited available information), but may 'haircut' the credit risk assessment of the portfolio by an appropriate factor to reflect higher credit risk. The presence of high credit risk will affect the spread risk or yield at which these securities are traded. That spread risk, by definition, results in higher price volatility. Higher credit risk can also result in higher total returns and therefore, depending on the fund's investment objectives can fall within acceptable ranges, but must be balanced against the risk to maintaining NAV. Finally, the overall credit risk assessment takes into account the size and diversification characteristics of the portfolio, as well as the fund's policies with regard to diversification, rating downgrades and securities experiencing credit deterioration, with the depth and frequency of reviews conducted on issuers/credit counterparties also pertinent.

LIQUIDITY RISK

The degree of liquidity in a security is often reflected, as in credit risk, in its yield spread. How quickly that security can be sold and at what price is often a function of its liquidity, with low liquidity securities suffering price discounts over and above comparable securities of similar maturity. Over-exposure to illiquid assets places greater price risk on a portfolio.

CONCENTRATION RISK

The raison d'être of the mutual fund and unit trust industries lies within the concept of diversification. Therefore, diversification within a fund's portfolio itself is considered a risk-reducing trait. The guiding principle for creating a dispersed portfolio is that each investment carries inherent risks, which are affected by given factors differently. These differences, once combined, should, to a degree, cancel each other out, thereby mitigating the unsystematic risk. Any concentration in any particular area, such as security type, industry or currency, brings on additional risk which ultimately could translate into volatile movements in price and value and, as such, correlation is viewed and considered in the analysis. The extent to which diversification is present is also looked at within the context of the fund's stated investment objectives.

PRE-PAYMENT AND EXTENSION RISK

There are particular types of securities that carry additional risk in the form of prepayment or extension risk. This is an applicable issue in those funds with fixed-income securities in their portfolio. Mortgage-related securities are particularly prone to this type of risk as they exhibit high sensitivity to interest rate movements. An analysis of the portfolio's holdings is undertaken to identify securities held which exhibit this type of risk exposure, and reviewed to see if the amount of risk is significant or whether strategies are being employed to offset the risk through diversification, as described above, or through other hedging techniques.

DERIVATIVES RISK

The use of derivative products by investment funds has increased in recent times as new products are developed and marketed. Their use as hedging mechanisms is an important tool for reducing risk within a portfolio and can have a positive influence on a portfolio's risk profile. However, the use of derivatives for speculative purposes introduces additional risk, particularly if the practice is not adequately monitored or understood by the fund's management.

CURRENCY RISK

Currency risk appears when a fund holds deposits or securities within its portfolio denominated in a currency different from its own base currency. This deviation exposes these holdings to foreign exchange rate movements resulting in potential fluctuations in value and return. The amount of exposure and related risk is reviewed by ARC. The fund's historical volatility attributable to currency movements is identified while current exposure is assessed for its potential impact on current holdings. As mentioned in the case of derivatives, there are specific hedging techniques that can help reduce the risk in this area. The application of currency hedges is reviewed to determine their efficacy.

III. ARC'S ASSET MANAGER RATING CRITERIA

As is the case with its Fund ratings, ARC's Management Quality ratings differ fundamentally from its traditional credit ratings, which refer to an issuer's ability to meet its debt obligations. Rather, they are assessments of managers' abilities to manage the risks inherent in a portfolio in order to meet its investment objectives. Manager quality ratings may apply to mutual fund management companies as well as management companies of alternative investments, such as private equity firms and hedge funds. Furthermore, Management Quality ratings are not meant to be used for determining future performance of a fund, portfolio or other investment vehicle, or as an indicator of future volatility. Although ARC's analysis of an asset manager's quality takes into account quantitative factors, such as the historical performance of funds under management and the financial strength of its balance sheet and P&L, the Management Quality ratings emphasise qualitative analytical factors over quantitative factors. As such, the rating process focuses on the following key areas:

- Business Characteristics;
- The Investment Decision Making Process;
- Risk Management; and
- Financial Strength.

BUSINESS CHARACTERISTICS

ARC begins its review of the asset manager's business characteristics by first focusing on the firm's organisational structure. Analysis of a firm's organisational structure is based upon identifying and assessing the quality of the reporting structure, and the efficiency of the various functions and responsibilities within the organisation. It is also a study of the relationships that exist within the firm, with its service providers, clients and with any affiliated entities including parent companies and/or shareholders. This analysis is a critical component in the overall process of assigning asset Management Quality ratings.

The process begins with an assessment of whether the size and structure of the organisation provides for an efficient use of resources, ARC looks to identify if there are clear lines between departments, and that the reporting structure provides enough independence to allow problems to be readily identified and freely reported without burdensome structural mechanisms that might serve only to suppress effective risk management. Effective compliance control is always a fundamental issue within any fund manager's organisational structure. Some degree of overlapping oversight can enhance the rating.

The question of whether the asset manager operates as a separate business unit within the corporate structure is addressed. Whether it is a standalone subsidiary, affiliated company, or a joint venture, it is important to determine if the relationship with its parent or shareholders enhances or places undue pressure on the manager's operations. The fact that the firm or its parent is publicly listed can have a bearing on such things as the amount of publicly available information, its ability to raise additional capital for planned or unforeseen demands and its exposure to certain event risks. For instance, the possibility of event risk, such as a merger or a take-over, may increase. A recent or upcoming change in corporate ownership can have a major impact on an asset manager's investment philosophy, cultural approach and overall operating environment. The relationship between the parent company and the affiliated company can also have a direct impact on the outcome of the rating. A strong parent operating under a vigilant and clear regulatory environment, with a strong financial profile, and demonstrating a willingness to support its affiliates can enhance an asset manager's rating. On the other hand, a weak parent represents a risk as it may look upon its affiliates as a potential funding resource, thereby negatively impacting the same rating. Another aspect of the relationship which ARC reviews is the extent to which there are proper and institutionalised barriers between the affiliated companies and also how stringently these fiduciary responsibilities are maintained and promoted between the respective entities.

An analysis of the business environment includes identifying the asset manager's client base. A Fund geared towards the retail market requires a very different operational structure and approach to one targeting institutional investors. The nature of its client base brings different risks that must be addressed adequately. For example, an asset manager with large exposures to an institutional client base is prone to large movements, both inflows and out, and as such the firm should have specific structures and operational procedures in place to handle them efficiently.

The extent of relationships with clients is also another important consideration. A retail operation may rely heavily on its relationships with intermediaries or directly with investors. ARC tries to gauge to what extent those relationships are vital to the firm's operations. Relationships can also be heavily dependent on key personnel. This aspect is further detailed in our analysis of the fund management team in particular, but here we focus on management's efforts to protect key relationships from the risk of personnel turnover through its personnel policies with regard to retention, compensation and other human resource issues. Another facet of the business environment is an assessment of whether 'brand' is a significant factor in its operations. ARC looks at how the firm markets its brand and what internal procedures are in place for monitoring its markets and its sales processes.

Another area of ARC's analysis is an in-depth review of managements' characteristics with regard to experience, track records, independence, style, approach and relationships within management teams. ARC begins with a review of managements' biographies and interviews with key senior managers in order to assess the level of experience and to measure qualifications. Although a long track record of success is a positive indicator, it is even more important if that prior experience matches and is relevant to the current strategy and style of the organisation. Interviews focus on determining the investment approach of the firm's managers, and their specific views on what constitutes the investment culture within the organisation. It is particularly important, in those organisations that rely heavily on individual managers, to get a sense of the level of risk present in the event of key personnel departures. For those organisations which operate more on a team approach, ARC discusses in detail the functions and responsibilities of each of the team members. A breakdown of responsibilities is carried out to determine if non-core activities exist that could distract or divert resources from the efficient management of the firm. As many of these teams or key individuals may also manage a number of different funds, each of the funds under management is assessed and any disparities in performance are analysed and questioned. In particular, ARC will seek to understand how assets are allocated between funds with similar investment profiles.

With the overall structure clearly identified, ARC's analysis moves on to assessing the efficiency of the firm's operations within the existing infrastructure systems and the mechanisms in place to respond to any inherent challenges. The quality of the asset manager's information systems can have a direct impact on the efficiency of its operations. A review is conducted of the systems in place to communicate with the market, service providers and clients, providing a basis for measuring that efficiency. All of the asset manager's activities in the areas of management reporting, trading, client servicing and administration, securities processing and custody are reviewed from an operations point of view.

INVESTMENT DECISION MAKING PROCESS

A review of the historical performance of the various funds under the asset manager's control is an important tool when used as part of the overall analysis of the quality of the management. However, ARC does not assign Management Quality ratings based on historical investment performance, but rather on a firm's ability to achieve solid targeted results consistently across a range of market conditions.

An analysis is conducted of an asset manager's investment and operational strategies in the context of its stated investment philosophy, policies, and goals. Identifying the organisation's strategy and decision-making process is at the heart of this analysis. Questions are posed to understand the investment philosophy and to determine how investment objectives are established. The process undertaken for determining investment strategies is reviewed, including how the strategy is defined, quantified, and most importantly, how it is implemented. The decision-making process for identifying eligible assets and their allocation is reviewed. Also reviewed is how monitoring of that strategy is conducted and under what circumstances that strategy may be altered. ARC looks to determine to what level of consistency the investment policy has been applied.

The specifics of each of the funds under management are also reviewed. A change in asset size in any fund, for instance, is flagged to determine if there has been any shift or drift in investment philosophy. Fund fundamentals, such as liquidity levels, rate of turnover and the ratio to expenses, are reviewed and analysed. A more detailed investigation of the client-base is undertaken with an eye towards identifying and explaining any changes in that investor base. Performance is once again highlighted, again in the context of general market performance. Portfolio composition is reviewed and carefully compared to the stated investment objectives of each individual fund. Any change in style calls for in depth questioning as to why such a change has occurred. The specific practices utilised in the course of building a fund portfolio are also reviewed. This includes identifying any use of leverage or derivative products to enhance return. Questions regarding these practices are intended to determine the extent of their use, their place within the investment philosophy and strategy of the organisation. It is also important that we see in management a clear and thorough understanding of the risks inherent in their application.

Ancillary support structures are also reviewed in order to examine the capabilities and breadth of those resources. In house research teams are analysed to determine the extent and quality of the information they generate for use in investment decisions. Equally important is an examination of how external resources, such as research from brokers, are incorporated into internal research activities. Additionally, access to company investment information is reviewed to see to what extent interaction exists between research teams and companies in the portfolio, in terms of visits and timely communication.

RISK MANAGEMENT

Assessing the firm's ability to exercise proper control of its operations in order to effectively identify and address the various forms of risk it faces is a fundamental part of ARC's analysis. Risk management and compliance with regulatory requirements are a key concern and focus within ARC's assessment of management. In the area of regulatory environment, ARC undertakes, for every market where ARC issues Management Quality ratings, a comprehensive analysis of the laws and regulations impacting the asset manager's operations.

A review of the firm's regulatory compliance is an important part of assessing a firm's capability to manage risk. ARC undertakes a comprehensive review of the firm's compliance structure in order to assess its capacity, as well as its compliance philosophy. This includes a review of its written internal procedures and guidelines, reporting systems, track record with regulators and compliance with licensing, capital and general reporting requirements. Any history of problems in this area is carefully reviewed for cause and correction. Management's processes for reviewing compliance issues and for updating its procedures are also investigated.

ARC will question individual managers on their own specific risk management procedures, including what oversight responsibilities and practices are employed over daily trading and investment decisions. It is important to determine who within the organisation is responsible for managing risk related activities and to what extent he or she has the appropriate levels of authority to deal effectively with that risk and to enforce the firm's risk management policies. ARC reviews the quality of the internal and external audit system and looks specifically at past compliance lapses to evaluate how they were addressed and eventually corrected.

FINANCIAL STRENGTH

Financial sustainability is a key element in the successful operation of an asset management organisation. ARC is particularly concerned with an asset management firm's ability to fund current and future operations and meet capital requirements through internal cash generation, and to be able to do so while supporting current and future business activities. ARC reviews the relative importance, financially, of each fund to the firm’s overall business in terms of revenues and profits. This review is further analysed later in the context of questions to management regarding strategic direction within the firm’s overall operating philosophy. ARC’s assessment of financial fundamentals considers not only the current financial status of the company but also trends in earnings, cash flow, profitability, and capital adequacy.

IV. CONCLUSION

While thorough quantitative analysis is important, the qualitative characteristics of ARC’s analysis cannot be over-emphasised. It is critically important to look ‘beyond the numbers’ to evaluate the intangible strengths and weaknesses of any asset manager. The analytical process described above has the clear goal of assessing the overall quality of the asset manager in question. That assessment comes from evaluating the organisation’s historical performance, financial strength, structure and environment, management characteristics, strategies and operations. The rating assigned is based upon a comparative analysis of all these factors within ARC’s rated universe and other funds where the information is publicly available. With the above as a starting point, ARC is also in a position to undertake an independent assessment of a specific fund’s exposure to factors that could lead to unmitigated NAV and total return volatility. This adds considerable value to prospective investors in a specific fund or portfolio as highlighted in ARC’s fund rating criteria.

V. QUALIFICATION

Note that ARC is not a legal, taxation or financial adviser and will only provide a credit opinion of the rated securities. For example, a rating does not cover a potential change in the applicable laws nor can it be regarded as an audit. Moreover, ARC is not a party to the transaction documents, nor does it provide legal, tax or structuring advice.

FUND RATINGS

A fund rating is an independent assessment of a specific fund's exposure to factors that could lead to Net Asset Value and total return volatility. Fund ratings indicate an opinion regarding the fund's ability to preserve principal value under varying market conditions that may be affected by credit risk, interest rates, liquidity, as well as other market conditions. The ratings emphasise qualitative over quantitative factors and are expressed in the form of a scale ranging from 'AAA(f)' (highest quality and lowest volatility fund portfolios) to 'BB-(f)' (low quality and high volatility fund portfolios).

AAA(f)	Funds rated AAA(f) possess levels of risk at that of a portfolio comprised of the highest quality holdings (e.g. government securities) and demonstrate the lowest volatility.
AA+(f) **AA(f)** **AA-(f)**	Funds rated AA(f) possess very low levels of risk and demonstrate low to moderate volatility.
A+(f) **A(f)** **A-(f)**	Funds rated A(f) possess low levels of risk and demonstrate moderate volatility, although there is considerable variability in risk in periods of economic stress.
BBB+(f) **BBB(f)** **BBB-(f)**	Funds rated BBB(f) possess reasonable levels of risk and relatively high levels of volatility, with a much lower ability to withstand future stress situations.
BB+(f) **BB(f)** **BB-(f)**	Funds rated BB(f) possess high levels of risk and high volatility.

The rating outlook (**positive**, **stable**, **negative** or **developing**) highlights the potential direction of a rating during the course of an 18 months to 2 years period. An outlook is not necessarily a precursor of a rating change or future review ahead of schedule.

MANAGEMENT QUALITY RATINGS

ARC's Management Quality or mq ratings provide institutional investors with an independent appraisal of asset management companies. The ratings assess an entity's organisational structure, risk management characteristics and operational controls, and provide the market with an opinion on the overall quality of the organisation, including management's characteristics and operational practices. The ratings emphasise qualitative over quantitative factors and are expressed in the form of a scale ranging from 'AAA(mq)' (Excellent) to 'BB-(mq)' (Poor). Although the assessment incorporates a review of the firm's investment performance track record, the ratings are not intended to consider the prospective performance of specific funds managed by the company.

AAA(mq)	Entities rated AAA(mq) are judged to exhibit an excellent management and control environment, which meets or exceeds best international practice and benchmarks.
AA+(mq) **AA(mq)** **AA-(mq)**	Entities rated AA(mq) are judged to exhibit a very good management and control environment.
A+(mq) **A(mq)** **A-(mq)**	Entities rated A(mq) are judged to exhibit a good management and control environment.
BBB+(mq) **BBB(mq)** **BBB-(mq)**	Entities rated BBB(mq) are judged to exhibit an adequate management and control environment.
BB+(mq) **BB(mq)** **BB-(mq)**	Entities rated BB(mq) are judged to exhibit a poor management and control environment.

The rating outlook (**positive**, **stable**, **negative** or **developing**) highlights the potential direction of a rating during the course of an 18 months to 2 years period. An outlook is not necessarily a precursor of a rating change or future review ahead of schedule.

DISCLAIMERS

ARC Ratings, S.A. is registered as a Credit Rating Agency with the European Securities and Markets Authority (ESMA), within the scope of the Regulation (EC) Nº 1060/2009 of the European Parliament and of the Council, of 16 September, and recognised as External Credit Assessment Institution (ECAI).

ARC Ratings (UK) Limited is registered as a Credit Rating Agency with the United Kingdom Financial Conduct Authority, within the scope of the Statutory Instrument Nº 266/2019, of 13 February, and recognised as ECAI.

A fund rating is an independent assessment of a specific fund's exposure to factors that could lead to unexpected Net Asset Value ("NAV") and total return volatility in the underlying investment portfolio of securities. Unlike credit ratings, a fund rating does not address a fund's ability to meet payment obligations and is not a commentary on yield levels. A fund rating is not a credit rating, uses a specific rating scale and is identified by a specific suffix (f).

An asset manager/management quality rating provides an opinion regarding the asset manager's organisational structures, risk management capabilities, management characteristics, and operational practices and controls, in order to assess the organisation's overall quality. Although the assessment incorporates a review of the firm's investment performance track record, the ratings are not intended to consider the prospective performance of specific funds managed by the company. An asset manager/management quality rating is not a credit rating, uses a specific rating scale and is identified by a specific suffix (mq).

Ratings do not constitute a recommendation or offer or solicitation to buy or sell any investments that may be mentioned, and are only one of the factors that investors may wish to consider. The use of any rating is entirely at the user's own risk.

In the rating process, ARC Ratings adopts procedures and methodologies aimed at ensuring transparency, credibility and independence, and also that rating classifications are not influenced by conflicts of interest.

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