



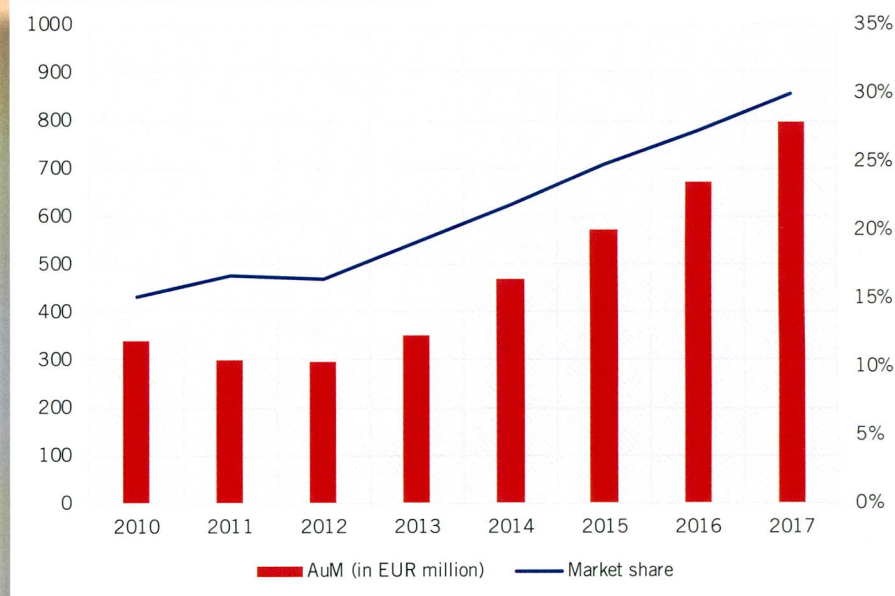
> **NLB Asset Management:**
Shaping Slovenia's
Asset Management Sector



Kruno Abramovič and Aleksandra Brdar Turk took over the leadership of NLB Asset Management after the financial crisis of 2009 with a view to transform the company into the largest asset manager in Slovenia. They placed an emphasis on high quality cost-effective products which allow clients to easily secure their financial well-being. At the end of 2008, NLB Asset Management Company managed €236m and became the third largest asset management

company in Slovenia with a market share of 12.6%. Today, the company manages more than €1.2bn in assets and has increased its market share to 30.2% - making the firm the largest asset manager in Slovenia. Just because the corporate goal has been reached, NLB Asset Management does not rest; with continuous innovation and the development of new products the firm strives to offer cost-effective solutions that help clients secure their financial future.

The activities of NLB Asset Management are split into two parts: mutual funds and discretionary portfolios. Mutual funds represent the bulk of the business, with over €800m in assets under management. The company sells mutual funds exclusively through the branches of NLB d.d. and counts with over five hundred financial advisors. The decision to invest a lot of energy and hard work into the professional development of financial advisors and their sales skills has been rewarded. NLB Asset Management is by far the



Mutual Funds: AuM and Market Share

achieved by targeting the mass market where clients can create a cost-effective savings plan in any sub fund with a payment of only €40. This form of savings plan has been very successful in the last few years and the satisfaction of clients confirms its popularity. The quality of management is also confirmed by the main financial magazine which conducts an annual independent evaluation of investment funds in Slovenia. In recent years, NLB Asset Management sub funds have been in the top ten each year.

Wealthier clients of NLB Asset Management are addressed through the NLB Bank's Private Banking Department. These clients are offered discretionary portfolios. The entry threshold to this service amounts to €250,000. The firm offers seven typical portfolios and a special portfolio, where the clients can select the region or group of companies for a bespoke approach.

In addition to mutual funds and discretionary portfolios, the firm offers an intermediate route – management between funds. The entry threshold for this service is €100,000. Clients are able to choose between predetermined portfolios or an optional portfolio, where the client chooses the sub funds he or she sees as the most promising.

The decision to focus on cost-effective products with disciplinary management has shown to be very successful especially during the financial crisis of 2008 which strongly affected all other Slovenian asset management firms. The company's largest sub fund, NLB Funds – Balanced Global, is the best-selling mutual fund in Slovenia. It contributed to the company's strong market position and satisfied clients due to the small loss of value. This sub fund kept its best-selling position till today and remains the largest mutual fund in Slovenia with assets exceeding €300m.

most successful seller of investment products in Slovenia. Clients generally buy investment products that suit their investment profile and financial goals.

NLB Asset Management manages eighteen sub funds that make up the NLB Asset Management umbrella fund with two additional funds being launched shortly, making a total of twenty managed sub funds, each with different investment policies. Very good results are also

"Mutual funds represent the bulk of the business, with over €800m in assets under management."

Ljubljana, Slovenia: Dragon Bridge



The NLB Asset Management Team

NLB Asset Management provides exceptional transparency in all client operations. All of the investments in each of the sub funds are disclosed monthly so that clients know how their savings are managed. Clients of discretionary portfolio management receive even greater transparency as they get a quarterly report on the management, the achieved returns, the costs, and an overview of the events and trends that drove the capital markets and contributed to the profitability.

In its fourteen years of operation, NLB Asset Management has gone from zero to €1.2bn in managed assets and to over 30% market share thanks to disciplined management, cost sensitivity, and the exceptional skills of its financial advisors. This organic growth took place without any acquisitions, making this result even more remarkable.

THE NLB ASSET MANAGEMENT TEAM

Since the foundation of NLB Asset Management

in 2004, the company has strived to offer its clients effective investment products. The company puts strong emphasis on professionalism and the cost-control of mutual funds.

Thanks to disciplined management and demanding negotiations with business partners, the expense ratios for NLB funds are considerably lower than the average of the Slovenian competition. Lower ratios are the result of a multi-year effort to which the entire team of asset managers and back office contributes.

NLB Asset Management employs a team of very remarkable professionals in the field of asset management and financial analysis. The teams' high professional qualifications is confirmed by the company's five CFA (Chartered Financial Analyst) holders which guarantees the highest possible standard in the field of investment and

financial analysis. In addition, the company has two experts with the FRM license (financial risk manager). The firm pursues strict standards prescribed by the CFA institute and it is also the only Slovenian company with the Asset Management Code of Professional Conduct.

NLB Asset Management has fourteen employees who are directly involved in managing mutual funds and discretionary portfolios, which include asset and risk managing and also financial analysis. Together they have almost 150 cumulative years of work experience. Financial experts of NLB Asset Management are also regularly involved in providing comments of events concerning financial markets in Slovenia.

The company has a two-member management board consisting of Kruno Abramovič, CEO, and Ms Aleksandra Brdar Turk, member of the management board. Eight heads of individual fields report directly to the administration. ❖