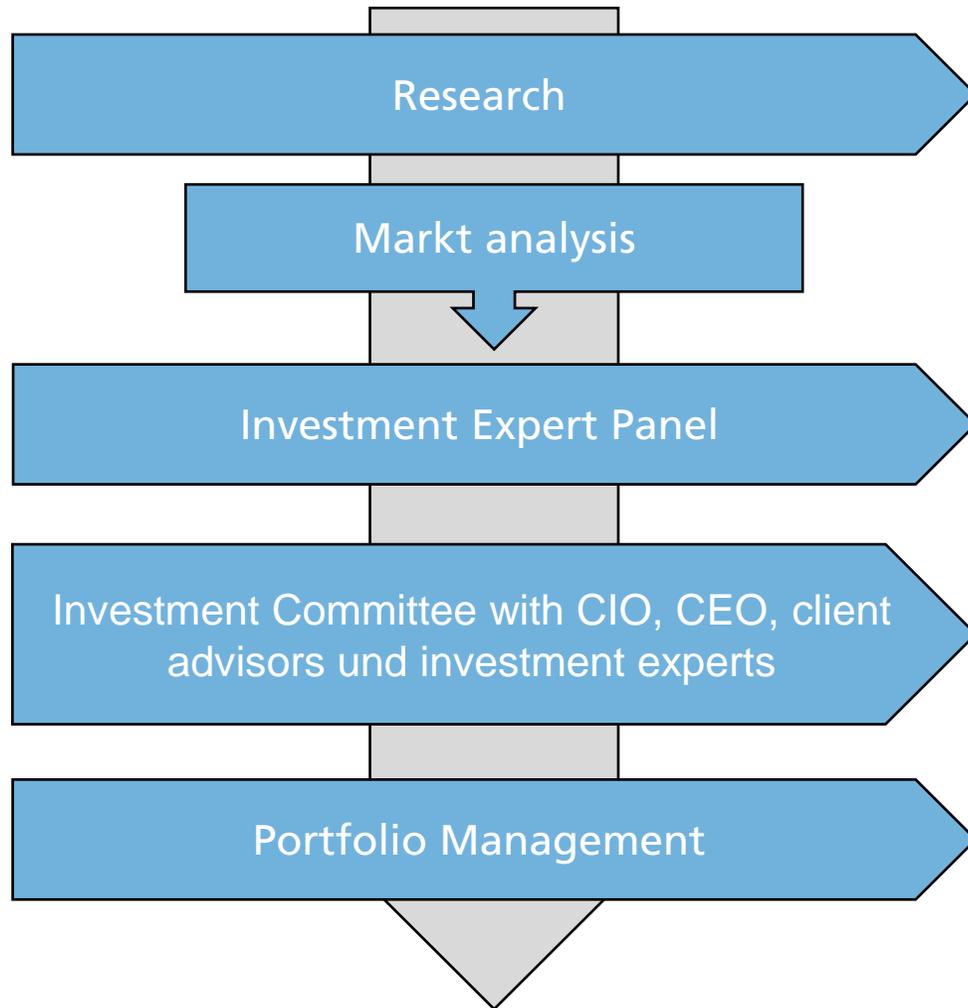


Investment process of St.Galler Kantonalbank AG



The SGKB Research Team assesses the conditions of the economic environment and the financial markets on a daily basis.

The SGKB Research Team compiles the fundamentals for SGKB's investment policy, which form the basis for the monthly decision on tactical asset allocation.

Based on the market analysis, analysts and portfolio managers in the SGKB Investment Center determine the proposal to the Investment Committee for the tactical asset allocation.

The Investment Committee determines the tactical asset allocation for the COMFORT asset management mandates on a monthly basis. The decision is based on the Investment Expert Panel's proposal. The Investment Committee's decision also influences the CONSULT investment advisory service.

Portfolio Management implements the tactical asset allocation in the COMFORT mandates. COMFORT mandates are subject to daily monitoring by portfolio management.