

CONTENTS

Executive Summary	3
1 Introduction	4
2 Analysis of fund fees of retail funds	5
2.1 Fees by Investment Strategy	5
2.2 Fees by risk category	9
2.3 Annual fee comparison.....	11
3 Explanation of significant figures stated in PRIIPs-KIDs	12
3.1 Risk indicator	12
3.2 Costs	12
3.3 Performance scenarios	13
4 Statistical Annex	13
4.1 Description of the Regression Model	13
4.2 Summary of the Results.....	14

EXECUTIVE SUMMARY

- This FMA Market Study on Fees charged by Austrian Retail Funds is intended for investors, to place them in a better position to compare and assess the different fees charged within a single category of funds, as well as between different categories of funds.
- A fund's terms and conditions must define its fees and how fees are calculated. In addition, a fund's fees are required to be stated in a legally defined key information document (also called a "Key Investor Information Document"), in accordance with the European Packaged Retail Investment and Insurance-based Products (PRIIPs) Regulation, known as a "PRIIPs-KID." Austrian retail funds were first required to draw up such PRIIPs-KIDs in 2023. Differences in methodologies used in PRIIPs-KIDs regarding the statement of a fund's fees compared with predecessor KIDs for funds means that there is only a limited level of comparability of the figures in this study with editions published in the years prior to 2023.
- For this edition of the study, the FMA used an artificial intelligence-based methodology to collect information about fees and PRIIPs-KIDs for 2025 from 988 Austrian retail funds in accordance with the Investment Funds Act 2011 (InvFG 2011), the Real Estate Investment Funds Act (ImmoInvFG) and the Alternative Investment Fund Managers Act (AIFMG), from 20 investment fund management companies, real estate investment fund management companies, and alternative investment fund managers with an aggregate net asset value (NAV) of EUR 119.93 billion.
- As a volume-weighted average of the maximum annual ongoing management fees, fund fees for all Austrian retail funds stand at 1.13 %, and 3.57 % in the case of the maximum entry charges for purchasing fund units. On average, transaction fees stand at 0.14 %. There have only been marginal changes compared with last year in the fee structure.
- The analysis has demonstrated that differences in fees exist depending on investment strategies and risk categories. In terms of volume-weighted average, short-term bond funds have the lowest charges, followed by bond funds, real estate funds, mixed funds, and equity funds. Short-term bond funds have lower charges in volume-weighted average terms compared to equity funds in terms of ongoing management fees (0.34 % compared with 1.46 %), maximum entry charges (1.04 % compared with 4.26 %), as well as transaction fees (0.12 % compared with 0.14 %).
- The results of the regression analysis – presented in a separate statistical annex in this report and a statistical analysis estimating the relevant influence factors for retail funds' fees (ongoing management fees) – show risk category and investment strategies to be material factors that influence the level of fees.

1 INTRODUCTION

This FMA Market Study on Fees charged by Austrian Retail Funds is intended for investors, to place them in a better position to compare and assess the different fees within a category of funds, as well as between different categories of funds. It therefore contributes to improving market transparency regarding retail funds in the interests of collective consumer protection.

For this purpose, natural language processing (NLP) algorithms were used to automatically extract information from key information documents (PRIIPs-KIDs) prepared in 2024 based on the European PRIIPS Regulation by all investment fund management companies (KAGs), real estate investment fund management companies (Immo-KAGs) or alternative investment fund managers (AIFMs) that manage Austrian retail funds¹ under the Investment Fund Act 2011 (InvFG 2011), the Real Estate Investment Fund Act (ImmoInvFG) and the Alternative Investment Fund Manager Act (AIFMG).

All retail funds are legally required to prepare PRIIPs-KIDs using information structured in a consistent manner, in particular addressing their objectives and investment policy, a description of the risk, costs, and the fund's potential performance. The significant information contained in PRIIPs-KIDs is intended to provide investors with a better understanding of the nature and risks associated with a fund, and to reach a well-founded investment decision based on it. PRIIPs-KIDs are required to be reviewed for up-to-dateness at least annually and amended as necessary.

The fees charged for funds that are legally required to be stated in PRIIPs-KIDs or fund regulations are analysed in Chapter 2 from investment strategy and risk category perspectives.²

Chapter 3 generally describes the material information in retail funds' PRIIPs-KIDs. Finally, the results of the conducted regression analyses for estimating relevant influence factors regarding retail fund fees are stated in a statistical annex.

¹ In this FMA Market Study, the following legal fund categories are classified as retail funds: UCITS under the InvFG 2011, pension investment funds pursuant to Article 48 AIFMG in conjunction with Article 168 InvFG 2011, other assets (where approved for distribution to retail clients) pursuant to Article 48 AIFMG in conjunction with Article 166 InvFG 2011, and real estate retail funds pursuant to Article 48 AIFMG in conjunction with the ImmoInvFG.

² It should be noted that fees are presented in aggregated form respectively by individual fund categories and risk categories for the purposes of a descriptive analysis for the sake of simplified illustration and improved comparability. As these may be mutually dependent, the FMA also carries out statistical regression analyses to be able to estimate significant influencing factors. Where additional explanation of the respective descriptive representations from the statistical analyses is needed, this is indicated separately.

2 ANALYSIS OF FUND FEES OF RETAIL FUNDS

In the analysis of fund fees, the fees of Austrian retail funds were collected with a cut-off point of 31.12.2024 from a total of 20 investment fund management companies and real estate investment fund management companies or alternative investment fund managers. These retail funds cover 988 funds (2,837 different share classes) with aggregate net asset value (NAV) of EUR 119.93 billion, making up approx. 52 % of the entire Austrian fund market. Ongoing management fees, maximum entry charges, and transaction fees - are broken down separately by investment strategies and risk categories.

The quantitative analysis does address maximum exit charges in greater detail, since they are only apply to a very low extent in retail funds (31 funds or 85 share classes, max. 5 % with a volume-weighted average of 0.90 %) nor into performance-dependent management fees, since the design of such fees differs greatly that does not permit a quantitatively consistent comparison (81 funds, or 195 share classes, up to 25 % of the respective defined added value of the unit).

2.1 FEES BY INVESTMENT STRATEGY

Funds may be classified by investment strategies, especially on the basis of the invested assets. In the case of retail funds in terms of NAV, mixed funds form the largest category (EUR 44.88 billion or 37.4 %), followed by equity funds (EUR 32.64 bn or 27.2 %), bond funds (EUR 31.87 bn or 26.6 %), real estate funds (EUR 6.51 bn or 5.4 %), short-term bond funds (EUR 3.76 bn or 3.1 %) as well as other funds (EUR 278 mn or 0.2 %). In comparison with last year's edition of the study, the proportion of equity funds in particular has increased, so that they are now the second largest category (previously bond funds). The proportion of real estate funds has reduced further.

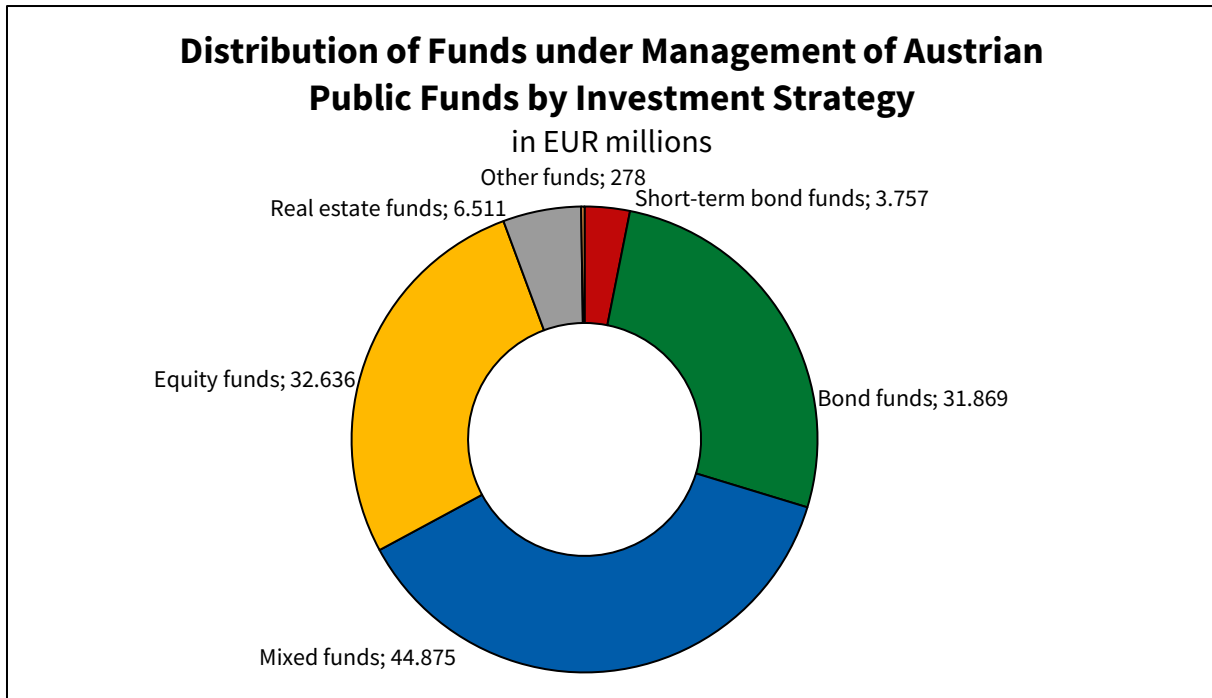


Figure 1: Distribution of funds under management by investment strategy

The volume-weighted average of the fees³ of all retail funds is 1.13 % for the ongoing management fees, 3.57 % for the maximum entry charges and 0.14 % for transaction fees.

The analysed fees show a certain trend between investment strategies.⁴ The lowest volume-weighted average fund fees tend to be seen in short-term bond funds, followed by bond funds, real estate fund, mixed funds, and equity funds. Short-term bond funds have lower charges compared to equity funds in terms of ongoing management fees (0.34 % compared with 1.46 %), maximum entry charges (1.04 % compared with 4.26 %), as well as transaction fees (0.12 % compared with 0.14 %).

³ All averages stated for fund fees relate to the respective volume-weighted averages.

⁴ The "other funds" category contains very heterogeneous funds, such as funds of hedge funds, micro-finance funds and other strategy funds, with the result that due to their small number and their heterogeneity that a comparison with other classes is not possible.

Table 1: Overview of average and maximum fund fees

Austrian Retail Funds	Funds	NAV as of 31.12.2024	Ongoing management fees in % (from PRIIPs-KID)	Max. entry costs in % (from PRIIPs-KID)	Transaction fees in % (from PRIIPs-KID)				
Funds category	Quantity	in EUR mn	Average	Max	Average	Max	Average	Max	
<i>Investment strategy</i>									
Short-term bond funds	38	3,757	0.34	1.53	1.04	7.00	0.12	0.65	
Bond funds	245	31,869	0.62	2.58	2.98	10.00	0.14	1.50	
Mixed funds	427	44,875	1.32	5.47	3.76	10.00	0.09	2.59	
Equity funds	264	32,636	1.46	5.07	4.26	10.00	0.14	1.90	
Real estate fund	6	6,511	1.02	1.63	3.06	4.76	0.57	0.92	
Other funds	8	278	1.05	2.59	2.46	10.00	0.18	1.77	
Total	988	119,926	1.13	5.47	3.57	10.00	0.14	2.59	
<i>Legal Type of Fund</i>									
UCITS	868	105,776	1.12	5.07	3.58	10.00	0.12	2.59	
AlFs	120	14,150	1.16	5.47	3.45	10.00	0.30	1.24	
<i>Funds of Funds</i>									
Funds of Funds ⁵	239	21,694	1.50	5.07	3.47	10.00	0.06	0.47	
<i>Sustainability funds</i>									
Ecolabel 49 funds	112	28,907	1.12	2.45	3.68	5.25	0.12	0.67	
Funds acc. Art. 8 SFDR	473	70,974	1.16	3.22	3.59	10.00	0.12	2.13	
Funds acc. Art. 9 SFDR	13	2,448	1.31	2.10	4.27	5.00	0.10	0.51	

Furthermore, a growing number of retail funds focus their investment policy on sustainability or ESG criteria⁶. With the Sustainable Finance Disclosure Regulation (SFDR)⁷ applying, funds may be

⁵ Categorized as fund of funds where there is an investment of at least 51 % in sub-funds.

⁶ ESG: Environmental, Social and Governance.

⁷ Also called the Disclosure Regulation: Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

classified in accordance with Article 8 SFDR (funds that among other things promote environmental or social characteristics in pre-contractual information, known as “light green” funds) and in accordance with Article 9 SFDR (funds striving for sustainable investment, known as “dark green” funds), with specific disclosure obligations applying for the respective types of funds. Among the retail funds, 473 are categorised as funds acc. Art. 8 SFDR and 13 as funds acc. Art. 9 SFDR (retail funds in accordance with Article 8 SFDR have increased by 38 funds and by two for funds in accordance with Article 9 SFDR compared with 2024). These include 112 retail funds, which invest in accordance with the Austrian Ecolabel 49 for Sustainable Investment Products (UZ49)⁸.

No conclusion can be reached from directly comparing the fees of such funds. Differences are unable to be deduced directly based on categorisation under the SFDR, since such funds contain a disproportionate amount of equity and fixed funds in comparison with the market as a whole, and for this reason have higher fees. The results of the Statistical Annex show that Ecolabel 49 Funds and Funds in accordance with Arts. 8 or 9 SFDR do not show significantly lower fees (anymore).

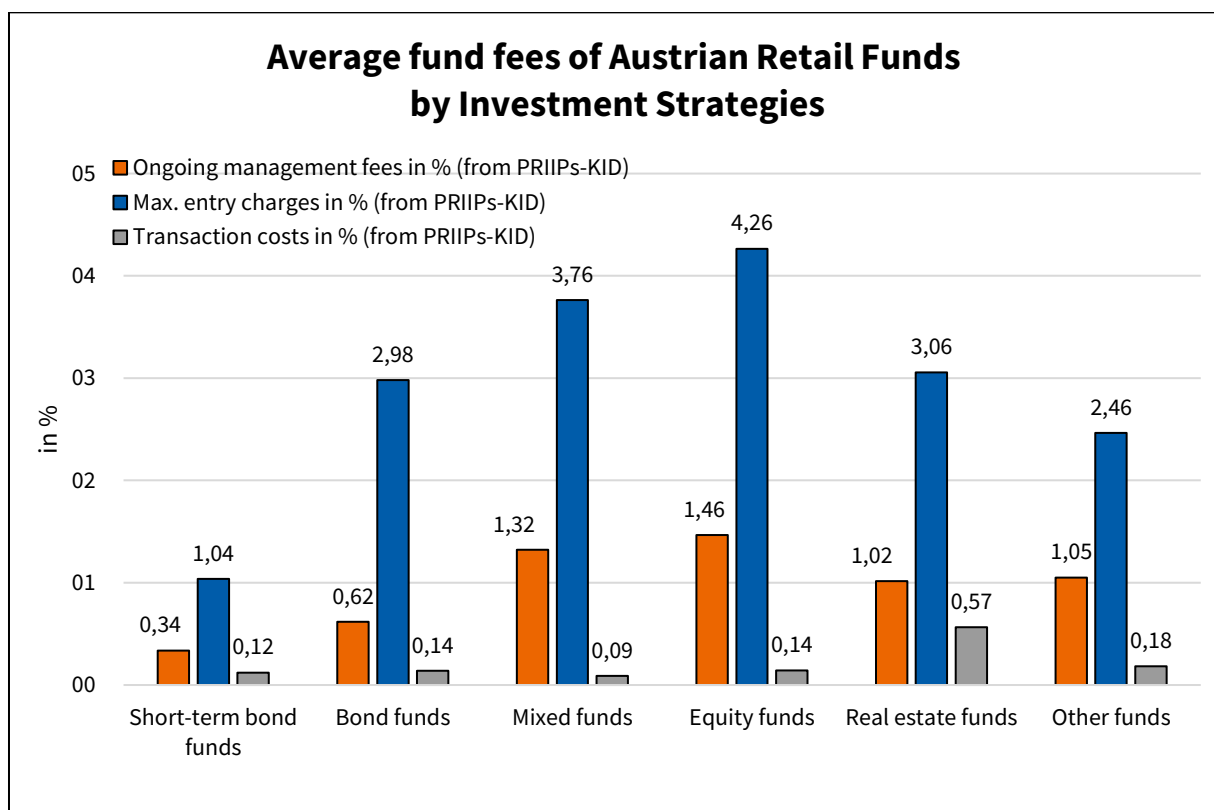


Figure 2: Average fund fees by investment strategies

In addition to the allocation of funds based on their investment strategies (allocation based on predominantly invested assets) they may also differ in terms of the strategic approach taken, i.e. whether an active or passive investment strategy is pursued. Active investment strategies are characterized by the composition and/or the selection of the assets being adapted by a manager,

⁸ See <https://www.umweltzeichen.at/en/products/sustainable-finance> for details about Ecolabel 49 for sustainable financial products.

depending on the market situation. The objective is to react to market changes in the market and to achieve as optimal as possible an investment result (in terms of earnings to risk), or to outperform a benchmark. In contrast, there are also passively managed investment strategies, with an investment objective of replicating the performance of an index. This requires less intervention by the asset manager, thereby lowering their expenditures and therefore fees as a result. The majority of Austrian retail funds pursue an active investment strategy. There are only four Austrian retail funds that pursue a passive investment strategy.

2.2 FEES BY RISK CATEGORY

Measured by risk category (defined as the total risk indicator; split into risk categories 1 to 7), the majority of retail funds fall into the risk categories 2 to 4 by net asset value. Real estate funds have the lowest risk category, following by short-term bond funds, bond funds, mixed funds and finally equity funds, which are allocated to higher risk categories. Based on the volume-weighted average, the average risk category of all Austrian retail funds is 3.06. The new calculation method applied since 2023 does not permit a more long-term comparison. Last year’s analysis used the same methodology, meaning the previous year’s value (3.03) is comparable.

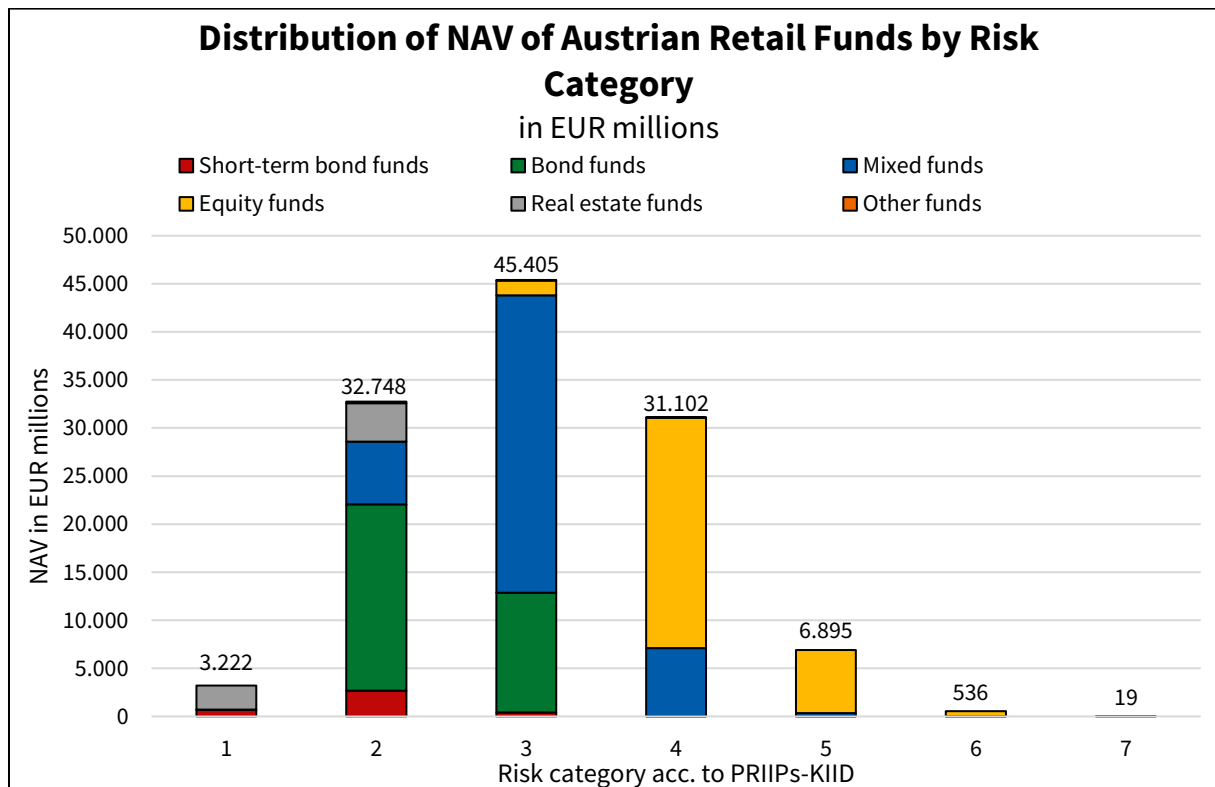


Figure 3: Distribution of Net Asset Value by Risk Category

Examining funds' risk class in conjunction with their fee structure shows that the level of risk classification correlates with the level of fund fees, particularly when looking at the ongoing management fees and the maximum entry charges. This does not apply unconditionally and depends on the fund's investment strategy and associated charges. This explains the higher values in risk category 1 from the most cost-intensive real estate funds.

Table 2: Overview of average fund fees by risk category

Austrian Retail Funds	NAV as of 31.12.2024	Quantity	Ongoing management fees in % (from PRIIPs-KID)	Max. entry costs in % (from PRIIPs-KID)	Transaction fees in % (from PRIIPs-KID)
Funds	in EUR mn		Average	Average	Average
1	3,222	10	0.86	2.96	0.30
2	32,748	251	0.76	2.68	0.19
3	45,405	383	1.18	3.71	0.11
4	31,102	290	1.35	4.12	0.15
5	6,895	46	1.59	4.56	0.11
6	536	7	1.93	4.52	0.16
7	19	1	0.37	0.47	0.02
Total	119,926	988	1.13	3.57	0.14

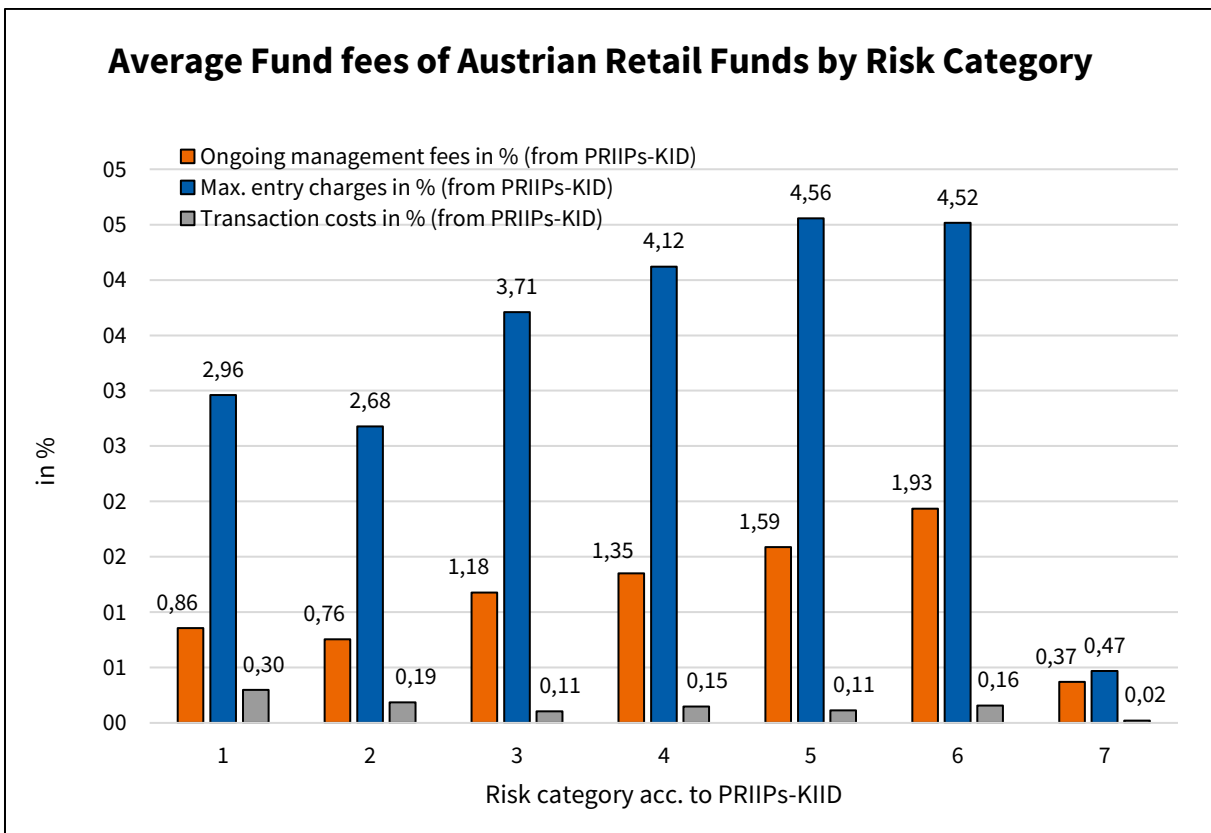


Figure 4: Average Fund Fees by Risk Category

2.3 ANNUAL FEE COMPARISON

FMA Market Studies on Fund Fees for Austrian Retail Funds have been published for several years, allowing analysis of aggregated fees in the Austrian fund market to identify potential changes over the years. Austrian retail funds have been required to prepare PRIIPs-KIDs since 2023. Differences in methodologies used in PRIIPs-KIDs compared with predecessor KIDs for funds mean the figures in this study are only comparable with editions published in the years prior to 2023. Regardless of that fact, there have only been marginal changes observed in recent years to the ongoing management fees (previously ongoing charges), with no discernible significant trends observable among the different investment strategies.

Minor changes on an aggregate level are necessarily attributable to changes in fee structure but may instead result from changes in the net asset value of groups of funds as a result of inflows or outflows of funds as well as changes in market value. Potential changes in the market structure of funds fees are only expected to become apparent following observations over a multi-year period.

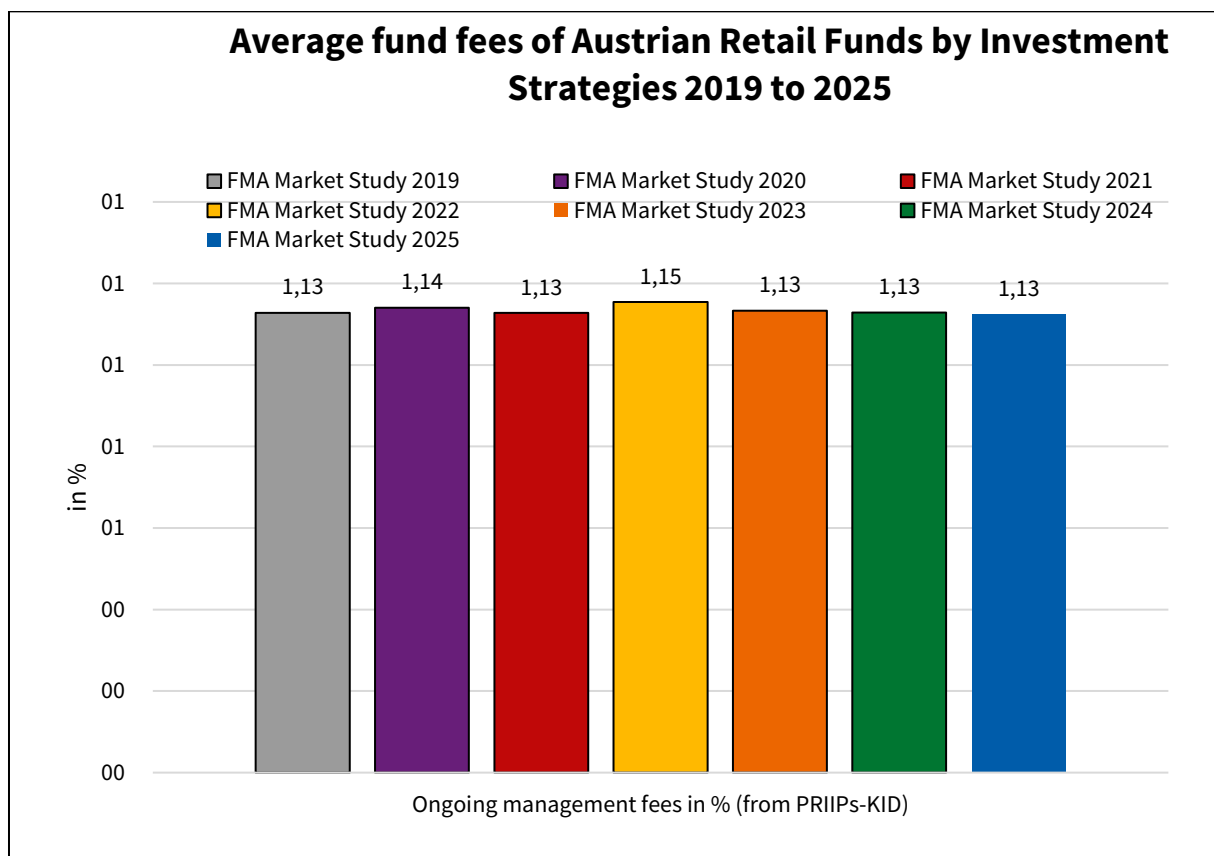


Figure 5: Year-by-year average fund fees

3 EXPLANATION OF SIGNIFICANT FIGURES STATED IN PRIIPS-KIDS

The significant figures contained in key information documents (PRIIPs-KIDs) that are particularly important for comparing retail funds relate to the description of the risk, costs, and the fund's potential performance. All this information must be stated in the key information document based on legally prescribed calculations.

3.1 RISK INDICATOR

A fund's risk is shown by a risk indicator ranging from 1 (low risk) to 7 (very high risk). A fund's market risk flows into the calculation of this risk indicator, i.e. the probability of losing money if market performance is unfavourable for the product. When calculating the risk indicator, it is assumed that the fund will be held until maturity (i.e. the recommended holding period). Additional risks may come into play if the fund is sold earlier. Similarly, the fund may display further risks that are not considered in the risk indicator (e.g. foreign exchange risks, liquidity risk) as a result of its design. There is a separate description of such risks in the key information document regarding the risk indicator presented in the section "What are the risks and what could I get in return?"

3.2 COSTS

The fund regulations must define the remuneration and reimbursement of costs that management companies are allowed to draw off from the fund assets, as well as the nature of the charges. Furthermore, the PRIIPS-KID must also state the fees charged by a fund. Fees are broken down into one-off entry and exit costs (also known as entry and exit charges for funds), ongoing charges within a single year, defined as the ongoing management charges and transaction fees, and any additional performance-dependent performance-related fees. It should be noted that the share classes of a fund (classes of fund units) may vary, especially regarding the use of proceeds, the currency in which units are denominated, and fund fees.

For calculating costs, fictitious initial investments of EUR 10,000 or a similar amount that can be divided by 1,000 where units are denominated in another currency, and the product's average performance (also known as the "balanced scenario"). Only estimated amounts are stated for the fees, and actual costs may differ from estimates. Ongoing charges are estimated based on the actual charges for the previous year. The FMA states total charges as percentages (stated as the percentage by which the costs reduce a product's potential performance).

It is important to highlight that the costs stated in PRIIPs-KIDs only depict product costs. Advice about or when selling the product or if the product is withdrawn prematurely may incur additional fees that were not considered in the total costs. Similarly, personal tax situations are also not considered.

3.3 PERFORMANCE SCENARIOS

A fund's potential performance is depicted in a key information document based on performance scenarios: a fund's future performance is uncertain, and therefore the key information document only provides estimates based on the fund's past performance or its underlying asset(s). Different scenarios are therefore applied, i.e. particularly unfavourable past performance (pessimistic scenario) or particularly favourable past performance (optimistic scenario) and are presented in addition to an average expected performance (balanced scenario) to nevertheless be able to provide a broad overview about potential performance. Additionally, details are also included for a stress scenario taking into account extremely unfavourable past performance.

The various scenarios therefore form potential ranges within which the fund's performance might be expected to move based on past experience. A fund's actual performance may differ from such scenarios depending on financial markets' current and future performance.

For calculating performance scenarios, as when calculating charges, fictitious initial investments of EUR 10,000 are used or similar amounts divisible by 1,000 in the case of units being denominated in another currency. The calculation is performed for the same holding period(s). Performance values are presented in the key information document in the currency in which the product is denominated and as percentages (as an annual average return) after deduction of incurred costs. This study focuses on the fees of funds rather than the performance scenarios.

4 STATISTICAL ANNEX

This statistical annex contains the results from the regression analysis for estimating the relevant influence factors regarding retail fund fees.

4.1 DESCRIPTION OF THE REGRESSION MODEL

A cost variable (ongoing fees according to the PRIIPs-KID) is estimated at the level of the unit category using a linear regression model by the following explanatory variables in order to identify significant influencing factors (p-value <0.05).

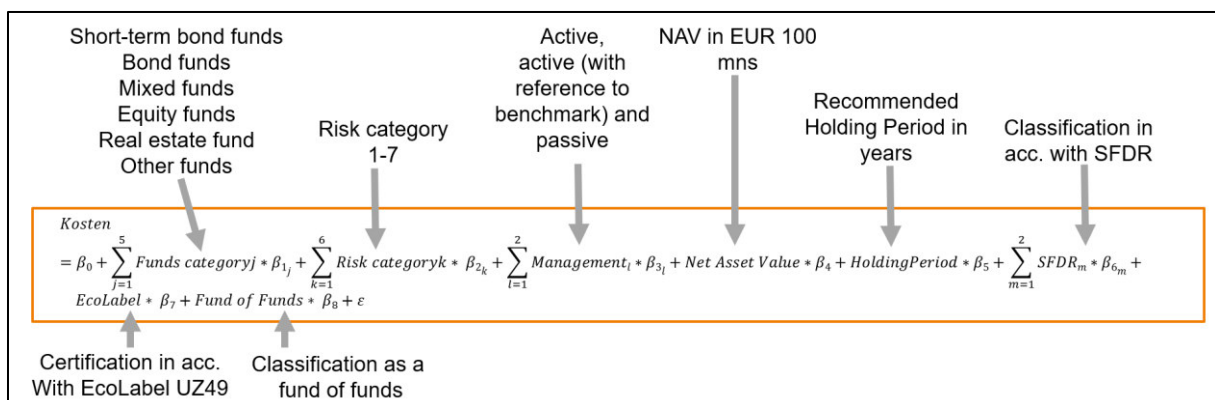


Figure 6: Regression model for ongoing charges

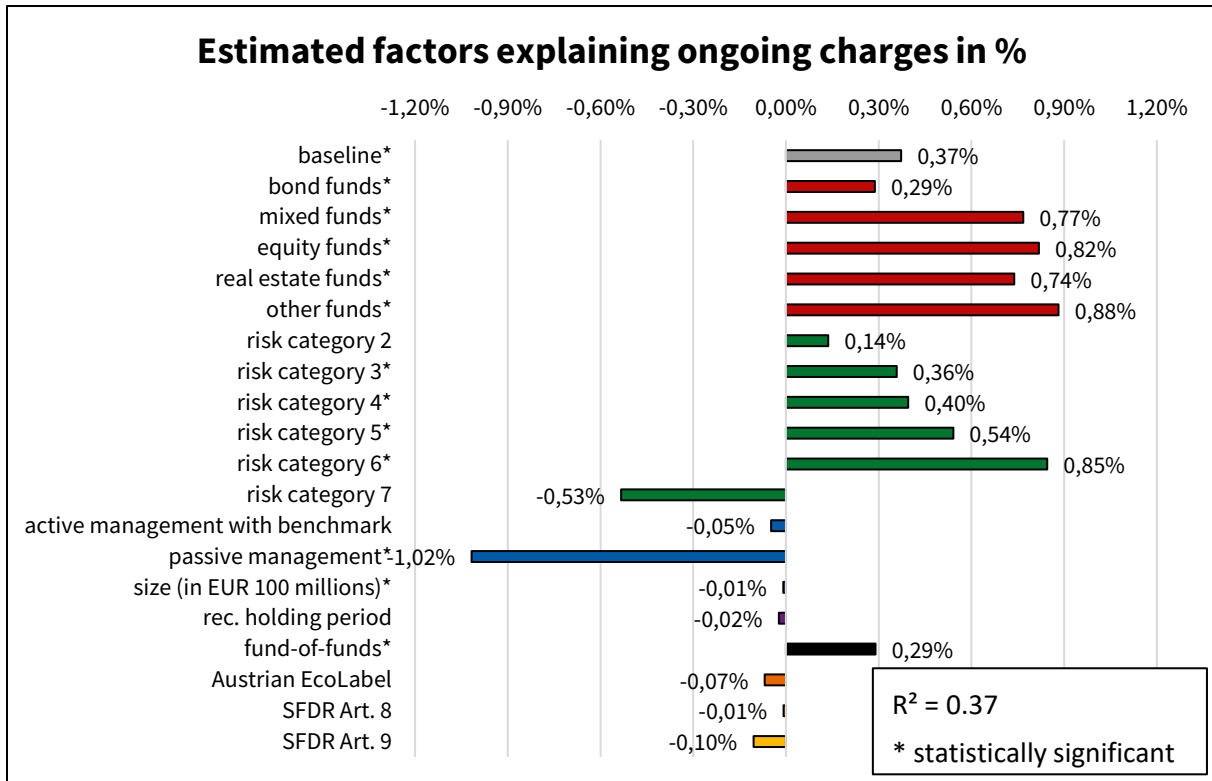


Figure 7: Estimated factors of the regression model for ongoing charges

The baseline refers to an actively managed short-term bond fund with a risk category of 1 is not a fund of funds and does not take sustainability factors into account. The estimated factors of the ongoing management fees must therefore be calculated additively in each case. For example, an active bond fund in risk category 3 has estimated average ongoing management fees of 1.02 %, an active equity fund in risk category 5 has estimated average ongoing management fees of 1.73 % or a passive equity fund in risk category 5 has estimated average ongoing management fees of 0.71 %. Funds of funds have statistically significantly higher management fees. The amount of NAV and the recommended holding period are also considered statistically significant factors, although there is only a low factor of influence. Out of all the retail funds, it should also be noted that there are only 84 funds actively managed against a benchmark, with a mere 3 passively managed funds, only one fund with risk category 7, and 13 funds acc. Article 9 SFDR, meaning that the results may not appear to be representative.

4.2 SUMMARY OF THE RESULTS

Results for estimating the relevant factors influencing the fees of retail funds (ongoing management fees) show that the risk category and investment strategies are the material statistically significant factors for explaining the level of fees. The higher the risk category of a fund, then the higher the fund's fees tend to be. This should not however be considered independently of the fund's investment strategy.

Regarding active versus passive management approaches, passive funds have significantly lower fees, although there are only active funds with a benchmark and a mere four passive funds out of all retail funds. In addition, EcoLabel 49 funds, as well as funds in accordance with Article 8 or 9 SFDR, that generally take into account sustainability factors, do not (still) have any statistically significant factor that explains the level of fees.⁹

⁹ In previous editions of the Study, the empirical results determined that the fees of Austrian sustainability funds were slightly lower (see the FMA market reports at <https://www.fma.gv.at/en/fees-charged-by-funds/>). These lower fees can now only be determined for EcoLabel 49 funds. Regarding the fees of sustainability funds, additional studies have been published by ESMA (ESMA Market Report, Costs and Performance of EU Retail Investment Products 2024), 2024, https://www.esma.europa.eu/sites/default/files/2025-01/ESMA50-524821-3525_ESMA_Market_Report_-_Costs_and_Performance_of_EU_Retail_Investment_Products.pdf) as well as the AMF on French funds (AMF, Analysis of the costs charged by French funds, 2024, https://www.amf-france.org/sites/institutionnel/files/private/2024-05/etude-analyse-des-frais_en.pdf) as well as the AMF risk and trend mapping, Costs and performance of funds incorporating a non-financial approach marketed in France between 2012 and 2018, 2021, https://www.amf-france.org/sites/default/files/private/2021-05/performance_isr_en.pdf).