

<b>Product Profile</b>	
<i>Fund name</i>	ADIG Fondak
<i>ISIN</i>	DE0008471012
<i>Investment universe</i>	German Equities (Mid and Large Caps)
<i>Benchmark</i>	DAX
<i>Base currency</i>	EUR
<i>Earnings</i>	Distribution
<i>Inception date</i>	30/10/1950
<i>Fund volume</i>	EUR 2435.7 m as of 28/02/2006
<i>Management Fee</i>	1.4% p.a. (since 11/2005)
<i>TER</i>	1.13% p.a.
<i>Fund manager</i>	Heidrun Heutzenröder
<i>Company</i>	COMINVEST Asset Management GmbH
<i>Internet</i>	www.cominvest-am.com
<b>Investor's Profile</b>	
<i>Investment horizon</i>	medium- to long-term
<i>Risk classification</i>	within the asset class equities: medium risk
<i>Return expectation</i>	investment objective: above average capital gains on invested stocks, i.e. outperformance of the fund
<i>Loss tolerance</i>	short-term losses possible

## TELOS Comment

The *ADIG Fondak* is a value-oriented equity fund with German stocks of middle and large capitalisation, essentially DAX and MDAX companies, as its investment universe.

The fund focuses on the selection of individual stocks (stock-picking). Since 2000, value aspects also enter the investment decision. The limited tracking error differentiates the fund from other products with similar approach.

The objective is to beat the performance of the DAX. To achieve that, the fund is aligned with its benchmark and, because of that, invests in almost all stocks of the DAX. On the other hand, there is currently an increased addition of stocks belonging to the MDAX. The overall risk structure of the portfolio is taken into account, whereas control is, above all, exercised through the tracking error.

Buy-side analysts conduct fundamental research covering the entire investment universe. This research is not primarily targeted at the specific investment strategy of the fund. Value-considerations are carried out by the fund management itself. They draw on ratios provided by quantitative researchers. The internal research quality is measured through (model) sector portfolios managed by the analysts.

Attribution analyses measure the contribution of stock selection.

The fund manager has responsibility for the fund since 1998 and has seen through its style adjustment. Her substitution is ensured by a co-manager for the fund and a further deputy. The majority of the research staff disposes of long-standing experience in the financial industry. The work of both teams is tightly integrated both in terms of content as well as location.

The benchmark was adjusted in May last years without changes to the investment process. Here, the DAX is taken for historical comparisons to ensure a consistent presentation. The fund has significantly beaten the performance of its benchmark since adopting a value-approach. The tracking error range has been widened, although it has been only partly exhausted. The Sharpe Ratio has seen a positive development due to falling volatility and rising markets.

The *ADIG Fondak* is a fund which satisfies very high quality standards and is managed by a very experienced team. The fund receives the evaluation **AA**.

## Investment Process

The *ADIG Fondak* is managed by *COMINVEST Asset Management GmbH* (COMINVEST) in Frankfurt, a subsidiary of *Commerzbank AG*, also located in Frankfurt. Two fund managers as well as a deputy, all from the German equity team, and eleven sector analysts in the equity fund management area are involved in the process. The fund manager, *Heidrun Heutzenröder*, is responsible for investment decisions.

The fund invests almost exclusively in German stocks of medium and large market capitalisation. The investment approach is oriented at the identification of undervalued stocks of companies with strong substance. Performance above benchmark is to be achieved by active risk management. The tracking error is limited to a predefined range.

The investment process can be characterised as a typical bottom-up approach derived from the value investment philosophy. In addition, data on the macroeconomic environment and capital market scenarios are analysed through a top-down approach and then evaluated in combination with different risk considerations.

For the investment universe value ratios (price-to-book ratio, dividend yield, price-to-earnings ratio) are provided by quantitative analysts, in general on

a monthly basis. Furthermore, the fund management analyses qualitative factors such as management, strategy and market position, while taking regional factors into account.

The sector analysts are responsible for relations with the management of each company. Their fundamental analyses and evaluations are based primarily on meetings with management-level representatives of these companies. The fund management regularly takes part in such meetings. Sell-side research is employed to gather information and to critically review internal research. The market view and recommendations of analysts are communicated mainly in daily morning meetings and in personal exchanges with the fund management.

The risk management systems of COMINVEST support the fund management in the portfolio construction and allow a continuous supervision of the risks taken.

Orders are entered in the front-office system by the fund manager and then routed to a specialised equity trading desk. There, five staff are responsible for implementing orders according to best-execution principles. Broker suggestions by the fund management are taken into account as far as they are in accordance with the broker list.

## Quality Management

The Risk- and Investment Controlling area, which is organisationally independent, is responsible for risk budgeting and control. Assisted by multi-asset-class risk management systems, the portfolio is subjected to a permanent risk control.

The fund's performance is calculated regularly and compared to a benchmark and a peer group. The performance contribution of different process components (sector allocation, security selection) can be identified by daily attribution analyses.

The research quality is monitored through (model) sector portfolios managed by the analysts. The evaluation of sell-side research enters into the broker selection.

The working group Fund Controlling Institutional is responsible for the monitoring of compliance with investment restrictions and other limitations. The price quality of brokers is also monitored continuously, the results play an important role in the regular review of the broker list.

## Team

The *ADIG Fondak* has been managed by *Heidrun Heutzenröder* since 1998, the co-manager of the fund has taken up his task in 2004. The equity team has been working together for many years. Its average investment experience is significantly longer than ten years. Almost all team members dispose

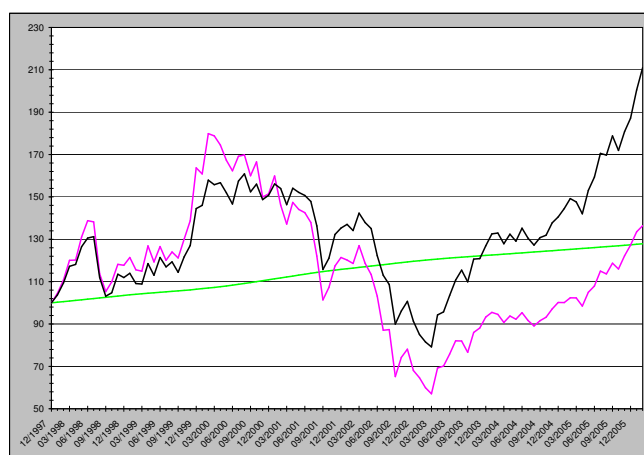
of academic degrees and the majority have additional qualifications such as CEFA or CFA. Apart from a base salary, employees receive a bonus payment which depends predominantly on performance of their (model) portfolios.

## Investment Characteristics

<i>Important external factors</i>	<i>Important control factors</i>
Liquidity	Asset selection
Economic environment	Asset weighting
Equity market (level)	Sector weighting
Short term interest rates (level)	Benchmark orientation
Sector development	–

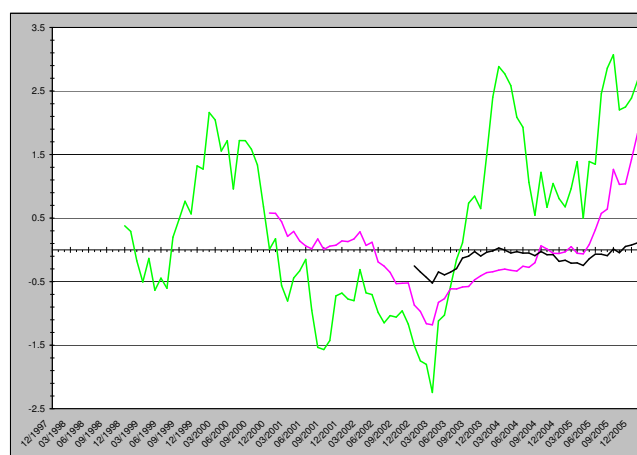
## Product History

### Performance



— Fund    — Benchmark    — Money Market

### Sharpe Ratio



— 1 Year    — 3 Years    — 5 Years

<b>Statistics as of 02/2006</b>	<b>1 Year</b>	<b>2 Years</b>	<b>3 Years</b>	<b>5 Years</b>	<b>7 Years</b>	<b>10 Years</b>
Performance (annualised)	41.41%	25.99%	37.30%	6.51%	9.88%	–
Volatility (annualised)	13.96%	12.88%	16.53%	21.28%	20.27%	–
Sharpe Ratio	2.81	1.86	2.13	0.18	0.34	–
Best monthly result	7.80%	7.80%	19.05%	19.05%	19.05%	–
Worst monthly result	-3.84%	-3.84%	-4.82%	-17.19%	-17.19%	–
Median of monthly results	4.64%	3.05%	3.39%	1.41%	1.34%	–
Best 12-month result		41.41%	63.05%	63.05%	63.05%	–
Worst 12-month result		7.23%	7.23%	-44.37%	-44.37%	–
Median of 12-month results		30.65%	30.33%	12.25%	10.23%	–
Maximum loss period	2 M	4 M	4 M	49 M	58 M	–
Maximum loss	-4.84%	-5.90%	-5.90%	-48.62%	-50.78%	–

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## Explanations

### TELOS Rating Scale

AAA	The fund complies with <i>highest</i> quality standards
AA	The fund complies with <i>very high</i> quality standards
A	The fund complies with <i>high</i> quality standards
N	The fund does currently <i>not</i> comply with the TELOS quality standards
+ / -	further differentiate within a rating level

The **Product Profile** contains general information on the fund, the investment firm, and the responsible fund manager.

The **Investor's Profile** enables the investor to quickly match his or her expectations with the "official" classification of the product by the investment firm.

The **TELOS Comment** section summarises the main insights of the rating and constitutes an important supplement to the rating grade. The subsequent sections contain descriptive information on the investment process, the quality management, and the responsible team.

The **Investment Characteristics** lists – from the point of view of the fund management – the most important external determinants influencing the performance of the fund, as well as the essential factors employed for its control.

The **Product History** presents – by means of graphs and tables – the development of the fund in comparison with the money market and a benchmark (where appropriate) in respect of performance and risk criteria. All calculations are based on month-end data. Fund data and benchmark data are provided by the investment firm.

The *performance* of the fund is calculated based on reinvested prices: profit distributions are being invested in new shares of the fund immediately. Thereby, the performance of distributing and non-distributing funds is mutually comparable. This approach corresponds to the "BVI method" of performance calculation, advocated by the association of the German investment fund industry.

If the fund management is guided by a *benchmark*, the performance of the latter is shown as well. Otherwise, a suitable comparative index is chosen for il-

lustration purposes – in agreement with the investment firm.

As a measure for the *money market*, the 1-month *LIBID* deposit rate in the fund's base currency is used, calculated via  $LIBID = LIBOR - 0.125\%$ . For periods before 1999, the respective DEM interest rates are used as a predecessor to EUR. Data source: British Bankers' Association; *LIBID(OR)* = London Interbank Bid (Offered) Rate.

The *Sharpe Ratio* provides information about the "excess return" of the fund with regard to a risk-free financial investment – here represented by the money market – as a proportion of the total risk taken:

$$\text{Sharpe Ratio} = \frac{\text{fund return} - \text{money market return}}{\text{fund volatility}}$$

The *volatility* employed here is the annualised standard deviation of the monthly returns.

The *median of monthly results* is characterised by the fact that half of all monthly returns occurring in the observed period are either at least or at most as large as this value. As a result, this measure is less sensitive to "outlier results" than, for instance, the mean (average) value of monthly returns.

In an analogous way, the *median of 12-month results* should be interpreted.

The *longest loss period* is the number of months needed by the fund in order to recover losses by reaching or exceeding a level that had been achieved previously in the period under consideration. If this level could not be reached again, the end of the period is decisive.

Accordingly, the *maximum loss amount* is the largest loss which the fund suffered in the period under consideration – starting from the highest value reached earlier during this period.

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