



Product Profile

<i>Fund Name</i>	cominvest Fondak P
<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>	3063.1 m as 30.09.2007
<i>Management Fee</i>	1.4% p.a.
<i>TER</i>	1.5% p.a.
<i>Fund Manager</i>	Heidrun Heutzenröder
<i>Company</i>	cominvest Asset Management GmbH
<i>Internet</i>	www.cominvest.de

Investor's Profile

<i>Investment horizon</i>	medium- to long-term
<i>Risk classification</i>	within the asset class equities: medium risk
<i>Return expectations</i>	investment objective: above average capital gains on invested stocks, i.e. outperformance
<i>Loss Tolerance</i>	short-term losses possible

TELOS Comment

The *cominvest Fondak* is a value-oriented equity fund with German stocks of medium 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 have also been considered in the investment decision. The limited tracking error differentiates the fund from other products with a similar approach.

By using a value-oriented approach the fund aims to outperform the benchmark without increasing thereby the total risk. To achieve that, the fund is aligned with its benchmark and, therefore, invests in nearly 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 had responsibility for the fund since 1998 and has seen through its style adjustment. Her absence cover is ensured by a co-manager for the fund and a further deputy. The majority of the research staff has many years of 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 year without changes to the investment process. In this report, the DAX is used for historical comparisons to ensure a consistent presentation. The fund has significantly outperformed its benchmark since adopting a value-approach. In the recent past, for example in the current calendar year, however an underperformance was achieved. According to the fund manager the underperformance of the fund this year was caused by the outperformance of the growth titles. The Sharpe Ratio has seen a positive development in the evaluation period.

The *cominvest Fondak* is rated **AA**.

Investment Process

The *cominvest Fondak* is managed by *cominvest Asset Management GmbH* 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 thirteen 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 and price or -earnings momentum) 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 monthly – if necessary also more

frequent – attribution analyses. 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 *cominvest Fondak* has been managed by *Heidrun Heutzenröder* since 1998, the co-manager of the fund has assumed 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 have

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	Asset selection

Product History

Monthly Returns

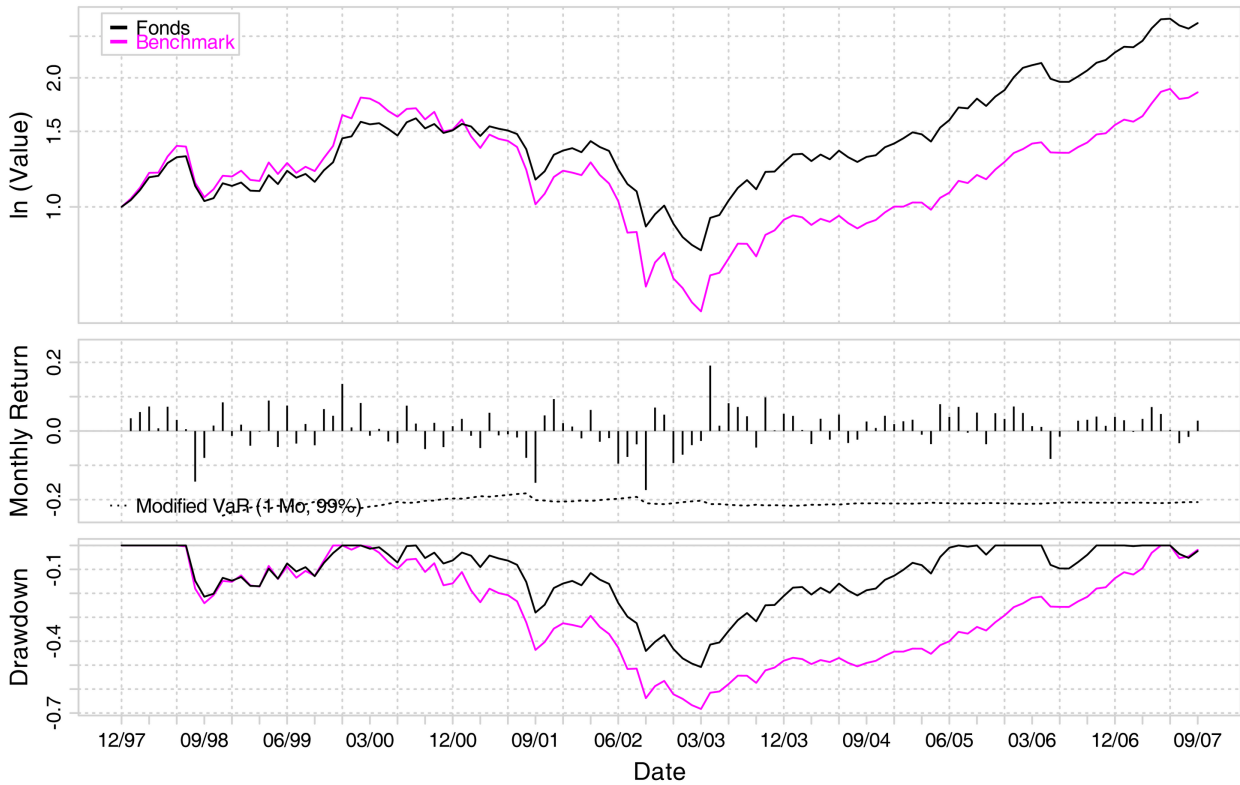
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Jan	3.7	1.8	1.0	3.5	1.3	-6.9	4.4	2.8	7.1	3.1
Feb	5.5	-4.3	8.2	-1.4	-2.1	-4.1	0.3	3.3	5.2	-0.3
Mar	7.1	-0.2	-1.4	-5.0	6.1	-2.9	-3.8	-1.1	1.4	3.5
Apr	0.8	8.9	0.6	5.3	-3.1	19.0	3.6	-3.8	1.2	7.0
May	7.1	-4.6	-3.0	-1.3	-2.1	1.5	-2.5	7.8	-8.1	4.9
Jun	3.2	7.4	-3.5	-1.0	-9.5	8.1	4.8	4.1	-1.6	0.3
Jul	0.5	-3.7	7.4	-1.9	-7.5	7.0	-3.5	7.0	0.0	-3.5
Aug	-14.7	2.0	2.1	-7.8	-3.9	4.3	-2.5	-0.5	3.0	-1.7
Sep	-7.8	-4.1	-5.3	-15.1	-17.2	-4.8	2.8	5.4	3.3	3.0
Oct	1.6	6.4	2.4	4.5	6.8	9.8	0.9	-3.8	4.2	-
Nov	8.3	4.4	-4.7	9.3	4.8	0.2	4.4	5.2	1.5	-
Dec	-1.4	13.7	1.4	2.3	-9.3	5.0	2.0	3.5	4.1	-
Fund	11.9	29.1	4.4	-10.3	-32.5	39.0	10.7	33.2	22.4	17.1
Benchmark	17.7	39.1	-7.5	-19.8	-43.9	37.1	7.3	27.1	22.0	19.2

<i>Statistics per end of Sep 07</i>	<i>1 year</i>	<i>2 years</i>	<i>3 years</i>	<i>5 years</i>	<i>7 years</i>	<i>10 years</i>
<i>Performance (annualised)</i>	28.92%	22.49%	27.06%	24.42%	8.41%	-
<i>Volatility (annualised)</i>	10.42%	12.62%	12.28%	16.51%	19.12%	-
<i>Sharpe-Ratio</i>	2.39	1.47	1.88	1.24	0.23	-
<i>Best monthly result</i>	6.97%	7.13%	7.80%	19.05%	19.05%	-
<i>Worst monthly result</i>	-3.55%	-8.13%	-8.13%	-9.31%	-17.19%	-
<i>Median of monthly results</i>	3.06%	3.00%	3.00%	2.91%	1.46%	-
<i>Best 12-month result</i>		40.37%	52.49%	63.04%	63.04%	-
<i>Worst 12 month result</i>		11.67%	11.67%	7.23%	-44.37%	-
<i>Median of 12-month results</i>		22.43%	29.24%	25.53%	17.83%	-
<i>Maximum loss period</i>	3 M	5 M	5 M	6 M	52 M	-
<i>Maximum loss</i>	-5.19%	-9.64%	-9.64%	-21.36%	-49.28%	-

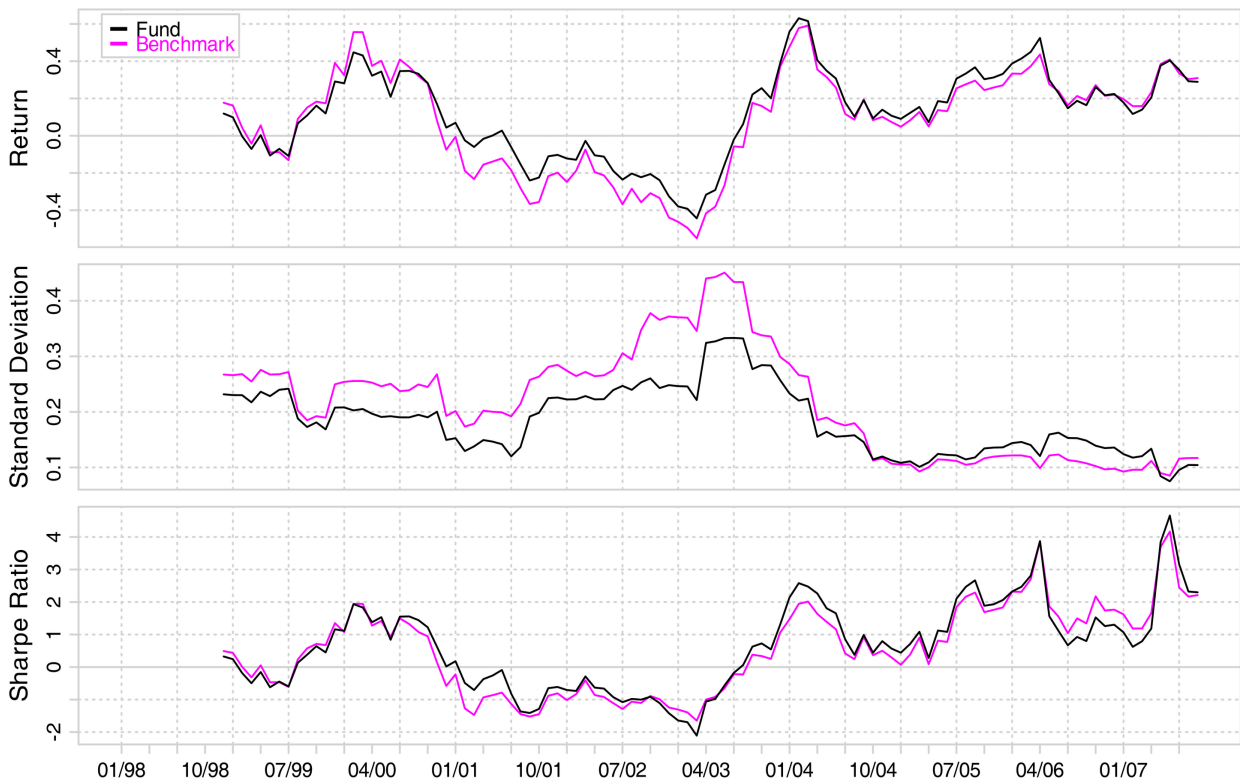
Fund vs. Benchmark (trailing 36 Months)

Jensen alpha	-0.00
Beta	1.05
R^2	0.86
Annualized Alpha	-0.00
Correlation	0.93
Tracking Error	0.01
Active Premium	0.01
Information Ratio	0.52
Treynor Ratio	0.21

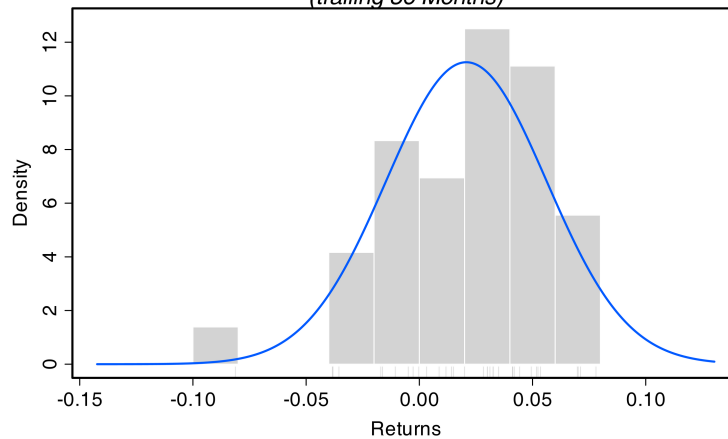
Performance



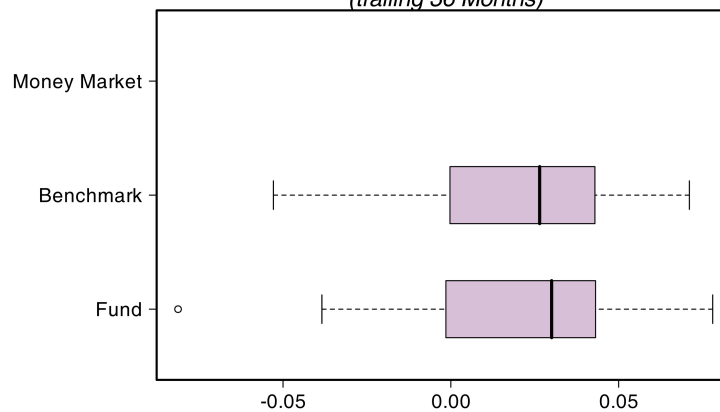
Rolling 12-Month Performance (annualised)



Histogram of monthly Returns
(trailing 36 Months)



Boxplot of monthly Returns
(trailing 36 Months)



Explanations

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 nondistributing 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 perform-



ance of the latter is shown as well. Otherwise, a suitable comparative index is chosen for illustration purposes – in agreement with the investment firm.

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. The risk free rate used in this report is 4%, and the *volatility* 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 used. 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.

Jensen Alpha measures the beta-risk-adjusted (cf. beta) outperformance of the fund versus the benchmark and is calculated using monthly returns. A pos-

itive value indicates the generation of added-value by the fund's management.

Beta is a measure of the fund's market risk exposure. A Beta larger (smaller) than one indicates that the fund will be more (less) volatile than the benchmark.

R^2 is the square of the correlation coefficient (cf. correlation). It is the measure of the quality of a linear fit on the fund's vs. the market's returns. It ranges between 0 (bad fit) and 1 (good fit).

Correlation is a measure of how the fund and the market move in relation to each other. Correlation ranges between -1 and +1. The extreme values i.e. -1/+1 indicate that the fund and the market always move in lockstep, for -1 in opposite directions, for +1 in the same direction. 0 indicates there is no clear relationship.

The *tracking error* is the standard deviation of differences between fund and benchmark returns. The lower the tracking error, the more closely the portfolio follows the index.

Active Premium or excess return measures the Out/Underperformance of a fund vs. its benchmark.

The *Information Ratio* is the active Premium divided by the tracking error. The higher the information ratio, the higher the active premium of the fund, given the same level of risk.

The *Treynor Ratio* is the active premium divided by beta. The Treynor ratio is a beta-risk-adjusted measure of excess return.

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