

Product Profile

<i>Fund name</i>	cominvest Fondak Europa P
<i>ISIN</i>	LU0257507052
<i>Investment universe</i>	European Equities (Large, Mid + Small Caps)
<i>Benchmark</i>	MSCI Europe Net Return
<i>Base currency</i>	EUR
<i>Earnings</i>	Distribution
<i>Inception date</i>	2006-09-12
<i>Fund volume</i>	EUR 298.72 m as of 2006-11-30
<i>Management Fee</i>	1.65% p.a. (plus performance fee of 20% of performance above benchmark)
<i>TER</i>	n.a.
<i>Fund manager</i>	Christoph Berger
<i>Company</i>	cominvest Asset Management S.A.
<i>Internet</i>	www.cominvest-am.de

Investor's Profile

<i>Investment horizon</i>	medium- to long-term (5-7 years)
<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 are possible

TELOS Comment

The *cominvest Fondak Europa* is a value-orientated equity fund that invests in the shares of European companies irrespective of their market capitalisation, with the focus on stock-picking. The fund construction approach is similar to that of the ADIG Fondak fund, which is managed by the same team. The performance index MSCI Europe Net Return, which covers a broad range of European equities, serves as performance benchmark, in line with the investment approach of the fund. Investment decisions are made without reference to the benchmark. Portfolio construction is based on a typical bottom-up approach, under which securities that meet traditional value criteria are initially identified using a quantitative filter. However, some investment proposals come from the frequent direct corporate contacts of the research team and fund managers. Securities that the fund management classifies as high net worth stocks are then analysed on the basis of qualitative criteria. A large proportion of the rather broad investment universe is regularly analysed by the internal research team. If a company is being considered for potential investment but is not regularly monitored, analysis is intensified. In some cases, the results of external research are also examined. Portfolio securities for which dynamic price

targets exist are weighted on the basis of the fund managers' views of their risk/reward profile. Fund exposures are assessed with the aid of accepted risk models and during portfolio diagnosis. No limits are set in relation to maximum country or sector weightings. Risk management is predominantly applied at the level of individual securities and via tracking error, which may be up to 7.5% on the basis of ex ante analysis.

The fund manager has many years of investment experience. He also co-manages the ADIG Fondak fund. Most members of the research team have extensive experience in the financial sector. The work of the fund management and the research team is tightly integrated in terms of both content and location.

Since no historical figures are available for the fund, no substantive statements can be made in relation to its performance and other ratios. If the fund outperforms its benchmark, a performance fee of 20% of the difference between the fund's and the benchmark's performance will be levied in addition to the management fee (no high water mark).

Due in particular to the experience of the team and the extensive internal research, the *cominvest Fondak Europa* receives the evaluation **AA**.

Investment Process

The *cominvest Fondak Europa* is managed by *cominvest Asset Management GmbH (cominvest)* in Frankfurt, a subsidiary of Commerzbank AG. Three fund managers from the European Equities team, along with twelve sector analysts, are involved in the investment process. The fund manager, Christoph Berger, is ultimately responsible for the investment decisions.

The fund invests in 80 to 120 shares of companies, irrespective of their market capitalisation, that are registered in European countries classified by MSCI as developed markets. The investment spectrum covers around 900 securities.

The objective is to outperform the benchmark, although the composition of the fund is not benchmark-oriented. The tracking error is monitored and may not exceed 7.5% on the basis of ex ante analysis. Derivatives are used to generate additional income or to establish selective exposure to individual securities. The exposure in this respect may not exceed 15% of the fund volume. Currency exposures are assessed at individual stock level and are hedged where appropriate. The investment process involves identifying undervalued shares of high net worth companies and adopts a typical bottom-up approach that is derived from the value-investment philosophy. Additionally, data on the macroeconomic environment and capital market scenarios are analysed using a top-down approach. However, no selective sector, country or currency allocation is sought.

Quality Management

The independent Risk and Investment Controlling unit is responsible for risk budgeting and control. The portfolio is subject to continuous risk control using multi-asset class risk management systems. Furthermore, the fund's performance is calculated and compared to the benchmark and to a peer group. Contributions to performance by individual fund components are identified in a daily attribution analysis. Various ratios and factor risks at portfolio level are examined during fund diagnosis.

Team

The *cominvest Fondak Europa* fund has been managed by *Christoph Berger* since its launch in September 2006. The Equity team has been working together for many years, and the average investment experience of the team members is well over

The majority of the investment proposals derive from a filtering process undertaken by quantitative analysts, under which the investment universe is selected using traditional value criteria such as PER and dividend yield. Other investment proposals originate from direct corporate contacts. The next stage in relation to companies that are classified as high net worth involves the analysis of qualitative factors such as management, strategy and market position. Fundamental analysis is primarily based on meetings between sector analysts and the corporate management, which are regularly attended by the fund management. As a result, a proportion of the investment spectrum is the subject of regular monitoring by analysts. The depth and frequency of analysis of the remaining holdings may be increased as necessary. The fund managers draw upon external research in order to gain information and subject their own assessments to closer scrutiny. The weightings of the portfolio securities are based on the risk/reward profile assigned to the individual securities by the fund managers.

cominvest's risk management systems assist the fund management during portfolio construction and enable ongoing monitoring of exposures.

The fund manager enters orders in the front-office system, from where they are routed to a specialist equity trading desk, where five staff members are responsible for their execution according to best execution principles.

Research quality is monitored by the sector portfolios managed by the analysts. Investment Controlling in Luxembourg is responsible for monitoring compliance with investment restrictions and other limitations. Brokers' prices are also monitored and are taken into consideration in the regular review of broker lists.

ten years. Almost all team members hold academic qualifications and the majority hold additional qualifications such as CEFA or CFA.

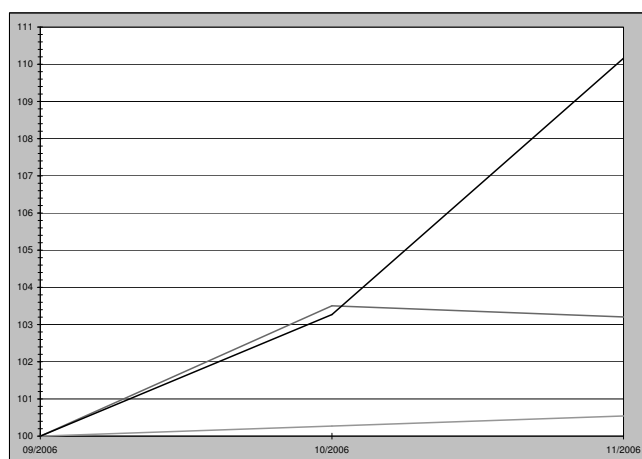
They each receive a performance-related bonus in addition to their basic salary.

Investment Characteristics

<i>Important external factors</i>	<i>Important control factors</i>
Single securities	Asset selection
Equity market (Level)	Sector weighting
Sector development	Country allocation
Economic environment	–
Country risk	–

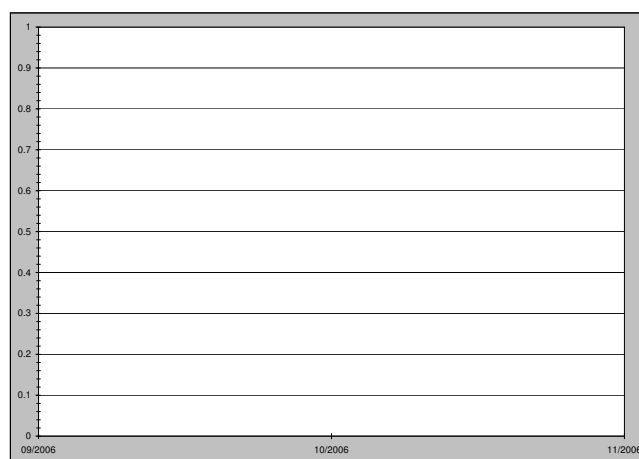
Product History

Performance



— Fund — Benchmark — Money Market

Sharpe Ratio



— 1 Year

<i>Statistics as at the end of 11/2006</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>
Performance (annualised)	–	–	–	–	–	–
Volatility (annualised)	–	–	–	–	–	–
Sharpe Ratio	–	–	–	–	–	–
Best monthly result	–	–	–	–	–	–
Worst monthly result	–	–	–	–	–	–
Median of monthly results	–	–	–	–	–	–
Best 12-month result	–	–	–	–	–	–
Worst 12-month result	–	–	–	–	–	–
Median of 12-month results	–	–	–	–	–	–
Maximum loss period	–	–	–	–	–	–
Maximum loss	–	–	–	–	–	–

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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:

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

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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