



AA-
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cominvest
Fondak Europa

Product Profile

Fund Name	cominvest Fondak Europa P
ISIN	LU0257507052
Investment universe	European Equities (Large, Mid + Small Caps)
Benchmark	MSCI Europe Net Return U\$, converted to euro
Base Currency	EUR
Earnings	Distribution
Inception date	12/09/2006
Fund Volume	Euro 165.39m as 31. Januar 2009
Management Fee	1.65 % + Performance Fee (20% of outperformance above benchmark)
TER	1.94 p.a. (retail)
Fund Manager	Christoph Berger
Company	cominvest Asset Management S.A.
Internet	www.cominvest.de

Investor's Profile

Investment horizon	medium- to long-term (5-7 years)
Risk classification	within the asset class equities: medium risk
Return expectations	investment objective: above average capital gains on invested stocks, i.e. outperformance of the fund
Loss Tolerance	short-term losses are possible

TELOS Comment

The *cominvest Fondak Europa* is a value-oriented 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 *cominvest 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. 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 (e.g. Price-Earnings-Ratio, Price-Book Value, dividend yield) are initially identified using a quantitative filter. Thereby, the focus is on the risk/return profile of the individual securities. Subsequent to the quantitative pre-selection, securities that the fund management classifies as high net worth stocks are analysed on the basis of qualitative criteria such as quality of management and the position of the company compared to competitors. To avoid investments in companies whose balance sheets may have been subject to window-dressing with regard to certain key ratios the fund management scrutinizes the validity of these numbers. Due to the turbulence of the financial markets in the recent past the verification of the accounting ratios has become even more important for the fund managers.

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 using 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. Currently the number of stocks in the portfolio is slightly below the intended target range of 80-120 securities. The fund manager has many years of investment experience. He also co-manages the *cominvest 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.

The fund has underperformed its benchmark since inception. Thus, to date the target return has not been achieved. The Sharpe ratio is negative.

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



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Investment Process

The *cominvest Fondak Europa* is managed by *cominvest Asset Management GmbH* in Frankfurt which belongs to the *Allianz Global Investors Deutschland GmbH* since 12th January 2009. So far the change in ownership of *cominvest Asset Management* has had no impact on the investment process of the *cominvest Fondak Europa*. Three fund managers from the European Equities Group, along with fourteen 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. 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 (covered call writing and short put strategy) or to establish selective exposure to individual securities. 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 ap-

proach. However, no selective sector, country or currency allocation is sought. The majority of the investment proposals derives from a quantitative filtering process undertaken by the analysts, under which the investment universe is selected using traditional value criteria such as Price-Earnings-Ratio 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 (~300) 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. The fund manager enters orders in to 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.

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 subsequently compared to the benchmark and to a peer group. Contributions to performance by individual fund components are identified periodically in an attribution analysis. Various ratios and factor

risks at portfolio level are examined during fund diagnosis. 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.

Team

The *cominvest Fondak Europa* fund has been managed by Christoph Berger since its launch in September 2006. The Co-fundmanager Heidrun Heutzenroeder is responsible for the Germany part in the portfolio. In addition, the Great Britain expert Theo Kempf is also in the team.

The Equity team has been working together for many years, and the average investment experience of the team members is significantly longer than ten years. Almost all team members have academic qualifications and the majority have additional qualifications such as CEFA or CFA.



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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

Monthly Returns

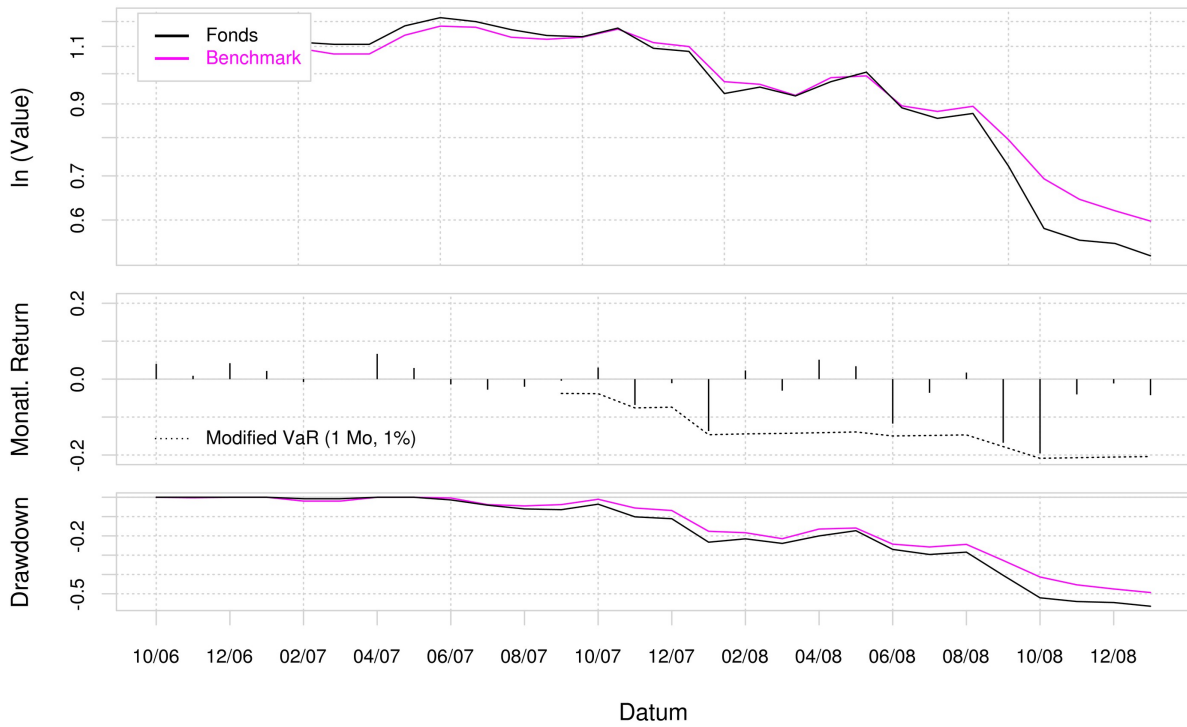
	2006	2007	2008	2009
Jan	-	2.1	-13.7	-4.2
Feb	-	-0.8	2.3	-
Mar	-	0.0	-3.0	-
Apr	-	6.6	5.1	-
May	-	2.9	3.4	-
Jun	-	-1.4	-11.7	-
Jul	-	-2.8	-3.6	-
Aug	-	-2.0	1.7	-
Sep	-	-0.4	-16.8	-
Oct	4.0	3.0	-19.6	-
Nov	0.9	-6.8	-4.0	-
Dec	4.2	-1.1	-1.1	-
Fonds	9.3	-1.1	-48.9	-4.2
Benchmark	7.1	2.7	-43.6	-3.5

<i>Statistics per end of Jan 09</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>	-43.25%	-31.13%	-	-	-	-
<i>Volatility (annualised)</i>	27.30%	23.11%	-	-	-	-
<i>Sharpe-Ratio</i>	-1.73	-1.52	-	-	-	-
<i>Best monthly result</i>	5.11%	6.65%	-	-	-	-
<i>Worst monthly result</i>	-19.57%	-19.57%	-	-	-	-
<i>Median of monthly results</i>	-3.32%	-1.25%	-	-	-	-
<i>Best 12-month result</i>		-13.88%	-	-	-	-
<i>Worst 12 month result</i>		-50.31%	-	-	-	-
<i>Median of 12-month results</i>		-26.00%	-	-	-	-
<i>Maximum loss period</i>	8 M	20 M	-	-	-	-
<i>Maximum loss</i>	-47.34%	-56.46%	-	-	-	-

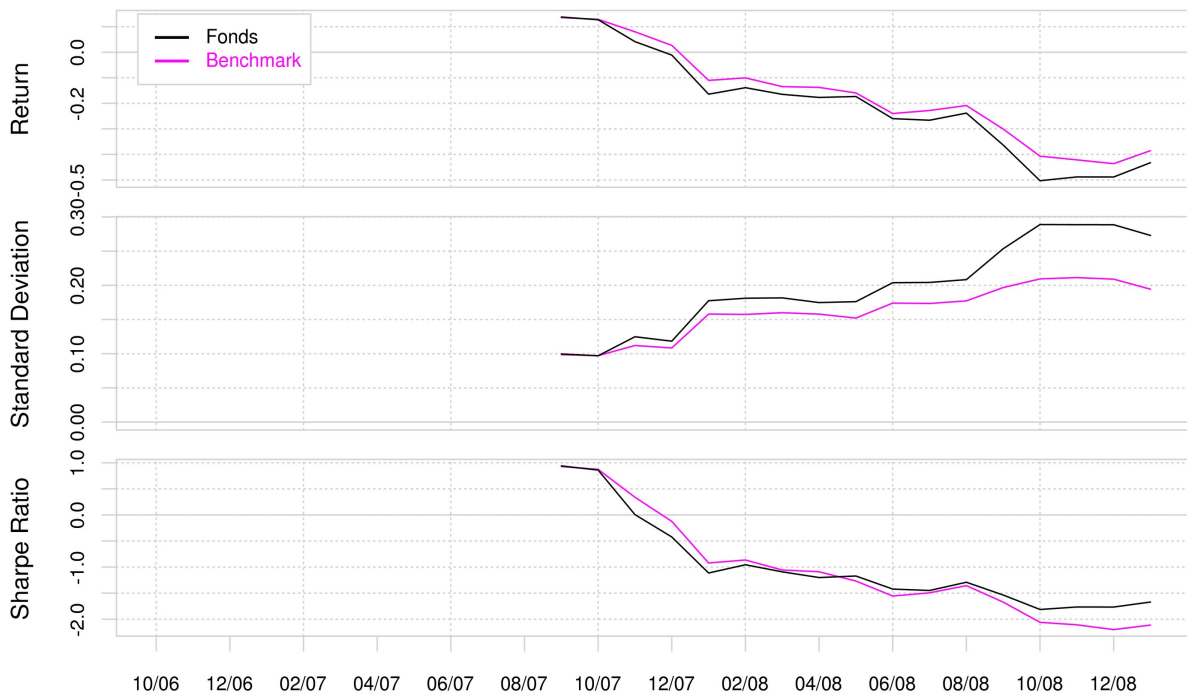
Fund vs. Benchmark (letzte 24 Monate)

Jensen alpha	0.00
Beta	1.21
R^2	0.90
Annualized Alpha	0.01
Correlation	0.95
Tracking Error	0.08
Active Premium	-0.05
Information Ratio	-0.59
Treynor Ratio	-0.28

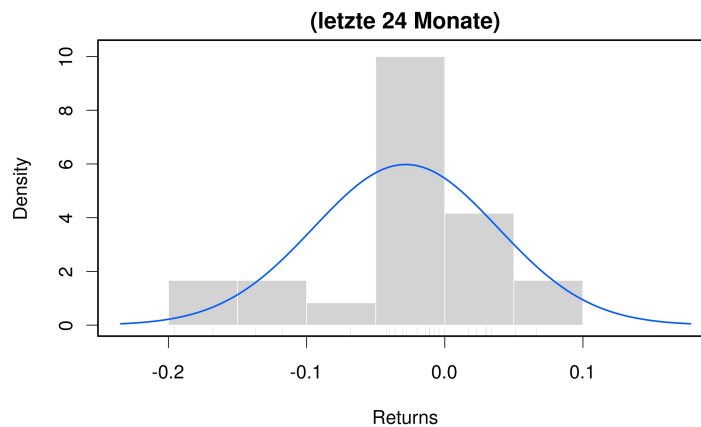
Performance



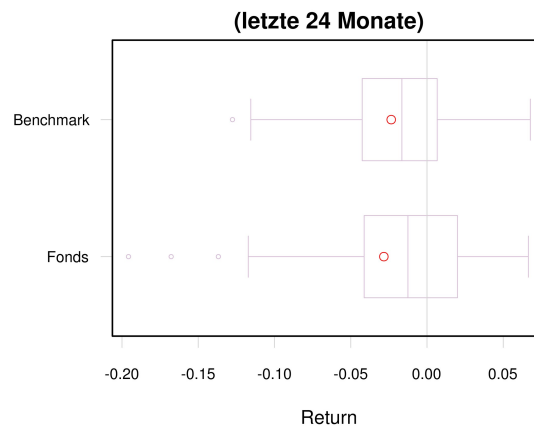
Rollierende 12-Monats-Performance (annualisiert)



Histogramm der monatlichen Returns



Boxplot der monatlichen Returns



Explanations

TELOS Rating Scale

- AAA The fund complies with highest quality standards
- AA The fund complies with very high quality standards
- A The fund complies with high quality standards
- N The fund does currently not 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



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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 performance 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 positive 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 return in excess of the riskfree rate, divided by beta. The Treynor ratio is a beta-risk-adjusted measure of outperformance vs the riskfree rate.

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