



Product Profile

<i>Fund Name</i>	cominvest Zertifikate Stars P
<i>ISIN</i>	LU0257887884
<i>Investment universe</i>	Certificates on European securities
<i>Benchmark</i>	Dow Jones EuroStoxx 50 PR
<i>Base Currency</i>	EUR
<i>Earnings</i>	Accumulation
<i>Inception date</i>	25. Okt. 2006
<i>Fund Volume</i>	50.17 EUR m per 31. Mrz. 2007
<i>Management Fee</i>	1.15% p.a. + 15% of outperformance vs benchmark
<i>TER</i>	TER not available yet
<i>Fund Manager</i>	René Reißhauer
<i>Company</i>	cominvest Asset Management GmbH
<i>Internet</i>	www.cominvest.de

Investor's Profile

<i>Investment horizon</i>	medium- to long-term (3 years)
<i>Risk classification</i>	high
<i>Return expectations</i>	outperformance vs benchmark
<i>Loss Tolerance</i>	losses are possible

TELOS Comment

cominvest *Zertifikate Stars* is an innovative fund offering opportunity-orientated investors the possibility to acquire a diversified certificate investment in a single product.

The aim of *Zertifikate Stars* is to outperform the European equity index DJ Euro Stoxx 50 during all market phases, i.e. irrespective of whether the market is rising, falling or flat. To achieve this, the fund seeks out active over/underweighting in relation to individual stocks on the DJ Euro Stoxx 50 and implements such over/underweighting via certificate investments. The certificates it uses are in particular those that, in structural terms, have lower anticipated volatility than the individual securities. The fund is currently using, amongst others, bonus, discount and index certificates. It also invests to a lesser extent directly in equities, and in derivatives such as futures and options.

Since no historical figures are available for the fund, no conclusive statements can be made in relation to its performance and other ratios.

If the fund outperforms its benchmark, a performance fee of 15% of the difference between the fund's performance and the benchmark will be levied in addition to the management fee. This means that the *Zertifikate Stars* fund does not apply the high water mark principle that is partly seen in other funds.

High water mark means that the performance fee is only levied if the fund's historical high is exceeded.

There are two alternatives of the benchmark index DJ Euro Stoxx 50, the performance index and the price index. As usual in relation to certificates, the performance index rather than the price index has been selected for *Zertifikate Stars*, so that the investor will pay a performance fee even if the fund manager has only outperformed the price index.

Risk is intended to be lower than that of the benchmark. Leverage is restricted to 120%. The frequency of reallocation is commensurate with the investment horizon. The average residual term of the certificates currently stands at 6 months.

To achieve its objectives, the *Zertifikate Stars* fund combines the skills of the Financial Engineering, Structured Products and Equity Research Units and those of its external partner Commerzbank ZCM. The fact that these units collaborate within the fund is a reflection of the innovative character of this fund. It is also noteworthy that there is a highly structured division of responsibilities between these individual units.

Not least due to the combination and exploitation of the expertise available within cominvest and its parent company, the cominvest *Zertifikate Stars* fund is rated AA.



AA
04/2007

cominvest
Zertifikate Stars

Investment Process

Zertifikate Stars is managed by *cominvest Asset Management GmbH* in Frankfurt, a subsidiary of *Commerzbank AG*, also located in Frankfurt. Three fund managers from the Financial Engineering Team and 12 sector analysts from the European Equities Team are involved in the investment process. A further four staff from the Certificates Unit (ZCM) at *Commerzbank AG*, who are able to contribute their expertise in the field of certificates, are also involved. The fund manager *René Reißhauer* has overall responsibility for investment decisions.

At least two thirds of the fund assets must be invested in certificates, with all tradable certificates related to underlying securities that are listed on the Euro STOXX 50 being allowed. A maximum of 10% of the assets may be invested in certificates issued by *Commerzbank*.

The objective is to achieve a consistently higher return than a traditional equity investment, irrespective of the state of the market. Volatility shall be kept as low as possible through adequate diversification. To achieve this, there is broad allocation across a range of asset classes, issuers, underlying securities and maturities. The benchmark is the DJ Euro Stoxx 50 Index PR. Portfolio construction is based on a two-stage process. During the first stage, the fund managers identify the potential underlying

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 measured and compared to the benchmark and a peer group. Performance contributions are calculated during

Team

Since its launch in October 2006, the fund has been managed by *René Reißhauer*, who has been responsible for structured product investments within the company's Financial Engineering Team since 2001.

Almost all the staff involved in the investment pro-

cesses, from both *cominvest* and *Commerzbank*, have many years of investment experience. All the team members hold academic degrees and most of them also have relevant additional qualifications such as CEFA. They each receive a performance-related bonus in addition to their basic salary.

securities for a certificate investment. To do so, they use analyses by the Equities Team, which incorporate amongst other things quantitative filter processes, fundamental and technical aspects, along with quality aspects and direct corporate contacts. Details of the selected stocks and the fund management assessments of their price trends are communicated to the members of the ZCM Team by e-mail. The ZCM Team uses this information to define what they believe to be the optimum certificate, for which all certificates available on German stock exchanges are subsequently screened. If no suitable product is available, it is normally synthesized by combining an equity investment and alternative derivative investment, or else a suitable certificate is issued.

The portfolio holdings are weighted using the risk/reward ratio assigned to the individual securities by the fund managers.

Market activity, the underlying securities and the performance of the certificates held in the portfolio are monitored continuously. Investment and disposal decisions are flexible, and are taken when deemed necessary and in order to promote growth.

The resulting orders are recorded in the front office and forwarded to a specialist trading desk, where they are executed on the basis of a best execution policy.

daily attribution analysis. Specially set-up committees also monitor performance and risk.

Investment Controlling in Luxembourg is responsible for monitoring compliance with investment restrictions and other limitations. Brokers' prices are also closely monitored and are taken into consideration in the regular review of broker lists.

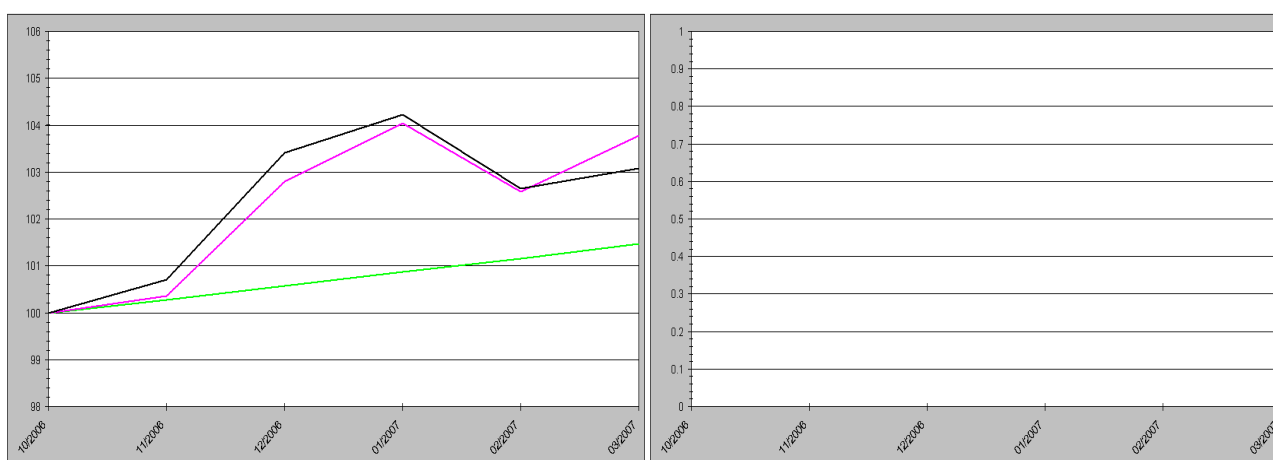
Investment Characteristics

<i>Important external factors</i>	<i>Important control factors</i>
Equity market (level)	Asset selection
Equity market (volatility)	Asset weighting
Economic environment	Maturity allocation
Liquidity	Credit-worthiness
Sector development	Sector weighting

Product History

Performance

Sharpe-Ratio



— Fund — Benchmark — Money Market — 1 year — 3 years — 5 years

<i>Statistics per end of 03/2007</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>	—	—	—	—	—	—
<i>Volatility (annualised)</i>	—	—	—	—	—	—
<i>Sharpe-Ratio</i>	—	—	—	—	—	—
<i>Best monthly result</i>	—	—	—	—	—	—
<i>Worst monthly result</i>	—	—	—	—	—	—
<i>Median of monthly results</i>	—	—	—	—	—	—
<i>Best 12-month result</i>	—	—	—	—	—	—
<i>Worst 12 month result</i>	—	—	—	—	—	—
<i>Median of 12-month results</i>	—	—	—	—	—	—
<i>Maximum loss period</i>	—	—	—	—	—	—
<i>Maximum loss</i>	—	—	—	—	—	—

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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 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.

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 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.

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