



FRANKFURT PERFORMANCE
MANAGEMENT AG

PRESS RELEASE

FPM establishes second strategic pillar

Frankfurt fund boutique, together with DWS, launches Germany's first "SICAV", expanding FPM's investment style by adding derivatives

Frankfurt am Main, Germany, 29 September 2008

FPM Frankfurt Performance Management AG is widening its range of activities: In addition to the successful fundamental-analysis-based advice, the fund boutique will now also offer investment in derivatives. TOP 25 S, as FPM's first fund of this kind, is different not only because its investment strategy represents a departure from the company's existing philosophy – it is also the first retail fund in Germany with outside management to be launched within the legal form of an "Investmentaktiengesellschaft", or investment fund corporation.

This "InvestmentAG" serves as the parent company of the fund. The fund, Top 25 S, is thus effectively a sub-fund of the InvestmentAG (such a sub-fund is technically referred to in German legislation as a "Teilgesellschaftsvermögen", or "sub-pool of assets"). The legal form of the investment fund corporation is the equivalent of Luxembourg's SICAV and is now permitted in Germany since the amendment of the Investment Act at the end of 2007. Like its Luxembourg counterpart, the InvestmentAG allows the rapid, efficient creation of additional sub-funds. "The launch of Germany's first InvestmentAG highlights the fact that the expansion of the Investment Act to allow investment fund corporations with third-party management was a necessary and appropriate step forward. The new product will greatly enhance Germany's strength as a financial centre," says Rüdiger H. Päsler, managing director of BVI, the German fund industry association.

With TOP 25 S, FPM continues to focus on German equities, but uses an approach to stock selection that breaks new ground for the fund advisory firm. Instead of a single fund manager, a team of five analysts systematically selects the 25 most promising German companies. A systematic stop-loss mechanism limits possible share price losses.

Additional opportunities are unlocked through the derivatives strategy. For example, when the team expects a market recovery, it amplifies the upside potential through option positions to generate higher returns. In the case of declining share prices, the risks are hedged accordingly. The basis for the portfolio managers' decisions is the historical market behaviour of the DAX[®], as well as the FPM Market Indicator, which measures business sentiment at regular intervals. This reduces the investment horizon to twelve months or less.

The objective of the new derivative strategy is to achieve a significant outperformance. TOP 25 S is thus more opportunity-oriented than the existing FPM products, which generally follow a long-term, benchmark-independent investment strategy. It is designed for institutional clients, such as asset managers and family offices, but is also open to experienced retail investors.

In TOP 25 S, FPM is installing a second strategic pillar on an equal footing with the existing investment approach. “Our intention with this new initiative is not only to enhance performance, but also to expand our investor base,” comments FPM co-founder Manfred Piontke. The administrative management of TOP 25 S is provided by DWS, the leading German fund provider and long-standing FPM partner. Since FPM’s founding in 2000, DWS has been managing the boutique’s three existing funds: FPM Funds Stockpicker Germany Large Cap, FPM Funds Stockpicker Germany Small/Mid Cap and FPM Funds Stockpicker Germany All Cap.

ABOUT FPM FRANKFURT PERFORMANCE MANAGEMENT AG

FPM Frankfurt Performance Management AG was formed in 2000 by fund managers Manfred Piontke and Martin Wirth. As a specialist, the company focuses exclusively on the German stock market, advising funds and institutional investors on their equity investments in Germany. Assets under management are currently about EUR 300 million.

PRESS CONTACT

FPM Frankfurt Performance Management AG
Freiherr-vom-Stein-Strasse 11
60323 Frankfurt am Main
www.fpm-ag.de

Markus Dahlheimer
Member of the Management Board
Telephone: +49 (69) 79 58 86 13
Fax: +49 (69) 79 58 86 14
E-mail: markus.dahlheimer@fpm-ag.de