

FINANCIAL FIX: INFRAX INFRASTRUCTURE TRACKER CERTIFICATE



Performance as of 8.01.2007, Source: Berenberg Private Capital,

Focus: The Infrax certificate tracks 1:1 (excluding management fees) the performance of its underlying - the Infrax Index. Infrax is a performance index (all income from dividend and bonus payments is reinvested), structured by Berenberg Private Capital and Goldman Sachs to reflect the potential* in the global infrastructure sector. (*2003 World Bank Study). The Infrax Index portfolio represents the performance of the 50 largest and most liquid companies in the - energy (30%), transport (40%), water and waste management (10%) and construction (20%) - sectors.

Strengths: The open-ended certificate enables participation in the high-potential global infrastructure sector. Index constituents are chosen using a proprietary model and from the 200 eligible stocks universe; each index constituent is equally weighted - ensures diversification; sector as opposed to stock focus - but still captures the full performance potential of each stock

Weaknesses: underlying bears a high correlation to the MSCI World - EUR; restricted universe - each index constituent must have an avg. daily stock market turnover of at least USD10mn. Passive underlying - the index is rebalanced only once yearly

Opportunities: The infrastructure sector has to keep abreast with a growing global population and meet its logistical and resource needs. Scope for other structured, wrapper products using the index as an underlying

Threats: Proprietary model's sector weights set according to* World Bank Study - an unexpected change in the findings could impact performance; not immune to currency fluctuations (50% of the portfolio is invested in EURs)

Risk (as applicable to the underlying)

□ = low □ = low/moderate □ = moderate □ = moderate to high □ = high

- Diversification achieved by the Infrax Index:

Geographic

□ □ □ □ □

Sector

□ □ □ □ □

Stock

□ □ □ □ □

- Avg. correlation to competitor infrastructure indices (Macquarie, UBS)

□ □ □ □ □

- Ability to monitor and control risk posed by index constituents

□ □ □ □ □

- Avg. correlation among the Infrax Index's 50 stocks

□ □ □ □ □

- Relevance of currency related risk borne by constituents

□ □ □ □ □

- Relevance of leverage related risk at certificate and Infrax Index level

= none

Performance Parameters

■ = insufficient ■ = adequate ■ = satisfactory ■ = good ■ = outstanding

- Ability to identify sectors and exploit systemic sector risk

■ ■ ■ ■ □

- Expertise in structuring index (where 1=low and 5= high)

■ ■ ■ ■ □

- Conditions that would trigger a replacement in the Infrax Index
: if circumstances lead to the assumption that the essential liquidity decrease can occur in the following year
: when a stock no longer meets the liquidity criteria of achieving USD10mn turnover a day

- Ability to deliver uncorrelated returns to

Stocks

■ □ □ □ □

Bonds

■ ■ ■ ■ □

Commodities

■ ■ ■ ■ □

- Ability to deliver targeted returns in a rising

■ ■ ■ ■ □

- Falling, sideways trending markets

■ ■ □ □ □

- Suitability to

Certificates inclusion in a conservative portfolio

■ ■ □ □ □

Certificates inclusion in a balanced portfolio

■ ■ ■ □ □

Certificates inclusion in an opportunistic portfolio






■ ■ ■ ■ □

- Annual expense ratio for index and for certificate

= low
= low to moderate

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Outlook

 upside potential
  upside to range bound
  range bound
  range bound to down
  downside potential

- Scope for an infrastructure index certificate
- Fund's ability to deliver targeted annual returns:
 - Over 3-5 years
 - Over 5-7 years
- Max. capacity that can be managed



satisfactory

good

EUR 2bn

- Barriers to entry: moderate to high
Requires expertise in the Infrastructure sector and in structuring an index
- Conditions needed for a relative out performance: bull market
- Conditions for an under performance: recession
- Targeted performance: 9.1% pa net of index costs

Investment Insights

- Target audience: broad based
- Level of complexity: moderate
- Certificate offers: sector diversification
- To optimise returns, recommended avg. holding period: 5 years
- Available to investors: globally
- Base currency of the certificate and of the Infrax Index: EUR

- Currencies the certificate is available in: USD, EUR, CHF, GBP
- Liquidity provided: daily
- Transparency provided: high
- Fee: Management fees= 0.82%pa;
- Index Provider fee (Deutsche Börse AG)=0.12%pa
- Risk/reward compensation: moderate