

Peer Group:

Japan Mainstream

Fund Manager/Adviser:

Akihide Kinugawa (since launch)

Location:

Tokyo

Launch Date: May 2004

Fund Size (March 2007):

Y56.4bn, €363m

Group Contact No:

+49 180 22 10 444

Website:

www.metzler.com

S&P ID Number: OS208665

Share class screened:

A

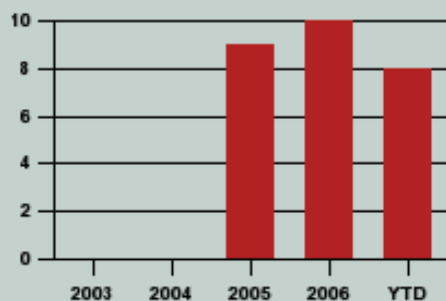


INVESTMENT STYLE

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

AS THE FUND IS UNDER THREE YEARS OLD THERE IS INSUFFICIENT PERFORMANCE DATA FOR RISK/RETURN ANALYSIS.

CALENDAR YEAR DECILE RANKS



Decile ranking in discrete annual periods. 1st decile shown as rank 10, 2nd decile as rank 9, etc. to 10th decile as Rank 1.

Further information on S&P's fund coverage can be found at

www.funds.standardandpoors.com

Performance Data Source - © 2007 Morningstar, Inc. All Rights Reserved. All statistical data on this report has been run to 28/02/2007 on NAV to NAV basis, with gross income reinvested, in Japanese Yen.

STANDARD & POOR'S OPINION (MAY 2007)

Metzler Japanese Equity Fund was launched in May 2004 and has been managed since then by T&D Asset Management.

The fund aims to beat the TOPIX index benchmark by a demanding 3.5% pa. It is managed by a small but very able value strategy team of two led by Akihide Kinugawa, who has spent over 20 years in Japanese investment. He developed the highly successful "AXIA" value approach applied to this fund in 2000.

We welcome the plan to replace fellow manager Takayuki Koito who left the team recently. The merger of the pension and retail analyst teams in October 2005 was also encouraging. This six-strong team of experienced analysts now also supports the value team which itself does a significant amount of bottom-up research.

Kinugawa looks to identify undervalued companies where the market has low expectations of the recovery potential. He has considerable discretion at stock and sector levels, and uses this latitude fully. The significant bet on trading companies has contributed strongly to outperformance since 2003, but over time the team has added most value from stock selection.

Kinugawa's success is best shown by T&D Active Value Open fund, which is one of the best performing funds within our mainstream universe with top-decile returns in five of the past six calendar years. The size of assets under management has grown considerably such that the fund is in effect closed to new investors, but Kinugawa's proven flair in both stockpicking and the identification of themes, his experience and the disciplined approach ensure the fund achieves AAA (New) rated status.

FACT FILE

Group: Metzler Asset Management is part of one of the oldest family-owned German private banks founded in 1674. Based in Frankfurt, Metzler offers investment advisory services, administration/reporting services, pension and mutual fund management.

Team: The two lead managers who comprise the value team have 20 and five and a half years' experience respectively. They are supported by six sector analysts.

Fund Manager: Akihide Kinugawa has 20 years' broad ranging investment experience all at T&D

through its various mergers and acquisitions. He established the current equity strategy in 2000 and heads the value team.

Style: Primarily bottom-up, willing to take significant bets at stock and sector levels within a tracking error range 3.5-10%. Out-of-favour companies with strong earnings recovery potential are targeted.

Performance: Since launch to 28/02/2007, the fund has returned 81.4%, compared with 52.1% for the sector median and 64.2% for the index**, ranking 16/563.

FUND MANAGER & TEAM

As of April 2007 TDAM will become wholly owned by T&D Holdings but this will not affect the management of this fund. The team is split into three strategies - growth, core and value, each with its own head. Chief fund manager Akihide Kinugawa and Fumio Matsumoto form the value team of two managers but following the recent departure of Takayuki Koito, Kinugawa expects to restore the team to its full complement of three imminently. Directed by Kinugawa, the team conducts in-depth research of large- and mid-cap stocks. The value team benefits from the research of the six-strong analyst group who support the entire equity team.

Akihide Kinugawa - education (Yokohama National University), CMA, has spent his whole career at T&D through various mergers. He began at Dai-Ichi Investment Trust as a Japan equity analyst (1986) then manager (1988). There he managed a range of assets including equity growth, fixed income and quants strategies. He established the "AXIA" value strategy in September 1999 becoming team head in 2004.

Fumio Matsumoto - business administration (Hosei University), CMA, started his career as an equities broker for Shinko Securities before moving to Mizuho Securities as Japan analyst. He joined the value team at T&D in May 2005.

PORTFOLIO CHARACTERISTICS

No. of holdings	74
Turnover ratio (%)	N/A
% in top 10	34

TOP 10 HOLDINGS (01/03/07)

	%
Toyota Motor	4.5
Marubeni	4.4
Mizuho Financial	3.9
Sumitomo Mitsui Financial	3.6
Mitsubishi UFJ	3.4
Mitsui & Co	3.3
Itochu	3.0
Nippon Steel	3.0
Mitsubishi	2.6
Sumitomo	2.4

* In top 10 holdings a year ago

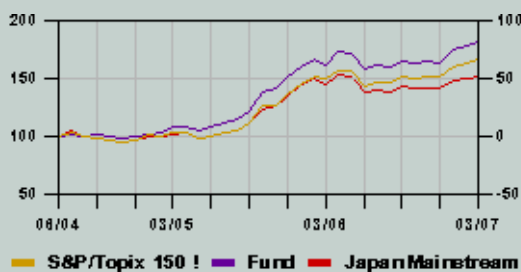
ALLOCATION BREAKDOWN (01/03/07)

	Index %**	Fund %
Consumer Discretionary	20	13
Consumer Staples	5	-
Energy	1	1
Financials	22	17
Industrials	18	30
Materials	9	16
Utilities	4	-
Healthcare	5	1
Technology	12	8
Telecoms	4	2
Other	-	-
Cash	-	12

PERFORMANCE STATISTICS

	Launch
Fund	81.4%
Standard & Poor's Peer Median	52.1%
Index**	64.2%
Fund Rank	16/563
Standard Deviation	-
Relative Standard Deviation	-
Volatility Adjusted Ranking	-

CUMULATIVE PERFORMANCE



UCITS III permits net fund exposure to be less or greater than 100%.

METZLER JAPANESE EQUITY FUND

Peer Group: Japan Mainstream



MANAGEMENT STYLE

- The fund is managed in line with T&D's active value "AXIA" approach developed by Akihide Kinugawa in 2000. The fund aims to beat the TOPIX benchmark index by 3.5% pa by identifying out-of-favour companies where the prospect for recovery and earnings momentum has been underestimated by the market.
- The team is able to cover the entire market by way of a disciplined, proprietary valuation-scoring process that focuses on trends and potential rather than classic valuation metrics.
- All listed stocks are scored on three objective valuation approaches: stock (sales/

asset/equity trend over five years, ordinary profit/equity over five years and one year forecast, price-to-book over three years), flow (cashflow and profit/dividend trend) and risk (liquidity, price volatility, market weight).

- In-depth bottom-up and sector analysis thereafter focuses on earnings momentum, valuation and structural industry issues such as regulation.

- Kinugawa has a generous risk budget (tracking error 3.5-10%, stock positions limited to 10%, sector +/-15% or double the TOPIX weight), which he uses fully. Risk control is inherent in the value approach and diversification across 50-120 stocks.

PORTFOLIO REVIEW

At review in March 2007, the fund was amply diversified across 74 names, well within the stated range. Top-10 concentration was relatively high at 34%.

The fund had significant bets in the five major trading companies including Marubeni, Mitsui and Sumitomo Corp because of their diverse business interests despite the market seemingly selling them off because of their energy-related exposure. As such, industrials were 12% overweight. The machinery, transport equipment and materials sectors

remained overweight, the latter highlighted by a big bet on Nippon Steel, thought likely to become a global player and benefit from emerging markets demand. More defensive sectors, such as electric power & gas and pharmaceuticals were the highest underweights. The fund was also underexposed to the technology and consumer discretionary sectors.

Surprisingly, growth attributes were strong particularly in ROE and earnings growth terms according to Style Research.

PERFORMANCE ANALYSIS (MARCH 2007)

The fund has a short track record, but is run very closely in line with the model portfolio for the team's T&D Active Value Open fund which has an outstanding track record. That fund ranks as one of the top performing funds in our universe since late 1999, negotiating a wide variety of market conditions. The fund ranked top decile in five of the past six calendar years and top decile cumulatively over five years. It has also consistently beaten the TOPIX. Excess returns have come mainly from stock selection boosted considerably

since the market's recovery in 2003 by a strong bet on trading companies.

Performance in 2006 was strong despite briefly coming off the pace in Q3 as the manager held on to trading companies which were hit by the sharp fall in the oil price. This was more than offset by the fund's large- and mid-cap bias in Q1, while in Q2 Kinugawa astutely sold defensives in favour of oversold stocks. YTD, strong performance has continued despite its current growth tilt.

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2003		2004		2005		2006		YTD 28/02/2007	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund		/		/	55.9	67/577	9.2	52/619	4.1	193/686
Index**	20.4		9.2		43.4		9.8		4.1	
Median	21.5		8.2		45.3		1.6		2.7	

** S&P Japan 500!

All of the views expressed in this research report accurately reflect our committee's views regarding any and all of the subject securities or issuers. No part of the committee's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report. © [2007] The McGraw-Hill Companies, Ltd trading as Standard & Poor's ("S&P") 20 Canada Square, Canary Wharf, London, E14 5LH Tel: +44 (0)20-7176 3800. All rights reserved. No part of this publication shall be reproduced, stored in any retrieval system or transmitted in any form electronic or otherwise without the prior written consent of S&P. Any part of the publication by S&P of which this page is a part is made accessible subject to the terms and conditions which are accessible at the url address below ("S&P Terms") - by accessing and viewing this page and/or and pages associated with or attached to it you accept the S&P Terms. Go to <http://www.funds-sp.com/terms.cfm?langid=1> Performance Data Source - © 2007 Morningstar, Inc. All Rights Reserved. The performance information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

2006070529

The McGraw-Hill Companies