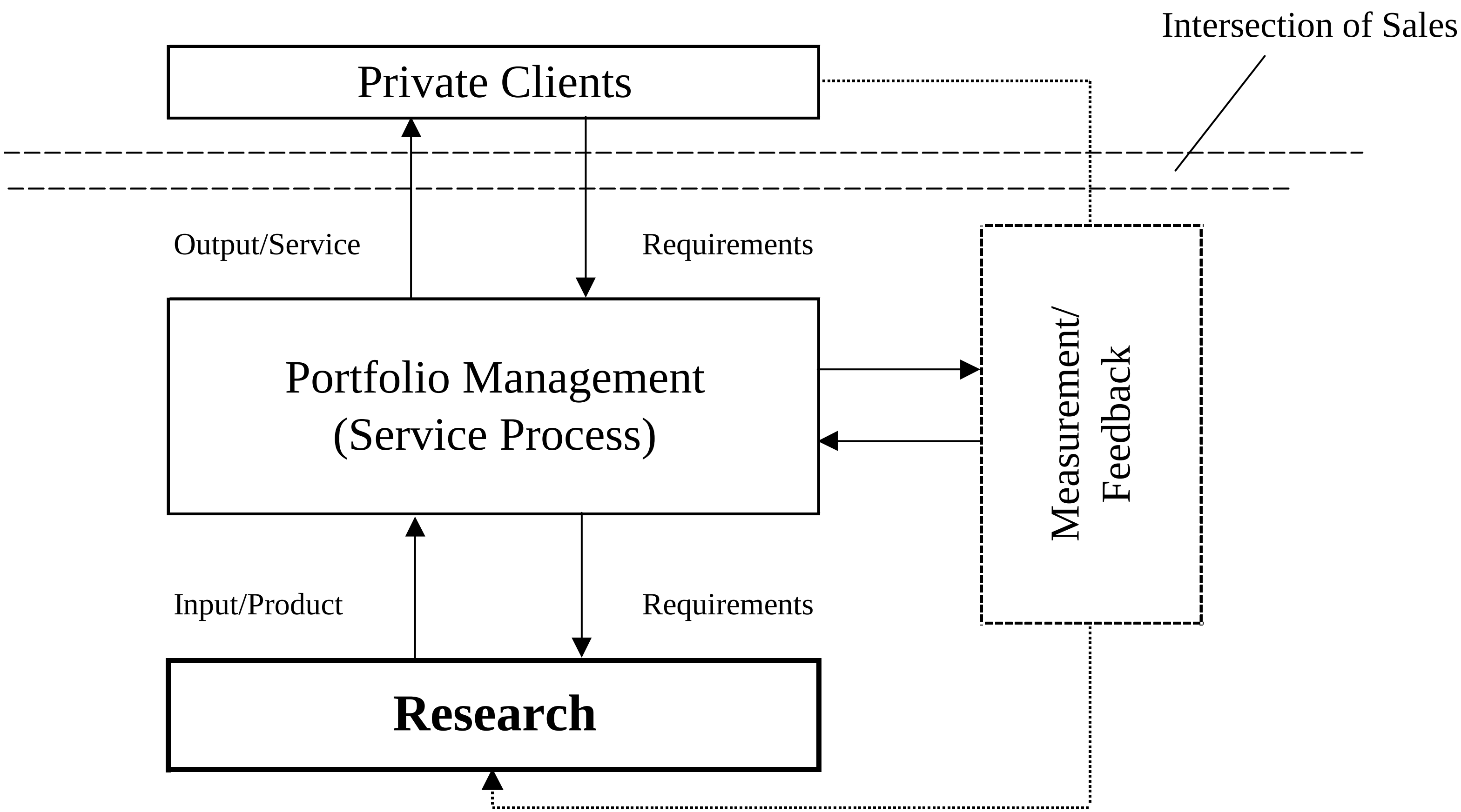
PEER - Partner for European Equities Research GmbH

The Role of
Equity Research & Process

from the Perspective of an Equity Portfolio Manager

Frankfurt amMain, August 2000

Position of Research



Private Clients' Need

Information Society (Know How of Client)

"Death of the Banker"

Gambling Society (Day Trading of Equity Shares and Funds)

"Liquidity as the Driver"

Ageing Society (Demography)

"Steady Low Risk"

Demand from Trading Portfolios to Risk Diversifying Funds

Private Client Service / PM Output

- From "One Size Fits All" to "Client Orientation"
  (Customization, Diversity)

- Trading Portfolios: 1-10 Investments; up to 100% Cash
  (e.g. Hedge Funds, Theme Funds)

- Diversifying Funds: 30-Universe; down to 0% Cash
  (from Mixed Sector Funds to Index Funds)

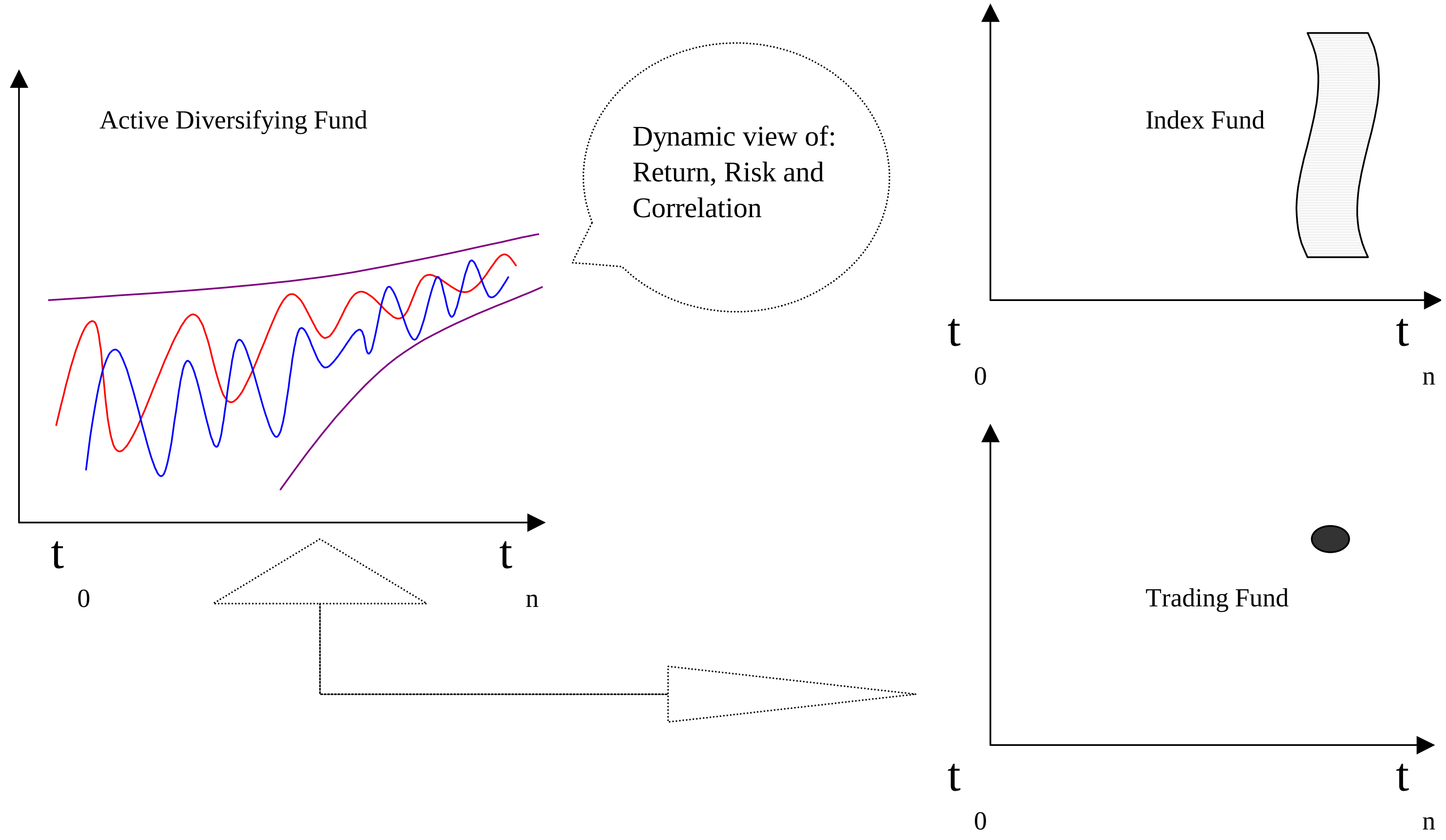
PM Service

Market Portfolio as a Benchmark for 0-Outperformance/
1-Risk and Low Cost Production
"Passively Managed" - knows nothing

Fund Portfolio
"Actively Managed" - knows about uncertainty

Trading Portfolio as Benchmark for High Outperformance/
High Risk and High Cost Production
"Actively Traded" - believes to know exactly

Expectation Processing



Research Product / PM Input

- Index Funds = No Research
- Fund Management = Sustainable Performance Projection
- Trading Portfolios = 100% Research (Price Potential)

Research Process / PM Needs

Comparability (Universe of Investments)

Transparency (Evaluation of Investments)

Standardization (Process of Evaluation of Investments)