

1 Preliminary remark

M.M.Warburg & CO Luxembourg S.A. offers individual asset management involving single stocks and asset management linked to funds.

In connection with the change of the law of April 5th 1993 we uniformly apply the service policies listed under Items 3 and 4 to all customers.

2 Investment process

Our investment process is basically shaped by a fundamental approach. On the basis of our research team's macroeconomic forecasts, we form our estimation of the capital market. From that, we structure the portfolios in a top-down process according to asset classes, countries, sectors, and maturity. The invested funds are distributed among stocks, bonds, commodities, real estate (funds), liquidity etc. Within the asset classes, we choose the sectors, individual stocks, currencies, and maturities.

3 Reporting

Besides sending regular statements, we prepare asset overviews two times a year at the end of each quarter, unless some other arrangement has been made in the asset management agreement. The individual asset positions are each valued at closing prices of the preceding day.

3.1 Special reporting

The Bank will inform the customer separately about losses in assets under management that have arisen since the last report on assets under management was sent and may be deemed considerable in view of the agreed investment structure. The information will be communicated by letter on the bank business day after the occurrence of a loss of more than

| | |
|-------|---|
| 5% | for a securities account with an income strategy |
| 7.5% | for a securities account with a conservative strategy |
| 12.5% | for a securities account with an investment structure of the Bank/flexible strategy |
| 20% | for a securities account with an offensive strategy |
| 25% | for a securities account with capital gain-oriented/global growth/WAP strategy |

3.2 Performance statement

In our reporting, we show performance from the beginning of the year. In addition, the performance figures are given for the current reporting period. Furthermore, the reports contain performance data from January 1st, 2004 on.

3.3 Benchmark

In order to rank the portfolio's result, we have established a benchmark for the strategies followed in asset management. We have reported on this benchmark – unless individually agreed otherwise – already since 2004. It is composed as follows:

| Strategy | Bonds | Stocks |
|---|-----------|---|
| Income/high yield | 100% Rexp | |
| Conservative | 70% Rexp | 21% DJStoxx 50, 6% S&P 500, 3% Nikkei 225 |
| Investment structure of the Bank/flexible | 50% Rexp | 35% DJStoxx 50, 10% S&P 500, 5% Nikkei 225 |
| Offensive | 30% Rexp | 49% DJStoxx 50, 14% S&P 500, 7% Nikkei 225 |
| Capital gain-oriented | | 70% DJStoxx 50, 20% S&P 500, 10% Nikkei 225 |

4 Costs

For asset management, the Bank generally charges an all-in fee plus value-added tax and third-party fees. The customer is aware that fund companies may furthermore pay broker's commissions on the fund shares purchased by the Bank in the framework of asset management. To the extent such broker's commissions are paid, they are owed solely to the Bank as compensation. The level of the annual compensation paid by the fund companies usually range between 0.0% and 0.8% of the fund volume.

In its reporting, the Bank will present the costs of administration in more detail in order to increase transparency.