

PRESSEINFORMATION

Oppenheim Asset Management enjoying strong growth – over €10 billion in mutual funds

Total assets under management up 13 percent.

Detlef Bierbaum; “Joint venture with Prudential Financial has proven successful”

New asset allocation management for institutional investors

“Robust deal pipeline” thanks to improved client focus

Frankfurt/Cologne, 14 July 2005 – Sal. Oppenheim’s Asset Management business area continued to record strong growth in the first six months of 2005. Total assets under management amounted to around €36.8 billion as at 30 June 2005, which equates to a year-on-year increase of 13 percent (previous year: €32.5 billion).

Detlef Bierbaum, a Managing Partner at Sal. Oppenheim, highlighted the particularly encouraging performance in the area of mutual funds, which falls under the remit of Oppenheim Pramerica Fonds Trust GmbH – a joint venture between Sal. Oppenheim and Prudential Financial Inc. of the United States. The company saw its assets under management increase by roughly 17 percent (as at 30 June 2005) to total €10.6 billion, a new record. The mutual funds of Oppenheim Kapitalanlagegesellschaft mbH (OKAG) and Oppenheim Pramerica Asset Management S.à.r.l. (OPAM) contribute to the total fund volume managed by the Bank.

Detlef Bierbaum said, “We have considerably outperformed average market growth since the launch of the joint venture in the autumn of 2002. Our strategy of bundling Sal. Oppenheim’s European competence and Prudential Financial’s expertise with regard to the US market in one entity has proven to be a success.” Mr. Bierbaum also drew attention to a number of successful new products, such as the WIP Global Real Estate Securities Fund, for which Oppenheim Pramerica has already collected approx. US\$ 320 million in assets under management since the product was launched in February 2005.

Oppenheim Pramerica affirmed its position as the seventh largest provider of mutual funds in Germany, having broken through the 10 billion mark. The 147 mutual funds include – in addition to basis funds – the distribution of partner funds and institutional mutual funds by Oppenheim Pramerica in Germany and other selected European markets.

New type of asset allocation management for institutional clients

Oppenheim Asset Management expects the positive course of business to continue into the second half of the year. For one, the current capital market situation is likely to spur an increase in equity investments due to continued low interest rates and improved growth prospects for Germany and Europe in particular. Furthermore, Oppenheim Kapitalanlagegesellschaft looks to be even more geared to the needs of institutional clients, thanks to its new asset allocation management strategy. This new concept is a process of overall asset management, whereby the investment concept and portfolio structure are tailored to the client’s current situation and to capital market assessments on an ongoing basis. This includes comprehensive, overall risk management of the Bank’s own equity and bond funds, and of those offered by selected product partners.

Bernd Borgmeier, Chief Investment Officer and spokesman for the management of OKAG, said, “The dynamic asset allocation strategy is our response to our clients’ increased focus on absolute return concepts.” This discerning portfolio management strategy is designed to provide an efficient demarcation of risk management and segment structuring. It also allows for the involvement of diversified traditional, but also alternative investments by alpha providers such as Lloyd George Management or Attica Alternative Investments, in the Sal. Oppenheim Group and beyond. “This concept is a genuine option now that the new Investment Act has ushered in unprecedented freedoms in German asset management,” said Bernd Borgmeier.

In order to be able to match the individual requirements that characterise groups of institutional clients even more closely in the future, OKAG has collaborated with management consulting firm McKinsey to develop a set of analysis tools designed specifically for life insurance firms and Pensionskassen. These enable investment demands to be derived from the asset and financial situation of individual companies. Based on pre-defined capital market scenarios, the company is given a synopsis of the various different investment strategies and their impact on balance sheets, income statements and cash flow.

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This analysis tool has met with such resounding success that it is now set to be developed for other institutional client groups, according to Rupert Hengster, spokesman for the management at OKAG. “This demonstrates that the future of institutional sales lies in offering solutions rather than products”, continues Hengster. “The gradual restructuring of our sales area is now paying off – we have moved away from a product-oriented organisation and towards a more client-organised focus.”

With this in mind, sales-oriented product specialists have been employed to act as a link between the sales and portfolio management areas. Hengster believes that the Bank's proximity to its clients has increased considerably, and the positive effects are already being seen. "Our deal pipeline is robust," confirms Rupert Hengster.

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