DISTRIBUTION OF INVESTMENT PRODUCTS

WHAT THE FUTURE HOLDS FOR FUNDS IN GERMANY

PWM gathered some top names from all over the investment spectrum to discuss the hot topics affecting fund distribution in Germany, including guided architecture, structured products and property problems

Yuri Bender: Thank you for coming to discuss several pressing issues concerning the distribution of investment products in Germany. Present today we have senior representatives of Germany's largest fund group, largest retail bank, largest private bank and largest IFA network. The topics I would like to cover are:

- Guided architecture – that is the guiding of retail clients through a limited number of mutual fund products, selected from a small number of preferred providers, appointed by a bank.
- The role of independent financial advisers and banks in the changing distribution landscape.
- The rise of certificates and structured products.
- Recent problems in the real estate sector and their effect on the funds industry.

Dr Brock, how did you convince the management of Commerzbank to include rivals' funds in your offerings?

Jörg Brock: It was not easy to introduce third-party products in a firm that also has a fund producer. A discussion about losing some parts of the value chain has been going on for about five years, but our board is convinced of the validity of this strategy because we now have clear evidence that it is successful in the German retail market.

In the beginning it was a risk but, ultimately, it was successful for us. There have been some political processes and endless debates within Commerzbank with our fund producers, but we did the right thing. I would say that, now, our fund producers and the people from Adig (Allgemeine Deutsche Investmentgesellschaft) have progressed from the position they were in three years ago. The quality of the Cominvest products within Commerzbank has improved in that time, and this is a result of the open market architecture, because competition leads to better quality, even in your own house.

Yuri Bender: Does that mean that you will be using more Cominvest products in your offering, instead of external funds?

Jörg Brock: Ultimately, yes, because we embarked on a very structured process, certified by the German TÜV (Technischer Überwachungs-Verein) two years ago. This process delivers, under certain criteria, the best products in every peer group. If the quality of Adig or Cominvest products improves, they have a greater chance of being selected through our process.

Participants in roundtable discussion on distribution of investment products, January 2005, Frankfurt-am-Main, Germany

Ralf Götz, head of market research, Deutsche Vermögensberatung (DVAG)
DVAG is the largest IFA in Germany, offering Allfinanz – a complete range of financial services – and is very active in the fund business, with guided architecture. Mr Götz has previously held responsibility for relationships with DVAG's strategic partners.

Christoph Hott, head of group investment strategy, Sal. Oppenheim Private Banking
Mr Hott is responsible for portfolio management, investment strategy, fund selection, product development, and IPOs at Germany's largest private bank.

Jörg Brock, head of product development, Commerzbank
Commerzbank is the second largest bank in Germany, with a clear focus on retail business, using open architecture since 2001. Mr Brock is responsible for the total investment business for retail clients in Germany, including bonds, certificates, structured products and funds.

Rüdiger Kautz, director of sales, DWS
DWS is Germany's largest fund company, with assets under management of €100bn. Mr Kautz heads a team responsible for third party banks and brokers.

Yuri Bender, editor-in-chief, Professional Wealth Management

ONE YEAR AGO, MOST GERMAN BANKS AND FINANCIAL SITUATIONS WOULD NOT HAVE BEEN ABLE TO DELIVER THE DATA FOR ALL THESE FUNDS. WE NOW HAVE MORE THAN 8,000 FUNDS IN GERMANY; IF THEY WERE UNABLE TO DELIVER THE DATA, HOW COULD THEY GIVE ADVICE?
JÖRG BROCK, COMMERZBANK

At the moment, I do not think that we have many Adig or Cominvest funds, but compared with our partners, this is normal. We do not normally have 10 products from one partner; DWS is slightly different, because they have many very good products in different peer groups.

Yuri Bender: For open architecture to really work across the entire spectrum, the inflows lost by Cominvest must be matched by inflows Cominvest gains from preferred partnerships with other banks. The problem is that other banks have not really opened up; while you offer DWS and other German funds, rival banks will offer only foreign fund groups, so they are not really playing by the same rules.

Jörg Brock: From the point of view of Cominvest, the balance is negative, but that is not the viewpoint of Commerzbank, which takes an overall view. One then has to add all the returns from one's value chain and realise that, ultimately, despite the losses on the asset management side, the overall result is positive. This is, therefore, a positive play for Commerzbank, rather than simply a negative play for Cominvest. I hope that Cominvest will reach a point where they regain positive territory, because I clearly believe that the *Sparkasse* [savings bank] sector and the *Genossenschaftsbanken* [cooperative banks] also have to open up, sooner or later. At that point, Cominvest may be able to regain territory.

Christoph Hott: That sounds like quite an optimistic view on what is really going on in the German market. Speaking from a more neutral point of view, the pressure from the clients' side to sell other products, particularly in the retail sector, perhaps began at the time of the equity market crash and the burst of the internet bubble. I would go even further and say that we see, due especially to margin pressure, some hard selling in this retail segment. As a result, private clients really pushed their banks to sell other products and, since they did not have the powerful brand of DWS behind it, these banks had to make the first move. It was, of course, a success, but there was no choice.

Best advice is a nice idea and was given a warm welcome by clients, but the underlying problem of hard sales pressure by banks that we often see, and the consequent distrust, cannot be cured by introducing best advice.

Yuri Bender: It is very difficult to equate the notion of best advice with guided architecture when what one is really saying is 'here are some blockbuster products that we have chosen and you are going to be guided into these'. Is it simply looking at the big brand fund groups?

Christoph Hott: We have a problem with guided advice in terms of what it really means. What we see now in private banking is higher specialisation; the entire product range for fund companies will change dramatically in terms of size, investment style, systematic differentiation and market capitalisation. There are many interesting niche players; e.g. European high-yield, convertible bonds, medical technology etc. These are areas one wants to have access to with guided architecture.

The reason for guided architecture – that your sales people may be overstretched – may be difficult to understand, because there should be a team that selects the best fund. Perhaps it is also about generating brokerage income from big investment companies. There are pros and cons to it, which lead to a question mark being placed beside it. Sooner or later, it has to be open architecture.

Our in-house products make up 15 to 20 per cent of our mutual fund portfolio, which we feel comfortable with. In private banking, it is not a matter of whether one follows best advice principles when one is dealing with an ultra high net-worth individual with a family office background. These are professional people in a highly competitive situation, dealing with amounts of, say, €25m; for these clients, it is not about following best advice principles but about demonstrating the ability to select the best fund manager. If this process continues, it will have a strong effect on the entire fund industry's product range.

Jörg Brock: The question remains of how to define open architecture. In Commerzbank, every retail client can buy any fund that is available on the German market, but we only recommend funds from within our community of 12 partners. I would say that we are able to deliver 90-95 per cent of best funds in each peer group through these partners.

I am not sure if one adds value by increasing it to 14, 15 or 16 partners. With 12 partners, one is able to offer good quality advice. Our private banking clients can, of course, buy funds from specialised groups. They are able to buy any fund available in Germany, which is open architecture, but guiding the process of choosing the best funds is not a fault. In most cases, the larger companies are those that deliver the best funds.

Rüdiger Kautz: This suggests purely private banks, like Sal. Oppenheim, and more retail-driven banks, like Commerzbank, have completely different approaches. If I were a private banking client and approached Sal. Oppenheim, would I expect to be offered *grandes fabriques* such as DWS? It is abstract from the brand, which is excellent, but it is a big company that is visible in almost every bank. Private banking clients expect their consultant to have excellent investment ideas and to offer niche products that the client never focuses on, so they go to boutiques such as Pictet or Axa Rosenberg.

However, more retail-driven banks need clear, structured processes to implement the funds of strategic partners in their branch network. They have to inform and build up the knowledge of strategic partners and their products. I think Commerzbank has 6,000 consultants in their branches, so one has to structure this process solidly and focus only on a certain group of strategic partners, as Commerzbank and other business banks are doing.

Christoph Hott: The retail segment covers a big part of investment needs, but if, for example, one wants to invest in European high yield bonds, Lazard is the best fund manager in this segment. If we decide this is our best suggestion for this investment case, we tell our clients that we selected Lazard for x reason, show them a few PowerPoint slides and our sales force sell it.

DWS is a great investment, but I would not consider it or some of the other large companies to be number one in European high yield. It is fine for 70 per cent of investment needs but, given the niches being carved out in the market and given that the market is becoming more and more specialised in the context of this notion of best advice, I do not see the need to introduce your strategic partner to private client advisers.

Ralf Götz: There are also differences between focusing on a very wealthy clientele and being involved in broader business. In the retail sector, there is also a trade-off between the variety of funds and fund companies, and the risks that one takes by giving advice. It is very difficult to manage the various links to different companies and their numerous products; perhaps the risk of selecting the wrong fund, due to incomplete information, is sometimes higher than selecting the second or third best fund from a very reliable partner.

Jörg Brock: One year ago, most German banks and financial situations would not have been able to deliver the data for all these funds. We now have more than 8,000 funds in Germany; if they were unable to deliver the data, how could they give advice?

There are two other reasons why I think it is acceptable to concentrate on strategic partners: first, we now review 32 peer groups and I would say that, with my strategic partners, I am able to deliver the 28 best funds, and four funds from other companies that offer better specialities; second, we reviewed the products offered by specialised boutiques and recognised that some firms in the market have very low volume in these funds. One might find the best fund in a certain category, but its volume might be only €20m, so what should one do? If I recommend this fund to my retail clients, within two weeks I generate €100-200m in this fund, and the fund manager would lose his track record the following year. There are, therefore, other criteria for retailers.

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RÜDIGER KAUTZ, DWS

Ralf Götz: DWS is our premium partner, but it has such a broad variety of funds that we say, in our internal selection process, that we cannot take every fund. We have 3.8m customers and more than 32,000 IFAs; if we advise them to invest in a very small fund, we could be leading them to a mousetrap.

Christoph Hott: DWS has some good funds in equities and new and interesting products on the structured side. In terms of its retail network, once it assembles 40 funds from different fund companies, it is probably too much. If one says that the best fund in terms of protected bonus is DWS, the private client advisor believes it. Open architecture means, therefore, that one changes one partner on a flexible basis. Data is easily accessible from providers such as Morningstar, or from the internet.

I suspect that we have had best advice for at least 10 years in the private banking sector. We came from guided architecture to open architecture; we came to a systematic investment approach around size and style of

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CHRISTOPH HOTT, SAL. OPPENHEIM

management. This will filter through to the entire German investment industry, and it should be prepared for this. There will be greater specialisation; of the 350 European standard blue-chip blended funds, at least 200-250 will vanish. As investment managers look for other opportunities in the market, markets will become more specialised and systematic. In the future, guided architecture will develop into more open architecture. There is a specialisation process underway and, sooner or later, even DWS will come up with a European value fund – look at Threadneedle's success in this sector.

Ralf Götz: The German market is different to the British because more than 70 per cent of German clients still buy funds through a bank, rather than an IFA. IFAs have quite a strong position in the German market, but clients are not as familiar with buying funds through an IFA as clients in the UK are. Niche players can approach a boutique as a partner but, with so many customers, we have to look, and our universe is made up of the bigger banks, rather than small niche players, for several reasons. It is probably not often the case that, in a Commerzbank branch, a customer says 'I am not happy with your open architecture – I want something else'.

We should not overestimate the influence of the private customer's decision-making on the profile of each fund. Buying funds is still 70 per cent driven by emotion, in terms of a link to the adviser, and it is not the customer alone who decides. They cannot make a distinction between Deutsche Bank and DWS, so the decision is mainly down to the bank and its adviser. The products behind the factories are another point; if the adviser can convey the feeling that x is the right solution for the client, and given that firms call their new products 'special', it is very difficult to understand what is behind them. It is about the conveying of a message by the adviser; if there is some emotion in the message, the customer buys it, without knowing whether it is from Deutsche Bank, DWS or Cominvest.

Christoph Hott: Up to 70 per cent of funds in our mutual fund portfolio are from these brand names, with the remainder from niche players. I wanted to make a distinction between guided and open architecture; the guided approach might miss out on the 30 per cent, which might make a difference.

Yuri Bender: What can financial advisory firms such as DVAG 'add to the party'? There are private banking and retail approaches, but you also have preferred partnerships, so is your approach now very similar to that of the banks, or is there something very different about your fund selection?

Ralf Götz: What is different is that we have an overall view of the clients' financial situation. Our philosophy is 'investment without insurance is like a house without a roof'; it is worthless building up an investment portfolio if you do not mitigate other risks in life. Several years ago, a bank adviser would ask to see the clients' risk return profile and investment portfolio before selecting the funds for them. We look at the client's overall situation in terms of their retirement plans and what insurance and investments they have.

Someone who owns three apartments and two houses can invest in mutual funds in a different way to someone who does not. We look at the client's overall situation and then offer them a solution for this particular aspect of their life, and funds are only one part of it. A bank adviser sees only the equity and bond portfolio, whereas we see the bigger picture. We can offer only mutual funds, and not direct investments in equities or bonds. We think in terms of very long lifecycles, and investment is only part of the story.

In recent years, we have seen more and more banks reducing their branch network, but this will come to an end. There was an 'overshooting' in the market, which was good for us, because personal, face to face contact is still very important. After banks reduced the number of their branches, they looked for other channels such as mobile sales forces or cooperation deals, or direct banking.

Jörg Brock: The *Sparkasse* and *Genossenschaftsbank* sector is the major part of the market and has not yet moved. Therefore, when we talk about open architecture, we are talking only about a very small part of the market. Commerzbank has a 6 per cent share of the retail investment business in Germany, The Sparkassen and Genossenschaftsbanken have 62 per cent of the German investment fund market, and are concentrating on their own product producer, such as Union and Deka. The

problem is that Deka's performance is poor and Union is not much better. This is the part of the market where we expect a large shift in the future. IFAs are gaining market share from the *Sparkassen*, not from Commerzbank, because we are not direct competitors – you are a direct competitor with the *Sparkassen*.

Ralf Götz: One of the specialities of our *Allfinanz* concept is Riester [private, voluntary old-age pension scheme]. Last year, we were ahead of some of the major German insurers in Riester new business; this year, we were around the same level. But Union, which is linked to the co-operative banks is seeling larger numbers of Riester plans. It is a sleeping organisation which, when it wakes up, will have tremendous power. It is a question of policy in terms of whether or not a company offers Riester; interestingly, the *Volksbanken* did it with Union Investment, and not with their own insurance sector.

You are right to say that we do not compete very much in the big cities, but more in rural areas, where our competitors are mainly the *Sparkassen* and *Volksbanken*; in small villages of, say, 2,000 people, the important financial people are the head of the *Volksbank*, the head of the *Sparkasse*, and possibly the *Vermögensberater* [financial adviser].

Yuri Bender: You are actively trying to penetrate that area; what kind of problems do you encounter when you are trying to persuade them to open up to DWS funds?

Jörg Brock: I have a different opinion; I do not think that we have to wait for another five years. At the moment, I see the *Sparkassen* – and we are not talking about one savings bank, but about numbers of different units – all discussing whether or not to sell third-party products, or whether or not it is right to concentrate on Union or Deka. This discussion has been going on for two years, around issues such as whether they can put themselves up for sale to a private bank, or whether the legal situation is changing. I think things will happen sooner than we think. This is a question of people; a few people dominate the politics of the savings bank sector. They are old and they will leave their savings banks within the next few years, so what does the next generation think? I guess that they will be a little more modern and that they will change.

Yuri Bender: It is perceived by some commentators and members of the public that DWS and Deutsche Bank are like Union and the co-op banks. Despite the guided architecture system, people still believe that you go into Deutsche Bank and get a DWS fund. How reliant is DWS on its internal distribution system?

Rüdiger Kautz: When you go into a Deutsche Bank branch nowadays and you want to have a new portfolio allocation, it is not evident that they only recommend DWS funds. They do have a strong affinity for DWS funds, because they are very familiar with these, but when you ask for asset allocation as a customer in a Deutsche Bank branch, they will offer you many of the funds of the other eight strategic partners. This has had a significant impact on net inflows and sales in the Deutsche Bank channel. It is not as easy for us as it has been before.

Yuri Bender: Three years ago, when Dr Brock was supervising a similar process at Commerzbank, Deutsche Bank effectively invited strangers into its bedroom. Axel Benkner, CEO at DWS, was not terribly happy about the situation. Are you convinced that guided architecture has been good for DWS in the long term?

Rüdiger Kautz: When one considers the open architecture of Deutsche Bank, DWS has certainly not been amused at the beginning. However, we are asking and demanding from our partners that they open up and distribute DWS funds via their channel, so we have to accept that Deutsche Bank is opening and selling other strategic partners. Ultimately, it was a very demanding process for DWS, in terms of service and performance, to cover the needs of Deutsche Bank.

But I am here for third party banks and what I can emphasise is that third party distribution has been an enormous success for DWS. We have been increasing our assets under management, tripling them in recent years. The situation is similar in terms of the inflows of third party banks. I think that third party distribution, through banks and IFAs, represents one of the most important channels of distribution within DWS.

Yuri Bender: What makes an ideal preferred partner?

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RALF GÖTZ, DVAG

Jörg Brock: We have strictly defined, very objective criteria for selecting partners. To answer the question directly, what makes a good partner for us is performance, brand and service. As defined in our process, we review our partnerships on a very regular basis, based on these criteria.

Ralf Götz: We have a lot of respect for companies who say, 'We have links to 300 different partners,' but I think it is very difficult to manage all of those relationships. We really focus on a total of around 20 partner companies in all fields of our business. We follow a strategy of having not too many partners, but partners with a very good brand, service and performance.

Christoph Hott: We prefer to have relationships with mutual funds and individual fund managers. Clearly, this has to do with partners. First, it fits with our investment philosophy. Within our mutual funds we manage size and style. We want to have clear cut products, not mixed products. We do not like balanced products as we do the asset allocation. We do not want a mixed regional product; we want either US funds or European funds. Not only do you want performance, you want consistent performance within a clearly defined peer group. You have to look into the peer group; that is the main task when you select funds. We want to see a systematic investment process. We also want to see good service so that we get answers relatively quickly. Within this range, we select individual mutual funds; we do not necessarily select strategic partners. It means that we do not have long term relationships in certain areas.

Yuri Bender: At which stage do you decide that a structured product is more appropriate for your customers than a mutual fund?

Christoph Hott: We will have combination of both in the future; we have structured products and an active management and consistent investment approach for structured products. This is now coming up in the mutual fund industry as well. When I look at the Protect bonus fund from DWS, this is the future of structured products; active management of structured products, such as HSBC's new discount certificate mutual fund.

Generally speaking, the advantage of structured products is that you can adapt the risk profile of the investment to the client needs.

Yuri Bender: There was a rather aggressive campaign last year from the BVI against structured products, almost suggesting that they are some kind of incarnate evil; that they are taking the money away from actively managed fund managers. Do you think the German mutual funds industry has lost that battle and is now throwing in the towel, deciding to cooperate with the structured product providers?

Christoph Hott: Look at history: a new product was created by investment bankers. There was great enthusiasm and many different products – it is nearly unlimited, as you can exploit every market situation. The current situation is that clients and banks feel overstretched. Some big banks that I have spoken to do not even know how the client's portfolio will behave when the market changes in one way or another.

What you see in the investment banks are great financial engineers; what you do not see are portfolio managers. Up to now, this was a closed job as an investment banker, as you already had the opportunity to do some business together with the asset manager within you organisation, but then you have to share fees. That is why that cooperation has not taken place to date.

The future is to combine the new possibilities of structured products with a systematic and active investment approach.

Yuri Bender: DWS has obviously had a very long, hard think about the whole situation. When Axel Schwarzer went to the US and Stephan Kunze was hired, it was very explicitly stated that he is there to distribute structured products as well as mutual funds, which is very unusual for a pan-European house. Somebody is normally a head of mutual fund distribution, and structured products are not usually mentioned. What was the thinking behind this new philosophy?

Rüdiger Kautz: We saw enormous inflows in the so called certificates and the structured products. We have realised for one or two years that we need to have the ability to offer structured products. With the arrival of Stephan Kunze, we are opening a new world in which the underlying philosophy is to say that, historically, DWS and other fund houses offered long-only products. We already had structured products following collaboration between DVAG and DWS with products like Zins Chance 2011 etc.

With the new legislation in the beginning of 2004, with Ucits III and so on, we have the ability to implement derivatives in our mutual funds. The idea behind it is that you can exploit investment ideas much more appropriately and quicker than if you only offer mutual funds. For example, we saw a sharp increase in oil and gold prices; why do we not participate in these ideas and these investment processes, implementing products which perfectly fit client needs? Because for a german mutual fund it is not allowed to invest directly into commodities.

Another question which is coming up: what is the difference between your offer, as DWS, and the offer of Xavex, for example? Will there be any cannibalisation between the two entities? At DWS, we do not want to offer 'me too' products. We want to establish intelligent, structured products which are based on the asset management competence of DWS. For example, a very famous fund manager, Klaus Kaldemorgen, has consistently generated alpha for DWS over the last years.

Clients say, 'I believe in Klaus Kaldemorgen and I want a portable alpha idea, for example, with leverage of two, three or four. That is an interesting product for me. I do not want to buy a long only fund of Klaus Kaldemorgen, but I do want to buy Klaus Kaldemorgen solely and with a leverage of x.' That is the idea behind it. We want to build upon the asset management expertise of DWS, which we have since 50 years.

Ralf Götz: The first problem for us is whether our advisers are allowed to sell these products. The second problem is whether they get a commission for selling it, which is the fee for your advisory service. We do not have fees for advisory services in Germany, and I do not see that coming in the near future. Deutsche Bank tried it for a while with high-net-worth individuals. You have to see how the adviser can earn the money; this is the load on the investment product, on a mutual fund.
Yuri Bender: If Dr Götz's customers cannot buy structured products and are only buying mutual funds, are they missing out?
Jörg Brock: I would answer this question and refer to our clients. Our clients can buy these products – and they do. The real competitor for our own fund management company, Cominvest, has not been the other third-party producers; it has not been DWS, historically. The real competitor has been the structured products, produced from our own house. You are producing them on the investment banking side and we have sold much more certificates than funds of our strategic partners. This is something that is already there in Commerzbank.

In my opinion, the advantage of a certificate or structured product is its time to market. I can produce a certain investment idea in a structured product in less than a week or, in extreme cases, in two days. I need six to eight months to launch a new fund idea. Can I react to a market with a fund? Not really. Can I react with a certificate? Yes, I can. I can be on the pulse of the market. This is a very appropriate product for me, in retail.

I can handle the risk in it because I can decide how much risk I want to have in it. I can tailor it. We have really good partners. Commerzbank is one of the largest producers of certificates in Germany and this unit is very competitive. We are using these products extensively.

My opinion as to whether it is appropriate that a fund company is doing this is again slightly different. My view is that the competence for building these products originates on the trading floor. This is a trading product, as it includes options and futures. Who has the competence? As you said, the competence of a fund company is asset management. The competence for a certificate, I would say, is investment banking, because they are trading; they are handling options and derivatives. I am sorry, but I do not know whether a fund company like DWS or Cominvest has the ability to build competitive products in this segment. If I had to choose, I would always choose my trading unit to build this, rather than the investment bank.
Yuri Bender: You mentioned the problem of the time to market. Was this one of the reasons why the hedge fund experiment in Germany seems to have failed? That the money actually went into certificates resembling the hedge funds and, by the time the hedge funds were created, the performance had dipped and it was too late to invest in them?
Ralf Götz: No, I think the reason why hedge funds failed is merely tax-driven in the fund's construction. A second reason is that the exit options for a hedge fund are quite unusable for a private client. If you have to announce six months in advance that you will get your money back, that is not suitable for a retail client in Germany.
Christoph Hott: I would like to sound a cautionary note. I feel that the hedge fund is part of the future of the German market. We started a year and a half ago, which was tough luck from a timing perspective. For several reasons, which are quite specific, hedge funds are undergoing very lacklustre performance. But like structured notes, they allow a very specific risk profile and there is greater opportunity and more freedom for the fund manager. You will see higher specialisation, better performance and a better risk return profile in the long term. There is a great future for the hedge fund industry in Germany. It will take some time, as there were some problems at the start.
Jörg Brock: You asked why hedge funds are not accepted in Germany. My answer is also tax reasons. The problem is on the fund side. In Commerzbank, we placed a certificate of hedge funds – a fund of funds, wrapped with a certificate, and we sold a lot of it. I think the one that we now have on our books, after the decline over the last month, is approximately €500m. This is much more than every fund company had in this product in a fund construction.
Yuri Bender: Dr Brock, the liquidity issue seems to be quite a current one in Germany. We had it with hedge funds; now we are experiencing it with the real estate funds, where we have problems with valuations and people have tried to get their money out. Deka bailed out their fund but Deutsche Bank actually closed their real estate fund. Is there now a crisis of confidence in real estate and property funds? It is a big market of €90n; surely every real estate fund must be affected by this. What are you saying to your customers?
Jörg Brock: Commerzbank does not have a problem with giving clients their money back out of the CDE Haus Invest fund. Of course clients are pulling money out of this fund, because the discussion is going on, but I do not think it is a problem at all. The liquidity in the fund is fine, even if there are outflows.

For me, the interesting aspect has to do with another part of this. I think the behaviour of Deutsche Bank in this case shows very clearly what their strategy is. This is an internationally operating investment bank. Commerzbank is not; Commerzbank is a retail bank. That is the difference and that is the interesting thing for me: how to behave with your retail clients in Germany. Quite frankly, I cannot understand how Deutsche Bank is behaving in this case. Overall, I do not think this is good for the investment community in Germany. My statement is that I would not see a problem for most of these products in Germany. This is a conservative investment; this is not a highly volatile, risky investment. I would recommend it for clients, because I think the pricing cycle is just turning. Perhaps if we look back in five years' time, we will see that this would have been a perfect point to invest in this asset category.