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Continued Market Volatility Triggers Rating Actions On European Fixed-Income Funds

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PARIS (Standard & Poor's) Oct. 31, 2008--Standard & Poor's Ratings Services said today that it has adjusted its fund volatility ratings on five European-based fixed-income funds due to increased volatility of returns (see list below). The fund volatility rating adjustments are primarily driven by the increased market price volatility of financial services and structured finance securities held by these funds. Losses from credit defaults and/or portfolio leverage are additional factors that contributed to the increased level of return volatility recorded by some of these funds.

The fund volatility rating changes reflect our view of the sustained volatility the funds have experienced, which has led to a monthly return distribution profile that is outside the volatility rating bands for their respective rating categories. Our fund volatility ratings are designed to rank fixed-income funds according to the degree to which they are exposed to factors that ultimately lead to share price or return volatility. Our analysis also includes portfolio risk assessment, historical return analysis, and management evaluation. In our view, the prolonged volatility the funds have experienced is primarily due to the above-average price movements for securities held in the funds, resulting from price markdowns, especially within the asset-backed securities (ABS), mortgage-backed securities (MBS), and financial services sectors. These ratings adjustments are the third such action we have taken in 2008, following volatility adjustments to six funds on February 1 and eleven funds on June 11.

We changed the fund volatility ratings assigned to the underlying

portfolios of Corporate Credit (Europe) S.A. and of Investment Grade Europe S.A. to 'S4' from 'S3'. At the same time, we affirmed the 'A-f' and 'BBB+f' fund credit quality ratings assigned respectively to the underlying portfolios of Corporate Credit (Europe) S.A. and Investment Grade Europe S.A. These two portfolios, managed by European Credit Management Ltd. recorded a continued increased level of return volatility given their exposure to financial services securities and ABS. The portfolios' permitted leverage as well as limited exposures to defaulted securities created additional volatility. The volatility profile of these two portfolios has now become more consistent with an 'S4' fund volatility rating. The aim of Corporate Credit (Europe) S.A. and Investment Grade Europe S.A., which are two Luxembourg-based medium-term note (MTN) programs, is to outperform the three-month Euro Interbank Offered Rate (Euribor) from a diversified portfolio of investment-grade European fixed-income securities, including corporate bonds, bank capital, and ABS.

We moved the fund volatility rating assigned to the underlying portfolio of Diversification Notes PLC--on an unleveraged basis--to 'S4' from 'S2'. At the same time, we affirmed the 'A-f' fund credit quality rating assigned to the underlying portfolio of Diversification Note PLC. The portfolio, managed by Banquo Credit Management LLP, exhibited a continued increased level of return volatility, due to its exposure to financial and structured securities. The portfolio's past exposure to defaulted securities, although limited, as well as some redemptions created additional volatility. As a result, the volatility profile of the portfolio has now become more consistent with an 'S4' fund volatility rating. The aim of the Diversification Notes PLC MTN program is to deliver to investors a high level of capital preservation and returns in excess of EURIBOR in the medium to long term. Eligible investments are restricted, on purchase, to investment-grade securities and assets mainly consisting of a diversified portfolio of corporate bonds, senior ABS, and bank loans.

We adjusted the fund volatility rating assigned to DWS ABS Fund to 'S2' from 'S1'. At the same time, we affirmed the 'A-f' credit quality rating on the fund. The volatility rating change reflects the fund's sustained increased return volatility level, caused primarily by the fund's exposure to structured securities. In addition, significant redemption activity added to the fund's overall return volatility. The DWS ABS Fund is a Luxembourg domiciled mutual fund, managed by DWS Investment S.A. The fund invests predominantly in ABS, with an investment strategy designed to avoid significant interest rate risk exposure by limiting its portfolio's average duration to less than 12 months.

We adjusted the fund volatility rating assigned to ING (L) Liquid - Euro Premium to 'S1' from 'S1+'. ING (L) Liquid - Euro Premium is an enhanced cash style fund primarily invested in a portfolio of euro-denominated, short-term highly rated bonds and money market instruments, with maturities of up to one year. Additionally, to enhance returns, the fund invests in floating-rate instruments with a maturity of up to seven years, as well as in ABS with a weighted average life of up to five years. Although the fund has maintained a fund credit quality rating of 'AAf', its allocation to ABS, combined with substantial redemptions, has resulted in a volatility profile more consistent with that of an 'S1' rated fund.

Standard & Poor's fund credit quality ratings, identified by the 'f' subscript, are current assessments of the overall credit quality of a fund's

portfolio. The ratings reflect our views on the level of protection the fund provides against losses from credit defaults. The credit quality ratings scale ranges from 'AAAf' (extremely strong protection against losses from credit defaults) to 'CCCf' (extremely vulnerable to losses from credit defaults). The ratings from 'AAf' to 'CCCf' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Standard & Poor's volatility ratings scale ranges from 'S1' (lowest sensitivity) to 'S6' (highest sensitivity) and expresses our current opinion of a fixed-income fund's sensitivity to changing market conditions. Fund volatility profiles of the first four categories ('S1' through 'S4') are measured and expressed on a relative basis to established government indices with different maturity bands to provide investors with market benchmarks for risk and return comparisons. For example, 'S1' rated funds possess low sensitivity to changing market conditions and an aggregate level of risk that is less than or equal to that of a portfolio comprised of government securities maturing within one to three years. Some funds within this category are assigned an 'S1+' volatility rating, the '+' indicating extremely low sensitivity to changes in interest rates.

For more information regarding our fund credit quality and fund volatility ratings criteria, visit our website at www.standardandpoors.com.

List of Fund Volatility Changes:

Corporate Credit (Europe) S.A. (European Credit Management Ltd., advisor), to 'Af/S4' from 'Af/S3'.

Diversification Notes PLC (Banquo Credit Management LLP, advisor), to 'A-f/S4' from 'A-f/S2'.

DWS ABS (DWS Investment S.A., advisor), to 'Af/S2' from 'Af/S1'.

ING (L) Liquid Euro Premium (ING Investment Management Belgium S.A., advisor), to 'AAf/S1' from 'AAf/S1+'.

Investment Grade Europe S.A. (European Credit Management Ltd., advisor), to 'BBB+f/S4' from 'BBB+f/S3'.

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