

# Europportunity Bond

High Income Diversification

# EURAM BANK

CREATIVE FINANCIAL SOLUTIONS

Marketing Information, Status: 31<sup>st</sup> of January 2010

## Fund Characteristics

The Europportunity Bond is a so called Convergence-Bond-Fund. The Fund invests in bonds of EU accession countries or those aspiring to accession, and Eastern European bonds, predominantly in bonds denominated in Euro or based on excellent macroeconomic fundamentals directly in the local currency.

Characteristically, the fund takes advantage of yield enhancements of various Government and Corporate borrowers against German or Austrian government bonds, based on utmost care regarding the quality of the debtor with respect to his yield enhancement.

The most important principle is to evaluate the debtor quality first (in general only a limited part of investment below Investment-Grade and then only when perspectives have shown dramatic improvements in the near past and/or a rating-upgrade is expected).

## Fund Manager's Comment

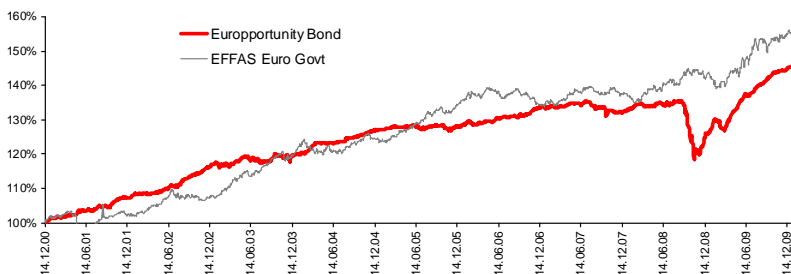
Last month the European bond market got stronger. The Bund-Future closed the month at a level of 123.38 points. That represents a 10-year yield of 3.23%.

These low yields are supported by a "flight to quality" tendency caused by massive bank problems in the USA and Europe which forced governments on both sides of the Atlantic to intervene in the markets.

For corporate bonds spreads tightened again, resulting in higher prices.

Our holdings of Eastern European bonds improved last month, yield spreads eased to 170 bps.

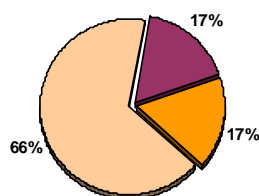
## Performance since 14<sup>th</sup> of December 2000



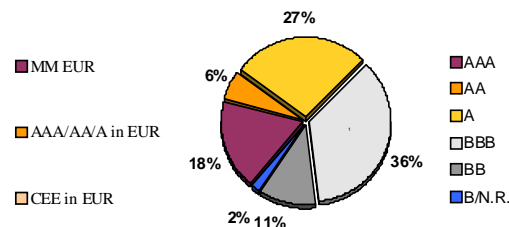
|                     | 1year  | 2y p.a. | 3y p.a. | 4y p.a. | 5y p.a. |
|---------------------|--------|---------|---------|---------|---------|
| Europportunity Bond | 11,90% | 4,87%   | 2,87%   | 3,06%   | 2,77%   |
| EFFAS Euro Govt.    | 9,17%  | 5,34%   | 4,11%   | 2,60%   | 4,32%   |

Sources: Euram Bank AG, Bloomberg

## Geographic Allocation



## Rating Allocation



## Top 5 Investments

| Titel                      | Currency | Yield | % Fund |
|----------------------------|----------|-------|--------|
| TRANSCAPITALINVEST 07/12/1 | EUR      | 3,74% | 7,7%   |
| VTB CAPITAL 08/11 MTN/1    | EUR      | 4,22% | 6,4%   |
| CITY OF MOSCOW             | EUR      | 3,03% | 5,1%   |
| VEOLIA ENVIRONNEMENT       | EUR      | 2,06% | 4,4%   |
| HUNGARY 03/10/1            | EUR      | 1,24% | 4,1%   |

## Risk for Investors Recommended term

3-5 Years

## Definition of risk symbols

- very low  
     relatively low  
     notably high  
     relatively high  
     very high

## Fund Facts

|                       |                       |                        |                    |
|-----------------------|-----------------------|------------------------|--------------------|
| Investment Comp:      | BAWAG P.S.K. INVEST   | Investment advisor:    | EURAM BANK AG      |
| Identifier (Austria): | 72 607(A)/72 608(T)   | Management fee / TER*: | 1.25% / 1.28%      |
| Identifier (Germany): | 765 373(A)/765 374(T) | Front load:            | 3,00%              |
| Fund size (mln.):     | EUR 73.5              | Act. yield:            | 3,50%              |
| Inception :           | 01.12.2000            | Modified duration:     | 1,08               |
| Bloomberg:            | EUOPBDA AV            | Financial year:        | 1.11. - 31.10.     |
| Fund currency / Price | €93.58(A)/€120.00(T)  | Distribution date:     | EUR 4,-/-/15.12.09 |

\*TER: Total Expense Ratio

## Fund management:

|                   |                         |  |
|-------------------|-------------------------|--|
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The public prospectus for the EUROOPPORTUNITY BOND FUND (according to § 6 InvFG 1993 / „Investment Act“), domiciled with Bawag PSK Invest GmbH, in its current version as published in „Amtsblatt zur Wiener Zeitung“ of 2007-03-15 („Viennese Gazette“) is available to all interested parties at Bawag PSK Invest GmbH, Fleischmarkt 1, A-1010 Vienna and Bank für Arbeit und Wirtschaft AG (Depository Bank), Seitzergasse 2-4, A-1010 Vienna. Performance figures are net of all expenses, management fees, and incentive allocations. Actual investor results may vary depending upon different fee arrangements and timing of an investment.

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