

USD Convergence Bond

High Income Diversification

EURAM BANK

CREATIVE FINANCIAL SOLUTIONS

Marketing Information, Status: 30th of September 2008

Fund Characteristics

The USD CONVERGENCE Bond follows on the successful performance of Euram's Euro denominated Euroopportunity Bond with a similar philosophy that focuses on a USD basis.

As a so called Convergence-Bond-Fund, it invests in bonds of EU accession countries or those aspiring to accession and Eastern European bonds, predominantly in bonds denominated in USD or – given excellent macroeconomic fundamentals – directly in the local currency. Characteristically, the fund takes advantage of yield enhancements of various Government and Corporate borrowers against Treasuries and German or Austrian government bonds. We take 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 investments below Investment-Grade and then only when perspectives have shown dramatic improvements in the near past and/or a rating-upgrade is expected) to achieve a long-term outperformance against the EFFAS-USD-Govt Index.

Fund Manager's Comment

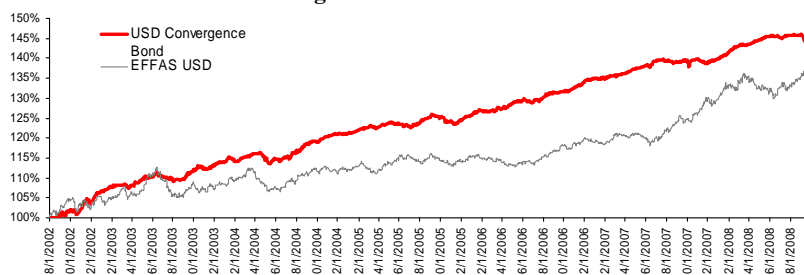
Last month the US Treasury Future fell by about 0.9% to a level of 117.16 points. Presently, the yield on the 10 Year Bond has a level of 3.82% and the yield on the Long-Bond is at 4.31%.

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 this situation means a drastic spread widening resulting in much lower prices.

Our holdings of Eastern European bonds were considerably weaker last month, yield spreads widened to 1300 bps. Despite the very short duration we were not able to counteract this irrational market movement.

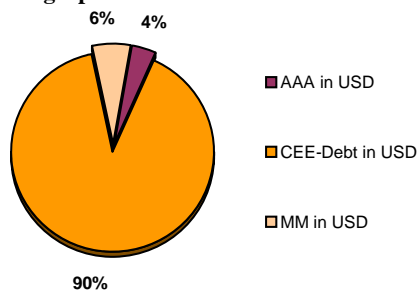
Performance since the 1st of August 2002



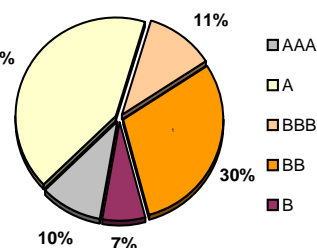
	1year	2yp.a.	3yp.a.	4yp.a.	5yp.a.
USD-Convergence-Bond	-3.46%	1.05%	2.40%	3.13%	3.71%
EFFAS USD Govt.	9.00%	7.24%	5.92%	4.97%	4.54%

Sources: Euram Bank AG, Bloomberg

Geographic Allocation



Rating Allocation



Top 5 Investments

Title	Curr.	Yield	% Fund
8.75% Absolut Bank 7.4.2009	USD	17.40%	6.1%
FRN MDM-Bank 25.1.2010	USD	16.58%	4.6%
FRN Gazprombank 4.4.2010	USD	13.33%	4.4%
8.375% Mobile Telesystems 14.10.2010	USD	11.70%	4.3%
7% Transcredit 16.5.2010	USD	16.50%	4.3%

Fund Facts

Investment Comp:	BAWAG PSK INVEST	Investment advisor:	EURAM BANK AG
Identifier (Austria):	67 212(A)/61336(T)	Management fee/TER*:	1.25% / 1.27%
ISIN:	AT 0000 672126	Front load:	3.00%
Fund size (mln.):	USD 119.7	Act. yield:	16.31
Inception :	01.08.2002	Modified duration:	0.80
Bloomberg:	USDK VBD AV	Financial year:	1.11. - 31.10.
Fund currency / Price \$ 100.70(A)/\$ 115.22(T)\$		Distribution date:	USD 6.75/12.12.07

*TER: Total Expense Ratio

Fund management:

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Risk for Investors Recommended term



3-5 Years

Definition of risk symbols

- very low
- relatively low
- notably high
- relatively high
- very high

The public prospectus for the USD CONVERGENCE 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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