

USD Convergence Bond

High Income Diversification

EURAM BANK

CREATIVE FINANCIAL SOLUTIONS

Marketing Information, Status: 31st of January 2010

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

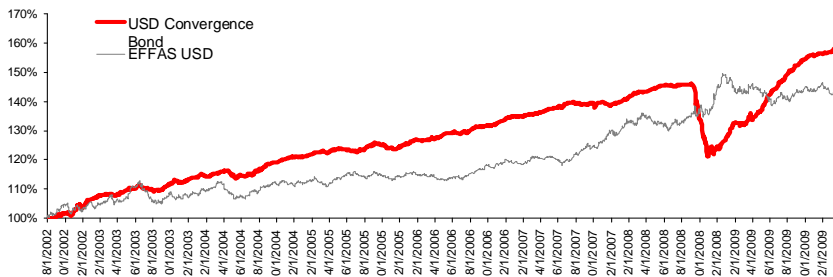
Last month the US Treasury Future rose by about 3% to a level of 118.81 points. Presently, the yield on the 10 Year Bond has a level of 3.59% and the yield on the Long-Bond is at 4.49%.

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 were stronger last month, yield spreads tightened to 200 bps.

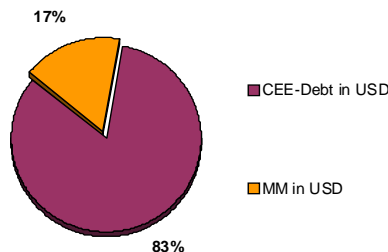
Performance since the 1st of August 2002



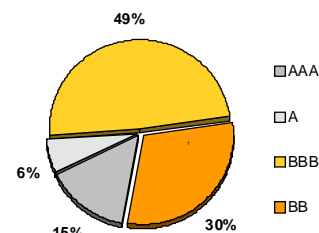
	1 year	2y p.a.	3y p.a.	4y p.a.	5y p.a.
USD-Convergence-Bond	19.55%	5.83%	5.51%	5.73%	5.39%
EFFAS USD Govt.	6.17%	8.87%	7.62%	5.43%	5.43%

Sources: Euram Bank AG, Bloomberg

Geographic Allocation



Rating Allocation



Top 5 Investments

Titel	Wahrung	Rendite	% Fonds
6.103% Transneft 27.6.2012	USD	4.33%	8.3%
5.93% Sberbank 14.11.2011	USD	2.88%	6.0%
8.375% Mob. Telesystems 14.10.2010	USD	2.59%	5.5%
6.125% TNK-BP 20.3.2012	USD	4.47%	5.0%
7.343% Gazprom 11.4.2013	USD	5.40%	4.7%

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 113.0	Act. yield:	0.0453
Inception :	01.08.2002	Modified duration:	1.25
Bloomberg:	USDKVBD AV	Financial year:	1.11. - 31.10.
Fund currency / Price	USD 104.42(A)/\$ 131.71(T)\$	Distribution date:	USD 5.5/15.12.09

*TER: Total Expense Ratio

Fund management:

Gerhard Matkovits	Tel: +43-1-5123880-310	eMail: gerhard.matkovits@eurambank.com
Liane Pecka	Tel: +43-1-5123880-311	eMail: liane.pecka@eurambank.com
Manfred Huber	Tel: +43-1-5123880-300	eMail: manfred.huber@eurambank.com

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 fur Arbeit und Wirtschaft AG (Depositary 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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