

USD Convergence Bond

High Income Diversification

EURAM BANK

CREATIVE FINANCIAL SOLUTIONS

Marketing Information, Status: 31st of January 2012

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

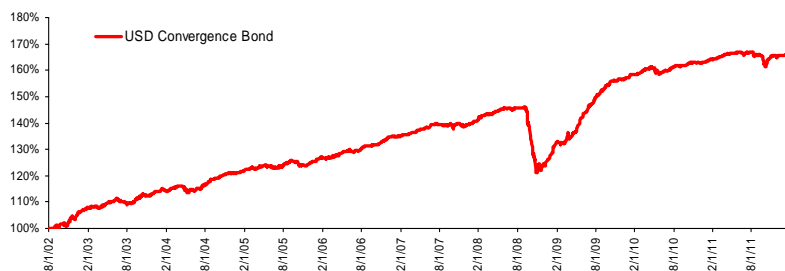
Last month the US Treasury Future rose to a level of 145.44 points. Presently, the yield on the 10 Year Bond has a level of 1.80% and the yield on the Long-Bond is at 2.94%.

The very low yields for government bonds are reflecting the current fear of a global crisis, triggered by the substantial level of national debt in the USA and some European countries, especially in Greece, Portugal and Ireland.

For corporate bonds spreads narrowed, resulting in higher prices.

Our holdings of Eastern European bonds were stronger last month, yield spreads narrowed to 220 bps. .

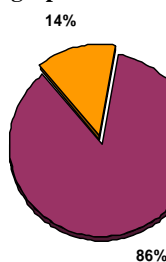
Performance since the 1st of August 2002



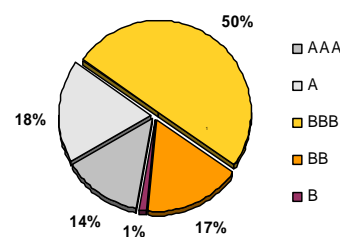
	1year	2y p.a.	3y p.a.	4y p.a.	5y p.a.
USD-Convergence-Bond	1.62%	2.57%	7.94%	4.19%	4.33%

Sources: Euram Bank AG, Bloomberg; BAWAG PSK Invest, OeKB

Geographic Allocation



Rating Allocation



Top 5 Investments

Titel	Währung	Rendite	% Fonds
6.468% Sberbank 2.7.2013	USD	2.46%	9.0%
6.25% Republic of Poland 03.07.2012	USD	1.32%	8.5%
6.103% Transneft 27.6.2012	USD	2.23%	8.5%
7.343% Gazprom 11.4.2013	USD	3.00%	4.9%
6.125% TNK-BP 20.3.2012	USD	2.78%	4.6%

Fund Facts

Investment Comp:	BAWAG PSK INVEST	Investment advisor:	EURAM BANK AG
ISIN:	AT0000672126 (A)	Management fee/TER*:	1.25% / 1.27%
ISIN:	AT0000613369 (T)	Front load:	3.00%
Fund size (mln.):	USD 108.4	Act. yield:	3.32%
Inception :	01.08.2002	Modified duration:	1.03
Bloomberg:	USDKVBV AV	Financial year:	1.11. - 31.10.
Fund currency / Price	\$ 100.21(A)/\$ 135.55(T)\$	Distribution date:	USD 4.75/15.12.11

*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 P.S.K. 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 P.S.K. Invest GmbH, Georg-Coch-Platz 2, A-1010 Vienna and BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft (Depository Bank), Georg-Coch-Platz 2, A-1018 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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