

ISSUE PROSPECTUS

OPEN INVESTMENT FUND

BANCPPOST PLUS

Authorized by C.N.V.M. Decision No. 166/10.01.2006
Registered in Register of C.N.V.M. with No CSC06FDIR400027/10.01.2006

Administrated by

**EFG EUROBANK MUTUAL FUNDS
MANAGEMENT ROMANIA SAI S.A**

A Member of  Eurobank EFG Group

Authorized by C.N.V.M. Decision No. 3214/29.11.2005
Registered in Register of C.N.V.M. with No. PJR05SAIR/400018/29.11.2005

The C.N.V.M. approval of the initiation and ongoing public offer of participation titles does not involve in any way the C.N.V.M. approval or evaluation of the quality of the investment in those participation titles, but highlights issuer compliance with the provisions of Law no. 297/2004 and of the Regulation 15/2004 regarding authorization and function of Asset Management Companies, Undertakings for the Collective Investment of Transferable Securities – UCITS and depositaries.

Investments in open-end investment funds are not bank deposits, and the banks, as shareholders of an asset management company, cannot provide any guarantee to the investor that the amounts invested shall be recovered.

The funds entail not only the advantages specific to them, but also the risk of failure to achieve objectives, including some losses for investors, as the incomes raised from the investment are usually proportional with the risk.

ISSUE PROSPECTUS

of Open Investment Fund Bancpost Plus

The present issue prospectus of Open Investment Fund **Bancpost Plus**, named hereinafter *The Fund*, was authorized by Decision of National Security Commission named hereinafter *CNVM*, No. 3214/29.11.2005 and contains all information necessary for potential investors to evaluate the investment qualities and obtain a rational decision regarding the presented offer.

According to rules enforced by Law No 297/2004 regulating capital market, named hereinafter *Law No. 297/2004*, and by Regulation of CNVM No. 15/2004 regarding authorization and function of Asset Management Companies, Undertakings for the Collective Investment of Transferable Securities – UCITS and depositaries, named hereinafter *Regulation of CNVM No. 15/2004*, the Simplified Prospectus and the Rules of Open Investment Fund constitutes integrated parts of present Prospectus, and annexed to it.

The participation to the Fund is not discriminatory, is opened to any individual or company, local or foreign, and addresses especially to conservatory investors, with less exposure to capital market risks and wish to obtain higher yield than that of money market deposits.

Relevant data regarding Open Investment Fund Bancpost Plus may be obtained at the Asset Management Company “**EFG EUROBANK MUTUAL FUNDS MANAGEMENT ROMANIA S.A.I.**” S.A head office at the following address Bucharest, Calea Vitan No. 6-6A, tronson B, floor 10, room 4, zip code 031296, sector 3, tel: +(40)21 308.62.42; +(40)21 308.62.43; +(40)21 308.62.36, +(40)21 308.62.40, fax: +(40)21 320.25.85 at Bancpost S.A. head office or branches, on website at www.eurobankfunds.ro or by e-mail office@eurobankfunds.ro.

Annual and first semester reports will be offered free of charge, at investor request, and will be at their disposition at every Bancpost SA branches. Publication of these reports will be done in CNVM Bulletin and on website www.eurobankfunds.ro.

The Asset Management Company will publish in the Bursa journal the relevant data regarding the Investment Fund, in order to notify investors.

1. Data regarding Asset Management Company administrating the Fund Bancpost Plus

The Open Investment Fund Bancpost Plus is administered by AMC EFG EUROBANK MUTUAL FUNDS MANAGEMENT ROMANIA SAI. S.A, company which is build in conformity with law enforced by Law No. 31/1990 regarding commercial companies, republished, registered to Trade Register with No. J40/18895/2005, and unique registration code 18115666, with undetermined functioning term, and a subscribed share capital of 1.080.000 RON.

AMC head office is in Bucharest, Calea Vitan nr. 6-6A, tronson B, floor 10, camera 4, sector 3, cod postal 031296, telephone: +(40)21 308.62.42; +(40)21 308.62.43; +(40)21 308.62.36, +(40)21 308.62.40, fax: +(40)21 320.25.85, website www.eurobankfunds.ro, e-mail office@eurobankfunds.ro.

At date of authorization of issue prospectus, the AMC has no secondary offices.

Issue Prospectus of Open Investment Fund Bancpost Plus

Date of Prospectus Authorisation 10.01. 2006

AMC EFG EUROBANK MUTUAL FUNDS MANAGEMENT ROMANIA SAI S.A., named hereby **AMC** was authorized by CNVM Decision No. 3214/29.11.2005 and registered in CNVM Register No. PJR05SAIR/400018, observing Law No 297/2004 and Regulation of CNVM No. 15/2004.

UCITS administrated by AMC are:

- 1. Open Investment Fund Bancpost Plus**
- 2. Open Investment Fund Bancpost Active Balanced**

AMC may manage, provided that it has been authorized by CNVM, other collective investment undertakings, by abiding to law en force.

AMC may manage according to law the individual portfolios investments for corporate or individuals, including those owned by pension funds, in accordance with mandates given by investors on a discretionary basis, where these portfolios include one or more of the financial instruments referred into the Law No 297/2004 and non-core services like: investment advice concerning one or more financial instruments.

The Board of Directors of the AMC is composed of following members each with professional experience in financial activities:

- 1. ARISTIDES XENOFOS**, Greek citizen, born on 01.10.1963 in Kefalonia, with residence in 26D Argyrokastrou Str, Drosia, Athens, Greece, identified by passport no. B 287248 issued by Attiki Prefecture on 27.5.2005 valid until 26.5.2010, Chairman of the board of Directors; , with a professional experience of 19 years in the financial area, last 15 years in banking area, has been directly involved in management and development of two Asset Management Companies. He has an Economics License with Honors of Athena University, followed by a Master Degree in Economics at London School of Economics and Political Science.
- 2. DANIEL STIFTER**, Romanian citizen, born on 15.12.1957 in Bucharest, with residence in Str. Grădiștea nr. 10, bl.101, sc. 2, et. 1, ap. 19, residential district 4, Bucharest, identified by ID series RT no. 232281, issued by Police Precinct 17 on 13.06.2002 valid until 15.12.2012, personal code number 1571215400138, Managing Director of AMC; has a professional experience of 14 years in the financial area, being involved in Bancpost management. He is economist, graduate of Faculty of Finance-Accounting, A.S.E. Bucuresti, and being certified as broker-trader by BMFMS and certified as assessor for commercial companies by ANEVAR;
- 3. AGAMEMNON KOTROZOS**, Greek citizen, born on 06.03.1969 in Athens, with residence in 13 Karaïskou Str., Piraeus, Greece, identified by passport no. A 466743 issued by Athinon Prefecture on 18.03.2004 valid until 17.0.2009; He has the experience of 12 years in the financial area, being involved from 1995 in AMC's. He obtained an With Honors Degree for Informational Management Systems at University of Economics and Business from Athena;
- 4. GEORGE DIONYSATOS**, Greek citizen, born on 22.08.1953 in Kerkyras, with residence in 1 Daidalou Str., Triada, Thessaloniki, Greece, identified by passport no. T752144 issued by Thessaloniki Prefecture on 11.02.2003 valid until 10.02.2008. He has 20 years experience in the financial area, being involved in this period in management of many banking institutions. He graduated Bayerische Fachschule, Munchen, Germany, in 1975, graduated the economic studies at Fundatia Academica Ecologica Dimitrie Cantemir from Iasi.
- 5. GEORGE KALLIGAS**, Greek citizen, born on 07.12.1968 in Attikis, Greece, with residence in 30 Str. Anninou Str., Alimos 17455, Athens, Greece, identified by passport no.

Issue Prospectus of Open Investment Fund Bancpost Plus

Date of Prospectus Authorisation 10.01. 2006

T789246 issued by Athinon Prefecture on 14.04.2003 valid until 13.04.2008. He has 7 year in the financial area and in the Asset Management Companies. He has a License in Mechanical Constructions of Imperial College of Science, Technology and Medicine, London University and a Master in Science in Engineering Management of Warwick University.

The management of AMC is insured of two individuals appointed **leaders**, empowered to conduct and coordinate daily activity and invested with power to engage AMC responsibility. These are:

1. Mr. Daniel Stifter, member in Board of Directors of AMC, has the professional experience and training mentioned before;
2. Miss Carmen Udrea is economist, graduate of Faculty of Accounting and Administration Informatics, University "Spiru Haret", with 16 years experience in accounting and financial field, from which 10 years in capital market domain. She is a certified MBA of Romanian-Canadian MBA program and Certified of Independent External Auditor at C. E. I. R.

According to constitutive act and internal regulations of AMC, the two leaders may replace each other.

2. Data about Depository company

The Fund depository is BANCPOST S.A. with the head office in Bucuresti, Calea Vitan No. 6-6A, Sector 3, entrance B and C, floors 3-8, registered to Trade Register No. J/40/9052/1991, unique code of registration No. R 404416, fiscal attribute R, RB-PJR-40-013/1999, authorized as depository by CNVM Decision No D2367/29.10.1999 and reauthorized by Decision No. 3111/11.09.2003, modified by Decision No. 3755/31.10.2003, and named hereinafter **Depository**.

Through Communication of CNVM No. 105/22.09.2005 was acknowledged the modification of documents underlying former authorization BANCPOST S.A. as depository, in accord with Law No. 297/2004 and Regulation of CNVM No. 15/2004. S.C. Bancpost was registered in Register of CNVM with No. PJR10DEPR/400001.

The depository can be contacted by telephone at: 308.05.40 Fax: 326.89.53, website www.bancpost.ro.

Bancpost S.A. is a commercial bank covering all range of banking operations for which license was obtained from BNR, in accordance with Banking Law No. 58/1998, republished.

There are no transferred depository responsibilities to other depositories.

Through contract, BANCPOST S.A. undertakes to accomplish the depository activities for open investment fund Bancpost Plus, observing the Law No. 297/2004 and Regulation of C.N.V.M. No. 15/2004.

The AMC undertakes to perform it's duties in accordance with law en force, entrusting the assets of Fund for secure preservation to depository.

The information and documents transmitted to depository of AMC are certain information, based on primary justificatory document.

The depository company is liable to the management company and the fund unit holders for the any loss they may suffer because of the culpable failure to fulfill, or because of the improper fulfillment of its obligations.

Issue Prospectus of Open Investment Fund Bancpost Plus

Date of Prospectus Authorisation 10.01. 2006

The Fund's assets cannot be the object of legal enforcement procedures launched by the **Depository's** creditors, they cannot be put under distraint or sequestered by them and are not part of the total debts in case of the **Depository's** bankruptcy.

The **Fund's** Administration Company may not change the **Depository** without CNVM permission.

3. Information about the Fund

3.1. Identity of the Fund

The Open Investment Fund Bancpost Plus, was set up on basis of Civil Company contract at 19.12.2005, under the status of civil company, without judicial personality, according to articles 1491, 1492 and 1499-1531 of Civil Code, of Law No. 297/2004 and Regulation of CNVM No 15/2004. Its existence is unlimited.

The short name of the fund is **Bancpost Plus**.

AMC S.C. "EFG EUROBANK MUTUAL FUNDS MANAGEMENT ROMANIA S.A.I." S.A. has the exclusive initiative of setting up this fund, in conformity with decision of statutory agents of the company.

The fund functions under the Decision of CNVM No. 166 dated: 10.01.2006 is registered in the CNVM Register under no. CSC06FDIR/400027/ 10.01.2006.

3.2. Description of investment fund goals

Financial Goals

The goal of setting up the Fund is exclusive and consists in mobilizing money savings available from individuals or companies and their placement on monetary and capital markets, according to current law , and operating on the principle of risk diversification and prudential administration.

The Fund objectives consists of:

- **The higher profitability** of Fund placements achieved through the specific study and analysis of monetary market and of capital market, and choosing in this purpose the investment instruments.

- **The stability** of financial performances consist in the minimization of fund yield fluctuations, possible to attain by reason of made placements features with main result the loss prevention. The possible fluctuation of fund performance consists from the interest rate oscillations on the monetary market.

- **Liquidity**, conferred by two significant components: the selection in portfolio of near maturity term instruments and time dispersion of maturity terms of deposits, such as in any moment the fund may liquidate substantial sums.

All investments made by Fund will be through prudent diversification of portfolio, with the observance of current law.

Investment policy

The goal of The **Open Investment Fund Bancpost Plus** is the stable performance and high liquidity with a corresponding low exposure.

With these requirements, the investment policy of the Fund is the risk dispersion on multiple economic sectors without geographic or other kind of limits and will seek to structure investments on monetary market, in short term credit instruments or in liquid assets, with observance of current capital market law imposed limits.

Main financial instruments used for fund investments

The structure of fund investments will observe the limitations imposed by current law regulating capital market, also with respect to following guidance limits::

- a) up to 70% in treasury titles and other monetary market instruments with maturity under 12 month ;
- b) up to 40% in government treasury bonds, corporate bonds, municipalities bonds, tradable on regulated markets.
- c) up to 40% in bank deposits with maturity under 12 month;

The fund has some self imposed limits, the main one being that the Fund will not invest in stocks.

The Fund may invest as part of its investment policy and within the limits granted by CNVM concerning securities or money market instruments, in derivatives traded on regulated market, under condition that risk exposure of supporting asset is not over aggregated limits established by CNVM, in respect to European Community Law.

The Fund will invest in derivative financial instruments traded on regulated markets only for risk coverage.

The Fund cannot hold more than 5% of its assets in securities or in money market instruments issued by the same issuer. The limit of 5% may be surpassed to only 10% with condition that the total value of securities and money market instruments held by Fund in each issuer which surpass the 5% limit, is not over in any case 40% of total Fund assets.

The 5% limit of its assets in securities or in money market instruments issued by the same issuer may be exceeded, up to maximum 35%, where the securities or the money market instruments are issued or secured by state or by the local public authorities.

The Fund cannot hold more than 20% of its assets in deposits made with the same entity.

The Fund may invest with CNVM approval and under the principle of risk dispersion up to 100% of assets in securities issued or guaranteed by the Romanian government, by another government or by Romanian or foreign central or local public administration authorities. In this situation the Fund must detain at least 6 different issues of securities and the securities of any such issue cannot stand for more than 30% of the fund's total assets.

A UCITS may contract loans, subject to authorization by C.N.V.M., up to maximum 10% of the value of its assets.

Loans may be contracted to the sole purpose of ensuring liquidity in order to meet the redemption requests registered.

The Fund may also purchase foreign currency including the back-to-back borrowing system. All Fund operations will respect foreign currency regulations.

Technical instruments that may be used in Fund administration

The Fund may use, with CNVM approval, techniques and instruments associated with securities under the approved conditions and terms, provided that they will be used for an efficient and prudent administration of its asset.

Also, the Fund may use techniques and instruments to insure protection to exchange rate risk or portfolio risk for administered assets.

These instruments may be, without being exclusive, forwards, options, swaps, futures, etc. all with securities as support, with the precise goal of risk prevention and prudent administration of portfolio.

Recommended minimum investment period

The Asset Management Company recommends an investment period of at least one year. The recommendation purpose is to obtain significant performance, covering eventual unfavorable short term evolutions. Decision for investment duration is solely to investors. They have the possibility to redeem totally or partially their Fund shares.

Risk Factors

By its specific, the net asset value of **Fund** will be affected by changes of monetary market instruments, to be exact by interest rate change. In conclusion, the monetary market risk has the biggest influence in total risk.

In order to minimize the market risk, the Fund placements will be in instruments which by their nature are less exposed to this risk. No matter how prudent will be the Administration Company approach, there are no guarantees that the Fund will reach its objectives. More, the market liquidity on which the Fund must invest is influenced by many factors, some of them being: market crises, force major. In case of such events, the consequences are to be supported by Fund investors.

As conclusion, the Fund may be affected by placement risk, market risk, yield risk. Also there is the legislation risk, represented as the possibility that a sudden change of law may affect the yield and functioning terms of the Fund.

3.3 Persons responsible with investment opportunities analysis

The investment opportunities are analyzed by members of the Board of Directors, along with company leaders, at the proposal of Analysis and Placement Division

3.4. Fund units

The fund unit is a participation title to the Fund, which represents a capital possession in Fund's asset. Its acquisition represents the only way of investing into the Fund. Fund units are of only one kind, registered to investor account, dematerialized, and conferring uniform rights.

Fund units may not be traded on a regulated market or alternate transaction system.

The **Fund** will not issue other investment instruments.

Any Fund investor has to hold at least one fund share in order to keep its investor status.

The number of fund shares and total Fund assets has a continuous variation due to public offer and Fund investments. Moreover, investors may continuously redeem their existing shares.

Fund Investors are part of the Civil Company Contract and they have following **rights**:

- To obtain without charge the issue prospectus and simplified prospectus, before adherence to the Fund;
- To freely get, upon request, periodic reports for net asset value and net unitary asset value and semestrial and annual reports;
- To ask for and obtain any information concerning Fund investment politics and net unitary asset value;
- To redeem part or total of unit share possessions;
- To transfer his units to another Fund managed by AMC;
- To guarantee with the possessed units for obtaining credits from Bancpost SA with Bancpost approval;
- To benefit the day value of unit shares by payment of redemption fee;
- The individual investors may register two other individuals with rights to execute transactions with their fund shares (redemptions, transfer, pledges);
- To benefit, under the provisions of laws in force, of personal account operations confidentiality;

The **Fund** Investors have the following **obligations**:

- To read and understand the provisions of Issue Prospectus for Bancpost Plus Fund;
- To verify the correct registration of purchase, redemption or transfer transactions;
- To continuously inform about modifications in Issue Prospectus of the Fund;
- To pay the redemption fee, when necessary.

The Open Investment Fund Bancpost Plus is a continuous issue fund. The Fund has the obligation to redeem all fund shares issued by the Fund, at the express request of investors.

In case of joint possession of fund shares the holders will designate a representative to exercise rights and obligations associated with fund shares, in relation with **Asset Management Company**.

The initial value of a fund share is of **RON 10**.

The net asset value, issue price and redemption price are expressed in **lei**.

In case some asset elements are in foreign currencies, for lei equivalence will be used de reference conversion rate published by BNR for the day of evaluation.

For currencies that BNR does not establish conversion rates, will be used the rate of conversion of respective currencies to Euro published by respective Central Bank, in conjunction with conversion rate of Euro to lei, published by BNR for the day of evaluation.

If the unit value of the net assets does steadily grow over a period of one year, the investment management company can ask the CNVM to approve the conversion of fund units. The conversion factor should be set thus as the value of fund units do not fall below the RON equivalent of one EUR on the date of conversion.

Approval and investor notification of fund shares conversion will observe Regulation of CNVM No 15/2004.

3.5. Information regarding issue, redemption and transfer of fund shares

The forms issued in relation to the **Fund** will be filled by investors and registered only at **Distributors** branches, i.e. **Bancpost** branches, or at **Asset Management Company** head office.

Procedures for issue of fund shares

Any Individuals or legal entities become members of the Fund after buying a fund share, signing the subscription form that includes the Fund adherence statement. By signing the subscription form, the investor certifies that has knowledge about Issue Prospectus rules, and understands to become a member of civil contract, with rights and obligations specified by contract.

The subscription form includes: *I hereby certify that I received, I read and agreed upon the provisions Open Investment Fund Issue Prospectus to which I subscribed. By signing this form I understand to join the civil contract.*

The subscription form accompanied by the proof of having paid the fund units becomes irrevocable after its being filed and registered at the counters of the **distribution company** or at **Asset Management Company** head office. The subscription is made on the basis of identity act, for Romanian individuals: identity card or bulletin, with numeric personal code inscribed; for foreigners the passport, for companies: the registration certificate and representative's documents.

Individual investors can appoint by initial or following subscription application one or two empowered persons to carry out subscription/redemption/transfer transactions. If the empowered persons are not designated by subscription application they may be authorized by notary certified act. In case of legal entities, subscription applications will be filed by their legal representatives or by the persons authorized to execute **Fund** operations.

The Issue price of fund share is the price paid by investor to purchase a fund share and formed by net asset value evaluated by **Asset Management Company** and certified by **Depositary**, for the day of purchase, to which the purchase fee is added if it exists.

The fund shares are paid in full at subscription time. The quality of investor is obtained at the moment when the subscribed sum is registered in the **Fund** account, and the issue price is the one certified for the day of subscription. The value of subscribed units will be paid at distributor's counters or by bank transfer into the Fund's account.

The proof of investment is made by *Investor Certificate*, issued with the occasion of each investment. The Investor Certificate is not a security and only proves the quality of investor and the number of bought fund shares.

Fund investors will receive free of charge, by mail or by fax the *Investor Certificate*. Any supplemental requests for this document, not associated with fund shares operations, will be paid with 2 RON, to which mail expedition or fax charges may add, sum paid by requestor and cashed by the Fund.

Every semester, investors will receive free, at request, a statement of their investments. These documents may be delivered at nearest Bancpost branch from investor address.

Procedures of fund units redemption

Fund shares may be continuously redeemed from **Fund** Assets at investor's request.

Investors have the right to redeem any time, fully or partially, any number of fund shares they possess. The withdrawal takes place by signing and registering at **Distributor** branch or at **Asset Management Company** head office the redemption form specifying the units number or

Issue Prospectus of Open Investment Fund Bancpost Plus

Date of Prospectus Authorisation 10.01. 2006

value to be redeemed. The filled and signed form registered is final. The forms will be filled and registered only at Distributors branches or at **Asset Management Company** head office. Any other forms will be not validated by Administration Company.

In case that the residual value after a redemption is less then one share unit, is mandatory to redeem the full investment.

The redemption price is the price due to investor at date of Redemption Application and is formed of the net unitary asset value calculated Administration Company and certified by the depositary in compliance with the CNVM regulations, from which the redemption fee and legal tax are deduced.

At redemption by cash or bank transfer, the investor will pay fees and bank commissions applied for respective date.

The current law establishes the payment in maximum 10 working days, from date of Redemption application. In any case, the stability and flexibility principles of Fund Investments allow for greater flexibility politics, so in majority of cases, the necessary delay for paying redeemed fund shares being from 2 to 5 working days from date of redemption registration.

In case of investors requiring transfer of redeemed sums in personal account opened at other Romanian or foreign banks, the costs associated with the investor's request will be paid by the investor from net sum.

Redeemed unit shares are *annulated* by Administration Company and withdrew from circulation at the date of redemption payment, or the date of money transfer to one of the investor's accounts.

Redemption and annulations of unit shares is made by **FIFO** rule where the first subscribed units are the first redeemed.

After each redemption, the investor will receive the redemption confirmation. The redemption confirmation will be provided at Distributor branch where the redemption was submitted.

In case of heirs and legal successors, the redemption can be requested only by presenting the documents attesting that capacity.

In case of the dissolution of legal entities that are investors of the Fund and of the failure to present the authorized representatives registered in the Certificate of Investor, the redemption of fund units can be requested only by the liquidators in charge with the execution of the dissolution of legal entity investors. Such liquidators should present all the documents attesting that capacity.

In case of errors in data transmitted by investors concerning bank transfer, the supplemental fees will be supported by respective investor.

In case of discrepancies between recorded data and redemption form, the redemption form will be null, the investor being notified by phone, fax, or at same Distributor branch where the application form was submitted.

The Fund Shares Transfer

The investor may ask at any moment the transfer of its investment in fund shares into another Open Investment Fund administered by AMC.

The transfer is done by redeeming units specified on transfer form, coupled with subscription of values resulted after legal tax application. The issue price will be the one valid for the transaction day.

The transfer procedure will take place within the first business day after the registration of the form to the Distributor branch or at **Asset Management Company** head office.

Issue Prospectus of Open Investment Fund Bancpost Plus

Date of Prospectus Authorisation 10.01. 2006

For this operation there is no exit or subscription fee. The **Asset Management Company** will apply only the transfer fee which will be transferred to source Fund Asset.

The investor will receive, free of charge, at his address by fax or by mail, an investor certificates and a redemption confirmation.

The CNVM adjournment of issue / redemption of fund shares

In order to protect public interest and investors, CNVM may decide a temporary adjournment or fund share issue/purchase limitation. The act of adjournment will specify the period and motivation of adjournment. The adjournment may be held after the term, in case the motivation continues to exist.

Also, the right of issue and redemption may be adjourned by CNVM in following situations:

- a) in case of a merger of the Fund with another Fund until finalization of merger;
- b) as a consequence of depositary information concerning denial of Administration Company to provide data and documents needed by depositary to establish the legal status of freeing funds assets, the adjournment being possible for only two working days.

The AMC adjournment of issue / redemption of fund shares

The AMC can not adjourn issue of fund shares.

Exceptionally and only for protection of fund investors, the AMC may temporarily adjourn redemption of fund shares, under the rules established the Fund Regulation and CNVM Regulation. The AMC must inform CNVM without delay of adjournment decision, along with the terms and reason of adjournment. This decision will be published on AMC website and will be transmitted to the distributor.

In case of guaranteeing with fund shares for obtaining loans, the AMC will block the redemption of these fund shares for the specified period. The operations unblock will be made by AMC at reception of documents stating and of pledge. Otherwise, the fund shares will be at the disposal of pledge beneficiary.

The fund shares Distributor

The AMC closed a fund shares distribution contract with **BANCPOST S.A.**, with head office in Bucharest, Calea Vitan No 6-6A, sector 3, B & C entrance, floors 3-8, Trade Register No J40/9052/1991, Fiscal Code R404416, fiscal attribute R, RB – PJR – 40 – 013/1999.

The registration of subscription, redemption and transfer forms is made at Distributor's branches Monday to Friday working hours, except legal holidays.

The Distributor will sell fund shares at every branch, toward individuals and companies.

The Distributor will also receive the redemption requests from investors. The redemption forms will be transmitted to AMC for processing, no latter than 18.00 hours of the same working day. Distributor will pay the redemption price only according to AMC instructions.

Distribution of share units by Bancpost branches is made solely by its responsibility, following procedures, instructions and forms offered by AMC.

Each Bancpost branch distributing fund shares, will keep strict evidence in the AMC imposed form, of sold fund share along with share holder identity, and must fill correctly and legible the forms and documents from AMC.

The distributor must give to the investor the Simplified Prospectus, the Issue Prospectus and Fund Rules, which states that the risk of each investment is solely supported by the investor.

The distributor is has the full responsibility to check, by all his branches, the conformance with Law No 656/2002 concerning prevention and sanction of money-laundry, and measures for preventing terrorist act financing, and the origin and possession rights of subscription sums.

3.6. Calculation of net assets value of the Fund

3.6.1 Rules of evaluation of assets

The total value of the fund's assets is calculated every day by adding all securities in the portfolio evaluated according to CNVM Regulation 15/2004. The recording of stocks and other financial instruments into the Fund portfolio is made with FIFO method.

a) *Securities quoted or traded on a regulated market*

The value of quoted securities into the total asset value match the prices practiced on the regulated markets where they are accepted for trading, on the date of calculation

When they are admitted for trading on several regulated markets, the value to be taken into account should reflect the prices practiced on the market with the highest liquidity and frequency of trading from the point of view of that security.

The shares not having been traded in the last 90 days or will be quoted on a regulated market shall be assessed similar with securities not admitted to trading on a regulated market.

The previous valuation is not applicable to securities suspended from trade in the suspension period, in case of events forecast by Law 297/2004 article 224(5). In this case, the evaluation will take as basis the lowest price recorded by market in the 30 days before suspension.

b) *Money market instruments admitted to trading on a regulated market,*

Their valuation is at the prices practiced on the regulated markets where they are accepted for trading, on the date of calculation. This method is to be kept at least one year.

When they are admitted for trading on several regulated markets, the value to be taken into account should reflect the prices practiced on the market with the highest liquidity and frequency of trading from the point of view of that security.

c) *Money market instruments not admitted to trading on a regulated market,*

Term deposits shall be assessed based on the purchase value and of the interest associated with the period from the purchase date. The same assessment method is applied to all fix income instruments.

Money market instruments others than those mentioned at article 101 of Law 297/2004 are valuated similar to fix income instruments.

d) *Derivates*

The valuation of derivates is done considering prices determined on regulated market where they are traded, according to Regulation 15/2004.

e) *Other placement instruments*

Money in the current accounts is valuated by considering the available sold at the date of the calculation.

3.6.2 Method of valuation of net asset value

The calculation of net asset value and net unitary asset value of Fund is made by AMC and certified by Depositary on basis of received instructions and documents from AMC.

The net unitary asset value at a date is calculated by dividing the value of the Fund's net asset value to the number of fund shares in circulation at same date:

Net unitary asset value at date	=	Fund's net asset value at date
		Number of fund shares at date

The number of fund units in circulation is established as the difference between the number of issued fund units and the number of redeemed fund units at date.

The value of the Fund's net assets is calculated by deducting the liabilities from the total value of assets:

Fund's net asset value	=	Fund's total asset value	-	The value of liabilities
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3.6.3 Frequency of valuation of net asset value

The calculation of net asset value and net unitary asset value of Fund is made daily.

3.6.4 Means, places and frequency of publication of net asset value

Net asset value, net unitary asset value and number of investors of Fund shall be published every day by AMC on it's website (www.eurobankfunds.ro), displayed daily at head office and Distributor branches, and sent to publish in Bursa journal

3.7. Fees and other expenses

Fees paid by investors

The applicable subscription fee may be of maximum 5% of subscribed fund shares value. At the date of authorization of issue prospectus, the subscription fee for investors is zero.

The applicable redemption fee may be of maximum 4% of redeemed fund shares value. At the date of authorization of issue prospectus, the Fund will apply different fees for client's transferring by Bancpost accounts and other clients.

1. Redemption fees for investors trading by Bancpost accounts:

- a) 4% of fund share value if redemption is requested in **less or equal then a month from subscription date;**
- b) 0% of fund share value if redemption is requested **after a month from subscription date;**

2. Redemption fees for investors not trading by Bancpost accounts:

- a) 4% of fund share value if redemption is requested in **less or equal then a month from subscription date;**
- b) 1.5% of fund share value if redemption is requested in **after a month and before 6 month from subscription date;**

Issue Prospectus of Open Investment Fund Bancpost Plus

Date of Prospectus Authorisation 10.01. 2006

- c) 1% of fund share value if redemption is requested in **after 6 month and before 12 month from subscription date;**
- d) 0% of fund share value if redemption is requested **after 12 month from subscription date;**

The applicable transfer fee is of 1% of transferred fund shares value.

The amounts from subscription, redemption and transfer of fund shares will be transferred to Fund's assets.

Other fees and expenses paid by the Fund

According to Law 297/2004 and CNVM regulation 15/2004, expenses related to Fund functioning, supported from its assets, are:

- a) expenses with the payment of the fees owed to the AMC;
- b) expenses with the payment of the fees owed to the Depository;
- c) expenses with the fees owed to intermediaries;
- d) expenses with the running fees and other banking services;
- e) expenses with interests, when the open investments fund borrows loans under the conditions imposed by the Law 297/2004 and CNVM regulation 15/2004;
- f) expenses with the fees and tariffs owed to CNVM;
- g) issue expenses with the documents of the Fund;
- h) expenses with the financial audit for the Fund.

The management fee established by Civil Company Contract is of maximum 0.25% per month calculated on mean value of total asset administered in respective month.

The present applied administration fee is of 0.09% per month calculated on the mean total asset value administered in respective month.

The administration fee is born to the fund, planned monthly, computed daily, and regulated at end of month. The payment of administration fee may be monthly or at larger intervals, according to AMC decision.

In case of fee modification under the maximum fee, this is done by AMC decision, with immediate application. The modification will be notified to CNVM and may be published after application.

Modifying fees over the maximum limit will be done by AMC decision and after CNVM authorization, with respect to current Law.

The depository fee is fixed of 0.1% per year on the monthly average of total asset of the Fund. Depository may perceive a fee for settling and processing transactions up to 20RON depending on transaction value.

The fee is supported by the Fund and paid monthly, at beginning of the month for previous month.

The set-up, distribution and advertisement expenses of the Fund are borne by the AMC.

The amounts collected from the fund unit redemption fees are collected by the Fund and they enter its assets.

The expenses are recorded every day, taking into consideration the following:

- a) the distribution of expenses does not result in significant variations of the value of unit assets;
- b) expenses are planned every month, recorded every day in the calculation of the value of net assets and regulated at the end of the month (management expenses, depository expenses);
- c) expenses are assessed every day, recorded and regulated periodically (issue expenses, other

fees than the ones described above).

Costs related to sell/buy of investment instruments owned by Fund are paid to intermediaries executing these transactions and supported entirely by the Fund.

The fund will pay expenses and fees due to specific banking operations (transfers, current account opening, deposits, withdrawals, etc.) established with every bank in part.

For investor information, the statement of fees due to AMC will be presented in periodic half-year and yearly reports.

3.8. Merger and liquidation of the Fund

The initiative to merge the **Fund** with one or several open investments funds belongs to the **AMC** of that **Fund**. By such merger, the **AMC** shall aim exclusively at protecting the interests of the investors in the **Fund** that is to merge.

In compliance with the legal provisions in force, the **Fund**'s merger with other open investments funds can be made by one of the following methods:

- a) incorporation of one or several funds into the **Fund**;
- b) incorporation of the **Fund** into another fund;
- c) setting-up of a new open investments fund by the merger of two or several funds, the **Fund** included.

The merger by incorporation is made by the transfer of all assets belonging to one or several open investments funds to one fund called incorporating fund and this causes the dissolution of the incorporated fund/funds.

The merger by amalgamation takes place by setting up a new open investments fund to which all merging funds, the **Fund** included, fully transfer their assets, thus they being dissolved.

The **Fund**'s merger procedure is made in compliance with the provisions of CNVM Regulation no. 15/2004 under the CNVM supervision.

The division of the fund is forbidden under the legal provisions in force.

The **Fund** is liquidated when the CNVM withdraws the **Fund**'s authorization under one of the following circumstances:

- a) upon the **Management Company**'s request, based on a thorough substantiation, when there is found out that the value of assets no longer economically justify, from an economic point of view, the operation of the **Fund**;
- b) when a new administrator cannot be appointed subsequently to the withdrawal of the **Management Company**'s authorization.

The **Fund** is liquidated in compliance with the procedure stipulated by the Regulation no. 15/2004. The **Fund** administrator's primary obligation is to act to the interest of fund unit holders.

3.9. Tax regime

At date of drafting this Prospectus the tax regime of the Fund and unit shareholders is the following:

The fund managed by the investment management company has no legal personality therefore it is not submitted to taxation under the Romanian laws.

Investment in the Fund's participation titles is not submitted to the payment of added value tax - VAT.

Issue Prospectus of Open Investment Fund Bancpost Plus

Date of Prospectus Authorisation 10.01. 2006

In concordance with provisions of Law 571/2003 concerning Fiscal Code, with following modifications and completions, individual investors investing in the Fund's participation titles pay a tax against the capital gains at redemption of shares. The tax quota and method of application will follow the rules provided by current Law at the moment of redemption of shares.

In case of a gain from the redemption of a Fund's participation titles, the investment management company has the obligation to calculate, retain and transfer the tax.

The management company should calculate and retain the due tax in compliance with the laws in force on the redemption date and it should transfer it every month to the budget, until the 25th (included) of the month following the one in which calculation is made.

3.10. Auditor of the Fund

In order to audit annual financial statements of AMC and those concerning Fund operations, The AMC closed and audit contract with Pricewaterhousecoopers Audit S. R. L. with head office in Bucharest, Costache Negri 1-5 (Opera Center), Trade Register No J40/17223/1993, CUI R44282940, company member of Financial Auditors Chamber of Romania with authorization No 006/25.06.2001.

3.11. Financial group

The AMC is member of **Group EFG Eurobank Ergasias S.A.**, formed by banks and financial services companies. The mother company is EFG Bank European Financial Group of Geneve.

In Romania, the **Group EFG Eurobank Ergasias S.A.**, includes the following members:

- Bancpost S.A. Bucharest;
- Capital Securities S.A. Bucharest;
- Euroline Retail Services S.A Bucharest.;
- EFG Eurobank Leasing S.A. Bucharest;
- EFG Eurobank Finance S.A. Bucharest;
- EFG Property Services S.A. Bucharest.

4. Dates of periodic reports distribution and accounting statements

The AMC drafts and send to CNVM weekly reports with assets details, number of investors and net asset value, for each day and also the detailed statement of investment for the last day of week , in the form required by Regulation 15/2004. These reports have to be certified by Fund depositary and freely transmitted on investor request.

The AMC drafts, publishes and transmits to CNVM the report for the first semester, and the annual report of AMC concerning Fund administration, reports drafted in form and structure of current law.

Annual report comes with financial statement drafted in conformity to Accounting Regulations in accord with Directive IV of European Community and International Accounting Standards, as applied to regulated entities and supervised by CNVM, and is audited by Fund Auditor, member of Financial Auditors Chamber of Romania.

The first semester report and annual report of AMC concerning Fund administration , including financial statements, will be done in term of 2 month for first semester report and 4 month for annual report, terms beginning to flow from end of respective period.

The publication of these reports will be done in CNVM Bulletin and on www.eurobankfunds.ro website.

Issue Prospectus of Open Investment Fund Bancpost Plus**Date of Prospectus Authorisation 10.01. 2006**

In 3 days delay from draft of semester or annual report, the AMC will publish in journal Bursa an announcement for Fund investors in which the existence of these reports and the modality of accessing them from any Bancpost branch, free of charge, will be stated.

The AMC must inform continuously the Fund Investors about Fund activity and changes of issue prospectus, by information notes, authorized by CNVM and published in Bursa journal, within 2 working days from date of communication from CNVM of authorization decision. The changes may enter in function only 10 days after the publication of approved information note. In this period only full redemption are allowed for all investors whom do not approve these changes.

The AMC has the obligation of sending to CNVM in 24 hours the publication proof of information note.

5. Description of rules followed to determine and share incomes

The determination of Fund income is done for each kind of placement in part.

Thus, for placement in securities and money market instruments admitted to trade on a regulated market the income is the difference between the offer price and of acquisition price.

For placement in bank deposits, income is the accrued interest and is determined from the interest rate, duration of investment and number of interest days.

Dividend for securities possessions are Fund incomes.

The calculated incomes are daily incorporated into Fund assets.

The fund does not pay dividends, the gain from placements being found in the value increase of fund share.

6. Consultants and other companies

The AMC has no contracts with individual or corporate consultants for Fund administration.

7. Other provisions

The Depository Agreement, the Civil Company Agreement and the Fund's Rules come into force on the date when the Fund is authorized by the CNVM and they are governed by the Romanian law.

The conditions based on which the CNVM issued the authorization should be maintained over the entire duration of existence of the Fund. Any change in the conditions based on which the CNVM issued the Fund's authorization is submitted to the CNVM authorization.

During its operation, the Fund shall comply with the legal regulations adopted in the field.

In order to protect investors, the CNVM can reasonably require the management company, with the observance of the laws in force, to adopt amendments to the documents based on which the Fund was authorized whenever such amendments are deemed necessary.

Present Issue Prospectus is drafted at 19.12.2005 in 2 (two) copies, one for CNVM.

Mutual Fund Management Company**EFG EUROBANK MUTUAL FUNDS MANAGEMENT ROMANIA SAI S.A.****Managing Director,
Dan Stifter**