

Erste Bank Asset Allocation: Investment experts increase share percentage again

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- Cash reserves are being restructured in favour of the share percentage
- Emerging Markets and High Yields particularly attractive

Erste Bank investment experts advise increasing the share percentage by 5% for conservative portfolios and 7.5% for dynamic portfolios in the 4th quarter. This change is made to the detriment of the cash reserves built up last quarter, which are thereby completely restructured to increase the share percentage. Both for shares and for loans, Erste Bank continues to see the biggest opportunities as lying in the emerging markets. "The world is divided: on the one hand, economic activity is stabilising in the industrialised nations, but the recovery is slow and halting. On the other, the emerging countries are displaying an extremely positive picture", says Wolfgang Traindl, Head of Private Banking and Asset Management at the Erste Bank. On average, shares are valued favourably and the company's earnings trend is constructive. The markets are also supported by the very loose monetary policies pursued by the central banks in

developed countries. Erste Bank analysts expect that the ECB's first prime rate increase will not happen until at least the 4th quarter of 2011. In terms of loans, the Erste Bank sees attractive opportunities particularly for high interest-bearing company shares and bonds from emerging markets. Investments in real securities remain attractive: Gold and property continue to be in the mix at 5% each. Below are the Erste Bank's recommendations in detail:

Erste Bank Asset Allocation: conservative

Erste Bank advises conservative investors to divide up their portfolios as follows: Around 20% shares (Q3 2010: 15%), 70% loans, 5% property and 5% gold. For the shares, the focus is on blue-chip securities in developed markets. Shares from the emerging markets (particularly Latin America, as well as Central and Eastern Europe) and the USA are currently overweighted. More than half the portfolio is invested in state loans with very good and good credit ratings. Around 15% are allotted to loans from emerging markets – the focus here is on hard-currency loans from state and private issuers. High-yield loans are mixed in at 4%. Gold and property round off the investment, and continue to be weighted at 5% each.

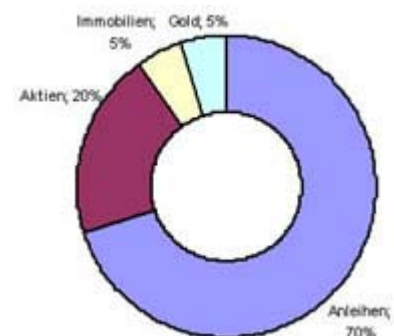
Erste Bank Asset Allocation: dynamic

Dynamic investors are recommended to weight shares at around 30% (Q3 2010: 22.5%) and loans at an unchanged 60% in their portfolios. Similarly to the conservative asset allocation, the investment focus for shares as well as bonds is on the "Emerging Markets". As with the conservative strategy, the asset allocation is rounded off with property and gold.

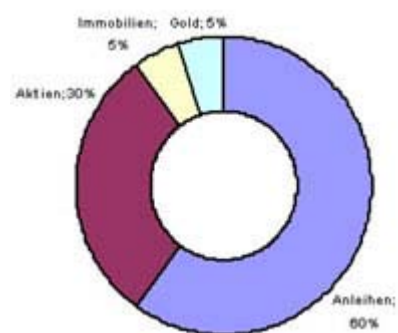
Erste Bank und Sparkassen service Private Banking customers with assets totalling around 37 billion Euros. This corresponds to a market share of 25



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percent, making the Erste Bank a market leader in this top sector. In February 2010, Euromoney Magazine named the Erste Bank the best for Private Banking.



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