

Romania eligible for entry into the J.P. Morgan GBI-EM Index Series

Romania is eligible for entry into the GBI-EM index series based upon the stated rules. Inclusion is subject to final determination, but is currently slated for inclusion in the March 1st, 2013 rebalance.

- Inclusion will be in a phased approach, over a three month period, beginning March 1st and concluding on May 1st. During each rebalance date, 1/3rd of the notional of each included RON bond will enter the index.
- Currently, ROMGB 5.8% Oct-2015, ROMGB 5.75% Jan-2016 and ROMGB 5.9% Jul-2017 meet the criteria for index entry, as these bonds demonstrate the highest degree of liquidity. Market conditions may change between now and the initial inclusion date of March 1st, 2013, as such, this bond list is subject to change.
- Romania market snapshot:

Romania Government Bonds (ROMGB)	
Currency	RON
Coupon	Annual
Day Count	Act / Act
Bond Type	Bullet
Euro-clearable?	Yes
Settlement	T+2
Auctions	Thursdays, bi-weekly
Non-Resident Tax	None
Double Taxation	Subject to tax treaties

- With a market capitalization of US\$3.482bn (as of January 11th, 2013), Romania's potential weight is estimated to be 0.54% in the flagship GBI-EM Global Diversified index upon completion of rebalancing on May 1st, 2013 (see table for estimates). There is no significant change in the benchmark duration.
- Based on our client survey, we show an estimated US\$175bn benchmarked to the GBI-EM Global Diversified, with nearly US\$195bn benchmarked to the overall GBI-EM series.
- Romania is not eligible for inclusion in the GBI-EM 15% Investment-Grade Index, as this index requires a country to be rated high-grade by each rating agency (S&P, Moody's and Fitch). Romania local-currency credit-rating is: S&P (BB+), Moody's (Baa3), and Fitch (BBB).
- Average statistics for index eligible Romanian bonds:

Yield (%)	Mod. Dur.	Avg. Maturity	Amt. Out. (RON)	Mkt-Val (RON)	Mkt-Val (USD)
5.95	3.66	3.1	10,921mm	11,446mm	3,482mm

Potential Romania weights in the GBI-EM series - subject to rebalancing and market movements*

GBI-EM Broad Div	Mar-13	Apr-13	May-13
Brazil Broad	10.00%	10.00%	10.00%
Chile Broad	1.80%	1.79%	1.79%
China	10.00%	10.00%	10.00%
Colombia Broad	6.69%	6.68%	6.66%
Hungary	3.19%	3.19%	3.18%
India	10.00%	10.00%	10.00%
Indonesia	5.46%	5.45%	5.44%
Malaysia	6.83%	6.81%	6.80%
Mexico	10.00%	10.00%	10.00%
Nigeria	0.64%	0.64%	0.64%
Peru	1.23%	1.23%	1.23%
Philippines	0.35%	0.35%	0.35%
Poland	9.46%	9.45%	9.43%
Romania	0.11%	0.22%	0.32%
Russia	6.36%	6.34%	6.33%
South Africa	7.75%	7.73%	7.72%
Thailand	3.98%	3.97%	3.97%
Turkey	6.17%	6.16%	6.15%

GBI-EM Global Div	Mar-13	Apr-13	May-13
Brazil Broad	10.00%	10.00%	10.00%
Chile	0.17%	0.17%	0.17%
Colombia	3.46%	3.45%	3.45%
Hungary	5.63%	5.59%	5.55%
Indonesia	9.62%	9.56%	9.50%
Malaysia	10.00%	10.00%	10.00%
Mexico	10.00%	10.00%	10.00%
Nigeria	1.13%	1.13%	1.12%
Peru	2.17%	2.16%	2.15%
Philippines	0.61%	0.61%	0.60%
Poland	10.00%	10.00%	10.00%
Romania	0.18%	0.36%	0.54%
Russia	10.00%	10.00%	10.00%
South Africa	10.00%	10.00%	10.00%
Thailand	7.02%	6.97%	6.93%
Turkey	10.00%	10.00%	10.00%

GBI-EM Narrow Div	Mar-13	Apr-13	May-13
Brazil	7.73%	6.66%	5.91%
Chile	0.97%	0.84%	0.74%
Colombia	5.46%	4.70%	4.18%
Hungary	10.00%	10.00%	10.00%
Malaysia	10.00%	10.00%	10.00%
Mexico	10.00%	10.00%	10.00%
Nigeria	1.61%	3.23%	4.84%
Peru	10.00%	10.00%	9.27%
Philippines	3.42%	2.95%	2.61%
Poland	10.00%	10.00%	10.00%
Romania	0.81%	1.63%	2.44%
Russia	10.00%	10.00%	10.00%
South Africa	10.00%	10.00%	10.00%
Turkey	10.00%	10.00%	10.00%

GBI-EM Broad	Mar-13	Apr-13	May-13
Brazil Broad	15.97%	15.94%	15.92%
Chile Broad	1.26%	1.26%	1.25%
China	22.55%	22.52%	22.49%
Colombia Broad	4.68%	4.68%	4.67%
Hungary	2.23%	2.23%	2.23%
India	10.29%	10.28%	10.26%
Indonesia	3.82%	3.81%	3.81%
Malaysia	4.78%	4.77%	4.77%
Mexico	9.55%	9.54%	9.52%
Nigeria	0.15%	0.30%	0.45%
Peru	0.86%	0.86%	0.86%
Philippines	0.24%	0.24%	0.24%
Poland	6.63%	6.62%	6.61%
Romania	0.08%	0.15%	0.23%
Russia	4.45%	4.44%	4.44%
South Africa	5.42%	5.42%	5.41%
Thailand	2.79%	2.78%	2.78%
Turkey	4.32%	4.31%	4.31%

GBI-EM Global	Mar-13	Apr-13	May-13
Brazil Broad	25.39%	25.36%	25.33%
Chile	0.11%	0.11%	0.11%
Colombia	1.96%	1.96%	1.96%
Hungary	3.55%	3.55%	3.54%
Indonesia	6.07%	6.07%	6.06%
Malaysia	7.60%	7.59%	7.58%
Mexico	15.19%	15.17%	15.15%
Nigeria	0.72%	0.72%	0.71%
Peru	1.37%	1.37%	1.37%
Philippines	0.39%	0.39%	0.39%
Poland	10.53%	10.52%	10.51%
Romania	0.12%	0.24%	0.36%
Russia	7.08%	7.07%	7.06%
South Africa	8.62%	8.61%	8.60%
Thailand	4.43%	4.42%	4.42%
Turkey	6.87%	6.86%	6.85%

GBI-EM Narrow	Mar-13	Apr-13	May-13
Brazil	1.38%	1.37%	1.37%
Chile	0.17%	0.17%	0.17%
Colombia	0.97%	0.97%	0.97%
Hungary	5.58%	5.57%	5.56%
Malaysia	11.94%	11.92%	11.90%
Mexico	23.87%	23.82%	23.78%
Nigeria	1.13%	1.12%	1.12%
Peru	2.16%	2.15%	2.15%
Philippines	0.61%	0.61%	0.61%
Poland	16.55%	16.52%	16.49%
Romania	0.19%	0.38%	0.56%
Russia	11.12%	11.10%	11.08%
South Africa	13.55%	13.53%	13.50%
Turkey	10.79%	10.77%	10.75%

*Estimated weights based on January 11, 2013 statistics

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