



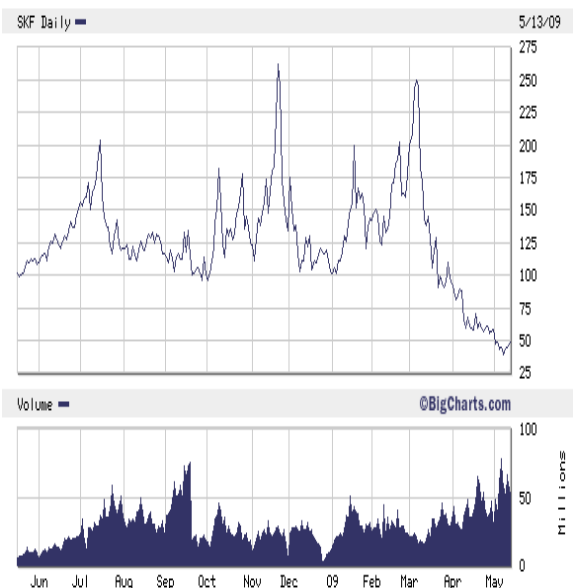
## SUMMARY OF INVESTMENT ANALYSIS

**Instrument: UltraShort Real Estate Proshares****Ticker (Stock Exchange)/Price: SKF (NYSE ARCA)/48.82 USD****Sector: Financial****Description:**

The introduction of the investment instruments ETF (Exchange Traded Fund) on NYSE is a product designed for times of steganation and market corrections. It is a suitable investment in the current market situation when due to credit crisis and write-downs nearing 1 tr. USD, the financial sector drives the market down. SKF is 200% sensitive and coresponds inversly to the daily performance of **Dow Jones US Financials Index** (consisting of 178 stocks). It means that it is designed on the base of double shorting the sector index. The ETF administrator is JP Morgan Chase Bank, the distributor is SEI Investment Distribution Co. Special ultrashort product concentrated on financial sector with ticker SKF is currently widespread in the institutional portfolios and the financial retailers. It is a cause of the current situation on the markets, where the credit crisis, the subprime positions on the balance sheets of the financial institutions, and the subsequent write-downs put a sell pressure on the whole financial sector.

**Commentary:**

- The so-called stress test - the main instrument of the Obama administration to strengthen the confidence in the financial system - showed that nine of the 19 largest banks have sufficient capital to bear a deeper recession. Ten of them have to raise a total of 75 billion dollars additional resources to support possible future losses.
- The test has shown that if the recession is deepening, the losses of 19 companies in 2009 and 2010 would figure out at 600 billion dollars. From these losses 185.5 billion would be from mortgages, 82.4 billion from credit cards and 53 billion from commercial real estate loans (mortgages) - these are loans in the balance sheets of banks, which analysts considered like most vulnerable.
- The data announced for April in connection with the foreclosure mortgages is not very encouraging. The number of U.S. households facing to lose their homes has increased by 32 percent in April compared to the same month last year. When the banks get the mortgages, in most cases they put it for sale with great discount, which means big losses. The announced data shows that this percent is increasing. This reflects negatively on their balance sheets and it means increased need for capital and resources.
- Namely the Ultrashort Financial ProShares product respond to this complicated situation in the financial sector and on capital markets, and provides a clear investment advantage.
- The main companies from Dow Jones US Financials Index, which determine the movement of SKF are: JPMorgan Chase & Co., Wells Fargo & Co., Goldman Sachs Group Inc., Bank of America Corp., Bank of New York Mellon Corp., U.S. Bancorp, VISA Inc.-Class A, Travelers Cos. Inc., Morgan Stanley, CME Group Inc.-Class A.

**Graph:**



G L O B A L M A R K E T S

**Basic fundamental data:**

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Market Capitalization: 1.10 bln. USD

Average Daily Volume: 44.89 M

Dividend: 0.94

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**Market Price: 48.82 USD**

Δ 1 month: -27.42%

Δ 3 month: -66.45%

**Updated: 14.05.09**

Sources: [www.bloomberq.com](http://www.bloomberq.com), [www.reuters.com](http://www.reuters.com), [www.yahoo.com](http://www.yahoo.com), [www.biqcharts.com](http://www.biqcharts.com), [www.proshares.com](http://www.proshares.com)

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*The information above represents investment research as it is defined in art. 42, para. 6 - Ordinance № 38/2007 of FSC, for the requirements of the activities of the investment intermediaries, respectively it is not conformed to the investment objectives, financial statement, experience and the respond of the specific investor to the risk. It is in your interest, before taking an investment decision on the basis of this investment research, to receive an investment advice, appropriate for your specific characteristics as an investor.*

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