

ERSTE BOND EMERGING MARKETS CORPORATE SHORT TERM

Mutual fund pursuant to the InvFG

Semi-Annual Report 2017
(Partial semi-annual period from 3 April 2017 to
30 September 2017)

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General Information about the Investment Firm

The company	ERSTE-SPARINVEST Kapitalanlagegesellschaft m. b. H. Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19881, Fax: +43 05 0100-17102
Nominal capital	EUR 4.50 million
Shareholders	Erste Asset Management GmbH (81.48%) DekaBank Deutsche Girozentrale (2.87%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m.b.H. & Co KG (2.87%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (1.31%) Salzburger Sparkasse Bank Aktiengesellschaft (2.87%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (2.87%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (5.73%)
Supervisory Board	Wolfgang TRAINDL, Mag. (Chairman) Gabriele SEMMELROCK-WERZER (Deputy Chairwoman, First Deputy) Franz-Nikolaus HÖRMANN, Mag. (Deputy Chairman, Second Deputy) Matthias BAUER Josef PRESCHITZ Franz PRUCKNER, Dr. MBA Rupert RIEDER, Mag. Thomas SCHAUFLEDER, Mag. (FH) Reinhard WALTTL, Mag. Appointed by the Works Council: Martin CECH Regina HABERHAUER Heinrich Hubert REINER, Ing. Peter RIEDERER Manfred ZOUREK
Managing directors	Heinz BEDNAR, Mag. Günther MANDL Christian SCHÖN
Prokuristen (proxies)	Achim ARNHOF, Mag. Winfried BUCHBAUER, Mag. Karl FREUDENSCHUSS Dietmar JAROSCH, Dr. Manfred LENTNER Gerold PERMOSER Magdalena REISCHL, Mag. Jürgen SINGER, Mag.
State commissioners	Erwin GRUBER Michael MANHARD, HR Dr.
Auditor	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Custodian bank	Erste Group Bank AG

Dear Shareholder,

We are pleased to present you the following semi-annual report for the ERSTE BOND EMERGING MARKETS CORPORATE SHORT TERM mutual fund pursuant to the InvFG for the partial semi-annual period from 3 April 2017 to 30 September 2017.

Development of the Fund

The fund was launched in April 2017 and invests predominantly in bonds (in USD) with a maximum remaining term to maturity of three years issued by companies and governments from the emerging economies, with a focus on corporate bonds (at least 80% of the fund assets). The fund currency is USD, and investments are not hedged in EUR.

The launch went smoothly and the fund has since benefited from the positive fundamental development of the emerging markets – from the narrowing of spreads and the resulting rise in bond prices.

There were relatively few problems at the macro level. The political conditions in Turkey stabilised and the Turkish government was able to stimulate the local economy by accelerating lending activity. These measures had a positive impact on the bonds of Turkish companies. In Brazil, the stable currency and declining inflation expectations have prompted the central bank to cut key rates by more than 500 basis points over the past 12 months, which has benefited many companies with variable-interest loans. The “problem children” of the recent past such as Petrobras and Vale have received new management in some cases and are focusing on reducing debt. There was a general improvement in corporate debt levels in the materials sector during the period, which had a positive effect on performance.

But certain issuers also faced difficulties, such as the private bank Otkritie (Russia) or the commodities trader Noble (Hong Kong), which amidst the positive sentiment on the markets showed how quickly performance can evaporate (the bonds lost up to 70% of their value). Based on our fundamental assessment, we did not have these companies in the portfolio.

Although the Fed raised interest rates and interest rates increased on the short end of the curve (0.2–0.25% in the two-year segment), the relatively high yields of the bonds in the portfolio more than offset this effect.

In summary, the fund got off to a very positive start. We have been able to optimally avoid the losers thus far. The absolute gross return for the period amounted to 2.29% versus 1.5% for the benchmark, which represents outperformance of 0.79%.

Asset Allocation

	30 September 2017	
	USD millions	%
Bonds denominated in USD	20.3	95.41
Securities	20.3	95.41
Cash in banks	0.7	3.10
Interest entitlements	0.3	1.52
Other deferred items	- 0.0	- 0.03
Fund assets	21.3	100.00

Fund Portfolio as of 30 September 2017

(including changes in securities assets from 3 April 2017 to 30 September 2017)

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding	Price	Value in USD	% share of fund assets
			Shares/nominal (nom. in 1,000, rounded)					

Publicly traded securities

Bonds denominated in USD

Issuer African Export and Import Bank

AFR. EXP.-IMP.BK 16/21MTN	XS1418627821	4.000	0	0	200	102.250	204,500.00	0.96
Total issuer African Export and Import Bank							204,500.00	0.96

Issue country Cayman Islands

CHINA OVER.FIN.III 13/18	XS0984184316	3.375	0	0	200	101.271	202,542.70	0.95
QNB FINANCE 13/18 REGS	XS0987063566	2.750	670	0	670	100.180	671,206.00	3.15
Total issue country Cayman Islands							873,748.70	4.11

Issue country Chile

CELULOSA ARAUCO 11/21	US151191AT07	5.000	300	0	300	106.632	319,896.01	1.50
Total issue country Chile							319,896.01	1.50

Issue country Great Britain

MMC FINANCE 13/20 REGS	XS0982861287	5.550	400	0	400	106.500	426,000.00	2.00
Total issue country Great Britain							426,000.00	2.00

Issuer International Finance Corporation

BQUE OU.AFR.DEV.16/21REGS	XS1350670839	5.500	0	0	230	106.250	244,375.00	1.15
BSTDB 16/21 MTN REGS	XS1405888576	4.875	200	0	200	105.016	210,031.58	0.99
Total issuer International Finance Corporation							454,406.58	2.13

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding	Price	Value in USD	% share of fund assets
Shares/nominal (nom. in 1,000, rounded)								
Issue country Ireland								
ALFA BOND ISS. 15/18 MTN	XS1324216768	5.000	0	0	210	102.136	214,485.19	1.01
EDC FIN. 13/20 REGS	XS0918604496	4.875	200	0	200	102.500	205,000.00	0.96
GPB EUROBOND FIN.14/19MTN	XS1040726587	4.960	0	0	265	102.973	272,878.45	1.28
METALLOINV.FIN. 13/20	XS0918297382	5.625	250	0	250	105.750	264,375.00	1.24
PHOSAGRO BD FDG 13/18REGS	XS0888245122	4.204	400	0	400	100.700	402,800.02	1.89
VEB FINANCE 13/18MTN REGS	XS0993162170	4.224	0	0	215	101.360	217,924.00	1.02
Total issue country Ireland							1,577,462.66	7.41
Issue country Luxembourg								
MHP SE 13/20 REGS	USL6366MAC75	8.250	200	0	200	108.313	216,625.00	1.02
VTB CAPITAL 08/18MTN REGS	XS0365923977	6.875	0	0	125	102.966	128,706.88	0.60
Total issue country Luxembourg							345,331.88	1.62
Issue country Netherlands								
VIMPELCOM HLDGS 13/19REGS	XS0889401054	5.200	0	0	270	103.125	278,437.50	1.31
Total issue country Netherlands							278,437.50	1.31
Issue country Sri Lanka								
SRI LANKA 14/19 REGS	USY8137FAA67	6.000	0	0	265	103.402	274,015.30	1.29
Total issue country Sri Lanka							274,015.30	1.29
Issue country Turkey								
QNB FINANSBANK 14/19 REGS	XS1063442484	6.250	0	0	210	104.250	218,925.00	1.03
TUERKIYE GAR.BK 14/19REGS	XS1057541838	4.750	0	0	270	102.375	276,412.50	1.30
TUPRAS TURKIYE P.R. 12/18	XS0849020556	4.125	0	0	275	100.816	277,242.63	1.30
TURK.IS BK 13/18 REGS	XS0808632250	3.750	0	0	330	100.375	331,237.50	1.56
TURKIYE VAKIFLAR BK.13/18	XS0916347759	3.750	200	0	415	100.310	416,286.50	1.96
Total issue country Turkey							1,520,104.13	7.14
Issue country USA								
CEMEX FINANCE 14/24 REGS	USU12763AD75	6.000	0	0	210	106.500	223,650.00	1.05
Total issue country USA							223,650.00	1.05
Issue country British Virgin Islands								
BESTGAIN REAL EST. 13/18	XS0898415004	2.625	0	0	220	100.034	220,074.79	1.03
Total issue country British Virgin Islands							220,074.79	1.03
Total bonds denominated in USD							6,717,627.55	31.56
Total publicly traded securities							6,717,627.55	31.56

ERSTE BOND EMERGING MARKETS CORPORATE SHORT TERM

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in USD	% share of fund assets
Securities admitted to organised markets								
Bonds denominated in USD								
Issue country Argentina								
BCO HIPOTEC. 15/20 REGS	USP1330HBF03	9.750	373	0	373	113.250	422,422.50	1.98
BUENOS AIR. 15/21 REGS	XS1244682487	9.950	0	0	275	115.125	316,593.75	1.49
Total issue country Argentina							739,016.25	3.47
Issue country Bermuda								
OOREDO. ITL. FIN. 09/19 REGS	XS0432791571	7.875	500	0	500	109.105	545,525.00	2.56
Total issue country Bermuda							545,525.00	2.56
Issue country Brazil								
BNDES 98/18 FLR REGS	USP14486AA54	6.369	0	0	175	103.000	180,250.00	0.85
CAIXA EC. FED. 14/19 REGS	US12803X2D25	4.250	0	0	180	102.125	183,825.00	0.86
ITAU UNIBCO HDG 15/18 MTN	US46556MAK80	2.850	0	0	375	100.375	376,406.25	1.77
Total issue country Brazil							740,481.25	3.48
Issue country Cayman Islands								
AGROMER. SEN. 14/19 REGS	USG0131LAA64	6.250	250	0	250	104.000	260,000.00	1.22
BAIDU 14/19	US056752AD07	2.750	0	0	250	100.789	251,972.50	1.18
BRASKEM FIN. 11/21 REGS	USG1315RAD38	5.750	0	0	250	108.280	270,700.00	1.27
INTERTR.-COMCEL 14/24 REGS	USG2300TAA00	6.875	0	0	200	106.625	213,250.00	1.00
SUZANO TRA. 10/21 REGS	USG8600UAA19	5.875	0	128	127	108.125	137,318.75	0.65
VALE OVERSEAS 16/21	US91911TAN37	5.875	0	0	165	109.950	181,417.50	0.85
YUZHOU PPTS 14/19	XS1149696996	9.000	0	0	215	105.379	226,563.83	1.06
Total issue country Cayman Islands							1,541,222.58	7.24
Issue country Costa Rica								
BCO D.COSTA RICA 13/18 REGS	USP09262AA70	5.250	0	0	205	102.125	209,356.25	0.98
Total issue country Costa Rica							209,356.25	0.98
Issue country Dominican Republic								
DOMINIC. REPUBLIC 10/21	USP3579EAH01	7.500	0	0	260	111.125	288,925.00	1.36
Total issue country Dominican Republic							288,925.00	1.36
Issue country Georgia								
GEORGIA 11/21 REGS	XS0617134092	6.875	0	0	200	112.350	224,700.00	1.06
Total issue country Georgia							224,700.00	1.06

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in USD	% share of fund assets
Issue country Great Britain								
VEDANTA RES. 13/19 REGS	USG9328DAH38	6.000	0	0	210	103.250	216,825.00	1.02
Total issue country Great Britain							216,825.00	1.02
Issue country Hong Kong								
AIA GROUP 14/19 MTN REGS	US00131M2A05	2.250	0	0	290	99.984	289,954.28	1.36
CCB (ASIA) 14/19 MTN	XS1082890317	3.250	0	0	275	101.511	279,155.42	1.31
ICBCIL FIN.CO. 17/20	XS1590507775	3.000	0	0	550	100.563	553,097.79	2.60
Total issue country Hong Kong							1,122,207.49	5.27
Issue country India								
EXP.-IM.BK INDIA 14/19MTN	XS1050464996	3.875	0	200	300	102.973	308,918.11	1.45
JSW STEEL 14/19	XS1133588233	4.750	0	0	200	102.000	204,000.00	0.96
ONGC VIDESH 14/19 REGS	XS1084957155	3.250	0	0	375	101.240	379,649.99	1.78
ST.BK.O.INDIA(LDN.B)14/19	USY81647AA02	3.622	0	0	210	101.818	213,818.57	1.00
UNION BK INDIA (HK) 14/19	XS1062051161	4.500	0	0	350	102.692	359,423.05	1.69
Total issue country India							1,465,809.72	6.89
Issue country Kazakhstan								
JSC HALYK BK 11/21 REGS	XS0583796973	7.250	0	0	250	110.375	275,937.50	1.30
Total issue country Kazakhstan							275,937.50	1.30
Issue country Croatia								
CROATIA 09/19 REGS	XS0464257152	6.750	0	0	270	108.563	293,118.75	1.38
Total issue country Croatia							293,118.75	1.38
Issue country Lebanon								
LEBANON 11/19 MTN	XS0707819727	5.450	0	0	100	100.438	100,437.50	0.47
Total issue country Lebanon							100,437.50	0.47
Issue country Luxembourg								
MOL GROUP FIN. 12/19	XS0834435702	6.250	0	0	330	107.375	354,337.50	1.66
ROSNEFT FINAN. 10/20 REGS	XS0484209159	7.250	0	0	155	109.313	169,434.38	0.80
SB CAPITAL 12/19 MTN	XS0799357354	5.180	0	0	425	103.884	441,507.01	2.07
Total issue country Luxembourg							965,278.89	4.54
Issue country Mexico								
PET. MEX. 17/ 19 MTN	US71654QBZ46	5.500	0	0	260	104.200	270,919.99	1.27
Total issue country Mexico							270,919.99	1.27

ERSTE BOND EMERGING MARKETS CORPORATE SHORT TERM

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in USD	% share of fund assets
Issue country Namibia								
NAMIBIA, REPUBLIC 11/21	XS0686701953	5.500	0	0	200	107.250	214,500.00	1.01
Total issue country Namibia							214,500.00	1.01
Issue country Netherlands								
KAZMUNAYGAS 10/20	XS0506527851	7.000	200	0	200	109.200	218,400.00	1.03
MAJAPAHIT HLD 09/20 REGS	USN54360AF44	7.750	0	0	110	111.546	122,700.60	0.58
MARFRIG HOLD.EU. 14/19	USN54468AD05	6.875	0	0	270	103.375	279,112.50	1.31
MYRIAD INTL HO.13/20 REGS	USN5946FAB33	6.000	250	0	250	108.125	270,312.50	1.27
PETROBRAS GBL FIN. 17/22	US71647NAR08	6.125	0	0	450	107.500	483,750.00	2.27
Total issue country Netherlands							1,374,275.60	6.46
Issue country Nigeria								
NIGERIA, GOVT.BOND 13/18 REG	XS0944707651	5.125	0	0	200	101.875	203,750.00	0.96
Total issue country Nigeria							203,750.00	0.96
Issue country Panama								
GLOBAL BK. 14/19 REGS	USP47718AA21	5.125	0	0	200	104.950	209,900.00	0.99
Total issue country Panama							209,900.00	0.99
Issue country Paraguay								
BANCO REGIONAL 14/19 REGS	USP1R05SAJ45	8.125	0	0	250	106.350	265,875.00	1.25
Total issue country Paraguay							265,875.00	1.25
Issue country Peru								
COFIDE 14/19 REGS	USP3R94GAF68	3.250	0	0	275	102.125	280,843.75	1.32
Total issue country Peru							280,843.75	1.32
Issue country Serbia including Kosovo								
SERBIA 13/18 REGS	XS0995679619	5.875	0	0	350	103.750	363,125.00	1.71
Total issue country Serbia including Kosovo							363,125.00	1.71
Issue country Turkey								
AKBANK T.A.S. 11/18 REGS	USM0300LAC02	6.500	0	0	180	101.563	182,812.50	0.86
TUE.IHRACAT K.B.12/19REGS	XS0774764152	5.875	0	0	215	103.688	222,928.13	1.05
Total issue country Turkey							405,740.63	1.91

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in USD	% share of fund assets
Issue country Hungary								
MFB MAGYAR F.BK 13/20REGS	XS0954674312	6.250	0	0	300	110.938	332,812.50	1.56
Total issue country Hungary							332,812.50	1.56
Issue country United Arab Emirates								
EMIRATES NBD 14/19 MTN	XS1138457590	3.250	0	0	200	101.435	202,870.00	0.95
Total issue country United Arab Emirates							202,870.00	0.95
Issue country Vietnam								
VIETNAM 10/20 REGS	USY9374MAF06	6.750	0	0	160	109.444	175,110.40	0.82
Total issue country Vietnam							175,110.40	0.82
Issue country British Virgin Islands								
HUARONG FIN.CO. 14/19	XS1088292815	4.000	0	0	275	101.689	279,645.47	1.31
SINO-OCEAN LD.T.F.1 14/19	XS1089807025	4.625	0	0	275	102.449	281,735.63	1.32
Total issue country British Virgin Islands							561,381.10	2.64
Total bonds denominated in USD							13,589,945.15	63.85
Total securities admitted to organised markets							13,589,945.15	63.85

Breakdown of fund assets

Securities	20,307,572.70	95.41
Cash in banks	659,331.95	3.10
Interest entitlements	322,512.80	1.52
Other deferred items	-5,516.70	- 0.03
Fund assets	21,283,900.75	100.00

Dividend shares outstanding	AT0000A1U9M5	shares	0
Share value for dividend share	AT0000A1U9M5	USD	102.03
Dividend shares outstanding	AT0000A1ULN6	shares	19,925.405
Share value for dividend share	AT0000A1ULN6	USD	101.86
Non-dividend shares outstanding	AT0000A1U9P8	shares	188,700.000
Share value for non-dividend share	AT0000A1U9P8	USD	102.03
KEST-exempt non-dividend shares outstanding	AT0000A1U9Q6	shares	0
Share value for KEST-exempt non-dividend share	AT0000A1U9Q6	USD	102.03

ERSTE BOND EMERGING MARKETS CORPORATE SHORT TERM

Repurchase agreements and total return swaps are not used for the fund. If securities lending agreements are in effect on the reporting date, they are reported separately below.

Explanation on disclosure pursuant to the Delegated Regulation (EU) No. 2016/2251 supplementing Regulation (EU) No. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty:

All OTC derivatives are traded through Erste Group Bank AG.

Collateral in the form of cash or bonds is pledged to Erste Group Bank AG in the amount of the negative exposure of the derivatives.

EUR-denominated government bonds from the Republic of Austria and/or the Federal Republic of Germany are pledged by Erste Group Bank AG to the fund in the amount of the positive exposure of the derivatives. A one-time discount of 4% is agreed with the counterparty for this collateral. Collateral that would require a higher discount pursuant to Annex II to the Delegated Regulation (EU) No. 2016/2251 is not accepted.

Investor note:

The values of assets in illiquid markets may deviate from their actual selling prices.

Purchases and sales of securities in the reporting period not listed in the fund portfolio

Security designation	ISIN number	Interest rat	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
Publicly traded securities				
Bonds denominated in USD				
Issue country Great Britain				
MMC FINANCE DAC 13/18	XS0922134712	4.375	300	300
Issue country Ireland				
CBOM FINANCE 13/18 REGS	XS0879105558	7.700	200	400
Issue country Kenya				
KENYA, REPUBLIC14/19 REGS	XS1028951850	5.875	0	200
Issue country Netherlands				
ZHAIKMUNAI LLP 12/19 REGS	USN97716AA72	7.125	250	250

Security designation	ISIN number	Interest rat	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
Securities admitted to organised markets				
Bonds denominated in USD				
Issue country Argentina				
YPF 16/21 REGS	USP989MJBG51	8.500	0	350
Issue country Bermuda				
BTG INVESTM. 13/18 MTN	XS0917011628	4.500	0	260
CBQ FINANCE 09/19 REGS	XS0466365383	7.500	250	250
Issue country Cayman Islands				
COUNTRY GARDEN HLDGS13/23	USG24524AG84	7.500	0	200
LONGFOR PPTS 13/23	XS0877742105	6.750	0	250
Issue country India				
ICICI BK 12/18 MTN REGS	US45112FAC05	4.700	0	220
Issue country Mexico				
ALPEK S.A.B. 12/22 REGS	USP01703AA82	4.500	0	250
Issue country Thailand				
BANGKOK BK(HK) 13/18 REGS	USY06072AB10	3.300	0	200

Vienna, October 2017

ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.
Electronically signed

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