

ERSTE RESPONSIBLE STOCK EUROPE

Mutual fund pursuant to the InvFG

Annual Report 2017/18

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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 (roughly 79.09%) DekaBank Deutsche Girozentrale (roughly 2.78%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m.b.H. & Co KG (roughly 2.78%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (roughly 1.27%) Salzburger Sparkasse Bank Aktiengesellschaft (roughly 2.78%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (roughly 2.78%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (roughly 5.57%) Tiroler Sparkasse Bankaktiengesellschaft Innsbruck (roughly 2.94%)
Supervisory Board	Rudolf SAGMEISTER, Mag. (Chairman from 22 February 2018) Wolfgang TRAINDL, Mag. (Chairman until 21 February 2018) Gabriele SEMMELROCK-WERZER (Deputy Chairwoman, First Deputy) Franz-Nikolaus HÖRMANN, Mag. (Deputy Chairman, Second Deputy) Matthias BAUER Monika JUNG, Mag. MSc (from 22 February 2018) Josef PRESCHITZ Franz PRUCKNER, Dr. MBA Rupert RIEDER, Mag. Rudolf SAGMEISTER, Mag. (from 15 February 2018 to 21 February 2018) Thomas SCHAUFLENER, Mag. (FH) Reinhard WALT, Mag. Appointed by the Works Council: Martin CECH Regina HABERHAUER Heinrich Hubert REINER, Ing. Peter RIEDERER Manfred ZOUREK
Managing directors	Heinz BEDNAR, Mag. Peter KARL, Mag. (from 1 March 2018) Günther MANDL Christian SCHÖN (until 28 February 2018) Wolfgang TRAINDL, Mag. (from 1 March 2018)
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

**Remuneration paid to employees of ERSTE-SPARINVEST KAG in EUR
(financial year 2016 of ERSTE-SPARINVEST KAG)**

No investment success bonuses are paid, and no other amounts are paid directly from the investment funds.

Number of employees as of 31.12.16	131
Number of risk bearers as of 31.12.16	50
Fixed remuneration	10,429,401
Variable remuneration (bonuses)	2,748,322
Total employee remuneration	13,177,723
Thereof remuneration for managing directors	825,229
Thereof remuneration for managers and risk bearers	874,580
Thereof remuneration for risk bearers with controlling functions*	905,860
Thereof remuneration for other risk bearers	4,345,437
Thereof remuneration for employees at the same pay grade as managers and risk bearers due to the amount of their total remuneration	0
Total remuneration for risk bearers	6,951,106

* Includes the Head of Compliance

Principles governing performance-based remuneration components

The Management Company has adopted remuneration principles to prevent possible conflicts of interest and to ensure compliance with the standard rules of conduct when awarding remuneration to relevant persons.

Fixed salary components make up a large enough share of the total remuneration of all employees of the Management Company that a variable remuneration policy can be applied on an individualised basis.

The total remuneration (fixed and variable components) is governed by the principle of balance and is linked to sustainability so that the acceptance of excessive risks is not rewarded. Therefore, the variable remuneration forms no more than a balanced portion of the total remuneration awarded to an employee.

The performance-based remuneration components serve the short-term and long-term interests of the Management Company and contribute to preventing risky behaviour. The performance-based remuneration components take into account the personal performance as well as the profitability of the Management Company.

The size of the bonus pool is calculated based on the bonus potential that can be applied to the different employee categories. Bonus potential is a percentage of the fixed gross annual remuneration. The bonus potential can be no more than 100% of the fixed annual gross remuneration. The bonus pool is adjusted depending on the success of the Management Company. The personal bonus is linked to personal performance. The total of personal bonuses is limited by the size of the bonus pool after deduction of penalties.

The performance-based payments are capped at 100% of the gross annual remuneration for all employees, including the material risk bearers (according to the definition in the remuneration policy) and managing directors of the Management Company.

The remuneration system is made up of three components:

- 1) Fixed remuneration
- 2) Variable remuneration
- 3) Fringe benefits

The bonus potential is based on the fixed annual gross remuneration. The target agreements concluded with the employees contain qualitative and/or quantitative objectives. The qualitative objectives must make up at least 25%. The payment of performance-based remuneration components is subject to a minimum profitability level for the Management Company and to performance targets.

Sixty percent of the performance-based remuneration components are paid directly; for employees who are involved directly in fund and portfolio management, 50% of this is paid immediately in cash and 50% is paid one year later in the form of non-cash instruments. The remaining 40% of the performance-based remuneration components are retained and paid out over a period of three years, with 50% of this also being paid in cash and 50% in the form of non-cash instruments for employees who are involved directly in fund and portfolio management. The non-cash instruments can consist of shares in an investment fund that is administered by the Management Company, equivalent holdings or instruments linked to shares, or equivalent non-cash instruments. Based on the principle of proportionality, the Management Company has set a materiality threshold below which there is no incentive to enter into inappropriate risks, for which reason there is no need to make delayed payment or payment in the form of a non-cash instrument. Other non-cash benefits are fringe benefits that are not associated with performance but with a specific position (e.g. company car) or that apply for all employees (e.g. holiday).

The Supervisory Board of the Management Company has set up a Remuneration Committee to ensure that the remuneration policy and its application are independently assessed. This committee consists of the following persons: Rudolf Sagmeister (remuneration expert), Franz-Nikolaus Hörmann, and Heinrich Hubert Reiner.

The complete remuneration policy of the Management Company can be viewed at http://www.erste-am.at/de/private_anleger/wer-sind-wir/investmentprozess.

The last audit of compliance with the requirements of the remuneration policy by the Supervisory Board on 29 November 2017 revealed no deviations. There were also no material findings during the last audit by the Internal Auditing department in July 2017.

No material changes were made to the remuneration policy during the past financial year.

Dear Shareholder,

We are pleased to present you the following report for the ERSTE RESPONSIBLE STOCK EUROPE mutual fund pursuant to the InvFG for the period from 1 March 2017 to 28 February 2018.

Development of the Fund

Market environment

The reporting period began with very euphoric sentiment, with the European stock markets posting substantial gains all the way into May on the back of good economic data and indicators for Europe and hopes of an infrastructure programme in the USA. Further support came from the earnings season for the first quarter in Europe, in which corporate earnings and revenues came in well above the expectations, to a greater extent than had been seen for quite some time. The American S&P 500 index reached new all-time highs on numerous occasions.

The buoyant spirits were tempered at the end of the second and during the third quarter by the inability of Trump to bring his changes through the House of Representatives and the Senate, and hopes of a rapid infrastructure programme and a tax reform that could spur the US economy increasingly waned. The US healthcare reform was abandoned, and the hoped-for deregulation of the financial sector seems to have been pushed far off. A major tax reform did not materialise in the USA until in the fourth quarter of 2017, and the stock markets reacted with rising prices. After a very strong January 2018, the equity markets saw a hefty correction at the beginning of February 2018, but soon found solid ground again and began to recover somewhat at the end of the month.

The US dollar fell steadily and lost 15% versus the euro. Although British prime minister Theresa May was able to win the early elections, she came out of the campaign on weaker political footing, as her party failed to achieve an absolute majority. The British pound lost 3% against the euro during the reporting period, as the Brexit negotiations between the EU and UK proved to be very tedious and brought no rapid progress.

The US Fed hiked its key rate twice by 25 bp each in June and December 2017, putting the rate at 1.25–1.50%. The ECB left its key rate unchanged but reduced the volume of its monthly bond purchases in two steps from EUR 80 billion to EUR 30 billion. The purchasing programme is likely to be reduced further in 2018, but the key rate is not likely to be raised.

North Korea kept the world on tenterhooks with its rocket tests, and fears of a military solution emerged. The Olympic games in South Korea finally eased tensions in the crisis somewhat because of the participation of North Korean athletes and a visit by Kim's sister, and a historic summit between Trump and Kim Jong-Un was announced.

The European exchanges finally shed part of the previous gains during a substantial correction in February 2018. The European DJ Stoxx 600 index was up roughly 4%, the German DAX gained 7%, and the Italian stock market turned in a hefty increase of 15%. The American S&P 500 lost around 2% and the British FTSE stock index about 5% in euro terms.

The oil price (in USD) rose by about 14% for Brent and 12% for WTI. In Europe, the materials and IT sectors were among the best performers while telecoms and healthcare were among the worst.

Portfolio

Due to the strong economic data and expectations of rising interest rates, we increased the allocation to cyclical sectors and the financial sector and reduced the weighting of defensive industries during the first half of the year. In November, we reduced the previously favoured technology sector, increased our allocation to the healthcare sector in December, and reduced consumer discretionary in January, thereby setting up a more defensive orientation for the fund overall. Although the fund was not hit as hard as the overall European market by the significant correction on the equity markets in February, in part due to the higher cash share of around 5%, it was also unable to fully benefit from the subsequent uptrend. The cash share was reduced to around 2% after the correction.

The fund had to sell some companies because they no longer met the responsible investment criteria. BMW, Daimler (exclusion due to cartel agreements), Danone (animal testing exclusion criterion), Heidelberg Zement (human rights exclusion criterion), International Consolidated Airlines (labour law violations exclusion criterion), SAP (corruption exclusion criterion), and Adidas (labour market violations exclusion criterion); and Deutsche Telekom and ENI (petroleum) due to the overall poor sustainability ratings. The fund makes no use of futures or options. We currently prefer consumer staples and financials. The share of equities is currently 97.8%.

The fund gained 5.72% in value during the reporting period (assuming the reinvestment of the dividend disbursement), putting it ahead of the broader market.

Method of Calculating Overall Risk

Method of calculating overall risk:		Commitment approach
Reference assets used:		-
	Lowest value:	-
Value at risk:	Average value:	-
	Highest value:	-
Model used:		-
Leverage* when using the value-at-risk calculation method:		-
Leverage** according to § 4 of the 4 th Derivatives Risk Measurement and Reporting Regulation:		-

* Total nominal values of derivative instruments without taking into account offsetting and hedging (item 8.5. Schedule B InvFG 2011).

** Total derivative risk taking offsetting and hedging into account = total of the equivalent values of the underlying assets as a percentage of the fund assets.

Asset Allocation

	28 February 2018		28 February 2017	
	EUR millions	%	EUR millions	%
Equities denominated in				
GBP	12.1	16.66	8.0	15.56
DKK	5.3	7.37	3.5	6.94
EUR	43.6	60.20	31.6	61.77
NOK	1.6	2.25	0.5	1.03
SEK	3.1	4.25	1.8	3.60
CHF	4.9	6.78	4.1	8.08
HUF	0.3	0.40	-	-
USD	-	-	0.4	0.72
Securities	70.9	97.91	50.0	97.70
Dividend entitlements	0.1	0.09	0.0	0.02
Cash in banks	1.5	2.00	1.2	2.28
Other deferred items	-	0.0	-	0.0
Fund assets	72.4	100.00	51.1	100.00

Comparative overview

Financial year	Fund assets
2015/2016	40,129,724.05
2016/2017	51,126,235.29
2017/2018	72,431,744.76

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/ payment	Re-investment	Development in per cent 1)
2015/2016	Dividend shares	AT0000A1E0V5	EUR	133.14	3.0000	0.0000	-13.80
2016/2017	Dividend shares	AT0000A1E0V5	EUR	138.68	3.0000	0.0000	6.42
2017/2018	Dividend shares	AT0000A1E0V5	EUR	143.67	3.0000	0.0000	5.72

1) Assuming the reinvestment of all paid dividends at their nominal value on the day of disbursement.

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/ payment	Re-investment	Development in per cent 1)
2015/2016	Non-dividend shares	AT0000645973	EUR	133.14	0.2500	1.1800	-13.80
2016/2017	Non-dividend shares	AT0000645973	EUR	141.44	0.0000	0.0000	6.42
2017/2018	Non-dividend shares	AT0000645973	EUR	149.54	0.0000	0.0000	5.73

1) Assuming the reinvestment of all paid dividends at their nominal value on the day of disbursement.

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/ payment	Re-investment	Development in per cent
2015/2016	KESSt-exempt non-dividend shares	AT0000A0WM11	EUR	133.14	-	0.0000	-13.88
2016/2017	KESSt-exempt non-dividend shares	AT0000A0WM11	EUR	141.44	-	0.0000	6.23
2017/2018	KESSt-exempt non-dividend shares	AT0000A0WM11	EUR	149.54	-	0.0000	5.73

Disbursement/Payment

The following disbursement or payment will be made for the financial year from 1 March 2017 to 28 February 2018. The coupon-paying bank is obligated to withhold capital gains tax from this disbursement if the respective investor is not exempt from the payment of this tax.

The disbursement or payment will be effected on or after 1 June 2018 at

Erste Group Bank AG, Vienna,

and the respective bank managing the Shareholder's securities account.

Fund type	ISIN	Currency	Disbursement/ payment		KES with option declaration	KES w/o option declaration	Reinvestment
Dividend shares	AT0000A1E0V5	EUR	3.0000		0.0000	0.0000	0.0000
Non-dividend shares	AT0000645973	EUR	0.0000		0.0000	0.0000	0.0000
KES-exempt non- dividend shares	AT0000A0WM11	EUR	-	*	-	-	0.0000

* Pursuant to the penultimate sentence of § 58 (2) of the Austrian Investment Fund Act, no capital gains tax will be paid.

Income Statement and Changes in Fund Assets

1. Value Development over the Financial Year (Fund Performance)

Calculation according to the OeKB method per share in the share currency not accounting for an issue premium

AT0000A1E0V5 dividend shares EUR	
Share value at the beginning of the reporting period (7,843.817 shares)	138.68
Disbursement/payment on 30.05.2017 (corresponds to roughly 0.0205 shares at a calculated value of 146.40)	3.0000
Share value at the end of the reporting period (8,969.482 shares)	143.67
Total value including (notional) shares gained through disbursement/payment	146.61
Net earnings per share	7.93
Value development of one share in the period	5.72%

AT0000645973 non-dividend shares EUR	
Share value at the beginning of the reporting period (353,769.431 shares)	141.44
Disbursement/payment on 30.05.2017 (corresponds to roughly 0.0000 shares at a calculated value of 152.38)	0.0000
Share value at the end of the reporting period (475,745.410 shares)	149.54
Total value including (notional) shares gained through disbursement/payment	149.54
Net earnings per share	8.10
Value development of one share in the period	5.73%

AT0000A0WM11 KEST-exempt non-dividend shares EUR	
Share value at the beginning of the reporting period (0.000 shares)	141.44
Disbursement/payment	0.0000
Share value at the end of the reporting period (0.000 shares)	149.54
Total value including (notional) shares gained through disbursement/payment	149.54
Net earnings per share	8.10
Value development of one share in the period	5.73%

2. Fund Result

a. Realised fund result

Ordinary fund result

Income (without profit or loss from price changes)

Interest income (excluding income adjustment)	0.00	
Dividend income	1,576,954.43	
Other income 8)	0.00	
Total income (without profit or loss from price changes)		1,576,954.43

Interest paid - 5,988.96

Expenses

Fees paid to Investment Firm	- 985,248.05	
Costs for the financial auditor and tax consultation	- 4,653.00	
Publication costs	- 31,564.33	
Securities account fees	- 33,966.49	
Custodian bank fees	- 87,716.01	
Costs for the external consultant	0.00	
Total expenses		- 1,143,147.88
Compensation for management costs from sub-funds 1)		0.00

Ordinary fund result (excluding income adjustment) **427,817.59**

Realised profit or loss from price changes 2) 3)

Realised gains 4)	3,621,793.16	
Realised losses 5)	- 1,875,883.46	

Realised profit or loss from price changes (excluding income adjustment) **1,745,909.70**

Realised fund result (excluding income adjustment) **2,173,727.29**

b. Unrealised profit or loss from price changes 2) 3)

Changes in the unrealised profit or loss from price changes 7) 739,366.49

Result for the reporting period 6) **2,913,093.78**

c. Income adjustment

Income adjustment for income in the period	407,292.35	
Income adjustment for profit carried forward from dividend shares	17,390.72	

Overall fund result **3,337,776.85**

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	51,126,235.29
Disbursement/payment in the financial year	- 23,075.83
Issue and return of shares	17,990,808.45
Overall fund result	
(The fund result is shown in detail under item 2.)	3,337,776.85
Fund assets at the end of the reporting period	<u>72,431,744.76</u>

- 1) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the fund after deduction of any associated costs. Erste Bank der oesterreichischen Sparkassen AG receives 25% of the calculated commissions to cover administrative costs.
- 2) Realised profits and losses are not calculated precisely for the specific periods, which means that they, as is the case for the changes in the unrealised profit or loss, are not necessarily congruent with the changes in the value of the fund in the reporting year.
- 3) Total profit or loss from price changes without income adjustment (realised profit or loss from price changes, without income adjustment, plus changes in the unrealised profit or loss): EUR 2,485,276.19.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 0.00.
- 5) Thereof losses from transactions with derivative financial instruments: EUR 0.00.
- 6) The result for the financial year includes explicitly reported transaction costs in the amount of EUR 109,611.67.
- 7) Thereof changes in unrealised gains EUR 1,513,956.37 and unrealised losses EUR -774,589.88.
- 8) The earnings reported under this item can be attributed to lending fees from securities lending transactions conducted with Erste Group Bank AG in the amount of EUR 0.00, to earnings from real estate funds in the amount of EUR 0.00, and to other earnings in the amount of EUR 0.00.

Fund Portfolio as of 28 February 2018

(including changes in securities assets from 1 March 2017 to 28 February 2018)

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Publicly traded securities							
Equities denominated in GBP							
Issue country Great Britain							
3I GROUP PLC LS-.738636	GB00B1YW4409	36,000	0	36,000	9.396	382,132.45	0.53
ANTOFAGASTA PLC LS-.05	GB0000456144	40,000	8,000	32,000	8.700	314,512.30	0.43
DIAGEO PLC LS-.28935185	GB0002374006	47,000	0	77,100	24.600	2,142,682.84	2.96
FRESNILLO PLC DL -.50	GB00B2QPKJ12	22,000	0	22,000	12.195	303,090.90	0.42
GLAXOSMITHKLINE LS-.25	GB0009252882	88,200	0	88,200	13.072	1,302,503.90	1.80
ITV PLC LS -.10	GB0033986497	120,000	0	120,000	1.600	216,905.04	0.30
LEGAL GENL GRP PLCLS-.025	GB0005603997	65,000	0	97,400	2.626	288,949.59	0.40
LLOYDS BKG GRP LS-.10	GB0008706128	69,000	0	529,000	0.688	411,161.57	0.57
MONDI PLC EO -.20	GB00B1CRLC47	12,600	40,000	20,300	19.020	436,189.25	0.60
NATIONAL GRID PLC	GB00BDR05C01	36,567	20,001	16,566	7.402	138,527.23	0.19
NEXT PLC LS 0.10	GB0032089863	10,000	1,500	8,500	48.560	466,300.64	0.64
PERSIMMON PLC LS-.10	GB0006825383	23,100	0	23,100	26.010	678,767.03	0.94
PRUDENTIAL PLC LS-.05	GB0007099541	41,100	5,000	96,400	18.305	1,993,495.11	2.75
SSE PLC	GB0007908733	23,000	0	23,000	12.250	318,296.84	0.44
STAND. CHART. PLC DL-.50	GB0004082847	0	0	30,000	8.108	274,791.57	0.38
VODAFONE GROUP PLC	GB00BH4HKS39	244,000	0	562,200	2.038	1,294,067.31	1.79
Total issue country Great Britain						10,962,373.57	15.13
Issue country Jersey							
EXPERIAN PLC DL -.10	GB00B19NLV48	8,300	0	17,300	15.560	304,105.38	0.42
FERGUSON PLC LS-108030303	JE00BFNWV485	800	0	4,800	51.460	279,048.33	0.39
RANDGOLD RESOURCES DL-.05	GB00B01C3S32	800	2,000	3,300	58.480	218,016.67	0.30
Total issue country Jersey						801,170.38	1.11
Total equities denominated in GBP translated at a rate of 0.88518						11,763,543.95	16.24
Equities denominated in DKK							
Issue country Denmark							
DANSKE BK REG. DK 10	DK0010274414	13,600	3,000	30,100	246.200	995,285.88	1.37
DSV AS BONUS-AKT.	DK0060079531	3,400	9,500	3,400	480.400	219,368.98	0.30
GN STORE NORD A/S REG.DK1	DK0010272632	13,000	0	13,000	211.500	369,272.55	0.51
NOVO-NORDISK REG.B DK-.20	DK0060534915	10,400	0	34,000	316.600	1,445,716.47	2.00
PANDORA A/S DK 1	DK0060252690	2,400	1,000	9,400	640.000	807,980.96	1.12
VESTAS WIND SYST. REG.DK1	DK0010268606	20,200	7,000	25,200	443.600	1,501,361.86	2.07
Total issue country Denmark						5,338,986.70	7.37
Total equities denominated in DKK translated at a rate of 7.44572						5,338,986.70	7.37

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Equities denominated in EUR							
Issue country Belgium							
KBC GROEP N.V.	BE0003565737	3,400	1,100	13,300	77.300	1,028,090.00	1.42
Total issue country Belgium						1,028,090.00	1.42
Issue country Germany							
ABWICKL.BIOGAS I NA N.P.	DE000SBGS111	0	0	42,354	0.000	0.00	0.00
ALLIANZ SE NA N.P.	DE0008404005	6,400	800	12,800	192.020	2,457,856.00	3.39
CONTINENTAL AG N.P.	DE0005439004	2,000	1,100	1,900	225.700	428,830.00	0.59
COVESTRO AG N.P.	DE0006062144	5,000	2,500	2,500	93.340	233,350.00	0.32
DEUTSCHE BOERSE NA N.P.	DE0005810055	10,680	7,400	3,280	109.450	358,996.00	0.50
DEUTSCHE POST AG NA N.P.	DE0005552004	10,000	0	10,000	37.640	376,400.00	0.52
DEUTSCHE WOHNEN SE BEARER	DE000A0HN5C6	7,000	0	7,000	33.950	237,650.00	0.33
FRESEN.MED.CARE KGAA N.P.	DE0005785802	1,500	0	3,500	87.100	304,850.00	0.42
HENKEL AG+CO.KGAA ST N.P.	DE0006048408	3,600	5,000	6,900	98.850	682,065.00	0.94
HUGO BOSS AG NA N.P.	DE000A1PHFF7	3,500	3,000	4,200	73.360	308,112.00	0.43
INFINEON TECH.AG NA N.P.	DE0006231004	42,800	30,000	26,500	22.400	593,600.00	0.82
LUFTHANSA AG VNA N.P.	DE0008232125	25,100	15,100	10,000	27.620	276,200.00	0.38
MUENCH.RUECKVERS.VNA N.P.	DE0008430026	0	0	1,700	184.100	312,970.00	0.43
PROSIEBENSAT.1 NA N.P.	DE000PSM7770	0	0	4,700	32.540	152,938.00	0.21
SIEMENS AG NA	DE0007236101	8,500	9,000	17,200	108.440	1,865,168.00	2.58
TUI AG NA N.P.	DE000TUAG000	46,900	18,000	28,900	17.415	503,293.50	0.69
Total issue country Germany						9,092,278.50	12.55
Issue country France							
NEXANS BEARER	FR0000044448	15,000	0	15,000	43.480	652,200.00	0.90
TOTAL S.A. EO 2.50	FR0000120271	15,400	3,000	44,500	46.970	2,090,165.00	2.89
VALEO SA BEARER EO 1	FR0013176526	1,400	0	5,900	53.460	315,414.00	0.44
Total issue country France						3,057,779.00	4.22
Issue country Ireland							
CRH PLC EO-.32	IE0001827041	5,800	12,500	23,000	27.270	627,210.00	0.87
Total issue country Ireland						627,210.00	0.87
Issue country Italy							
UNICREDIT	IT0005239360	34,697	0	39,100	17.446	682,138.60	0.94
Total issue country Italy						682,138.60	0.94
Issue country Austria							
ERSTE GROUP BNK BEARER N.P.	AT0000652011	26,000	15,000	11,000	41.910	461,010.00	0.64
OMV AG	AT0000743059	7,800	9,000	4,800	47.100	226,080.00	0.31
VOESTALPINE AG	AT0000937503	14,900	5,000	9,900	47.600	471,240.00	0.65
Total issue country Austria						1,158,330.00	1.60

ERSTE RESPONSIBLE STOCK EUROPE

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Issue country Spain							
ACS,ACT.CO.SER.BEARER.EO-.50	ES0167050915	6,652	10,000	10,350	28.330	293,215.50	0.40
AMADEUS IT GRP SA EO 0.01	ES0109067019	3,200	4,000	4,200	60.560	254,352.00	0.35
						Total issue country Spain	0.76
						Total equities denominated in EUR	22.36
Equities denominated in NOK							
Issue country Norway							
DNB NOR ASA A NK 10	N00010031479	20,800	0	43,100	156.700	702,091.58	0.97
MARINE HARVEST ASA NK 7.5	N00003054108	45,000	0	45,000	153.650	718,774.36	0.99
						Total issue country Norway	1.96
						Total equities denominated in NOK translated at a rate of 9.61950	1.96
Equities denominated in SEK							
Issue country Sweden							
ATLAS COPCO A	SE0006886750	36,200	17,000	36,000	355.100	1,265,025.37	1.75
ESSITY AB B	SE0009922164	37,100	0	37,100	228.000	837,056.59	1.16
NORDEA BANK AB EO 0.40	SE0000427361	0	0	27,000	94.560	252,648.83	0.35
SANDVIK AB	SE0000667891	54,100	7,000	47,100	154.500	720,104.38	0.99
						Total issue country Sweden	4.25
						Total equities denominated in SEK translated at a rate of 10.10541	4.25
Equities denominated in CHF							
Issue country Switzerland							
ABB LTD. NA SF 0.12	CH0012221716	15,100	6,100	35,000	23.060	700,224.70	0.97
						Total issue country Switzerland	0.97
						Total equities denominated in CHF translated at a rate of 1.15263	0.97
Equities denominated in HUF							
Issue country Hungary							
MOL NYRT. NA A UF 125	HU0000153937	32,600	0	32,600	2,816.000	292,357.08	0.40
						Total issue country Hungary	0.40
						Total equities denominated in HUF translated at a rate of 314.00505	0.40
						Total publicly traded securities	53.55

Security designation	ISIN number	Purch./ additions Shares/	Sales/ disposals nominal (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets	
Securities admitted to organised markets								
Equities denominated in GBP								
Issue country Jersey								
WPP PLC	LS-.10	JE00B8KF9B49	4,400	0	19,200	13.940	302,365.62	0.42
						Total issue country Jersey	302,365.62	0.42
Total equities denominated in GBP translated at a rate of 0.88518							302,365.62	0.42
Equities denominated in EUR								
Issue country Belgium								
UCB S.A.		BE0003739530	10,700	1,000	9,700	68.080	660,376.00	0.91
						Total issue country Belgium	660,376.00	0.91
Issue country France								
AIR LIQUIDE BEARER EO 5.50		FR0000120073	4,280	0	8,080	103.150	833,452.00	1.15
ATOS SE NOM. EO 1		FR0000051732	3,100	5,000	2,800	108.500	303,800.00	0.42
AXA S.A. BEARER EO 2.29		FR0000120628	19,300	14,000	70,100	25.860	1,812,786.00	2.50
BNP PARIBAS BEARER EO 2		FR0000131104	6,800	2,200	27,500	65.370	1,797,675.00	2.48
CAPGEMINI SE BEARER EO 8		FR0000125338	1,600	3,800	3,000	102.950	308,850.00	0.43
CREDIT AGRICOLE BEARER EO 3		FR0000045072	9,800	0	42,900	14.135	606,391.50	0.84
INGENICO GROUP S.A. EO 1		FR0000125346	5,000	0	5,000	71.520	357,600.00	0.49
KERING S.A. BEARER EO 4		FR0000121485	1,900	600	1,300	388.000	504,400.00	0.70
LVMH EO 0.3		FR0000121014	2,760	3,200	6,780	246.500	1,671,270.00	2.31
MICHELIN NOM. EO 2		FR0000121261	5,400	0	5,400	126.700	684,180.00	0.94
ORANGE BEARER EO 4		FR0000133308	33,000	0	70,400	13.940	981,376.00	1.35
OREAL (L') BEARER EO 0.2		FR0000120321	4,700	0	4,700	177.050	832,135.00	1.15
PERNOD-RICARD N.P.		FR0000120693	3,800	0	3,800	135.000	513,000.00	0.71
RENAULT BEARER EO 3.81		FR0000131906	3,000	700	6,800	89.480	608,464.00	0.84
SANOFI SA BEARER EO 2		FR0000120578	21,000	1,500	19,500	65.030	1,268,085.00	1.75
SCHNEIDER ELEC. BEARER EO 4		FR0000121972	4,700	0	11,500	71.580	823,170.00	1.14
ST GOBAIN EO 4		FR0000125007	5,000	0	14,800	46.745	691,826.00	0.96
STE GENERALE BEARER EO 1.25		FR0000130809	3,200	0	13,300	47.120	626,696.00	0.87
UNIBAIL-ROD.SE BEARER EO 5		FR0000124711	400	0	2,000	191.750	383,500.00	0.53
						Total issue country France	15,608,656.50	21.55
Issue country Italy								
INTESA SANPAOLO EO 0.52		IT0000072618	54,000	0	235,000	3.096	727,560.00	1.00
TELECOM ITALIA		IT0003497168	430,000	0	430,000	0.740	318,200.00	0.44
						Total issue country Italy	1,045,760.00	1.44
Issue country Luxembourg								
APERAM S.A.		LU0569974404	11,000	4,000	12,000	42.820	513,840.00	0.71
						Total issue country Luxembourg	513,840.00	0.71

ERSTE RESPONSIBLE STOCK EUROPE

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Issue country Netherlands							
AHOLD DELHAIZE,KON.EO-.01	NL0011794037	23,800	0	38,676	18.502	715,583.35	0.99
ASML HOLDING EO -.09	NL0010273215	6,100	3,700	6,700	161.300	1,080,710.00	1.49
HEINEKEN EO 1.60	NL0000009165	2,600	0	11,300	85.540	966,602.00	1.33
ING GROEP NV EO -.01	NL0011821202	47,600	10,500	113,400	14.478	1,641,805.20	2.27
KONINKL. PHILIPS EO -.20	NL0000009538	11,000	15,000	11,700	31.530	368,901.00	0.51
RANDSTAD HLDG NV EO-10	NL0000379121	0	0	5,000	58.860	294,300.00	0.41
WOLTERS KLUWER REG. EO-12	NL0000395903	10,800	2,000	16,800	41.680	700,224.00	0.97
Total issue country Netherlands						5,768,125.55	7.96
Issue country Spain							
AENA SME S.A. EO 10	ES0105046009	3,200	1,200	4,000	167.650	670,600.00	0.93
BCO BIL.VIZ.ARG.NOM.EO-49	ES0113211835	42,256	0	110,128	6.890	758,781.92	1.05
BCO SANTANDER N.EO0.5	ES0113900J37	78,778	0	254,303	5.667	1,441,135.10	1.99
RED ELECTRICA CORP.EO-.50	ES0173093024	21,000	20,000	14,600	16.000	233,600.00	0.32
TELEFONICA BEARER EO 1	ES0178430E18	72,000	13,000	88,547	7.993	707,756.17	0.98
Total issue country Spain						3,811,873.19	5.26
Total equities denominated in EUR						27,408,631.24	37.84
Equities denominated in NOK							
Issue country Norway							
STATOIL ASA NK 2.50	N00010096985	0	0	11,000	182.250	208,404.80	0.29
Total issue country Norway						208,404.80	0.29
Total equities denominated in NOK translated at a rate of 9.61950						208,404.80	0.29
Equities denominated in CHF							
Issue country Switzerland							
JUL. BAER GRP. REG.SF-.02	CH0102484968	13,000	3,000	10,000	61.600	534,429.96	0.74
LONZA GROUP AG NA SF 1	CH0013841017	5,628	2,400	3,228	240.800	674,372.87	0.93
ROCHE HLDG AG GEN.	CH0012032048	4,200	1,000	14,900	219.300	2,834,881.97	3.91
SWISS RE AG REG. SF -.10	CH0126881561	0	0	2,000	96.500	167,443.15	0.23
Total issue country Switzerland						4,211,127.95	5.81
Total equities denominated in CHF translated at a rate of 1.15263						4,211,127.95	5.81
Total securities admitted to organised markets						32,130,529.61	44.36

Security designation	ISIN number	Purch./ Sales/ additions disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
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Unlisted securities**Equities denominated in EUR****Issue country Italy**

UNICREDIT -INT. CERT.- (TECH.)	IT0005319808	39,100	0	39,100	0.003	122.85	0.00	
						Total issue country Italy	122.85	0.00
						Total equities denominated in EUR	122.85	0.00
						Total unlisted securities	122.85	0.00

Breakdown of fund assets

Securities						70,914,859.60	97.91
Cash in banks						1,451,860.91	2.00
Dividend entitlements						67,163.80	0.09
Other deferred items						-2,139.55	-0.00
Fund assets						72,431,744.76	100.00

Dividend shares outstanding	AT0000A1E0V5	shares	8,969.482
Share value for dividend share	AT0000A1E0V5	EUR	143.67
Non-dividend shares outstanding	AT0000645973	shares	475,745.410
Share value for non-dividend share	AT0000645973	EUR	149.54
KEST-exempt non-dividend shares outstanding	AT0000A0WM11	shares	0
Share value for KEST-exempt non-dividend share	AT0000A0WM11	EUR	149.54

Securities lending transactions, repurchase agreements, and total return swaps are not used for the fund.

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	Purch./ additions	Sales/ disposals
		Shares/nominal (nom. in 1,000, rounded)	
Publicly traded securities			
Equities denominated in GBP			
Issue country Great Britain			
BURBERRY GROUP LS-.0005	GB0031743007	12,600	24,600
CAPITA PLC SL-.02066666	GB00B23K0M20	0	15,000
INTERCONT.H.LS-.198095238	GB00BD8QVH41	13,923	13,923
INTERCONT.HOT.LS-.1896656	GB00BYXK6398	0	11,200
LAND SECURITIES GROUP PLC	GB00BYW0PQ60	31,594	31,594
NATIONAL GRID PLC NEW	GB00B08SNH34	0	37,600
SCHRODERS PLC LS 1	GB0002405495	10,000	10,000
SKY PLC LS -.50	GB0001411924	0	16,700
TULLOW OIL PLC LS-.10	GB0001500809	0	156,200
Equities denominated in EUR			
Issue country Germany			
ADIDAS AG NA N.P.	DE000A1EWWW0	2,100	2,100
BAY.MOTOREN WERKE AG ST	DE0005190003	0	4,500
DAIMLER AG NA N.P.	DE0007100000	0	21,800
DEUTSCHE BOERSE Z.UMT.	DE000A2AA253	0	8,280
DT.TELEKOM AG NA	DE0005557508	0	51,900
HEIDELBERGCEMENT AG N.P.	DE0006047004	4,700	10,100
LINDE AG N.P.	DE0006483001	1,500	3,200
SAP SE N.P.	DE0007164600	5,100	18,400

Security designation	ISIN number	Purch./ additions	Sales/ disposals
Shares/nominal (nom. in 1,000, rounded)			
Issue country Italy			
ATLANTIA S.P.A. EO 1	IT0003506190	0	8,000
Issue country Netherlands			
AHOLD, KON. EO-01	NL0010672325	1	1
Issue country Austria			
RAIFFEISEN INTL BK-HO.BEARER	AT0000606306	0	12,000
Issue country Slovenia			
KRKA D.D. A NA	SI0031102120	1	1
LUKA KOPER NA	SI0031101346	1	1
Issue country Spain			
BCO SANTANDER -INT.CERT.-	ES06139009P1	175,525	175,525
Equities denominated in SEK			
Issue country Sweden			
ASSA-ABLOY AB B SK-33	SE0007100581	1,200	11,500
SVENSKA CELL.B FRIA SK10	SE0000112724	8,400	37,100
Equities denominated in CHF			
Issue country Switzerland			
ACTELION LTD SF 0.50	CH0010532478	0	1,700
Equities denominated in HUF			
Issue country Hungary			
MOL NYRT. NA A UF 1000	HU0000068952	3,700	3,700
Securities admitted to organised markets			
Equities denominated in EUR			
Issue country Finland			
AMER SPORTS CORP. A	FI0009000285	0	10,000

ERSTE RESPONSIBLE STOCK EUROPE

Security designation	ISIN number	Purch./ additions	Sales/ disposals
		Shares/nominal (nom. in 1,000, rounded)	
Issue country France			
CHRISTIAN DIOR BEARER EO 2	FR0000130403	0	1,200
DANONE S.A. EO -.25	FR0000120644	0	7,700
DASSAULT SYS SA BEARER.E00.5	FR0000130650	300	2,300
NATIXIS S.A. BEARER EO 11.2	FR0000120685	50,000	50,000
Issue country Italy			
ENI S.P.A.	IT0003132476	0	12,000
Issue country Spain			
ACS,ACT.CO.SER. -INT. CERT.-	ES06670509B5	13,698	13,698
BCO BIL.VIZ.ARG. -INT. CERT.-	ES06132119E9	67,872	67,872
BCO SANTANDER -INT. CERT.-	ES06139009Q9	252,525	252,525
INTERN.CON.S.AIRL.GR.	ES0177542018	25,000	65,000
Equities denominated in CHF			
Issue country Switzerland			
GEBERIT AG NA DISP. SF-10	CH0030170408	0	700
Equities denominated in USD			
Issue country Netherlands			
NXP SEMICONDUCTORS EO-.20	NL0009538784	0	3,800
Unlisted securities			
Equities denominated in GBP			
Issue country Great Britain			
LAND SECURITIES GROUP PLC	GB0031809436	0	33,700
Equities denominated in EUR			
Issue country Austria			
CEE CLEAN ECONOMIC EN. NA	AT0000A0UFZ4	0	66,666

Security designation	ISIN number	Purch./ additions	Sales/ disposals
Shares/nominal (nom. in 1,000, rounded)			
Issue country Spain			
ACS,ACT.CO.SER.6/17EO-50	ES0167050105	285	285
ACS,ACT.CO.SER.BEARER 1/18	ES0167050121	268	268
BCO BIL.VIZ.ARG.NOM. 4/17	ES0113211215	1,257	1,257
BCO SANTANDER E. 10/17	ES0113902318	1,778	1,778

Equities denominated in CHF**Issue country Switzerland**

LONZA GROUP AG -INT. CERT.-	CH0351063620	2,200	2,200
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Vienna, 18 May 2018

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

Inspection information:
Note:

The electronic signatures in this document can be inspected at www.signaturpruefung.gv.at.
This document was signed with two qualified electronic signatures. A qualified electronic signature fulfils the legal requirements of a hand-written signature, and in particular the requirements of the written form as defined in § 886 ABGB (§ 4 [1] Austrian Signature Act [Signaturgesetz]).

Auditor's Opinion*

Statement on the annual report

Audit opinion

We have audited the annual report prepared by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., Vienna, for the fund under its management

ERSTE RESPONSIBLE STOCK EUROPE
mutual fund pursuant to the InvFG,

consisting of the fund portfolio as of 28 February 2018, the income statement for the financial year ending on this date, and the other information specified in Annex I Scheme B of the Austrian Investment Fund Act 2011 (InvFG 2011).

Based on the findings of our audit, we believe that the annual report satisfies the legal requirements and provides a true and fair view of the assets and financial position as of 28 February 2018 and of the earnings position of the fund for the financial year ending on this date in accordance with Austrian commercial law and the provisions of the InvFG 2011.

Basis for the audit opinion

We conducted our audit in accordance with § 49 (5) InvFG 2011 and in accordance with the Austrian principles of good auditing. These principles require the application of the International Standards on Auditing (ISA). Our responsibilities under these regulations and standards are described in the section "Responsibilities of the auditor in auditing the annual report" of our opinion. We are independent from the company as specified by the Austrian commercial and industry regulations and fulfilled our other professional obligations in accordance with these requirements. We feel that the audit evidence that we obtained is sufficient and suitable to serve as a basis for our audit opinion.

Management and supervisory board responsibilities relating to the annual report

The legal representatives are responsible for preparing the annual report and for ensuring that this report provides a true and fair view of the assets and financial and earnings position of the fund in accordance with Austrian commercial law and the provisions of the InvFG 2011. The legal representatives are also responsible for implementing the internal controls that they deem necessary to facilitate the preparation of an annual report that is free from material misstatements due to error or fraud.

The supervisory board is responsible for monitoring the accounting process of the company as it applies to the fund under its management.

Responsibilities of the auditor in auditing the annual report

Our goals are to ascertain with sufficient certainty whether the annual report contains material misstatements due to error or fraud and to issue a statement that includes our audit opinion. Sufficient certainty is a high degree of certainty but no guarantee that an audit conducted in accordance with the Austrian standards on good auditing, which require the application of the ISA, will always discover material misstatements that may be present. Misstatements can result from fraud or errors and are considered to be material when it can be reasonably expected that individual misstatements or a combination of misstatements can influence economic decisions made by readers on the basis of this annual report.

As part of an audit conducted in accordance with the Austrian standards on good auditing, which require the application of the ISA, we exercise professional judgement and maintain professional scepticism during the entire audit process.

In addition:

- We identify and assess the risks of material misstatements in the annual report due to error or fraud, plan audit steps in response to these risks, perform the planned audit steps, and collect audit evidence that is sufficient and suitable to form a basis for our audit opinion. The risk that a material misstatement resulting from fraud will remain undiscovered is greater than for misstatements resulting from error because fraudulent activity can include collusion, the falsification of documents, intentional incomplete or misleading representations, and the circumvention of internal controls.
- We familiarise ourselves with the internal control systems that are relevant for the audit to plan audit steps that are appropriate under the specific circumstances, but not so as to state an opinion on the effectiveness of the company's internal control system.
- We assess the appropriateness of the accounting methods applied by the legal representatives and the reasonableness of the estimates made by the legal representatives in the accounts and of the associated information.
- We assess the overall presentation, the structure, and the content of the annual report including the figures as well as whether the annual report depicts the underlying transactions and events in a manner that provides a true and fair view.
- We discuss the planned scope and scheduling of the audit and any material audit findings, including material defects that we discover in the internal control system during our audit, with the supervisory board, among other issues.

Other information

The legal representatives are responsible for the other information. The other information includes all information in the annual report except for the fund portfolio, the income statement, the other information specified in Annex I Scheme B of the InvFG 2011, and the auditor's opinion.

Our audit opinion does not cover this other information, and we provide no assurance whatsoever for this other information.

In connection with our audit of the annual report, it is our responsibility to read this other information and to consider whether there are material discrepancies between the other information and the annual report or the information gathered by us during our audit, or if this other information appears materially incorrect in some other manner. If we come to the conclusion on the basis of our audit steps that the other information is materially incorrect, we are obligated to report this. We have nothing to report in this regard.

Vienna, 18 May 2018

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Andrea Stippl
(Certified Public
Accountant)

ppa MMag. Roland Unterweger
(Certified Public Accountant)

* In the case of the publication or dissemination of the annual report in a form that deviates from the confirmed (unabridged German) version (e.g. an abridged version or translation), reference may not be made to the auditor's opinion or our audit without our approval.

Fund Terms and Conditions for ERSTE RESPONSIBLE STOCK EUROPE

Mutual fund pursuant to the InvFG

The Fund Terms and Conditions for ERSTE RESPONSIBLE STOCK EUROPE, mutual fund pursuant to the Austrian Investment Fund Act (Investmentfondsgesetz; InvFG) 2011 as amended, were approved by the Austrian Financial Market Authority (FMA).

The Fund is an undertaking for the collective investment of transferable securities (UCITS) and is managed by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. (the "Management Company" in the following), which is domiciled in Vienna.

Article 1 Fund Shares

The partial ownership of the fund assets is evidenced by certificates having the characteristics of a bearer share.

The share certificates are depicted in global certificates. For this reason, individual share certificates cannot be issued.

Article 2 Custodian Bank (Depositary Bank)

The custodian bank (depositary) appointed for the Fund is Erste Group Bank AG, Vienna.

The payment offices for share certificates are the custodian bank (depositary) or other payment offices mentioned in the prospectus.

Article 3 Investment Instruments and Principles

The following assets may be selected for the Fund in accordance with the InvFG.

The Fund invests primarily, in other words at least 51% of its assets, in stocks from companies in Europe operating under business policies that the Management Company has determined to be sustainable on the basis of a pre-defined screening process in the form of directly purchased individual instruments, in other words not indirectly or directly through investment funds or through derivatives.

The fund assets are invested in the following investment instruments in accordance with the investment focus described above.

a) Securities

Securities (including securities with embedded derivative financial instruments) comprise at least 51% of the fund assets.

b) Money market instruments

Money market instruments may comprise up to 49% of the fund assets.

c) Securities and money market instruments

The Fund may purchase securities and money market instruments that are not fully paid up as well as subscription rights for these types of instruments and other financial instruments that are not fully paid up amounting to a maximum of 10% of the fund assets.

Securities and money market instruments may only be purchased for the Fund when they meet the criteria regarding listing or trading on a regulated market or a securities exchange pursuant to the InvFG.

Securities and money market instruments that do not meet the criteria described in the previous paragraph may comprise up to 10% of the fund assets in total.

d) Shares in investment funds

Shares in investment funds (UCITS, UCI) may each comprise up to 10% of the fund assets and may comprise up to 10% in aggregate total, provided that the target funds themselves (UCITS, UCI) do not invest more than 10% of their fund assets in shares of other investment funds.

e) Derivative financial instruments

Derivative financial instruments can be used for hedging purposes and as part of the investment strategy, and may comprise up to 35% of the fund assets.

f) Risk measurement method(s) of the fund

The Fund applies the following risk measurement methods: Commitment approach

The commitment value is determined according to § 3 of the 4th FMA Regulation on Risk Calculation and Reporting of Derivative Instruments (4. Derivate-Risikoberechnungs- und MeldeV) as amended.

g) Demand deposits or callable deposits

Demand deposits and callable deposits with a maximum term of 12 months may comprise up to 49% of the fund assets.

There are no minimum deposit requirements.

However, in the course of the restructuring of the fund portfolio and/or in the case of the justified assumption of impending losses experienced by securities, the Fund can hold a lower proportion of securities and a higher proportion of demand deposits or callable deposits with a maximum term of 12 months.

h) Acceptance of short-term loans

The Management Company may accept short-term loans for the account of the Fund up to an amount of 10% of the total fund assets.

i) Repurchase agreements

Does not apply.

j) Securities lending

Does not apply.

Article 4 Issue and Return Procedure

The share value shall be calculated in EUR.

The share value is calculated at the same time as the issue and return price.

Issue of shares and issue premium

The issue price will be calculated and shares issued on every exchange trading day.

The issue price shall be made up of the share value plus a premium per share amounting to up to 5.0% to cover the costs incurred by the Management Company in issuing the share, rounded up to the next cent.

There is no limit on the issue of shares in principle. However, the Management Company reserves the right to temporarily or permanently suspend the issue of share certificates.

Return of shares and return fee

The return price will be calculated and shares redeemed on every exchange trading day.

The return price is the share value rounded down to the next cent. No return fee will be charged.

Upon request by the Shareholder, his shares shall be redeemed at the current return price in return for the share certificate.

Article 5 Financial Year

The financial year of the Fund is from 1 March to the last day of February.

Article 6 Share Classes and Use of Earnings

The Fund features three different share classes and the corresponding certificates: dividend shares and non-dividend shares with capital gains tax withholding as well as non-dividend shares without capital gains tax withholding, with certificates being issued for one share each and also for fractional shares.

Use of earnings for dividend shares

The earnings generated during the financial year (interest and dividends) less all costs can be distributed as deemed appropriate by the Management Company. Dividend disbursement may be suspended taking the interests of the Shareholders into account.

Dividends may also be paid at the discretion of the Management Company from earnings generated by the sale of fund assets, including subscription rights. Fund assets may be paid out in the form of dividends and interim dividends. The fund assets may not fall below the legally stipulated minimum volume for termination after dividend payments in any case.

The amounts shall be paid to the holders of dividend shares on or after 1 June of the following financial year. The remaining amount shall be carried forward.

An amount calculated in accordance with the InvFG must also be paid out on or after 1 June to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the Fund shares unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the share certificates can only be held by Shareholders who are not subject to Austrian personal or corporate income tax or who meet the conditions for exemption from capital gains tax according to § 94 of the Austrian Income Tax Act (Einkommensteuergesetz) at the time of payment.

Use of earnings for non-dividend shares with capital gains tax withholding

The earnings generated by the Fund during the financial year less all costs will not be paid out. In the case of non-dividend shares, an amount calculated in accordance with the InvFG must be paid out on or after 1 June to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund shares unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the share certificates can only be held by Shareholders who are not subject to Austrian personal or corporate income tax or who meet the conditions for exemption from capital gains tax according to § 94 of the Austrian Income Tax Act (Einkommensteuergesetz) at the time of payment.

Use of earnings for non-dividend shares without capital gains tax withholding (KESt-exempt non-dividend domestic and foreign share class)

The earnings generated by the Fund during the financial year less all costs will not be paid out. No payment pursuant to the InvFG will be made. The reference date for the exemption from KESt payment for the profit for the year for the purposes of the InvFG shall be 1 June of the following financial year.

The Management Company shall provide suitable proof from the banks managing the corresponding securities accounts that the share certificates could only be held by Shareholders who are not subject to Austrian personal or corporate income tax or who met the conditions for exemption from capital gains tax according to § 94 of the Austrian Income Tax Act (Einkommensteuergesetz) at the time of payment.

If these requirements are not met at the time of payment, the amount calculated pursuant to the InvFG must be paid out by the bank managing the respective securities account in the form of an account credit.

Article 7

Management Fee, Compensation for Expenses, Liquidation Fee

The Management Company shall receive an annual fee for its administrative activities amounting to up to 1.8% of the fund assets, which shall be accrued on a daily basis and calculated using the month-end values adjusted for the accrued fees.

The Management Company shall be entitled to compensation for all expenses incurred in the administration of the Fund.

The custodian bank shall receive a fee in the amount of 0.5% of the fund assets upon liquidation.

Further information and details about this Fund can be found in the prospectus.

Annex to the Fund Terms and Conditions

List of exchanges with official trading and organised markets (As of October 2014)

1. Exchanges with official trading and organised markets in the Member States of the EEA

Every Member State must maintain a current list of the authorised markets within its territory. This list must be submitted to the other Member States and the Commission.

According to this provision, the Commission is required to publish a list of the regulated markets registered with it by the Member States once per year.

Because of lower entry barriers and specialisation in different trading segments, the list of “regulated markets” is subject to significant changes. For this reason, the Commission will publish an up-to-date version of the list on its official web site in addition to the annual publication of a list in the Official Journal of the European Union.

1.1. The currently valid list of regulated markets can be found at

http://mifiddatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display&subsection_id=0 *) under “List of Regulated Markets (pdf)”.

1.2. The following exchanges are included in the list of regulated markets:

1.2.1 Luxembourg: Euro MTF Luxembourg

1.3. Recognised markets in the EEA according to § 67 (2) 2 InvFG:

Markets in the EEA that have been classified as recognised markets by the respective supervisory authorities.

2. Exchanges in European countries outside of the EEA

- | | | |
|------|-------------------------|---|
| 2.1. | Bosnia and Herzegovina: | Sarajevo, Banja Luka |
| 2.2. | Montenegro: | Podgorica |
| 2.3. | Russia: | Moscow (RTS Stock Exchange)
Moscow Interbank Currency Exchange (MICEX) |
| 2.4. | Switzerland: | SWX Swiss Exchange |
| 2.5. | Serbia: | Belgrade |
| 2.6. | Turkey: | Istanbul (only "National Market" on the stock market) |

3. Exchanges in non-European countries

- | | | |
|-------|-----------------------|---|
| 3.1. | Australia: | Sydney, Hobart, Melbourne, Perth |
| 3.2. | Argentina: | Buenos Aires |
| 3.3. | Brazil: | Rio de Janeiro, Sao Paulo |
| 3.4. | Chile: | Santiago |
| 3.5. | China: | Shanghai Stock Exchange, Shenzhen Stock Exchange |
| 3.6. | Hong Kong: | Hong Kong Stock Exchange |
| 3.7. | India: | Mumbai |
| 3.8. | Indonesia: | Jakarta |
| 3.9. | Israel: | Tel Aviv |
| 3.10. | Japan: | Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima |
| 3.11. | Canada: | Toronto, Vancouver, Montreal |
| 3.12. | Colombia: | Bolsa de Valores de Colombia |
| 3.13. | Korea: | Korea Exchange (Seoul, Busan) |
| 3.14. | Malaysia: | Kuala Lumpur, Bursa Malaysia Berhad |
| 3.15. | Mexico: | Mexico City |
| 3.16. | New Zealand: | Wellington, Christchurch/Invercargill, Auckland |
| 3.17. | Peru: | Bolsa de Valores de Lima |
| 3.18. | Philippines: | Manila |
| 3.19. | Singapore: | Singapore Stock Exchange |
| 3.20. | South Africa: | Johannesburg |
| 3.21. | Taiwan: | Taipei |
| 3.22. | Thailand: | Bangkok |
| 3.23. | USA: | New York, American Stock Exchange (AMEX), New York Stock Exchange (NYSE), Los Angeles/Pacific Stock Exchange, San Francisco/Pacific Stock Exchange, Philadelphia, Chicago, Boston, Cincinnati |
| 3.24. | Venezuela: | Caracas |
| 3.25. | United Arab Emirates: | Abu Dhabi Securities Exchange (ADX) |

4. Organised markets in countries outside of the European Community

- | | | |
|------|--------------|--|
| 4.1. | Japan: | over the counter market |
| 4.2. | Canada: | over the counter market |
| 4.3. | Korea: | over the counter market |
| 4.4. | Switzerland: | SWX Swiss Exchange, BX Berne eXchange; over the counter market of the members of the International Capital Market Association (ICMA), Zurich |
| 4.5. | USA: | over the counter market (under the regulation of an authority such as the SEC, FINRA, etc.) |

5. Exchanges with futures and options markets

- | | | |
|-------|---------------|--|
| 5.1. | Argentina: | Bolsa de Comercio de Buenos Aires |
| 5.2. | Australia: | Australian Options Market, Australian Securities Exchange (ASX) |
| 5.3. | Brazil: | Bolsa Brasileira de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange |
| 5.4. | Hong Kong: | Hong Kong Futures Exchange Ltd. |
| 5.5. | Japan: | Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange |
| 5.6. | Canada: | Montreal Exchange, Toronto Futures Exchange |
| 5.7. | Korea: | Korea Exchange (KRX) |
| 5.8. | Mexico: | Mercado Mexicano de Derivados |
| 5.9. | New Zealand: | New Zealand Futures & Options Exchange |
| 5.10. | Philippines: | Manila International Futures Exchange |
| 5.11. | Singapore: | The Singapore Exchange Limited (SGX) |
| 5.12. | Slovakia: | RM System Slovakia |
| 5.13. | South Africa: | Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX) |
| 5.14. | Switzerland: | EUREX |
| 5.15. | Turkey: | TurkDEX |
| 5.16. | USA: | American Stock Exchange, Chicago Board Options Exchange, Chicago Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, Mid America Commodity Exchange, ICE Future US Inc. New York, Pacific Stock Exchange, Philadelphia Stock Exchange, New York Stock Exchange, Boston Options Exchange (BOX) |

*) To open the list, click "view all". [The list can be found on the FMA's web site by going to: <http://www.fma.gv.at/de/unternehmen/boerse-wertpapierhandel/boerse.html> – scroll down – link to "Liste der geregelten Märkte (MiFID Database; ESMA)" – "view all"]

Note regarding the data used

The sections Income Statement and Changes in Fund Assets, Fund Portfolio, and Tax Treatment in this annual report were prepared on the basis of data from the custodian bank for the Fund.

The data and information provided by the custodian bank were collected with the greatest possible care and were checked solely for plausibility.

Unless indicated otherwise, source: ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. Our languages of communication are German and English. Both the full prospectus and the simplified prospectus as well as the Key Investor Information (and any applicable changes to these documents) were published in Amtsblatt zur Wiener Zeitung in accordance with the provisions of the InvFG 2011 in the currently amended version and are available for free at the domicile of the Investment Firm and at the head office of the custodian bank. The exact date of the most recent publication, the languages in which the simplified prospectus and the Key Investor Information are available, and any additional locations where the documents can be obtained can be viewed on the web site www.erste-am.at.

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