

# PROSPECTUS

for the fund

## **ESPA PORTFOLIO BALANCED 30** **Mutual fund pursuant to the InvFG 2011 as amended**

ISIN code:

AT0000802491 (dividend shares)

AT0000A09R60 (non-dividend shares)

AT0000A09R86 (KESt-exempt non-dividend shares [foreign investors])

issued by  
**ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.**  
**Am Belvedere 1**  
**A-1100 Vienna**

This prospectus was prepared on the basis of the Fund Terms and Conditions amended in accordance with the 2011 Austrian Investment Fund Act and was published on 13 July 2017.

This document becomes effective on 14 July 2017.

The publication of the last prior versions of this prospectus took place on 5.3.1999, 6.11.2000, 19.1.2001, 7.5.2001, 31.7.2002, 4.4.2003, 12.2.2004, 30.9.2004, 22.6.2005, 15.5.2008, 4.11.2008, 26.6.2009, 9.9.2009, 3.10.2009, 30.12.2010, 31.8.2011, 15.12.2011, 13.4.2012, 5.10.2012, 1.3.2014, 17.3.2016

Last notice pursuant to § 133 InvFG 2011 (date of OeKB upload): 26.8.2014

In the case of the electronic distribution of this prospectus, the formatting of the text may deviate from that of the original copy of the prospectus submitted to the Austrian Control Bank (OeKB).

The prospectus including the Fund Terms and Conditions, key investor information, and the semi-annual and annual reports can be accessed on the web site of ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., [www.erste-am.com](http://www.erste-am.com).

## **DISCLAIMER FOR THE SALE of non-US funds to US investors**

The fund registration process was completed with the US Internal Revenue Service (IRS) in the course of the implementation of the US Foreign Account Tax Compliance Act (FATCA).

Therefore, the Fund is FATCA-compliant pursuant to the provisions defined by this act.

### **Limitations on Sale**

The shares issued for this Fund may only be publicly offered or sold in countries in which such a public offer or sale is permitted. Therefore, unless the Management Company or representatives of the Management Company have filed an application with the local supervisory authorities and permission has been granted by the local supervisory authorities, and as long as no such application has been filed or no such permission granted by the supervisory authorities, this document does not represent an offer to buy investment shares.

The shares have not been and will not be registered pursuant to the 1933 United States Securities Act as amended (hereinafter the "Securities Act of 1933") or pursuant to the securities regulations of a state or other public entity of the United States of America or its territories, possessions, or other areas subject to its sovereignty, including the Commonwealth of Puerto Rico (hereinafter collectively designated as the "United States").

The shares may not be publicly offered, sold, or otherwise transferred in the United States. The shares are being offered and sold on the basis of an exemption from registration pursuant to Regulation S of the Securities Act of 1933. The Management Company and the Fund have not been and will not be registered pursuant to the 1940 United States Investment Company Act as amended, or pursuant to any other US federal laws. Therefore, the shares will not be publicly offered or sold in the United States or to or for the account of US persons (in the sense of the definition for the purposes of US federal laws governing securities, goods, and taxes, including Regulation S of the United States Securities Act of 1933 – hereinafter collectively referred to as "US persons"). Subsequent transfers of shares to the United States or to US persons are prohibited.

The shares have not been admitted for sale or public offering by the US Securities and Exchange Commission (hereinafter designated as the "SEC") or any other supervisory authority in the United States, and no application for admittance for sale or public offering has been rejected by the SEC or any other supervisory authority in the United States; furthermore, neither the SEC nor any other supervisory authority in the United States has released an opinion on the correctness and appropriateness of this document or the advantages of the fund shares. The United States Commodity Futures Trading Commission has neither examined nor approved this document or any other sales documents for the Management Company or the Fund.

No party is authorised to provide information or make assurances that are not contained in the prospectus or in the documents referred to in the prospectus. These documents are available to the public at the domicile of the Management Company.

This prospectus may not be circulated in the United States.

Investors who are Restricted Persons pursuant to US Regulation No. 2790 of the National Association of Securities Dealers (NASD 2790) must immediately report any investments in funds from the Management Company.

## **SECTION I INFORMATION ABOUT THE MANAGEMENT COMPANY**

### **1. Company and domicile; legal form; establishment; information about the court of registration and register entry; valid law**

The Management Company offering the Fund described in this prospectus is ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., domiciled at Am Belvedere 1, A-1100 Vienna.

Effective 1 January 1998, the company Sparinvest Kapitalanlagegesellschaft m.b.H., which was established on 29 March 1965, was registered with the commercial court under the name SparInvest Austria Kapitalanlagegesellschaft m.b.H. on 13 June 1996 after a number of legal changes and was merged into DIE ERSTE-Kapitalanlagegesellschaft m.b.H., which was established on 7 November 1985, to form ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.

ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. is a management company in the sense of the InvFG 2011 and an alternative investment fund manager in the sense of the AIFMG. It has the form of a limited liability company under Austrian commercial law (Gesellschaft mit beschränkter Haftung, GmbH), is subject to Austrian law, and is registered with the Commercial Court of Vienna under registry number FN 81876 g.

### **2. List of all investment funds administered by the firm**

A complete list of the funds currently administered by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. can be found in Annex 1.

### **3. Information about the management**

Heinz Bednar (Managing Director of Erste Asset Management GmbH)  
Günther Mandl  
Christian Schön (Managing Director of Erste Asset Management GmbH)

### **4. Supervisory Board**

Wolfgang Traindl, Chairman (Head of Private Banking and Asset Management, Erste Bank der oesterreichischen Sparkassen AG)  
Gabriele Semmelrock-Werzer, Deputy Chairwoman (Managing Board member, Kärntner Sparkasse Aktiengesellschaft)  
Franz-Nikolaus Hörmann, Deputy Chairman (Head of Equity Holding Management and Strategic Projects, Erste Bank der oesterreichischen Sparkassen AG)  
Matthias Bauer (Managing Board member, SPAR-FINANZ BANK AG)  
Josef Preschitz (Chairman of the Managing Board, Sparkasse Hainburg-Bruck-Neusiedl Aktiengesellschaft)  
Franz Pruckner (Managing Board member, Waldviertler Sparkasse Bank AG)  
Rupert Rieder (Regional Director, Erste Bank der oesterreichischen Sparkassen AG)  
Thomas Schaufler (Managing Board member, Erste Bank der oesterreichischen Sparkassen AG)  
Reinhard Waltl (Managing Board member, Sparkasse Kufstein)  
Martin Cech (Works Council member, ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.)  
Regina Haberhauer (Works Council member, ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.)  
Heinrich Hubert Reiner, Ing. (Works Council member, ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.)  
Peter Riederer (Works Council member, ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.)  
Manfred Zourek, Mag. (Works Council member, ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.)

### **5. Nominal capital**

EUR 4,500,000, fully paid up.

### **6. Financial year**

The Management Company's financial year is identical to the calendar year.

### **7. Information about the shareholders**

Erste Asset Management GmbH, NÖ-Sparkassen Beteiligungsgesellschaft m.b.H., "Die Kärntner" Trust-Vermögensverwaltungsgesellschaft m.b.H. & Co KG, Salzburger Sparkasse Bank AG, Sieben-Tiroler-Sparkassen Beteiligungsgesellschaft m.b.H., Steiermärkische Bank und Sparkassen AG, DekaBank Deutsche Girozentrale.

### **8. Information about the shareholders who indirectly exercise a dominant influence**

Erste Group Bank AG, Erste Bank der oesterreichischen Sparkassen AG

### **9. The Management Company has delegated the following activities to third parties:**

Compliance (monitoring of employee transactions, maintenance of observation and blacklists): Erste Group Bank AG  
Payroll: Erste Group Services GmbH  
Accounting: Erste Group Services GmbH  
ESPA PORTFOLIO BALANCED 30

Reporting requirements for derivatives pursuant to Regulation (EU) No. 648/2012 (EMIR): Erste Group Bank AG  
Models for the valuation of assets: Thomson Reuters Austria GmbH (subdelegation to Value & Risk Valuation Services GmbH)

Valuation: In part by Asset Management Slovenskej sporiteľne, správ. spol., a.s.

Information about custodian bank functions and tasks that have been delegated to the custodian bank are listed in section III.

The Management Company notes that it has delegated tasks to a firm with which it is closely associated, an associated company pursuant to Article 4 (1) 38 of Regulation (EU) No. 575/2013.

## **10. Remuneration policy of the Management Company**

### **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. For bearers of material risk and normal employees, the variable remuneration may amount to no more than 100% of the fixed salary. The Management Company has defined the following groups of employees as bearing material risk: management, head of risk management, head of internal auditing, head of the legal department, head of the compliance department, head of the personnel department (and in each case their deputies), all division heads, and all fund, portfolio, and risk account managers.

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 salary. The bonus potential can be no more than 100% of the fixed annual gross salary. 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 salary for all employees, including the material risk bearers and managing directors of the Management Company.

The remuneration system is made up of three components:

- 1) Fixed remuneration: base salary, overtime, allowances, pension contributions
- 2) Variable remuneration (there is no long-term incentive plan): annual incentive plan
- 3) Fringe benefits: benefits such as holiday, company car

The bonus potential is based on the base salary. 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; 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 being paid in cash and 50% in the form of non-cash instruments. 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: Wolfgang Traindl (remuneration expert), Franz-Nikolaus Hörmann, and Heinrich Hubert Reiner.

The complete remuneration policy of the Management Company (in English) can be viewed at [http://www.erste-am.at/de/private\\_anleger/wer-sind-wir/investmentprozess](http://www.erste-am.at/de/private_anleger/wer-sind-wir/investmentprozess).

## SECTION II INFORMATION ABOUT ESPA PORTFOLIO BALANCED 30

### 1. Fund designation

The fund's designation is ESPA PORTFOLIO BALANCED 30, mutual fund pursuant to the InvFG 2011 as amended (the "Investment Fund" or the "Fund" in the following).

The Fund is compliant with EU Directive 2009/65/EC (UCITS Directive).

### 2. Establishment of the fund

ESPA PORTFOLIO BALANCED 30 (formerly ESPA PRO MIX) was issued on 4 May 1998 for an indefinite period of time. Furthermore, ESPA PORTFOLIO BALANCED 30 was merged with ESPA PORTFOLIO MED (formerly EKA-MED), which was issued on 1 January 1988, and ESPA PORTFOLIO MIX, which was issued on 15 September 1989, by way of the transfer of the latter two funds' assets, effective 11 August 2008 after authorisation for this merger was issued by the Financial Market Authority on 18 April 2008, in a decision bearing the identifier GZ FMA-IF25 4600/0036-INV/2008. At the time of this merger, the name of the Fund was also changed to ESPA PORTFOLIO BALANCED 30. Public notice of this merger was published in *Wiener Zeitung* on 9 May 2008.

Furthermore, ESPA PORTFOLIO BALANCED 30 was merged with YOU INVEST balanced business, which was launched on 4 November 2013, by way of gross merger through absorption pursuant to § 3 (2) 15 lit a) and 17 InvFG 2011, effective 16 October 2014 after authorisation for this merger was issued by the Financial Market Authority on 30 July 2014 in a decision bearing the identifier GZ FMA-IF25 4654/0001-INV/2014. The shareholders of both funds were directly informed of this merger pursuant to § 133 InvFG 2011.

### 3. Information about where the fund terms and conditions and the periodic reports required by the InvFG can be obtained

The information referenced in this prospectus such as the Fund Terms and Conditions, key investor document, annual reports and semi-annual reports can be obtained from the Management Company and from the custodian bank (further information on the custodian bank and its responsibilities can be found in section III) and its branches. These will be delivered to the investors upon request free of charge. These fund documents can also be obtained from the additional payment and sales offices specified in section II, item 17. These documents are also available on the web site of ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., [www.erste-am.com](http://www.erste-am.com), in German (the key investor document may also be provided in other languages on this site).

### 4. Information about the tax regulations that apply to the investment fund, when these are of interest to the shareholder. Information about whether taxes are withheld from the returns earned by holders of shares in the investment fund

#### Tax treatment for investors subject to unlimited tax liability in Austria

##### Legal note:

**The tax descriptions are based on the currently known legal conditions. No guarantee can be made that tax assessment will not change as a result of legislation, court decisions, or other legal acts by the fiscal administration. If necessary, you are advised to consult a tax expert.**

**The German-language annual reports contain detailed information about the tax treatment of dividend-equivalent earnings and similar payments.**

The information below primarily pertains to custody accounts managed in Austria and to investors subject to unlimited tax liability in Austria.

#### Determination of income at the fund level:

The earnings of a fund consist primarily of the ordinary and extraordinary earnings. Ordinary earnings refers primarily to interest and dividend income. Expenses incurred by the fund (such as management fees and auditing fees) reduce the ordinary earnings.

Extraordinary earnings are profits from the realisation of securities (primarily shares, debt obligations, and the associated derivatives) less any realised losses. Loss carryforwards and any expenses that exceed the earnings also reduce the profit for the respective period. Any loss that exceeds the earnings can be deducted from the ordinary income.

Unrecognised losses can be carried forward for an unlimited period of time.

#### Private investors

Full tax withholding (final taxation), no declaration requirement for the investor.

Capital gains tax in the legally required amount will be withheld by the domestic bank making the coupon payments from all (interim) dividends paid to a holder of shares in the Fund provided that these dividends are from capital gains, and ESPA PORTFOLIO BALANCED 30

provided that the recipient of the dividend payment is subject to capital gains tax. "Payments" made on non-dividend shares are also subject to the withholding of the capital gains tax amounts assessed against the dividend-equivalent earnings (except for KEST-exempt non-dividend funds) generated by the shares under the same conditions. Private investors generally do not need to make any tax declarations in connection with an investment in the Fund. The withholding of the capital gains tax fulfils all of the investor's tax obligations. The withholding of capital gains tax covers all final taxation requirements regarding income tax.

#### Exceptions from final taxation

Final taxation is precluded:

a) For KEST II-exempt debt instruments ("old issues") in the fund portfolio provided that no option declaration has been submitted. Such income must be reported to the tax authorities;

b) For securities in the fund portfolio that are not subject to taxation by the Austrian tax authorities, provided that entitlement to benefits under totalisation agreements is not waived. Such income must be reported on the Austrian income tax return under "Neben den angeführten Einkünften wurden Einkünfte bezogen, für die das Besteuerungsrecht aufgrund von Doppelbesteuerungsabkommen einem anderen Staat zusteht" (In addition to the indicated income, income that is subject to taxation by a different state due to totalisation agreements was also received).

In this case, however, a tax credit can be claimed for the capital gains tax that was withheld for this, or a refund of the capital gains tax can be claimed under § 240 of the Austrian Federal Duties Act (Bundesabgabengesetz, BAO).

#### Taxation at the fund level

The Fund's ordinary income (interest, dividends) is subject to 25% capital gains tax after the deduction of expenses (for taxable income from 1 January 2016: 27.5%). Realised price losses (after offsetting against realised price gains) and new loss carryforwards (losses from financial years beginning in 2013) also reduce the ordinary income.

At least 60% of all realised extraordinary income (including when reinvested) is also subject to 25% KEST (for taxable income from 1 January 2016: 27.5% KEST). Any realised net value increases are fully taxable when they are disbursed (in other words if 100% is disbursed, then 100% is taxable; if 75% is disbursed, then 75% is taxable).

#### Taxation at the shareholder level:

Sale of share certificates:

For share certificates purchased before 1 January 2011 (old shares), the one-year speculation period still applies (§ 30 EStG in the version prior to the 2011 Finance Act [BudgetbegleitG 2011]). These shares are no longer tax relevant.

Share certificates purchased on or after 1 January 2011 (new shares) are subject to the taxation of realised value increases upon the sale of shares regardless of how long they are held. The tax is withheld by the custodian bank, which retains 25% KEST (for taxable income from 1 January 2016: 27.5% KEST) of the difference between the sale proceeds and the adjusted acquisition value (acquisition costs are increased by dividend-equivalent earnings and reduced by tax-exempt disbursements).

#### Loss offsetting in the securities account of the shareholder:

Starting on 1 April 2012, the custodian bank is required to offset price gains, price losses, and earnings (except for old securities and interest earned on cash and savings deposits) from all types of securities in all security accounts of an individual account holder at a single credit institution within one year (so-called loss offsetting). No more than the KEST that has already been paid can be credited. If 25% (or 27.5% from 1 January 2016) of the realised losses exceeds the KEST that has already been paid, the remaining loss will be documented until the end of the year for future gains and income that are eligible for offsetting. Any losses that cannot be offset against (further) gains and income in the same calendar year are forfeit. Losses cannot be carried forward into the next year.

Investors who are subject to an income tax rate of less than 25% (or less than 27.5% from 1 January 2016) are entitled to tax all capital gains that are subject to the tax rate of 25% (or 27.5%) at their lower income tax rate in their income tax declaration (standard taxation option). Professional expenses (such as custodian bank fees) cannot be deducted. The capital gains tax that was withheld can be refunded by way of the tax declaration. If the taxpayer simply wishes to offset losses for the capital gains subject to the 25% tax rate (from 1 January 2016: 27.5% KEST), he can exercise the loss offsetting option independent of the standard taxation option. The same applies in cases where relief entitlements can be claimed on the basis of double taxation agreements. This does not require the disclosure of all capital gains that are subject to final taxation.

#### Corporate investors

##### Taxation and tax liability on shares held as business assets by natural persons

For natural persons who receive income from capital assets or business activities (sole proprietors, partners), all income tax liability on income subject to capital gains tax (interest from debt securities, domestic and foreign dividends, and other ordinary income) is covered by the withholding of KEST.

Dividends or interim dividends paid from increases in the net value of domestic funds and increases in the net value of foreign sub-funds that are equivalent to dividend payments were to be taxed at the applicable rate in financial years beginning in 2012; after that, they were subject to the 25% special rate (from 1 January 2016: 27.5% KEST).

For fund financial years beginning after 31 December 2012, all price gains realised in the fund assets are immediately taxable (in other words tax-exempt reinvestment of net value increases is no longer possible). The 25% (or 27.5% from 1 January 2016) KEST deduction does not represent final taxation, but is simply an advance payment on the special income tax rate.

Gains from the sale of the fund shares are also subject to the 25% KEST rate (or 27.5% KEST rate from 1 January 2016). This KEST deduction is in turn simply an advance payment on the special income tax rate of 25% (or 27.5% from 1 January 2016) (Gain = difference between the sale proceeds and the acquisition costs; all dividend-equivalent income that has already been taxed during the holding period or at the time of sale must be deducted from this; the dividend-equivalent income must be recorded separately for tax purposes for the entire period in which the fund shares are held. The amortisation of fund shares held as business assets reduces the dividend-equivalent income of the year in question accordingly).

The bank may not apply loss offsetting to security accounts that are business assets. Offsetting is only possible in the tax declaration.

#### Taxation on shares held as business assets by legal entities

The ordinary income (such as interest and dividends) generated by the Fund is fundamentally taxable.

However, the following are tax exempt:

- Domestic dividends (the KEST deducted upon payment to the Fund can be refunded)
- Profit-sharing amounts from holdings in EU corporations
- Profit-sharing amounts from holdings in foreign corporations that are comparable to a domestic corporate entity pursuant to § 7 (3) Corporate Income Tax Act (KStG) and whose state of domicile has comprehensive mutual administrative assistance.

Profit-sharing amounts from foreign corporations are not exempt when the foreign corporation is not subject to a tax that is comparable with Austrian corporate income tax (this applies when the foreign tax is more than 10% lower than the Austrian corporate income tax rate or when the foreign corporation is subject to a personal or technical exemption outside of Austria).

Dividends from other countries are subject to corporate income tax.

For fund financial years beginning after 31 December 2012, all price gains realised in the fund assets are immediately taxable (in other words tax-exempt reinvestment of net value increases is no longer possible).

Unless the shareholding entity is exempt pursuant to § 94 item 5 Income Tax Act (EStG), the banks paying the coupon must also withhold capital gains tax from dividends paid on shares held as business assets, or treat payments made on non-dividend funds as capital gains tax to be remitted to the tax office. Capital gains tax that is withheld and paid to the tax authorities can be credited against the assessed corporate income tax or refunded.

Gains from the sale of the fund shares are subject to the 25% corporate income tax rate. Price losses and impairments can be recognised immediately for tax purposes.

#### Corporate entities with income from capital assets

For corporate entities (such as registered associations) that receive income from capital assets, all income tax liability on such income is covered by the tax withholding. Capital gains tax on tax-exempt dividends is refundable.

For income earned on or after 1 January 2016, the KEST rate increases from 25% to 27.5%. However, corporate entities that receive income from capital assets are still subject to the 25% corporate income tax rate on such earnings.

When the bank making the coupon payments does not continue to apply the 25% KEST rate for such taxpayers, these taxpayers can have the excess KEST that has been retained refunded by the tax office.

Private trusts are fundamentally subject to the 25% interim tax rate for all income generated in the Fund.

Domestic dividends (the KEST deducted upon payment to the Fund can be refunded) and profit-sharing amounts from holdings in EU corporations and holdings in foreign corporations that are comparable with a corporation subject to § 7 (3) KStG and whose state of domicile has comprehensive mutual administrative assistance are tax exempt.

Profit-sharing amounts from foreign corporations are not exempt when the foreign corporation is not subject to a tax that is comparable with Austrian corporate income tax (this applies when the foreign tax is more than 10% lower than the Austrian corporate income tax rate or when the foreign corporation is subject to a personal or technical exemption outside of Austria).

Dividends from other countries are subject to corporate income tax.

At least 60% of all realised net value increases (price gains from realised shares and equity derivatives and from bonds and bond derivatives) are also subject to the 25% intermediate tax rate, even if they are reinvested. Any realised net

value increases are fully taxable when they are disbursed (in other words if 100% is disbursed, then 100% is taxable; if 75% is disbursed, then 75% is taxable).

Share certificates purchased on or after 1 January 2011 are subject to the taxation of realised value increases upon the sale of shares. The assessment base for taxation is the difference between the sales proceeds and the amortised cost of the shares. For the purposes of amortised cost, earnings taxed during the holding period increase the acquisition costs for the share certificate, while dividend payments and paid capital gains tax reduce the acquisition costs.

## **5. Reporting date for the annual financial statements and information on the frequency and form of dividend payment**

The financial year of the Fund is from 1 November to 31 October of the following calendar year.

In accordance with § 58 (2) of the InvFG\*) and according to the Fund Terms and Conditions, dividend disbursement/payment takes place on or after 15 December of the following financial year. Interim dividend payments are possible.

The Management Company reserves the right to set an ex-date before the dividend disbursement/payment pursuant to § 58 (2) InvFG for technical reasons. On the ex-date, the valid issue price used for settlement will be reduced by the coming disbursement/payment.

\*) For example for non-dividend funds (not for KEST-exempt non-dividend funds)

## **6. Name of the auditor in accordance with § 49 (5) InvFG 2011**

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Wagramer Str. 19, A-1220 Vienna.

## **7. Information on the types and key characteristics of the shares, especially**

- **Type of entitlement (claim in rem or other entitlement) that the share represents**
- **Original documents or certificates about these documents, entry in a register or deposit into an account**
- **Characteristics of the shares: registered or bearer shares, information about the denomination and fractional shares, if applicable**
- **Description of the shareholders' voting rights in the case these exist**
- **Conditions under which the investment fund may be liquidated and details about liquidation, in particular with regard to the entitlements of the shareholders**

Ownership in the assets held by the Fund is divided into equal shares. The number of shares is unlimited.

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. A fractional share can be one tenth (0.10), one hundredth (0.01), or one thousandth (0.001) of a share certificate.

The shares are depicted as global certificates (pursuant to § 24 Austrian Securities Deposit Act [Depotgesetz]). The share certificates are bearer shares. Individual share certificates will not be issued.

Every purchaser of a fraction of a global certificate acquires proportionate ownership of all assets contained in the Fund in accordance with his fractional ownership of the global certificate.

The share certificates do not provide any voting rights.

The Management Company shall be permitted to split the shares in the Fund with the approval of its Supervisory Board and issue additional share certificates to the Shareholders or replace the old share certificates with new ones when the Management Company deems that such a split would be in the interests of the Shareholders on the basis of the calculated share value.

The Management Company may separate fund assets that unexpectedly become illiquid into a separate fund after approval for this is obtained from the Financial Market Authority and notice of this is published (§ 65 InvFG 2011). The Shareholders shall become shareholders of the resulting fund in accordance with their shareholding in the Fund; the resulting fund shall be liquidated by the custodian bank. After the Fund is liquidated, the proceeds shall be paid out to the shareholders.

The Management Company can terminate the administration of the Fund in the following cases:

a) With the approval of the Financial Market Authority after publication of official notice and a period of notice of (at least) six months (§ 60 [1] InvFG 2011). This period of notice can be reduced to (at least) 30 days when it can be proven that all investors have been informed; publication of official notice shall not be required in this case. The Shareholders shall be entitled to return their shares in exchange for the payment of the return price during this period of notice (unless price calculation has been suspended).

b) With immediate effect when the fund assets fall below EUR 1,150,000 (§ 60 [2] InvFG 2011)

The termination of the Fund pursuant to § 60 (2) InvFG 2011 is not permitted during the period of notice for termination pursuant to § 60 (1) InvFG 2011.

If the administration of the Fund is terminated by way of cancellation, the custodian bank shall assume the temporary management of the Fund and must initiate the liquidation of the Fund if the administration of the Fund is not transferred to a different management company within six months. Once liquidation is initiated, the Shareholders' entitlement to the administration of the fund assets is replaced by the Shareholders' entitlement to proper liquidation, and the Shareholders' entitlement to the redemption of their shares against the current calculated value of the shares at any time upon demand is replaced by entitlement to the payment of the liquidation proceeds once liquidation is completed.

- c) - Transfer of the administration of the Fund to a different management company (§ 61 InvFG 2011)
- Merger of multiple funds or the transfer of the fund assets to another investment fund (§§ 114 ff InvFG 2011)

in each case with the authorisation of the Financial Market Authority, public notice, and a three-month period of notice; this period of notice can be reduced to (at least) 30 days when it can be proven that all investors have been informed – publication of official notice shall not be required in this case. The Shareholders shall be entitled to return their shares in exchange for the payment of the return price during this period of notice.

In the event of a fund merger, the Shareholders are entitled to exchange their fund shares (for shares of a different fund with a similar investment policy) at the valid exchange ratio and to the payment of any applicable settlement amount.

The entitlement of the Shareholders to have the fund assets administered by a management company and to the redemption of their shares against the current calculated value of the shares at any time upon demand remains in force after the administration of the Fund is terminated by the Management Company.

The right of the Management Company to manage a fund expires when the investment firm loses its licence or permit in accordance with Directive 2009/65/EC, when the decision is made to liquidate the investment firm, or when its authorisation to manage a fund is rescinded (§ 60 [3] InvFG 2011).

## **8. Information about exchanges or markets on which the shares are listed or traded, if applicable**

The shares are issued and redeemed by the custodian bank. An application for listing can be filed, but is not currently planned by the Management Company.

## **9. Procedure and terms for the issue and/or sale of shares**

### **Issue of shares**

There is no principal limitation on the number of shares that can be issued or on the corresponding certificates. Shares can be purchased at the custodian bank. The Management Company reserves the right to temporarily or permanently suspend the issue of shares.

- Order deadlines:
- For orders through systems connected to the custodian bank (especially orders placed in branches of Erste Bank der oesterreichischen Sparkassen AG and Sparkassen): 15:45 (CET, Vienna local time)
  - For orders from all other customers (sales, trading, etc.): 15:00 (CET, Vienna local time)

### **Issue premium**

The issue price shall consist of the share value plus a premium to cover the costs incurred in issuing the share. The premium for covering the issue costs is **up to 5.0%** of the value of a share.

### **Settlement date**

The issue price shall be the share price calculated by the custodian bank on the **second Austrian bank business day** or securities trading day following the date on which the order is received by the custodian bank (taking into account the deadlines for order acceptance) plus any issue premium. The value date for debiting the purchase price shall be two bank business days after the execution of the order.

## **10. Procedures and terms for share redemption and conditions under which this can be suspended**

### **Return of shares**

The Shareholders can demand the return of their shares by presenting their share certificates or by submitting a return order to the custodian bank. The Management Company is obligated to accept the return of the shares against payment of the return price, which is the current value of a share, for the account of the Fund.

The payment of the return price and the calculation and publication of the return price as specified may be suspended temporarily when the Austrian Financial Market Authority is informed of this fact and a corresponding notice published as per § 56 InvFG and made dependent on the sale of assets in the Fund and the receipt of the proceeds from the sale of assets by the Management Company under extraordinary conditions and when this is deemed necessary to protect justified Shareholder interests. Investors shall also be informed when the Management Company resumes accepting returned shares as specified in § 56 InvFG.

The most recent published prices will generally be used to calculate the price of the Fund. If a large portion of the Fund's assets is composed of shares in other investment funds, the most recent prices published for the sub-funds will be used.

- Order deadlines:
- For orders through systems connected to the custodian bank (especially orders placed in branches of Erste Bank der oesterreichischen Sparkassen AG and Sparkassen): 15:45 (CET, Vienna local time)
  - For orders from all other customers (sales, trading, etc.): 15:00 (CET, Vienna local time)

#### **Settlement date**

The return price shall be the share price calculated by the custodian bank on the **second Austrian bank business day** or securities trading day following the date on which the order is received by the custodian bank (taking into account the deadlines for order acceptance). The value date for crediting the return price shall be two bank business days after the execution of the order.

#### **11. Description of the rules for calculating and using the generated earnings and description of shareholder entitlements to the fund earnings**

This information can be found in the Fund Terms and Conditions.

#### **12. Description of the investment objectives of the fund, including the financial objectives (such as capital or earnings growth), the investment policy (such as specialisation in geographical regions or sectors of the economy), any limitations included in this investment policy, and information about any techniques and instruments or powers to take out loans that can be used in administering the investment fund**

The Fund aims to achieve continuous returns and maintain its asset value. In order to meet this objective, the Fund buys and sells assets that are permitted according to the Austrian Investment Fund Act and the Fund Terms and Conditions within the framework of its investment policy and based on the fund manager's assessment of economic conditions, the situation on the capital markets, and the outlook on the stock exchanges.

The Fund is eligible to be held as securities coverage for Austrian pension provision requirements (§ 14 Austrian Income Tax Act [EStG] in conjunction with § 25 Austrian Pension Fund Act [PKG]).

The Fund may select the following assets according to the provisions of the InvFG and in compliance with § 25 (1) 5 to 8, (2) to (4), and (6) to (8) of the Austrian Pension Fund Act (PKG).

The Fund invests predominantly, in other words at least 51% of its assets, in shares in investment funds that, according to their terms and conditions, predominantly purchase bonds, equities, or comparable assets or that are categorised as a bond or equity fund or as comparable to a bond or equity fund by at least one internationally recognised organisation (such as its classification according to Bloomberg, Datastream, Mountain-View Data GmbH [formerly software-systems.at Börsensoftware & Datenbankservice GmbH], etc.), regardless of the country in which the respective management company is domiciled.

There are no limitations with regards to the domicile of the issuers of the equities in the Fund or the economic sectors in which these issuers are active.

Equities should generally make up between 0% and 30% of the fund assets, and may account for as much as 40% for brief periods.

Equities, issuable securities similar to equities, corporate bonds, and other participation certificates as defined in § 25 (2) 4 PKG may together with the other assets defined in § 25 (2) 6 PKG comprise up to 70% of the fund assets; these assets may be purchased directly or indirectly through investment funds.

Investments in shares in investment funds must be broken down into the investment categories specified in § 25 (2) PKG in accordance with their actual management.

Debt instruments as defined in § 25 (2) 3 PKG may comprise up to 100% of the fund assets; these assets may be purchased directly or indirectly through investment funds.

Investments in assets denominated in a currency other than that of the liabilities may make up no more than 30% of the fund assets. If hedges are employed for certain assets to eliminate the currency risk, such assets may be considered to be euro-denominated assets.

Securities (including securities with embedded derivative financial instruments) may comprise up to 49% of the fund assets.

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

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.

<b>ESPA PORTFOLIO BALANCED 30 may invest significant portions of its fund assets in investment funds (UCITS, UCI) pursuant to § 71 InvFG 2011.</b>
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Shares in investment funds (UCITS, UCI) may each comprise up to 20% of the fund assets and may comprise up to 100% 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.

Shares in UCIs may make up no more than 30% of the fund assets.

**The Fund may acquire derivative products for hedging purposes. In addition, derivative products pursuant to § 25 (1) 6 PKG that are not used for hedging purposes may be acquired if they contribute to mitigating investment risks or making it easier to efficiently administer the fund assets.**

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 expectation of impending losses, the Fund can hold a higher proportion of demand deposits or callable deposits with a maximum term of 12 months.

Up to 60% of the fund assets are invested in risky assets directly or through other investment funds; these assets can include equities and high yield bonds. This risk portion will be actively and continuously managed and will range between 0 and 60%.

### **Investment policy techniques and instruments**

#### **A) Demand deposits or callable deposits**

Bank deposits in the form of demand deposits or callable deposits for a maximum term of 12 months may be held under the following conditions:

1. Demand deposits or callable deposits may be held at one bank with a term of no more than 12 months and in the amount of no more than 20% of the fund assets provided that the bank in question
  - Is domiciled in a Member State, or
  - Is domiciled in a non-Member State and is subject to supervisory regulations that in the opinion of the Austrian Financial Market Authority are equivalent to those under Community law.
2. Regardless of any deposit limits, an investment fund may invest no more than 20% of its assets in a combination of securities or money market instruments issued by, deposits held with, or OTC derivatives purchased from a single bank.
3. The Fund may hold bank deposits in the form of demand deposits or callable deposits for a maximum term of 12 months. No minimum or maximum limits apply to bank deposits. However, in the course of the restructuring of the fund portfolio, in order to reduce the influence of possible price losses experienced by securities, or whenever deemed necessary by the Management Company to reduce risk, the Fund can also hold a higher proportion of demand deposits or callable deposits with a maximum term of 12 months for a longer period.

#### **B) Money market instruments**

Money market instruments are instruments that are customarily traded on the money market, that are liquid, whose value can be determined exactly at any time, and that meet the requirements of § 70 (1) InvFG.

Money market instruments may be acquired for the Fund that

1. Are admitted on one of the Austrian or foreign exchanges listed in the Annex or traded on one of the regulated markets listed in the Annex and the regulated market is recognised, open to the public, and is functioning properly.
2. Are not traded on a regulated market as long as they are customarily traded on the money market, can be freely transferred, are liquid, and their value can be determined exactly at any time, for which sufficient information is available, including information that allows the suitably accurate assessment of the credit risks associated with an investment in the instrument, and when the instrument or the issuer itself is subject to legal deposit and investor protection regulations, provided that they
  - a) Were issued or are guaranteed by a national, regional or municipal political entity or the central bank of a Member State, the European Central Bank, the European Union, or the European Investment Bank, a non-Member State, or, if it is a federal state, a member state of the federation, or an international organisation with public sector character and of which at least one Member State is a member, or
  - b) Were issued by a business entity whose securities are admitted to one of the Austrian or foreign exchanges listed in the Annex or are traded on one of the regulated markets listed in the Annex, or
  - c) Were issued or are guaranteed by a bank that is subject to regulatory supervision according to the criteria laid down in Community law, or were issued or are guaranteed by a bank that is subject to and complies with supervisory regulations that in the opinion of the Austrian Financial Market Authority are equivalent to those under Community law, or
  - d) Were issued by another party belonging to a category approved by the Financial Market Authority, provided that equivalent investor protection regulations apply to investments in these instruments that are equivalent to letters a) to c), and provided that the issuer is either a business entity with capital stock of at least EUR 10 million that prepares and publishes its annual financial statements in accordance with the regulations

of Directive 78/660/EC, or is another legal entity that is responsible for finance management for one or a group of listed companies, or is a legal entity that finances the collateralisation of debt in company or contractual form by using a line of credit granted by a bank; the line of credit must be guaranteed by a bank that meets the criteria listed in item 2 c) of these criteria.

Money market instruments that do not meet these criteria and that are also not traded on a regulated market may make up no more than 10% of the total fund assets.

### C) Securities

**Securities** are

- a) Equities and other equivalent securities,
- b) Bonds and other debt that is evidenced by certificates,
- c) All other fungible financial instruments (such as stock rights) that entitle the holder to purchase financial instruments as defined by the InvFG by means of subscription or exchange, with the exception of the techniques and instruments specified in § 73 InvFG.

The criteria in § 69 (1) InvFG must be met for an instrument to be considered a security.

Securities also include the following pursuant to § 69 (2) InvFG:

1. Shares in closed funds in the form of an investment company or investment fund,
2. Shares in closed funds in contractual form,
3. Financial instruments pursuant to § 69 (2) 3 InvFG.

The Management Company purchases securities that are admitted on one of the Austrian or foreign exchanges listed in the Annex or traded on one of the regulated markets listed in the Annex provided that the regulated market is recognised, open to the public, and is functioning properly. In addition, securities can be purchased from new issues for which the terms require that an application be filed for official listing on an exchange or in a regulated market with the requirement that admission to the desired market be obtained within one year after the issue is placed.

#### **Unlisted securities and other rights evidenced by paper**

Up to 10% of the fund assets may be invested in securities that are not admitted to one of the exchanges listed in the Annex or traded on one of the regulated markets listed in the Annex. Securities from new issues that are admitted to trading as specified above within one year after issue do not fall under this limit.

#### **D) Shares in investment funds**

1. Shares in investment funds (investment funds and open investment companies) pursuant to § 71 (1) InvFG that fulfil the requirements of Directive 2009/65/EC (UCITS) may **each make up no more than 20% of the fund assets**, provided that the target funds themselves do not invest more than 10% of their fund assets in shares of other investment funds.
2. Shares in investment funds pursuant to § 71 (2) InvFG which do not meet the requirements of Directive 2009/65/EC (UCI) and whose sole purpose is
  - To invest money contributed by a group of investors for their joint account in securities and other liquid financial investments under the principle of risk diversification, and
  - Whose shares can be redeemed or paid out directly or indirectly from the assets of the investment fund upon request by the shareholder,

may **each comprise up to 20% of the fund assets, but in aggregate total no more than 30% of the fund assets**, provided that

- a) These target funds do not invest more than 10% of their fund assets in shares in other investment funds, and
- b) These are approved under legal regulations that place them under regulatory supervision that in the opinion of the Financial Market Authority is equivalent to that prescribed by Community law and there is sufficient certainty of collaboration between the authorities, and
- c) The protection afforded to the Shareholders is equivalent to that afforded to shareholders of investment funds that meet the requirements of Directive 2009/65/EC (UCITS), and that are in particular equivalent to the requirements of Directive 2009/65/EC in terms of regulations for the separate safekeeping of special assets, the acceptance of loans, the granting of loans, and the short selling of securities and money market instruments, and
- d) Semi-annual and annual reports are published on the activities of the fund, and these reports provide a clear view of the assets, liabilities, earnings, and transactions in the reporting period.

The criteria specified in § 3 of the Information and Equivalency Determination Ordinance (Informationen- und Gleichwertigkeitsfestlegungsverordnung [IG-FestV]) as amended must be applied to assess the equivalency of the protection afforded to the Shareholder pursuant to c).

3. The Management Company may also purchase for the Fund shares in other investment funds that are directly or indirectly administered by the Management Company or by a firm that is associated with the Management Company by way of joint administration or control or through a direct or indirect material equity interest.
4. The Fund may hold shares in any single fund up to an amount of 20% of the fund assets.

## **E) Derivative financial instruments**

### **I. Listed and unlisted derivative financial instruments**

Derivative financial instruments, including equivalent instruments settled in cash, may be purchased for the Fund when they are admitted to one of the exchanges listed in the Annex, when they are traded on one of the regulated markets listed in the Annex, or when they are not admitted to an exchange or traded on a regulated market (OTC derivatives) provided that

- a) The underlying instruments are instruments as defined in the Fund Terms and Conditions or are financial indices, interest rates, exchange rates or currencies that the Fund is permitted to invest in according to its Fund Terms and Conditions,
- b) The counterparties in the transactions with OTC derivatives are banks subject to supervision and from a category approved by ordinances enacted by the Financial Market Authority, and
- c) The OTC derivatives are subject to reliable and transparent daily valuation and can be sold, liquidated, or settled by means of an offsetting transaction at a reasonable fair value at any time at the initiative of the Management Company.

This also includes instruments designed to transfer the credit risk of one of the above-mentioned instruments.

### **II. Purpose**

Derivative financial instruments can be used as part of the Fund's investment strategy and also for hedging purposes.

### **III. Risk management**

The Management Company is required to employ a risk management system that enables it to monitor and measure at any time the risks associated with its investment positions and the relative share of these risks in the overall risk profile of the fund portfolio. It is also required to employ methods that enable it to precisely and independently measure the value of the OTC derivatives in the fund portfolio. On the basis of this method, the Management Company must in cooperation with the custodian bank inform the Financial Market Authority of the types of derivatives in the portfolios of each of the investment funds that it administers, the risks associated with the underlying instruments of these derivatives, the investment limits, and the methods that are used to measure the risks that are associated with the derivative instruments.

**The Management Company may conduct transactions with derivative financial instruments as part of the Fund's investment strategy and also for hedging purposes. Because of this, the risk of loss that is associated with the assets in the Fund can increase at least temporarily. See the item "Risk notices" for a complete description of the use of derivative financial instruments and the risks that are associated with this.**

The overall risk associated with the derivative instruments may not exceed the total net value of the fund assets. In calculating the risk, the fair values of the underlying instruments, the default risk, future market fluctuations, and the time available to liquidate the positions must be taken into account. The Fund may hold derivative financial instruments within the limits specified in the Fund Terms and Conditions and by the Austrian Investment Fund Act as part of its investment strategy, provided that the overall risk of the underlying instruments does not exceed these specific investment limits.

The default risk for OTC derivative transactions by the Fund may not exceed the following levels:

- a) 10% of the fund assets when the counterparty is a bank pursuant to § 72 InvFG,
- b) Otherwise 5% of the fund assets.

Investments in index-based derivatives are not taken into account with regards to the specific investment limits for an investment fund. If a derivative is embedded in a security or money market instrument, it must be taken into account in determining overall compliance with the requirements specified above.

#### IV. Overall risk

##### Commitment approach

The Management Company uses the commitment approach to determine the overall risk. In this approach, all positions in derivative financial instruments including embedded derivatives pursuant to § 73 (6) InvFG 2011 are converted to the market value of an equivalent position in the underlying asset of the derivative in question.

The total imputed value of the derivative financial instruments not held for hedging purposes may not exceed the total value of the fund assets.

The imputed value for

- Forward financial agreements is the contract value multiplied by the last calculated daily forward price;
- Option rights is the value of the securities or financial instruments that are the object of the options (underlying)

##### **F) Repurchase agreements**

No repurchase agreements pursuant to Regulation (EU) 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse) are concluded for the Fund.

##### **G) Securities lending**

No securities lending transactions pursuant to Regulation (EU) 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse) are concluded for the Fund.

##### **H) Total Return Swaps**

No total return swaps pursuant to Regulation (EU) 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse) are concluded for the Fund.

##### Risk notices

The key considerations in the selection of the instruments are security, growth, and/or earnings. In this, it must be noted that the selected securities offer potential for price increases, but that they also entail risks.

##### **General**

The prices of the securities in the Fund can rise or fall compared with the purchase price paid upon acquisition. If the investor sells shares in the Fund at a point in time at which the prices of the securities in the Fund have fallen compared to the point in time at which he purchased his shares, this will result in the investor not recovering the entire amount invested in the Fund. If the Management Company performs a mistrade with securities traded on an exchange and/or traded over the counter which was not recorded in the Fund's accounts as having an impact on the calculated value, the profits and losses from such trades will go to the Management Company.

##### Material risks

##### **a) The risk that the entire market for an asset class develops negatively and that this negatively influences the price and value of these assets (market risk)**

The development of prices for securities depends in particular on the development of the capital markets, which in turn are influenced by the general state of the global economy and the economic and political conditions in the respective countries.

One particular form of market risk is the risk of interest rate changes. This is the possibility that the general interest rate level on the market can change compared to the point in time at which a fixed-income security or money market instrument is issued. Changes in interest rate levels can result from changes in the economic conditions and subsequent reactions by the respective central bank, among other factors. When general interest rate levels rise, this typically means that the prices of fixed-income securities or money market instruments fall. In contrast, when general interest rate levels fall, this typically causes the prices of fixed-income securities and money market instruments to rise. In both cases, the changes in the price cause the return on the security to be roughly the same as the average market interest rate. However, these price fluctuations vary depending on the term of the fixed-income security. Fixed-income securities with shorter terms are subject to lower interest rate risk than longer-term securities. Fixed-income securities with shorter terms also tend to have lower yields than fixed-income securities with longer terms, however.

Depending on the market conditions, "negative credit interest" may be applied to demand and callable deposits.

##### **b) The risk that the issuer or counterparty will be unable to meet its contractual obligations (credit risk or issuer risk)**

In addition to the general trends on the capital markets, the individual development of the respective issuer of the security also has an effect on the price of the security. Even when securities are selected carefully, there is no way to preclude losses when the issuer incurs significant losses in its business operations, for example.

**c) The risk that a transaction is not handled as expected within a transfer system because a counterparty fails to pay or deliver by the deadline or as expected (settlement risk)**

This category covers the risk that settlement does not take place as expected in the transfer system because a counterparty does not pay or deliver as expected or later than agreed. Settlement risk is the risk that the agreed consideration is not received upon execution of a transaction.

**d) The risk that a position cannot be liquidated at a fair price at the desired time (liquidity risk)**

Taking into account the opportunities and risks associated with investments in equities and bonds, the Management Company especially purchases securities for the Fund that are admitted for trading on Austrian or foreign exchanges or that are traded on organised markets that are recognised and open to the public and that are functioning properly.

In spite of this, the problem may arise for individual securities at certain times or in certain exchange segments that a security cannot be sold at the desired time. In addition, there is the risk that instruments that are traded in a rather narrow market segment can be subject to significant price volatility.

In addition, securities can be purchased from new issues for which the terms require that an application be filed for official listing on an exchange or in an organised market with the requirement that admission to the desired market be obtained within one year after the issue is placed.

The Management Company is authorised to purchase securities that are traded on an exchange or regulated market in the EEA, or on one of the exchanges or regulated markets listed in the Annex.

**e) The risk that the value of an investment will be influenced by changes in an exchange rate (exchange rate or currency risk)**

Another variant of market risk is currency risk. Unless specified otherwise, assets in the fund portfolio can be denominated in a different currency from that of the Fund. The Fund receives its income, repayments and sale proceeds from such investments in the currencies in which the respective instrument is denominated. The value of these currencies can fall relative to the currency of the Fund. This means that there is the risk that the value of the shares will be negatively impacted when the Fund invests in currencies different from that in which it is denominated.

**f) The risk of the loss of assets held by the Fund as a result of the insolvency of, negligence by, or fraudulent action on the part of the custodian bank or the sub-custodian bank (custody risk)**

The safekeeping of the fund assets is associated with the risk of loss caused by the insolvency of the depository, violations of the depository's duties, or fraudulent action on the part of the depository or one of its subagents.

**g) The risks arising from concentration on specific investments or markets (concentration risk)**

Risks can also arise from a concentration of the investments in certain assets or markets.

**h) The performance risk and information about whether guarantees from third parties are in place and if limitations apply to such guarantees (performance risk)**

The value of assets acquired for the Fund can develop differently than expected at the time of purchase. This means that no guarantee can be provided that the value will develop positively, unless a third party provides a guarantee to this effect.

**i) Information about the financial capacity of any guarantor**

The risk of an investment is higher or lower depending on the financial capacity of a guarantor that has issued a guarantee on the instrument.

**j) The risk of inflexibility caused by the product itself or by restrictions imposed when switching to other investment funds (inflexibility risk)**

The risk of inflexibility can be caused by the product itself or by restrictions imposed when switching to other investment funds.

**k) Inflation risk**

The earnings generated by an investment can be negatively impacted by the development of inflation. The invested capital itself can suffer from a general deterioration in the purchasing power of a monetary unit, and the development of inflation can also have a direct (negative) influence on the price of assets in the Fund.

**l) The risk affecting the capital in the investment fund (capital risk)**

The risk affecting the capital in the Fund can arise above all from the sale of the fund assets at a lower price than was paid for their acquisition. This also covers the risk of capital depletion in the event of the return of shares and excessive payout of investment yields as dividends to the Shareholders.

**m) The risk of changes in other framework conditions, including tax regulations**

The value of the assets in the Fund can be negatively influenced by developments in countries in which investments are held, for example because of international political developments, changes in government policy, taxation, restrictions on foreign investments, currency fluctuations, and other changes in the legal system or in the regulatory framework. Trading may also take place on exchanges that are not as strictly regulated as those in the USA or the EU.

**n) The risk that the values of certain securities can deviate from their actual selling prices because of illiquid market conditions (valuation risk)**

Especially in times when market participants are faced with problems obtaining liquidity because of financial crises and a general lack of confidence, the values of certain securities and other financial instruments as determined by market forces may decline, and this can make it difficult to determine the value of the asset in the Fund. If investors simultaneously return large numbers of shares under such conditions, the fund management may be forced to sell securities at prices different from their actual valuation rates in order to maintain the necessary level of liquidity in the Fund.

**o) Country or transfer risk**

Country risk is the risk that a foreign debtor, despite being solvent, will be unable to complete a transaction by the deadline or at all because of the inability or unwillingness of the country in which the debtor is domiciled to execute transfers. As a result, payments to which the Fund is entitled may not occur or may occur in a currency that can no longer be converted due to foreign exchange restrictions.

**p) Risk of suspension of redemption**

Generally, Shareholders can demand the redemption of their shares at any time. However, the Management Company may temporarily suspend the redemption of shares under extraordinary circumstances, and the share price may be lower than it was before redemption was suspended.

**q) Operational risk**

The risk of loss for the Fund that can result from inadequate internal processes, human error, or system failure at the Management Company; or from external events, legal and documentation risks, and risks that can result from the Fund's trading, settlement and valuation procedures.

**r) Risks in connection with shares in investment funds (sub-funds)**

The risks of sub-funds purchased for the Fund are closely related to the risks of the assets held in these sub-funds and the investment strategies pursued by these sub-funds.

As the managers of the individual sub-funds act independently of each other, multiple sub-funds may pursue identical or contradictory investment strategies. This can cause a cumulation of existing risks, or can cause advantages of different strategies to offset each other.

**s) Securities lending risk**

If the Fund lends securities, these securities are subject to the risk that the counterparty will return them with a delay or fail to deliver them. Particularly in the event that the securities borrower suffers financial losses, it is possible that the borrower will not be able to honour his obligations to the Fund in this connection (default risk).

If the securities borrower provides the Fund with collateral in connection with the lending transaction, this collateral is subject to collateral risk.

Securities lending transactions can also entail operational risks such as posting errors and errors in the delivery of the lent securities. If the borrower of the securities makes use of the borrowed securities, this can entail the risk that the securities borrower will be unable to purchase the securities in question on the market upon expiration of the lending agreement due to a lack of liquidity, for example, and that the securities in question can therefore not be returned (liquidity risk).

**t) Collateral risk**

If third parties provide collateral to the Fund, this collateral is subject to the typical investment risks including the risk that it will not be possible to liquidate a position at an acceptable price in good time (liquidity risk), the risk that is associated with the safekeeping of the collateral (custody risk), and the operational risk that is associated with collateral management such as errors in the calculation of the required collateral.

**It is expressly noted that specific risks may be associated with derivative products, including:**

- a) The time-limited rights that are acquired may lapse or may decrease in value.**
- b) The risk of loss cannot be determined, and may exceed collateral provided under the transaction.**
- c) Transactions intended to preclude or limit the risks may be impossible to execute, or may only be possible at a price that results in a loss.**

**d) The risk of loss may rise when the obligations from such transactions or the consideration to be provided under the transaction is denominated in a foreign currency.**

The following additional risks may be encountered in transactions with OTC derivatives:

- a) Problems with the sale of OTC financial instruments to third parties, as there is no organised market for them; settling the obligations that have been entered into can be difficult or may entail significant costs because of the individual agreement (liquidity risk);
- b) The economic success of the OTC transaction can be put at risk by the default of the counterparty (counterparty risk).

The development of global stock markets in recent years has shown that significant price corrections are possible after massive price gains, especially for funds that invest in equities. Such price developments are also possible in the future. This means that significant price fluctuations can be expected for this Fund because choosing the optimal time to buy and sell securities is extremely important in such a volatile segment. It is impossible to predict the development of the capital markets or the development of the individual issuers. Earnings achieved in the past are not a guarantee that similar earnings can be achieved in the future. The Management Company strives to minimise the risk inherent to investing in securities while at the same time to maximise earnings potential. However, no guarantee can be given for the anticipated success of an investment. Express note is made of the increased risk associated with an investment in this Fund.

In this, special attention is paid to risk diversification. The exact investment limits are governed by §§ 73 ff InvFG 2011.

**This description does not take the investor's individual risk profile into account; the investor should seek personal professional advice if necessary.**

#### **Loans**

Short-term loans of up to 10% of the fund assets may be taken out. This can cause the risk of the Fund to rise to the same extent.

#### **Delegation of tasks**

The Management Company notes that it has delegated tasks to a firm with which it is closely associated, an associated company pursuant to Article 4 (1) 38 of Regulation (EU) No. 575/2013.

#### **Processing of transactions**

The Management Company expressly states that it can have transactions for the Fund completed through a firm with which it is closely associated, an associated company pursuant to Article 4 (1) 38 of Regulation (EU) No. 575/2013.

### **13. Valuation principles**

The value of a share shall be determined by dividing the total value of the Fund including earnings by the number of shares. The custodian bank shall determine the total value of the Fund on the basis of the prices of the securities, money market instruments, and subscription rights contained in the Fund plus the value of the financial investments, cash and cash equivalents, account balances, claims, and other rights held by the Fund, less any liabilities.

The prices of the individual assets shall be calculated as follows:

- The value of assets that are traded on exchanges or other regulated markets is generally calculated on the basis of the latest available closing prices.
- If an asset is not traded on an exchange or a regulated market or if the price does not reflect the actual value (e.g. in the case of very limited liquidity), it is valued using valuation models.
- Shares in a UCITS or UCI are valued at the most recent available return prices or, in the case of exchange traded funds (ETFs), at the latest available closing prices.
- Forward exchange agreements are generally valued by the Management Company using current market prices.

Assets are generally valued at their market prices. Less liquid assets for which no market prices are available are valued using valuation models. With the exception of forward exchange agreements, models are only used in collaboration with a qualified and independent external service provider. The valuation models that are employed are approved by the management of the Management Company and are regularly reviewed for plausibility by the responsible organisational unit of the Management Company.

If, in extraordinary cases, neither a price nor a valuation model is available, the Management Company will decide on how to proceed in collaboration with the Valuation Committee, which is made up of representatives of Erste Group Bank AG and Erste Asset Management Group.

Investors should note that contingent claims, such as claims in connection with a securities class action, will only be reflected in the calculated value of the Fund following their actual settlement due to the uncertainty associated with such claims. After it becomes known that bankruptcy proceedings have been initiated, the price of the affected securities is set to zero unless the Management Company determines that a different value is appropriate in individual cases. However,

claims from bankruptcy proceedings will only be reflected in the calculated value of the Fund following their actual (partial) settlement due to the uncertainty associated with such payments. In the event of such a retroactive payment, the historical calculated value will be corrected. If such payments or other payments are made after the liquidation of the Fund, these sums will be donated to reputable charity organisations.

**14. Calculation of the selling or issue price and the payout or redemption price of the share, especially:**

- **Method and frequency of the calculation of these prices**
- **Information on the costs associated with sale, issue, return, or payout**
- **Information on the method, place, and frequency of the publication of these prices**

The most recent published prices will generally be used to calculate the price of the Fund. If a large portion of the Fund's assets is composed of shares in other investment funds, the most recent prices published for the sub-funds will be used.

**Issue premium**

An issue premium will be included in the calculation of the issue price to cover the costs incurred in share issue. The premium for covering the issue costs is **up to 5.0%** of the value of a share. When the shares are only held for a short period, this issue premium can reduce or even negate the Fund's performance. For this reason, it is recommended that the shares be held for a longer period.

**Publication of the issue and return prices**

The value of a share, the issue price and the return price will be calculated by the custodian bank on every exchange trading day and published in a business or daily newspaper that is published within Austria and has sufficient circulation and/or in electronic form on the web site of the issuing management company.

**Costs for share issue and return**

Shares will be issued and accepted for return by the custodian bank at no additional charge except for the calculation of the issue premium for the issue of share certificates. Shares shall be redeemed at the current share value at no additional charge.

The extent to which individual investors are charged additional fees for the purchase and return of share certificates depends on the individual agreements between the investor and the bank managing his security deposit account, and is therefore not under the influence of the Management Company.

**15. Information about the method, amount, and calculation of the fees to be paid by the investment fund to the management company, custodian bank, or third parties and the compensation to be paid to the management company, custodian bank, or third parties by the investment fund to cover costs incurred**

**Administrative costs**

The Management Company shall receive an **annual** fee for its administrative activities **amounting to up to 0.90%** of the fund assets, which shall be accrued on a daily basis and calculated using the month-end values adjusted for the accrued fees.

This remuneration shall be reduced by management fees paid to the Management Company in connection with portions of the Fund invested in shares in an investment fund that the Management Company administers. This remuneration shall be reduced by half (50%) of the administration fee of an investment fund or investment company that is managed by a company with which the Management Company is associated by way of joint management or control, or by way of a material direct or indirect stake.

The sub-funds in which the Fund invests may charge administration fees of up to 3.0%.

**Other costs**

In addition to the fees to which the Management Company is entitled, the following costs and expenses must be covered by the Fund:

**a) Transaction costs**

This includes the costs incurred in the purchase and sale of assets in the fund portfolio, provided that these costs can be allocated directly to the Fund and provided that they are not taken into account by way of transaction cost inclusion in the price of the asset.

Transaction costs also include the costs for the reporting of derivative financial instruments and for the central clearing of OTC derivatives (pursuant to EU Directive 648/2012 [EMIR]).

**b) Costs for the financial auditor and tax representation**

The fee paid to the financial auditor depends on the volume of the Fund and also on its investment principles. Costs for tax representation for the Fund in foreign countries can also be charged to the Fund.

**c) Publication costs (including supervisory costs)**

This includes the costs incurred in the publication of information that must be made available by law to Shareholders in Austria and abroad. In addition, all costs charged by supervisory authorities (such as costs in connection with

supervisory reporting obligations) and costs resulting from compliance with legal sales requirements in countries in which the Fund is sold may be charged to the Fund as permitted by the applicable legal regulations. This includes the costs incurred for the authorisation of the Fund by foreign authorities (especially translation costs, registration fees, costs for document notarisation, etc.).

The costs for the creation and use of a permanent data medium (except in cases where this is prohibited by law) are also included.

**d) Costs for the custodian bank**

The Fund will be charged customary securities account fees, costs for coupon collection, and customary fees for the safekeeping of foreign securities and financial instruments in other countries, if applicable (securities account fees). The Fund will also be charged a monthly fee for the other services rendered by the custodian bank, especially the tasks listed in section III, including the tasks that have been delegated to it (custodian bank fee).

**e) Costs for external consulting that are not included in the administration fee**

If external consultants other than those listed under item 16. are employed for the Fund, all costs incurred in this connection will be reported under this item and charged to the Fund.

**f) Licensing fees, costs for external ratings**

If it is necessary to purchase licences for the investment (e.g. licensing costs for financial indices, benchmarks, derivative-free benchmark portfolios for calculating the VaR) or for the Fund's designation or if ratings from rating agencies are used for assessing the creditworthiness and risk of an asset, the costs associated with this will be charged to the Fund.

**g) Costs for the exercise of voting rights**

In the case of an investment in equities, the Management Company can delegate the exercise of voting rights on these equities to third parties, which can result in additional costs.

The items above can be found under "Fund result" in the section of the current annual report titled Income Statement and Changes in Fund Assets.

**Disclosure of full holdings**

The investor is entitled to request a complete list of the fund assets (full holdings) from the Management Company. For the purposes of protection against competitor companies, a full holding can only be disclosed for the assets held by the Fund one month prior to the filing of the request. This shall not apply when the investor is subject to legal reporting obligations that require the full disclosure of the current assets in the Fund (such as the quarterly reporting regulations for pension funds) or to the provision of information to group companies of the Management Company.

**Benefits**

The Management Company notes that it only accepts minor non-cash benefits (such as for broker research, financial analyses, market reports, participation in conferences, etc.) for equities transactions in connection with its administration of the Fund when they are employed for quality improvements in the interests of the Shareholders. To this end and solely in the case of equities transactions, the Management Company may enter into commission sharing agreements with trading partners under which part of the external transaction costs billed in association with the equities transactions are credited and can be used for the procurement of research services from third parties. These minor, non-cash benefits correspond to roughly 80% of the transactions costs incurred for the respective equities transaction.

The Management Company is permitted to make reimbursements (in the sense of commissions) from the administration fees that it receives. The payment of such reimbursements does not entail additional costs for the Fund.

Reimbursements (in the sense of commissions) paid by third parties are forwarded to the Fund after deduction of any associated costs and stated in the annual report.

**16. Information about external consulting firms or investment consultants if their services are made use of on a contractual basis and the fees for this are paid from the assets of the fund**

The Management Company engages no external consulting firms or investment consultants whose fees are covered by the fund assets.

**17. Information about the measures taken for making payments to shareholders, buying back or redeeming shares, and distributing information about the investment fund**

Dividends are disbursed and shares are redeemed by the custodian bank (see section III). Dividends are forwarded to the Shareholders via the respective banks managing the Shareholders' securities accounts.

Additional payment and sales offices:

Germany: HSBC Trinkaus & Burkhardt AG, Königsallee 21–23, D-40212 Düsseldorf

Sweden: MFEX Mutual Funds Exchange AB, Grev Turegatan 19, SE- 102 49 Stockholm

All notices regarding share certificates are subject to § 136 InvFG. The notices may be published

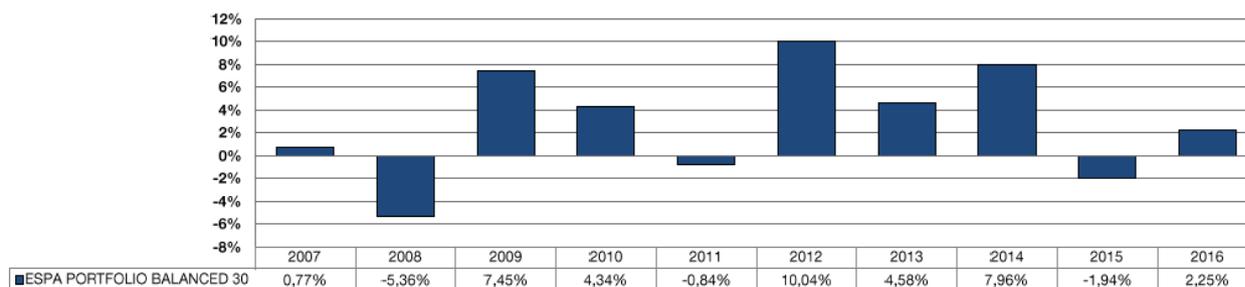
- By full printing in *Amtsblatt zur Wiener Zeitung*, or
- By making a sufficient number of copies of the notice available at the Management Company and the payment offices free of charge and printing the date of publication and the locations where the notice can be obtained in *Amtsblatt zur Wiener Zeitung*, or
- In electronic form on the web site of the issuing Management Company.

If § 133 InvFG requires that Shareholders be informed about certain facts or activities, the Management Company will provide the information to the banks managing the Shareholders' securities accounts via the custodian bank, which must forward this information to the Shareholders.

## 18. Past performance of the investment fund, if applicable

Reference date: 17.2.2017

Fund issue: 4.5.1998



The past performance shown here is not a reliable indication of future performance.

The performance is calculated by the Management Company according to the OeKB method, based on data provided by the custodian bank (using any available indicative values when the payment of the redemption price is suspended). The calculation of the performance does not include individual costs such as the issue premium, the return fee, other fees, commissions, and other expenses. These would reduce the performance if they were included.

Notice for investors with a different functional currency than the fund currency: The yield can rise or fall as a result of currency fluctuations.

For information on the current value, please see the key investor document or the most recent product information sheet for the Fund. These documents can be obtained in German at the web site [www.erste-am.com](http://www.erste-am.com). If shares are sold outside of Austria, the key investor document will also be provided on this site in further languages, if applicable.

## 19. Profile of the typical investor for whom the investment fund is designed

This Fund is suitable for investors who already have a certain amount of experience on the financial markets.

The investor must be willing and able to accept value fluctuations for the shares and in some cases capital losses. The indicator that reflects the fluctuations of the fund share price based on past development can be found in the "Key Investor Information" under "Risk and Return Profile".

A generally recommended holding period for shares in this Fund can be found in the "Key Investor Information" under "Objectives and Investment Policy" and is determined based on the aforementioned indicator.

## 20. Voting rights policy

The Management Company exercises the membership and creditor rights associated with the assets of the managed investment funds independently and exclusively in the best interest of the investors and the integrity of the market.

In all matters that could have a long-term impact on the interests of the investors, the Management Company as a responsible shareholder must exercise voting rights independently and exclusively in the best interest of the Shareholders or must delegate this to a third party with explicit instructions for how to exercise these rights.

To this end, it may rely on information that it receives from the custodian bank, the portfolio manager, the company, or third parties, or that it learns from the press.

The Management Company is always prepared to provide information about the exercise of its membership and creditor rights.

The Management Company must apply particular diligence and prudence when exercising voting rights in relation to associated companies. This applies in particular in relation to the custodian bank, to companies belonging to the same group, and to companies that can exercise a material influence over companies in the group.

The exercise of voting rights is an integral part of the management process. Quantitative and economic aspects are taken into account when exercising voting rights associated with securities from listed companies that are held by this Fund. The decision about whether it makes sense to cast a vote is made on the basis of the relative amount of the investment, the agenda items, and economic considerations.

## **21. Principles for the best possible execution of trade decisions**

See Annex 2.

## **22. Procedure for handling investor complaints**

More detailed information can be found on the web site of the Management Company [www.erste-am.com](http://www.erste-am.com).

## **23. Any costs or fees aside from those listed under item 15, broken down according to costs to be paid by the shareholder and those to be paid from the special assets of the investment fund**

There are no costs beyond those specified in items 14 and 15.

The fees for the safekeeping of the share certificates are based on the agreement made between the Shareholder and the bank managing his securities account.

## **24. Legal notice**

This prospectus was prepared in accordance with the currently valid Fund Terms and Conditions, which were approved by the Austrian Financial Market Authority (FMA). According to § 53 InvFG 2011, the Management Company is entitled to amend the Fund Terms and Conditions with the approval of the FMA and applying the legal period of notice, and to amend the prospectus accordingly with binding effect for all Shareholders. The Management Company is also entitled to elaborate on the Fund Terms and Conditions with further information in this fund prospectus within the scope permitted by law.

## SECTION III

### INFORMATION ABOUT THE CUSTODIAN BANK

#### 1. Company, legal form; domicile and location of headquarters if this is not the same as the domicile

The custodian bank is Erste Group Bank AG (formerly Erste Bank der oesterreichischen Sparkassen AG), Am Belvedere 1, A-1100 Vienna. Trade register number: FN 286283f, Court of registry: Commercial Court of Vienna.

#### 2. Primary business activity and duties of the custodian bank

Erste Group Bank AG assumed the function of the custodian bank for the Fund pursuant to the decision of the Federal Ministry of Finance dated 21 April 1998 and bearing the identifier GZ. 25 4654/1-V/13/98. The appointment of the custodian bank and a change of custodian bank require the approval of the Financial Market Authority. This approval may only be granted when it can be assumed that the bank can guarantee the proper execution of the functions of the custodian bank. Notice of the appointment or change of the custodian bank must be published; the official decision documenting approval must be published with the notice.

Erste Group Bank AG is a bank under Austrian law. Its main business activity is the provision of current and savings accounts, the extension of loans, and securities brokerage.

It is tasked with holding the assets of the Fund that are eligible to be held in custody and with managing the accounts and portfolios of the Fund (§ 40 [1] InvFG 2011). It is also responsible for the safekeeping of the share certificates of the funds administered by the Management Company (§ 39 [2] InvFG 2011) as well as the technical processing of the issue and redemption of share certificates. In particular, it must ensure that in transactions involving the fund assets, the equivalent amount is transferred to the custodian bank immediately and that the earnings of the Fund are used in accordance with the legal regulations and the Fund Terms and Conditions.

Erste Group Bank AG employs sub-custodians. A list of these sub-custodians and information about any conflicts of interest can be found on the web site of the Management Company at:

[http://www.erste-am.at/de/ueberuns/unternehmen/corporate\\_governance/investmentprozess](http://www.erste-am.at/de/ueberuns/unternehmen/corporate_governance/investmentprozess)

Current information about the sub-custodians and any conflicts of interest will be provided to the investor at no charge upon request.

In addition, Erste Group Bank AG performs the following tasks pursuant to § 28 InvFG 2011:

- NAV calculation and fund accounting
- Dividend disbursement based on the decisions of the Management Company
- Settlement of contracts (including the sending of certificates)
- Recording of subscription and redemption orders, processing of subscription and redemption orders, and notification obligations

The fees to be paid to the Management Company for its administration of the Fund and the compensation to be paid to the Management Company for the costs it incurs in the management of the Fund must be paid by the custodian bank according to the Fund Terms and Conditions from the accounts that it manages for the Fund. The custodian bank is authorised to charge to the Fund the fees to which it is entitled for the safekeeping of the Fund's securities and for the management of the Fund's accounts. In this, the custodian bank is only permitted to act on the basis of instructions from the Management Company.

The Management Company notes that it has delegated tasks to a firm with which it is closely associated, an associated company pursuant to Article 4 (1) 38 of Regulation (EU) No. 575/2013.

Erste Group Bank AG and the Management Company are members of Erste Bank Group. Due to this fact, a conflict of interests may arise in terms of the charging of non-arm's length fees for services rendered by Erste Group Bank AG and in terms of the charging of non-arm's length transaction costs. The incurred fees and transaction costs are reviewed at regular intervals by the Management Company and renegotiated on the basis of market comparisons when the need arises. The applied fees may vary depending on the different fund categories (retail funds, special purpose funds). However, these differences are within the standard market ranges for such fund categories.

Current information about Erste Group Bank AG relating to the above items will be provided to the Shareholders upon request.

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

Inspection information:	The electronic signatures of this document can be inspected at the <a href="#">web site of Rundfunk und Telekom Regulierungs-GmbH</a> .
Note:	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]).

## **ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY**

Notification of the sale and distribution of shares in ESPA PORTFOLIO BALANCED 30 in Germany has been submitted to the Bundesanstalt für Finanzdienstleistungsaufsicht, Frankfurt.

### **Payment and information office in Germany**

HSBC Trinkaus & Burkhardt AG,  
Königsallee 21–23, D-40212 Düsseldorf

Orders for the return of shares in ESPA PORTFOLIO BALANCED 30 can be submitted to the German payment and information office, and share redemption proceeds, any dividends, or other payments can be paid out to Shareholders (in cash in the local currency) by the German payment office upon request.

In addition, all information required by investors before and after the conclusion of an investment agreement is available free of charge in electronic form at the German payment and information office:

- The Fund Terms and Conditions,
- The prospectus,
- The key investor information
- The annual and semi-annual reports, and
- The issue and return prices.

In addition to the documents listed above, the sales office agreement between ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., Vienna, and HSBC Trinkaus & Burkhardt AG, Düsseldorf, is available for inspection at the German payment and information office.

### **Publications**

In Germany the issue and return prices of shares are published in electronic form on the web site of ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., Vienna, at [www.erste-am.com](http://www.erste-am.com) (and also at [www.fundinfo.com](http://www.fundinfo.com)). Any other information for Shareholders is published in the *Bundesanzeiger*, Cologne.

In accordance with § 298 (2) of the German Investment Code (KAGB), the investors must be informed about the following by way of a permanent medium as defined in § 167 KAGB:

1. The suspension of the redemption of shares in an investment fund,
2. The termination of the administration of an investment fund or the liquidation of an investment fund,
3. Changes to the terms and conditions that are not in line with the previous investment principles, that affect basic investor rights, or that pertain to fees and expenses which can be paid from the assets of the investment fund, including the provision of clear and understandable information about the reasons for the changes and about the investors' rights; the investors must also be informed about where and how they can obtain additional information regarding these changes,
4. The merging of investment funds in the form of merger notices that must be prepared in accordance with article 43 of Directive 2009/65/EC, and
5. The conversion of an investment fund into a feeder fund or changes to a master fund in the form of notices that must be prepared in accordance with article 64 of Directive 2009/65/EC.

## Annex 1 to the Prospectus

### All investment funds administered by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.

#### UCITS RETAIL FUNDS

##### A & P-FONDS

Advisory One  
Alpha Diversified 3  
ČS DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2017  
DB PWM Global  
DONAU STAR-FONDS  
DWS (Austria) Vermögensbildungsfonds  
E 4  
Ecology Bond  
EKA 1  
ERSTE BOND CORPORATE PLUS  
ERSTE BOND DANUBIA  
ERSTE BOND EMERGING MARKETS  
ERSTE BOND EMERGING MARKETS CORPORATE  
ERSTE BOND EMERGING MARKETS CORPORATE IG  
ERSTE BOND EMERGING MARKETS CORPORATE IG (EUR)  
ERSTE BOND EMERGING MARKETS CORPORATE SHORT TERM  
ERSTE BOND LOCAL EMERGING  
ERSTE DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2020  
ERSTE INTERINVEST G1  
ERSTE RESPONSIBLE BALANCED  
ERSTE RESPONSIBLE BOND  
ERSTE RESPONSIBLE BOND EMERGING CORPORATE  
ERSTE RESPONSIBLE BOND EURO CORPORATE  
ERSTE RESPONSIBLE BOND GLOBAL IMPACT  
ERSTE RESPONSIBLE RESERVE  
ERSTE RESPONSIBLE STOCK AMERICA  
ERSTE RESPONSIBLE STOCK DIVIDEND  
ERSTE RESPONSIBLE STOCK EUROPE  
ERSTE RESPONSIBLE STOCK GLOBAL  
ERSTE RESPONSIBLE STOCK GLOBAL CZK  
ERSTE TOTAL RETURN FIXED INCOME  
ERSTE WWF STOCK ENVIRONMENT  
ESPA ALPHA 1  
ESPA ALPHA 2  
ESPA ALTERNATIVE GLOBAL-MARKETS  
ESPA BEST OF AMERICA  
ESPA BEST OF EUROPE  
ESPA BEST OF WORLD  
ESPA BOND COMBIRENT  
ESPA BOND CORPORATE BB  
ESPA BOND DOLLAR  
ESPA BOND DOLLAR CORPORATE  
ESPA BOND DURATION SHIELD  
ESPA BOND EURO CORPORATE  
ESPA BOND EURO-MIDTERM  
ESPA BOND EURO-MÜNDELRENT  
ESPA BOND EURO RENT  
ESPA BOND EURO-RESERVA  
ESPA BOND EURO-TREND  
ESPA BOND EUROPE HIGH YIELD  
ESPA BOND INFLATION LINKED  
ESPA BOND INTERNATIONAL  
ESPA BOND USA CORPORATE  
ESPA BOND USA HIGH YIELD  
ESPA ČESKÝ FOND FIREMNÍCH DLUHOPISŮ  
ESPA ČESKÝ FOND STÁTNÍCH DLUHOPISŮ  
ESPA CORPORATE BASKET 2020  
ESPA D-A-CH Fonds  
ESPA GLOBAL INCOME  
ESPA MORTGAGE  
ESPA PORTFOLIO BALANCED 10  
ESPA PORTFOLIO BALANCED 30  
ESPA PORTFOLIO BALANCED 50  
ESPA PORTFOLIO BOND EUROPE

ESPA RESERVE CORPORATE  
ESPA RESERVE DOLLAR  
ESPA RESERVE EURO  
ESPA RESERVE EURO MÜNDEL  
ESPA RESERVE EURO PLUS  
ESPA RETURN SYSTEM  
ESPA RISING CORPORATE BOND BASKET 2017  
ESPA STOCK ASIA INFRASTRUCTURE  
ESPA STOCK ASIA PACIFIC PROPERTY  
ESPA STOCK BIOTEC  
ESPA STOCK COMMODITIES  
ESPA STOCK EUROPE  
ESPA STOCK EUROPE EMERGING  
ESPA STOCK EUROPE PROPERTY  
ESPA STOCK GLOBAL  
ESPA STOCK GLOBAL EMERGING MARKETS  
ESPA STOCK ISTANBUL  
ESPA STOCK JAPAN  
ESPA STOCK RUSSIA  
ESPA STOCK TECHNO  
ESPA STOCK VIENNA  
ESPA TARGET  
EURO MS-FONDS  
FTC Gideon I  
K 355  
K 1000  
K 2000  
K 3000  
KOMMERZ 13  
Merito Dynamic Real Return  
PBMP EQUITY RESEARCH  
PIZ BUIN GLOBAL  
PREMIUM SELECT INVEST  
PRIVATE BANKING MANAGEMENT PROGRAM-BOND  
PRIVATE BANKING MANAGEMENT PROGRAM-REAL ESTATE  
SALZBURGER SPARKASSE BOND EUROLAND  
SALZBURGER SPARKASSE SELECT DACHFONDS  
Silvretta Massiv Strategiefonds  
SPARRENT  
sWaldviertel Bond  
T 1750  
T 1751  
T 1851  
T 1852  
T 1900  
TOP-Fonds I „Der Stabile“ der Steiermärkische Sparkasse  
TOP-Fonds II „Der Flexible“ der Steiermärkische Sparkasse  
TOP-Fonds III „Der Aktive“ der Steiermärkische Sparkasse  
TOP-Fonds IV „Der Planende“ der Steiermärkische Sparkasse  
TOP-Fonds V „Der Offensive“ der Steiermärkische Sparkasse  
True Rock  
UL Dynamický  
UL Konzervativní  
UNFA Global Balanced  
WE TOP DYNAMIC  
XT Bond EUR  
XT EUROPA  
XT USA  
YOU INVEST active  
YOU INVEST balanced  
YOU INVEST solid  
YOU INVEST progressive  
Ziel Netto  
Ziel Valet

#### AIF RETAIL FUNDS

Alpha Diversified 1  
Alpha Diversified 2  
DELPHIN TREND GLOBAL  
ERSTE RESPONSIBLE MICROFINANCE  
ES 1  
ESPA SELECT BOND  
ESPA SELECT BOND DYNAMIC  
ESPA SELECT INVEST  
ESPA SELECT MED  
ESPA VORSORGE CLASSIC/06-07  
ESPA VORSORGE CLASSIC/08-09  
K 350  
KOMMERZ 17  
PRB-VM  
PremiumPLUS BONDPLUS  
PremiumPLUS LONGTERMPPLUS  
PremiumPLUS MIDTERMPPLUS

PRIVATE BANKING DYNAMIC  
PRIVATE BANKING DYNAMIC PLUS  
PRO INVEST AKTIV  
PRO INVEST PLUS  
SAM-PF1  
SAM-PF2  
SAM-PF3  
Solitaire-Total-Return Fonds  
TOP STRATEGIE alternative  
TOP STRATEGIE bond  
TOP STRATEGIE classic  
TOP STRATEGIE dynamic  
VKB-Anlage-Mix Classic  
WSTV ESPA dynamisch  
WSTV ESPA Garantie  
WSTV ESPA Garantie II  
WSTV ESPA progressiv  
WSTV ESPA traditionell

#### AIF SPECIAL PURPOSE FUNDS

Aktienportfolio 1  
Aktienportfolio 3  
APK Renten  
APS Invest 2009  
E 5  
E 55  
E 77  
E 100  
E 200  
E 300  
E 400  
E 2016  
EKA-KOMMERZ 14  
EKA-KOMMERZ 16  
EM Corporate Fonds SRI  
F 2011 Global Invest  
fair-finance bond  
fair-finance Masterfonds  
FRESE Privatstiftung  
GUTENBERG RIH  
Juventus  
K 20  
K 200  
K 2536  
K 402  
K 408  
K 411  
K 412  
K 414  
K 645  
K 1851  
K 1941  
K 2009  
K 2013  
K 2015  
K 12000  
KA1  
KA2  
KOMMERZ 15  
KV 2007  
LM Fonds  
MAS-USD-FONDS  
M 1997  
M2000  
MF 42  
POISTOVNA 1  
POISTOVNA 2  
Portfolio 4  
Portfolio 28 A

Portfolio 29  
RKF 2006  
s Europe  
s Kapital-Fix 08/2019  
s Kapital-Fix 12/2019  
s Kapital-Fix 04/2020  
s Lebens-Aktienfonds  
s Sozialkapitalfonds  
s Zukunft Aktien 1  
s Zukunft Renten 1  
SAFE  
SF 29  
SK 1000  
SOLIDUS ETHIK  
SPARKASSEN 2  
SPARKASSEN 4  
SPARKASSEN 5  
SPARKASSEN 8  
SPARKASSEN 9  
SPARKASSEN 19  
SPARKASSEN 21  
SPARKASSEN 26  
SV Pensionsfonds  
TIWAG-Vorsorge-Fonds  
TIWAG-Vorsorge-Fonds II  
U 100  
VBV Aktien Dachfonds I  
VBV Aktiendachfonds 2  
VBV Emerging Markets Corporate  
VBV Emerging Markets Equities  
VBV HTM FONDS  
VBV HTM FONDS 2  
VBV HTM FONDS 3  
VBV Low Carbon World Equities  
VBV TA Konzepte Dachfonds  
VBV VK Aktiendachfonds  
VBV VK Aktien Global ESG Fund  
VBV VK HTM Fonds  
VBV VK Sustainability Bonds  
VIOLA08  
VLV 3  
VORSORGE HTM PORTFOLIO 2  
VORSORGE HTM PORTFOLIO 3  
WFF Masterfonds  
WSTW II  
WSTW III  
YI active spezial

#### NOTE:

##### KESSt-exempt non-dividend shares in funds registered for sale in foreign countries:

Certificates for KESSt-exempt non-dividend shares in funds registered for sale in foreign countries will only be issued to persons who have submitted verification of the fact that they are not subject to unlimited tax liability in Austria and who undertake before purchasing the shares to return the shares at any point in time at which they become subject to unlimited tax liability in Austria.

## Annex 2 to the Prospectus

### Principles for the best possible execution of trade decisions for investment funds

#### 1. Introduction

The Management Company shall act in the best interests of the investment funds under its administration when it executes trade decisions for the management of the portfolios of these funds and when it forwards orders for the execution of trade decisions to other parties for the management of the portfolios of these funds. In this, it shall do everything in its power to achieve the best possible result for the investment fund. The following principles for the best possible execution of trade decisions (best execution policy) apply to this end. These principles apply to the purchase and sale of financial instruments as part of the management of a fund.

#### 2. Execution criteria

The following criteria are relevant for achieving the best possible result:

- Rate/price
- Costs
- Probability of execution and settlement
- Speed
- Type and scope of the order

The best possible result is not determined solely by the rate/price. The relative importance of the specified criteria is determined on the basis of the following factors:

- Objectives, investment policy, and specific risks of the investment fund
- Characteristics of the order
- Characteristics of the financial instruments covered by the order
- Characteristics of the places of execution

This is not a complete list of all factors. Depending on the type and characteristics of the transaction, other factors including time criteria, volume criteria, and unforeseen events may also be relevant.

As the Management Company is obligated not only to execute trading decisions in the best manner possible, but also to act in the best interests of the investment funds under its management, all trading decisions must be made taking all relevant factors into account. This includes ensuring the best possible access to research services. To this end, the Management Company may enter into commission sharing agreements with trading partners under which part of the billed transaction costs are credited and can be used for the procurement of research services from third parties.

If the management of the Fund has been delegated to an external fund manager, this manager must apply a best execution policy and must execute all transactions in accordance with the principles contained in this policy.

#### 3. Places of execution

Transactions can be executed through regulated markets, through multilateral trading facilities (MTFs), or through other means (including as over the counter [OTC] transactions). When executing trading decisions through trading partners, these execution principles and the existing broker lists are taken into account.

Transactions with bonds are generally completed through trading platforms or directly with the counterparties. Here, price, volume, and block criteria are specifically taken into account when making the decision. In cases of first-time issue, the probability of allocation is especially taken into account along with the criteria specified above.

When deciding which counterparties are eligible as trading partners in general, various criteria including the reliability of quotes, processing, post-transaction service, and trading behaviour are taken into account.

For equities, exchange traded funds, and exchange traded bonds and certificates, liquidity is a major factor in making decisions. When the liquidity is high, the criteria of rate/price and speed are weighted more highly, while the criteria of type and scope of the order and probability of execution and settlement are weighted more highly when the liquidity is low.

OTC financial instruments, exchange traded derivatives, foreign currency transactions, and forward exchange agreements are usually processed through Erste Group Bank AG for technical reasons. Erste Group Bank AG will execute the buy and sell orders by way of trades for its own account. In these transactions, the price will vary depending on the market situation of the instrument in question. In this case, the best execution policy of Group Bank AG will be applied.

#### 4. Customer instructions relating to special purpose funds

If the customer expressly instructs that an order be completed on a specific market or platform, we will comply with these instructions. This best execution policy will not apply in this case, and the Management Company expressly notes that the best possible execution cannot be guaranteed for this reason.

## **5. Review of the fundamental parameters**

The markets selected according to these principles are reviewed by the Management Company once per year and adapted as needed. A review is also completed when there is reason to believe that material criteria that made a specific market suitable according to these principles no longer apply.

## ESPA PORTFOLIO BALANCED 30

The Fund Terms and Conditions for **ESPA PORTFOLIO BALANCED 30**, 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 (depository)

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

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

### Article 3 Investment Instruments and Principles

The Fund may select the following assets according to the provisions of the InvFG and in compliance with § 25 (1) 5 to 8, (2) to (4), and (6) to (8) of the Austrian Pension Fund Act (PKG).

The Fund invests predominantly, in other words at least 51% of its assets, in shares in investment funds that, according to their terms and conditions, predominantly purchase bonds, equities, or comparable assets or that are categorised as a bond or equity fund or as comparable to a bond or equity fund by at least one internationally recognised organisation (such as its classification according to Bloomberg, Datastream, software-systems.at Börsensoftware & Datenbankservice GmbH, etc.), regardless of the country in which the respective management company is domiciled.

There are no limitations with regards to the domicile of the issuers of the equities in the Fund or the economic sectors in which these issuers are active.

Equities should generally make up between 0% and 30% of the fund assets, and may account for as much as 40% of the fund assets for brief periods.

Equities, issuable securities similar to equities, corporate bonds, and other participation certificates as defined in § 25 (2) 4 PKG may together with the other assets defined in § 25 (2) 6 PKG comprise up to 70% of the fund assets; these assets may be purchased directly or indirectly through investment funds.

Investments in assets denominated in a currency other than that of the liabilities may make up no more than 30% of the fund assets. If hedges are employed for certain assets to eliminate the currency risk, such assets may be considered to be euro-denominated assets.

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) may comprise **up to 49%** 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 20%** of the fund assets and may comprise **up to 100% 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.

Shares in UCIs may make up **no more than 30%** of the fund assets.

**e) Derivative financial instruments**

The Fund may acquire derivative products for hedging purposes. In addition, derivative products pursuant to § 25 (1) 6 PKG that are not used for hedging purposes may be acquired if they contribute to mitigating investment risks or making it easier to efficiently administer 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).

**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 expectation of impending losses experienced by shares in investment funds, the Fund can hold a lower proportion of shares in investment funds 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 November to 31 October.

## **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 15 December** 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 15 December** 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 15 December** 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 tranche)**

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 **15 December** 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 0.90%** 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.

<p><b>Further information and details about this Fund can be found in the prospectus.</b></p>
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## Annex to the Fund Terms and Conditions

### List of exchanges with official trading and organised markets (As of 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://mifidatabase.esma.europa.eu/Index.aspx?sectionlinks\\_id=23&language=0&pageName=REGULATED\\_MARKETS\\_Display&subsection\\_id=0\\*](http://mifidatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display&subsection_id=0*))

under "Verzeichnis der Geregelten Märkte (pdf)" (List of Regulated Markets).

##### 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)<br>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:     | Bombay  |
| 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                                      |

\*) 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 geregelter Märkte (MiFID Database; ESMA)" – "view all"]

- 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 in the NASDAQ system, over the counter market (markets organised by NASD such as the over the counter equity market, municipal bond market, government securities market, corporate bonds, and public direct participation programs), over the counter market for agency mortgage-backed securities

#### **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)