

ESPA STOCK EUROPE

Mutual fund pursuant to the InvFG

Annual Report 2016/17

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The Austrian Investment Fund Act (Investmentfondsgesetz [InvFG]) 2011 has been in effect since 1 September 2011. Some of the provisions and legal references in the annual report still refer to the InvFG 1993.

This also applies to the Fund Terms and Conditions, which were approved on the basis of the legal conditions valid at the time of authorisation.

General Information about the Investment Firm

The company	ERSTE-SPARINVEST Kapitalanlagegesellschaft m. b. H. Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19881, Fax: +43 05 0100-17102
Nominal capital	EUR 4.50 million
Shareholders	Erste Asset Management GmbH (81.48%) DekaBank Deutsche Girozentrale (2.87%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m.b.H. & Co KG (2.87 %) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (1.31%) Salzburger Sparkasse Bank Aktiengesellschaft (2.87%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (2.87%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (5.73%)
Supervisory Board	Wolfgang TRAINDL, Mag. (Chairman) Gerhard FABISCH, Mag. Dr. (Deputy Chairman, First Deputy) (until 9 June 2016) Gabriele SEMMELROCK-WERZER (Deputy Chairwoman, First Deputy from 9 June 2016) Franz-Nikolaus HÖRMANN, Mag. (Deputy Chairman, Second Deputy) Matthias BAUER (from 13 October 2016) Klaus BRUGGER, DDr. (until 30 October 2016) Josef PRESCHITZ (from 13 October 2016) Franz PRUCKNER, Dr. MBA Birte QUITT, Dipl. BW. (FH) (until 9 February 2016) Rupert RIEDER, Mag. Thomas SCHAUFLE, Mag. (FH) (from 10 February 2016) Reinhard WALT, Mag. Appointed by the Works Council: Martin CEC (from 23 December 2016) Regina HABERHAUER, Mag. (FH) Dieter KERSCHBAUM, Mag. (until 22 December 2016) Gerhard RAMBERGER, Mag. (until 22 December 2016) Heinrich Hubert REINER, Ing. (from 23 December 2016) Peter RIEDERER (from 23 December 2016) Herbert STEINDORFER (until 22 December 2016) Manfred ZOUREK, Mag. (from 23 December 2016)
Managing directors	Heinz BEDNAR, Mag. Markus KALLER, Mag. (from 1 April 2016 to 31 January 2017) Günther MANDL Christian SCHÖN
Prokuristen (proxies)	Magdalena ARNEZEDER, Mag. (from 1 July 2016) Achim ARNHOF, Mag. Karl BRANDSTÖTTER, Mag. (until 3 February 2017) Winfried BUCHBAUER, Mag. Karl FREUDENSCHUSS Dietmar JAROSCH, Dr. Manfred LENTNER Gerold PERMOSER, Mag. Jürgen SINGER, Mag.
State commissioners	Erwin GRUBER Michael MANHARD, HR Dr.
Auditor	ERNST & YOUNG WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH
Custodian bank	Erste Group Bank AG

Information about the remuneration policy:

Number of employees (including management): 136.

Total remuneration paid to employees (including management): EUR 13,000,314, thereof fixed remuneration: EUR 10,185,711, thereof variable remuneration: EUR 2,814,603. Total remuneration paid to management, bearers of material risk, employees with control functions, and employees who are at the same pay grade as managers and bearers of material risk due to the amount of their total remuneration: EUR 7,589,300. Thereof remuneration paid to management: EUR 1,051,258, thereof remuneration paid to bearers of material risk: EUR 5,548,098, employees with control functions: EUR 989,943, and employees who are at the same pay grade as managers and bearers of material risk due to the amount of their total remuneration: EUR 0.

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

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

The description of the calculation can be found in the company's remuneration policy at http://www.erste-am.at/de/private_anleger/wer-sind-wir/investmentprozess.

Dear Shareholder,

We are pleased to present you the following report for the ESPA STOCK EUROPE mutual fund pursuant to the InvFG for the period from 1 March 2016 to 28 February 2017.

Development of the Fund

Market environment

The international equity markets developed positively during the reporting period. The S&P 500 rose by around 22.7% in euros, the MSCI World in euros by roughly 19.1%, the Nikkei by approximately 18.1%, the DAX by about 20.6%, and the Eurostoxx 50 by some 10.8%. The euro fell somewhat versus the US dollar during the reporting period to 1.07. The oil price closed the reporting period substantially higher at USD 48.80.

The reporting period was dominated by key political decisions in Great Britain and the USA. The outcome of the British EU referendum, namely to leave the EU, defied the pollster's predictions, triggered brief distortions on the European equity markets, and caused volatility to surge. This was ultimately followed by an unexpectedly fast recovery of equities in response to signals that the Brexit may only take place after drawn-out negotiations and that the results may be good for Great Britain. Developments on the currency markets were also dominated by the referendum. The British pound fell to its lowest level versus the US dollar since the middle of the 1980s, and also depreciated continuously versus the euro. A new president was elected in the USA in November 2016, with a surprise victor, and his announcement of business-friendly reforms (tax cuts, infrastructure investments) was welcomed by rising share prices. Now, it is time to implement the promised changes lest investors be disappointed.

The ECB cut its interest rates further in March 2016 and also announced a new bond purchasing programme in April, thereby extending and expanding its loose monetary policy. The market is not expecting interest rate hikes in Europe in 2017, either, even though inflation is picking up speed in the Eurozone and moving towards the ECB's target of 2%.

Earnings projections in Europe were reduced continuously over the course of the year. After moderate earnings growth in 2015, earnings are projected to have declined slightly in Europe in 2016. The earnings expectations for Europe for 2017 are currently at just over 10%.

Investment policy

The fund had an investment level of between 89.42% and 99.72% during the reporting period. The fund management's cautiously positive assessment of the equity markets was not changed by the low interest rate environment. The focus in the selection of stocks remains on high-quality names with growth potential and attractive valuations.

During the reporting period, the fund management favoured the healthcare, materials, and consumer staples sectors while investments were only made to a very limited extent in the utilities sector because of the low growth rates and the lack of high-quality stocks in the sector. Because of the recent rise in bond yields, we decided not to invest in the real estate sector. We increased our holdings in the energy sector in response to the rising oil price, even overweighting them slightly at times. In regional terms, France and Great Britain were underweighted during the financial year. Interesting investment opportunities were found in Switzerland and in Scandinavia. The corresponding weightings in the fund were raised. In the summer of 2016, some bank sector stocks were purchased and the financial sector is therefore neutrally weighted.

Method of Calculating Overall Risk

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

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

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

Asset Allocation

	28 February 2017		29 February 2016	
	EUR millions	%	EUR millions	%
Equities denominated in				
GBP	51.4	26.23	53.0	27.52
DKK	7.9	4.01	11.9	6.17
EUR	92.2	47.02	73.6	38.22
NOK	3.4	1.71	2.6	1.36
SEK	10.3	5.24	12.0	6.24
CHF	27.4	13.96	29.4	15.28
Securities	192.5	98.16	182.4	94.79
Cash in banks	3.2	1.62	9.9	5.13
Dividend entitlements	0.4	0.22	0.2	0.09
Other deferred items	- 0.0	- 0.00	- 0.0	- 0.01
Fund assets	196.1	100.00	192.4	100.00

Comparative Overview (in EUR)

Financial year	Fund assets	Value development in per cent 1)
2011/12	147,419,070.06	- 6.27 2)
2012/13	144,242,189.44	+ 14.08 2)
2013/14	141,042,899.09	+ 15.14 2)
2014/15	192,978,408.46	+ 17.96 2)
2015/16	192,448,767.06	- 9.11 2)
2016/17	196,059,666.32	+ 10.07 2)

Financial year	Dividend shares		Non-dividend shares			KESt-exempt non-dividend shares	
	Calculated value per share	Dividend disbursement	Calculated value per share	Reinvested earnings	Payment in accordance with § 58 (2) InvFG	Calculated value per share	Reinvested KESt-exempt earnings
2011/12	76.93	2.25	109.92	48.57	0.23	110.65	49.06
2012/13	85.08	2.25	125.15	8.20	0.19	126.26	8.47
2013/14	95.54	2.25	143.93	26.75	0.59	145.42	28.02
2014/15	110.03	3.00	169.09	9.88	1.77	171.56	11.86
2015/16	97.42	3.40	152.20	5.28	1.13	155.96	6.71
2016/17	103.71	3.2000	166.37	6.5755	1.4729	171.69	8.4074

- 1) Assuming the reinvestment of all paid dividends at their nominal value on the day of disbursement.
2) The changes in the value of non-dividend shares and KESt-exempt non-dividend shares vary slightly from those of dividend shares because of rounding effects.

Disbursement/payment

The following disbursement or payment will be made for the financial year from 1 March 2016 to 28 February 2017. The coupon-paying bank is obligated to withhold capital gains tax from this disbursement if the respective investor is not exempt from the payment of this tax.

The disbursement or payment will be effected on or after 1 June 2017 at

Erste Group Bank AG, Vienna,

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

Fund type	ISIN	Currency	Disbursement/ payment		KES _t with option declaration	KES _t w/o option declaration	Reinvestment
Dividend shares	AT0000626817	EUR	3.2000		0.9258	0.9258	-
Non-dividend shares	AT0000626825	EUR	1.4729		1.4729	1.4729	6.5755
KES _t -exempt non- dividend shares	AT0000A096P8	CZK	-	*	-	-	224.6537
KES _t -exempt non- dividend shares	AT0000A05TR8	EUR	-	*	-	-	8.4074
KES _t -exempt non- dividend shares	AT0000A096Q6	HUF	-	*	-	-	2,490.0331

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

Income Statement and Changes in Fund Assets

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

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

AT0000626817 dividend shares EUR	
Share value at the beginning of the reporting period (833,006.335 shares)	97.42
Disbursement/payment on 30.05.2016 (corresponds to roughly 0.0340 shares at a calculated value of 100.12)	3.4000
Share value at the end of the reporting period (763,692.187 shares)	103.71
Total value including (notional) shares gained through dividend disbursement/payment	107.23
Net earnings per share	9.81
Value development of one share in the period	10.07%

AT0000626825 non-dividend shares EUR	
Share value at the beginning of the reporting period (581,632.293 shares)	152.20
Disbursement/payment on 30.05.2016 (corresponds to roughly 0.0070 shares at a calculated value of 160.61)	1.1300
Share value at the end of the reporting period (551,178.255 shares)	166.37
Total value including (notional) shares gained through dividend disbursement/payment	167.54
Net earnings per share	15.34
Value development of one share in the period	10.08%

AT0000A096P8 KEST-exempt non-dividend shares CZK	
Share value at the beginning of the reporting period (98,131.960 shares)	4,220.81
Disbursement/payment	0.0000
Share value at the end of the reporting period (98,613.488 shares)	4,639.14
Total value including (notional) shares gained through dividend disbursement/payment	4,639.14
Net earnings per share	418.33
Value development of one share in the period	9.91%

AT0000A05TR8 KEST-exempt non-dividend shares EUR	
Share value at the beginning of the reporting period (31,888.555 shares)	155.96
Disbursement/payment	0.0000
Share value at the end of the reporting period (36,861.824 shares)	171.69
Total value including (notional) shares gained through dividend disbursement/payment	171.69
Net earnings per share	15.73
Value development of one share in the period	10.09%

AT0000A096Q6 KEST-exempt non-dividend shares HUF	
Share value at the beginning of the reporting period (15,953.517 shares)	48,367.09
Disbursement/payment	0.0000
Share value at the end of the reporting period (10,987.074 shares)	52,957.78
Total value including (notional) shares gained through dividend disbursement/payment	52,957.78
Net earnings per share	4,590.69
Value development of one share in the period	9.49%

2. Fund Result

a. Realised fund result

Ordinary fund result

Income (without profit or loss from price changes)

Interest income (excluding income adjustment)	0.00	
Dividend income	4,949,307.37	
Other income 8)	0.00	
Total income (without profit or loss from price changes)		4,949,307.37

Interest paid - 12,326.54

Expenses

Fees paid to Investment Firm	- 2,746,009.73	
Costs for the financial auditor and tax consultation	- 6,523.00	
Publication costs	- 26,339.03	
Securities account fees	- 95,258.32	
Custodian bank fees	- 219,680.78	
Costs for the external consultant	0.00	
Total expenses		- 3,093,810.86
Compensation for management costs from sub-funds 1)		0.00

Ordinary fund result (excluding income adjustment) **1,843,169.97**

Realised profit or loss from price changes 2) 3)

Realised gains 4)	15,556,993.35	
Realised losses 5)	- 7,594,675.19	

Realised profit or loss from price changes (excluding income adjustment) **7,962,318.16**

Realised fund result (excluding income adjustment) **9,805,488.13**

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

Changes in the unrealised profit or loss from price changes 7) **8,763,402.47**

Result for the reporting period 6) **18,568,890.60**

c. Income adjustment

Income adjustment for income in the period	- 286,630.01	
Income adjustment for profit carried forward from dividend shares	- 1,329,637.67	

Overall fund result **16,952,622.92**

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	192,448,767.06
Disbursement/payment in the financial year	- 3,380,488.42
Issue and return of shares	- 9,961,235.24
Overall fund result	
(The fund result is shown in detail under item 2.)	16,952,622.92
Fund assets at the end of the reporting period	196,059,666.32

- 1) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the fund after deduction of any associated costs. Erste Bank der oesterreichischen Sparkassen AG receives 25% of the calculated commissions to cover administrative costs.
- 2) Realised profits and losses are not calculated precisely for the specific periods, which means that they, as is the case for the changes in the unrealised profit or loss, are not necessarily congruent with the changes in the value of the fund in the reporting year.
- 3) Total profit or loss from price changes without income adjustment (realised profit or loss from price changes, without income adjustment, plus changes in the unrealised profit or loss): EUR 16,725,720.63.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 0.00.
- 5) Thereof losses from transactions with derivative financial instruments: EUR 0.00.
- 6) The result for the financial year includes explicitly reported transaction costs in the amount of EUR 451,580.21.
- 7) Thereof changes in unrealised gains EUR 2,276,616.72 and unrealised losses EUR 6,486,785.75.
- 8) The earnings reported under this item can be attributed to lending fees from securities lending transactions conducted with Erste Group Bank AG in the amount of EUR 0.00, to earnings from real estate funds in the amount of EUR 0.00, and to other earnings in the amount of EUR 0.00.

Fund Portfolio as of 28 February 2017

(including changes in securities assets from 1 March 2016 to 28 February 2017)

Security designation	ISIN number	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Publicly traded securities							
Equities denominated in GBP							
Issue country Great Britain							
ADMIRAL GROUP PLC LS-.001	GB00B02J6398	0	0	50,000	18.280	1,070,370.41	0.55
ANGLO AMERICAN DL-.54945	GB00B1XZS820	164,000	208,000	76,000	12.705	1,130,774.91	0.58
ASTRAZENECA PLC DL-.25	GB0009895292	50,500	0	50,500	46.440	2,746,448.69	1.40
BHP BILLITON DL-.50	GB0000566504	199,000	227,000	92,000	12.975	1,397,922.50	0.71
BP PLC DL-.25	GB0007980591	0	0	580,000	4.536	3,080,640.82	1.57
BRIT.AMER.TOBACCO LS-.25	GB0002875804	27,000	16,000	51,000	50.800	3,034,043.40	1.55
BURBERRY GROUP LS-.0005	GB0031743007	112,000	0	112,000	17.260	2,263,845.14	1.15
DIR.LINE.INS.LS-.10909090	GB00BY9D0Y18	0	0	210,833	3.435	848,112.05	0.43
FRESNILLO PLC DL-.50	GB00B2QPKJ12	65,000	0	65,000	14.860	1,131,149.65	0.58
HSBC HLDGS PLC DL-.50	GB0005405286	0	0	530,000	6.465	4,012,659.41	2.05
LEGAL GENL GRP PLCLS-.025	GB0005603997	700,000	1,200,000	700,000	2.483	2,035,460.41	1.04
LONDON STOCK EXCHANGE	GB00B0SWJX34	0	0	36,000	30.780	1,297,654.32	0.66
MONDI PLC EO-.20	GB00B1CRLC47	0	0	130,000	18.790	2,860,605.92	1.46
PRUDENTIAL PLC LS-.05	GB0007099541	107,000	0	107,000	16.075	2,014,293.08	1.03
RECKITT BENCK.GRP LS-.10	GB00B24CGK77	0	43,000	34,000	73.110	2,911,009.36	1.48
RIO TINTO PLC LS-.10	GB0007188757	15,000	14,000	46,000	32.970	1,776,088.81	0.91
SSE PLC	GB0007908733	39,000	0	39,000	15.410	703,809.53	0.36
TULLOW OIL PLC LS-.10	GB0001500809	142,000	0	142,000	2.684	446,332.75	0.23
VODAFONE GROUP PLC	GB00BH4HKS39	0	0	720,000	2.019	1,702,380.81	0.87
Total issue country Great Britain						36,463,601.97	18.60
Issue country Ireland							
PADDY PWR BETF.PLC EO-.09	IE00BWT6H894	10,500	0	10,500	88.250	1,085,155.34	0.55
Total issue country Ireland						1,085,155.34	0.55
Issue country Jersey							
SHIRE PLC LS-.05	JE00B2QKY057	0	0	96,000	48.540	5,457,062.22	2.78
Total issue country Jersey						5,457,062.22	2.78
Issue country Netherlands							
ROYAL DUTCH SHELL A EO-07	GB00B03MLX29	0	0	123,000	20.795	2,995,380.08	1.53
Total issue country Netherlands						2,995,380.08	1.53
Total equities denominated in GBP translated at a rate of 0.85391						46,001,199.61	23.46
Equities denominated in DKK							
Issue country Denmark							
DANSKE BK REG. DK 10	DK0010274414	0	0	80,000	234.200	2,520,688.45	1.29

ESPA STOCK EUROPE

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Shares/nominal (nom. in 1,000, rounded)							
DSV AS BONUS-AKT.	DK0060079531	41,000	0	41,000	345.400	1,905,234.71	0.97
GENMAB AS DK 1	DK0010272202	7,200	0	7,200	1,390.000	1,346,448.02	0.69
PANDORA A/S DK 1	DK0060252690	0	21,500	19,500	800.000	2,098,779.88	1.07
Total issue country Denmark						7,871,151.06	4.01
Total equities denominated in DKK translated at a rate of 7.43289						7,871,151.06	4.01

Equities denominated in EUR

Issue country Belgium

KBC GROEP N.V.	BE0003565737	0	0	30,000	57.740	1,732,200.00	0.88
Total issue country Belgium						1,732,200.00	0.88

Issue country Germany

ALLIANZ SE NA N.P.	DE0008404005	0	0	11,000	164.200	1,806,200.00	0.92
BASF SE N.P.	DE000BASF111	26,000	0	26,000	87.900	2,285,400.00	1.17
BAY.MOTOREN WERKE AG ST	DE0005190003	19,000	0	19,000	84.370	1,603,030.00	0.82
BAYER AG NA N.P.	DE000BAY0017	0	18,100	21,900	103.800	2,273,220.00	1.16
DAIMLER AG NA N.P.	DE0007100000	0	0	26,000	68.640	1,784,640.00	0.91
DEUTSCHE POST AG NA N.P.	DE0005552004	78,000	0	78,000	32.375	2,525,250.00	1.29
DT.TELEKOM AG NA	DE0005557508	0	0	140,000	16.310	2,283,400.00	1.16
FRESENIUS SE N.P. ST	DE0005785604	0	0	43,000	75.020	3,225,860.00	1.65
HENKEL AG+CO.KGAA PREF	DE0006048432	0	10,000	11,000	117.700	1,294,700.00	0.66
SAP SE N.P.	DE0007164600	38,000	0	38,000	87.950	3,342,100.00	1.70
SIEMENS AG NA	DE0007236101	8,900	0	30,900	122.800	3,794,520.00	1.94
WIRECARD AG	DE0007472060	0	0	27,000	43.585	1,176,795.00	0.60
Total issue country Germany						27,395,115.00	13.97

Issue country France

TOTAL S.A. EO 2.50	FR0000120271	0	0	60,000	47.050	2,823,000.00	1.44
Total issue country France						2,823,000.00	1.44

Issue country Netherlands

ALTICE N.V. AEO-.01	NL0011333752	74,000	0	74,000	19.905	1,472,970.00	0.75
Total issue country Netherlands						1,472,970.00	0.75
Total equities denominated in EUR						33,423,285.00	17.05

Equities denominated in NOK

Issue country Norway

DNB NOR ASA A NK 10	N00010031479	0	0	117,000	137.500	1,811,549.32	0.92
Total issue country Norway						1,811,549.32	0.92
Total equities denominated in NOK translated at a rate of 8.88052						1,811,549.32	0.92

Equities denominated in SEK

Issue country Sweden

ASSA-ABLOY AB B SK-.33	SE0007100581	0	0	129,000	175.600	2,367,012.05	1.21
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Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Shares/nominal (nom. in 1,000, rounded)							
BILLERUDKORSNAES SK 12.50	SE0000862997	0	0	78,000	143.300	1,167,957.50	0.60
BOLIDEN AB SK 2	SE0000869646	0	0	70,000	275.600	2,015,874.54	1.03
SANDVIK AB	SE0000667891	76,000	0	76,000	122.800	975,210.13	0.50
SKAND. ENSK. BKN A FR.SK10	SE0000148884	0	0	260,000	103.300	2,806,466.85	1.43
SWEDBANK A	SE0000242455	0	0	40,000	222.900	931,657.55	0.48
Total issue country Sweden						10,264,178.62	5.24
Total equities denominated in SEK translated at a rate of 9.57004						10,264,178.62	5.24

Equities denominated in CHF**Issue country Switzerland**

LAFARGEHOLCIM LTD.REG.SF2	CH0012214059	40,000	0	40,000	57.150	2,148,213.58	1.10
Total issue country Switzerland						2,148,213.58	1.10
Total equities denominated in CHF translated at a rate of 1.06414						2,148,213.58	1.10
Total publicly traded securities						101,519,577.19	51.78

Securities admitted to organised markets**Equities denominated in GBP****Issue country Great Britain**

MAN GROUP PLC DL-03428571	GB00B83VD954	0	0	560,000	1.464	960,101.18	0.49
ROYAL DUTCH SHELL B EO-07	GB00B03MM408	0	0	78,000	21.735	1,985,373.17	1.01
Total issue country Great Britain						2,945,474.35	1.50

Issue country Isle of Man

GVC HOLDINGS PLC EO-.01	IM00B5VQMV65	110,000	0	110,000	6.950	895,293.41	0.46
Total issue country Isle of Man						895,293.41	0.46

Issue country Jersey

WPP PLC LS-.10	JE00B8KF9B49	71,000	0	71,000	18.970	1,577,297.37	0.80
Total issue country Jersey						1,577,297.37	0.80
Total equities denominated in GBP translated at a rate of 0.85391						5,418,065.13	2.76

Equities denominated in EUR**Issue country Belgium**

ANHEUSER-BUSCH INBEV	BE0974293251	33,300	0	33,300	103.250	3,438,225.00	1.75
Total issue country Belgium						3,438,225.00	1.75

Issue country Finland

KONE CORP.(NEW) B N.P.	FI0009013403	0	0	55,000	42.260	2,324,300.00	1.19
METSO CORP.	FI0009007835	45,000	0	45,000	27.890	1,255,050.00	0.64
Total issue country Finland						3,579,350.00	1.83

Issue country France

ATOS SE NOM. EO 1	FR0000051732	17,000	0	17,000	111.500	1,895,500.00	0.97
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ESPA STOCK EUROPE

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
				Shares/nominal (nom. in 1,000, rounded)			
AXA S.A. BEARER EO 2.29	FR0000120628	0	0	100,000	22.270	2,227,000.00	1.14
BNP PARIBAS BEARER EO 2	FR0000131104	0	0	54,000	55.130	2,977,020.00	1.52
CREDIT AGRICOLE BEARER EO 3	FR0000045072	269,000	88,000	181,000	11.395	2,062,495.00	1.05
ILIAD S.A. BEARER	FR0004035913	0	0	10,000	195.450	1,954,500.00	1.00
KERING S.A. BEARER EO 4	FR0000121485	10,000	0	10,000	229.750	2,297,500.00	1.17
LVMH EO 0.3	FR0000121014	0	0	14,000	189.450	2,652,300.00	1.35
NEW SERVICES HLDG EO 2	FR0010908533	53,000	0	53,000	21.360	1,132,080.00	0.58
ORANGE BEARER EO 4	FR0000133308	70,000	0	70,000	14.265	998,550.00	0.51
REXEL S.A. BEARER EO 5	FR0010451203	125,000	0	125,000	15.265	1,908,125.00	0.97
SCHNEIDER ELEC. BEARER EO 4	FR0000121972	26,000	0	26,000	63.890	1,661,140.00	0.85
SCOR SE EO 7.8769723	FR0010411983	0	0	40,000	34.090	1,363,600.00	0.70
ST GOBAIN EO 4	FR0000125007	43,000	0	43,000	45.230	1,944,890.00	0.99
VINCI S.A. BEARER EO 2.50	FR0000125486	0	0	30,000	68.010	2,040,300.00	1.04
Total issue country France						27,115,000.00	13.83
Issue country Great Britain							
TECHNIPFMC PLC DL 1	GB00BDSFG982	28,000	0	28,000	30.425	851,900.00	0.43
Total issue country Great Britain						851,900.00	0.43
Issue country Italy							
INTESA SANPAOLO EO 0.52	IT0000072618	1,040,000	350,000	690,000	2.200	1,518,000.00	0.77
ITALGAS S.P.A. N.P.	IT0005211237	36,000	0	36,000	3.754	135,144.00	0.07
TELECOM ITALIA	IT0003497168	588,000	0	588,000	0.766	450,114.00	0.23
Total issue country Italy						2,103,258.00	1.07
Issue country Luxembourg							
ARCELORMITTAL S.A. NOUV.	LU0323134006	156,000	0	156,000	8.310	1,296,360.00	0.66
Total issue country Luxembourg						1,296,360.00	0.66
Issue country Netherlands							
AHOLD DELHAIZE,KON.EO-.01	NL0011794037	76,000	0	76,000	20.060	1,524,560.00	0.78
ASML HOLDING EO -.09	NL0010273215	0	0	23,000	114.450	2,632,350.00	1.34
HEINEKEN EO 1.60	NL0000009165	0	28,000	30,000	77.900	2,337,000.00	1.19
ING GROEP NV EO -.01	NL0011821202	280,000	0	280,000	13.015	3,644,200.00	1.86
SBM OFFSHORE N.V. EO-.25	NL0000360618	0	85,000	95,000	14.515	1,378,925.00	0.70
Total issue country Netherlands						11,517,035.00	5.87
Issue country Spain							
ACS,ACT.CO.SER.BEARER.EO-.50	ES0167050915	59,867	0	59,867	29.625	1,773,559.88	0.90
BANKINTER NOM. EO -.30	ES0113679I37	174,000	0	174,000	7.279	1,266,546.00	0.65
BCO SANTANDER N.E00.5	ES0113900J37	455,172	0	455,172	5.154	2,345,956.49	1.20
INDITEX BEARER EO 0.03	ES0148396007	51,000	0	51,000	30.320	1,546,320.00	0.79
TELEFONICA BEARER EO 1	ES0178430E18	200,000	0	200,000	9.649	1,929,800.00	0.98
Total issue country Spain						8,862,182.37	4.52
Total equities denominated in EUR						58,763,310.37	29.97

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

Equities denominated in NOK**Issue country Norway**

TELENOR ASA	NK 6	N00010063308	0	0	100,000	136.700	1,539,324.27	0.79
Total issue country Norway							1,539,324.27	0.79
Total equities denominated in NOK translated at a rate of 8.88052							1,539,324.27	0.79

Equities denominated in CHF**Issue country Switzerland**

ACTELION LTD	SF 0.50	CH0010532478	0	0	19,000	270.300	4,826,150.69	2.46
GEBERIT AG NA DISP.	SF-10	CH0030170408	0	0	6,000	434.600	2,450,429.45	1.25
NESTLE REG.	SF-.10	CH0038863350	30,000	33,000	85,000	74.250	5,930,845.57	3.03
NOVARTIS REG.	SF 0.50	CH0012005267	0	11,000	59,000	78.400	4,346,796.47	2.22
ROCHE HLDG AG GEN.		CH0012032048	0	0	26,000	244.700	5,978,724.60	3.05
SIKA AG BEARER	SF 0.60	CH0000587979	317	0	317	5,655.000	1,684,585.67	0.86
Total issue country Switzerland							25,217,532.45	12.86
Total equities denominated in CHF translated at a rate of 1.06414							25,217,532.45	12.86
Total securities admitted to organised markets							90,938,232.22	46.38

Breakdown of fund assets

Securities	192,457,809.41	98.16
Cash in banks	3,167,158.38	1.62
Dividend entitlements	435,429.42	0.22
Other deferred items	-730.89	-0.00
Fund assets	196,059,666.32	100.00

Dividend shares outstanding	AT0000626817	shares	763,692.187
Share value for dividend share	AT0000626817	EUR	103.71
Non-dividend shares outstanding	AT0000626825	shares	551,178.255
Share value for non-dividend share	AT0000626825	EUR	166.37
KEST-exempt non-dividend shares outstanding	AT0000A096Q6	shares	10,987.074
Share value for KEST-exempt non-dividend share	AT0000A096Q6	HUF	52,957.78
KEST-exempt non-dividend shares outstanding	AT0000A096P8	shares	98,613.488
Share value for KEST-exempt non-dividend share	AT0000A096P8	CZK	4,639.14
KEST-exempt non-dividend shares outstanding	AT0000A05TR8	shares	36,861.824
KEST-exempt non-dividend shares outstanding	AT0000A05TR8	EUR	171.69

Investor note:

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

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

Security designation	ISIN number	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
Publicly traded securities			
Equities denominated in GBP			
Issue country Great Britain			
ASHTAD GRP PLC LS-.10	GB0000536739	108,000	108,000
BARCLAYS PLC LS 0.25	GB0031348658	322,000	322,000
BRIT. LD CO. PLC LS-.25	GB0001367019	65,000	65,000
BT GROUP PLC LS 0.05	GB0030913577	0	340,000
CENTRICA LS-.061728395	GB00B033F229	277,000	277,000
HOWDEN JOINERY GRP LS-.10	GB0005576813	0	180,000
INDIVIOR PLC DL 0.10	GB00BRS65X63	0	77,000
INTERCONT.HOT.LS-.1896656	GB00BYXK6398	13,700	13,700
ITV PLC LS-.10	GB0033986497	0	500,000
LAND SECURITIES GROUP PLC	GB0031809436	0	100,000
LLOYDS BKG GRP LS-.10	GB0008706128	2,300,000	2,300,000
PERSIMMON PLC LS-.10	GB0006825383	0	140,000
PROVIDENT FIN.LS-17868339	GB00B1Z4ST84	0	30,000
SPORTS DIRECT INTL LS-.10	GB00B1QH8P22	0	140,000
WHITBREAD LS-.76797385	GB00B1KJJ408	9,000	9,000
Equities denominated in DKK			
Issue country Denmark			
NOVO-NORDISK NAM.B DK-.20	DK0060534915	0	70,000
VESTAS WIND SYST. REG.DK1	DK0010268606	0	28,000
Equities denominated in EUR			
Issue country Belgium			
AB INBEV PARTS S.	BE0003793107	8,300	33,300
AGEAS SA/NV	BE0974264930	0	33,000
DELHAIZE GRP P.S.	BE0003562700	0	16,000
Issue country Germany			
ADIDAS AG NA N.P.	DE000A1EWWWO	7,600	7,600
INFINEON TECH.AG NA N.P.	DE0006231004	116,000	116,000
SYMRISE AG BEARER N.P.	DE000SYM9999	0	43,000
UTD.INTERNET AG NA	DE0005089031	0	60,000
VOLKSWAGEN AG PREF N.P.	DE0007664039	17,300	17,300

Security designation	ISIN number	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
Issue country France			
TECHNIP	FR0000131708	14,000	14,000
Issue country Ireland			
CRH PLC EO-.32	IE0001827041	0	88,000
Issue country Italy			
SNAM S.P.A.	IT0003153415	180,000	180,000
Issue country Netherlands			
ING GROEP NV CVA EO -.24	NL0000303600	0	280,000
Issue country Spain			
AMADEUS IT GRP SA EO 0.01	ES0109067019	0	27,000
RED ELECT. CORP.SA EO 2	ES0173093115	0	55,000
Equities denominated in SEK			
Issue country Sweden			
INTRUM JUSTITIA SK-.02	SE0000936478	0	40,000
SVENSKA CELL.B FRIA SK10	SE0000112724	0	90,000
Securities admitted to organised markets			
Equities denominated in GBP			
Issue country Great Britain			
BUNZL PLC LS-.3214857	GB00B0744B38	0	48,000
Issue country Jersey			
GLENCORE PLC DL -.01	JE00B4T3BW64	320,000	320,000
Issue country Spain			
INTERN.CONSAIRL.GR.	ES0177542018	0	190,000

ESPA STOCK EUROPE

Security designation	ISIN number	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
Equities denominated in EUR			
Issue country France			
ARKEMA BEARER EO10	FR0010313833	17,000	17,000
INGENICO GROUP S.A. EO 1	FR0000125346	0	20,000
PEUGEOT SA EO 1	FR0000121501	0	100,000
STE GENERALE BEARER EO 1.25	FR0000130809	22,000	22,000
Issue country Ireland			
RYANAIR HLDGS PLC EO-.006	IE00BYTBXV33	0	142,350
Issue country Luxembourg			
TENARIS S.A. NA DL 1	LU0156801721	69,000	69,000
Issue country Netherlands			
RANDSTAD HLDG NV EO-10	NL0000379121	0	35,000
WOLTERS KLUWER REG. EO-12	NL0000395903	32,000	32,000
Issue country Spain			
BCO SANTANDER -INT. CERT.-	ES0613900904	450,000	450,000
ENAGAS BEARER EO 1.50	ES0130960018	0	110,000
Equities denominated in SEK			
Issue country Sweden			
HEXPOL AB B	SE0007074281	0	100,000
Equities denominated in CHF			
Issue country Switzerland			
DUFREY AG REG. SF 5	CH0023405456	0	10,000
GIVAUDAN SA NA SF 10	CH0010645932	0	2,000
STRAUMANN HLDG NA SF 0.10	CH0012280076	0	4,800
UBS GROUP AG SF -.10	CH0244767585	0	181,000
Unlisted securities			
Equities denominated in EUR			
Issue country Austria			
UNICREDIT BK AUST.-INT. CERT.-	AT0000A0AJ61	0	800

Security designation	ISIN number	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
Issue country Spain			
ACS,ACT.CO.SER.1/17EO-.50	ES0167050097	868	868
BCO SANTANDER EM.10/16	ES0113902292	5,172	5,172

Vienna, 18 May 2017

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

Inspection information:
Note:

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

Auditor's Opinion*

Statement on the annual report

Audit opinion

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

ESPA STOCK EUROPE
mutual fund pursuant to the InvFG,

consisting of the fund portfolio as of 28 February 2017, the income statement for the financial year ending on this date, and the other information specified in Annex I Scheme B of the Austrian Investment Fund Act 2011 (InvFG 2011).

Based on the findings of our audit, we believe that the annual report satisfies the legal requirements and provides a true and fair view of the assets and financial position as of 28 February 2017 and of the earnings position of the fund for the financial year ending on this date in accordance with Austrian commercial law and the provisions of the InvFG 2011.

Basis for the audit opinion

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

Management and supervisory board responsibilities relating to the annual report

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

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

Responsibilities of the auditor in auditing the annual report

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

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

In addition:

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

Other information

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

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

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

Vienna, 18 May 2017

ERNST & YOUNG

WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT m.b.H

Mag. Friedrich O. Hief
(Certified Public
Accountant)

ppa MMag. Roland Unterweger
(Certified Public Accountant)

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

Fund Terms and Conditions for ESPA STOCK EUROPE

Mutual fund pursuant to the InvFG

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

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

Article 1 Fund Shares

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

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

Article 2 Custodian Bank (Depositary Bank)

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

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

Article 3 Investment Instruments and Principles

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

The Fund invests primarily, in other words at least 51% of its assets, in shares from issuers domiciled in Europe or listed on an exchange in Europe, with no sector restrictions, in the form of directly purchased individual instruments, in other words not indirectly or directly through investment funds or through derivatives.

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

a) Securities

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

b) Money market instruments

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

c) Securities and money market instruments

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

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

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

d) Shares in investment funds

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

e) Derivative financial instruments

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

f) Risk measurement method(s) of the Fund

The Fund applies the following risk measurement methods: Commitment approach

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

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 securities, the Fund can hold a lower proportion of securities and a higher proportion of demand deposits or callable deposits with a maximum term of 12 months.

h) Acceptance of short-term loans

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

i) Repurchase agreements

Does not apply.

j) Securities lending

Does not apply.

Article 4 Issue and Return Procedure

The share value shall be calculated in EUR.

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

Issue of shares and issue premium

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

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

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

Return of shares and return fee

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

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

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

Article 5 Financial Year

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

Article 6 Share Classes and Use of Earnings

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

Use of earnings for dividend shares

The earnings generated during the financial year (interest and dividends) less all costs can be distributed as deemed appropriate by the Management Company. Dividend disbursement may be suspended taking the interests of the Shareholders into account. Dividends may also be paid at the discretion of the Management Company from earnings generated by the sale of fund assets, including subscription rights. Fund assets may be paid out in the form of dividends and interim dividends.

The fund assets may not fall below the legally stipulated minimum volume for termination after dividend payments in any case.

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

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

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

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

Use of earnings for non-dividend shares without capital gains tax withholding (KESt-exempt non-dividend domestic and foreign 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 1 June of the following financial year.

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

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

Article 7**Management Fee, Compensation for Expenses, Liquidation Fee**

The Management Company shall receive an annual fee for its administrative activities amounting to up to 1.44% of the fund assets, which shall be accrued on a daily basis and calculated using the month-end values adjusted for the accrued fees.

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

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

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

Annex to the Fund Terms and Conditions

List of exchanges with official trading and organised markets

(As of July 2012)

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 *)

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.	Croatia:	Zagreb Stock Exchange
2.3.	Montenegro:	Podgorica
2.4.	Russia:	Moscow (RTS Stock Exchange), Moscow Interbank Currency Exchange (MICEX)
2.5.	Switzerland:	SWX Swiss Exchange
2.6.	Serbia:	Belgrade
2.7.	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
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

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

*) To open the list, click "view all".

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

Confirmation regarding securities lending transactions, repurchase transactions, and total return swaps

No securities lending transactions, repurchase transactions, or total return swaps were executed for ESPA STOCK EUROPE, mutual fund pursuant to the InvFG, during the previous reporting period.

Note regarding the data used

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

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

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

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