

# **ESPA PORTFOLIO BALANCED 30**

**Mutual fund pursuant to the InvFG**

Semi-Annual Report 2017/18

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## General Information about the Investment Firm

<b>The company</b>	ERSTE-SPARINVEST Kapitalanlagegesellschaft m. b. H. Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19881, Fax: +43 05 0100-17102
<b>Nominal capital</b>	EUR 4.50 million
<b>Shareholders</b>	Erste Asset Management GmbH (roughly 79.09%) DekaBank Deutsche Girozentrale (roughly 2.78%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m.b.H. & Co KG (roughly 2.78%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (roughly 1.27%) Salzburger Sparkasse Bank Aktiengesellschaft (roughly 2.78%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (roughly 2.78%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (roughly 5.57%) Tiroler Sparkasse Bankaktiengesellschaft Innsbruck (roughly 2.94%)
<b>Supervisory Board</b>	Rudolf SAGMEISTER, Mag. (Chairman from 22 February 2018) Wolfgang TRAINDL, Mag. (Chairman until 21 February 2018) Gabriele SEMMELROCK-WERZER (Deputy Chairwoman, First Deputy) Franz-Nikolaus HÖRMANN, Mag. (Deputy Chairman, Second Deputy) Matthias BAUER Monika JUNG, Mag. MSc (from 22 February 2018) Josef PRESCHITZ Franz PRUCKNER, Dr. MBA Rupert RIEDER, Mag. Rudolf SAGMEISTER, Mag. (from 15 February 2018 to 21 February 2018) Thomas SCHAUFLE, Mag. (FH) Reinhard WALT, Mag. Appointed by the Works Council: Martin CECH Regina HABERHAUER Heinrich Hubert REINER, Ing. Peter RIEDERER Manfred ZOUREK
<b>Managing directors</b>	Heinz BEDNAR, Mag. Peter KARL, Mag. (from 1 March 2018) Günther MANDL Christian SCHÖN (until 28 February 2018) Wolfgang TRAINDL, Mag. (from 1 March 2018)
<b>Prokuristen (proxies)</b>	Achim ARNHOF, Mag. Winfried BUCHBAUER, Mag. Karl FREUDENSCHUSS Dietmar JAROSCH, Dr. Manfred LENTNER Gerold PERMOSER Magdalena REISCHL, Mag. Jürgen SINGER, Mag.
<b>State commissioners</b>	Erwin GRUBER Michael MANHARD, HR Dr.
<b>Auditor</b>	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
<b>Custodian bank</b>	Erste Group Bank AG

## Dear Shareholder,

We are pleased to present you the following semi-annual report for the ESPA PORTFOLIO BALANCED 30 mutual fund pursuant to the InvFG for the period from 1 November 2017 to 30 April 2018.

## Development of the Fund

ESPA PORTFOLIO BALANCED 30 is an absolute return fund and invests 0% to 30% in equity funds and 70% to 100% in bond funds. Tactical asset allocation for equities and bonds is used to optimise earnings and risk. To this end, up to 10% of the fund's assets are allocated to alternative investment strategies and real estate equity funds. Foreign currencies are usually hedged. The fund is eligible to be held as securities coverage for Austrian pension provision requirements (§ 14 EStG in conjunction with § 25 PKG) and is considered a preferential fixed asset according to the Austrian SME Promotion Act (KMU-Förderungsgesetz). ESPA PORTFOLIO BALANCED 30 switched to the absolute return investment approach on 18 August 2008. The fund is suitable for long-term net asset growth.

### Market

The performance on the capital markets was largely negative over the past six months. Thanks to robust economic dynamics and low inflation, risky asset classes, especially stocks, posted solid price gains from November to January. At the same time, market participants began expecting a normalisation of monetary policy by the most important central banks, especially the US Fed, and the bond markets (above all risk-free government bonds) were subject to constant price pressure until January. This trend reversed in the first ten days of February. Higher wage increases in the USA than expected sparked fears of rising inflation, and dividend shares suffered a substantial correction. Global stocks lost more than 8% from their high to low in just a few days, but made up part of their losses again afterwards. The decline in prices for US government and corporate bonds and on markets that are sensitive to USD interest rates such as hard currency emerging market bonds continued through to the end of the reporting period, however. Only euro government bonds posted solid gains starting in February, in part due to the ECB's intention to leave its expansive interest rate policy unchanged for the most part. Over the reporting period, only euro government bonds, CEE government bonds, and emerging market government bonds in local currency were able to achieve a slight plus while all other asset classes, especially US government and corporate bonds, hard currency emerging market government bonds, and emerging market corporates suffered relatively substantial price losses.

Global stocks achieved a plus of 2.62% in local currency over the reporting period.

### Asset allocation

In the bond segment, European government bonds made up 16% of the portfolio on average. American corporate bonds were weighted at 15% and high yield bonds at 7.5% on average. US Treasury bonds were weighted at 5%. EM bonds made up 9% of the fund on average. The share of cash funds and cash totalled around 10% during the reporting period.

The share of equities averaged 17.5% of the fund volume. The equities exposure was in a narrow range of 15% to 20% over the period. Within the equities segment, developed economies were assigned the highest weighting – with the USA and Europe taking the lead. Asian emerging markets were included for diversification purposes.

Alternative investments consistently made up around 10% of the portfolio.

The currency risk remained hedged over long periods and was entered into selectively.

### Investment Result

ESPA PORTFOLIO BALANCED 30 generated a negative performance of 1.51% from 1 November 2017 to 30 April 2018.

## Asset Allocation

	30 April 2018		31 October 2017	
	EUR millions	%	EUR millions	%
Investment certificates denominated in				
AUD	-	-	2.0	0.61
GBP	1.1	0.32	3.9	1.20
EUR	293.0	88.78	278.3	85.01
JPY	0.6	0.19	5.1	1.55
USD	33.8	10.24	36.6	11.18
Securities	328.5	99.53	325.9	99.55
Forward exchange agreements	- 0.6	- 0.19	- 0.3	- 0.09
Cash in banks	2.2	0.66	1.5	0.45
Other deferred items	- 0.0	- 0.00	- 0.0	- 0.00
<b>Fund assets</b>	<b>330.0</b>	<b>100.00</b>	<b>327.4</b>	<b>100.00</b>

# Fund Portfolio as of 30 April 2018

(including changes in securities assets from 1 November 2017 to 30 April 2018)

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
<b>Investment certificates</b>							
<b>Investment certificates denominated in GBP</b>							
<b>Issue country Great Britain</b>							
THREADN.INVT.-UK INST.T 2	GB0001451615	49,781	1,444,092	491,998	1.877	1,052,546.71	0.32
Total issue country Great Britain						1,052,546.71	0.32
Total investment certificates denominated in GBP translated at a rate of 0.87719						1,052,546.71	0.32
<b>Investment certificates denominated in EUR</b>							
<b>Issue country Germany</b>							
IS.S.E.600 HEA.C.U.ETF A.	DE000A0Q4R36	18,049	0	18,049	69.880	1,261,264.12	0.38
LBBW RS FLEX I	DE000A2DU032	19,407	0	19,407	93.570	1,815,912.99	0.55
Total issue country Germany						3,077,177.11	0.93
<b>Issue country France</b>							
UBAM C.-UBAM CON.EO 10-40	FR0010644674	0	0	1,050	1,776.820	1,865,661.00	0.57
Total issue country France						1,865,661.00	0.57
<b>Issue country Ireland</b>							
GAM ST.-GLBL RATES IACC	IE00B59P9M57	0	0	235,989	10.619	2,505,896.39	0.76
INRIS UCITS-R CFM D.I EO	IE00BSPL3L55	0	0	16,778	108.390	1,818,567.42	0.55
ISHSV-S+P500H.CA.SECT.DLA	IE00B43HR379	618,805	0	618,805	4.954	3,065,559.97	0.93
LYXOR EPSILON GL.TR.I EO	IE00B643RZ01	0	0	11,245	127.221	1,430,596.77	0.43
LYXOR/SANDLER US EQ.EBEO	IE00BD8GKX38	0	0	20,427	108.908	2,224,659.63	0.67
SSGA S.E.E.II-M.EURO.FIN.	IE00BKWQ0G16	44,531	0	44,531	57.780	2,573,001.18	0.78
UBS(IRL)-EQ.OP. EQPPFACC	IE00B841P542	0	0	14,531	107.090	1,556,124.79	0.47
Total issue country Ireland						15,174,406.15	4.60
<b>Issue country Luxembourg</b>							
AB S.I-S.ABS.ALPH.P.IAE0H	LU0736560011	0	0	112,431	19.940	2,241,874.14	0.68
AGIF-A.EO INF-LKD BD WTEO	LU0988443767	279	356	11,670	1,138.700	13,288,629.00	4.03
B.S.F.-B.EO ABS.RET.I2 EO	LU0776931064	24,897	0	24,897	133.540	3,324,745.38	1.01
BGF-E.M.L.CURR.B.F.I2 EO	LU1559746307	754,799	23,969	730,830	22.390	16,363,283.70	4.96
BLUEBAY-GL.SOV.OP.QEOCERF	LU1542978124	42,855	0	42,855	104.420	4,474,968.28	1.36
CANDR.M.MKT.-EURO AAA V C	LU0354092115	10,868	1,500	10,868	1,068.450	11,611,914.60	3.52
DB PL.IV-SYS.ALP.I1C-E	LU0462954396	0	2,000	21,784	133.010	2,897,489.84	0.88
FID.FDS-ASI.SP.SIT.IACCEO	LU1357938338	107,458	0	107,458	15.620	1,678,493.96	0.51
MLIS-MW TOPS MKT NTR.BAEO	LU0333226826	0	0	17,496	144.860	2,534,470.56	0.77
NN(L)-US CREDIT ICEOH	LU0803997666	465	100	3,046	5,913.460	18,012,399.16	5.46
PARV.-EQ.EU.SM.CAP C.I EO	LU0212179997	5,149	0	5,149	250.160	1,288,073.84	0.39

## ESPA PORTFOLIO BALANCED 30

Security designation	ISIN number	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
PICTET-EMER.CORP.BDS HIEO	LU0844698075	3,000	53,555	54,039	90.760	4,904,579.64	1.49
PICTET-EUROL.IND.NA.ISEO	LU0255980830	14,991	0	14,991	158.170	2,371,126.47	0.72
SCHROD.GAIA-EGER.EQ.CAEO	LU0463469121	0	0	17,762	198.910	3,533,039.42	1.07
SISF-EUR.AL.ABS.RTN CAEO	LU0995125985	0	0	5,808	106.991	621,401.99	0.19
Total issue country Luxembourg						89,146,489.98	27.01
<b>Issue country Austria</b>							
ERSTE BD EM CRP.EURR01TEO	AT0000A05HR3	2,400	21,525	19,449	164.390	3,197,221.11	0.97
ESPA BD EU.RE.EURD01TEO	AT0000A1Y9Y6	163,298	7,114	156,184	101.630	15,872,979.92	4.81
ESPA BD USA CO.EURD01TEO	AT0000A1Y364	322,000	2,000	320,000	97.270	31,126,400.00	9.43
ESPA BD USA H.Y.EURR01TEO	AT0000637491	12,417	7,126	134,744	182.770	24,627,160.88	7.46
ESPA MORTGAGE EURR01TEO	AT0000700786	9,506	3,667	119,766	137.960	16,522,917.36	5.01
ESPA RESER.EO EOR01TEO	AT0000724307	10,830	1,688	9,142	1,269.080	11,601,929.36	3.52
ESPA STOCK JAPAN BEARER T	AT0000697073	2,150	42,706	5,926	108.250	641,489.50	0.19
T 1750 T	AT0000A04FZ3	85,632	0	153,805	106.160	16,327,938.80	4.95
T 1751	AT0000A0DEH1	80,451	0	144,262	113.180	16,327,573.16	4.95
T 1851 T	AT0000A0K2C4	91,152	3,920	87,232	121.290	10,580,369.28	3.21
T 1852 T	AT0000A0K2G5	5,864	5,602	90,111	117.410	10,579,932.51	3.21
T 1900 EURR01TEO	AT0000A1BTH1	8,760	3,442	88,774	92.850	8,242,665.90	2.50
XT BOND EUR T	AT0000A0K282	50,053	6,701	127,784	124.170	15,866,939.28	4.81
XT EUROPA EURO T	AT0000697065	1,277	60	1,217	1,831.510	2,228,947.67	0.68
Total issue country Austria						183,744,464.73	55.67
Total investment certificates denominated in EUR						293,008,198.97	88.78
<b>Investment certificates denominated in JPY</b>							
<b>Issue country Ireland</b>							
NOMURA FDS-JAP.STR.V.I YN	IE00B3VTL690	650	28,085	3,840	22,074.637	641,164.39	0.19
Total issue country Ireland						641,164.39	0.19
Total investment certificates denominated in JPY translated at a rate of 132.20729						641,164.39	0.19
<b>Investment certificates denominated in USD</b>							
<b>Issue country Ireland</b>							
AXA ROSEN.E.A.-US EN.I.A	IE0033609615	5,724	64,981	185,668	33.030	5,075,826.88	1.54
VERITAS FDS-ASIAN CACCDL	IE00BD065N65	6,757	0	6,757	479.672	2,682,620.72	0.81
Total issue country Ireland						7,758,447.60	2.35
<b>Issue country Luxembourg</b>							
F.T.I.F.-FRANK.MENA IA DL	LU0352133093	143,729	0	143,729	7.850	933,845.93	0.28
JPM-US TECHNOLOGY C	LU0129496690	45,644	0	45,644	33.350	1,259,913.42	0.38
JPM-US.R.E.I.EQ. IADL	LU0590396015	1,000	9,787	27,828	219.790	5,062,337.46	1.53
MSI-LATIN AMER.EQ. NAM.I	LU0052627634	14,165	0	14,165	65.950	773,201.25	0.23
PICTET-USA INDEX I DL	LU0188798671	1,819	9,804	25,400	240.630	5,058,766.76	1.53
PROSPERITY CM-RUS.P.IPDL	LU1539557519	1,769	32,835	6,831	98.890	559,110.73	0.17
SISF EMERG.ASIA IZ CAP.DL	LU1188199936	55,738	0	55,738	52.139	2,405,310.14	0.73
Total issue country Luxembourg						16,052,485.69	4.86

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

XT USA USD A	AT0000697081	298	1,994	4,890	2,467.500	9,986,819.24	3.03
Total issue country Austria						9,986,819.24	3.03
Total investment certificates denominated in USD translated at a rate of 1.20820						33,797,752.53	10.24
Total investment certificates						328,499,662.60	99.53

**Forward exchange agreements**

**Unrealised  
result in EUR**

**Forward exchange agreements denominated in EUR****Issue country Austria**

FXF SPEST EUR/AUD 11.07.2018 FXF_TAX_3440219	1,311,321	-7,364.78	-0.00
FXF SPEST EUR/AUD 11.07.2018 FXF_TAX_3440427	-1,319,018	-337.71	-0.00
FXF SPEST EUR/GBP 11.07.2018 FXF_TAX_3440252	2,931,410	18,581.84	0.01
FXF SPEST EUR/GBP 11.07.2018 FXF_TAX_3440396	-789,435	-4,336.25	-0.00
FXF SPEST EUR/JPY 11.07.2018 FXF_TAX_3440283	6,787,435	22,094.18	0.01
FXF SPEST EUR/JPY 11.07.2018 FXF_TAX_3440364	-5,528,317	4,917.02	0.00
FXF SPEST EUR/USD 11.07.2018 FXF_TAX_3440178	12,481,012	-269,970.70	-0.08
FXF SPEST EUR/USD 11.07.2018 FXF_TAX_3440456	14,699,982	-390,379.28	-0.12
Total issue country Austria		-626,795.68	-0.19
Total forward exchange agreements denominated in EUR		-626,795.68	-0.19
Total forward exchange agreements		-626,795.68	-0.19

**Breakdown of fund assets**

Securities	328,499,662.60	99.53
Forward exchange agreements	-626,795.68	-0.19
Cash in banks	2,177,323.98	0.66
Other deferred items	-7,605.38	-0.00
Fund assets	330,042,585.52	100.00

Dividend shares outstanding	AT0000802491	shares	3,440,252.566
Share value for dividend share	AT0000802491	EUR	58.99
Non-dividend shares outstanding	AT0000A09R60	shares	1,693,920.863
Share value for non-dividend share	AT0000A09R60	EUR	73.58
KEST-exempt non-dividend shares outstanding	AT0000A09R86	shares	31,465.285
Share value for KEST-exempt non-dividend share	AT0000A09R86	EUR	77.39

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



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

All OTC derivatives are traded through Erste Group Bank AG.

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

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

**Investor note:**

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

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

Security designation	ISIN number	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
<b>Investment certificates</b>			
<b>Investment certificates denominated in AUD</b>			
<b>Issue country Luxembourg</b>			
CANDR.EQ.L-AUSTRALIA INHI	LU0133348622	0	1,134
SSGA LUX-AUSTR.I.EQ. I	LU1159240107	0	114,298
<b>Investment certificates denominated in EUR</b>			
<b>Issue country Great Britain</b>			
M+G I.(1)-M+G EUR.IN.EO A	GB0030929417	29,238	463,999
<b>Issue country Ireland</b>			
ISHSIII-C.EO CORP.B.EODIS	IE00B3F81R35	7,500	132,204
<b>Issue country Luxembourg</b>			
BGF-E.M.L.CURR.B.F.D2 EO	LU0329592702	21,520	736,821
BL.STR.-B.E.A.R.STR.A2 EO	LU0411704413	0	22,564

<b>Security designation</b>	<b>ISIN number</b>	<b>Purch./ additions Shares/nominal (nom. in 1,000, rounded)</b>	<b>Sales/ disposals</b>
BLUEBAY-GL.SOV.OP.IEOPRF	LU1542977407	42,000	42,000
DEU.CONCEPT-KALDEM.FC	LU0599947271	0	31,745
GEN.INV.-EO BD 1-3YR.BXEO	LU0396183112	0	100,322
JH-J.H.CONT.EUROP. IEOA	LU0113993397	23,569	356,260
JPM-EGSD.B JPMEGSDB CAEO	LU0408877768	0	685,452
JPM-SY.ALPHA JPMSA CAEO	LU0406668342	0	17,269
<b>Issue country Austria</b>			
ESPA BD EU.RENT EURR01TEO	AT0000812854	38,073	107,818
ESPA BD USA CO.EURR01TEO	AT0000675772	2,500	212,199

Vienna, May 2018

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

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Note:

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