

ESPA PORTFOLIO BALANCED 30

Jointly owned fund pursuant to the InvFG

Annual Report 2018/19

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General Information about the Investment Firm

The company	Erste Asset Management GmbH Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19777, fax: +43 05 0100-919777
Registered capital	EUR 2.50 million
Shareholders	Erste Group Bank AG (64.67%) VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (0.76%) Erste Bank der österreichischen Sparkassen AG (22.17%) DekaBank Deutsche Girozentrale, Frankfurt (1.65%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (0.76%) Salzburger Sparkasse Bank Aktiengesellschaft (1.65%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (1.65%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (3.30%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m. b. H. & Co KG (1.65%) Tiroler Sparkasse Bankaktiengesellschaft Innsbruck (1.74%)
Supervisory Board	Rudolf SAGMEISTER (Chairman) Thomas SCHAUFLER (Deputy Chairman) Ingo BLEIER (until 31 October 2019) Harald GASSER Gerhard GRABNER Harald Frank GRUBER (from 13 September 2019) Oswald HUBER Radovan JELASITY Robert LASSHOFER Franz PRUCKNER (from 13 September 2019) Rupert RIEDER (from 13 September 2019) Gabriele SEMMELROCK-WERZER (from 13 September 2019) Martin SIMHANDL (until 22 February 2019) Reinhard WALTL (from 13 September 2019) Gerald WEBER (from 22 February 2019) Appointed by the Works Council: Martin CECH Regina HABERHAUER (from 13 September 2019) Heinrich Hubert REINER Peter RIEDERER Nicole WEINHENGST Manfred ZOUREK
Managing directors	Heinz BEDNAR Winfried BUCHBAUER Peter KARL Wolfgang TRAINDL
Prokuristen (proxies)	Achim ARNHOF (from 15 December 2018) Karl FREUDENSCHUSS Manfred LENTNER Günther MANDL Gerold PERMOSER Magdalena REISCHL
State commissioners	Caroline HABERFELLNER (until 31 July 2019) Christoph Seel (from 1 August 2019) Eva SCHRITTWIESER (from 1 July 2019) Philipp VISKI-HANKA (until 30 June 2019)
Auditor	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Depository bank	Erste Group Bank AG

Dear Unit-holder,

We are pleased to present you the following annual report for the ESPA PORTFOLIO BALANCED 30 jointly owned fund pursuant to the InvFG for the period from 1 November 2018 to 31 October 2019.

The former management company, ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., was merged into Erste Asset Management GmbH effective 31 December 2017 and with entry of this merger in the trade register of Vienna Commercial Court on 3 November 2018, Erste Asset Management GmbH became the Management Company of ESPA PORTFOLIO BALANCED 30 as of the effective date of the merger.

The companies managing the sub-funds contained in the fund that are not managed by the Investment Firm assessed management fees ranging between 0.03% and 1.50%. No front-end surcharges were charged for the purchase of the units in these funds.

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. The tactical asset allocation for shares and bonds serves to optimise earnings and risk. In this, up to 10% is invested in 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 was switched to the absolute return investment approach on 18 August 2008. The fund is suitable for long-term net asset growth.

Market

Fears of a cooling of global economic growth stemming from China, the sustained trade conflict between the USA and China, and uncertainty about the extent of further key rate hikes in the USA triggered a correction on the equity markets in the final two months of 2018, a correction that especially gained momentum in December. Global stocks lost around 7% from the beginning of November to the end of December. High yield corporate bonds also came under pressure and suffered noticeable losses. Investment grade corporate bonds saw less significant losses. A flight into secure government bonds also began at the same time and was above all good for Eurozone and US government bonds. Local currency emerging market government bonds also posted positive performance from the beginning of November to the end of December. After the losses in 2018, the capital markets started the new year off with solid price gains. This was driven in part by the realisation that the US Fed would not be making any more rate hikes but actually rate cuts, and in part by the expectation that the global economy would not slide into recession. This expectation was backed by stable economic data in the USA and by stimulus measures in China. The good corporate earnings also had a positive effect on the markets. There were temporary setbacks on the equity markets in May and August due to the escalation of the trade conflict between the USA and China. All asset classes posted strong gains from the beginning of January to the end of October, especially stocks, emerging market government bonds, and high yield corporate bonds. Secure government bonds and investment grade corporate bonds, especially US issues, also delivered convincing performance. The financial year saw a relatively high degree of volatility on the capital markets, with all asset classes delivering solid performance throughout the period.

Asset allocation

ESPA PORTFOLIO BALANCED 30 is a fund-of-funds and invests in sub-funds of the following asset classes.

ESPA PORTFOLIO BALANCED 30

The reporting period started off with the following approximate allocation: equities 24%, European government bonds 16%, EUR corporate bonds 5%, EUR high yield bonds 8%, EUR money market and short-running bonds 11.50%, currency hedged US high yield bonds 9.5%, currency hedged American mortgage bonds 4.5%, inflation-protected EUR bonds 4%, international government bonds 2.5%, and local-currency emerging market bonds 5%.

Equities made up between 15% and 25% of the fund assets. Within the equities segment, developed economies were assigned the highest weighting – with the USA taking the lead, followed by Europe and Japan. In the emerging economies, the portfolio was broadly diversified in Asia, and invested to a limited extent in Russia, the Middle East, and North Africa. At the beginning of the reporting period in November, equities accounted for 24% and remained at this level until the end of the year. The allocation then varied between 21% and 24%. The equities exposure was reduced to 16% towards the end of the reporting period.

At the close of the period, the fund allocation was roughly as follows: equities 16%, European government bonds 18.08%, EUR high yield bonds 2.51%, EUR corporate bonds 4.98%, EUR money market and short-running bonds 12.07%, currency hedged US high yield bonds 2.52%, currency hedged US corporate bonds 5.44%, currency hedged American mortgage bonds 4.47%, international government bonds 8.88%, Eastern European government bonds 3.03%, emerging market bonds 12.57%, and alternative investments 9.96%.

Within the equities segment, the industrialised countries made up the largest share – above all the USA (underweighted), followed by Europe ex UK (overweighted), the UK (underweighted), and Japan (underweighted). The portfolio also included selective positions in some emerging markets such as Russia, China, and Latin America.

The majority of the currency risk was hedged for large portions of the reporting period. The hedges were dispensed with on a selective basis to increase the risk exposure.

Investment result

ESPA PORTFOLIO BALANCED 30 achieved a positive performance of 5.38% for the reporting period.

Method of Calculating the Global Exposure

Method of calculating the global exposure:	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

	As of 31.10.2019	
	EUR millions	%
	0.0	0.00
Investment certificates		
EUR	262.5	84.34
USD	46.4	14.92
Transferable securities	309.0	99.26
Forward exchange agreements	-0.0	-0.01
Bank balances	2.4	0.76
Other deferred items	-0.0	-0.01
Fund assets	311.3	100.00

Comparative Overview

Accounting year	Fund assets
2016/2017	327,425,476.17
2017/2018	314,490,350.97
2018/2019	311,304,081.49

General information about performance:

The performance of unit categories with no outstanding units at the end of the reporting period or no outstanding units during the reporting period is generally based on the dividend-adjusted performance of the overall fund. In these cases, the performance is not reported below.

When a unit category is issued during the reporting period, the performance and reinvestment are calculated from the point in time that the unit category is launched. Because of this and possible other fees and currency classes, the performance and reinvestment of this unit category differ from those of comparable unit categories.

The performance is determined assuming the reinvestment of all paid dividends and amounts at their nominal value on the day of disbursement.

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Dividend-bearing units	AT0000802491	EUR	60.79	1.0000	-	3.43
2017/2018	Dividend-bearing units	AT0000802491	EUR	57.61	0.8000	0.0000	-3.65
2018/2019	Dividend-bearing units	AT0000802491	EUR	59.86	0.8000	0.0000	5.38

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Non-dividend-bearing units	AT0000A09R60	EUR	74.91	0.3264	1.4866	3.44
2017/2018	Non-dividend-bearing units	AT0000A09R60	EUR	71.87	0.1112	0.2852	-3.64
2018/2019	Non-dividend-bearing units	AT0000A09R60	EUR	75.62	0.0414	0.1373	5.38

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	Non-dividend-bearing units	AT0000A2AL08	EUR	-	-	-	-
2018/2019	Non-dividend-bearing units	AT0000A2AL08	EUR	-	-	-	-
2018/2019	Non-dividend-bearing units	AT0000A2AL08	EUR	100.02	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KESSt-exempt non-dividend-bearing units	AT0000A09R86	EUR	78.44	-	1.8059	3.43
2017/2018	KESSt-exempt non-dividend-bearing units	AT0000A09R86	EUR	75.59	-	0.4162	-3.63
2018/2019	KESSt-exempt non-dividend-bearing units	AT0000A09R86	EUR	79.65	-	0.1867	5.37

Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 November 2018 to 31 October 2019. 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 16 December 2019 at
Erste Group Bank AG, Vienna,
and the respective bank managing the Unit-holder's securities account.

Fund type	ISIN	Currency	Dividend disbursement/ payment		KESSt with option declaration	KESSt w/o option declaration	Reinvestment
Dividend-bearing units	AT0000802491	EUR	0.8000		0.0332	0.0332	0.0000
Non-dividend-bearing units	AT0000A09R60	EUR	0.0414		0.0414	0.0414	0.1373
Non-dividend-bearing units	AT0000A2AL08	EUR	-		-	-	-
KESSt-exempt non-dividend-bearing units	AT0000A09R86	EUR	-	*	-	-	0.1867

* 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 Accounting Year (Fund Performance)

Calculation according to the OeKB method per unit in the unit currency not accounting for a front-end surcharge

The performance of unit categories with no outstanding units at the end of the reporting period or no outstanding units during the reporting period is generally based on the dividend-adjusted performance of the overall fund. In these cases, the “performance”, the “net earnings per unit”, and the “total value including (notional) units gained through disbursement/payment” are not reported in the following.

When a unit category is issued during the reporting period, the performance is calculated from the point in time that the unit category is launched. Because of this and possible other fees and currency classes, the performance of this unit category differs from that of comparable unit categories.

AT0000802491 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (3,346,829.421 units)	57.61
Disbursement/payment on 13.12.2018 (corresponds to roughly 0.0142 units at a calculated value of 56.20)	0.8000
Unit value at the end of the reporting period (3,122,119.259 units)	59.86
Total value including (notional) units gained through dividend disbursement/payment	60.71
Net earnings per unit	3.10
Value development of one unit in the period	5.38%

AT0000A09R60 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (1,659,028.995 units)	71.87
Disbursement/payment on 13.12.2018 (corresponds to roughly 0.0016 units at a calculated value of 71.00)	0.1112
Unit value at the end of the reporting period (1,614,724.206 units)	75.62
Total value including (notional) units gained through dividend disbursement/payment	75.74
Net earnings per unit	3.87
Value development of one unit in the period	5.38%

AT0000A2AL08 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	100.08
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	100.02
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A09R86 KESSt-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (31,937.873 units)	75.59
Disbursement/payment	0.0000
Unit value at the end of the reporting period (28,751.692 units)	79.65
Total value including (notional) units gained through dividend disbursement/payment	79.65
Net earnings per unit	4.06
Value development of one unit in the period	5.37%

2. Fund Result

a. Realised fund result

Ordinary fund result

Income (without profit or loss from price changes)

Interest income (excluding income adjustment)	1,218,066.45
Dividend income	801,652.92
Other income 8)	<u>21,787.56</u>

Total income (without profit or loss from price changes) 2,041,506.93

Interest paid - 15,431.99

Expenses

Fees paid to Investment Firm	- 2,211,606.33
Costs for the financial auditor and tax consultation	- 7,116.00
Publication costs	- 28,994.84
Securities account fees	- 123,091.73
Depositary bank fees	- 193,809.88
Costs for the external consultant	<u>0.00</u>

Total expenses - 2,564,618.78

Compensation for management costs from sub-funds 1) 51,292.60

Ordinary fund result (excluding income adjustment) - 487,251.24

Realised profit or loss from price changes 2) 3)

Realised gains 4)	9,404,711.05
Realised losses 5)	<u>- 8,178,855.26</u>

Realised profit or loss from price changes (excluding income adjustment) 1,225,855.79

Realised fund result (excluding income adjustment) 738,604.55

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

Changes in the unrealised profit or loss from price changes 7) 15,671,624.79

Result for the reporting period 6) 16,410,229.34

c. Income adjustment

Income adjustment for income in the period 718.51

Income adjustment for profit carried forward from dividend-bearing units - 1,080,212.51

Overall fund result 15,330,735.34

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	314,490,350.97
Disbursement/payment in the accounting year	- 2,838,277.60
Issue and redemption of units	- 15,678,727.22
Overall fund result	
(The fund result is shown in detail under item 2.)	15,330,735.34
Fund assets at the end of the reporting period	311,304,081.49

- 1) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the fund after deduction of appropriate 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 16,897,480.58.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 971,622.71.
- 5) Thereof losses from transactions with derivative financial instruments: EUR -3,223,142.27.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 33,835.06.
- 7) Thereof changes in unrealised gains EUR 7,064,704.28 and unrealised losses EUR 8,606,920.51.
- 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 21,787.56.

Statement of Assets and Liabilities as of 31 October 2019

(including changes in securities assets from 1 November 2018 to 31 October 2019)

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Investment certificates							
Investment certificates denominated in EUR							
Issue country Germany							
IS.S.E.600 HEA.C.U.ETF A.	DE000AQ4R36	43,558	29,350	14,208	85.480	1,214,499.84	0.39
ISH.S.EU.600 TEL.U.ETF A.	DE000A0H08R2	51,551	178,796	51,551	23.055	1,188,508.31	0.38
Total issue country Germany						<u>2,403,008.15</u>	<u>0.77</u>
Issue country France							
AMUNDI CASH INSTIT. SRI C	FR0007435920	76	0	76	218,288.674	16,589,939.23	5.33
Total issue country France						<u>16,589,939.23</u>	<u>5.33</u>
Issue country Ireland							
ISHSV-S+P500H.CA.SECT.DLA	IE00B43HR379	124,244	696,476	195,148	6.190	1,207,966.12	0.39
LYX.NEW.II-L./W.C.F.C.IEO	IE00BZ00NG13	16,276	0	16,276	115.409	1,878,398.51	0.60
LYXOR EPSILON GL.TR.I EO	IE00B643RZ01	4,373	1,000	13,682	132.769	1,816,544.09	0.58
LYXOR/SANDLER US EQ.EBEO	IE00BD8GKX38	0	825	15,395	109.755	1,689,682.84	0.54
SPDR MSCI EUROPE C.D.UETF	IE00BKWQ0C77	66,413	56,486	9,927	126.280	1,253,581.56	0.40
SPDR MSCI EUROPE C.S.UETF	IE00BKWQ0D84	9,182	26,026	5,829	197.040	1,148,546.16	0.37
UBS(IRL)-EQ.OP. EOQPFACC	IE00B841P542	10,122	962	26,122	117.660	3,073,514.52	0.99
Total issue country Ireland						<u>12,068,233.80</u>	<u>3.88</u>
Issue country Luxembourg							
AB S.I-S.ABS.ALPH.P.IAEOH	LU0736560011	0	0	100,478	20.750	2,084,918.50	0.67
BLACKR.ST.A.D.E.A.R.I2EOH	LU1323999489	0	0	7,500	100.360	752,700.00	0.24
BLUEBAY-GL.SOV.OP.IEOPERF	LU1542977407	0	0	242	101.050	24,478.35	0.01
BLUEBAY-GL.SOV.OP.QEOCERF	LU1542978124	0	0	38,134	99.390	3,790,138.26	1.22
BNPP EU.SMALL CAP C.IEO	LU0212179997	2,765	9,145	8,936	271.810	2,428,894.16	0.78
BRSF-UK E.C.A.R I2 HGDEOA	LU1861219290	29,136	0	29,136	107.220	3,123,961.92	1.00
CANDR.BDS-EM.MKTS VC.EO H	LU0616945100	11,447	942	10,505	1,481.990	15,568,304.95	5.00
CANDR.M.MKT.-EURO AAA V C	LU0354092115	8,500	3,500	12,018	1,061.280	12,754,659.38	4.10
DB PL.IV-SYS.ALP.I1C-E	LU0462954396	0	1,210	20,574	131.750	2,710,624.50	0.87
DWS I.-EO HY CORP. IC	LU1054331407	6,000	181,177	72,651	107.760	7,828,871.76	2.51
F.T.I.F.F.GL.C.S.IACCEO1	LU1098665802	6,261	14,237	140,261	12.440	1,744,846.84	0.56
FID.FDS-ASI.SP.SIT.IACCEO	LU1357938338	49,799	74,013	74,540	16.400	1,222,456.00	0.39
JPM-EU.ST.GW.JPMESG IAEO	LU0248049172	13,388	4,390	8,998	132.310	1,190,525.38	0.38
LUM-M.W.T.(M.N).U.F. BAE0	LU0333226826	0	0	16,946	135.690	2,299,402.74	0.74
NORDEA1-ALP.15 MA F.BIE0	LU0607983383	33,000	530	32,470	81.220	2,637,213.40	0.85
PICTET-EUROL.IND.NA.ISEO	LU0255980830	4,644	10,221	11,902	165.110	1,965,139.22	0.63
SCHROD.GAIA-EGER.EQ.CAEO	LU0463469121	0	1,350	16,412	209.000	3,430,108.00	1.10
SISF EURO CORP.BD C ACC	LU0113258742	12,020	83,818	604,169	25.766	15,567,018.45	5.00
SSGA LUX-UK INDEX EQ.IEOA	LU1159238978	336,698	123,662	213,036	11.853	2,525,051.80	0.81
Total issue country Luxembourg						<u>83,649,313.61</u>	<u>26.87</u>

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Security designation	ISIN number	Purch./ additions Units/nominal	Sales/ disposals (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets
Issue country Austria							
ERST.BD DANUBIA EURR01TEO	AT0000812946	69,352	5,148	64,204	146.130	9,382,130.52	3.01
ERSTE BD EM.MA. EURR01TEO	AT0000809165	46,320	1,098	45,222	172.070	7,781,349.54	2.50
ESPA BD EU.RE.EURD01TEO	AT0000A1Y9Y6	17,009	22,097	151,697	109.210	16,566,829.37	5.32
ESPA BD USA CO.EURD01TEO	AT0000A1Y364	135,480	12,298	123,182	137.670	16,958,465.94	5.45
ESPA BD USA H.Y.EURR01TEO	AT0000637491	2,500	126,410	41,178	190.480	7,843,585.44	2.52
ESPA MORTGAGE EURR01TEO	AT0000700786	5,253	13,866	99,574	140.010	13,941,355.74	4.48
T 1750 T	AT0000A04FZ3	0	65,719	29,000	104.200	3,021,800.00	0.97
T 1751	AT0000A0DEH1	0	61,928	26,500	110.530	2,929,045.00	0.94
T 1851 T	AT0000A0K2C4	29,684	25,377	92,200	129.690	11,957,418.00	3.84
T 1852 T	AT0000A0K2G5	1,756	20,840	71,746	125.500	9,004,123.00	2.89
T 1900 EURR01TEO	AT0000A1BTH1	210,646	13,564	283,125	97.690	27,658,481.25	8.88
XT BOND EUR PASSIV T	AT0000A0K282	32,226	18,919	140,913	133.510	18,813,294.63	6.04
XT EUROPA EURO T	AT0000697065	750	1,161	1,057	1,868.890	1,975,416.73	0.63
Total issue country Austria						<u>147,833,295.16</u>	<u>47.49</u>
Total investment certificates denominated in EUR						<u>262,543,789.95</u>	<u>84.34</u>
Investment certificates denominated in USD							
Issue country Ireland							
AXA ROSEN.E.A.-US EN.I.A	IE0033609615	156,778	153,237	184,708	37.710	6,243,300.93	2.01
VERITAS FDS-ASIAN CACCDL	IE00BD065N65	3,938	5,634	4,503	495.583	2,000,278.90	0.64
Total issue country Ireland						<u>8,243,579.83</u>	<u>2.65</u>
Issue country Luxembourg							
ASHMORE-E.M.L.C.BD IACCDL	LU0880945901	3,137	31,863	191,781	90.860	15,618,896.30	5.02
F.T.I.F.-FRANK.MENA IA DL	LU0352133093	8,214	156,073	73,267	7.900	518,809.04	0.17
G.SACHS-US CO.E.RA.IACCDL	LU1280280568	273,510	357,623	435,194	16.010	6,245,198.71	2.01
JPM-US TECHNOLOGY C	LU0129496690	92,824	61,885	30,939	41.660	1,155,307.44	0.37
PICTET-USA INDEX I DL	LU0188798671	13,311	19,436	24,839	280.990	6,256,003.77	2.01
PROSPERITY CM-RUS.P.IPDL	LU1539557519	0	7,503	3,816	107.640	368,174.82	0.12
SISF EMERG.ASIA IZ CAP.DL	LU1188199936	32,190	44,076	38,263	50.779	1,741,533.25	0.56
Total issue country Luxembourg						<u>31,903,923.33</u>	<u>10.25</u>
Issue country Austria							
XT USA USD A	AT0000697081	1,103	2,111	2,704	2,597.070	6,294,516.45	2.02
Total issue country Austria						<u>6,294,516.45</u>	<u>2.02</u>
Total investment certificates denominated in USD translated at a rate of 1.11565						<u>46,442,019.61</u>	<u>14.92</u>
Total investment certificates						<u>308,985,809.56</u>	<u>99.26</u>

Security designation	ISIN number	Holding	Unrealised result in EUR	% share of fund assets
Forward exchange agreements				
Forward exchange agreements denominated in EUR				
Issue country Austria				
FXF SPEST EUR/GBP 15.01.2020	FXF_TAX_3448299	4,464,850	10,103.92	0.00
FXF SPEST EUR/USD 15.01.2020	FXF_TAX_3448270	12,556,569	-41,270.48	-0.01
FXF SPEST EUR/USD 15.01.2020	FXF_TAX_3448386	6,880,498	10,600.92	0.00
Total issue country Austria			-20,565.64	-0.01
Total forward exchange agreements denominated in EUR			-20,565.64	-0.01
Total forward exchange agreements			-20,565.64	-0.01

Breakdown of fund assets

Transferable securities			308,985,809.56	99.26
Forward exchange agreements			-20,565.64	-0.01
Bank balances			2,358,930.09	0.76
Other deferred items			-20,092.52	-0.01
Fund assets			311,304,081.49	100.00

Dividend-bearing units outstanding	AT0000802491	units	3,122,119.259
Value of dividend-bearing unit	AT0000802491	EUR	59.86
Non-dividend-bearing units outstanding	AT0000A09R60	units	1,614,724.206
Value of non-dividend-bearing unit	AT0000A09R60	EUR	75.62
Non-dividend-bearing units outstanding	AT0000A2AL08	units	0.000
Value of non-dividend-bearing unit	AT0000A2AL08	EUR	100.02
KEST-exempt non-dividend-bearing units outstanding	AT0000A09R86	units	28,751.692
Value of KEST-exempt non-dividend-bearing unit	AT0000A09R86	EUR	79.65

The fund is not permitted to engage in securities lending agreements pursuant to Regulation (EU) No. 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse). For this reason, securities lending agreements were not employed.

The fund is not permitted to engage in repurchase agreements pursuant to Regulation (EU) No. 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse). For this reason, repurchase agreements were not employed.

The fund is not permitted to engage in total return swaps pursuant to Regulation (EU) No. 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse). For this reason, total return swaps were not employed.

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.

The following securities and bank deposits were pledged as collateral for derivative transactions:

Security designation	ISIN number	Units/nominal value/absolute (nominal in 1,000, rounded)
Bank balances		30,000

Investor note:

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

Purchases and sales of transferable securities in the reporting period not listed in the statement of assets and liabilities

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Investment certificates			
Investment certificates denominated in GBP			
Issue country Great Britain			
THREADN.INVT.-UK INST.T 2	GB0001451615	127,751	1,954,868
Investment certificates denominated in EUR			
Issue country Germany			
LBBW RS FLEX I	DE000A2DU032	2,100	22,010
Issue country France			
H2O ADAGIO PART I(C)4DEC.	FR0010929794	0	39

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Issue country Ireland			
INRIS CFM DIVERSIF. IEO	IE00BSPL3L55	0	19,572
ISHSIV-E.MSCI EUR.V.F.EOA	IE00BQN1K901	400,292	400,292
ISHSIV-E.MSCI USA VAL.FA.	IE00BD1F4M44	90,185	720,248
NOMURA FDS-JAP.STR.V.I EO	IE00B3YQ1K12	10,000	10,000
SPDR MSCI EUR.ENERGY UETF	IE00BKWQ0F09	1,167	13,861
SPDR S+P US CO.S.S.S.UETF	IE00BWBXM385	76,000	175,906
Issue country Luxembourg			
AGIF-A.EO INF-LKD BD WTEO	LU0988443767	225	11,939
B.S.F.-B.EO ABS.RET.I2 EO	LU0776931064	0	23,109
Issue country Austria			
ESPA RESER.EO EOR01TEO	AT0000724307	0	5,076
ESPA STOCK JAP.EURR01 TEO	AT0000697073	19,700	47,538
Investment certificates denominated in JPY			
Issue country Ireland			
NOMURA FDS-JAP.STR.V.I YN	IE00B3VTL690	1,678	19,911
Investment certificates denominated in USD			
Issue country Luxembourg			
BNPP US GROWTH I CAP	LU0823435044	5,168	5,168
MONEDA-LAT.AMER.EQU. I DL	LU1224039393	11,944	11,944
MSI-LATIN AMER.EQ. NAM.I	LU0052627634	0	24,654

Vienna, 13 December 2019

Erste Asset Management GmbH
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]).

Remuneration Policy

Remuneration paid to employees of Erste Asset Management GmbH in EUR (2018 financial year of Erste Asset Management GmbH)

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

Number of employees as of 31.12.18	247
Number of risk bearers as of 31.12.18	95
Fixed remuneration	17,978,470
Variable remuneration (bonuses)	4,589,208
Total employee remuneration	22,567,678
Thereof remuneration for managing directors	1,049,937
Thereof remuneration for managerial risk bearers	4,317,407
Thereof remuneration for risk bearers with control functions*	692,269
Thereof remuneration for other risk bearers	6,853,589
Thereof remuneration for employees in the same income bracket as managers and risk bearers due to the amount of their total remuneration	0
Total remuneration for risk bearers	12,913,202

* Includes the Head of Compliance

Principles governing performance-based remuneration components

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

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

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

The performance-based remuneration components serve the short-term and long-term interests of the Management Company and contribute to preventing risky behaviour. The performance-based remuneration components take into account individual 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 annual gross remuneration. The bonus potential can be no more than 100% of the fixed annual gross remuneration. The bonus pool is adjusted depending on the success of the Management Company. The personal bonus is linked to individual 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 annual gross remuneration for all employees, including the material risk bearers (according to the definition in the remuneration policy) and managing directors of the Management Company.

The remuneration system is made up of three components:

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

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

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

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

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

The last audit of compliance with the requirements of the remuneration policy by the Supervisory Board on 3 April 2019 revealed no deviations. There were also no material findings during the last audit by the Internal Auditing department.

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

**Remuneration paid to employees of ERSTE-SPARINVEST KAG in EUR
(2017 financial year of ERSTE-SPARINVEST KAG)**

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

Number of employees as of 31.12.17	148
Number of risk bearers as of 31.12.17	60
Fixed remuneration	11,990,882
Variable remuneration (bonuses)	3,065,433
Total employee remuneration	15,056,315
Thereof remuneration for managing directors	1,540,398
Thereof remuneration for managerial risk bearers	918,143
Thereof remuneration for risk bearers with control functions*	1,111,224
Thereof remuneration for other risk bearers	5,430,036
Thereof remuneration for employees in the same income bracket as managers and risk bearers due to the amount of their total remuneration	0
Total remuneration for risk bearers	8,999,801

* Includes the Head of Compliance

Principles governing performance-based remuneration components

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

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

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

The performance-based remuneration components serve the short-term and long-term interests of the Management Company and contribute to preventing risky behaviour. The performance-based remuneration components take into account individual 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 annual gross remuneration. The bonus potential can be no more than 100% of the fixed annual gross remuneration. The bonus pool is adjusted depending on the success of the Management Company. The personal bonus is linked to individual 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 annual gross remuneration for all employees, including the material risk bearers (according to the definition in the remuneration policy) and managing directors of the Management Company.

The remuneration system is made up of three components:

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

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

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

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

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

The last audit of compliance with the requirements of the remuneration policy by the Supervisory Board on 4 April 2018 revealed no deviations. There were also no material findings during the last audit by the Internal Auditing department.

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

Audit Report*

Statement on the annual report

Audit opinion

We have audited the annual report prepared by Erste Asset Management GmbH, Vienna, for the fund under its management

ESPA PORTFOLIO BALANCED 30
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 31 October 2019, the income statement for the accounting year ending on this date, and the other information specified in Annex I Schedule 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 31 October 2019 and of the earnings position of the fund for the accounting 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 audit report. 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 an audit report 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 statement of assets and liabilities, the income statement, the other information specified in Annex I Schedule B of the InvFG 2011, and the audit report.

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, 13 December 2019

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Andrea Stippl
(Certified Public
Accountant)

ppa MMag. Roland Unterweger
(Certified Public Accountant)

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

Fund Rules for ESPA PORTFOLIO BALANCED 30

Jointly owned fund pursuant to the InvFG

The Fund Rules for ESPA PORTFOLIO BALANCED 30, jointly owned 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 collective investment in transferable securities (UCITS) and is managed by Erste Asset Management GmbH (the "Management Company" in the following), which has its registered office in Vienna.

Article 1 Fund Units

The joint ownership of the fund assets is evidenced by certificates having the characteristics of a bearer unit.

The unit certificates are depicted in separate global certificates for each unit category. For this reason, individual unit certificates cannot be issued.

Article 2 Depository Bank (Depository)

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

The payment offices for unit certificates are the depository bank (depository) and any other payment offices named 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 § 14 (7) of the Austrian Income Tax Act (EStG) in conjunction with § 25 (1) 5 to 8, (2) to (4), and (6) to (8) of the Austrian Pension Fund Act (PKG) as amended by Federal Law Gazette I No. 68/2015.

The Fund invests predominantly, in other words at least 51% of its assets, in units in investment funds that, according to their rules, 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, regardless of the country in which the respective management company is registered.

The Management Company is not subject to any restrictions in the selection of the issuers included in the respective funds with regard to the locations of their registered offices or the respective economic sectors in which they are active.

The equities portion of the Fund should make up between 0% and 30% of the fund assets in total, and may account for as much as 40% for brief periods. Individual equities, derivatives, and units in investment funds that are categorised as equity funds, funds that are comparable to equity funds, and mixed funds are taken into account in the calculation of the total equities portion. The units in such investment funds are assigned to the equities portion in their entirety.

Equities, issuable securities similar to equities, corporate bonds, and other participation certificates as defined in § 25 (2) 4 PKG (as amended by Federal Law Gazette I No. 68/2015) may together with the other assets defined in § 25 (2) 6 PKG (as amended by Federal Law Gazette I No. 68/2015) comprise up to 70% of the fund assets; these assets may be purchased directly or indirectly through investment funds.

Debt instruments pursuant to the PKG as amended by Federal Law Gazette I No. 68/2015 may comprise up to 100% of the fund assets.

Investments in assets denominated in a currency other than EUR 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 EUR-denominated assets.

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

a) Transferable securities

Transferable 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) Transferable securities and money market instruments

The Fund may purchase transferable 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.

Transferable securities and money market instruments may 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.

Transferable 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) Units in investment funds

Units in investment funds (UCITS, UCI) may comprise up to 20% of the fund assets per individual issue and may comprise up to 100% in aggregate total, provided that the target funds themselves (UCITS or UCI) do not invest more than 10% of their fund assets in units of other investment funds.

Units 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 that are not used for hedging purposes may be acquired pursuant to § 25 (1) 6 PKG as amended by Federal Law Gazette I No. 68/2015 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) as amended.

g) Demand deposits or deposits with the right to be withdrawn

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

There are no minimum bank balance 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 units in investment funds, the Fund can hold a proportion of units in investment funds below the specified limit and a higher proportion of demand deposits or deposits with the right to be withdrawn 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.

Investment instruments may only be purchased for the entire Fund and not for individual unit categories or groups of unit categories.

This does not apply to currency hedging transactions, however. Such transactions can also be concluded solely for a single unit category. Expenses and income resulting from currency hedging transactions shall be allocated solely to the respective unit category.

Article 4 Issue and Redemption Procedure

The unit value shall be calculated in the currency of the respective unit category.

The unit value is calculated at the same time as the issue and redemption price.

Issue of units and front-end surcharge

The issue price will be calculated and units issued on each Austrian exchange trading day with the exception of bank holidays.

The issue price shall be made up of the unit value plus a surcharge per unit amounting to up to 5.0% to cover the costs incurred by the Management Company in issuing the unit, rounded up to the next equivalent sub-unit of the currency unit specified for the respective unit category in the prospectus.

The Management Company shall be entitled to apply a sliding front-end surcharge scale at its own discretion.

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

Redemption of units and back-end commission

The redemption price will be calculated and units redeemed on each Austrian exchange trading day with the exception of bank holidays.

The redemption price is the unit value rounded down to the next equivalent sub-unit of the currency unit specified for the respective unit category in the prospectus.

No back-end commission will be charged.

Upon request by the Unit-holder, his units shall be redeemed at the current redemption price in return for the unit certificate.

Article 5 Accounting Year

The accounting year of the Fund is from 1 November to 31 October.

Article 6 Unit Categories and Use of Earnings

The Fund features three different unit categories and the corresponding certificates: dividend-bearing units, non-dividend-bearing units with capital gains tax payment, and non-dividend-bearing units without capital gains tax payment, with certificates being issued for one unit each and also for fractional units.

Various unit categories may be issued for this Fund. The creation of unit categories and the issue of units of a specific category shall be decided at the discretion of the Management Company.

Use of earnings for dividend-bearing units

The earnings generated during the accounting year (interest and dividends) less all costs can be distributed as deemed appropriate by the Management Company. Dividend disbursement may be omitted in the interests of the Unit-holders. Dividends may also be disbursed at the discretion of the Management Company from earnings generated by the sale of fund assets, including subscription rights. Disbursements of fund assets and interim dividends may be paid.

The fund assets may in no case fall below the legally stipulated minimum volume for termination as a result of dividend disbursements.

The amounts shall be paid to the holders of dividend-bearing units on or after 15 December of the following accounting 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 units unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the unit certificates can only be held by Unit-holders who are not subject to Austrian personal income tax or corporation 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-bearing units with capital gains tax payment (non-dividend-bearing units)

The earnings generated by the Fund during the accounting year less all costs will not be paid out. In the case of non-dividend-bearing units, 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 units unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the unit certificates can only be held by Unit-holders who are not subject to Austrian personal income tax or corporation 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-bearing units without capital gains tax payment (KESt-exempt non-dividend-bearing units)

The earnings generated by the Fund during the accounting 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 accounting year.

The Management Company shall provide suitable proof from the banks managing the corresponding securities accounts that the unit certificates can only be held by Unit-holders who are not subject to Austrian personal income tax or corporation 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.

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

Article 7
Management Fee, Compensation for Expenses, Liquidation Fee

The Management Company shall receive an annual fee for its administrative activities of 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 Management Company shall be entitled to apply a sliding management fee scale at its own discretion.

The costs for the introduction of new unit categories for existing investment funds shall be assessed against the unit price of the new unit categories.

Upon liquidation of the Fund, the party processing the liquidation shall receive a fee in the amount of 0.5% of the fund assets.

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

Annex to the Fund Rules
List of exchanges with official trading and organised markets
(As of September 2018)

1. Exchanges with official trading and organised markets in the Member States of the EEA as well as exchanges in European countries outside of the EEA considered to be equivalent to regulated markets

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 website 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

https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_upreg *

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

- | | | |
|--------|--------------|------------------------------------|
| 1.2.1. | Luxembourg: | Euro MTF Luxembourg |
| 1.2.2. | Switzerland: | SIX Swiss Exchange AG, BX Swiss AG |

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 competent supervisory authorities.

2. Exchanges in European countries outside of the EEA

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

3. Exchanges in non-European countries

- | | | |
|------|------------|--|
| 3.1. | Australia: | Sydney, Hobart, Melbourne, Perth |
| 3.2. | Argentina: | Buenos Aires |
| 3.3. | Brazil: | Rio de Janeiro, Sao Paulo |
| 3.4. | Chile: | Santiago |
| 3.5. | China: | Shanghai Stock Exchange, Shenzhen Stock Exchange |
| 3.6. | Hong Kong: | Hong Kong Stock Exchange |

3.7.	India:	Mumbai
3.8.	Indonesia:	Jakarta
3.9.	Israel:	Tel Aviv
3.10.	Japan:	Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima
3.11.	Canada:	Toronto, Vancouver, Montreal
3.12.	Colombia:	Bolsa de Valores de Colombia
3.13.	Korea:	Korea Exchange (Seoul, Busan)
3.14.	Malaysia:	Kuala Lumpur, Bursa Malaysia Berhad
3.15.	Mexico:	Mexico City
3.16.	New Zealand:	Wellington, Christchurch/Invercargill, Auckland
3.17.	Peru:	Bolsa de Valores de Lima
3.18.	Philippines:	Manila
3.19.	Singapore:	Singapore Stock Exchange
3.20.	South Africa:	Johannesburg
3.21.	Taiwan:	Taipei
3.22.	Thailand:	Bangkok
3.23.	USA:	New York, NYCE American, New York Stock Exchange (NYSE), 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:	over the counter market of the members of the International Capital Market Association (ICMA), Zurich
4.5.	USA:	over the counter market (under the supervision of an authority such as the SEC, FINRA, etc.)

5. Exchanges with futures and options markets

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

*) To open the list, select "Regulated market" under "Entity type" in the column on the left side of the page and then click "Search" (or "Show table columns" and "Update"). The link can be changed by the ESMA.

When the expected withdrawal of the United Kingdom of Great Britain and Northern Ireland (GB) from the EU takes effect, GB will lose its status as an EEA member state and, in turn, the exchanges/regulated markets located there will also lose their status as EEA exchanges/regulated markets. In this event, we hereby inform you that the following exchanges and regulated markets located in GB shall be considered exchanges or recognised regulated markets in a third country as defined by the InvFG 2011 and the UCITS Directive that are expressly designated in the Fund Rules: Cboe Europe Equities Regulated Market – Integrated Book Segment, London Metal Exchange, Cboe Europe Equities Regulated Market – Reference Price Book Segment, Cboe Europe Equities Regulated Market – Off-Book Segment, London Stock Exchange Regulated Market (derivatives), NEX Exchange Main Board (non-equity), London Stock Exchange Regulated Market, NEX Exchange Main Board (equity), Euronext London Regulated Market, ICE FUTURES EUROPE, ICE FUTURES EUROPE – AGRICULTURAL PRODUCTS DIVISION, ICE FUTURES EUROPE – FINANCIAL PRODUCTS DIVISION, ICE FUTURES EUROPE – EQUITY PRODUCTS DIVISION, and Gibraltar Stock Exchange.

Note regarding the data used

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

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

Unless indicated otherwise, source: Erste Asset Management GmbH. Our languages of communication are German and English. The full prospectus and 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 free of charge at the registered office of the Investment Firm and at the head office of the depositary bank. The exact date of most recent publication, the languages in which the key investor information is available, and any additional locations where the documents can be obtained can be viewed on the website www.erste-am.at.

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