

# **ERSTE RESPONSIBLE STOCK EUROPE**

**Jointly owned fund pursuant to the InvFG**

Annual Report 2019/20

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## General Information about the Investment Firm

<b>The company</b>	Erste Asset Management GmbH Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19777, fax: +43 05 0100-919777
<b>Registered capital</b>	EUR 2.50 million
<b>Shareholders</b>	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%)
<b>Supervisory Board</b>	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) Reinhard WALTL (from 13 September 2019) Gerald WEBER Appointed by the Works Council: Martin CECH Regina HABERHAUER (from 13 September 2019) Heinrich Hubert REINER Peter RIEDERER Nicole WEINHENGST Manfred ZOUREK
<b>Managing directors</b>	Heinz BEDNAR Winfried BUCHBAUER Peter KARL Wolfgang TRAINDL
<b>Prokuristen (proxies)</b>	Achim ARNHOF Karl FREUDENSCHUSS Manfred LENTNER Günther MANDL Gerold PERMOSER Magdalena REISCHL
<b>State commissioners</b>	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)
<b>Auditor</b>	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
<b>Depositary bank</b>	Erste Group Bank AG

## Dear Unit-holder,

We are pleased to present you the following annual report for the ERSTE RESPONSIBLE STOCK EUROPE jointly owned fund pursuant to the InvFG for the accounting year from 1 March 2019 to 29 February 2020.

## Development of the Fund

ERSTE RESPONSIBLE STOCK EUROPE is an equity fund that invests according to ethical and socially responsible criteria. The exclusion criteria include atomic energy, child labour, weapons, and the manufacture of genetically manipulated seed.

### Market

The accounting year was positive overall, but brought setbacks in May and August 2019, and again in February 2020.

While bond yields declined steadily in the USA and Europe, prices continued to rise on the equity markets until the beginning of May, even enabling the American S&P 500 and NASDAQ 100 to reach new record highs. This was followed by a substantial correction in the wake of new tensions in the trade dispute between the USA and China, and then by a continuation of the bullish trend with new records being posted on the US exchanges in July and again in November 2019. This trade dispute naturally had substantial effects on economic growth in the USA and China as well as on exporting countries in Europe, and the Fed cut its key rate by 0.25% three times in a row starting in July 2019 to compensate for this. This also helped to boost sentiment on the equity markets, as did the good corporate earnings for the third quarter in the USA and also to a lesser extent in Europe. In Great Britain, the dispute surrounding the Brexit agreement with the EU caused a number of lost votes in the British parliament. This culminated in the resignation of Prime Minister May, who was replaced by Boris Johnson. He also proved unable to bring his deal with the EU through the British parliament, and the new elections on 12 December finally paved the way for the future Brexit. The British left the EU on 31 January and have a short transitional period lasting until 31 December 2020 to negotiate the future trade relations with the EU. The Spanish IBEX corrected after a left-leaning government coalition was unexpectedly formed between the Socialist and Podemos parties in November. After tensions eased somewhat in the trade dispute between the USA and China and an agreement was reached in December (Phase 1 deal), the equity markets in the USA and Europe climbed to new record highs until the outbreak of the coronavirus in Europe brought an abrupt end to the positive sentiment.

The American S&P 500 index rose by 9.4% and the Japanese Topix by around 0% in euro terms over the reporting period. Within Europe, the Swiss equity market was on top at plus 11%, followed by Italy at 6% and the Swedish OMX index at around 5% in euro terms. Because of the political problems, the London exchange suffered a loss of 7% and the Spanish IBEX a loss of 6%. The price for Brent fell by 20%, the USD appreciated by 3% versus the EUR, and the gold price rose by around 20% in USD.

The best sectors were utilities, technology, and healthcare, and the worst performance was posted by the oil sector, telecoms, and basic materials.

## Portfolio

Because of the trade conflict between the USA and China, we placed our focus on defensive sectors more than on cyclical sectors in the first half of the year. Over the course of the year, we increased our holdings in consumer discretionary and reduced consumer staples, increased the industrial sector and technology, reduced the communication sector, and eventually sold off the energy sector entirely. We kept the cash share at between 1% and 2% for the majority of the period, only increasing it to 5% starting during the equity market correction in May and through to July. We avoided British shares most of the time and did not increase domestic companies such as Barratt Developments, British Land, Lloyds, and Tesco until shortly before the House of Commons elections in December, as we were expecting Prime Minister Boris Johnson to emerge victorious. While this made a positive performance contribution on the day after the elections, these gains were mostly lost again due to Johnson's hard line (no extension of the EU negotiations beyond 31 December 2020).

We had to sell Ashtead in March 2019 because the periodic updates of our sustainability analysis showed that it no longer met the minimum criteria. The rating improved enough in October that we could bring the company back into the fund. In the oil segment, we sold Equinor, Neste, and Totalfina because oil extraction and refining are absolute exclusion criteria in our sustainability process as of February 2020.

The best performance in the fund came from Ingenico (technology) at 119% due to its acquisition by Worldline, followed by STMicroelectronics (technology) at 71% and Nexans (industry) at 70%. The share of equities in the fund is currently 98%.

No options or futures were used in the fund.

The fund gained 3.27% (ISIN AT0000A1E0V5) in value during the reporting period (assuming the reinvestment of the dividend disbursement), slightly surpassing the overall market.

## 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 <sup>th</sup> 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 29.02.2020	
	EUR millions	%
Equities		
GBP	21.6	21.83
DKK	4.7	4.75
EUR	54.5	55.13
NOK	0.8	0.86
SEK	3.9	3.92
CHF	10.8	10.90
USD	0.7	0.71
Transferable securities	96.9	98.10
Bank balances	1.7	1.76
Dividend entitlements	0.1	0.15
Other deferred items	-0.0	-0.01
<b>Fund assets</b>	<b>98.8</b>	<b>100.00</b>

## Comparative Overview

Accounting year	Fund assets
2017/2018	72,431,744.76
2018/2019	91,033,882.51
2019/2020	98,820,535.20

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
2017/2018	Dividend-bearing units	AT0000A1E0V5	EUR	143.67	3.0000	-	5.72
2018/2019	Dividend-bearing units	AT0000A1E0V5	EUR	137.21	3.0000	0.0000	-2.51
2019/2020	Dividend-bearing units	AT0000A1E0V5	EUR	138.64	3.0000	0.0000	3.27

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	AT0000645973	EUR	149.54	0.0000	0.0000	5.73
2018/2019	Non-dividend-bearing units	AT0000645973	EUR	145.77	0.0000	0.0000	-2.52
2019/2020	Non-dividend-bearing units	AT0000645973	EUR	150.55	0.0679	0.0000	3.28

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	AT0000A28E54	EUR	-	-	-	-
2018/2019	Non-dividend-bearing units	AT0000A28E54	EUR	-	-	-	-
2019/2020	Non-dividend-bearing units	AT0000A28E54	EUR	100.48	0.3154	1.5190	0.48

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A0WM11	EUR	149.54	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A0WM11	EUR	145.93	-	-	-
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A0WM11	EUR	150.71	-	-	-

## Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 March 2019 to 29 February 2020. 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 2 June 2020 at

Erste Group Bank AG, Vienna,

and the respective bank managing the Unit-holder's securities account.

Fund type	ISIN	Currency	Dividend disbursement/ payment	KESt with option declaration	KESt w/o option declaration	Reinvestment
Dividend-bearing units	AT0000A1E0V5	EUR	3.0000	0.0363	0.0363	0.0000
Non-dividend-bearing units	AT0000645973	EUR	0.0679	0.0679	0.0679	0.0000
Non-dividend-bearing units	AT0000A28E54	EUR	0.3154	0.3154	0.3154	1.5190
KESt-exempt non-dividend-bearing units	AT0000A0WM11	EUR	-	*	-	-

\* 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.

<b>AT0000A1EOV5 dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (13,193.149 units)	137.21
Disbursement/payment on 29.05.2019 (corresponds to roughly 0.0221 units at a calculated value of 135.99)	3.0000
Unit value at the end of the reporting period (15,492.833 units)	138.64
Total value including (notional) units gained through dividend disbursement/payment	141.70
Net earnings per unit	4.49
<b>Value development of one unit in the period</b>	<b>3.27%</b>

<b>AT0000645973 non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (612,050.894 units)	145.77
Disbursement/payment	0.0000
Unit value at the end of the reporting period (642,056.924 units)	150.55
Total value including (notional) units gained through dividend disbursement/payment	150.55
Net earnings per unit	4.78
<b>Value development of one unit in the period</b>	<b>3.28%</b>

<b>AT0000A28E54 non-dividend-bearing units EUR</b>	
Unit value on issue date (0.000 units)	100.00
Disbursement/payment	0.0000
Unit value at the end of the reporting period (66.252 units)	100.48
Total value including (notional) units gained through dividend disbursement/payment	100.48
Net earnings per unit	0.48
<b>Value development of one unit in the period</b>	<b>0.48%</b>

<b>AT0000A0WM11 KES-t-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (0.000 units)	145.93
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	150.71
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	<b>-</b>



## **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 2,965,849.49

Other income 8) 0.00

Total income (without profit or loss from price changes) 2,965,849.49

**Interest paid** - 21,200.17

##### **Expenses**

Fees paid to Investment Firm - 1,655,840.71

Costs for the financial auditor and tax consultation - 5,582.00

Publication costs - 147,828.53

Securities account fees - 60,245.08

Depository bank fees - 143,321.55

Costs for the external consultant 0.00

Total expenses - 2,012,817.87

Compensation for management costs from sub-funds 1) 0.00

**Ordinary fund result (excluding income adjustment) 931,831.45**

#### **Realised profit or loss from price changes 2) 3)**

Realised gains 4) 5,732,993.61

Realised losses 5) - 2,071,539.35

**Realised profit or loss from price changes (excluding income adjustment) 3,661,454.26**

**Realised fund result (excluding income adjustment) 4,593,285.71**

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

Changes in the unrealised profit or loss from price changes 7) 334,059.04

**Result for the reporting period 6) 4,927,344.75**

### **c. Income adjustment**

Income adjustment for income in the period - 68,517.22

Income adjustment for profit carried forward from dividend-bearing units 21,730.41

**Overall fund result 4,880,557.94**

### **3. Changes in Fund Assets**

<b>Fund assets at the beginning of the reporting period</b>	<b>91,033,882.51</b>
<b>Disbursement/payment in the accounting year</b>	<b>- 38,426.65</b>
<b>Issue and redemption of units</b>	<b>2,944,521.40</b>
<b>Overall fund result</b>	
(The fund result is shown in detail under item 2.)	<b>4,880,557.94</b>
<b>Fund assets at the end of the reporting period</b>	<b><u>98,820,535.20</u></b>

- 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 3,995,513.30.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 0.00.
- 5) Thereof losses from transactions with derivative financial instruments: EUR -17,655.51.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 109,932.02.
- 7) Thereof changes in unrealised gains EUR 3,644,713.71 and unrealised losses EUR -3,310,654.67.
- 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.

# Statement of Assets and Liabilities as of 29 February 2020

(including changes in securities assets from 1 March 2019 to 29 February 2020)

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
<b>Publicly traded securities</b>							
<b>Equities denominated in GBP</b>							
<b>Issue country Great Britain</b>							
ANTOFAGASTA PLC LS-.05	GB0000456144	80,000	9,700	70,300	7.520	614,752.02	0.62
ASHTAD GRP PLC LS-.10	GB0000536739	40,000	34,800	35,200	23.890	977,880.11	0.99
ASTRAZENECA PLC DL-.25	GB0009895292	14,900	5,100	37,000	67.940	2,923,169.95	2.96
BARRATT DEV. PLC LS-.10	GB0000811801	80,000	9,700	70,300	7.572	619,002.97	0.63
COMPASS GROUP LS-.1105	GB00BD6K4575	8,000	10,900	79,300	17.105	1,577,331.82	1.60
DIAGEO PLC LS-.28935185	GB0002374006	9,400	27,000	80,100	27.655	2,575,923.60	2.61
GLAXOSMITHKLINE LS-.25	GB0009252882	10,400	14,200	102,900	15.622	1,869,299.15	1.89
ITV PLC LS-.10	GB0033986497	0	0	120,000	1.166	162,637.36	0.16
LAND SECURITIES GROUP PLC	GB00BYWOPQ60	80,000	9,700	70,300	8.346	682,276.64	0.69
LEGAL GENL GRP PLCLS-.025	GB0005603997	27,400	37,400	271,400	2.600	820,559.33	0.83
LLOYDS BKG GRP LS-.10	GB0008706128	1,063,500	206,500	1,500,500	0.502	875,924.18	0.89
M+G LS-.05	GB00BKFB1C65	121,500	14,700	106,800	1.988	246,896.21	0.25
MONDI PLC EO-.20	GB00B1CRLC47	2,700	3,700	27,100	15.620	492,240.25	0.50
NATIONAL GRID PLC	GB00BDR05C01	66,534	10,100	73,000	9.828	834,285.71	0.84
PERSIMMON PLC LS-.10	GB0006825383	3,000	4,100	29,400	28.390	970,598.29	0.98
PRUDENTIAL PLC LS-.05	GB0007099541	24,700	16,400	119,100	12.670	1,754,749.69	1.78
STAND. CHART. PLC DL-.50	GB0004082847	80,300	13,900	100,900	5.626	660,112.10	0.67
TESCO PLC LS-.05	GB0008847096	268,700	55,700	404,500	2.285	1,074,809.58	1.09
VODAFONE GROUP PLC	GB00BH4HKS39	254,000	123,800	899,200	1.344	1,404,924.84	1.42
Total issue country Great Britain						21,137,373.80	21.39
Total equities denominated in GBP translated at a rate of 0.85995						21,137,373.80	21.39
<b>Equities denominated in DKK</b>							
<b>Issue country Denmark</b>							
ISS AS DK 1	DK0060542181	44,000	5,300	38,700	121.000	626,620.01	0.63
NOVO-NORDISK REG.B DK-.20	DK0060534915	3,800	5,200	37,600	395.800	1,991,459.87	2.02
ORSTED A/S DK 10	DK0060094928	1,600	2,200	16,000	695.400	1,488,889.93	1.51
VESTAS WIND SYST. REG.DK1	DK0010268606	700	15,900	6,700	649.400	582,230.58	0.59
Total issue country Denmark						4,689,200.39	4.75
Total equities denominated in DKK translated at a rate of 7.47295						4,689,200.39	4.75
<b>Equities denominated in EUR</b>							
<b>Issue country Belgium</b>							
KBC GROEP N.V.	BE0003565737	1,200	1,600	11,600	60.020	696,232.00	0.70
Total issue country Belgium						696,232.00	0.70

## ERSTE RESPONSIBLE STOCK EUROPE

Security designation	ISIN number	Purch./ additions Units/nominal	Sales/ disposals (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets
<b>Issue country Germany</b>							
ALLIANZ SE NA N.P.	DE0008404005	1,600	2,100	15,300	194.800	2,980,440.00	3.02
AUMANN AG BEARER N.P.	DE000A2DAM03	20,000	0	20,000	12.380	247,600.00	0.25
CONTINENTAL AG N.P.	DE0005439004	500	700	5,200	101.620	528,424.00	0.53
COVESTRO AG N.P.	DE0006062144	15,000	3,100	15,000	34.490	517,350.00	0.52
DEUTSCHE BOERSE NA N.P.	DE0005810055	4,000	1,000	6,900	142.050	980,145.00	0.99
DEUTSCHE POST AG NA N.P.	DE0005552004	33,000	4,000	29,000	27.120	786,480.00	0.80
DEUTSCHE WOHNEN SE BEARER	DE000A0HN5C6	9,900	1,200	8,700	36.460	317,202.00	0.32
FRAPORT AG FFM.AIRPORT	DE0005773303	7,000	800	6,200	56.940	353,028.00	0.36
HENKEL AG+CO.KGAA ST N.P.	DE0006048408	800	4,600	4,100	76.850	315,085.00	0.32
INFINEON TECH.AG NA N.P.	DE0006231004	2,900	19,900	28,200	18.794	529,990.80	0.54
LEG IMMOBILIEN AG NA N.P.	DE000LEG1110	5,000	0	5,000	108.100	540,500.00	0.55
LUFTHANSA AG VNA N.P.	DE0008232125	0	0	13,000	11.690	151,970.00	0.15
MUENCH.RUECKVERS.VNA N.P.	DE0008430026	200	300	2,300	230.700	530,610.00	0.54
PUMA SE	DE0006969603	7,000	800	6,200	69.200	429,040.00	0.43
SIEMENS AG NA N.P.	DE0007236101	1,700	2,300	16,600	93.200	1,547,120.00	1.57
TUI AG NA N.P.	DE000TUAG000	48,300	11,200	81,200	7.000	568,400.00	0.58
VONOVIA SE NA N.P.	DE000A1ML7J1	1,000	1,400	10,100	48.580	490,658.00	0.50
Total issue country Germany						11,814,042.80	11.96
<b>Issue country Ireland</b>							
CRH PLC EO-.32	IE0001827041	3,100	4,200	30,400	31.080	944,832.00	0.96
Total issue country Ireland						944,832.00	0.96
<b>Issue country Italy</b>							
UNICREDIT	IT0005239360	5,200	7,000	50,800	11.538	586,130.40	0.59
Total issue country Italy						586,130.40	0.59
<b>Issue country Austria</b>							
ERSTE GROUP BNK BEARER N.P.	AT0000652011	1,500	2,000	14,600	31.030	453,038.00	0.46
LENZING AG	AT0000644505	500	700	5,200	60.800	316,160.00	0.32
RAIFFEISEN INTL BK-HO.BEARER	AT0000606306	1,100	1,500	11,100	18.675	207,292.50	0.21
VOESTALPINE AG	AT0000937503	1,300	1,800	13,200	19.780	261,096.00	0.26
Total issue country Austria						1,237,586.50	1.25
<b>Issue country Spain</b>							
ACS,ACT.CO.SER.BEARER -RIGHTS	ES06670509G4	13,700	0	13,700	0.398	5,456.71	0.01
ACS,ACT.CO.SER.BEARER.EO-.50	ES0167050915	1,400	1,900	13,700	26.850	367,845.00	0.37
FERROVIAL S.A.BEARER EO-.20	ES0118900010	22,000	11,500	10,500	25.880	271,740.00	0.27
SIEMENS GAMESA R.E.EO-.17	ES0143416115	36,000	8,200	59,500	14.525	864,237.50	0.87
Total issue country Spain						1,509,279.21	1.53
Total equities denominated in EUR						16,788,102.91	16.99

Security designation	ISIN number	Purch./ additions Units/nominal	Sales/ disposals (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets
<b>Equities denominated in SEK</b>							
<b>Issue country Sweden</b>							
ATLAS COPCO A	SE0011166610	2,300	43,000	22,200	339.100	706,886.21	0.72
EPIROC AB A	SE0011166933	44,000	5,300	38,700	110.550	401,733.88	0.41
ESSITY AB B	SE0009922164	5,100	6,800	49,300	287.600	1,331,387.71	1.35
SANDVIK AB	SE0000667891	2,600	63,400	25,100	158.400	373,334.08	0.38
SECURITAS AB B SK 1	SE0000163594	60,000	7,300	52,700	130.400	645,292.99	0.65
TELIA COMPANY AB SK 3.20	SE0000667925	12,000	16,100	116,900	37.930	416,357.22	0.42
Total issue country Sweden						3,874,992.09	3.92
Total equities denominated in SEK translated at a rate of 10.64955						3,874,992.09	3.92
Total publicly traded securities						46,489,669.19	47.04
<b>Securities admitted to organised markets</b>							
<b>Equities denominated in GBP</b>							
<b>Issue country Great Britain</b>							
BUNZL PLC LS-3214857	GB00B0744B38	2,000	2,700	19,900	18.700	432,734.46	0.44
Total issue country Great Britain						432,734.46	0.44
Total equities denominated in GBP translated at a rate of 0.85995						432,734.46	0.44
<b>Equities denominated in EUR</b>							
<b>Issue country Belgium</b>							
UMICORE S.A.	BE0974320526	1,200	1,600	11,400	37.770	430,578.00	0.44
Total issue country Belgium						430,578.00	0.44
<b>Issue country Finland</b>							
METSO CORP.	FI0009007835	25,000	3,000	22,000	29.220	642,840.00	0.65
NOKIA OYJ EO-06	FI0009000681	13,800	18,700	135,800	3.445	467,831.00	0.47
Total issue country Finland						1,110,671.00	1.12
<b>Issue country France</b>							
AIR LIQUIDE BEARER EO 5.50	FR0000120073	14,520	13,800	11,820	122.900	1,452,678.00	1.47
ATOS SE NOM. EO 1	FR0000051732	3,000	1,100	7,600	67.300	511,480.00	0.52
AXA S.A. BEARER EO 2.29	FR0000120628	4,100	5,600	40,300	20.955	844,486.50	0.85
BNP PARIBAS BEARER EO 2	FR0000131104	3,700	5,000	36,000	43.785	1,576,260.00	1.60
CAPGEMINI SE BEARER EO 8	FR0000125338	2,500	700	5,200	99.220	515,944.00	0.52
CREDIT AGRICOLE BEARER EO 3	FR0000045072	5,000	6,700	48,900	10.810	528,609.00	0.53
DASSAULT SYS SE BEARER.EO0.5	FR0000130650	6,000	700	5,300	142.000	752,600.00	0.76
INGENICO GROUP S.A. EO 1	FR0000125346	500	700	4,800	127.950	614,160.00	0.62
KERING S.A. BEARER EO 4	FR0000121485	900	500	3,600	505.800	1,820,880.00	1.84
LVMH EO 0.3	FR0000121014	2,500	1,200	8,800	370.850	3,263,480.00	3.30
ORANGE BEARER EO 4	FR0000133308	9,700	12,800	92,600	12.190	1,128,794.00	1.14
OREAL (L') BEARER EO 0.2	FR0000120321	600	800	5,800	241.000	1,397,800.00	1.41

## ERSTE RESPONSIBLE STOCK EUROPE

Security designation	ISIN number	Purch./ additions Units/nominal	Sales/ disposals (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets
PERNOD-RICARD N.P.	FR0000120693	600	800	6,100	146.400	893,040.00	0.90
RENAULT BEARER EO 3.81	FR0000131906	0	900	6,900	26.495	182,815.50	0.18
SCHNEIDER ELEC. BEARER EO 4	FR0000121972	0	1,900	12,300	90.500	1,113,150.00	1.13
ST GOBAIN EO 4	FR0000125007	2,000	2,700	19,400	31.600	613,040.00	0.62
STE GENERALE BEARER EO 1.25	FR0000130809	1,600	2,100	15,200	25.590	388,968.00	0.39
VINCI S.A. BEARER EO 2.50	FR0000125486	4,800	2,500	17,800	90.980	1,619,444.00	1.64
Total issue country France						<u>19,217,629.00</u>	<u>19.45</u>
<b>Issue country Ireland</b>							
KINGSPAN GRP PLC EO-13	IE0004927939	9,900	1,200	8,700	58.300	507,210.00	0.51
Total issue country Ireland						<u>507,210.00</u>	<u>0.51</u>
<b>Issue country Italy</b>							
INTESA SANPAOLO	IT0000072618	26,900	36,700	267,000	2.199	586,999.50	0.59
Total issue country Italy						<u>586,999.50</u>	<u>0.59</u>
<b>Issue country Luxembourg</b>							
APERAM S.A.	LU0569974404	1,600	2,100	15,600	26.310	410,436.00	0.42
Total issue country Luxembourg						<u>410,436.00</u>	<u>0.42</u>
<b>Issue country Netherlands</b>							
AHOLD DELHAIZE,KON.EO-.01	NL0011794037	3,300	4,300	31,400	21.180	665,052.00	0.67
ASML HOLDING EO -.09	NL0010273215	1,800	1,300	9,700	248.100	2,406,570.00	2.44
HEINEKEN EO 1.60	NL0000009165	1,500	8,200	8,700	90.220	784,914.00	0.79
ING GROEP NV EO -.01	NL0011821202	15,100	20,400	147,800	8.609	1,272,410.20	1.29
KONINKL. PHILIPS EO -.20	NL0000009538	26,600	5,200	37,400	38.720	1,448,128.00	1.47
NN GROUP NV EO -.12	NL0010773842	2,000	2,700	19,400	30.840	598,296.00	0.61
RANDSTAD NV EO -.10	NL0000379121	12,100	1,500	10,600	46.710	495,126.00	0.50
STMICROELECTRONICS	NL0000226223	18,400	20,300	30,900	24.410	754,269.00	0.76
UNILEVER REG. EO -.16	NL0000388619	59,300	7,200	52,100	47.615	2,480,741.50	2.51
URW (STAPLED SHS) EO-.05	FR0013326246	300	400	2,600	109.000	283,400.00	0.29
WOLTERS KLUWER REG. EO-12	NL0000395903	15,000	1,800	13,200	66.320	875,424.00	0.89
Total issue country Netherlands						<u>12,064,330.70</u>	<u>12.21</u>
<b>Issue country Spain</b>							
AMADEUS IT GRP SA EO 0.01	ES0109067019	500	600	4,600	63.500	292,100.00	0.30
BANKINTER NOM. EO -.30	ES0113679I37	3,800	5,200	38,000	5.340	202,920.00	0.21
BCO BIL.VIZ.ARG.NOM.EO-49	ES0113211835	14,300	19,100	138,900	4.335	602,062.05	0.61
BCO SANTANDER N.EO0.5	ES0113900J37	32,600	43,500	315,600	3.327	1,050,001.20	1.06
RED ELECTRICA CORP.EO-.50	ES0173093024	4,000	5,400	39,000	17.345	676,455.00	0.68
TELEFONICA BEARER EO 1	ES0178430E18	10,000	13,900	101,100	5.360	541,896.00	0.55
Total issue country Spain						<u>3,365,434.25</u>	<u>3.41</u>
Total equities denominated in EUR						<u>37,693,288.45</u>	<u>38.14</u>

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
<b>Equities denominated in NOK</b>							
<b>Issue country Norway</b>							
DNB NOR ASA A NK 10	N00010031479	5,800	7,800	56,600	155.900	848,109.19	0.86
Total issue country Norway						848,109.19	0.86
Total equities denominated in NOK translated at a rate of 10.40425						848,109.19	0.86
<b>Equities denominated in CHF</b>							
<b>Issue country Switzerland</b>							
ABB LTD. NA SF 0.12	CH0012221716	3,900	5,300	38,600	20.810	755,481.78	0.76
LANDIS+GYR GROUP AG SF 10	CH0371153492	5,000	0	5,000	78.900	371,032.21	0.38
LOGITECH INTL NA SF -.25	CH0025751329	1,400	1,900	13,800	37.070	481,134.26	0.49
LONZA GROUP AG NA SF 1	CH0013841017	400	600	4,300	382.400	1,546,503.64	1.56
PARTNERS GR.HLDG SF -.01	CH0024608827	700	100	600	831.000	468,939.57	0.47
ROCHE HLDG AG GEN.	CH0012032048	2,000	2,700	19,500	309.700	5,679,896.54	5.75
STRAUMANN HLDG NA SF 0.10	CH0012280076	100	200	1,400	901.000	1,186,362.57	1.20
SWISS RE AG REG. SF -.10	CH0126881561	300	400	3,300	91.640	284,422.29	0.29
Total issue country Switzerland						10,773,772.86	10.90
Total equities denominated in CHF translated at a rate of 1.06325						10,773,772.86	10.90
<b>Equities denominated in USD</b>							
<b>Issue country Netherlands</b>							
NXP SEMICONDUCTORS EO-.20	NL0009538784	700	900	6,800	113.690	703,802.63	0.71
Total issue country Netherlands						703,802.63	0.71
Total equities denominated in USD translated at a rate of 1.09845						703,802.63	0.71
Total securities admitted to organised markets						50,451,707.59	51.05
<b>Unlisted securities</b>							
<b>Equities denominated in EUR</b>							
<b>Issue country Germany</b>							
ABWICKL.BIOGAS I NA N.P.	DE000SBGS111	0	0	42,354	0.000	0.00	0.00
Total issue country Germany						0.00	0.00
Total equities denominated in EUR						0.00	0.00
Total unlisted securities						0.00	0.00
<b>Breakdown of fund assets</b>							
Transferable securities						96,941,376.78	98.10
Bank balances						1,742,360.08	1.76
Dividend entitlements						147,110.35	0.15
Other deferred items						-10,312.01	-0.01
Fund assets						98,820,535.20	100.00

**Investor note:**

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

Dividend-bearing units outstanding	AT0000A1E0V5	units	15,492.833
Value of dividend-bearing unit	AT0000A1E0V5	EUR	138.64
Non-dividend-bearing units outstanding	AT0000645973	units	642,056.924
Value of non-dividend-bearing unit	AT0000645973	EUR	150.55
Non-dividend-bearing units outstanding	AT0000A28E54	units	66.252
Value of non-dividend-bearing unit	AT0000A28E54	EUR	100.48
KEST-exempt non-dividend-bearing units outstanding	AT0000A0WM11	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A0WM11	EUR	150.71

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.

No total return swaps pursuant to Regulation (EU) 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse) were concluded for the fund during the reporting period.

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.

**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.

In the event of negative derivatives exposure, collateral in the form of cash or bonds is pledged to Erste Group Bank AG in accordance with the contractually agreed threshold.

In the event of positive derivatives exposure, 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 accordance with the contractually agreed threshold. 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.

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

Security designation	ISIN number	Interest rat	Purch./ additions	Sales/ disposals
Units/nominal (nom. in 1,000, rounded)				
<b>Publicly traded securities</b>				
<b>Equities denominated in GBP</b>				
<b>Issue country Great Britain</b>				
3I GROUP PLC LS-738636	GB00B1YW4409		0	36,000



<b>Security designation</b>	<b>ISIN number</b>	<b>Interest rat</b>	<b>Purch./ additions Units/nominal (nom. in 1,000, rounded)</b>	<b>Sales/ disposals</b>
FRESNILLO PLC DL -.50	GB00B2QPKJ12		6,400	69,700
<b>Issue country Jersey</b>				
EXPERIAN PLC DL -.10	GB00B19NLV48		0	23,700
<b>Equities denominated in DKK</b>				
<b>Issue country Denmark</b>				
GN STORE NORD A/S REG.DK1	DK0010272632		900	9,900
PANDORA A/S DK 1	DK0060252690		1,200	12,700
<b>Equities denominated in EUR</b>				
<b>Issue country Germany</b>				
FRESEN.MED.CARE KGAA N.P.	DE0005785802		0	4,500
<b>Issue country France</b>				
NEXANS BEARER	FR0000044448		1,800	19,500
WORLDLINE S.A. EO -.68	FR0011981968		2,280	2,280
<b>Issue country Netherlands</b>				
UNILEVER CVA EO -.16	NL0000009355		21,000	54,000
<b>Issue country Austria</b>				
OMV AG	AT0000743059		10,000	15,520
<b>Issue country Spain</b>				
ACS,ACT.CO.SER.BEARER -RIGHTS-	ES06670509F6		14,200	14,200
FERROVIAL S.A. -RIGHTS-	ES06189009E4		22,000	22,000
FERROVIAL S.A. -INT. CERT.-	ES06189009D6		20,000	20,000
<b>Equities denominated in HUF</b>				
<b>Issue country Hungary</b>				
MOL NYRT. NA A UF 125	HU0000153937		0	39,700
<b>Securities admitted to organised markets</b>				
<b>Equities denominated in EUR</b>				
<b>Issue country Belgium</b>				
UCB S.A.	BE0003739530		0	5,300

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**ERSTE RESPONSIBLE STOCK EUROPE**


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<b>Security designation</b>	<b>ISIN number</b>	<b>Interest rat</b>	<b>Purch./ additions Units/nominal (nom. in 1,000, rounded)</b>	<b>Sales/ disposals</b>
<b>Issue country Finland</b>				
NESTE OYJ	FI0009013296		43,000	43,000
<b>Issue country France</b>				
TOTAL S.A. EO 2.50	FR0000120271		3,100	63,800
<b>Issue country Italy</b>				
TELECOM ITALIA	IT0003497168		0	430,000
<b>Issue country Spain</b>				
AENA SME S.A. EO 10	ES0105046009		500	6,000
<b>Equities denominated in NOK</b>				
<b>Issue country Norway</b>				
EQUINOR ASA NK 2.50	N00010096985		19,200	45,800
Mowi ASA NK 7.5	N00003054108		2,300	63,800
TELENOR ASA NK 6	N00010063308		28,600	28,600
<b>Equities denominated in CHF</b>				
<b>Issue country Austria</b>				
AMS AG	AT0000A18XM4		0	18,400
<b>Issue country Switzerland</b>				
JUL. BAER GRP. REG.SF-.02	CH0102484968		0	13,600
SONOVA HLDG AG NA.SF 0.05	CH0012549785		200	5,500

Vienna, 30 April 2020

Erste Asset Management GmbH  
Electronically signed

Inspection information:  
Note:

The electronic signatures in this document can be inspected at [www.signaturpruefung.gv.at](http://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
<b>Total employee remuneration</b>	<b>22,567,678</b>
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
<b>Total remuneration for risk bearers</b>	<b>12,913,202</b>

\* 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](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.

# 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

ERSTE RESPONSIBLE STOCK EUROPE  
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 29 February 2020, 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 29 February 2020 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, 30 April 2020

### **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

The Fund Rules for ERSTE RESPONSIBLE STOCK EUROPE, 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 Depositary Bank (Depositary)**

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

The payment offices for unit certificates are the depositary bank (depositary) and any other payment offices named 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 predominantly, in other words at least 51% of its assets, in stocks from companies in Europe operating under business policies that the Management Company has determined to be sustainable on the basis of a predefined screening process in the form of directly purchased individual instruments, in other words not indirectly or directly through investment funds or through derivatives.

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

a) Transferable securities

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

e) Derivative financial instruments

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



f) Risk measurement method(s) of the Fund

The Fund applies the following risk measurement methods: commitment approach

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

g) Demand deposits or 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 transferable securities, the Fund can hold a proportion of transferable securities 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 March to the last day of February.

**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 withholding, and non-dividend-bearing units without capital gains tax withholding, 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 1 June 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 1 June 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 EStG at the time of payment.

**Use of earnings for non-dividend-bearing units with capital gains tax withholding**

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 1 June 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 EStG at the time of payment.

**Use of earnings for non-dividend-bearing units without capital gains tax withholding (KESt-exempt non-dividend domestic and foreign unit category)**

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 1 June 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**

Valid until 31 December 2019:

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

Valid from 1 January 2020:

The Management Company shall receive an annual fee for its administrative activities amounting to up to 1.80% of the fund assets as calculated and accrued on the basis of the daily fund volume. The fee will be charged to the fund assets once per month.

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](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)<br>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.

\*\*\*) In the event that Switzerland's stock market equivalence expires, SIX Swiss Exchange AG and BX Swiss AG are to be subsumed under item 2 "Exchanges in European countries outside of the EEA" until further notice.

**Note regarding the data used**

The sections Income Statement and Changes in Fund Assets, Statement of Assets and Liabilities, and Details and Explanation of 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.**

**Note for retail funds:**

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](http://www.erste-am.at).

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