

ERSTE BOND EM CORPORATE SHORT TERM

Jointly owned fund pursuant to the InvFG

Annual Report 2019/20

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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) Reinhard WALTTL (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
Managing directors	Heinz BEDNAR Winfried BUCHBAUER Peter KARL Wolfgang TRAINDL
Prokuristen (proxies)	Achim ARNHOF 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 ERSTE BOND EM CORPORATE SHORT TERM jointly owned fund pursuant to the InvFG for the accounting year from 1 April 2019 to 31 March 2020.

We would also like to inform you that the name of the fund was changed from ERSTE BOND EMERGING MARKETS CORPORATE SHORT TERM to ERSTE BOND EM CORPORATE SHORT TERM as of 15 December 2019.

Development of the Fund

Key drivers during the reporting period were the “trade war” between the USA and China and the weakening of real economic growth. The markets were then very optimistic again at the beginning of the year.

As the virus began spreading from China to Asia and then the rest of the world at a faster and faster rate, however, the coronavirus pandemic threw the world into a deep crisis. People’s lives and livelihoods were put at risk. The global economy is faced with one of the most severe recessions in history. Both economic supply and demand vanished into thin air in some cases due to the containment measures. International trade collapsed and supply chains were interrupted. Numerous financial condition indicators deteriorated significantly on the financial market. Rules for government borrowing were suspended. Monetary and fiscal policy became blurred. Basic freedoms such as free travel were restricted. The central banks around the world reacted to this extreme economic downturn with substantial interest rate cuts and quality assurance programmes (the purchase of corporate and government bonds). Massive aid packages were passed for households and companies.

Amidst these conditions, both the three-month and 12-month LIBOR fell to a level of 0.77%. The US money market curve was inverted at the end of the reporting period. The three-month LIBOR was listed at 1.43% and the 12-month LIBOR at 1%. The yield on ten-year US government bonds fell by 173 basis points to 0.67%. The Federal Reserve cut the key rate by 225 basis points to 0.25%.

The spread on emerging market corporate bonds in general widened by 240 basis points to 574 basis points. Spreads increased in both the investment grade segment and the high yield segment.

With regard to countries, we profited from our defensive positioning in South Africa and Jamaica. In terms of individual securities, we avoided companies with very low ratings, such as Digicel in Jamaica, Tullow Oil in Nigeria, and Nostrum Oil in Kazakhstan. These proved to be positive performance drivers due to the significant underweighting.

ERSTE BOND EM CORPORATE SHORT TERM generated a negative performance of 3.16% (ISIN AT0000A1U9M5) during the reporting period from 1 April 2019 to 31 March 2020. The fund’s interest rate duration was kept low at all times and varied between 1.5 and 1.7 years during the reporting period. The average rating was BB as of the reporting date of 31 March 2020.

The Fund employs an active investment policy. The assets are selected on a discretionary basis. The Fund is oriented towards the CEMBI BD 1–3YR index as a benchmark (index provider disclaimer: <https://www.erste-am.com/index-disclaimer>). The composition and performance of the Fund can deviate substantially or entirely in a positive or negative direction from that of the benchmark over the short term or long term. The discretionary power of the Management Company is not limited.

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 31.03.2020	
	USD millions	%
Bonds		
USD	24.0	91.20
Transferable securities	24.0	91.20
Bank balances	1.9	7.30
Interest entitlements	0.4	1.49
Other deferred items	-0.0	-0.00
Fund assets	26.3	100.00

Comparative Overview

Accounting year	Fund assets
2017/2018	25,151,427.58
2018/2019	26,400,983.68
2019/2020	26,311,492.03

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	AT0000A1U9M5	USD	102.49	-	-	-
2018/2019	Dividend-bearing units	AT0000A1U9M5	USD	106.12	-	-	-
2019/2020	Dividend-bearing units	AT0000A1U9M5	USD	102.77	2.5000	0.0000	-3.16

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	Dividend-bearing units	AT0000A1ULN6	USD	102.17	2.5000	1.6013	2.17
2018/2019	Dividend-bearing units	AT0000A1ULN6	USD	102.95	2.6000	0.0625	3.30
2019/2020	Dividend-bearing units	AT0000A1ULN6	USD	97.00	2.5000	0.0000	-3.38

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	Non-dividend-bearing	AT0000A1U9P8	USD	102.52	1.2202	3.2102	2.17
2018/2019	Non-dividend-bearing	AT0000A1U9P8	USD	104.96	0.8284	2.1861	3.62
2019/2020	Non-dividend-bearing	AT0000A1U9P8	USD	100.92	0.7337	1.9304	-3.10

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	AT0000A1U9Q6	USD	102.49	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A1U9Q6	USD	106.12	-	-	-
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A1U9Q6	USD	102.76	-	-	-

Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 April 2019 to 31 March 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 1 July 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		KESst with option declaration	KESst w/o option declaration	Reinvestment
Dividend-bearing units	AT0000A1U9M5	USD	2.5000		0.0000	0.0000	0.0000
Dividend-bearing units	AT0000A1ULN6	USD	2.5000		0.6293	0.6293	0.0000
Non-dividend-bearing units	AT0000A1U9P8	USD	0.7337		0.7337	0.7337	1.9304
KESst-exempt non-dividend-bearing units	AT0000A1U9Q6	USD	-	*	-	-	-

* 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.

AT0000A1U9M5 dividend-bearing units USD	
Unit value at the beginning of the reporting period (0.000 units)	106.12
Disbursement/payment	0.0000
Unit value at the end of the reporting period (26,000.000 units)	102.77
Total value including (notional) units gained through dividend disbursement/payment	102.77
Net earnings per unit	-3.35
Value development of one unit in the period	-3.16%

AT0000A1ULN6 dividend-bearing units USD	
Unit value at the beginning of the reporting period (64,168.317 units)	102.95
Disbursement/payment on 27.06.2019 (corresponds to roughly 0.0254 units at a calculated value of 102.22)	2.6000
Unit value at the end of the reporting period (46,890.420 units)	97.00
Total value including (notional) units gained through dividend disbursement/payment	99.47
Net earnings per unit	-3.48
Value development of one unit in the period	-3.38%

AT0000A1U9P8 non-dividend-bearing units USD	
Unit value at the beginning of the reporting period (188,574.000 units)	104.96
Disbursement/payment on 27.06.2019 (corresponds to roughly 0.0078 units at a calculated value of 106.12)	0.8284
Unit value at the end of the reporting period (189,164.000 units)	100.92
Total value including (notional) units gained through dividend disbursement/payment	101.71
Net earnings per unit	-3.25
Value development of one unit in the period	-3.10%

AT0000A1U9Q6 KEST-exempt non-dividend-bearing units USD	
Unit value at the beginning of the reporting period (0.000 units)	106.12
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	102.76
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

2. Fund Result

a. Realised fund result

Ordinary fund result

Income (without profit or loss from price changes)

Interest income (excluding income adjustment)	1,421,032.20	
Dividend income	0.00	
Other income 8)	0.00	
	<u>0.00</u>	
Total income (without profit or loss from price changes)		1,421,032.20

Interest paid - 417.78

Expenses

Fees paid to Investment Firm	- 93,064.44	
Costs for the financial auditor and tax consultation	- 3,861.16	
Publication costs	- 16,115.50	
Securities account fees	- 7,632.30	
Depository bank fees	- 10,913.10	
Costs for the external consultant	0.00	
	<u>0.00</u>	
Total expenses		- 131,586.50
Compensation for management costs from sub-funds 1)		<u>0.00</u>

Ordinary fund result (excluding income adjustment) **1,289,027.92**

Realised profit or loss from price changes 2) 3)

Realised gains 4)	233,512.66	
Realised losses 5)	- 915,472.89	
	<u>- 915,472.89</u>	

Realised profit or loss from price changes (excluding income adjustment) **- 681,960.23**

Realised fund result (excluding income adjustment) **607,067.69**

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

Changes in the unrealised profit or loss from price changes 7) - 1,680,155.38

Result for the reporting period 6) **- 1,073,087.69**

c. Income adjustment

Income adjustment for income in the period - 12,041.40

Income adjustment for profit carried forward from dividend-bearing units - 28,748.27

Overall fund result **- 1,113,877.36**

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	26,400,983.68
Disbursement/payment in the accounting year	- 286,301.32
Issue and redemption of units	1,310,687.03
Overall fund result	
(The fund result is shown in detail under item 2.)	- 1,113,877.36
Fund assets at the end of the reporting period	<u>26,311,492.03</u>

- 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): USD -2,362,115.61.
- 4) Thereof profits from transactions with derivative financial instruments: USD 0.00.
- 5) Thereof losses from transactions with derivative financial instruments: USD 0.00.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of USD 1,386.47.
- 7) Thereof changes in unrealised gains USD -174,958.35 and unrealised losses USD -1,505,197.03.
- 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 USD 0.00, to earnings from real estate funds in the amount of USD 0.00, and to other earnings in the amount of USD 0.00.

Statement of Assets and Liabilities as of 31 March 2020

(including changes in securities assets from 1 April 2019 to 31 March 2020)

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in USD	% share of fund assets
Publicly traded securities								
Bonds denominated in USD								
Issue country Armenia								
ARMENIA 13/20 REGS	XS0974642273	6.000	0	0	300	100.078	300,234.38	1.14
Total issue country Armenia							<u>300,234.38</u>	<u>1.14</u>
Issue country Brazil								
BCO DAYCOVAL 19/24 MTN	XS2092941330	4.250	1,000	600	400	94.500	378,000.00	1.44
BCO VOTORANT19/24 MTN	XS2055749720	4.500	200	0	200	90.859	181,718.75	0.69
Total issue country Brazil							<u>559,718.75</u>	<u>2.13</u>
Issue country Cayman Islands								
CIFI HLDGS GROUP 19/21	XS1924328807	7.625	400	200	200	99.500	199,000.00	0.76
COUNTRY GARD 19/22	XS1940128371	7.125	300	0	300	101.000	303,000.00	1.15
KAISA GRP 19/21	XS1937801212	11.750	0	0	200	96.250	192,500.00	0.73
RONSHINE CHN 19-20	XS1925997097	11.500	0	0	200	99.234	198,468.75	0.75
TECNOGLASS 17/22 REGS	USG87264AA81	8.200	200	0	200	95.114	190,228.00	0.72
ZHENRO PROP.GRP. 18/21	XS1882430298	12.500	200	0	200	98.063	196,125.00	0.75
Total issue country Cayman Islands							<u>1,279,321.75</u>	<u>4.86</u>
Issue country Great Britain								
MARB BONDCO 17/24 REGS	USG5825AAA00	7.000	400	0	400	89.500	358,000.00	1.36
MMC FINANCE 13/20 REGS	XS0982861287	5.550	0	0	400	100.953	403,812.50	1.53
VFU FUNDING 20/25 REGS	XS2114201622	6.200	300	0	300	82.830	248,490.00	0.94
Total issue country Great Britain							<u>1,010,302.50</u>	<u>3.84</u>
Issue country Honduras								
HONDURAS 13/20 REGS	XS1006084211	8.750	0	0	220	100.391	220,859.38	0.84
Total issue country Honduras							<u>220,859.38</u>	<u>0.84</u>
Issue country Hong Kong								
GLP CN HOLD. 19/24 MTN	XS1941781749	4.974	0	0	200	105.984	211,968.75	0.81
Total issue country Hong Kong							<u>211,968.75</u>	<u>0.81</u>
Issue country India								
SHRIRAM TRAN 19/22 MTN	XS1953982086	5.700	0	0	400	74.781	299,125.00	1.14
Total issue country India							<u>299,125.00</u>	<u>1.14</u>

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Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in USD	% share of fund assets
Issue country Indonesia								
ABM INVESTAMA TBK 17/22	USY708CHAA88	7.125	200	0	200	57.500	115,000.00	0.44
ID ASA.ALUM. 18/21 REGS	USY7140WAA63	5.230	0	200	400	100.104	400,416.00	1.52
Total issue country Indonesia							<u>515,416.00</u>	<u>1.96</u>
Issuer International Finance Corporation								
BQUE OU.AFR.DEV.16/21REGS	XS1350670839	5.500	0	0	130	99.250	129,025.00	0.49
BSTDB 16/21 MTN REGS	XS1405888576	4.875	0	0	200	99.535	199,070.00	0.76
EURAS.DEV.BK 13/20 MTN	XS0972645112	5.000	0	0	300	99.725	299,173.50	1.14
Total issuer International Finance Corporation							<u>627,268.50</u>	<u>2.38</u>
Issue country Ireland								
ARAGVI F.IN.19/24 REGS	XS1960552823	12.000	0	0	200	80.125	160,250.00	0.61
CBOM FIN. 20/25 REGS	XS2099763075	4.700	400	200	200	78.895	157,790.00	0.60
EDC FIN. 13/20 REGS	XS0918604496	4.875	0	0	400	97.750	391,000.00	1.49
PHOSAGRO BD FDG 17/21REGS	XS1599428726	3.950	0	251	249	99.125	246,821.37	0.94
Total issue country Ireland							<u>955,861.37</u>	<u>3.63</u>
Issue country Republic of Korea								
POSCO 20/25 REGS	USY70750BV85	2.500	400	0	400	97.922	391,689.88	1.49
Total issue country Republic of Korea							<u>391,689.88</u>	<u>1.49</u>
Issue country Luxembourg								
USIMINAS INT 19/26 REGS	USL95806AA06	5.875	200	0	200	77.547	155,093.75	0.59
Total issue country Luxembourg							<u>155,093.75</u>	<u>0.59</u>
Issue country Netherlands								
IHS NETH.HOL 19/25 REGS	XS2051105778	7.125	200	0	200	87.000	174,000.00	0.66
Total issue country Netherlands							<u>174,000.00</u>	<u>0.66</u>
Issue country Nigeria								
UTD BANK F.AFR.17/22 REGS	XS1623828966	7.750	200	0	200	86.625	173,250.00	0.66
Total issue country Nigeria							<u>173,250.00</u>	<u>0.66</u>
Issue country Singapore								
TBG GLOBAL 15/22 REGS	XS1165340883	5.250	200	0	200	95.050	190,100.01	0.72
Total issue country Singapore							<u>190,100.01</u>	<u>0.72</u>
Issue country Turkey								
QNB FINANSBANK 17/22 REGS	XS1613091500	4.875	200	0	200	93.625	187,250.00	0.71
TUE.IHRACAT K.B.18/24REGS	XS1814962582	6.125	200	0	200	86.438	172,875.00	0.66

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding	Price	Value in USD	% share of fund assets
Units/nominal (nom. in 1,000, rounded)								
TUERKIYE GAR.BK 17/23REGS	XS1576037284	5.875	200	0	200	93.281	186,562.50	0.71
TURK.IS BK 14/20 MTN REGS	XS1121459074	5.000	0	0	350	97.500	341,250.02	1.30
TURK.VAKIFLAR BK. 17/22	XS1622626379	5.625	300	0	300	94.313	282,937.50	1.08
TURKCELL ILETISIM 15/25	XS1298711729	5.750	250	0	250	92.391	230,976.56	0.88
TURKIYE SISE C.F. 13/20	XS0927634807	4.250	0	0	200	100.016	200,031.25	0.76
Total issue country Turkey							1,601,882.83	6.09
Issue country Ukraine								
UKRAINE 15/22 REGS	XS1303921214	7.750	250	0	250	95.225	238,062.50	0.90
Total issue country Ukraine							238,062.50	0.90
Issue country British Virgin Islands								
HUAR.FIN.19 20/23 MTN	XS2122990570	2.500	600	400	200	98.300	196,600.00	0.75
RADIANT ACCESS 17/UND.	XS1607974877	4.600	200	0	200	94.797	189,593.75	0.72
RKPF 2019 B 19/21	XS1934311355	7.750	200	200	200	98.797	197,593.75	0.75
SCENERY JOUR 18/20	XS1903671698	11.000	0	0	200	95.688	191,375.00	0.73
Total issue country British Virgin Islands							775,162.50	2.95
Total bonds denominated in USD							9,679,317.85	36.79
Total publicly traded securities							9,679,317.85	36.79
Securities admitted to organised markets								
Bonds denominated in USD								
Issuer African Export and Import Bank								
AFR. EXP.-IMP.BK 16/21MTN	XS1418627821	4.000	0	0	200	98.040	196,080.00	0.75
Total issuer African Export and Import Bank							196,080.00	0.75
Issue country Argentina								
TELECOM ARG. 19/26 REGS	USP9028NAV30	8.000	140	0	140	77.578	108,609.38	0.41
Total issue country Argentina							108,609.38	0.41
Issue country Bermuda								
OORED00 ITL.FI.10/25 REGS	XS0551307100	5.000	400	0	400	107.006	428,022.00	1.63
Total issue country Bermuda							428,022.00	1.63
Issue country Brazil								
BCO DO BRASIL SA 12/23	USP3772WAE23	5.875	200	0	200	100.234	200,468.75	0.76
CEMIG GE. TRA. 17/24 REGS	USP2205LAC92	9.250	0	0	150	96.500	144,750.01	0.55
ITAU UNIBCO HDG 12/22 MTN	US46556MAF95	5.650	400	0	400	101.000	404,000.00	1.54
Total issue country Brazil							749,218.76	2.85
Issue country Cayman Islands								
CENT.CHINA REAL EST.18/20	XS1809984625	6.875	200	0	200	98.500	197,000.00	0.75
CHINA AOYUAN GROUP 18/21	XS1876052025	7.950	200	0	200	97.514	195,027.00	0.74

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Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in USD	% share of fund assets
CHINA SCE GRP HLDGS 18/21	XS1795479291	7.450	200	0	200	97.752	195,503.00	0.74
CSN ISLAN.XI 20/28 REGS	USG2583XAB76	6.750	200	0	200	64.949	129,898.00	0.49
DP WORLD CR. 16/23 MTN	XS1419869968	3.908	450	250	200	95.953	191,906.25	0.73
INTERTR.-COMCEL 14/24REGS	USG2300TAA00	6.875	0	0	200	99.033	198,065.00	0.75
KWG GROUP HOLDINGS 18/20	XS1900228971	9.850	0	0	200	99.625	199,250.00	0.76
POWERLONG RL EST. 17/20	XS1645451565	5.950	300	0	300	98.502	295,504.50	1.12
QNB FINANCE 19/24 MTN	XS1970690829	3.500	400	0	400	99.313	397,250.00	1.51
RONSHINE CHN 19/21	XS1950819729	11.250	200	0	200	98.500	197,000.00	0.75
SUN.CH.HLDG. 19/22	XS1953150197	7.875	0	0	100	96.389	96,388.88	0.37
SUZANO TRA. 10/21 REGS	USG8600UAA19	5.875	0	0	250	101.448	253,620.00	0.96
TIMES CHINA HLDGS 18/21	XS1749435324	6.250	0	0	200	98.257	196,514.00	0.75
Total issue country Cayman Islands							2,742,926.63	10.42
Issue country Chile								
TELEFONICA CL.12/22 REGS	USP9047EAA66	3.875	0	0	300	98.125	294,375.00	1.12
Total issue country Chile							294,375.00	1.12
Issue country Dominican Republic								
DOMINIC.REPUBLIC 10/21	USP3579EAH01	7.500	0	0	260	101.031	175,120.83	0.67
Total issue country Dominican Republic							175,120.83	0.67
Issue country Georgia								
GEORGIAN OIL+GAS 16/21	XS1319820384	6.750	0	0	200	95.625	191,249.95	0.73
GEORGIA 11/21 REGS	XS0617134092	6.875	0	0	200	100.781	201,562.50	0.77
Total issue country Georgia							392,812.45	1.49
Issue country Great Britain								
HIKMA PHARMACEUT.15/20	XS1213834978	4.250	0	0	300	99.828	299,484.38	1.14
LIQUID TEL.FI. 17/22 REGS	XS1644418904	8.500	0	0	200	78.500	157,000.00	0.60
VEDANTA RES. 11/21 REGS	USG9328DAG54	8.250	200	0	200	48.250	96,500.00	0.37
Total issue country Great Britain							552,984.38	2.10
Issue country Hong Kong								
CNAC (HK) FIN. 17/22	XS1644429695	3.500	0	0	600	99.797	598,781.25	2.28
ICBCIL FIN.CO. 17/20	XS1590507775	3.000	0	0	550	99.985	549,917.50	2.09
YANLORD LAND (HK)17/22	XS1521768058	5.875	300	0	300	95.281	285,843.75	1.09
Total issue country Hong Kong							1,434,542.50	5.45
Issue country India								
BK OF INDIA(LDN.BR.)11/21	XS0592238876	6.250	0	0	300	101.048	303,142.88	1.15
Total issue country India							303,142.88	1.15
Issue country Indonesia								
PERUSA.LISTR 11/21 REGS	US71568QAA58	5.500	0	0	300	101.047	303,140.63	1.15
Total issue country Indonesia							303,140.63	1.15

Security designation	ISIN number	Interest rate	Purch./ additions Sales/ disposals Units/nominal (nom. in 1,000, rounded)	Holding	Price	Value in USD	% share of fund assets	
Issue country Israel								
ISRAEL ELEC.13/23 MTNREGS	US46507NAE04	6.875	200	0	200	110.500	221,000.00	0.84
						Total issue country Israel	221,000.00	0.84
Issue country Canada								
FIRST QUANTUM 18/24 REGS	USC3535CAH19	6.500	0	0	300	84.000	252,000.00	0.96
						Total issue country Canada	252,000.00	0.96
Issue country Kazakhstan								
HALYK SAV.BK. 11/21 REGS	XS0583796973	7.250	0	0	250	102.469	256,171.88	0.97
						Total issue country Kazakhstan	256,171.88	0.97
Issue country Colombia								
BANCOLOMBIA 12/22	US05968LAH50	5.125	200	0	200	98.547	197,093.75	0.75
BANCOLOMBIA 20/25	US05968LAM46	3.000	200	0	200	89.351	178,702.00	0.68
						Total issue country Colombia	375,795.75	1.43
Issue country Luxembourg								
KERNEL HLDG 17/22 REGS	XS1533923238	8.750	200	0	200	89.172	178,343.75	0.68
						Total issue country Luxembourg	178,343.75	0.68
Issue country Mexico								
ALPEK S.A.B. 12/22 REGS	USP01703AA82	4.500	0	0	235	93.563	219,871.88	0.84
ALPHA HLDG S.A. 17/22REGS	USP1000TAA53	10.000	200	0	200	77.500	155,000.00	0.59
BANCO INBURSA 14/24 REGS	USP13296AL53	4.125	350	0	350	94.656	331,296.88	1.26
CREDITO REAL 19/26 REGS	USP32466AA50	9.500	0	0	100	80.000	80,000.00	0.30
NAC.FIN.SNC 15/20 REGS	USP7071QAA24	3.375	0	0	500	98.859	494,296.88	1.88
						Total issue country Mexico	1,280,465.64	4.87
Issue country Mongolia								
MON.MORT.CO. 19/22 REGS	USY6142GAA14	9.750	0	0	150	81.281	121,921.88	0.46
						Total issue country Mongolia	121,921.88	0.46
Issue country Namibia								
NAMIBIA, REPUBLIC 11/21	XS0686701953	5.500	0	0	200	95.125	190,250.00	0.72
						Total issue country Namibia	190,250.00	0.72
Issue country Netherlands								
GREENKO DUTCH 17/22 REGS	USN3700LAC92	4.875	250	0	250	89.156	222,890.63	0.85
LUKOIL INTL FIN. 07/22	XS0304274599	6.656	150	0	150	105.375	158,062.50	0.60
METINVEST 18/23 REGS	XS1806400534	7.750	400	0	400	75.500	302,000.00	1.15
PETROBRAS GBL FIN. 17/22	US71647NAR08	6.125	0	250	200	99.750	199,500.00	0.76
TEVA P.FI.NL III 16/23	US88167AAD37	2.800	400	0	400	88.790	355,160.00	1.35
						Total issue country Netherlands	1,237,613.13	4.70

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Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in USD	% share of fund assets
Issue country Panama								
GLOBAL BK. 16/21 REGS	USP47718AC86	4.500	200	0	200	99.216	198,431.25	0.75
Total issue country Panama							198,431.25	0.75
Issue country South Africa								
FIRSTRAND BANK 15/20	XS1225512026	4.250	0	0	300	99.000	297,000.02	1.13
Total issue country South Africa							297,000.02	1.13
Issue country USA								
JBS USA LLC/FIN. 14/24	USU0901CAG51	5.875	250	0	250	101.349	253,371.25	0.96
Total issue country USA							253,371.25	0.96
Issue country British Virgin Islands								
GOLD FIELDS OR.10/20 REGS	XS0547082973	4.875	300	0	300	97.516	292,546.88	1.11
Total issue country British Virgin Islands							292,546.88	1.11
Total bonds denominated in USD							12,835,886.87	48.78
Total securities admitted to organised markets							12,835,886.87	48.78
New issues								
Bonds denominated in USD								
Issue country Cayman Islands								
KAISA GR.HLD 20/21	XS2122175495	6.750	200	0	200	94.000	188,000.00	0.71
Total issue country Cayman Islands							188,000.00	0.71
Issue country Mexico								
OPER.D.SERV. 20/25 REGS	USP73699BH55	8.250	200	0	200	67.819	135,638.00	0.52
Total issue country Mexico							135,638.00	0.52
Issue country Vietnam								
VT PR.JSC BK 19/22	XS2027359756	6.250	400	0	400	89.500	358,000.00	1.36
Total issue country Vietnam							358,000.00	1.36
Total bonds denominated in USD							681,638.00	2.59
Total new issues							681,638.00	2.59
Unlisted securities								
Bonds denominated in USD								
Issue country Cayman Islands								
LOGAN PPTY 18/20 REGS	XS1920256564	8.750	0	0	350	99.500	348,250.00	1.32
YUZH.PRO.CO. 19/20	XS2018638309	5.500	300	0	300	99.219	297,656.25	1.13
Total issue country Cayman Islands							645,906.25	2.45

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in USD	% share of fund assets
Issue country Luxembourg								
KENBOUR.INV. 19/24 REGS	USL5831KAA45	6.875	200	0	200	76.938	153,875.00	0.58
Total issue country Luxembourg							153,875.00	0.58
Total bonds denominated in USD							799,781.25	3.04
Total unlisted securities							799,781.25	3.04

Breakdown of fund assets

Transferable securities	23,996,623.97	91.20
Bank balances	1,921,842.06	7.30
Interest entitlements	393,298.96	1.49
Other deferred items	-272.96	-0.00
Fund assets	26,311,492.03	100.00

Investor note:

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

Dividend-bearing units outstanding	AT0000A1U9M5	units	26,000.000
Value of dividend-bearing unit	AT0000A1U9M5	USD	102.77
Dividend-bearing units outstanding	AT0000A1ULN6	units	46,890.420
Value of dividend-bearing unit	AT0000A1ULN6	USD	97.00
Non-dividend-bearing units outstanding	AT0000A1U9P8	units	189,164.000
Value of non-dividend-bearing unit	AT0000A1U9P8	USD	100.92
KEST-exempt non-dividend-bearing units outstanding	AT0000A1U9Q6	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1U9Q6	USD	102.76

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.

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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 rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Publicly traded securities				
Bonds denominated in EUR				
Issue country Netherlands				
TEVA PH.F.NL.II 16/28	XS1439749364	1.625	100	100
Bonds denominated in USD				
Issue country Argentina				
C.LATINO.INFRA. 16/23REGS	USP3063XAF52	9.500	0	125
Issue country Brazil				
CAIXA EC.FED. 14/19 REGS	US12803X2D25	4.250	0	180
Issue country Cayman Islands				
AGROMER.SEN. 14/19 REGS	USG0131LAA64	6.250	0	250
BAIDU 14/19	US056752AD07	2.750	0	250
BRASKEM FIN. 11/21 REGS	USG1315RAD38	5.750	0	250
POWERLONG RL EST. 18/21	XS1805359939	6.950	200	200
SUNAC CHINA H. 18/20	XS1861032628	8.625	550	700
Issue country Chile				
CELULOSA ARAUCO 11/21	US151191AT07	5.000	0	300

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Issue country Great Britain				
PETRA DIA.US T. 17/22REGS	USG7028AAB91	7.250	300	300
TULLOW OIL PLC 18/25 REGS	USG91237AA87	7.000	200	200
Issue country Hong Kong				
CITIC LTD. 20/25 MTN	XS2109790183	2.450	200	200
Issue country Ireland				
NOVATEK FIN. 12/22 REGS	XS0864383723	4.422	200	200
Issue country Republic of Korea				
POSCO 19/22 REGS	USY70750BT30	2.375	400	400
Issue country Mexico				
TRUST 1401 19/30 REGS	USP9401CAA01	4.869	200	200
Issue country Singapore				
GLOBAL PRIME CAP. 18/21	XS1791728790	7.250	0	300
MEDCO ST.SERV. 17/22 REGS	USY59515AA72	8.500	200	200
Issue country Turkey				
TUERK.HALK BANK.15/21REGS	XS1188073081	4.750	200	200
Issue country Ukraine				
UKRAINE 15/20 REGS	XS1303918939	7.750	0	250
Issue country USA				
SASOL F. USA 18/24	US80386WAA36	5.875	200	200
Issue country United Arab Emirates				
EMIRATES 20/25 MTN	XS2119472178	2.625	300	300
Securities admitted to organised markets				
Bonds denominated in USD				
Issue country Argentina				
BCO HIPOTEC. 15/20 REGS	USP1330HBF03	9.750	0	173

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Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
CAPEX 17/24 REGS	USP20058AC08	6.875	0	200
TRANSP. DE GAS 18/25 REGS	USP9308RAZ66	6.750	200	200
YPF 16/21 REGS	USP989MJBG51	8.500	250	650
Issue country Cayman Islands				
CHINA EVERG. 20/24	XS2106834372	12.000	200	200
GOL FINANCE 17/25 REGS	USL4441RAA43	7.000	200	200
SUN HUNG KAI PR.17/UNDMTN	XS1617128928	4.450	500	500
Issue country Chile				
BCO D.EST.CHILE 10/20REGS	USP1027DEN77	4.125	0	750
Issue country Great Britain				
TULLOW OIL PLC 14/22 REGS	USG91235AB05	6.250	200	200
Issuer International Finance Corporation				
BCO LATINOAMER. DCE 15/20	USP1393HAB44	3.250	0	300
Issue country Luxembourg				
MHP LUX 18/26 REGS	XS1713469911	6.950	0	300
Issue country Netherlands				
TEVA P.FI.NL III 16/21	US88167AAC53	2.200	200	200
TEVA P.FI.NL III 16/26	US88167AAE10	3.150	200	200
Issue country Senegal				
SENEGAL, REP. 11/21 REGS	XS0625251854	8.750	0	300
Issue country Singapore				
INDIKA EN.CAP.II 17/22	USY39698AA65	6.875	0	300
Issue country Hungary				
MFB MAGYAR F.BK 13/20REGS	XS0954674312	6.250	0	300
Issue country USA				
PAN AMER.ENG. 10/21 REGS	US69783UAA97	7.875	0	350
Issue country United Arab Emirates				
ABU DH.COMM.BK.16/21 MTN	XS1498408936	2.750	0	600

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Unlisted securities				
Bonds denominated in USD				
Issue country Bermuda				
DIGIC.GR.ONE 19/22 REGS	USG27634AA56	8.250	0	200
OOREDO.ITL.FIN.09/19 REGS	XS0432791571	7.875	0	500
Issue country Cayman Islands				
CHINA AOYUAN GROUP 17/20	XS1543555533	6.350	0	400
CHINA EVERGR.GR. 17/20	XS1580430681	7.000	0	200
COUNTRY GARDEN HLDGS15/20	XS1164776020	7.500	0	200
Issue country Hong Kong				
CCB (ASIA) 14/19 MTN	XS1082890317	3.250	0	275
Issue country India				
EXP.-IM.BK INDIA 14/19MTN	XS1050464996	3.875	0	300
JSW STEEL 14/19	XS1133588233	4.750	0	400
ONGC VIDESH 14/19 REGS	XS1084957155	3.250	0	375
ST.BK.O.INDIA(LDN.B)14/19	USY81647AA02	3.622	0	210
UNION BK INDIA (HK) 14/19	XS1062051161	4.500	0	350
Issue country Croatia				
CROATIA 09/19 REGS	XS0464257152	6.750	0	270
Issue country Luxembourg				
EVRAZ 13/20 REGS	XS0808638612	6.500	0	200
MOL GROUP FIN. 12/19	XS0834435702	6.250	0	600
ROSNEFT FINAN. 10/20 REGS	XS0484209159	7.250	0	155
Issue country Mexico				
TRUST F/1401 14/24 REGS	USP9406GAA69	5.250	0	200
Issue country Netherlands				
PROSUS 13/20 REGS	USN5946FAB33	6.000	0	250
Issue country Peru				
COFIDE 14/19 REGS	USP3R94GAF68	3.250	0	275

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Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals
Units/nominal (nom. in 1,000, rounded)				
Issue country Turkey				
AKBANK T.A.S.15/20MTNREGS	XS1111101314	4.000	0	250
QNB FINANSBANK 14/19 REGS	XS1063442484	6.250	0	210
TUERK.HALK BANK.13/20REGS	XS0882347072	3.875	0	300
TUERKIYE GAR.BK 14/19REGS	XS1057541838	4.750	0	200
YAPI VE KREDI BK 14/19MTN	XS1028938915	5.125	200	200
Issue country United Arab Emirates				
EMIRATES NBD 14/19 MTN	XS1138457590	3.250	0	200
Issue country Vietnam				
VIETNAM 10/20 REGS	USY9374MAF06	6.750	0	160

Vienna, 2 June 2020

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.

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 BOND EM CORPORATE SHORT TERM
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 31 March 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 31 March 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, 2 June 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 BOND EM CORPORATE SHORT TERM, 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 bonds with a maximum remaining term to maturity of up to three years as well as bonds in the form of money market instruments issued by companies registered or engaging in business in the emerging markets in the form of directly purchased individual instruments, in other words not indirectly or directly through investment funds or through derivatives. These can be denominated in euros or other currencies.

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 100% of the fund assets.

b) Money market instruments

Money market instruments may comprise up to 100% 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.

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 or 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, the Fund can hold 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 2.5% 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 April to 31 March.

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 1 July 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 July 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 1 July 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 1 July 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 0.58% 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 0.58% 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 *

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

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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:	NYCE American, Chicago Board Options Exchange, Chicago Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, ICE Futures 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.

www.erste-am.com

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