

ERSTE BOND LOCAL EMERGING

Jointly owned fund pursuant to the InvFG

Annual Report 2018/19

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General Information about the Investment Firm

The company	Erste Asset Management GmbH Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19777, Fax: +43 05 0100-919777
Registered capital	EUR 2.50 million
Shareholders	Erste Group Bank AG (64.67%) VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (0.76%) Erste Bank der österreichischen Sparkassen AG (22.17%) DekaBank Deutsche Girozentrale, Frankfurt (1.65%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (0.76%) Salzburger Sparkasse Bank Aktiengesellschaft (1.65%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (1.65%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (3.30%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m. b. H. & Co KG (1.65%) Tiroler Sparkasse Bankaktiengesellschaft Innsbruck (1.74%)
Supervisory Board	Rudolf SAGMEISTER (Chairman) Thomas SCHAUFLER (Deputy Chairman) Ingo BLEIER Harald GASSER Gerhard GRABNER Oswald HUBER Radovan JELASITY Robert LASSHOFER Martin SIMHANDL (until 22 February 2019) Gerald WEBER (from 22 February 2019) Appointed by the Works Council: Martin CECH Heinrich Hubert REINER Peter RIEDERER Nicole WEINHENGST Manfred ZOUREK
Managing directors	Heinz BEDNAR Winfried BUCHBAUER Peter KARL Wolfgang TRAINDL
Prokuristen (proxies)	Achim ARNHOF (from 15 December 2018) Karl FREUDENSCHUSS Manfred LENTNER Günther MANDL Gerold PERMOSER Magdalena REISCHL
State commissioners	Caroline HABERFELLNER 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 LOCAL EMERGING jointly owned fund pursuant to the InvFG for the period from 1 July 2018 to 30 June 2019.

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

Development of the Fund

In Germany, the yield on a 10-year government bond fell by 63 basis points to minus 0.33%. The EUR yield curve flattened. The European Central Bank left the key rate unchanged at 0%. European equities turned in positive performance. In the USA, the yield on a 10-year government bond fell by 86 basis points to 2.01%. The USD yield curve flattened. The Federal Reserve lifted the key rate by 50 basis points to 2.5%. The US equity market delivered positive performance. EUR depreciated against USD. The spread on emerging market government bonds narrowed by 24 basis points to 346 basis points. At the same time, spreads fell in the investment grade and high yield segments. Local currency yields fell by 100 basis points to 5.9%. Emerging market local currencies depreciated versus the euro. The emerging equity markets retreated. In this environment, crude oil prices fell. The price of gold rose. Copper declined in value.

ERSTE BOND LOCAL EMERGING is a bond fund investing in individual issues. The fund invests primarily in local-currency government bonds from the emerging countries. The focus is on countries in Central and Eastern Europe, Asia, Latin America, the Middle East, and Africa. The fund may also invest to a limited extent in corporate bonds from issuers in the eligible countries. Currency risks are not hedged.

The past year was dominated by the trade conflict between the USA and China and the changes in US trade policy. While a normalisation, in other words rising key rates and a reduction of the central bank balance sheets, had been expected up to the end of 2018, these expectations suddenly reversed in the first half of 2019 due to weak leading indicators and a dampened outlook for global economic growth. The theme returned to "low for longer". Low global key rates and high liquidity make for positive conditions for local currency emerging market bonds.

In this environment, ERSTE BOND LOCAL EMERGING achieved a positive performance of 8.65% (ISIN AT0000A0AUE0). The yield in the fund declined. The duration was lengthened. The running coupon decreased. The cash position was expanded. The credit quality in the portfolio remained unchanged. There was thus no change in the average rating of BBB-.

Method of Calculating the Global Exposure

Method of calculating the global exposure:		Absolute value at risk
Reference assets used:		-
Value at risk:	Lowest value:	3.570
	Average value:	4.237
	Highest value:	4.920
Model used:	Calculation model:	Historical simulation
	Confidence interval:	99%
	Holding period:	20 days
	Length of data history:	1 year
Leverage* when using the value-at-risk calculation method:		24.453
Leverage** according to § 4 of the 4 th Derivatives Risk Measurement and Reporting Regulation:		19.722

* 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

	30 June 2019		30 June 2018	
	EUR millions	%	EUR millions	%
Bonds denominated in				
ARS	0.6	0.27	1.0	0.47
BRL	20.5	8.97	20.5	9.65
CLP	0.7	0.30	0.6	0.30
CNY	0.7	0.30	-	-
DOP	1.4	0.61	1.4	0.67
EUR	0.5	0.23	-	-
IDR	23.0	10.08	19.9	9.36
KZT	-	-	2.6	1.20
COP	12.3	5.39	12.8	6.01
MYR	12.4	5.42	14.3	6.75
MXN	18.9	8.27	18.1	8.51
PEN	7.6	3.33	7.0	3.31
PHP	3.5	1.53	-	-
PLN	16.4	7.20	16.5	7.76
ROL	4.2	1.83	5.2	2.45
RUB	17.7	7.75	15.7	7.38
RSD	1.9	0.82	-	-
ZAR	16.9	7.40	15.6	7.33
THB	14.6	6.41	15.3	7.18
CZK	12.3	5.37	5.3	2.50
TRL	8.3	3.62	8.8	4.15
USD	-	-	2.3	1.07
HUF	6.9	3.01	8.3	3.91
UYU	2.3	1.02	2.5	1.19
Investment certificates denominated in				
USD	1.0	0.44	0.9	0.44
Securities	204.5	89.58	194.6	91.57
Forward exchange agreements	0.2	0.07	0.0	0.01
Bank balances	18.8	8.25	13.6	6.40
Dividend entitlements	0.0	0.00	0.0	0.01
Interest entitlements	4.8	2.09	4.3	2.01
Other receivables	0.0	0.00	-	-
Other deferred items	-	0.00	-	0.00
Fund assets	228.3	100.00	212.5	100.00

Comparative Overview

Accounting year	Fund assets
2016/2017	181,540,110.99
2017/2018	212,494,728.48
2018/2019	228,322,476.25

General information about performance:

The performance of unit categories with no outstanding units at the end of the reporting period or no outstanding units during the reporting period is generally based on the dividend-adjusted performance of the overall fund. In these cases, the performance is not reported below. When a unit category is issued during the reporting period, the performance and reinvestment are calculated from the point in time that the unit category is launched. Because of this and possible other fees and currency classes, the performance and reinvestment of this unit category differ from those of comparable unit categories. The performance is determined assuming the reinvestment of all paid dividends and amounts at their nominal value on the day of disbursement.

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Dividend-bearing units	AT0000A28EZ5	CZK	-	-	-	-
2017/2018	Dividend-bearing units	AT0000A28EZ5	CZK	-	-	-	-
2018/2019	Dividend-bearing units	AT0000A28EZ5	CZK	2,544.40	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Dividend-bearing units	AT0000A0AUE0	EUR	101.01	3.1000	-	2.77
2017/2018	Dividend-bearing units	AT0000A0AUE0	EUR	92.16	2.2500	0.0000	-5.86
2018/2019	Dividend-bearing units	AT0000A0AUE0	EUR	97.58	2.5000	0.0000	8.65

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Dividend-bearing units	AT0000A1Y2Q7	EUR	-	-	-	-
2017/2018	Dividend-bearing units	AT0000A1Y2Q7	EUR	98.17	2.2500	0.0000	-1.83
2018/2019	Dividend-bearing units	AT0000A1Y2Q7	EUR	104.62	2.5000	0.0000	9.18

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Dividend-bearing units	AT0000A1Y2R5	EUR	-	-	-	-
2017/2018	Dividend-bearing units	AT0000A1Y2R5	EUR	97.53	-	-	-
2018/2019	Dividend-bearing units	AT0000A1Y2R5	EUR	106.09	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Non-dividend-bearing units	AT0000A0AUF7	EUR	139.07	0.0000	0.0000	2.76
2017/2018	Non-dividend-bearing units	AT0000A0AUF7	EUR	130.88	0.0000	0.0000	-5.89
2018/2019	Non-dividend-bearing units	AT0000A0AUF7	EUR	142.23	0.0898	0.0000	8.67

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Non-dividend-bearing units	AT0000A1Y2S3	EUR	-	-	-	-
2017/2018	Non-dividend-bearing units	AT0000A1Y2S3	EUR	98.20	-	-	-
2018/2019	Non-dividend-bearing units	AT0000A1Y2S3	EUR	106.82	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Non-dividend-bearing units	AT0000A1Y2T1	EUR	-	-	-	-
2017/2018	Non-dividend-bearing units	AT0000A1Y2T1	EUR	97.42	0.0007	0.0000	-2.58
2018/2019	Non-dividend-bearing units	AT0000A1Y2T1	EUR	106.48	0.5557	0.2871	9.30

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KESt-exempt non-dividend-bearing units	AT0000A16X22	CZK	3,780.14	-	0.0000	-0.91
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A16X22	CZK	3,563.01	-	0.0000	-5.74
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A16X22	CZK	3,820.42	-	3.8700	7.22

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KESt-exempt non-dividend-bearing units	AT0000A1Y2W5	CZK	-	-	-	-
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A1Y2W5	CZK	2,580.68	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A1Y2W5	CZK	2,745.92	-	-	-

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Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KES-exempt non-dividend-bearing units	AT0000A0AUG5	EUR	144.75	-	0.0000	2.76
2017/2018	KES-exempt non-dividend-bearing units	AT0000A0AUG5	EUR	136.28	-	0.0000	-5.85
2018/2019	KES-exempt non-dividend-bearing units	AT0000A0AUG5	EUR	148.12	-	0.0000	8.69

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KES-exempt non-dividend-bearing units	AT0000A1Y2U9	EUR	-	-	-	-
2017/2018	KES-exempt non-dividend-bearing units	AT0000A1Y2U9	EUR	98.18	-	0.0000	-1.82
2018/2019	KES-exempt non-dividend-bearing units	AT0000A1Y2U9	EUR	107.23	-	1.8189	9.22

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KES-exempt non-dividend-bearing units	AT0000A1Y2V7	EUR	-	-	-	-
2017/2018	KES-exempt non-dividend-bearing units	AT0000A1Y2V7	EUR	98.92	-	1.1886	-1.08
2018/2019	KES-exempt non-dividend-bearing units	AT0000A1Y2V7	EUR	108.23	-	1.9925	9.41

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KES-exempt non-dividend-bearing units	AT0000A1FWA1	HUF	44,742.23	-	2,540.6434	0.62
2017/2018	KES-exempt non-dividend-bearing units	AT0000A1FWA1	HUF	44,830.12	-	1,383.8579	0.20
2018/2019	KES-exempt non-dividend-bearing units	AT0000A1FWA1	HUF	47,780.38	-	625.7147	6.58

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KES-exempt non-dividend-bearing units	AT0000A1Y2X3	HUF	-	-	-	-
2017/2018	KES-exempt non-dividend-bearing units	AT0000A1Y2X3	HUF	32,649.20	-	-	-
2018/2019	KES-exempt non-dividend-bearing units	AT0000A1Y2X3	HUF	34,833.88	-	-	-

Disbursement/Payment

The following disbursement or payment will be made for the financial year from 1 July 2018 to 30 June 2019. The coupon-paying bank is obligated to withhold capital gains tax from this disbursement if the respective investor is not exempt from the payment of this tax.

The disbursement or payment will be effected on or after 1 October 2019 at

Erste Group Bank AG, Vienna,

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

Fund type	ISIN	Currency	Dividend disbursement/ payment		KES _t with option declaration	KES _t w/o option declaration	Reinvestment
Dividend-bearing units	AT0000A28EZ5	CZK	-		-	-	-
Dividend-bearing units	AT0000A0AUE0	EUR	2.5000		0.0000	0.0000	0.0000
Dividend-bearing units	AT0000A1Y2Q7	EUR	2.5000		0.5366	0.5366	0.0000
Dividend-bearing units	AT0000A1Y2R5	EUR	-		-	-	-
Non-dividend-bearing units	AT0000A0AUF7	EUR	0.0898		0.0898	0.0898	0.0000
Non-dividend-bearing units	AT0000A1Y2S3	EUR	-		-	-	-
Non-dividend-bearing units	AT0000A1Y2T1	EUR	0.5557		0.5557	0.5557	0.2871
KES _t -exempt non-dividend-bearing units	AT0000A16X22	CZK	-	*	-	-	3.8700
KES _t -exempt non-dividend-bearing units	AT0000A1Y2W5	CZK	-	*	-	-	-
KES _t -exempt non-dividend-bearing units	AT0000A0AUG5	EUR	-	*	-	-	0.0000
KES _t -exempt non-dividend-bearing units	AT0000A1Y2U9	EUR	-	*	-	-	1.8189
KES _t -exempt non-dividend-bearing units	AT0000A1Y2V7	EUR	-	*	-	-	1.9925
KES _t -exempt non-dividend-bearing units	AT0000A1FWA1	HUF	-	*	-	-	625.7147
KES _t -exempt non-dividend-bearing units	AT0000A1Y2X3	HUF	-	*	-	-	-

* 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 an 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.

AT0000A28EZ5 dividend-bearing units CZK	
Unit value on issue date (0.000 units)	2,545.00
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	2,544.40
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A0AUE0 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (235,749.634 units)	92.16
Disbursement/payment on 27.09.2018 (corresponds to roughly 0.0261 units at a calculated value of 86.05)	2.2500
Unit value at the end of the reporting period (219,250.914 units)	97.58
Total value including (notional) units gained through dividend disbursement/payment	100.13
Net earnings per unit	7.97
Value development of one unit in the period	8.65%

AT0000A1Y2Q7 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (22,381.000 units)	98.17
Disbursement/payment on 27.09.2018 (corresponds to roughly 0.0245 units at a calculated value of 91.92)	2.2500
Unit value at the end of the reporting period (41,721.000 units)	104.62
Total value including (notional) units gained through dividend disbursement/payment	107.18
Net earnings per unit	9.01
Value development of one unit in the period	9.18%

AT0000A1Y2R5 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	97.53
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	106.09
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A0AUF7 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (1,017,943.672 units)	130.88
Disbursement/payment	0.0000
Unit value at the end of the reporting period (1,131,327.969 units)	142.23
Total value including (notional) units gained through dividend disbursement/payment	142.23
Net earnings per unit	11.35
Value development of one unit in the period	8.67%

AT0000A1Y2S3 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	98.20
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	106.82
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A1Y2T1 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (9,830.000 units)	97.42
Disbursement/payment on 27.09.2018 (corresponds to roughly 0.0000 units at a calculated value of 93.45)	0.0007
Unit value at the end of the reporting period (665.000 units)	106.48
Total value including (notional) units gained through dividend disbursement/payment	106.48
Net earnings per unit	9.06
Value development of one unit in the period	9.30%

AT0000A16X22 KEST-exempt non-dividend-bearing units CZK	
Unit value at the beginning of the reporting period (944.004 units)	3,563.01
Disbursement/payment	0.0000
Unit value at the end of the reporting period (49.442 units)	3,820.42
Total value including (notional) units gained through dividend disbursement/payment	3,820.42
Net earnings per unit	257.41
Value development of one unit in the period	7.22%

AT0000A1Y2W5 KEST-exempt non-dividend-bearing units CZK	
Unit value at the beginning of the reporting period (0.000 units)	2,580.68
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	2,745.92
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

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AT0000A0AUG5 KES-st-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (231,673.366 units)	136.28
Disbursement/payment	0.0000
Unit value at the end of the reporting period (135,856.489 units)	148.12
Total value including (notional) units gained through dividend disbursement/payment	148.12
Net earnings per unit	11.84
Value development of one unit in the period	8.69%

AT0000A1Y2U9 KES-st-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (157,383.000 units)	98.18
Disbursement/payment	0.0000
Unit value at the end of the reporting period (154,237.000 units)	107.23
Total value including (notional) units gained through dividend disbursement/payment	107.23
Net earnings per unit	9.05
Value development of one unit in the period	9.22%

AT0000A1Y2V7 KES-st-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (69,599.409 units)	98.92
Disbursement/payment	0.0000
Unit value at the end of the reporting period (42,502.087 units)	108.23
Total value including (notional) units gained through dividend disbursement/payment	108.23
Net earnings per unit	9.31
Value development of one unit in the period	9.41%

AT0000A1FWA1 KES-st-exempt non-dividend-bearing units HUF	
Unit value at the beginning of the reporting period (2,475.586 units)	44,830.12
Disbursement/payment	0.0000
Unit value at the end of the reporting period (2,111.189 units)	47,780.38
Total value including (notional) units gained through dividend disbursement/payment	47,780.38
Net earnings per unit	2,950.26
Value development of one unit in the period	6.58%

AT0000A1Y2X3 KES-st-exempt non-dividend-bearing units HUF	
Unit value at the beginning of the reporting period (0.000 units)	32,649.20
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	34,833.88
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)	13,366,418.17	
Dividend income	67.16	
Other income 8)	<u>14,379.45</u>	
Total income (without profit or loss from price changes)		13,380,864.78

Interest paid

- 20,873.15

Expenses

Fees paid to Investment Firm	- 1,802,687.42	
Costs for the financial auditor and tax consultation	- 7,237.00	
Publication costs	- 29,162.42	
Securities account fees	- 52,165.66	
Depository bank fees	- 158,636.40	
Costs for the external consultant	<u>0.00</u>	
Total expenses		- 2,049,888.90
Compensation for management costs from sub-funds 1)		<u>0.00</u>

Ordinary fund result (excluding income adjustment)

11,310,102.73

Realised profit or loss from price changes 2) 3)

Realised gains 4)	6,549,120.94	
Realised losses 5)	<u>- 15,082,663.71</u>	

Realised profit or loss from price changes (excluding income adjustment)

- 8,533,542.77

Realised fund result (excluding income adjustment)

2,776,559.96

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

Changes in the unrealised profit or loss from price changes 7)	<u>14,236,695.82</u>
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Result for the reporting period 6)

17,013,255.78

c. Income adjustment

Income adjustment for income in the period	300,204.91
Income adjustment for profit carried forward from dividend-bearing units	<u>- 1,143,956.71</u>

Overall fund result

16,169,503.98

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	212,494,728.48
Disbursement/payment in the accounting year	- 568,284.54
Issue and redemption of units	226,528.33
Overall fund result	
(The fund result is shown in detail under item 2.)	16,169,503.98
Fund assets at the end of the reporting period	228,322,476.25

- 1) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the fund after deduction of any associated costs. Erste Bank der oesterreichischen Sparkassen AG receives 25% of the calculated commissions to cover administrative costs.
- 2) Realised profits and losses are not calculated precisely for the specific periods, which means that they, as is the case for the changes in the unrealised profit or loss, are not necessarily congruent with the changes in the value of the fund in the reporting year.
- 3) Total profit or loss from price changes without income adjustment (realised profit or loss from price changes, without income adjustment, plus changes in the unrealised profit or loss): EUR 5,703,153.05.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 6,073,195.94.
- 5) Thereof losses from transactions with derivative financial instruments: EUR -8,199,441.20.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 0.00.
- 7) Thereof changes in unrealised gains EUR 3,672,577.29 and unrealised losses EUR 10,564,118.53.
- 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 14,379.43, 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 30 June 2019

(including changes in securities assets from 1 July 2018 to 30 June 2019)

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Publicly traded securities								
Bonds denominated in ARS								
Issue country Argentina								
ARGENTINA 2021	ARARGE3202H4 1)	18.200	0	0	10,000	72.302	140,582.30	0.06
Total issue country Argentina							140,582.30	0.06
Total bonds denominated in ARS translated at a rate of 48.26576							140,582.30	0.06
Bonds denominated in BRL								
Issue country Brazil								
BRAZIL 2020	BRSTNCNTB3A0 1)	19.240	0	0	3,000	3,423.399	2,303,373.81	1.01
BRAZIL 2021 F	BRSTNCNTF0N5	10.000	0	2,500	10,000	1,055.992	2,419,436.06	1.06
BRAZIL 2022	BRSTNCNTB3Y0 1)	19.240	0	0	4,000	3,612.242	3,244,232.15	1.42
BRAZIL 2023 NTN F	BRSTNCNTF147	10.000	0	0	13,500	1,102.198	3,409,156.58	1.49
BRAZIL 2025 NTN F	BRSTNCNTF170	10.000	0	0	10,000	1,130.588	2,590,346.93	1.13
BRAZIL 2026 FLR B	BRSTNCNTB4U6 1)	19.240	0	1,500	7,500	3,857.056	6,503,614.51	2.85
Total issue country Brazil							20,470,160.03	8.97
Total bonds denominated in BRL translated at a rate of 4.36462							20,470,160.03	8.97
Bonds denominated in CLP								
Issue country Chile								
CHILE 2026	CL0002172501 1)	4.500	0	0	500,000	108.499	691,931.19	0.30
Total issue country Chile							691,931.19	0.30
Total bonds denominated in CLP translated at a rate of 773.18827							691,931.19	0.30
Bonds denominated in CNY								
Issue country China								
CHINA, PEOP.REP. 14/29	HK0000200714	4.290	5,000	0	5,000	106.490	680,742.58	0.30
Total issue country China							680,742.58	0.30
Total bonds denominated in CNY translated at a rate of 7.82162							680,742.58	0.30
Bonds denominated in DOP								
Issue country Dominican Republic								
DOMINIC.REPUBLIC 18/23	USP3579EBZ99	8.900	0	0	80,000	99.997	1,397,579.67	0.61
Total issue country Dominican Republic							1,397,579.67	0.61
Total bonds denominated in DOP translated at a rate of 57.24010							1,397,579.67	0.61

ERSTE BOND LOCAL EMERGING

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Bonds denominated in IDR								
Issuer Asian Development Bank								
ASIAN DEV.BK 19/34 MTN	XS1963469884	7.800	20,000,000	0	20,000,000	100.915	1,254,506.59	0.55
Total issuer Asian Development Bank							1,254,506.59	0.55
Issue country Indonesia								
INDONESIA 2020 FR31	IDG000006206	11.000	0	0	8,000,000	105.875	526,466.37	0.23
INDONESIA 2021 FR0053	IDG000009101	8.250	0	0	5,000,000	103.038	320,223.02	0.14
INDONESIA 2023 FR39	IDG000007105	11.750	0	0	10,000,000	116.625	724,901.31	0.32
INDONESIA 2023 FR46	IDG000007907	9.500	0	0	5,000,000	108.900	338,442.67	0.15
INDONESIA 2024 FR70	IDG000012006	8.375	0	0	59,000,000	106.000	3,887,273.56	1.70
INDONESIA 2025 FR40	IDG000007204	11.000	0	0	10,000,000	118.667	737,590.58	0.32
INDONESIA 2026 FR56	IDG000009507	8.375	0	0	15,000,000	106.500	992,951.63	0.43
INDONESIA 2027 FR42	IDG000007402	10.250	0	0	10,000,000	116.375	723,347.39	0.32
INDONESIA 2028 FR64	IDG000010307	6.125	0	0	15,000,000	92.300	860,558.08	0.38
INDONESIA 2029 FR71	IDG000011107	9.000	0	0	15,000,000	110.375	1,029,080.15	0.45
INDONESIA 2030 FR52	IDG000009002	10.500	0	0	35,000,000	121.625	2,645,928.63	1.16
INDONESIA 2032 FR58	IDG000009705	8.250	0	0	25,000,000	104.450	1,623,064.13	0.71
INDONESIA 2034 FR68	IDG000010802	8.375	0	0	20,000,000	106.250	1,320,827.68	0.58
INDONESIA 2036 FR72	IDG000011602	8.250	0	0	15,000,000	104.750	976,635.53	0.43
INDONESIA 2037 FR45	IDG000007808	9.750	0	0	10,000,000	115.707	719,198.41	0.31
INDONESIA 2042 FR62	IDG000010109	6.375	0	0	5,800,000	80.375	289,758.51	0.13
Total issue country Indonesia							17,716,247.65	7.76
Issue country Republic of Korea								
EXPORT-IMPORT BK 17/21MTN	XS1627538512	6.900	0	0	30,000,000	99.100	1,847,915.62	0.81
Total issue country Republic of Korea							1,847,915.62	0.81
Total bonds denominated in IDR translated at a rate of 16,088.39694							20,818,669.86	9.12
Bonds denominated in COP								
Issuer Inter-American Investment Corporation								
INTER-AMER.INV.C.18/25MTN	XS1860241766	6.600	7,000,000	0	7,000,000	105.461	2,021,349.67	0.89
Total issuer Inter-American Investment Corporation							2,021,349.67	0.89
Issue country Colombia								
COLOMBIA 07/27	XS0306322065	9.850	0	0	5,700,000	125.676	1,961,463.28	0.86
COLOMBIA 08-24 B	COL17CT02385	10.000	0	0	6,000,000	121.056	1,988,800.19	0.87
COLOMBIA 10/21	XS0502258444	7.750	0	6,000,000	4,000,000	104.531	1,144,873.04	0.50
COLOMBIA 12/23	XS0833886095	4.375	0	0	5,000,000	97.252	1,331,442.65	0.58
COLOMBIA 12-28 B	COL17CT02914	6.000	0	0	7,000,000	100.447	1,925,256.48	0.84
Total issue country Colombia							8,351,835.64	3.66

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Units/nominal (nom. in 1,000, rounded)								
Issuer World Bank								
WORLD BK 10/20 MTN	XS0490636791	8.000	0	0	600,000	102.124	167,776.27	0.07
Total issuer World Bank							167,776.27	0.07
Total bonds denominated in COP translated at a rate of 3,652.13159							10,540,961.58	4.62
Bonds denominated in MYR								
Issue country Malaysia								
MALAYSIA 2019 0414	MYBMJ1400047	3.654	0	5,000	5,000	100.180	1,064,365.53	0.47
MALAYSIA 2020	MYBML1200062	3.492	0	0	5,000	100.250	1,065,109.25	0.47
MALAYSIA 2021 0111	MYBMO1100019	4.160	0	0	7,000	101.725	1,513,092.61	0.66
MALAYSIA 2023	MYBML1600014	3.800	0	0	9,000	101.415	1,939,476.30	0.85
MALAYSIA 2024 0114	MYBMO1400013	4.181	0	0	7,000	103.195	1,534,957.89	0.67
MALAYSIA 2026	MYBMO1600034	3.900	0	0	6,000	101.800	1,297,892.73	0.57
MALAYSIA 2027 0212	MYBMS1200026	3.892	0	0	6,000	101.400	1,292,792.96	0.57
MALAYSIA 2028 0308	MYBMX0800032	5.248	0	0	2,500	111.750	593,645.68	0.26
MALAYSIA 2028 0513	MYBMS1300057	3.733	0	0	5,500	100.625	1,176,002.80	0.52
MALAYSIA 2030 0310	MYBMX1000038	4.498	0	0	4,000	106.350	903,935.11	0.40
Total issue country Malaysia							12,381,270.86	5.42
Total bonds denominated in MYR translated at a rate of 4.70609							12,381,270.86	5.42
Bonds denominated in PEN								
Issue country Peru								
PERU 05/20	PEP01000CY33	7.840	0	0	700	105.650	197,545.77	0.09
PERU 07/37	PEP01000C2Z1	6.900	0	0	4,000	117.207	1,252,309.21	0.55
PERU 08/31	PEP01000C4G7	6.950	0	0	4,000	117.377	1,254,128.80	0.55
PERU 14-24	PEP01000C4W4	5.700	0	0	3,000	108.668	870,807.36	0.38
PERU 16-28	PEP01000C5D1	6.350	0	0	9,000	112.495	2,704,428.24	1.18
Total issue country Peru							6,279,219.38	2.75
Total bonds denominated in PEN translated at a rate of 3.74370							6,279,219.38	2.75
Bonds denominated in PHP								
Issuer Asian Development Bank								
ASIAN DEV.BK 19/23 MTN	XS1951933636	5.250	100,000	0	100,000	103.399	1,772,156.72	0.78
Total issuer Asian Development Bank							1,772,156.72	0.78
Issuer World Bank								
WORLD BK 18/23 MTN	XS1797219612	4.500	100,000	0	100,000	100.779	1,727,252.50	0.76
Total issuer World Bank							1,727,252.50	0.76
Total bonds denominated in PHP translated at a rate of 58.34642							3,499,409.22	1.53

ERSTE BOND LOCAL EMERGING

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Bonds denominated in PLN								
Issue country Poland								
POLAND 18/29	PL0000111498	2.750	3,000	0	3,000	103.260	729,441.63	0.32
Total issue country Poland							729,441.63	0.32
Total bonds denominated in PLN translated at a rate of 4.24681							729,441.63	0.32
Bonds denominated in ROL								
Issue country Romania								
ROMANIA 11-21	RO1121DBN032	5.950	0	0	5,000	104.329	1,102,761.95	0.48
ROMANIA 12-27	RO1227DBN011	5.800	0	0	2,000	108.631	459,291.60	0.20
ROMANIA 13/23	RO1323DBN018	5.850	0	0	5,000	106.378	1,124,414.68	0.49
ROMANIA 14-25	RO1425DBN029	4.750	0	0	1,000	102.245	216,146.80	0.09
ROMANIA 16/20	RO1620DBN017	2.250	0	3,000	3,000	99.684	632,198.46	0.28
ROMANIA 16-31	RO1631DBN055	3.650	3,500	0	3,500	88.156	652,270.71	0.29
Total issue country Romania							4,187,084.20	1.83
Total bonds denominated in ROL translated at a rate of 4.73035							4,187,084.20	1.83
Bonds denominated in RUB								
Issue country Russia								
RUSSIAN FED. 15-31	RU000A0JVW48	8.500	0	0	150,000	109.248	2,281,382.20	1.00
RUSSIAN FED. 16-21	RU000A0JVW30	7.500	0	0	80,000	100.900	1,123,767.42	0.49
RUSSIAN FED. 16-26	RU000A0JWM07	7.750	0	0	160,000	102.701	2,287,640.74	1.00
RUSSIAN FED. 17-24	RU000A0JXQF2	7.100	0	0	240,000	99.600	3,327,866.24	1.46
RUSSIAN FED. 17-33	RU000A0JXFM1	7.700	0	0	130,000	102.601	1,856,898.27	0.81
Total issue country Russia							10,877,554.87	4.76
Total bonds denominated in RUB translated at a rate of 71.82981							10,877,554.87	4.76
Bonds denominated in RSD								
Issue country Serbia including Kosovo								
SERBIA 16-23	RSMFRSD85962	5.750	100,000	0	100,000	108.596	920,863.65	0.40
SERBIA 18-28	RSMFRSD55940	5.875	100,000	0	100,000	112.260	951,929.34	0.42
Total issue country Serbia including Kosovo							1,872,792.99	0.82
Total bonds denominated in RSD translated at a rate of 117.92880							1,872,792.99	0.82
Bonds denominated in THB								
Issue country Thailand								
THAILD 2023	TH0623033303	5.500	0	0	17,000	113.141	550,734.16	0.24
THAILD 04/19	TH062303T807	5.500	0	0	10,000	100.949	289,050.73	0.13
THAILD 06/21	TH0623031307	5.850	0	0	15,000	107.173	460,309.36	0.20
THAILD 2021	TH0623031C01	3.650	0	50,000	40,000	104.505	1,196,934.90	0.52
THAILD 2022	TH0623032602	1.875	0	0	70,000	100.274	2,009,833.60	0.88

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
THAILD 2023	TH0623033600	3.625	0	0	70,000	106.858	2,141,810.41	0.94
THAILD 2024	TH0623034C08	4.750	0	0	50,000	114.694	1,642,045.69	0.72
THAILD 2026	TH0623036C06	2.125	0	0	50,000	100.885	1,444,344.39	0.63
THAILD 2027	TH0623037C05	3.580	0	0	65,000	111.851	2,081,740.57	0.91
THAILD 2029	TH0623039607	4.875	0	0	70,000	124.292	2,491,231.76	1.09
THAILD 2031	TH0623A3B608	3.650	0	0	10,000	114.519	327,906.59	0.14
Total issue country Thailand							14,635,942.16	6.41
Total bonds denominated in THB translated at a rate of 34.92415							14,635,942.16	6.41
Bonds denominated in TRL								
Issue country Turkey								
TURKEY 10-20 FLR	TRT010420T19	4.110	0	0	3,000	99.250	366,333.80	0.16
TURKEY 12-22	TRT120122T17	9.500	0	9,500	5,500	83.500	697,225.67	0.31
TURKEY 13-23	TRT080323T10	7.100	0	0	11,000	73.650	1,229,956.19	0.54
TURKEY 14-24	TRT240724T15	9.000	0	0	6,200	72.850	685,717.84	0.30
TURKEY 16-26	TRT110226T13	10.600	0	0	4,500	77.600	530,149.60	0.23
TURKEY 17-27	TRT240227T17	11.000	0	0	5,000	76.550	581,084.65	0.25
Total issue country Turkey							4,090,467.75	1.79
Total bonds denominated in TRL translated at a rate of 6.58682							4,090,467.75	1.79
Bonds denominated in HUF								
Issue country Hungary								
HUNGARY 07-23 23/A	HU0000402383	6.000	0	250,000	250,000	120.240	931,298.39	0.41
HUNGARY 11-22	HU0000402524	7.000	0	250,000	250,000	118.174	915,296.92	0.40
HUNGARY 11-28	HU0000402532	6.750	0	0	100,000	136.284	422,226.42	0.18
HUNGARY 14-25 25/B	HU0000402748	5.500	0	0	200,000	121.173	750,821.07	0.33
HUNGARY 15-24 24/B	HU0000403068	3.000	0	0	200,000	107.350	665,171.32	0.29
HUNGARY 16-27 27/A	HU0000403118	3.000	0	0	500,000	106.172	1,644,672.56	0.72
HUNGARY 18-21 2021/C	HU0000403464	0.500	500,000	0	500,000	100.143	1,551,285.53	0.68
Total issue country Hungary							6,880,772.21	3.01
Total bonds denominated in HUF translated at a rate of 322.77504							6,880,772.21	3.01
Bonds denominated in UYU								
Issue country Uruguay								
URUGUAY 17/22 REGS	USP96006AE41	9.875	0	0	50,000	99.400	1,238,786.12	0.54
URUGUAY 17/28 REGS	USP80557BV53	8.500	0	0	50,000	87.675	1,092,661.70	0.48
Total issue country Uruguay							2,331,447.82	1.02
Total bonds denominated in UYU translated at a rate of 40.11992							2,331,447.82	1.02
Total publicly traded securities							122,506,030.30	53.65

ERSTE BOND LOCAL EMERGING

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Investment certificates								
Investment certificates denominated in USD								
Issue country Austria								
ERST.BD E.M.C.SH.T.R01DLA	AT0000A1ULN6		0	0	1,340	102.320	120,397.61	0.05
ERSTE BD EM.M.CO.S.T.I01T	AT0000A1U9P8		0	0	9,410	106.220	877,704.78	0.38
Total issue country Austria							998,102.39	0.44
Total investment certificates denominated in USD translated at a rate of 1.13880							998,102.39	0.44
Total investment certificates							998,102.39	0.44
Securities admitted to organised markets								
Bonds denominated in ARS								
Issuer European Bank for Reconstruction and Development								
EBRD 19/20 ZO	XS1940199638	0.000	30,000	0	30,000	75.344	468,307.14	0.21
Total issuer European Bank for Reconstruction and Development							468,307.14	0.21
Total bonds denominated in ARS translated at a rate of 48.26576							468,307.14	0.21
Bonds denominated in EUR								
Issue country Serbia including Kosovo								
SERBIA 19/29 REGS	XS2015296465	1.500	525	0	525	99.625	523,031.25	0.23
Total issue country Serbia including Kosovo							523,031.25	0.23
Total bonds denominated in EUR							523,031.25	0.23
Bonds denominated in IDR								
Issuer European Investment Bank								
EIB EUR.INV.BK 14/19 MTN	XS1083298072	7.200	0	0	15,000,000	100.010	932,442.19	0.41
Total issuer European Investment Bank							932,442.19	0.41
Issuer World Bank								
WORLD BK 18/21 MTN	XS1864526154	7.450	20,000,000	0	20,000,000	101.780	1,265,259.68	0.55
Total issuer World Bank							1,265,259.68	0.55
Total bonds denominated in IDR translated at a rate of 16,088.39694							2,197,701.87	0.96
Bonds denominated in MXN								
Issuer African Development Bank								
AFR. DEV. BK 17/32 ZO MTN	XS1562584158	0.000	100,000	0	100,000	39.052	1,784,947.87	0.78
Total issuer African Development Bank							1,784,947.87	0.78

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Issue country Mexico								
MEXICO 2020	MXOMG00000L1	8.000	0	0	150,000	100.651	690,074.75	0.30
MEXICO 2021	MXOMG00000N7	6.500	0	350,000	50,000	98.311	224,676.87	0.10
MEXICO 2022	MXOMG00000Q0	6.500	0	0	400,000	97.743	1,787,042.55	0.78
MEXICO 2023	MXOMG0000003	8.000	0	0	400,000	102.483	1,873,690.06	0.82
MEXICO 2024	MXOMG0000078	10.000	0	0	300,000	111.890	1,534,263.72	0.67
MEXICO 2026 M	MXOMG00000Y4	5.750	0	0	250,000	91.323	1,043,535.40	0.46
MEXICO 2027	MXOMG00000D8	7.500	0	0	385,000	100.173	1,762,778.27	0.77
MEXICO 2029	MXOMG00000H9	8.500	0	0	400,000	106.677	1,950,369.02	0.85
MEXICO 2031	MXOMG00000P2	7.750	0	0	330,000	101.284	1,527,715.83	0.67
MEXICO 2034 M	MXOMG00000U2	7.750	0	0	500,000	100.624	2,299,648.78	1.01
MEXICO 2038	MXOMG00000J5	8.500	0	0	400,000	107.132	1,958,688.34	0.86
MEXICO 2042 M	MXOMG00000R8	7.750	0	0	100,000	99.245	453,622.25	0.20
Total issue country Mexico							17,106,105.84	7.49
Total bonds denominated in MXN translated at a rate of 21.87823							18,891,053.71	8.27
Bonds denominated in PLN								
Issuer European Investment Bank								
EIB EUR.INV.BK 16/26 MTN	XS1492818866	2.750	9,000	0	9,000	103.090	2,184,711.58	0.96
Total issuer European Investment Bank							2,184,711.58	0.96
Issue country Poland								
POLAND 11-21	PL0000106670	5.750	0	0	6,000	109.351	1,544,931.37	0.68
POLAND 12-23	PL0000107264	4.000	0	0	8,000	108.540	2,044,640.57	0.90
POLAND 13-28	PL0000107611	2.750	15,000	5,000	10,000	103.120	2,428,175.50	1.06
POLAND 14-25	PL0000108197	3.250	0	0	10,000	106.320	2,503,526.18	1.10
POLAND 15-20	PL0000108510	1.500	0	0	6,000	100.141	1,414,810.18	0.62
POLAND 15-26	PL0000108866	2.500	0	0	10,000	101.660	2,393,796.76	1.05
POLAND 16-27	PL0000109427	2.500	5,000	5,000	5,000	101.330	1,193,013.11	0.52
Total issue country Poland							13,522,893.67	5.92
Total bonds denominated in PLN translated at a rate of 4.24681							15,707,605.25	6.88
Bonds denominated in RUB								
Issue country Russia								
RUSSIAN FED. 12-22	RU000A0JSMA2	7.600	0	0	65,000	101.350	917,133.15	0.40
RUSSIAN FED. 12-27	RU000A0JS3W6	8.150	0	0	130,000	105.348	1,906,614.40	0.84
RUSSIAN FED. 13-23	RU000A0JTL3	7.000	0	0	150,000	99.500	2,077,828.13	0.91
RUSSIAN FED. 13-28	RU000A0JTK38	7.050	140,000	0	140,000	98.801	1,925,672.64	0.84
Total issue country Russia							6,827,248.32	2.99
Total bonds denominated in RUB translated at a rate of 71.82981							6,827,248.32	2.99
Bonds denominated in ZAR								
Issue country South Africa								
SOUTH AFR. 2023	ZAG000096165	7.750	0	0	30,000	101.626	1,898,543.05	0.83

ERSTE BOND LOCAL EMERGING

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal	Sales/ disposals (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets
SOUTH AFR. 2026 186 21.12	ZAG000016320	10.500	0	0	20,000	113.335	1,411,532.58	0.62
SOUTH AFR. 2030	ZAG000106998	8.000	25,000	0	60,000	94.483	3,530,220.88	1.55
SOUTH AFR. 2031 R213	ZAG000077470	7.000	0	0	60,000	85.671	3,200,942.18	1.40
SOUTH AFR. 2032	ZAG000107004	8.250	0	0	40,000	93.139	2,319,989.66	1.02
SOUTH AFR. 2.2500	ZAG000030404	6.250	0	0	60,000	73.532	2,747,389.67	1.20
SOUTH AFR. 2041 R214	ZAG000077488	6.500	40,000	0	40,000	71.457	1,779,922.78	0.78
Total issue country South Africa							<u>16,888,540.80</u>	<u>7.40</u>
Total bonds denominated in ZAR translated at a rate of 16.05850							<u>16,888,540.80</u>	<u>7.40</u>
Bonds denominated in CZK								
Issue country Czech Republic								
CZECH REP. 2.2500	CZ0001001945	4.700	0	0	25,000	110.150	1,082,277.03	0.47
CZECH REP. 2023	CZ0001004600	0.450	50,000	0	50,000	96.251	1,891,415.44	0.83
CZECH REP. 2.2500	CZ0001002547	5.700	0	0	25,000	121.051	1,189,379.71	0.52
CZECH REP. 2.2500	CZ0001004253	2.400	0	0	50,000	105.751	2,078,099.63	0.91
CZECH REP. 2027	CZ0001005037	0.250	75,000	0	75,000	91.651	2,701,531.48	1.18
CZECH REP. 2028	CZ0001003859	2.500	30,000	0	30,000	109.001	1,285,179.16	0.56
CZECH REP. 2.2500	CZ0001004477	0.950	55,000	0	55,000	94.101	2,034,093.25	0.89
Total issue country Czech Republic							<u>12,261,975.70</u>	<u>5.37</u>
Total bonds denominated in CZK translated at a rate of 25.44404							<u>12,261,975.70</u>	<u>5.37</u>
Bonds denominated in TRL								
Issuer African Development Bank								
AFR. DEV. BK 18/28 ZO MTN	XS1892221570	0.000	20,000	0	20,000	29.236	887,696.95	0.39
Total issuer African Development Bank							<u>887,696.95</u>	<u>0.39</u>
Issuer European Investment Bank								
EIB EUR. INV.BK07/22ZOMTN	XS0318345971	0.000	10,000	0	10,000	61.371	931,724.26	0.41
EIB EUR.INV.BK 13/19 MTN	XS0995130712	8.500	4,000	0	4,000	98.942	600,845.32	0.26
EIB EUR.INV.BK 14/20 MTN	XS1139474206	8.000	5,000	0	5,000	91.511	694,648.56	0.30
Total issuer European Investment Bank							<u>2,227,218.14</u>	<u>0.98</u>
Issuer World Bank								
WORLD BK 17/20 ZO MTN	XS1568905969	0.000	8,000	0	8,000	88.119	1,070,240.27	0.47
Total issuer World Bank							<u>1,070,240.27</u>	<u>0.47</u>
Total bonds denominated in TRL translated at a rate of 6.58682							<u>4,185,155.36</u>	<u>1.83</u>
Total securities admitted to organised markets							<u>77,950,619.40</u>	<u>34.14</u>
Unlisted securities								
Bonds denominated in COP								
Issue country Colombia								
COLOMBIA 2020 B	COL17CT02302	11.000	0	0	6,000,000	106.833	1,755,133.91	0.77
Total issue country Colombia							<u>1,755,133.91</u>	<u>0.77</u>
Total bonds denominated in COP translated at a rate of 3,652.13159							<u>1,755,133.91</u>	<u>0.77</u>

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal	Sales/ disposals (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets
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Bonds denominated in PEN**Issue country Peru**

PERU 06/26 REGS	US715638AY86	8.200	0	0	4,000	124.415	1,329,326.60	0.58
Total issue country Peru							1,329,326.60	0.58
Total bonds denominated in PEN translated at a rate of 3.74370							1,329,326.60	0.58
Total unlisted securities							3,084,460.51	1.35

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

FXF SPEST EUR/USD 26.07.2019	FXF_TAX_3446271						-13,706,504	-122,382.77	-0.05
FXF SPEST EUR/USD 26.07.2019	FXF_TAX_3446631						-11,424,343	-31,186.52	-0.01
FXF SPEST EUR/USD 26.07.2019	FXF_TAX_3446750						6,229,044	94,291.74	0.04
FXF SPEST EUR/USD 26.07.2019	FXF_TAX_3446813						-6,133,733	1,049.45	0.00
Total issue country Austria								-58,228.10	-0.03
Total forward exchange agreements denominated in EUR								-58,228.10	-0.03

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

FXF SPEST USD/BRL 26.07.2019	FXF_TAX_3446578						-1,540,634	17,903.60	0.01
FXF SPEST USD/CLP 26.07.2019	FXF_TAX_3446253						-2,171,568	32,996.43	0.01
FXF SPEST USD/COP 26.07.2019	FXF_TAX_3446589						-3,068,708	40,371.98	0.02
FXF SPEST USD/HUF 26.07.2019	FXF_TAX_3446538						2,429,620	-7,370.16	-0.00
FXF SPEST USD/KRW 23.08.2019	FXF_TAX_3446566						3,223,781	-63,492.12	-0.03
FXF SPEST USD/MXN 26.07.2019	FXF_TAX_3446527						-1,264,159	28,738.74	0.01
FXF SPEST USD/PEN 26.07.2019	FXF_TAX_3446259						-2,102,228	23,094.67	0.01
FXF SPEST USD/PLN 26.07.2019	FXF_TAX_3446268						-6,589,269	151,653.32	0.07
FXF SPEST USD/PLN 26.07.2019	FXF_TAX_3446579						2,122,329	-21,406.95	-0.01
FXF SPEST USD/SGD 26.07.2019	FXF_TAX_3446281						-3,291,699	31,076.64	0.01
FXF SPEST USD/TWD 26.07.2019	FXF_TAX_3446170						3,213,450	-12,330.51	-0.01
Total issue country Austria								221,235.64	0.10
Total forward exchange agreements denominated in USD translated at a rate of 1.13880								221,235.64	0.10
Total forward exchange agreements								163,007.54	0.07

ERSTE BOND LOCAL EMERGING

Breakdown of fund assets

Transferable securities			204,539,212.60	89.58
Forward exchange agreements			163,007.54	0.07
Bank balances			18,843,429.14	8.25
Dividend entitlements			9,904.50	0.00
Interest entitlements			4,767,081.22	2.09
Other receivables			4.67	0.00
Other deferred items			-163.42	-0.00
Fund assets			228,322,476.25	100.00

Dividend-bearing units outstanding	AT0000A0AUE0	units	219,250.914
Value of dividend-bearing unit	AT0000A0AUE0	EUR	97.58
Dividend-bearing units outstanding	AT0000A1Y2Q7	units	41,721.000
Value of dividend-bearing unit	AT0000A1Y2Q7	EUR	104.62
Dividend-bearing units outstanding	AT0000A1Y2R5	units	0.000
Value of dividend-bearing unit	AT0000A1Y2R5	EUR	106.09
Dividend-bearing units outstanding	AT0000A28EZ5	units	0.000
Value of dividend-bearing unit	AT0000A28EZ5	CZK	2,544.40
Non-dividend-bearing units outstanding	AT0000A0AUF7	units	1,131,327.969
Value of non-dividend-bearing unit	AT0000A0AUF7	EUR	142.23
Non-dividend-bearing units outstanding	AT0000A1Y2S3	units	0.000
Value of non-dividend-bearing unit	AT0000A1Y2S3	EUR	106.82
Non-dividend-bearing units outstanding	AT0000A1Y2T1	units	665.000
Value of non-dividend-bearing unit	AT0000A1Y2T1	EUR	106.48
KEST-exempt non-dividend-bearing units outstanding	AT0000A0AUG5	units	135,856.489
Value of KEST-exempt non-dividend-bearing unit	AT0000A0AUG5	EUR	148.12
KEST-exempt non-dividend-bearing units outstanding	AT0000A16X22	units	49.442
Value of KEST-exempt non-dividend-bearing unit	AT0000A16X22	CZK	3,820.42
KEST-exempt non-dividend-bearing units outstanding	AT0000A1FWA1	units	2,111.189
KEST-exempt non-dividend-bearing units outstanding	AT0000A1FWA1	HUF	47,780.38
KEST-exempt non-dividend-bearing units outstanding	AT0000A1Y2U9	units	154,237.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1Y2U9	EUR	107.23
KEST-exempt non-dividend-bearing units outstanding	AT0000A1Y2V7	units	42,502.087
Value of KEST-exempt non-dividend-bearing unit	AT0000A1Y2V7	EUR	108.23
KEST-exempt non-dividend-bearing units outstanding	AT0000A1Y2W5	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1Y2W5	CZK	2,745.92
KEST-exempt non-dividend-bearing units outstanding	AT0000A1Y2X3	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1Y2X3	HUF	34,833.88

1) Price contains deferred interest.

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

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

The fund is permitted to engage in securities lending agreements pursuant to Regulation (EU) No. 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse) according to the fund rules. Securities lending transactions took place during the reporting period.

The following securities lending agreements were active at the end of the financial year:

Securities lending

As of 30 June 2019, the following securities were registered as lent in the following amounts and at the following fees in the securities lending system of Erste Group Bank AG:

Security designation	ISIN number	Lent amount Units/nominal (nom. in 1,000, rounded)	Fee rate in %
CZECH REP. 2.2500	CZ0001002547	11,000	0.15
POLAND 18/29	PL0000111498	2,500	0.15
POLAND 15-26	PL0000108866	4,000	0.15

The following collateral has been provided for these lending transactions:

Security designation	ISIN number	Nominal
SLOVAKIA 2025	SK4120007543	1,890,000

Information pursuant to Article 13 of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse

General information:

Amount of securities on loan

Securities on loan:	2,124,220.56
as a percentage of the fund assets (less cash and cash equivalents):	1.01%

Amount of assets engaged (excluding securities lending):

(for the relevant type of securities financing transaction):	2,124,220.56
as a percentage of the fund assets:	0.93%

Concentration data:

Ten largest collateral issuers:

- Volume of collateral received and name of issuer	Value in EUR
Slovakia, Republic SK4120007543	2,540,663.31

Top ten counterparties for each type of securities financing transaction (excluding securities lending):

Name of the counterparties:	exclusively Erste Group Bank AG
Gross volume of outstanding transactions:	2,124,220.56

Aggregate transaction data for each type of securities financing transaction and total return swap:

	ISIN	Type of collateral	Maturity/days	Rating	Currency	Value in EUR
Slovakia, Republic	SK4120007543	government-guarante	unlimited	A	EUR	2,540,663.31

Securities lending broken down by maturity:

Maturity of 7–30 days	2,124,220.56
Maturity of 30–90 days	
Maturity of 90–360 days	
Maturity of > 360 days	

Country of the counterparty:	Austria
Settlement (bilateral/central, etc.):	bilateral

Data on reuse of collateral:

- Share of collateral received that is reused (as a percentage):	0.00%
- Cash collateral reinvestment returns to the fund:	0.00%

Custodians of the collateral received:

Number:	1
Name of the custodians of the collateral:	Erste Group Bank AG
Amount of collateral safe-kept:	2,540,663.31

Safekeeping of collateral granted by the fund:	None
Share of collateral held in segregated accounts:	None

Return and cost for the individual financing transactions as a percentage of overall returns generated by financing transactions:	100%
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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.

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

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

Investor note:

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

Purchases and sales of 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 KZT				
Issuer European Bank for Reconstruction and Development				
EUR. BK REC.DEV. 17/19 ZO	XS1711236072		0	1,100,000
Bonds denominated in MYR				
Issue country Malaysia				
MALAYSIA 2019 0902	MYBM00900021	4.378	0	6,000
Bonds denominated in TRL				
Issue country Turkey				
TURKEY 10/20	TRT150120T16	10.500	0	8,500
Bonds denominated in HUF				
Issue country Hungary				
HUNGARY 14-20 20/B	HU0000402953	3.500	0	500,000
Securities admitted to organised markets				
Bonds denominated in PLN				
Issue country Poland				
POLAND 02/22 0922	PL0000102646	5.750	0	8,000
POLAND 08-29	PL0000105391	5.750	0	2,000
POLAND 10-20	PL0000106126	5.250	0	8,000
Bonds denominated in ZAR				
Issuer European Investment Bank				
EIB EUR.INV.BK 15/26 MTN	XS1167524922	8.125	0	20,000
Issue country South Africa				
SOUTH AFR. 2.2500	ZAG000030396	6.750	0	17,000

ERSTE BOND LOCAL EMERGING

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Bonds denominated in CZK				
Issue country Czech Republic				
CZECH REP. 2.2500	CZ0001002851	3.850	0	25,000
Bonds denominated in USD				
Issue country Brazil				
BNDES 10/20 REGS	USP14486AD93	5.500	100	100
Unlisted securities				
Bonds denominated in ARS				
Issuer European Bank for Reconstruction and Development				
EUR. BK REC.DEV. 17/19 ZO	XS1652805398		0	30,000
Bonds denominated in BRL				
Issue country Brazil				
BRAZIL 2019 F	BRSTNCNTF162	10.000	0	5,000
Bonds denominated in IDR				
Issuer European Bank for Reconstruction and Development				
EUR.BK REC.DEV. 15/18	XS1320522391	10.000	0	14,000,000
Bonds denominated in MXN				
Issue country Mexico				
MEXICO 2018	MX0MG00000G1	8.500	0	400,000
Bonds denominated in PLN				
Issue country Poland				
POLAND 13/18 0718	PL0000107595	2.500	0	6,000
Bonds denominated in ROL				
Issue country Romania				
ROMANIA 15/19	RO1519DBN037	2.500	0	5,000

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals
			Units/nominal (nom. in 1,000, rounded)	
Bonds denominated in RUB				
Issue country Russia				
RUSSIAN FED. 12-19	RU000A0JS4M5	7.500	0	30,000
Bonds denominated in THB				
Issue country Thailand				
THAILD 09/19	TH062303T609	3.875	0	20,000
THAILD 2019	TH062303T302	3.450	0	15,000
Bonds denominated in TRL				
Issue country Turkey				
TURKEY 14-19	TRT270319T13	10.400	0	4,000
Bonds denominated in USD				
Issue country Colombia				
COLOMBIA 09/19	US195325BL83	7.375	0	500
Issue country Republic of Korea				
KOREA 09/19	US50064FAJ30	7.125	0	1,000
Issue country Mexico				
PET. MEX. 13/18 FLR	US71654QBK76	4.375	0	100
Issue country Russia				
RUSSIAN FED. 98/18 REGS	XS0089375249	11.000	0	1,000

Vienna, 2 September 2019

Erste Asset Management GmbH
Electronically signed

Inspection information:
Note:

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

Remuneration Policy

Remuneration paid to employees of Erste Asset Management GmbH in EUR (2017 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 31.12.17 83

Number of risk bearers as of 31.12.17 45

Fixed remuneration 6,255,431

Variable remuneration (bonuses) 1,931,863

Total employee remuneration 8,187,294

Thereof remuneration for managing directors 668,440

Thereof remuneration for managers and risk bearers 160,215

Thereof remuneration for risk bearers with control functions 409,883

Thereof remuneration for other risk bearers 4,136,628

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 5,375,166

Principles governing performance-based remuneration components

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

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

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

The performance-based remuneration components serve the short-term and long-term interests of the Management Company and contribute to preventing risky behaviour. The performance-based remuneration components take into account individual performance as well as the profitability of the Management Company.

The size of the bonus pool is calculated based on the bonus potential that can be applied to the different employee categories. Bonus potential is a percentage of the fixed annual gross remuneration. The bonus potential can be no more than 100% of the fixed annual gross remuneration. The bonus pool is adjusted depending on the success of the Management Company. The personal bonus is linked to individual performance. The total of personal bonuses is limited by the size of the bonus pool after deduction of penalties.

The performance-based payments are capped at 100% of the annual gross remuneration for all employees, including the material risk bearers (according to the definition in the remuneration policy) and managing directors of the Management Company.

The remuneration system is made up of three components:

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

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

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

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

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

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

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

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

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

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

* Includes the Head of Compliance

Principles governing performance-based remuneration components

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

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

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

The performance-based remuneration components serve the short-term and long-term interests of the Management Company and contribute to preventing risky behaviour. The performance-based remuneration components take into account individual performance as well as the profitability of the Management Company.

The size of the bonus pool is calculated based on the bonus potential that can be applied to the different employee categories. Bonus potential is a percentage of the fixed annual gross remuneration. The bonus potential can be no more than 100% of the fixed annual gross remuneration. The bonus pool is adjusted depending on the success of the Management Company. The personal bonus is linked to individual performance. The total of personal bonuses is limited by the size of the bonus pool after deduction of penalties.

The performance-based payments are capped at 100% of the annual gross remuneration for all employees, including the material risk bearers (according to the definition in the remuneration policy) and managing directors of the Management Company.

The remuneration system is made up of three components:

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

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

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

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

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

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

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

Audit Report*

Statement on the annual report

Audit opinion

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

ERSTE BOND LOCAL EMERGING
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consisting of the fund portfolio as of 30 June 2019, the income statement for the financial year ending on this date, and the other information specified in Annex I Scheme B of the Austrian Investment Fund Act 2011 (InvFG 2011).

Based on the findings of our audit, we believe that the annual report satisfies the legal requirements and provides a true and fair view of the assets and financial position as of 30 June 2019 and of the earnings position of the fund for the financial year ending on this date in accordance with Austrian commercial law and the provisions of the InvFG 2011.

Basis for the audit opinion

We conducted our audit in accordance with § 49 (5) InvFG 2011 and in accordance with the Austrian principles of good auditing. These principles require the application of the International Standards on Auditing (ISA). Our responsibilities under these regulations and standards are described in the section "Responsibilities of the auditor in auditing the annual report" of our 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 September 2019

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Andrea Stippel
(Certified Public
Accountant)

ppa MMag. Roland Unterweger
(Certified Public Accountant)

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

Fund Rules for ERSTE BOND LOCAL EMERGING

Jointly owned fund pursuant to the InvFG

The Fund Rules for ERSTE BOND LOCAL EMERGING, 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 the collective investment of 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 global certificates for each unit category. For this reason, individual unit certificates cannot be issued.

Article 2 Depository Bank (Depository)

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

The payment offices for unit certificates are the depository bank (depository) and any other payment offices named in the prospectus.

Article 3 Investment Instruments and Principles

The 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 government bonds, debt instruments from credit institutions, corporate bonds, and bonds in the form of money market instruments from the emerging markets in the form of directly purchased individual instruments, in other words not indirectly or directly through investment funds or through derivatives, without restrictions regarding issuer ratings.

Bonds can be denominated in EUR, USD, or the respective local currency.

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 amounting to a maximum of 10% of the fund assets.

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

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 for hedging purposes and as part of the investment strategy, and may comprise up to 49% of the fund assets.

f) Risk measurement method(s) of the Fund

The Fund applies the following risk measurement method: absolute value-at-risk

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

The value-at-risk allocable to the global exposure resulting from the investments held by the fund (absolute VaR) is limited to 20% of the total net value of the fund assets.

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 securities and money market instruments, the Fund can hold a lower proportion of transferable securities and money market instruments 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

Securities lending transactions may comprise up to 30% of the fund assets.

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 3.5% 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 July to 30 June.

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 suspended 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. Fund assets may be paid out in the form of dividends and interim dividends.

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 October 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 October 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 or corporate income tax or who meet the conditions for exemption from capital gains tax according to § 94 of the Austrian Income Tax Act (Einkommensteuergesetz) at the time of payment.

Use of earnings for non-dividend-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 October 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 or corporate income tax or who meet the conditions for exemption from capital gains tax according to § 94 of the Austrian Income Tax Act (Einkommensteuergesetz) at the time of payment.

Use of earnings for non-dividend-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 October of the following accounting year.

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

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

Article 7 Management Fee, Compensation for Expenses, Liquidation Fee

The Management Company shall receive an annual fee for its administrative activities of up to 0.96% of the fund assets, which shall be accrued on a daily basis and calculated using the month-end values adjusted for the accrued fees.

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

The Management Company shall be entitled to apply a sliding management fee scale at its own discretion.

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

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

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

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

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

Every Member State must maintain a current list of the authorised markets within its territory. This list must be submitted to the other Member States and the Commission.

According to this provision, the Commission is required to publish a list of the regulated markets registered with it by the Member States once per year.

Because of lower entry barriers and specialisation in different trading segments, the list of “regulated markets” is subject to significant changes. For this reason, the Commission will publish an up-to-date version of the list on its official website in addition to the annual publication of a list in the Official Journal of the European Union.

1.1. The currently valid list of regulated markets can be found at

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

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

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

1.3. Recognised markets in the EEA according to § 67 (2) 2 InvFG:

Markets in the EEA that have been classified as recognised markets by the competent supervisory authorities.

2. Exchanges in European countries outside of the EEA

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

3. Exchanges in non-European countries

3.1.	Australia:	Sydney, Hobart, Melbourne, Perth
3.2.	Argentina:	Buenos Aires
3.3.	Brazil:	Rio de Janeiro, Sao Paulo
3.4.	Chile:	Santiago
3.5.	China:	Shanghai Stock Exchange, Shenzhen Stock Exchange
3.6.	Hong Kong:	Hong Kong Stock Exchange
3.7.	India:	Mumbai
3.8.	Indonesia:	Jakarta
3.9.	Israel:	Tel Aviv
3.10.	Japan:	Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima
3.11.	Canada:	Toronto, Vancouver, Montreal
3.12.	Colombia:	Bolsa de Valores de Colombia
3.13.	Korea:	Korea Exchange (Seoul, Busan)
3.14.	Malaysia:	Kuala Lumpur, Bursa Malaysia Berhad
3.15.	Mexico:	Mexico City
3.16.	New Zealand:	Wellington, Christchurch/Invercargill, Auckland

3.17.	Peru:	Bolsa de Valores de Lima
3.18.	Philippines:	Manila
3.19.	Singapore:	Singapore Stock Exchange
3.20.	South Africa:	Johannesburg
3.21.	Taiwan:	Taipei
3.22.	Thailand:	Bangkok
3.23.	USA:	New York, NYCE American, New York Stock Exchange (NYSE), Philadelphia, Chicago, Boston, Cincinnati
3.24.	Venezuela:	Caracas
3.25.	United Arab Emirates:	Abu Dhabi Securities Exchange (ADX)

4. Organised markets in countries outside of the European Community

4.1.	Japan:	over the counter market
4.2.	Canada:	over the counter market
4.3.	Korea:	over the counter market
4.4.	Switzerland:	over the counter market of the members of the International Capital Market Association (ICMA), Zurich
4.5.	USA:	over the counter market (under the supervision of an authority such as the SEC, FINRA, etc.)

5. Exchanges with futures and options markets

5.1.	Argentina:	Bolsa de Comercio de Buenos Aires
5.2.	Australia:	Australian Options Market, Australian Securities Exchange (ASX)
5.3.	Brazil:	Bolsa Brasileira de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
5.4.	Hong Kong:	Hong Kong Futures Exchange Ltd.
5.5.	Japan:	Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange
5.6.	Canada:	Montreal Exchange, Toronto Futures Exchange
5.7.	Korea:	Korea Exchange (KRX)
5.8.	Mexico:	Mercado Mexicano de Derivados
5.9.	New Zealand:	New Zealand Futures & Options Exchange
5.10.	Philippines:	Manila International Futures Exchange
5.11.	Singapore:	The Singapore Exchange Limited (SGX)
5.12.	Slovakia:	RM System Slovakia
5.13.	South Africa:	Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX)
5.14.	Switzerland:	EUREX
5.15.	Turkey:	TurkDEX
5.16.	USA:	NYCE 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 that are expressly designated in the Fund Rules as defined by the InvFG 2011 and the UCITS Directive:

Cboe Europe Equities Regulated Market – Integrated Book Segment, London Metal Exchange, Cboe Europe Equities Regulated Market – Reference Price Book Segment, Cboe Europe Equities Regulated Market – Off-Book Segment, London Stock Exchange Regulated Market (derivatives), NEX Exchange Main Board (non-equity), London Stock Exchange Regulated Market, NEX Exchange Main Board (equity), Euronext London Regulated Market, ICE FUTURES EUROPE, ICE FUTURES EUROPE – AGRICULTURAL PRODUCTS DIVISION, ICE FUTURES EUROPE – FINANCIAL PRODUCTS DIVISION, ICE FUTURES EUROPE – EQUITY PRODUCTS DIVISION, and Gibraltar Stock Exchange.

Note regarding the data used

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

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

Unless indicated otherwise, source: Erste Asset Management GmbH. Our languages of communication are German and English. Both the full prospectus and the simplified prospectus as well as the key investor information (and any applicable changes to these documents) were published in Amtsblatt zur Wiener Zeitung in accordance with the provisions of the InvFG 2011 in the currently amended version and are available for free at the registered office of the Investment Firm and at the head office of the depositary bank. The exact date of the most recent publication, the languages in which the simplified prospectus and the key investor information are available, and any additional locations where the documents can be obtained can be viewed on the website www.erste-am.at.

www.erste-am.com

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