

ERSTE DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2020

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 Appointed by the Works Council: Martin CECH Heinrich Hubert REINER Peter RIEDERER Nicole WEINHENGST Manfred ZOUREK
Managing directors	Heinz BEDNAR Winfried BUCHBAUER Peter KARL (from 1 March 2018) Christian SCHÖN (until 28 February 2018) Wolfgang TRAINDL (from 1 March 2018)
Prokuristen (proxies)	Achim ARNHOF (from 15.12.2018) Karl FREUDENSCHUSS Manfred LENTNER Günther MANDL Gerold PERMOSER Magdalena REISCHL
State commissioners	Caroline HABERFELLNER Philipp VISKI-HANKA
Auditor	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Depositary bank	Erste Group Bank AG

**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 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.

**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 29 November 2017 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.

Dear Unit-holder,

We are pleased to present you the following annual report for the ERSTE DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2020 jointly owned fund pursuant to the InvFG for the period from 1 February 2018 to 31 January 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 DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2020 as of the effective date of the merger.

Development of the Fund

Market report

The reporting period was driven to a great extent by the “(trade) war” between the USA and China and the gradual normalisation of US central bank policy.

The USA sees China’s expansion in IT, trade, and general international terms (belt and road, loans to commodity-rich African countries) and military terms (South China Sea) as more and more of a threat to its economic and political power. To prevent a further shift in the balance of power, President Trump intends to apply import tariffs of 25% on goods from China worth over USD 200 billion starting in January 2019 should the agreed talks bear no fruit by then. Global trade is already contracting slightly or is barely growing and the trade war will not do anything to counter this trend, so the EM countries (macroeconomic data) and companies will also be impacted by this to different degrees. The trade war is coming at a very inopportune time for China because the relatively highly indebted country is in the process of cleaning up its finances.

Alongside the trade war that is dampening the economic outlook, the US Fed is normalising its monetary policy (hiking its key rate). Loans and refinancing are becoming more expensive, and demand for riskier investments (equities, EM and HY bonds) will grow more slowly, stagnate, or even decline slightly. This will impact the cyclical companies in the HY segment with higher levels of debt and that already have higher refinancing costs the most (high yield companies in China).

Commodity prices retreated slightly during the period with only the oil price holding its ground until recently (because of the geopolitical newsflow), at which point the rapidly rising stocks in the USA and the positive positioning of the market participants triggered a substantial correction. The decreasing commodity prices had no real economic consequences for the relevant companies because the EM currencies depreciated very substantially versus the USD.

Portfolio commentary

The fixed-term fund employs a hold-to-maturity strategy and therefore cannot be compared with a benchmark index. The Turkey exposure was reduced during the reporting period because of the political and economic situation in the country and the threat of capital measures. The freed-up capital and the received coupons were reinvested in accordance with the investment guidelines with the goal of holding a minimal cash position.

ERSTE DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2020 generated a negative performance of 2.40% for the reporting period.

Method of Calculating the Global Exposure

Method of calculating the global exposure:	Commitment approach
Reference assets used:	-
Value at risk:	Lowest value: -
	Average value: -
	Highest value: -
Model used:	-
Leverage* when using the value-at-risk calculation method:	-
Leverage** according to § 4 of the 4 th Derivatives Risk Measurement and Reporting Regulation:	-

* Total nominal values of derivative instruments without taking into account offsetting and hedging (item 8.5. Schedule B InvFG 2011).

** Total derivative risk taking offsetting and hedging into account = total of the equivalent values of the underlying assets as a percentage of the fund assets.

Asset Allocation

	31 January 2019		31 January 2018	
	CZK million	%	CZK million	%
Bonds denominated in				
EUR	2.3	1.06	2.3	1.03
USD	211.2	97.47	204.9	91.29
Securities	213.5	98.54	207.2	92.31
Forward exchange agreements	0.2	0.07	15.3	6.84
Swaps	- 1.5	- 0.69	- 1.6	- 0.71
Bank balances	2.7	1.23	1.4	0.63
Interest entitlements	1.8	0.85	2.1	0.93
Other deferred items	- 0.0	- 0.00	- 0.0	- 0.00
Fund assets	216.6	100.00	224.5	100.00

Comparative Overview

Accounting year	Fund assets
2016/2017	225,212,169.64
2017/2018	224,485,051.19
2018/2019	216,647,049.72

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	Disbursement/ payment	Re-investment	Development in per cent
2016/2017	KESSt-exempt non-dividend-bearing units	AT0000A1DD89	CZK	101.31	-	0.8616	11.57
2017/2018	KESSt-exempt non-dividend-bearing units	AT0000A1DD89	CZK	102.17	-	11.7540	0.85
2018/2019	KESSt-exempt non-dividend-bearing units	AT0000A1DD89	CZK	99.72	-	0.0000	-2.40

Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 February 2018 to 31 January 2018. 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 April 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
KESt-exempt non-dividend-bearing units	AT0000A1DD89	CZK	-	*	-	-	0.0000

* 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.

AT0000A1DD89 KESt-exempt non-dividend-bearing units CZK	
Unit value at the beginning of the reporting period (2,197,123.000 units)	102.17
Disbursement/payment	0.0000
Unit value at the end of the reporting period (2,172,463.000 units)	99.72
Total value including (notional) units gained through dividend disbursement/payment	99.72
Net earnings per unit	-2.45
Value development of one unit in the period	-2.40%

2. Fund Result

a. Realised fund result

Ordinary fund result

Income (without profit or loss from price changes)

Interest income (excluding income adjustment) 11,638,242.00

Dividend income 0.00

Other income 8) 0.00

Total income (without profit or loss from price changes) 11,638,242.00

Interest paid - 7,030.53

Expenses

Fees paid to Investment Firm - 1,533,452.52

Costs for the financial auditor and tax consultation - 75,778.50

Publication costs - 149,986.82

Securities account fees - 69,740.54

Depository bank fees - 246,912.98

Costs for the external consultant 0.00

Total expenses - 2,075,871.36

Compensation for management costs from sub-funds 1) 43,115.00

Ordinary fund result (excluding income adjustment) 9,598,455.11

Realised profit or loss from price changes 2) 3)

Realised gains 4) 7,145,514.94

Realised losses 5) - 25,406,529.20

Realised profit or loss from price changes (excluding income adjustment) - 18,261,014.26

Realised fund result (excluding income adjustment) - 8,662,559.15

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

Changes in the unrealised profit or loss from price changes 7) 3,292,243.48

Result for the reporting period 6) - 5,370,315.67

c. Income adjustment

Income adjustment for income in the period 8,579.15

Income adjustment for profit carried forward from dividend-bearing units 0.00

Overall fund result - 5,361,736.52

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	224,485,051.19
Disbursement/payment in the accounting year	0.00
Issue and redemption of units	- 2,476,264.95
Overall fund result	
(The fund result is shown in detail under item 2.)	- 5,361,736.52
Fund assets at the end of the reporting period	<u>216,647,049.72</u>

- 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): CZK -14,968,770.78.
- 4) Thereof profits from transactions with derivative financial instruments: CZK 6,566,170.63.
- 5) Thereof losses from transactions with derivative financial instruments: CZK -18,691,502.40.
- 6) The result for the financial year includes explicitly reported transaction costs in the amount of CZK 831.50.
- 7) Thereof changes in unrealised gains CZK -10,488,285.40 and unrealised losses CZK 13,780,528.88.
- 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 CZK 0.00, to earnings from real estate funds in the amount of CZK 0.00, and to other earnings in the amount of CZK 0.00.

Statement of Assets and Liabilities as of 31 January 2019

(including changes in securities assets from 1 February 2018 to 31 January 2019)

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in CZK	% share of fund assets
Publicly traded securities								
Bonds denominated in USD								
Issue country Cayman Islands								
AGROMER.SEN. 14/19 REGS	USG0131LAA64	6.250	0	0	175	100.267	3,937,904.23	1.82
LOGAN PPTY HLDGS 18/21	XS1808311424	6.875	55	0	55	99.250	1,225,079.97	0.57
YUZHOU PPTS 18/21	XS1788498167	6.375	230	0	230	98.750	5,097,252.81	2.35
Total issue country Cayman Islands							10,260,237.01	4.74
Issue country Costa Rica								
INST.COSTAR.EL.11/21 REGS	USP56226AC09	6.950	0	0	140	96.750	3,039,836.63	1.40
Total issue country Costa Rica							3,039,836.63	1.40
Issuer International Finance Corporation								
AFRICA FINANCE 15/20 MTN	XS1225008538	4.375	0	0	150	100.438	3,381,102.89	1.56
BQUE OU.AFR.DEV.16/21REGS	XS1350670839	5.500	0	0	100	102.625	2,303,161.56	1.06
Total issuer International Finance Corporation							5,684,264.45	2.62
Issue country Israel								
ISRAEL ELEC.09/20 MTNREGS	US46507NAB64	9.375	70	0	200	105.875	4,752,199.38	2.19
Total issue country Israel							4,752,199.38	2.19
Issue country Singapore								
MEDCO ST.SERV. 17/22 REGS	USY59515AA72	8.500	0	0	80	103.625	1,860,483.25	0.86
Total issue country Singapore							1,860,483.25	0.86
Issue country Turkey								
TC ZIRAAT BANKASI 14/19	XS1083936028	4.250	0	0	150	99.575	3,352,067.91	1.55
Total issue country Turkey							3,352,067.91	1.55
Total bonds denominated in USD translated at a rate of 0.04456							28,949,088.63	13.36
Total publicly traded securities							28,949,088.63	13.36
Securities admitted to organised markets								
Bonds denominated in EUR								
Issue country Netherlands								
PETROBRAS GBL FIN. 14/21	XS0982711987	3.750	0	0	85	105.356	2,306,328.65	1.06
Total issue country Netherlands							2,306,328.65	1.06
Total bonds denominated in EUR translated at a rate of 0.03883							2,306,328.65	1.06

ERSTE DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2020

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal	Sales/ disposals (nom. in 1,000, rounded)	Holding	Price	Value in CZK	% share of fund assets
Bonds denominated in USD								
Issuer African Export and Import Bank								
AFR. EXP.-IMP.BK 14/19MTN	XS1091688660	4.750	0	0	150	100.638	3,387,835.64	1.56
Total issuer African Export and Import Bank							3,387,835.64	1.56
Issue country Argentina								
BCO HIPOTEC. 15/20 REGS	USP1330HBF03	9.750	150	0	150	100.750	3,391,622.81	1.57
BUENOS AIR. 15/21 REGS	XS1244682487	9.950	0	0	100	97.500	2,188,143.75	1.01
YPF 16/21 REGS	USP989MJBG51	8.500	0	0	160	101.875	3,658,127.50	1.69
Total issue country Argentina							9,237,894.06	4.26
Issue country Brazil								
BANCO DO BRASIL 10/20 MTN	US05957PAR73	6.000	0	0	70	102.500	1,610,249.38	0.74
BCO BTG P.(CAY.)13/20REGS	US05971BAB53	4.000	0	0	100	98.000	2,199,365.00	1.02
BCO DO BRASIL SA 2022	US05958AAJ79	3.875	0	0	100	98.400	2,208,342.00	1.02
BNDES 10/20 REGS	USP14486AD93	5.500	0	0	70	103.000	1,618,104.25	0.75
CENTR.EL.BRASIL.09/19REGS	USP22854AF31	6.875	0	0	80	101.800	1,827,717.20	0.84
CENTR.EL.BRASIL.11/21REGS	USP22854AG14	5.750	0	0	80	102.350	1,837,591.90	0.85
Total issue country Brazil							11,301,369.73	5.22
Issue country Cayman Islands								
BRASKEM FIN. 11/21 REGS	USG1315RAD38	5.750	0	0	150	103.875	3,496,822.03	1.61
CHINA OVER.FIN.II 10/20	XS0508012092	5.500	0	0	200	103.073	4,626,431.61	2.14
CIFI HLDGS GROUP 18/21	XS1801151371	6.875	170	0	170	100.375	3,829,532.09	1.77
INDUSTRIAL SEN.T. 12/22	USG47661AA43	5.500	0	0	180	100.692	4,067,584.18	1.88
KUWAIT PROJ.CO. SPC 10/20	XS0526235535	9.375	0	0	130	107.375	3,132,692.47	1.45
PETROBRAS GLOBAL FI.11/21	US71645WAR25	5.375	0	0	80	103.000	1,849,262.00	0.85
SUZANO TRA. 10/21 REGS	USG8600UAA19	5.875	0	0	85	104.063	1,985,109.37	0.92
TENCENT HLDGS 15/20 MTN	US88032XAC83	2.875	0	0	200	99.686	4,474,424.29	2.07
Total issue country Cayman Islands							27,461,858.04	12.68
Issue country Chile								
EMPRESA NAC.PET.10/20REGS	USP37110AF39	5.250	0	0	200	102.493	4,600,375.86	2.12
Total issue country Chile							4,600,375.86	2.12
Issue country Georgia								
GEORGIA 11/21 REGS	XS0617134092	6.875	0	0	135	106.125	3,215,308.92	1.48
Total issue country Georgia							3,215,308.92	1.48
Issue country Great Britain								
VEDANTA RES. 11/21 REGS	USG9328DAG54	8.250	0	0	150	103.808	3,494,566.56	1.61
Total issue country Great Britain							3,494,566.56	1.61

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal	Sales/ disposals (nom. in 1,000, rounded)	Holding	Price	Value in CZK	% share of fund assets
Issue country India								
ADANI PORTS+SP.15/20 REGS	USY00130CZ88	3.500	0	150	70	99.194	1,558,316.53	0.72
BK OF INDIA(JER.BR.)15/20	XS1227592703	3.125	0	0	100	98.725	2,215,645.46	1.02
BK OF INDIA(LDN.BR.)11/21	XS0592238876	6.250	0	0	80	103.685	1,861,558.69	0.86
EXP.-IM.BK INDIA 15/20MTN	XS1209864229	2.750	0	0	200	98.804	4,434,826.74	2.05
ICICI BK(DB BR.)14/20REGS	US45112FAG19	3.500	0	0	200	99.699	4,474,978.62	2.07
INDIAN OIL CORP.11/21REGS	XS0654493823	5.625	0	0	100	104.099	2,336,239.79	1.08
JSW STEEL 14/19	XS1133588233	4.750	0	115	70	100.008	1,571,092.82	0.73
TATA MOTORS 14/20	XS1121907676	4.625	0	105	70	100.615	1,580,636.50	0.73
Total issue country India							20,033,295.15	9.25
Issue country Indonesia								
PERUSA.LISTR 11/21 REGS	US71568QAA58	5.500	0	0	160	104.875	3,765,851.50	1.74
PT PERTAMINA 11/21 REGS	USY7138AAA89	5.250	0	0	220	103.500	5,110,157.25	2.36
Total issue country Indonesia							8,876,008.75	4.10
Issuer International Finance Corporation								
EURAS.DEV.BK 12/22 MTN	XS0831571434	4.767	0	0	190	99.750	4,253,414.81	1.96
Total issuer International Finance Corporation							4,253,414.81	1.96
Issue country Isle of Man								
ANGLOGLD AS.HLDGS 10/20	US03512TAA97	5.375	0	0	285	101.365	6,483,419.21	2.99
Total issue country Isle of Man							6,483,419.21	2.99
Issue country Kazakhstan								
CJSC DEV.BK KAZAKHS.12/22	XS0860582435	4.125	0	0	190	99.875	4,258,744.91	1.97
HALYK SAV.BK. 11/21 REGS	XS0583796973	7.250	0	0	170	104.750	3,996,448.19	1.84
KAZMUNAYGAS 17/22MTN REGS	XS1595713279	3.875	135	0	200	100.000	4,488,500.00	2.07
Total issue country Kazakhstan							12,743,693.10	5.88
Issue country Colombia								
BANCOLOMBIA 11/21	US05968LAG77	5.950	0	0	70	104.500	1,641,668.88	0.76
OLEODUCTO CENTR.14/21REGS	USP7358RAC09	4.000	0	0	150	99.890	3,362,666.38	1.55
Total issue country Colombia							5,004,335.26	2.31
Issue country Croatia								
CROATIA 10/20 REGS	XS0525827845	6.625	0	0	70	104.250	1,637,741.44	0.76
CROATIA 11/21 REGS	XS0607904264	6.375	0	0	75	105.688	1,778,918.90	0.82
Total issue country Croatia							3,416,660.34	1.58

ERSTE DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2020

Security designation	ISIN number	Interest rate	Purch./ additions Sales/ disposals Units/nominal (nom. in 1,000, rounded)	Holding	Price	Value in CZK	% share of fund assets	
Issue country Luxembourg								
KERNEL HLDG 17/22 REGS	XS1533923238	8.750	0	0	100	100.200	2,248,738.50	1.04
MHP SE 13/20 REGS	USL6366MAC75	8.250	0	0	150	102.523	3,451,308.64	1.59
MOL GROUP FIN. 12/19	XS0834435702	6.250	45	0	200	102.000	4,578,270.00	2.11
Total issue country Luxembourg						<u>10,278,317.14</u>	<u>4.74</u>	
Issue country Mexico								
ALPEK S.A.B. 12/22 REGS	USP01703AA82	4.500	0	0	200	100.313	4,502,526.56	2.08
COMISION FED. EL. 11/21	USP30179AJ79	4.875	60	0	200	101.750	4,567,048.75	2.11
CONTROLADORA MABE 09/19	USP3100SAA26	7.875	0	35	125	103.875	2,914,018.36	1.35
Total issue country Mexico						<u>11,983,593.67</u>	<u>5.53</u>	
Issue country Namibia								
NAMIBIA, REPUBLIC 11/21	XS0686701953	5.500	0	0	125	101.000	2,833,365.63	1.31
Total issue country Namibia						<u>2,833,365.63</u>	<u>1.31</u>	
Issue country Netherlands								
NORTHERN L.III 12/19	XS0814512223	7.000	0	0	175	100.375	739,156.08	0.34
Total issue country Netherlands						<u>739,156.08</u>	<u>0.34</u>	
Issue country Panama								
GLOBAL BK. 16/21 REGS	USP47718AC86	4.500	0	0	50	98.950	1,110,342.69	0.51
Total issue country Panama						<u>1,110,342.69</u>	<u>0.51</u>	
Issue country Peru								
BCO INTL.D.P. 10/20 REGS	USP1342SAC00	5.750	0	0	80	103.375	1,855,994.75	0.86
Total issue country Peru						<u>1,855,994.75</u>	<u>0.86</u>	
Issue country Singapore								
ABJA INVEST. 14/20	XS1092182606	4.850	0	105	70	100.456	1,578,138.65	0.73
INDIKA EN.CAP.II 17/22	USY39698AA65	6.875	150	0	150	102.030	3,434,709.94	1.59
Total issue country Singapore						<u>5,012,848.59</u>	<u>2.31</u>	
Issue country South Africa								
TRANSN. SOC 12/22MTN REGS	XS0809571739	4.000	0	0	185	96.050	3,987,863.93	1.84
Total issue country South Africa						<u>3,987,863.93</u>	<u>1.84</u>	
Issue country Hungary								
MFB MAGYAR F.BK 13/20REGS	XS0954674312	6.250	0	0	155	104.371	3,630,636.56	1.68
Total issue country Hungary						<u>3,630,636.56</u>	<u>1.68</u>	

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal	Sales/ disposals (nom. in 1,000, rounded)	Holding	Price	Value in CZK	% share of fund assets
Issue country USA								
PAN AMER.ENG. 10/21 REGS	US69783UAA97	7.875	0	0	80	102.625	1,842,529.25	0.85
Total issue country USA							1,842,529.25	0.85
Issue country British Virgin Islands								
CH.CINDA F.(2015)I 15/20	USG21184AA79	3.125	0	0	100	99.117	2,224,429.68	1.03
GERDAU TRADE INC 2010/21	USG3925DAA84	5.750	0	0	170	104.063	3,970,218.52	1.83
GOLD FIELDS OR.10/20 REGS	XS0547082973	4.875	0	0	195	100.938	4,417,315.31	2.04
HUARONG FIN.CO. 14/19	XS1088292815	4.000	0	0	130	100.001	2,917,555.30	1.35
SINO-OCEAN LD.T.F.2 15/20	XS1163228627	4.450	0	0	85	99.863	1,904,989.65	0.88
Total issue country British Virgin Islands							15,434,508.46	7.12
Total bonds denominated in USD translated at a rate of 0.04456							182,219,192.18	84.11
Total securities admitted to organised markets							184,525,520.83	85.17
Forward exchange agreements							Unrealised result in CZK	
Forward exchange agreements denominated in EUR								
Issue country Austria								
FXF SPEST EUR/CZK 13.05.2019	FXF_TAX_3443701				-90,000		12,252.81	0.01
Total issue country Austria							12,252.81	0.01
Total forward exchange agreements denominated in EUR translated at a rate of 0.03883							12,252.81	0.01
Forward exchange agreements denominated in USD								
Issue country Austria								
FXF SPEST USD/CZK 13.05.2019	FXF_TAX_3443702				-10,100,000		366,700.06	0.17
FXF SPEST USD/CZK 13.05.2019	FXF_TAX_3443714				240,000		-92,271.09	-0.04
FXF SPEST USD/CZK 13.05.2019	FXF_TAX_3443748				200,000		-82,415.02	-0.04
FXF SPEST USD/CZK 13.05.2019	FXF_TAX_3443906				110,000		-45,065.50	-0.02
FXF SPEST USD/CZK 13.05.2019	FXF_TAX_3444010				15,000		-3,534.27	-0.00
FXF SPEST USD/CZK 13.05.2019	FXF_TAX_3444025				20,000		-5,084.12	-0.00
Total issue country Austria							138,330.06	0.06
Total forward exchange agreements denominated in USD translated at a rate of 0.04456							138,330.06	0.06
Total forward exchange agreements							150,582.87	0.07
Swaps							Unrealised result in CZK	
Swaps denominated in CZK								
Issue country Austria								
IRSW 575906, FIX/VAR 320	IRSW00575906				170,500,000		-3,208,474.51	-1.48
Total issue country Austria							-3,208,474.51	-1.48
Total swaps denominated in CZK							-3,208,474.51	-1.48

ERSTE DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2020

Security designation	ISIN number	Holding	Unrealised result in CZK	% share of fund assets
Swaps denominated in USD				
Issue country Austria				
IRSW 575905, VAR/FIX 320	IRSW00575905	7,000,000	1,721,526.03	0.79
		Total issue country Austria	1,721,526.03	0.79
		Total swaps denominated in USD translated at a rate of 0.04456	1,721,526.03	0.79
		Total swaps	-1,486,948.48	-0.69

Breakdown of fund assets

Transferable securities			213,474,609.46	98.54
Forward exchange agreements			150,582.87	0.07
Swaps			-1,486,948.48	-0.69
Bank balances			2,670,948.89	1.23
Interest entitlements			1,837,988.20	0.85
Other deferred items			-131.22	-0.00
Fund assets			216,647,049.72	100.00

KEST-exempt non-dividend-bearing units outstanding	AT0000A1DD89	units	2,172,463.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1DD89	CZK	99.72

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

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

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

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

All OTC derivatives are traded through Erste Group Bank AG.

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

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

Investor note:

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

The following securities were pledged as collateral for derivative transactions:

Security designation	ISIN number	Units/nominal value (nom. in 1,000, rounded)
MOL GROUP FIN. 12/19	XS0834435702	80
MOL GROUP FIN. 12/19	XS0834435702	45

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

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Publicly traded securities				
Bonds denominated in USD				
Issue country Kazakhstan				
KAZMUNAYGAS 10/21MTN REGS	XS0556885753	6.375	0	100
Issue country Turkey				
TUE.IHRACAT K.B.14/21REGS	XS1028943089	5.000	0	180
TUERKIYE GAR.BK 14/19REGS	XS1057541838	4.750	0	90
TURK.IS BK 14/20 MTN REGS	XS1121459074	5.000	0	90
TURK.IS BK 14/21 MTN REGS	XS1079527211	5.000	0	90
YAPI VE KREDI BK 14/19MTN	XS1028938915	5.125	0	90
Securities admitted to organised markets				
Bonds denominated in USD				
Issue country Turkey				
TUERKIYE GAR.BK 11/21REGS	USM8931TAA71	6.250	0	85

ERSTE DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2020

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 Netherlands				
KAZMUNAYGAS 10/20	XS0506527851	7.000	0	170

Vienna, 29 March 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]).

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 DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2020
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 31 January 2019, the income statement for the accounting year ending on this date, and the other information specified in Annex I Schedule B of the Austrian Investment Fund Act 2011 (InvFG 2011).

Based on the findings of our audit, we believe that the annual report satisfies the legal requirements and provides a true and fair view of the assets and financial position as of 31 January 2019 and of the earnings position of the fund for the accounting year ending on this date in accordance with Austrian commercial law and the provisions of the InvFG 2011.

Basis for the audit opinion

We conducted our audit in accordance with § 49 (5) InvFG 2011 and in accordance with the Austrian principles of good auditing. These principles require the application of the International Standards on Auditing (ISA). Our responsibilities under these regulations and standards are described in the section "Responsibilities of the auditor in auditing the annual report" of our audit report. We are independent from the company as specified by the Austrian commercial and industry regulations and fulfilled our other professional obligations in accordance with these requirements. We feel that the audit evidence that we obtained is sufficient and suitable to serve as a basis for our audit opinion.

Management and supervisory board responsibilities relating to the annual report

The legal representatives are responsible for preparing the annual report and for ensuring that this report provides a true and fair view of the assets and financial and earnings position of the fund in accordance with Austrian commercial law and the provisions of the InvFG 2011. The legal representatives are also responsible for implementing the internal controls that they deem necessary to facilitate the preparation of an annual report that is free from material misstatements due to error or fraud.

The supervisory board is responsible for monitoring the accounting process of the company as it applies to the fund under its management.

Responsibilities of the auditor in auditing the annual report

Our goals are to ascertain with sufficient certainty whether the annual report contains material misstatements due to error or fraud and to issue an audit report that includes our audit opinion. Sufficient certainty is a high degree of certainty but no guarantee that an audit conducted in accordance with the Austrian standards on good auditing, which require the application of the ISA, will always discover material misstatements that may be present. Misstatements can result from fraud or errors and are considered to be material when it can be reasonably expected that individual misstatements or a combination of misstatements can influence economic decisions made by readers on the basis of this annual report.

As part of an audit conducted in accordance with the Austrian standards on good auditing, which require the application of the ISA, we exercise professional judgement and maintain professional scepticism during the entire audit process.

In addition:

- We identify and assess the risks of material misstatements in the annual report due to error or fraud, plan audit steps in response to these risks, perform the planned audit steps, and collect audit evidence that is sufficient and suitable to form a basis for our audit opinion. The risk that a material misstatement resulting from fraud will remain undiscovered is greater than for misstatements resulting from error because fraudulent activity can include collusion, the falsification of documents, intentional incomplete or misleading representations, and the circumvention of internal controls.
- We familiarise ourselves with the internal control systems that are relevant for the audit to plan audit steps that are appropriate under the specific circumstances, but not so as to state an opinion on the effectiveness of the company's internal control system.
- We assess the appropriateness of the accounting methods applied by the legal representatives and the reasonableness of the estimates made by the legal representatives in the accounts and of the associated information.
- We assess the overall presentation, the structure, and the content of the annual report including the figures as well as whether the annual report depicts the underlying transactions and events in a manner that provides a true and fair view.
- We discuss the planned scope and scheduling of the audit and any material audit findings, including material defects that we discover in the internal control system during our audit, with the supervisory board, among other issues.

Other information

The legal representatives are responsible for the other information. The other information includes all information in the annual report except for the statement of assets and liabilities, the income statement, the other information specified in Annex I Schedule B of the InvFG 2011, and the audit report.

Our audit opinion does not cover this other information, and we provide no assurance whatsoever for this other information.

In connection with our audit of the annual report, it is our responsibility to read this other information and to consider whether there are material discrepancies between the other information and the annual report or the information gathered by us during our audit, or if this other information appears materially incorrect in some other manner. If we come to the conclusion on the basis of our audit steps that the other information is materially incorrect, we are obligated to report this. We have nothing to report in this regard.

Vienna, 29 March 2019

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Andrea Stippl
(Certified Public
Accountant)

ppa MMag. Roland Unterweger
(Certified Public Accountant)

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

Fund Rules for ERSTE DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2020

Jointly owned fund pursuant to the InvFG

The Fund Rules for ERSTE DLUHOPISOVÝ FOND PERSPEKTIVNÍCH TRHŮ 2020, 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-SPARINVEST Kapitalanlagegesellschaft m.b.H. (the "Management Company" in the following), which has its registered office in Vienna.

The name of the Fund is in Czech, and in English means "bond fund of the emerging markets".

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 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 corporate bonds from companies registered or active in the emerging markets; these bonds must be purchased directly, in other words not indirectly or directly through investment funds or through derivatives. The Fund can also invest in bonds from credit institutions, international government bonds, and other (corporate) bonds. These bond types can be denominated in EUR or other currencies.

If the remaining term to maturity of these corporate bonds is less than 397 days, these become money market instruments. For this reason, from 397 days before its expiration, the Fund can invest predominantly in money market instruments issued by companies that qualified as transferable securities when they were issued, and from six months before its expiration predominantly in demand deposits and deposits with the right to be withdrawn with a term of no more than 12 months.

Foreign currency risks are hedged versus the Czech koruna to the greatest extent possible using suitable strategies.

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 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 20% of the fund assets per individual issue and may comprise up to 49% in aggregate total, provided that the target funds themselves (UCITS, UCI) do not invest more than 10% of their fund assets in units of other investment funds.

Units in UCIs may make up no more than 30% of the fund assets.

e) Derivative financial instruments

Derivative financial instruments may only be used for hedging purposes.

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, in the case of the justified expectation of impending losses experienced by securities or money market instruments, and/or from six months before its expiration, the Fund can hold a lower proportion of transferable securities and/or 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

Does not apply.

Article 4 Issue and redemption procedure

The unit value shall be calculated in CZK.

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 every exchange trading day.

The issue price shall be made up of the unit value plus a surcharge per unit amounting to up to 1.0% to cover the costs incurred by the Management Company in issuing the unit, rounded up to the next heller.

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 every exchange trading day.

The redemption price is the unit value rounded down to the next heller. No back-end commission will be charged after the end of the term.

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

Fixed-term fund: limited duration, suspension of unit issue

The Fund is being issued for a fixed term; the fund will expire on 11 May 2020.

In the case of early redemption before the end of the term, the redemption price shall decrease by an additional 3.0%. This redemption fee will be credited to the fund assets.

This shall have no effect on the Management Company's right of termination pursuant to the InvFG.

The liquidation of the fund assets shall proceed in accordance with the provisions of the InvFG.

The fund assets will be liquidated after the end of the fund term; for this, the fund assets will be sold, all claims asserted, and all obligations paid.

The proceeds accruing to each unit shall be distributed to the Unit-holders by the depositary bank against the return of the unit certificates after the fund assets are liquidated.

Article 5 Accounting Year

The accounting year of the Fund is from 1 February to 31 January.

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.

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 April 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 April 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 April 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 April 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.

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

Non-dividend-bearing units without capital gains tax deduction are not sold in Austria.

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 Management Company shall provide suitable proof that the unit certificates could only be held by Unit-holders who are not subject to Austrian personal income tax or corporation 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.

Article 7**Management Fee, Compensation for Expenses, Liquidation Fee**

The Management Company shall receive an annual fee for its administrative activities of up to 0.7% 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 depositary bank shall receive a fee in the amount of 0.5% of the fund assets upon liquidation of the Fund.

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 October 2014)****1. Exchanges with official trading and organised markets in the Member States of the EEA**

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

http://mifidatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display&subsection_id=0 *

under "Verzeichnis der Geregeltten Märkte (pdf)" (List of Regulated Markets).

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

1.2.1 Luxembourg: Euro MTF Luxembourg

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. | Switzerland: | SWX Swiss Exchange |
| 2.5. | Serbia: | Belgrade |
| 2.6. | 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, American Stock Exchange (AMEX), New York Stock Exchange (NYSE), Los Angeles/Pacific Stock Exchange, San Francisco/Pacific Stock Exchange, 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:	SWX Swiss Exchange, BX Berne eXchange; 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:	American Stock Exchange, Chicago Board Options Exchange, Chicago Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, Mid America Commodity Exchange, ICE Future US, Inc., New York, Pacific Stock Exchange, Philadelphia Stock Exchange, New York Stock Exchange, Boston Options Exchange (BOX)

*) To open the list, click "view all". [The list can be found on the FMA's website by going to: <http://www.fma.gv.at/de/unternehmen/boerse-wertpapierhandel/boerse.html> – scroll down – link to "Liste der geregelten Märkte (MiFID Database; ESMA)" – "view all"]

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.

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