

ESPA STOCK EUROPE PROPERTY

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 Philipp VISKI-HANKA
Auditor	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Depository bank	Erste Group Bank AG

Dear Unit-holder,

We are pleased to present you the following annual report for the ESPA STOCK EUROPE PROPERTY jointly owned fund pursuant to the InvFG for the period from 1 May 2018 to 30 April 2019.

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

The companies managing the sub-funds contained in the fund that are not managed by the Investment Firm assessed management fees ranging between 0.00% and 0.40%. No front-end surcharges were charged for the purchase of the units in these funds.

Development of the Fund

Investment strategy

ESPA STOCK EUROPE PROPERTY invests in real estate stocks and real estate investment trusts (REITs). The fund's strategy focuses on equities from European real estate companies. The foreign currency risk is not hedged.

Market

Over the past years, real estate stocks have emerged as a very attractive asset class and developed better than the overall market in Europe because of the low interest rates. The low interest rate level caused by the monetary policy of the ECB (and other central banks) is a major driving force behind the performance of the real estate sector. In light of the low interest rates and high spreads between ten-year government bonds and corporate bonds, real estate is currently an attractive asset class for investors and was a source of value gains in recent years. Because of varying economic and real estate market conditions, however, this trend is developing differently in the individual markets. Two important factors have had a significant impact on market sentiment towards property shares since the middle of 2016.

Real estate stocks in the UK have been among the losers following the Brexit vote on 23 June 2016. Especially international market participants are not only fearing the further depreciation of the British pound and associated negative effects for investments compared with other currencies, but also a drop in prices in the real estate market, especially in London. Real estate prices have been relatively stable in light of the long Brexit negotiations. Real estate stocks were among the greatest beneficiaries of the ECB's monetary policy in recent years. The end of the ECB's zero interest rate policy and rising bond yields are influencing the market conditions for real estate stocks.

Even though investors are looking to other sectors at present, the real estate sector continued to perform well. The listed real estate market (a separate GICS sector since the beginning of September 2016) still offers good potential because some fundamental reasons to invest still apply.

The economic cycle is a primary driver of real estate prices because it is above all demand that determines prices, and not the supply of new space. The development of real estate prices forms the basis for the total return of real estate stocks. Because of the high level of uncertainty, real estate stocks in the UK are currently listing at a discount of around 20% from their net asset value (NAV), which would imply a decline in property prices of more than 15%–20% and a strong fall in rents. Given the very low vacancy rate (4.2%), the limited construction activity, and the longer lease terms, we think that the decline that is priced in is excessive. We also see good support from the wide yield spread to the 10y UK gilt at around 310 bp. The balance sheets of the real estate companies are also very good and are well secured with an average loan-to-value ratio of 36%. The demand from foreign investors (from Asia, Germany, and the Middle East) for real estate investments in London remained stable despite the Brexit debate. The IPD data are pointing to a decline in the NAV of roughly 4.5% in 2018. Although prices have fallen by 4% since the peak in February 2016, the latest data indicate that property prices have bucked expectations and risen by 2% again. The current price level implies a price

decline of approximately 15–20%, which we feel is too much of a discount.

Residential properties in Germany remain one of the most popular investments on the European real estate market. The German housing investment market will remain dynamic because of the positive overall economic outlook and the sustained high demand. According to government data, over 400,000 additional flats will be needed in the coming years. Rents rose substantially over the past year and are reflected in the cash flow growth (FFO) of the listed companies. Yield decreases, FFO growth, and declining refinancing costs are the valuation drivers in the balance sheets. The results posted by the companies exceeded the expectations on average. The listed residential property segment currently features a fair valuation with an FFO yield of around 6% and a dividend yield of roughly 3.6%. The real estate market in Germany is even in a good position to absorb possible future interest rate increases as the difference between the purchase yield and financing costs is currently in a range of 300–500 bp.

The companies have strong balance sheets compared with the real estate boom from 2005 to 2007. The development of the companies is being driven largely by equity capital, and debt levels are low to moderate. The average loan-to-value (LTV) ratio in Europe is currently between 35 and 40%.

Looking for more attractive returns, many real estate investors are planning comprehensive activities in Germany, Spain, and Sweden for 2018. This is due to the considerable decline in yields in Western Europe. Risk appetite is trending down as well, however. The most attractive market segment at present is prime and core assets.

The most attractive markets for investors are Germany, Spain, the Netherlands, and Sweden. In city terms, London, Madrid, Paris, Berlin, and Amsterdam are seeing the greatest demand.

M&A activity and IPOs increased over the past months. The takeover offers from Unibail-Rodamco/Westfield Corp, Hammerson/Intu, Vonovia/Buwog, and Merlin Properties/Axiare are evidence of the continued consolidation of the market.

On a positive note, corporate earnings have remained within the expectations and there have not yet been any negative surprises in the current reporting season. Most real estate companies also have strong balance sheets and are equipped with solid equity capital ratios in comparison with the crisis in 2007/2008. Refinancing risks are much lower than in previous years and should not pose any problems overall for the listed sector.

The medium-term development will depend on how the European economy develops. Due to the trend on the stock exchanges, the discounts on the estimated net asset values for real estate stocks did not increase further. We expect 2019/20 to be another year of normal growth. It is becoming increasingly important to act selectively. Capital increases and takeovers will remain important in 2019/20.

ESPA STOCK EUROPE PROPERTY posted a performance of plus 1.45% in euro terms for the reporting period. The market has been moving in a range between minus 10% and plus 5% since May 2018. Investment level management, currencies, and stock picking were important performance drivers, as the volatility and diversification of the stocks remained very high. The development of individual equities varied between plus 76% and minus 65%.

Due to unit redemptions, the fund conducted roughly EUR 5.7 million in equities transactions over the reporting period to maintain its strategic orientation. The largest regional overweightings versus the market are currently in Germany, Sweden, and Spain.

Compared with the market, stock picking in Sweden, Germany, and France generated a positive performance contribution. The underweighting of Belgium had a negative effect because increased investment activity enabled Belgian REITs to outperform the market despite more expensive valuations.

The highest weightings are currently Germany (around 29%), France (roughly 18%), and the UK (about 26%). The portfolio is broadly diversified in 62 stocks in 13 countries, with the German residential specialists Vonovia and Deutsche Wohnen and the shopping centre operator Unibail-Rodamco-Westfield representing the three largest positions in the fund. The share of REITs in the fund is being strategically maintained below 49% for tax reasons. As a result, there are currently no German REITs in the portfolio and UK REITs and Belgian REITs are significantly underweighted. The investment strategy continues to focus on companies with solid balance sheets, low debt, low refinancing risk, well diversified tenant structures, and sustainable cash flow growth.

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

	30 April 2019		30 April 2018	
	EUR millions	%	EUR millions	%
Equities denominated in				
GBP	10.6	19.95	12.0	20.61
EUR	29.9	56.41	33.0	56.56
NOK	0.5	0.97	0.5	0.78
SEK	5.2	9.82	5.0	8.54
CHF	2.6	4.83	3.1	5.29
USD	0.0	0.00	0.0	0.00
Investment certificates denominated in				
GBP	3.8	7.13	4.0	6.78
Securities	52.5	99.12	57.5	98.56
Bank balances	0.3	0.57	0.7	1.24
Dividend entitlements	0.2	0.32	0.1	0.20
Other deferred items	- 0.0	- 0.01	- 0.0	- 0.01
Fund assets	53.0	100.00	58.3	100.00

Comparative Overview

Accounting year	Fund assets
2016/2017	56,323,386.63
2017/2018	58,343,822.56
2018/2019	52,980,000.72

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	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Dividend-bearing units	AT0000708334	EUR	182.48	5.0000	-	-1.31
2017/2018	Dividend-bearing units	AT0000708334	EUR	190.52	5.0000	2.9515	7.32
2018/2019	Dividend-bearing units	AT0000708334	EUR	188.35	5.0000	10.0797	1.45

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Dividend-bearing units	AT0000A1YRZ9	EUR	-	-	-	-
2017/2018	Dividend-bearing units	AT0000A1YRZ9	EUR	104.82	-	-	-
2018/2019	Dividend-bearing units	AT0000A1YRZ9	EUR	106.64	-	-	-

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	AT0000708342	EUR	289.10	0.2963	0.5850	-1.30
2017/2018	Non-dividend-bearing units	AT0000708342	EUR	310.01	2.5079	11.6366	7.34
2018/2019	Non-dividend-bearing units	AT0000708342	EUR	312.07	4.2041	20.6371	1.46

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	AT0000A1YS04	EUR	-	-	-	-
2017/2018	Non-dividend-bearing units	AT0000A1YS04	EUR	104.82	-	-	-
2018/2019	Non-dividend-bearing units	AT0000A1YS04	EUR	106.64	-	-	-

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	AT0000613625	CZK	8,322.51	-	51.2124	-1.97
2017/2018	KESt-exempt non-dividend-bearing units	AT0000613625	CZK	8,534.57	-	408.2320	2.55
2018/2019	KESt-exempt non-dividend-bearing units	AT0000613625	CZK	8,637.61	-	686.6226	1.21

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	AT0000A1YS20	CZK	-	-	-	-
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A1YS20	CZK	2,700.18	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A1YS20	CZK	2,743.60	-	-	-

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	AT0000613617	EUR	309.79	-	0.9357	-1.30
2017/2018	KESt-exempt non-dividend-bearing units	AT0000613617	EUR	332.51	-	14.9998	7.33
2018/2019	KESt-exempt non-dividend-bearing units	AT0000613617	EUR	337.34	-	26.8161	1.45

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	AT0000A1YS12	EUR	-	-	-	-
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A1YS12	EUR	105.04	-	0.1776	5.04
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A1YS12	EUR	107.96	-	9.7879	2.78

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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	KESt-exempt non-dividend-bearing units	AT0000A00G70	HUF	96,728.85	-	258.8914	-1.11
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A00G70	HUF	104,448.05	-	3,577.0012	7.98
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A00G70	HUF	109,516.01	-	8,692.3597	4.85

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	AT0000A1YS38	HUF	-	-	-	-
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A1YS38	HUF	32,998.80	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A1YS38	HUF	34,735.51	-	-	-

Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 May 2018 to 30 April 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 August 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	KESt with option declaration	KESt w/o option declaration	Reinvestment
Dividend-bearing units	AT0000708334	EUR	5.0000	2.5457	2.5457	10.0797
Dividend-bearing units	AT0000A1YRZ9	EUR	-	-	-	-
Non-dividend-bearing units	AT0000708342	EUR	4.2041	4.2041	4.2041	20.6371
Non-dividend-bearing units	AT0000A1YS04	EUR	-	-	-	-
KESt-exempt non-dividend-bearing units	AT0000613625	CZK	-	*	-	686.6226
KESt-exempt non-dividend-bearing units	AT0000A1YS20	CZK	-	*	-	-
KESt-exempt non-dividend-bearing units	AT0000613617	EUR	-	*	-	26.8161
KESt-exempt non-dividend-bearing units	AT0000A1YS12	EUR	-	*	-	9.7879
KESt-exempt non-dividend-bearing units	AT0000A00G70	HUF	-	*	-	8,692.3597
KESt-exempt non-dividend-bearing units	AT0000A1YS38	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.

AT0000708334 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (44,793.222 units)	190.52
Disbursement/payment on 30.07.2018 (corresponds to roughly 0.0262 units at a calculated value of 190.70)	5.0000
Unit value at the end of the reporting period (44,909.340 units)	188.35
Total value including (notional) units gained through dividend disbursement/payment	193.29
Net earnings per unit	2.77
Value development of one unit in the period	1.45%

AT0000A1YRZ9 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	104.82
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	106.64
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000708342 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (94,858.764 units)	310.01
Disbursement/payment on 30.07.2018 (corresponds to roughly 0.0079 units at a calculated value of 315.93)	2.5079
Unit value at the end of the reporting period (85,619.052 units)	312.07
Total value including (notional) units gained through dividend disbursement/payment	314.55
Net earnings per unit	4.54
Value development of one unit in the period	1.46%

AT0000A1YS04 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	104.82
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	106.64
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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AT0000613625 KESSt-exempt non-dividend-bearing units CZK	
Unit value at the beginning of the reporting period (15,302.621 units)	8,534.57
Disbursement/payment	0.0000
Unit value at the end of the reporting period (14,363.413 units)	8,637.61
Total value including (notional) units gained through dividend disbursement/payment	8,637.61
Net earnings per unit	103.04
Value development of one unit in the period	1.21%

AT0000A1YS20 KESSt-exempt non-dividend-bearing units CZK	
Unit value at the beginning of the reporting period (0.000 units)	2,700.18
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	2,743.60
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000613617 KESSt-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (32,650.732 units)	332.51
Disbursement/payment	0.0000
Unit value at the end of the reporting period (30,552.349 units)	337.34
Total value including (notional) units gained through dividend disbursement/payment	337.34
Net earnings per unit	4.83
Value development of one unit in the period	1.45%

AT0000A1YS12 KESSt-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (36,300.000 units)	105.04
Disbursement/payment	0.0000
Unit value at the end of the reporting period (19,305.000 units)	107.96
Total value including (notional) units gained through dividend disbursement/payment	107.96
Net earnings per unit	2.92
Value development of one unit in the period	2.78%

AT0000A00G70 KESSt-exempt non-dividend-bearing units HUF	
Unit value at the beginning of the reporting period (1,951.185 units)	104,448.05
Disbursement/payment	0.0000
Unit value at the end of the reporting period (1,692.300 units)	109,516.01
Total value including (notional) units gained through dividend disbursement/payment	109,516.01
Net earnings per unit	5,067.96
Value development of one unit in the period	4.85%

AT0000A1YS38 KESSt-exempt non-dividend-bearing units HUF	
Unit value at the beginning of the reporting period (0.000 units)	32,998.80
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	34,735.51
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)	8.24	
Dividend income	1,613,721.69	
Other income 8)	2,302.48	
Total income (without profit or loss from price changes)		1,616,032.41

Interest paid - 2,512.76

Expenses

Fees paid to Investment Firm	- 949,194.37	
Costs for the financial auditor and tax consultation	- 5,114.00	
Publication costs	- 31,474.52	
Securities account fees	- 27,426.58	
Depository bank fees	- 83,529.10	
Costs for the external consultant	0.00	
Total expenses		- 1,096,738.57
Compensation for management costs from sub-funds 1)		0.00

Ordinary fund result (excluding income adjustment) **516,781.08**

Realised profit or loss from price changes 2) 3)

Realised gains 4)	3,958,077.70	
Realised losses 5)	- 62,244.83	

Realised profit or loss from price changes (excluding income adjustment) **3,895,832.87**

Realised fund result (excluding income adjustment) **4,412,613.95**

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

Changes in the unrealised profit or loss from price changes 7) - 3,569,559.65

Result for the reporting period 6) **843,054.30**

c. Income adjustment

Income adjustment for income in the period - 170,200.40

Income adjustment for profit carried forward from dividend-bearing units 342.72

Overall fund result **673,196.62**

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	58,343,822.56
Disbursement/payment in the accounting year	- 456,460.73
Issue and redemption of units	- 5,580,557.73
Overall fund result	
(The fund result is shown in detail under item 2.)	673,196.62
Fund assets at the end of the reporting period	<u>52,980,000.72</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): EUR 326,273.22.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 0.00.
- 5) Thereof losses from transactions with derivative financial instruments: EUR 0.00.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 16,812.11.
- 7) Thereof changes in unrealised gains EUR -3,063,618.83 and unrealised losses EUR -505,940.82.
- 8) The earnings reported under this item can be attributed to lending fees from securities lending transactions conducted with Erste Group Bank AG in the amount of EUR 0.00, to earnings from real estate funds in the amount of EUR 0.00, and to other earnings in the amount of EUR 2,302.48.

Statement of Assets and Liabilities as of 30 April 2019

(including changes in securities assets from 1 May 2018 to 30 April 2019)

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Publicly traded securities							
Equities denominated in GBP							
Issue country Great Britain							
ASSURA PLC LS-.10	GB00BVBGW93	0	0	400,000	0.596	277,467.41	0.52
BIG YELLOW GROUP LS 0.10	GB0002869419	0	0	20,000	10.480	243,947.86	0.46
BRIT. LD CO. PLC LS-.25	GB0001367019	0	0	210,333	5.976	1,462,930.64	2.76
DERWENT LONDON LS-.05	GB0002652740	0	0	20,000	32.040	745,810.06	1.41
GRAINGER PLC LS-.05	GB00B04V1276	0	0	187,374	2.536	553,049.88	1.04
GREAT P.EST.LS-.152631578	GB00BF5H9P87	0	0	57,327	7.580	505,747.97	0.95
HAMMERSON PLC LS-.25	GB0004065016	0	0	164,843	3.169	607,992.87	1.15
HANSTEEN HOLDINGS LS-.10	GB00B0PPFY88	0	0	200,000	0.940	218,808.19	0.41
LAND SECURITIES GROUP PLC	GB00BYWOPQ60	0	0	140,625	9.232	1,510,998.60	2.85
PRIMARY HEALTH LS-.0125	GB00BYRJ5J14	0	0	250,000	1.316	382,914.34	0.72
SAFESTORE HLDGS LS-.01	GB00B1N7Z094	0	0	60,000	6.455	450,768.16	0.85
SEGRO PLC LS-.10	GB00B5ZN1N88	50,000	0	210,887	6.734	1,652,831.77	3.12
SHAFTESBURY PLC LS-.25	GB0007990962	0	20,000	30,000	8.640	301,675.98	0.57
ST MODWEN PTIES LS-.10	GB0007291015	0	100,000	60,035	4.115	287,527.97	0.54
UNITE GROUP PLC LS-.25	GB0006928617	0	0	54,000	9.435	592,981.84	1.12
Total issue country Great Britain						<u>9,795,453.54</u>	<u>18.49</u>
Total equities denominated in GBP translated at a rate of 0.85920						<u>9,795,453.54</u>	<u>18.49</u>
Equities denominated in EUR							
Issue country Belgium							
AEDIFICA S.A.	BE0003851681	0	0	6,000	80.000	480,000.00	0.91
COFINIMMO	BE0003593044	0	0	3,000	114.000	342,000.00	0.65
WAREH.+DISTR.DE PAUW SA	BE0003763779	0	0	3,800	133.800	508,440.00	0.96
Total issue country Belgium						<u>1,330,440.00</u>	<u>2.51</u>
Issue country Germany							
DEUTSCHE WOHNEN SE BEARER	DE000A0HN5C6	0	12,810	80,000	40.070	3,205,600.00	6.05
DIC ASSET AG NA N.P.	DE000A1X3XX4	0	0	2,145	9.770	20,956.65	0.04
LEG IMMOBILIEN AG NA N.P.	DE000LEG1110	5,000	4,000	20,000	103.750	2,075,000.00	3.92
TAG IMMOBILIEN AG	DE0008303504	0	0	40,000	20.040	801,600.00	1.51
TLG IMMOBILIEN AG	DE000A12B8Z4	0	0	20,000	26.250	525,000.00	0.99
VONOVIA SE NA N.P.	DE000A1ML7J1	10,000	28,642	113,000	44.470	5,025,110.00	9.48
Total issue country Germany						<u>11,653,266.65</u>	<u>22.00</u>

ESPA STOCK EUROPE PROPERTY

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Issue country France							
GECINA S.A. REG. EO 7.50	FR0010040865	0	0	12,000	133.100	1,597,200.00	3.01
KLEPIERRE S.A.BEARER EO 1.40	FR0000121964	0	0	54,857	31.670	1,737,321.19	3.28
Total issue country France						<u>3,334,521.19</u>	<u>6.29</u>
Issue country Luxembourg							
ADO PROPERTIES S.A. NPV	LU1250154413	0	0	10,000	46.800	468,000.00	0.88
AROUNDTOWN EO-.01	LU1673108939	80,000	0	280,000	7.226	2,023,280.00	3.82
GRAND CITY PROPERT.EO-.10	LU0775917882	0	0	30,000	20.960	628,800.00	1.19
Total issue country Luxembourg						<u>3,120,080.00</u>	<u>5.89</u>
Issue country Austria							
CA IMMOB.BOND	AT0000641352	0	10,000	20,000	31.250	625,000.00	1.18
S IMMO AG	AT0000652250	25,000	0	25,000	19.500	487,500.00	0.92
Total issue country Austria						<u>1,112,500.00</u>	<u>2.10</u>
Issue country Spain							
INMOBIL.COL.SOC.EO 2.50	ES0139140174	50,000	0	130,000	9.595	1,247,350.00	2.35
Total issue country Spain						<u>1,247,350.00</u>	<u>2.35</u>
Total equities denominated in EUR						<u>21,798,157.84</u>	<u>41.14</u>
Equities denominated in SEK							
Issue country Sweden							
CASTELLUM AB	SE0000379190	0	10,000	55,000	170.750	878,282.01	1.66
CATENA AB REG.	SE0001664707	10,000	0	10,000	244.000	228,192.00	0.43
FABEGE AB SK 15.41	SE0011166974	0	30,000	50,000	131.850	616,539.24	1.16
FASTIG.AB BALDER B SK 1	SE0000455057	0	10,000	20,000	300.200	561,501.95	1.06
WIHLBORGS FASTIGHE.SK1.25	SE0011205194	44,000	14,000	30,000	126.300	354,352.25	0.67
Total issue country Sweden						<u>2,638,867.45</u>	<u>4.98</u>
Total equities denominated in SEK translated at a rate of 10.69275						<u>2,638,867.45</u>	<u>4.98</u>
Total publicly traded securities						<u>34,232,478.83</u>	<u>64.61</u>
Investment certificates							
Investment certificates denominated in GBP							
Issue country Ireland							
ISHSII-UK PROP. LSDIS	IE00B1TXLS18	0	0	550,000	5.901	3,777,409.22	7.13
Total issue country Ireland						<u>3,777,409.22</u>	<u>7.13</u>
Total investment certificates denominated in GBP translated at a rate of 0.85920						<u>3,777,409.22</u>	<u>7.13</u>
Total investment certificates						<u>3,777,409.22</u>	<u>7.13</u>

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Securities admitted to organised markets							
Equities denominated in GBP							
Issue country Great Britain							
TRITAX BIG BOX REIT LS-01	GB00BG49KP99	0	0	250,000	1.491	433,833.80	0.82
WORKSPACE GROUP LS 1	GB00B67G5X01	0	0	30,000	9.795	342,004.19	0.65
Total issue country Great Britain						775,837.99	1.46
Total equities denominated in GBP translated at a rate of 0.85920						775,837.99	1.46
Equities denominated in EUR							
Issue country Belgium							
MONTEA SCA	BE0003853703	3,000	0	3,000	75.000	225,000.00	0.42
Total issue country Belgium						225,000.00	0.42
Issue country Finland							
CITYCON OYJ	FI4000369947	11,765	1	11,764	9.075	106,758.30	0.20
Total issue country Finland						106,758.30	0.20
Issue country France							
COVIVIO BEARER EO 3	FR0000064578	4,000	0	8,000	96.500	772,000.00	1.46
ICADE S.A.	FR0000035081	0	0	11,575	76.200	882,015.00	1.66
NEXITY EO 5	FR0010112524	0	0	10,000	41.680	416,800.00	0.79
Total issue country France						2,070,815.00	3.91
Issue country Ireland							
GREEN REIT PLC EO-.10	IE00BBR67J55	0	0	200,000	1.684	336,800.00	0.64
HIBERNIA REIT PLC EO-.10	IE00BGHQ1986	0	0	200,000	1.430	286,000.00	0.54
Total issue country Ireland						622,800.00	1.18
Issue country Netherlands							
EUROCOMM.PR. CERT.10EO-50	NL0000288876	0	0	9,000	25.840	232,560.00	0.44
URW (STAPLED SHS) EO-.05	FR0013326246	27,400	0	27,400	153.250	4,199,050.00	7.93
Total issue country Netherlands						4,431,610.00	8.36
Issue country Spain							
MERLIN PPTYS SOCIMI EO 1	ES0105025003	0	70,000	50,000	12.150	607,500.00	1.15
Total issue country Spain						607,500.00	1.15
Total equities denominated in EUR						8,064,483.30	15.22

ESPA STOCK EUROPE PROPERTY

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets	
Equities denominated in NOK								
Issue country Norway								
ENTRA ASA	NK 1	N00010716418	0	0	40,000	125.000	514,441.93	0.97
						Total issue country Norway	514,441.93	0.97
						Total equities denominated in NOK translated at a rate of 9.71927	514,441.93	0.97
Equities denominated in SEK								
Issue country Sweden								
HEMBLA AB B		SE0005594728	0	0	25,000	179.400	419,443.08	0.79
HEMFOSA FASTIGHETER AB		SE0007126115	0	0	50,000	78.500	367,071.15	0.69
HUFVUDSTADEN A	SK 5	SE0000170375	0	0	30,000	158.200	443,852.14	0.84
KUNGSLEDEN AB		SE0000549412	0	25,000	50,000	72.100	337,144.33	0.64
NYFOSA AB		SE0011426428	50,000	0	50,000	56.500	264,197.70	0.50
PANDOX AB B		SE0007100359	0	0	20,000	162.800	304,505.39	0.57
WALLENSTAM B FRI.O.333333		SE0007074844	0	0	50,000	91.350	427,158.59	0.81
						Total issue country Sweden	2,563,372.38	4.84
						Total equities denominated in SEK translated at a rate of 10.69275	2,563,372.38	4.84
Equities denominated in CHF								
Issue country Switzerland								
ALLREAL HLDGS NAM SF 1		CH0008837566	0	0	2,500	162.600	356,347.63	0.67
MOBIMO HOLDING NA SF23.4		CH0011108872	0	0	1,500	235.000	309,009.94	0.58
PSP SWISS PROP. SF 0.1		CH0018294154	0	3,000	9,000	104.000	820,520.01	1.55
SWISS PRIME SITE SF15.3		CH0008038389	0	4,100	15,000	81.800	1,075,617.58	2.03
						Total issue country Switzerland	2,561,495.16	4.83
						Total equities denominated in CHF translated at a rate of 1.14074	2,561,495.16	4.83
Equities denominated in USD								
Issue country USA								
KENNEDY-WILSON	DL-.0001	US4893981070	0	0	4	21.590	76.83	0.00
						Total issue country USA	76.83	0.00
						Total equities denominated in USD translated at a rate of 1.12405	76.83	0.00
						Total securities admitted to organised markets	14,479,707.59	27.33
Unlisted securities								
Equities denominated in EUR								
Issue country Belgium								
AEDIFICA S.A. -RIGHTS-		BE0970171741	6,000	0	6,000	3.900	23,400.00	0.04
						Total issue country Belgium	23,400.00	0.04
						Total equities denominated in EUR	23,400.00	0.04
						Total unlisted securities	23,400.00	0.04

Breakdown of fund assets

Transferable securities			52,512,995.64	99.12
Bank balances			299,778.42	0.57
Dividend entitlements			170,450.11	0.32
Other deferred items			-3,223.45	-0.01
Fund assets			52,980,000.72	100.00

Dividend-bearing units outstanding	AT0000708334	units	44,909.340
Value of dividend-bearing unit	AT0000708334	EUR	188.35
Dividend-bearing units outstanding	AT0000A1YRZ9	units	0.000
Value of dividend-bearing unit	AT0000A1YRZ9	EUR	106.64
Non-dividend-bearing units outstanding	AT0000708342	units	85,619.052
Value of non-dividend-bearing unit	AT0000708342	EUR	312.07
Non-dividend-bearing units outstanding	AT0000A1YS04	units	0.000
Value of non-dividend-bearing unit	AT0000A1YS04	EUR	106.64
KEST-exempt non-dividend-bearing units outstanding	AT0000613625	units	14,363.413
Value of KEST-exempt non-dividend-bearing unit	AT0000613625	CZK	8,637.61
KEST-exempt non-dividend-bearing units outstanding	AT0000613617	units	30,552.349
Value of KEST-exempt non-dividend-bearing unit	AT0000613617	EUR	337.34
KEST-exempt non-dividend-bearing units outstanding	AT0000A00G70	units	1,692.300
KEST-exempt non-dividend-bearing units outstanding	AT0000A00G70	HUF	109,516.01
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YS12	units	19,305.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YS12	EUR	107.96
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YS20	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YS20	CZK	2,743.60
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YS38	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YS38	HUF	34,735.51

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. No securities lending transactions took place during the reporting period.

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.

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

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Publicly traded securities			
Equities denominated in GBP			
Issue country Great Britain			
BELLWAY PLC LS -.125	GB0000904986	0	8,000
SECURE IN.REIT R.S LS-.01	GB00BLMQ9L68	0	80,000
Equities denominated in EUR			
Issue country Finland			
CITYCON OYJ	FI0009002471	0	58,823
Issue country France			
UNIBAIL-ROD.SE BEARER EO 5	FR0000124711	0	28,600
Issue country Italy			
BENI STABILI EO 0.10	IT0001389631	0	500,000
Issue country Spain			
HISPANIA ACTIVOS INM.EO 1	ES0105019006	0	32,810
NH HOTEL GROUP SA NOM.EO2	ES0161560018	0	55,000

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Equities denominated in SEK			
Issue country Sweden			
WIHLBORG FASTIGHET.SK 2.5	SE0001413600	0	22,000
Securities admitted to organised markets			
Equities denominated in EUR			
Issue country Netherlands			
VASTNED RETAIL N.V. EO 5	NL0000288918	0	6,000
Issue country Spain			
METROVACESA S.A. EO 7.2	ES0105122024	0	30,000
Unlisted securities			
Equities denominated in GBP			
Issue country Great Britain			
GRAINGER PLC -RIGHTS-	GB00BGDM7H07	87,441	87,441
Equities denominated in EUR			
Issue country Belgium			
COFINIMMO-RIGHTS-	BE0970166691	3,000	3,000
Equities denominated in CHF			
Issue country Switzerland			
SWISS PRIME SITE -RIGHTS-	CH0433613186	19,100	19,100

Vienna, 2 July 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

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Jointly owned fund pursuant to the InvFG

consisting of the fund portfolio as of 30 April 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 April 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 July 2019

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Andrea Stippl
(Certified Public
Accountant)

ppa MMag. Roland Unterweger
(Certified Public Accountant)

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

Fund Rules for ESPA STOCK EUROPE PROPERTY

Jointly owned fund pursuant to the InvFG

The Fund Rules for ESPA STOCK EUROPE PROPERTY, 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 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.

ESPA STOCK EUROPE PROPERTY is an equity fund. The Fund invests predominantly, in other words at least 51% of its assets, in stocks from real estate companies in the form of directly purchased individual instruments, in other words not indirectly or directly through investment funds or through derivatives. There are no restrictions with regard to the location of the issuer registered office. The Fund may purchase shares in companies with small market capitalisations or mid-sized market capitalisations as well as shares in large, strong, and important companies that are internationally known (blue chips).

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

a) Transferable securities

Transferable securities (including securities with embedded derivative financial instruments) comprise at least 51% of the fund assets.

b) Money market instruments

Money market instruments may comprise up to 49% of the fund assets.

c) Transferable securities and money market instruments

The Fund may purchase transferable securities and money market instruments that are not fully paid up as well as subscription rights for these types of instruments and other financial instruments that are not fully paid up amounting to a maximum of 10% of the fund assets.

Transferable securities and money market instruments may 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 methods: commitment approach

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

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

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

There are no minimum bank balance requirements.

However, in the course of the restructuring of the fund portfolio and/or in the case of the justified expectation of impending losses experienced by transferable securities, the Fund can hold a lower proportion of transferable securities 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 5.0% to cover the costs incurred by the Management Company in issuing the unit, rounded up to the next equivalent sub-unit of the currency unit specified for the respective unit category in the prospectus.

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

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

Redemption of units and back-end commission

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

The redemption price is the unit value rounded down to the next equivalent sub-unit of the currency unit specified for the respective unit category in the prospectus. No back-end commission will be charged.

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

Article 5
Accounting Year

The accounting year of the Fund is from 1 May to 30 April.

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 August 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 August 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 August 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 August 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 1.8% of the fund assets, which shall be accrued on a daily basis and calculated using the month-end values adjusted for the accrued fees.

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

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

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

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

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

Annex to the Fund Rules

List of exchanges with official trading and organised markets (As of September 2018)

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

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

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

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

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

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

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

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

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

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

2. Exchanges in European countries outside of the EEA

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

3. Exchanges in non-European countries

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

3.23.	USA:	New York, NYCE American, New York Stock Exchange (NYSE), Philadelphia, Chicago, Boston, Cincinnati
3.24.	Venezuela:	Caracas
3.25.	United Arab Emirates:	Abu Dhabi Securities Exchange (ADX)

4. Organised markets in countries outside of the European Community

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

5. Exchanges with futures and options markets

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

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

When the expected withdrawal of the United Kingdom of Great Britain and Northern Ireland (GB) from the EU takes effect, GB will lose its status as an EEA member state and, in turn, the exchanges/regulated markets located there will also lose their status as EEA exchanges/regulated markets. In this event, we hereby inform you that the following exchanges and regulated markets located in GB shall be considered exchanges or recognised regulated markets in a third country 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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