

ESPA BOND EUROPE HIGH YIELD

Mutual fund pursuant to the InvFG

Annual Report 2017/18

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General Information about the Investment Firm

The company	ERSTE-SPARINVEST Kapitalanlagegesellschaft m. b. H. Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19881, Fax: +43 05 0100-17102
Nominal capital	EUR 4.50 million
Shareholders	Erste Asset Management GmbH (roughly 79.09%) DekaBank Deutsche Girozentrale (roughly 2.78%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m.b.H. & Co KG (roughly 2.78%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (roughly 1.27%) Salzburger Sparkasse Bank Aktiengesellschaft (roughly 2.78%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (roughly 2.78%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (roughly 5.57%) Tiroler Sparkasse Bankaktiengesellschaft Innsbruck (roughly 2.94%)
Supervisory Board	Rudolf SAGMEISTER, Mag. (Chairman) (from 22 February 2018) Wolfgang TRAINDL, Mag. (Chairman until 21 February 2018) Gabriele SEMMELROCK-WERZER (Deputy Chairwoman, First Deputy) Franz-Nikolaus HÖRMANN, Mag. (Deputy Chairman, Second Deputy) Matthias BAUER Monika JUNG, Mag. MSc (from 22 February 2018) Josef PRESCHITZ Franz PRUCKNER, Dr. MBA Rupert RIEDER, Mag. Rudolf SAGMEISTER, Mag. (from 15 February 2018 to 21 February 2018) Thomas SCHAUFLENER, Mag. (FH) Reinhard WALTL, Mag. Appointed by the Works Council: Martin CECH Regina HABERHAUER Heinrich Hubert REINER, Ing. Peter RIEDERER Manfred ZOUREK
Managing directors	Heinz BEDNAR, Mag. Peter KARL, Mag. (from 1 March 2018) Günther MANDL Christian SCHÖN (until 28 February 2018) Wolfgang TRAINDL, Mag. (from 1 March 2018)
Prokuristen (proxies)	Achim ARNHOF, Mag. Winfried BUCHBAUER, Mag. Karl FREUDENSCHUSS Dietmar JAROSCH, Dr. Manfred LENTNER Gerold PERMOSER Magdalena REISCHL, Mag. Jürgen SINGER, Mag.
State commissioners	Erwin GRUBER Michael MANHARD, HR Dr.
Auditor	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Custodian bank	Erste Group Bank AG

**Remuneration paid to employees of ERSTE-SPARINVEST KAG in EUR
(financial year 2016 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 31.12.16	131
Number of risk bearers as of 31.12.16	50
Fixed remuneration	10,429,401
Variable remuneration (bonuses)	2,748,322
Total employee remuneration	13,177,723
Thereof remuneration for managing directors	825,229
Thereof remuneration for managers and risk bearers	874,580
Thereof remuneration for risk bearers with controlling functions*	905,860
Thereof remuneration for other risk bearers	4,345,437
Thereof remuneration for employees at the same pay grade as managers and risk bearers due to the amount of their total remuneration	0
Total remuneration for risk bearers	6,951,106

* 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 the personal 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 gross annual 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 personal 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 gross annual 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 percent of the performance-based remuneration components are paid directly; 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 shares in an investment fund that is administered by the Management Company, equivalent holdings or instruments linked to shares, 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 in July 2017.

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

Dear Shareholder,

We are pleased to present you the following annual report for the ESPA BOND EUROPE HIGH YIELD mutual fund pursuant to the InvFG for the period from 1 June 2017 to 31 May 2018.

Development of the Fund

ESPA BOND EUROPE HIGH YIELD (ISIN AT0000805676) achieved a positive performance of 0.55% in the reporting period (1 June 2017 to 31 May 2018).

Due to the ECB's corporate bond purchasing programme, more and more investment grade bonds were trading at negative yields and many investors are thus moving into the BB segment because of the higher returns. In light of this, the risk in the fund was gradually increased through purchases of BB bonds and/or bonds with longer remaining terms to maturity because bonds with higher risk sensitivity also delivered better performance alongside the BB segment.

In Europe, the election of Emmanuel Macron as French president also improved investor sentiment towards this country. His far-reaching reforms caused risk premiums on French corporate bonds to fall substantially and also raised risk appetite. This led to strong performance by higher-yielding corporate bonds. No changes were made to the portfolio in this phase.

The downside risks stemming from political developments increased in 2017, for example from the continued uncertainty about the United Kingdom's exit from the EU, extremely polarising elections in some key economic countries, budding trade protectionism, and sometimes surprising moves of the US administration. However, the markets were affected little by this in 2017. Market sentiment was largely positive thanks to the "Trump effect", which was driven by the promised tax relief. But once it became clear in the summer that the US president would be unable to fulfil his campaign promises when or in the form that he had announced, this optimism faded again in the middle of the reporting period. Some reforms were finally initiated at the end of the year. This was also reflected in the fund's performance, as bonds with lower ratings did better than those with high ratings within the high yield segment. This was "risk on" mode and was implemented in the fund accordingly.

The market for oil producing companies also seems to be becoming increasingly difficult. Regardless of the assurance from the OPEC countries that they would cut their output so the price can return to more stable ground, the petroleum price fell further. Even with full stocks, countries inside and outside of the cartel are still producing at maximum capacity and are letting the price slide further. The fund was positioned neutrally in energy issues at this time.

Once the European Central Bank decided at its council meeting to continue its purchasing programme at a reduced volume as of the beginning of 2018 combined with an increase in the share of corporate bonds, some investors pulled out of riskier bonds. This caused increased volatility for spreads on high yield bonds. Capital inflows in this segment were invested cautiously, and a cash buffer was built up.

After the parliamentary elections in Italy in March 2018, many investors also lost their confidence in Italian companies and their bonds. The economic programme of the coalition partners, the Five Star Movement and La Lega Nord, is not exactly congruent with the idea of debt reduction and led to widening spreads on corporate bonds. The fund was unable to escape the general trend. However, opportunities were seized to reduce the allocation to Italian bank issues.

Consequently, no changes were made to the fund's strategy while maintaining an implicitly high investment level. This pertains to a continuous analysis of inefficiencies and market distortions (such as the peripheral countries) and the continuous monitoring of the portfolio in terms of yield potential and degree of risk.

Method of Calculating Overall Risk

Method of calculating overall risk:		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 May 2018		31 May 2017	
	EUR millions	%	EUR millions	%
Bonds denominated in				
EUR*	214.5	93.06	262.2	96.00
USD	0.0	0.00	0.0	0.00
Investment certificates denominated in				
EUR	2.2	0.97	5.4	1.98
Securities	216.7	94.03	267.6	97.98
Cash in banks	11.0	4.77	1.8	0.65
Interest entitlements	2.8	1.20	3.8	1.38
Other deferred items	- 0.0	- 0.00	- 0.0	- 0.00
Fund assets	230.5	100.00	273.1	100.00

* See also the footnote under Fund Portfolio.

Comparative Overview

Financial year	Fund assets
2015/2016	539,179,485.07
2016/2017	273,076,719.45
2017/2018	230,502,220.83

General information about performance:

The performance of share classes with no outstanding shares at the end of the reporting period or no outstanding shares 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 share class is issued during the reporting period, the performance and reinvestment are calculated from the point in time that the share class is launched. Because of this and possible other fees and currency classes, the performance and reinvestment of this share class differ from those of comparable share classes.

The performance is determined assuming the reinvestment of all paid dividends and amounts at their nominal value on the day of disbursement.

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/payment	Re-investment	Development in per cent
2015/2016	Dividend shares	AT0000805676	EUR	54.21	2.1000	-	1.09
2016/2017	Dividend shares	AT0000805676	EUR	55.98	1.5000	-	7.29
2017/2018	Dividend shares	AT0000805676	EUR	54.80	1.6000	1.5907	0.55

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/payment	Re-investment	Development in per cent
2015/2016	Dividend shares	AT0000A1Y3G6	EUR	-	-	-	-
2016/2017	Dividend shares	AT0000A1Y3G6	EUR	-	-	-	-
2017/2018	Dividend shares	AT0000A1Y3G6	EUR	100.97	1.6000	1.5959	0.97

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/payment	Re-investment	Development in per cent
2015/2016	Dividend shares	AT0000A1Y3H4	EUR	-	-	-	-
2016/2017	Dividend shares	AT0000A1Y3H4	EUR	-	-	-	-
2017/2018	Dividend shares	AT0000A1Y3H4	EUR	100.08	-	-	-

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/payment	Re-investment	Development in per cent
2015/2016	Non-dividend shares	AT0000805684	EUR	143.50	1.4867	4.0050	1.09
2016/2017	Non-dividend shares	AT0000805684	EUR	152.42	1.2039	3.2077	7.30
2017/2018	Non-dividend shares	AT0000805684	EUR	152.07	1.9334	6.9029	0.55

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/payment	Re-investment	Development in per cent
2015/2016	Non-dividend shares	AT0000A1Y3J0	EUR	-	-	-	-
2016/2017	Non-dividend shares	AT0000A1Y3J0	EUR	-	-	-	-
2017/2018	Non-dividend shares	AT0000A1Y3J0	EUR	99.47	0.1099	0.3292	-0.53

ESPA BOND EUROPE HIGH YIELD

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/ payment	Re-investment	Development in per cent
2015/2016	KESSt-exempt non-dividend shares	AT0000639422	CZK	4,762.88	-	181.5795	-0.19
2016/2017	KESSt-exempt non-dividend shares	AT0000639422	CZK	4,983.35	-	143.1795	4.63
2017/2018	KESSt-exempt non-dividend shares	AT0000639422	CZK	4,908.42	-	284.4622	-1.50

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/ payment	Re-investment	Development in per cent
2015/2016	KESSt-exempt non-dividend shares	AT0000A1Y3M4	CZK	-	-	-	-
2016/2017	KESSt-exempt non-dividend shares	AT0000A1Y3M4	CZK	-	-	-	-
2017/2018	KESSt-exempt non-dividend shares	AT0000A1Y3M4	CZK	2,633.12	-	-	-

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/ payment	Re-investment	Development in per cent
2015/2016	KESSt-exempt non-dividend shares	AT0000673280	EUR	176.25	-	6.7358	1.23
2016/2017	KESSt-exempt non-dividend shares	AT0000673280	EUR	189.10	-	5.5274	7.29
2017/2018	KESSt-exempt non-dividend shares	AT0000673280	EUR	190.27	-	10.9746	0.62

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/ payment	Re-investment	Development in per cent
2015/2016	KESSt-exempt non-dividend shares	AT0000A1Y3K8	EUR	-	-	-	-
2016/2017	KESSt-exempt non-dividend shares	AT0000A1Y3K8	EUR	-	-	-	-
2017/2018	KESSt-exempt non-dividend shares	AT0000A1Y3K8	EUR	100.92	-	-	-

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/ payment	Re-investment	Development in per cent
2015/2016	KESt-exempt non-dividend shares	AT0000A1Y3L6	EUR	-	-	-	-
2016/2017	KESt-exempt non-dividend shares	AT0000A1Y3L6	EUR	-	-	-	-
2017/2018	KESt-exempt non-dividend shares	AT0000A1Y3L6	EUR	101.96	-	3.5853	1.96

Financial year	Fund type	ISIN	Currency	Calculated value per share	Disbursement/ payment	Re-investment	Development in per cent
2015/2016	KESt-exempt non-dividend shares	AT0000A1Y3N2	HUF	-	-	-	-
2016/2017	KESt-exempt non-dividend shares	AT0000A1Y3N2	HUF	-	-	-	-
2017/2018	KESt-exempt non-dividend shares	AT0000A1Y3N2	HUF	32,604.67	-	-	-

Disbursement/Payment

The following disbursement or payment will be made for the financial year from 1 June 2017 to 31 May 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 3 September 2018 at

Erste Group Bank AG, Vienna,

and the respective bank managing the Shareholder's securities account.

Fund type	ISIN	Currency	Disbursement/ payment		KESt with option declaration	KESt w/o option declaration	Reinvestment
Dividend shares	AT0000805676	EUR	1.6000		0.6981	0.6981	1.5907
Dividend shares	AT0000A1Y3G6	EUR	1.6000		0.7009	0.7009	1.5959
Dividend shares	AT0000A1Y3H4	EUR	-		-	-	-
Non-dividend shares	AT0000805684	EUR	1.9334		1.9334	1.9334	6.9029
Non-dividend shares	AT0000A1Y3J0	EUR	0.1099		0.1099	0.1099	0.3292
KESt-exempt non-dividend shares	AT0000639422	CZK	-	*	-	-	284.4622
KESt-exempt non-dividend shares	AT0000A1Y3M4	CZK	-	*	-	-	-
KESt-exempt non-dividend shares	AT0000673280	EUR	-	*	-	-	10.9746
KESt-exempt non-dividend shares	AT0000A1Y3K8	EUR	-	*	-	-	-
KESt-exempt non-dividend shares	AT0000A1Y3L6	EUR	-	*	-	-	3.5853
KESt-exempt non-dividend shares	AT0000A1Y3N2	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 Financial Year (Fund Performance)

Calculation according to the OeKB method per share in the share currency not accounting for an issue premium

The performance of share classes with no outstanding shares at the end of the reporting period or no outstanding shares 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 share", and the "total value including (notional) shares gained through disbursement/payment" are not reported in the following.

When a share class is issued during the reporting period, the performance is calculated from the point in time that the share class is launched. Because of this and possible other fees and currency classes, the performance of this share class differs from that of comparable share classes.

AT0000805676 dividend shares EUR	
Share value at the beginning of the reporting period (2,049,715.808 shares)	55.98
Disbursement/payment on 30.08.2017 (corresponds to roughly 0.0271 shares at a calculated value of 55.27)	1.5000
Share value at the end of the reporting period (2,056,277.653 shares)	54.80
Total value including (notional) shares gained through disbursement/payment	56.29
Net earnings per share	0.31
Value development of one share in the period	0.55%

AT0000A1Y3G6 dividend shares EUR	
Share value on issue date (0.000 shares)	100.00
Disbursement/payment	0.0000
Share value at the end of the reporting period (22,883.000 shares)	100.97
Total value including (notional) shares gained through disbursement/payment	100.97
Net earnings per share	0.97
Value development of one share in the period	0.97%

AT0000A1Y3H4 dividend shares EUR	
Share value on issue date (0.000 shares)	100.00
Disbursement/payment	0.0000
Share value at the end of the reporting period (0.000 shares)	100.08
Total value including (notional) shares gained through disbursement/payment	-
Net earnings per share	-
Value development of one share in the period	-

AT0000805684 non-dividend shares EUR	
Share value at the beginning of the reporting period (935,368.580 shares)	152.42
Disbursement/payment on 30.08.2017 (corresponds to roughly 0.0078 shares at a calculated value of 153.37)	1.2039
Share value at the end of the reporting period (666,969.629 shares)	152.07
Total value including (notional) shares gained through disbursement/payment	153.26
Net earnings per share	0.84
Value development of one share in the period	0.55%

AT0000A1Y3J0 non-dividend shares EUR	
Share value on issue date (0.000 shares)	100.00
Disbursement/payment	0.0000
Share value at the end of the reporting period (4,810.000 shares)	99.47
Total value including (notional) shares gained through disbursement/payment	99.47
Net earnings per share	-0.53
Value development of one share in the period	-0.53%

AT0000639422 KES-exempt non-dividend shares CZK	
Share value at the beginning of the reporting period (20,008.319 shares)	4,983.35
Disbursement/payment	0.0000
Share value at the end of the reporting period (25,598.163 shares)	4,908.42
Total value including (notional) shares gained through disbursement/payment	4,908.42
Net earnings per share	-74.93
Value development of one share in the period	-1.50%

AT0000A1Y3M4 KES-exempt non-dividend shares CZK	
Share value on issue date (0.000 shares)	2,572.39
Disbursement/payment	0.0000
Share value at the end of the reporting period (0.000 shares)	2,633.12
Total value including (notional) shares gained through disbursement/payment	-
Net earnings per share	-
Value development of one share in the period	-

AT0000673280 KES-exempt non-dividend shares EUR	
Share value at the beginning of the reporting period (63,273.476 shares)	189.10
Disbursement/payment	0.0000
Share value at the end of the reporting period (10,022.542 shares)	190.27
Total value including (notional) shares gained through disbursement/payment	190.27
Net earnings per share	1.17
Value development of one share in the period	0.62%

AT0000A1Y3K8 KES-exempt non-dividend shares EUR	
Share value on issue date (0.000 shares)	100.00
Disbursement/payment	0.0000
Share value at the end of the reporting period (0.000 shares)	100.92
Total value including (notional) shares gained through disbursement/payment	-
Net earnings per share	-
Value development of one share in the period	-

AT0000A1Y3L6 KES-exempt non-dividend shares EUR	
Share value on issue date (0.000 shares)	100.00
Disbursement/payment	0.0000
Share value at the end of the reporting period (66,808.769 shares)	101.96
Total value including (notional) shares gained through disbursement/payment	101.96
Net earnings per share	1.96
Value development of one share in the period	1.96%

AT0000A1Y3N2 KES-exempt non-dividend shares HUF	
Share value on issue date (0.000 shares)	30,797.00
Disbursement/payment	0.0000
Share value at the end of the reporting period (0.000 shares)	32,604.67
Total value including (notional) shares gained through disbursement/payment	-
Net earnings per share	-
Value development of one share 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) 10,485,209.41

Dividend income 0.00

Other income 8) 518.88

Total income (without profit or loss from price changes) 10,485,728.29

Interest paid - 24,988.20

Expenses

Fees paid to Investment Firm - 2,609,801.55

Costs for the financial auditor and tax consultation - 6,508.00

Publication costs - 36,073.79

Securities account fees - 88,025.58

Custodian bank fees - 242,386.73

Costs for the external consultant 0.00

Total expenses - 2,982,795.65

Compensation for management costs from sub-funds 1) 0.00

Ordinary fund result (excluding income adjustment) 7,477,944.44

Realised profit or loss from price changes 2) 3)

Realised gains 4) 9,198,851.25

Realised losses 5) - 1,482,356.02

Realised profit or loss from price changes (excluding income adjustment) 7,716,495.23

Realised fund result (excluding income adjustment) 15,194,439.67

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

Changes in the unrealised profit or loss from price changes 7) - 12,593,394.43

Result for the reporting period 6) 2,601,045.24

c. Income adjustment

Income adjustment for income in the period - 2,033,191.46

Income adjustment for profit carried forward from dividend shares 54,422.48

Overall fund result 622,276.26

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	273,076,719.45
Disbursement/payment in the financial year	- 4,471,644.27
Issue and return of shares	- 38,725,130.61
Overall fund result	
(The fund result is shown in detail under item 2.)	622,276.26
Fund assets at the end of the reporting period	<u>230,502,220.83</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 -4,876,899.20.
- 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 financial year includes explicitly reported transaction costs in the amount of EUR 9,132.57.
- 7) Thereof changes in unrealised gains EUR -12,730,424.03 and unrealised losses EUR 137,029.60.
- 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 518.88, to earnings from real estate funds in the amount of EUR 0.00, and to other earnings in the amount of EUR 0.00.

Fund Portfolio as of 31 May 2018

(including changes in securities assets from 1 June 2017 to 31 May 2018)

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Publicly traded securities								
Bonds denominated in EUR								
Issue country Brazil								
VOTORANTIM CIM. 15/22REGS	XS1232126810	3.500	0	0	800	104.250	834,000.00	0.36
Total issue country Brazil							834,000.00	0.36
Issue country Germany								
ADLER REAL ESTATE 17/24	XS1731858715	2.125	800	0	800	97.738	781,906.06	0.34
Total issue country Germany							781,906.06	0.34
Issue country Finland								
NOKIA OYJ 17/24 MTN	XS1577731604	2.000	1,400	0	1,400	100.700	1,409,799.96	0.61
Total issue country Finland							1,409,799.96	0.61
Issue country Ireland								
AIB GROUP 18/23 MTN	XS1799975765	1.500	1,000	0	1,000	98.975	989,751.74	0.43
ALLIED IRISH 15/25FLR MTN	XS1325125158	4.125	0	0	1,200	105.186	1,262,231.96	0.55
Total issue country Ireland							2,251,983.70	0.98
Issue country Italy								
ASTALDI 13/20 REGS	XS1000393899	7.125	300	750	1,050	73.079	767,330.64	0.33
C.M.F. 17/22 REGS	XS1642816554	9.000	500	0	500	85.000	425,000.00	0.18
COOP.MURATO.+CEMENT.17/23	XS1717576141	6.000	750	0	750	80.130	600,974.98	0.26
EXOR 14/24	XS1119021357	2.500	1,300	0	1,300	105.762	1,374,911.17	0.60
LKQ ITALIA BO. 16/24 REGS	XS1395004408	3.875	0	0	800	104.500	836,000.00	0.36
MTE PASCHI SI. 14/19 MTN	XS1051696398	3.625	0	800	800	101.750	814,000.00	0.35
SACE 15/UND. FLR	XS1182150950	3.875	0	0	420	98.062	411,858.72	0.18
SALINI IMPREG. 17/24 REGS	XS1707063589	1.750	1,000	0	1,000	88.719	887,188.03	0.38
SCHUMANN 16/22 FLR	XS1454976801	6.625	0	0	500	98.710	493,550.00	0.21
SNAITECH 16/21 REGS	XS1513691979	6.375	0	0	500	104.250	521,250.00	0.23
SNAITECH 16/21 REGS FLR	XS1513692357	6.000	0	0	500	100.985	504,925.00	0.22
TELECOM ITALIA 15/23 MTN	XS1169832810	3.250	0	3,800	2,100	106.493	2,236,361.42	0.97
TELECOM ITALIA 16/24 MTN	XS1347748607	3.625	0	0	1,000	108.364	1,083,636.02	0.47
TELECOM ITALIA 16/25 MTN	XS1497606365	3.000	0	0	1,000	103.189	1,031,890.03	0.45
TELECOM ITALIA 17/23 MTN	XS1551678409	2.500	0	0	2,000	102.944	2,058,880.00	0.89
UNICREDIT 16/27 FLR MTN	XS1426039696	4.375	1,500	0	1,500	102.959	1,544,382.02	0.67
UNIPOL GRUPPO 15/25 MTN	XS1206977495	3.000	0	0	1,422	97.202	1,382,207.93	0.60
UNIPOLSAI ASSIC.01/21 FLR	XS0130717134	2.173	0	0	500	99.433	497,165.00	0.22
Total issue country Italy							17,471,510.96	7.58

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Issue country Luxembourg								
GAZ CAPITAL 14/21 MTN	XS1038646078	3.600	0	1,000	1,600	104.875	1,678,000.00	0.73
Total issue country Luxembourg							1,678,000.00	0.73
Issue country Netherlands								
FIAT CHRYSL.AUTO.16/24MTN	XS1388625425	3.750	1,000	0	2,000	108.124	2,162,481.24	0.94
LKQ EU.HLDGS 18/26REGS	XS1799640666	3.625	1,500	0	1,500	98.655	1,479,824.99	0.64
TEVA PH.F.NL.II 15/23	XS1211040917	1.250	4,000	0	4,000	91.034	3,641,345.52	1.58
TEVA PH.F.NL.II 16/28	XS1439749364	1.625	3,000	2,000	1,000	79.237	792,372.13	0.34
Total issue country Netherlands							8,076,023.88	3.50
Issue country Austria								
WIENERBERGER 14/UND. FLR	DE000A1ZN206	5.000	0	600	500	107.219	536,092.99	0.23
Total issue country Austria							536,092.99	0.23
Issue country Sweden								
FASTIGHETS 17/78 FLR	XS1677911825	3.000	400	0	400	95.750	383,000.00	0.17
Total issue country Sweden							383,000.00	0.17
Issue country Spain								
CAIXABANK 18/23 MTN	XS1752476538	0.750	1,500	0	1,500	97.605	1,464,075.63	0.64
Total issue country Spain							1,464,075.63	0.64
Issue country USA								
QUINTILES IMS 17/25 REGS	XS1684387456	2.875	1,500	0	1,500	95.063	1,425,938.99	0.62
Total issue country USA							1,425,938.99	0.62
Total bonds denominated in EUR							36,312,332.17	15.75
Total publicly traded securities							36,312,332.17	15.75
Investment certificates								
Investment certificates denominated in EUR								
Issue country Austria								
ESPA ALPHA 1 T	AT0000A03DF2		5,153	6,950	11,250	49.970	562,162.50	0.24
ESPA ALPHA 2 T	AT0000A05F50		11,020	15,705	22,761	73.780	1,679,306.58	0.73
Total issue country Austria							2,241,469.08	0.97
Total investment certificates denominated in EUR							2,241,469.08	0.97
Total investment certificates							2,241,469.08	0.97

ESPA BOND EUROPE HIGH YIELD

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Securities admitted to organised markets								
Bonds denominated in EUR								
Issue country Brazil								
VOTORANTIM CIM. 14/21REGS	XS1061029614	3.250	0	0	500	104.375	521,875.00	0.23
Total issue country Brazil							521,875.00	0.23
Issue country Germany								
ADLER REAL ESTATE 18/23	XS1713464441	1.875	1,000	0	1,000	98.205	982,050.00	0.43
ADLER REAL ESTATE 18/26	XS1713464524	3.000	1,000	0	1,000	98.565	985,650.00	0.43
DOUGLAS ANL 15/22REGS	XS1251078009	6.250	0	0	900	99.450	895,049.97	0.39
HAPAG-LLOYD AG 17(24)REGS	XS1645113322	5.125	800	0	800	101.591	812,724.18	0.35
IHO VERW.GMBH 16/26 REG.S	XS1490159495	3.750	0	0	2,500	104.043	2,601,070.03	1.13
K+S AG ANL.17/23	XS1591416679	2.625	2,000	1,000	1,000	104.159	1,041,586.00	0.45
KIRK BEAUTY ANL 15/23REGS	XS1251078694	8.750	1,500	0	2,000	96.946	1,938,928.08	0.84
KME AG 18/23 REGS	XS1756722069	6.750	2,000	0	2,000	100.588	2,011,759.94	0.87
NIDDA BONDCO REG-S 17/25	XS1690645129	5.000	750	0	750	96.246	721,842.96	0.31
NIDDA HEALTHC.REG-S 17/24	XS1690644668	3.500	2,000	1,000	1,000	97.000	970,000.00	0.42
NORDEX SE IHS 18/23 REGS	XS1713474168	6.500	300	0	300	93.252	279,756.00	0.12
RWE AG SUB.BOND15/75	XS1219498141	2.750	1,000	0	1,000	101.671	1,016,706.01	0.44
RWE AG SUB.BOND15/75	XS1219499032	3.500	0	0	800	101.520	812,159.98	0.35
TELE COLUMBUS NTS 18/25	XS1814546013	3.875	500	0	500	96.770	483,850.00	0.21
UNITYM.NRW/HE.14/25 REGS	XS1150437579	4.000	0	0	2,200	104.778	2,305,116.00	1.00
UNITYM.NRW/HE.15/26 REGS	XS1334248223	4.625	0	0	2,000	108.980	2,179,600.06	0.95
WEPA HYG.NTS.16/24REG.S	DE000A2AA0W5	3.750	0	0	1,050	97.425	1,022,967.41	0.44
Total issue country Germany							21,060,816.62	9.14
Issue country Finland								
OUTOKUMPU OYJ 16-21	FI4000210646	7.250	0	95	405	106.000	429,300.00	0.19
Total issue country Finland							429,300.00	0.19
Issue country France								
3AB OPTIQUE DE.17/23 REGS	XS1577949149	4.000	500	0	500	90.772	453,860.09	0.20
ACCOR 14/UND.FLR	FR0012005924	4.125	1,200	0	1,200	105.175	1,262,100.04	0.55
ALTICE FRANCE 14/24 REGS	XS1028956149	5.625	2,000	2,150	2,000	104.201	2,084,019.92	0.90
ARKEMA S.A. 14/UND.FLR	FR0012278539	4.750	0	1,000	700	107.795	754,564.99	0.33
AUTODIS 16/22 FLR REGS	XS1517169972	4.375	0	0	500	100.549	502,745.00	0.22
BURGER KING FR.17/24 REGS	XS1600514696	6.000	500	0	500	106.518	532,589.99	0.23
CASINO 17/22 MTN	FR0013260379	1.865	1,000	0	1,000	94.730	947,297.97	0.41
CASINO,GUICH-PER. 13/UND.	FR0011606169	4.870	0	2,000	3,400	91.460	3,109,640.00	1.35
CMA CGM 15/21 REGS	XS1244815111	7.750	0	0	500	102.375	511,875.00	0.22
CMA CGM 17/22 REGS	XS1647100848	6.500	1,200	0	1,200	98.500	1,182,000.00	0.51
CMA CGM 17/25 REGS	XS1703065620	5.250	500	0	500	86.500	432,500.00	0.19
CROWN EUROPEAN HLGS 14/22	XS1084050316	4.000	0	0	1,900	108.808	2,067,351.98	0.90
CROWN EUROPEAN HLGS 16/24	XS1490137418	2.625	1,500	0	1,500	99.012	1,485,180.02	0.64
ELIS 15/22 REGS	XS1225112272	3.000	0	0	1,750	101.580	1,777,650.04	0.77

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
EUROPCAR GRPE 15/22 REGS	XS1241053666	5.750	0	0	800	102.580	820,641.60	0.36
FAURECIA 16/23	XS1384278203	3.625	0	0	1,600	104.360	1,669,760.02	0.72
FAURECIA 18/25	XS1785467751	2.625	600	0	600	101.426	608,558.39	0.26
FNAC DARTY 16/23	XS1496175743	3.250	0	0	1,000	103.125	1,031,250.00	0.45
HOLDIKKS 14/21 REGS	XS1084836441	6.750	0	0	500	48.491	242,453.73	0.11
HORIZON HLDG I 15/23 REGS	XS1265973047	7.250	0	0	500	104.360	521,800.00	0.23
LOXAM 14/22 REGS	XS1089828880	7.000	0	0	1,000	104.375	1,043,750.00	0.45
LOXAM 16/23 REGS	XS1401324972	3.500	0	0	500	102.980	514,900.02	0.22
MOBILUX FIN. 16/24 REGS	XS1512670412	5.500	0	0	800	98.480	787,838.19	0.34
NOVAFIVES 14/21 REGS	XS1028950886	4.500	0	0	500	101.315	506,575.00	0.22
ORANO 13/20 MTN	FR0011560986	3.250	1,000	0	2,300	104.463	2,402,648.93	1.04
PEUGEOT 16/23 MTN	FR0013153707	2.375	0	1,000	500	105.426	527,130.02	0.23
PEUGEOT 18/25 MTN	FR0013323326	2.000	2,500	0	2,500	99.518	2,487,949.95	1.08
REXEL 16/23	XS1409506885	3.500	0	0	500	103.290	516,450.01	0.22
SOLVAY FIN. 15/UND. FLR	XS1323897485	5.118	0	800	200	109.500	219,000.00	0.10
SOLVAY FIN. 15/UND. FLR	XS1323897725	5.869	0	0	1,500	115.250	1,728,750.00	0.75
SPCM 15/23 REGS	XS1221105759	2.875	0	1,000	600	100.798	604,786.79	0.26
TEREOS FIN. GR.I 16/23	FR0013183571	4.125	0	0	1,200	96.000	1,152,000.00	0.50
VERALLIA PACKAGING 15/22	XS1265903937	5.125	0	0	600	102.970	617,820.01	0.27
Total issue country France							<u>35,107,437.70</u>	<u>15.23</u>
Issue country Great Britain								
INTL GAME TECH.	XS1204434028	4.750	0	0	2,600	107.694	2,800,033.70	1.21
JAGUAR LAND R.A.17/24REGS	XS1551347393	2.200	0	1,500	500	99.000	495,000.00	0.21
NOMAD FOODS BOND. 17/24	XS1600824962	3.250	1,500	0	1,500	100.490	1,507,355.81	0.65
SYNLAB UNSECU. 15/23 REGS	XS1268471494	8.250	2,000	0	2,000	105.685	2,113,699.96	0.92
TESCO C.TR.SERV.14/24 MTN	XS1082971588	2.500	2,000	1,800	2,700	105.501	2,848,515.04	1.24
THOMAS COOK G. 16/22 REGS	XS1531306717	6.250	2,000	0	2,000	106.399	2,127,980.04	0.92
TITAN GLOBAL FIN. 17/24	XS1716212243	2.375	250	0	250	95.146	237,865.01	0.10
Total issue country Great Britain							<u>12,130,449.56</u>	<u>5.26</u>
Issue country Ireland								
ARDAGH P.FIN./H.16/23REGS	XS1406669553	4.125	0	0	1,700	103.995	1,767,915.05	0.77
ARDAGH P.FIN./H.16/24REGS	XS1406669983	6.750	0	0	200	108.125	216,250.00	0.09
EIRCOM FINANCE 16/22 REGS	XS1432395785	4.500	0	800	700	102.020	714,139.50	0.31
EUROPCAR GRPE 17/24 REGS	XS1706202592	4.125	750	0	750	97.875	734,062.50	0.32
SMURF.KAPP.ACQ.14/21 REGS	XS1074396927	3.250	1,200	0	1,200	106.700	1,280,399.96	0.56
SMURF.KAPP.ACQ.15/25 REGS	XS1117298759	2.750	0	0	1,100	103.551	1,139,058.77	0.49
VRIDIAN POWER 17/25	XS1684813493	4.000	700	0	700	93.576	655,031.97	0.28
Total issue country Ireland							<u>6,506,857.75</u>	<u>2.82</u>
Issue country Italy								
BANCO BPM 18/23 MTN	XS1811053641	1.750	2,000	0	2,000	93.945	1,878,902.90	0.82
ICCREA BANCA 17/22 MTN	XS1696459731	1.500	2,000	0	2,000	96.479	1,929,573.22	0.84
PIAGGIO + C. 18/25 REGS	XS1808984501	3.625	600	0	600	99.930	599,580.00	0.26
WIND TRE 17/23 REGS	XS1708450488	2.625	3,000	500	2,500	86.000	2,150,000.00	0.93
Total issue country Italy							<u>6,558,056.12</u>	<u>2.85</u>

ESPA BOND EUROPE HIGH YIELD

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Issue country Japan								
SOFTBANK GROUP 17/25	XS1684385161	3.125	3,500	0	3,500	93.255	3,263,911.04	1.42
SOFTBANK GROUP 18/23	XS1811213781	4.000	500	0	500	102.800	514,000.02	0.22
SOFTBANK GROUP 18/28	XS1793255941	5.000	1,641	1	1,640	98.806	1,620,418.40	0.70
Total issue country Japan							5,398,329.46	2.34
Issue country Jersey								
ADIANT GLB HLD 16/24 REGS	XS1468662801	3.500	0	0	1,000	97.548	975,479.97	0.42
AVIS BUDGET FIN.16/24REGS	XS1496337236	4.125	0	0	500	101.685	508,424.00	0.22
Total issue country Jersey							1,483,903.97	0.64
Issue country Canada								
BOMBARDIER INC. 10/21REGS	XS0552915943	6.125	1,000	0	1,000	109.786	1,097,862.01	0.48
COTT FINANCE 16/24 REGS	XS1436943309	5.500	0	0	1,000	105.750	1,057,500.00	0.46
Total issue country Canada							2,155,362.01	0.94
Issue country Luxembourg								
ALTICE FINCO 13/23 REGS	XS0946155693	9.000	0	0	1,500	104.615	1,569,224.97	0.68
ALTICE LUXEMB. 14/22 REGS	XS1061642317	7.250	0	0	4,450	99.484	4,427,020.07	1.92
CIRSA FUN.LUX. 15/23 REGS	XS1227583033	5.875	0	0	343	102.489	351,536.58	0.15
CIRSA FUN.LUX. 16/21 REGS	XS1400351653	5.750	0	700	700	102.367	716,568.98	0.31
CODERE FIN.2 16/21 REGS	XS1513765922	6.750	500	0	500	96.779	483,895.00	0.21
DEA FINANCE 16/22 REGS	XS1498935391	7.500	1,500	1,000	500	107.320	536,600.00	0.23
DUFREY FIN. 15/23 REGS	XS1266592457	4.500	0	1,000	1,000	103.630	1,036,297.99	0.45
GALAPAGOS HLDG 14/22 REGS	XS1071420027	7.000	200	0	200	68.444	136,888.70	0.06
GARFUNKELUX H.3 17/23 FLR	XS1681017163	3.500	1,500	0	1,500	91.395	1,370,925.00	0.59
GESTAMP FDG L. 16/23 REGS	XS1409497283	3.500	0	500	600	102.544	615,262.80	0.27
INEOS GRP HLDGS 16/24REGS	XS1405769990	5.375	1,000	0	3,000	104.460	3,133,810.26	1.36
LECTA 16/22 FLR REGS	XS1458414023	6.375	0	0	500	99.555	497,775.00	0.22
LECTA 16/23 REGS	XS1458413728	6.500	1,000	0	1,100	97.685	1,074,534.98	0.47
MATTERH.TEL.H. 15/23 REGS	XS1219475792	4.875	0	0	2,000	100.997	2,019,944.00	0.88
MONI.HOLDC. 2 14/22 REGS	XS1074935492	6.875	0	1,000	400	92.140	368,560.00	0.16
SES 16/UND. FLR	XS1405765659	5.625	1,000	0	1,000	106.500	1,065,000.00	0.46
SES 16/UND. FLR	XS1405777746	4.625	1,860	0	1,860	103.986	1,934,139.60	0.84
SWISSPORT FIN. 17/21 REGS	XS1644604792	6.750	1,500	800	700	103.700	725,902.60	0.31
TELENET FIN.VI 15/27 REGS	XS1266726592 1)	4.875	1,100	100	1,000	108.548	976,932.66	0.42
Total issue country Luxembourg							23,040,819.19	10.00
Issue country Mexico								
CEMEX S.A.B. 15/23 REGS	XS1198002690	4.375	0	3,000	500	103.845	519,225.01	0.23
Total issue country Mexico							519,225.01	0.23
Issue country Netherlands								
CONSTELLIUM 14/21 REGS	XS1064882316	4.625	0	0	1,500	100.750	1,511,250.00	0.66

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
DIAMOND (BC) 17/25 REGS	XS1654544136	5.625	1,000	0	1,000	88.830	888,300.02	0.39
DUFYR ONE 17/24	XS1699848914	2.500	600	0	600	100.010	600,062.76	0.26
GAS NAT.FE.FI.14/UND.FLR	XS1139494493	4.125	1,000	1,000	1,000	104.637	1,046,370.01	0.45
GAS NAT.FE.FI.15/UND.FLR	XS1224710399	3.375	1,500	0	3,000	99.432	2,982,972.12	1.29
HEMA BONDCO I 17/22 REGS	XS1647643110	6.250	1,000	0	1,000	97.995	979,950.00	0.43
OI EUROPEAN GRP 16/24REGS	XS1405765907	3.125	1,500	0	3,300	101.497	3,349,401.07	1.45
PETROBRAS GBL FIN. 14/25	XS0982711714	4.750	0	1,500	3,000	104.720	3,141,614.91	1.36
REPSOL INTL F. 15/75 FLR	XS1207058733	4.500	2,000	2,500	2,500	105.800	2,645,000.08	1.15
SAIPEM FIN.INT. 16/21 MTN	XS1487498922	3.000	0	0	750	102.530	768,974.99	0.33
SAIPEM FIN.INT. 16/23 MTN	XS1487495316	3.750	0	0	750	102.713	770,347.48	0.33
SELECTA GRP 18/24 REGS	XS1756356371	5.875	500	0	500	97.188	485,940.02	0.21
SELECTA GRP 18/24FLR REGS	XS1756359045	5.375	2,000	0	2,000	99.375	1,987,500.00	0.86
TELEFON.EUROPE 14/UND.FLR	XS1050461034	5.875	0	0	1,300	110.750	1,439,750.00	0.62
TELEFON.EUROPE 16/UND.FLR	XS1490960942	3.750	700	0	2,400	102.900	2,469,600.05	1.07
TELEFON.EUROPE 18/UND.FLR	XS1795406575	3.000	1,200	0	1,200	96.250	1,155,000.00	0.50
TELEFON.EUROPE 18/UND.FLR	XS1795406658	3.875	1,200	0	1,200	95.853	1,150,240.91	0.50
TENNET HOLDING 17/UND.FLR	XS1591694481	2.995	4,500	3,300	1,200	100.276	1,203,312.01	0.52
ZIGGO BOND CO. 15/25 REGS	XS1170079443	4.625	0	0	2,500	100.214	2,505,349.93	1.09
Total issue country Netherlands							<u>31,080,936.36</u>	<u>13.48</u>
Issue country Austria								
SAPPI PAP.HLDG 16/23 REGS	XS1383922876	4.000	0	0	1,000	103.330	1,033,300.02	0.45
STEINHOFF EUR. 17/25	XS1650590349	1.875	2,000	1,000	1,000	66.349	663,486.71	0.29
Total issue country Austria							<u>1,696,786.73</u>	<u>0.74</u>
Issue country Sweden								
ERICSSON 17/24 MTN	XS1571293684	1.875	2,000	0	2,000	98.101	1,962,012.02	0.85
INTRUM AB 17/22REGS	XS1634531344	2.750	1,000	0	1,000	98.014	980,135.27	0.43
INTRUM AB 17/24REGS	XS1634532748	3.125	3,000	1,500	1,500	97.305	1,459,579.35	0.63
PERSTORP HLDG 16/21 REGS	XS1518684102 1)	7.625	1,000	0	1,000	105.755	846,040.00	0.37
STENA AB 10/20 REGS	XS0495219874	7.875	0	0	250	109.345	273,362.50	0.12
SYNTHOS FIN. 14/21 REGS	XS1115183359	4.000	0	0	500	102.046	510,229.99	0.22
UNILABS SUB.AB 17/25 REGS	XS1602515733	5.750	1,000	0	1,000	96.930	969,301.38	0.42
VERISURE HOLD. 15/22 REGS	XS1310477895 1)	6.000	763	0	1,763	104.375	1,656,118.13	0.72
VOLVO TREAS. 14/78 FLR	XS1150695192	4.850	500	0	500	111.098	555,490.00	0.24
Total issue country Sweden							<u>9,212,268.64</u>	<u>4.00</u>
Issue country Spain								
GRIFOLS 17/25 REGS	XS1598757760	3.200	2,000	800	2,200	99.250	2,183,500.00	0.95
GRU.ANTOLIN IR. 17/24	XS1598243142	3.250	1,000	1,500	1,000	99.082	990,823.97	0.43
Total issue country Spain							<u>3,174,323.97</u>	<u>1.38</u>
Issue country USA								
BALL 15/23	XS1330978567	4.375	0	0	1,000	112.102	1,121,019.97	0.49
BELDEN INC. 17/25 REGS	XS1684785345	2.875	2,000	0	2,000	97.482	1,949,640.04	0.85
CEMEX FINANCE 16/24 REGS	XS1433214449	4.625	1,000	0	1,500	105.610	1,584,150.02	0.69
EQUINIX 17/26	XS1734328799	2.875	2,500	0	2,500	95.404	2,385,099.98	1.03

ESPA BOND EUROPE HIGH YIELD

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
FED.-MOGUL HGS 17/22 REGS	XS1587905727	4.875	2,000	1,000	1,000	103.430	1,034,300.00	0.45
HUNTSMAN INTL 16/25	XS1395182683	4.250	1,000	0	1,000	113.810	1,138,099.98	0.49
MPT OPER.PARTN. 15/22	XS1278084147	4.000	0	2,000	1,000	108.904	1,089,040.00	0.47
NETFLIX 17/27 REGS	XS1821883102	3.625	1,500	0	1,500	99.250	1,488,750.00	0.65
PVH CORP. 17/27 REGS	XS1734066811	3.125	500	0	500	98.097	490,486.07	0.21
Total issue country USA							12,280,586.06	5.33
Total bonds denominated in EUR							172,357,334.15	74.77
Total securities admitted to organised markets							172,357,334.15	74.77
Unlisted securities								
Bonds denominated in EUR								
Issue country Germany								
PROGROUP NTS 18/26REG.S	DE000A2G8WA3	3.000	600	0	600	98.500	591,000.00	0.26
Total issue country Germany							591,000.00	0.26
Issue country Italy								
COOP.MURAT.+CEM.17/22REGS	XS1645764694	6.875	500	0	500	86.909	434,544.99	0.19
MOBY S.P.A. 16/23 REGS	XS1361301457	7.750	0	0	500	80.500	402,500.00	0.17
Total issue country Italy							837,044.99	0.36
Issue country Luxembourg								
ALDESA FIN.S. 14/21 REGS	XS1028959754	7.250	300	0	300	89.000	267,000.00	0.12
ARD FINANCE 17/23	XS1599275986	6.625	1,000	0	4,000	103.367	4,134,679.88	1.79
TEKSID ALUM. (LUX.) 03/11	XS0172166869		0	0	825	0.000	0.00	0.00
Total issue country Luxembourg							4,401,679.88	1.91
Total bonds denominated in EUR							5,829,724.87	2.53
Bonds denominated in USD								
Issue country Bermuda								
HANG FUNG GOLD TECH.07/14	XS0324747723		0	0	1,000	0.000	0.00	0.00
Total issue country Bermuda							0.00	0.00
Total bonds denominated in USD translated at a rate of 1.16730							0.00	0.00
Total unlisted securities							5,829,724.87	2.53

Breakdown of fund assets

Securities			216,740,860.27	94.03
Cash in banks			11,002,045.78	4.77
Interest entitlements			2,765,840.45	1.20
Other deferred items			-6,525.67	-0.00
Fund assets			230,502,220.83	100.00

Dividend shares outstanding	AT0000805676	shares	2,056,277.653
Share value for dividend share	AT0000805676	EUR	54.80
Dividend shares outstanding	AT0000A1Y3G6	shares	22,883.000
Share value for dividend share	AT0000A1Y3G6	EUR	100.97
Dividend shares outstanding	AT0000A1Y3H4	shares	0.000
Share value for dividend share	AT0000A1Y3H4	EUR	100.08
Non-dividend shares outstanding	AT0000805684	shares	666,969.629
Share value for non-dividend share	AT0000805684	EUR	152.07
Non-dividend shares outstanding	AT0000A1Y3J0	shares	4,810.000
Share value for non-dividend share	AT0000A1Y3J0	EUR	99.47
KEST-exempt non-dividend shares outstanding	AT0000673280	shares	10,022.542
Share value for KEST-exempt non-dividend share	AT0000673280	EUR	190.27
KEST-exempt non-dividend shares outstanding	AT0000639422	shares	25,598.163
Share value for KEST-exempt non-dividend share	AT0000639422	CZK	4,908.42
KEST-exempt non-dividend shares outstanding	AT0000A1Y3K8	shares	0.000
KEST-exempt non-dividend shares outstanding	AT0000A1Y3K8	EUR	100.92
KEST-exempt non-dividend shares outstanding	AT0000A1Y3L6	shares	66,808.769
Share value for KEST-exempt non-dividend share	AT0000A1Y3L6	EUR	101.96
KEST-exempt non-dividend shares outstanding	AT0000A1Y3N2	shares	0.000
Share value for KEST-exempt non-dividend share	AT0000A1Y3N2	HUF	32,604.67
KEST-exempt non-dividend shares outstanding	AT0000A1Y3M4	shares	0.000
Share value for KEST-exempt non-dividend share	AT0000A1Y3M4	CZK	2,633.12

1) The bond has a pool factor that is multiplied by the nominal amount.

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 terms and conditions. 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 are 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 are 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 securities in the reporting period not listed in the fund portfolio

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
Publicly traded securities				
Bonds denominated in EUR				
Issue country Curacao				
TEVA PHARMAC.FIN.IV 12/19	XS0765295828	2.875	2,530	2,530
Issue country France				
HOMEVI 14/21 REGS	XS1093814116	6.875	0	500
Issue country Great Britain				
INTERROUTE FINCO15/20 REGS	XS1298004612	7.375	0	800
Issue country Ireland				
RZD CAPITAL 13/21	XS0919581982	3.374	0	2,000
RZD CAPITAL 14/23	XS1041815116	4.600	0	1,000
Issue country Italy				
B.T.P. 17-22	IT0005244782	1.200	3,000	3,000
BANCO BPM 14/19	XS1044894944	3.500	0	5,800

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals
Shares/nominal (nom. in 1,000, rounded)				
BANCO BPM 14/19 MTN	XS1024830819	4.250	0	1,200
BANCO BPM 15/20	XS1266866927	2.750	1,000	1,000
BUZZI UNICEM 16/23	XS1401125346	2.125	0	1,175
CMC DI RAVENNA 14/21 REGS	XS1088811432	7.500	0	2,600
ENEL S.P.A. 14/75 FLR	XS1014997073	5.000	0	3,000
ICCREA BANCA 17/20 MTN	XS1569103259	1.500	1,000	1,000
INTESA SANP. 13/18 MTN	XS0985326502	5.000	0	850
INTESA SANP. 14/19 MTN	XS1069508494	4.000	0	1,000
INTESA SANP. 15/20 MTN	XS1205644047	2.750	0	1,200
MANUT.FAC.M.S 13/20 REGS	XS0808635352	8.500	0	765
SALINI IMPREG. 16/21	XS1435297202	3.750	0	2,000
SCHUMANN 16/23 REGS	XS1454980159	7.000	400	650
Issue country Japan				
SOFTBANK GROUP 13/20 REGS	XS0918548644	4.625	0	1,000
Issue country Luxembourg				
BORMIOLI RO.H. 11/18 REGS	XS0615235966	10.000	0	950
CNHIndustr.FIN.EUR.16/23	XS1412424662	2.875	1,500	5,000
FIAT CHRY.F. 14/21 MTN	XS1048568452	4.750	0	1,000
FIAT CHRY.F. 14/22 MTN	XS1088515207	4.750	0	3,400
SWISSP.INV.15/21	XS1331156684	6.750	0	1,500
Issue country Netherlands				
SAMVARD.MOTH.AUT.SY.14/21	XS1082399301	4.125	0	1,189
UPC HOLDING 13/23 REGS	XS0909769407	6.750	3,000	3,000
Issue country Norway				
LOCK 14/20 FLR REGS	XS1094672273	5.500	0	500
LOCK 14/21	XS1094612378	7.000	0	850
Issue country Portugal				
EDP-ENERG.PORTUG.15/75FLR	PTEDPUOM0024	5.375	0	1,500
Issue country Spain				
BPE FINANCIACIO. 15/20MTN	XS1169791529	2.000	0	1,600
CELLNEX TELECOM 15/22 MTN	XS1265778933	3.125	0	2,500
Issue country USA				
NETFLIX 17/27 REGS	XS1603948032	3.625	1,500	1,500
QUINTILES IMS 17/25 REGS	XS1533922776	3.250	2,000	2,000

ESPA BOND EUROPE HIGH YIELD

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals
Shares/nominal (nom. in 1,000, rounded)				
Investment certificates				
Investment certificates denominated in EUR				
Issue country Austria				
ERSTE BOND CORPORATE PLT	AT0000A1PKM0		0	26,000
Securities admitted to organised markets				
Bonds denominated in EUR				
Issue country Belgium				
ONTEX GROUP 14/21	BE6272861657	4.750	0	900
Issue country Germany				
ADLER REAL ESTATE 15/20	XS1211417362	4.750	0	800
DAIMLER MTN 17/24	DE000A2GSCY9	0.121	5,000	5,000
HAPAG-LLOYD AG 13(18)REGS	XS0974356262	7.750	0	400
K+S AG BOND 12/22	DE000A1PGZ82	3.000	1,100	1,100
METRO MTN 15/25	XS1203941775	1.500	4,000	4,000
TUI AG AN.REG.S 16/21	XS1504103984	2.125	0	700
UNITYM.NRW/HE.13/23 REGS	XS0918739318	5.625	100	1,100
UNITYM.NRW/HE.13/29 REGS	XS0982713330	6.250	0	1,800
Issue country Finland				
STORA ENSO 16/23 MTN	XS1432392170	2.125	0	2,000
Issue country France				
AUTODIS 16/22 REGS	XS1517169899	4.375	0	500
CASINO 14/24 MTN	FR0011765825	4.498	0	5,000
CASINO 14/26 MTN	FR0012074284	4.048	2,000	2,000
CMA CGM 13/18 REGS	XS1005207961	8.750	0	600
HLDG.MEDI-PART.13/20 REGS	XS0924046682	7.000	0	500
LA FIN.ATALIAN 17/24 REGS	XS1605600532	4.000	1,500	1,500
NEXANS 16/21	FR0013176294	3.250	0	300
ORANO 09-19 MTN	FR0010817452	4.375	0	2,300
ORANO 10-21 MTN	FR0010941690	3.500	0	800
REXEL 15/22	XS1238996018	3.250	0	1,500
SMCP GROUP 16/23 REGS	XS1405782316	5.875	0	750
TOTAL 16/UND.	XS1413581205	3.875	4,000	4,000

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
Issue country Great Britain				
ALGECO GL.FIN. 12/18 REGS	XS0836306471	9.000	0	1,800
ANGLO AM. CAP. 12/19	XS0789283792	2.750	0	2,000
ANGLO AM. CAP. 13/20 MTN	XS0995040051	2.875	0	900
ANGLO AM. CAP. 14/23 MTN	XS1052677892	3.250	1,200	1,700
ANGLO AM. CAP. 15/20 MTN	XS1211292484	1.500	0	1,050
ARROW GL.FIN. 16/23 FLR	XS1396892751	4.750	0	500
BOPARAN FIN. 14/21 REGS	XS1082473395	4.375	0	700
INEOS FINANCE 15/23 REGS	XS1117296209	4.000	0	1,500
OTE PLC 14/20 MTN	XS1086785182	3.500	0	700
OTE PLC 15/19 MTN	XS1327539976	4.375	0	1,750
SYNLAB BONDCO 15/22 REGS	XS1117292984	6.250	0	1,800
TESCO C.TR.SERV.13/17 MTN	XS0992632702	1.250	0	100
TESCO PLC 07/47 MTN	XS0295018070	5.125	0	3,000
VIRGIN MED.FI. 15/25 REGS	XS1169920193	4.500	1,000	2,800
WORLDPAY FIN. 15/22 REGS	XS1319701451	3.750	0	1,000
Issue country Guernsey Islands				
SUMMIT GERMANY 18/25 REGS	XS1757821688	2.000	2,000	2,000
Issue country Ireland				
FRESEN.FIN.IRE. 17/24 MTN	XS1554373248	1.500	0	1,000
SMURF.KAPP.ACQ.12/20 REGS	XS0832432446	3.171	0	250
Issue country Italy				
INTERN. GAME TECHN. 12/20	XS0860855930	4.750	0	500
Issue country Japan				
SOFTBANK GROUP 15/25	XS1266662334	4.750	0	1,500
Issue country Luxembourg				
ARCELORMITTAL 15/21 MTN	XS1214673722	3.000	0	1,220
ARCELORMITTAL 15/22 MTN	XS1167308128	3.125	0	2,350
GARFUNKELUX H.3 15/22REGS	XS1263891910	7.500	0	1,000
INTRALOT CAP.LU 14/21REGS	XS1064899120	6.000	0	700
TELENET FIN.VI 15/27 REGS	XS1266726592	4.875	0	2,000
WIND ACQUIS.FIN. 14/20	XS1082636876	4.000	0	3,300
Issue country Netherlands				
ALTICE LUXEMB. 5/25 REGS	XS1117300241	6.250	800	800
HEMA BONDCO I 14/19 REGS	XS1075833860	6.250	0	700
MYLAN 16/24	XS1492457665	2.250	2,000	2,000

ESPA BOND EUROPE HIGH YIELD

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals
			Shares/nominal (nom. in 1,000, rounded)	
SCHAEFFLER FIN.15/20 REGS	XS1212469966	2.500	0	500
SCHAEFFLER FIN.15/25 REGS	XS1212470972	3.250	0	1,660
SELECTA GRP 14/20 REGS	XS1078234330	6.500	0	1,000
TELEFON.EUROPE 13/UND.FLR	XS0972588643	7.625	0	3,000
Issue country Sweden				
ERICSSON 17/21 MTN	XS1571293171	0.875	5,400	5,400
VOLVO CAR AB 16/21	XS1409634612	3.250	0	1,000
Issue country Slovenia				
NOV.LJUBL.BKA 14/17 REGS	XS1081728195	2.875	0	500
Issue country Spain				
BANKIA 14-24 FLR	ES0213307004	4.000	3,000	3,000
OBRASCON HUARTE 12/20REGS	XS0760705631	7.625	0	1,200
OBRASCON HUARTE 14/22REGS	XS1043961439	4.750	2,000	2,000
SPAIN 17-22	ES0000012801	0.400	3,000	3,000
Issue country USA				
IRON MOUNTAIN INC. 17/25	XS1619006486	3.000	1,000	1,000
ZF NA CAPITAL 15/23	DE000A14J7G6	2.750	2,000	3,100
Unlisted securities				
Bonds denominated in EUR				
Issue country Germany				
PROGROUP NTS 15/22REG.S	DE000A161GC3	5.125	0	1,000
Issue country Italy				
PIAGGIO + C. 14/21 REGS	XS1061086846	4.625	0	350
Issue country Luxembourg				
GPN CAPITAL 13/18 MTN	XS0922296883	2.933	0	1,000
WIND ACQUIS.FIN. 14/21	XS1055940206	7.000	0	2,000
ZINC CAPITAL 11/18 REGS	XS0625719777	8.875	0	750
Issue country Netherlands				
DARLING GLOB.FIN. 15/22	XS1240984754	4.750	0	1,500

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals
Shares/nominal (nom. in 1,000, rounded)				
Issue country Norway				
SILK BIDCO 15/22 REGS	XS1180324037	7.500	0	2,000
Issue country Spain				
CAMPOFRIO FOOD GR. 15/22	XS1117299211	3.375	0	700

Vienna, 20 August 2018

ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.
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]).

Auditor's Opinion*

Statement on the annual report

Audit opinion

We have audited the annual report prepared by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., Vienna, for the fund under its management

ESPA BOND EUROPE HIGH YIELD
mutual fund pursuant to the InvFG,

consisting of the fund portfolio as of 31 May 2018, 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 31 May 2018 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 opinion. 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 a statement 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 fund portfolio, the income statement, the other information specified in Annex I Scheme B of the InvFG 2011, and the auditor's opinion.

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, 20 August 2018

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 auditor's opinion or our audit without our approval.

Fund Terms and Conditions for ESPA BOND EUROPE HIGH YIELD

Mutual fund pursuant to the InvFG

The Fund Terms and Conditions for ESPA BOND EUROPE HIGH YIELD, mutual 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-SPARINVEST Kapitalanlagegesellschaft m.b.H. (the "Management Company" in the following), which is domiciled in Vienna.

Article 1 Fund Shares

The partial ownership of the fund assets is evidenced by certificates having the characteristics of a bearer share.

The share certificates are depicted in global certificates for each share class. For this reason, individual share certificates cannot be issued.

Article 2 Custodian Bank (Depositary Bank)

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

The payment offices for share certificates are the custodian bank (depositary bank) or other payment offices mentioned in the prospectus.

Article 3 Investment Instruments and Principles

The following assets may be selected for the Fund in accordance with the InvFG.

The Fund invests predominantly, in other words at least 51% of its assets, in bonds issued by European companies (with no sector restrictions) that are denominated in the currencies of the G7 countries (USA, Italy, Japan, Canada, Great Britain, France, and Germany) and that are no longer included in the investment grade segment according to assessments by recognised rating agencies, but in the speculative grade segment or a comparable segment due to their lower credit ratings (high yield bonds). These instruments must be purchased directly as individual instruments, in other words not indirectly or directly through investment funds or through derivatives.

The Management Company also strives to hedge as much of the foreign currency risk versus the euro as possible by applying appropriate strategies in accordance with the market conditions.

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

a) Securities

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) Securities and money market instruments

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.

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) Shares in investment funds

Shares in investment funds (UCITS, UCI) may each comprise up to 10% of the fund assets and may comprise up to 10% in aggregate total, provided that the target funds themselves (UCITS, UCI) do not invest more than 10% of their fund assets in shares 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 callable deposits

Demand deposits and callable deposits with a maximum term of 12 months may be held in the amount of no more than 49% of the fund assets.

There are no minimum deposit requirements.

However, in the course of the restructuring of the fund portfolio and/or in the case of the justified expectation of impending losses experienced by securities, the Fund can hold a lower proportion of securities and a higher proportion of demand deposits or callable deposits 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 share classes or groups of share classes.

This does not apply to currency hedging transactions, however. Such transactions can also be concluded solely for a single share class. Expenses and income resulting from currency hedging transactions shall be allocated solely to the respective share class.

Article 4 Issue and Return Procedure

The share value shall be calculated in the currency of the respective share class.

The share value is calculated at the same time as the issue and return price.

Issue of shares and issue premium

The issue price will be calculated and shares issued on every exchange trading day.

The issue price shall be made up of the share value plus a premium per share amounting to up to 3.5% to cover the costs incurred by the Management Company in issuing the share, rounded up to the next equivalent sub-unit of the currency unit specified for the respective share class in the prospectus.

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

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

Return of shares and return fee

The return price will be calculated and shares redeemed on every exchange trading day.

The return price is the share value rounded down to the next equivalent sub-unit of the currency unit specified for the respective share class in the prospectus. No return fee will be charged.

Upon request by the Shareholder, his shares shall be redeemed at the current return price in return for the share certificate.

Article 5 Financial Year

The financial year of the Fund is from 1 June to 31 May.

Article 6 Share Classes and Use of Earnings

The Fund features three different share classes and the corresponding certificates: dividend shares, non-dividend shares with capital gains tax withholding, and non-dividend shares without capital gains tax withholding, with certificates being issued for one share each and also for fractional shares.

Various share classes may be issued for this Fund. The creation of share classes and the issue of shares of a specific class shall be decided at the discretion of the Management Company.

Use of earnings for dividend shares

The earnings generated during the financial year (interest and dividends) less all costs can be distributed as deemed appropriate by the Management Company. Dividend disbursement may be suspended taking the interests of the Shareholders into account. Dividends may also be paid 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 not fall below the legally stipulated minimum volume for termination after dividend payments in any case.

The amounts shall be paid to the holders of dividend shares on or after 1 September of the following financial 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 September to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund shares unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the share certificates can only be held by Shareholders 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 shares with capital gains tax withholding

The earnings generated by the Fund during the financial year less all costs will not be paid out. In the case of non-dividend shares, an amount calculated in accordance with the InvFG must be paid out on or after 1 September to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund shares unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the share certificates can only be held by Shareholders 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 shares without capital gains tax withholding (KESt-exempt non-dividend domestic and foreign share class)

The earnings generated by the Fund during the financial year less all costs will not be paid out. No payment pursuant to the InvFG will be made. The reference date for the exemption from KESt payment for the profit for the year for the purposes of the InvFG shall be 1 October of the following financial year.

The Management Company shall provide suitable proof from the banks managing the corresponding securities accounts that the share certificates could only be held by Shareholders 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 bank managing the respective securities account in the form of an account credit.

Article 7 Management Fee, Compensation for Expenses, Liquidation Fee

The Management Company shall receive an annual fee for its administrative activities amounting to up to 1.2% 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 share classes for existing investment funds shall be assessed against the share price of the new share classes.

The custodian bank shall receive a fee in the amount of 0.5% of the fund assets upon liquidation.

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

Annex to the Fund Terms and Conditions

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 Geregelt 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 respective 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 regulation 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: <https://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, Fund Portfolio, and Tax Treatment in this annual report were prepared on the basis of data from the custodian bank for the Fund.

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

Unless indicated otherwise, source: ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. 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 domicile of the Investment Firm and at the head office of the custodian 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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