

ESPA PORTFOLIO BOND EUROPE

Jointly owned fund pursuant to the InvFG

Semi-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 SCHAUFLEER (Deputy Chairman) Ingo BLEIER Harald GASSER Gerhard GRABNER Oswald HUBER Radovan JELASITY Robert LASSHOFFER 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 semi-annual report for the ESPA PORTFOLIO BOND EUROPE jointly owned fund pursuant to the InvFG for the period from 1 September 2018 to 28 February 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 PORTFOLIO BOND as of the effective date of the merger.

Development of the Fund

Market report

The reporting period was dominated by high global liquidity, low inflation, and a significant decline in the macroeconomic indicators.

The political uncertainty caused by President Trump's changes to America's foreign and domestic policy grew and ultimately led to anxiety among investors.

The outcome of the elections in Italy led to massive tensions within the Eurozone, which in turn had a negative impact on Italian government bonds. Progress was slow-going in the Brexit negotiations, which remained a focus of interest. In Asia, attention was mainly centred on the newsflow about the trade relations between China and the USA. Many risky asset classes came under substantial pressure towards the end of the year.

Based on the weak economic outlook, key central banks made drastic changes to their interest rate policies. Chief among them was the US Fed, which stopped its rate-hiking cycle and simultaneously signalled an end of its balance sheet reduction programme.

The ECB also increasingly issued signals of an upcoming loosening of monetary policy. This provided a boost for many asset classes starting at the beginning of the year.

Yields on ten-year German government bonds fell from plus 0.4% to as low as plus 0.1%. They were at around plus 0.1% at the end of the reporting period. In the USA, the yield on a ten-year government bond dropped from plus 2.9% to as low as 2.5% and closed the period at around 2.7%.

Investment policy

The overall market had a positive effect on the performance of ESPA PORTFOLIO BOND EUROPE during the reporting period.

Interest rate derivatives were used within the prescribed limits to actively manage the fund's duration during the reporting period.

The duration was increased significantly, particularly around the end of the year. This had a positive effect on performance.

Investment-grade corporate bonds were overweighted to the detriment of government bonds so as to profit from the ECB's quantitative measures. Contrary to the intended effect, the higher weighting of corporate bonds made a negative performance contribution, especially during the volatile phase at the end of the year.

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However, bonds that may suffer following the discontinuation of the ECB's corporate sector purchase programme are underweighted within the corporate segment.

The weak development of Italian government bonds dampened the performance of ESPA PORTFOLIO BOND EUROPE.

ESPA PORTFOLIO BOND EUROPE delivered a performance of minus 1.56% in the reporting period.

To minimise the currency risk and therefore the volatility of the fund, currency hedges are temporarily being held for the foreign currency bonds.

Asset Allocation

	28 February 2019		31 August 2018	
	EUR millions	%	EUR millions	%
Bonds denominated in				
GBP	28.5	16.52	24.8	13.11
DKK	1.8	1.04	1.9	1.02
EUR	122.6	70.93	133.0	70.22
NOK	1.0	0.56	1.0	0.51
SEK	1.3	0.75	1.3	0.69
Investment certificates denominated in				
EUR	14.2	8.22	22.0	11.60
Securities	169.4	98.02	184.0	97.15
Forward exchange agreements	0.2	0.10	- 0.0	- 0.00
Options	0.2	0.12		
Bank balances	1.9	1.10	3.7	1.97
Interest entitlements	1.1	0.65	1.7	0.88
Other deferred items	- 0.0	- 0.00	- 0.0	- 0.00
Fund assets	172.8	100.00	189.4	100.00

Statement of Assets and Liabilities as of 28 February 2019

(including changes in securities assets from 1 September 2018 to 28 February 2019)

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Units/nominal (nom. in 1,000, rounded)								
Publicly traded securities								
Bonds denominated in GBP								
Issue country Great Britain								
TREASURY STK 2023	GB00BF0HZ991	0.750	3,400	0	3,400	99.088	3,935,278.47	2.28
Total issue country Great Britain							3,935,278.47	2.28
Total bonds denominated in GBP translated at a rate of 0.85610							3,935,278.47	2.28
Bonds denominated in EUR								
Issue country Germany								
GOVT.BOND.V. 14/24	DE0001102333	1.750	0	0	1,800	110.298	1,985,371.22	1.15
GOVT.BOND.V. 14/46	DE0001102341	2.500	0	600	200	142.613	285,226.81	0.17
GOVT.BOND.V.16/26	DE0001102390	0.500	0	2,000	1,300	104.390	1,357,070.78	0.79
GOVT.BOND.V. 17/48	DE0001102432	1.250	0	0	2,500	111.623	2,790,570.08	1.61
GOVT.BOND.V.18/28	DE0001102457	0.250	1,000	0	2,600	101.114	2,628,974.48	1.52
Total issue country Germany							9,047,213.37	5.24
Issue country Ireland								
IRELAND 2023	IE00B4S3JD47	3.900	0	0	1,000	116.329	1,163,293.99	0.67
IRELAND 2045	IE00BV8C9186	2.000	0	0	400	108.446	433,782.41	0.25
Total issue country Ireland							1,597,076.40	0.92
Issue country Italy								
SNAM 14/24 MTN	XS1019326641	3.250	0	0	400	110.627	442,508.79	0.26
Total issue country Italy							442,508.79	0.26
Issue country Austria								
AUSTRIA 18/28 MTN	AT0000A1ZGE4	0.750	0	0	1,000	103.046	1,030,459.98	0.60
AUSTRIA 15/25	AT0000A1FAP5	1.200	0	0	1,300	107.416	1,396,402.85	0.81
AUSTRIA 16/23	AT0000A1PE50	0.000	0	0	1,400	100.798	1,411,177.61	0.82
AUSTRIA 16/47	AT0000A1K9F1	1.500	0	0	1,100	105.410	1,159,510.04	0.67
OMV AG 12/27 MTN	XS0834371469	3.500	0	800	200	118.314	236,627.14	0.14
VERBUND AG 14/24	XS1140300663	1.500	500	0	500	104.965	524,826.89	0.30
Total issue country Austria							5,759,004.51	3.33
Issue country Spain								
TELEFONICA EM. 14/29 MTN	XS1120892507	2.932	0	500	200	109.789	219,578.00	0.13
Total issue country Spain							219,578.00	0.13

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Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Issue country USA								
LEHMAN BROTH.06/16FLR MTN	XS0268648952	0.000	0	0	500	0.000	0.00	0.00
LEHMAN BROTH.07/19FLR MTN	XS0287044969	0.000	0	0	750	0.000	0.00	0.00
Total issue country USA							0.00	0.00
Total bonds denominated in EUR							17,065,381.07	9.88
Total publicly traded securities							21,000,659.54	12.15
Investment certificates								
Investment certificates denominated in EUR								
Issue country Austria								
ESPA ALPHA 1 T	AT0000A03DF2		478	5,946	37,030	52.040	1,927,041.20	1.12
ESPA ALPHA 2 T	AT0000A05F50		279	8,219	78,250	74.670	5,842,927.50	3.38
ESPA BD EU.CO. EOR01TEO	AT0000724224		0	59,800	20,200	168.650	3,406,730.00	1.97
ESPA BD EU.H.YI.EURR01TEO	AT0000805684		21,000	900	20,100	150.870	3,032,487.00	1.75
Total issue country Austria							14,209,185.70	8.22
Total investment certificates denominated in EUR							14,209,185.70	8.22
Total investment certificates							14,209,185.70	8.22
Securities admitted to organised markets								
Bonds denominated in GBP								
Issue country Great Britain								
LCR FINANCE 99/28 REGS	XS0094804126	4.500	0	0	250	125.583	366,730.70	0.21
TREASURY STK 2020	GB00B058DQ55	4.750	0	1,300	1,000	103.967	1,214,425.92	0.70
TREASURY STK 2022	GB00BD0PCK97	0.500	2,200	0	2,200	98.763	2,538,004.91	1.47
TREASURY STK 2024	GB00BHBFBH458	2.750	0	0	2,000	109.359	2,554,818.39	1.48
TREASURY STK 2025	GB00BTHH2R79	2.000	0	0	800	105.993	990,473.04	0.57
TREASURY STK 2028	GB00BFX0ZL78	1.625	2,000	0	2,000	102.909	2,404,134.96	1.39
TREASURY STK 2047	GB00BDCHBW80	1.500	13,400	0	13,400	92.880	14,537,927.34	8.41
Total issue country Great Britain							24,606,515.26	14.24
Total bonds denominated in GBP translated at a rate of 0.85610							24,606,515.26	14.24
Bonds denominated in DKK								
Issue country Denmark								
DANSKE STAT 2021	DK0009922676	3.000	0	0	4,000	109.502	587,053.39	0.34
DANSKE STAT 2023	DK0009923054	1.500	0	0	2,000	108.525	290,908.85	0.17
DANSKE STAT 2025	DK0009923138	1.750	0	0	3,000	112.614	452,805.34	0.26
DANSKE STAT 2039	DK0009922320	4.500	0	0	2,000	175.694	470,961.03	0.27
Total issue country Denmark							1,801,728.61	1.04
Total bonds denominated in DKK translated at a rate of 7.46110							1,801,728.61	1.04

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Bonds denominated in EUR								
Issue country Australia								
BHP BILLITON FIN.15/30MTN	XS1224955408	1.500	0	0	500	101.770	508,849.99	0.29
Total issue country Australia							508,849.99	0.29
Issue country Belgium								
AB INBEV 12/24 MTN	BE6243179650	2.875	0	500	250	112.012	280,029.47	0.16
BELGIQUE 15/25 74	BE0000334434	0.800	0	0	2,300	104.186	2,396,282.67	1.39
BELGIQUE 15/31 75	BE0000335449	1.000	0	0	3,800	101.490	3,856,619.92	2.23
BELGIQUE 18/28 85	BE0000345547	0.800	0	0	900	102.122	919,094.37	0.53
Total issue country Belgium							7,452,026.43	4.31
Issue country Germany								
DVB BANK MTN.16/23	XS1433231377	1.250	0	0	300	100.421	301,262.95	0.17
HEIDEL.CEMENT MTN 16/24	XS1425274484	2.250	0	0	250	105.078	262,696.08	0.15
LBBW SMT IHS 15/25	XS1246732249	3.625	0	300	200	108.743	217,486.48	0.13
NRW.BANK MTI 05/20	DE000NWB0329	3.875	0	0	1,800	103.860	1,869,480.00	1.08
Total issue country Germany							2,650,925.51	1.53
Issuer European Financial Stability Facility								
EFSF 13/20 MTN	EU000A1G0BK3	1.750	0	0	900	103.497	931,473.02	0.54
EFSF 13/29 MTN	EU000A1G0BL1	2.750	0	0	2,000	121.026	2,420,523.98	1.40
Total issuer European Financial Stability Facility							3,351,997.00	1.94
Issuer European Investment Bank								
EIB EUR.INV.BK 10/22 MTN	XS0544644957	3.000	0	0	3,000	111.486	3,344,580.00	1.94
Total issuer European Investment Bank							3,344,580.00	1.94
Issue country France								
AXA S.A. 10/40 FLR MTN	XS0503665290	5.250	0	500	300	105.401	316,202.64	0.18
BNP PARIBAS 11/22 MTN	XS0635033631	4.125	0	500	250	111.289	278,223.00	0.16
BQUE F.C.MTL 14/24 MTN	XS1069549761	3.000	0	0	500	107.785	538,923.00	0.31
CIE F.FONCIER 12/22 MTN	FR0011356997	2.375	0	0	1,300	108.540	1,411,020.01	0.82
CIE F.FONCIER 14/21 MTN	FR0012299394	0.625	0	0	4,900	101.889	4,992,570.70	2.89
COFIROUTE 06/21	FR0010327007	5.000	0	300	300	111.128	333,383.47	0.19
CREDIT AGRIC. 15/27	XS1204154410	2.625	0	500	500	105.667	528,335.19	0.31
ENGIE 12/23 MTN	FR0011261924	3.000	0	300	200	110.813	221,626.01	0.13
REP. FSE 13/23 O.A.T.	FR0011486067	1.750	0	1,100	3,000	108.279	3,248,358.09	1.88
REP. FSE 14-24 O.A.T.	FR0011962398	1.750	0	0	900	109.957	989,614.79	0.57
REP. FSE 16-26 O.A.T.	FR0013131877	0.500	0	0	5,500	101.998	5,609,900.95	3.25
REP. FSE 16-36 O.A.T.	FR0013154044	1.250	0	0	6,400	101.408	6,490,124.99	3.76
REP. FSE 16-66 O.A.T.	FR0013154028	1.750	0	0	1,400	98.264	1,375,696.00	0.80
SOC GENERALE 15/25 MTN	XS1195574881	2.625	0	500	500	104.991	524,954.99	0.30
Total issue country France							26,858,933.83	15.54

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Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Units/nominal (nom. in 1,000, rounded)								
Issue country Italy								
B.T.P. 15-22	IT0005135840	1.450	0	2,000	1,000	100.533	1,005,329.97	0.58
B.T.P. 16-23	IT0005172322	0.950	7,100	0	10,500	97.950	10,284,728.90	5.95
B.T.P. 16-26	IT0005170839	1.600	2,500	2,300	3,500	95.680	3,348,793.07	1.94
B.T.P. 16-47	IT0005162828	2.700	2,900	600	6,800	85.310	5,801,079.86	3.36
B.T.P. 17-20	IT0005285041	0.200	5,000	0	5,000	99.694	4,984,709.95	2.88
B.T.P. 18-28	IT0005340929	2.800	3,100	0	3,100	100.524	3,116,256.37	1.80
Total issue country Italy							28,540,898.12	16.52
Issue country Jersey								
UBS GROUP FDG 16/24	CH0314209351	2.125	0	0	400	105.676	422,705.84	0.24
Total issue country Jersey							422,705.84	0.24
Issue country Canada								
ROYAL BK CDA 15/20 FLRMTN	XS1272154565	0.123	0	0	600	100.415	602,490.00	0.35
TORONTO-DOM. BK 15/20 FLR	XS1287714502	0.172	0	0	600	100.520	603,120.00	0.35
Total issue country Canada							1,205,610.00	0.70
Issue country Netherlands								
ABN AMRO BANK 13/23 MTN	XS0937858271	2.500	0	0	500	109.410	547,050.36	0.32
ALLIANZ FIN. II 13/28 MTN	DE000A1HG1K6	3.000	0	500	300	118.350	355,049.72	0.21
BAYER CAP.CORP. 18/26	XS1840618059	1.500	500	0	500	100.566	502,830.89	0.29
BNG BK 10/20 MTN	XS0537711144	2.625	0	0	2,700	104.473	2,820,757.61	1.63
DT.TELEK.INTL F.13/28 MTN	XS0875797515	3.250	500	300	200	114.965	229,929.20	0.13
ENBW INTL FIN. 04/25 MTN	XS0207320242	4.875	0	500	250	124.426	311,065.52	0.18
ING BK NV 12/22 MTN	XS0748187902	4.500	0	500	300	112.868	338,602.87	0.20
NETHERLANDS 12-33	NL0010071189	2.500	0	0	300	125.691	377,073.60	0.22
NETHERLANDS 17-27	NL0012171458	0.750	0	0	400	104.663	418,652.80	0.24
NN GROUP 15/22 MTN	XS1204254715	1.000	0	500	500	101.402	507,010.81	0.29
VONOVIA FINANCE 16/26 MTN	DE000A182VT2	1.500	0	0	500	100.156	500,781.44	0.29
Total issue country Netherlands							6,908,804.82	4.00
Issue country Norway								
STATKRAFT 15/23 MTN	XS1293571425	1.500	0	0	250	104.296	260,739.50	0.15
Total issue country Norway							260,739.50	0.15
Issue country Austria								
ERDOEL-LAGERGES. 13-28	XS0905658349	2.750	0	300	200	115.958	231,915.56	0.13
ERSTE GP BNK AG 12/22 MTN	XS0840062979	7.125	0	0	400	121.112	484,448.00	0.28
Total issue country Austria							716,363.56	0.41
Issue country Portugal								
PORTUGAL 15-25	PTOTEKOE0011	2.875	0	0	1,400	113.915	1,594,807.24	0.92

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Units/nominal (nom. in 1,000, rounded)								
PORTUGAL 15-45	PTOTEB0E0020	4.100	500	0	500	128.896	644,479.98	0.37
PORTUGAL 19/29	PTOTEX0E0024	1.950	800	0	800	104.510	836,076.05	0.48
Total issue country Portugal							3,075,363.27	1.78
Issue country Sweden								
VATTENFALL TRSY 04/24 MTN	XS0191154961	5.375	0	0	250	123.100	307,750.00	0.18
Total issue country Sweden							307,750.00	0.18
Issue country Spain								
BCO SANTANDER 05/20	ES0413900087	4.000	0	0	1,900	104.604	1,987,475.92	1.15
SPAIN 14-19	ES00000124V5	2.750	0	0	700	100.500	703,500.00	0.41
SPAIN 15-25	ES00000126Z1	1.600	1,000	500	2,000	106.412	2,128,240.06	1.23
SPAIN 16-46	ES00000128C6	2.900	1,000	0	3,800	111.063	4,220,384.01	2.44
SPAIN 17-22	ES0000012801	0.400	0	0	4,500	101.470	4,566,150.05	2.64
SPAIN 18-21	ES0000012C46	0.050	1,000	0	1,000	100.337	1,003,374.02	0.58
SPAIN 18-28	ES0000012B88	1.400	4,800	1,300	3,500	101.964	3,568,739.90	2.07
Total issue country Spain							18,177,863.96	10.52
Issue country USA								
AT + T 14/29	XS1144088165	2.600	0	0	500	103.618	518,089.98	0.30
BOOKING HLDGS 15/27	XS1196503137	1.800	500	0	500	102.799	513,993.04	0.30
GOLDM.S.GRP 06/21	XS0270347304	4.750	0	250	250	109.420	273,549.52	0.16
WELLS FARGO 14/24 MTN	XS1074382893	2.125	0	0	400	107.007	428,028.02	0.25
Total issue country USA							1,733,660.56	1.00
Total bonds denominated in EUR							105,517,072.39	61.06
Bonds denominated in NOK								
Issue country Norway								
NORWAY 08-19	N00010429913	4.500	0	0	5,000	100.750	517,633.45	0.30
NORWAY 14-24	N00010705536	3.000	0	0	4,000	107.855	443,310.02	0.26
Total issue country Norway							960,943.47	0.56
Total bonds denominated in NOK translated at a rate of 9.73179							960,943.47	0.56
Bonds denominated in SEK								
Issue country Sweden								
SWEDEN 11-22 1054	SE0003784461	3.500	0	0	7,000	112.075	746,383.40	0.43
SWEDEN 12-32 1056	SE0004517290	2.250	0	0	2,000	118.702	225,862.81	0.13
SWEDEN 14-25 1058	SE0005676608	2.500	0	0	3,000	114.798	327,651.02	0.19
Total issue country Sweden							1,299,897.23	0.75
Total bonds denominated in SEK translated at a rate of 10.51100							1,299,897.23	0.75
Total securities admitted to organised markets							134,186,156.96	77.65

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Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding		Unrealised result in EUR	% share of fund assets
Derivatives							
Options denominated in USD							
Issue country USA							
GBPUSD Call 06/2019 132	GBUF913200	7,563	0	7,563	3.470	230,454.69	0.13
GBPUSD Call 06/2019 141	GBUF914100	0	7,563	-7,563	0.280	-18,595.77	-0.01
Total issue country USA						211,858.92	0.12
Total options denominated in USD translated at a rate of 1.13870						211,858.92	0.12
Total derivatives						211,858.92	0.12
Forward exchange agreements						Unrealised result in EUR	
Forward exchange agreements denominated in EUR							
Issue country Austria							
FXF SPEST EUR/CHF 12.04.2019	FXF_TAX_3445103			-1,581,418		6,056.11	0.00
FXF SPEST EUR/GBP 12.04.2019	FXF_TAX_3445105			-6,190,361		167,532.91	0.10
FXF SPEST EUR/NOK 12.04.2019	FXF_TAX_3445154			-357,291		1,797.54	0.00
FXF SPEST EUR/SEK 12.04.2019	FXF_TAX_3445148			459,197		2,484.07	0.00
Total issue country Austria						177,870.63	0.10
Total forward exchange agreements denominated in EUR						177,870.63	0.10
Total forward exchange agreements						177,870.63	0.10
Breakdown of fund assets							
Transferable securities						169,396,002.20	98.02
Forward exchange agreements						177,870.63	0.10
Options						211,858.92	0.12
Bank balances						1,905,812.61	1.10
Interest entitlements						1,121,168.26	0.65
Other deferred items						-1,990.59	-0.00
Fund assets						172,810,722.03	100.00
Dividend-bearing units outstanding		AT0000858527	units	2,087,017.017			
Value of dividend-bearing unit		AT0000858527	EUR	58.95			
Non-dividend-bearing units outstanding		AT0000812805	units	304,136.412			
Value of non-dividend-bearing unit		AT0000812805	EUR	105.32			
KEST-exempt non-dividend-bearing units outstanding		AT0000673215	units	19,008.780			
Value of KEST-exempt non-dividend-bearing unit		AT0000673215	EUR	119.89			
KEST-exempt non-dividend-bearing units outstanding		AT0000639455	units	128,932.178			
Value of KEST-exempt non-dividend-bearing unit		AT0000639455	CZK	3,071.22			

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

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

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

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

All OTC derivatives are traded through Erste Group Bank AG.

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

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

Investor note:

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

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

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Publicly traded securities				
Bonds denominated in EUR				
Issue country Germany				
GOVT.BOND.V. 11/22	DE0001135465	2.000	0	1,100
MUENCH.HYP.BK. MTN-PF1546	DE000MHB06J1	1.750	0	2,300
Issue country Ireland				
WILLOW NO.2 12/22MTN REGS	XS0798504030	3.375	0	500
Issue country Italy				
ENI S.P.A. 10/20 MTN	XS0521000975	4.000	0	800
TERNA R.E.N. 11/21 MTN	XS0605214336	4.750	0	500
UBI BANCA 13/20 MTN	IT0004966195	3.125	0	1,400

ESPA PORTFOLIO BOND EUROPE

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Issue country Netherlands				
TEVA PH.F.NL.II 15/27	XS1211044075	1.875	0	1,000
Issue country Austria				
AUSTRIA 2020 MTN 144A	AT0000386115	3.900	0	300
Securities admitted to organised markets				
Bonds denominated in GBP				
Issue country Germany				
KRED.F.WIED.01/21 MTN	XS0138036412	5.550	0	1,900
Issue country Great Britain				
TREASURY STK 2021	GB00B4RMG977	3.750	0	2,300
TREASURY STK 2037	GB00BZB26Y51	1.750	0	11,800
Bonds denominated in EUR				
Issue country Australia				
A.N.Z. BKG GRP 14/19 FLR	XS1130526780	0.093	0	600
Issue country Belgium				
BELGIQUE 13-23	BE0000328378	2.250	0	1,000
Issue country Denmark				
ORSTED 12/22 MTN	XS0829114999	2.625	0	500
Issue country France				
AUCHAN HOLDING 09/19 MTN	FR0010746008	6.000	0	500
AUTOROUTES SUD FR. 07/22	FR0010491720	5.625	0	500
BOUYGUES 05-20	FR0010212852	4.250	0	500
ORANGE 12/22 MTN	XS0794245018	3.000	0	500
SCHNEIDER ELECTRIC 10/20	FR0010922534	3.625	0	1,000
Issue country Great Britain				
HSBC HLDGS 09/19 MTN	XS0433028254	6.000	0	500
SKY 14/26 MTN	XS1109741329	2.500	0	500
STAND.CHAR. 14/21 MTN	XS1077631635	1.625	0	750

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Issue country Italy				
UNICREDIT 11/23 MTN	IT0004689433	5.250	0	500
Issue country Netherlands				
DT.TELEK.INTL F.12/19 MTN	XS0850057588	2.000	0	1,000
HEINEKEN 12/24 MTN	XS0758420748	3.500	0	500
RABOBK NEDERLD 10/20 MTN	XS0557252417	3.750	0	700
VOLKSWAGEN INTL 15/23 MTN	XS1167644407	0.875	0	1,000
Issue country Sweden				
NORDEA BK 10/20 MTN	XS0520755488	4.000	0	500
Issue country Spain				
BANCO SANTANDER 13/20	XS0877984459	4.000	0	500
BBVA SA 05/20	ES0413211105	3.500	0	1,400
SPAIN 17-27	ES00000128P8	1.500	0	2,500
Issue country USA				
VERIZON COMM 14/26	XS1030900242	3.250	500	500
Unlisted securities				
Bonds denominated in DKK				
Issue country Denmark				
DANSKE STAT 2018	DK0009923484	0.250	0	1,000

Vienna, March 2019

Erste Asset Management GmbH
Electronically signed

Inspection information:
Note:

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