

ESPA STOCK BIOTEC

Jointly owned fund pursuant to the InvFG

Annual Report 2018/19

Contents

General Information about the Investment Firm	2
Development of the Fund	7
Method of Calculating the Global Exposure.....	8
Asset Allocation.....	8
Comparative Overview	9
Disbursement/Payment.....	12
Income Statement and Changes in Fund Assets	13
1. Value Development over the Accounting Year (Fund Performance)	13
2. Fund Result.....	16
3. Changes in Fund Assets.....	17
Statement of Assets and Liabilities as of 14 March 2019	18
Audit Report.....	24
Fund Rules.....	27
Annex to the Fund Rules	30

General Information about the Investment Firm

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

**Remuneration paid to employees of Erste Asset Management GmbH in EUR
(2017 financial year of Erste Asset Management GmbH)**

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

Number of employees as of 31.12.17	83
Number of risk bearers as of 31.12.17	45
Fixed remuneration	6,255,431
Variable remuneration (bonuses)	1,931,863
Total employee remuneration	8,187,294
Thereof remuneration for managing directors	668,440
Thereof remuneration for managers and risk bearers	160,215
Thereof remuneration for risk bearers with control functions	409,883
Thereof remuneration for other risk bearers	4,136,628
Thereof remuneration for employees in the same income bracket as managers and risk bearers due to the amount of their total remuneration	0
Total remuneration for risk bearers	5,375,166

Principles governing performance-based remuneration components

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

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

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

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

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

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

The remuneration system is made up of three components:

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

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

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

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

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

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

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

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

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

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

* Includes the Head of Compliance

Principles governing performance-based remuneration components

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

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

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

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

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

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

The remuneration system is made up of three components:

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

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

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

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

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

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

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

Dear Unit-holder,

We are pleased to present you the following annual report for the ESPA STOCK BIOTEC jointly owned fund pursuant to the InvFG for the period from 15 March 2018 to 14 March 2019.

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

Development of the Fund

Review

ESPA STOCK BIOTEC is a global equity fund and invests in the most important biotechnology companies worldwide. The fund achieved a positive performance of 12.19% (ISIN AT0000746748) for the reporting period.

The biotechnology sector also generated a positive return in the reporting period in EUR terms. In a volatile exchange environment, the biotechnology sector slightly outperformed the equity market at large. From mid-March 2018 to early May 2018, the biotechnology sector underwent a significant correction, but then recovered and managed to climb to a new annual high in mid-September 2018. The biotechnology sector then corrected in line with the overall stock market from the beginning of October to the end of December 2018. Growth sectors in particular came under heavy pressure in this period. The sentiment on the equity markets turned positive at the beginning of 2019, and the biotechnology sector climbed back to the levels seen in autumn 2018. This year will once again see numerous new drug approvals, which are expected to result in significant earnings for biotech companies in future. A great deal of research is being conducted in the field of immuno-oncology at the moment, and combination therapies are delivering promising research results. In addition, more and more research is being conducted in the genetic technology segment, and promising research findings are expected in the coming months and years.

There were again several takeovers in the biotechnology sector in the reporting period. Takeda Pharmaceuticals took over Shire Plc., Novartis bought Avexis, Bristol Myers is interested in Celgene, and Eli Lilly absorbed Loxo Oncology, among other deals on the market. ESPA STOCK BIOTECH was invested in some of these takeover targets, and was therefore able to profit substantially. The motivation behind takeovers in the healthcare sector is the rather weak product pipeline in some major pharmaceutical and biotechnology companies combined with efforts to achieve cost efficiency in sales and research. The number of M&A transactions diminished slightly during the reporting period while IPOs increased. Numerous biotechnology companies held IPOs during the reporting period.

The largest positions in the fund currently include Celgene, Gilead, Vertex, Sarepta, Illumina, and Amarin. The fund's investment level ranged between 99.22% and 100% during the reporting period. The fund concentrates on American biotechnology stocks. The investment focus is on large caps and mid caps and on companies with research focuses in oncology, haematology, the central nervous system, and rare illnesses.

Outlook

The biotechnology sector continues to offer a positive outlook. Investors are focusing on the research results being published by the various companies in particular in 2019. The biotechnology sector should continue to see substantial acquisition activity in 2019.

The number of newly approved medications has increased further in recent years and is laying the foundation for future revenue.

Method of Calculating the Global Exposure

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

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

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

Asset Allocation

	14 March 2019		14 March 2018	
	EUR millions	%	EUR millions	%
Equities denominated in				
GBP	-	-	2.8	1.30
EUR	0.4	0.16	0.5	0.25
USD	225.6	97.95	210.9	98.30
Warrants denominated in				
USD	-	-	0.0	0.00
Securities	226.0	98.11	214.2	99.86
Bank balances	4.4	1.93	0.4	0.20
Dividend entitlements	0.1	0.05	0.0	0.02
Other deferred items	-	0.08	-	0.08
Fund assets	230.4	100.00	214.5	100.00

Comparative Overview

Accounting year	Fund assets
2016/2017	218,769,419.90
2017/2018	214,507,889.56
2018/2019	230,350,052.66

General information about performance:

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

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Dividend-bearing units	AT0000746748	EUR	429.14	3.1162	-	25.24
2017/2018	Dividend-bearing units	AT0000746748	EUR	434.67	1.8230	8.8616	2.08
2018/2019	Dividend-bearing units	AT0000746748	EUR	485.67	3.5507	17.4819	12.19

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Dividend-bearing units	AT0000A1YFC3	EUR	-	-	-	-
2017/2018	Dividend-bearing units	AT0000A1YFC3	EUR	103.70	-	-	-
2018/2019	Dividend-bearing units	AT0000A1YFC3	EUR	117.72	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Dividend-bearing units	AT0000A25NL2	EUR	-	-	-	-
2017/2018	Dividend-bearing units	AT0000A25NL2	EUR	-	-	-	-
2018/2019	Dividend-bearing units	AT0000A25NL2	EUR	103.95	0.3003	1.4993	3.95

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Non-dividend-bearing units	AT0000746755	EUR	429.14	3.1162	15.3553	25.24
2017/2018	Non-dividend-bearing units	AT0000746755	EUR	434.67	1.8225	8.8721	2.08
2018/2019	Non-dividend-bearing units	AT0000746755	EUR	485.64	3.5457	17.4893	12.19

ESPA STOCK BIOTEC

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	Non-dividend-bearing units	AT0000A1YFD1	EUR	-	-	-	-
2017/2018	Non-dividend-bearing units	AT0000A1YFD1	EUR	103.65	-	-	-
2018/2019	Non-dividend-bearing units	AT0000A1YFD1	EUR	116.80	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KESt-exempt non-dividend-bearing units	AT0000A0XYPO	CZK	12,204.60	-	527.4438	25.07
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A0XYPO	CZK	11,730.27	-	288.4461	-3.89
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A0XYPO	CZK	13,277.01	-	574.8801	13.19

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KESt-exempt non-dividend-bearing units	AT0000A1YFG4	CZK	-	-	-	-
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A1YFG4	CZK	2,642.40	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A1YFG4	CZK	3,030.97	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KESt-exempt non-dividend-bearing units	AT0000673165	EUR	451.68	-	19.5054	25.19
2017/2018	KESt-exempt non-dividend-bearing units	AT0000673165	EUR	461.07	-	11.3488	2.08
2018/2019	KESt-exempt non-dividend-bearing units	AT0000673165	EUR	517.28	-	22.4090	12.19

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KESt-exempt non-dividend-bearing units	AT0000A1YFE9	EUR	-	-	-	-
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A1YFE9	EUR	103.86	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A1YFE9	EUR	118.10	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KESt-exempt non-dividend-bearing units	AT0000A26HX7	EUR	-	-	-	-
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A26HX7	EUR	-	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A26HX7	EUR	100.40	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KESt-exempt non-dividend-bearing units	AT0000A18XC5	HUF	140,560.56	-	6,060.2986	25.75
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A18XC5	HUF	143,500.31	-	3,524.7285	2.09
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A18XC5	HUF	162,621.79	-	7,065.1471	13.33

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2016/2017	KESt-exempt non-dividend-bearing units	AT0000A1YFF6	HUF	-	-	-	-
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A1YFF6	HUF	32,325.38	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A1YFF6	HUF	37,122.38	-	-	-

Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 15 March 2018 to 14 March 2019. The coupon-paying bank is obligated to withhold capital gains tax from this disbursement if the respective investor is not exempt from the payment of this tax.

The disbursement or payment will be effected on or after 17 June 2019 at

Erste Group Bank AG, Vienna,

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

Fund type	ISIN	Currency	Dividend disbursement/ payment		KEst with option declaration	KEst w/o option declaration	Reinvestment
Dividend-bearing units	AT0000746748	EUR	3.5507		3.5507	3.5507	17.4819
Dividend-bearing units	AT0000A1YFC3	EUR	-		-	-	-
Dividend-bearing units	AT0000A25NL2	EUR	0.3003		0.3003	0.3003	1.4993
Non-dividend-bearing units	AT0000746755	EUR	3.5457		3.5457	3.5457	17.4893
Non-dividend-bearing units	AT0000A1YFD1	EUR	-		-	-	-
KEst-exempt non-dividend-bearing units	AT0000A0XYP0	CZK	-	*	-	-	574.8801
KEst-exempt non-dividend-bearing units	AT0000A1YFG4	CZK	-	*	-	-	-
KEst-exempt non-dividend-bearing units	AT0000673165	EUR	-	*	-	-	22.4090
KEst-exempt non-dividend-bearing units	AT0000A1YFE9	EUR	-	*	-	-	-
KEst-exempt non-dividend-bearing units	AT0000A26HX7	EUR	-	*	-	-	-
KEst-exempt non-dividend-bearing units	AT0000A18XC5	HUF	-	*	-	-	7,065.1471
KEst-exempt non-dividend-bearing units	AT0000A1YFF6	HUF	-	*	-	-	-

* Pursuant to the penultimate sentence of § 58 (2) of the Austrian Investment Fund Act, no capital gains tax will be paid.

Income Statement and Changes in Fund Assets

1. Value Development over the Accounting Year (Fund Performance)

Calculation according to the OeKB method per unit in the unit currency not accounting for an front-end surcharge

The performance of unit categories with no outstanding units at the end of the reporting period or no outstanding units during the reporting period is generally based on the dividend-adjusted performance of the overall fund. In these cases, the "performance", the "net earnings per unit", and the "total value including (notional) units gained through disbursement/payment" are not reported in the following.

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

AT0000746748 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (86,261.450 units)	434.67
Disbursement/payment on 13.06.2018 (corresponds to roughly 0.0041 units at a calculated value of 443.50)	1.8230
Unit value at the end of the reporting period (79,518.283 units)	485.67
Total value including (notional) units gained through dividend disbursement/payment	487.67
Net earnings per unit	53.00
Value development of one unit in the period	12.19%

AT0000A1YFC3 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	103.70
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	117.72
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A25NL2 dividend-bearing units EUR	
Unit value on issue date (0.000 units)	100.00
Disbursement/payment	0.0000
Unit value at the end of the reporting period (30,500.000 units)	103.95
Total value including (notional) units gained through dividend disbursement/payment	103.95
Net earnings per unit	3.95
Value development of one unit in the period	3.95%

AT0000746755 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (234,044.344 units)	434.67
Disbursement/payment on 13.06.2018 (corresponds to roughly 0.0041 units at a calculated value of 443.50)	1.8225
Unit value at the end of the reporting period (236,203.303 units)	485.64
Total value including (notional) units gained through dividend disbursement/payment	487.64
Net earnings per unit	52.97
Value development of one unit in the period	12.19%

AT0000A1YFD1 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (5,000.000 units)	103.65
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	116.80
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A0XYPO KESSt-exempt non-dividend-bearing units CZK	
Unit value at the beginning of the reporting period (133,452.246 units)	11,730.27
Disbursement/payment	0.0000
Unit value at the end of the reporting period (115,777.646 units)	13,277.01
Total value including (notional) units gained through dividend disbursement/payment	13,277.01
Net earnings per unit	1,546.74
Value development of one unit in the period	13.19%

AT0000A1YFG4 KESSt-exempt non-dividend-bearing units CZK	
Unit value at the beginning of the reporting period (0.000 units)	2,642.40
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	3,030.97
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000673165 KESSt-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (14,158.189 units)	461.07
Disbursement/payment	0.0000
Unit value at the end of the reporting period (14,078.620 units)	517.28
Total value including (notional) units gained through dividend disbursement/payment	517.28
Net earnings per unit	56.21
Value development of one unit in the period	12.19%

AT0000A1YFE9 KES-st-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	103.86
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	118.10
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A26HX7 KES-st-exempt non-dividend-bearing units EUR	
Unit value on issue date (0.000 units)	100.00
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	100.40
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A18XC5 KES-st-exempt non-dividend-bearing units HUF	
Unit value at the beginning of the reporting period (14,537.641 units)	143,500.31
Disbursement/payment	0.0000
Unit value at the end of the reporting period (12,891.855 units)	162,621.79
Total value including (notional) units gained through dividend disbursement/payment	162,621.79
Net earnings per unit	19,121.48
Value development of one unit in the period	13.33%

AT0000A1YFF6 KES-st-exempt non-dividend-bearing units HUF	
Unit value at the beginning of the reporting period (0.000 units)	32,325.38
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	37,122.38
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

2. Fund Result

a. Realised fund result

Ordinary fund result

Income (without profit or loss from price changes)

Interest income (excluding income adjustment)	4,581.80	
Dividend income	517,877.23	
Other income 8)	<u>0.00</u>	
Total income (without profit or loss from price changes)		522,459.03

Interest paid - 30,411.57

Expenses

Fees paid to Investment Firm	- 3,827,513.20	
Costs for the financial auditor and tax consultation	- 7,742.00	
Publication costs	- 49,766.90	
Securities account fees	- 132,855.93	
Depositary bank fees	- 338,019.26	
Costs for the external consultant	<u>0.00</u>	
Total expenses		- 4,355,897.29
Compensation for management costs from sub-funds 1)		<u>0.00</u>

Ordinary fund result (excluding income adjustment) **- 3,863,849.83**

Realised profit or loss from price changes 2) 3)

Realised gains 4)	24,692,722.03	
Realised losses 5)	<u>- 10,834,614.56</u>	

Realised profit or loss from price changes (excluding income adjustment) **13,858,107.47**

Realised fund result (excluding income adjustment) **9,994,257.64**

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

Changes in the unrealised profit or loss from price changes 7) 15,482,310.37

Result for the reporting period 6) **25,476,568.01**

c. Income adjustment

Income adjustment for income in the period - 99,920.14

Income adjustment for profit carried forward from dividend-bearing units - 1,101,229.38

Overall fund result **24,275,418.49**

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	214,507,889.56
Disbursement/payment in the accounting year	- 578,462.12
Issue and redemption of units	- 7,854,793.27
Overall fund result	
(The fund result is shown in detail under item 2.)	24,275,418.49
Fund assets at the end of the reporting period	230,350,052.66

- 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 29,340,417.77.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 0.00.
- 5) Thereof losses from transactions with derivative financial instruments: EUR 0.00.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 117,519.05.
- 7) Thereof changes in unrealised gains EUR 1,865,746.22 and unrealised losses EUR 13,616,564.08.
- 8) The earnings reported under this item can be attributed to lending fees from securities lending transactions conducted with Erste Group Bank AG in the amount of EUR 0.00, to earnings from real estate funds in the amount of EUR 0.00, and to other earnings in the amount of EUR 0.00.

Statement of Assets and Liabilities as of 14 March 2019

(including changes in securities assets from 15 March 2018 to 14 March 2019)

Security designation	ISIN number	Purch./ additions Sales/ disposals Units/nominal (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets	
Publicly traded securities							
Equities denominated in USD							
Issue country France							
SANOFI SA CV RIGHTS	US80105N1138	0	0	12,000	0.450	4,776.86	0.00
Total issue country France						4,776.86	0.00
Total equities denominated in USD translated at a rate of 1.13045						4,776.86	0.00
Total publicly traded securities						4,776.86	0.00
Securities admitted to organised markets							
Equities denominated in EUR							
Issue country France							
CELLECTIS NOM. EO-.05	FR0010425595	0	6,000	4,000	16.570	66,280.00	0.03
INNATE PHARMA EO-.05	FR0010331421	0	0	47,200	6.610	311,992.00	0.14
Total issue country France						378,272.00	0.16
Total equities denominated in EUR						378,272.00	0.16
Equities denominated in USD							
Issue country Cayman Islands							
BEIGENE LTD SP.ADR	US07725L1026	9,800	0	27,600	134.780	3,290,661.24	1.43
CHINA BIOL.PRODS HLDGS	KYG215151047	2,900	0	12,900	84.980	969,739.48	0.42
Total issue country Cayman Islands						4,260,400.72	1.85
Issue country Great Britain							
AMARIN CORP.ADR LS-50	US0231112063	656,000	0	656,000	20.570	11,936,768.54	5.18
GW PHARMACEUT.SPON.ADR/12	US36197T1034	0	1,800	17,500	166.570	2,578,597.02	1.12
Total issue country Great Britain						14,515,365.56	6.30
Issue country Ireland							
ALKERMES PLC DL-.01	IE00B56GVS15	0	14,300	52,770	33.170	1,548,393.03	0.67
Total issue country Ireland						1,548,393.03	0.67

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Issue country Netherlands							
ARGENS SE SP.ADR/1 -.10	US04016X1019	7,500	0	7,500	129.800	861,161.48	0.37
PROQR THERAPEUTICS EO-.04	NL0010872495	0	0	8,000	15.030	106,364.72	0.05
UNIQUIRE N.V. EO -.05	NL0010696654	34,000	0	34,000	63.550	1,911,362.73	0.83
Total issue country Netherlands						2,878,888.93	1.25
Issue country Switzerland							
CRISPR THERAPEUT. SF -.03	CH0334081137	15,500	0	15,500	38.550	528,572.69	0.23
Total issue country Switzerland						528,572.69	0.23
Issue country Spain							
GRIFOLS SP.ADR B EO-.10 1	US3984384087	0	0	53,456	19.170	906,498.76	0.39
Total issue country Spain						906,498.76	0.39
Issue country USA							
ACADIA PHARMACEUT. DL-.01	US0042251084	0	0	46,200	26.680	1,090,376.40	0.47
ACCELERON PHARMA DL -.001	US00434H1086	0	3,000	26,900	46.180	1,098,891.59	0.48
ADURO BIOTECH DL-.0001	US00739L1017	62,000	0	107,000	3.990	377,663.76	0.16
AERIE PHARMACEUTIC.DL-001	US00771V1089	0	0	14,300	47.510	600,993.41	0.26
AGIOS PHARMACEUT. DL-.001	US00847X1046	36,000	0	63,700	63.510	3,578,740.32	1.55
AIMMUNE THER.INC.DL-.0001	US00900T1079	0	0	20,300	23.340	419,126.90	0.18
ALEXION PHARMAC. DL-.0001	US0153511094	0	6,500	69,950	134.880	8,346,106.42	3.62
ALLAKOS INC. DL-.001	US01671P1003	14,000	0	14,000	38.520	477,048.96	0.21
ALNYLAM PHARMACE.DL-.0001	US02043Q1076	27,700	0	63,100	88.340	4,931,004.47	2.14
AMGEN INC. DL-.0001	US0311621009	5,900	23,700	42,200	187.760	7,009,130.88	3.04
AMICUS THERAPEUTICS INC.	US03152W1099	0	0	62,600	13.530	749,239.68	0.33
ANAPTYSBIO INC. DL-.001	US0327241065	0	0	7,500	72.250	479,344.51	0.21
ARENA PHARMA.NEW DL-.0001	US0400476075	16,500	0	16,500	45.780	668,202.93	0.29
ARQULE INC. DL-.01	US04269E1073	60,000	0	60,000	4.860	257,950.37	0.11
ARRAY BIOPHARMA DL-.001	US04269X1054	0	14,200	105,000	24.050	2,233,844.93	0.97
AUDENTES THERAP DL-.00001	US05070R1041	17,000	0	17,000	36.660	551,302.58	0.24
BIOGEN INC. DL -.0005	US09062X1037	6,850	3,950	34,600	321.520	9,840,852.76	4.27
BIOMARIN PHAR. DL-.001	US09061G1013	0	16,000	73,000	94.500	6,102,437.08	2.65
BIO-TECHNE CORP. DL-.01	US09073M1045	0	0	13,050	194.520	2,245,553.54	0.97
BLUEBIRD BIO INC. DL-.01	US09609G1004	9,100	0	39,050	151.570	5,235,798.58	2.27
BLUEPRINT MED.CORP.DL-001	US09627Y1091	4,500	0	34,400	84.940	2,584,754.74	1.12
BRISTOL-MYERS SQUIBB DL-10	US1101221083	0	41,000	18,000	49.890	794,391.61	0.34
CELGENE CORP. DL-.01	US1510201049	90,900	49,000	267,500	88.290	20,892,188.95	9.07
CLOVIS ONCOLOGY DL-.001	US1894641000	0	0	15,700	27.390	380,399.84	0.17
DENALI THERAP.INC. DL-.01	US24823R1059	42,200	0	42,200	24.650	920,191.07	0.40
EDITAS MEDICINE DL-.0001	US28106W1036	0	0	13,000	23.940	275,306.29	0.12
ENANTA PHARMA.INC. DL-.01	US29251M1062	6,200	0	6,200	100.930	553,554.78	0.24
EPIZYME INC. DL -.0001	US29428V1044	46,000	0	108,200	12.770	1,222,269.01	0.53
EXACT SCIEN. DL-.01	US30063P1057	37,300	8,100	51,800	96.150	4,405,829.54	1.91

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Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
EXELIXIS INC. DL-.01	US30161Q1040	17,000	7,500	176,200	24.760	3,859,270.20	1.68
FIBROGEN INC. DL-.01	US31572Q8087	40,300	3,200	73,700	55.830	3,639,852.27	1.58
FIVE PRIME THERAP.DL-.001	US33830X1046	0	0	39,750	12.400	436,021.05	0.19
GENOMIC HEALTH DL-.0001	US37244C1018	0	0	12,400	76.510	839,244.55	0.36
GILEAD SCIENCES DL-.001	US3755581036	163,500	28,700	267,300	64.790	15,319,887.66	6.65
GLOBAL BL.THERAP. DL-.01	US37890U1088	0	0	16,000	52.530	743,491.53	0.32
HALOZYME THERAPEU.DL-.001	US40637H1095	0	14,000	77,900	15.870	1,093,611.39	0.47
ILLUMINA INC. DL-.01	US4523271090	6,800	3,100	45,100	309.200	12,335,724.71	5.36
INCYTE DL-.001	US45337C1027	17,000	24,500	85,500	84.310	6,376,668.58	2.77
INSMED INC. DL-.01	US4576693075	10,600	0	57,700	30.180	1,540,436.11	0.67
JOUNCE THERAP. DL-.001	US4811161011	0	0	43,100	6.610	252,015.57	0.11
LIGAND PHARMAC.NEW DL-001	US53220K5048	0	1,200	7,200	118.200	752,832.94	0.33
LUMINEX CORP. DEL DL-.01	US55027E1029	0	0	12,650	24.040	269,013.22	0.12
MACROGENICS INC. DL-.01	US5560991094	0	0	11,400	19.250	194,126.23	0.08
MEDICINES CO. DL-.001	US5846881051	0	0	27,070	26.190	627,151.40	0.27
MIRATI THERAPEUTICS DL-01	US60468T1051	11,000	0	11,000	73.610	716,272.28	0.31
MYOKARDIA INC. DL-.0001	US62857M1053	0	0	11,700	53.820	557,029.50	0.24
NEKTAR THERAPEUTICS	US6402681083	55,400	0	115,800	36.320	3,720,514.84	1.62
NEUROCRINE BIOSCI. DL-001	US64125C1099	10,900	39,200	39,700	82.970	2,913,803.35	1.26
OTONOMY INC. DL-.001	US68906L1052	0	0	11,700	2.750	28,462.12	0.01
PACIRA PHARMACEUT.DL -.01	US6951271005	0	0	14,400	39.290	500,487.42	0.22
PRA HEALTH SCIENC.DL -.01	US69354M1080	0	1,800	21,200	103.880	1,948,123.31	0.85
RADIUS HEALTH INC.DL-0001	US7504692077	0	0	37,000	18.680	611,402.54	0.27
REGENERON PHARMAC.DL-.001	US75886F1075	2,400	12,400	25,250	407.500	9,102,016.90	3.95
REGENXBIO INC. DL-.0001	US75901B1070	13,000	0	13,000	54.490	626,626.56	0.27
RETROPHIN INC. DL -.0001	US7612991064	0	8,400	35,600	22.500	708,567.38	0.31
REVANCE THERAPEUT.DL-.001	US7613301099	16,400	0	66,500	15.570	915,922.86	0.40
SAGE THERAPEUTICS DL-0001	US78667J1088	9,300	0	38,800	154.810	5,313,484.01	2.31
SANGAMO THERAP.INC.DL-.01	US8006771062	36,000	0	36,000	9.730	309,858.91	0.13
SAREPTA THERAP. DL-.0001	US8036071004	5,800	107,900	108,900	129.410	12,466,494.76	5.41
SEATTLE GENETICS DL-.001	US8125781026	0	4,000	50,750	73.600	3,304,170.91	1.43
SYNEOS HEALTH A DL-.01	US87166B1026	0	0	40,000	41.600	1,471,980.18	0.64
ULTRAGENYX PHARM. DL-.001	US90400D1081	7,600	27,610	45,310	65.800	2,637,355.04	1.14
VERTEX PHARMAC. DL-.01	US92532F1003	13,000	52,350	78,700	186.110	12,956,660.62	5.62
VOYAGER THERAP. DL -.001	US92915B1061	25,000	0	58,900	17.600	917,015.35	0.40
XENCOR INC. DL-.01	US98401F1057	0	9,500	32,200	27.850	793,285.86	0.34
ZOGENIX INC. DL-.001	US98978L2043	0	5,400	39,900	52.630	1,857,611.57	0.81
Total issue country USA						200,978,989.58	87.25
Total equities denominated in USD translated at a rate of 1.13045						225,617,109.27	97.95
Total securities admitted to organised markets						225,995,381.27	98.11

Breakdown of fund assets

Transferable securities	226,000,158.13	98.11
Bank balances	4,439,221.12	1.93
Dividend entitlements	104,553.90	0.05
Other deferred items	-193,880.49	-0.08
Fund assets	230,350,052.66	100.00

Dividend-bearing units outstanding	AT0000746748	units	79,518.283
Value of dividend-bearing unit	AT0000746748	EUR	485.67
Dividend-bearing units outstanding	AT0000A1YFC3	units	0.000
Value of dividend-bearing unit	AT0000A1YFC3	EUR	117.72
Dividend-bearing units outstanding	AT0000A25NL2	units	30,500.000
Value of dividend-bearing unit	AT0000A25NL2	EUR	103.95
Non-dividend-bearing units outstanding	AT0000746755	units	236,203.303
Value of non-dividend-bearing unit	AT0000746755	EUR	485.64
Non-dividend-bearing units outstanding	AT0000A1YFD1	units	0.000
Value of non-dividend-bearing unit	AT0000A1YFD1	EUR	116.80
KEST-exempt non-dividend-bearing units outstanding	AT0000673165	units	14,078.620
Value of KEST-exempt non-dividend-bearing unit	AT0000673165	EUR	517.28
KEST-exempt non-dividend-bearing units outstanding	AT0000A0XYP0	units	115,777.646
Value of KEST-exempt non-dividend-bearing unit	AT0000A0XYP0	CZK	13,277.01
KEST-exempt non-dividend-bearing units outstanding	AT0000A18XC5	units	12,891.855
KEST-exempt non-dividend-bearing units outstanding	AT0000A18XC5	HUF	162,621.79
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YFE9	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YFE9	EUR	118.10
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YFG4	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YFG4	CZK	3,030.97
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YFF6	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YFF6	HUF	37,122.38
KEST-exempt non-dividend-bearing units outstanding	AT0000A26HX7	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A26HX7	EUR	100.40

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	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Publicly traded securities			
Equities denominated in GBP			
Issue country Jersey			
SHIRE PLC LS-.05	JE00B2QKY057	0	78,700
Equities denominated in USD			
Issue country Great Britain			
SHIRE PLC ADR/3 LS-.05	US82481R1068	0	29,600
Issue country USA			
AVEXIS INC. DL-.0001	US05366U1007	0	12,200
CELLDEX THER. NEW DL-.001	US15117B1035	0	288,000
FOUNDATION MEDIC.DL-.0001	US3504651007	0	50,000
LOXO ONCOLOGY DL-.0001	US5488621013	9,400	20,400
TESARO INC. DL-.0001	US8815691071	0	21,100
Warrants denominated in USD			
Issue country USA			
BIOTIME INC. WTS18	US09066L1623	0	2,599

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
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Securities admitted to organised markets**Equities denominated in USD****Issue country France**

DBV TECH.SP.ADR 1/2 EO-10	US23306J1016	0	9,000
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Issue country Ireland

PROTHENA CORP. PLC DL-.01	IE00B91XRN20	0	13,907
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Issue country USA

ACLARIS THERAPEUTICS DL 1	US00461U1051	0	20,000
ACORDA THERAP.CDT DL-.001	US00484M1062	0	29,850
ARATANA THERAPEUT.DL-.001	US03874P1012	0	57,500
COHERUS BIOSCIEN.DL-.0001	US19249H1032	0	27,600
DERMIRA INC. DL-.001	US24983L1044	0	23,700
EAGLE PHARMACEUTI.DL-.001	US2697961082	0	6,000
INTELLIA THERAPEU DL-.01	US45826J1051	14,000	14,000
INTERCEPT PHARMAC.DL-.001	US45845P1084	0	13,950
MOMENTA PHARMAC. DL-.0001	US60877T1007	0	30,100
OPKO HEALTH INC. DL-.01	US68375N1037	0	208,000
PORTOLA PHARMACEUT.DL-001	US7370101088	0	22,150
PUMA BIOTECHNOLOG.DL-0001	US74587V1070	0	12,200
REPLIGEN CORP. DL-.01	US7599161095	0	14,920
SPARK THERAPEUTICS DL-001	US84652J1034	28,100	67,500

Unlisted securities**Equities denominated in USD****Issue country Netherlands**

QIAGEN NV EO -.01	NL0000240000	1	1
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Vienna, 3 June 2019

Erste Asset Management GmbH
Electronically signed

Inspection information:
Note:

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

Audit Report*

Statement on the annual report

Audit opinion

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

ESPA STOCK BIOTEC
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 14 March 2019, the income statement for the financial year ending on this date, and the other information specified in Annex I Scheme B of the Austrian Investment Fund Act 2011 (InvFG 2011).

Based on the findings of our audit, we believe that the annual report satisfies the legal requirements and provides a true and fair view of the assets and financial position as of 14 March 2019 and of the earnings position of the fund for the financial year ending on this date in accordance with Austrian commercial law and the provisions of the InvFG 2011.

Basis for the audit opinion

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

Management and supervisory board responsibilities relating to the annual report

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

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

Responsibilities of the auditor in auditing the annual report

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

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

In addition:

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

Other information

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

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

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

Vienna, 3 June 2019

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Andrea Stippl
(Certified Public
Accountant)

ppa MMag. Roland Unterweger
(Certified Public Accountant)

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

Fund Rules for ESPA STOCK BIOTEC

Jointly owned fund pursuant to the InvFG

The Fund Rules for ESPA STOCK BIOTEC, jointly owned fund pursuant to the Austrian Investment Fund Act (Investmentfondsgesetz; InvFG) 2011 as amended, were approved by the Austrian Financial Market Authority (FMA).

The Fund is an undertaking for the collective investment of transferable securities (UCITS) and is managed by Erste Asset Management GmbH (the "Management Company" in the following), which has its registered office in Vienna.

Article 1 Fund Units

The joint ownership of the fund assets is evidenced by certificates having the characteristics of a bearer unit.

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

Article 2 Depositary Bank (Depositary)

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

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

Article 3 Investment Instruments and Principles

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

ESPA STOCK BIOTEC is an equity fund that invests predominantly, in other words at least 51% of its assets, in stocks from companies in the biotechnology sector in the form of directly purchased individual instruments, in other words not indirectly or directly through investment funds or through derivatives.

There are no restrictions with regard to the location of the issuer registered office. The Fund may purchase shares in companies with small market capitalisations or mid-sized market capitalisations as well as shares in large, strong, and important companies that are internationally known (blue chips).

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

a) Transferable securities

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

b) Money market instruments

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

c) Transferable securities and money market instruments

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

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

Transferable securities and money market instruments that do not meet the criteria described in the previous paragraph may comprise up to 10% of the fund assets in total.

d) Units in investment funds

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

e) Derivative financial instruments

Derivative financial instruments can be used for hedging purposes and as part of the investment strategy, and may comprise up to 49% of the fund assets.

f) Risk measurement method(s) of the Fund

The Fund applies the following risk measurement methods: commitment approach

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

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

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

There are no minimum bank balance requirements.

However, in the course of the restructuring of the fund portfolio and/or in the case of the justified expectation of impending losses experienced by transferable securities, the Fund can hold a lower proportion of transferable securities and a higher proportion of demand deposits or deposits with the right to be withdrawn with a maximum term of 12 months.

h) Acceptance of short-term loans

The Management Company may accept short-term loans for the account of the Fund up to an amount of 10% of the total fund assets.

i) Repurchase agreements

Does not apply.

j) Securities lending

Does not apply.

Investment instruments may only be purchased for the entire Fund and not for individual unit categories or groups of unit categories.

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

Article 4 Issue and Redemption Procedure

The unit value shall be calculated in the currency of the respective unit category.

The unit value is calculated at the same time as the issue and redemption price.

Issue of units and front-end surcharge

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

The issue price shall be made up of the unit value plus a surcharge per unit amounting to up to 4.0% to cover the costs incurred by the Management Company in issuing the unit, rounded up to the next equivalent sub-unit of the currency unit specified for the respective unit category in the prospectus.

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

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

Redemption of units and back-end commission

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

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

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

Article 5 Accounting Year

The accounting year of the Fund is from 15 March to 14 March.

Article 6 Unit Categories and Use of Earnings

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

Various unit categories may be issued for this Fund. The creation of unit categories and the issue of units of a specific category shall be decided at the discretion of the Management Company.

Use of earnings for dividend-bearing units

The earnings generated during the accounting year (interest and dividends) less all costs can be distributed as deemed appropriate by the Management Company. Dividend disbursement may be suspended in the interests of the Unit-holders. Dividends may also be disbursed at the discretion of the Management Company from earnings generated by the sale of fund assets, including subscription rights. Fund assets may be paid out in the form of dividends and interim dividends.

The fund assets may in no case fall below the legally stipulated minimum volume for termination as a result of dividend disbursements.

The amounts shall be paid to the holders of dividend-bearing units on or after 15 June of the following accounting year. The remaining amount shall be carried forward.

An amount calculated in accordance with the InvFG must also be paid out on or after 15 June to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund units unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the unit certificates can only be held by Unit-holders who are not subject to Austrian personal or corporate income tax or who meet the conditions for exemption from capital gains tax according to § 94 EStG at the time of payment.

Use of earnings for non-dividend-bearing units with capital gains tax withholding

The earnings generated by the Fund during the accounting year less all costs will not be paid out. In the case of non-dividend-bearing units, an amount calculated in accordance with the InvFG must be paid out on or after 15 June to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund units unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the unit certificates can only be held by Unit-holders who are not subject to Austrian personal or corporate income tax or who meet the conditions for exemption from capital gains tax according to § 94 EStG at the time of payment.

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

The earnings generated by the Fund during the accounting year less all costs will not be paid out. No payment pursuant to the InvFG will be made. The reference date for the exemption from KESt payment for the profit for the year for the purposes of the InvFG shall be 15 June of the following accounting year.

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

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

Article 7
Management Fee, Compensation for Expenses, Liquidation Fee

The Management Company shall receive an annual fee for its administrative activities of up to 1.8% of the fund assets, which shall be accrued on a daily basis and calculated using the month-end values adjusted for the accrued fees.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Exchanges in European countries outside of the EEA

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

3. Exchanges in non-European countries

- | | | |
|-------|------------|-------------------------------------------------------------------|
| 3.1. | Australia: | Sydney, Hobart, Melbourne, Perth |
| 3.2. | Argentina: | Buenos Aires |
| 3.3. | Brazil: | Rio de Janeiro, Sao Paulo |
| 3.4. | Chile: | Santiago |
| 3.5. | China: | Shanghai Stock Exchange, Shenzhen Stock Exchange |
| 3.6. | Hong Kong: | Hong Kong Stock Exchange |
| 3.7. | India: | Mumbai |
| 3.8. | Indonesia: | Jakarta |
| 3.9. | Israel: | Tel Aviv |
| 3.10. | Japan: | Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima |
| 3.11. | Canada: | Toronto, Vancouver, Montreal |

3.12.	Colombia:	Bolsa de Valores de Colombia
3.13.	Korea:	Korea Exchange (Seoul, Busan)
3.14.	Malaysia:	Kuala Lumpur, Bursa Malaysia Berhad
3.15.	Mexico:	Mexico City
3.16.	New Zealand:	Wellington, Christchurch/Invercargill, Auckland
3.17.	Peru:	Bolsa de Valores de Lima
3.18.	Philippines:	Manila
3.19.	Singapore:	Singapore Stock Exchange
3.20.	South Africa:	Johannesburg
3.21.	Taiwan:	Taipei
3.22.	Thailand:	Bangkok
3.23.	USA:	New York, NYCE American, New York Stock Exchange (NYSE), Philadelphia, Chicago, Boston, Cincinnati
3.24.	Venezuela:	Caracas
3.25.	United Arab Emirates:	Abu Dhabi Securities Exchange (ADX)

4. Organised markets in countries outside of the European Community

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

5. Exchanges with futures and options markets

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

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

Note regarding the data used

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

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

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

www.erste-am.com

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