

ERSTE STOCK EUROPE PROPERTY

Jointly owned fund pursuant to the InvFG

Annual Report 2022/23

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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%) Erste Bank der österreichischen Sparkassen AG (22.17%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (3.30%) Tiroler Sparkasse Bankaktiengesellschaft Innsbruck (1.74%) DekaBank Deutsche Girozentrale, Frankfurt (1.65%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m. b. H. & Co KG (1.65%) Salzburger Sparkasse Bank Aktiengesellschaft (1.65%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (1.65%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (0.76%) VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (0.76%)
Supervisory Board	Rudolf SAGMEISTER (Chairman) Manfred BARTALSZKY Maximilian CLARY UND ALDRINGEN Harald GASSER Gerhard GRABNER Harald Frank GRUBER Oswald HUBER (Deputy Chairman – from 21.09.2022) Radovan JELASITY Ertan PISKIN (from 10.10.2022) Peter PROBER Rupert RIEDER (until 21.09.2022) Gabriele SEMMELROCK-WERZER Reinhard WALT Gerald WEBER Appointed by the Works Council: Martin CECH Regina HABERHAUER Heinrich Hubert REINER Peter RIEDERER Nicole WEINHENGST Manfred ZOUREK
Managing directors	Heinz BEDNAR Winfried BUCHBAUER Peter KARL Thomas KRAUS
Prokuristen (proxies)	Karl FREUDENSCHUSS Manfred LENTNER Günther MANDL Gerold PERMOSER Magdalena REISCHL Oliver RÖDER
State commissioners	Wolfgang EXL (from 01.09.2022) Angelika SCHÄTZ Wolfgang TRISKO (until 14.05.2022)
Auditor	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Depository bank	Erste Group Bank AG

Dear Unit-holder,

We are pleased to present you the following annual report for the ERSTE STOCK EUROPE PROPERTY jointly owned fund pursuant to the InvFG for the accounting year from 1 May 2022 to 30 April 2023.

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

Even as the COVID-19 pandemic spreads, we are not losing sight of our responsibility to manage the assets entrusted to our care in a manner that maintains our ability to act on the capital markets and that enables us to make the best possible allocation decisions.

Modern technology also allows us to meet these obligations in full via teleworking.

Development of the Fund

Investment strategy

ERSTE STOCK EUROPE PROPERTY invests in real estate stocks and REITS (real estate investment trusts). The Fund's strategy focuses on equities from European real estate companies. Foreign currency risks are not hedged.

Market

The European real estate market recovered in 2021 after the COVID-19 vaccines restored confidence among users and investors. The shock of the pandemic was mitigated to a large degree by ECB stimulus measures and low interest rates for the real estate sector, and even led to comparatively good earnings. Given the expectations for an end to the pandemic, the outlook for the economy as a whole for 2022 was more optimistic than at any time since 2014. A cyclical market environment should lend good support to the European real estate market because real estate generally lags behind the cycle with a strong correlation with macroeconomic data.

However, the economic and geopolitical conditions (inflation trend, Ukraine war, risks to growth, etc.) have changed massively since the beginning of 2022. Russia's invasion of Ukraine and the global supply-side shocks that it triggered have accelerated and exacerbated the inflation trend. The European equity markets corrected substantially due to the major economic uncertainty and energy dependency. The European real estate sector lost over 40% of its market capitalisation in 2022. The real estate market is now under strain due to the sustained rate hikes. Rising yields proved the biggest headwind in 2022, and vastly increased borrowing costs are making transactions and investment activity difficult. By contrast, inflation is having a positive effect on rents in continental Europe and is being passed on to tenants in the form of higher rents. From a valuation perspective, European real estate stocks are currently being traded at levels last seen during the global financial crisis.

ERSTE STOCK EUROPE PROPERTY generated a performance of minus 29.92% in euros for the reporting period. The market has been on a downward trend since May 2022 and hit lows in mid-October 2022 and again in late March 2023. Investment level management, currencies, and stock picking were important performance drivers, as the volatility and diversification of the stocks remained very high. The development of individual shares varied between plus 33% and minus 76%. Compared with the market, stock picking in the UK, Sweden, and Switzerland generated a positive performance contribution. The underweighting in Norway developed negatively.

Due to unit redemptions, the Fund conducted more than around EUR 6.1 million in equities transactions over the reporting period to maintain its strategic orientation.

Positions were reduced in, amongst others, Deutsche Euroshop (DE), Alstria Office Reit (DE), S-Immo AG (AT), Klepierre SA (FR), Montea NV (BB), Vonovia (DE), Castellum (SW), Segro (UK), Assura Plc (UK), Pandox AG (SW), Gecina (FR), Unite Group Plc (UK), LEG Immobilien (DE), Dios Fastigheter AB (SW), Hammerson (UK), Adler Group (DE), and Samhallbyggnadsbol (SW).

By contrast, new positions were taken in Neinor Homes (ESP), NH Hotel Group (ESP), Melia Hotels Int. (ESP), Sacyr SA (ESP), CTP NV (NL), British Land (UK), and PSP Swiss Property (CH).

The position in Vonovia SE had to be reallocated multiple times to remain within the investment limits (maximum weighting of an individual issue 10%). Positions in REITs are kept below 50% of the Fund's assets for tax reasons.

The outlook for 2023 remains very selective among the subsectors. The rising interest rates further exacerbated the differences in the conditions and prospects for various real estate segments and locations.

The health care sector seems to have profited from the crisis because it is subject to economic and demographic trends such as the increase in the elderly as a share of the population and increases in chronic illnesses. Health care real estate will likely profit from the highest total yields in the current investment universe, a limited supply of top-rate properties, high yields, and rising rents.

The logistics sector is still profiting from the online retailing boom despite the fact that only around 25% of European logistics revenue can be attributed to companies in this segment. Yields here have come under pressure because of high investor demand and are now very close to office yields. Rents are also likely to rise considerably given the growing demand and lack of supply. The current rapid growth in the logistics segment is expected to slow.

There was a certain degree of uncertainty about the future of office workplaces due to the lockdowns and massive expansion of working from home. Nevertheless, office investments still account for the largest share of the total investment volume at 30%. First-rate office properties are in short supply, and rents are at a stable level.

Even though higher inflation would impact indexed rents, the effects on net present values and yields would likely be negative in the short term. The reason for this is that a rapid increase in bond yields would at least partially trickle down into property yields. Developments in the 1970s show that real estate only affords partial protection against inflation.

Even though there is a great deal of uncertainty and investors are currently focusing on other sectors, the listed real estate market still offers interesting long-term investment opportunities. Real estate is one of the sectors with the highest pricing power to compensate for higher inflation.

The listed real estate sector in Europe is currently trading at a discount of some 41% on its net asset values (NAVs) for 2023e. With an expected dividend yield of roughly 5.5% for 2023e, we estimate a total yield for 2023e of around 6% (valuation gains plus dividend yield).

There are substantial valuation differences and changes between the individual subsectors. While we anticipate further growth for quality companies in logistics, self storage, assisted living and retirement homes, and office properties (under cyclical conditions), the German residential property and retail property markets are dominated by substantial uncertainty.

The European real estate sector will be subject to strong pressure to change in future due to the prevailing conditions. The pandemic is believed to have simply accelerated existing trends. The most important of these value drivers will be decarbonisation and will have a massive influence on the future strategies and orientations of real estate companies. Environmental, social, and governance (ESG) factors have become an indispensable element of real estate management. This is in part due to the international climate goals and national and European laws. Buildings have a direct impact on the environment and account for 40% of all carbon emissions. ESG measures can help to reduce energy consumption. Implementation is seen as the ultimate challenge for the sector. There is also noticeable criticism of the lack of uniform ESG standards, such as the poorly developed impact measurement.

Real estate stocks in the UK were among the big losers following the Brexit vote, but Great Britain is likely to do better than the rest of Europe in the coming years. The country is one of the most highly performing markets in most sectors thanks to relatively high yields and low debt levels.

The portfolio consists primarily of the logistics (12%), residential real estate (47%), and office real estate (26%) segments. Investments in retail property companies (12%) will continue to play a secondary role due to the structural market changes.

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The highest weightings are currently in Germany (18.6%), France (8%), Sweden (12.5%), Switzerland (11.5%), and the UK (30%). The portfolio is broadly diversified in 58 stocks in 10 countries, with the German residential specialist Vonovia SE, the British logistics firm Segro Plc, and the Swiss real estate investment company Swiss Prime Site representing the three largest positions in the Fund. The share of REITs in the Fund is being strategically maintained below 50% for tax reasons. No derivatives were used during the reporting period.

It remains to be seen how the current war in Ukraine will impact the trend factors (digitalisation, decarbonisation, and demographic change) and the overall economic situation in Europe. The global equity markets will continue to see high volatility. It is becoming increasingly important to act selectively. Capital increases and takeovers will remain relevant in 2023/24.

The investment strategy continues to focus on companies with solid balance sheets, low debt, low refinancing risk, well diversified tenant structures, and sustainable cash flow growth.

Method of Calculating the Global Exposure

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

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

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

Asset Allocation

	As of 30.04.2023	
	EUR millions	%
Equities		
GBP	6.1	20.47
EUR	13.5	45.64
NOK	0.4	1.24
SEK	4.2	14.04
CHF	2.1	7.08
USD	0.0	0.00
Investment certificates		
GBP	1.6	5.48
CHF	1.4	4.57
Securities	29.2	98.51
Bank balances	0.3	0.95
Dividend entitlements	0.2	0.55
Interest entitlements	0.0	0.00
Other deferred items	-0.0	-0.01
Fund assets	29.7	100.00

Comparative Overview

Accounting year	Fund assets
2020/2021	54,448,996.68
2021/2022	50,946,416.61
2022/2023	29,681,736.57

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
2020/2021	Dividend-bearing units	AT0000708334	EUR	188.35	4.0000	0.0000	17.56
2021/2022	Dividend-bearing units	AT0000708334	EUR	183.61	6.0000	14.2615	-0.63
2022/2023	Dividend-bearing units	AT0000708334	EUR	123.79	3.5000	0.0000	-29.92

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	Dividend-bearing units	AT0000A1YRZ9	EUR	112.40	-	-	-
2021/2022	Dividend-bearing units	AT0000A1YRZ9	EUR	111.82	-	-	-
2022/2023	Dividend-bearing units	AT0000A1YRZ9	EUR	78.44	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	Non-dividend-bearing units	AT0000708342	EUR	321.04	0.0000	0.0000	17.59
2021/2022	Non-dividend-bearing units	AT0000708342	EUR	319.07	6.0747	29.1963	-0.61
2022/2023	Non-dividend-bearing units	AT0000708342	EUR	218.63	0.0000	0.0000	-29.93

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	Non-dividend-bearing units	AT0000A1YS04	EUR	112.40	-	-	-
2021/2022	Non-dividend-bearing units	AT0000A1YS04	EUR	111.82	-	-	-
2022/2023	Non-dividend-bearing units	AT0000A1YS04	EUR	78.44	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000613625	CZK	9,177.20	-	0.0000	11.98
2021/2022	KESt-exempt non-dividend-bearing units	AT0000613625	CZK	8,674.87	-	968.9997	-5.47
2022/2023	KESt-exempt non-dividend-bearing units	AT0000613625	CZK	5,829.05	-	0.0000	-32.81

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A1YS20	CZK	2,918.33	-	-	-
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A1YS20	CZK	2,761.55	-	-	-
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A1YS20	CZK	1,874.11	-	0.0000	-32.14

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000613617	EUR	355.15	-	0.0000	17.62
2021/2022	KESt-exempt non-dividend-bearing units	AT0000613617	EUR	352.97	-	38.9512	-0.61
2022/2023	KESt-exempt non-dividend-bearing units	AT0000613617	EUR	247.29	-	0.0000	-29.94

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A1YS12	EUR	116.59	-	0.4512	19.10
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A1YS12	EUR	117.35	-	15.1772	0.65
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A1YS12	EUR	83.25	-	0.0000	-29.06

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A00G70	HUF	127,968.49	-	0.0000	19.52
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A00G70	HUF	133,567.89	-	15,032.0746	4.38
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A00G70	HUF	91,958.58	-	0.0000	-31.15

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Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A1YS38	HUF	40,628.52	-	-	-
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A1YS38	HUF	42,453.65	-	-	-
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A1YS38	HUF	29,263.94	-	-	-

Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 May 2022 to 30 April 2023. The coupon-paying bank is obligated to withhold capital gains tax from this disbursement if the respective investor is not exempt from the payment of this tax.

The disbursement or payment will be effected on or after 1 August 2023 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	Re-investment
Dividend-bearing units	AT0000708334	EUR	3.5000	0.0000	0.0000	0.0000
Dividend-bearing units	AT0000A1YRZ9	EUR	-	-	-	-
Non-dividend-bearing units	AT0000708342	EUR	0.0000	0.0000	0.0000	0.0000
Non-dividend-bearing units	AT0000A1YS04	EUR	-	-	-	-
KESt-exempt non-dividend-bearing units	AT0000613625	CZK	-	*	-	0.0000
KESt-exempt non-dividend-bearing units	AT0000A1YS20	CZK	-	*	-	0.0000
KESt-exempt non-dividend-bearing units	AT0000613617	EUR	-	*	-	0.0000
KESt-exempt non-dividend-bearing units	AT0000A1YS12	EUR	-	*	-	0.0000
KESt-exempt non-dividend-bearing units	AT0000A00G70	HUF	-	*	-	0.0000
KESt-exempt non-dividend-bearing units	AT0000A1YS38	HUF	-	*	-	-

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

Income Statement and Changes in Fund Assets

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

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

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

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

AT0000708334 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (30,305.081 units)	183.61
Disbursement/payment on 28.07.2022 (corresponds to roughly 0.0395 units at a calculated value of 151.83)	6.0000
Unit value at the end of the reporting period (29,784.973 units)	123.79
Total value including (notional) units gained through dividend disbursement/payment	128.68
Net earnings per unit	-54.93
Value development of one unit in the period	-29.92%

AT0000A1YRZ9 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	111.82
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	78.44
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000708342 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (76,233.791 units)	319.07
Disbursement/payment on 28.07.2022 (corresponds to roughly 0.0227 units at a calculated value of 268.15)	6.0747
Unit value at the end of the reporting period (57,388.868 units)	218.63
Total value including (notional) units gained through dividend disbursement/payment	223.58
Net earnings per unit	-95.49
Value development of one unit in the period	-29.93%

AT0000A1YS04 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	111.82
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	78.44
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

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AT0000613625 KESSt-exempt non-dividend-bearing units CZK	
Unit value at the beginning of the reporting period (10,927.757 units)	8,674.87
Disbursement/payment	0.0000
Unit value at the end of the reporting period (14,362.865 units)	5,829.05
Total value including (notional) units gained through dividend disbursement/payment	5,829.05
Net earnings per unit	-2,845.82
Value development of one unit in the period	-32.81%

AT0000A1YS20 KESSt-exempt non-dividend-bearing units CZK	
Unit value at the beginning of the reporting period (0.000 units)	2,761.55
Disbursement/payment	0.0000
Unit value at the end of the reporting period (25.000 units)	1,874.11
Total value including (notional) units gained through dividend disbursement/payment	1,874.11
Net earnings per unit	-887.44
Value development of one unit in the period	-32.14%

AT0000613617 KESSt-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (34,561.284 units)	352.97
Disbursement/payment	0.0000
Unit value at the end of the reporting period (36,043.225 units)	247.29
Total value including (notional) units gained through dividend disbursement/payment	247.29
Net earnings per unit	-105.68
Value development of one unit in the period	-29.94%

AT0000A1YS12 KESSt-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (36,862.698 units)	117.35
Disbursement/payment	0.0000
Unit value at the end of the reporting period (7,162.698 units)	83.25
Total value including (notional) units gained through dividend disbursement/payment	83.25
Net earnings per unit	-34.10
Value development of one unit in the period	-29.06%

AT0000A00G70 KESSt-exempt non-dividend-bearing units HUF	
Unit value at the beginning of the reporting period (1,924.291 units)	133,567.89
Disbursement/payment	0.0000
Unit value at the end of the reporting period (1,568.085 units)	91,958.58
Total value including (notional) units gained through dividend disbursement/payment	91,958.58
Net earnings per unit	-41,609.31
Value development of one unit in the period	-31.15%

AT0000A1YS38 KESSt-exempt non-dividend-bearing units HUF	
Unit value at the beginning of the reporting period (0.000 units)	42,453.65
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	29,263.94
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)	2,951.23	
Dividend income	1,148,694.92	
Other income 8)	0.00	
Total income (without profit or loss from price changes)		1,151,646.15

Interest paid - 2,688.35

Expenses

Fees paid to Investment Firm	- 625,829.76	
Costs for the financial auditor and tax consultation	- 5,066.00	
Publication costs	- 42,124.05	
Securities account fees	- 17,463.56	
Depository bank fees	- 50,065.62	
Costs for the external consultant	0.00	
Performance fee	-	
Fee foreign-currency unit certificates 9)	- 10.77	
Total expenses		- 740,559.76
Compensation for management costs from sub-funds 1)		0.00

Ordinary fund result (excluding income adjustment) **408,398.04**

Realised profit or loss from price changes 2) 3)

Realised gains 4)	1,047,844.72	
Realised losses 5)	- 3,412,224.89	

Realised profit or loss from price changes (excluding income adjustment) **- 2,364,380.17**

Realised fund result (excluding income adjustment) **- 1,955,982.13**

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

Changes in the unrealised profit or loss from price changes 7) **- 12,523,304.12**

Result for the reporting period 6) **- 14,479,286.25**

c. Income adjustment

Income adjustment for income in the period	202,321.15	
Income adjustment for profit carried forward from dividend-bearing units	- 16,014.07	

Overall fund result **- 14,292,979.17**

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	50,946,416.61
Disbursement/payment in the accounting year	- 626,290.94
Issue and redemption of units	- 6,345,409.93
Overall fund result	
(The fund result is shown in detail under item 2.)	- 14,292,979.17
Fund assets at the end of the reporting period	<u>29,681,736.57</u>

- 1) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the Fund after deduction of appropriate 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 accounting 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 -14,887,684.29.
- 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 11,952.37.
- 7) Thereof changes in unrealised gains EUR -8,094,795.95 and unrealised losses EUR -4,428,508.17.
- 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
- 9) The Fund is charged a monthly fee per foreign-currency unit category for the management of the foreign-currency unit certificates.

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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
Issue country Netherlands							
CTP N.V. EO 1	NL00150006R6	50,000	0	50,000	11.900	595,000.00	2.00
Total issue country Netherlands						595,000.00	2.00
Issue country Austria							
CA IMMOB.ANL.	AT0000641352	5,000	15,000	5,000	26.300	131,500.00	0.44
Total issue country Austria						131,500.00	0.44
Issue country Spain							
INMOBIL.COL.SOC.EO 2.50	ES0139140174	25,000	35,000	25,000	5.795	144,875.00	0.49
MELIA HOTELS INTL EO -.20	ES0176252718	25,000	0	25,000	5.865	146,625.00	0.49
NH HOTEL GROUP SA NOM.EO2	ES0161560018	50,000	0	50,000	3.540	177,000.00	0.60
Total issue country Spain						468,500.00	1.58
Total equities denominated in EUR						9,267,460.77	31.22
Equities denominated in NOK							
Issue country Norway							
ENTRA ASA NK 1	N00010716418	0	0	40,000	108.200	367,059.62	1.24
Total issue country Norway						367,059.62	1.24
Total equities denominated in NOK translated at a rate of 11.79100						367,059.62	1.24
Equities denominated in SEK							
Issue country Sweden							
CASTELLUM AB	SE0000379190	25,000	45,000	50,000	124.300	548,422.68	1.85
FABEGE AB SK 15.41	SE0011166974	0	0	50,000	82.100	362,232.52	1.22
HUFVUDSTADEN A SK 5	SE0000170375	0	0	30,000	146.100	386,763.73	1.30
NYFOSA AB	SE0011426428	0	0	70,000	70.050	432,693.58	1.46
PANDOX AB B	SE0007100359	0	25,000	15,000	121.900	161,350.10	0.54
WIHLBORGS FASTIGHE. N.P.	SE0018012635	60,000	0	60,000	82.700	437,855.72	1.48
Total issue country Sweden						2,329,318.33	7.85
Total equities denominated in SEK translated at a rate of 11.33250						2,329,318.33	7.85
Total publicly traded securities						13,400,104.03	45.15
Investment certificates							
Investment certificates denominated in GBP							
Issue country Great Britain							
GRAINGER PLC LS-.05	GB00B04V1276	0	0	187,374	2.586	552,507.59	1.86
Total issue country Great Britain						552,507.59	1.86

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 Ireland							
ISHSII-UK PROP. LSDIS	IE00B1TXLS18	0	195,000	200,000	4.707	1,073,432.16	3.62
Total issue country Ireland						1,073,432.16	3.62
Total investment certificates denominated in GBP translated at a rate of 0.87700						1,625,939.75	5.48
Investment certificates denominated in CHF							
Issue country Switzerland							
SWISS PRIME SITE SF 2	CH0008038389	0	0	16,500	80.850	1,356,819.57	4.57
Total issue country Switzerland						1,356,819.57	4.57
Total investment certificates denominated in CHF translated at a rate of 0.98320						1,356,819.57	4.57
Total investment certificates						2,982,759.32	10.05
Securities admitted to organised markets							
Equities denominated in GBP							
Issue country Great Britain							
ASSURA PLC LS-.10	GB00BVGBWW93	550,000	200,000	350,000	0.509	203,135.69	0.68
BIG YELLOW GROUP LS 0.10	GB0002869419	0	0	20,000	12.240	279,133.41	0.94
BRIT. LD CO. PLC LS-.25	GB0001367019	30,000	0	190,333	4.002	868,543.52	2.93
DERWENT LONDON LS-.05	GB0002652740	0	0	13,000	24.020	356,054.73	1.20
GREAT P.EST.LS-.152631578	GB00BF5H9P87	0	0	57,327	5.335	348,733.81	1.17
LAND SECURITIES GROUP PLC	GB00BYW0PQ60	0	0	100,625	6.742	773,561.86	2.61
PERSIMMON PLC LS-.10	GB0006825383	0	0	8,000	13.140	119,863.17	0.40
PRIMARY HEALTH LS-.0125	GB00BYRJ5J14	0	0	150,000	1.065	182,155.07	0.61
SAFESTORE HLDGS LS-.01	GB00B1N7Z094	0	0	40,000	9.905	451,767.39	1.52
TRITAX BIG BOX REIT LS-01	GB00BG49KP99	0	0	350,000	1.551	618,985.18	2.09
UNITE GROUP PLC LS-.25	GB0006928617	0	20,000	40,000	9.590	437,400.23	1.47
Total issue country Great Britain						4,639,334.06	15.63
Total equities denominated in GBP translated at a rate of 0.87700						4,639,334.06	15.63
Equities denominated in EUR							
Issue country Belgium							
AEDIFICA S.A.	BE0003851681	0	0	6,000	75.750	454,500.00	1.53
Total issue country Belgium						454,500.00	1.53
Issue country Germany							
TLG IMMOBILIEN AG	DE000A12B8Z4	0	0	25,000	17.300	432,500.00	1.46
Total issue country Germany						432,500.00	1.46
Issue country Finland							
CITYCON OYJ	FI4000369947	0	0	11,764	6.850	80,583.40	0.27
Total issue country Finland						80,583.40	0.27

ERSTE STOCK EUROPE PROPERTY

Security designation	ISIN number	Purch./ additions Units/nominal	Sales/ disposals (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets
Issue country France							
COVIVIO BEARER EO 3	FR0000064578	0	0	8,000	51.500	412,000.00	1.39
ICADE S.A.	FR0000035081	0	0	4,075	42.520	173,269.00	0.58
Total issue country France						<u>585,269.00</u>	<u>1.97</u>
Issue country Guernsey Islands							
SHURGARD SELF STORAGE LTD	GG00BQZCBZ44	5,000	0	5,000	43.700	218,500.00	0.74
Total issue country Guernsey Islands						<u>218,500.00</u>	<u>0.74</u>
Issue country Netherlands							
URW (STAPLED SHS) EO-05	FR0013326246	5,000	18,000	14,000	48.470	678,580.00	2.29
Total issue country Netherlands						<u>678,580.00</u>	<u>2.29</u>
Issue country Spain							
MERLIN PPTYS SOCIMI EO 1	ES0105025003	0	20,000	80,000	8.010	640,800.00	2.16
NEINOR HOMES SA EO 9.211	ES0105251005	15,000	0	15,000	9.170	137,550.00	0.46
SACYR S.A. BEARER EO 1	ES0182870214	50,000	0	350,000	3.002	1,050,700.00	3.54
Total issue country Spain						<u>1,829,050.00</u>	<u>6.16</u>
Total equities denominated in EUR						<u>4,278,982.40</u>	<u>14.42</u>
Equities denominated in SEK							
Issue country Sweden							
AB SAGAX B	SE0005127818	0	17,000	30,000	251.000	664,460.62	2.24
CATENA AB REG.	SE0001664707	0	0	5,000	392.600	173,218.62	0.58
FASTIG.AB BALD. B SK 0.16	SE0017832488	150,000	0	150,000	47.590	629,913.96	2.12
NEOBO FASTIGHETER AB SK4	SE0005034550	12,000	0	12,000	10.120	10,716.08	0.04
WALLENSTAM AB SER.B	SE0017780133	100,000	0	100,000	40.620	358,438.12	1.21
Total issue country Sweden						<u>1,836,747.40</u>	<u>6.19</u>
Total equities denominated in SEK translated at a rate of 11.33250						<u>1,836,747.40</u>	<u>6.19</u>
Equities denominated in CHF							
Issue country Switzerland							
ALLREAL HLDGS NAM SF 1	CH0008837566	0	0	2,500	158.200	402,257.93	1.36
INTERSHOP HLDG REG. SF 10	CH0273774791	0	0	500	628.000	319,365.34	1.08
MOBIMO HOLDING NA SF 3.4	CH0011108872	0	0	1,500	239.000	364,625.71	1.23
PSP SWISS PROP. SF 0.1	CH0018294154	2,000	7,000	9,500	105.100	1,015,510.58	3.42
Total issue country Switzerland						<u>2,101,759.56</u>	<u>7.08</u>
Total equities denominated in CHF translated at a rate of 0.98320						<u>2,101,759.56</u>	<u>7.08</u>

Security designation	ISIN number	Purch./ additions Sales/ disposals Units/nominal (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets
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Equities denominated in USD**Issue country USA**

KENNEDY-WILSON DL-.0001	US4893981070	0	0	4	16.940	61.71	0.00
					Total issue country USA	61.71	0.00
					Total equities denominated in USD translated at a rate of 1.09805	61.71	0.00
					Total securities admitted to organised markets	12,856,885.13	43.32

Breakdown of fund assets

Transferable securities					29,239,748.48	98.51
Bank balances					281,890.13	0.95
Dividend entitlements					162,735.57	0.55
Interest entitlements					465.60	0.00
Other deferred items					-3,103.21	-0.01
Fund assets					29,681,736.57	100.00

Investor note:

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

Dividend-bearing units outstanding	AT0000708334	units	29,784.973
Value of dividend-bearing unit	AT0000708334	EUR	123.79
Dividend-bearing units outstanding	AT0000A1YRZ9	units	0.000
Value of dividend-bearing unit	AT0000A1YRZ9	EUR	78.44
Non-dividend-bearing units outstanding	AT0000708342	units	57,388.868
Value of non-dividend-bearing unit	AT0000708342	EUR	218.63
Non-dividend-bearing units outstanding	AT0000A1YS04	units	0.000
Value of non-dividend-bearing unit	AT0000A1YS04	EUR	78.44
KEST-exempt non-dividend-bearing units outstanding	AT0000613625	units	14,362.865
Value of KEST-exempt non-dividend-bearing unit	AT0000613625	CZK	5,829.05
KEST-exempt non-dividend-bearing units outstanding	AT0000613617	units	36,043.225
Value of KEST-exempt non-dividend-bearing unit	AT0000613617	EUR	247.29
KEST-exempt non-dividend-bearing units outstanding	AT0000A00G70	units	1,568.085
Value of KEST-exempt non-dividend-bearing unit	AT0000A00G70	HUF	91,958.58
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YS12	units	7,162.698
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YS12	EUR	83.25
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YS20	units	25.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YS20	CZK	1,874.11
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YS38	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YS38	HUF	29,263.94

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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.

No total return swaps pursuant to Regulation (EU) 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse) were concluded for the Fund during the reporting period.

The Fund is permitted to engage in securities lending agreements pursuant to Regulation (EU) No. 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse) according to the fund rules. No securities lending transactions took place during the reporting period.

Explanation on disclosure pursuant to 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.

In the event of negative derivatives exposure, collateral in the form of cash or bonds is pledged to Erste Group Bank AG in accordance with the contractually agreed threshold.

In the event of positive derivatives exposure, 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 accordance with the contractually agreed threshold. 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 Delegated Regulation (EU) No. 2016/2251 is not accepted.

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

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Publicly traded securities			
Equities denominated in GBP			
Issue country Great Britain			
HAMMERSON PLC LS-.05	GB00BK7YQK64	0	500,000
Equities denominated in EUR			
Issue country Belgium			
MONTEA NV	BE0003853703	0	3,000
Issue country Germany			
ALSTRIA OFFICE REIT-AG	DE000A0LD2U1	0	30,000
DEUTSCHE EUROSHOP NA N.P.	DE0007480204	0	15,000
TAG IMMOBILIEN AG SUB.RIGHTS	DE000A31C3C0	49,000	49,000
Issue country Luxembourg			
ADLER GROUP S.A. NPV	LU1250154413	0	15,000
SHURGARD SELF STORAGE	LU1883301340	0	5,000

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Issue country Austria			
S IMMO AG	AT0000652250	0	25,000
Issue country Spain			
SACYR S.A. BEARER -RIGHTS-	ES06828709L1	300,000	300,000
Equities denominated in SEK			
Issue country Sweden			
FASTIG.AB BALDER B SK 1	SE0000455057	0	25,000
SAMHALLSBYGGNADSBOL.I.N.B	SE0009554454	0	120,000
WALLENSTAM B FRI.O.333333	SE0007074844	0	50,000
WIHLBORGS FASTIGHE.SK1.25	SE0011205194	0	30,000
Securities admitted to organised markets			
Equities denominated in SEK			
Issue country Sweden			
DIOS FASTIGHETER AB SK 2	SE0001634262	0	15,000
Unlisted securities			
Equities denominated in EUR			
Issue country Spain			
SACYR S.A. BEARER -RIGHTS-	ES06828709M9	300,000	300,000
Equities denominated in CHF			
Issue country Switzerland			
MOBIMO HOLDING -RIGHTS-	CH1179520361	0	1,500

Vienna, 30 June 2023

Erste Asset Management GmbH
Electronically signed

Inspection information: The electronic signatures of this document can be inspected at the website of Rundfunk und Telekom Regulierungs-GmbH (<https://www.signatur.rtr.at/de/vd/Pruefung.html>).

Note: This document was signed with two qualified electronic signatures. A qualified electronic signature has the same legal effect as a hand-written signature (Article 25 of Regulation [EU] No 910/2014 [eIDAS Regulation]).

Remuneration Policy

Remuneration paid to employees of Erste Asset Management GmbH in EUR (2021 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 31.12.2021	262
Number of risk bearers in 2021	133
Fixed remuneration	18,971,588
Variable remuneration (bonuses)	5,819,336
Total employee remuneration	24,790,924
Thereof remuneration for managing directors	1,259,918
Thereof remuneration for managerial risk bearers	3,907,911
Thereof remuneration for risk bearers with control functions*	1,481,773
Thereof remuneration for other risk bearers	7,868,465
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	14,518,067

* Managers with control functions are reported in this group

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 in March 2022 revealed no deviations. There were also no material findings during the last audit by the Internal Auditing department.

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

Audit Report*

Statement on the annual report

Audit opinion

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

ERSTE STOCK EUROPE PROPERTY
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 30 April 2023, the income statement for the accounting year ending on this date, and the other information specified in Annex I Schedule B of the Austrian Investment Fund Act 2011 (InvFG 2011).

Based on the findings of our audit, we believe that the annual report satisfies the legal requirements and provides a true and fair view of the assets and financial position as of 30 April 2023 and of the earnings position of the fund for the accounting year ending on this date in accordance with Austrian commercial law and the provisions of the InvFG 2011.

Basis for the audit opinion

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

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 the context of our review of the annual report, we are responsible for reading this other information and assessing whether the other information contains material inconsistencies with the annual report or with the information gathered by us during our audit, or appears to contain other manners of material misstatements.

Should we come to the conclusion on the basis of the work completed with the other information received before the date of the audit report that this other information contains a material misstatement, we are required to report about this fact. We have nothing to report in this regard.

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 certificate 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.

Vienna, 14 July 2023

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Andrea Stippl m.p.
(Certified Public
Accountant)

ppa MMag. Roland Unterweger m.p.
(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.

Annex Sustainability-Related Information

Information pursuant to Article 7 of Regulation (EU) 2020/852 (Taxonomy Regulation):

The underlying investments of this financial product do not take the EU criteria for environmentally sustainable economic activity into account.

Fund Rules

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

The Fund is an undertaking for collective investment in 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 separate 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.

ERSTE STOCK EUROPE PROPERTY is an equity fund. The Fund invests predominantly, in other words at least 51% of its assets, in stocks from real estate companies in the form of directly purchased individual instruments, in other words not indirectly or directly through investment funds or through derivatives. There are no restrictions with regard to the location of the issuer's 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.

The Fund may invest in units in investment funds with investment restrictions that deviate from those of the Fund in terms of the investment focus described above and the restrictions regarding investment instruments defined below. This will not impair compliance with the investment focus described above at any time.

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 be purchased for the Fund when they meet the criteria regarding listing or trading on a regulated market or a securities exchange pursuant to the InvFG.

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

d) Units in investment funds

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

e) Derivative financial instruments

Derivative financial instruments can be used as part of the investment strategy and for hedging purposes, 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 proportion of transferable securities below the specified limit and a higher proportion of demand deposits or deposits with the right to be withdrawn with a maximum term of 12 months.

h) Acceptance of short-term loans

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

i) Repurchase agreements

Does not apply.

j) Securities lending

Securities lending transactions may comprise up to 30% of the fund assets.

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

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

Article 4 Issue and Redemption Procedure

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

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

Issue of units and front-end surcharge

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

The issue price shall be made up of the unit value plus a surcharge per unit amounting to up to 5.0% to cover the costs incurred by the Management Company in issuing the unit, rounded up to the next equivalent sub-unit of the currency unit specified for the respective unit category in the prospectus.

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

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

Redemption of units and back-end commission

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

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

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

Article 5
Accounting Year

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

Article 6
Unit Categories and Use of Earnings

The Fund features three different unit categories and the corresponding certificates: dividend-bearing units, non-dividend-bearing units with capital gains tax payment, and non-dividend-bearing units without capital gains tax payment, 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 omitted 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. Disbursements of fund assets and interim dividends may be paid.

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

The amounts shall be paid to the holders of dividend-bearing units on or after 1 August of the following accounting year. The remaining amount shall be carried forward.

An amount calculated in accordance with the InvFG must also be paid out on or after 1 August to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund units unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the unit certificates can only be held by Unit-holders who are not subject to Austrian personal income tax or corporation tax or who meet the conditions for exemption from capital gains tax according to § 94 of the Austrian Income Tax Act (Einkommensteuergesetz) at the time of payment.

Use of earnings for non-dividend-bearing units with capital gains tax payment (non-dividend-bearing units)

The earnings generated by the Fund during the accounting year less all costs will not be paid out. In the case of non-dividend-bearing units, an amount calculated in accordance with the InvFG must be paid out on or after 1 August to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund units unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the unit certificates can only be held by Unit-holders who are not subject to Austrian personal income tax or corporation tax or who meet the conditions for exemption from capital gains tax according to § 94 of the Austrian Income Tax Act (Einkommensteuergesetz) at the time of payment.

Use of earnings for non-dividend-bearing units without capital gains tax payment (KESt-exempt non-dividend-bearing units)

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

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

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 amounting to up to 1.80% of the fund assets as calculated and accrued on the basis of the daily fund volume. The fee will be charged to the fund assets once per month.

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 November 2020)

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 Exchange |
| 2.4. | Serbia: | Belgrade |
| 2.5. | Türkiye: | 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, Fukuoka, Sapporo |
| 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, Auckland |
| 3.17. | Peru: | Bolsa de Valores de Lima |
| 3.18. | Philippines: | Philippine Stock Exchange |
| 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, Nasdaq |
| 3.24. | Venezuela: | Caracas |

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3.25. United Arab Emirates: Abu Dhabi Securities Exchange (ADX)

4. Organised markets in countries outside of the European Union

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. South Africa: Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX)
5.13. Türkiye: TurkDEX
5.14. USA: NYCE American, Chicago Board Options Exchange, Chicago Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, ICE Future US, Inc., New York, Nasdaq, New York Stock Exchange, Boston Options Exchange (BOX)

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

When the expected withdrawal of the United Kingdom of Great Britain and Northern Ireland (GB) from the EU takes effect, GB will lose its status as an EEA member state and, in turn, the exchanges/regulated markets located there will also lose their status as EEA exchanges/regulated markets. In this event, we hereby inform you that the following exchanges and regulated markets located in GB shall be considered exchanges or recognised regulated markets in a third country as defined by the InvFG 2011 and the UCITS Directive that are expressly designated in the Fund Rules: Cboe Europe Equities Regulated Market – Integrated Book Segment, London Metal Exchange, Cboe Europe Equities Regulated Market – Reference Price Book Segment, Cboe Europe Equities Regulated Market – Off-Book Segment, London Stock Exchange Regulated Market (derivatives), NEX Exchange Main Board (non-equity), London Stock Exchange Regulated Market, NEX Exchange Main Board (equity), Euronext London Regulated Market, ICE FUTURES EUROPE, ICE FUTURES EUROPE – AGRICULTURAL PRODUCTS DIVISION, ICE FUTURES EUROPE – FINANCIAL PRODUCTS DIVISION, ICE FUTURES EUROPE – EQUITY PRODUCTS DIVISION, and Gibraltar Stock Exchange.

**) In the event that Switzerland's stock market equivalence expires, SIX Swiss Exchange AG and BX Swiss AG are to be subsumed under item 2 "Exchanges in European countries outside of the EEA" until further notice.

Note regarding the data used

The sections Income Statement and Changes in Fund Assets, Statement of Assets and Liabilities and Details and Explanation of 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.

Note for retail funds:

Unless indicated otherwise, source: Erste Asset Management GmbH. Our languages of communication are German and English. The full prospectus as well as the complete Information for Investors pursuant to § 21 AIFMG (and any amendments to these documents) were published in Amtsblatt zur Wiener Zeitung in accordance with the provisions of the InvFG 2011 and AIFMG in conjunction with the InvFG 2011 as amended and are available free of charge at the registered office of the Investment Firm and at the head office of the depositary bank. The exact date of most recent publication of the prospectus and Information for Investors pursuant to § 21 AIFMG, the languages in which the key information documents are available, and any additional locations where the documents can be obtained can be viewed on the website www.erste-am.at.

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