

Simplified Prospectus
ESPA BOND COMBIRENT
Mutual Fund pursuant to § 20 InvFG

This Investment Fund has been approved by the Financial Market Authority pursuant to the provisions of the Austrian Investment Fund Act.

ISIN: A AT0000858022, T AT0000812912, VT AT0000673173

1. Brief description of the investment fund

1.1. Date of the establishment of the fund

The fund was launched on 5 May 1969. The fund is a mutual fund pursuant to § 20 InvFG.

1.2. Information about the investment firm administering the fund

ESPA BOND COMBIRENT is administered by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., Habsburgergasse 1a, A-1010 Vienna.

1.3. Tasks delegated to third parties

ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. has delegated the following task(s) to third parties: none

1.4. Custodian bank

Erste Group Bank AG, Graben 21, A-1010 Vienna.

1.5. Auditor

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Wagramer Straße 19, A-1220 Vienna.

1.6. Financial group offering the investment fund

The payment, submission and contact office for ESPA BOND COMBIRENT is Erste Group Bank AG, Vienna.

Additional countries of sale/payment and sales offices:

Germany: HSBC Trinkaus & Burkhardt AG, Königsallee 21–23, D-40212 Düsseldorf

Orders for the return of shares in ESPA BOND COMBIRENT can be submitted to the German payment and information office, and share redemption proceeds, any dividends or other payments can be paid out to Shareholders (in cash in the local currency) by the German payment office upon request.

In addition, all information required by investors before and after the conclusion of an investment agreement is available free of charge at the German payment and information office:

- the fund terms and conditions,
- the full and simplified fund prospectus,
- the annual and semi-annual reports and
- the issue and return prices.

In addition to the documents listed above, the sales office agreement between ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., Vienna, and HSBC Trinkaus & Burkhardt AG, Düsseldorf, is available for inspection at the German payment and information office.

Czech Republic: Česká Spořitelna a.s., Olbrachtova 1929/62, CZ-14000 Prague 4

Hungary: Erste Bank Investment Hungary Ltd., Madach Imre ut 13–15, HU-1075 Budapest

2. Investment information

2.1. Brief definition of the investment objective(s) of the investment fund

ESPA BOND COMBIRENT is a bond fund that is oriented towards achieving continuous returns while taking capital security and the liquidity of the fund assets into account.

2.2. Investment strategy of the investment fund and brief assessment of the fund's risk profile (including the information required under § 21a and for the investment category)

ESPA BOND COMBIRENT invests primarily in Eurozone government bonds that are issued or guaranteed by issuers in Europe and euro-denominated bonds issued by financial institutions domiciled in Europe. In addition, the fund may invest in euro-denominated corporate bonds issued by entities domiciled in Europe, but the bonds' ratings must be in the investment grade segment.

Shares in investment funds may amount to a maximum of 10% of ESPA BOND COMBIRENT's fund assets.

Derivative financial instruments can be used to hedge fund assets and as part of the investment strategy. The Investment Firm uses the value-at-risk (VaR) approach for calculating risk. The allocable value at risk resulting from the fund's market risk is determined based on the portfolio's absolute risk value (absolute VaR) and is limited to 4.0% of the total net value of the fund assets. The absolute VaR limit is determined on the basis of an evaluation of the overall investment process.

More details about VaR can be found in item 15 of the full fund prospectus.

The Investment Fund is managed actively, with a focus on balanced risk diversification.

2.3. Assessment of the risk profile of the fund (including the information required under § 21a and for the investment category)

The main risk associated with the fund is due to price fluctuations among the bonds contained in the portfolio as a result of changes in the general interest rate level for the euro. Rapid interest rate increases and long remaining terms to maturity are generally associated with greater price declines than slower rate increases and shorter terms to maturity.

Credit risk can be ruled out with a high level of certainty in the case of government bonds, government-guaranteed bonds, covered bonds and municipal bonds. In the case of corporate bonds, however, credit risk cannot be ruled out. The fund places great emphasis on ensuring broad diversification among corporate bonds for risk hedging purposes.

A detailed description of the individual risk types can be found in the full prospectus.

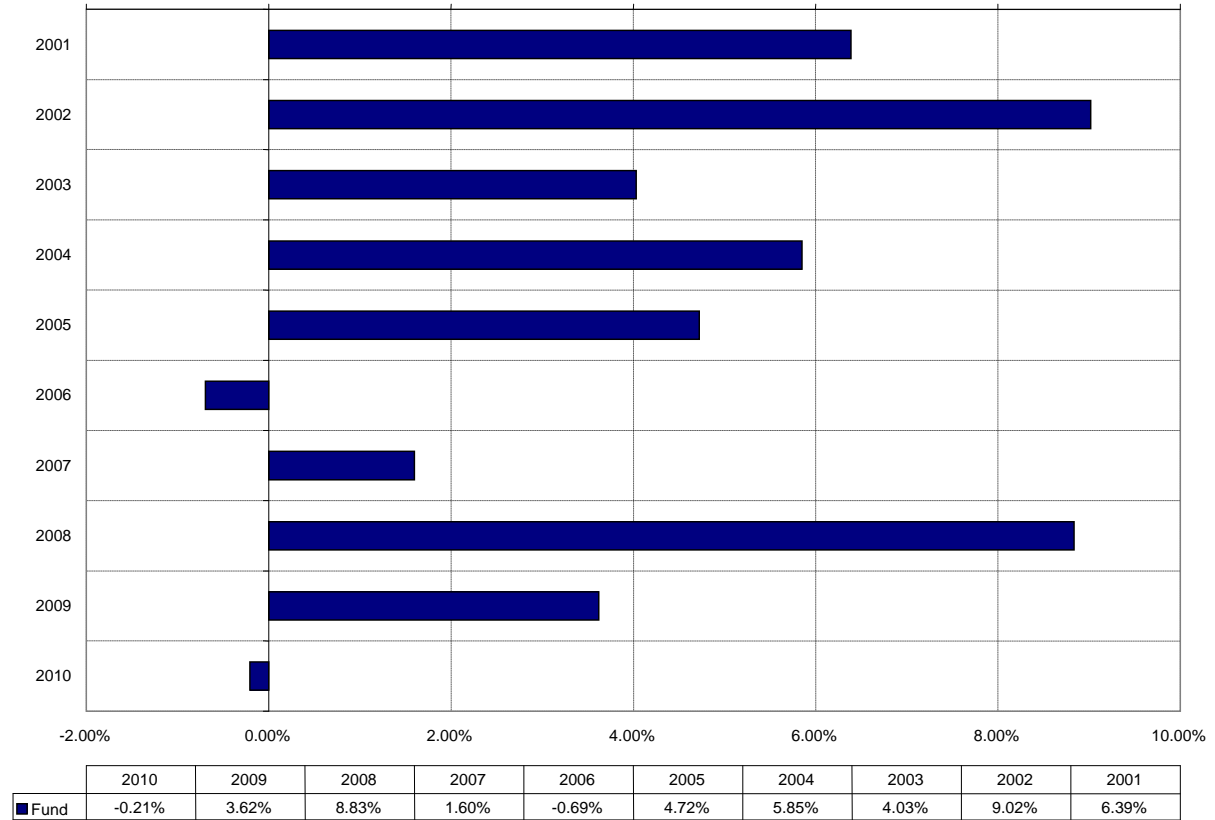
The development of the value of the shares depends on the investment policy and the development of the markets for the various individual assets in the fund, and cannot be predicted in advance.

In this context, it must be noted that the value of the shares in ESPA BOND COMBIRENT may rise or fall compared to the issue price. This means that the investor may receive less money than was originally invested when the shares are returned.

Because derivative financial instruments are used both to hedge assets and as part of the fund's investment strategy, the risk of loss that is associated with the assets in the fund can increase temporarily. Transactions with OTC instruments also entail counterparty risk.

See the full prospectus for a complete description of the use of derivative financial instruments.

2.4. Performance of the fund to date



Performance p.a.	
3 years	4.03%
5 years	2.59%
10 years	4.27%

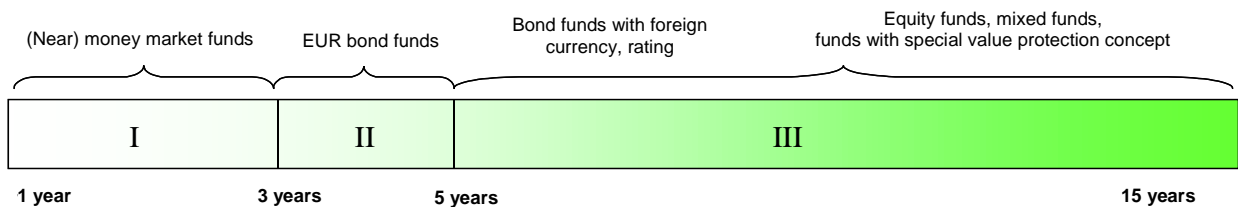
All performance figures are subject to rounding differences in the second decimal place.

Past performance is not a reliable indicator of the future performance of a fund.

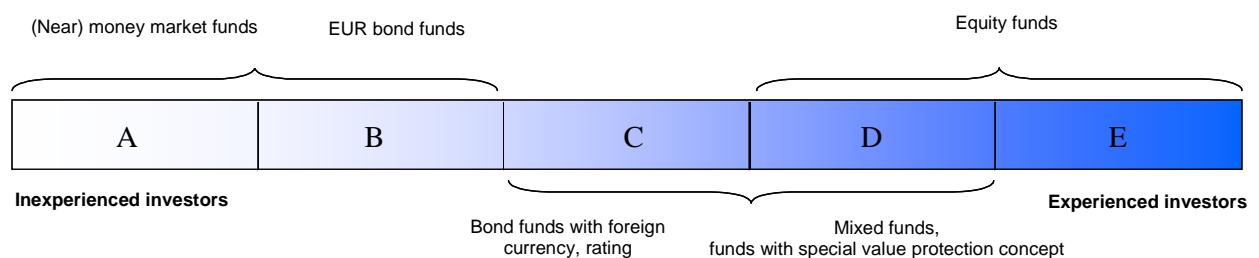
Value development in per cent (without fees) taking into account dividend disbursement and payout. Issue and return fees are not taken into account.

2.5. Profile of the typical investor

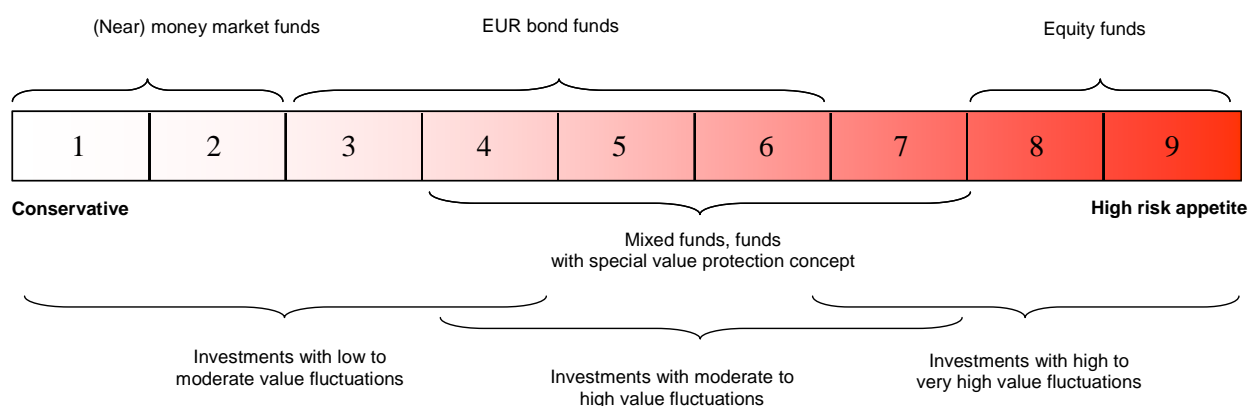
Recommended holding period:



Investor experience level:



Investor risk tolerance:



The following apply to this fund:

Recommended holding period: II
Investor experience level: A–B
Investor risk tolerance: 3

Risk tolerance levels:

Level 1: Money market/near money market funds
Level 2: Special money market/near money market funds
Level 3: Bond funds (without foreign currencies)
Level 4: Bond funds (with foreign currency or average credit rating), mixed funds with up to 35% shares
Level 5: Funds with special value protection concept
Level 6: Bond funds (with considerably poorer credit rating), mixed funds with 35 to 70% shares
Level 7: Mixed funds with 70% or more shares
Level 8: Standard equity funds, investments with high value fluctuations
Level 9: Progressive equity funds, investments with very high value fluctuations

Recommended holding period:

Level I: at least 1–3 years
Level II: at least 3–5 years
Level III: 5 years or longer

Investor experience:

Level A: Inexperienced investor
Levels B, C, D: Increasing experience
Level E: Experienced investor

3. Financial information

3.1. Applicable tax regulations for investors subject to unlimited tax liability in Austria

The fund itself is not subject to tax on its assets or earnings. Earnings that have been paid out (including interim dividend payments), dividend-equivalent ordinary earnings (interest income, dividends) and certain dividend-equivalent extraordinary earnings (realised capital gains from the sale of securities and derivative instruments) are subject to 25% capital gains tax for private investors in the form of final taxation.

For share certificates purchased before 1 January 2011, the one-year speculation period applies.

Share certificates purchased on or after 1 January 2011 are subject to the taxation of realised value increases upon the sale of shares. When sold on or after 1 October 2011, share certificates are taxed by the banks managing the securities accounts, which must withhold 25% capital gains tax in the form of final taxation on the difference between the tax-adjusted acquisition cost and the sale proceeds of the share certificates. If share certificates purchased on or after 1 January 2011 are sold before 1 October 2011, the one-year speculation period still applies.

The tax treatment of income from the fund (for non-residents) depends on the local national tax regulations. We recommend obtaining advice from a qualified tax consultant.

3.2. Entry and exit commissions

3.2.1. Costs that are charged directly to the shareholder upon issue or return of shares

The issue premium for covering the costs of issue is 2.5%

3.2.2. Costs paid from the fund assets

Costs charged as a percentage of the value of the fund assets (especially the management fee and custodian bank fee): up to 0.5%

In addition to the management fee, the administration fee covers any sales and distribution costs and third-party management services.

Costs charged against the fund assets as an absolute amount (especially fund auditing costs, mandatory publications, other fees): 0.03%

Specification of the total expense ratio (TER) 0.41%

Specification of the portfolio turnover ratio (PTR) 274.97%

Total expense ratio (TER):

The total expense ratio expresses the total costs and fees incurred by a fund, with the exception of the transaction costs and other comparable costs, as a percentage of the average fund volume in a financial year. It is calculated on the basis of the last audited annual report.

Information on the current and historical TER can be found on our web site www.sparinvest.com under the detailed information for the fund.

Portfolio turnover ratio (PTR):

The portfolio turnover ratio expresses the volume of transactions conducted in the fund portfolio and is calculated once per year. A PTR that is close to zero shows that transactions have been conducted to invest the capital collected through the issue of new shares and to dispose of assets to free capital for the redemption of shares. A positive PTR shows that the number of securities transactions was greater than the number of share certificate transactions.

Information on the current and historical PTR can be found on our web site www.sparinvest.com under the detailed information for the fund.

4. Trading information

4.1. Method of purchasing shares

There is no principal limitation on the number of shares that can be issued or on the corresponding certificates. Shares can be purchased at the payment and submission (or sales) offices listed under item 1.6. The Investment Firm reserves the right to temporarily or permanently suspend the issue of shares.

ESPA BOND COMBIRENT can also be purchased as part of a fund savings plan.

KESSt-exempt non-dividend shares are only issued to persons not subject to taxation in Austria.

Please consult the corresponding information in the full prospectus for restrictions on the sale of fund shares to American citizens.

4.2. Method of selling shares

The Shareholders can demand the return of their shares by presenting their share certificates or by submitting a return order to the custodian bank. The Investment Firm is obligated to accept the return of the shares against payment of the return price, which is the current value of a share, for the account of the Investment Fund.

The payment of the return price and the calculation and publication of the return price as specified may be suspended temporarily when the Austrian Financial Market Authority is informed of this fact and a corresponding notice published as per § 10 of the fund terms and conditions and made dependent on the sale of assets in the Investment Fund and the receipt of the proceeds from the sale of assets by the Investment Firm under extraordinary conditions and when this is deemed necessary to protect justified Shareholder interests. Investors shall also be informed when the Investment Firm resumes accepting returned shares as specified in § 10 of the fund terms and conditions.

Please refer to the full prospectus (item 16) for information on the calculation of the fund value and the valuation of assets.

4.3. Frequency, place and method of the publication or provision of share prices

Publication of the issue and return prices

The issue price and the return price will be calculated by the custodian bank on every exchange trading day and published in a business or daily newspaper that is published within Austria and has sufficient circulation and/or in electronic form on the web site of the issuing investment firm.

Germany: <http://de.sparinvest.com> (and also at www.fundinfo.com)
Other information: *Elektronischer Bundesanzeiger*, Cologne

Czech Republic: *Hospodářské noviny*, Prague

Hungary: *Magyar Tőkepiac*

5. Additional information

5.1. Notice that the full prospectus and the annual and semi-annual reports can be requested free of charge before and after contract conclusion

The simplified prospectus contains the most important information about the Investment Fund in a concise form. Further information can be found in the full prospectus. Interested investors must also be offered the currently valid version of the simplified prospectus free of charge before conclusion of an investment agreement, or the simplified prospectus must be provided free of charge after the conclusion of the investment agreement.

In addition, interested investors will be provided with the currently valid full prospectus and the general fund terms and conditions together with the special fund terms and conditions free of charge before and after contract conclusion. The last available annual report is also included with this prospectus as a supplement. When the reporting date of the last annual report is more than eight months in the past, the latest semi-annual report will also be provided to interested investors requesting the prospectus.

5.2. Competent supervisory authority

Austrian Financial Market Authority, Otto-Wagner-Platz 5, A-1090 Vienna.

5.3. Indication of where further information can be obtained

ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., Habsburgergasse 1a, A-1010 Vienna

Internet: www.sparinvest.com

E-mail: erste@sparinvest.com

5.4. The investment firm has delegated the following activities to third parties:

Compliance: Erste Group Bank AG

Payroll accounting: Erste Bank der oesterreichischen Sparkassen AG

Accounting: Erste Bank Beteiligungsservice GmbH

5.5. Publication date of the simplified prospectus

19 April 2011