

# **ERSTE BOND INTERNATIONAL**

**Jointly owned fund pursuant to the InvFG**

Annual Report 2022/23

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## General Information about the Investment Firm

<b>The company</b>	Erste Asset Management GmbH Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19777, fax: +43 05 0100-919777
<b>Registered capital</b>	EUR 2.50 million
<b>Shareholders</b>	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%)
<b>Supervisory Board</b>	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 WATTL Gerald WEBER Appointed by the Works Council: Martin CECH Regina HABERHAUER Heinrich Hubert REINER Peter RIEDERER Nicole WEINHENGST Manfred ZOUREK
<b>Managing directors</b>	Heinz BEDNAR Winfried BUCHBAUER Peter KARL Thomas KRAUS
<b>Prokuristen (proxies)</b>	Karl FREUDENSCHUSS Manfred LENTNER Günther MANDL Gerold PERMOSER Magdalena REISCHL Oliver RÖDER
<b>State commissioners</b>	Wolfgang EXL (from 01.09.2022) Angelika SCHÄTZ
<b>Auditor</b>	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
<b>Depositary bank</b>	Erste Group Bank AG

## Dear Unit-holder,

We are pleased to present you the following annual report for the ERSTE BOND INTERNATIONAL jointly owned fund pursuant to the InvFG for the accounting year from 1 August 2022 to 31 July 2023.

The companies managing the sub-funds contained in the Fund that are not managed by the Investment Firm assessed management fees ranging from 0.50% to 0.5%. No front-end surcharges were charged for the purchase of the units in these funds.

## Development of the Fund

### Market environment

To combat the visibly accelerating pace of inflation as well as the longer-term rising inflation expectations amongst the general public and in the economy, many central banks responded with an extraordinary tightening of their previously loose monetary policy. For instance, the European Central Bank hiked its deposit rate from minus 0.50% to plus 3.5% in several stages between July 2022 and June 2023. It also announced plans to end net purchases under its Asset Purchase Programme (APP) with effect from 1 July 2022 and to allow bonds held under this programme to mature in a measured manner from spring 2023 onwards. The US Fed raised its own key rates by a similar amount in order to fight inflation. Along with these high-profile institutions, central banks in many other countries pursued a similar interest rate strategy. These aggressive key rate hikes pushed the returns on some assets, including bonds, into negative territory during the reporting period. Another side effect was stress in the financial system, as shown by the US regional bank crisis in spring 2023, for example.

Inflation finally began to fall slowly year on year, due not least to the sharp fall in energy prices. However, this did not prevent an increasing number of domino effects (including a wage-price spiral) in the service sector of the economy. Inflation rates continued to fall at an excruciatingly slow pace as far as the central banks were concerned.

In the USA, the yield on ten-year government bonds rose by 139 basis points to 3.96%. The USD yield curve flattened. The Federal Reserve lifted its key rate by 300 basis points to 5.5%. The US equity market delivered positive performance. EUR appreciated against USD. In Japan, the yield on ten-year government bonds rose by 42 basis points to 0.61%. The JPY yield curve steepened. The Bank of Japan left its key rate unchanged at minus 0.1%. The Japanese equity market posted gains. EUR appreciated against JPY. In the United Kingdom, the yield on ten-year government bonds rose by 250 basis points to 4.31%. The GBP yield curve flattened. The Bank of England lifted its key rate by 375 basis points to 5%. The British equity market delivered positive performance. EUR appreciated against GBP.

Amidst these conditions, ERSTE BOND INTERNATIONAL did not generate positive performance. The yield in the Fund increased. The duration was shortened. The running coupon decreased. The cash position was reduced. The credit quality in the portfolio remained unchanged. As a result, there was no change in the average rating.

### Investment policy

ERSTE BOND INTERNATIONAL is a bond fund investing in individual issues. The Fund invests in the global bond markets via individual issues, ensuring broad risk diversification. The core portfolio, which consists of international government bonds, is supplemented with mortgage and corporate bonds as attractive opportunities arise. The Fund aims to generate high running returns from international bonds. The Fund's foreign currency risks are generally not hedged.

A key focus in the management of the Fund's portfolio (in terms of orientation) is ensuring the highest possible issuer ratings when selecting assets.

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

The fund positioning was selected in line with the investment process.

The Fund posted a performance of minus 13.47% (AT0000858048) for the accounting year.

## 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 <sup>th</sup> 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 31.07.2023	
	EUR millions	%
Bonds		
AUD	0.5	2.26
GBP	1.4	6.65
JPY	5.2	24.97
CAD	0.5	2.32
SEK	0.1	0.40
CHF	0.2	0.72
USD	11.9	56.83
Investment certificates		
EUR	1.0	4.96
Securities	20.8	99.12
Forward exchange agreements	-0.0	-0.11
Financial futures	0.0	0.01
Bank balances	0.1	0.28
Interest entitlements	0.1	0.70
Other deferred items	-0.0	-0.00
<b>Fund assets</b>	<b>21.0</b>	<b>100.00</b>

## Comparative Overview

Accounting year	Fund assets
2020/2021	36,462,512.96
2021/2022	27,651,447.92
2022/2023	20,953,564.86

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	AT0000858048	EUR	11.53	0.1200	0.0000	-3.39
2021/2022	Dividend-bearing units	AT0000858048	EUR	11.36	0.1200	0.0000	-0.43
2022/2023	Dividend-bearing units	AT0000858048	EUR	9.72	0.1700	0.0000	-13.47

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	Dividend-bearing units	AT0000A1YRR6	EUR	110.66	-	-	-
2021/2022	Dividend-bearing units	AT0000A1YRR6	EUR	110.25	-	-	-
2022/2023	Dividend-bearing units	AT0000A1YRR6	EUR	95.32	-	-	-

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	AT0000812920	EUR	23.70	0.0000	0.0000	-3.44
2021/2022	Non-dividend-bearing units	AT0000812920	EUR	23.61	0.0205	0.0539	-0.38
2022/2023	Non-dividend-bearing units	AT0000812920	EUR	20.39	0.0000	0.0000	-13.55

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	AT0000A1YRS4	EUR	110.66	-	-	-
2021/2022	Non-dividend-bearing units	AT0000A1YRS4	EUR	110.25	-	-	-
2022/2023	Non-dividend-bearing units	AT0000A1YRS4	EUR	95.32	-	-	-

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	AT0000A2B527	EUR	96.74	0.0332	0.0873	-3.03
2021/2022	Non-dividend-bearing units	AT0000A2B527	EUR	96.75	0.3362	0.8856	0.04
2022/2023	Non-dividend-bearing units	AT0000A2B527	EUR	83.68	0.0000	0.0000	-13.20

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	AT0000673322	EUR	25.71	-	0.0000	-3.42
2021/2022	KESt-exempt non-dividend-bearing units	AT0000673322	EUR	25.61	-	0.2123	-0.39
2022/2023	KESt-exempt non-dividend-bearing units	AT0000673322	EUR	22.14	-	0.0000	-13.55

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	AT0000A00GA2	HUF	9,192.11	-	0.0000	0.29
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A00GA2	HUF	10,332.16	-	52.4079	12.40
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A00GA2	HUF	8,565.96	-	0.0000	-17.09

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	AT0000A1YRT2	EUR	110.79	-	-	-
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A1YRT2	EUR	110.38	-	-	-
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A1YRT2	EUR	95.43	-	-	-

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	AT0000A1YRU0	HUF	39,626.25	-	-	-
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A1YRU0	HUF	44,549.36	-	-	-
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A1YRU0	HUF	36,938.56	-	-	-

## Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 August 2022 to 31 July 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 2 October 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	Reinvestment
Dividend-bearing units	AT0000858048	EUR	0.1700		0.0000	0.0000	0.0000
Dividend-bearing units	AT0000A1YRR6	EUR	-		-	-	-
Non-dividend-bearing units	AT0000812920	EUR	0.0000		0.0000	0.0000	0.0000
Non-dividend-bearing units	AT0000A1YRS4	EUR	-		-	-	-
Non-dividend-bearing units	AT0000A2B527	EUR	0.0000		0.0000	0.0000	0.0000
KESt-exempt non-dividend-bearing units	AT0000673322	EUR	-	*	-	-	0.0000
KESt-exempt non-dividend-bearing units	AT0000A00GA2	HUF	-	*	-	-	0.0000
KESt-exempt non-dividend-bearing units	AT0000A1YRT2	EUR	-	*	-	-	-
KESt-exempt non-dividend-bearing units	AT0000A1YRU0	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.

<b>AT0000858048 dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (1,577,214.317 units)	11.36
Disbursement/payment on 29.09.2022 (corresponds to roughly 0.0110 units at a calculated value of 10.88)	0.1200
Unit value at the end of the reporting period (1,453,715.202 units)	9.72
Total value including (notional) units gained through dividend disbursement/payment	9.83
Net earnings per unit	-1.53
<b>Value development of one unit in the period</b>	<b>-13.47%</b>

<b>AT0000A1YRR6 dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (0.000 units)	110.25
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	95.32
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	<b>-</b>

<b>AT0000812920 non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (228,722.639 units)	23.61
Disbursement/payment on 29.09.2022 (corresponds to roughly 0.0009 units at a calculated value of 22.83)	0.0205
Unit value at the end of the reporting period (161,456.078 units)	20.39
Total value including (notional) units gained through dividend disbursement/payment	20.41
Net earnings per unit	-3.20
<b>Value development of one unit in the period</b>	<b>-13.55%</b>

<b>AT0000A1YRS4 non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (0.000 units)	110.25
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	95.32
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	<b>-</b>

<b>AT0000A2B527 non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (81.176 units)	96.75
Disbursement/payment on 29.09.2022 (corresponds to roughly 0.0036 units at a calculated value of 93.37)	0.3362
Unit value at the end of the reporting period (296.472 units)	83.68
Total value including (notional) units gained through dividend disbursement/payment	83.98
Net earnings per unit	-12.77
<b>Value development of one unit in the period</b>	<b>-13.20%</b>

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<b>AT0000673322 KESSt-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (6,482.585 units)	25.61
Disbursement/payment	0.0000
Unit value at the end of the reporting period (33,004.782 units)	22.14
Total value including (notional) units gained through dividend disbursement/payment	22.14
Net earnings per unit	-3.47
<b>Value development of one unit in the period</b>	<b>-13.55%</b>

<b>AT0000A00GA2 KESSt-exempt non-dividend-bearing units HUF</b>	
Unit value at the beginning of the reporting period (161,909.569 units)	10,332.16
Disbursement/payment	0.0000
Unit value at the end of the reporting period (125,260.453 units)	8,565.96
Total value including (notional) units gained through dividend disbursement/payment	8,565.96
Net earnings per unit	-1,766.20
<b>Value development of one unit in the period</b>	<b>-17.09%</b>

<b>AT0000A1YRT2 KESSt-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (0.000 units)	110.38
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	95.43
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	<b>-</b>

<b>AT0000A1YRU0 KESSt-exempt non-dividend-bearing units HUF</b>	
Unit value at the beginning of the reporting period (0.000 units)	44,549.36
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	36,938.56
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	<b>-</b>

## 2. Fund Result

### a. Realised fund result

#### Ordinary fund result

##### Income (without profit or loss from price changes)

Interest income (excluding income adjustment) 478,595.87

Dividend income 0.00

Other income 8) 0.00

Total income (without profit or loss from price changes) 478,595.87

**Interest paid** - 189.65

##### Expenses

Fees paid to Investment Firm - 135,987.03

Costs for the financial auditor and tax consultation - 4,109.00

Publication costs - 12,964.67

Securities account fees - 6,002.48

Depositary bank fees - 10,878.76

Costs for the external consultant 0.00

Performance fee -

Fee foreign-currency unit certificates 9) - 376.20

Total expenses - 170,318.14

Compensation for management costs from sub-funds 1) 74.12

**Ordinary fund result (excluding income adjustment) 308,162.20**

#### Realised profit or loss from price changes 2) 3)

Realised gains 4) 256,550.57

Realised losses 5) - 921,267.92

**Realised profit or loss from price changes (excluding income adjustment) - 664,717.35**

**Realised fund result (excluding income adjustment) - 356,555.15**

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

Changes in the unrealised profit or loss from price changes 7) - 3,187,010.74

**Result for the reporting period 6) - 3,543,565.89**

### c. Income adjustment

Income adjustment for income in the period 9,604.09

Income adjustment for profit carried forward from dividend-bearing units - 867,403.29

**Overall fund result - 4,401,365.09**

### **3. Changes in Fund Assets**

<b>Fund assets at the beginning of the reporting period</b>	<b>27,651,447.92</b>
<b>Disbursement/payment in the accounting year</b>	<b>- 189,890.83</b>
<b>Issue and redemption of units</b>	<b>- 2,106,627.14</b>
<b>Overall fund result</b>	
(The fund result is shown in detail under item 2.)	<b>- 4,401,365.09</b>
<b>Fund assets at the end of the reporting period</b>	<b><u>20,953,564.86</u></b>

- 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 -3,851,728.09.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 230,923.69.
- 5) Thereof losses from transactions with derivative financial instruments: EUR -269,793.48.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 1,127.80.
- 7) Thereof changes in unrealised gains EUR -1,009,589.15 and unrealised losses EUR -2,177,421.59.
- 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.

# Statement of Assets and Liabilities as of 31 July 2023

(including changes in securities assets from 1 August 2022 to 31 July 2023)

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
<b>Publicly traded securities</b>								
<b>Bonds denominated in JPY</b>								
<b>Issue country Japan</b>								
JAPAN 19/24	JP1051401K75	0.100	120,000	0	120,000	100.179	767,408.68	3.66
JAPAN 20/50	JP1300681LA7	0.600	0	0	40,000	83.270	212,626.47	1.01
JAPAN 2025 341	JP1103411FC6	0.300	0	20,000	100,000	100.790	643,407.64	3.07
JAPAN 2027 347	JP1103471H66	0.100	0	40,000	60,000	100.250	383,976.28	1.83
JAPAN 2035 155	JP1201551FC0	1.000	0	0	40,000	103.380	263,976.51	1.26
JAPAN 2040 32	JP1300321A34	2.300	0	0	120,000	120.520	923,228.36	4.41
JAPAN 2050 3	JP1400031A58	2.200	0	0	130,000	119.600	992,529.22	4.74
JAPAN 2052 5	JP1400051C51	2.000	0	0	55,000	115.470	405,415.76	1.93
JAPAN 22/24	JP1024341N31	0.005	100,000	0	100,000	100.072	638,824.18	3.05
Total issue country Japan							5,231,393.10	24.97
Total bonds denominated in JPY translated at a rate of 156.65030							5,231,393.10	24.97
Total publicly traded securities							5,231,393.10	24.97
<b>Investment certificates</b>								
<b>Investment certificates denominated in EUR</b>								
<b>Issue country Croatia</b>								
ERSTE E-CONSERVATIVE	HRERSIUCONS9		813	0	813	111.627	90,746.03	0.43
Total issue country Croatia							90,746.03	0.43
<b>Issue country Austria</b>								
ERSTE ALPHA 1 T	AT0000A03DF2		830	2,058	4,332	54.930	237,956.76	1.14
ERSTE ALPHA 2 T	AT0000A05F50		1,654	4,543	9,082	78.350	711,574.70	3.40
Total issue country Austria							949,531.46	4.53
Total investment certificates denominated in EUR							1,040,277.49	4.96
Total investment certificates							1,040,277.49	4.96
<b>Securities admitted to organised markets</b>								
<b>Bonds denominated in AUD</b>								
<b>Issue country Australia</b>								
AUSTRALIA 2025 139	AU3TB0000168	3.250	0	0	100	98.624	60,276.25	0.29
AUSTRALIA 2030	AU0000013740	2.500	0	0	500	91.660	280,100.23	1.34
AUSTRALIA 2035 145	AU000XCLWAM0	2.750	0	0	250	87.650	133,923.11	0.64
Total issue country Australia							474,299.59	2.26
Total bonds denominated in AUD translated at a rate of 1.63620							474,299.59	2.26

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Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
<b>Bonds denominated in GBP</b>								
<b>Issue country Great Britain</b>								
LCR FINANCE 99/28 REGS	XS0094804126	4.500	0	0	300	98.293	344,122.90	1.64
TREASURY STK 2028	GB0002404191	6.000	0	0	200	107.339	250,528.64	1.20
TREASURY STK 2040	GB00B6460505	4.250	0	100	400	97.260	454,008.65	2.17
TREASURY STK 2049	GB00BFWFPP71	1.750	0	0	500	59.170	345,256.14	1.65
Total issue country Great Britain							1,393,916.33	6.65
Total bonds denominated in GBP translated at a rate of 0.85690							1,393,916.33	6.65
<b>Bonds denominated in CAD</b>								
<b>Issue country Canada</b>								
CANADA 20/30	CA135087L443	0.500	0	0	500	79.980	275,555.56	1.32
CDA 2025	CA135087D507	2.250	0	0	150	95.694	98,908.53	0.47
CDA 2041	CA135087YQ12	4.000	0	0	150	107.080	110,677.00	0.53
Total issue country Canada							485,141.09	2.32
Total bonds denominated in CAD translated at a rate of 1.45125							485,141.09	2.32
<b>Bonds denominated in SEK</b>								
<b>Issue country Sweden</b>								
SWEDEN 12-32 1056	SE0004517290	2.250	0	0	1,000	97.600	84,247.01	0.40
Total issue country Sweden							84,247.01	0.40
Total bonds denominated in SEK translated at a rate of 11.58500							84,247.01	0.40
<b>Bonds denominated in CHF</b>								
<b>Issue country Switzerland</b>								
EIDGENOSSENSCHAFT 15-30	CH0224397171	0.500	0	0	150	96.710	151,781.32	0.72
Total issue country Switzerland							151,781.32	0.72
Total bonds denominated in CHF translated at a rate of 0.95575							151,781.32	0.72
<b>Bonds denominated in USD</b>								
<b>Issue country USA</b>								
US TREASURY 2024	US912828B667	2.750	0	1,100	400	98.532	357,469.50	1.71
US TREASURY 2024	US912828D564	2.375	0	0	900	96.965	791,513.85	3.78
US TREASURY 2028	US9128283W81	2.750	0	0	1,000	93.891	851,577.03	4.06
US TREASURY 2029 15.08	US912810FJ26	6.125	0	0	950	110.426	951,471.52	4.54
US TREASURY 2039	US912810QA97	3.500	880	0	880	94.223	752,037.88	3.59
US TREASURY 2042	US912810QU51	3.125	0	0	1,350	86.219	1,055,691.92	5.04
USA 19/29	US912828YB05	1.625	0	0	600	86.953	473,192.83	2.26
USA 20/25	US912828ZL77	0.375	0	0	1,500	92.293	1,255,629.71	5.99
USA 20/30	US91282CAE12	0.625	0	0	1,700	79.289	1,222,542.35	5.83
USA 20/40	US912810SR05	1.125	0	0	1,250	63.453	719,390.56	3.43

Security designation	ISIN number	Interest rate	Purch./ additions Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets	
USA 20/50	US912810SL35	2.000	0	0	800	66.574	483,056.32	2.31
USA 21/26	US91282CBQ33	0.500	0	0	1,300	90.039	1,061,636.95	5.07
USA 22/32	US91282CDY49	1.875	1,100	1,100	1,100	84.926	847,293.63	4.04
USA 23/33	US91282CHC82	3.375	750	0	750	95.391	648,886.39	3.10
Total issue country USA						11,471,390.44	54.75	
<b>Issuer World Bank</b>								
WORLD BK 14/24	US459058DX80	2.500	0	0	500	96.318	436,795.14	2.08
Total issuer World Bank						436,795.14	2.08	
Total bonds denominated in USD translated at a rate of 1.10255						11,908,185.58	56.83	
Total securities admitted to organised markets						14,497,570.92	69.19	
<b>Derivatives</b>							<b>Unrealised result in EUR</b>	
<b>Financial futures denominated in GBP</b>								
<b>Issue country Great Britain</b>								
LONG GILT FUTURE Sep23	LGR270923				-1	-199.36	-0.00	
Total issue country Great Britain						-199.36	-0.00	
Total financial futures denominated in GBP translated at a rate of 0.85690						-199.36	-0.00	
<b>Financial futures denominated in USD</b>								
<b>Issue country USA</b>								
US 10YR NOTE (CBT)Sep23	TN1200923				-1	2,685.54	0.01	
Total issue country USA						2,685.54	0.01	
Total financial futures denominated in USD translated at a rate of 1.10255						2,685.54	0.01	
Total derivatives						2,486.18	0.01	
<b>Forward exchange agreements</b>							<b>Unrealised result in EUR</b>	
<b>Forward exchange agreements denominated in EUR</b>								
<b>Issue country Austria</b>								
FXF SPEST EUR/JPY 14.09.2023	FXF_TAX_3465317				-946,706	-13,685.97	-0.07	
FXF SPEST EUR/JPY 25.08.2023	FXF_TAX_3464979				-128,491	-6,881.62	-0.03	
FXF SPEST EUR/USD 25.08.2023	FXF_TAX_3465277				-229,523	-3,006.73	-0.01	
Total issue country Austria						-23,574.32	-0.11	
Total forward exchange agreements denominated in EUR						-23,574.32	-0.11	
Total forward exchange agreements						-23,574.32	-0.11	

## ERSTE BOND INTERNATIONAL

### Breakdown of fund assets

Transferable securities	20,769,241.51	99.12
Forward exchange agreements	-23,574.32	- 0.11
Financial futures	2,486.18	0.01
Bank balances	59,349.03	0.28
Interest entitlements	146,424.05	0.70
Other deferred items	-361.59	- 0.00
<b>Fund assets</b>	<b>20,953,564.86</b>	<b>100.00</b>

### Investor note:

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

Dividend-bearing units outstanding	AT0000858048	units	1,453,715.202
Value of dividend-bearing unit	AT0000858048	EUR	9.72
Dividend-bearing units outstanding	AT0000A1YRR6	units	0.000
Value of dividend-bearing unit	AT0000A1YRR6	EUR	95.32
Non-dividend-bearing units outstanding	AT0000812920	units	161,456.078
Value of non-dividend-bearing unit	AT0000812920	EUR	20.39
Non-dividend-bearing units outstanding	AT0000A1YRS4	units	0.000
Value of non-dividend-bearing unit	AT0000A1YRS4	EUR	95.32
Non-dividend-bearing units outstanding	AT0000A2B527	units	296.472
Value of non-dividend-bearing unit	AT0000A2B527	EUR	83.68
KEST-exempt non-dividend-bearing units outstanding	AT0000673322	units	33,004.782
Value of KEST-exempt non-dividend-bearing unit	AT0000673322	EUR	22.14
KEST-exempt non-dividend-bearing units outstanding	AT0000A00GA2	units	125,260.453
Value of KEST-exempt non-dividend-bearing unit	AT0000A00GA2	HUF	8,565.96
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YRT2	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YRT2	EUR	95.43
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YRU0	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YRU0	HUF	36,938.56



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	Interest rate	Purch./ additions	Sales/ disposals
Units/nominal (nom. in 1,000, rounded)				
<b>Publicly traded securities</b>				
<b>Bonds denominated in JPY</b>				
<b>Issue country Japan</b>				
JAPAN 20/22	JP1024191LC8	0.100	0	150,000
JAPAN 2023 135	JP1051351J37	0.100	0	100,000
<b>Securities admitted to organised markets</b>				
<b>Bonds denominated in GBP</b>				
<b>Issue country Great Britain</b>				
GREAT BRIT. 19/29	GB00BJMHB534	0.875	0	100

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## ERSTE BOND INTERNATIONAL

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<b>Security designation</b>	<b>ISIN number</b>	<b>Interest rate</b>	<b>Purch./ additions</b>	<b>Sales/ disposals</b>
<b>Units/nominal (nom. in 1,000, rounded)</b>				
<b>Bonds denominated in USD</b>				
<b>Issue country USA</b>				
US TREASURY 2023	US912828VS66	2.500	0	700
US TREASURY 2028 15.11	US912810FF04	5.250	0	800
US TREASURY 2046	US912810RR14	1.000	0	700

Vienna, 13 September 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
<b>Total employee remuneration</b>	<b>24,790,924</b>
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
<b>Total remuneration for risk bearers</b>	<b>14,518,067</b>

\* 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](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 BOND INTERNATIONAL  
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 31 July 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 31 July 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, 2 October 2023

**Ernst & Young**

Wirtschaftsprüfungsgesellschaft m.b.H.

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

**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

## ERSTE BOND INTERNATIONAL

The Fund Rules for **ERSTE BOND INTERNATIONAL**, 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, A-1010 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.**

**The Fund invests predominantly, in other words at least 51% of its assets, in government bonds, bank bonds, and corporate bonds in the investment grade (or other comparable) segment in terms of ratings assigned by recognised rating agencies, in the form of directly purchased instruments, in other words not indirectly or directly through investment funds or derivatives.**

**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

Transferable securities or money market instruments issued or guaranteed by the Republic of Austria or its states: Burgenland, Carinthia, Lower Austria, Upper Austria, Salzburg, Styria, Tyrol, Vorarlberg, Vienna; the Federal Republic of Germany or its states: Baden-Württemberg, Bavaria, Berlin, Brandenburg, Bremen, Hamburg, Hesse, Mecklenburg-Vorpommern, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Saarland, Saxony, Saxony-Anhalt, Schleswig-Holstein, Thuringia; Japan; the United States of America; the European Financial Stability Facility (EFSF); and the European Union (EU) may make up **more than 35%** of the fund assets provided that the fund assets are invested in at least six different instruments, but an investment in one instrument may not make up more than **30%** of the total 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 method: **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 3.50%** 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 August to 31 July.

### **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 October** 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 October** 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 October** 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 October** 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 0.72%** 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 **0.50%** of the fund assets.

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

## Annex to the Fund Rules

### List of exchanges with official trading and organised markets

(As of October 2021)

#### 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](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

##### 1.3. 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.	Switzerland:	SIX Swiss Exchange AG, BX Swiss AG
2.5.	Serbia:	Belgrade
2.6.	Turkey:	Istanbul (only “National Market” on the stock market)
2.7.	United Kingdom of Great Britain and Northern Ireland:	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

#### 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

\*) 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.

3.4.	Chile:	Santiago
3.5.	China:	Shanghai Stock Exchange, Shenzhen Stock Exchange
3.6.	Hongkong:	Hongkong Stock Exchange
3.7.	India:	Toronto, Vancouver, Montreal
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.	Mexiko:	Mexiko 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
3.25.	Vereingte 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.	Mexiko:	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. Turkey: 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)

**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](http://www.erste-am.at).

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