

# **TOP-Fonds III „Der Aktive“ der Steiermärkischen Sparkasse**

**Mutual fund pursuant to InvFG**

Annual Report 2010/11

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The Austrian Investment Fund Act (Investmentfondsgesetz [InvFG]) 2011 has been in effect since 1 September 2011. Some of the provisions and legal references in the annual report still refer to the InvFG 1993.

This also applies to the fund terms and conditions, which were approved on the basis of the legal conditions valid at the time of authorisation.

## General Information about the Investment Firm

<b>The company</b>	ERSTE-SPARINVEST Kapitalanlagegesellschaft m. b. H. Habsburgergasse 1a, A-1010 Vienna Telephone: +43 05 0100-19881, Fax: +43 05 0100-17102
<b>Nominal capital</b>	EUR 4.50 million
<b>Shareholders</b>	Erste Asset Management GmbH (81.42%) DekaBank Deutsche Girozentrale (2.87%) Kärntner Sparkasse Aktiengesellschaft (2.87%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (1.37%) Salzburger Sparkasse Bank Aktiengesellschaft (2.87%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (2.87%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (5.73%)
<b>Supervisory Board</b>	Wolfgang TRAINDL, Mag. (Chairman) Gerhard FABISCH, Mag. Dr. (Deputy Chairman) Wilhelm SCHULTZE, DI (Deputy Chairman) Christian AICHINGER, Dr. Alois HOCHEGGER, Mag. (until 23.2.2011) Michael MALZER, Mag. Dr. (until 23.2.2011) Birte QUITT, Dipl. BW. (FH) (from 24.2.2011) Franz RATZ Gabriele SEMMELROCK-WERZER (from 24.2.2011) Reinhard WALTTL, Mag. Appointed by the Works Council: Regina HABERHAUER, Mag. (FH) Dieter KERSCHBAUM, Mag. Gerhard RAMBERGER, Mag. Herbert STEINDORFER
<b>Managing directors</b>	Heinz BEDNAR, Mag. Harald GASSER, Mag. Franz GSCHIEGL, Dr.
<b>Prokuristen (proxies)</b>	Achim ARNHOF, Mag. (from 24.2.2011) Winfried BUCHBAUER, Mag. Harald EGGER, Mag. Oskar ENTMAYR Dietmar JAROSCH, Dr. Günther MANDL Christian SCHÖN Paul A. SEVERIN, Mag. Jürgen SINGER, Mag.
<b>State commissioners</b>	Erwin GRUBER Michael MANHARD, HR Dr.
<b>Auditor</b>	ERNST & YOUNG WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH
<b>Custodian bank</b>	Erste Group Bank AG

## Dear Shareholder,

We are pleased to present you the following annual report for the TOP-Fonds III „Der Aktive“ der Steiermärkischen Sparkasse mutual fund pursuant to InvFG for the financial year from 1 October 2010 to 30 September 2011.

The companies managing the sub-funds contained in the fund that are not managed by the Investment Firm assessed management fees ranging from 0.00% to 2.00%. No issue premiums were charged for the purchase of the shares in these funds.

## Development of the Fund

### Trend on the international financial markets

Developments on the international financial markets were turbulent in the reporting period from 1 October 2010 to 30 September 2011. The overwhelmingly positive sentiment in the first half of the reporting period gave way to new concerns about the debt situation in the industrialised countries towards the middle of 2011. Things came to a head when the US, still the largest economy in the world, had its credit rating downgraded following a tug-of-war over raising the debt ceiling that lasted for weeks. In addition, the situation regarding Greece escalated further towards the end of the reporting period, and the problems in the highly indebted Eurozone countries dominated market developments again.

As a result, following a temporary increase, bond yields for 10-year German bunds fell to below 2%, a new historic low. The risk premiums on bonds from the peripheral countries but also on corporate bonds and high yields increased, which put pressure on the prices for these bond categories. Generally, we can assume that interest rates will remain low in the coming months. Beyond this period, however, there is a latent risk of an interest rate hike. Eastern European and emerging markets bonds also made a contribution to the negative results in the reporting period.

The increasingly negative sentiment on the financial markets had an impact on the real economy to the extent that a reduction in economic growth and a deterioration of corporate results were expected. The risk of another decline into a recession increased at least. As a result, the equity markets came under pressure, particularly following the US's downgrade.

The euro also initially gained in value versus USD over the course of the reporting period, but these gains were lost in the last quarter. The Japanese yen is at a long-term high versus the euro.

### Investment policy

The performance of TOP-Fonds III „Der Aktive“ der Steiermärkischen Sparkasse came in at -9.10% for the reporting period.

In accordance with its investment principles, TOP-Fonds III „Der Aktive“ was always 100% invested in equity funds.

TOP-Fonds III „Der Aktive“ is predominantly divided among the three large regions of Europe, the US and Japan, with the US currently accounting for 42%, a higher weighting than Europe, at 24%, and Japan, at 4%. The emerging markets were reduced over the course of the reporting period and make up just under 20% of the entire portfolio. The equity portion also includes gold, pharmaceuticals, consumer staples, commodities and agricultural commodities.

## Method of Calculating Overall Risk

Method of calculating overall risk:		Commitment approach
Reference assets used:		-
	Lowest value:	-
Value at risk:	Average value:	-
	Highest value:	-
Model used:		-
Leverage* when using the value-at-risk calculation method:		-

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

## Asset Allocation

	30 September 2011		30 September 2010	
	EUR millions	%	EUR millions	%
Investment certificates denominated in				
EUR	68.6	83.21	48.8	49.26
JPY	-	-	0.6	0.60
SEK	2.6	2.80	1.6	1.58
USD	11.0	13.30	49.7	50.08
Securities	81.9	99.32	100.7	101.52
Cash in banks/bank liabilities	0.6	0.69	-	1.55
Interest entitlements	0.0	0.00	0.0	0.03
Other deferred items	-	0.01	-	-
<b>Fund assets</b>	<b>82.5</b>	<b>100.00</b>	<b>99.2</b>	<b>100.00</b>

## Comparative Overview (in EUR)

Financial year	Fund assets	Non-dividend shares			KESt-exempt non-dividend shares		Value change in per cent 1)
		Calculated value per share	Reinvested earnings	Payment in accordance with § 58 paragraph 2 InvFG	Calculated value per share	Reinvested KESt-exempt earnings	
2005/06	173,371,152.74	91.82	10.42	0.00	-	-	+ 6.88
2006/07	161,167,928.09	104.25	18.94	0.64	-	-	+ 13.54
2007/08	97,304,673.13	69.31	3.85	0.00	-	-	- 33.10
2008/09 2)	91,339,577.43	65.58	0.88	0.00	65.58	0.88	- 5.38
2009/10	99,154,668.13	73.40	9.73	0.00	73.40	9.73	+ 11.92
2010/11	82,484,492.87	66.72	4.61	0.00	66.72	4.92	- 9.10

1) Assuming the reinvestment of all paid dividends at their nominal value on the day of disbursement.

2) KESt-exempt non-dividend shares were not issued until 12 August 2009. For this reason, the values for non-dividend shares were used for their value at the beginning of the period for the purposes of calculating changes in their value.

## Payment

An amount of EUR 4.61 per share will be reinvested for the **non-dividend shares** for the financial year 2010/11, which represents a total of EUR 5,695,621.03 for 1,236,150 non-dividend shares.

Pursuant to § 58 paragraph 2 of the Austrian Investment Fund Act (InvFG), the applicable capital gains tax must be paid on the profit for the non-dividend shares, but this profit is EUR 0.00 for the period.

No payment pursuant to § 58 paragraph 2 InvFG is being effected for the **KESt-exempt non-dividend shares**. An amount of EUR 4.92 per share will be reinvested for the KESt-exempt non-dividend shares for the financial year 2010/11, which represents a total of EUR 452.91 for 92 KESt-exempt non-dividend shares.

# Income Statement and Changes in Fund Assets

## 1. Value Development over the Financial Year (Fund Performance)

Calculated according to the OeKB method: per share in the fund currency (EUR) not including the issue premium	Non-dividend shares	KESSt-exempt non- dividend shares
Share value at the beginning of the reporting period	73.40	73.40
Payment on 01.12.2010 (corresponds to roughly 0.0000 shares) 1)	0.00	
Share value at the end of the reporting period	66.72	66.72
Total value including (notional) shares gained through dividend disbursement/payment	66.72	66.72
Net earnings per share	- 6.68	- 6.68
Value development of one share in the period	<b>- 9.10 %</b>	<b>- 9.10 %</b>

## 2. Fund Result

### a. Realised fund result

#### Ordinary fund result

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

Interest income (excluding income adjustment)	- 4,834.84
Dividend income	181,338.19
Other income	0.00

Total income (without profit or loss from price changes) 176,503.35

**Interest paid** - 14,076.17

##### Expenses

Fees paid to Investment Firm	- 360,711.21
Costs for the financial auditor	- 6,566.71
Publication costs	- 12,127.34
Securities account fees	- 52,265.53
Custodian bank fees	0.00
Costs for the external consultant	- 1,206,326.70

Total expenses - 1,637,997.49

**Compensation for management costs from sub-funds 2)** 203,759.70

**Ordinary fund result (excluding income adjustment) - 1,271,810.61**

#### Realised profit or loss from price changes 3) 4)

Realised gains 5)	7,011,371.87
Realised losses 6)	- 3,285,274.85

**Realised profit or loss from price changes (excluding income adjustment) 3,726,097.02**

**Realised fund result (excluding income adjustment) 2,454,286.41**

<b>Carryover: realised fund result (excluding income adjustment)</b>	<b>2,454,286.41</b>
<b>b. Unrealised profit or loss from price changes 3) 4)</b>	
Changes in the unrealised profit or loss from price changes	- <b>10,335,333.85</b>
<b>Result for the reporting period</b>	<b>- 7,881,047.44</b>
<b>c. Income adjustment</b>	
Income adjustment for income in the period	- <b>257,331.92</b>
Income adjustment for profit carried forward from dividend shares	<b>0.00</b>
<b>Overall fund result</b>	<b>- 8,138,379.36</b>

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

<b>Fund assets at the beginning of the reporting period 7)</b>	<b>99,154,668.13</b>
<b>Payment</b>	
Payment (for non-dividend shares) on 01.12.2010	<b>0.00</b>
<b>Issue and return of shares</b>	<b>- 8,531,795.90</b>
<b>Overall fund result</b>	
(The fund result is shown in detail under 2)	<b>- 8,138,379.36</b>
<b>Fund assets at the end of the reporting period 8)</b>	<b>82,484,492.87</b>



#### **4. Source of the Fund Result**

Realised fund result 9)	2,668,131.01
Income adjustment for income in the period	- 257,331.92
Income adjustment for profit carried forward from dividend shares	0.00
Profit carried forward from prior year	0.00
Costs and losses covered by fund assets	3,285,274.85
<b>Distributable/retainable fund result</b>	<b>5,696,073.94</b>

#### **5. Use of the Fund Result**

Payment on 01.12.2011 for 1,236,150 non-dividend shares at EUR 0.00 each	0.00
Reinvestment for 1,236,150 non-dividend shares at EUR 4.61 each	5,695,621.03
Reinvestment for 92 KESt-exempt non-dividend shares at EUR 4.92 each	452.91
Profit carried forward for dividend shares	0.00
<b>Total use</b>	<b>5,696,073.94</b>

- 1) Calculated value on 01.12.2010 (ex-date): One dividend share EUR 78.45, one non-dividend share EUR 78.45.
- 2) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the Investment Fund after deduction of any associated costs. Erste Bank der oesterreichischen Sparkassen AG receives 20% of the calculated commissions to cover administrative costs.
- 3) Realised profits and losses are not calculated precisely for the specific periods, which means that they, as is the case for the changes in the unrealised profit or loss, are not necessarily congruent with the changes in the value of the fund in the reporting period.
- 4) 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 -6,609,236.83.
- 5) Thereof profits from transactions with derivative financial instruments: EUR 0.00.
- 6) Thereof losses from transactions with derivative financial instruments: EUR 0.00.
- 7) Shares outstanding at the beginning of the reporting period: 1,350,878 non-dividend shares and 15 KESt-exempt non-dividend shares.
- 8) Shares outstanding at the end of the reporting period: 1,236,150 non-dividend shares and 92 KESt-exempt non-dividend shares.
- 9) Excluding cost allocation to dividend-equivalent earnings of foreign sub-funds and to unrealised earnings from index certificates.

# Fund Portfolio as of 30 September 2011

(including changes in securities assets from 1 October 2010 to 30 September 2011)

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
<b>Investment certificates</b>							
<b>Investment certificates denominated in EUR</b>							
<b>Issue country Belgium</b>							
KBC EQ.FD-FOOD+PE.PR.CAP.	BE0170241062	969	342	1,214	874.080000	1,061,133.12	1.29
Total						1,061,133.12	1.29
<b>Issue country Germany</b>							
DWS AKT.STRATEGIE DT.	DE0009769869	2,011	3,314	9,630	133.030000	1,281,078.90	1.55
LBBW ROHSTOFFE 1 I	DE000A0MU8J9	7,670	0	7,670	96.860000	742,916.20	0.90
LINGOHR-EUROPA-SYST.-LBB	DE0005320097	15,974	0	15,974	38.860000	620,749.64	0.75
OP FOOD	DE0008486655	9,331	0	9,331	160.000000	1,492,960.00	1.81
Total						4,137,704.74	5.02
<b>Issue country Great Britain</b>							
THREADN.INVT.-AMER.R.AEOH	GB00B3FQM304	1,923,404	908,948	1,014,456	1.495700	1,517,321.84	1.84
THREADN.SP.I.-PAN E.A.EO2	GB00B01HLJ59	556,450	1,247,323	271,599	1.520300	412,911.96	0.50
Total						1,930,233.80	2.34
<b>Issue country Ireland</b>							
ALL. RCM US EQU. AT H-EUR	IE00B3B2KP07	6,700	0	6,700	93.730000	627,991.00	0.76
METZLER-METZ.EAS.EUR.B EO	IE00B42GXQ04	5,971	0	5,971	96.840000	578,231.64	0.70
ODEY INV.-ODEY PAN EUREO	IE0032284907	2,181	617	6,629	189.620000	1,256,990.98	1.52
Total						2,463,213.62	2.99
<b>Issue country Liechtenstein</b>							
LGT II-EQ.E.EU+MENA EO B	LI0046413329	114	165	579	1,644.870000	952,379.73	1.15
Total						952,379.73	1.15
<b>Issue country Luxembourg</b>							
ACATIS CH.SEL.-AC.AK.DTSC	LU0158903558	7,989	0	7,989	132.270000	1,056,705.03	1.28
ACMB.-JAP.STR.VAL.I EUR H	LU0539810209	46,420	0	46,420	13.940000	647,094.80	0.78
BGF-LATIN AMER.REG.D2 EO	LU0252965164	24,139	5,749	18,390	55.630000	1,023,035.70	1.24
BGF-US BAS.VAL.N.A2 EO H.	LU0200685153	121,232	30,070	91,162	29.360000	2,676,516.32	3.24
BLV.(LUX)-BB ENTR.EUR.IEO	LU0415391944	4,398	2,647	4,525	180.910000	818,617.75	0.99
CALLANDER FD-CENTR.EUR.C1	LU0073519844	0	3,456	7,668	75.230000	576,863.64	0.70
CALLANDER FD-JAP.NEW G.C2	LU0192479029	12,599	0	12,599	49.570000	624,532.43	0.76
CARLSON FD-SCANDINAVIA A	LU0083425479	620,937	0	620,937	1.989100	1,235,105.79	1.50
DWS GOLD PLUS BEARER	LU0055649056	736	1,762	1,180	1,949.300000	2,300,174.00	2.79
F.T.I.-F.U.S.O. I AEUR-H1	LU0316494474	232,372	105,527	126,845	10.930000	1,386,415.85	1.68
F.TEM.INV-MUT.EU.A ACC.EO	LU0140363002	1,990	22,375	74,298	14.250000	1,058,746.50	1.28

TOP-Fonds III „Der Aktive“ der Steiermärkische Sparkasse

Security designation	ISIN number	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
F.TEM.INV.-US EQ.I A.EOH1	LU0366763539	420,739	101,064	319,675	6.720000	2,148,216.00	2.60
FIDECUM-CONTR.VAL.EUROL.C	LU0370217688	43,295	3,577	39,718	25.910000	1,029,093.38	1.25
FISCH U.-FIS.-JAPAN HBE	LU0240475391	14,318	3,753	20,664	61.250000	1,265,670.00	1.53
FPM-STOCKP.GERMANY ALL C.	LU0124167924	2,336	3,418	6,786	180.670000	1,226,026.62	1.49
G.SACHS F.-US EQ.OCS EOHA	LU0433926036	128,700	0	128,700	11.540000	1,485,198.00	1.80
HEND.HOR.PAN EUR.E.D.A2 A	LU0197673881	3,647	28,094	94,063	11.250000	1,058,208.75	1.28
JPM-EAST.EUROPE EQ.A ACC	LU0210529144	3,617	60,362	86,900	14.370000	1,248,753.00	1.51
JPM-HIGHB.US ST.AAC.HD EO	LU0325074689	312,106	86,476	225,630	10.710000	2,416,497.30	2.93
JPM-JF ASEAN EQ.A ACC.EUR	LU0441852612	10,269	232,067	170,810	10.190000	1,740,553.90	2.11
JPM-US VALUE A EO HED.	LU0244270301	675,317	0	675,317	6.240000	4,213,978.08	5.11
JUPIT.GL.FD.-J.EU.OP.I EO	LU0260087274	0	77,572	32,332	12.890000	416,759.48	0.51
MAINFIRST -TOP EUR.ID.FD C	LU0308864965	46,087	3,700	42,387	26.480000	1,122,407.76	1.36
MAINFIRST-GERMANY FUND C	LU0390221926	14,967	0	14,967	42.470000	635,648.49	0.77
MSI-US ADVANTAGE FD ZH DL	LU0360484769	40,453	0	40,453	35.690000	1,443,767.57	1.75
MSI-US GROWTH FD ZH EO	LU0360477987	130,716	52,453	78,263	25.120000	1,965,966.56	2.38
NORDEA 1-NORDIC EQ. BI-EO	LU0335102843	6,170	45,759	53,290	42.210000	2,249,370.90	2.73
PIONEER SF-EUR COM.IEO ND	LU0271695461	540	92	448	838.090000	375,464.32	0.46
ROBECO US PREM.EQU.IH EO	LU0320897043	36,165	0	36,165	102.140000	3,693,893.10	4.48
SISF JAPAN.EQ.EUR H.C ACC	LU0236738356	15,964	0	15,964	52.910000	844,655.24	1.02
SISF LAT.AMER. C ACC. EUR	LU0248184110	5,667	44,499	20,077	34.090000	684,424.93	0.83
THREAD.L-US EQUIT.INS.IEH	LU0329575285	231,852	0	231,852	18.970000	4,398,232.44	5.33
UBS(L)E.-US.VL.EO.H.P-ACC	LU0236040357	15,660	235	15,425	118.160000	1,822,618.00	2.21
UBS(L)EQ-USA G.P-ACC.H.EO	LU0511785726	9,500	0	9,500	110.230000	1,047,185.00	1.27
VONTOB.-US VAL.EQ.HI-EO H	LU0368557038	25,111	0	25,111	105.960000	2,660,761.56	3.23
VONTOBEL-EUR.VAL.EQ. I-EO	LU0278085062	1,472	6,816	11,807	80.990000	956,248.93	1.16
Total						55,553,407.12	67.35

**Issue country Austria**

ESPA STOCK EUR.-EM.BEARER T	AT0000812938	7,836	3,041	13,875	92.020000	1,276,777.50	1.55
SPA.EQUALI.GWTH EUROPE R	AT0000857750	6,223	11,056	10,803	116.970000	1,263,626.91	1.53
Total						2,540,404.41	3.08
Total investment certificates denominated in EUR						68,638,476.54	83.21

**Investment certificates denominated in SEK**

**Issue country Luxembourg**

FID.FDS-NORDIC Y ACC. SEK	LU0346392995	1,396,476	200,410	2,783,314	7.660000	2,313,624.14	2.80
Total						2,313,624.14	2.80
Total investment certificates denominated in SEK translated at a rate of 9.215060						2,313,624.14	2.80

**Investment certificates denominated in USD**

**Issue country Luxembourg**

ABERD.GL.-AS.P.EQ. I-2	LU0231477265	12,338	12,423	25,575	60.010000	1,143,888.91	1.39
BLACK.ST.LAT.AM.OPS A2 DL	LU0298454090	563	11,962	8,719	126.410000	821,471.86	1.00
DB PL.IV-AGRICULT.DL I1C	LU0349088004	313	121	192	7,967.210000	1,140,123.96	1.38
F.TEM.INV-LAT.AM. A ACC.	LU0128526570	11,749	23,323	26,049	69.190000	1,343,318.41	1.63
F.TEM.INV-T.AS.GWTH I ACC	LU0181996454	13,545	61,148	60,333	28.230000	1,269,434.74	1.54
F.TEM.INV-T.CHINA A ACC	LU0052750758	15,204	46,916	65,257	20.040000	974,696.49	1.18

Security designation	ISIN number	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
FID.FDS-ASEAN Y ACC. USD	LU0346390510	70,416	0	70,416	11.300000	593,054.18	0.72
JB MULTICO.-COMM.FD USD C	LU0244125802	13,466	8,144	5,322	101.070000	400,905.22	0.49
JPM-HIGHB.DIV.COMM.AADL	LU0578697558	6,215	0	6,215	85.690000	396,931.77	0.48
PARV.-AGRIC.WRD (USD)CLA.	LU0347707944	25,219	18,916	6,303	83.210000	390,901.57	0.47
PARVEST-USA CAP.CL.HED.	LU0194435318	18,400	0	18,400	110.150000	1,510,591.04	1.83
VONTOBEL-CH.STA.EQ. I-DL	LU0278092514	2,926	3,571	14,411	91.700000	984,936.05	1.19
					Total	10,970,254.20	13.30
					Total investment certificates denominated in USD translated at a rate of 1.341700	10,970,254.20	13.30
					Total investment certificates	81,922,354.88	99.32

**Breakdown of fund assets**

Securities	81,922,354.88	99.32
Cash in banks	569,401.07	0.69
Interest entitlements	47.98	0.00
Other deferred items	-7,311.06	-0.01
Fund assets	82,484,492.87	100.00

Non-dividend shares outstanding	shares	1,236,150
KEST-exempt non-dividend shares outstanding	shares	92
Share value for non-dividend share	EUR	66.72
Share value for KEST-exempt non-dividend share	EUR	66.72

**Investor note:**

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

**Purchases and sales of securities in the reporting period not listed in the fund portfolio**

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
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**Investment certificates****Investment certificates denominated in EUR****Issue country Belgium**

KBC EQ.FD-UTILIT. CAP.	BE0169742898		0	923
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**Issue country Luxembourg**

AMUNDI-EQ.JA.COREA.IHECAP	LU0568579311		1,001	1,001
BGF-LATIN AMER.REG.A2 EO	LU0171289498		0	44,279
BNPP L1-EQ.US SM.C.N.IHEO	LU0269767231		17,666	17,666

TOP-Fonds III „Der Aktive“ der Steiermärkische Sparkasse

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
DWS INV.COMM.PLUS BEARER FC	LU0210304142		5,009	5,009
FID.FDS-EUR.GWTH Y ACC.EO	LU0346388373		0	64,197
HEND.HOR.PAN EU.SM.C.A2 A	LU0046217351		0	78,030
JB MULTIP.-SAM SMA.MAT.C	LU0199357012		4,695	4,695
JPM-HIGHB.EUR.ST.A ACC EO	LU0325073012		2,217	52,296
SGAM FD-EQ.JP COR.AL.BHEO	LU0268888160		0	1,886
SISF EUR.EQ.YIELD A ACC	LU0106236267		0	93,232
SISF US S.+M.-C.CACCEO-H.	LU0334663407		7,657	7,657
UNIDYNAMICFDS EUR. A	LU0085167236		5,298	25,517
<b>Issue country Austria</b>				
ESPA ST. EUR.-ACT. T	AT0000626825		0	7,117
ESPA STOCK ASIA INFRAS. T	AT0000A05S71		0	156,204
ESPA STOCK PHARMA T	AT0000746789		0	10,709
<b>Investment certificates denominated in JPY</b>				
<b>Issue country Luxembourg</b>				
ACMB.-JAP.STR.VAL. I YN	LU0239029407		0	11,297
<b>Investment certificates denominated in USD</b>				
<b>Issue country Belgium</b>				
KBC EQ.-BUYBACK AMER.CAP	BE0168099951		1,816	1,816
<b>Issue country France</b>				
SSGA I.-CONSUM.STAP. I	FR0010587980		2,047	8,705
SSGA I.-UTILITIES IND. I	FR0010588129		0	7,110
<b>Issue country Great Britain</b>				
M+G INV.F.(1)-N.AM.V.CUSD	GB00B1RXYZ16		201,596	757,556
THREAD.INVT.-AM.SM.COS T2	GB0030809916		429,172	429,172
THREADN.INVT.-AMERICAN T2	GB0030809791		627,030	1,876,481
<b>Issue country Ireland</b>				
AGIF V-A.RCM US EQ.IT DL	IE00B1CD5645		0	2,277
<b>Issue country Liechtenstein</b>				
LGT MULTI M.EQ.N.AM.USD B	LI0026536560		745	745
<b>Issue country Luxembourg</b>				
BGF-US BASIC VAL.NA.D2 DL	LU0275209954		68,059	68,059
BGF-US BASIC VAL.REG.A2	LU0072461881		32,723	82,483
BGF-WORLD AGRIC.NA.A2DL	LU0385154629		89,880	89,880

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
BNPP L1-EQ.US SM.C.NA.I-C	LU0159663862		12,816	12,816
F.TEM.INV-F.NAT.RES.AC.DL	LU0300736062		92,641	92,641
F.TEM.INV-F.U.S.O. I ACC	LU0195948665		11,577	248,168
F.TEM.INV-F.US EQU.I ACC.	LU0181995647		0	340,171
G.SACHS F.-US EQ.I DL A	LU0234588290		0	464,447
INVESCO ASIAN INF. C ACC.	LU0243956009		18,784	134,792
JPM-HIGHB.US ST. A ACC DL	LU0325074259		0	283,854
JPM-US VALUE FD A DIS USD	LU0119066131		37,493	261,461
MSI-US GROWTH FD I	LU0042381250		3,962	104,080
NORDEA 1-NTH AM.GRO.BI-DL	LU0375726915		25,093	286,157
PARVEST-EQ.USA CAP.PRIV.	LU0111444898		2,443	2,443
PARVEST-USA CLASSIC CAP.	LU0012181318		0	12,872
PHARMA/W HEALTH BEARER R DL	LU0047275846		0	5,396
SISF US SMALL.COM.C ACC	LU0106262180		0	26,607
SWISSC.(LU)EQ.-SEL.N.A.J	LU0230111824		12,388	12,388
THREAD.L-US EQ. INS.I	LU0096364715		25,019	141,363
UBS(L)EQ.-US.VL.DL. P-ACC	LU0070848113		3,106	13,835
UBS(L)EQ.-USA GR.DL Q-ACC	LU0358729654		17,935	17,935
VONTOBEL-US VAL.EQ. I-DL	LU0278092605		1,085	46,198
<b>Issue country Austria</b>				
U.S. SPECIAL EQUITY	AT0000994991		0	640

Vienna, October 2011

ERSTE-SPARINVEST  
Kapitalanlagegesellschaft m.b.H.

Bednar

Gasser

Gschiegl

## **Unqualified Auditor's Opinion\***

We have audited the attached annual report as of 30 September 2011 prepared by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. for the fund under its management designated TOP-Fonds III „Der Aktive“ der Steiermärkischen Sparkasse, mutual fund pursuant to InvFG, for the financial year from 1 October 2010 to 30 September 2011, including the accounting records for the fund.

### **Management responsibility for the annual report, managing the fund assets and accounting**

The legal representatives of the Management Company and the custodian bank are responsible for maintaining the fund's accounting records, valuing the fund assets, calculating withholding taxes, preparing the annual report and managing the fund assets, all in accordance with the provisions of the InvFG, the supplementary provisions in the fund terms and conditions, and the tax regulations. This responsibility includes: designing, implementing and maintaining an internal control system as needed for documenting and valuing the fund assets and for preparing the annual report in such a way that ensures that the report is free of material misstatements resulting from intentional or unintentional errors; the selection and application of suitable valuation methods; and the completion of estimates deemed appropriate in accordance with the prevailing conditions.

### **Auditor responsibility and description of the type and scope of the mandatory audit of the annual report**

It is our responsibility to state an opinion on this report on the basis of our audit.

We conducted our audit in accordance with § 49 paragraph 5 InvFG 2011, in accordance with the legal requirements that apply in Austria, and in accordance with Austrian generally accepted accounting principles. These principles obligate us to follow the standards of our profession and to plan and conduct our audit in a way that enables us to ascertain with a reasonable degree of certainty whether or not the annual report is free of material misstatements.

An audit includes the completion of audit steps to obtain evidence of the amounts and other information disclosed in the annual report. These steps must be selected by the auditor at his or her own discretion and taking into account the auditor's expectations of the risk of material misstatements resulting from intentional or unintentional errors. In assessing this risk, the auditor considers the internal control system as it is relevant for the preparation of the annual report and the valuation of the fund assets so as to be able to select audit steps that are appropriate for the specific situation. An ascertainment of the effectiveness of the Management Company's or custodian bank's internal control system is not part of the audit. The audit also includes an assessment of the appropriateness of the applied valuation methods and material estimates made by management, as well as evaluating the overall presentation of the annual report.

We believe that we have collected sufficient and suitable evidence over the course of our audit, and that our audit provides a sufficient basis for our opinion.

### **Audit opinion**

Our audit revealed no cause for objection. Based on the information obtained during the audit, we believe that the annual report as of 30 September 2011 for TOP-Fonds III „Der Aktive“ der Steiermärkischen Sparkasse, mutual fund pursuant to InvFG, complies with the legal requirements.

### **Statements regarding compliance with the Austrian Investment Fund Act and the fund terms and conditions**

In accordance with § 49 paragraph 5 InvFG 2011, the audit must also include a determination of whether the provisions of the Austrian Investment Fund Act (Investmentfondsgesetz, InvFG) and the fund terms and conditions were complied with. We conducted our audit according to the aforementioned principles in such a way that we are able to form an opinion with sufficient certainty as to whether the provisions of the InvFG and the fund terms and conditions were complied with in general.

According to the information obtained during the audit, the provisions of the Austrian Investment Fund Act and the fund terms and conditions were complied with.

### **Statements regarding the report on activities in the reporting period**

The descriptions included in the annual report by the management of the Management Company about the activities in the reporting period were examined critically by us, but were not subject to special audit steps according to the aforementioned principles. Therefore, our audit opinion is not based on this information. Overall, the descriptions regarding the reporting period are in line with the figures indicated in the annual report.

Vienna, 17 November 2011

**ERNST & YOUNG**  
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

**Mag. Ernst Schönhuber**  
(Certified Public  
Accountant)

**Dr. Robert Wauschek**  
(Certified Public  
Accountant)

\* In the case of the publication or dissemination of the annual report with our auditor's opinion 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 auditor's opinion or our audit without our approval.



# Fund Terms and Conditions for TOP-Fonds III „Der Aktive“ der Steiermärkischen Sparkasse

Mutual fund pursuant to InvFG

## General Terms and Conditions

governing the contractual relationship between the Shareholders and ERSTE-SPARINVEST KAG (hereinafter the "Investment Firm") for the mutual funds administered by the Investment Firm, which are only valid in combination with the Special Fund Terms and Conditions issued for each individual fund:

### **§ 1 Basic Terms**

The Investment Firm is subject to the provisions of the 1993 Austrian Investment Fund Act as amended (hereinafter "InvFG").

### **§ 2 Fund Shares**

1. Ownership in the assets held by the Investment Fund is divided into equal shares.

The number of shares is unlimited.

2. The partial ownership of the fund assets is evidenced by certificates having the characteristics of a security.

Fund shares may be issued as different classes of shares in accordance with the Special Fund Terms and Conditions.

The shares are depicted as global certificates (§ 24 Austrian Securities Deposit Act [Depotgesetz] as amended) and/or as effective individual shares.

3. Every purchaser of a share acquires proportionate ownership of all assets contained in the Investment Fund in accordance with the share of ownership assigned to the share. Every purchaser of a fraction of a global certificate acquires proportionate ownership of all assets contained in the Investment Fund in accordance with his fractional ownership of the global certificate.
4. The Investment Firm shall be permitted to split the shares in the fund with the approval of its Supervisory Board and issue additional share certificates to the Shareholders or replace the old share certificates with new ones when the Investment Firm deems that such a split would be in the interests of the Shareholders on the basis of the calculated share value (§ 6).

### **§ 3 Share Certificates and Global Certificates**

1. The share certificates are bearer shares.
2. The global certificates bear the original signature of a managing director or a duly authorised employee of the custodian bank and the original or facsimile signature of two managing directors of the Investment Firm.
3. The individual share certificates bear the original signature of a managing director or a duly authorised employee of the custodian bank and the original or facsimile signature of two managing directors of the Investment Firm.

### **§ 4 Administration of the Investment Fund**

1. The Investment Firm shall be authorised to dispose of the assets in the Investment Fund and to exercise the rights associated with ownership of these assets. In this, it shall act in its own name for the account of the Shareholders. It shall protect the interests of the Shareholders and the integrity of the market, shall exercise the prudence of an ordinary and conscientious businessman as defined by § 84 paragraph 1 Austrian Stock Corporation Act (Aktiengesetz), and shall comply with the provisions of the InvFG and the fund terms and conditions.

The Investment Firm shall be authorised to employ third parties in the management of the Investment Fund and shall be authorised to permit such third parties to dispose of the fund assets in the name of the Investment Firm or in their own name for the account of the Shareholders.

2. The Investment Firm shall not be permitted to grant loans or enter into guarantee commitments of any kind for the account of the Investment Fund.
3. Assets in the Investment Fund may not be pledged or subject to liens of any kind, provided as collateral or transferred to another party except in those cases explicitly permitted in the Special Fund Terms and Conditions.
4. The Investment Firm shall not be permitted to sell securities, money market instruments or other financial investments pursuant to § 20 InvFG that are not fund assets at the time of sale for the account of the Investment Fund.

### **§ 5 Custodian Bank**

The custodian bank (§ 13) appointed pursuant to § 23 InvFG shall manage the deposit and other accounts of the Investment Fund and shall exercise all other functions specified for it in the InvFG and in the fund terms and conditions.

### **§ 6 Issue and Share Value**

1. The custodian bank shall calculate the value (share value) of a single share for every class of share certificate and publish the issue and return price (§ 7) every time that a share is issued or returned, but in any case at least twice per month.

The value of a share shall be determined by dividing the total value of the Investment Fund including earnings by the number of shares. The custodian bank shall determine the total value of the Investment Fund on the basis of the prices of the securities and subscription rights contained in the Investment Fund plus the value of the money market instruments and financial investments, cash and cash equivalents, account balances, claims and other rights held by the Investment Fund, less any liabilities.

The prices of the securities shall be based on the last-known exchange or other set prices as per § 7 paragraph 1 InvFG.

2. The issue price shall be made up of the share value plus a premium per share to cover the costs incurred by the Investment Firm in issuing the share. The resulting price shall be rounded up. The amount of this premium and the rules for rounding are specified in the Special Fund Terms and Conditions (§ 23).
3. In accordance with § 18 InvFG in connection with § 10 paragraph 3 Austrian Capital Market Act (Kapitalmarktgesetz, KMG), the issue and return prices for every class of share certificate will be 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.

### **§ 7 Return**

1. Upon request by the Shareholder, his shares shall be redeemed at the current return price. In this event, the share certificate, outstanding coupons and the renewal certificate shall also be collected if necessary.
2. The return price shall be the value of one share less a discount and/or rounded down as specified in the Special Fund Terms and Conditions (§ 23). The payment of the return price and the calculation and publication of the return price as specified in § 6 may be suspended temporarily when the Austrian Financial Market Authority is informed of this fact and a corresponding notice published as per § 10 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.

This shall especially apply when the Investment Fund has invested 5% or more of its total value in assets whose valuations clearly do not correspond to their actual values as a result of political or economic conditions, and not only in individual cases.

### **§ 8 Accounting**

1. The Investment Firm shall publish an annual report pursuant to § 12 InvFG within four months after the end of the Investment Fund's financial year.
2. The Investment Firm shall publish a semi-annual report pursuant to § 12 InvFG within two months after the end of the first six months of the Investment Fund's financial year.
3. The annual report and the semi-annual report shall be made available for viewing at the offices of the Investment Firm and at the custodian bank.

### **§ 9 Forfeiture of Earnings**

Shareholder entitlements to the payment of their proportionate earnings shall expire after five years. After the lapse of this period, the earnings shall be treated as earnings generated by the Investment Fund.

### **§ 10 Publication**

All notices pertaining to the share certificates, except for the notices pertaining to the calculated share values under § 6, are governed by § 10 paragraph 3 and paragraph 4 of the Austrian Capital Market Act (Kapitalmarktgesetz, KMG). The notices may be published

- by full printing in *Amtsblatt zur Wiener Zeitung*, or
- by making a sufficient number of copies of the notice available at the Investment Firm and the payment offices free of charge and printing the date of publication and the locations where the notice can be obtained in *Amtsblatt zur Wiener Zeitung*, or
- in electronic form on the web site of the issuing Investment Firm pursuant to § 10 paragraph 3 item 3 KMG.

The notice pursuant to § 10 paragraph 4 KMG shall be published in *Amtsblatt zur Wiener Zeitung* or in another newspaper that is distributed throughout Austria.

For changes to the prospectus pursuant to § 6 paragraph 2 InvFG, notice according to § 10 paragraph 4 KMG may also be made in electronic form only on the web site of the issuing Investment Firm.

### **§ 11 Amendment of the Fund Terms and Conditions**

The Investment Firm shall be authorised to amend the fund terms and conditions with the approval of the Supervisory Board and the approval of the custodian bank. The amendments must also be approved by the Austrian Financial Market Authority. The amendments must be published. Such amendments shall take effect on the date indicated in the published notice, but in any case no earlier than three months after publication.

### **§ 12 Termination and Liquidation**

1. The Investment Firm shall be authorised to terminate the administration of the Investment Fund after obtaining approval from the Financial Market Authority with a period of notice of at least six months (§ 14 paragraph 1 InvFG), or immediately upon publication of a corresponding public notice (§ 10) if the fund assets fall below EUR 1,150,000 (§ 14 paragraph 2 InvFG). The termination of the fund pursuant to § 14 paragraph 2 InvFG is not permitted during the period of notice for termination pursuant to § 14 paragraph 1 InvFG.
2. If the Investment Firm loses its right to administer the Investment Fund, the administration or liquidation of the fund shall be handled in accordance with the provisions of the InvFG.

### **§ 12a Merger or Transfer of Fund Assets**

The Investment Firm shall, in compliance with § 3 paragraph 2 and § 14 paragraph 4 InvFG, be authorised to merge the assets of the Investment Fund with the assets of other investment funds, to transfer the assets of the Investment Fund to another investment fund, or to incorporate assets from other investment funds into the portfolio of the Investment Fund.

## **Special Fund Terms and Conditions**

for TOP-Fonds III „Der Aktive“ der Steiermärkischen Sparkasse, mutual fund pursuant to § 20 InvFG (the “Investment Fund” in the following).

The Investment Fund is compliant with Directive 85/611/EEC.

### **§ 13 Custodian Bank**

The custodian bank is Erste Group Bank AG, Vienna.

### **§ 14 Payment and Submission Offices, Share Certificates**

1. The payment and submission office for the share certificates and coupons is the custodian bank and Steiermärkische Bank und Sparkassen AG, Graz, and its branches.
2. The Investment Fund features three different share classes and the corresponding certificates: dividend shares, non-dividend shares with capital gains tax withholding and non-dividend shares without capital gains tax withholding, with certificates being issued for one share each and also for fractional shares. A fractional share can be one tenth (0.10), one hundredth (0.01) or one thousandth (0.001) of a share certificate.

Non-dividend shares without capital gains tax deduction are not sold in Austria.

The share certificates are depicted in global certificates. For this reason, individual share certificates cannot be issued.

3. As the share certificates are depicted in global certificates, the dividend payments according to § 26 and the payouts according to § 27 are made by the bank managing the Shareholder's securities account.

### **§ 15 Investment Instruments and Principles**

1. The Investment Firm shall be authorised as defined by §§ 4, 20 and 21 InvFG and §§ 16ff of the fund terms and conditions to purchase all types of securities, money market instruments and other liquid financial investments for the Investment Fund, provided that the principle of risk diversification is maintained and no justified Shareholder interests are violated.
2. The assets of TOP-Fonds III „Der Aktive“ der Steiermärkischen Sparkasse are invested according to the following investment policy principles:
  - a) the fund invests up to 100% of its assets in shares in investment funds pursuant to § 17 of these fund terms and conditions that, according to their terms and conditions, predominantly purchase stocks or comparable assets or that are categorised as an equity fund or as comparable to an equity fund by an internationally recognised organisation (such as its classification according to Bloomberg, Datastream, software-systems.at Börsensoftware & Datenbankservice GmbH, Standard & Poor's, etc.), regardless of the country in which the respective management company is domiciled. There are no limitations with regards to the domicile of the issuers of the instruments in the fund or the economic sectors in which these issuers are active.

- b) the Investment Firm reserves the right to invest in other assets as per item 1 to a limited extent in addition to shares in investment funds.
  - c) investments in assets according to § 18 of these fund terms and conditions play a minor role. However, in the course of the restructuring of the fund portfolio or in order to reduce the influence of possible price losses experienced by securities, the Investment Fund can hold a higher proportion of demand deposits or callable deposits with a maximum term of 12 months.
  - d) derivative instruments in accordance with § 19 and § 19a of these fund terms and conditions (including swaps and OTC derivatives) may only be purchased for risk mitigation (hedging) purposes. Derivatives play a minor role relative to the total net value of the fund assets for hedging purposes. Within the framework of its hedging concept, the Investment Firm strives to
    - minimise market risk to the greatest extent possible through the use of appropriate strategies, primarily the use of forward financial agreements on stock indices,
    - hedge the currency risk to the greatest extent possible, primarily through the use of forward exchange agreements.
3. If securities and money market instruments containing an embedded derivative are purchased for the Investment Fund, the Investment Firm must take this into account in compliance with §§ 19 and 19a. Investments in index-based derivatives are not taken into account in the investment limits in § 20 paragraph 3 items 5, 6, 7 and 8d InvFG.
  4. Securities or money market instruments issued or guaranteed by a Member State including its political subdivisions, from a non-Member State or from international organisations with a public sector character in which one or more Member States are members may make up more than 35% of the Investment Fund provided that the Investment 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 Investment Fund assets.
  5. The Investment Fund may purchase equities 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 Investment Fund assets.

#### **§ 15a Securities and Money Market Instruments**

Securities are

- a) equities and other equivalent securities,
- b) bonds and other debt that is evidenced by certificates,
- c) all other fungible financial instruments (such as stock rights) that entitle the holder to purchase financial instruments as defined by InvFG by means of subscription or exchange, with the exception of the techniques and instruments specified in § 21 InvFG.

The criteria in § 1a paragraph 3 InvFG must be met for an instrument to be considered a security.

Securities also include the following pursuant to § 1a paragraph 4 InvFG:

1. Shares in closed funds in the form of an investment company or investment fund,
2. Shares in closed funds in contractual form,
3. Financial instruments pursuant to § 1a paragraph 4 item 3 InvFG.

Money market instruments are instruments that are customarily traded on the money market, that are liquid, whose value can be determined exactly at any time, and that meet the requirements of § 1a paragraph 5 to 7 InvFG.

#### **§ 16 Exchanges and Organised Markets**

1. Securities and money market instruments may only be purchased for the Investment Fund when they
  - are listed or traded on a regulated market pursuant to § 2 item 37 of the Austrian Banking Act (BWG), or
  - are traded on another recognised, regulated securities market in a Member State that is open to the public and that is functioning properly, or
  - are officially listed on one of the non-Member State exchanges listed in the Annex, or
  - are traded on another recognised, regulated securities market in a non-Member State as listed in the Annex that is open to the public and that is functioning properly, or
  - when the issue terms include the obligation to apply for public listing or admission for trading on one of the above-named exchanges or admission for trading on one of the above-mentioned other markets, and approval is granted by no later than one year after the issue of the security.

2. Freely transferable money market instruments that are not traded on a regulated market and that are customarily traded on the money market, that are liquid and whose value can be determined exactly at any time, for which sufficient information is available, including information that allows the suitably accurate assessment of the credit risks associated with an investment in the instrument, may be purchased for the Investment Fund if the instrument or the issuer itself is subject to the legal deposit and investor protection regulations and the instrument
  - was issued or is guaranteed by a national, regional or municipal political entity or the central bank of a Member State, the European Central Bank, the European Union, or the European Investment Bank, a non-Member State, or, if it is a federal state, a member state of the federation, or an international organisation with public sector character and of which at least one Member State is a member, or
  - was issued by a company whose securities are traded on one of the regulated markets listed under item 1, with the exception of new issues, or
  - was issued or is guaranteed by an institution that is subject to supervisory regulations according to the criteria set forth in Community law, or that was issued or is guaranteed by an institution that is subject to and complies with supervisory regulations that in the opinion of the Financial Market Authority are at least as strict as those laid down in Community law, or
  - was issued by another party belonging to a category approved by the Financial Market Authority, provided that equivalent investor protection regulations apply to investments in these instruments, and provided that the issuer is either a business entity with capital stock of at least EUR 10 million that prepares and publishes its annual financial statements in accordance with the regulations of Directive 78/660/EEC, or is another legal entity that is responsible for finance management in a group of one or more listed companies, or is a legal entity that finances the collateralisation of debt in company or contractual form by using a line of credit granted by a bank that meets the criteria listed in item 2, sub-item 3.
3. A total of 10% of the fund assets may be invested in securities and money market instruments not meeting the requirements of items 1 and 2.

### **§ 17 Shares in Investment Funds**

1. Shares in investment funds (investment funds and open investment companies) pursuant to § 20 paragraph 3 line 8b InvFG that fulfil the requirements of Directive 85/611/EEC (UCITS) may make up no more than 20% of the Investment Fund assets in total, provided that the target funds themselves do not invest more than 10% of their fund assets in shares of other investment funds.
2. Shares in investment funds pursuant to § 20 paragraph 3 item 8c InvFG which do not meet the requirements of Directive 85/611/EEC (UCITS) and whose sole purpose is
  - to invest money contributed by a group of investors for their joint account in securities and other liquid financial investments under the principles of risk diversification, and
  - whose shares can be redeemed or paid out directly or indirectly from the assets of the investment fund upon request by the shareholder,

may each comprise up to 20% of the fund assets, but in aggregate total no more than 30% of the fund assets, provided that

- a) these target funds do not invest more than 10% of their fund assets in shares in other investment funds, and
- b) these are approved under legal regulations that place them under regulatory supervision that in the opinion of the Financial Market Authority is equivalent to that proscribed by Community law and there is sufficient certainty of collaboration between the authorities, and
- c) the protection afforded to the Shareholders is equivalent to that afforded to shareholders of investment funds that meet the requirements of Directive 85/611/EEC (UCITS), and that are in particular equivalent to the requirements of Directive 85/611/EEC in terms of regulations for the separate management of special assets, the acceptance of loans, the granting of loans, and the short selling of securities and money market instruments, and
- d) semi-annual and annual reports are published on the activities of the fund, and these reports provide a clear picture of the assets, liabilities, earnings and transactions in the reporting period.

The criteria specified in § 3 of the Information and Equivalency Determination Ordinance (Informationen- und Gleichwertigkeitsfestlegungsverordnung [IG-FestV]) must be applied to assess the equivalency of the protection afforded to the Shareholder pursuant to c).

3. The Investment Firm may also purchase for the Investment Fund shares in other investment funds that are directly or indirectly administered by the Investment Firm or by a firm that is associated with the Investment Firm by way of joint administration or control or through a direct or indirect material equity interest.

### **§ 18 Demand Deposits or Callable Deposits**

1. The Investment Fund may hold bank deposits in the form of demand deposits or callable deposits for a maximum term of 12 months. No minimum or maximum limits apply to bank deposits. However, in the course of the restructuring of the fund portfolio or in order to reduce the influence of possible price losses experienced by securities, the Investment Fund can hold a higher proportion of demand

deposits or callable deposits with a maximum term of 12 months.

2. The provisions in item 1 are general in nature. The Investment Fund may purchase assets outlined in item 1 in accordance with the investment principles in § 15.

#### **§ 19 Derivative Financial Instruments**

1. Derivative financial instruments, including equivalent instruments settled in cash, may be purchased for the Investment Fund when they are traded on one of the regulated markets specified in § 16, and when the underlying instruments are instruments as defined in § 15a or financial indices, interest rates, exchange rates or currencies in which the Investment Fund is permitted to invest according to its investment principles (§ 15). This also includes instruments designed to transfer the credit risk of one of the above-mentioned instruments.
2. The overall risk associated with the derivative instruments may not exceed the total net value of the Investment Fund assets. In calculating the risk, the fair values of the underlying instruments, the default risk, future market fluctuations, and the time available to liquidate the positions must be taken into account.
3. The Investment Fund may hold derivative financial instruments within the limits specified by § 20 paragraph 3 items 5, 6, 7, 8a and 8d InvFG as part of its investment strategy, provided that the overall risk of the underlying instruments does not exceed these investment limits.
4. The provisions in items 1 to 3 are general in nature. The Investment Fund may purchase financial instruments outlined in item 1 in accordance with the investment principles in § 15.

#### **§ 19a OTC Derivatives**

1. The Investment Fund may purchase derivative financial instruments that are not traded on an exchange (OTC derivatives) provided that
  - a) the underlying instruments are among those described in § 19 item 1,
  - b) the counterparties are banks subject to supervision and from a category approved by ordinances enacted by the Financial Market Authority,
  - c) the OTC derivatives are subject to reliable and transparent daily valuation and can be sold, liquidated, or settled by means of an offsetting transaction at a reasonable fair value at any time at the initiative of the Investment Fund,
  - d) they are held within the limits specified in § 20 paragraph 3 items 5, 6, 7, 8a and 8d InvFG and the overall risk of the underlying instruments does not exceed these investment limits.
2. The default risk for OTC derivative transactions by the Investment Fund may not exceed the following levels:
  - a) 10% of the Investment Fund assets when the counterparty is a bank,
  - b) otherwise 5% of the fund assets.
3. The provisions in items 1 and 2 are general in nature. The Investment Fund may purchase financial instruments outlined in item 1 in accordance with the investment principles in § 15.

#### **§ 19b Value at Risk**

Does not apply.

#### **§ 20 Loans**

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

#### **§ 21 Repurchase Agreements**

Does not apply.

#### **§ 22 Securities Lending**

Does not apply.

#### **§ 23 Issue and Return Procedure**

The share value shall be calculated in EUR in accordance with § 6.

The issue premium to cover the costs incurred by the Investment Firm in issuing the share shall be 4%; the resulting amount will be rounded up to the next cent to determine the final issue price. The return price is the share value.

There is no limit on the issue of shares in principle. However, the Investment Firm reserves the right to temporarily or permanently suspend the issue of share certificates.

### **§ 24 Financial Year**

The financial year of the Investment Fund is from 1 October to 30 September of the following calendar year.

### **§25 Administration Fee, Compensation for Expenses**

The Investment Firm shall receive a monthly fee for its management activities amounting to up to 0.054% of the fund assets as calculated using the month-end values, in any case at least EUR 2,120 per month.

This remuneration shall be reduced by management fees paid to the Investment Firm in connection with portions of the Investment Fund invested in shares

- in another investment fund managed by the Investment Firm, or
- in an investment fund or investment company that is managed by a company with which the Investment Firm is associated by way of joint management or control, or by way of a material direct or indirect stake.

This remuneration cannot be lower than the minimum amount specified above.

Besides the fees to which the Investment Firm is entitled, a monthly fee amounting to up to 0.15% of the fund assets as calculated using the month-end values of all fund assets (fund assets including parts of the fund assets that are invested in shares in

- an investment fund administered by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., or
- an investment fund or investment company that is managed by a company with which ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. is associated by way of joint management or control, or by way of a material direct or indirect stake)

shall be paid from the fund assets to a third party commissioned pursuant to § 3 paragraph 3 InvFG.

The Investment Firm shall also be entitled to compensation for all expenses incurred in the management of the Investment Fund, especially costs for mandatory publications, custodial fees, fees charged by the custodian bank, auditing and consulting costs, and costs for the preparation of period-end financial statements.

### **§ 26 Use of Earnings for Dividend Shares**

The earnings generated during a financial year shall, after deduction of all costs, be distributed in full to the holders of dividend shares when these earnings arise from interest and dividends received by the fund. If such earnings are the result of the sale of fund assets, these shall be distributed to the holders of dividend shares at the discretion of the Investment Firm, with the non-disbursed amount being carried forward. In both cases, the dividend payment shall be effected on or after 1 December of the following financial year. Fund assets may be paid out. The fund assets may not fall below EUR 1,150,000 after dividend payments in any case. The amounts shall be paid to the holders of dividend shares on or after 1 December of the following financial year, against collection of a coupon if necessary. The remaining amount shall be carried forward.

An amount calculated in accordance with § 13 sentence 3 InvFG must also be paid out on or after 1 December to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the Investment Fund shares.

### **§ 27 Use of Earnings for Non-Dividend Shares with Capital Gains Tax Withholding**

The earnings generated by the Investment Fund during the financial year less all costs will not be paid out. Unless the preconditions specified in § 13 InvFG for the exemption of payment apply to all Shareholders, an amount calculated in accordance with § 13 sentence 3 InvFG must also be paid out on or after 1 December of the following financial year to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the Investment Fund shares.

#### **§ 27a Use of Earnings for Non-Dividend Shares without Capital Gains Tax Withholding (KESt-exempt non-dividend foreign tranche)**

The earnings generated by the Investment Fund during the financial year less all costs will not be paid out. No payment pursuant to § 13 sentence 3 InvFG will be made.

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

### **§ 28 Liquidation**

The custodian bank shall receive a fee in the amount of 0.5% of the fund assets upon liquidation.

## **Annex to the Special Fund Terms and Conditions**

### **List of exchanges with official trading and organised markets (As of October 2009)**

#### **1. Exchanges with official trading and organised markets in the Member States of the EEA**

According to Article 16 of Directive 93/22/EEC (Investment Services Directive), 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 web site 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**

[http://www.fma.gv.at/cms/site/attachments/0/9/6/CH0236/CMS1230557514954/27072009-liste\\_geregelte\\_maerkte.pdf](http://www.fma.gv.at/cms/site/attachments/0/9/6/CH0236/CMS1230557514954/27072009-liste_geregelte_maerkte.pdf) \*)

under "Verzeichnis der Geregelten Märkte (pdf)" (List of Regulated Markets).

#### **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 § 20 paragraph 3 item 1 lit. b InvFG:**

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

#### **2. Exchanges in European countries outside of the EEA**

2.1 Bosnia and Herzegovina: Sarajevo, Banja Luka  
 2.2 Croatia: Zagreb Stock Exchange  
 2.3 Switzerland: SWX Swiss Exchange  
 2.4 Serbia and Montenegro: Belgrade  
 2.5 Turkey: Istanbul (only "National Market" on the stock market)  
 2.6 Russia: Moscow (RTS 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  
 3.4 Chile: Santiago  
 3.5 China: Shanghai Stock Exchange, Shenzhen Stock Exchange  
 3.6 Hong Kong: Hong Kong Stock Exchange  
 3.7 India: Bombay  
 3.8 Indonesia: Jakarta  
 3.9 Israel: Tel Aviv  
 3.10 Japan: Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima  
 3.11 Canada: Toronto, Vancouver, Montreal  
 3.12 Korea: Korea Exchange (Seoul, Busan)  
 3.13 Malaysia: Kuala Lumpur  
 3.14 Mexico: Mexico City  
 3.15 New Zealand: Wellington, Christchurch/Invercargill, Auckland  
 3.16 Philippines: Manila  
 3.17 Singapore: Singapore Stock Exchange  
 3.18 South Africa: Johannesburg  
 3.19 Taiwan: Taipei  
 3.20 Thailand: Bangkok  
 3.21 USA: New York, American Stock Exchange (AMEX), New York Stock Exchange (NYSE), Los Angeles/Pacific Stock Exchange, San Francisco/Pacific Stock Exchange, Philadelphia, Chicago, Boston, Cincinnati  
 3.22 Venezuela: Caracas  
 3.23 United Arab Emirates: Abu Dhabi Securities Exchange (ADX)



**4. Organised markets in countries outside of the European Community**

4.1	Japan:	over the counter market
4.2	Canada:	over the counter market
4.3	Korea:	over the counter market
4.4	Switzerland:	SWX Swiss Exchange, BX Berne eXchange; over the counter market of the members of the International Securities Market Association (ISMA), Zurich
4.5	USA:	over the counter market in the NASDAQ system, over the counter market (markets organised by NASD such as the over the counter equity market, municipal bond market, government securities market, corporate bonds and public direct participation programs), over the counter market for agency mortgage-backed securities

**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:	Singapore International Monetary Exchange
5.12	Slovakia:	RM System Slovakia
5.13	South Africa:	Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX)
5.14	Switzerland:	EUREX
5.15	Turkey:	TurkDEX
5.16	USA:	American Stock Exchange, Chicago Board Options Exchange, Chicago Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, Mid America Commodity Exchange, New York Futures Exchange, Pacific Stock Exchange, Philadelphia Stock Exchange, New York Stock Exchange, Boston Options Exchange (BOX)

\*) The link can be changed by the Austrian Financial Market Authority (FMA) at any time. You can find the current link on the web site of the FMA: [www.fma.gv.at](http://www.fma.gv.at), Anbieter, "Informationen zu Anbietern am österreichischen Finanzmarkt", Börse, Übersicht, Downloads, Verzeichnis der Geregeltten Märkte.

Unless indicated otherwise, source: ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. Our languages of communication are German and English. Both the full prospectus and the simplified prospectus as well as the Key Investor Information (and any applicable changes to these documents) were published in *Amtsblatt zur Wiener Zeitung* in accordance with the provisions of InvFG 2011 in the currently amended version and are available for free at the domicile of the Investment Firm and at the head office of the custodian bank. The exact date of the most recent publication, the languages in which the simplified prospectus and the Key Investor Information are available, and any additional locations where the documents can be obtained can be viewed on the web site [www.sparinvest.com](http://www.sparinvest.com).

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