

# **ERSTE STOCK RUSSIA**

**Jointly owned fund pursuant to the InvFG**

Annual Report 2019/20

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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%) VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (0.76%) Erste Bank der österreichischen Sparkassen AG (22.17%) DekaBank Deutsche Girozentrale, Frankfurt (1.65%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (0.76%) Salzburger Sparkasse Bank Aktiengesellschaft (1.65%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (1.65%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (3.30%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m. b. H. & Co KG (1.65%) Tiroler Sparkasse Bankaktiengesellschaft Innsbruck (1.74%)
<b>Supervisory Board</b>	Rudolf SAGMEISTER (Chairman) Thomas SCHAUFLER (Deputy Chairman) Ingo BLEIER (until 31 October 2019) Harald GASSER Gerhard GRABNER Harald Frank GRUBER (from 13 September 2019) Oswald HUBER Radovan JELASITY Robert LASSHOFER Franz PRUCKNER (from 13 September 2019) Rupert RIEDER (from 13 September 2019) Gabriele SEMMELROCK-WERZER (from 13 September 2019) Reinhard WALTTL (from 13 September 2019) Gerald WEBER Appointed by the Works Council: Martin CECH Regina HABERHAUER (from 13 September 2019) Heinrich Hubert REINER Peter RIEDERER Nicole WEINHENGST Manfred ZOUREK
<b>Managing directors</b>	Heinz BEDNAR Winfried BUCHBAUER Peter KARL Wolfgang TRAINDL
<b>Prokuristen (proxies)</b>	Achim ARNHOF Karl FREUDENSCHUSS Manfred LENTNER Günther MANDL Gerold PERMOSER Magdalena REISCHL
<b>State commissioners</b>	Caroline HABERFELLNER (until 31 July 2019) Christoph SEEL (from 1 August 2019) Eva SCHRITTWIESER (from 1 July 2019) Philipp VISKI-HANKA (until 30 June 2019)
<b>Auditor</b>	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
<b>Depository bank</b>	Erste Group Bank AG

## Dear Unit-holder,

We are pleased to present you the following annual report for the ERSTE STOCK RUSSIA jointly owned fund pursuant to the InvFG for the accounting year from 1 June 2019 to 31 May 2020.

We would also like to inform you that the name of the fund was changed from ESPA STOCK RUSSIA to ERSTE STOCK RUSSIA as of 15 December 2019.

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

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

## Development of the Fund

### Market report and portfolio orientation:

The reporting period was full of surprises and trend reversals on the equity market. Investor attention turned to globalisation in 2019 due to the trade conflict between the USA and China. The global equity rally initially continued into the first weeks of the new year and drove many of the key stock indices to yearly highs, including the exchange in Moscow. However, the outbreak of the coronavirus in China in January prompted investors to switch into risk-off mode. The equity markets corrected around the world and bond yields declined significantly. Share prices did not stabilise until the end of the reporting period, after governments and central banks announced significant aid packages. ERSTE STOCK RUSSIA achieved a positive performance of around 1.92% in euros for the reporting period.

ERSTE STOCK RUSSIA employs an active investment policy. The assets are selected on a discretionary basis. The Fund is oriented towards the MSCI EM Russia 10/40 Net Total Return EUR index as a benchmark (index provider disclaimer: <https://www.erste-am.com/index-disclaimer>). The composition and performance of the Fund can deviate substantially or entirely in a positive or negative direction from that of the benchmark over the short term or long term. The discretionary power of the Management Company is not limited.

The MSCI benchmark for Russian shares gained around 6.12% (EUR) in the reporting period and thus outpaced the other emerging markets (MSCI Emerging Markets Free, total return, minus 3.5% in EUR). Despite the correction, developed market equities recouped their losses and posted positive performance of around 8.03% (MSCI World, total return, in EUR). The international commodity markets were rather weak with the CRB All Commodities Index down by around 11.23% (in EUR) in the period, and the oil price dove by a full 41.45% (Brent, EUR) to USD 35.3/bbl. Precious metals are generally seen as “safe” and enjoyed high demand. The gold price rose by 32.53% to USD 1730.

The Russian economy expanded by 1.3% in 2019 (in annual comparison, real GDP). A significant slowdown in economic growth is being priced in for this year due to the effects of the coronavirus pandemic. The central bank in Moscow expects GDP to contract by 4% to 6% in 2020. Consumer price inflation fell from 5.1% in May 2019 to 3.1% at the end of the reporting period. This allowed the Russian central bank to cut its key rate from 7.75% (May 2019) to 5.5% as of the end of the reporting period in multiple steps. Central banks around the world are still aggressively cutting their interest rates as expected, and they will be permitted to purchase more government and corporate bonds in future. The rapid easing of interest conditions should contribute to a recovery in the growth rate and lend support to the banking sector during the coronavirus crisis. In order to contain the epidemic, severe restrictions were placed on economic and social life around the world, and a recession now appears unavoidable. Industrial production fell by 9.6% in annual comparison in May.

The coronavirus pandemic understandably caused investors to be nervous and the Russian rouble depreciated by around 5.49% versus the dollar in the reporting period. The abrupt slide in energy prices in March and April 2019 due

to the sharp decline in global demand will likely lead to a current account and budget deficit this year. The country's currency reserves rose from USD 495 billion to USD 565 billion during the reporting period, providing Russia with enough capital to finance stimulus packages for its economy. Fitch upgraded the country to BBB with a stable outlook in August 2019.

In terms of the fund's positioning, 2019 saw an economic upturn and positive equity market performance. The market and currency were able to stabilise. Consumer staples were added, including the retailer Migros and the beverage producer Anadolu Efes. The weighting of the financial sector was maintained, but restructured somewhat. Yapi Kredi Bank was sold, and Halkbank was reduced substantially because of the lawsuit in the United States. Conversely, the positions in Sabanci Holding and the real estate specialist Emlak were expanded. Utilities were reduced while the IT company Indeks was newly added to the portfolio.

The portfolio has been set up defensively especially since January 2020 due to the significant uncertainty stemming from the coronavirus pandemic and the country-specific risks. The management concentrated on companies with good financial positions, healthy balance sheets, low debt, and dividend payouts. These companies are able to resist the poor economic conditions on the one hand and are able to generate free cash flow for their shareholders on the other. In the financial sector, positions including Bank St. Petersburg were sold off entirely and the positions in Sberbank and Moscow Exchange were reduced. In the oil and gas sector, GazpromNeft was already sold at a profit last year. The weighting of positions including Novatek, SurgutNG, and Tatneft was reduced slightly in 2020. Lukoil and Gazprom were purchased at the end of the period, among other companies. In the materials sector, the gold producer Polymetal was newly added to the portfolio. Norilsk Nickel and Alrosa were bought while the positions in steel producers including Severstal and Magnitogorsk were reduced somewhat.

The portfolio is focused on 25 to 30 shares. The best sector in the fund during the reporting period was communications with a plus of around 31.81% (EUR). The portfolio holdings in materials (around plus 21.55%, EUR), utilities (around plus 19.20%, EUR), and consumer staples (around plus 9.72%, EUR) did considerably better than the Russian market as a whole. Especially the performance of the real estate sector (around minus 12.68%, EUR), energy sector (around minus 10.17%, EUR), and financial sector (around minus 1.03%, EUR) had a negative impact on the portfolio. The highest allocations are currently in the energy sector at around 34.2%, the materials sector at around 33.2%, and the financial sector at around 10.3%. The fund's investment level was approximately 96% at the end of the reporting period. The fund management feels that the current (geo) political tensions call for a higher risk premium on investments in Russia.

Russian stocks are still at attractive valuation levels. The equity market in Moscow is trading at an expected P/E ratio of roughly 8.2% for 2020. The dividend yield of the portfolio at the end of the period was around 7.7%.

The development of the global economy after the coronavirus pandemic will likely be decisive in the coming months. Should consumer sentiment improve over the course of the year, the fund management anticipates opportunities in the financial and consumer goods sectors in particular. We believe that a return to normality with a credible budget policy and the stabilisation of conditions should protect the country against a drawn-out crisis. The risks especially include the further development of commodity prices and new sanctions by the EU and United States.

ERSTE STOCK RUSSIA achieved a positive performance of 1.92% for the reporting period.

## 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 31.05.2020	
	EUR millions	%
Equities		
GBP	0.3	0.91
RUB	25.8	86.09
USD	2.4	7.91
Transferable securities	28.4	94.90
Bank balances	1.3	4.40
Dividend entitlements	0.2	0.71
Other deferred items	-0.0	-0.01
Fund assets	29.9	100.00

## Comparative Overview

Accounting year	Fund assets
2017/2018	32,907,844.16
2018/2019	31,592,037.18
2019/2020	29,927,829.45

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
2017/2018	Dividend-bearing units	AT0000A05S97	EUR	5.67	0.1500	0.0000	7.21
2018/2019	Dividend-bearing units	AT0000A05S97	EUR	6.26	0.1600	0.0520	13.58
2019/2020	Dividend-bearing units	AT0000A05S97	EUR	6.22	0.2500	0.6294	1.92

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	Non-dividend-bearing units	AT0000A05SA6	EUR	6.84	0.0000	0.0000	7.21
2018/2019	Non-dividend-bearing units	AT0000A05SA6	EUR	7.77	0.0500	0.2570	13.60
2019/2020	Non-dividend-bearing units	AT0000A05SA6	EUR	7.87	0.1809	0.9255	1.93

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A08EG7	CZK	178.14	-	0.0000	4.97
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A08EG7	CZK	202.52	-	6.7464	13.69
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A08EG7	CZK	214.13	-	30.2252	5.73

## ERSTE STOCK RUSSIA

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A08EF9	EUR	6.90	-	0.0000	7.14
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A08EF9	EUR	7.84	-	0.5311	13.62
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A08EF9	EUR	7.99	-	1.1475	1.91

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A09GQ9	HUF	2,205.82	-	92.8582	11.10
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A09GQ9	HUF	2,547.13	-	169.7423	15.47
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A09GQ9	HUF	2,757.26	-	404.9177	8.25

## Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 June 2019 to 31 May 2020. The coupon-paying bank is obligated to withhold capital gains tax from this disbursement if the respective investor is not exempt from the payment of this tax.

The disbursement or payment will be effected on or after 1 September 2020 at

Erste Group Bank AG, Vienna,

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

Fund type	ISIN	Currency	Dividend disbursement/ payment		KESt with option declaration	KESt w/o option declaration	Re-investment
Dividend-bearing units	AT0000A05S97	EUR	0.2500		0.1442	0.1442	0.6294
Non-dividend-bearing units	AT0000A05SA6	EUR	0.1809		0.1809	0.1809	0.9255
KESt-exempt non-dividend-bearing units	AT0000A08EG7	CZK	-	*	-	-	30.2252
KESt-exempt non-dividend-bearing units	AT0000A08EF9	EUR	-	*	-	-	1.1475
KESt-exempt non-dividend-bearing units	AT0000A09GQ9	HUF	-	*	-	-	404.9177

\* 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>AT0000A05S97 dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (842,764.300 units)	6.26
Disbursement/payment on 29.08.2019 (corresponds to roughly 0.0258 units at a calculated value of 6.21)	0.1600
Unit value at the end of the reporting period (634,424.429 units)	6.22
Total value including (notional) units gained through dividend disbursement/payment	6.38
Net earnings per unit	0.12
<b>Value development of one unit in the period</b>	<b>1.92%</b>

<b>AT0000A05SA6 non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (2,427,730.620 units)	7.77
Disbursement/payment on 29.08.2019 (corresponds to roughly 0.0064 units at a calculated value of 7.85)	0.0500
Unit value at the end of the reporting period (2,201,457.352 units)	7.87
Total value including (notional) units gained through dividend disbursement/payment	7.92
Net earnings per unit	0.15
<b>Value development of one unit in the period</b>	<b>1.93%</b>

<b>AT0000A08EG7 KEST-exempt non-dividend-bearing units CZK</b>	
Unit value at the beginning of the reporting period (552,933.613 units)	202.52
Disbursement/payment	0.0000
Unit value at the end of the reporting period (495,407.625 units)	214.13
Total value including (notional) units gained through dividend disbursement/payment	214.13
Net earnings per unit	11.61
<b>Value development of one unit in the period</b>	<b>5.73%</b>

<b>AT0000A08EF9 KEST-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (272,395.643 units)	7.84
Disbursement/payment	0.0000
Unit value at the end of the reporting period (329,862.884 units)	7.99
Total value including (notional) units gained through dividend disbursement/payment	7.99
Net earnings per unit	0.15
<b>Value development of one unit in the period</b>	<b>1.91%</b>

<b>AT0000A09GQ9 KEST-exempt non-dividend-bearing units HUF</b>	
Unit value at the beginning of the reporting period (124,142.431 units)	2,547.13
Disbursement/payment	0.0000
Unit value at the end of the reporting period (255,497.812 units)	2,757.26
Total value including (notional) units gained through dividend disbursement/payment	2,757.26
Net earnings per unit	210.13
<b>Value development of one unit in the period</b>	<b>8.25%</b>

## 2. Fund Result

### a. Realised fund result

#### Ordinary fund result

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

Interest income (excluding income adjustment) 1,396.63

Dividend income 2,303,919.53

Other income 8) 0.00

Total income (without profit or loss from price changes) 2,305,316.16

**Interest paid** - 1,507.78

##### Expenses

Fees paid to Investment Firm - 564,593.87

Costs for the financial auditor and tax consultation - 4,024.00

Publication costs - 50,057.36

Securities account fees - 19,210.49

Depository bank fees - 47,878.98

Costs for the external consultant 0.00

Total expenses - 685,764.70

Compensation for management costs from sub-funds 1) 0.00

**Ordinary fund result (excluding income adjustment) 1,618,043.68**

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

Realised gains 4) 3,316,947.57

Realised losses 5) - 646,574.70

**Realised profit or loss from price changes (excluding income adjustment) 2,670,372.87**

**Realised fund result (excluding income adjustment) 4,288,416.55**

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

Changes in the unrealised profit or loss from price changes 7) - 3,435,340.64

**Result for the reporting period 6) 853,075.91**

### c. Income adjustment

Income adjustment for income in the period - 57,667.87

Income adjustment for profit carried forward from dividend-bearing units - 10,824.24

**Overall fund result 784,583.80**

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

<b>Fund assets at the beginning of the reporting period</b>	<b>31,592,037.18</b>
<b>Disbursement/payment in the accounting year</b>	<b>- 229,734.16</b>
<b>Issue and redemption of units</b>	<b>- 2,219,057.37</b>
<b>Overall fund result</b>	
(The fund result is shown in detail under item 2.)	<b>784,583.80</b>
<b>Fund assets at the end of the reporting period</b>	<b><u>29,927,829.45</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 reporting year.
- 3) Total profit or loss from price changes without income adjustment (realised profit or loss from price changes, without income adjustment, plus changes in the unrealised profit or loss): EUR -764,967.77.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 0.00.
- 5) Thereof losses from transactions with derivative financial instruments: EUR 0.00.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 23,627.02.
- 7) Thereof changes in unrealised gains EUR -3,744,336.36 and unrealised losses EUR 308,995.72.
- 8) The earnings reported under this item can be attributed to lending fees from securities lending transactions conducted with Erste Group Bank AG in the amount of EUR 0.00, to earnings from real estate funds in the amount of EUR 0.00, and to other earnings in the amount of EUR 0.00.

# Statement of Assets and Liabilities as of 31 May 2020

(including changes in securities assets from 1 June 2019 to 31 May 2020)

Security designation	ISIN number	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>Equities denominated in GBP</b>							
<b>Issue country Jersey</b>							
POLYMETAL INTL PLC	JE00B6T5S470	15,000	0	15,000	16.210	272,513.31	0.91
Total issue country Jersey						272,513.31	0.91
Total equities denominated in GBP translated at a rate of 0.89225						272,513.31	0.91
<b>Equities denominated in RUB</b>							
<b>Issue country Jersey</b>							
POLYMETAL INTL PLC	JE00B6T5S470	50,000	0	50,000	1,409.000	911,075.42	3.04
Total issue country Jersey						911,075.42	3.04
<b>Issue country Russia</b>							
AKTION.KOM.ALROSA RL0.50	RU0007252813	550,000	150,000	1,500,000	69.020	1,338,873.50	4.47
GAZPROM RL 5	RU0007661625	366,000	176,000	1,000,000	198.720	2,569,892.22	8.59
INTER RAO UES PJSC	RU000A0JPNM1	2,100,000	1,566,000	20,500,000	4.949	1,311,900.11	4.38
LUKOIL RL-.025	RU0009024277	23,100	6,100	40,000	5,318.000	2,750,943.41	9.19
MAGNIT PJSC RL-.01	RU000A0JKQU8	9,496	6,500	29,200	3,832.000	1,447,043.82	4.84
MMC NORILSK NICK.PJSC RL1	RU0007288411	5,100	0	8,500	22,026.000	2,421,184.54	8.09
MOBILE TELESYSTEMS RL-.10	RU0007775219	25,000	110,000	315,000	319.600	1,301,939.06	4.35
MOSCOW EXCH.MICEX-RTS RL1	RU000A0JR4A1	0	215,000	640,000	114.420	947,011.49	3.16
NOVATEK RL 0.10	RU000A0DKVS5	40,000	30,000	100,000	1,039.200	1,343,917.07	4.49
NOVOLIPETSKIY MET. RL 1	RU0009046452	700,000	0	700,000	137.720	1,246,718.45	4.17
ROSNEFT OIL CO. RL-.01	RU000A0J2Q06	95,000	38,000	302,000	378.700	1,479,025.22	4.94
SBERBANK OF RU. RL 2	RU0009029540	0	0	600,000	203.660	1,580,266.46	5.28
SBERBANK PFD RL 3	RU0009029557	0	100,000	100,000	184.000	237,952.98	0.80
SEVERSTAL RL-.01	RU0009046510	27,500	10,000	100,000	939.000	1,214,336.15	4.06
SURGUTNEFTEGAS PJSC VZ	RU0009029524	0	0	1,100,000	35.415	503,794.32	1.68
SURGUTNEFTEGAS PJSC RL 1	RU0008926258	550,000	0	1,050,000	39.950	542,474.61	1.81
TATNEFT PJSC RL 1	RU0009033591	80,000	0	80,000	542.500	561,258.67	1.88
TRANSNEFT PFD RL 1	RU0009091573	0	80	280	133,650.000	483,949.81	1.62
VTB BANK RL -.01	RU000A0JP5V6	0	0	700,000,000	0.037	331,685.77	1.11
Total issue country Russia						23,614,167.66	78.90
Total equities denominated in RUB translated at a rate of 77.32620						24,525,243.08	81.95

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
<b>Equities denominated in USD</b>							
<b>Issue country Netherlands</b>							
X 5 RETAIL G.GDR REGS 1/4	US98387E2054	0	20,000	35,000	30.460	957,216.61	3.20
Total issue country Netherlands						957,216.61	3.20
<b>Issue country Russia</b>							
PHOSAGRO PJSC SP.GDR REGS	US71922G2093	0	0	37,500	13.660	459,932.66	1.54
Total issue country Russia						459,932.66	1.54
Total equities denominated in USD translated at a rate of 1.11375						1,417,149.27	4.74
Total publicly traded securities						26,214,905.66	87.59
<b>Securities admitted to organised markets</b>							
<b>Equities denominated in USD</b>							
<b>Issue country Russia</b>							
LSR GROUP PAO GDR S/5	US50218G2066	0	0	120,000	1.648	177,562.29	0.59
MAGNITOGORSK I+S REGS/13	US5591892048	0	50,000	70,000	7.690	483,322.11	1.61
MMC NOR.NICK.PJSC ADR RL1	US55315J1025	0	30,000	10,000	32.150	288,664.42	0.96
Total issue country Russia						949,548.82	3.17
Total equities denominated in USD translated at a rate of 1.11375						949,548.82	3.17
Total securities admitted to organised markets						949,548.82	3.17
<b>Unlisted securities</b>							
<b>Equities denominated in RUB</b>							
<b>Issue country Russia</b>							
POLYUS PJSC RL 1	RU000A0JNAA8	5,000	7,100	8,400	11,400.000	1,238,390.09	4.14
Total issue country Russia						1,238,390.09	4.14
Total equities denominated in RUB translated at a rate of 77.32620						1,238,390.09	4.14
Total unlisted securities						1,238,390.09	4.14

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## ERSTE STOCK RUSSIA

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### Breakdown of fund assets

Transferable securities	28,402,844.57	94.90
Bank balances	1,316,343.98	4.40
Dividend entitlements	212,182.89	0.71
Other deferred items	-3,541.99	-0.01
Fund assets	29,927,829.45	100.00

### Investor note:

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

Dividend-bearing units outstanding	AT0000A05S97	units	634,424.429
Value of dividend-bearing unit	AT0000A05S97	EUR	6.22
Non-dividend-bearing units outstanding	AT0000A05SA6	units	2,201,457.352
Value of non-dividend-bearing unit	AT0000A05SA6	EUR	7.87
KEST-exempt non-dividend-bearing units outstanding	AT0000A09GQ9	units	255,497.812
Value of KEST-exempt non-dividend-bearing unit	AT0000A09GQ9	HUF	2,757.26
KEST-exempt non-dividend-bearing units outstanding	AT0000A08EG7	units	495,407.625
Value of KEST-exempt non-dividend-bearing unit	AT0000A08EG7	CZK	214.13
KEST-exempt non-dividend-bearing units outstanding	AT0000A08EF9	units	329,862.884
Value of KEST-exempt non-dividend-bearing unit	AT0000A08EF9	EUR	7.99

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 not permitted to engage in securities lending agreements pursuant to Regulation (EU) No. 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse). For this reason, securities lending agreements were not employed.

**Explanation on disclosure pursuant to Delegated Regulation (EU) No. 2016/2251 supplementing Regulation (EU) No. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties, and trade repositories with regard to regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty:**

All OTC derivatives are traded through Erste Group Bank AG.

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

In the event of positive derivatives exposure, EUR-denominated government bonds from the Republic of Austria and/or the Federal Republic of Germany are pledged by Erste Group Bank AG to the fund in accordance with the contractually agreed threshold. A one-time discount of 4% is agreed with the counterparty for this collateral. Collateral that would require a higher discount pursuant to Annex II to Delegated Regulation (EU) No. 2016/2251 is not accepted.

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

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
----------------------	----------------	----------------------------------------------------------------	---------------------

**Publicly traded securities**

**Equities denominated in RUB**

**Issue country Russia**

BANK ST.-PETERSB.REG RL 1	RU0009100945	0	175,247
DETSKIY MIR	RU000A0JSQ90	91,000	91,000
TMK PAO RL 10	RU000A0B6NK6	0	140,000

**Equities denominated in USD**

**Issue country Russia**

GAZPROM ADR SP./2 RL 5L 5	US3682872078	0	70,000
LUKOIL SP.ADR RL-025	US69343P1057	0	17,000
ROSNEFT OIL GDRREGS RL-01	US67812M2070	0	105,000
SEVERSTAL RL-01	RU0009046510	0	24,000
SURGUTNEFTEGAS PJSC VZ	RU0009029524	0	830,000

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## ERSTE STOCK RUSSIA

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<b>Security designation</b>	<b>ISIN number</b>	<b>Purch./ additions</b>	<b>Sales/ disposals</b>
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**Units/nominal (nom. in 1,000, rounded)**

### Securities admitted to organised markets

#### Equities denominated in USD

##### Issue country Russia

GAZPROM NEFT ADR5/RL-0016	US36829G1076	0	3,500
NOVOLIPETSKIY MET.KO.REGS	US67011E2046	0	60,000
POLYUS PJSC GDR 1/2	US73181M1172	0	10,000
SURGUTNEFTEGAS ADR/10	US8688612048	0	45,000
TATNEFT PJSC ADR REG.S 6	US8766292051	0	24,000

Vienna, 31 July 2020

Erste Asset Management GmbH  
Electronically signed

Inspection information:  
Note:

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



## Remuneration Policy

### Remuneration paid to employees of Erste Asset Management GmbH in EUR (2018 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 31.12.18	247
Number of risk bearers as of 31.12.18	95
Fixed remuneration	17,978,470
Variable remuneration (bonuses)	4,589,208
<b>Total employee remuneration</b>	<b>22,567,678</b>
Thereof remuneration for managing directors	1,049,937
Thereof remuneration for managerial risk bearers	4,317,407
Thereof remuneration for risk bearers with control functions*	692,269
Thereof remuneration for other risk bearers	6,853,589
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>12,913,202</b>

\* Includes the Head of Compliance

### Principles governing performance-based remuneration components

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

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

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

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

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

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

The remuneration system is made up of three components:

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

The bonus potential is based on the fixed annual gross remuneration. The target agreements concluded with the employees contain qualitative and/or quantitative objectives. The 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 on 3 April 2019 revealed no deviations. There were also no material findings during the last audit by the Internal Auditing department.

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

# Audit Report\*

## Statement on the annual report

### Audit opinion

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

ERSTE STOCK RUSSIA  
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 31 May 2020, 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 May 2020 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 is sufficient and suitable to serve as a basis for our audit opinion.

### Management and supervisory board responsibilities relating to the annual report

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

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

### **Responsibilities of the auditor in auditing the annual report**

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

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

#### **In addition:**

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

### **Other information**

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

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

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

Vienna, 31 July 2020

### **Ernst & Young**

Wirtschaftsprüfungsgesellschaft m.b.H.

**Mag. Andrea Stippel**  
(Certified Public  
Accountant)

**ppa MMag. Roland Unterweger**  
(Certified Public Accountant)

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

## Fund Rules

The Fund Rules for ERSTE STOCK RUSSIA, 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 Depository Bank (Depository)**

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

The payment offices for unit certificates are the depository bank (depository) 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 stocks from issuers registered or engaging in business in Russia in the form of directly purchased individual instruments, in other words not indirectly or directly through investment funds or through derivatives.

In addition, equities issued by companies that are registered in or do business in the countries that made up the former Union of Soviet Socialist Republics (USSR) may be purchased.

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

a) Transferable securities

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

b) Money market instruments

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

c) Transferable securities and money market instruments

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

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

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

d) Units in investment funds

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

e) Derivative financial instruments

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

f) Risk measurement method(s) of the Fund

The Fund applies the following risk measurement methods: commitment approach

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

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

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

There are no minimum bank balance requirements.

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

h) Acceptance of short-term loans

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

i) Repurchase agreements

Does not apply.

j) Securities lending

Does not apply.

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

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

#### **Article 4 Issue and Redemption Procedure**

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

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

##### **Issue of units and front-end surcharge**

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

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

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

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

##### **Redemption of units and back-end commission**

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

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

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

**Article 5**  
**Accounting Year**

The accounting year of the Fund is from 1 June to 31 May.

**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 September 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 September 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 September 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 September of the following accounting year.

The Management Company shall provide 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.

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**

**Valid until 31 December 2019:**

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

**Valid from 1 January 2020:**

The Management Company shall receive an annual fee for its administrative activities amounting to up to 1.80% of the fund assets as calculated and accrued on the basis of the daily fund volume. The fee will be charged to the fund assets once per month.

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

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



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

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

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

## **Annex to the Fund Rules**

### **List of exchanges with official trading and organised markets (As of September 2018)**

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

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

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

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

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

[https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_upreg](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_upreg) \*

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

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

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

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

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

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

#### **3. Exchanges in non-European countries**

- |       |              |                                                                   |
|-------|--------------|-------------------------------------------------------------------|
| 3.1.  | Australia:   | Sydney, Hobart, Melbourne, Perth                                  |
| 3.2.  | Argentina:   | Buenos Aires                                                      |
| 3.3.  | Brazil:      | Rio de Janeiro, Sao Paulo                                         |
| 3.4.  | Chile:       | Santiago                                                          |
| 3.5.  | China:       | Shanghai Stock Exchange, Shenzhen Stock Exchange                  |
| 3.6.  | Hong Kong:   | Hong Kong Stock Exchange                                          |
| 3.7.  | India:       | Mumbai                                                            |
| 3.8.  | Indonesia:   | Jakarta                                                           |
| 3.9.  | Israel:      | Tel Aviv                                                          |
| 3.10. | Japan:       | Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima |
| 3.11. | Canada:      | Toronto, Vancouver, Montreal                                      |
| 3.12. | Colombia:    | Bolsa de Valores de Colombia                                      |
| 3.13. | Korea:       | Korea Exchange (Seoul, Busan)                                     |
| 3.14. | Malaysia:    | Kuala Lumpur, Bursa Malaysia Berhad                               |
| 3.15. | Mexico:      | Mexico City                                                       |
| 3.16. | New Zealand: | Wellington, Christchurch/Invercargill, Auckland                   |
| 3.17. | Peru:        | Bolsa de Valores de Lima                                          |
| 3.18. | Philippines: | Manila                                                            |
| 3.19. | Singapore:   | Singapore Stock Exchange                                          |

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3.20.	South Africa:	Johannesburg
3.21.	Taiwan:	Taipei
3.22.	Thailand:	Bangkok
3.23.	USA:	New York, NYCE American, New York Stock Exchange (NYSE), Philadelphia, Chicago, Boston, Cincinnati
3.24.	Venezuela:	Caracas
3.25.	United Arab Emirates:	Abu Dhabi Securities Exchange (ADX)

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

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

#### 5. Exchanges with futures and options markets

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

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

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

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

**Note regarding the data used**

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

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

**Note for retail funds:**

Unless indicated otherwise, source: Erste Asset Management GmbH. Our languages of communication are German and English. The full prospectus and the key investor information (and any applicable changes to these documents) were published in Amtsblatt zur Wiener Zeitung in accordance with the provisions of the InvFG 2011 in the currently amended version and are available 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, the languages in which the key investor information is 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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