

# **ERSTE STOCK VALUE**

**Jointly owned fund pursuant to the InvFG**

Annual Report 2022/23

## Contents

General Information about the Investment Firm .....	3
Development of the Fund .....	4
Method of Calculating the Global Exposure.....	6
Asset Allocation .....	6
Comparative Overview .....	7
Disbursement/Payment .....	8
Income Statement and Changes in Fund Assets.....	9
Statement of Assets and Liabilities as of 31 March 2023 .....	12
Remuneration Policy .....	17
Audit Report* .....	19
Annex Sustainability-Related Information .....	22
Fund Rules.....	37

## General Information about the Investment Firm

<b>The company</b>	Erste Asset Management GmbH Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19777, fax: +43 05 0100-919777
<b>Registered capital</b>	EUR 2.50 million
<b>Shareholders</b>	Erste Group Bank AG (64.67%) Erste Bank der österreichischen Sparkassen AG (22.17%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (3.30%) Tiroler Sparkasse Bankaktiengesellschaft Innsbruck (1.74%) DekaBank Deutsche Girozentrale, Frankfurt (1.65%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m. b. H. & Co KG (1.65%) Salzburger Sparkasse Bank Aktiengesellschaft (1.65%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (1.65%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (0.76%) VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (0.76%)
<b>Supervisory Board</b>	Rudolf SAGMEISTER (Chairman) Manfred BARTALSZKY Maximilian CLARY UND ALDRINGEN Harald GASSER Gerhard GRABNER Harald Frank GRUBER Oswald HUBER (Deputy Chairman – from 21.09.2022) Radovan JELASITY Ertan PISKIN (from 10.10.2022) Peter PROBER Rupert RIEDER (until 21.09.2022) Gabriele SEMMELROCK-WERZER Reinhard WATTL Gerald WEBER Appointed by the Works Council: Martin CECH Regina HABERHAUER Heinrich Hubert REINER Peter RIEDERER Nicole WEINHENGST Manfred ZOUREK
<b>Managing directors</b>	Heinz BEDNAR Winfried BUCHBAUER Peter KARL Thomas KRAUS
<b>Prokuristen (proxies)</b>	Karl FREUDENSCHUSS Manfred LENTNER Günther MANDL Gerold PERMOSER Magdalena REISCHL Oliver RÖDER
<b>State commissioners</b>	Wolfgang EXL (from 01.09.2022) Angelika SCHÄTZ Wolfgang TRISKO (until 14.05.2022)
<b>Auditor</b>	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
<b>Depositary bank</b>	Erste Group Bank AG

## Dear Unit-holder,

We are pleased to present you the following annual report for the ERSTE STOCK VALUE jointly owned fund pursuant to the InvFG for the accounting year from 1 April 2022 to 31 March 2023.

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

Due to unit certificate increases, the Fund conducted more than around EUR 20 million in equities transactions on a continuous basis over the reporting period to maintain its strategic orientation, with investment focusing mainly on value stocks with favourable valuations. The regional allocation remained unchanged, with the USA making up around 70% and Europe around 30%. The portfolio exhibited a low degree of turnover during the period, i.e. there was no significant change in the composition of equities. The Fund is oriented towards EAM's strict sustainability criteria. The Fund posted a loss of 9.52% for the reporting period.

### Equity market development and investment strategy

The global equity markets (MSCI World) generated a performance of more than minus 8.6% (minus 6.8% in EUR) over the past twelve months. Sentiment on the capital markets deteriorated at the start of 2022. High manufacturer and consumer prices, the prospect of less central bank liquidity, and fairly mediocre corporate results – particularly in the financial sector – provided the perfect recipe for a significant market correction. It became apparent that the high inflation was actually not transitory but persistent, making a marked trend reversal in the monetary policies of the most important central banks likely, starting in the USA. The Russian invasion of Ukraine caused commodity prices to surge more, which sent inflation expectations and the economic risks climbing higher. The combination of very high inflation, substantially higher key rates, economic uncertainty, and a war of aggression in Eastern Europe naturally created very poor conditions for the capital markets. Against this backdrop, substantial and mostly double-digit price losses were recorded from April to December 2022 across all asset classes. Higher yields especially had an impact on growth shares with expensive valuations, as was reflected in the underperformance of the tech-heavy Nasdaq 100. Value equities with attractive valuations significantly outperformed the market.

The mood on the global equity markets in the first quarter of 2023 was fairly positive overall despite downward earnings revisions, rate hikes by the Fed and the ECB, and widespread concern over the future of the economy (with the risk of a hard landing still ever-present). The positive trend overall was down to modest inflation figures, which pushed longer-term government bond yields down. This indicated that the market had also begun to price in potential interest rate cuts by the Fed towards the end of 2023. A number of sectors in the investment universe, most notably IT, benefited significantly from this development. Worthy of note is the fact that this strong performance was spearheaded by large IT firms (such as Meta, Apple, and Microsoft), because they also introduced cost-cutting measures and announced plans to focus on profitability. By contrast, more cyclical sectors (including banks and companies reliant on raw materials) lagged behind and posted a negative performance overall (with the market concerned about a recession and a negative yield curve). The main cause of this came in March, when two US regional banks (SVB and Signature Bank) defaulted due to the rapid withdrawal of deposits caused by customers continuing to move their cash into money market funds or products offering higher returns. The pressure on the banking sector spilled over to the ailing Credit Suisse, which was forced by the supervisory authority to accept a takeover bid by UBS.

The variation in performance between the sectors is reflected in how value and growth strategies have been faring. The MSCI World Value Index fell by 2.40% (in EUR) over the reporting period, while the MSCI World Growth Index shed 7.83% (in EUR) in the same window. The best-known of the global indices, the US S&P 500, lost 5.95% (in EUR), with Europe's Stoxx600 gaining 3.96%. It is worth pointing out that the EUR rose 2.06% against the USD, which eroded the performance of the USD-based indices in EUR.

The Fund is invested mainly in small and medium-sized companies, including regional US banks, but fortunately had no direct exposure to any of the stocks that were suspended from trading. However, investors pulled back from the smaller US banks (amid fears over their prospects, their increased exposure to CRE, and potential pressure on their deposit base) and piled further pressure on the sector. The turbulence also raised expectations of a tightening of lending standards. In the past, this has tended to be bad news for smaller companies, which might have a hard time refinancing existing loans or accessing new ones. The rest of March brought a general recovery on the equity markets, although one primarily reserved for larger firms – SMEs experienced a sideways trend (as did ERSTE STOCK VALUE's own performance).

The following transactions were carried out during the reporting period: In the first half of 2022, we increased our exposure to European banks because of rising interest rate expectations and added Italy's UniCredit to the portfolio.

Positions in Spain's Repsol SA, France's Veolia, and First Cash Holdings were sold off completely for ESG reasons. In their place, new investment was made in Rubis – a French value play with high dividend payments – as well as in the Italian firm Eni SpA and the Canadian bank TorontoDominion Bank, which had won us over with its dominant market position and its dividend policy. Warner Bros Discovery was added to the portfolio.

Profits were taken on Regeneron Pharmaceuticals and Biogen Inc added as a new investment in its place. The successful placement of its Alzheimer's drug and its attractive valuation convinced us to incorporate it into the portfolio.

Underlying considerations resulted in a sale of positions in Sirius XM and Signature Bank/New York. The visible pressure on crypto/technology and bank deposits that had emerged led us to divest ourselves of this position as early as the end of 2022. The de-investment in Sirius XM was prompted by capital requirements and negative profit forecasts. Profits were also taken on Activision Blizzard, Renault, and Marathon Oil.

No derivatives were used during the reporting season. Foreign currency risk is not hedged for strategic reasons.

Further information on the environmental/social characteristics of the Fund can be found in the annex "Sustainability-Related Information" in this annual report.

## 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 31.03.2023	
	EUR millions	%
Equities		
GBP	0.9	2.14
DKK	1.1	2.66
EUR	11.6	28.41
SEK	0.6	1.50
USD	24.4	60.03
Transferable securities	38.6	94.75
Bank balances	2.1	5.23
Dividend entitlements	0.0	0.03
Interest entitlements	0.0	0.00
Other deferred items	-0.0	-0.01
Fund assets	40.7	100.00

## Comparative Overview

Accounting year	Fund assets
2021/2022	23,556,465.70
2022/2023	40,688,837.51

### 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	Reinvestment	Development in per cent
2021/2022	Dividend-bearing units	AT0000A2STB6	EUR	98.95	0.8000	0.0000	-1.05
2022/2023	Dividend-bearing units	AT0000A2STB6	EUR	88.73	1.8000	0.0000	-9.52

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Reinvestment	Development in per cent
2021/2022	Non-dividend-bearing units	AT0000A2STC4	EUR	98.95	0.0000	0.0000	-1.05
2022/2023	Non-dividend-bearing units	AT0000A2STC4	EUR	89.54	0.0000	0.0000	-9.51

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Reinvestment	Development in per cent
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A2STD2	EUR	98.88	-	0.0000	-1.12
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A2STD2	EUR	89.48	-	0.0000	-9.51

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Reinvestment	Development in per cent
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A2STA8	EUR	99.39	-	0.0000	-0.61
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A2STA8	EUR	91.09	-	0.2550	-8.35

## ERSTE STOCK VALUE

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A2STF7	HUF	36,342.07	-	0.0000	-0.12
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A2STF7	HUF	34,056.53	-	0.0000	-6.29

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A2STEO	HUF	36,393.48	-	-	-
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A2STEO	HUF	34,182.05	-	-	-

## Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 April 2022 to 31 March 2023. The coupon-paying bank is obligated to withhold capital gains tax from this disbursement if the respective investor is not exempt from the payment of this tax.

The disbursement or payment will be effected on or after 3 July 2023 at

Erste Group Bank AG, Vienna,

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

Fund type	ISIN	Currency	Dividend disbursement/payment		KESt with option declaration	KESt w/o option declaration	Re-investment
Dividend-bearing units	AT0000A2STB6	EUR	1.8000		0.0000	0.0000	0.0000
Non-dividend-bearing units	AT0000A2STC4	EUR	0.0000		0.0000	0.0000	0.0000
KESt-exempt non-dividend-bearing units	AT0000A2STD2	EUR	-	*	-	-	0.0000
KESt-exempt non-dividend-bearing units	AT0000A2STA8	EUR	-	*	-	-	0.2550
KESt-exempt non-dividend-bearing units	AT0000A2STF7	HUF	-	*	-	-	0.0000
KESt-exempt non-dividend-bearing units	AT0000A2STEO	HUF	-	*	-	-	-

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



# Income Statement and Changes in Fund Assets

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

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

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

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

<b>AT0000A2STB6 dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (100.000 units)	98.95
Disbursement/payment on 29.06.2022 (corresponds to roughly 0.0090 units at a calculated value of 89.07)	0.8000
Unit value at the end of the reporting period (100.000 units)	88.73
Total value including (notional) units gained through dividend disbursement/payment	89.53
Net earnings per unit	-9.42
<b>Value development of one unit in the period</b>	<b>-9.52%</b>

<b>AT0000A2STC4 non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (479.000 units)	98.95
Disbursement/payment	0.0000
Unit value at the end of the reporting period (614.000 units)	89.54
Total value including (notional) units gained through dividend disbursement/payment	89.54
Net earnings per unit	-9.41
<b>Value development of one unit in the period</b>	<b>-9.51%</b>

<b>AT0000A2STD2 KEST-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (137,944.808 units)	98.88
Disbursement/payment	0.0000
Unit value at the end of the reporting period (328,990.411 units)	89.48
Total value including (notional) units gained through dividend disbursement/payment	89.48
Net earnings per unit	-9.40
<b>Value development of one unit in the period</b>	<b>-9.51%</b>

<b>AT0000A2STA8 KEST-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (50,000.000 units)	99.39
Disbursement/payment	0.0000
Unit value at the end of the reporting period (75,891.485 units)	91.09
Total value including (notional) units gained through dividend disbursement/payment	91.09
Net earnings per unit	-8.30
<b>Value development of one unit in the period</b>	<b>-8.35%</b>

<b>AT0000A2STF7 KEST-exempt non-dividend-bearing units HUF</b>	
Unit value at the beginning of the reporting period (49,390.136 units)	36,342.07
Disbursement/payment	0.0000
Unit value at the end of the reporting period (47,717.617 units)	34,056.53
Total value including (notional) units gained through dividend disbursement/payment	34,056.53
Net earnings per unit	-2,285.54
<b>Value development of one unit in the period</b>	<b>-6.29%</b>

## ERSTE STOCK VALUE

<b>AT0000A2STE0 KEST-exempt non-dividend-bearing units HUF</b>	
Unit value at the beginning of the reporting period (0.000 units)	36,393.48
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	34,182.05
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	<b>-</b>

## **2. Fund Result**

### **a. Realised fund result**

#### **Ordinary fund result**

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

Interest income (excluding income adjustment)	5,191.32	
Dividend income	621,418.64	
Other income 8)	0.00	
	<u>                    </u>	
Total income (without profit or loss from price changes)		626,609.96

**Interest paid** - 3,625.49

##### **Expenses**

Fees paid to Investment Firm	- 490,908.51	
Costs for the financial auditor and tax consultation	- 4,235.00	
Publication costs	- 28,945.55	
Securities account fees	- 12,480.97	
Depositary bank fees	- 39,273.43	
Costs for the external consultant	0.00	
Performance fee	-	
	<u>                    </u>	
Total expenses		- 575,843.46
Compensation for management costs from sub-funds 1)		<u>0.00</u>

**Ordinary fund result (excluding income adjustment)** **47,141.01**

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

Realised gains 4)	604,297.46	
Realised losses 5)	- 875,722.90	
	<u>                    </u>	

**Realised profit or loss from price changes (excluding income adjustment)** **- 271,425.44**

**Realised fund result (excluding income adjustment)** **- 224,284.43**

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

Changes in the unrealised profit or loss from price changes 7) - 2,901,134.92

**Result for the reporting period 6)** **- 3,125,419.35**

### **c. Income adjustment**

Income adjustment for income in the period	191,883.56	
Income adjustment for profit carried forward from dividend-bearing units	0.00	
	<u>                    </u>	

**Overall fund result** **- 2,933,535.79**

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

<b>Fund assets at the beginning of the reporting period</b>	<b>23,556,465.70</b>
<b>Disbursement/payment in the accounting year</b>	<b>- 80.00</b>
<b>Issue and redemption of units</b>	<b>20,065,987.60</b>
<b>Overall fund result</b>	
(The fund result is shown in detail under item 2.)	<b>- 2,933,535.79</b>
<b>Fund assets at the end of the reporting period</b>	<b><u>40,688,837.51</u></b>

- 1) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the Fund after deduction of appropriate costs. Erste Bank der oesterreichischen Sparkassen AG receives 25% of the calculated commissions to cover administrative costs.
- 2) Realised profits and losses are not calculated precisely for the specific periods, which means that they, as is the case for the changes in the unrealised profit or loss, are not necessarily congruent with the changes in the value of the Fund in the accounting year.
- 3) Total profit or loss from price changes without income adjustment (realised profit or loss from price changes, without income adjustment, plus changes in the unrealised profit or loss): EUR -3,172,560.36.
- 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 28,101.70.
- 7) Thereof changes in unrealised gains EUR 807,651.35 and unrealised losses EUR -3,708,786.27.
- 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 March 2023

(including changes in securities assets from 1 April 2022 to 31 March 2023)

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>Publicly traded securities</b>							
<b>Equities denominated in DKK</b>							
<b>Issue country Denmark</b>							
DFDS A/S INDEHAV. DK 20	DK0060655629	15,309	0	29,069	277.800	1,084,043.90	2.66
					Total issue country Denmark	1,084,043.90	2.66
					Total equities denominated in DKK translated at a rate of 7.44930	1,084,043.90	2.66
<b>Equities denominated in EUR</b>							
<b>Issue country Ireland</b>							
SMURFIT KAPPA GR. EO-.001	IE00B1RR8406	10,093	0	16,561	33.330	551,978.13	1.36
					Total issue country Ireland	551,978.13	1.36
<b>Issue country Italy</b>							
UNICREDIT	IT0005239360	59,176	0	92,653	17.410	1,613,088.73	3.96
					Total issue country Italy	1,613,088.73	3.96
<b>Issue country Netherlands</b>							
CTP N.V. EO 1	NL00150006R6	42,593	0	76,351	11.920	910,103.92	2.24
					Total issue country Netherlands	910,103.92	2.24
<b>Issue country Austria</b>							
ERSTE GROUP BNK BEARER N.P.	AT0000652011	28,575	0	36,152	30.500	1,102,636.00	2.71
					Total issue country Austria	1,102,636.00	2.71
					Total equities denominated in EUR	4,177,806.78	10.27
<b>Equities denominated in SEK</b>							
<b>Issue country Sweden</b>							
INTRUM AB SK-.02	SE0000936478	36,836	0	61,662	111.650	611,091.98	1.50
					Total issue country Sweden	611,091.98	1.50
					Total equities denominated in SEK translated at a rate of 11.26600	611,091.98	1.50

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 Great Britain</b>							
COCA-COLA EU.PA. EO -.01	GB00BDCPN049	10,120	0	22,576	59.190	1,229,944.72	3.02
Total issue country Great Britain						1,229,944.72	3.02
Total equities denominated in USD translated at a rate of 1.08645						1,229,944.72	3.02
Total publicly traded securities						7,102,887.38	17.46
<b>Securities admitted to organised markets</b>							
<b>Equities denominated in GBP</b>							
<b>Issue country Great Britain</b>							
VODAFONE GROUP PLC	GB00BH4HKS39	434,361	0	858,169	0.893	872,134.88	2.14
Total issue country Great Britain						872,134.88	2.14
Total equities denominated in GBP translated at a rate of 0.87870						872,134.88	2.14
<b>Equities denominated in EUR</b>							
<b>Issue country France</b>							
KORIAN SE BEARER EO 5	FR0010386334	47,200	0	71,192	6.890	490,512.88	1.21
RENAULT BEARER EO 3.81	FR0000131906	16,558	0	35,689	37.600	1,341,906.40	3.30
RUBIS BEARER NOUV. EO 1.25	FR0013269123	30,991	0	30,991	24.670	764,547.97	1.88
Total issue country France						2,596,967.25	6.38
<b>Issue country Italy</b>							
ENI S.P.A.	IT0003132476	96,499	0	96,499	12.906	1,245,416.09	3.06
Total issue country Italy						1,245,416.09	3.06
<b>Issue country Netherlands</b>							
AHOLD DELHAIZE,KON.EO-.01	NL0011794037	18,504	0	38,768	31.490	1,220,804.32	3.00
ING GROEP NV EO -.01	NL0011821202	54,549	0	102,291	10.930	1,118,040.63	2.75
Total issue country Netherlands						2,338,844.95	5.75
<b>Issue country Spain</b>							
AMADEUS IT GRP SA EO 0.01	ES0109067019	9,384	0	19,477	61.660	1,200,951.82	2.95
Total issue country Spain						1,200,951.82	2.95
Total equities denominated in EUR						7,382,180.11	18.14
<b>Equities denominated in USD</b>							
<b>Issue country Bermuda</b>							
INVESCO LTD DL -.10	BMG491BT1088	29,742	0	58,447	16.400	882,259.47	2.17
Total issue country Bermuda						882,259.47	2.17

## ERSTE STOCK VALUE

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>Issue country Curacao</b>							
SCHLUMBERGER DL-.01	AN8068571086	11,402	0	31,149	49.100	1,407,718.62	3.46
Total issue country Curacao						1,407,718.62	3.46
<b>Issue country Canada</b>							
TORONTO-DOMINION BK	CA8911605092	11,283	0	11,283	59.900	622,073.45	1.53
Total issue country Canada						622,073.45	1.53
<b>Issue country USA</b>							
ACTIVISION BLIZZARD INC.	US00507V1098	6,834	1,900	14,458	85.590	1,138,994.17	2.80
AGCO CORP. DL-.01	US0010841023	4,272	0	9,764	135.200	1,215,051.59	2.99
BATH + BODY WORKS DL-.50	US0708301041	13,392	0	24,168	36.580	813,719.40	2.00
BIOGEN INC. DL -.0005	US09062X1037	4,890	0	4,890	278.030	1,251,384.51	3.08
CHEMOURS CO. DL-.01	US1638511089	16,172	0	37,608	29.940	1,036,387.80	2.55
CITIZENS FINL GROUP DL-01	US1746101054	13,594	0	27,044	30.370	755,972.46	1.86
EAST WEST BANCORP DL-.001	US27579R1041	14,156	0	14,156	55.500	723,142.34	1.78
GEN DIGITAL INC. DL-.01	US6687711084	23,858	0	49,601	17.160	783,425.98	1.93
GLOBAL PAYMENTS DL-.01	US37940X1028	4,644	0	9,557	105.240	925,747.78	2.28
GOLDMAN SACHS GRP INC.	US38141G1040	1,562	0	3,340	327.110	1,005,612.22	2.47
JETBLUE AWYS CORP. DL-.01	US4771431016	64,442	0	111,441	7.280	746,735.22	1.84
JONES LANG LASALLE DL-.01	US48020Q1076	3,075	0	5,745	145.490	769,331.35	1.89
LKQ CORP. DL-.01	US5018892084	9,931	0	22,239	56.760	1,161,844.21	2.86
MARATHON OIL DL 1	US5658491064	19,606	2,000	55,702	23.960	1,228,422.77	3.02
MASTEC INC. DL-.10	US5763231090	6,232	0	13,699	94.440	1,190,789.78	2.93
NEWMONT CORP. DL 1.60	US6516391066	10,388	0	16,992	49.020	766,669.28	1.88
OMEGA HEALTHC. INV. DL-10	US6819361006	17,882	0	40,828	27.410	1,030,047.84	2.53
SABRE CORP. DL -.01	US78573M1045	84,820	0	157,847	4.290	623,280.99	1.53
SEMPRA	US8168511090	3,327	0	8,401	151.160	1,168,848.23	2.87
UTD THERAP. (DEL.) DL-01	US91307C1027	2,271	200	5,531	223.960	1,140,156.25	2.80
WB DISCOVERY SER.A DL-.01	US9344231041	58,190	0	58,190	15.100	808,752.36	1.99
Total issue country USA						20,284,316.53	49.85
Total equities denominated in USD translated at a rate of 1.08645						23,196,368.07	57.01
Total securities admitted to organised markets						31,450,683.06	77.30

### Breakdown of fund assets

Transferable securities	38,553,570.44	94.75
Bank balances	2,127,708.03	5.23
Dividend entitlements	12,973.96	0.03
Interest entitlements	313.25	0.00
Other deferred items	-5,728.17	-0.01
<b>Fund assets</b>	<b>40,688,837.51</b>	<b>100.00</b>

**Investor note:**

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

Dividend-bearing units outstanding	AT0000A2STB6	units	100.000
Value of dividend-bearing unit	AT0000A2STB6	EUR	88.73
Non-dividend-bearing units outstanding	AT0000A2STC4	units	614.000
Value of non-dividend-bearing unit	AT0000A2STC4	EUR	89.54
KEST-exempt non-dividend-bearing units outstanding	AT0000A2STD2	units	328,990.411
Value of KEST-exempt non-dividend-bearing unit	AT0000A2STD2	EUR	89.48
KEST-exempt non-dividend-bearing units outstanding	AT0000A2STA8	units	75,891.485
Value of KEST-exempt non-dividend-bearing unit	AT0000A2STA8	EUR	91.09
KEST-exempt non-dividend-bearing units outstanding	AT0000A2STF7	units	47,717.617
Value of KEST-exempt non-dividend-bearing unit	AT0000A2STF7	HUF	34,056.53
KEST-exempt non-dividend-bearing units outstanding	AT0000A2STEO	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A2STEO	HUF	34,182.05

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.

---

## ERSTE STOCK VALUE

---

### 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
<b>Publicly traded securities</b>			
<b>Equities denominated in EUR</b>			
<b>Issue country Germany</b>			
DWS GROUP GMBH+CO.KGAA ON	DE000DWS1007	3,044	11,264
<b>Issue country Spain</b>			
REPSOL S.A. BEARER EO 1	ES0173516115	4,627	59,009
<b>Securities admitted to organised markets</b>			
<b>Equities denominated in EUR</b>			
<b>Issue country France</b>			
VEOLIA ENVIRONNE. EO 5	FR0000124141	13,231	32,854
<b>Equities denominated in USD</b>			
<b>Issue country USA</b>			
FEDEX CORP. DL-.10	US31428X1063	830	3,627
FIRSTCASH HLDGS INC.DL-01	US33768G1076	624	9,864
REGENERON PHARMAC.DL-.001	US75886F1075	360	1,436
SIGNATURE BANK DL-.01	US82669G1040	1,429	3,532
SIRIUS XM HLDGS DL-.001	US82968B1035	77,932	186,239

Vienna, 31 May 2023

Erste Asset Management GmbH  
Electronically signed

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

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



## Remuneration Policy

### Remuneration paid to employees of Erste Asset Management GmbH in EUR (2021 financial year of Erste Asset Management GmbH)

No investment success bonuses are paid, and no other amounts are paid directly from the investment funds.

Number of employees as of 31.12.2021	262
Number of risk bearers in 2021	133
Fixed remuneration	18,971,588
Variable remuneration (bonuses)	5,819,336
<b>Total employee remuneration</b>	<b>24,790,924</b>
Thereof remuneration for managing directors	1,259,918
Thereof remuneration for managerial risk bearers	3,907,911
Thereof remuneration for risk bearers with control functions*	1,481,773
Thereof remuneration for other risk bearers	7,868,465
Thereof remuneration for employees in the same income bracket as managers and risk bearers due to the amount of their total remuneration	0
<b>Total remuneration for risk bearers</b>	<b>14,518,067</b>

\* Managers with control functions are reported in this group

### Principles governing performance-based remuneration components

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

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

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

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

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

---

## ERSTE STOCK VALUE

---

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

The remuneration system is made up of three components:

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

The bonus potential is based on the fixed annual gross remuneration. The target agreements concluded with the employees contain qualitative and/or quantitative objectives. The payment of performance-based remuneration components is subject to a minimum profitability level for the Management Company and to performance targets.

Sixty per cent of the performance-based remuneration components are paid immediately; for employees who are involved directly in fund and portfolio management, 50% of this is paid immediately in cash and 50% is paid one year later in the form of non-cash instruments. The remaining 40% of the performance-based remuneration components are retained and paid out over a period of three years, with 50% of this also being paid in cash and 50% in the form of non-cash instruments for employees who are involved directly in fund and portfolio management. The non-cash instruments can consist of units in an investment fund that is administered by the Management Company, equivalent holdings or instruments linked to units, or equivalent non-cash instruments. Based on the principle of proportionality, the Management Company has set a materiality threshold below which there is no incentive to enter into inappropriate risks, for which reason there is no need to make delayed payment or payment in the form of a non-cash instrument. Other non-cash benefits are fringe benefits that are not associated with performance but with a specific position (e.g. company car) or that apply for all employees (e.g. holiday).

The Supervisory Board of the Management Company has set up a Remuneration Committee to ensure that the remuneration policy and its application are independently assessed. This committee consists of the following persons: Rudolf Sagmeister, Harald Gasser (remuneration expert), and Heinrich Hubert Reiner.

The complete remuneration policy of the Management Company can be viewed at [http://www.erste-am.at/de/private\\_anleger/wer-sind-wir/investmentprozess](http://www.erste-am.at/de/private_anleger/wer-sind-wir/investmentprozess).

The last audit of compliance with the requirements of the remuneration policy by the Supervisory Board in March 2022 revealed no deviations. There were also no material findings during the last audit by the Internal Auditing department.

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

# Audit Report\*

## Statement on the annual report

### Audit opinion

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

ERSTE STOCK VALUE  
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 31 March 2023, the income statement for the accounting year ending on this date, and the other information specified in Annex I Schedule B of the Austrian Investment Fund Act 2011 (InvFG 2011).

Based on the findings of our audit, we believe that the annual report satisfies the legal requirements and provides a true and fair view of the assets and financial position as of 31 March 2023 and of the earnings position of the fund for the accounting year ending on this date in accordance with Austrian commercial law and the provisions of the InvFG 2011.

### Basis for the audit opinion

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

### Other information

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

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

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

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

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

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

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

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

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

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

In addition:

- We identify and assess the risks of material misstatements in the annual report due to error or fraud, plan audit steps in response to these risks, perform the planned audit steps, and collect audit evidence that is sufficient and suitable to form a basis for our audit opinion. The risk that a material misstatement resulting from fraud will remain undiscovered is greater than for misstatements resulting from error because fraudulent activity can include collusion, the falsification of documents, intentional incomplete or misleading representations, and the circumvention of internal controls.
- We familiarise ourselves with the internal control systems that are relevant for the audit to plan audit steps that are appropriate under the specific circumstances, but not so as to state an opinion on the effectiveness of the company's internal control system.

- We assess the appropriateness of the accounting methods applied by the legal representatives and the reasonableness of the estimates made by the legal representatives in the accounts and of the associated information.
- We assess the overall presentation, the structure, and the content of the annual report including the figures as well as whether the annual report depicts the underlying transactions and events in a manner that provides a true and fair view.
- We discuss the planned scope and scheduling of the audit and any material audit findings, including material defects that we discover in the internal control system during our audit, with the supervisory board, among other issues.

Vienna, 15 June 2023

**Ernst & Young**

Wirtschaftsprüfungsgesellschaft m.b.H.

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

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

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

# Annex Sustainability-Related Information

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:**  
ERSTE STOCK VALUE

**Legal entity identifier:**  
529900P70W7G5U03SC67

## Environmental and/or social characteristics

For improved readability, for the purpose of this document, "Taxonomy Regulation" means Regulation (EU) 2020/852, "Disclosure Regulation" means Regulation (EU) 2019/2088, and "RTS" means Delegated Regulation (EU) 2022/1288.

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : __ %  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : __ %	<input checked="" type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 93.28 % of sustainable investments  <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> with a social objective  <input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

Conformity with the environmental and social characteristics promoted by the Fund was ensured by the continuous application of the process described below:

Fund applies a broad interpretation of sustainability. Both environmental and social characteristics are promoted through the application of the Management Company's proprietary sustainability approach. This is ensured by the application of the Management Company's ESG toolbox as part of the investment process.

No derivatives have been used to meet the environmental and social characteristics.

A distinction must be made between direct investments in securities, investments in investment funds managed by the management company and investments in investment funds managed by external management companies.

**Direct investments in securities and investments in investment funds (indirect investments) managed by the management company**

Exclusion Criteria			ESG Analysis / Best in Class		Integration	Engagement	Voting	Thematic funds	Focused sustainability Impact	Fulfill Austrian ecolabel or FNG label criteria
Minimum criteria	Exclusion criteria	Norm-based Screening	ESG Risk Analysis	Best in Class						
✓	✓	✓	✓		✓	✓	✓	✓	Not applicable	

At the level of the Fund, the Management Company is pursuing the objective of achieving improvements in the following key environmental and social aspects through its proprietary sustainability approach:

- The environmental footprint of the investments held by the Fund, in particular
  - the carbon footprint and the mitigation of climate change in general, and
  - the water footprint and measures for the responsible use of the resource water.
- The avoidance of environmental risks
  - for the protection of biodiversity
  - the responsible management of waste and other emissions
- Social factors such as
  - the exclusion of any investments in companies that produce or deal in controversial weapons.
  - the promotion of human rights and exclusion of issuers complicit in human rights violations.
  - the promotion of good working conditions, for example in the areas workplace safety and training, and the exclusion of issuers that are complicit in labour law violations, in particular of the core standards of the ILO.
  - the promotion of diversity and the exclusion of issuers that practice discrimination.
  - The avoidance of corruption and fraud.
- The promotion of good corporate governance:
  - the independence of supervisory bodies
  - management remuneration
  - good accounting practices
  - the protection of shareholder rights

**Investments in investment funds (indirect investments) managed by external management companies**

All invested financial products managed by external management companies must be classified as either Art. 8 or Art. 9 under the Disclosure Regulation, or at least comply with good governance requirements. This does not apply to invested government bond funds.

Therefore the environmental and/or social characteristics promoted by these investment funds are those declared by their respective producer in compliance with the Disclosure Regulation.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **How did the sustainability indicators perform?**

**Direct investments in securities and investments in investment funds (indirect investments) managed by the management company**

Compliance with the social and environmental characteristics of the Fund is evaluated on the basis of the following indicators:

**ESGenius score:**

The ESGenius score depicts the ESG risk profile and quality of the ESG management of the issuer. It provides a holistic view of the performance of the analysed issuer in terms of the sustainability focuses listed above.

The minimum score required for the Fund and the average score of the investments held by the Fund are both considered.

Indicator 1: Compliance with the minimum score required for the Fund expressed in per cent of the fund assets

100% of the fund assets comply with the Fund’s exclusion criteria.

Indicator 2: Average score of the investments held by the Fund

59.18 of 100 (As of 03/31/2023)

**Exclusion criteria:**

Continuous compliance with the Fund’s exclusion criteria is assessed. This verification is performed daily by the Management Company’s Risk Management department.

Indicator: Compliance with the Fund’s exclusion criteria

100% of the fund assets comply with the Fund’s exclusion criteria.

**Sustainable Development Goals:**

The Management Company assesses and reports to what degree the investments held by the Fund contribute to the 17 United Nations Sustainable Development Goals (SDGs). The contributions to the individual goals and the positive and negative overall contribution to the SDGs are reported.

Indicator 1: Share of the fund assets that makes a positive contribution to each of the 17 SDGs (As of 03/31/2023)

<b>SDG</b>	<b>% fund volume</b>
No Poverty #1	0.00
No Hunger #2	1.10
Good Health and Well Being #3	10.36
Quality Education #4	0.33
Gender Equality #5	0.00
Clean Water and Sanitation #6	0.00
Affordable and Clean Energy #7	0.77
Decent Work and Economic Growth #8	0.00
Industry, Innovation and Infrastructure #9	0.00
Reducing Inequality #10	5.74
Sustainable Cities and Communities #11	0.06
Responsible Consumption and Production #12	1.18
Climate Action #13	0.94
Life Below Water #14	0.00



Life on Land #15	0.64
Peace, Justice and Strong Institutions #16	2.01
Partnerships for the Goals #17	0.00

Indicator 2: Proportion of impacts/contributions to SDGs generated by the investment fund's investments that are positive in nature  
33.13 % of the generated impacts/contributions to SDGs are positive in nature as of 03/31/2023

Indicator 3: Proportion of impacts to SDGs generated by the investment fund's investments that are negative in nature:  
66.87 % of the generated impacts to SDGs are negative in nature as of 03/31/2023

A comprehensive description of the indicators, the most important contributions to the SDGs broken down by issuer, and the methodology upon which the calculation is based can be viewed on the following website:

<https://www.erste-am.at/en/private-investors/sustainability/publications-and-guidelines/green-pledge/#sdg-report>

#### **Carbon footprint:**

The Management Company calculates the Fund's carbon footprint based on the 12-month average of scope 1 + 2 greenhouse gas emissions.

Indicator: Carbon footprint

The carbon footprint of the Fund amounts to 179.83 tones per 1 million EURO sales (As of 03/31/2023)

A description of the indicators and the methodology upon which the calculation is based can be viewed on the following website:

<https://www.erste-am.at/en/private-investors/sustainability/responsible/#co2-footprint>

#### **Water footprint:**

The Management Company calculates the Fund's water footprint annually based on securities held directly in the Fund. The footprint is calculated and reported separately based on the degree of water scarcity in the regions in which the issuers in which the Fund invests consume water.

The indicator is calculated as far as there is sufficient data in the calculation systems.

Indicator: Water footprint relative to the overall global market, broken down by regions with low, medium, and high water scarcity as of 03/31/2023 (Unit of measurement: water withdrawal in m3 / thousand USD sales)

<b>Region</b>	<b>Volume</b>
High Stress Region	720.67
Medium Stress Region	1,812.17
Low Stress Region	847.98

A description of the indicators and the methodology upon which the calculation is based can be viewed on the following website:

<https://www.erste-am.at/en/private-investors/sustainability/responsible/#wasserfussabdruck>

In case of subfunds, these factors are tracked based upon available look-through data. Tracking is only guaranteed for investment funds managed by the management company.

#### **Investments in investment funds (indirect investments) managed by external management companies**

All invested investment funds managed by external management companies must be classified as either Art. 8 or Art. 9 under the Disclosure Regulation or at least comply with the requirements for good corporate governance. This does not apply to invested government bond funds.

The environmental and/or social indicators used to measure the attainment of their respective environmental and social characteristics promoted by these financial products are those declared by their respective manufacturers in compliance with the regulation.

● **...and compared to previous periods?**

Not applicable

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Taxonomy-Regulation (Art. 9) identifies environmentally sustainable activities based on their contribution to the following six environmental objectives:

- Climate change mitigation;
- Climate change adaptation;
- The sustainable use and protection of water and marine resources;
- The transition to a circular economy;
- Pollution prevention and control;

The protection and restoration of biodiversity and ecosystems. An economic activity is considered environmentally sustainable if it makes a significant contribution to one or more of the six environmental objectives, does not significantly compromise any of the environmental objectives, and is carried out in compliance with the minimum safeguards set forth in Art. 18 of the Taxonomy-Regulation.

The investment fund contributes to the objectives mentioned in Art. 9 of the Taxonomy-Regulation.

The breakdown of the share of investments for the EU taxonomy objectives mentioned in the previous questions, to which the investment fund contributed, is currently only possible to a limited extent due to the insufficient data situation.

A statement is currently only possible for the following environmental objectives as defined by the Taxonomy-Regulation:

- Climate protection: 0.90 %
- Climate change adaptation: 0.03 %

Due to the insufficient data situation, it is currently not possible to make a more differentiated allocation of the contribution of the sustainable facility to the stated goals.

In the past reporting period, sustainable investments were made with social objectives, among others.

Their description is discussed above.

If the disclosure of the companies in which investments are made does not readily indicate the extent to which the investments are made in environmentally sustainable business activities, data, if available, from ESG research partners is used.

**Direct investments in securities and investments in investment funds (indirect investments) managed by the management company**

The social and environmental objectives of the investment fund correspond to the focuses presented above. The sustainable investment process of the investment fund ensures that no investments are made in issuers that violate these criteria. In addition, security selection taking the ESGenius score into account results in issuers being preferred for the portfolio that have a lower risk of adverse impacts on the environmental and social objectives of the fund, and that make a positive environmental and/or social contribution through their exemplary management of these risks.

All issuers in which the Fund invests are analysed and selected before acquisition on the basis of a predefined sustainability process. The proprietary ESGenius process provides a comprehensive ESG analysis of each issuer based on its specific ESG risk profile and the measures taken to mitigate these risks. Based on the results of this analysis, the ESGenius rating, only those issuers that achieve a score of at least 30 of 100 possible points are eligible for investment based on an ESG-risk-analysis approach. This minimum score can be higher depending on the sector of the economy in which the issuer is active. All issuers are also evaluated for violations of the Fund's exclusion criteria. This excludes at least half of the analysed issuers from the eligible universe of the Fund. Furthermore, up to a maximum of 49% of the fund's assets can be invested in companies for which no ESGenius rating is available, but for which no violations of the UN Global Compact have been identified after analysis and research by ESG data providers on the one hand, and on the other hand, an ESG score of at least 30 as determined by Truevalue Labs. The combination of these two factors ensures that the requirements for good governance are met. The investment universe is assessed for compliance with these criteria at least once per quarter and updated as needed. Compliance with the eligible investment universe is verified daily. Securities from issuers that no longer meet the sustainability criteria of the Fund are sold while protecting Unit-holder interests.

Moreover, social, and environmental characteristics are promoted by applying exclusion criteria.

These are available on the following website:

<https://www.erste-am.at/en/private-investors/sustainability/publications-and-guidelines>

The Management Company also exercises an active ownership function. Through Commitment to Issuers and the Exercise of Voting Rights in the analysed investment universe, contributions are made to the improvement of the environmental and social performance of these companies.

The focus topics of the ESG analysis, selection process, and active ownership practices are adapted to the specific ESG risk profile of each issuer.

#### **Investments in investment funds (indirect investments) managed by external management companies**

All invested investment funds managed by external management companies shall be officially classified as Art. 8 or 9 in accordance with the Disclosure Regulation by their manufacturer or at least comply with good governance rules. This is not applicable to invested government bond funds.

Therefore the objectives of the sustainable investments that these investment funds partially intends to make and the ways the sustainable investment contribute to such objectives are those defined by their respective producers.

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

#### **Direct investments in securities and investments in investment funds (indirect investments) managed by the management company**

The sustainable investments described below, which comprise part of this financial product, do no significant harm to the environmental or social sustainable investment objectives because this financial product invests solely in issuers that have been qualified as sustainable by the Management Company based on the sustainable investment process described above. This categorisation sets forth that issuers may have no significant adverse impacts on environmental or social factors, as such a violation would preclude an investment based on the binding ESG characteristics of this investment process.

#### **Investments in investment funds (indirect investments) managed by external management companies**

All invested investment funds managed by external management companies shall be officially classified as Art. 8 or 9 in accordance with the Disclosure Regulation by their manufacturer or at least comply with good governance rules. This is not applicable to invested government bond funds.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and bribery matters.

The sustainable investments partially made with these investment funds and how the sustainable investments partially made with these investment funds do not cause significant harm to an environmental or social sustainable investment objective are defined by their respective manufacturers.

***How were the indicators for adverse impacts on sustainability factors taken into account?***

**Direct investments in securities and investments in investment funds (indirect investments) managed by the management company**

Consideration and reduction of key adverse impacts on sustainability factors ("Principle Adverse Impact - "PAI") was performed during the reporting period through the following procedures and methods: Application of social and environmental exclusion criteria.

These can be viewed on the following website:

<https://www.erste-am.at/en/private-investors/sustainability/publications-and-guidelines>

All 14 PAIs from Table 1 of the RTS, that apply to the investment fund were taken into account. The investment fund also takes the following PAIs from Tables 2 and 3, Annex I of the RTS into account:

- Indicator 8 (Table 2) - Exposure to areas of high water stress (share of investments in investee companies with sites located in areas of high water stress without a water management policy)
- Indicator 14 (Table 3) - Number of identified cases of severe human rights issues and incidents (number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis)

In addition, all issuers in which the Fund invests are analysed and selected before acquisition on the basis of a predefined sustainability process. The proprietary ESGenius process provides a comprehensive ESG analysis of each issuer based on its specific ESG risk profile and the measures taken to mitigate these risks. Based on the results of this analysis, the ESGenius rating, only those issuers that achieve at least an ESGenius score on the predefined minimum score are eligible for investment. This minimum score can be higher depending on the sector of the economy in which the issuer is active. For investments for which no ESGenius rating is available, the application of the good governance requirements ensures that PAI is taken into account on a fundamental level.

The investment universe is assessed for compliance with these criteria at least once per quarter and updated as needed. Compliance with the eligible investment universe is verified daily. Securities from issuers that no longer meet the sustainability criteria of the Fund are sold while protecting Unit-holder interests.

During the reporting period, this led to a significant reduction in the principal adverse impacts on sustainability factors from the investments held by the Fund.

**Investments in investment funds (indirect investments) managed by external management companies**

All invested investment funds managed by external management companies shall be officially classified as Art. 8 or Art. 9 in accordance with the Disclosure Regulation by their manufacturer or at least comply with good governance rules. This is not applicable to invested government bond funds.

The indicators for negative impacts on the sustainability factors were therefore taken into account in the way they were defined by the respective manufacturers.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: Direct investments in securities and investments in investment funds (indirect investments) managed by the management company***

Sustainable investments are made by applying the exclusion criteria described above and taking into account the ESG analysis of issuers following the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. Details are available on the following website:

<https://www.erste-am.at/en/private-investors/sustainability/publications-and-guidelines>

#### **Investments in investment funds (indirect investments) managed by external management companies**

All invested mutual funds managed by external management companies must be classified as either Art. 8 or 9 under the Disclosure Regulation or at least comply with the requirements for good corporate governance. This does not apply to invested government bond funds. How the sustainable investments comply with OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights can be found in the documents of the external management companies.

These were assessed and complied with throughout the reporting period as described above.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

*The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.*

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### **How did this financial product consider principal adverse impacts on sustainability factors?**

##### **Direct investments in securities and investments in investment funds (indirect investments) managed by the management company**

The Management Company takes into account the principal adverse impacts (PAI) on sustainability factors in the investment strategy of this Fund.

The process described here was complied with throughout the reporting period.

All climate and other environment-related indicators and indicators for social and employee, respect for human rights, anti-corruption, and anti-bribery matters as set forth in Annex I of the RTS are taken into account in principle. However, it must be noted that not every indicator is relevant for every investment made by the Fund. The investment process ensures that all environmental, social, and corporate governance criteria that are relevant for the assessment of the respective investment are taken into account in the assessment of that investment.

In addition to taking the above indicators into account, the investment process also employs the optional indicators from Tables 2 and 3 of Annex I to the RTS where sufficient data is available

The Management Company considers the avoidance of greenhouse gas emissions, the responsible use of water, and respecting human rights to be the most important PAI.

Fundamentally, the PAI are taken into account not using quantitative requirements, but through the structured inclusion of the respective criteria in the sustainability analysis that is part of the Fund's investment process.

The most important PAI of the Fund are taken into account through multiple elements of the investment process. The following table shows the key process elements where this occurs on the basis of the Management Company’s ESG toolbox.

**Erste Asset Management ESG-Toolbox – PAI Consideration**

Principal Adverse Impacts (PAI)		Exclusion Criteria			ESG Analysis / Best in Class		Integration	Engagement	Voting	Themed Funds	Focused sustainability impact	Austrian ECO label / FNG label	
		Minimum Criteria	Exclusions	Normsbased Screening	ESG Risk Analysis	Best in Class							
Environment	Greenhouse gas emissions	✓			✓			✓	✓		not applicable		
	Biodiversity	✓			✓			✓	✓				
	Water				✓			✓	✓				
	Waste				✓			✓	✓				
Social & employee matters	UN Global Compact		✓	✓	✓			✓	✓				
	OECD Guidelines for Multinational Enterprise		✓	✓	✓			✓	✓				
	Gender equality		✓	✓	✓			✓	✓				
	Controversial weapons	✓											

In this, measures including the following are taken:

1. GHG emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

**Investments in investment funds (indirect investments) managed by external management companies**

All invested investment funds managed by external management companies shall be officially classified as Art. 8 or Art. 9 in accordance with the Disclosure Regulation by their manufacturer or at least comply with good governance rules. This is not applicable to invested government bond funds.

Therefore, the indicators for negative impacts on the sustainability factors were taken into account, in the way, they were defined by the respective manufacturers.



### What were the top investments of this financial product?

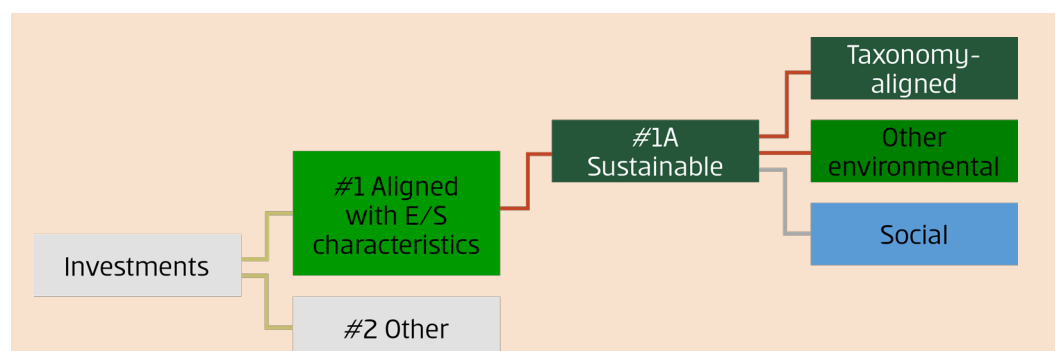
<i>Largest investments</i>	<i>Sector</i>	<i>% Assets</i>	<i>Country</i>
US5658491064 - MARATHON OIL DL 1	B - MINING AND QUARRYING	3.75	US
AN8068571086 - SCHLUMBERGER DL-,01	B - MINING AND QUARRYING	3.70	CW
US91307C1027 - UTD THERAP. (DEL.) DL-,01	M - PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	3.37	US
US8168511090 - SEMPRA ENERGY	M - PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	3.32	US
IT0003132476 - ENI S.P.A.	B - MINING AND QUARRYING	3.19	IT
US00507V1098 - ACTIVISION BLIZZARD INC.	J - INFORMATION AND COMMUNICATION	3.11	US
US6819361006 - OMEGA HEALTHC. INV. DL-10	L - REAL ESTATE ACTIVITIES	2.96	US
IT0005239360 - UNICREDIT	K - FINANCIAL AND INSURANCE ACTIVITIES	2.96	IT
US5018892084 - LKQ CORP. DL-,01	G - WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	2.94	US
FR0000131906 - RENAULT INH. EO 3,81	M - PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	2.94	FR
US0010841023 - AGCO CORP. DL-,01	C - MANUFACTURING	2.92	US
GB00BDCPN049 - COCA-COLA EU.PA. EO -,01	C - MANUFACTURING	2.90	GB
US1638511089 - CHEMOURS CO. DL-,01	C - MANUFACTURING	2.89	US
US5763231090 - MASTEC INC. DL-,10	F - CONSTRUCTION	2.80	US
US38141G1040 - GOLDMAN SACHS GRP INC.	K - FINANCIAL AND INSURANCE ACTIVITIES	2.74	US

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:



### What was the proportion of sustainability-related investments?

- **What was the asset allocation?**



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

**Asset allocation** describes the share of investments in specific assets.

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The investments of the financial product made to achieve the advertised environmental or social characteristics amounted to 97.73 %.

During the reporting period, the Fund invested 93.28 % of the fund assets in sustainable investments in accordance with Art 2 no 17 of the Disclosure Regulation.

Of this, 2.60 % were environmentally sustainable investments in accordance with the Taxonomy-Regulation.

Other environmentally sustainable investments comprised 65.85 % of the fund assets.

93.28 % of the fund assets fulfil the characteristics of socially sustainable investments.

Other investments accounted for 2.27 %.

All investments must confirm with this sustainability approach at the time of purchase, and thus qualify as sustainable in the sense of the Disclosure Regulation. In the event that an investment is identified as no longer qualifying as sustainable during the regular update of the ESG analysis, it must be sold while protecting the interests of Unit-holders.

Apart from the certification of the sustainability process, compliance with the requirements for environmentally sustainable business activities set out in Art. 3 of the Taxonomy-Regulation is neither confirmed by an auditor nor verified by third parties.

The level of investment in environmentally sustainable business activities is measured in terms of sales revenue based on available data. This allows for better comparability (also for investors) with other indicators to show sustainability. The management company currently receives this data from third parties (research providers).

● **In which economic sectors were the investments made?**

<b>Economic sectors</b>	<b>% Share</b>
K - FINANCIAL AND INSURANCE ACTIVITIES	22.17
M - PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	17.75
J - INFORMATION AND COMMUNICATION	14.60
B - MINING AND QUARRYING	12.34
C - MANUFACTURING	11.88
L - REAL ESTATE ACTIVITIES	5.13
H - TRANSPORTATION AND STORAGE	5.07
G - WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	4.99
F - CONSTRUCTION	2.80
N - ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	1.82
Q - HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	1.45





**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

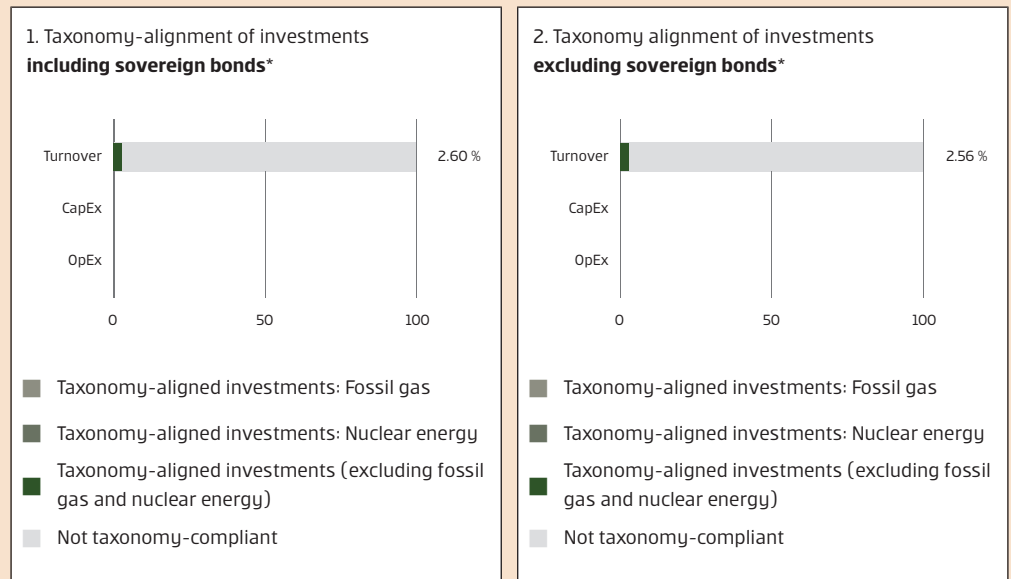
**Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

Yes
  In fossil gas
  In nuclear energy  
 No

Sales from fossil gas and/or nuclear energy are not included in the taxonomy report. Only after the completion of the corresponding calculation methods by the European legislator and the complete availability of data, the disclosure of a possible share can be made.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

The breakdown of the share of investments for the EU taxonomy objectives mentioned in the previous questions, to which the Fund contributed, is currently only possible to a limited extent due to the insufficient data situation.

A statement is currently only possible for the following environmental objectives as defined by the Taxonomy-Regulation:

- Climate protection: 0.90 %
- Climate change adaptation: 0.03 %

The stated values refer to the Taxonomy-alignment of investments including sovereign bonds.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

Due to the insufficient data situation, it is currently not possible to make a more differentiated allocation of the contribution of the sustainable facility to the stated goals.


**Enabling activities**

directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities**

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **What was the share of investments made in transitional and enabling activities?**  
No data available.
- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**  
Not relevant for the first reporting period.

 are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

Other environmentally sustainable investments comprised 65.85 % of the fund assets.

The Taxonomy-Regulation currently only takes into account ecologically sustainable products and services from environmental technologies that are offered commercially. Ecologically sustainable business activities in the production of goods of other economic sectors are not referenced.

The management company believes that any action should also be evaluated according to its positive or negative contribution, and that such positive contributions are essential in the transition to a climate-friendly and/or environmentally sustainable economy. The investment process of this investment fund analyzes the ecologically sustainable business conduct of all invested companies and selects those companies where an ecologically responsible economic activity is recognized, also outside of pure environmental technologies as defined by the Taxonomy-Regulation. These investments had to comply with this sustainability approach at the time of acquisition and can therefore be classified as ecologically sustainable within the meaning of the Disclosure Regulation, irrespective of their categorization as ecologically sustainable economic activities within the meaning of the Taxonomy-Regulation.



**What was the share of socially sustainable investments?**

93.28 % of the fund assets qualify as socially sustainable investments.



**What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

**Direct investments in securities and investments in investment funds (indirect investments) managed by the management company**

Item #2 includes only demand deposits, time deposits and derivatives. Derivatives held by the investment fund are for hedging purposes, demand deposits and time deposits refer to cash held as additional liquidity. The achievement of the sustainable investment objective is not

permanently impaired by these investments falling under item #2 and their use because these assets are currently considered neutral from an environmental and social perspective.

All other investments held in the Fund (# Item 1) must be qualified by the Management Company as sustainable on the basis of the predefined screening process at the time of acquisition. The application of social and environmental exclusion criteria and the proprietary ESG analysis along with the ESG-Risk-Analysis approach that is based on this analysis affords a minimum degree of comprehensive basic environmental and social protection for the entire Fund.

#### **Investments in investment funds (indirect investments) managed by external management companies**

The investment purpose of the investments included in Third Party Funds listed in Item #2 and any minimum environmental or social protections are those established and disclosed by their respective producers in accordance with the Disclosure Regulation.



#### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

##### **Direct investments in securities and investments in investment funds (indirect investments) managed by the management company**

The investment process described above was applied in full. The ESG criteria were complied with continuously in terms of the environmental, social, and ethical exclusion criteria as well as the ESG analysis conducted via the Management Company's proprietary ESGenius model. This was ensured by the quarterly review and update of the investable universe by the responsible Responsible Investments team as well as a daily review of the investment fund by Risk Management.

The Fund is subject to the engagement policy that the Management Company has defined in accordance with Article 3g of Regulation (EU) 2007/36. This sets forth extensive focuses on environmental and social topics.

The complete engagement policy can be found on the Management Company's website:

[https://cdn0.erstegroup.com/content/dam/at/eam/common/files/ESG/stewardship-policy/Stewardship\\_Policy\\_EN.pdf](https://cdn0.erstegroup.com/content/dam/at/eam/common/files/ESG/stewardship-policy/Stewardship_Policy_EN.pdf)

All engagement activities undertaken by the Management Company are presented in the annual engagement reports.

These can be viewed on the following website:

<https://www.erste-am.at/en/private-investors/sustainability/publications-and-guidelines#/active-ownership>

The management company exercises its rights as a shareholder in accordance with its voting policy. This policy and the detailed voting behavior of the management company for the past calendar year are available on the following website:

[https://cdn0.erstegroup.com/content/dam/at/eam/common/files/ESG/VotingPolicy/EAM\\_Voting\\_Policy\\_EN.pdf](https://cdn0.erstegroup.com/content/dam/at/eam/common/files/ESG/VotingPolicy/EAM_Voting_Policy_EN.pdf)

##### **Investments in investment funds (indirect investments) managed by external management companies**

All invested investment funds managed by external management companies shall be officially classified as Art. 8 or Art. 9 in accordance with the Disclosure Regulation by their manufacturer or at least comply with good governance rules. This is not applicable to invested government bond funds.

The monitoring of environmental or social characteristics is ensured by the investment process described above as well as by the daily review of all investments in investment funds managed by external management companies by the risk management of the management company. It is assumed that the indirect investments held in investment funds managed by third party management companies are reviewed by the risk management processes of these management companies and therefore comply with all regulatory requirements.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**How did this financial product perform compared to the reference benchmark?**

No index was assigned as a reference benchmark for the attainment of environmental and/or social objectives.

- ***How does the reference benchmark differ from a broad market index?***  
Not applicable
  
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***  
Not applicable
  
- ***How did this financial product perform compared with the reference benchmark?***  
Not applicable
  
- ***How did this financial product perform compared with the broad market index?***  
Not applicable

## Fund Rules

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

The Fund is an undertaking for collective investment in transferable securities (UCITS) and is managed by Erste Asset Management GmbH (the "Management Company" in the following), which has its registered office in Vienna.

### Article 1 Fund Units

The joint ownership of the fund assets is evidenced by certificates having the characteristics of a bearer unit.

The unit certificates are depicted in separate global certificates for each unit category. For this reason, individual unit certificates cannot be issued.

### Article 2 Depositary Bank (Depositary)

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

The payment offices for unit certificates are the depositary bank (depositary) and any other payment offices named in the prospectus.

### Article 3 Investment Instruments and Principles

The following assets may be selected for the Fund in accordance with the InvFG.

The Fund invests predominantly, in other words at least 51% of its assets, in equity of international companies that have been determined by the Management Company to offer attractive valuations (value) on the basis of a predefined screening process in the form of directly purchased shares, in other words not indirectly or directly through investment funds or through derivatives.

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

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

a) Transferable securities

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

b) Money market instruments

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

c) Transferable securities and money market instruments

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.

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

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

d) Units in investment funds

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

---

## ERSTE STOCK VALUE

---

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 35% 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 5.00% 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 April to 31 March.

**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 July 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 July 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 July 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 July of the following accounting year.

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

If these requirements are not met at the time of payment, the amount calculated pursuant to the InvFG must be paid out by the credit institution managing the respective securities account.

**Article 7**  
**Management Fee, Compensation for Expenses, Liquidation Fee**

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

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

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

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

Upon liquidation of the Fund, the party processing the liquidation shall receive a fee in the amount of 0.50% 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 October 2021)**

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

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

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

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

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

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

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

1.2.1. Luxembourg: Euro MTF Luxembourg

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

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

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

2.1.	Bosnia and Herzegovina:	Sarajevo, Banja Luka
2.2.	Montenegro:	Podgorica
2.3.	Russia:	Moscow Exchange
2.4.	Switzerland:	SIX Swiss Exchange AG, BX Swiss AG
2.5.	Serbia:	Belgrade
2.6.	Türkiye:	Istanbul (only “National Market” on the stock market)
2.7.	United Kingdom of Great Britain and Northern Ireland:	Cboe Europe Equities Regulated Market – Integrated Book Segment, London Metal Exchange, Cboe Europe Equities Regulated Market – Reference Price Book Segment, Cboe Europe Equities Regulated Market – Off-Book Segment, London Stock Exchange Regulated Market (derivatives), NEX Exchange Main Board (non-equity), London Stock Exchange Regulated Market, NEX Exchange Main Board (equity), Euronext London Regulated Market, ICE FUTURES EUROPE, ICE FUTURES EUROPE - AGRICULTURAL PRODUCTS DIVISION, ICE FUTURES EUROPE - FINANCIAL PRODUCTS DIVISION, ICE FUTURES EUROPE - EQUITY PRODUCTS DIVISION and Gibraltar Stock Exchange

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

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



3.17.	Peru:	Bolsa de Valores de Lima
3.18.	Philippines:	Philippine Stock Exchange
3.19.	Singapore:	Singapore Stock Exchange
3.20.	South Africa:	Johannesburg
3.21.	Taiwan:	Taipei
3.22.	Thailand:	Bangkok
3.23.	USA:	New York, NYCE American, New York Stock Exchange (NYSE), Philadelphia, Chicago, Boston, Cincinnati, Nasdaq
3.24.	Venezuela:	Caracas
3.25.	United Arab Emirates:	Abu Dhabi Securities Exchange (ADX)

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

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

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

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

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

**Note regarding the data used**

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

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

**Note for retail funds:**

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

[www.erste-am.com](http://www.erste-am.com)

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