

ESPA PORTFOLIO BALANCED 50

Mutual Fund pursuant to § 20 InvFG

Annual Report 2010/11

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General Information about the Investment Firm

The company	ERSTE-SPARINVEST Kapitalanlagegesellschaft m. b. H. Habsburgergasse 1a, A-1010 Vienna Telephone: +43 05 0100-19881, Fax: +43 05 0100-17102
Nominal capital	EUR 4.50 million
Shareholders	Erste Asset Management GmbH (81.42%) DekaBank Deutsche Girozentrale (2.87%) Kärntner Sparkasse Aktiengesellschaft (2.87%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (1.37%) Salzburger Sparkasse Bank Aktiengesellschaft (2.87%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (2.87%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (5.73%)
Supervisory Board	Wolfgang TRAINDL, Mag. (Chairman) Gerhard FABISCH, Mag. Dr. (Deputy Chairman) Wilhelm SCHULTZE, DI (Deputy Chairman) Christian AICHINGER, Dr. Alois HOCHEGGER, Mag. (until 23.2.2011) Michael MALZER, Mag. Dr. (until 23.2.2011) Birte QUITT, Dipl. BW. (FH) (from 24.2.2011) Franz RATZ Gabriele SEMMELROCK-WERZER (from 24.2.2011) Reinhard WALT, Mag. (from 7.9.2010) Appointed by the Works Council: Regina HABERHAUER, Mag. (FH) Dieter KERSCHBAUM, Mag. Gerhard RAMBERGER, Mag. Herbert STEINDORFER
Managing directors	Heinz BEDNAR, Mag. Harald GASSER, Mag. Franz GSCHIEGL, Dr.
Prokuristen (proxies)	Achim ARNHOF, Mag. (from 24.2.2011) Winfried BUCHBAUER, Mag. Harald EGGER, Mag. Oskar ENTMAYR Dietmar JAROSCH, Dr. Günther MANDL Christian SCHÖN Paul A. SEVERIN, Mag. Jürgen SINGER, Mag.
State commissioners	Erwin GRUBER Michael MANHARD, HR Dr.
Auditor	ERNST & YOUNG WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH
Custodian bank	Erste Group Bank AG

Dear Shareholder,

We are pleased to present you the following annual report for the ESPA PORTFOLIO BALANCED 50 mutual fund pursuant to § 20 InvFG for the period from 1 September 2010 to 31 August 2011.

The companies managing the sub-funds contained in the fund that are not managed by the Investment Firm assessed management fees ranging between 0.2% and 2.00%. Issue premiums ranging between 0.00% and 0.1% were charged for the purchase of these shares.

Development of the Fund

ESPA PORTFOLIO BALANCED 50 is an absolute return fund and invests 0% to 50% in equity funds and 50% to 100% in bond funds. The tactical asset allocation of equities and bonds is used to optimise risk and returns. To this end, up to 10% of the fund's assets are allocated to alternative investment strategies and real estate equity funds. Foreign currencies are usually hedged. The fund is eligible to be held as securities coverage for Austrian pension provision requirements (§ 14 EStG in connection with § 25 PKG) and is considered a preferential fixed asset according to the Austrian SME Promotion Act (KMU-Förderungsgesetz). ESPA PORTFOLIO BALANCED 50 switched to the absolute return investment approach on 1 September 2008. The fund is suitable for long-term net asset growth.

Bond market

The last year was quite challenging for the bond markets. While economic development was still satisfactory in the first half of the year, fears of an economic slowdown and even another recession in the developed countries took centre stage in the second half of the reporting period, mainly due to the necessity for public budget cuts. This is the case to varying degrees for all of the developed countries, but especially for the peripheral Eurozone countries, Great Britain and the US. In most of the Western countries, inflation remained slightly above the targets of the central banks, due in particular to higher food and commodity prices. Fee and tax increases were one reason behind higher inflation rates particularly in Great Britain. The core inflation rates (excluding food and energy) stayed very low and even revealed signs of deflationary trends. The bond markets in Europe were still influenced by rising yields at the beginning because market participants assumed positive economic development and inflationary trends. The second half of the year was marked in particular by the spreading crisis in the peripheral countries. Following the price losses for Greek, Irish and Portuguese bonds, concerns also arose regarding the creditworthiness of Italian and Spanish government bonds. The two large markets saw considerable yield increases, which it took an intervention by the ECB to stop. The efforts to find a solution at the political level continued, but were only able to calm the markets in some cases. Due to these uncertain developments and the price losses on the equity markets, investors fled to safe bonds such as German bunds. As a result, the yields for 10-year maturities decreased from 3.5% in April to a low of 2.1%. Yields for US Treasuries also fell to record lows despite the rating downgrade by Standard & Poor's and the long discussion about the debt ceiling. The best phase on the corporate bond markets lasted until May 2011. The yield spreads between corporate bonds and safe government bonds have widened considerably since then. In particular, corporate bonds from the high-yield segment were unable to maintain the positive performance from the first half of the year. Bonds from the banking sector were also hit by corrections. Bonds from the emerging markets did not perform as well as the "safe havens" of Germany and the US, but they posted only slight declines in relation to other markets.

Equity market

The first half of the reporting period was quite pleasing. The economy and corporate earnings posted satisfactory performance, the structural problem of excessively high sovereign debt was not the focus of interest among market participants and equities posted a price increase of nearly 20% from September 2010 to February 2011 (MSCI World Index in EUR). However, due to what they viewed as somewhat sluggish political progress, market participants quickly began to doubt the likelihood of a rapid, long-term solution to the sovereign debt crisis on both sides of the Atlantic. Added to this were weaker economic data, which fuelled fears of an economic and earnings recession. This initially led to higher volatility and then to a massive correction on the capital markets starting in July. The global equity markets temporarily lost nearly 20%. The situation recently settled down again somewhat, not least because investors saw equities as having attractive valuations again in comparison to other asset classes. The markets finally closed the financial year with a slight loss of roughly 1% (MSCI World Index in EUR).

Asset allocation

At the beginning, the equity portion amounted to 20% to 50% of the fund volume and was reduced temporarily due to the natural disaster in Japan and then for a longer period once the market turbulence began in May. From July to August, the equity portion of the portfolio was around 25%. In terms of the regional allocation, the portfolio only deviated moderately from the benchmark on average. The US, Japan and Eastern Europe were overweighted, and selected Asian countries were underweighted versus Western Europe and the Pacific region excluding Japan. The currency risk remained hedged for the most part over long periods. In the bond segment, funds that invest in the core Eurozone countries were preferred within the highly rated European segment. Investment grade and high-yield corporate bonds as well as emerging markets bond funds hedged in euro and in local currencies were also included. ESPA PORTFOLIO BALANCED 50 posted a loss of 0.80%.

Asset Allocation

	31 August 2011		31 August 2010	
	EUR millions	%	EUR millions	%
Equities denominated in				
AUD	-	-	0.2	0.38
EUR	-	-	0.0	0.00
Investment certificates denominated in				
AUD	0.4	0.56	-	-
EUR	54.4	85.52	41.9	70.83
HKD	0.1	0.21	0.8	1.36
JPY	0.5	0.75	-	-
CAD	0.6	0.95	-	-
USD	7.1	11.15	13.6	22.98
Securities	63.1	99.14	56.5	95.55
Financial futures	- 0.4	- 0.69	0.1	0.16
Forward exchange agreements	- 0.1	- 0.19	0.2	0.39
Cash in banks	1.1	1.73	1.5	2.56
Interest entitlements	0.0	0.00	0.8	1.33
Other deferred items	- 0.0	- 0.00	-	-
Fund assets	63.6	100.00	59.2	100.00

Comparative Overview (in EUR)

Financial year	Fund assets	Value change in per cent 1)
2004/05	20,584,425.16	+ 12.57
2005/06	21,600,202.81	+ 5.33 2)
2006/07	21,898,926.29	+ 4.30 2)
2007/08	19,436,298.85	- 9.67 2)
2008/09	55,499,911.06	+ 1.89 2)
2009/10	59,171,518.91	+ 2.31
2010/11	63,602,840.70	- 0.80 2)

Financial year	Dividend shares		Non-dividend shares			KESt-exempt non-dividend shares	
	Calculated value per share	Dividend disbursement	Calculated value per share	Reinvested earnings	Payout pursuant to § 13 InvFG	Calculated value per share	Reinvested KESt-exempt earnings
2004/05	84.09	2.50	93.33	2.48	0.29	-	-
2005/06	86.04	2.00	98.00	1.96	0.32	-	-
2006/07	87.70	2.00	101.90	1.96	0.36	-	-
2007/08	77.38	2.00	91.70	1.93	0.44	-	-
2008/09	76.73	2.00	92.96	1.94	0.48	93.43 3)	2.44
2009/10	76.50	1.80	94.63	1.75	0.48	95.59	2.25
2010/11	74.12	1.80	93.41	23.47	0.30	- 4)	-

- 1) Assuming the reinvestment of all paid dividends at their nominal value on the day of disbursement.
- 2) The changes in the value of non-dividend shares and KESt-exempt non-dividend shares vary slightly from those of dividend shares because of rounding effects.
- 3) KESt-exempt non-dividend shares were not issued until 2 September 2008.
- 4) Dividend shares were also outstanding until 10 August 2011.

Disbursement/Payment

A dividend of EUR 1.80 per share was paid for the **dividend shares** for the financial year 2010/11, or a total of EUR 1,009,248.41 for 560,694 dividend shares.

The coupon-paying bank is obligated to withhold capital gains tax in the amount of EUR 0.24 per share if the respective investor is not exempt from the payment of this tax. This dividend payment will be effected and credited on Thursday, 1 December 2011, at

Erste Group Bank AG, Vienna

and the respective bank managing the Shareholder's securities account.

An amount of EUR 23.47 per share will be reinvested for the **non-dividend shares** for the financial year 2010/11, which represents a total of EUR 5,539,291.69 for 235,982 non-dividend shares.

Pursuant to § 13 of the Austrian Investment Fund Act (InvFG), the applicable capital gains tax on the profit for the non-dividend shares in the amount of EUR 0.30 per share must be paid out. This amounts to a total of EUR 70,794.50 for 235,982 non-dividend shares. This payment will also be effected on Thursday, 1 December 2011.

Income Statement and Changes in Fund Assets

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

Calculated according to the OeKB method: per share in the fund currency (EUR) not including the issue premium	Dividend shares	Non-dividend shares
Share value at the beginning of the reporting period	76.50	94.63
Disbursement on 01.12.2010 (corresponds to roughly 0.0239 shares) 1)	1.80	
Payment on 01.12.2010 (corresponds to roughly 0.0050 shares) 1)		0.48
Share value at the end of the reporting period	74.12	93.41
Total value including (notional) shares gained through dividend disbursement/payment	75.89	93.88
Net earnings per share	- 0.61	- 0.75
Value development of one share in the period 2)	- 0.80 %	- 0.79 %

2. Fund Result

a. Realised fund result

Ordinary fund result

Income (without profit or loss from price changes)

Interest income (excluding income adjustment) 1,194,601.82

Dividend income 140,261.35

Other income 0.00

Total income (without profit or loss from price changes) 1,334,863.17

Interest paid - 23,317.55

Expenses

Fees paid to Investment Firm - 442,424.98

Costs for the financial auditor - 11,866.18

Publication costs - 6,350.84

Securities account fees - 9,880.75

Custodian bank fees - 35,493.76

Costs for the external consultant 0.00

Total expenses - 506,016.51

Compensation for management costs from sub-funds 3) 9,571.79

Ordinary fund result (excluding income adjustment)

815,100.90

Realised profit or loss from price changes 4) 5)

Realised gains 6) 7,073,274.68

Realised losses 7) - 5,186,613.04

Realised profit or loss from price changes (excluding income adjustment)

1,886,661.64

Realised fund result (excluding income adjustment)

2,701,762.54

Carryover: realised fund result (excluding income adjustment)	2,701,762.54
b. Unrealised profit or loss from price changes 4) 5)	
Changes in the unrealised profit or loss from price changes	- 3,235,480.86
Result for the reporting period	- 533,718.32
c. Income adjustment	
Income adjustment for income in the period	- 94,962.01
Income adjustment for profit carried forward from dividend shares	- 198,570.55
Overall fund result	- 827,250.88

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period 8)	59,171,518.91
Disbursement/payment	
Disbursement (for dividend shares) on 01.12.2010	- 1,041,068.51
Payment (for non-dividend shares) on 01.12.2010	- 110,385.03
Issue and return of shares	6,410,026.20
Overall fund result	
(The fund result is shown in detail under 2)	- 827,250.88
Fund assets at the end of the reporting period 9)	63,602,840.69

4. Source of the Fund Result

Realised fund result	2,701,762.54
Income adjustment for income in the period	- 94,962.01
Income adjustment for profit carried forward from dividend shares	- 198,570.55
Profit carried forward from prior year	8,425,632.15
Costs and losses covered by fund assets	5,186,613.04
Distributable/retainable fund result	<u>16,020,475.17</u>

5. Use of the Fund Result

Disbursement on 01.12.2011 for 560,694 dividend shares at EUR 1.80 each	1,009,248.41
Reinvestment for 560,694 dividend shares at EUR 0.00 each	0.00
Payment on 01.12.2011 for 235,982 non-dividend shares at EUR 0.30 each	70,794.50
Reinvestment for 235,982 non-dividend shares at EUR 23.47 each	5,539,291.69
Profit carried forward for dividend shares	9,401,140.57
Total use	<u>16,020,475.17</u>

- 1) Calculated value on 29.11.2010 (ex-date): One dividend share EUR 75.42, one non-dividend share EUR 95.05.
- 2) The development of the value of non-dividend shares varies slightly from that of dividend shares because of rounding effects.
- 3) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the Investment Fund after deduction of any associated costs. Erste Bank der oesterreichischen Sparkassen AG receives 20% of the calculated commissions to cover administrative costs.
- 4) Realised profits and losses are not calculated precisely for the specific periods, which means that they, as is the case for the changes in the unrealised profit or loss, are not necessarily congruent with the changes in the value of the fund in the reporting year.
- 5) 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 -1,348,819.22.
- 6) Thereof profits from transactions with derivative financial instruments: EUR 2,090,444.41.
- 7) Thereof losses from transactions with derivative financial instruments: EUR -3,022,175.72.
- 8) Shares outstanding at the beginning of the reporting period: 497,083 dividend shares, 223,362 non-dividend shares.
- 9) Shares outstanding at the end of the reporting period: 560,694 dividend shares, 235,982 non-dividend shares.

Fund Portfolio as of 31 August 2011

(including changes in securities assets from 1 September 2010 to 31 August 2011)

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
		Shares/nominal (nom. in 1,000, rounded)					
Investment certificates							
Investment certificates denominated in AUD							
Issue country France							
SSGA I.-AUSTRALIA IND.4 D	FR0000018111	2,838	1,768	1,070	279.900000	221,421.86	0.35
					Total	221,421.86	0.35
Issue country Luxembourg							
DEXIA EQ.L-AUSTRALIA BEARER	LU0133348622	643	399	244	745.470000	134,478.80	0.21
					Total	134,478.80	0.21
		Total investment certificates denominated in AUD translated at a rate of 1.352590				355,900.66	0.56
Investment certificates denominated in EUR							
Issue country Germany							
LBBW ROHSTOFFE 1 I	DE000A0MU8J9	3,500	2,875	2,925	110.810000	324,119.25	0.51
					Total	324,119.25	0.51
Issue country France							
SSGA I.-EUROPE INDEX I 4D	FR0010204040	4,010	7,678	2,238	137.680000	308,127.84	0.48
					Total	308,127.84	0.48
Issue country Great Britain							
THREAD.INV.-LAT.AM.T.R.N.	GB00B0WJ2D10	199,221	129,245	69,976	3.134000	219,304.78	0.34
					Total	219,304.78	0.34
Issue country Ireland							
FCM EUROPEAN OPP.FD A EO	IE00B3K9F028	390	0	390	1,263.340000	492,702.60	0.77
GLG VI-GLG PUR.AL.III CEO	IE00B3VHWQ03	400	0	2,600	110.130000	286,338.00	0.45
NATIXIS I.I.-L.S.M.HI/A EO	IE00B1Z6CX63	20,000	1,757	48,200	12.990000	626,118.00	0.98
PIMCO GL I.-T.R.BD I.EO H	IE0033989843	11,533	5,000	26,880	18.760000	504,268.80	0.79
					Total	1,909,427.40	3.00

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Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
		Shares/nominal (nom. in 1,000, rounded)					
Issue country Luxembourg							
APUS-AC ST.VAL.M.N.12 A	LU0374107992	1,460	0	4,443	146.620000	651,432.66	1.02
BL.STR.-B.E.D.E.A.R.D2 EO	LU0525202312	3,500	0	3,500	110.170000	385,595.00	0.61
DB PL.IV-DBX SY. AL.I1C-E	LU0462954396	5,854	0	5,854	113.870000	666,594.98	1.05
DB PL.V-HERM.A.R.CO.I1C	LU0468535397	3,380	0	3,380	119.310000	403,267.80	0.63
F.TEM.INV-T.GL.I AC.EURH1	LU0316492775	17,994	1,417	41,100	15.570000	639,927.00	1.01
FT EMERGING ARABIA	LU0317905148	8,000	0	8,000	27.640000	221,120.00	0.35
PF(LUX)-EUROPE IND.REG.I	LU0188800162	14,745	27,755	7,868	95.460000	751,079.28	1.18
THREAD(L)-ENH.COMMOD.IEH	LU0515769932	11,800	0	11,800	27.910000	329,338.00	0.52
TORRUS FDS-M.I.S.ALP.EOHA	LU0431651511	62	0	62	10,500.420000	651,026.04	1.02
Total						4,699,380.76	7.39
Issue country Austria							
ESPA ALT.GBL-MKTS T	AT0000A012H2	65,283	29,727	40,315	114.680000	4,623,324.20	7.27
ESPA BOND EUR-HIGH YIEL.T	AT0000805684	46,107	33,827	39,000	107.110000	4,177,290.00	6.57
ESPA BOND EURO-MÜNDELRENT T	AT0000812995	326,754	181,000	145,754	12.290000	1,791,316.66	2.82
ESPA BOND LOCAL EMERG.T	AT0000A0AUF7	18,000	0	18,000	134.720000	2,424,960.00	3.81
ESPA BOND MORTGAGE T	AT0000700786	92,000	69,000	23,000	143.960000	3,311,080.00	5.21
ESPA BOND USA-CORP. T	AT0000675772	37,450	25,442	12,008	134.720000	1,617,717.76	2.54
ESPA BOND USA-HIGH YLD T	AT0000637491	25,461	16,029	23,055	135.740000	3,129,485.70	4.92
ESPA STOCK ISTANBUL T	AT0000704341	4,600	4,980	94	279.840000	26,304.96	0.04
ESPA STOCK JAPAN BEARER T	AT0000697073	50,266	40,448	9,818	57.080000	560,411.44	0.88
ESPA STOCK RUSSIA T	AT0000A05SA6	89,466	109,439	18,432	7.520000	138,608.64	0.22
ESPA STOCK VIENNA T	AT0000813001	4,298	7,742	145	103.850000	15,058.25	0.02
RT OSTEUROPA AKTIENF. T	AT0000615307	94,092	88,500	5,592	9.100000	50,887.20	0.08
T 1851 T	AT0000A0K2C4	110,543	30,500	80,043	96.690000	7,739,357.67	12.17
T 1852 T	AT0000A0K2G5	93,387	51,017	42,370	101.550000	4,302,673.50	6.76
XT BOND EUR T	AT0000A0K282	133,540	22,000	111,540	98.970000	11,039,113.80	17.36
XT EUROPA EURO	AT0000697065	4,319	8,063	2,270	873.600000	1,983,072.00	3.12
Total						46,930,661.78	73.79
Total investment certificates denominated in EUR						54,391,021.81	85.52
Investment certificates denominated in HKD							
Issue country Luxembourg							
SISF HK EQUITY A ACC	LU0149534421	13,770	39,783	6,100	250.070000	135,598.21	0.21
Total						135,598.21	0.21
Total investment certificates denominated in HKD translated at a rate of 11.249610						135,598.21	0.21
Investment certificates denominated in JPY							
Issue country Luxembourg							
ABERD.GL.- JAP.EQU.FD I-2	LU0231474593	6,173	4,980	1,193	44,359.050000	477,812.53	0.75
Total						477,812.53	0.75
Total investment certificates denominated in JPY translated at a rate of 110.755460						477,812.53	0.75

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
		Shares/nominal (nom. in 1,000, rounded)					
Investment certificates denominated in CAD							
Issue country France							
SSGA I.-CANADA INDEX 4 D.	FR0000018095	4,478	2,878	1,600	264.130000	298,620.69	0.47
						Total	298,620.69 0.47
Issue country Luxembourg							
UBS(L) EQ.-CAN. CAD P-ACC	LU0043389872	1,631	1,032	599	727.980000	308,126.07	0.48
						Total	308,126.07 0.48
Total investment certificates denominated in CAD translated at a rate of 1.415200						606,746.76	0.95
Investment certificates denominated in USD							
Issue country Ireland							
AXA ROSEN.E.A.-US EN.I.A	IE0033609615	319,100	272,989	93,399	13.700000	886,525.31	1.39
BNY MGF-S+P 500 DL C	IE0004240861	3,718,674	3,165,984	1,102,788	1.155600	882,933.32	1.39
IFS 5-INVESCO KOREAN EQ.C	IE0003713199	85,368	130,893	11,124	27.800000	214,256.56	0.34
INVESCO PRC FUND A	IE0003583568	38,002	49,894	5,684	45.740000	180,126.90	0.28
						Total	2,163,842.09 3.40
Issue country Luxembourg							
AMU.-EQ.LATIN AMER.XU(C)	LU0276938817	660	431	229	1,673.790000	265,561.31	0.42
AMU.-EQ.THAILAND XU(C)	LU0276938494	103	690	38	1,552.150000	40,864.45	0.06
AMU.-EQUITY KOREA XU(C)	LU0276940474	819	1,188	107	1,170.490000	86,772.04	0.14
AMU.-EQUITY INDIA XU(C)	LU0276939971	728	446	282	755.960000	147,698.56	0.23
BNPP L1-EQ.INDONES.IN.IC	LU0291300431	1,361	539	822	248.280000	141,397.55	0.22
FID.FDS-TAIWAN FD A GL.	LU0075458603	647,567	609,567	38,000	8.611000	226,707.31	0.36
JPM-JF CHINA FD C	LU0129472758	63,477	83,097	9,504	26.960000	177,523.01	0.28
PF(LUX)-US INDEX REG.I	LU0188798671	37,469	56,222	12,687	101.140000	889,017.34	1.40
UBS(L)EQ.-SINGAP.DL P-ACC	LU0067411776	2,369	3,101	128	985.410000	87,388.70	0.14
						Total	2,062,930.27 3.24
Issue country Austria							
XT USA USD T	AT0000697081	7,400	10,940	3,524	1,173.230000	2,864,490.61	4.50
						Total	2,864,490.61 4.50
Total investment certificates denominated in USD translated at a rate of 1.443350						7,091,262.97	11.15
Total investment certificates						63,058,342.94	99.14

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Security designation		Holding	Unrealised result in EUR	% share of fund assets
Forward exchange agreements				
Forward exchange agreements denominated in EUR				
Issue country Austria				
FXF SPEST EUR/GBP 30.09.2011	FXF_TAX_3404297	829,254	15,826.95	0.02
FXF SPEST EUR/GBP 30.09.2011	FXF_TAX_3404473	148,420	1,083.98	0.00
FXF SPEST EUR/JPY 30.09.2011	FXF_TAX_3404325	1,607,247	-79,877.78	-0.13
FXF SPEST EUR/JPY 30.09.2011	FXF_TAX_3404325	79,824	136.14	0.00
FXF SPEST EUR/KRW 30.09.2011	FXF_TAX_3404189	776,548	-23,733.13	-0.04
FXF SPEST EUR/KRW 30.09.2011	FXF_TAX_3404189	24,520	-761.52	0.00
FXF SPEST EUR/SGD 30.09.2011	FXF_TAX_3404123	577,707	-11,898.89	-0.02
FXF SPEST EUR/SGD 30.09.2011	FXF_TAX_3404342	12,004	-92.69	0.00
FXF SPEST EUR/TWD 30.09.2011	FXF_TAX_3404177	1,163,896	-7,101.95	-0.01
FXF SPEST EUR/TWD 30.09.2011	FXF_TAX_3404177	7,308	-198.79	0.00
FXF SPEST EUR/USD 30.09.2011	FXF_TAX_3404145	3,430,999	-35,299.41	-0.06
FXF SPEST EUR/USD 30.09.2011	FXF_TAX_3403919	3,076,003	24,189.01	0.04
			Total	-117,728.08
			Total forward exchange agreements denominated in EUR	-117,728.08
			Total forward exchange agreements	-117,728.08
Derivatives				
Financial futures denominated in AUD				
Issue country Australia				
SPI 200 FUTURES Sep11		3	3,548.75	0.01
			Total	3,548.75
			Total financial futures denominated in AUD translated at a rate of 1.352590	3,548.75
Financial futures denominated in BRL				
Issue country Brazil				
BOVESPA INDEX FUT Oct11		10	5,953.29	0.01
			Total	5,953.29
			Total financial futures denominated in BRL translated at a rate of 0.291170	5,953.29
Financial futures denominated in GBP				
Issue country Great Britain				
FTSE 100 IDX FUT Sep11		-16	63,013.08	0.10
			Total	63,013.08
			Total financial futures denominated in GBP translated at a rate of 0.886800	63,013.08

Security designation	Holding	Unrealised result in EUR	% share of fund assets
Financial futures denominated in EUR			
Issue country Germany			
EURO STOXX 50 Sep11	92	-353,630.00	-0.56
		Total	-353,630.00 -0.56
Total financial futures denominated in EUR		-353,630.00	-0.56
Financial futures denominated in HKD			
Issue country Hong Kong			
H-SHARES IDX FUT Sep11	3	306.68	0.00
HANG SENG IDX FUT Sep11	1	355.57	0.00
		Total	662.25 0.00
Total financial futures denominated in HKD translated at a rate of 11.249610		662.25	0.00
Financial futures denominated in JPY			
Issue country Japan			
NIKKEI 225 (SGX) Sep11	9	-21,330.78	-0.03
		Total	-21,330.78 -0.03
Total financial futures denominated in JPY translated at a rate of 110.755460		-21,330.78	-0.03
Total financial futures denominated in CAD			
Issue country Canada			
S&P/TSX 60 IX FUT Sep11	2	-169.59	0.00
		Total	-169.59 0.00
Total financial futures denominated in CAD translated at a rate of 1.415200		-169.59	0.00
Financial futures denominated in Korean won			
Issue country Korea			
KOSPI2 INX FUT Sep11	1	-16,323.62	-0.03
		Total	-16,323.62 -0.03
Total financial futures denominated in Korean won translated at a rate of 1546.838250		-16,323.62	-0.03
Financial futures denominated in SGD			
Issue country Singapore			
MSCI SING IX ETS Sep11	1	-68.94	0.00
		Total	-68.94 0.00
Total financial futures denominated in SGD translated at a rate of 1.740750		-68.94	0.00

ESPA PORTFOLIO BALANCED 50

Security designation	Holding	Unrealised result in EUR	% share of fund assets
Financial futures denominated in USD			
Issue country India			
SGX S&P CNX NIFTY Sep11	8	-55.43	0.00
		<u>Total</u>	<u>-55.43</u> <u>0.00</u>
Issue country Taiwan			
MSCI TAIWAN INDEX Sep11	5	1,316.38	0.00
		<u>Total</u>	<u>1,316.38</u> <u>0.00</u>
Issue country USA			
S&P 500 FUTURE Sep11	10	-119,080.61	-0.19
		<u>Total</u>	<u>-119,080.61</u> <u>-0.19</u>
Total financial futures denominated in USD translated at a rate of 1.443350		<u>-117,819.66</u>	<u>-0.19</u>
Total derivatives		<u>-436,165.22</u>	<u>-0.69</u>

Breakdown of fund assets

Securities		63,058,342.94	99.14
Forward exchange agreements		-117,728.08	-0.19
Financial futures		-436,165.22	-0.69
Cash in banks		1,099,328.38	1.73
Interest entitlements		603.89	0.00
Other deferred items		-1,541.22	-0.00
Fund assets		63,602,840.69	100.00

Dividend shares outstanding	shares	560,694
Non-dividend shares outstanding	shares	235,982
Share value for dividend share	EUR	74.12
Share value for non-dividend share	EUR	93.41

Investor note:

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

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

Security designation	ISIN number	Purch./ additions	Sales/ disposals
		Shares/nominal (nom. in 1,000, rounded)	
Securities admitted to organised markets			
Equities denominated in AUD			
Issue country Australia			
ETFS METAL SECS AUS.PREF.	AU00000GOLD7	0	2,347
Investment certificates			
Investment certificates denominated in AUD			
Issue country Luxembourg			
PARVEST-AUSTRALIA CAP.INS	LU0111482716	1	1
Investment certificates denominated in EUR			
Issue country Ireland			
FCM EUROPEAN TOTAL RE.AEO	IE00B24CLY61	0	2,250
Issue country Luxembourg			
DB PL.COMMODITY EURO I1C	LU0216467257	0	10
GSSI-COMMODITY AL.C EOH C	LU0474440715	5,393	28,393
JPM-EUROPE CONV.EQUITY C	LU0129491469	13,446	87,000
NORDEA 1-HER.LG/SH AI-EO	LU0343921531	1,256	5,456
PARV.-EQ.EU.CONV.CAP.INST	LU0102007332	4	4
Issue country Austria			
ESPA BD EURO-TREND T	AT0000631924	8,358	64,380
ESPA BD BRIK CORPORATE T	AT0000A05HR3	18,333	28,096
ESPA BOND COMBIRENT THES.	AT0000812912	35,846	331,846
ESPA BOND EMERG.-MARKET.T	AT0000809165	18,709	25,141
ESPA BOND EURO-RENT T	AT0000812854	8,277	67,454
ESPA PORTF. MOMENTUM T	AT0000A0NCA9	16,300	16,300
ESPA ST.MIDD.EA.+AF.MK. A	AT0000A04GA4	2,964	2,964
Investment certificates denominated in CHF			
Issue country Luxembourg			
PARVEST-SWITZ. CAP.INST.	LU0101999216	7	7

ESPA PORTFOLIO BALANCED 50

Security designation	ISIN number	Purch./ additions	Sales/ disposals
Investment certificates denominated in USD			
Issue country Luxembourg			
AGIF-ALL.RCM HK IT DL	LU0348738526	1,174	5,636
JPM-JF SINGAPORE C	LU0129487194	62,985	86,116

Vienna, September 2011

ERSTE-SPARINVEST
Kapitalanlagegesellschaft m.b.H.

Bednar

Gasser

Gschiegl

Unqualified Auditor's Opinion*

We have audited the attached annual report as of 31 August 2011 prepared by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. for the fund under its management designated ESPA PORTFOLIO BALANCED 50, mutual fund pursuant to § 20 InvFG, for the financial year from 1 September 2010 to 31 August 2011, including the accounting records for the fund. The annual report was prepared on the basis of the legal conditions valid as of the end of the reporting period pursuant to InvFG 1993 as amended.

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

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

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

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

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

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

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

Audit opinion

Our audit revealed no cause for objection. Based on the information obtained during the audit, we believe that the annual report as of 31 August 2011 for ESPA PORTFOLIO BALANCED 50, mutual fund pursuant to § 20 InvFG, complies with the legal requirements.

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

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

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

Statements regarding the report on activities in the reporting period

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

Vienna, 17 November 2011

ERNST & YOUNG
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

Mag. Ernst Schönhuber
(Certified Public
Accountant)

Dr. Robert Wauschek
(Certified Public
Accountant)

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

Fund Terms and Conditions for ESPA PORTFOLIO BALANCED 50

Mutual Fund pursuant to § 20 InvFG

General Terms and Conditions

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

§ 1 Basic Terms

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

§ 2 Fund Shares

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

The number of shares is unlimited.

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

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

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

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

§ 3 Share Certificates and Global Certificates

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

§ 4 Administration of the Investment Fund

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

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

2. The Investment Firm shall not be permitted to grant loans or enter into guarantee commitments of any kind for the account of the Investment Fund.
3. Assets in the Investment Fund may not be pledged or subject to liens of any kind, provided as collateral or transferred to another party except in those cases explicitly permitted in the Special Fund Terms and Conditions.

§ 4 paragraph 2 InvFG does not prohibit the provision of collateral by the Investment Fund in connection with derivative products pursuant to § 21 InvFG 1993, regardless of whether this collateral is provided in the form of demand deposits, money market instruments or securities.

4. The Investment Firm shall not be permitted to sell securities, money market instruments or other financial investments pursuant to § 20 InvFG that are not fund assets at the time of sale for the account of the Investment Fund.

§ 5 Custodian Bank

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

§ 6 Issue and Share Value

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

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

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

2. The issue price shall be made up of the share value plus a premium per share to cover the costs incurred by the Investment Firm in issuing the share. The resulting price shall be rounded up. The amount of this premium and the rules for rounding are specified in the Special Fund Terms and Conditions (§ 23).
3. In accordance with § 18 InvFG in connection with § 10 paragraph 3 Austrian Capital Market Act (Kapitalmarktgesetz, KMG), the issue and return prices for every class of share certificate will be published in a business or daily newspaper that is published within Austria and has sufficient circulation and/or in electronic form on the web site of the issuing Investment Firm.

§ 7 Return

1. Upon request by the Shareholder, his shares shall be redeemed at the current return price. In this event, the share certificate, outstanding coupons and the renewal certificate shall also be collected if necessary.
2. The return price shall be the value of one share less a discount and/or rounded down as specified in the Special Fund Terms and Conditions (§ 23). The payment of the return price and the calculation and publication of the return price as specified in § 6 may be suspended temporarily when the Austrian Financial Market Authority is informed of this fact and a corresponding notice published as per § 10 and made dependent on the sale of assets in the Investment Fund and the receipt of the proceeds from the sale of assets by the Investment Firm under extraordinary conditions and when this is deemed necessary to protect justified Shareholder interests. Investors shall also be informed when the Investment Firm resumes accepting returned shares as specified in § 10.

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

§ 8 Accounting

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

§ 9 Forfeiture of Earnings

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

§ 10 Publication

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

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

The notice pursuant to § 10 paragraph 4 KMG shall be published in *Amtsblatt zur Wiener Zeitung* or in another newspaper that is distributed throughout Austria. For changes to the prospectus pursuant to § 6 paragraph 2 InvFG, notice according to § 10 paragraph 4 KMG may also be made in electronic form only on the web site of the issuing Investment Firm.

§ 11 Amendment of the Fund Terms and Conditions

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

§ 12 Termination and Liquidation

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

§ 12a Merger or Transfer of Fund Assets

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

Special Fund Terms and Conditions

for ESPA PORTFOLIO BALANCED 50, mutual fund pursuant to § 20 InvFG (the "Investment Fund" in the following).

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

§ 13 Custodian Bank

The custodian bank is Erste Group Bank AG, Vienna.

§ 14 Payment and Submission Offices, Share Certificates

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

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

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

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

§ 15 Investment Instruments and Principles

1. The fund may only hold investments as defined by § 20 InvFG and § 14 paragraph 7 item 4 lit. e Austrian Income Tax Act (Einkommensteuergesetz; EStG) in connection with § 25 paragraph 1 items 5 through 8, paragraphs 2 through 4 and paragraphs 6 through 8 Austrian Pension Fund Act (Pensionskassengesetz; PKG) in the currently amended versions, provided that the principle of risk diversification is followed and the justified interests of the Shareholders are protected.
2. The fund assets are selected in accordance with the following investment policy principles:

a) Securities

Equities, issuable securities similar to equities, corporate bonds and other participation certificates as defined in § 25 paragraph 2 item 4 PKG may together with the other assets defined in § 25 paragraph 2 item 6 PKG comprise up to 70% of the fund assets.

Debt instruments may comprise up to 100% of the fund assets.

A total of 10% of the fund assets may be invested in securities and money market instruments not meeting the requirements of section 16 items 1 and 2.

b) Money market instruments

Money market instruments may also be purchased by the fund; these instruments play a minor role.

c) Shares in investment funds

Investments in shares in investment funds must be broken down into the investment categories specified in § 25 paragraph 2 PKG in accordance with their actual management.

The fund will purchase shares in investment funds pursuant to § 17 of these fund terms and conditions that, according to their terms and conditions, invest predominantly in bonds or comparable assets or that are categorised as a bond fund or as comparable to a bond fund by an internationally recognised organisation (such as its classification according to Bloomberg, Datastream, software-systems.at Börsensoftware & Datenbankservice GmbH, etc.), regardless of the country in which the respective management company is domiciled.

ESPA PORTFOLIO BALANCED 50 may also invest in funds that invest in (corporate) bonds from issuers without restrictions with regard to the issuers' credit ratings (ratings ranging from the investment grade segment to the speculative grade segment).

The fund will purchase shares in investment funds that, according to their terms and conditions, invest predominantly in equities or comparable assets or that are categorised as an equity fund or as comparable to an equity fund by an internationally recognised organisation, regardless of the country in which the respective management company is domiciled (guideline: up to roughly 50% of the fund assets).

Equities should generally make up between 0% and 50% of the fund assets, and may account for as much as 60% for brief periods.

There are no limitations with regards to the domicile of the issuers of the equities in the fund or the economic sectors in which these issuers are active.

d) Demand deposits or callable deposits

Investments in assets according to § 18 of these fund terms and conditions play a minor role. However, in the course of the restructuring of the fund portfolio, in order to reduce the influence of possible price losses experienced by securities, or whenever deemed necessary by the Investment Firm to reduce risk, the Investment Fund can also hold a higher proportion of demand deposits or callable deposits with a maximum term of 12 months for a longer period.

e) Derivative financial instruments (including swaps and other OTC derivatives)

The Investment Fund may acquire derivative products for hedging purposes. In addition, derivative products pursuant to § 25 paragraph 1 item 6 PKG that are not used for hedging purposes may be acquired if they contribute to mitigating investment risks or making it easier to efficiently administer the fund assets.

f) The Investment Firm reserves the right to invest in other assets as per item 1 to a limited extent in addition to those specified assets.

3. Investments in assets denominated in a currency other than that of the liabilities may make up no more than 30% of the fund assets. If hedges are employed for certain assets to eliminate the currency risk, such assets may be considered to be euro-denominated assets.
4. Assets from a single issuer, except for deposits with banks and investments in federal or state bonds or bonds from another EEA member state or a constituent state of another EEA member state, may make up no more than 5% of the fund assets. For assets in an investment fund meeting the requirements of Directive 85/611/EEC (UCITS), the calculation of the 5% issuer limit pursuant to § 25 paragraph 8 PKG may be omitted when the shares in this investment fund make up no more than 5% of the fund assets.

Assets from issuers comprising a single group entity pursuant to § 20 paragraph 3a InvFG may comprise up to 10% of the fund assets.

5. If securities and money market instruments containing an embedded derivative are purchased for the Investment Fund, the Investment Firm must take this into account in compliance with §§ 19 and 19a. Investments in index-based derivatives are not taken into account in the investment limits in § 20 paragraph 3 items 5, 6, 7 and 8d InvFG.
6. The Investment Fund may purchase equities and money market instruments that are not fully paid up as well as subscription rights for these types of instruments and other financial instruments that are not fully paid up amounting to a maximum of 10% of the Investment Fund assets.
7. The following applies to pension funds: Investments made by employers that pay contributions to the collective investment and risk entity are limited in accordance with § 25 paragraph 5 PKG to 5% of the assets allocated to the collective investment and risk entity with the exception of investments in bonds issued by the federal government, a state government, another EEA member state or a constituent state of another EEA member.
8. Bonds issued or guaranteed by the federal government, a state government, another EEA member state or a constituent state of another EEA member may make up more than 35% of the fund assets provided that the fund assets are invested in at least six different instruments, but an investment in one instrument may not make up more than 30% of the total Investment Fund assets.

§ 15a Securities and Money Market Instruments

Securities are

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

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

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

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

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

§ 16 Exchanges and Organised Markets

1. Securities and money market instruments may only be purchased for the Investment Fund when they
 - are listed or traded on a regulated market pursuant to § 2 item 37 of the Austrian Banking Act (BWG), or
 - are traded on another recognised, regulated securities market in a Member State that is open to the public and that is functioning properly, or
 - are officially listed on one of the non-Member State exchanges listed in the Annex, or
 - are traded on another recognised, regulated securities market in a non-Member State as listed in the Annex that is open to the public and that is functioning properly, or
 - when the issue terms include the obligation to apply for public listing or admission for trading on one of the above-named exchanges or admission for trading on one of the above-mentioned other markets, and approval is granted by no later than one year after the issue of the security.
2. Freely transferable money market instruments that are not traded on a regulated market and that are customarily traded on the money market, that are liquid and whose value can be determined exactly at any time, for which sufficient information is available, including information that allows the suitably accurate assessment of the credit risks associated with an investment in the instrument, may be purchased for the Investment Fund if the instrument or the issuer itself is subject to the legal deposit and investor protection regulations and the instrument
 - was issued or is guaranteed by a national, regional or municipal political entity or the central bank of a Member State, the European Central Bank, the European Union, or the European Investment Bank, a non-Member State, or, if it is a federal state, a member state of the federation, or an international organisation with public sector character and of which at least one Member State is a member, or
 - was issued by a company whose securities are traded on one of the regulated markets listed under item 1, with the exception of new issues, or
 - was issued or is guaranteed by an institution that is subject to supervisory regulations according to the criteria set forth in Community law, or that was issued or is guaranteed by an institution that is subject to and complies with supervisory regulations that in the opinion of the Financial Market Authority are at least as strict as those laid down in Community law, or
 - was issued by another party belonging to a category approved by the Financial Market Authority, provided that equivalent investor protection regulations apply to investments in these instruments, and provided that the issuer is either a business entity with capital stock of at least EUR 10 million that prepares and publishes its annual financial statements in accordance with the regulations of Directive 78/660/EEC, or is another legal entity that is responsible for finance management in a group of one or more listed companies, or is a legal entity that finances the collateralisation of debt in company or contractual form by using a line of credit granted by a bank that meets the criteria listed in item 2, sub-item 3.
3. A total of 10% of the fund assets may be invested in securities and money market instruments not meeting the requirements of items 1 and 2.

§ 17 Shares in Investment Funds

1. Shares in investment funds (investment funds and open investment companies) pursuant to § 20 paragraph 3 line 8b InvFG that fulfil the requirements of Directive 85/611/EEC (UCITS) may make up no more than 20% of the Investment Fund assets in total, provided that the target funds themselves do not invest more than 10% of their fund assets in shares of other investment funds.
2. Shares in investment funds pursuant to § 20 paragraph 3 item 8c InvFG which do not meet the requirements of Directive 85/611/EEC (UCITS) and whose sole purpose is
 - to invest money contributed by a group of investors for their joint account in securities and other liquid financial investments under the principles of risk diversification, and
 - whose shares can be redeemed or paid out directly or indirectly from the assets of the investment fund upon request by the shareholder,may each comprise up to 20% of the fund assets, but in aggregate total no more than 30% of the fund assets, provided that
 - a) these target funds do not invest more than 10% of their fund assets in shares in other investment funds, and
 - b) these are approved under legal regulations that place them under regulatory supervision that in the opinion of the Financial Market Authority is equivalent to that proscribed by Community law and there is sufficient certainty of collaboration between the authorities, and
 - c) the protection afforded to the Shareholders is equivalent to that afforded to shareholders of investment funds that meet the requirements of Directive 85/611/EEC (UCITS), and that are in particular equivalent to the requirements of Directive 85/611/EEC in terms of regulations for the separate management of special assets, the acceptance of loans, the granting of loans, and the short selling of securities and money market instruments, and
 - d) semi-annual and annual reports are published on the activities of the fund, and these reports provide a clear picture of the assets, liabilities, earnings and transactions in the reporting period.

The criteria specified in § 3 of the Information and Equivalency Determination Ordinance (Informationen- und Gleichwertigkeitsfestlegungsverordnung [IG-FestV]) as amended must be applied to assess the equivalency of the protection afforded to the Shareholder pursuant to c).
3. The Investment Firm may also purchase for the Investment Fund shares in other investment funds that are directly or indirectly administered by the Investment Firm or by a firm that is associated with the Investment Firm by way of joint administration or control or through a direct or indirect material equity interest.

§ 18 Demand Deposits or Callable Deposits

1. The Investment Fund may hold bank deposits in the form of demand deposits or callable deposits for a maximum term of 12 months. No minimum or maximum limits apply to bank deposits. However, in the course of the restructuring of the fund portfolio, in order to reduce the influence of possible price losses experienced by securities, or whenever deemed necessary by the Investment Firm to reduce risk, the Investment Fund can also hold a higher proportion of demand deposits or callable deposits with a maximum term of 12 months for a longer period.
2. The provisions in item 1 are general in nature. The Investment Fund may purchase assets outlined in item 1 in accordance with the investment principles in § 15.

§ 19 Derivative Financial Instruments

1. Derivative financial instruments, including equivalent instruments settled in cash, may be purchased for the Investment Fund when they are traded on one of the regulated markets specified in § 16, and when the underlying instruments are instruments as defined in § 15a or financial indices, interest rates, exchange rates or currencies in which the Investment Fund is permitted to invest according to its investment principles (§ 15). This also includes instruments designed to transfer the credit risk of one of the above-mentioned instruments.
2. The Investment Fund may hold these derivative financial instruments within the limits specified by § 20 paragraph 3 items 5, 6, 7, 8a and 8d InvFG as part of its investment strategy, provided that the overall risk of the underlying instruments does not exceed these investment limits.
3. In addition, derivative products pursuant to §§ 19 and 19a that are not used for hedging purposes may be acquired if they contribute to mitigating investment risks or making it easier to efficiently administer the fund assets.

§ 19a OTC Derivatives

1. The Investment Fund may purchase derivative financial instruments that are not traded on an exchange (OTC derivatives) provided that
 - a) the underlying instruments are among those described in § 19 item 1,

- b) the counterparties are banks subject to supervision and from a category approved by ordinances enacted by the Financial Market Authority,
 - c) the OTC derivatives are subject to reliable and transparent daily valuation and can be sold, liquidated, or settled by means of an offsetting transaction at a reasonable fair value at any time at the initiative of the Investment Fund,
 - d) they are held within the limits specified in § 20 paragraph 3 items 5, 6, 7, 8a and 8d InvFG and the overall risk of the underlying instruments does not exceed these investment limits.
2. The default risk for OTC derivative transactions by the Investment Fund may not exceed the following levels:
- a) 10% of the Investment Fund assets when the counterparty is a bank,
 - b) otherwise 5% of the fund assets.
3. In addition, derivative products pursuant to §§ 19 and 19a that are not used for hedging purposes may be acquired if they contribute to mitigating investment risks or making it easier to efficiently administer the fund assets.

§ 19b Value at Risk

Does not apply.

§ 20 Loans

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

§ 21 Repurchase Agreements

The Investment Firm is authorised within the investment limits laid down in the InvFG to purchase assets for the account of the Investment Fund containing an obligation on the part of the seller to purchase the assets back at a specific time in the future and at a specific price.

§ 22 Securities Lending

The Investment Firm is authorised within the investment limits laid down in the InvFG to sell securities up to an amount of 30% of the total Investment Fund assets to another party through a recognised securities lending system for a limited time under the condition that the third party is obligated to return the securities after an agreed period of time.

§ 23 Issue and Return Procedure

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

The issue premium to cover the costs incurred by the Investment Firm in issuing the share shall be 5.0%; the resulting amount will be rounded up to the next cent to determine the final issue price. The return price is the share value.

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

§ 24 Financial Year

The financial year of the Investment Fund is from 1 September to 31 August of the following calendar year.

§25 Administration Fee, Compensation for Expenses

The Investment Firm shall receive a monthly fee for its management activities amounting to up to 0.10% of the fund assets as calculated using the month-end values.

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

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

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

§ 26 Use of Earnings for Dividend Shares

The earnings generated during the financial year (interest and dividends) less all costs can be distributed as deemed appropriate by the Investment Firm. Dividends may also be paid at the discretion of the Investment Firm from earnings generated by the sale of Investment Fund assets, including subscription rights. Fund assets may be paid out. The fund assets may not fall below EUR 1,150,000 after dividend

payments in any case. The amounts shall be paid to the holders of dividend shares on or after 1 December of the following financial year, against collection of a coupon if necessary. The remaining amount shall be carried forward.

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

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

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

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

Does not apply.

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

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

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

§ 28 Liquidation

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

Annex to the Special Fund Terms and Conditions

List of exchanges with official trading and organised markets (As of April 2010)

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

According to Article 16 of Directive 93/22/EEC (Investment Services Directive), every Member State must maintain a current list of the authorised markets within its territory. This list must be submitted to the other Member States and the Commission.

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

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

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

http://www.fma.gv.at/cms/site//attachments/0/9/6/CH0236/CMS1230557514954/27072009-liste_geregelte_maerkte.pdf *)

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

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

1.2.1 Luxembourg: Euro MTF Luxembourg

1.3. Recognised markets in the EEA according to § 20 paragraph 3 item 1 lit. b InvFG:

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

2. Exchanges in European countries outside of the EEA

2.1	Bosnia and Herzegovina:	Sarajevo, Banja Luka
2.2	Croatia:	Zagreb Stock Exchange
2.3	Switzerland:	SWX Swiss Exchange
2.4	Serbia and Montenegro:	Belgrade
2.5	Turkey:	Istanbul (only "National Market" on the stock market)
2.6	Russia:	Moscow (RTS Stock Exchange)

3. Exchanges in non-European countries

3.1	Australia:	Sydney, Hobart, Melbourne, Perth
3.2	Argentina:	Buenos Aires
3.3	Brazil:	Rio de Janeiro, Sao Paulo
3.4	Chile:	Santiago
3.5	China:	Shanghai Stock Exchange, Shenzhen Stock Exchange
3.6	Hong Kong:	Hong Kong Stock Exchange
3.7	India:	Bombay
3.8	Indonesia:	Jakarta
3.9	Israel:	Tel Aviv
3.10	Japan:	Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima
3.11	Canada:	Toronto, Vancouver, Montreal
3.12	Korea:	Korea Exchange (Seoul, Busan)
3.13	Malaysia:	Kuala Lumpur
3.14	Mexico:	Mexico City
3.15	New Zealand:	Wellington, Christchurch/Invercargill, Auckland
3.16	Philippines:	Manila
3.17	Singapore:	Singapore Stock Exchange
3.18	South Africa:	Johannesburg
3.19	Taiwan:	Taipei
3.20	Thailand:	Bangkok
3.21	USA:	New York, American Stock Exchange (AMEX), New York Stock Exchange (NYSE), Los Angeles/Pacific Stock Exchange, San Francisco/Pacific Stock Exchange, Philadelphia, Chicago, Boston, Cincinnati
3.22	Venezuela:	Caracas
3.23	United Arab Emirates:	Abu Dhabi Securities Exchange (ADX)

4. Organised markets in countries outside of the European Community

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

5. Exchanges with futures and options markets

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

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

According to § 43 paragraph 1 of the 1993 InvFG, we hereby inform you that a prospectus pursuant to § 6 paragraph 1 of the InvFG can be viewed at the domicile of the Investment Firm and at the head office of the custodian bank, Erste Bank der oesterreichischen Sparkassen AG. The publication date of this prospectus and the places where copies can be obtained were announced in *Amtsblatt zur Wiener Zeitung* on 31 August 2011.

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