

ESPA BOND EURO-TREND

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 BOND EURO-TREND mutual fund pursuant to § 20 InvFG for the period from 1 September 2010 to 31 August 2011.

Development of the Fund

The positive economic signals initially gained momentum around the world, although there were significant differences from region to region. Towards the end of the reporting period, the economy in many developed regions showed signs of a major slowdown, while the emerging markets continued to post positive growth figures or offered signs of overheating. In the developed countries, unemployment, subdued consumption and more conservative lending on the part of banks all put a damper on development to varying degrees. The biggest stumbling block, however, is the restructuring of the overly indebted national budgets that will be necessary in order to stabilise the financial markets and that will require a very restrictive fiscal policy. The sluggish economic upswing in the US continued, but became slower and slower recently. At the end of August, the “hard” US economic data painted a more favourable picture than the sentiment indicators. The unemployment rate was fairly consistently above potential and the real estate market remained a problem area. Japan has been unable to produce any substantial growth rates for quite some time. The country was severely impacted by the earthquake and the nuclear power plant disaster. Although confidence in the country’s economy remained intact for the most part, there was a brief dramatic drop in industrial production, but this was compensated for to an astonishing degree. However, the latest GDP estimates had to be revised downwards. In Europe, particularly the countries with excessive budget deficits fought against recessive trends, while Germany continued to play the role of the economic powerhouse. Despite good domestic data, Germany’s economic growth remained very export dependent. France, the Netherlands and Austria also delivered pleasing figures.

The financial problems of the highly indebted Eurozone countries intensified. Ireland and Portugal had no choice but to accept the support provided by the European Economic and Monetary Union (EMU) and the International Monetary Fund (IMF). After that, the matter of Greece’s insolvency once again returned to the focus of investors because the first, elaborate aid package that was granted still did not appear to be enough to rescue the country. Nevertheless, an agreement was reached for an additional EUR 108 billion in aid, a debt restructuring and a voluntary acceptance of cuts by large private investors (especially banks) of around 20%. The EU decided to equip the existing permanent euro stability mechanism with additional deployable rescue funds (guarantees and direct payments). However, the long coordination process with contradictory political statements shook the confidence of investors once again. In addition, it also turned out that Greece failed to meet the budget targets for the disbursement of the second tranche of the first aid package. This then put the big debtor countries of Italy and Spain under heavy pressure. At the beginning of August, a dispute between the Italian prime minister and his finance minister about taxation and austerity measures caused the situation to escalate. The result was an extreme sell-off of Italian and Spanish government bonds and a flight to high-quality AAA bonds. It took extensive supporting purchases by the European Central Bank (ECB) to stabilise the EUR bond markets temporarily. The last month of the reporting period was dominated primarily by the EU’s lack of an ability to take economic policy action, and the question of the integration or disintegration of the European Monetary Union (EMU) came to a head. In the US, the bickering between Republicans and Democrats regarding the raising of the debt ceiling along with the necessary budget consolidation increasingly brought the country’s AAA credit rating into question. The risk aversion of market participants was intensified by considerable declines in equity prices.

The euro bond markets were very volatile due to the high level of uncertainty. Yields on ten-year German government bonds climbed from 2.1% to a high of 3.5% in April and closed the period back at 2.2%. Risk premiums developed in the opposite direction. In the ten-year segment, for example, Italy reached a record level of +4.16 percentage points versus Germany at the beginning of August. The ECB’s AAA EUR government bond yield curve shifted downwards in annual comparison, with a very dramatic movement at the long end. Aside from the financial sector – insofar as it was involved in the exposed countries – the risk premiums for other corporate bonds declined towards pre-crisis levels and became stable for a longer period after that. It was not until additional pressure came from the equity markets that the premiums were driven upwards. The function of US Treasuries as a “safe haven” and purchases by the Fed along with the gloomy economic prospects led to relatively low yields here, for example, as low as just under 2.0% for ten-year bonds in August. Yields on ten-year Japanese government bonds fell from a high in February of 1.4% to 1.0% at the end of August.

The euro was able to constantly gain ground on the dollar until the end of April and then moved sideways within a range of 1.48 to 1.40. The Swiss franc soared and hit the previously unheard of value of 1.01 in August. The Swiss National Bank made massive interventions on the FX markets in order to bring the exchange rate towards 1.20. Nevertheless, the Swiss export sector faces virtually unsolvable problems. Following past increases in value, the Norwegian and Danish crowns oscillated sideways in recent months, and the Swedish crown became weaker. Although the Japanese yen declined as a result of the earthquake disaster, it ultimately gained back a great deal of strength and stood at 110.16. Directly after the disaster, the important central banks successfully stabilised Japan's currency through a large-scale, internationally coordinated intervention.

Along with prices for agricultural products and raw materials, energy prices increased in the initial months of the reporting period, due in part to the political situation in the Middle East and the more critical stance towards nuclear power. As a result, the issue of inflation increasingly moved into the spotlight. However, the American and Japanese central banks left the key interest rates at the extremely low level of 0.00% to 0.25% and 0.10%, respectively. Most recently at 2.5%, the rate of consumer price growth for the Eurozone was above the ECB's stability target of 2%. In April and in July, the ECB raised the main refinancing rate in two steps each amounting to 0.25 percentage points to 1.50%. It has only very cautiously started to withdraw its measures for the unlimited allocation of longer-term refinancing. In contrast to the major commercial banks that have largely overcome the financial market problems, the banking systems of the ailing Eurozone countries still urgently need these measures. Money market interest rates increased considerably and only started to trend slightly downward once the tense situation on the financial markets and real economic stagnation justified not raising the interest rate further. The three-month EURIBOR started the reporting period at 0.89% and finished at 1.54%.

During the reporting period, interest rate derivatives were used for hedging and speculative purposes within the prescribed limits to actively manage the fund's duration based on a trend-following model. Securities lending transactions generated additional earnings. Investments were made exclusively in EUR government bonds.

Asset Allocation

	31 August 2011		31 August 2010	
	EUR millions	%	EUR millions	%
Bonds denominated in EUR	123.9	97.87	471.8	98.57
Securities	123.9	97.87	471.8	98.57
Financial futures	1.1	0.85	2.6	0.54
Bank liabilities	- 0.4	- 0.31	- 1.5	- 0.32
Interest entitlements	2.0	1.58	5.8	1.21
Other deferred items	- 0.0	- 0.00	-	-
Fund assets	126.6	100.00	478.7	100.00

Comparative Overview (in EUR)

Financial year	Fund assets	Value change in per cent 1)
2005/06	389,097,934.40	- 0.88
2006/07	350,772,234.92	+ 0.97
2007/08	302,661,826.32	+ 2.48
2008/09	320,117,610.20	+ 10.29
2009/10	478,664,105.11	+ 8.10
2010/11	126,553,893.87	- 2.02

Financial year	Dividend shares		Non-dividend shares			KESt-exempt non-dividend shares	
	Calculated value per share	Dividend disbursement	Calculated value per share	Reinvested earnings	Payment in accordance with § 58 paragraph 2 InvFG	Calculated value per share	Reinvested KESt-exempt earnings
2005/06	106.39	3.30	110.92	2.73	0.71	-	-
2006/07	104.12	3.30	111.28	2.73	0.80	-	-
2007/08	103.35	3.30	113.23	2.74	0.88	-	-
2008/09	110.55	3.30	123.97	2.79	0.91	-	-
2009/10	115.98	3.20	133.04	2.90	0.77	-	-
2010/11	110.36	3.20	129.56	26.72	0.77	129.56	27.58

- 1) Assuming the reinvestment of all disbursed and paid dividends at their nominal value on the day of disbursement.
- 2) In the reporting period (1 September 2010 to 31 August 2011), KESt-exempt non-dividend shares were not issued until 10 May 2011. The values for non-dividend shares at the beginning of the period were used to calculate the changes in their value.

Disbursement/Payment

A dividend of EUR 3.20 per share was paid for the **dividend shares** for the financial year 2010/11, or a total of EUR 1,019,174.18 for 318,492 dividend shares.

The coupon-paying bank is obligated to withhold capital gains tax in the amount of EUR 0.66 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 26.72 per share will be reinvested for the **non-dividend shares** for the financial year 2010/11, which represents a total of EUR 18,679,873.00 for 699,076 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 0.77 per share must be paid out. This amounts to a total of EUR 538,288.83 for 699,076 non-dividend shares. This payment will also be effected on Thursday, 1 December 2011.

Pursuant to the penultimate sentence of § 13 of the Austrian Investment Fund Act, no capital gains tax will be paid for **KESt-exempt non-dividend shares**. An amount of EUR 27.58 per share will be reinvested for the KESt-exempt non-dividend shares for the financial year 2010/11, which represents a total of EUR 177,873.61 for 6,450 KESt-exempt non-dividend shares.

Income Statement and Changes in Fund Assets

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

Calculated according to the OeKB method: per share in the fund currency (EUR) not including the issue premium	Dividend shares	Non-dividend shares	KESt-exempt non-dividend shares*
Share value at the beginning of the reporting period	115.98	133.04	
Disbursement on 01.12.2010 (corresponds to roughly 0.0297 shares) 1)	3.20		
Payment on 01.12.2010 (corresponds to roughly 0.0061 shares) 1)		0.77	
Share value at the end of the reporting period	110.36	129.56	129.56
Total value including (notional) shares gained through dividend disbursement/payment	113.64	130.35	
Net earnings per share	- 2.34	- 2.69	- 2.69
Value development of one share in the period	- 2.02 %	- 2.02 %	- 2.02 %

2. Fund Result

a. Realised fund result

Ordinary fund result

Income (without profit or loss from price changes)

Interest income (excluding income adjustment) 8,539,813.31

Dividend income 0.00

Other income 2) 36,562.79

Total income (without profit or loss from price changes) 8,576,376.10

Interest paid - 4,279.36

Expenses

Fees paid to Investment Firm - 1,664,691.86

Costs for the financial auditor - 8,130.00

Publication costs - 8,160.33

Securities account fees - 66,542.75

Custodian bank fees - 133,169.27

Costs for the external consultant 0.00

Total expenses - 1,880,694.21

Compensation for management costs from sub-funds 3) 0.00

Ordinary fund result (excluding income adjustment) 6,691,402.53

Realised profit or loss from price changes 4) 5)

Realised gains 6) 12,869,866.17

Realised losses 7) - 19,421,482.98

Realised profit or loss from price changes (excluding income adjustment) - 6,551,616.81

Realised fund result (excluding income adjustment) 139,785.72

Carryover: realised fund result (excluding income adjustment)		139,785.72
b. Unrealised profit or loss from price changes 4) 5)		
Changes in the unrealised profit or loss from price changes	-	20,365,619.29
Result for the reporting period	-	20,225,833.57
c. Income adjustment		
Income adjustment for income in the period	-	11,526,384.90
Income adjustment for profit carried forward from dividend shares	-	267,245.77
Overall fund result	-	32,019,464.24

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period 8)		478,664,105.11
Disbursement/payment		
Disbursement (for dividend shares) on 01.12.2010	-	1,650,519.13
Payment (for non-dividend shares) on 01.12.2010	-	2,044,708.28
Issue and return of shares	-	316,395,519.59
Overall fund result		
(The fund result is shown in detail under 2)	-	32,019,464.24
Fund assets at the end of the reporting period 9)		126,553,893.87

4. Source of the Fund Result

Realised fund result	139,785.72
Income adjustment for income in the period	- 11,526,384.90
Income adjustment for profit carried forward from dividend shares	- 267,245.77
Profit carried forward from prior year	18,851,010.18
Costs and losses covered by fund assets	19,421,482.98
Distributable/retainable fund result	26,618,648.21

5. Use of the Fund Result

Disbursement on 01.12.2011 for 318,492 dividend shares at EUR 3.20 each	1,019,174.18
Reinvestment for 318,492 dividend shares at EUR 0.00 each	0.00
Payment on 01.12.2011 for 699,076 non-dividend shares at EUR 0.77 each	538,288.83
Reinvestment for 699,076 non-dividend shares at EUR 26.72 each	18,679,873.00
Reinvestment for 6,450 KEST-exempt non-dividend shares at EUR 27.58 each	177,873.61
Profit carried forward for dividend shares	6,203,438.59
Total use	26,618,648.21

* In the reporting period (1 September 2010 to 31 August 2011), KEST-exempt non-dividend shares were not issued until 10 May 2011. The values for non-dividend shares at the beginning of the period were used to calculate the changes in their value.

- 1) Calculated value on 29.11.2010 (ex-date): One dividend share EUR 107.79, one non-dividend share EUR 126.54.
- 2) The earnings reported under this item can be attributed entirely to lending fees from securities lending transactions.
- 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 -26,917,236.11.
- 6) Thereof profits from transactions with derivative financial instruments: EUR 5,765,675.68.
- 7) Thereof losses from transactions with derivative financial instruments: EUR -6,282,685.37.
- 8) Shares outstanding at the beginning of the reporting period: 508,290 dividend shares, 3,154,720 non-dividend shares and 0 KEST-exempt non-dividend shares.
- 9) Shares outstanding at the end of the reporting period: 318,492 dividend shares, 699,076 non-dividend shares and 6,450 KEST-exempt 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	Interest rate	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Publicly traded securities								
Bonds denominated in EUR								
Issue country Belgium								
BELGIQUE 04/35 44	BE0000304130	5.000000	800	2,500	1,100	106.465000	1,171,115.00	0.93
BELGIQUE 06-22 48	BE0000308172	4.000000	650	2,650	850	99.740000	847,790.00	0.67
BELGIQUE 08-14 54	BE0000314238	4.000000	3,250	1,700	1,550	103.752000	1,608,156.00	1.27
BELGIQUE 09-15 56	BE0000316258	3.500000	1,500	4,750	1,600	102.088000	1,633,408.00	1.29
BELGIQUE 10-20 58	BE0000318270	3.750000	2,650	1,850	800	98.859000	790,872.00	0.62
BELGIQUE 11-17 63	BE0000323320	3.500000	6,300	4,800	1,500	99.894000	1,498,410.00	1.18
Total							7,549,751.00	5.97
Issue country Germany								
GOVT.BOND TREAS.PAP. 10/1	DE0001137321	1.000000	11,700	5,200	6,500	100.443000	6,528,795.00	5.16
GOVT.BOND.V. 10/42	DE0001135432	3.250000	700	400	300	103.258000	309,774.00	0.24
GOVT.BOND.V. 05/37	DE0001135275	4.000000	900	9,750	2,150	115.275000	2,478,412.50	1.96
GOVT.BOND.V. 07/18	DE0001135341	4.000000	2,700	600	2,700	114.090000	3,080,430.00	2.43
GOVT.BOND.V. 08/19	DE0001135374	3.750000	5,150	8,450	1,600	113.090000	1,809,440.00	1.43
GOVT.BOND.V. 10/20	DE0001135416	2.250000	9,300	6,200	3,100	101.302000	3,140,362.00	2.48
GOVT.BOND.V.94/24	DE0001134922	6.250000	2,000	1,650	350	138.900000	486,150.00	0.38
GOVT.BOND.V.98/07.28 II	DE0001135085	4.750000	3,600	8,600	2,500	123.421000	3,085,525.00	2.44
FED.BOND V.09/14 S.154	DE0001141547	2.250000	1,200	20,500	1,800	103.840000	1,869,120.00	1.48
FED.BOND V.10/15 S.158	DE0001141588	1.750000	8,750	5,400	3,350	102.248000	3,425,308.00	2.71
FED.BOND V.11/16 S.159	DE0001141596	2.000000	2,300	50	2,250	103.148000	2,320,830.00	1.83
Total							28,534,146.50	22.55
Issue country Finland								
FINLD 06/17	FI0001006066	3.875000	450	1,800	150	110.246000	165,369.00	0.13
FINLD 09-14	FI0001006462	3.125000	300	2,100	400	105.618000	422,472.00	0.33
FINLD 09-25	FI4000006176	4.000000	150	550	200	110.164000	220,328.00	0.17
FINLD 10-16	FI4000018049	1.750000	1,400	950	450	100.158000	450,711.00	0.36
FINLD 10-20	FI4000010848	3.375000	1,450	950	500	106.457000	532,285.00	0.42
Total							1,791,165.00	1.42
Issue country France								
REP. FSE 06-38 O.A.T.	FR0010371401	4.000000	5,800	10,000	4,050	104.697000	4,240,228.50	3.35
REP. FSE 07-17 O.A.T.	FR0010415331	3.750000	5,700	9,300	3,100	108.757000	3,371,467.00	2.66
REP. FSE 07-23 O.A.T.	FR0010466938	4.250000	6,700	3,750	2,950	111.047000	3,275,886.50	2.59
REP. FSE 08-18 O.A.T.	FR0010670737	4.250000	5,800	3,300	2,500	111.869000	2,796,725.00	2.21
REP. FSE 09-14 B.T.A.N.	FR0116114978	2.500000	6,850	16,400	4,050	103.133000	4,176,886.50	3.30
REP. FSE 10-12 B.T.A.N.	FR0118153370	0.750000	7,800	23,550	5,050	99.894000	5,044,647.00	3.99
REP. FSE 10-15 O.A.T.	FR0117836652	2.500000	4,550	2,750	1,800	103.395000	1,861,110.00	1.47

ESPA BOND EURO-TREND

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Shares/nominal (nom. in 1,000, rounded)								
REP. FSE 10-20 O.A.T.	FR0010949651	2.500000	16,050	13,200	2,850	97.656000	2,783,196.00	2.20
REP. FSE 11-16 B.T.A.N.	FR0119105809	2.250000	8,150	4,600	3,550	101.833000	3,615,071.50	2.86
Total							31,165,218.00	24.63
Issue country Ireland								
IRELAND 09-25	IE00B4TV0D44	5.400000	0	1,400	250	76.312000	190,780.00	0.15
IRELD 2014	IE00B3KWYS29	4.000000	0	1,600	300	90.884000	272,652.00	0.22
IRELD 2018	IE00B28HXX02	4.500000	200	750	400	81.793000	327,172.00	0.26
IRELD TREASURY 2016 18.04	IE0006857530	4.600000	0	1,100	250	88.142000	220,355.00	0.17
IRELD TREASURY 2019	IE00B2QTFG59	4.400000	1,950	2,650	1,100	80.188000	882,068.00	0.70
Total							1,893,027.00	1.50
Issue country Italy								
3.5% Italy 09/14	IT0004505076	3.500000	4,750	12,200	4,700	99.193000	4,662,071.00	3.68
B.T.P. 05-37	IT0003934657	4.000000	600	11,300	2,850	74.627000	2,126,869.50	1.68
B.T.P. 06-21	IT0004009673	3.750000	1,300	10,200	1,150	91.952000	1,057,448.00	0.84
B.T.P. 07-18	IT0004273493	4.500000	2,800	4,100	2,800	99.769000	2,793,532.00	2.21
B.T.P. 08-23	IT0004356843	4.750000	2,700	3,250	1,950	94.608000	1,844,856.00	1.46
B.T.P. 10-15	IT0004656275	3.000000	6,850	2,400	4,450	95.665000	4,257,092.50	3.36
B.T.P. 10-20	IT0004594930	4.000000	6,300	3,550	3,350	94.405000	3,162,567.50	2.50
B.T.P. 10-26	IT0004644735	4.500000	16,750	12,900	3,850	87.905000	3,384,342.50	2.67
B.T.P. 2019 01.02	IT0003493258	4.250000	4,100	15,400	2,650	97.585000	2,586,002.50	2.04
Total							25,874,781.50	20.45
Issue country Netherlands								
NEDERLD 05-37	NL0000102234	4.000000	650	2,700	1,050	113.611000	1,192,915.50	0.94
NEDERLD 06-23	NL0000102275	3.750000	400	1,750	450	109.238000	491,571.00	0.39
NEDERLD 08-18	NL0006227316	4.000000	250	1,850	600	111.469000	668,814.00	0.53
NEDERLD 09-15	NL0009213651	2.750000	200	3,550	1,350	104.649000	1,412,761.50	1.12
NEDERLD 10-20	NL0009348242	3.500000	1,950	1,400	750	107.941000	809,557.50	0.64
NEDERLD 11-14	NL0009690593	1.000000	5,300	3,500	1,800	99.990000	1,799,820.00	1.42
NEDERLD 11-17	NL0009819671	2.500000	1,250	0	1,250	103.197000	1,289,962.50	1.02
Total							7,665,402.00	6.06
Issue country Austria								
AUSTRIA 03/13 MTN	AT0000385992	3.800000	1,800	5,350	450	105.727000	475,771.50	0.38
AUSTRIA 2015 MTN 144A	AT0000386198	3.500000	3,200	4,400	750	106.632000	799,740.00	0.63
AUSTRIA 2020 MTN 144A	AT0000386115	3.900000	550	4,150	700	109.039000	763,273.00	0.60
AUSTRIA 2037 MTN 144A	AT0000A04967	4.150000	350	2,050	500	109.745000	548,725.00	0.43
AUSTRIA 10/17	AT0000A0GLY4	3.200000	1,950	2,450	1,250	105.309000	1,316,362.50	1.04
Total							3,903,872.00	3.08
Issue country Portugal								
PORTUGAL 05-15	PTOTE30E0017	3.350000	2,700	4,300	400	76.230000	304,920.00	0.24
PORTUGAL 06-37	PTOTE50E0007	4.100000	100	750	200	51.933000	103,866.00	0.08

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
PORTUGAL 07-17	PTOTELOE0010	4.350000	4,100	6,500	950	70.403000	668,828.50	0.53
PORTUGAL 09-14	PTOTE00E0017	3.600000	3,700	5,150	1,350	80.901000	1,092,163.50	0.86
						Total	2,169,778.00	1.71
Issue country Spain								
SPAIN 05-37	ES0000012932	4.200000	4,650	9,250	1,500	77.953000	1,169,295.00	0.92
SPAIN 06-17	ES00000120J8	3.800000	4,050	2,500	1,550	97.191000	1,506,460.50	1.19
SPAIN 08-24	ES00000121G2	4.800000	3,950	6,300	1,150	94.522000	1,087,003.00	0.86
SPAIN 09-14	ES00000121P3	3.300000	8,550	14,350	2,400	98.832000	2,371,968.00	1.87
SPAIN 10-25	ES00000122E5	4.650000	1,100	2,600	1,000	91.221000	912,210.00	0.72
SPAIN 11-14	ES00000123D5	3.400000	5,600	2,750	2,850	99.236000	2,828,226.00	2.23
SPAIN 11-21	ES00000123B9	5.500000	6,250	4,050	2,200	103.470000	2,276,340.00	1.80
						Total	12,151,502.50	9.60
						Total bonds denominated in EUR	122,698,643.50	96.95
						Total publicly traded securities	122,698,643.50	96.95
Securities admitted to organised markets								
Bonds denominated in EUR								
Issue country Austria								
AUSTRIA 11/22 MTN 144A	AT0000A0N9A0	3.650000	1,950	1,000	950	106.332000	1,010,154.00	0.80
						Total	1,010,154.00	0.80
Issue country Portugal								
PORTUGAL 05-21	PTOTEYOE0007	3.850000	50	1,600	250	61.932000	154,830.00	0.12
						Total	154,830.00	0.12
						Total bonds denominated in EUR	1,164,984.00	0.92
						Total securities admitted to organised markets	1,164,984.00	0.92
Derivatives								
Financial futures denominated in EUR								
Issue country Germany								
EURO-BOBL FUTURE Sep11					135		515,008.80	0.41
EURO-BUND FUTURE Sep11					19		20,370.00	0.02
EURO-TREAS FUT Sep11					524		544,755.64	0.43
						Total	1,080,134.44	0.85
						Total financial futures denominated in EUR	1,080,134.44	0.85
						Total derivatives	1,080,134.44	0.85

ESPA BOND EURO-TREND

Breakdown of fund assets

Securities	123,863,627.50	97.87
Financial futures	1,080,134.44	0.85
Bank liabilities	-387,344.08	-0.31
Interest entitlements	1,998,736.61	1.58
Other deferred items	-1,260.60	-0.00
Fund assets	126,553,893.87	100.00

Dividend shares outstanding	shares	318,492
Non-dividend shares outstanding	shares	699,076
KEST-exempt non-dividend shares outstanding	shares	6,450
Share value for dividend share	EUR	110.36
Share value for non-dividend share	EUR	129.56
Share value for KEST-exempt non-dividend share	EUR	129.56

* As of 31 August 2011, the securities marked with "lent" in the fund portfolio and the following securities were registered as lent in the following amounts and at the following fees in the securities lending system of Erste Bank der österreichischen Sparkassen AG:

Security designation	ISIN number	Lent	Fee
		amount	rate in %
		Shares/nominal (nom. in 1,000, rounded)	
GOVT.BOND.V. 07/18	DE0001135341	1,150	0.30
FED.BOND V.10/15 S.158	DE0001141588	3,000	0.10

Investor note:

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

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

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
Publicly traded securities				
Bonds denominated in EUR				
Issue country Belgium				
BELGIQUE 08-18 52	BE0000312216	4.000000	400	4,300
BELGIQUE 09-12 57	BE0000317264	2.000000	1,500	9,700
BELGIQUE 10-16 59	BE0000319286	2.750000	300	5,650
BELGIQUE 10-41 60	BE0000320292	4.250000	100	700
Issue country Germany				
GOVT.BOND TREAS.PAP. 10/12	DE0001137297	1.000000	0	12,700
GOVT.BOND TREAS.PAP. 10/12	DE0001137305	0.500000	3,000	26,000
GOVT.BOND TREAS.PAP. 10/12	DE0001137313	0.750000	11,500	11,500
GOVT.BOND.V. 05/16	DE0001135291	3.500000	0	400
GOVT.BOND.V. 06/17	DE0001135317	3.750000	4,150	13,950
GOVT.BOND.V. 09/19	DE0001135382	3.500000	0	8,300
GOVT.BOND.V. 09/20	DE0001135390	3.250000	0	350
GOVT.BOND.V. 10/20	DE0001135408	3.000000	0	800
FED.BOND V.10/15 S.157	DE0001141570	2.250000	2,300	4,600
Issue country Finland				
FINLD 08-19	FI0001006306	4.375000	0	700
Issue country France				
REP. FSE 03-19 O.A.T.	FR0000189151	4.250000	0	1,250
REP. FSE 05-15 O.A.T.	FR0010216481	3.000000	0	5,550
REP. FSE 05-21 O.A.T.	FR0010192997	3.750000	800	10,700
REP. FSE 08-18 O.A.T.	FR0010604983	4.000000	400	12,250
REP. FSE 10-15 B.T.A.N.	FR0118462128	2.000000	6,900	12,700
REP. FSE 10-20 O.A.T.	FR0010854182	3.500000	700	5,300
REP. FSE 10-26 O.A.T.	FR0010916924	3.500000	1,450	11,650
Issue country Ireland				
IRELD 2020 18.04	IE0034074488	4.500000	0	1,600
Issue country Italy				
5% ITALIAN REP. 09/25	IT0004513641	5.000000	100	11,350
B.T. P. 10-13	IT0004612179	2.000000	21,000	21,000
B.T.P. 06-16	IT0004019581	3.750000	1,900	11,500
B.T.P. 10-12	IT0004564636	2.000000	500	26,500
B.T.P. 10-13	IT0004653108	2.250000	15,200	15,200
B.T.P. 10-15	IT0004568272	3.000000	200	4,700

ESPA BOND EURO-TREND

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
Issue country Netherlands				
NEDERLD 05-15	NL0000102242	3.250000	0	4,100
NEDERLD 06-16	NL0000102283	4.000000	4,550	4,550
NEDERLD 09-19	NL0009086115	4.000000	0	2,200
NEDERLD 10-13	NL0009331461	1.750000	1,350	7,750
Issue country Austria				
AUSTRIA 2021 MTN 144A	AT0000A001X2	3.500000	500	1,950
Issue country Spain				
SPAIN 05-16	ES00000120G4	3.150000	4,000	9,800
SPAIN 09-13	ES00000121T5	2.300000	3,100	13,700
SPAIN 09-19	ES0000012106	4.300000	6,900	13,600

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 BOND EURO-TREND, 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 BOND EURO-TREND, 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 BOND EURO-TREND

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 BOND EURO-TREND, 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 Investment Firm shall be authorised as defined by §§ 4, 20 and 21 InvFG and §§ 16ff of the fund terms and conditions to purchase all types of securities, money market instruments and other liquid financial investments for the Investment Fund, provided that the principle of risk diversification is maintained and no justified Shareholder interests are violated.
2. The fund assets will be invested according to the following investment policy principles:
 - a) ESPA BOND EURO-TREND invests primarily in euro-denominated government bonds from the Eurozone.
 - b) in order to demarcate the investment universe (in part), shares in investment funds according to § 17 of these fund terms and conditions may make up no more than 10% of the fund assets.
 - c) investments in assets according to § 18 of these fund terms and conditions play a minor role and may comprise a maximum of 49% of the fund assets. However, in the course of the restructuring of the fund portfolio or in order to reduce the influence of possible price losses experienced by securities, the Investment Fund can hold a higher proportion of demand deposits or callable deposits

with a maximum term of 12 months. These may amount to up to 100% of the fund assets.

- d) the Investment Firm reserves the right to invest in other assets as per item 1 to a limited extent in addition to those specified in letters a) through c).
- e) as part of the investment strategy, derivative instruments as defined in §§ 19 and 19a of these fund terms and conditions (including swaps and other OTC derivatives) are used not only for risk hedging purposes, but also for speculation purposes; they are generally used for governing leverage, controlling earnings, substituting securities and hedging fund assets. Derivatives play a major role relative to the total net value of the fund assets, both for hedging and non-hedging purposes.

Please see § 19b of the fund terms and conditions for more detailed information about the determination of overall risk.

3. If securities and money market instruments containing an embedded derivative are purchased for the Investment Fund, the Investment Firm must take this into account in compliance with §§ 19 and 19a. Investments in index-based derivatives are not taken into account in the investment limits in § 20 paragraph 3 items 5, 6, 7 and 8d InvFG.
4. Securities or money market instruments issued or guaranteed by a Member State including its political subdivisions, by a non-Member State or by international organisations with a public sector character in which one or more Member States are members may make up more than 35% of the Investment Fund provided that the Investment Fund assets are invested in at least six different instruments, but an investment in one instrument may not make up more than 30% of the total Investment Fund assets.
5. The Investment Fund may purchase equities and money market instruments that are not fully paid up as well as subscription rights for these types of instruments and other financial instruments that are not fully paid up amounting to a maximum of 10% of the Investment Fund assets.

§ 15a Securities and Money Market Instruments

Securities are

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

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

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

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

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

§ 16 Exchanges and Organised Markets

1. Securities and money market instruments may only be purchased for the Investment Fund when they
 - are listed or traded on a regulated market pursuant to § 2 item 37 of the Austrian Banking Act (BWG), or
 - are traded on another recognised, regulated securities market in a Member State that is open to the public and that is functioning properly, or
 - are officially listed on one of the non-Member State exchanges listed in the Annex, or
 - are traded on another recognised, regulated securities market in a non-Member State as listed in the Annex that is open to the public and that is functioning properly, or
 - when the issue terms include the obligation to apply for public listing or admission for trading on one of the above-named exchanges or admission for trading on one of the above-mentioned other markets, and approval is granted by no later than one year after the issue of the security.
2. Freely transferable money market instruments that are not traded on a regulated market and that are customarily traded on the money market, that are liquid and whose value can be determined exactly at any time, for which sufficient information is available, including information that allows the suitably accurate assessment of the credit risks associated with an investment in the instrument, may be

purchased for the Investment Fund if the instrument or the issuer itself is subject to the legal deposit and investor protection regulations and the instrument

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

§ 17 Shares in Investment Funds

1. Shares in investment funds (investment funds and open investment companies) pursuant to § 20 paragraph 3 item 8b InvFG that fulfil the requirements of Directive 85/611/EEC (UCITS) may together with the investment funds specified in the following item 2 make up no more than 10% 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 make up a maximum of 10% of the Investment Fund assets in total together with the investment funds described in the previous item 1, provided that

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

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

3. The Investment Firm may also purchase for the Investment Fund shares in other investment funds that are directly or indirectly administered by the Investment Firm or by a firm that is associated with the Investment Firm by way of joint administration or control or through a direct or indirect material equity interest.
4. The Investment Fund may hold shares in any single fund up to an amount of 10% of the Investment Fund assets.

§ 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 requirements apply to bank deposits. Bank deposits may make up no more than 49% of the fund assets. However, in the

course of the restructuring of the fund portfolio or in order to reduce the influence of possible price losses experienced by securities, the Investment Fund can hold a higher proportion of demand deposits or callable deposits with a maximum term of 12 months. These may amount to up to 100% of the fund assets.

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

§ 19 Derivative Financial Instruments

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

§ 19a OTC Derivatives

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

§ 19b Value at Risk

The allocable value at risk resulting from the investments held by the fund (absolute VaR) is limited to 4.0% of the total net value of the fund assets. The absolute VaR limit is determined on the basis of an evaluation of the overall investment process. Please refer to the fund prospectus for detailed information.

§ 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 2.5%; 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 0.05% of the fund assets as calculated using the month-end values.

The Investment Firm shall also be entitled to compensation for all expenses incurred in the administration 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 counter equity market, municipal bond market, government securities market, corporate bonds and public direct participation programs), over the counter market for agency mortgage-backed securities

5. Exchanges with futures and options markets

5.1	Argentina:	Bolsa de Comercio de Buenos Aires
5.2	Australia:	Australian Options Market, Australian Securities Exchange (ASX)
5.3	Brazil:	Bolsa Brasileira de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
5.4	Hong Kong:	Hong Kong Futures Exchange Ltd.
5.5	Japan:	Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange
5.6	Canada:	Montreal Exchange, Toronto Futures Exchange
5.7	Korea:	Korea Exchange (KRX)
5.8	Mexico:	Mercado Mexicano de Derivados
5.9	New Zealand:	New Zealand Futures & Options Exchange
5.10	Philippines:	Manila International Futures Exchange
5.11	Singapore:	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 Regierten 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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