

# **ERSTE STOCK ENVIRONMENT**

**Jointly owned fund pursuant to the InvFG**

Annual Report 2022/23

## Contents

General Information about the Investment Firm .....	3
Development of the Fund .....	4
Method of Calculating the Global Exposure.....	6
Asset Allocation .....	6
Comparative Overview .....	7
Disbursement/Payment .....	9
Income Statement and Changes in Fund Assets.....	10
Statement of Assets and Liabilities as of 30 April 2023 .....	14
Remuneration Policy .....	16
Audit Report* .....	18
Annex Sustainability-Related Information .....	21
Fund Rules.....	35

## General Information about the Investment Firm

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

## Dear Unit-holder,

We are pleased to present you the following annual report for the ERSTE STOCK ENVIRONMENT jointly owned fund pursuant to the InvFG for the accounting year from 1 May 2022 to 30 April 2023.

As a so-called feeder fund (§ 93 InvFG), ERSTE STOCK ENVIRONMENT had 99.91% of its assets invested in ERSTE WWF STOCK ENVIRONMENT (the so-called master fund) as of 30 April 2023. Details about ERSTE WWF STOCK ENVIRONMENT can be found in the annual report for ERSTE WWF STOCK ENVIRONMENT as of 30 April 2023, which is available at the website [www.erste-am.at](http://www.erste-am.at).

The aggregate charges are made up of the TER of the feeder and the TER of the master fund together. The aggregate charges amount to 1.67%.

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

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

## Development of the Fund

As a feeder fund, ERSTE STOCK ENVIRONMENT invests at least 85% of its assets (as of 30 April 2023: 99.91%) in ERSTE WWF STOCK ENVIRONMENT, which means that it follows the strategy of ERSTE WWF STOCK ENVIRONMENT.

ERSTE WWF STOCK ENVIRONMENT is a theme fund focusing on companies engaging in business activities that are related to environmental and climate protection. The predominant fields in which the Fund invests are water, recycling, renewable energy, energy efficiency, and mobility. The exclusion criteria include nuclear energy, green gene technology, animal testing, whale hunting, industrial livestock farming, gambling, pornography and prostitution, chlorine chemicals and agrochemicals, the destruction of natural habitats, products emitting CFCs, and PVC products as well as the oil and gas, mining, arms and weapons, aviation, and passenger car and motorcycle industries in general.

Rising inflation, concerns over a more restrictive monetary policy from the central banks, and higher interest rates plus – most importantly – the Russia/Ukraine war produced negative market conditions at the start of the reporting period. By mid-June, global equities had shed over 10% of their value. In July, though, the hope began to take hold that the central banks' rate hike cycles might soon be coming to an end, which sparked a major rally on the markets. However, further sharp rises in consumer prices in August and September caused investors' hopes of a rapid shift in interest rate policy to evaporate quickly, and the exchanges were hitting new lows for the year at the end of September. Following a recovery in October and November, the end-of-year rally that many had anticipated failed to materialise, and the markets closed out 2022 with a clear loss. The new year got off to a very bright start, with falling interest rates on the bond markets improving equity investor sentiment considerably. It was not until March that turbulence amongst American regional banks and at the Swiss major bank Credit Suisse spooked the markets for a brief time. A rapid response from supervisory authorities and central banks soon restored calm, however. This allowed the international exchanges to resume their uptrend, which continued right up until the end of the reporting period.

In regional terms, Japanese names delivered the best performance followed by Europe, while the American market lagged well behind both exchanges. However, the Japanese market also remained virtually unchanged in euro terms due to the somewhat weaker yen. The emerging markets put in yet another insipid performance, posting double-digit losses in euro terms. Under these conditions, ERSTE STOCK ENVIRONMENT generated a performance of minus 9.78% (AT0000A2BYD8) for the reporting period.

The Fund's themes experienced high volatility in the financial year just gone. Whilst rising interest rates are bad news for equities across the board, this trend proved even worse in particular for many of the growth shares and small and fledgling companies represented in the Fund. However, a range of political measures were taken in Europe and the USA in response to Russia's invasion of Ukraine, which prompted repeated countermovements in themes such as

renewable energy and energy efficiency. Whilst the solar sector still managed to perform well overall, in particular themes such as hydrogen, electromobility, and energy-intensive ones like recycling suffered corrections, some of them marked. The water names in which the Fund invests did well.

Within the portfolio, we are continuing to focus on renewable energy and gradually increased our holdings further in this segment as the year went on. However, we also added new investments in the energy efficiency segment, which should likewise benefit from the political measures, as well as energy storage. Taken together, these three themes currently make up around two thirds of the Fund's investments. The highest weightings are currently in renewable energy, followed by energy efficiency, recycling, water, mobility, and energy storage.

ERSTE WWF STOCK ENVIRONMENT had an investment level of between 96% and 99.8% during the reporting period.

No exchange-traded equity index futures or options were used in ERSTE WWF STOCK ENVIRONMENT in the reporting period, and no currency hedges were employed.

Further information on the Fund's sustainable investment objective can be found in the annex "Sustainability-Related Information" in this annual report.

## Method of Calculating the Global Exposure

Method of calculating the global exposure:		Commitment approach
Reference assets used:		-
Value at risk:	Lowest value:	-
	Average value:	-
	Highest value:	-
Model used:		-
Leverage* when using the value-at-risk calculation method:		-
Leverage** according to § 4 of the 4 <sup>th</sup> Derivatives Risk Measurement and Reporting Regulation:		-

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

\*\* Total derivative risk taking offsetting and hedging into account = total of the equivalent values of the underlying assets as a percentage of the fund assets.

## Asset Allocation

	As of 30.04.2023	
	EUR millions	%
Investment certificates		
EUR	50.8	99.91
Securities	50.8	99.91
Bank balances	0.0	0.09
Interest entitlements	0.0	0.00
Other deferred items	-0.0	-0.00
Fund assets	50.8	100.00

## Comparative Overview

Accounting year	Fund assets
2020/2021	66,434,961.76
2021/2022	57,069,048.05
2022/2023	50,836,540.71

General information about performance:

The performance of unit categories with no outstanding units at the end of the reporting period or no outstanding units during the reporting period is generally based on the dividend-adjusted performance of the overall fund. In these cases, the performance is not reported below.

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

The performance is determined assuming the reinvestment of all paid dividends and amounts at their nominal value on the day of disbursement.

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	Dividend-bearing units	AT0000A2BYD8	EUR	155.71	1.5000	2.2042	91.83
2021/2022	Dividend-bearing units	AT0000A2BYD8	EUR	135.12	3.0000	9.2717	-12.42
2022/2023	Dividend-bearing units	AT0000A2BYD8	EUR	119.33	2.6000	6.7406	-9.78

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	Dividend-bearing units	AT0000A2BYA4	EUR	156.37	1.5000	3.0446	92.91
2021/2022	Dividend-bearing units	AT0000A2BYA4	EUR	136.69	3.0000	10.4081	-11.78
2022/2023	Dividend-bearing units	AT0000A2BYA4	EUR	121.62	2.6000	7.6739	-9.13

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	Dividend-bearing units	AT0000A2G6E5	EUR	184.65	-	-	-
2021/2022	Dividend-bearing units	AT0000A2G6E5	EUR	161.77	-	-	-
2022/2023	Dividend-bearing units	AT0000A2G6E5	EUR	146.06	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	Non-dividend-bearing units	AT0000A2BYE6	EUR	155.35	0.5685	2.8169	91.65
2021/2022	Non-dividend-bearing units	AT0000A2BYE6	EUR	135.60	2.0403	10.2428	-12.41
2022/2023	Non-dividend-bearing units	AT0000A2BYE6	EUR	120.61	1.6014	7.7383	-9.76

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**ERSTE STOCK ENVIRONMENT**


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Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A2BYG1	EUR	155.17	-	3.7059	91.43
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A2BYG1	EUR	135.92	-	12.2490	-12.41
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A2BYG1	EUR	122.70	-	9.4328	-9.73

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A2BYC0	EUR	155.41	-	-	-
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A2BYC0	EUR	136.51	-	0.0000	-12.16
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A2BYC0	EUR	124.13	-	9.8426	-9.07

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A2BYF3	HUF	55,927.69	-	1,388.9637	94.67
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A2BYF3	HUF	51,448.20	-	4,629.5258	-8.01
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A2BYF3	HUF	45,641.04	-	3,485.3512	-11.29

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A2G6F2	EUR	184.65	-	-	-
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A2G6F2	EUR	161.77	-	-	-
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A2G6F2	EUR	146.06	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A2KS17	EUR	115.65	-	-	-
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A2KS17	EUR	101.32	-	-	-
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A2KS17	EUR	91.49	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A2KS25	HUF	41,651.34	-	-	-
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A2KS25	HUF	38,323.27	-	-	-
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A2KS25	HUF	34,006.83	-	-	-

## Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 May 2022 to 30 April 2023. The coupon-paying bank is obligated to withhold capital gains tax from this disbursement if the respective investor is not exempt from the payment of this tax.

The disbursement or payment will be effected on or after 1 August 2023 at

Erste Group Bank AG, Vienna,

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

Fund type	ISIN	Currency	Dividend disbursement/payment		KESt with option declaration	KESt w/o option declaration	Re-investment
Dividend-bearing units	AT0000A2BYD8	EUR	2.6000		1.5743	1.5743	6.7406
Dividend-bearing units	AT0000A2BYA4	EUR	2.6000		1.8459	1.8459	7.6739
Dividend-bearing units	AT0000A2G6E5	EUR	-		-	-	-
Non-dividend-bearing units	AT0000A2BYE6	EUR	1.6014		1.6014	1.6014	7.7383
KESt-exempt non-dividend-bearing units	AT0000A2BYG1	EUR	-	*	-	-	9.4328
KESt-exempt non-dividend-bearing units	AT0000A2BYC0	EUR	-	*	-	-	9.8426
KESt-exempt non-dividend-bearing units	AT0000A2BYF3	HUF	-	*	-	-	3,485.3512
KESt-exempt non-dividend-bearing units	AT0000A2G6F2	EUR	-	*	-	-	-
KESt-exempt non-dividend-bearing units	AT0000A2KS17	EUR	-	*	-	-	-
KESt-exempt non-dividend-bearing units	AT0000A2KS25	HUF	-	*	-	-	-

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

# Income Statement and Changes in Fund Assets

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

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

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

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

<b>AT0000A2BYD8 dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (12,238.171 units)	135.12
Disbursement/payment on 28.07.2022 (corresponds to roughly 0.0216 units at a calculated value of 138.94)	3.0000
Unit value at the end of the reporting period (23,680.493 units)	119.33
Total value including (notional) units gained through dividend disbursement/payment	121.91
Net earnings per unit	-13.21
<b>Value development of one unit in the period</b>	<b>-9.78%</b>

<b>AT0000A2BYA4 dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (10,797.000 units)	136.69
Disbursement/payment on 28.07.2022 (corresponds to roughly 0.0213 units at a calculated value of 140.83)	3.0000
Unit value at the end of the reporting period (11,333.000 units)	121.62
Total value including (notional) units gained through dividend disbursement/payment	124.21
Net earnings per unit	-12.48
<b>Value development of one unit in the period</b>	<b>-9.13%</b>

<b>AT0000A2G6E5 dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (0.000 units)	161.77
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	146.06
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	<b>-</b>

<b>AT0000A2BYE6 non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (35,341.199 units)	135.60
Disbursement/payment on 28.07.2022 (corresponds to roughly 0.0145 units at a calculated value of 140.43)	2.0403
Unit value at the end of the reporting period (34,883.423 units)	120.61
Total value including (notional) units gained through dividend disbursement/payment	122.36
Net earnings per unit	-13.24
<b>Value development of one unit in the period</b>	<b>-9.76%</b>

<b>AT0000A2BYG1 KEST-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (154,926.505 units)	135.92
Disbursement/payment	0.0000
Unit value at the end of the reporting period (158,055.728 units)	122.70
Total value including (notional) units gained through dividend disbursement/payment	122.70
Net earnings per unit	-13.22
<b>Value development of one unit in the period</b>	<b>-9.73%</b>

<b>AT0000A2BYC0 KEST-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (35.000 units)	136.51
Disbursement/payment	0.0000
Unit value at the end of the reporting period (35.000 units)	124.13
Total value including (notional) units gained through dividend disbursement/payment	124.13
Net earnings per unit	-12.38
<b>Value development of one unit in the period</b>	<b>-9.07%</b>

<b>AT0000A2BYF3 KEST-exempt non-dividend-bearing units HUF</b>	
Unit value at the beginning of the reporting period (206,460.837 units)	51,448.20
Disbursement/payment	0.0000
Unit value at the end of the reporting period (187,520.762 units)	45,641.04
Total value including (notional) units gained through dividend disbursement/payment	45,641.04
Net earnings per unit	-5,807.16
<b>Value development of one unit in the period</b>	<b>-11.29%</b>

<b>AT0000A2G6F2 KEST-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (0.000 units)	161.77
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	146.06
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	<b>-</b>

<b>AT0000A2KS17 KEST-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (0.000 units)	101.32
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	91.49
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	<b>-</b>

<b>AT0000A2KS25 KEST-exempt non-dividend-bearing units HUF</b>	
Unit value at the beginning of the reporting period (0.000 units)	38,323.27
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	34,006.83
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	<b>-</b>

## 2. Fund Result

### a. Realised fund result

#### Ordinary fund result

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

Interest income (excluding income adjustment) 347.66

Dividend income - 146,991.63

Other income 8) 0.00

Total income (without profit or loss from price changes) - 146,643.97

**Interest paid** - 81.34

##### Expenses

Fees paid to Investment Firm 10,043.61

Costs for the financial auditor and tax consultation - 2,100.00

Publication costs - 30,564.19

Securities account fees - 14.53

Depository bank fees - 4,367.71

Costs for the external consultant 0.00

Performance fee -

Fee foreign-currency unit certificates 9) - 62.91

Total expenses - 27,065.73

Compensation for management costs from sub-funds 1) 0.00

**Ordinary fund result (excluding income adjustment) - 173,791.04**

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

Realised gains 4) 5,580,454.25

Realised losses 5) - 1,236,462.83

**Realised profit or loss from price changes (excluding income adjustment) 4,343,991.42**

**Realised fund result (excluding income adjustment) 4,170,200.38**

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

Changes in the unrealised profit or loss from price changes 7) - 8,849,778.26

**Result for the reporting period 6) - 4,679,577.88**

### c. Income adjustment

Income adjustment for income in the period - 257,157.11

Income adjustment for profit carried forward from dividend-bearing units 145,826.20

**Overall fund result - 4,790,908.79**

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

<b>Fund assets at the beginning of the reporting period</b>	<b>57,069,048.05</b>
<b>Disbursement/payment in the accounting year</b>	<b>- 153,834.35</b>
<b>Issue and redemption of units</b>	<b>- 1,287,764.20</b>
<b>Overall fund result</b>	
(The fund result is shown in detail under item 2.)	<b>- 4,790,908.79</b>
<b>Fund assets at the end of the reporting period</b>	<b><u>50,836,540.71</u></b>

- 1) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the Fund after deduction of appropriate costs. Erste Bank der oesterreichischen Sparkassen AG receives 25% of the calculated commissions to cover administrative costs.
- 2) Realised profits and losses are not calculated precisely for the specific periods, which means that they, as is the case for the changes in the unrealised profit or loss, are not necessarily congruent with the changes in the value of the Fund in the accounting year.
- 3) Total profit or loss from price changes without income adjustment (realised profit or loss from price changes, without income adjustment, plus changes in the unrealised profit or loss): EUR -4,505,786.84.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 0.00.
- 5) Thereof losses from transactions with derivative financial instruments: EUR 0.00.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 0.00.
- 7) Thereof changes in unrealised gains EUR 0.00 and unrealised losses EUR -8,849,778.26.
- 8) The earnings reported under this item can be attributed to lending fees from securities lending transactions conducted with Erste Group Bank AG in the amount of EUR 0.00, to earnings from real estate funds in the amount of EUR 0.00, and to other earnings in the amount of EUR 0.00.
- 9) The Fund is charged a monthly fee per foreign-currency unit category for the management of the foreign-currency unit certificates.

# Statement of Assets and Liabilities as of 30 April 2023

(including changes in securities assets from 1 May 2022 to 30 April 2023)

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
<b>Investment certificates</b>							
<b>Investment certificates denominated in EUR</b>							
<b>Issue country Austria</b>							
ERSTE WWF ST.EN.EURR01TEO	AT0000705678	31,374	31,369	215,239	235.970	50,789,946.83	99.91
Total issue country Austria						50,789,946.83	99.91
Total investment certificates denominated in EUR						50,789,946.83	99.91
Total investment certificates						50,789,946.83	99.91

## Breakdown of fund assets

Transferable securities						50,789,946.83	99.91
Bank balances						46,530.58	0.09
Interest entitlements						75.69	0.00
Other deferred items						-12.39	-0.00
Fund assets						50,836,540.71	100.00

## Investor note:

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

Dividend-bearing units outstanding	AT0000A2BYD8	units	23,680.493
Value of dividend-bearing unit	AT0000A2BYD8	EUR	119.33
Dividend-bearing units outstanding	AT0000A2BYA4	units	11,333.000
Value of dividend-bearing unit	AT0000A2BYA4	EUR	121.62
Dividend-bearing units outstanding	AT0000A2G6E5	units	0.000
Value of dividend-bearing unit	AT0000A2G6E5	EUR	146.06
Non-dividend-bearing units outstanding	AT0000A2BYE6	units	34,883.423
Value of non-dividend-bearing unit	AT0000A2BYE6	EUR	120.61
KEST-exempt non-dividend-bearing units outstanding	AT0000A2BYG1	units	158,055.728
Value of KEST-exempt non-dividend-bearing unit	AT0000A2BYG1	EUR	122.70
KEST-exempt non-dividend-bearing units outstanding	AT0000A2BYC0	units	35.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A2BYC0	EUR	124.13
KEST-exempt non-dividend-bearing units outstanding	AT0000A2BYF3	units	187,520.762
Value of KEST-exempt non-dividend-bearing unit	AT0000A2BYF3	HUF	45,641.04

KEST-exempt non-dividend-bearing units outstanding	AT0000A2G6F2	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A2G6F2	EUR	146.06
KEST-exempt non-dividend-bearing units outstanding	AT0000A2KS17	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A2KS17	EUR	91.49
KEST-exempt non-dividend-bearing units outstanding	AT0000A2KS25	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A2KS25	HUF	34,006.83

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

No total return swaps pursuant to Regulation (EU) 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse) were concluded for the Fund during the reporting period.

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

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

All OTC derivatives are traded through Erste Group Bank AG.

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

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

Vienna, 30 June 2023

Erste Asset Management GmbH  
Electronically signed

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

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

## Remuneration Policy

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

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

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

\* Managers with control functions are reported in this group

### Principles governing performance-based remuneration components

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

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

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

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

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

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

The remuneration system is made up of three components:

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

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

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

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

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

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

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

## Audit Report\*

### Statement on the annual report

#### Audit opinion

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

ERSTE STOCK ENVIRONMENT  
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 30 April 2023, the income statement for the accounting year ending on this date, and the other information specified in Annex I Schedule B of the Austrian Investment Fund Act 2011 (InvFG 2011).

Based on the findings of our audit, we believe that the annual report satisfies the legal requirements and provides a true and fair view of the assets and financial position as of 30 April 2023 and of the earnings position of the fund for the accounting year ending on this date in accordance with Austrian commercial law and the provisions of the InvFG 2011.

#### Basis for the audit opinion

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

#### Other information

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

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

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

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

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

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

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

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

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

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

In addition:

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

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

Vienna, 14 July 2023

**Ernst & Young**

Wirtschaftsprüfungsgesellschaft m.b.H.

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

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

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

## Annex Sustainability-Related Information

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

**Product name:**  
ERSTE STOCK ENVIRONMENT

**Legal entity identifier:**  
529900EQIHERY286X060

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

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

### Sustainable investment objective

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

#### Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective**: 96.55 %

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**: 96.55 %

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_ % of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



#### To what extent was the sustainable investment objective of this financial product met?

The Fund invests at least 85% of its assets in units of ERSTE WWF STOCK ENVIRONMENT (the master fund) at all times.

#### Description of the sustainable investment objectives of the master fund:

Conformity with the defined sustainable investment objective was ensured by the continuous application of the process described below:

The investment fund aims to promote environmental technologies through its investments, and in this way to generate a positive environmental sustainability impact.

To this end, the Management Company has defined three themes, and the target companies must be active in one or more of these areas to a predominant degree:

### 1) Energy

The Fund invests in shares of companies offering environmentally sustainable solutions in the fields of renewable energy and mobility. Promoting and using renewable energy sources contributes to the reduction of greenhouse gas emissions. Public transport, alternative vehicle drive systems such as electricity and hydrogen, and autonomous driving reduce the need for fossil fuels for mobility and thus contribute to minimising the associated greenhouse gas emissions.

### 2) Water

The Fund invests in shares of companies offering environmentally sustainable water infrastructure solutions. The sustainable use of water is a prerequisite for environmentally intact water cycles and thus promotes a stable water supply for people and the economy. The responsible handling of wastewater also plays an important role in this.

### 3) Recycling and responsible resource use

The Fund invests in shares of companies offering environmentally sustainable solutions in the fields of recycling, resource management, and pollution avoidance. Transitioning to a circular economy is a prerequisite for sustainable growth. The sensible recycling of raw materials reduces the impact on the environment from waste and the extraction of (limited) raw materials. The reduction of hazardous emissions into the atmosphere and other biospheres contributes to the protection of intact environmental systems.

To meet this objective, the Fund only invests in issues from companies that meet sustainable investment criteria and that have been categorised by the Management Company as environmentally and socially sustainable on the basis of a predefined screening process and that comply with the good corporate governance standards.

This is ensured by the application of the Management Company's ESG toolbox as part of the investment process.

The selection process provides, among other things, for investing in economic activities or assets that contribute to or promote one or more environmental objectives within the meaning of Art. 9 of the Taxonomy-Regulation. At the same time, the selection process does not exclude the possibility of promoting other environmental, social and corporate governance objectives with the investments underlying the investment fund than those currently provided for in the Taxonomy-Regulation.

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

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

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

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

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

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

- Climate protection: 46.30 %

- Climate change adaptation: 2.45 %

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

Compliance with the criteria for environmentally sustainable economic activities according to Art. 3 of the Taxonomy-Regulation is ensured by the investment processes outlined above and below.

In the past reporting period, sustainable investments were made with social objectives, among others. Their description is discussed above.

No derivatives have been used to meet the sustainable objectives.

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

Exclusion Criteria			ESG Analysis / Best in Class		Integration	Engagement	Voting	Thematic funds	Focused sustainability Impact	Fulfill Austrian ecolabel or FNG label criteria
Minimum criteria	Exclusion criteria	Norm-based Screening	ESG Risk Analysis	Best in Class						
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The Management Company makes the investment decisions for this Fund on the basis of the investment universe defined through the screening process.

No benchmark has been designated for the purpose of attaining the sustainable investment objective.

The Fund has the objective of reducing carbon emissions.

There is no reference benchmark that qualifies as an EU Climate Transition Benchmark or an EU Paris-aligned Benchmark under the Regulation (EU) 2016/1011.

The reduction of carbon emissions is achieved through the investment process described above. In this, the methodological requirements of the Regulation (EU) 2020/1818 for the design of EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks are applied analogously in the management of the Fund without creating or applying such a reference benchmark:

1. The focus areas of the Fund contribute to reducing global carbon emissions through the corresponding products and solutions. In line with the recitals and Art. 5 of the Regulation (EU) 2020/1818, special attention is paid to the effect of the investee companies on the reduction of Scope 3 emissions. The economic activity of the investee companies contributes continuously to reducing global greenhouse gas emissions. This orientation is monitored in collaboration with ESG Plus and the Environment Council of WWF Austria before the definition of the eligible investment universe and is a selection criterion for inclusion in the Fund's investable universe. The emission reductions facilitated by the investee companies are measured annually.
2. The GHG intensity of the investee companies is also calculated at least once per year by the Management Company. In accordance with Art. 9 of the Regulation (EU) 2020/1818, it is at least 30% lower than that of the global equity market.
3. The exclusion criteria defined by the Management Company fulfil the criteria in Art. 12 point 1 lit. a) to g) of the Regulation (EU) 2020/1818, especially with regard to the exclusion of fossil energy and companies that violate the UN Global Compact. Strict review by the Management Company, ESG Plus, and the Environment Council of WWF Austria ensures compliance with the requirements in Art. 12 point 2 of the Regulation (EU) 2020/1818 that no investment may run counter to the sustainable objectives

of the Fund. In accordance with Art. 12 point 3 of the Regulation (EU) 2020/1818, all relevant exclusion criteria of the Fund can be viewed on the following website.

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

The decisions thus taken shall be documented in accordance with the requirements of Art. 13 the Regulation (EU) 2020/1818 and the methods of fund management shall be made publicly available.

### Sustainability

**indicators** measure how the sustainable objectives of this financial product are attained.

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

The Fund invests at least 85% of its assets in units of ERSTE WWF STOCK ENVIRONMENT (the master fund) at all times.

#### **Description of the sustainable indicators used to measure the attainment of each of the sustainable objectives promoted by the master fund:**

The overall sustainability impact of the Fund is measured annually.

This focuses in particular on carbon emission reductions through the use of renewable energy and environmentally friendly forms of mobility, the contribution to the supply of clean water and renewable energy, and the recycling of materials.

The following indicators that reflect selected topics covered by the Fund are calculated to depict the overall sustainability impact of the Fund. These are evaluated annually.

The data presented is based on the latest available analysis as of March 31, 2023.

#### 1. Energy, energy efficiency, and mobility

- Carbon emission savings through the new installation of renewable energy facilities during the reporting period, calculated over the useful life of the installed facilities

517 million tons

- Households supplied with renewable electricity

11 million

- Share of renewable energy in the energy mix of the power utilities in the Fund

100% (cf. 28.6% in the global energy mix)

- Carbon emission savings through the shift of freight transport from the road to rail

No relevant companies included in the portfolio as of April 28, 2023

#### 2. Water

- Persons supplied with clean drinking water during the reporting period

2,5 million

#### 3. Recycling, waste, and resource efficiency

- Waste prevented through recycling

26,6 million tons

The above indicators represent the environmental contributions and performance of the portfolio companies in the course of their normal business operations. They are not calculated proportionally based on the shares held by the Fund. The Fund participates in the environmental performance of the portfolio companies through its investments. No additionality is assumed, meaning the effect is not caused directly by the Fund's investment in the individual companies.

The indicators and the methods used to calculate them are subject to continuous refinement and may thus be adapted to the current state of the art between reporting dates.

The data were collected and analysed in cooperation with ESG Plus (a spin-off of WWF Austria).

#### **Exclusion criteria:**

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

Indicator: Compliance with the Fund's exclusion criteria  
100% of the fund assets comply with the Fund's exclusion criteria.

**Sustainable Development Goals:**

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

Indicator 1: Share of the fund assets that makes a positive contribution to each of the 17 SDGs (As of 04/28/2023)

<b>SDG</b>	<b>% fund volume</b>
No Poverty #1	0.00
No Hunger #2	0.03
Good Health and Well Being #3	1.03
Quality Education #4	0.00
Gender Equality #5	0.00
Clean Water and Sanitation #6	4.22
Affordable and Clean Energy #7	40.63
Decent Work and Economic Growth #8	0.00
Industry, Innovation and Infrastructure #9	0.00
Reducing Inequality #10	5.93
Sustainable Cities and Communities #11	3.05
Responsible Consumption and Production #12	7.08
Climate Action #13	41.54
Life Below Water #14	0.00
Life on Land #15	4.68
Peace, Justice and Strong Institutions #16	0.00
Partnerships for the Goals #17	0.00

Indicator 2: Proportion of impacts/contributions to SDGs generated by the investment fund's investments that are positive in nature  
99.72 % of the generated impacts/contributions to SDGs are positive in nature as of 04/28/2023

Indicator 3: Proportion of impacts to SDGs generated by the investment fund's investments that are negative in nature:  
0.28 % of the generated impacts to SDGs are negative in nature as of 04/28/2023

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

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

**Carbon footprint:**

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

Indicator: Carbon footprint

The carbon footprint of the Fund amounts to 133.21 tones per 1 million EURO sales (As of 04/30/2023)

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

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

**Water footprint:**

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

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

Indicator: Water footprint relative to the overall global market, broken down by regions with low, medium, and high water scarcity as of 04/28/2023 (Unit of measurement: water withdrawal in m3 / thousand USD sales)

	<b>Volume</b>
High Stress Region	21.31
Medium Stress Region	783.31
Low Stress Region	68.40

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

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

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

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

Not applicable

- **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

**Description of the mitigation of a significant adverse impact on the sustainable investments of the master fund:**

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

The sustainable investment process of the Fund ensures that no investments are made in issuers that would cause significant harm to the environmental or social sustainable investment objective.

All issuers in which the Fund invests are analysed and selected before acquisition on the basis of a predefined sustainability process. The comprehensive ESG analysis of each issuer in collaboration with ESG Plus and the Environment Council of WWF Austria guarantees compliance with this rule.

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

In addition, alignment with the social and environmental investment objective is ensured through the application of exclusion criteria.

These can be viewed on the following website:

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

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

The Management Company also exercises an active ownership function. Through Engagement with issuers with issuers in the analysed investment universe, contributions are made to the improvement of the environmental and social performance of these companies.

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

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

The Fund invests at least 85% of its assets in units of ERSTE WWF STOCK ENVIRONMENT (the master fund) at all times.

**Description of the incorporation of the adverse impact indicators on sustainability factors of the master fund:**

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

These can be viewed on the following website:

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

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

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

In addition, all issuers in which the Fund invests are analysed and selected before acquisition on the basis of the predefined sustainability process described above.

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

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

The Fund invests at least 85% of its assets in units of ERSTE WWF STOCK ENVIRONMENT (the master fund) at all times.

**Description of the incorporation of the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights by the master fund:**

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

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

The investment process described above was reviewed and adhered to throughout the reporting period.



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

The Fund invests at least 85% of its assets in units of ERSTE WWF STOCK ENVIRONMENT (the master fund) at all times.

#### **Description of the incorporation of the principal adverse impacts on sustainability factors of the master fund:**

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

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

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

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

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

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

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

## Erste Asset Management ESG-Toolbox – PAI Consideration

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

In this, measures including the following are taken:

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



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

<i>Largest investments</i>	<i>Sector</i>	<i>% Assets</i>	<i>Country</i>
US29355A1079 - ENPHASE ENERGY INC.DL-,01	C - MANUFACTURING	3.59	US
US86771W1053 - SUNRUN INC. DL-,0001	F - CONSTRUCTION	3.56	US
US86745K1043 - SUNNOVA ENERGY INT.-,0001	F - CONSTRUCTION	3.45	US
US83417M1045 - SOLAREEDGE TECHN. DL-,0001	C - MANUFACTURING	3.42	US
US82489W1071 - SHOALS TECHS A DL-,00001	C - MANUFACTURING	2.43	US

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

US30057T1051 - EVOQUA WATER TECHN.DL-,01	C - MANUFACTURING	2.37	US
ES0105563003 - CORPORACION A.E.R. EO 1	D - ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	2.37	ES
US2372661015 - DARLING INGRED.INC.DL-,01	E - WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	2.34	US
FR0000121972 - SCHNEIDER ELEC. INH. EO 4	M - PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	2.31	FR
US04271T1007 - ARRAY TECHNOLOGIES -,001	C - MANUFACTURING	2.12	US
US9297401088 - WESTINGH.AI.BR.T. DL-,01	C - MANUFACTURING	2.10	US
JP3270000007 - KURITA WATER IND.	C - MANUFACTURING	2.09	JP
ES0127797019 - EDP RENOVAVEIS EO 5	D - ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	2.07	ES
LU1704650164 - BEFESA S.A. ORD. O.N.	K - FINANCIAL AND INSURANCE ACTIVITIES	1.85	LU
JP3154750008 - WEST HOLDINGS CO. LTD.	S - OTHER SERVICE ACTIVITIES	1.84	JP

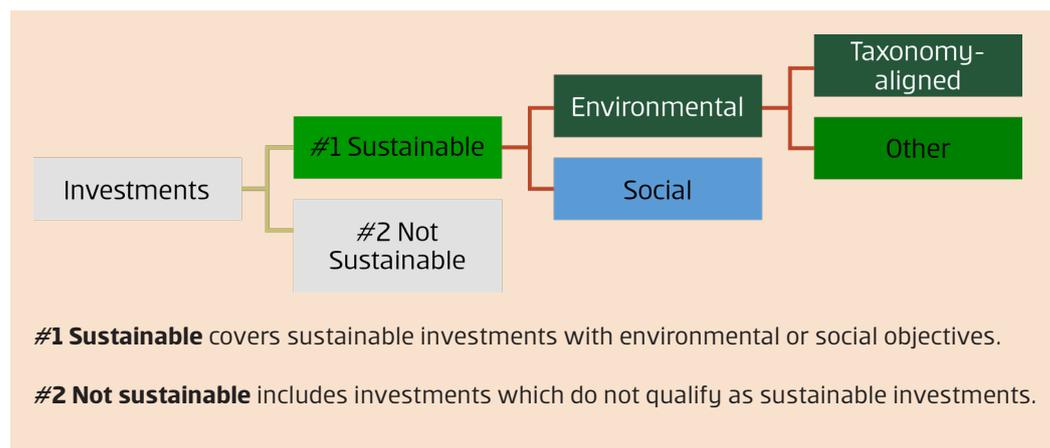


**Asset allocation**

describes the share of investments in specific assets.

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

- **What was the asset allocation?**



Environmentally sustainable investments were made to the extent of 96.55 %.

Of this, 46.94 % were environmentally sustainable investments in accordance with the Taxonomy-Regulation.

Other environmentally sustainable investments comprised 49.61 % of the fund assets.

96.55 % of the fund assets fulfil the characteristics of socially sustainable investments.

Non-sustainable investments accounted for 3.45 %.

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

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

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

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

<b>Economic sectors</b>	<b>% Share</b>
C - MANUFACTURING	54.83
M - PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	13.21
D - ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	10.07
F - CONSTRUCTION	8.67
K - FINANCIAL AND INSURANCE ACTIVITIES	4.39
E - WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	3.91
S - OTHER SERVICE ACTIVITIES	1.84
G - WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	1.64
J - INFORMATION AND COMMUNICATION	1.10
B - MINING AND QUARRYING	0.27
A - AGRICULTURE, FORESTRY AND FISHING	0.06



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

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

Yes
  In fossil gas
  In nuclear energy

No

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

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

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

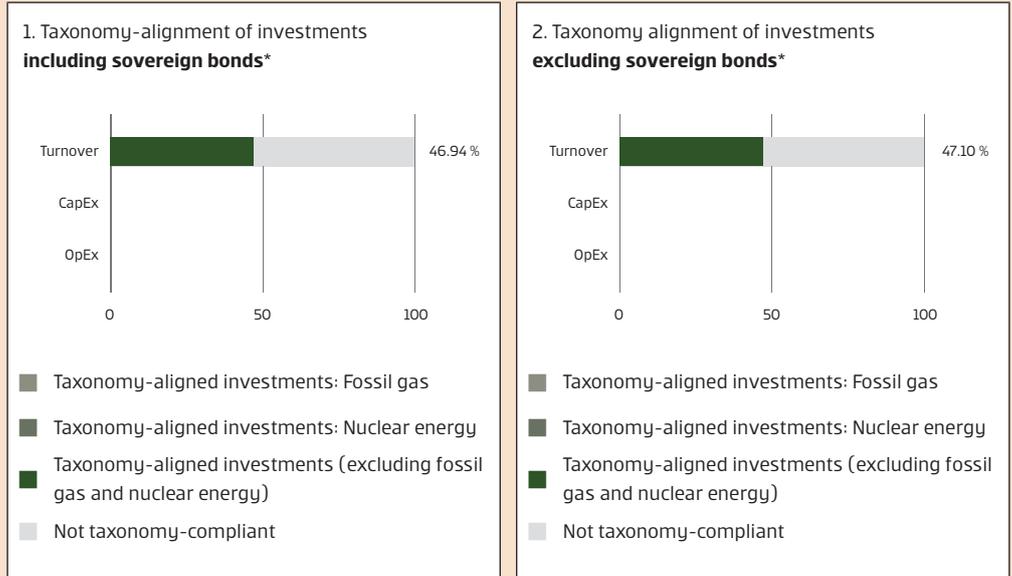
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made

by investee companies, e.g. for a transition to a green economy.

- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



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

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

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

- Climate protection: 46.30 %
- Climate change adaptation: 2.45 %

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

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

Where the disclosure of the companies invested in does not readily indicate the extent to which the investments are in environmentally sustainable business activities, data, where available, from ESG Research Partners is used.

- **What was the share of investments made in transitional and enabling activities?**

No data available.

- **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

Not relevant for the first reporting period.

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

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.



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

Other environmentally sustainable investments comprised 49.61 % of the fund assets.

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

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



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

96.55 % of the fund assets qualify as socially sustainable investments.



**What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?**

Item #2 includes only demand deposits, time deposits and derivatives. Derivatives held by the investment fund are for hedging purposes, demand deposits and time deposits refer to cash held as additional liquidity. The achievement of the sustainable investment objective is not permanently impaired by these investments falling under item #2 and their use because these assets are currently considered neutral from an environmental and social perspective.

All other investments held in the Fund (# Item 1) must be categorised by the Management Company as sustainable on the basis of the predefined screening process at the time of acquisition. The application of social and environmental exclusion criteria and the in-depth ESG analysis affords a minimum degree of comprehensive basic environmental and social protection for the entire Fund.



**What actions have been taken to attain the sustainable investment objective during the reference period?**

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

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

The complete engagement policy can be found on the Management Company's website: [https://cdn0.erstegroup.com/content/dam/at/eam/common/files/ESG/stewardship-policy/Stewardship\\_Policy\\_EN.pdf](https://cdn0.erstegroup.com/content/dam/at/eam/common/files/ESG/stewardship-policy/Stewardship_Policy_EN.pdf)

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

These can be viewed on the following website:

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

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

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



**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

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

No index has been designated as a reference benchmark for the purpose of attaining the sustainable investment objective.

- ***How did the reference benchmark differ from a broad market index?***  
Not applicable
  
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***  
Not applicable
  
- ***How did this financial product perform compared with the reference benchmark?***  
Not applicable
  
- ***How did this financial product perform compared with the broad market index?***  
Not applicable

## Fund Rules

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

The Fund is a feeder of the master fund ERSTE WWF STOCK ENVIRONMENT and is an undertaking for collective investment in transferable securities (UCITS). ERSTE STOCK ENVIRONMENT and ERSTE WWF STOCK ENVIRONMENT are managed by Erste Asset Management GmbH (the "Management Company" in the following), which has its registered office in Vienna.

### Article 1 Fund Units

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

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

### Article 2 Depositary Bank (Depositary)

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

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

### Article 3 Investment Instruments and Principles

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

The Fund invests at least 85% of its assets in units of ERSTE WWF STOCK ENVIRONMENT (the master fund) on a permanent basis.

The Management Company selects the investments for the master fund on the basis of a predefined screening process that identifies particular environmental benefits and thus qualifies the assets in question as sustainable.

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

a) Transferable securities

Does not apply.

b) Money market instruments

Does not apply.

c) Transferable securities and money market instruments

Does not apply.

d) Units in investment funds

The Fund invests at least 85% of its assets in units of ERSTE WWF STOCK ENVIRONMENT (the master fund) on a permanent basis.

e) Derivative financial instruments

Derivative financial instruments may only be used for hedging purposes and may comprise up to 15% of the fund assets.

f) Risk measurement method(s) of the Fund

The Fund applies the following risk measurement methods: commitment approach

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

Details about the calculation of the global exposure of the Fund in connection with derivative financial instruments based on a combination of the own direct risk and the risk of the master fund in relation to the Fund's holding of units in the master fund can be

found in the fund prospectus.

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

Demand deposits and deposits with the right to be withdrawn with a maximum term of 12 months may comprise up to 15% of the fund assets.

There are no minimum bank balance requirements.

h) Acceptance of short-term loans

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

i) Repurchase agreements

Does not apply.

j) Securities lending

Does not apply.

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

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

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

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

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

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

The issue price shall be made up of the unit value plus a surcharge per unit amounting to up to 4.00% to cover the costs incurred by the Management Company in issuing the unit, rounded up to the next equivalent sub-unit of the currency unit specified for the respective unit category in the prospectus.

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

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

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

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

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

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

### **Article 5 Accounting Year**

The accounting year of the Fund is from 1 May to 30 April.

### **Article 6 Unit Categories and Use of Earnings**

The Fund features three different unit categories and the corresponding certificates: dividend-bearing units, non-dividend-bearing units with capital gains tax payment, and non-dividend-bearing units without capital gains tax payment, with certificates being issued for one unit each and also for fractional units.

Various unit categories may be issued for this Fund. The creation of unit categories and the issue of units of a specific category shall be decided at the discretion of the Management Company.

#### **Use of earnings for dividend-bearing units**

The earnings generated during the accounting year (interest and dividends) less all costs can be distributed as deemed appropriate by the Management Company. Dividend disbursement may be omitted in the interests of the Unit-holders. Dividends may also be disbursed at the discretion of the Management Company from earnings generated by the sale of fund assets, including subscription rights. Disbursements of fund assets and interim dividends may be paid.

The fund assets may in no case fall below the legally stipulated minimum volume for termination as a result of dividend disbursements.

The amounts shall be paid to the holders of dividend-bearing units on or after 1 August of the following accounting year. The remaining amount shall be carried forward.

An amount calculated in accordance with the InvFG must also be paid out on or after 1 August to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund units unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the unit certificates can only be held by Unit-holders who are not subject to Austrian personal income tax or corporation tax or who meet the conditions for exemption from capital gains tax according to § 94 of the Austrian Income Tax Act (Einkommensteuergesetz) at the time of payment.

#### **Use of earnings for non-dividend-bearing units with capital gains tax payment (non-dividend-bearing units)**

The earnings generated by the Fund during the accounting year less all costs will not be paid out. In the case of non-dividend-bearing units, an amount calculated in accordance with the InvFG must be paid out on or after 1 August to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund units unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the unit certificates can only be held by Unit-holders who are not subject to Austrian personal income tax or corporation tax or who meet the conditions for exemption from capital gains tax according to § 94 of the Austrian Income Tax Act (Einkommensteuergesetz) at the time of payment.

#### **Use of earnings for non-dividend-bearing units without capital gains tax payment (KESt-exempt non-dividend-bearing units)**

The earnings generated by the Fund during the accounting year less all costs will not be paid out. No payment pursuant to the InvFG will be made. The reference date for the exemption from KESt payment for the profit for the year for the purposes of the InvFG shall be 1 August of the following accounting year.

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

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

### **Article 7**

#### **Management Fee, Compensation for Expenses, Liquidation Fee**

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

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

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

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

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

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

## **Annex to the Fund Rules**

### **List of exchanges with official trading and organised markets (As of October 2021)**

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

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

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

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

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

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

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

1.2.1 Luxembourg: Euro MTF Luxembourg

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

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

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

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

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

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

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

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

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

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

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

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

**Note regarding the data used**

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

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

**Note for retail funds:**

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

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