

# **ESPA STOCK ASIA INFRASTRUCTURE**

**Mutual fund pursuant to the InvFG**

Annual Report 2011/12

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The Austrian Investment Fund Act (Investmentfondsgesetz [InvFG]) 2011 has been in effect since 1 September 2011. Some of the provisions and legal references in the annual report still refer to the InvFG 1993.

This also applies to the fund terms and conditions, which were approved on the basis of the legal conditions valid at the time of authorisation.

## General Information about the Investment Firm

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

## Dear Shareholder,

We are pleased to present you the following annual report for the ESPA STOCK ASIA INFRASTRUCTURE mutual fund pursuant to the InvFG for the period from 1 June 2011 to 31 May 2012.

We would also like to inform you that the calculation of the value for ESPA STOCK ASIA INFRASTRUCTURE was suspended for one day because there was one non-trading day on the Hong Kong Stock Exchange on 30 September 2011.

## Development of the Fund

During the reporting period, the European debt crisis and the unchanged global economic situation were key drivers of the international stock markets. The cyclical infrastructure segment was among the losers due to the higher market sensitivity in the turbulent environment. While commodities were hit hardest by the correction in May, falling macroeconomic indicators in China (exports, industrial production and new loans) generated negative sentiment. The World Bank is expecting growth in China to amount to “only” 8.2% in 2012. The cooling of the economy increases the probability that China will again ease its monetary and fiscal policy. No lasting trend reversal has yet been seen in cement, steel and coal prices in China, and the equity market valuation is attractive. As an alternative to China, the ASEAN countries of the Philippines, Malaysia and Thailand are among the winners in the Asian infrastructure universe. Falling inflation is allowing numerous central banks in the region (India, Indonesia, the Philippines and Thailand) to ease their monetary policy. The Thai stock exchange was supported by the reconstruction investments after the massive floods. In the Philippines, increased transfer payments brought higher consumer spending. The range of performance for individual instruments since the beginning of the year was between plus 66% and minus 40%.

In accordance with the fund terms and conditions and after a fund manager change in January 2012, ESPA STOCK ASIA INFRASTRUCTURE was restructured at the beginning of the year. The portfolio was more broadly diversified in geographical terms, and the share of Chinese assets in the fund was reduced from roughly 50% to around 30% of the fund volume. The fund is now invested in 13 countries, roughly 28% of this being in the ASEAN countries and just under 10% in emerging markets outside of Asia. The portfolio contains roughly 50% large caps and 50% small/mid caps. The new, systematically implemented investment process focuses on the selection of individual instruments and uses quantitative models as a framework for investment decisions. Under generally volatile market conditions, the fund's performance since the beginning of the year failed to meet the expectations. While investments in Taiwan, Malaysia and Thailand brought positive performance contributions, the instruments selected in South Korea and China and currency fluctuations were relatively negative. The successful stock picks of the fund, which aims to achieve long-term earnings for investors with high risk tolerance, included the Philippine port operator International Container Services (plus 47% ytd), the Indonesian toll road operator Jasa Marga (plus 23% ytd) and the Taiwanese construction firm CTCI (plus 48% ytd).

## Method of Calculating Overall Risk <sup>1)</sup>

Method of calculating overall risk:		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:		-

1) For the period from 1 September 2011 to the end of the financial year.

\* 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

	31 May 2012		31 May 2011	
	EUR millions	%	EUR millions	%
Equities denominated in				
AUD	-	-	0.7	1.25
BRL	1.5	3.84	-	-
HKD	12.1	30.17	24.8	45.02
INR	2.9	7.09	7.7	13.96
IDR	2.7	6.65	2.4	4.38
MYR	2.2	5.53	3.2	5.77
PHP	2.8	6.87	0.9	1.59
SGD	2.0	5.02	5.7	10.41
KRW	3.3	8.12	6.5	11.79
TWD	2.8	6.89	-	-
THB	3.5	8.64	1.3	2.31
USD	2.3	5.60	1.1	2.00
Index certificates denominated in				
EUR	0.3	0.64	-	-
Investment certificates denominated in				
HKD	0.2	0.51	-	-
Securities	38.5	95.57	54.3	98.48
Cash in banks	1.6	3.90	0.5	0.96
Dividend entitlements	0.2	0.52	0.3	0.56
Interest entitlements	0.0	0.01	0.0	0.01
Other deferred items	-	0.00	-	0.00
<b>Fund assets</b>	<b>40.3</b>	<b>100.00</b>	<b>55.2</b>	<b>100.00</b>

## Comparative Overview (in EUR)

Financial year	Fund assets	Value change in per cent 1)
2007/08 2)	92,609,912.00	- 10.60
2008/09	35,853,966.98	- 29.83 3)
2009/10	48,948,007.46	+ 22.03 3)
2010/11	55,170,859.83	+ 1.54 3)
2011/12	40,262,188.17	- 18.39 3)

Financial year	Dividend shares		Non-dividend shares			KESt-exempt non-dividend shares	
	Calculated value per share	Dividend disbursement	Calculated value per share	Reinvested earnings	Payment in accordance with § 58 paragraph 2 InvFG	Calculated value per share	Reinvested KESt-exempt earnings
2007/08 2)	8.94	0.25	8.94	0.25	0.00	-	-
2008/09	6.06	0.20	6.28	0.19	0.02	6.28	0.21
2009/10	7.16	0.20	7.63	0.21	0.00	7.66	0.21
2010/11	7.07	0.20	7.75	2.00	0.01	7.77	2.03
2011/12	5.57	0.20	6.31	1.13	0.00	6.34	1.14

1) Assuming the reinvestment of all paid dividends at their nominal value on the day of disbursement.

2) Partial financial year from 18 June 2007 to 31 May 2008.

3) The changes in the value of non-dividend shares and KESt-exempt non-dividend shares vary slightly from those of dividend shares because of rounding effects.

## Disbursement/Payment

A dividend of EUR 0.20 per share was paid for the **dividend shares** for the financial year 2011/12, or a total of EUR 222,216.00 for 1,111,080 dividend shares.

The amount of capital gains tax to be withheld by the bank effecting the coupon payment is EUR 0.00.

An amount of EUR 1.13 per share will be reinvested for the **non-dividend shares** for the financial year 2011/12, which represents a total of EUR 5,993,412.09 for 5,300,345 non-dividend shares.

Pursuant to § 58 paragraph 2 of the Austrian Investment Fund Act (InvFG), the applicable capital gains tax must be paid on the profit for the non-dividend shares, but this profit is EUR 0.00 for the period.

Pursuant to the penultimate sentence of § 58 paragraph 2 of the Austrian Investment Fund Act, no capital gains tax will be paid for **KESt-exempt non-dividend shares**. An amount of EUR 1.14 per share will be reinvested for the KESt-exempt non-dividend shares for the financial year 2011/12, which represents a total of EUR 110,785.70 for 97,386 KESt-exempt non-dividend shares.

## Income Statement and Changes in Fund Assets

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

Calculated according to the OeKB method: per share in the fund currency (EUR) not including the issue premium	Dividend shares	Non-dividend shares	KESst-exempt non-dividend shares
Share value at the beginning of the reporting period	7.07	7.75	7.77
Disbursement on 01.09.2011 (corresponds to roughly 0.0355 shares) 1)	0.20		
Payment on 01.09.2011 (corresponds to roughly 0.0016 shares) 1)		0.01	
Share value at the end of the reporting period	5.57	6.31	6.34
Total value including (notional) shares gained through dividend disbursement/payment	5.77	6.32	6.34
Net earnings per share	- 1.30	- 1.43	- 1.43
Value development of one share in the period 2)	- 18.39 %	- 18.45 %	- 18.40 %

### 2. Fund Result

#### a. Realised fund result

##### Ordinary fund result

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

Interest income (excluding income adjustment) 5,950.15

Dividend income 987,432.31

Other income 3) 1,684.27

Total income (without profit or loss from price changes) 995,066.73

Interest paid - 5,094.24

##### Expenses

Fees paid to Investment Firm - 792,955.52

Costs for the financial auditor and tax consultation - 21,111.04

Publication costs - 10,252.14

Securities account fees - 43,279.02

Custodian bank fees - 63,436.46

Costs for the external consultant 0.00

Total expenses - 931,034.18

Compensation for management costs from sub-funds 4) 0.00

**Ordinary fund result (excluding income adjustment) 58,938.31**

##### Realised profit or loss from price changes 5) 6)

Realised gains 7) 7,447,103.72

Realised losses 8) - 10,223,229.16

**Realised profit or loss from price changes (excluding income adjustment) - 2,776,125.44**

**Realised fund result (excluding income adjustment) - 2,717,187.13**

<b>Carryover: Realised fund result (excluding income adjustment)</b>	<b>- 2,717,187.13</b>
<b>b. Unrealised profit or loss from price changes 5) 6)</b>	
Changes in the unrealised profit or loss from price changes	<u>- 6,985,106.82</u>
<b>Result for the reporting period</b>	<b>- 9,702,293.95</b>
<b>c. Income adjustment</b>	
Income adjustment for income in the period	- 284,228.28
Income adjustment for profit carried forward from dividend shares	<u>- 250,464.02</u>
<b>Overall fund result</b>	<b><u>- 10,236,986.25</u></b>

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

<b>Fund assets at the beginning of the reporting period 9)</b>	<b>55,170,859.83</b>
<b>Disbursement/payment</b>	
Disbursement (for dividend shares) on 01.09.2011	- 250,128.97
Payment (for non-dividend shares) on 01.09.2011	<u>- 55,049.12</u>
<b>Issue and return of shares</b>	<b>- 4,366,507.32</b>
<b>Overall fund result</b>	
(The fund result is shown in detail under 2)	<u>- 10,236,986.25</u>
<b>Fund assets at the end of the reporting period 10)</b>	<b><u>40,262,188.17</u></b>



#### **4. Source of the Fund Result**

Realised fund result	- 2,717,187.13
Income adjustment for income in the period	- 284,228.28
Income adjustment for profit carried forward from dividend shares	- 250,464.02
Profit carried forward from prior year	2,447,003.63
Costs and losses covered by fund assets	10,223,229.16
<b>Distributable/retainable fund result</b>	<b>9,418,353.36</b>

#### **5. Use of the Fund Result**

Disbursement on 03.09.2012 for 1,111,080 dividend shares at EUR 0.20 each	222,216.00
Payment on 03.09.2012 for 5,300,345 non-dividend shares at EUR 0.00 each	0.00
Reinvestment for 5,300,345 non-dividend shares at EUR 1.13 each	5,993,412.09
Reinvestment for 97,386 KEST-exempt non-dividend shares at EUR 1.14 each	110,785.70
Profit carried forward for dividend shares	3,091,939.57
<b>Total use</b>	<b>9,418,353.36</b>

The way in which interest income is recognised was changed due to amendments to the tax regulations that went into force on 1.4.2012. This has no effect on the calculated value of the fund.

- 1) Calculated value on 30.08.2011 (ex-date): One dividend share EUR 5.63, one non-dividend share EUR 6.38.
- 2) The changes in the value of non-dividend shares and KEST-exempt non-dividend shares vary slightly from those of dividend shares because of rounding effects.
- 3) The earnings reported under this item can be attributed entirely to lending fees from securities lending transactions.
- 4) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the Investment Fund after deduction of any associated costs. Erste Bank der oesterreichischen Sparkassen AG receives 20% of the calculated commissions to cover administrative costs.
- 5) Realised profits and losses are not calculated precisely for the specific periods, which means that they, as is the case for the changes in the unrealised profit or loss, are not necessarily congruent with the changes in the value of the fund in the reporting year.
- 6) 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 -9,761,232.26.
- 7) Thereof profits from transactions with derivative financial instruments: EUR 165,877.62.
- 8) Thereof losses from transactions with derivative financial instruments: EUR -491,003.34.
- 9) Shares outstanding at the beginning of the reporting period: 1,290,864 dividend shares, 5,798,612 non-dividend shares, 145,710 KEST-exempt non-dividend shares.
- 10) Shares outstanding at the end of the reporting period: 1,111,080 dividend shares, 5,300,345 non-dividend shares, 97,386 KEST-exempt non-dividend shares.

# Fund Portfolio as of 31 May 2012

(including changes in securities assets from 1 June 2011 to 31 May 2012)

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets	
<b>Publicly traded securities</b>								
<b>Equities denominated in BRL</b>								
<b>Issue country Brazil</b>								
MAHLE-METAL LEVE S.A.	BRLEVEACNOR2	165,600	41,400	124,200	21.200000	1,052,315.22	2.61	
OGX PETROLEO GAS PARTIC.	BROGXPACNOR3	120,000	0	120,000	10.300000	493,977.16	1.23	
						Total	1,546,292.38	3.84
Total equities denominated in BRL translated at a rate of 2.502140							1,546,292.38	3.84
<b>Equities denominated in INR</b>								
<b>Issue country India</b>								
BHARAT HEAVY E.DEMAT.IR 2	INE257A01026	482,500	382,500	100,000	212.100000	305,461.45	0.76	
COAL INDIA LTD IR 10	INE522F01014	140,000	0	140,000	321.600000	648,425.10	1.61	
GMR INFRASTR.(DEM.) IR 1	INE776C01039	1,314,000	0	1,314,000	20.600000	389,832.76	0.97	
JAIN IRRIGATION SYS. IR 2	INE175A01038	278,093	200,000	178,093	71.450000	183,258.79	0.46	
JAIPRAKASH AS.DEMAT. IR 2	INE455F01025	505,885	0	505,885	62.050000	452,073.79	1.12	
PETRONET LNG DEMAT. IR10	INE347G01014	350,000	200,000	150,000	127.900000	276,297.88	0.69	
SESA GOA LTD IR 1	INE205A01025	145,000	71,000	74,000	187.150000	199,451.49	0.50	
TATA STEEL LTD.DEMAT.IR10	INE081A01012	69,000	0	69,000	403.650000	401,115.82	1.00	
						Total	2,855,917.08	7.09
Total equities denominated in INR translated at a rate of 69.435930							2,855,917.08	7.09
<b>Equities denominated in Korean won</b>								
<b>Issue country Korea, Republic of</b>								
DAELIM INDL SW 5000	KR7000210005	4,600	0	4,600	99,700.000000	314,269.61	0.78	
HANJIN SHIPPING SW 5000	KR7117930008	21,000	0	21,000	13,450.000000	193,549.02	0.48	
HYUNDAI GLOVIS CO. SW 500	KR7086280005	3,000	0	3,000	208,500.000000	428,624.23	1.06	
LG CHEMICAL SW 5000	KR7051910008	3,700	0	3,700	291,000.000000	737,809.28	1.83	
POSCO SW 5000	KR7005490008	2,300	2,000	3,100	362,000.000000	768,988.18	1.91	
SAMSUNG ENGINEER. SW 5000	KR7028050003	0	0	6,400	188,000.000000	824,493.48	2.05	
						Total	3,267,733.80	8.12
Total equities denominated in KRW translated at a rate of 1459.320220							3,267,733.80	8.12
<b>Equities denominated in MYR</b>								
<b>Issue country Malaysia</b>								
TENAGA NASIONAL BHD MR 1	MYL534700009	420,000	117,000	303,000	6.670000	515,338.97	1.28	
						Total	515,338.97	1.28
Total equities denominated in MYR translated at a rate of 3.921710							515,338.97	1.28

## ESPA STOCK ASIA INFRASTRUCTURE

Security designation	ISIN number	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
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### Equities denominated in PHP

#### Issue country Philippines

ALLIANCE GLOBAL GRP PP 1	PHY003341054	4,000,000	0	4,000,000	12.460000	926,535.62	2.30
INTL CONTAINER TERM. PP 1	PHY411571011	920,000	0	920,000	77.000000	1,316,929.84	3.27
PHILIP.LONG DIST.TEL. PP5	PH7182521093	12,000	23,470	12,000	2,340.000000	522,012.84	1.30
Total						2,765,478.30	6.87
Total equities denominated in PHP translated at a rate of 53.791780						2,765,478.30	6.87

### Equities denominated in TWD

#### Issue country Taiwan

CTCI CORP. TA 10	TW0009933002	697,000	0	697,000	60.900000	1,149,308.61	2.85
FAR EASTONE TELE. TA 10	TW0004904008	470,000	0	470,000	66.400000	844,991.86	2.10
MERIDA INDUSTRY CO. TA 10	TW0009914002	266,000	0	266,000	108.000000	777,843.06	1.93
Total						2,772,143.53	6.89
Total equities denominated in TWD translated at a rate of 36.932900						2,772,143.53	6.89

### Index certificates denominated in EUR

#### Issue country Netherlands

MORG.STAN.BV WTS12 3GY	NL0010016473	1,300,000	0	1,300,000	0.196700	255,710.00	0.64
Total						255,710.00	0.64
Total index certificates denominated in EUR						255,710.00	0.64
Total index certificates						255,710.00	0.64
Total publicly traded securities						13,978,614.06	34.72

### Investment certificates

#### Investment certificates denominated in HKD

#### Issue country Luxembourg

DB X-TR.FTSE VIETNAM 1C	LU0322252924	10,740	0	10,740	185.000000	207,057.18	0.51
Total						207,057.18	0.51
Total investment certificates denominated in HKD translated at a rate of 9.595900						207,057.18	0.51
Total investment certificates						207,057.18	0.51

### Securities admitted to organised markets

#### Equities denominated in HKD

#### Issue country Bermuda

CHEUNG KONG IN.(HLDGS)HD1	BMG2098R1025	0	57,000	183,000	42.650000	813,363.00	2.02
CHINA GAS HLDGS HD-.01	BMG2109G1033	900,000	600,000	2,400,000	3.840000	960,410.18	2.39

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
				Shares/nominal (nom. in 1,000, rounded)			
CN RES GAS GR.LTD. HD-.10	BMG2113B1081	642,000	0	642,000	14.780000	988,834.81	2.46
COSCO PACIFIC LTD HD-.10	BMG2442N1048	500,000	650,000	250,000	9.520000	248,022.59	0.62
KUNLUN ENERGY CO. HD-.01	BMG5320C1082	300,000	0	300,000	13.260000	414,552.05	1.03
ORIENT OVERS. NEW DL-.10	BMG677491539	171,500	0	251,800	42.000000	1,102,095.69	2.74
SMARTONE TEL.HLDGS HD-.10	BMG8219Z1059	300,000	0	300,000	14.360000	448,941.74	1.12
Total						4,976,220.06	12.36

**Issue country Cayman Islands**

ASIA CEMENT CH.HO. HD-.01	KYG0539C1069	500,000	0	500,000	3.300000	171,948.44	0.43
GCL POLY ENERGY HLDGS LTD	KYG3774X1088	1,686,000	1,300,000	386,000	1.870000	75,221.71	0.19
Total						247,170.15	0.61

**Issue country China**

BEIJING C.INTL AIR.-H-YC1	CNE100000221	880,000	0	880,000	4.890000	448,441.52	1.11
CHINA SHENHUA EN. H YC 1	CNE1000002R0	285,000	349,900	250,000	27.350000	712,543.90	1.77
CHINA SHIPP.CONT.L.H YC 1	CNE100000536	2,300,000	0	2,300,000	1.950000	467,387.11	1.16
CHON.MACHIN.+ELEC.-H-YC 1	CNE1000009W5	1,500,000	0	1,500,000	1.330000	207,901.29	0.52
JIANGSU EXPRESSWAY H YC1	CNE1000003J5	0	615,000	185,000	7.390000	142,472.31	0.35
Total						1,978,746.13	4.91

**Issue country Hong Kong**

CHINA RES POWER HLDGS HD1	HK0836012952	0	0	500,000	14.040000	731,562.44	1.82
CN UNICOM(HK)LTD. HD -.10	HK0000049939	869,000	0	869,000	10.660000	965,364.37	2.40
CNOOC LTD SUBDIV. HD-.02	HK0883013259	529,000	264,000	265,000	14.040000	387,728.09	0.96
HUTCHISON WHAMPOA HD-.25	HK0013000119	225,000	0	295,000	63.850000	1,962,895.61	4.88
SINGAMAS CONTAINER HD-.10	HK0716002271	4,200,000	0	4,200,000	2.050000	897,258.20	2.23
Total						4,944,808.71	12.28
Total equities denominated in HKD translated at a rate of 9.595900						12,146,945.05	30.17

**Equities denominated in IDR****Issue country Indonesia**

JASA MARGA TBK RP 500	ID1000108103	2,829,000	0	2,829,000	5,150.000000	1,253,533.02	3.11
PERUSAHAAN GAS N. RP 100	ID1000111602	0	2,200,000	800,000	3,700.000000	254,675.58	0.63
PT TELEK. IND. B RP 250	ID1000099104	269,000	1,156,600	269,000	7,800.000000	180,527.13	0.45
UTD TRACTORS RP 250	ID1000058407	743,000	246,000	497,000	23,100.000000	987,788.51	2.45
Total						2,676,524.24	6.65
Total equities denominated in IDR translated at a rate of 11622.629640						2,676,524.24	6.65

**Equities denominated in MYR****Issue country Malaysia**

PETRONAS GAS BHD MR 1	MYL603300004	80,000	0	80,000	17.200000	350,867.35	0.87
TELEKOM MALAYSIA BHD MR 1	MYL486300006	190,000	0	990,000	5.390000	1,360,656.45	3.38
Total						1,711,523.80	4.25
Total equities denominated in MYR translated at a rate of 3.921710						1,711,523.80	4.25

## ESPA STOCK ASIA INFRASTRUCTURE

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
				Shares/nominal (nom. in 1,000, rounded)			
<b>Equities denominated in SGD</b>							
<b>Issue country Singapore</b>							
KEPPEL CORP. SUB. SD-.25	SG1U68934629	0	0	216,040	9.980000	1,353,071.72	3.36
SEBACORP INDS NEW SD-.25	SG1R50925390	0	320,000	115,600	4.830000	350,397.56	0.87
STARHUB LTD	SG1V12936232	157,000	0	157,000	3.240000	319,227.85	0.79
Total						2,022,697.13	5.02
Total equities denominated in SGD translated at a rate of 1.593470						2,022,697.13	5.02
<b>Equities denominated in THB</b>							
<b>Issue country Thailand</b>							
ADVANCED INFO S.-FGN-BA 1	TH0268010Z11	363,000	0	363,000	179.000000	1,651,775.93	4.10
BANGCHAK PET.-FGN- BA 1	TH0420010Z18	1,400,000	0	1,400,000	22.700000	807,877.24	2.01
BANGKOK EXPWAYS-FGN- BA10	TH0483010011	997,200	0	997,200	23.200000	588,114.29	1.46
JASMINE INTL FGN BA-.50	TH0418D10Z14	5,700,000	0	5,700,000	2.980000	431,799.96	1.07
Total						3,479,567.42	8.64
Total equities denominated in THB translated at a rate of 39.337660						3,479,567.42	8.64
<b>Equities denominated in USD</b>							
<b>Issue country Brazil</b>							
PETROLEO BRASILEIRO ADR 2	US71654V4086	30,000	15,000	15,000	19.560000	237,292.25	0.59
Total						237,292.25	0.59
<b>Issue country Colombia</b>							
ECOPETROL S.A. ADR/20	US2791581091	8,000	0	8,000	59.560000	385,361.32	0.96
Total						385,361.32	0.96
<b>Issue country Russia</b>							
MAGNIT GDR REG. S RL -.01	US55953Q2021	8,000	0	8,000	24.600000	159,165.35	0.40
AO GAZP.ADR SP. 2/RL 5	US3682872078	103,000	0	103,000	8.765000	730,150.84	1.81
SEVERSTAL GDR S OCT2006	US8181503025	84,000	0	84,000	10.930000	742,545.19	1.84
Total						1,631,861.38	4.05
Total equities denominated in USD translated at a rate of 1.236450						2,254,514.95	5.60
Total securities admitted to organised markets						24,291,772.59	60.33

**Breakdown of fund assets**

Securities		38,477,443.83	95.57
Dividend entitlements		210,472.01	0.52
Cash in banks		1,571,429.61	3.90
Interest entitlements		3,127.81	0.01
Other deferred items		-285.09	-0.00
<b>Fund assets</b>		<b>40,262,188.17</b>	<b>100.00</b>

Dividend shares outstanding	shares	1,111,080
Non-dividend shares outstanding	shares	5,300,345
KEST-exempt non-dividend shares outstanding	shares	97,386
Share value for dividend share	EUR	5.57
Share value for non-dividend share	EUR	6.31
Share value for KEST-exempt non-dividend share	EUR	6.34

**Investor note:**

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

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

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

**Publicly traded securities****Equities denominated in INR****Issue country India**

ADANI ENTERPRISES LTD.IR1	INE423A01024	110,000	110,000
ASEA BROWN BOVERI IR 2	INE117A01022	0	50,000
BHARAT HEAVY E.DEMAT.IR10	INE257A01018	0	20,500
BHARTI AIRTEL IR 5	INE397D01024	0	118,000
CROMPTON GREAVES (DEMAT.)	INE067A01029	0	180,000
GAIL (INDIA) LTD. IR 10	INE129A01019	0	150,000
HAVELLS INDIA DEMAT. IR 5	INE176B01026	35,000	35,000
INDRAPRASTHA GAS IR 10	INE203G01019	100,000	100,000
JAIN IRRIGAT.SYS NEW IR 2	IN9175A01010	10,000	10,000
LANCO INFRATEC.(DEM.) IR1	INE785C01048	0	460,000
LARSEN+TOUBRO DEMAT. IR 2	INE018A01030	0	39,000
NCC LTD. IR 2	INE868B01028	0	200,000
RELIANCE INDS(DEMAT) IR10	INE002A01018	5,000	40,000
STERLITE IND.I.DEMAT.IR 1	INE268A01049	0	192,000
TATA POWER (DEMAT.) IR 1	INE245A01021	260,000	260,000
TATA POWER (DEMAT.) IR 1	INE245A01013	0	26,000
THERMAX LTD (DEMAT.) IR 2	INE152A01029	0	75,000
VA TECH WABAG LTD IR 2	INE956G01038	5,940	5,940
VA TECH WABAG LTD IR 5	INE956G01020	2,376	2,376

## ESPA STOCK ASIA INFRASTRUCTURE

<b>Security designation</b>	<b>ISIN number</b>	<b>Purch./ additions Shares/nominal (nom. in 1,000, rounded)</b>	<b>Sales/ disposals</b>
<b>Equities denominated in Korean won</b>			
<b>Issue country Korea, Republic of</b>			
DOOSAN CORP. SW 5000	KR7000150003	4,500	4,500
DOOSAN HEAVY INDS SW 5000	KR7034020008	10,000	10,000
DOOSAN INFRACORE SW 5000	KR7042670000	0	40,900
GS ENGIN.+CONSTR. SW 5000	KR7006360002	0	8,000
HYUNDAI HEAVY IND.SW 5000	KR7009540006	9,000	12,500
KOREA EL. PWR SW 5000	KR7015760002	25,000	25,000
KOREA POWER ENGIN. SW 200	KR7052690005	4,000	4,000
S1 CORP. SW 500	KR7012750006	8,000	8,000
SAMSUNG C+T CORP. SW 5000	KR7000830000	0	18,900
SAMSUNG HEAVY IND.SW 5000	KR7010140002	20,000	65,000
<b>Equities denominated in MYR</b>			
<b>Issue country Malaysia</b>			
GAMUDA BERHAD MR 1	MYL539800002	230,000	1,230,000
IJM CORP.BHD MR 1	MYL333600004	0	700,000
PETRONAS CHEM.GR. MR -.10	MYL518300008	180,000	180,000
WCT BHD	MYL967900001	0	839,800
<b>Equities denominated in PHP</b>			
<b>Issue country Philippines</b>			
MANILA ELECTRIC PP 10	PHY5764J1483	50,000	50,000
<b>Equities denominated in THB</b>			
<b>Issue country Thailand</b>			
ADVANCED INFO S.-LOC-BA 1	TH0268010Z03	233,000	233,000
BANGKOK EXPWAYS-LOC- BA10	TH0483010003	997,200	997,200
<b>Securities admitted to organised markets</b>			
<b>Equities denominated in AUD</b>			
<b>Issue country Australia</b>			
SYDNEY AIRPORT STAPLED	AU000000SYD9	300,000	300,000

Security designation	ISIN number	Purch./ additions	Sales/ disposals
Shares/nominal (nom. in 1,000, rounded)			
<b>Equities denominated in HKD</b>			
<b>Issue country Bermuda</b>			
APOLLO SOLA.E.T.H.HD-0025	BMG0425Y1057	0	10,500,000
BEIJING ENTER.WTR GR.CONS	BMG0957L1090	0	4,815,000
PACIFIC BASIN SHIP.DL-.10	BMG684371393	500,000	1,708,400
SHENZHEN INTL HLDGS HD-10	BMG8086V1046	0	9,583,100
<b>Issue country Cayman Islands</b>			
CH.MET.RECL.REGS HD-.0001	KYG211311009	999,600	999,600
CHINA HIGH-SPEED DL-.01	KYG2112D1051	0	500,000
CHINA SHANSHUI CEM.DL-.01	KYG2116M1015	500,000	1,476,500
CHINA ST.CONSTR.INTL CON.	KYG216771363	0	1,440,000
CN LIANSU GRP REG S HD-05	KYG2159F1046	0	1,000,000
COMBA TELECOM HD-.10	KYG229721140	400,000	400,000
COMTEC SOL.SYS GRP REG S	KYG234201054	0	2,000,000
HIDILI INDUSTRY INTL DEV.	KYG444031069	1,000,000	1,960,900
XINAO GAS HOLDINGS HD-.10	KYG3066L1014	0	244,200
<b>Issue country China</b>			
ANGANG STEEL CO. H YC 1	CNE1000001V4	344,000	344,000
ANHUI CONCH CEMENT H YC1	CNE1000001W2	200,000	200,000
CHINA BLUECHEMICAL H YC 1	CNE1000002D0	500,000	500,000
CHINA CMNCTS CONSTR.H YC1	CNE1000002F5	500,000	2,000,000
CHINA COAL ENERGY H YC 1	CNE100000528	0	450,000
CHINA COSCO HLDGS H YC 1	CNE1000002J7	2,560,000	3,210,000
CHINA NATL BUIL. M. H YC1	CNE1000002N9	0	700,000
CHINA OILFIELD SVCS H YC1	CNE1000002P4	230,000	230,000
CHINA PETRO.+ CHEM. H YC1	CNE1000002Q2	500,000	500,000
CHINA RAILWAY CONS.H YC 1	CNE100000981	0	806,700
CHINA RAILWAY GRP H YC 1	CNE1000007Z2	0	1,178,600
CHINA S.LOC.+RO.ST.CORP.H	CNE100000BGO	800,000	1,600,000
CHINA SHIP.DEVELOP.CO. H	CNE1000002S8	1,250,000	1,800,200
DONGFANG ELECTRIC-H- YC 1	CNE100000304	0	400,000
GUANGSHEN RAILWAY H YC 1	CNE100000379	0	1,633,500
SHANGHAI ELECT.GRP H YC 1	CNE100000437	0	1,500,000
WEICHAJ POWER CO. H YC 1	CNE1000004L9	0	160,000
XINJIANG GOLDW.SC.+T.H	CNE100000PP1	0	400,000
YANZHOU COAL MNG H YC 1	CNE1000004Q8	0	300,000
ZH.CSR TIMES ELEC.-H- YC1	CNE1000004X4	0	230,000
ZHAOJIN MINING IND.H YC 1	CNE1000004R6	200,000	200,000



## ESPA STOCK ASIA INFRASTRUCTURE

Security designation	ISIN number	Purch./ additions	Sales/ disposals
Shares/nominal (nom. in 1,000, rounded)			
<b>Issue country Hong Kong</b>			
BEIJING ENTERPR.NEW HD-10	HK0392044647	0	137,500
CHINA EVERBRIGHT I.HD-.10	HK0257001336	0	2,000,000
CHINA MER. HLDGS I.HD-.10	HK0144000764	150,000	150,000
CHINA MOBILE LTD. HD-.10	HK0941009539	176,000	306,000
GUANGDONG INV. LTD HD-.50	HK0270001396	2,000,000	2,000,000
H.K. EL.HLDGS HD 1	HK0006000050	150,000	150,000
MTR CORP. LTD HD 1	HK0066009694	0	350,000
SHANGHAI IND. HLDGS HD-10	HK0363006039	0	183,200
<b>Equities denominated in IDR</b>			
<b>Issue country Indonesia</b>			
AKR CORPORINDO TBK RP 100	ID1000106701	1,000,000	1,000,000
HEXINDO ADIPERKASA RP 100	ID1000102205	200,000	200,000
INDOC.TUNG.P. RP 500	ID1000061302	0	510,100
<b>Equities denominated in CAD</b>			
<b>Issue country Canada</b>			
BANKERS PETROLEUM NEW	CA0662863038	150,000	150,000
URANIUM ONE INC.	CA91701P1053	100,000	100,000
<b>Equities denominated in SGD</b>			
<b>Issue country Bermuda</b>			
NOBLE GROUP LTD HD-.25	BMG6542T1190	0	678,654
<b>Issue country Singapore</b>			
COSCO CORP.(S.)LTD SD-.10	SG1S76928401	0	600,000
FRASER + NEAVE SD-.20	SG1T58930911	220,000	220,000
HYFLUX LTD	SG1J47889782	0	780,000
SOUND GLOBAL LTD NEW	SG1W63939514	0	1,750,000
<b>Equities denominated in THB</b>			
<b>Issue country Thailand</b>			
BANPU PCL -FGN- BA 10	TH0148010018	0	75,100

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

**Equities denominated in USD**

**Issue country Cayman Islands**

JA SOLAR HLDGS ADR/3	US4660901079	0	150,000
LDK SOL.SHS B ADR YC -.10	US50183L1070	0	90,000

**Issue country Singapore**

HUTCHISON PORT HLDGS UTS	SG2D00968206	1,500,000	1,500,000
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**Investment certificates**

**Investment certificates denominated in AUD**

**Issue country Australia**

MACQUARIE AIRPORTS STPLD	AU000000MAP6	0	300,000
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Vienna, June 2012

ERSTE-SPARINVEST  
Kapitalanlagegesellschaft m.b.H.

Bednar

Gasser

Gschiegl

## **Unqualified Auditor's Opinion\***

We have audited the attached annual report as of 31 May 2012 prepared by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. for the fund under its management designated ESPA STOCK ASIA INFRASTRUCTURE, mutual fund pursuant to the InvFG, for the financial year from 1 June 2011 to 31 May 2012, including the accounting records for the fund.

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

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

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

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

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

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

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

### **Audit opinion**

Our audit revealed no cause for objection. Based on the information obtained during the audit, we believe that the annual report as of 31 May 2012 for ESPA STOCK ASIA INFRASTRUCTURE, mutual fund pursuant to the InvFG, complies with the legal requirements.

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

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

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

### **Statements regarding the report on activities in the reporting period**

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

Vienna, 20 August 2012

**ERNST & YOUNG**  
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

**Mag. Ernst Schönhuber**  
(Certified Public  
Accountant)

**Dr. Robert Wauschek**  
(Certified Public  
Accountant)

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

# Fund Terms and Conditions for ESPA STOCK ASIA INFRASTRUCTURE

## Mutual fund pursuant to the InvFG General Terms and Conditions

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

### **§ 1 Basic Terms**

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

### **§ 2 Fund Shares**

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

The number of shares is unlimited.

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

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

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

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

### **§ 3 Share Certificates and Global Certificates**

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

### **§ 4 Administration of the Investment Fund**

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

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

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

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

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

#### **§ 5 Custodian Bank**

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

#### **§ 6 Issue and Share Value**

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

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

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

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

#### **§ 7 Return**

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

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

#### **§ 8 Accounting**

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

#### **§ 9 Forfeiture of Earnings**

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

#### **§ 10 Publication**

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

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

The notice pursuant to § 10 paragraph 4 KMG shall be published in *Amtsblatt zur Wiener Zeitung* or in another newspaper that is distributed throughout Austria.

For changes to the prospectus pursuant to § 6 paragraph 2 InvFG, notice according to § 10 paragraph 4 KMG may also be made in electronic form only on the web site of the issuing Investment Firm.

### **§ 11 Amendment of the Fund Terms and Conditions**

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

### **§ 12 Termination and Liquidation**

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

### **§ 12a Merger or Transfer of Fund Assets**

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

## **Special Fund Terms and Conditions**

for ESPA STOCK ASIA INFRASTRUCTURE, mutual fund pursuant to § 20 InvFG (the "Investment Fund" in the following).

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

### **§ 13 Custodian Bank**

The custodian bank is Erste Group Bank AG, Vienna.

### **§ 14 Payment and Submission Offices, Share Certificates**

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

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

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

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

### **§ 15 Investment Instruments and Principles**

1. The Investment Firm shall be authorised as defined by §§ 4, 20 and 21 InvFG and §§ 16ff of the fund terms and conditions to purchase all types of securities, money market instruments and other liquid financial investments for the Investment Fund, provided that the principle of risk diversification is maintained and no justified Shareholder interests are violated.
2. The fund assets will be invested according to the following investment policy principles:
  - a) The assets selected must predominantly be shares in companies with direct or indirect business interests in the infrastructure sector from Asia (excluding Japan); these can be denominated in euros or other currencies.
  - b) In order to demarcate the investment universe (in part), shares in investment funds according to § 17 of these fund terms and conditions, regardless of the country in which the respective management company is domiciled, may make up no more than 10% of the fund assets of ESPA STOCK ASIA INFRASTRUCTURE.

- c) investments in assets according to § 18 of these fund terms and conditions play a minor role and may comprise a maximum of 49% of the fund assets. However, in the course of the restructuring of the fund portfolio or in order to reduce the influence of possible price losses experienced by securities, the Investment Fund can hold a higher proportion of demand deposits or callable deposits with a maximum term of 12 months. These may amount to up to 100% of the fund assets.
  - d) the Investment Firm reserves the right to invest in other assets as per item 1 to a limited extent in addition to those specified in letters a) through c).
  - e) derivative instruments in accordance with § 19 and § 19a of these fund terms and conditions (including swaps and OTC derivatives) may be purchased for risk mitigation (hedging) purposes and also for speculative purposes. Derivatives may play a major role relative to the total net value of the fund assets, both for hedging and non-hedging purposes.
3. If securities and money market instruments containing an embedded derivative are purchased for the Investment Fund, the Investment Firm must take this into account in compliance with §§ 19 and 19a. Investments in index-based derivatives are not taken into account in the investment limits in § 20 paragraph 3 items 5, 6, 7 and 8d InvFG.
  4. Securities or money market instruments issued or guaranteed by a Member State including its political subdivisions, by a non-Member State or by international organisations with a public sector character in which one or more Member States are members may make up more than 35% of the Investment Fund provided that the Investment Fund assets are invested in at least six different instruments, but an investment in one instrument may not make up more than 30% of the total Investment Fund assets.
  5. The Investment Fund may purchase equities and money market instruments that are not fully paid up as well as subscription rights for these types of instruments and other financial instruments that are not fully paid up amounting to a maximum of 10% of the Investment Fund assets.

### **§ 15a Securities and Money Market Instruments**

Securities are

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

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

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

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

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

### **§ 16 Exchanges and Organised Markets**

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



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

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

### **§ 17 Shares in Investment Funds**

1. Shares in investment funds (investment funds and open investment companies) pursuant to § 20 paragraph 3 item 8b InvFG that fulfil the requirements of Directive 85/611/EEC (UCITS) may together with the investment funds specified in the following item 2 make up no more than 10% of the Investment Fund assets in total, provided that the target funds themselves do not invest more than 10% of their fund assets in shares of other investment funds.
2. Shares in investment funds pursuant to § 20 paragraph 3 item 8c InvFG which do not meet the requirements of Directive 85/611/EEC (UCITS) and whose sole purpose is

- to invest money contributed by a group of investors for their joint account in securities and other liquid financial investments under the principles of risk diversification, and
- whose shares can be redeemed or paid out directly or indirectly from the assets of the investment fund upon request by the shareholder,

may make up a maximum of 10% of the Investment Fund assets in total together with the investment funds described in the previous item 1, provided that

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

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

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

### **§ 18 Demand Deposits or Callable Deposits**

1. The Investment Fund may hold bank deposits in the form of demand deposits or callable deposits for a maximum term of 12 months. No minimum requirements apply to bank deposits. Bank deposits may make up no more than 49% of the fund assets. However, in the

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

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

#### **§ 19 Derivative Financial Instruments**

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

#### **§ 19a OTC Derivatives**

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

#### **§ 19b Value at Risk**

Does not apply.

#### **§ 20 Loans**

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

#### **§ 21 Repurchase Agreements**

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

#### **§ 22 Securities Lending**

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

### **§ 23 Issue and Return Procedure**

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

The issue premium to cover the costs incurred by the Investment Firm in issuing the share shall be 4%; the resulting amount will be rounded up to the next cent to determine the final issue price. The return price is the share value.

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

### **§ 24 Financial Year**

The financial year of the Investment Fund is from 1 June to 31 May of the following calendar year.

### **§25 Administration Fee, Compensation for Expenses**

The Investment Firm shall receive an annual fee for its administrative activities amounting to up to 1.8% of the fund assets as calculated using the month-end values.

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

### **§ 26 Use of Earnings for Dividend Shares**

The earnings generated during the financial year (interest and dividends) less all costs can be distributed as deemed appropriate by the Investment Firm. Dividends may also be paid at the discretion of the Investment Firm from earnings generated by the sale of Investment Fund assets, including subscription rights. Fund assets may be paid out. The fund assets may not fall below EUR 1,150,000 after dividend payments in any case. The amounts shall be paid to the holders of dividend shares on or after 1 September of the following financial year, against collection of a coupon if necessary. The remaining amount shall be carried forward.

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

### **§ 27 Use of Earnings for Non-Dividend Shares with Capital Gains Tax Withholding (non-dividend tranche)**

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

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

Does not apply.

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

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

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

### **§ 28 Liquidation**

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

## **Annex to the Special Fund Terms and Conditions**

### **List of exchanges with official trading and organised markets**

**(As of April 2010)**

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

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

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

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

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

[http://www.fma.gv.at/cms/site//attachments/0/9/6/CH0236/CMS1230557514954/27072009-liste\\_geregelte\\_maerkte.pdf](http://www.fma.gv.at/cms/site//attachments/0/9/6/CH0236/CMS1230557514954/27072009-liste_geregelte_maerkte.pdf) \*)

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

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

1.2.1 Luxembourg: Euro MTF Luxembourg

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

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

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

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

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

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

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

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

### 5. Exchanges with futures and options markets

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

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

**Note regarding the data used**

The sections Income Statement and Changes in Fund Assets, Fund Portfolio and Tax Treatment in this annual report were prepared on the basis of data from the custodian bank for the Investment Fund.

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

Unless indicated otherwise, source: ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. Our languages of communication are German and English. Both the full prospectus and the simplified prospectus as well as the Key Investor Information (and any applicable changes to these documents) were published in *Amtsblatt zur Wiener Zeitung* in accordance with the provisions of the InvFG 2011 in the currently amended version and are available for free at the domicile of the Investment Firm and at the head office of the custodian bank. The exact date of the most recent publication, the languages in which the simplified prospectus and the Key Investor Information are available, and any additional locations where the documents can be obtained can be viewed on the web site [www.sparinvest.com](http://www.sparinvest.com).

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