

ESPA STOCK ISTANBUL

Mutual fund pursuant to InvFG

Semi-Annual Report 2011

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General Information about the Investment Firm

The company	ERSTE-SPARINVEST Kapitalanlagegesellschaft m. b. H. Habsburgergasse 1a, A-1010 Vienna Telephone: +43 05 0100-19881, Fax: +43 05 0100-17102
Nominal capital	EUR 4.50 million
Shareholders	Erste Asset Management GmbH (81.42%) DekaBank Deutsche Girozentrale (2.87%) Kärntner Sparkasse Aktiengesellschaft (2.87%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (1.37%) Salzburger Sparkasse Bank Aktiengesellschaft (2.87%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (2.87%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (5.73%)
Supervisory Board	Wolfgang TRAINDL, Mag. (Chairman) Gerhard FABISCH, Mag. Dr. (Deputy Chairman) Wilhelm SCHULTZE, DI (Deputy Chairman) Christian AICHINGER, Dr. 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
Managing directors	Heinz BEDNAR, Mag. Harald GASSER, Mag. Franz GSCHIEGL, Dr.
Prokuristen (proxies)	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.
State commissioners	Erwin GRUBER Michael MANHARD, HR Dr.
Auditor	ERNST & YOUNG WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH
Custodian bank	Erste Group Bank AG

Dear Shareholder,

We are pleased to present you the following semi-annual report for the ESPA STOCK ISTANBUL mutual fund pursuant to InvFG for the period from 1 May 2011 to 31 October 2011.

Development of the Fund

Conditions on the Turkish stock market were negative over the past six months. The Istanbul 100 Index fell by 20% during the reporting period. The Turkish lira continued its downward trend from the beginning of the year and lost 8% in value versus the euro. The beginning of the reporting period was dominated mainly by political events in Turkey. In the parliamentary elections, the ruling AKP party was re-elected as expected, with 49.9% of the votes. Despite a large number of votes, the AKP lost seats and now has 326. This led to a loss of the qualified majority of 330 seats needed to make constitutional amendments through a referendum. However, the performance of the stock exchange in Istanbul was still dominated mainly by the unconventional fiscal policy of the Turkish central bank and the associated uncertainty. In addition, persistently high commodity prices not only led to an increase in the Turkish current account balance but also caused investors to turn away from Turkey and move towards commodity-rich countries and regions such as Russia and South America.

The debt problem in most of the developed world heated up again as a result of the threat of Greece's possible bankruptcy at the beginning of the second half of the reporting period. This took its toll not only on the European equity markets but also on the emerging markets and thus on the Turkish stock market. Following the major price losses triggered by this, the stock exchange in Istanbul performed much better than other emerging markets. In particular, the high equity ratios by international standards and the credit upgrade of local-currency bonds to investment grade by the rating agency S&P led to renewed interest in Turkish equities on the part of investors. Although the credit rating for long-term foreign-currency bonds is still two levels lower than investment grade, this news confirms the positive developments in Turkey and raises the prospect of a possible rating upgrade for the country.

Against this backdrop, particularly equities from the defensive sectors such as telecommunications, food and trade performed better than the market as a whole during the period. The losers were primarily insurance companies, utilities, banks and conglomerates, the latter two of which are strongly represented in the index.

ESPA STOCK ISTANBUL lost roughly 27% before costs in EUR terms in the reporting period and slightly outperformed the market as a whole. The fund was fully invested for most of the past six months. Throughout the reporting period, there were overweight positions mainly in materials, industry, real estate and consumer discretionary instruments at the expense of financials and consumer staples. Transactions were also conducted with derivative financial instruments in the reporting period.

The Turkish stock exchange was closed for Ramadan from 30 August to 1 September 2011. The value of ESPA STOCK ISTANBUL was therefore not calculated from 31 August to 2 September 2011.

Asset Allocation

	31 October 2011		30 April 2011	
	EUR millions	%	EUR millions	%
Equities denominated in TRY	31.3	79.54	44.5	77.00
Securities	31.3	79.54	44.5	77.00
Financial futures	0.1	0.21	1.3	2.19
Forward exchange agreements	0.1	0.25	-	0.38
Dividend entitlements	0.0	0.11	0.0	0.07
Cash in banks	7.8	19.88	12.2	21.12
Interest entitlements	0.0	0.03	0.0	0.01
Other deferred items	-	0.01	-	0.01
Fund assets	39.4	100.00	57.8	100.00

Fund Portfolio as of 31 October 2011

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

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets	
Publicly traded securities								
Equities denominated in TRL								
Issue country Turkey								
AKENERJI ELEK.UERET.TN 1	TRAAKENR91L9	lent*	0	70,000	250,000	274,874.07	0.70	
ANEL ELEK.PRO.TA.V.T.TN 1	TREAEPT00017		0	0	170,000	127,378.68	0.32	
ASELSAN ELEKTRON.S.V.TIC.	TRAAELS91H2		0	0	35,000	104,615.03	0.27	
ASYA KATILIM BANK N. TN 1	TREAYKB00014		0	220,000	160,000	121,840.48	0.31	
BANVIT B.VITAMIN.Y.S.TIC.	TRABANVT92A9		0	0	23,000	31,563.69	0.08	
BIM BIRLESIK MAGAZALAR AS	TREBIMM00018	46,000	18,000	84,000	53.000000	1,812,947.18	4.60	
BIZIM TOP.SAT.MAGAZ.TN 1	TREBZMT00017		0	0	27,875	249,728.18	0.63	
BOYNER BUYUK MAGAZA. TN 1	TRACARSI91J0	200,000	0	200,000	2.860000	232,930.32	0.59	
ECZACIBASI ILAC TN 1	TRAECILC91E0	100,000	0	200,000	2.120000	172,661.64	0.44	
EMLAK KONUT GAYR.YAT.ORT.	TREEGY000017	800,000	100,000	1,000,000	2.330000	948,824.56	2.41	
GSD HOLDING AS TN 1	TRAGSDH091Q9		0	0	520,000	141,875.74	0.36	
GUBRE FABRIKALARI TN 1	TRAGUBRF91E2	25,000	15,000	110,000	11.950000	535,291.79	1.36	
IS GAYRIMENKUL YAT. TN 1	TRAISSGY091Q3	408,000	0	630,000	1.130000	289,900.52	0.74	
KOZA ALTIN ISLETMEL.	TREKOAL00014	lent*	50,000	62,000	138,000	24.450000	1,374,003.84	3.49
KOZA ANADOLU MET.M. TN 1	TREKOZA00014		82,315	0	282,315	3.890000	447,212.11	1.14
MIGROS TICARET REG. TN 1	TREMGTI00012		25,000	0	65,000	15.400000	407,628.06	1.03
PARK ELEKTR. TN 1	TRAPRKTE91B5	275,000	0	350,000	3.780000	538,753.17	1.37	
REYSAS TASIM. VE LOJISTIK	TREREYS00015	422,074	0	802,074	1.040000	339,686.10	0.86	
SINPAS GAYRIM.YAT.ORT.TN1	TRESNGY00019	430,000	580,000	240,000	1.220000	119,234.26	0.30	

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets	
TAT KONSERVE SANAYII	TRATATKS91A5	0	0	90,000	2.610000	95,656.18	0.24	
TAV HAVALIMAN.HLDG TN 1	TRETAVH00018	185,000	220,000	160,000	8.240000	536,879.96	1.36	
TEKFEN HOLDING AS TN 1	TRETKH000012	0	40,000	100,000	5.680000	231,301.44	0.59	
TUERKIYE HALK BANKASI TN1	TRETHAL00019	60,000	80,000	240,000	10.750000	1,050,629.77	2.67	
TURCAS PETROL AS TN 1	TRATRCAS92E6	lent* 154,896	0	454,896	2.840000	526,090.72	1.34	
TURK TELEKOMUNIKASY. TN 1	TRETTLK00013	260,000	220,000	300,000	7.420000	906,473.59	2.30	
TURK TRA.VE Z.M.NA TN 1	TRETRRK00010	24,000	10,000	14,000	32.100000	183,005.05	0.46	
TURKIYE SINAI KAL.B. TN 1	TRATSKBW91N0	170,000	1	399,999	1.900000	309,487.06	0.79	
YAPI KREDI SIGORTA TN 1	TRAHLKSG9203	0	21,844	27,156	14.300000	158,136.39	0.40	
						Total	12,268,609.58	31.15
						Total equities denominated in TRL translated at a rate of 2.455670	12,268,609.58	31.15
						Total publicly traded securities	12,268,609.58	31.15

Securities admitted to organised markets

Equities denominated in TRL

Issue country Turkey

AKBANK TUERK TN 1	TRAAKBNK91N6	200,000	195,000	765,000	6.420000	1,999,983.71	5.08	
AKCANSAN CIM.SAN. TN 1	TRAAKCN91F3	55,000	115,425	24,575	6.620000	66,249.33	0.17	
AKSIGORTA TN 1	TRAAKGR9105	lent* 0	0	230,000	1.390000	130,188.50	0.33	
ANADOLU AN. TURK SIG. SIR	TRAANSR9101	220,000	0	220,000	0.840000	75,254.41	0.19	
ANADOLU E.BIR.M.G. TN 1	TRAAEFES91A9	37,000	70,000	130,000	22.100000	1,169,945.47	2.97	
ARCELIK A.S. REG. TN 1	TRAARCL91H5	0	0	140,000	6.560000	373,991.62	0.95	
AYGAZ NREG. TN 1	TRAAYGAZ91E0	40,000	48,122	75,000	9.520000	290,755.68	0.74	
CIMSA C.SAN.VE TIC. TN 1	TRACIMSA91F9	60,269	40,269	140,000	7.440000	424,161.23	1.08	
DOGAN HOLDING A.S. TN 1	TRADHOL91Q8	0	0	1,250,000	0.630000	320,686.41	0.81	
DOGAN YAYIN HLDG TN 1	TRADYHOL91Q7	0	0	160,000	0.630000	41,047.86	0.10	
ENKA INSAAT VE SAN. TN 1	TREENKA00011	27,283	12	227,270	4.520000	418,321.84	1.06	
EREGLI DEM.CEL. REG. TN 1	TRAEREG91G3	99,687	339,687	50,000	3.430000	69,838.37	0.18	
FORD OTOMOTIV SANAYI TN 1	TRAOTOS91H6	100,000	110,000	70,000	12.500000	356,318.23	0.90	
HACI OMER SABANCI TN 1	TRASAHOL91Q5	75,000	55,000	790,000	5.920000	1,904,490.42	4.84	
HURRIYET GA.VE MAT. TN 1	TRAHURGZ91D9	0	270,000	150,000	0.900000	54,974.81	0.14	
IHLAS HLDG REG. TN 1	TRAIHLAS91D5	600,000	0	900,000	0.850000	311,523.94	0.79	
KOC HLDG NA TN 1	TRAKCHOL91Q8	70,000	220,000	280,000	5.920000	675,009.26	1.71	
PETKIM PETROKIMYA REG.TN1	TRAPETKM91E0	190,000	139,997	200,000	2.240000	182,434.94	0.46	
TRAKYA CAM SANAYII TN 1	TRATRKCM91F7	0	117,280	197,720	2.710000	218,197.56	0.55	
TUERK OTOMOBIL E TN 1	TRATOASO91H3	43,000	120,000	130,000	6.960000	368,453.42	0.94	
TUERKIYE GAR.BANK.REG.TN1	TRAGARAN91N1	580,000	500,000	1,420,000	6.120000	3,538,911.99	8.99	
TUPRAS TURKIYE P.R. TN 1	TRATUPRS91E8	25,000	30,000	93,000	38.900000	1,473,202.83	3.74	
TURK HAVA YOLLARI AS	TRATHYAO91M5	204,000	244,000	500,000	2.490000	506,989.95	1.29	
TURKCELL ILETISIM TN 1	TRATCELL91M1	80,000	100,000	460,000	8.580000	1,607,219.21	4.08	
TURKIYE IS BANKASI C TN 1	TRAISTR91N2	790,000	800,000	950,000	4.040000	1,562,913.58	3.97	
TURKIYE VAKIFLAR BANK.	TREVKFB00019	250,000	330,000	430,000	2.920000	511,306.49	1.30	
ULKER BISKUVI SANAYI TN 1	TREULKRO0015	0	0	80,000	5.520000	179,828.72	0.46	
YAPI VE KREDI B.NA TN 1	TRAYKBNK91N6	0	490,000	80,000	3.240000	105,551.64	0.27	
						Total	18,937,751.42	48.08
						Total equities denominated in TRL translated at a rate of 2.455670	18,937,751.42	48.08
						Total securities admitted to organised markets	18,937,751.42	48.08

ESPA STOCK ISTANBUL

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Unlisted securities							
Equities denominated in TRL							
Issue country Turkey							
KILER GAYR.YAT.ORTAK.TN 1	TREKGYO00014	0	0	100,000	2.910000	118,501.26	0.30
						Total	118,501.26 0.30
						Total equities denominated in TRL translated at a rate of 2.455670	118,501.26 0.30
						Total unlisted securities	118,501.26 0.30
							Unrealised result in EUR
Forward exchange agreements							
Forward exchange agreements denominated in EUR							
Issue country Austria							
FXF SPEST EUR/TRY 08.11.2011	FXF_TAX_3404613			5,000,000		97,779.34	0.25
						Total	97,779.34 0.25
						Total forward exchange agreements denominated in EUR	97,779.34 0.25
						Total forward exchange agreements	97,779.34 0.25
Derivatives							
Financial futures denominated in TRL							
Issue country Turkey							
ISE 30 FUTURES Dec11				3,000		-218,469.90	-0.55
ISE 30 FUTURES Oct11				3,000		300,394.60	0.76
						Total	81,924.70 0.21
						Total financial futures denominated in TRL translated at a rate of 2.455670	81,924.70 0.21
						Total derivatives	81,924.70 0.21
Breakdown of fund assets							
Securities						31,324,862.26	79.54
Forward exchange agreements						97,779.34	0.25
Financial futures						81,924.70	0.21
Dividend entitlements						43,450.67	0.11
Cash in banks						7,829,688.66	19.88
Interest entitlements						12,677.90	0.03
Other deferred items						-5,385.09	-0.01
Fund assets						39,384,998.44	100.00
Dividend shares outstanding		shares		22,811			
Non-dividend shares outstanding		shares		84,041			
KEST-exempt non-dividend shares outstanding		shares		29,824			
Share value for dividend share		EUR		257.65			
Share value for non-dividend share		EUR		292.11			
Share value for KEST-exempt non-dividend share		EUR		300.45			

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

Security designation	ISIN number	Lent	Fee
		amount	rate in %
		Shares/nominal (nom. in 1,000, rounded)	
AKENERJI ELEK.UERET.TN 1	TRAAKENR91L9	125,000	2.00
AKENERJI ELEK.UERET.TN 1	TRAAKENR91L9	60,000	2.38
AKSIGORTA TN 1	TRAAKGRT91O5	1,100	2.00
KOZA ALTIN ISLETMEL.	TREKOAL00014	35,000	2.00
TURCAS PETROL AS TN 1	TRATRCAS92E6	1,805	2.00

Investor note:

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

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

Security designation	ISIN number	Purch./	Sales/
		additions	disposals
		Shares/nominal (nom. in 1,000, rounded)	
Publicly traded securities			
Equities denominated in TRL			
Issue country Turkey			
BAGFAS BA.GU.FA.REG. TN 1	TRABAGFS91E2	0	2,000
TURK EKONOMI BANKASI TN 1	TRATEBNK91N9	0	140,000
DOGUS OTOMOTIV SERV. TIC.	TREDOTO00013	0	120,000
TURK SISE CAM REG. TN 1	TRASISEW91Q3	198,636	488,636
DOGAN YAYIN HLDG -INT.CERT.-	TRRDYAY00039	160,000	160,000
EREGLI DEM.CEL. REG. 3/11	TREERGL00025	0	99,687
IHLAS HLDG -INT.CERT.-	TRRIHLS00065	300,000	300,000

Vienna, November 2011

ERSTE-SPARINVEST
Kapitalanlagegesellschaft m.b.H.

Bednar

Gasser

Gschiegl