

# **ESPA BOND DOLLAR-CORPORATE**

**Mutual Fund pursuant to § 20 InvFG**

Annual Report 2010/11

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## 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. Alois HOCHEGGER, Mag. (until 23.2.2011) Michael MALZER, Mag. Dr. (until 23.2.2011) Birte QUITT, Dipl. BW. (FH) (from 24.2.2011) Franz RATZ Gabriele SEMMELROCK-WERZER (from 24.2.2011) Reinhard WALT, Mag. (from 7.9.2010) Appointed by the Works Council: Regina HABERHAUER, Mag. (FH) Dieter KERSCHBAUM, Mag. Gerhard RAMBERGER, Mag. Herbert STEINDORFER
<b>Managing directors</b>	Heinz BEDNAR, Mag. Harald GASSER, Mag. Franz GSCHIEGL, Dr.
<b>Prokuristen (proxies)</b>	Achim ARNHOF, Mag. (from 24.2.2011) Winfried BUCHBAUER, Mag. Harald EGGER, Mag. Oskar ENTMAYR Dietmar JAROSCH, Dr. Günther MANDL Christian SCHÖN Paul A. SEVERIN, Mag. Jürgen SINGER, Mag.
<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 BOND DOLLAR-CORPORATE mutual fund pursuant to § 20 InvFG for the period from 1 August 2010 to 31 July 2011.

## Development of the Fund

The 2010/2011 financial year was generally favourable for corporate bonds. Despite the many problems related to the debt situation in the Western world, the uprisings in the Middle East and the devastating earthquake in Japan, the investment climate was quite positive. Risk appetite grew further in annual comparison and the risk premiums for USD-denominated bonds with good to excellent credit ratings fell further. However, the strong depreciation of USD against EUR had a negative impact on total yields. As a result, the fund fell in value by 5.3% in annual comparison.

At the beginning of the reporting period, the European peripheral countries were on everyone's lips, as countries including Greece and Ireland had to be saved from the possibility of bankruptcy. Nevertheless, the economic indicators, which were excellent in some regions such as Germany, brightened up sentiment. Gradually, money flowed into the markets for corporate bonds. There were a number of new issues, risk aversion declined as did risk premiums, and the prices for corporate bonds increased. In mid-March, the severe earthquake in Japan and the unrest in the Middle East caused prices to fall for the first time. Concerns arose about supply bottlenecks in several industrial segments and about rising oil prices, and in some cases these continue to influence market developments. The economic recovery was only momentarily slowed down by these events, which also clarifies the ECB's first interest rate hike since 2008. In addition, corporate results were surprisingly stable and pushed stock prices up. However, the debt problem in the Western world proved to be more and more of a Sword of Damocles hanging over the entire global economy. Towards the end of the reporting period, Greece once again required a helping hand. At this point, though, the increasingly large and complex aid packages in Europe were barely able to calm the markets. Market participants are too doubtful about the ambitious savings targets. It is still unclear whether large countries such as Spain and Italy will also require support. In the meantime, the debt problem has also finally reached the US. It took quite a while for the US government to come to an agreement about the budget. The fact that in the background the rating agencies downgraded various countries' credit ratings and even called into question the US's top rating has of course also led to a higher level of volatility and caused risk premiums to rise for corporate bonds as well. In addition, the leading indicators showed a global economic decline at the beginning of the summer. Nevertheless, corporate results remain positive. Although most companies are presenting only cautious forecasts, the current data should be seen as positive for corporate bond holders.

The risk premiums for USD-denominated bonds with good to excellent credit ratings fell by 20 bp to nearly 166 bp in the reporting period. However, total yields were weighed down by a 9% depreciation of USD against EUR and rising yields for American government bonds. As a result, the fund fell in value by 5.3% in annual comparison. Due to the more stable market conditions and with the aim of profiting from the narrowing of risk premiums, more investments were made in large financial companies. The portfolio is currently slightly overweight on the financial sector. However, the fund managers continue to try to maintain a stable, diversified portfolio.

## Asset Allocation

	31 July 2011		31 July 2010	
	EUR millions	%	EUR millions	%
Equities denominated in USD	-	-	0.2	0.45
Bonds denominated in USD	32.5	96.72	38.6	95.92
Securities	32.5	96.72	38.8	96.37
Financial futures	- 0.0	- 0.13	0.1	0.23
Cash in banks	0.7	2.16	0.8	2.11
Interest entitlements	0.4	1.25	0.5	1.29
Other deferred items	- 0.0	- 0.00	-	-
<b>Fund assets</b>	<b>33.6</b>	<b>100.00</b>	<b>40.2</b>	<b>100.00</b>

## Comparative Overview (in EUR)

Financial year	Fund assets	Value change in per cent 1)
2005/06	82,316,052.91	- 5.33 2)
2006/07	68,790,074.69	- 2.63
2007/08	38,436,188.73	- 10.37 2)
2008/09	46,335,316.97	+ 18.95 2)
2009/10	40,225,227.75	+ 21.09 2)
2010/11	33,560,612.28	- 5.28 2)

Financial year	Dividend shares		Non-dividend shares			KESt-exempt non-dividend shares	
	Calculated value per share	Dividend disbursement	Calculated value per share	Reinvested earnings	Payout pursuant to § 13 InvFG	Calculated value per share	Reinvested KESt-exempt earnings
2005/06	74.28	4.00	90.75	3.75	1.14	91.79	4.94
2006/07	68.56	4.00	87.29	3.99	1.10	89.38	5.21
2007/08	57.81	3.50	77.23	3.66	1.02	80.10	4.85
2008/09	64.72	3.75	90.70	4.08	1.18	94.65	5.48
2009/10	73.86	3.00	108.37	3.32	1.08	114.61	4.66
2010/11	67.08	2.80	101.61	12.59	1.01	108.54	14.52

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

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

## Disbursement/Payment

A dividend of EUR 2.80 per share was paid for the **dividend shares** for the financial year 2010/11, or a total of EUR 752,542.00 for 268,765 dividend shares.

The coupon-paying bank is obligated to withhold capital gains tax in the amount of EUR 0.67 per share if the respective investor is not exempt from the payment of this tax. This dividend payment will be effected and credited on Monday, 3 October 2011, at

Erste Group Bank AG, Vienna,

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

An amount of EUR 12.59 per share will be reinvested for the **non-dividend shares** for the financial year 2010/11, which represents a total of EUR 1,904,995.93 for 151,288 non-dividend shares.

Pursuant to § 13 of the Austrian Investment Fund Act (InvFG), the applicable capital gains tax on the profit for the non-dividend shares in the amount of EUR 1.01 per share must be paid out. This amounts to a total of EUR 152,800.81 for 151,288 non-dividend shares. This payment will also be effected on Monday, 3 October 2011.

Pursuant to the penultimate sentence of § 13 of the Austrian Investment Fund Act, no capital gains tax will be paid for **KEST-exempt non-dividend shares**. An amount of EUR 14.52 per share will be reinvested for the KEST-exempt non-dividend shares for the financial year 2010/11, which represents a total of EUR 21,311.50 for 1,468 KEST-exempt non-dividend shares.

## Income Statement and Changes in Fund Assets

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

Calculated according to the OeKB method: per share in the fund currency (EUR) not including the issue premium	Dividend shares	Non-dividend shares	KESt-exempt non-dividend shares
Share value at the beginning of the reporting period	73.86	108.37	114.61
Disbursement on 01.10.2010 (corresponds to roughly 0.0430 shares) 1)	3.00		
Payment on 01.10.2010 (corresponds to roughly 0.0102 shares) 1)		1.08	
Share value at the end of the reporting period	67.08	101.61	108.54
Total value including (notional) shares gained through dividend disbursement/payment	69.96	102.65	108.54
Net earnings per share	- 3.90	- 5.72	- 6.07
Value development of one share in the period 2)	<b>- 5.28 %</b>	<b>- 5.28 %</b>	<b>- 5.30 %</b>

### 2. Fund Result

#### a. Realised fund result

##### Ordinary fund result

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

Interest income (excluding income adjustment) 1,661,614.03

Dividend income 0.00

Other income 3) 293.21

Total income (without profit or loss from price changes) 1,661,907.24

Interest paid - 2,567.86

##### Expenses

Fees paid to Investment Firm - 251,792.89

Costs for the financial auditor - 8,998.00

Publication costs - 9,560.47

Securities account fees - 8,425.73

Custodian bank fees - 20,146.22

Costs for the external consultant 0.00

Total expenses - 298,923.31

Compensation for management costs from sub-funds 4) 0.00

**Ordinary fund result (excluding income adjustment) 1,360,416.07**

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

Realised gains 7) 1,406,941.87

Realised losses 6) - 1,958,591.17

**Realised profit or loss from price changes (excluding income adjustment) - 551,649.30**

**Realised fund result (excluding income adjustment) 808,766.77**

<b>Carryover: realised fund result (excluding income adjustment)</b>	<b>808,766.77</b>
<b>b. Unrealised profit or loss from price changes 5) 6)</b>	
Changes in the unrealised profit or loss from price changes	- 2,729,254.83
<b>Result for the reporting period</b>	<b>- 1,920,488.06</b>
<b>c. Income adjustment</b>	
Income adjustment for income in the period	- 94,291.51
Income adjustment for profit carried forward from dividend shares	81,818.17
<b>Overall fund result</b>	<b>- 1,932,961.40</b>

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

<b>Fund assets at the beginning of the reporting period 9)</b>	<b>40,225,227.75</b>
<b>Disbursement/payment</b>	
Disbursement (for dividend shares) on 01.10.2010	- 734,439.75
Payment (for non-dividend shares) on 01.10.2010	- 201,287.18
<b>Issue and return of shares</b>	<b>- 3,795,927.14</b>
<b>Overall fund result</b>	
(The fund result is shown in detail under 2)	- 1,932,961.40
<b>Fund assets at the end of the reporting period 10)</b>	<b>33,560,612.28</b>

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

Realised fund result	808,766.77
Income adjustment for income in the period	- 94,291.51
Income adjustment for profit carried forward from dividend shares	81,818.17
Profit carried forward from prior year	1,832,538.78
Costs and losses covered by fund assets	1,958,591.17
<b>Distributable/retainable fund result</b>	<b><u>4,587,423.38</u></b>

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

Disbursement on 03.10.2011 for 268,765 dividend shares at EUR 2.80 each	752,542.00
Reinvestment for 268,765 dividend shares at EUR 0.00 each	0.00
Payment on 03.10.2011 for 151,288 non-dividend shares at EUR 1.01 each	152,800.81
Reinvestment for 151,288 non-dividend shares at EUR 12.59 each	1,904,995.93
Reinvestment for 1,468 KESt-exempt non-dividend shares at EUR 14.52 each	21,311.50
Profit carried forward for dividend shares	1,755,773.14
<b>Total use</b>	<b><u>4,587,423.38</u></b>

- 1) Calculated value on 29.09.2010 (ex-date): One dividend share EUR 69.81, one non-dividend share EUR 105.75.
- 2) The changes in the value of KESt-exempt non-dividend shares vary slightly from those of non-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 -3,280,904.16.
- 7) Thereof profits from transactions with derivative financial instruments: EUR 206,241.80.
- 8) Thereof losses from transactions with derivative financial instruments: EUR -127,087.14.
- 9) Shares outstanding at the beginning of the reporting period: 258,223 dividend shares, 194,579 non-dividend shares and 581 KESt-exempt non-dividend shares.
- 10) Shares outstanding at the end of the reporting period: 268,765 dividend shares, 151,288 non-dividend shares and 1,468 KESt-exempt non-dividend shares.

## Fund Portfolio as of 31 July 2011

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

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets	
<b>Publicly traded securities</b>									
<b>Bonds denominated in USD</b>									
<b>Issue country Australia</b>									
BHP BILLITON F. 2019	US055451AH17	6.500000	0	0	200	121.725998	169,416.84	0.50	
							Total	169,416.84	0.50
<b>Issue country Bermuda</b>									
WEATHERFORD INTL 2020	US94707VAA89	5.125000	200	0	200	106.156998	147,748.09	0.44	
							Total	147,748.09	0.44
<b>Issue country Brazil</b>									
VOTORANTIM CIM. 11/41REGS	USP98088AA83	7.250000	100	0	100	100.875000	70,198.33	0.21	
							Total	70,198.33	0.21
<b>Issue country Cayman Islands</b>									
PETROBRAS I. F. 11/41	US71645WAS08	6.750000	350	0	350	111.056999	270,493.74	0.81	
							Total	270,493.74	0.81
<b>Issue country Great Britain</b>									
HSBC BANK 10/20 REGS	USG4639DVV48	4.125000	400	200	200	98.780000	137,480.86	0.41	
HSBC BANK 2015 144A	US44328MAB00	3.500000	600	0	600	103.432999	431,870.56	1.29	
PEARSON DOL.FIN TWO 2018	US705010AB25	6.250000	0	200	100	112.380997	78,205.29	0.23	
							Total	647,556.71	1.93
<b>Issue country Ireland</b>									
VEB FINANCE 10/25MTN REGS	XS0559915961	6.800000	300	0	300	102.750000	214,509.39	0.64	
							Total	214,509.39	0.64
<b>Issue country Canada</b>									
PETRO-CANADA 2038	US71644EAJ10	6.800000	200	0	200	117.313004	163,274.89	0.49	
PTTEP C.I.F. 11/21 REGS	USC75088AA97	5.692000	100	0	100	103.650000	72,129.44	0.21	
RIO TINTO ALCAN 03/33	US013716AU93	6.125000	0	0	125	112.998001	98,293.32	0.29	
TALISMAN ENERGY 09/19	US87425EAL74	7.750000	100	0	100	124.372002	86,549.76	0.26	
TALISMAN ENERGY 2021	US87425EAM57	3.750000	150	0	150	97.030998	101,284.97	0.30	
TECK RESOURCES 09/16	US878742AM71	10.250000	250	0	250	120.000000	208,768.27	0.62	
							Total	730,300.65	2.18

ESPA BOND DOLLAR-CORPORATE

Security designation	ISIN number	Interest rate	Purch./ additions Shares/	Sales/ disposals nominal	Holding	Price	Value in EUR	% share of fund assets
			(nom. in 1,000, rounded)					
<b>Issue country Korea</b>								
HYUNDAI CAP.SVCS 11/16	USY3815NAG61	4.375000	150	0	150	104.405000	108,982.25	0.32
POSCO 10/20 REGS	USY70750AN78	4.250000	125	0	125	95.808500	83,340.73	0.25
Total							192,322.98	0.57
<b>Issue country Luxembourg</b>								
GAZ CAPITAL 08/18MTN REGS	XS0357281558	8.146000	300	200	100	120.000000	83,507.31	0.25
GAZ CAPITAL 10/15MTN REGS	XS0562354182	5.092000	100	0	100	105.375000	73,329.85	0.22
VTB CAPITAL 10/20MTN REGS	XS0548633659	6.551000	400	0	400	101.750000	283,228.95	0.84
Total							440,066.11	1.31
<b>Issue country Mexico</b>								
TELMEX 2015	US879403AS24	5.500000	0	0	200	110.518997	153,819.06	0.46
Total							153,819.06	0.46
<b>Issue country Netherlands</b>								
SIEMENS FINANC.2012 144A	US826200AB37	5.500000	0	0	250	102.751300	178,760.09	0.53
Total							178,760.09	0.53
<b>Issue country Sweden</b>								
NORDEA BK 10/13 MTN REGS	US65557DAB73	1.750000	250	100	150	100.325000	104,723.38	0.31
Total							104,723.38	0.31
<b>Issue country Spain</b>								
BBVA US UNIPERS. 2014	US055299AJ03	3.250000	175	0	175	97.822998	119,130.31	0.35
SANTANDER US DEBT 10/15	USE86849AQ43	3.781000	500	0	500	94.311000	328,152.40	0.98
Total							447,282.71	1.33
<b>Issue country USA</b>								
AETNA 2020	US00817YAH18	3.950000	300	150	150	100.292999	104,689.98	0.31
AMGEN 09/39	US031162BA71	6.400000	0	0	250	115.189003	200,398.41	0.60
ANH.-BUSCH INBEV 11/19	US03523TBE73	7.750000	300	0	300	128.949005	269,204.61	0.80
BOSTON PROP. 2013	US10112RAB06	6.250000	0	76	24	107.119600	17,890.54	0.05
CELLCO PARTN/V.W.09/13	US92344SAJ96	7.375000	0	0	100	113.608002	79,059.15	0.24
CELLCO PARTN/V.W.09/18	US92344SAK69	8.500000	0	100	150	131.895004	137,677.46	0.41
COMCAST NEW 2035	US20030NAF87	5.650000	0	0	150	99.473000	103,834.03	0.31
DANAHER CORP. 2019	US235851AH52	5.400000	0	0	100	114.115997	79,412.67	0.24
DEVON ENERGY 2032	US251799AA02	7.950000	0	75	25	132.143005	22,989.39	0.07
DOMINION RES.(NEW) 2012 B	US25746UJ88	6.250000	0	100	80	104.995000	58,452.33	0.17
DU PONT NEMOURS 09/19	US263534BW83	5.750000	150	500	150	115.646004	120,716.08	0.36
DUKE ENER. CAROLINAS 2014	US264399EQ56	6.300000	150	100	50	112.030998	38,980.86	0.12
EXELON GENERAT. 2019	US30161MAF05	5.200000	0	0	150	105.916000	110,559.50	0.33

Security designation	ISIN number	Interest rate	Purch./ additions Shares/	Sales/ disposals nominal (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets
EXELON GENERAT. 2039	US30161MAG87	6.250000	0	0	150	105.623001	110,253.65	0.33
GEORGIA POWER 2040	US373334JS15	4.750000	100	0	100	94.141998	65,512.87	0.20
INTL BUS. MACH. 2028	US459200AS04	6.500000	0	400	100	121.260000	84,384.13	0.25
KEYCORP 2015 MTN	US49326EEC30	3.750000	650	350	300	104.411003	217,977.04	0.65
KEYCORP 2021 MTN	US49326EED13	5.100000	100	0	100	103.686996	72,155.18	0.21
KINDER M.E.PARTNERS 2037	US494550AV85	6.500000	100	0	100	107.323000	74,685.46	0.22
LINCOLN NATL 2036	US534187AR02	6.150000	0	50	100	104.821999	72,945.02	0.22
MIDAMERIC.E.HLDGS 06/36	US59562VAM90	6.125000	0	150	150	111.419998	116,304.80	0.35
NBCUNIVERSAL 2021 144A	US62875UAH86	4.375000	250	0	250	101.047997	175,796.79	0.52
NIAGARA MOHAWK PWR 2019	US65364UAA43	4.881000	0	0	150	107.919998	112,651.36	0.34
NUSTAR LOGIST. 2020	US67059TAB17	4.800000	450	200	250	102.582000	178,465.55	0.53
PNC FDG 2020	US693476BL68	4.375000	150	0	150	102.427002	106,917.54	0.32
SAN DIEGO GAS+EL.2040 III	US797440BM51	4.500000	150	0	150	92.959000	97,034.45	0.29
TEVA PHARM.FIN. 2016	US88163VAC37	5.550000	0	0	100	113.880000	79,248.43	0.24
TIME WARNER CBL 08/38	US88732JAN81	7.300000	300	0	300	118.170000	246,701.46	0.74
U.S. BANCORP 2013 MTN	US91159HGZ73	1.125000	250	0	250	100.272003	174,446.77	0.52
VALERO ENERGY CORP. 2020	US91913YAR18	6.125000	250	0	250	113.018997	196,623.17	0.59
WELLS FARGO 2012 FLR MTN	US92976WAK27	0.403880	200	0	200	100.119700	139,345.44	0.42
WELLS FARGO BK 06/36	US94980VAG32	5.950000	200	150	300	104.264999	217,672.23	0.65
						Total	3,882,986.35	11.57
Total bonds denominated in USD translated at a rate of 1.437000							7,650,184.43	22.80
Total publicly traded securities							7,650,184.43	22.80

#### Securities admitted to organised markets

##### Bonds denominated in USD

##### Issue country Australia

A.N.Z. BKG GRP 11/16 REGS	US05252BBN82	3.250000	400	0	400	102.520000	285,372.30	0.85
COMMONW.BK AUSTR09/19	US2027A1DJ35	5.000000	0	0	500	105.860000	368,336.81	1.10
NATL AUSTR. BK 10/15 REGS	US6325C1BC26	2.750000	250	0	250	101.155000	175,982.95	0.52
WESTPAC BKG 2012	US961214BJ11	2.250000	0	0	250	101.995003	177,444.34	0.53
						Total	1,007,136.40	3.00

##### Issue country Cayman Islands

HUTCHISON WH.I 09/19 REGS	USG4672UAA37	7.625000	0	0	250	120.643500	209,887.79	0.63
ODEBRECHT FIN. 11/23 REGS	USG6710EAG55	6.000000	200	0	200	101.875000	141,788.45	0.42
PETROBRAS I. F. 11/16	US71645WAT80	3.875000	700	600	100	103.287730	71,877.33	0.21
VALE OVERSEAS 06/36	US91911TAH68	6.875000	0	0	250	114.014999	198,355.95	0.59
						Total	621,909.52	1.85

##### Issue country France

AXA S.A. 00/30	US054536AA57	8.600000	0	75	125	119.817001	104,224.95	0.31
RCI BANQUE 11/14 REGS	USF7806FQE45	3.400000	200	0	200	102.345000	142,442.59	0.42
SOC GENERALE 11/21REGS	US83368TAA60	5.200000	50	0	50	97.745000	34,010.09	0.10
						Total	280,677.63	0.84

## ESPA BOND DOLLAR-CORPORATE

Security designation	ISIN number	Interest rate	Purch./ additions Sales/ disposals Shares/nominal (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets	
<b>Issue country Great Britain</b>								
BARC 09/16	US06739FGF27	5.000000	300	0	300	107.237000	223,876.83	0.67
BARC 2021 MTN 144A	US06739FFU03	10.179000	200	0	200	124.264999	172,950.59	0.52
BP CAP.MKTS 2014	US05565QBL14	3.625000	200	0	200	105.563004	146,921.37	0.44
BP CAP.MKTS 2020	US05565QBP28	4.500000	200	0	200	105.758003	147,192.77	0.44
BRIT. TELECOMM. 00/30	US111021AE12	9.875000	200	0	200	139.871002	194,670.84	0.58
MARKS SPENCER 07/17 REGS	USG5825LAB48	6.250000	100	0	100	111.065000	77,289.49	0.23
PRUDENTIAL PLC 03/UND.	XS0170488992	6.500000	0	100	100	96.646000	67,255.39	0.20
						Total	1,030,157.28	3.07
<b>Issue country India</b>								
ICICI BK(MANAMA) 09/15	USM5314BAE13	5.500000	100	0	100	105.605000	73,489.91	0.22
						Total	73,489.91	0.22
<b>Issue country Canada</b>								
ANADARKO FIN. 2031 B	US032479AD91	7.500000	250	0	250	118.633003	206,390.06	0.61
CDN NATURAL RES 07/17	US136385AK78	5.700000	200	0	200	115.966003	161,400.15	0.48
						Total	367,790.21	1.10
<b>Issue country Qatar</b>								
RAS LAF.L.N.GAS II 05/20	USM8221WAA91	5.298000	0	0	150	108.000000	103,907.72	0.31
						Total	103,907.72	0.31
<b>Issue country Korea</b>								
POSCO 11/21 REGS	USY70750AR82	5.250000	300	0	300	103.086500	215,211.90	0.64
						Total	215,211.90	0.64
<b>Issue country Luxembourg</b>								
ARCELORMITTAL 09/19	US03938LAM63	9.850000	250	0	250	129.203995	224,780.79	0.67
ARCELORMITTAL 2021	US03938LAU89	5.500000	100	0	100	101.850998	70,877.52	0.21
ARCELORMITTAL 2039	US03938LAP94	7.000000	400	0	400	103.262000	287,437.72	0.86
GAZPROM INTL 04/20 REGS	XS0197695009	7.201000	200	0	400	111.000000	140,412.55	0.42
NORD/LB COV.FIN. 07/17MTN	XS0303324585	5.375000	100	0	100	108.605000	75,577.59	0.23
SB CAPITAL 06/13	XS0253322886	6.480000	0	150	100	107.750000	74,982.60	0.22
SB CAPITAL 11/21 MTN	XS0638572973	5.717000	200	0	200	99.750000	138,830.90	0.41
TELECOM ITAL.CAP. 04/34	US87927VAM00	6.000000	0	250	150	85.169998	88,903.97	0.26
TELECOM ITAL.CAP. 09/14	US87927VAW81	6.175000	0	0	150	104.161003	108,727.56	0.32
TELECOM ITAL.CAP.03/13	US87927VAE83	5.250000	200	200	100	101.686996	70,763.40	0.21
						Total	1,281,294.60	3.82

Security designation	ISIN number	Interest rate	Purch./ additions Shares/	Sales/ disposals nominal (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets	
<b>Issue country Netherlands</b>									
DT.TELEK.INTL F. 11/16	USN2557FFA77	3.125000	200	0	200	103.150000	143,562.98	0.43	
ING BK NV 03/15 REGS	USN4578BLH51	5.125000	100	0	200	105.187900	146,399.30	0.44	
LUKOIL INTL FIN.10/20REGS	XS0554659671 <sup>lent*</sup>	6.125000	200	0	200	103.500000	144,050.10	0.43	
SHELL INTL FIN. 2020	US822582AM49	4.375000	250	100	150	107.239998	111,941.54	0.33	
SHELL INTL FIN. 2038	US822582AD40	6.375000	450	0	450	121.746002	381,250.53	1.14	
TELEFON. EUROPE 00/30	US879385AD49	8.250000	0	0	100	117.885002	82,035.49	0.24	
							<b>Total</b>	<b>1,009,239.94</b>	<b>3.01</b>
<b>Issue country Norway</b>									
STATOILHYDRO 09/19	US85771SAA42	5.250000	0	0	150	112.431999	117,361.17	0.35	
							<b>Total</b>	<b>117,361.17</b>	<b>0.35</b>
<b>Issue country Sweden</b>									
NORDEA BK 02/12 REG.S	USW58018AA54	5.250000	0	200	200	104.825000	145,894.22	0.43	
							<b>Total</b>	<b>145,894.22</b>	<b>0.43</b>
<b>Issue country Switzerland</b>									
UBS (STAMFORD BR.) 2018	US90261XFA54	5.750000	0	0	200	108.625999	151,184.41	0.45	
							<b>Total</b>	<b>151,184.41</b>	<b>0.45</b>
<b>Issue country Singapore</b>									
SINGAPORE TEL. 01/11 REGS	USY79985AC46	6.375000	0	0	250	101.765000	177,044.19	0.53	
							<b>Total</b>	<b>177,044.19</b>	<b>0.53</b>
<b>Issue country Spain</b>									
TELEFONICA EM. 07/13	US87938WAF05	5.855000	200	150	300	104.681000	218,540.71	0.65	
TELEFONICA EM. 09/19	US87938WAH60	5.877000	0	0	150	103.498001	108,035.49	0.32	
							<b>Total</b>	<b>326,576.20</b>	<b>0.97</b>
<b>Issue country South Africa</b>									
TRANSNET 11/16 MTN REGS	XS0590902325	4.500000	200	0	200	104.875000	145,963.81	0.43	
							<b>Total</b>	<b>145,963.81</b>	<b>0.43</b>
<b>Issue country USA</b>									
ALCOA INC. 2020	US013817AU59	6.150000	150	0	150	108.268997	113,015.66	0.34	
ALCOA INC. 2021	US013817AV33	5.400000	500	0	500	102.646000	357,153.79	1.06	
ALLSTATE 2036	US020002AT86	5.950000	0	50	100	104.502998	72,723.03	0.22	
ALTRIA GROUP 08/18	US02209SAD53	9.700000	200	0	200	133.694000	186,073.76	0.55	
AMER. EXPRESS 08/18	US025816AY50	7.000000	0	350	150	119.103996	124,325.67	0.37	
AMER.EXPR.CR. 2013 MTN	US0258MOCY36	7.300000	0	150	250	111.293999	193,622.13	0.58	

ESPA BOND DOLLAR-CORPORATE

Security designation	ISIN number	Interest rate	Purch./ additions Shares/	Sales/ disposals nominal	Holding	Price	Value in EUR	% share of fund assets
			(nom. in 1,000, rounded)					
ANADARKO PET. 2017	US032511BH96	6.375000	300	100	200	116.969002	162,796.10	0.49
ASSURANT INC. 2014	US04621XAC20	5.625000	0	75	75	106.458000	55,562.63	0.17
AT + T 07/38	US00206RAG74	6.300000	400	800	350	109.011002	265,510.45	0.79
BAXTER INTL 2019	US071813BA62	4.500000	0	100	100	107.153000	74,567.15	0.22
BELLSOUTH CAP.FDG 2030	US079857AH17	7.875000	0	300	160	126.161003	140,471.54	0.42
BERKSHIRE HATH. FIN. 2018	US084664BE04	5.400000	0	350	150	112.726997	117,669.10	0.35
BK AMERICA FDG 09/19	US06051GDZ90	7.625000	750	150	600	117.172997	489,240.07	1.46
BK AMERICA FDG 10/20	US06051GEC96	5.625000	600	150	450	103.204002	323,185.81	0.96
BK OF AMER.CORP 10/15 MTN	US06051GED79	3.700000	300	150	150	100.563004	104,971.82	0.31
BK OF AMER.CORP 2016 MTN	US06051GEG01	3.625000	500	200	300	99.974998	208,716.07	0.62
BURLINGTON NORTH. 2017	US12189TAY01	5.650000	100	100	150	114.747002	119,777.66	0.36
CAPITAL ONE FINL 2016	US14040HAN52	6.150000	0	100	100	111.494003	77,588.03	0.23
CBS CORP.(N) 02/12	US925524AT77	5.625000	0	237	13	104.636000	9,466.03	0.03
CITIGROUP INC 2013 FLR	US172967FM80	1.110750	200	0	200	100.149500	139,386.92	0.42
CITIGROUP INC. 03/33	US172967CC36	6.000000	0	0	250	96.193001	167,350.38	0.50
CITIGROUP INC. 05/14	US172967CQ22	5.000000	0	0	380	105.051003	277,796.67	0.83
CITIGROUP INC. 08/38	US172967EP21	6.875000	200	0	200	112.414001	156,456.51	0.47
CITIGROUP INC. 2015	US172967FH95	4.587000	175	0	175	106.238998	129,379.44	0.39
CITIGROUP INC. 2019	US172967EV98	8.500000	600	300	300	124.867996	260,684.75	0.78
CLIFFS NATURAL R. 2040	US18683KAC53	6.250000	200	0	200	102.440000	142,574.81	0.42
COMCAST CAB.COM.HLD. 2022	US00209TAB17	9.455000	0	200	50	141.910004	49,377.17	0.15
COMCAST NEW 2019	US20030NAZ42	5.700000	650	100	800	113.380997	631,209.45	1.88
COMCAST NEW 2040	US20030NBB64	6.400000	300	0	300	109.978000	229,599.16	0.68
CSX CORP. 07/37	US126408GK35	6.150000	0	0	100	110.503998	76,899.10	0.23
DAIMLER FIN.N.A. 01/31	US233835AQ08	8.500000	0	150	250	137.199997	238,691.71	0.71
DAIMLER FIN.N.A. 03/13	US233835AW75	6.500000	0	0	100	110.987999	77,235.91	0.23
DEVON FINANCING 01/11	US25179SAC44	6.875000	0	100	50	101.045000	35,158.32	0.10
DOW CHEM. 10/16	US260543CD31	2.500000	300	0	300	100.254997	209,300.62	0.62
DU PONT NEMOURS 2014	US263534BV01	5.875000	0	659	41	111.450000	31,798.54	0.09
ENTERPR.PROD.OP.2033	US293791AF64	6.875000	0	0	160	113.531998	126,410.02	0.38
EXELON GENERAT. 2020	US30161MAH60	4.000000	100	0	100	96.997002	67,499.65	0.20
GLAXOSMITHKLINE CAP.2018	US377372AD98	5.650000	0	0	250	115.949997	201,722.33	0.60
GOLDM.S.GRP 2015 MTN	US38141EA745	3.700000	100	0	100	102.389999	71,252.61	0.21
GOLDM.S.GRP 2020 MTN	US38141EA661	6.000000	550	0	550	107.375000	410,969.03	1.22
GOLDMAN SACHS GRP 02/14	US38141GCM42	5.500000	0	0	200	108.901001	151,567.15	0.45
GOLDMAN SACHS GRP 03/13	US38141GDK76	4.750000	100	750	100	105.611000	73,494.08	0.22
GOLDMAN SACHS GRP 07/17	US38144LAB62	6.250000	550	0	550	110.332001	422,286.72	1.26
GOLDMAN SACHS GRP 08/18	US38141GFM15	6.150000	300	0	300	109.154999	227,881.00	0.68
HOME DEPOT INC. 06/16	US437076AP79	5.400000	0	0	100	113.308998	78,851.08	0.23
HSBC FINANCE 03/13	US441812KD56	4.750000	0	170	34	105.709999	25,011.41	0.07
HYUNDAI CAP.A. 10/16 REGS	USY38168AA19	3.750000	100	0	100	102.315000	71,200.42	0.21
JPMORGAN CHASE 07/18	US46625HGY09	6.000000	300	0	300	112.658997	235,196.24	0.70
JPMORGAN CHASE 09/19	US46625HHL78	6.300000	100	0	100	114.282997	79,528.88	0.24
JPMORGAN CHASE 10/20	US46625HHS22	4.400000	1,100	500	600	99.844002	416,885.18	1.24
JPMORGAN CHASE 2013	US46625HHB96	4.750000	0	100	400	105.971001	294,978.43	0.88
JPMORGAN CHASE 2016	US46625HHW34	2.600000	500	0	500	98.918999	344,185.80	1.03
KINDER M.E.PARTNERS 2013	US494550AR73	5.000000	200	0	200	108.172997	150,553.92	0.45
KINDER M.E.PARTNERS 2019	US494550AZ99	9.000000	200	100	100	129.692993	90,252.60	0.27
KRAFT FOODS 2039	US50075NAW48	6.875000	300	100	500	120.016998	417,595.68	1.24
L-3 COMMUNIC. 2021	US502413BA45	4.950000	100	0	100	103.212997	71,825.33	0.21

Security designation	ISIN number	Interest rate	Purch./ additions Shares/	Sales/ disposals nominal (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets
MERRILL LYNCH 2015 MTN	US59018YUW91	5.000000	150	200	350	105.136002	256,072.38	0.76
MERRILL LYNCH 98/18 MTN	US590188JN99	6.875000	0	0	200	110.608002	153,942.94	0.46
METLIFE INC 09/19	US59156RAT59	7.717000	250	0	250	123.016998	214,017.05	0.64
MORGAN STANLEY 07/17 F	US617446H515	5.550000	600	0	600	106.496002	444,659.71	1.32
MORGAN STANLEY 08/18 MTN	US6174466Q77	6.625000	300	0	300	110.588997	230,874.73	0.69
MORGAN STANLEY 09/14	US61747YCF07	6.000000	0	0	150	108.688004	113,453.03	0.34
MORGAN STANLEY 09/19	US61747YCG89	7.300000	0	0	150	114.172997	119,178.50	0.36
MORGAN STANLEY 2015	US61747YCT01	3.450000	250	0	250	99.800003	173,625.62	0.52
MORGAN STANLEY 2019 F	US61747YCY29	5.625000	500	150	350	103.515999	252,126.65	0.75
NEWMONT MINING 2039	US651639AM86	6.250000	100	0	100	107.379000	74,724.43	0.22
NEWS AMERICA 11/21 REGS	USU65249AW17	4.500000	100	0	100	98.095000	68,263.74	0.20
NEWS AMERICA 2034	US652482BJ86	6.200000	0	0	100	98.896004	68,821.16	0.21
PFIZER INC. 09/39	US717081CY74	7.200000	0	0	150	130.561005	136,284.98	0.41
PROCTER GAMBLE 07/37	US742718DF34	5.550000	0	0	100	110.349998	76,791.93	0.23
PRUDENTIAL FINL 2014 MTN	US74432QAE52	5.100000	0	0	200	110.000999	153,098.12	0.46
PRUDENTIAL FINL 2015 MTN	US74432QBL86	3.875000	200	0	200	105.561996	146,919.97	0.44
ST.JUDE MEDICAL 2019	US790849AF04	4.875000	150	0	150	109.457001	114,255.74	0.34
TARGET 02/32	US87612EAK29	6.350000	0	150	50	116.236000	40,443.98	0.12
TIME WARNER 01/31	US00184AAC99	7.625000	0	0	150	121.519997	126,847.60	0.38
TIME WARNER CBL 2015	US88732JAV08	3.500000	200	0	200	104.903000	146,002.78	0.44
TIME WARNER CBL 2019	US88732JAP30	8.750000	0	150	100	129.865005	90,372.31	0.27
TIME WARNER CBL 2040	US88732JAY47	5.875000	350	0	350	101.181000	246,439.46	0.73
UTD TECHN. 2035	US913017BJ78	5.400000	0	0	250	106.962997	186,087.33	0.55
VERIZON COMM 2039	US92343VAU89	7.350000	500	0	750	124.955002	652,165.98	1.94
VERIZON COMMUNIC. 2030	US92344GAM87	7.750000	250	450	250	129.542007	225,368.84	0.67
WAL-MART STRS 05/35	US931142CB75	5.250000	0	0	200	102.904999	143,221.99	0.43
WAL-MART STRS 2041	US931142DB66	5.625000	575	0	575	108.626999	434,659.18	1.30
WELLPOINT INC. 06/36	US94973VAL18	5.850000	0	0	200	104.532997	145,487.81	0.43
WELLS FARGO 02/14	US949746CR04	5.000000	0	100	425	107.928001	319,202.51	0.95
WELLS FARGO 11/21 MTN	US94974BEV80	4.600000	100	0	100	103.056000	71,716.08	0.21
Total							15,703,610.05	46.79
<b>Issuer World Bank</b>								
WORLD BK 93/23	US459056LD78	7.625000	0	75	25	138.650000	24,121.43	0.07
Total							24,121.43	0.07
Total bonds denominated in USD translated at a rate of 1.437000							22,782,570.59	67.88
Total securities admitted to organised markets							22,782,570.59	67.88

**New issue – authorisation for official trading planned****Bonds denominated in USD****Issue country France**

BPCE 10/13 REGS	XS0547802818	2.375000	400	0	400	101.845300	283,494.22	0.84
Total							283,494.22	0.84

## ESPA BOND DOLLAR-CORPORATE

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
<b>Issue country India</b>								
ICICI BK 11/16 MTN	US45112FAB22	4.750000	500	150	35	101.010000	246,022.96	0.73
Total							246,022.96	0.73
<b>Issue country Netherlands</b>								
ING BK NV 11/21 REGS	USN4578BQA53	5.000000	200	0	200	101.502300	141,269.73	0.42
Total							141,269.73	0.42
<b>Issue country USA</b>								
BARRICK N.A.FIN.11/21REGS	USU0684TAA44	4.400000	100	0	100	104.771000	72,909.53	0.22
GILEAD SCIENCES 2021	US375558AQ69	4.500000	200	0	200	103.152000	143,565.76	0.43
NBCUNIVERSAL 10/16 REGS	USU63763AE36	2.875000	100	0	100	101.480200	70,619.49	0.21
Total							287,094.78	0.86
<b>Issue country Virgin Islands</b>								
MEGA ADV.INV. 11/21 REGS	USG59606AA46	5.000000	500	350	150	100.220000	104,613.78	0.31
Total							104,613.78	0.31
Total bonds denominated in USD translated at a rate of 1.437000							1,062,495.47	3.17
Total new issue – authorisation for official trading planned							1,062,495.47	3.17
<b>Unlisted securities</b>								
<b>Bonds denominated in USD</b>								
<b>Issue country Brazil</b>								
BCO DO BRASIL SA 11/22	USG07402DN01	5.875000	300	0	300	101.740000	212,400.84	0.63
BCO SANTANDER(BR) 11/16 2	US05966UAN46	4.250000	150	0	150	101.500000	105,949.90	0.32
Total							318,350.74	0.95
<b>Issue country France</b>								
ELEC.DE FRANCE 09/39 REGS	USF2893TAC02	6.950000	0	0	250	122.730000	213,517.75	0.64
ELEC.DE FRANCE 10/40 REGS	USF2893TAE67	5.600000	300	400	300	105.255000	219,739.04	0.65
Total							433,256.79	1.29
<b>Issue country USA</b>								
GENL EL. CAP. CORP. 2021	US369622SM84	5.300000	100	0	100	105.815002	73,636.05	0.22
METROP.L.GL FDG I 11/14	US59217FBT75	2.000000	200	0	200	100.945000	140,494.08	0.42
Total							214,130.13	0.64
Total bonds denominated in USD translated at a rate of 1.437000							965,737.66	2.88
Total unlisted securities							965,737.66	2.88

Security designation	Holding	Unrealised result in EUR	% share of fund assets
<b>Derivatives</b>			
<b>Financial futures denominated in USD</b>			
<b>Issue country USA</b>			
US LONG BOND(CBT) Sep11	-23	-44,580.72	-0.13
		Total	-44,580.72 -0.13
Total financial futures denominated in USD translated at a rate of 1.437000		-44,580.72	-0.13
Total derivatives		-44,580.72	-0.13

**Breakdown of fund assets**

Securities		32,460,988.15	96.72
Financial futures		-44,580.72	- 0.13
Cash in banks		723,394.25	2.16
Interest entitlements		420,895.11	1.25
Other deferred items		-84.51	- 0.00
Fund assets		33,560,612.28	100.00

Dividend shares outstanding	shares	268,765
Non-dividend shares outstanding	shares	151,288
KEST-exempt non-dividend shares outstanding	shares	1,468
Share value for dividend share	EUR	67.08
Share value for non-dividend share	EUR	101.61
Share value for KEST-exempt non-dividend share	EUR	108.54

**Investor note:**

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

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

Security designation	ISIN number	Lent amount	Fee rate in %
Shares/nominal (nom. in 1,000, rounded)			
ICICI BK 11/16 MTN	US45112FAB22	350,000	0.15
LUKOIL INTL FIN.10/20REGS	XS0554659671	200,000	0.15

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**ESPA BOND DOLLAR-CORPORATE**


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

<b>Security designation</b>	<b>ISIN number</b>	<b>Interest rate</b>	<b>Purch./ additions Shares/nominal (nom. in 1,000, rounded)</b>	<b>Sales/ disposals</b>
<b>Publicly traded securities</b>				
<b>Equities denominated in USD</b>				
<b>Issue country Jersey</b>				
HSBC CAP.F.DL2 PFD 144A	US40429Q2003		0	250,000
<b>Bonds denominated in USD</b>				
<b>Issue country Australia</b>				
MACQUARIE BK 05/15FLR MTN	XS0214703331	0.788940	0	200
<b>Issue country France</b>				
TOTAL CAPITAL 10/16	US89152UAE29	2.300000	100	100
<b>Issue country Great Britain</b>				
ANGLO AM. CAP. 10/20 REGS	USG03762CE22	4.450000	100	100
<b>Issue country Ireland</b>				
IBERDROLA FIN. IRE. 09/19	USG4721SAQ42	5.000000	0	250
<b>Issue country Canada</b>				
BK NOVA SCOTIA 2015	US064149C472	2.050000	1,000	1,000
<b>Issue country Netherlands</b>				
VOLKSWAGEN INTL 11/14 MTN	XS0611699546	1.875000	300	300
<b>Issue country USA</b>				
ANH.-BUSCH INBEV 09/19	USU03597AB45	7.750000	100	100
ANH.-BUSCH INBEV 2014	US03523TAA60	7.200000	0	750
APACHE 07/17	US037411AS45	5.625000	200	200
BOTTLING GROUP 2019	US10138MAK18	5.125000	0	250
COUNTRYW. HOME 2011 MTN	US22237LPA43	4.000000	0	275
COX COMMUNIC. 2011	US224044BD81	6.750000	0	300
CRH AMERICA 02/12	US12626PAD50	6.950000	0	300
DU PONT NEMOURS 11/14	US263534CG25	1.750000	300	300
KROGER CO. 2011	US501044CA76	6.800000	0	360
STHN CAL. ED. 2040	US842400FQ14	4.500000	150	150
UNITEDHEALTH GRP 2011	US91324PAP71	5.250000	0	250
WACHOVIA BK 00/10 MTN	US33738MAE12	7.800000	0	180
XEROX CORP. 2014	US984121BY81	8.250000	100	100

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals
Shares/nominal (nom. in 1,000, rounded)				
<b>Securities admitted to organised markets</b>				
<b>Bonds denominated in USD</b>				
<b>Issue country Australia</b>				
RIO TINTO FINANCE 08/13	US767201AE62	5.875000	0	250
RIO TINTO FINANCE 2015	US767201AJ59	1.875000	100	100
RIO TINTO FINANCE 2020	US767201AK23	3.500000	150	150
<b>Issue country Cayman Islands</b>				
SANT.C.H.ISSU. 00/10 MTN	US055654AB34	7.625000	0	250
<b>Issue country Germany</b>				
DT.BK.LOND.NTS.07/17	US25152CMN38	6.000000	0	400
DT.BK.LOND.NTS.11/16	US2515A14E85	3.250000	600	600
<b>Issue country France</b>				
FRANCE TELECOM 2019	US35177PAT49	5.375000	0	650
<b>Issue country Great Britain</b>				
BARCLAYS BK 2017 MTN 144A	US06739GAE98	6.050000	0	200
DIAGEO CAPITAL PLC 07/17	US25243YAM12	5.750000	0	100
NATIONAL GRID 2016	US636274AC63	6.300000	0	100
VODAFONE GRP 09/15	US92857WAU45	3.375000	0	500
<b>Issue country Canada</b>				
BK NOVA SCOTIA 11/16	US064149D876	2.900000	200	200
ROYAL BK CDA 10/14 MTN	US78008KNA78	1.125000	300	300
TRANSCDA P.L. 2020	US893526DK63	3.800000	100	100
<b>Issue country Luxembourg</b>				
ZURICH FIN.(LUX.) 2013	XS0451748080	3.250000	0	300
<b>Issue country Netherlands</b>				
ABN AMRO BK 05/15 FLR	XS0213858243	0.951750	0	300
ALLIANZ FIN. II 02/UND.	XS0159150720	7.250000	0	300
DT.TELEK.INTL F. 09/19	US25156PAN33	6.000000	0	250
ING BK NV 10/13 REGS	USN3113TAM10	2.000000	200	200
KON. KPN 00/10	US780641AG12	8.000000	0	100
RABOBK NEDERLD 10/13 MTN	XS0486153413	2.500000	0	750
SHELL INTL FIN. 09/14	US822582AF97	4.000000	0	150

## ESPA BOND DOLLAR-CORPORATE

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal (nom. in 1,000, rounded)	Sales/ disposals
<b>Issue country Switzerland</b>				
CS N.Y.BR. 2014	US22546QAA58	5.500000	0	500
UBS (STAMFORD BR.) 10/13	US90261XGF33	2.250000	150	150
UBS (STAMFORD BR.) 2014	US90261XGX49	2.250000	200	200
<b>Issue country USA</b>				
ABBOTT LABS 2019	US002824AU46	5.125000	0	150
ANADARKO PET. 06/16	US032511AX55	5.950000	0	100
AT + T INC. 02/12	US78387GAK94	5.875000	0	300
BANK AMERI. 01/11	US060505AG97	7.400000	0	110
BANK AMERI. 03/13	US060505BD57	4.750000	0	500
BB+T CORP. 02/12	US054937AD91	4.750000	0	150
BERKSHIRE HATHAWAY 05/12	US084670AS76	4.750000	0	500
BK OF AMER.NA 2036 MTN	US06050TJZ66	6.000000	0	250
BOTTLING GROUP 2016 144A	US10138MAG06	5.500000	0	125
CATERPILLAR INC. 2013	US149123BP56	7.000000	150	150
CHEVRON 09/14	US166751AH01	3.950000	0	250
CITIGROUP INC. 07/17	US172967DY47	5.500000	0	400
CONOCOPHILLIPS 09/14	US20825CAS35	4.750000	0	400
CONOCOPHILLIPS 09/20	US20825CAU80	6.000000	0	250
CS (USA) 04/14	US22541LAM54	5.125000	300	500
DEERE -JOHN- CAP. 02/12	US244217BG95	7.000000	0	150
DOW CHEM. 01/11	US260543BL65	6.125000	0	200
GENL EL.CAP. 02/32 MTN	US36962GXZ26	6.750000	0	750
GENL EL.CAP. 11/21 MTN	US36962G4Y78	4.625000	550	550
GENL EL.CAP.CORP.08/13MTN	US36962G3T92	4.800000	0	500
GENL EL.CAP.CORP.2012 MTN	US36962G3K83	5.250000	200	200
GENL EL.CAP.CORP.2019 MTN	US36962G4D32	6.000000	250	250
GENL MILLS 2019	US370334BH61	5.650000	150	150
GOLDMAN SACHS GRP 11/16	US38143USC61	3.625000	600	600
GOLDMAN SACHS GRP 2011	US38141GEF72	5.000000	0	300
JPMORGAN CHASE 2011 FLR	US46625HDC16	0.459060	0	200
JPMORGAN CHASE 2040	US46625HHV50	5.500000	200	200
KELLOGG CO. 2016	US487836BB39	4.450000	0	150
KRAFT FOODS 2018	US50075NAV64	6.125000	200	700
MARATHON OIL 2014	US565849AG17	6.500000	0	250
MARATHON OIL 2019	US565849AH99	7.500000	0	67
MERCK CO. (NEW) 09/11	US589331AR84	1.875000	0	150
MERCK CO. (NEW) 09/15	US589331AP29	4.000000	0	150
MERCK CO.(NEW) 09/19	US589331AN70	5.000000	250	500
METLIFE INC 2011	US59156RAC25	6.125000	0	250
MICROSOFT 09/19	US594918AC82	4.200000	0	250
MORGAN STANLEY 05/11	US61746SBS77	5.050000	0	500
NOVARTIS CAPITAL 2014	US66989HAA68	4.125000	255	255
ORACLE 06/11	US68402LAE48	5.000000	0	200
ORACLE 2018	US68389XAC92	5.750000	0	500
PEPSICO INC. 2020	US713448BR89	3.125000	100	100

<b>Security designation</b>	<b>ISIN number</b>	<b>Interest rate</b>	<b>Purch./ additions</b>	<b>Sales/ disposals</b>
<b>Shares/nominal (nom. in 1,000, rounded)</b>				
PG + E CORP. 2014	US694308GD32	4.800000	0	200
PHILIP MORRIS INTL 08/13	US718172AB55	4.875000	0	250
PROCTER GAMBLE 2015	US742718DM84	3.500000	0	1,000
PROCTER GAMBLE 2019	US742718DN67	4.700000	0	250
SAFEWAY INC. 2011	US786514BC24	6.500000	0	150
ST.JUDE MEDICAL 2014	US790849AE39	3.750000	0	400
TARGET 2017	US87612EAP16	5.375000	0	500
TOYOTA MOTOR CRD 2020 MTN	US89233P4C77	4.500000	500	500
UNILEVER CAP. 11/21	US904764AM94	4.250000	300	300
UNILEVER CAP. 2014	US904764AJ65	3.650000	0	150
UNILEVER CAP. 2019	US904764AK39	4.800000	0	150
UTD PARCEL SERV. 2014	US911312AL06	3.875000	0	250
VERIZON COMM 08/18	US92343VAQ77	8.750000	200	200
VERIZON COMM 09/19	US92343VAV62	6.350000	0	250
WAL-MART STRS 03/13	US931142BT92	4.550000	0	500
WAL-MART STRS 2020	US931142CZ44	3.250000	850	850
WALGREEN 09/19	US931422AE91	5.250000	0	250
WELLPOINT INC. 06/11	US94973VAJ61	5.000000	0	150
WELLS FARGO 2011	US929903BJ06	5.350000	0	500
WYETH 2011	US026609AM95	6.950000	0	350
GENL EL.CAP.CORP.2015 MTN	US36962G4T83	2.250000	100	100

**Unlisted securities****Bonds denominated in USD****Issue country Luxembourg**

ENEL FIN.INTL 07/13 REGS	USL2967VCX12	5.700000	0	350
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**Issue country USA**

COX COMMUNIC. 09/39 REGS	USU22018AM43	8.375000	0	250
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Vienna, August 2011

ERSTE-SPARINVEST  
Kapitalanlagegesellschaft m.b.H.

Bednar

Gasser

Gschiegl

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

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

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

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

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

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

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

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

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

### **Audit opinion**

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

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

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

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

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

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

Vienna, 19 September 2011

**ERNST & YOUNG**  
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

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

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

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

# Fund Terms and Conditions for ESPA BOND DOLLAR-CORPORATE

Mutual Fund pursuant to § 20 InvFG

## General Terms and Conditions

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

### **§ 1 Basic Terms**

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

### **§ 2 Fund Shares**

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

The number of shares is unlimited.

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

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

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

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

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

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

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

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

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

2. The Investment Firm shall not be permitted to grant loans or enter into guarantee commitments of any kind for the account of the Investment Fund.
3. Assets in the Investment Fund may not be pledged or subject to liens of any kind, provided as collateral or transferred to another party except in those cases explicitly permitted in the Special Fund Terms and Conditions.
4. 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.

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## ESPA BOND DOLLAR-CORPORATE

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

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

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

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

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

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

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

## **Special Fund Terms and Conditions**

for ESPA BOND DOLLAR-CORPORATE, 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. ESPA BOND DOLLAR-CORPORATE is a bond fund. The fund assets are invested according to the following investment policy principles:
  - a) the fund invests primarily in USD-denominated corporate bonds from issuers domiciled in the USA; the bonds must be in the investment grade (or other comparable) segment in terms of ratings assigned by recognised rating agencies (primarily Standard & Poor's).
  - 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 BOND DOLLAR-CORPORATE.

- c) investments in assets according to § 18 of these fund terms and conditions play a minor role. However, in the course of the restructuring of the fund portfolio 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.
- 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) are 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.

Depending on the Investment Firm's assessment of market conditions, derivative financial instruments may also be used as part of the investment strategy, particularly for the purposes of managing leverage and earnings, substituting securities or adjusting the duration of the invested capital (e.g. forward interest rate agreements).

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

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

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

Securities are

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

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

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

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

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

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

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

information that allows the suitably accurate assessment of the credit risks associated with an investment in the instrument, may be purchased for the Investment Fund if the instrument or the issuer itself is subject to the legal deposit and investor protection regulations and the instrument

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

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

1. Shares in investment funds (investment funds and open investment companies) pursuant to § 20 paragraph 3 item 8b InvFG that fulfil the requirements of Directive 85/611/EEC (UCITS) may together with the investment funds specified in the following item 2 make up no more than 10% of the Investment Fund assets in total, provided that the target funds themselves do not invest more than 10% of their fund assets in shares of other investment funds.
2. Shares in investment funds pursuant to § 20 paragraph 3 item 8c InvFG which do not meet the requirements of Directive 85/611/EEC (UCITS) and whose sole purpose is
  - to invest money contributed by a group of investors for their joint account in securities and other liquid financial investments under the principles of risk diversification, and
  - whose shares can be redeemed or paid out directly or indirectly from the assets of the investment fund upon request by the shareholder,

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

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

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

3. The Investment Firm may also purchase for the Investment Fund shares in other investment funds that are directly or indirectly administered by the Investment Firm or by a firm that is associated with the Investment Firm by way of joint administration or control or through a direct or indirect material equity interest.
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 or maximum limits apply to bank deposits. 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.
2. The provisions in item 1 are general in nature. The Investment Fund may purchase assets outlined in item 1 in accordance with the investment principles in § 15.

### § 19 Derivative Financial Instruments

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

### § 19a OTC Derivatives

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

### § 19b Value at Risk

The allocable value at risk resulting from the fund's market risk is determined as relative value at risk based on the derivative-free benchmark portfolio, which is the Citigroup World BIG USD Corporate USD Index. The allocable value at risk resulting from the fund's market risk is limited to two times the value at risk of the benchmark portfolio. Please refer to the fund prospectuses for detailed information.

### § 20 Loans

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

### § 21 Repurchase Agreements

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

### **§ 22 Securities Lending**

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

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

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

The issue premium to cover the costs incurred by the Investment Firm in issuing the share shall be 3.5%; the resulting amount will be rounded up to the next cent to determine the final issue price. The return price is the share value.

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

### **§ 24 Financial Year**

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

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

The Investment Firm shall receive a monthly fee for its management activities amounting to up to 0.06% 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 a financial year shall, after deduction of all costs, be distributed in full to the holders of dividend shares when these earnings arise from interest and dividends received by the fund. If such earnings are the result of the sale of fund assets, these shall be distributed to the holders of dividend shares at the discretion of the Investment Firm, with the non-disbursed amount being carried forward. In both cases, the dividend payment shall be effected on or after 1 October of the following financial year. 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 October 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 October 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 October 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 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 July 2008)**

#### **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/2/0/2/CH0230/CMS1140105592256/listegeregmaerkte.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	Finland:	OMX Nordic Exchange Helsinki
1.2.2	Sweden:	OMX Nordic Exchange Stockholm AB
1.2.3	Luxembourg:	Euro MTF Luxembourg

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

1.3.1	Great Britain:	London Stock Exchange Alternative Investment Market (AIM)
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#### **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:	Seoul
3.13	Malaysia:	Kuala Lumpur
3.14	Mexico:	Mexico City
3.15	New Zealand:	Wellington, Christchurch/Invercargill, Auckland
3.16	Philippines:	Manila
3.17	Singapore:	Singapore Stock Exchange
3.18	South Africa:	Johannesburg
3.19	Taiwan:	Taipei
3.20	Thailand:	Bangkok
3.21	USA:	New York, American Stock Exchange (AMEX), New York Stock Exchange (NYSE), Los Angeles/Pacific Stock Exchange, San Francisco/Pacific Stock Exchange, Philadelphia, Chicago, Boston, Cincinnati
3.22	Venezuela:	Caracas
3.23	United Arab Emirates:	Abu Dhabi Securities Exchange (ADX)

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

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

### 5. Exchanges with futures and options markets

5.1	Argentina:	Bolsa de Comercio de Buenos Aires
5.2	Australia:	Australian Options Market, Australian Securities Exchange (ASX)
5.3	Brazil:	Bolsa Brasileira de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
5.4	Hong Kong:	Hong Kong Futures Exchange Ltd.
5.5	Japan:	Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange
5.6	Canada:	Montreal Exchange, Toronto Futures Exchange
5.7	Korea:	Korea Futures Exchange
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:	Singapore International Monetary Exchange
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, New York Futures Exchange, 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 Geregeltten Märkte.

According to § 43 paragraph 1 of the 1993 InvFG, we hereby inform you that a prospectus pursuant to § 6 paragraph 1 of the InvFG can be viewed at the domicile of the Investment Firm and at the head office of the custodian bank, Erste Bank der oesterreichischen Sparkassen AG. The publication date of this prospectus and the places where copies can be obtained were announced in *Amtsblatt zur Wiener Zeitung* on 30 December 2010.

[www.sparinvest.com](http://www.sparinvest.com)  
[www.erstesparinvest.at](http://www.erstesparinvest.at)