

# **ERSTE REAL ESTATE**

**Jointly owned fund pursuant to the InvFG**

Annual Report 2022/23

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## General Information about the Investment Firm

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

## Dear Unit-holder,

We are pleased to present you the following annual report for the ERSTE REAL ESTATE jointly owned fund pursuant to the InvFG for the accounting year from 1 August 2022 to 31 July 2023.

The companies managing the sub-funds contained in the Fund that are not managed by the Investment Firm assessed management fees ranging from 0.00% to 1.50%. No front-end surcharges were charged for the purchase of the units in these funds.

## Development of the Fund

### Market report

ERSTE REAL ESTATE is an active global equity fund that invests in real estate stocks and REITs in both developed markets and emerging economies. Its portfolio also includes a smaller weighting of infrastructure shares.

Given the expectations for an end to the pandemic, the outlook for the economy as a whole for 2022 was more optimistic than at any time since 2014. Cyclical market conditions should lend good support to the real estate market because real estate generally lags behind the cycle with a strong correlation with macroeconomic data. However, the economic and geopolitical conditions (inflation trend, Ukraine war, risks to growth, etc.) have changed massively since the beginning of 2022. Russia's invasion of Ukraine and the global supply-side shocks that it triggered have accelerated the inflation trend. The equity markets corrected substantially due to the major economic uncertainty and energy dependency. The European real estate sector lost over 40% of its market capitalisation in 2022, with its Asian and North American counterparts shedding between 10% and 20% of their market value. The real estate market is now under strain due to the sustained rate hikes. Rising yields proved the biggest headwind in 2022 and 2023, and vastly increased borrowing costs are making transactions and investment activity difficult. By contrast, inflation is having a positive effect on rents and is being passed on to tenants in the form of higher rents. From a valuation perspective, European real estate stocks are currently being traded at levels last seen during the global financial crisis.

The outlook for 2023 and 2024 remains very selective among the subsectors. The rising interest rates further exacerbated the differences in the prospects for various real estate segments and locations.

The health care sector seems to have profited from the crisis because it is subject to economic and demographic trends such as the increase in the elderly as a share of the population and increases in chronic illnesses. Health care real estate will likely profit from the highest total yields in the current investment universe, a limited supply of top-rate properties, high yields, and rising rents.

The logistics sector is still benefiting from the online retailing boom. Yields here have come under pressure because of high investor demand and are now very close to office yields. Rents are also likely to rise considerably given the growing demand and lack of supply. The very fast growth that the logistics segment is currently enjoying is expected to slow.

There was a certain degree of uncertainty about the future of office workplaces due to the lockdowns and massive expansion of working from home. Nevertheless, office investments still account for the largest share of the total investment volume at 30%. First-rate office properties are in short supply, and rents are at a stable level.

Even though higher inflation would impact indexed rents, the effects on net present values and yields would likely be negative in the short term. The reason for this is that a rapid increase in bond yields would at least partially trickle down into property yields. Developments in the 1970s show that real estate only affords partial protection against inflation.

Even though there is a great deal of uncertainty and investors are currently focusing on other sectors, the listed real estate market still offers interesting long-term investment opportunities. Real estate is one of the sectors with the highest pricing power to compensate for higher inflation. The ideal inflation level for real estate would be between 2% and 4%.

With a markdown of some 29% on its estimated NAVs for 2023, the global real estate sector is currently at a very low ebb. There are substantial differences and changes in valuations between the individual subsectors. While we anticipate further growth for quality companies in logistics, self storage, assisted living and retirement homes, and data centres, the German residential property market and the US retail and commercial property markets are plagued by a great deal of uncertainty. We are anticipating further value increases on Japan's REITs market in the coming year, whilst the Chinese real estate market will remain fraught and will call for a highly selective approach.

The real estate sector will be subject to strong pressure to change in the future. The pandemic is believed to have simply accelerated existing trends. Decarbonisation is expected to be the most important of these value drivers and will have a massive influence on the future strategies and orientations of real estate companies. Environmental, social, and governance (ESG) factors have become an indispensable element of real estate management. This is in part due to the international climate goals and national and European laws. Buildings have a direct impact on the environment and account for 40% of all carbon emissions. ESG measures can help to reduce energy consumption. Implementation is seen as the ultimate challenge for the sector. There is also noticeable criticism of the lack of uniform ESG standards, such as the poorly developed impact measurement.

The Fund was restructured in December 2022, being converted from a fund-of-funds into a straightforward investment fund. Just under 50% of the fund assets are currently invested in North America, with Europe accounting for some 27% and Asia/Pacific for around 21% (the remainder is held as cash). The real estate sector makes up roughly 71% of the portfolio at present, while some 26% has been invested in infrastructure shares.

The challenging conditions and downbeat mood in the real estate sector led the Fund to post a performance of minus 10.12% (ISIN: AT0000A07YH5) for the reporting period.

## Method of Calculating the Global Exposure

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

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

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

## Asset Allocation

	As of 31.07.2023	
	EUR millions	%
Equities		
AUD	1.8	2.73
GBP	2.7	4.20
EUR	11.2	17.44
HKD	2.3	3.51
JPY	7.5	11.74
CAD	1.3	1.96
SEK	1.7	2.62
CHF	0.7	1.03
TWD	1.7	2.67
THB	0.3	0.53
USD	31.2	48.67
Investment certificates		
CHF	1.1	1.64
Securities	63.4	98.74
Bank balances	0.7	1.09
Dividend entitlements	0.1	0.17
Interest entitlements	0.0	0.00
Other deferred items	-0.0	-0.00
Fund assets	64.2	100.00

## Comparative Overview

Accounting year	Fund assets
2020/2021	75,283,375.39
2021/2022	70,642,339.89
2022/2023	64,202,575.83

General information about performance:

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

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

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

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	Dividend-bearing units	AT0000A07YH5	EUR	12.93	0.5500	0.0000	26.09
2021/2022	Dividend-bearing units	AT0000A07YH5	EUR	12.15	1.0500	0.3105	-1.93
2022/2023	Dividend-bearing units	AT0000A07YH5	EUR	9.87	0.3500	0.0000	-10.12

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	Dividend-bearing units	AT0000A1YFH2	EUR	113.34	-	-	-
2021/2022	Dividend-bearing units	AT0000A1YFH2	EUR	111.18	-	-	-
2022/2023	Dividend-bearing units	AT0000A1YFH2	EUR	100.15	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2020/2021	Non-dividend-bearing units	AT0000A07YJ1	EUR	17.55	0.0175	0.0834	25.97
2021/2022	Non-dividend-bearing units	AT0000A07YJ1	EUR	17.19	0.4027	1.5217	-1.94
2022/2023	Non-dividend-bearing units	AT0000A07YJ1	EUR	15.06	0.0000	0.0000	-10.06

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**ERSTE REAL ESTATE**


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Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2020/2021	Non-dividend-bearing units	AT0000A1YFJ8	EUR	113.34	-	-	-
2021/2022	Non-dividend-bearing units	AT0000A1YFJ8	EUR	111.18	-	-	-
2022/2023	Non-dividend-bearing units	AT0000A1YFJ8	EUR	100.32	0.2037	0.7381	-9.77

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A07YK9	EUR	18.79	-	-	-
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A07YK9	EUR	18.43	-	-	-
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A07YK9	EUR	16.60	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A1YFK6	EUR	115.05	-	1.2656	26.76
2021/2022	KESt-exempt non-dividend-bearing units	AT0000A1YFK6	EUR	113.52	-	13.1493	-1.33
2022/2023	KESt-exempt non-dividend-bearing units	AT0000A1YFK6	EUR	102.89	-	0.0000	-9.36



## Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 August 2022 to 31 July 2023. The coupon-paying bank is obligated to withhold capital gains tax from this disbursement if the respective investor is not exempt from the payment of this tax.

The disbursement or payment will be effected on or after 2 November 2023 at

Erste Group Bank AG, Vienna,

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

Fund type	ISIN	Currency	Dividend disbursement/ payment		KES <sub>t</sub> with option declaration	KES <sub>t</sub> w/o option declaration	Reinvestment
Dividend-bearing units	AT0000A07YH5	EUR	0.3500		0.0000	0.0000	0.0000
Dividend-bearing units	AT0000A1YFH2	EUR	-		-	-	-
Non-dividend-bearing units	AT0000A07YJ1	EUR	0.0000		0.0000	0.0000	0.0000
Non-dividend-bearing units	AT0000A1YFJ8	EUR	0.2037		0.2037	0.2037	0.7381
KES <sub>t</sub> -exempt non-dividend-bearing units	AT0000A07YK9	EUR	-	*	-	-	-
KES <sub>t</sub> -exempt non-dividend-bearing units	AT0000A1YFK6	EUR	-	*	-	-	0.0000

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

# Income Statement and Changes in Fund Assets

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

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

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

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

<b>AT0000A07YH5 dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (132,749.909 units)	12.15
Disbursement/payment on 28.10.2022 (corresponds to roughly 0.1066 units at a calculated value of 9.85)	1.0500
Unit value at the end of the reporting period (100,572.909 units)	9.87
Total value including (notional) units gained through dividend disbursement/payment	10.92
Net earnings per unit	-1.23
<b>Value development of one unit in the period</b>	<b>-10.12%</b>

<b>AT0000A1YFH2 dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (0.000 units)	111.18
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	100.15
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	<b>-</b>

<b>AT0000A07YJ1 non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (3,715,346.427 units)	17.19
Disbursement/payment on 28.10.2022 (corresponds to roughly 0.0268 units at a calculated value of 15.03)	0.4027
Unit value at the end of the reporting period (3,037,178.458 units)	15.06
Total value including (notional) units gained through dividend disbursement/payment	15.46
Net earnings per unit	-1.73
<b>Value development of one unit in the period</b>	<b>-10.06%</b>

<b>AT0000A1YFJ8 non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (0.000 units)	111.18
Disbursement/payment	0.0000
Unit value at the end of the reporting period (2,100.000 units)	100.32
Total value including (notional) units gained through dividend disbursement/payment	100.32
Net earnings per unit	-10.86
<b>Value development of one unit in the period</b>	<b>-9.77%</b>

<b>AT0000A07YK9 KES-st-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (0.000 units)	18.43
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	16.60
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	-

<b>AT0000A1YFK6 KES-st-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (45,441.000 units)	113.52
Disbursement/payment	0.0000
Unit value at the end of the reporting period (167,731.000 units)	102.89
Total value including (notional) units gained through dividend disbursement/payment	102.89
Net earnings per unit	-10.63
<b>Value development of one unit in the period</b>	-9.36%

## **2. Fund Result**

### **a. Realised fund result**

#### **Ordinary fund result**

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

Interest income (excluding income adjustment)	18,657.57	
Dividend income	1,175,796.17	
Other income 8)	0.00	
Total income (without profit or loss from price changes)		1,194,453.74

##### **Interest paid**

- 15,749.22

##### **Expenses**

Fees paid to Investment Firm	- 547,259.62	
Costs for the financial auditor and tax consultation	- 4,646.00	
Publication costs	- 4,062.08	
Securities account fees	- 23,052.80	
Depositary bank fees	- 43,781.04	
Costs for the external consultant	0.00	
Performance fee	-	
Fee foreign-currency unit certificates 9)	0.00	
Total expenses		- 622,801.54
Compensation for management costs from sub-funds 1)		7,457.90

#### **Ordinary fund result (excluding income adjustment)**

**563,360.88**

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

Realised gains 4)	3,699,753.53	
Realised losses 5)	- 12,397,695.06	

#### **Realised profit or loss from price changes (excluding income adjustment)**

**- 8,697,941.53**

#### **Realised fund result (excluding income adjustment)**

**- 8,134,580.65**

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

Changes in the unrealised profit or loss from price changes 7)	1,747,212.00
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#### **Result for the reporting period 6)**

**- 6,387,368.65**

### **c. Income adjustment**

Income adjustment for income in the period	- 2,164,971.96
Income adjustment for profit carried forward from dividend-bearing units	- 103,451.28

#### **Overall fund result**

**- 8,655,791.89**

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

<b>Fund assets at the beginning of the reporting period</b>	<b>70,642,339.89</b>
<b>Disbursement/payment in the accounting year</b>	<b>- 1,383,501.33</b>
<b>Issue and redemption of units</b>	<b>3,599,529.16</b>
<b>Overall fund result</b>	
(The fund result is shown in detail under item 2.)	<b>- 8,655,791.89</b>
<b>Fund assets at the end of the reporting period</b>	<b><u>64,202,575.83</u></b>

- 1) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the Fund after deduction of appropriate costs. Erste Bank der oesterreichischen Sparkassen AG receives 25% of the calculated commissions to cover administrative costs.
- 2) Realised profits and losses are not calculated precisely for the specific periods, which means that they, as is the case for the changes in the unrealised profit or loss, are not necessarily congruent with the changes in the value of the Fund in the accounting year.
- 3) Total profit or loss from price changes without income adjustment (realised profit or loss from price changes, without income adjustment, plus changes in the unrealised profit or loss): EUR -6,950,729.53.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 0.00.
- 5) Thereof losses from transactions with derivative financial instruments: EUR 0.00.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 79,352.17.
- 7) Thereof changes in unrealised gains EUR -1,327,432.09 and unrealised losses EUR 3,074,644.09.
- 8) The earnings reported under this item can be attributed to lending fees from securities lending transactions conducted with Erste Group Bank AG in the amount of EUR 0.00, to earnings from real estate funds in the amount of EUR 0.00, and to other earnings in the
- 9) The Fund is charged a monthly fee per foreign-currency unit category for the management of the foreign-currency unit certificates.

# Statement of Assets and Liabilities as of 31 July 2023

(including changes in securities assets from 1 August 2022 to 31 July 2023)

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets	
<b>Publicly traded securities</b>								
<b>Equities denominated in AUD</b>								
<b>Issue country Australia</b>								
CHARTER HALL GROUP STPLD	AU000000CHC0	50,000	0	50,000	11.410	344,765.07	0.54	
Total issue country Australia						344,765.07	0.54	
Total equities denominated in AUD translated at a rate of 1.65475						344,765.07	0.54	
<b>Equities denominated in GBP</b>								
<b>Issue country Great Britain</b>								
SEGR0 PLC	LS-.10	GB00B5ZN1N88	141,200	6,500	134,700	7.542	1,184,248.30	1.84
Total issue country Great Britain						1,184,248.30	1.84	
Total equities denominated in GBP translated at a rate of 0.85785						1,184,248.30	1.84	
<b>Equities denominated in EUR</b>								
<b>Issue country Belgium</b>								
COFINIMMO	BE0003593044	7,300	700	6,600	71.100	469,260.00	0.73	
WAREHOUSES DE PAUW N.V.	BE0974349814	29,300	0	29,300	27.180	796,374.00	1.24	
Total issue country Belgium						1,265,634.00	1.97	
<b>Issue country Germany</b>								
TAG IMMOBILIEN AG	DE0008303504	63,400	0	63,400	10.105	640,657.00	1.00	
VONOVIA SE NA N.P.	DE000A1ML7J1	65,300	0	65,300	21.230	1,386,319.00	2.16	
Total issue country Germany						2,026,976.00	3.16	
<b>Issue country France</b>								
GECINA S.A. BEARER EO 7.50	FR0010040865	8,300	0	8,300	98.400	816,720.00	1.27	
KLEPIERRE S.A.BEARER.EO 1.40	FR0000121964	36,800	0	36,800	24.040	884,672.00	1.38	
Total issue country France						1,701,392.00	2.65	
<b>Issue country Austria</b>								
CA IMMOB.ANL.	AT0000641352	5,500	87,000	48,500	29.050	1,408,925.00	2.19	
IMMOFINANZ AG BEARER	AT0000A21KS2	112,000	0	112,000	18.220	2,040,640.00	3.18	
Total issue country Austria						3,449,565.00	5.37	

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
<b>Issue country Spain</b>							
INMOBIL.COL.SOC.EO 2.50	ES0139140174	75,900	0	75,900	5.860	444,774.00	0.69
						Total issue country Spain	444,774.00 0.69
						Total equities denominated in EUR	8,888,341.00 13.84
<b>Equities denominated in JPY</b>							
<b>Issue country Japan</b>							
AEON REIT INVESTMEN.CORP.	JP3047650001	350	0	350	150,600.000	340,417.89	0.53
						Total issue country Japan	340,417.89 0.53
						Total equities denominated in JPY translated at a rate of 154.83910	340,417.89 0.53
<b>Equities denominated in CAD</b>							
<b>Issue country Canada</b>							
CROMBIE REIT TR.UTS	CA2271071094	34,400	3,800	30,600	13.860	290,390.96	0.45
						Total issue country Canada	290,390.96 0.45
						Total equities denominated in CAD translated at a rate of 1.46050	290,390.96 0.45
<b>Equities denominated in SEK</b>							
<b>Issue country Sweden</b>							
CASTELLUM AB	SE0000379190	42,100	0	42,100	120.350	437,013.54	0.68
HUFVUDSTADEN A SK 5	SE0000170375	37,200	3,300	33,900	128.700	376,309.30	0.59
NYFOSA AB	SE0011426428	76,300	6,800	69,500	66.500	398,632.91	0.62
WIHLBORGS FASTIGHE. N.P.	SE0018012635	66,100	0	66,100	82.300	469,210.80	0.73
						Total issue country Sweden	1,681,166.55 2.62
						Total equities denominated in SEK translated at a rate of 11.59400	1,681,166.55 2.62
<b>Equities denominated in TWD</b>							
<b>Issue country Taiwan</b>							
DELTA EL.INC. TA 10	TW0002308004	82,000	0	82,000	366.500	867,237.84	1.35
FARGLORY LD DEV.CO. TA 10	TW0005522007	230,000	0	230,000	57.500	381,633.13	0.59
SINO-AMERICAN SILI. TA 10	TW0005483002	94,000	0	94,000	171.000	463,846.57	0.72
						Total issue country Taiwan	1,712,717.54 2.67
						Total equities denominated in TWD translated at a rate of 34.65370	1,712,717.54 2.67
						Total publicly traded securities	14,442,047.31 22.49

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Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
<b>Investment certificates</b>							
<b>Investment certificates denominated in CHF</b>							
<b>Issue country Switzerland</b>							
SWISS PRIME SITE SF 2	CH0008038389	12,000	0	12,000	84.200	1,055,248.04	1.64
Total issue country Switzerland						1,055,248.04	1.64
Total investment certificates denominated in CHF translated at a rate of 0.95750						1,055,248.04	1.64
Total investment certificates						1,055,248.04	1.64
<b>Securities admitted to organised markets</b>							
<b>Equities denominated in AUD</b>							
<b>Issue country Australia</b>							
MIRVAC GROUP UTS	AU000000MGR9	1,534,102	993,102	541,000	2.340	765,033.99	1.19
SCENTRE GROUP UTS	AU000000SCG8	1,493,001	1,114,301	378,700	2.810	643,086.27	1.00
Total issue country Australia						1,408,120.26	2.19
Total equities denominated in AUD translated at a rate of 1.65475						1,408,120.26	2.19
<b>Equities denominated in GBP</b>							
<b>Issue country Great Britain</b>							
BRIT. LD CO. PLC LS-.25	GB0001367019	99,800	10,000	89,800	3.360	351,725.83	0.55
LAND SECURITIES GROUP PLC	GB00BYWOPQ60	111,000	0	111,000	6.424	831,222.24	1.29
UNITE GROUP PLC LS-.25	GB0006928617	29,300	0	29,300	9.615	328,401.82	0.51
Total issue country Great Britain						1,511,349.89	2.35
Total equities denominated in GBP translated at a rate of 0.85785						1,511,349.89	2.35
<b>Equities denominated in EUR</b>							
<b>Issue country Finland</b>							
NESTE OYJ	FI0009013296	14,400	0	14,400	33.650	484,560.00	0.75
Total issue country Finland						484,560.00	0.75
<b>Issue country France</b>							
COVIVIO BEARER EO 3	FR0000064578	14,100	0	14,100	43.920	619,272.00	0.96
ICADE S.A.	FR0000035081	11,300	0	11,300	37.240	420,812.00	0.66
Total issue country France						1,040,084.00	1.62
<b>Issue country Netherlands</b>							
URW (STAPLED SHS) EO-.05	FR0013326246	15,600	0	15,600	50.060	780,936.00	1.22
Total issue country Netherlands						780,936.00	1.22
Total equities denominated in EUR						2,305,580.00	3.59



Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
<b>Equities denominated in HKD</b>							
<b>Issue country Hong Kong</b>							
CHINA OV.LD	HK0688002218	549,500	0	549,500	18.400	1,175,018.59	1.83
LINK REIT	HK0823032773	115,000	10,000	105,000	44.100	538,129.88	0.84
YUEXIU PPTY CO.LTD.	HK0000745908	453,000	0	453,000	10.160	534,873.56	0.83
YUEXIU REIT UTS	HK0405033157	28,086	0	28,086	1.630	5,320.31	0.01
Total issue country Hong Kong						2,253,342.34	3.51
Total equities denominated in HKD translated at a rate of 8.60480						2,253,342.34	3.51
<b>Equities denominated in JPY</b>							
<b>Issue country Japan</b>							
DAITO TR. CONSTR.	JP3486800000	9,900	0	9,900	14,650.000	936,682.01	1.46
JAPAN LOGISTICS FUND INC.	JP3046230003	310	0	310	302,500.000	605,628.68	0.94
MITSUBISHI EST.	JP3899600005	106,000	0	106,000	1,721.000	1,178,164.95	1.84
MITSUI FUDOSAN LTD	JP3893200000	95,500	0	95,500	2,890.000	1,782,463.22	2.78
SEKISUI HOUSE	JP3420600003	80,300	0	80,300	2,850.000	1,478,018.15	2.30
SUMITOMO RTY DEV.	JP3409000001	50,600	0	50,600	3,724.000	1,216,969.10	1.90
Total issue country Japan						7,197,926.11	11.21
Total equities denominated in JPY translated at a rate of 154.83910						7,197,926.11	11.21
<b>Equities denominated in CAD</b>							
<b>Issue country Canada</b>							
COLLIERS INTL GRP INC. SV	CA1946931070	6,000	0	6,000	131.980	542,197.88	0.84
CT REIT	CA1264621006	44,200	3,600	40,600	15.290	425,042.11	0.66
Total issue country Canada						967,239.99	1.51
Total equities denominated in CAD translated at a rate of 1.46050						967,239.99	1.51
<b>Equities denominated in CHF</b>							
<b>Issue country Switzerland</b>							
MOBIMO HOLDING NA SF 3.4	CH0011108872	2,500	0	2,500	254.500	664,490.86	1.03
Total issue country Switzerland						664,490.86	1.03
Total equities denominated in CHF translated at a rate of 0.95750						664,490.86	1.03
<b>Equities denominated in THB</b>							
<b>Issue country Thailand</b>							
LAND + HOUSE -NVDR- BA 1	TH0143010R16	1,515,300	0	1,515,300	8.500	342,447.05	0.53
Total issue country Thailand						342,447.05	0.53
Total equities denominated in THB translated at a rate of 37.61180						342,447.05	0.53

# ERSTE REAL ESTATE

Security designation	ISIN number	Purch./ additions Units/nominal	Sales/ disposals (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets
<b>Equities denominated in USD</b>							
<b>Issue country Curacao</b>							
SCHLUMBERGER DL-.01	AN8068571086	22,000	0	22,000	57.150	1,139,323.09	1.77
Total issue country Curacao						<u>1,139,323.09</u>	<u>1.77</u>
<b>Issue country Great Britain</b>							
CUSHMAN WAKEF. DL-.01	GB00BFZ4N465	36,600	6,700	29,900	9.650	261,460.74	0.41
Total issue country Great Britain						<u>261,460.74</u>	<u>0.41</u>
<b>Issue country USA</b>							
APPLIED MATERIALS INC.	US0382221051	5,900	0	5,900	151.930	812,275.84	1.27
ARMSTRONG WLD IND. NEW	US04247X1028	5,200	800	4,400	78.420	312,670.93	0.49
AVALONBAY COMM. DL-.01	US0534841012	6,000	400	5,600	186.130	944,522.68	1.47
BOX INC. A DL-.0001	US10316T1043	23,900	0	23,900	30.960	670,512.44	1.04
CARETRUST REIT DL-.01	US14174T1079	26,500	0	26,500	20.770	498,758.55	0.78
CARRIER GLBL CORP DL-.01	US14448C1045	25,700	0	25,700	58.990	1,373,787.32	2.14
CBRE GROUP INC. A DL-.01	US12504L1098	20,900	0	20,900	82.400	1,560,563.64	2.43
CDW CORP. DL-.01	US12514G1085	6,200	0	6,200	186.280	1,046,564.27	1.63
CROWN CASTLE INC.	US22822V1017	8,000	900	7,100	108.940	700,896.20	1.09
CUBESMART DL-.01	US2296631094	20,000	0	20,000	43.290	784,558.92	1.22
EMERSON EL. DL -.50	US2910111044	10,100	600	9,500	90.970	783,122.65	1.22
EPR PROPERTIES DL -.01	US26884U1097	9,100	0	9,100	43.690	360,272.76	0.56
EQUITY RESI. SBI DL-.01	US29476L1070	16,000	1,100	14,900	64.810	875,056.86	1.36
EXTRA SPACE ST.SBI DL-.01	US30225T1025	6,802	0	6,802	140.840	868,101.74	1.35
FORTINET INC. DL-.001	US34959E1091	9,100	0	9,100	76.800	633,301.62	0.99
GAMING + LEISURE PROP.	US36467J1088	22,700	0	22,700	47.460	976,251.19	1.52
HILTON WORLD.HDGS DL -.01	US43300A2033	8,200	0	8,200	154.170	1,145,570.21	1.78
IRON MOUNTAIN (NEW)DL-.01	US46284V1017	22,100	0	22,100	60.560	1,212,791.45	1.89
JONES LANG LASALLE DL-.01	US48020Q1076	6,500	400	6,100	165.710	915,981.15	1.43
LATTICE SEMICON. DL-.01	US5184151042	3,900	0	3,900	90.950	321,421.78	0.50
LOWE'S COS INC. DL-.50	US5486611073	4,600	0	4,600	235.090	979,941.10	1.53
MEDICAL PROPERTIES TR.	US58463J3041	52,600	6,900	45,700	10.050	416,188.66	0.65
MICROCHIP TECH. DL-.001	US5950171042	14,400	0	14,400	93.100	1,214,843.01	1.89
MICROSOFT DL-.00000625	US5949181045	4,200	0	4,200	338.370	1,287,802.09	2.01
NAT.STORAGE AFFIL.TR.SBI	US6378701063	11,600	1,400	10,200	33.940	313,703.96	0.49
OMEGA HEALTHC. INV. DL-10	US6819361006	23,000	2,400	20,600	31.500	588,011.42	0.92
ONEOK INC. (NEW)	US6826801036	17,000	0	17,000	67.220	1,035,512.66	1.61
POTLATCHDELTIC CORP. DL 1	US7376301039	10,600	0	10,600	52.860	507,739.57	0.79
PUBLIC STORAGE DL-.10	US74460D1090	4,000	0	4,000	281.530	1,020,452.18	1.59
PURE STORAGE CL.A DL-0001	US74624M1027	15,400	0	15,400	37.550	524,008.88	0.82
RINGCENTRAL A DL-.0001	US76680R2067	8,800	1,900	6,900	40.200	251,352.45	0.39
SIMON PROPERTY GRP PAIRED	US8288061091	11,400	500	10,900	124.480	1,229,515.65	1.92
SOLAREEDGE TECHN. DL-.0001	US83417M1045	3,800	0	3,800	236.790	815,370.40	1.27

Security designation	ISIN number	Purch./ additions Sales/ disposals Units/nominal (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets	
VICI PROPERTIES DL -.01	US9256521090	35,400	1,600	33,800	31.790	973,677.68	1.52
W.P. CAREY INC. DL-.01	US92936U1097	16,300	700	15,600	68.130	963,099.09	1.50
WEYERHAEUSER CO. DL 1.25	US9621661043	32,500	2,100	30,400	33.670	927,522.99	1.44
Total issue country USA						29,845,723.99	46.49
Total equities denominated in USD translated at a rate of 1.10355						31,246,507.82	48.67
Total securities admitted to organised markets						47,897,004.32	74.60

**Unlisted securities****Equities denominated in EUR****Issue country Austria**

S IMMO AG PAYMENT CLAIM	AT0000A2YPF3	225,000	0	225,000	0.000	0.00	0.00
Total issue country Austria						0.00	0.00
Total equities denominated in EUR						0.00	0.00
Total unlisted securities						0.00	0.00

**Breakdown of fund assets**

Transferable securities						63,394,299.67	98.74
Bank balances						701,841.71	1.09
Dividend entitlements						107,518.81	0.17
Interest entitlements						797.69	0.00
Other deferred items						-1,882.05	-0.00
Fund assets						64,202,575.83	100.00

**Investor note:**

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

Dividend-bearing units outstanding	AT0000A07YH5	units	100,572.909
Value of dividend-bearing unit	AT0000A07YH5	EUR	9.87
Dividend-bearing units outstanding	AT0000A1YFH2	units	0.000
Value of dividend-bearing unit	AT0000A1YFH2	EUR	100.15
Non-dividend-bearing units outstanding	AT0000A07YJ1	units	3,037,178.458
Value of non-dividend-bearing unit	AT0000A07YJ1	EUR	15.06
Non-dividend-bearing units outstanding	AT0000A1YFJ8	units	2,100.000
Value of non-dividend-bearing unit	AT0000A1YFJ8	EUR	100.32
KEST-exempt non-dividend-bearing units outstanding	AT0000A07YK9	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A07YK9	EUR	16.60
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YFK6	units	167,731.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YFK6	EUR	102.89

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

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

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

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

All OTC derivatives are traded through Erste Group Bank AG.

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

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

### **Purchases and sales of transferable securities in the reporting period not listed in the statement of assets and liabilities**

<b>Security designation</b>	<b>ISIN number</b>	<b>Purch./ additions</b>	<b>Sales/ disposals</b>
<b>Units/nominal (nom. in 1,000, rounded)</b>			
<b>Publicly traded securities</b>			
<b>Equities denominated in AUD</b>			
<b>Issue country Australia</b>			
CHARTER HALL LONG SP.SECS	AU000000CLW0	102,200	102,200
<b>Equities denominated in BRL</b>			
<b>Issue country Brazil</b>			
WEG S.A.	BRWEGEACNOR0	92,500	92,500
<b>Equities denominated in EUR</b>			
<b>Issue country Luxembourg</b>			
AROUNDTOWN EO-01	LU1673108939	154,800	154,800

<b>Security designation</b>	<b>ISIN number</b>	<b>Purch./ additions Units/nominal (nom. in 1,000, rounded)</b>	<b>Sales/ disposals</b>
<b>Issue country Netherlands</b>			
CTP N.V. EO 1	NL00150006R6	0	185,000
<b>Issue country Austria</b>			
S IMMO AG	AT0000652250	0	225,000
UBM DEVELOPMENT AG	AT0000815402	0	27,500
<b>Equities denominated in HKD</b>			
<b>Issue country Hong Kong</b>			
LINK REIT RIGHTS	HK0000916640	23,000	23,000
<b>Equities denominated in SEK</b>			
<b>Issue country Sweden</b>			
CASTELLUM AB -RIGHTS-	SE0020202737	42,100	42,100
<b>Equities denominated in USD</b>			
<b>Issue country USA</b>			
LIFE STORAGE INC. DL-.01	US53223X1072	7,600	7,600
<b>Investment certificates</b>			
<b>Investment certificates denominated in EUR</b>			
<b>Issue country Belgium</b>			
DPAM B-RE EU.DI.SU. FEOA	BE6213831116	2,000	17,000
<b>Issue country Ireland</b>			
ISHSII-ASIA PROP.YLD DLD	IE00B1FZS244	0	350,000
ISHSII-US PROP.YLD DLDIS	IE00B1FZSF77	30,000	320,000
SPDR DW JNES GL.RL.EST.DL	IE00B8GF1M35	7,500	32,500
<b>Issue country Luxembourg</b>			
AXA WLD-FR.EU.RE.E.S.A TH	LU0216734045	0	5,000
JHH-JHH P.EUR.PROP.E.A3EO	LU0209156925	25,000	105,000
<b>Issue country Austria</b>			
ERS.ST.EUR.PRO.T	AT0000708342	0	13,750
ERSTE RE.EO PL.EOR01TEO	AT0000812979	0	40,000

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<b>Security designation</b>	<b>ISIN number</b>	<b>Purch./ additions Units/nominal (nom. in 1,000, rounded)</b>	<b>Sales/ disposals</b>
ERSTE RES.CORP.T	AT0000676846	0	40,000
ERSTE RESP.RES.EOR01AEO	AT0000A03951	0	65,000
ERSTE STOCK AS.PAC.PR.T	AT0000A03MW8	0	32,500
<b>Investment certificates denominated in USD</b>			
<b>Issue country Luxembourg</b>			
MSI-ASIAN PPTY REG. Z DL	LU0360481310	0	75,000
MSI-US PROPERTY REG.Z DL	LU0360477474	0	45,500
<b>Securities admitted to organised markets</b>			
<b>Equities denominated in GBP</b>			
<b>Issue country Great Britain</b>			
ASSURA PLC LS-.10	GB00BVGWW93	464,200	464,200
LXI REIT PLC LS-.01	GB00BYQ46T41	230,000	230,000
PRIMARY HEALTH LS-.0125	GB00BYRJ5J14	240,000	240,000
<b>Equities denominated in EUR</b>			
<b>Issue country Estonia</b>			
TALLINNA SADAM AS E01	EE3100021635	0	300,000
<b>Unlisted securities</b>			
<b>Equities denominated in EUR</b>			
<b>Issue country Austria</b>			
IMMOFINANZ AG BEARER(PAYMENT CLAIM)	AT0000A2UUP0	0	200,000
S IMMO AG (RETURNED SHARES)	AT0000A2YPD8	225,000	225,000
<b>Equities denominated in HKD</b>			
<b>Issue country Hong Kong</b>			
YUEXIU PPTY CO.LTD. RIGHTS	HK0000929155	135,900	135,900

Vienna, 2 October 2023

Erste Asset Management GmbH  
Electronically signed

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

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

## Remuneration Policy

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

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

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

\* Managers with control functions are reported in this group

### Principles governing performance-based remuneration components

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

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

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

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

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

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

The remuneration system is made up of three components:

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

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

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

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

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

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

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



# Audit Report\*

## Statement on the annual report

### Audit opinion

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

ERSTE REAL ESTATE  
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 31 July 2023, the income statement for the accounting year ending on this date, and the other information specified in Annex I Schedule B of the Austrian Investment Fund Act 2011 (InvFG 2011).

Based on the findings of our audit, we believe that the annual report satisfies the legal requirements and provides a true and fair view of the assets and financial position as of 31 July 2023 and of the earnings position of the fund for the accounting year ending on this date in accordance with Austrian commercial law and the provisions of the InvFG 2011.

### Basis for the audit opinion

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

### Other information

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

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

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

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

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

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

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

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

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

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

In addition:

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

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

Vienna, 13 October 2023

**Ernst & Young**

Wirtschaftsprüfungsgesellschaft m.b.H.

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

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

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

## **Annex Sustainability-Related Information**

### **Information pursuant to Article 7 of Regulation (EU) 2020/852 (Taxonomy Regulation):**

The underlying investments of this financial product do not take the EU criteria for environmentally sustainable economic activity into account.

# Fund Rules

## ERSTE REAL ESTATE

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

The Fund is an undertaking for collective investment in transferable securities (UCITS) and is managed by Erste Asset Management GmbH (the "Management Company" in the following), which has its registered office in Vienna.

### Article 1 Fund Units

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

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

### Article 2 Depositary Bank (Depositary)

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

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

### Article 3 Investment Instruments and Principles

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

The Fund invests predominantly, in other words at least 51% of its assets, in real estate equity funds and real estate stocks. There are no restrictions with regard to the location of the issuer's registered office.

With regard to investment in real estate equity funds, the Fund can purchase units in real estate equity funds that, according to their rules, invest predominantly in real estate stocks or comparable assets or that are categorised as a real estate equity fund or as comparable to a real estate equity fund by an internationally recognised organisation, regardless of the country in which the respective management company is registered.

With regard to investment in real estate stocks, the Fund may purchase shares in companies with small market capitalisations or mid-sized market capitalisations as well as shares in large, strong, and important companies that are internationally known (blue chips).

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

The Fund may invest in units in investment funds with investment restrictions that deviate from those of the Fund in terms of the investment focus described above and the restrictions regarding investment instruments defined below. This will not impair compliance with the investment focus described above at any time.

**a) Transferable securities**

Transferable securities (including securities with embedded derivative financial instruments) may comprise **up to 100%** of the fund assets.

**b) Money market instruments**

Money market instruments may comprise **up to 49%** of the fund assets.

**c) Transferable securities and money market instruments**

The Fund may purchase transferable securities and money market instruments that are not fully paid up as well as subscription rights for these types of instruments and other financial instruments that are not fully paid up amounting to a **maximum of 10%** of the fund assets.

Transferable securities and money market instruments may be purchased for the Fund when they meet the criteria regarding listing or trading on a regulated market or a securities exchange pursuant to the InvFG.

Transferable securities and money market instruments that do not meet the criteria described in the previous paragraph may comprise **up to 10%** of the fund assets **in total**.

**d) Units in investment funds**

Units in investment funds (UCITS, UCI) may comprise **up to 20%** of the fund assets per individual issue and may comprise **up to 100% in aggregate total**, provided that the target funds themselves (UCITS, UCI) **do not invest more than 10%** of their fund assets in units of other investment funds.

Units in UCIs may make up **no more than 30%** of the fund assets.

**e) Derivative financial instruments**

Derivative financial instruments can be used as part of the investment strategy and for hedging purposes, and may comprise **up to 49%** of the fund assets.

**f) Risk measurement method(s) of the Fund**

The Fund applies the following risk measurement method: **commitment approach**

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

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

Demand deposits and deposits with the right to be withdrawn with a maximum term of 12 months may comprise **up to 49%** of the fund assets.

There are no minimum bank balance requirements.

However, in the course of the restructuring of the fund portfolio and/or in the case of the justified expectation of impending losses experienced by securities and units in investment funds, the Fund can hold a lower proportion of securities and units in investment funds and a higher proportion of demand deposits or deposits with the right to be withdrawn with a maximum term of 12 months.

**h) Acceptance of short-term loans**

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

**i) Repurchase agreements**

Does not apply.

**j) Securities lending**

Does not apply.

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

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

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

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

The unit value is calculated at the same time as the issue and redemption price.

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

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

The issue price shall be made up of the unit value plus a surcharge per unit amounting to **up to 5.0%** to cover the costs incurred by the Management Company in issuing the unit, rounded up to the next equivalent sub-unit of the currency unit specified for the respective unit category in the prospectus.

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

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

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

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

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

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

#### **Article 5 Accounting Year**

The accounting year of the Fund is from 1 August to 31 July.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Article 7  
Management Fee, Compensation for Expenses, Liquidation Fee**

The Management Company shall receive an **annual** fee for its administrative activities amounting to **up to 1.20%** of the fund assets as calculated and accrued on the basis of the daily fund volume. The fee will be charged to the fund assets once per month.

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

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

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

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

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



## Annex to the Fund Rules

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

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

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

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

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

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

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

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

1.2.1 Luxembourg: Euro MTF Luxembourg

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

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

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

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

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

3.1.	Australia:	Sydney, Hobart, Melbourne, Perth
3.2.	Argentina:	Buenos Aires
3.3.	Brazil:	Rio de Janeiro, Sao Paulo
3.4.	Chile:	Santiago
3.5.	China:	Shanghai Stock Exchange, Shenzhen Stock Exchange
3.6.	Hong Kong:	Hong Kong Stock Exchange
3.7.	India:	Mumbai

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

3.8.	Indonesia:	Jakarta
3.9.	Israel:	Tel Aviv
3.10.	Japan:	Tokyo, Osaka, Nagoya, Fukuoka, Sapporo
3.11.	Canada:	Toronto, Vancouver, Montreal
3.12.	Colombia:	Bolsa de Valores de Colombia
3.13.	Korea:	Korea Exchange (Seoul, Busan)
3.14.	Malaysia:	Kuala Lumpur, Bursa Malaysia Berhad
3.15.	Mexico:	Mexico City
3.16.	New Zealand:	Wellington, Auckland
3.17.	Peru:	Bolsa de Valores de Lima
3.18.	Philippines:	Philippine Stock Exchange
3.19.	Singapore:	Singapore Stock Exchange
3.20.	South Africa:	Johannesburg
3.21.	Taiwan:	Taipei
3.22.	Thailand:	Bangkok
3.23.	USA:	New York, NYCE American, New York Stock Exchange (NYSE), Philadelphia, Chicago, Boston, Cincinnati, Nasdaq
3.24.	Venezuela:	Caracas
3.25.	United Arab Emirates:	Abu Dhabi Securities Exchange (ADX)

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

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

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

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

**Note regarding the data used**

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

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

**Note for retail funds:**

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

[www.erste-am.com](http://www.erste-am.com)

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