

ERSTE TOTAL RETURN FIXED INCOME

Jointly owned fund pursuant to the InvFG

Annual Report 2020/21

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General Information about the Investment Firm

The company	Erste Asset Management GmbH Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19777, fax: +43 05 0100-919777
Registered capital	EUR 2.50 million
Shareholders	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%)
Supervisory Board	Rudolf SAGMEISTER (Chairman) Thomas SCHAUFLER (Deputy Chairman) Harald GASSER Gerhard GRABNER Harald Frank GRUBER Oswald HUBER Radovan JELASITY Robert LASSHOFER Franz PRUCKNER Rupert RIEDER Gabriele SEMMELROCK-WERZER Reinhard WALT Gerald WEBER Appointed by the Works Council: Martin CECH Regina HABERHAUER Heinrich Hubert REINER Peter RIEDERER Nicole WEINHENGST Manfred ZOUREK
Managing directors	Heinz BEDNAR Winfried BUCHBAUER Peter KARL Thomas KRAUS (from 01.01.2021) Wolfgang TRAINDL (until 28.02.2021)
Prokuristen (proxies)	Achim ARNHOF (until 30.06.2020) Karl FREUDENSCHUSS Manfred LENTNER Günther MANDL Gerold PERMOSER Magdalena REISCHL Oliver RÖDER (from 06.07.2020)
State commissioners	Walter MEGNER (from 01.10.2020) Christoph SEEL Eva SCHRITTWIESER (until 30.06.2020)
Auditor	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Depository bank	Erste Group Bank AG

Dear Unit-holder,

We are pleased to present you the following annual report for the ERSTE TOTAL RETURN FIXED INCOME jointly owned fund pursuant to the InvFG for the accounting year from 1 April 2020 to 31 March 2021.

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

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

Development of the Fund

Market environment

After the lockdowns enacted to contain the coronavirus pandemic resulted in a massive economic downturn, the central banks again had to step in to prevent even greater deterioration. The US Federal Reserve cut its key rate by a total of 150 bp to 0.25% (federal funds target rate, upper end of the range) in two steps in Q1 2020, and then left it unchanged for the entire reporting period. In addition to the previous increases in bond purchase programmes and the introduction of two credit facilities to support major corporations, US Fed Chairman Powell announced a switch to an average inflation target in August, which is essentially an easing signal because it allows inflation to temporarily exceed the target and affords the Fed greater flexibility in combatting the effects of the shutdown of public life in the wake of COVID-19.

The ECB had already lowered the interest rate on the deposit facility to minus 50 bp before the start of the reporting period. On 4 June, it increased the EUR 750 billion PEPP (Pandemic Emergency Purchase Programme) by EUR 600 billion, and announced a further increase by EUR 500 billion to a total of EUR 1,850 billion on 10 December.

The Bank of England cut its key rate drastically by 65 bp to 10 bp in Q1 2020 as well. The Bank of England increased its bond purchase programme by GBP 100 billion in two steps in June, and then by another GBP 150 billion in November 2020 to a total of GBP 845 billion.

Among the G4 central banks, the Bank of Japan is a pioneer in zero and negative interest rate policy and also further increased its securities purchases under its quantitative and qualitative monetary easing. It is also applying so-called yield curve control, under which the yield target for ten-year government bonds is 0% (deviations of +/- 25 bp are permitted).

Monetary policy saw strong support from fiscal policy. Stimulus packages were passed around the world and led to a rapid increase in public debt and the delaying of bankruptcies. The 2020 budget deficit in the USA came to 15.6% of GDP while the same metric is 9.3% in the Eurozone, 12.1% in the United Kingdom, and 10.5% in Japan.

Among local currency bonds, high yield corporate bonds from the USA and Europe were at the head of the pack, followed by EM government bonds and EM corporate bonds in USD and hybrid local currency corporate bonds from the developed countries. US Treasuries, Gilts, and JGBs delivered negative returns in local currency.

Investment policy

ERSTE TOTAL RETURN FIXED INCOME strives to generate interest income and net value increases and takes advantage of investment opportunities on various markets in a targeted, risk-controlled manner, independent of a benchmark (total return). The targeted capital growth is associated with the acceptance of higher risks.

The performance for the reporting period came to plus 9.41%.

More than 90% of the positive performance can be attributed to the core bond portfolio. The best of bonds, best of FX, CDS indices, and equity derivatives strategies, the GSR-EUR/USD currency model, and the value and momentum models generated slight positive contributions while the basis FX, FX macro, and bond derivatives strategies slightly reduced the performance.

Method of Calculating the Global Exposure

Method of calculating the global exposure:	Absolute value at risk
Reference assets used:	-
Value at risk:	Lowest value: 2.08
	Average value: 10.059667
	Highest value: 18.61
Model used:	Calculation model: Historical simulation
	Confidence interval: 99%
	Holding period: 20 days
	Length of data history: 1 year
Leverage* when using the value-at-risk calculation method:	99.056662
Leverage** according to § 4 of the 4 th Derivatives Risk Measurement and Reporting Regulation:	40.521584

* 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 31.03.2021	
	EUR millions	%
Bonds		
BRL	0.3	1.23
EUR	21.6	77.57
CHF	0.5	1.71
USD	1.0	3.59
Index certificates		
EUR	0.0	0.13
Investment certificates		
EUR	0.4	1.44
USD	1.6	5.86
Convertible bond		
EUR	0.1	0.39
Transferable securities	25.6	91.93
Forward exchange agreements	-0.1	-0.22
Financial futures	0.0	0.13
Bank balances	2.0	7.12
Interest entitlements	0.3	1.04
Other deferred items	-0.0	-0.00
Fund assets	27.9	100.00

Comparative Overview

Accounting year	Fund assets
2018/2019	26,599,956.78
2019/2020	25,262,428.62
2020/2021	27,858,069.61

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
2018/2019	Dividend-bearing units	AT0000A23TX9	EUR	103.60	-	-	-
2019/2020	Dividend-bearing units	AT0000A23TX9	EUR	96.13	0.5000	0.0000	-7.21
2020/2021	Dividend-bearing units	AT0000A23TX9	EUR	104.66	1.0000	1.0070	9.41

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2018/2019	Non-dividend-bearing units	AT0000A1E176	EUR	102.53	0.0000	0.0000	0.72
2019/2020	Non-dividend-bearing units	AT0000A1E176	EUR	95.68	0.0000	0.0000	-6.68
2020/2021	Non-dividend-bearing units	AT0000A1E176	EUR	105.26	0.4398	1.1386	10.01

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2018/2019	Non-dividend-bearing units	AT0000A23TY7	EUR	103.60	-	-	-
2019/2020	Non-dividend-bearing units	AT0000A23TY7	EUR	96.27	0.0000	0.0000	-7.08
2020/2021	Non-dividend-bearing units	AT0000A23TY7	EUR	105.32	0.3550	0.9147	9.40

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A2A719	EUR	-	-	-	-
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A2A719	EUR	89.86	-	-	-
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A2A719	EUR	98.84	-	-	-

Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 April 2020 to 31 March 2021. The coupon-paying bank is obligated to withhold capital gains tax from this disbursement if the respective investor is not exempt from the payment of this tax.

The disbursement or payment will be effected on or after 1 July 2021 at

Erste Group Bank AG, Vienna,

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

Fund type	ISIN	Currency	Dividend disbursement/payment		KESt with option declaration	KESt w/o option declaration	Reinvestment
Dividend-bearing units	AT0000A23TX9	EUR	1.0000		0.5394	0.5394	1.0070
Non-dividend-bearing units	AT0000A1E176	EUR	0.4398		0.4398	0.4398	1.1386
Non-dividend-bearing units	AT0000A23TY7	EUR	0.3550		0.3550	0.3550	0.9147
KESt-exempt non-dividend-bearing units	AT0000A2A719	EUR	-	*	-	-	-

* 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.

AT0000A23TX9 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (100.582 units)	96.13
Disbursement/payment on 29.06.2020 (corresponds to roughly 0.0050 units at a calculated value of 100.04)	0.5000
Unit value at the end of the reporting period (765.882 units)	104.66
Total value including (notional) units gained through dividend disbursement/payment	105.18
Net earnings per unit	9.05
Value development of one unit in the period	9.41%

AT0000A1E176 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (263,821.000 units)	95.68
Disbursement/payment	0.0000
Unit value at the end of the reporting period (263,821.000 units)	105.26
Total value including (notional) units gained through dividend disbursement/payment	105.26
Net earnings per unit	9.58
Value development of one unit in the period	10.01%

AT0000A23TY7 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (81.236 units)	96.27
Disbursement/payment	0.0000
Unit value at the end of the reporting period (71.236 units)	105.32
Total value including (notional) units gained through dividend disbursement/payment	105.32
Net earnings per unit	9.05
Value development of one unit in the period	9.40%

AT0000A2A719 KEST-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	89.86
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	98.84
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

2. Fund Result

a. Realised fund result

Ordinary fund result

Income (without profit or loss from price changes)

Interest income (excluding income adjustment)	828,082.50
Dividend income	56.63
Other income 8)	<u>36.14</u>

Total income (without profit or loss from price changes) 828,175.27

Interest paid - 6,948.31

Expenses

Fees paid to Investment Firm	- 150,933.33
Costs for the financial auditor and tax consultation	- 3,553.00
Publication costs	- 20,631.96
Securities account fees	- 2,073.36
Depository bank fees	- 8,222.51
Costs for the external consultant	<u>0.00</u>

Total expenses - 185,414.16

Compensation for management costs from sub-funds 1) 0.00

Ordinary fund result (excluding income adjustment) **635,812.80**

Realised profit or loss from price changes 2) 3)

Realised gains 4)	3,474,632.21
Realised losses 5)	<u>- 3,370,637.63</u>

Realised profit or loss from price changes (excluding income adjustment) **103,994.58**

Realised fund result (excluding income adjustment) **739,807.38**

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

Changes in the unrealised profit or loss from price changes 7) 1,788,144.40

Result for the reporting period 6) **2,527,951.78**

c. Income adjustment

Income adjustment for income in the period 572.78

Income adjustment for profit carried forward from dividend-bearing units 0.00

Overall fund result **2,528,524.56**

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	25,262,428.62
Disbursement/payment in the accounting year	- 50.29
Issue and redemption of units	67,166.72
Overall fund result	
(The fund result is shown in detail under item 2.)	2,528,524.56
Fund assets at the end of the reporting period	<u>27,858,069.61</u>

- 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 reporting 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 1,892,138.98.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 3,217,966.40.
- 5) Thereof losses from transactions with derivative financial instruments: EUR -3,251,157.77.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 8,067.69.
- 7) Thereof changes in unrealised gains EUR 139,795.34 and unrealised losses EUR 1,648,349.06.
- 8) The earnings reported under this item can be attributed to lending fees from securities lending transactions conducted with Erste Group Bank AG in the amount of EUR 0.00, to earnings from real estate funds in the amount of EUR 0.00, and to other earnings in the amount of EUR 36.14.

Statement of Assets and Liabilities as of 31 March 2021

(including changes in securities assets from 1 April 2020 to 31 March 2021)

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Publicly traded securities								
Bonds denominated in EUR								
Issue country Ireland								
AIB GROUP 18/25 MTN	XS1849550592	2.250	0	0	500	108.281	541,403.01	1.94
Total issue country Ireland							<u>541,403.01</u>	<u>1.94</u>
Issue country Italy								
CDP RETI 15-22	IT0005117095	1.875	0	0	250	101.949	254,872.49	0.91
INTESA SAN. 13/23 MTN	XS0986194883	4.000	0	0	250	110.090	275,224.99	0.99
TELECOM ITALIA 10/22 MTN	XS0486101024	5.250	0	0	250	104.475	261,187.50	0.94
Total issue country Italy							<u>791,284.98</u>	<u>2.84</u>
Issue country Luxembourg								
FIAT CHRY.F. 14/22 MTN	XS1088515207	4.750	0	0	550	106.098	583,539.00	2.09
GR.CTY PROP. 20/UND. FLR	XS2271225281	1.500	500	0	500	98.233	491,165.01	1.76
Total issue country Luxembourg							<u>1,074,704.01</u>	<u>3.86</u>
Issue country Macedonia								
NORTH MACEDONIA 18/25 REGS	XS1744744191	2.750	0	0	300	104.767	314,299.50	1.13
Total issue country Macedonia							<u>314,299.50</u>	<u>1.13</u>
Issue country Austria								
CA IMMO 20/27	XS2099128055	0.875	0	0	200	98.576	197,151.20	0.71
VB VIENNA 21/26 MTN	AT000B122080	0.875	200	0	200	100.085	200,170.00	0.72
VIENNA I.GRP 21/36 MTN	AT0000A2QL75	1.000	300	0	300	100.220	300,660.00	1.08
VIENNA INS.GRP 13-43 FLR	AT0000A12GN0	5.500	0	0	200	113.264	226,528.00	0.81
Total issue country Austria							<u>924,509.20</u>	<u>3.32</u>
Issue country Portugal								
EDP-ENERGIAS 19/79FLR	PTEDPKOM0034	4.496	0	0	300	109.137	327,411.60	1.18
Total issue country Portugal							<u>327,411.60</u>	<u>1.18</u>
Issue country Romania								
RCS + RDS 20/28 REGS	XS2107452620	3.250	0	0	300	100.529	301,587.75	1.08
Total issue country Romania							<u>301,587.75</u>	<u>1.08</u>

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Security designation	ISIN number	Interest rate	Purch./ additions Sales/ disposals Units/nominal (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets	
Issue country Senegal								
SENEGAL, REP. 18/28 REGS	XS1790104530	4.750	0	0	300	101.888	305,663.25	1.10
						Total issue country Senegal	305,663.25	1.10
Issue country Spain								
BCO SABADELL 21/31MTN FLR	XS2286011528	2.500	300	0	300	99.000	297,000.00	1.07
BCO SANTAND. 20/30 MTN	XS2247936342	1.625	300	0	300	101.880	305,639.99	1.10
						Total issue country Spain	602,639.99	2.16
Issue country Czech Republic								
EP INFRASTR. 19/28	XS2062490649	2.045	0	0	500	105.030	525,147.50	1.89
						Issue country Czech Republic	525,147.50	1.89
						Total bonds denominated in EUR	5,708,650.79	20.49
Bonds denominated in USD								
Issue country Luxembourg								
STEEL CAP. 17/21 MTN REGS	XS1567051443	3.850	0	0	370	101.031	318,059.75	1.14
						Total issue country Luxembourg	318,059.75	1.14
						Total bonds denominated in USD translated at a rate of 1.17530	318,059.75	1.14
Index certificates denominated in EUR								
Issue country Ireland								
WITR MU.AS.I.GOLD ETP2062	IE00B8HGT870		1,400	0	1,400	26.858	37,601.20	0.13
						Total issue country Ireland	37,601.20	0.13
						Total index certificates denominated in EUR	37,601.20	0.13
						Total publicly traded securities	6,064,311.74	21.77
Investment certificates								
Investment certificates denominated in EUR								
Issue country Austria								
1.RES.BD G.H.Y. R01E0T	AT0000A2DY00		1,285	0	1,285	111.570	143,367.45	0.51
ERST.BD CHINA EO R01	AT0000A27ZQ1		2,500	0	2,500	103.570	258,925.00	0.93
						Total issue country Austria	402,292.45	1.44
						Total investment certificates denominated in EUR	402,292.45	1.44
Investment certificates denominated in USD								
Issue country Austria								
ER.BD EM COR.SH.T.I01T	AT0000A1U9P8		0	0	14,810	114.090	1,437,652.43	5.16

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets	
ER.BD EM COR.SH.T.R01DLA	AT0000A1ULN6		0	0	2,120	107.450	193,817.75	0.70	
							Total issue country Austria	1,631,470.18	5.86
							Total investment certificates denominated in USD translated at a rate of 1.17530	1,631,470.18	5.86
							Total investment certificates	2,033,762.63	7.30

Securities admitted to organised markets**Bonds denominated in BRL****Issuer European Investment Bank**

EIB EUR. INV.BK 14/21 ZO	XS1097534751	0.000	0	0	2,300	98.697	342,272.47	1.23	
							Total issuer European Investment Bank	342,272.47	1.23
							Total bonds denominated in BRL translated at a rate of 6.63220	342,272.47	1.23

Bonds denominated in EUR**Issue country Belgium**

KBC GROEP 15/27 MTN	BE0002485606	1.875	0	0	200	101.670	203,340.81	0.73	
							Total issue country Belgium	203,340.81	0.73

Issue country Bulgaria

BULGARIA 15/35 MTN	XS1208856341	3.125	0	0	500	129.057	645,283.75	2.32	
							Total issue country Bulgaria	645,283.75	2.32

Issue country Cayman Islands

UPCB FIN.IV 15/27 REGS	XS1117297603	4.000	0	0	250	101.810	229,072.50	0.82	
							Total issue country Cayman Islands	229,072.50	0.82

Issue country Denmark

ISS GLOBAL 14/24 MTN	XS1145526825	2.125	0	0	250	105.735	264,337.01	0.95	
TDC A/S 12/22 MTN	XS0752467497	5.000	0	0	250	103.635	259,087.51	0.93	
							Total issue country Denmark	523,424.52	1.88

Issue country Germany

BAYER AG 2019/2079	XS2077670003	2.375	0	0	100	101.818	101,818.00	0.37
BAYWA AG NTS.17/UNL.	XS1695284114	4.250	0	0	200	102.355	204,710.00	0.73
COBA MTN 19/26	DE000CZ40N46	1.125	0	0	300	102.944	308,832.00	1.11
DT. BAHN FIN. 19/UNBEFR.	XS2010039035	0.950	0	0	200	100.250	200,500.00	0.72
HANN RUECK SUB 2019/2039	XS2063350925	1.125	0	0	300	100.045	300,136.21	1.08
HANN RUECK SUB 2021/2042	XS2320745156	1.375	200	0	200	100.150	200,300.00	0.72
HEIDEL.CEMENT MTN 16/25	XS1529515584	1.500	0	0	300	104.843	314,530.20	1.13
HOCHTIEF AG MTN 18/25	DE000A2LQ5M4	1.750	0	0	300	105.597	316,790.52	1.14
LANXESS SUB.ANL.16/76	XS1405763019	4.500	300	0	300	106.867	320,599.80	1.15
MAHLE MTN 15/22	XS1233299459	2.375	0	0	200	101.660	203,320.00	0.73
MERCK KGAA SUB.BND.20/80	XS2218405772	1.625	300	0	300	102.010	306,030.01	1.10

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Security designation	ISIN number	Interest rate	Purch./ additions Sales/ disposals Units/nominal (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets	
METRO MTN 15/25	XS1203941775	1.500	0	0	250	103.472	258,680.00	0.93
MUENCH.RUECK 12/42	XS0764278528	6.250	0	0	200	106.932	213,863.20	0.77
VOSSLOH 21/UNL.	DE000A3H2VA6	0.000	200	0	200	102.050	204,100.00	0.73
Total issue country Germany						3,454,209.94	12.40	
Issue country Finland								
METSAE BOARD 17-27	FI4000282629	2.750	0	0	300	113.230	339,690.01	1.22
TEOLLIS.VOIMA OYJ15/25MTN	XS1183235644	2.125	0	0	250	102.840	257,101.00	0.92
Total issue country Finland						596,791.01	2.14	
Issue country France								
BANQUE POSTALE 14/26 FLR	FR0011855865	2.750	0	0	200	100.190	200,380.00	0.72
ENGIE 20/UND. FLR	FR0014000RR2	1.500	100	0	100	100.267	100,267.40	0.36
LA POSTE 18-UND. FLR	FR0013331949	3.125	0	0	300	104.990	314,969.99	1.13
TOTAL S.E. 16/UND.	XS1413581205	3.875	0	0	500	103.625	518,125.00	1.86
WENDEL SE 15-27	FR0012516417	2.500	0	0	300	111.746	335,238.60	1.20
Total issue country France						1,468,980.99	5.27	
Issue country Greece								
PIRAEUS F.H.20/30 FLRMTN	XS2121408996	5.500	0	0	200	93.250	186,500.00	0.67
Total issue country Greece						186,500.00	0.67	
Issue country Great Britain								
BP CAP.MKTS 20/UND FLR	XS2193662728	3.625	500	0	500	108.382	541,911.01	1.95
BRIT.TELECOM 20/80 FLR	XS2119468572	1.874	300	0	300	98.993	296,978.99	1.07
SKY 14/26 MTN	XS1109741329	2.500	0	0	300	113.462	340,385.40	1.22
TESCO C.TR.SERV.14/24 MTN	XS1082971588	2.500	0	0	250	107.960	269,900.00	0.97
VODAFONE GRP 14/25 MTN	XS1109802568	1.875	0	0	500	107.966	539,832.00	1.94
VODAFONE GRP 18/79 FLR	XS1888179477	3.100	0	0	300	104.192	312,576.00	1.12
Total issue country Great Britain						2,301,583.40	8.26	
Issue country Italy								
BCA PASCH.SI 20/26 MTN	XS2270393379	1.875	450	150	300	99.637	298,911.00	1.07
Total issue country Italy						298,911.00	1.07	
Issue country Kazakhstan								
KAZAKHSTAN 18/28 MTN REGS	XS1901718335	2.375	0	0	300	110.853	332,558.25	1.19
Total issue country Kazakhstan						332,558.25	1.19	
Issue country Croatia								
CROATIA 19/29	XS1843434876	1.125	0	0	500	103.144	515,721.25	1.85
Total issue country Croatia						515,721.25	1.85	

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Issue country Netherlands								
ALLIANZ FIN. II 11/41 FLR	DE000A1GNAH1	5.750	0	0	300	101.480	304,440.00	1.09
DE VOLKSBANK 20/30FLR MTN	XS2202902636	1.750	200	0	200	105.023	210,046.40	0.75
FRESENIUS SE 14/24 REGS	XS1026109204	4.000	0	0	250	111.211	278,027.00	1.00
KON. KPN 09/24 MTN	XS0454773713	5.625	0	0	250	118.867	297,167.49	1.07
KON.FRIES.C.20/UND.FLR	XS2228900556	2.850	100	0	100	102.482	102,482.40	0.37
OI EUROPEAN GRP 16/24REGS	XS1405765907	3.125	0	0	300	103.370	310,110.01	1.11
REPSOL INTL F. 15/75 FLR	XS1207058733	4.500	0	300	300	109.674	329,022.01	1.18
TENNET HLDG 20/UND.FLR	XS2207430120	2.374	200	0	200	103.584	207,168.08	0.74
TENNET HOLDING 17/UND.FLR	XS1591694481	2.995	0	0	300	105.156	315,467.99	1.13
WINTERSHALL 21/UND FLR	XS2286041947	3.000	500	0	500	97.571	487,853.01	1.75
Total issue country Netherlands							2,841,784.39	10.20
Issue country Austria								
RAIF.BK INTL 20/32FLR MTN	XS2189786226	2.875	300	0	300	107.592	322,777.18	1.16
Total issue country Austria							322,777.18	1.16
Issue country Romania								
ROMANIA 19/49 MTN REGS	XS1968706876	4.625	0	0	470	123.557	580,717.90	2.08
Total issue country Romania							580,717.90	2.08
Issue country Sweden								
ERICSSON 17/24 MTN	XS1571293684	1.875	0	0	300	105.004	315,011.99	1.13
SAMHALLSBYG. 20/UND. FLR	XS2010032618	2.624	0	0	100	100.000	100,000.00	0.36
Total issue country Sweden							415,011.99	1.49
Issue country Serbia including Kosovo								
SERBIA 19/29 REGS	XS2015296465	1.500	0	0	125	100.000	125,000.00	0.45
SERBIA 20/27 REGS	XS2170186923	3.125	300	0	300	110.688	332,062.50	1.19
Total issue country Serbia including Kosovo							457,062.50	1.64
Issue country USA								
RELX CAPITAL INC. 15/25	XS1231027464	1.300	0	0	500	105.250	526,250.00	1.89
Total issue country USA							526,250.00	1.89
Total bonds denominated in EUR							15,899,981.38	57.07
Bonds denominated in CHF								
Issue country Switzerland								
LAF.HELVETIA 18-UND. FLR	CH0398633724	3.500	0	0	500	105.375	476,314.24	1.71
Total issue country Switzerland							476,314.24	1.71
Total bonds denominated in CHF translated at a rate of 1.10615							476,314.24	1.71

ERSTE TOTAL RETURN FIXED INCOME

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Bonds denominated in USD								
Issue country Cayman Islands								
YUZHOU GROUP HLDGS 17/22	XS1555300497	6.000	0	0	300	97.500	248,872.63	0.89
Total issue country Cayman Islands							248,872.63	0.89
Issue country Singapore								
MEDCO BELL 20/27 REGS	USY56607AA51	6.375	0	0	350	101.109	301,098.87	1.08
Total issue country Singapore							301,098.87	1.08
Issue country USA								
CELGENE 15/25	US151020AS39	3.875	0	158	142	110.276	133,235.70	0.48
Total issue country USA							133,235.70	0.48
Total bonds denominated in USD translated at a rate of 1.17530							683,207.20	2.45
Convertible bonds denominated in EUR								
Issue country Austria								
DO + CO 21/26 CV	AT0000A2N7T2	1.750	100	0	100	108.905	108,905.00	0.39
Total issue country Austria							108,905.00	0.39
Total convertible bonds denominated in EUR							108,905.00	0.39
Total securities admitted to organised markets							17,510,680.29	62.86
Derivatives							Unrealised result in EUR	
Financial futures denominated in GBP								
Issue country Great Britain								
LONG GILT FUTURE Jun21	LGRM21					-11	11,688.81	0.04
Total issue country Great Britain							11,688.81	0.04
Total financial futures denominated in GBP translated at a rate of 0.85185							11,688.81	0.04
Financial futures denominated in EUR								
Issue country Germany								
EURO-BUND FUTURE Jun21	FGBLM21					-15	3,734.30	0.01
Euro-OAT Future Jun21	FOATM21					20	4,600.00	0.02
Total issue country Germany							8,334.30	0.03
Issue country Great Britain								
10YR EUR SWAPNOTE 06/21	EFBPM21					-20	-2,400.00	-0.01
Total issue country Great Britain							-2,400.00	-0.01
Total financial futures denominated in EUR							5,934.30	0.02

Security designation	ISIN number	Holding	Unrealised result in EUR	% share of fund assets
Financial futures denominated in JPY				
Issue country Japan				
JPN 10Y BOND(OSE) Jun21	TGB1M21	-2	-4,465.98	-0.02
		Total issue country Japan	-4,465.98	-0.02
		Total financial futures denominated in JPY translated at a rate of 129.87065	-4,465.98	-0.02
Financial futures denominated in USD				
Issue country USA				
US 10YR NOTE (CBT)Jun21	TN1M21	-12	24,150.75	0.09
		Total issue country USA	24,150.75	0.09
		Total financial futures denominated in USD translated at a rate of 1.17530	24,150.75	0.09
		Total derivatives	37,307.88	0.13
Forward exchange agreements			Unrealised result in EUR	
Forward exchange agreements denominated in EUR				
Issue country Austria				
FXF SPEST EUR/CZK 21.05.2021	FXF_TAX_3455599	-1,027,763	4,888.06	0.02
FXF SPEST EUR/USD 21.05.2021	FXF_TAX_3455597	2,769,737	-35,493.10	-0.13
FXF SPEST EUR/USD 23.04.2021	FXF_TAX_3455368	945,082	-32,983.59	-0.12
		Total issue country Austria	-63,588.63	-0.23
		Total forward exchange agreements denominated in EUR	-63,588.63	-0.23
Forward exchange agreements denominated in USD				
Issue country Austria				
FXF SPEST USD/BRL 23.04.2021	FXF_TAX_3455320	-366,804	-10,989.52	-0.04
FXF SPEST USD/BRL 23.04.2021	FXF_TAX_3455434	368,378	12,328.83	0.04
		Total issue country Austria	1,339.31	0.00
		Total forward exchange agreements denominated in USD translated at a rate of 1.17530	1,339.31	0.00
		Total forward exchange agreements	-62,249.32	-0.22
Breakdown of fund assets				
Transferable securities			25,608,754.66	91.93
Forward exchange agreements			-62,249.32	-0.22
Financial futures			37,307.88	0.13
Bank balances			1,984,432.88	7.12
Interest entitlements			290,304.63	1.04
Other deferred items			-481.12	-0.00
Fund assets			27,858,069.61	100.00

ERSTE TOTAL RETURN FIXED INCOME

Investor note:

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

Dividend-bearing units outstanding	AT0000A23TX9	units	765.882
Value of dividend-bearing unit	AT0000A23TX9	EUR	104.66
Non-dividend-bearing units outstanding	AT0000A1E176	units	263,821.000
Value of non-dividend-bearing unit	AT0000A1E176	EUR	105.26
Non-dividend-bearing units outstanding	AT0000A23TY7	units	71.236
Value of non-dividend-bearing unit	AT0000A23TY7	EUR	105.32
KEST-exempt non-dividend-bearing units outstanding	AT0000A2A719	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A2A719	EUR	98.84

The pool factor is the measure for the partial redemption of bonds that indicates the ratio between the as yet unredeemed capital and the unchanged nominal value.

The pool factor has an initial value of 1, which then rises until the first partial redemption and which is subsequently reduced in accordance with the redemption terms once redemptions begin until it ultimately reaches value of 0.

The following pool factor is relevant for calculating the value:

Security designation	ISIN number	Pool factor	Value in EUR
SENEGAL, REP. 18/28 REGS	XS1790104530	1.00000	305,663.25
UPCB FIN.IV 15/27 REGS	XS1117297603	0.90000	229,072.50

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 permitted to engage in securities lending agreements pursuant to Regulation (EU) No. 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse) according to the fund rules. No securities lending transactions took place during the reporting period.

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

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Publicly traded securities				
Bonds denominated in EUR				
Issue country Netherlands				
ENEL FIN.INTL 16/26 MTN	XS1425966287	1.375	0	327
REN FIN. 15/25 MTN 2	XS1189286286	2.500	0	250
Issue country Spain				
BCO SANTANDER 15/25 MTN	XS1201001572	2.500	0	300
CAIXABANK 17/27 MTN FLR	XS1565131213	3.500	0	300
Investment certificates				
Investment certificates denominated in EUR				
Issue country Austria				
ERST.BD CHINA EO IO1	AT0000A285J0		0	2,500
Securities admitted to organised markets				
Bonds denominated in EUR				
Issue country Germany				
MERCK KGAA SUB.ANL.14/74	XS1152338072	2.625	0	300
Issue country France				
ENGIE 14/UND.FLR	FR0011942283	3.875	0	300
Issue country Great Britain				
ANGLO AM. CAP. 17/25 MTN	XS1686846061	1.625	0	300
Bonds denominated in USD				
Issue country USA				
USA 19/29	US912828YB05	1.625	0	300
USA 20/50	US912810SM18	0.250	500	500

ERSTE TOTAL RETURN FIXED INCOME

Security designation	ISIN number	Interest rate	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Convertible bonds denominated in USD				
Issue country USA				
TESLA 19/24 CV	US88160RAG65	2.000	300	300
Unlisted securities				
Bonds denominated in EUR				
Issue country Albania				
ALBANIA 15/20	XS1300502041	5.750	0	300
Issue country Ireland				
ALLIED IRISH 15/25FLR MTN	XS1325125158	0.000	0	600
Issue country Luxembourg				
ALDESA FIN.S. 14/21 REGS	XS1028959754	7.250	0	300
Issue country Macedonia				
NORTH MACEDONIA 15/20 REGS	XS1318363766	4.875	0	300
Issue country Netherlands				
SCHAEFFLER FIN.15/25 REGS	XS1212470972	3.250	0	250
VOLKSWAGEN INTL 14/UNDFLR	XS1048428012	0.000	0	300
Index certificates denominated in EUR				
Issue country Ireland				
WITR MU.AS.I.GOLD ZT13/62	DE000A1ZLCQ2		0	1,400

Vienna, 31 May 2021

Erste Asset Management GmbH
Electronically signed

Inspection information: The electronic signatures of this document can be inspected at the website of Rundfunk und 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 (Art 25 of Regulation [EU] No 910/2014 [eIDAS Regulation]).

Remuneration Policy

Remuneration paid to employees of Erste Asset Management GmbH in EUR (2019 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 31.12.19	247
Number of risk bearers in 2019	128
Fixed remuneration	17,977,688
Variable remuneration (bonuses)	5,281,483
Total employee remuneration	23,259,171
Thereof remuneration for managing directors	1,024,116
Thereof remuneration for managerial risk bearers	3,986,249
Thereof remuneration for risk bearers with control functions*	1,410,947
Thereof remuneration for other risk bearers	7,776,396
Thereof remuneration for employees in the same income bracket as managers and risk bearers due to the amount of their total remuneration	0
Total remuneration for risk bearers	14,197,708

* Includes the Head of Compliance

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.

ERSTE TOTAL RETURN FIXED INCOME

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.

The last audit of compliance with the requirements of the remuneration policy by the Supervisory Board on 27 March 2020 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 TOTAL RETURN FIXED INCOME
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 31 March 2021, 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 March 2021 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, 31 May 2021

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Andrea Stippl
(Certified Public
Accountant)

ppa MMag. Roland Unterweger
(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.

Fund Rules

The Fund Rules for ERSTE TOTAL RETURN FIXED INCOME, 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.

ERSTE TOTAL RETURN FIXED INCOME strives to generate interest income and net value increases and takes advantage of investment opportunities on various markets in a targeted, risk-controlled manner, independent of a benchmark (total return).

The Fund invests predominantly, in other words at least 51% of its assets, in

- Transferable securities and/or money market instruments and/or
- Derivative financial instruments and/or
- Demand deposits or deposits with the right to be withdrawn

that are subject to or based on a fixed or variable interest rate (fixed income).

The investment instruments can be denominated in euros or other currencies. The Management Company is not subject to any restrictions in the selection of the issuers with regard to the locations of their registered offices or the respective economic sectors in which they are active.

The fund assets are invested in the following investment instruments in compliance with the description above.

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 100% of the fund assets.

c) Transferable securities and money market instruments

Transferable securities or money market instruments issued or guaranteed by Australia; the Federal Republic of Germany and its states: Baden-Württemberg, Bavaria, Berlin, Brandenburg, Bremen, Hamburg, Hesse, Mecklenburg-Vorpommern, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Saarland, Saxony, Saxony-Anhalt, Schleswig-Holstein, and Thuringia; the French Republic; the Federal Republic of Brazil; the Principality of Liechtenstein; the Grand Duchy of Luxembourg; the Hellenic Republic (Greece); Ireland; Iceland; the Italian Republic; Japan; Canada; the Kingdom of Belgium; the Kingdom of Denmark; the Kingdom of the Netherlands; the Kingdom of Norway; the Kingdom of Sweden; the Kingdom of Spain; the Portuguese Republic; New Zealand; the Republic of Chile; the Republic of Estonia; the Republic of Finland; the Republic of India; the Republic of Korea (South Korea); the Republic of Austria and its states: Burgenland, Carinthia, Lower Austria, Upper Austria, Salzburg, Styria, Tyrol, Vorarlberg, and Vienna; the Republic of Poland; the Republic of South Africa; the Republic of Turkey; Russia; the Swiss Confederation; the Slovak Republic; the State of Israel; the Czech Republic; Hungary; the United Kingdom of Great Britain and Northern Ireland; the United Mexican States; the United States of America; the European Financial Stability Facility (EFSF); the European Stability Mechanism (ESM); the European Union (EU); the Asian Development Bank; the European Investment Bank; the European Bank for Reconstruction and Development (EBRD); the International Bank for Reconstruction and Development (IBRD); and the KfW (Kreditanstalt für Wiederaufbau) may make up more than 35% of the fund assets provided that the 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 fund assets.

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.

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

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 100% of the fund assets.

f) Risk measurement method(s) of the Fund

The Fund applies the following risk measurement method: absolute value-at-risk

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

The value-at-risk resulting from the investments held by the Fund (absolute VaR) is limited to 20% of the total net value of the fund assets.

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 100% of the fund assets.

There are no minimum bank balance requirements.

h) Acceptance of short-term loans

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

i) Repurchase agreements

Does not apply.

j) Securities lending

Securities lending transactions may comprise up to 30% of the fund assets.

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 2.5% 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.

ERSTE TOTAL RETURN FIXED INCOME

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 April to 31 March.

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 July 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 July 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 July 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 July 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 meet 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

a) Administration fee

Valid until 31 December 2019:

The Management Company shall receive an annual fee for its administrative activities amounting to up to 1.154% of the fund assets, which shall be accrued on a daily basis and calculated using the month-end values adjusted for the accrued fees.

Valid from 1 January 2020:

The Management Company shall receive an annual fee for its administrative activities amounting to up to 1.154% 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 apply a sliding management fee scale at its own discretion.

b) Performance fee

In addition, a performance fee of 10% of the outperformance of the respective unit category over the hurdle rate (3-month Euribor p.a.) shall be accrued daily and paid from the unit-category assets on a monthly basis.

This will be calculated based on the high water mark method with carry forward losses; in other words, performance gains do not translate into a profit until any losses from prior periods are made up.

The outperformance over this hurdle rate is the basis for the fee calculation. This means that the performance fee is only due when the cumulated outperformance and underperformance levels (carry forward losses) reach a new positive high since the last payment of a performance fee. The performance fee is only paid when the calculated value reaches a new high.

The performance of the respective unit category shall be determined by comparing the calculated values of the respective unit category (adjusted for disbursements according to the time weighted rate of return method or BVI). The monthly hurdle rate represents one-twelfth of the fixing for the second-to-last trading day of the previous month.

The unit-category volume for these purposes is the average invested volume according to the Dietz method. The respective unit-category volume at the end of the previous month as increased by the unit-category performance is deducted from the respective current unit-category volume on the reference date; this amount corresponds to the increases and decreases. This amount is then weighted with a factor of 50% at the middle of the month and added to the respective unit-category volume at the end of the previous month.

c) Other expenses and costs

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

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.

The Fund is a user for the purposes of Regulation (EU) 2016/1011 (Benchmarks Regulation). The Management Company has drawn up robust written contingency plans for the event that the benchmark is materially changed or is no longer published. Further information on this can be found in the prospectus.

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

Annex to the Fund Rules

List of exchanges with official trading and organised markets (As of September 2018)

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 *

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

- | | | |
|--------|--------------|--------------------------------------|
| 1.2.1. | Luxembourg: | Euro MTF Luxembourg |
| 1.2.2. | Switzerland: | SIX Swiss Exchange AG, BX Swiss AG** |

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 (RTS Stock Exchange)
Moscow Interbank Currency Exchange (MICEX) |
| 2.4. | Serbia: | Belgrade |
| 2.5. | Turkey: | Istanbul (only “National Market” on the stock market) |

3. Exchanges in non-European countries

- | | | |
|-------|-----------------------|--|
| 3.1. | Australia: | Sydney, Hobart, Melbourne, Perth |
| 3.2. | Argentina: | Buenos Aires |
| 3.3. | Brazil: | Rio de Janeiro, Sao Paulo |
| 3.4. | Chile: | Santiago |
| 3.5. | China: | Shanghai Stock Exchange, Shenzhen Stock Exchange |
| 3.6. | Hong Kong: | Hong Kong Stock Exchange |
| 3.7. | India: | Mumbai |
| 3.8. | Indonesia: | Jakarta |
| 3.9. | Israel: | Tel Aviv |
| 3.10. | Japan: | Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima |
| 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, Christchurch/Invercargill, Auckland |
| 3.17. | Peru: | Bolsa de Valores de Lima |
| 3.18. | Philippines: | Manila |
| 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 |
| 3.24. | Venezuela: | Caracas |
| 3.25. | 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:	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.	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:	NYSE American, Chicago Board Options Exchange, Chicago Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, ICE Futures US, Inc., New York, Nasdaq PHLX, New York Stock Exchange, Boston Options Exchange (BOX)

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

When the expected withdrawal of the United Kingdom of Great Britain and Northern Ireland (GB) from the EU takes effect, GB will lose its status as an EEA member state and, in turn, the exchanges/regulated markets located there will also lose their status as EEA exchanges/regulated markets. In this event, we hereby inform you that the following exchanges and regulated markets located in GB shall be considered exchanges or recognised regulated markets in a third country as defined by the InvFG 2011 and the UCITS Directive that are expressly designated in the Fund Rules: 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.

**) In the event that Switzerland's stock market equivalence expires, SIX Swiss Exchange AG and BX Swiss AG are to be subsumed under item 2 "Exchanges in European countries outside of the EEA" until further notice.

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 and the key investor information (and any applicable changes to these documents) were published in Amtsblatt zur Wiener Zeitung in accordance with the provisions of the InvFG 2011 in the currently amended version and are available 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, the languages in which the key investor information is available, and any additional locations where the documents can be obtained can be viewed on the website www.erste-am.at.

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