

ERSTE MORTGAGE

Jointly owned fund pursuant to the InvFG

Annual Report 2024/25

Contents

General Information about the Investment Firm	3
Development of the Fund	4
Method of Calculating the Global Exposure.....	6
Asset Allocation	6
Comparative Overview	7
Disbursement/Payment	9
Income Statement and Changes in Fund Assets	10
Statement of Assets and Liabilities as of 30 April 2025	14
Remuneration Policy	19
Audit Report*	21
Annex Sustainability-Related Information	24
Fund Rules.....	42

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 3 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) Manfred BARTALSZKY (until 26.02.2025) Maximilian CLARY UND ALDRINGEN Klaus FELDERER Harald GASSER Gerhard GRABNER Harald Frank GRUBER Rainer HAUSER (from 26.02.2025) Oswald HUBER (Deputy Chairman) Radovan JELASITY (until 26.02.2025) Michael KOREN Gerhard LAHNER (from 26.02.2025) Ertan PISKIN Peter PROBER 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
Authorised officers	Karl FREUDENSCHUSS Günther MANDL Gerold PERMOSER Magdalena REISCHL Oliver RÖDER Magdalena UJWARY
State commissioners	Wolfgang EXL Angelika SCHÄTZ
Auditor	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Depositary bank	Erste Group Bank AG

Dear Unit-holders,

We are pleased to present you the following annual report for the ERSTE MORTGAGE jointly owned fund pursuant to the InvFG for the accounting year from 1 May 2024 to 30 April 2025.

Due to technical problems, unit certificate transactions were suspended for all funds of Erste Asset Management GmbH in Austria on 27 November 2024. Transactions resumed on 28 November 2024.

Development of the Fund

Market report

At the beginning of the reporting period, the global economic environment was dominated by a constellation of continued elevated inflation coupled with rising growth worries, though the robust economic growth in the USA was hardly affected by this. The effects of the outcome of the presidential election in the United States and the new majority in the US Congress were the focus in the second half of the reporting period. Geopolitical tensions and growing uncertainty about the status of global trade relations recently led to a sharp increase in volatility in the financial markets.

Starting in the spring of 2024, a divergence in economic development in the industrialised countries became apparent. While the USA surprised with sustained positive economic growth and a solid labour market, the consumer and corporate data in Europe and Asia (especially China) was less optimistic.

Given the declining inflation, the central banks increasingly began signalling that they could shift to a less restrictive monetary policy as a preventive measure. The US Federal Reserve stressed a shift in focus from the inflation risks to a potential weakening of the labour market in the context of its dual mandate.

The first key rate cut among the leading central banks was made by the European Central Bank at the beginning of June 2024. While the ECB left the key rate unchanged at its meeting in July, further 25 bp cuts were made to the deposit rate starting in September.

All in all, the ECB made 7 key rate cuts totalling 175 basis points during the reporting period.

The Fed did not cut its key rate until September 2024, in part due to the continued positive economic growth – but made this move a “jumbo” cut of 50 basis points, followed by two further 25 bp cuts in November and December. The key rate has since been left unchanged in a range of 4.25–4.5%. This resulted in a 100 basis point reduction in the USA's key rate over the reporting period as a whole. The scope of the maturing holdings in US government bonds was reduced from USD 25 billion to USD 5 billion per month at the beginning of April 2025 while the 35 billion USD volume of mortgage-backed paper was left unchanged.

The financial markets recently paid greater attention to the decreases in headline and core inflation. The effects of trade policy, especially the tariffs, are difficult to predict due to in part rapidly changing parameters, but may lead to higher prices. In March 2025, headline inflation and core inflation were both above the Fed's 2% target.

There is also uncertainty surrounding the implementation of domestic policy intentions in the USA. The possibilities for making good on campaign promises (including tax cuts) and a reduction of the budget deficit are already being discussed in Congress and depend on savings from potential cost cuts (e.g. public administration and social programmes) and the amount of tariff revenue, and will impact the financing needs of the USA in the coming months and years.

Ten-year German government bond yields were at around +2.58% at the beginning of the reporting period and reached a high of around 2.89% at the beginning of March 2025 as investment programmes and a debt cap reform were announced. Due to the trade policy uncertainty, yields retreated to a level of +2.44% at the end of the reporting period.

The yield on a ten-year US government bond was 4.68% at the beginning of the reporting period. In the subsequent months, it fell to a low of 3.62% in September in the wake of global growth worries. The yield hit its high of around 4.79% in mid-January. It was most recently at 4.16% in a volatile market environment.

Investment policy

The positive and declining yield levels during the reporting period had a positive effect on the price trend for US mortgage bonds and thus on the performance of ERSTE MORTGAGE. Activity in the real estate sector remains muted due to the continued comparatively high credit and refinancing costs. Even though the number of refinancing arrangements increased somewhat recently, early repayments by borrowers remained at low levels.

ERSTE MORTGAGE continues to invest in US mortgage bonds guaranteed by the US government. US government bonds are also included across the yield curve to enable better management of the liquidity in the portfolio.

The duration was managed actively within the prescribed limits during the reporting period, primarily through the cash portfolio and by including selected government bonds. Within the portfolio, mortgage bonds with lower coupons were generally preferred over those with higher ones.

ERSTE MORTGAGE generated a positive performance of 4.55% (ISIN AT0000700778) for the reporting period.

To minimise the currency risk and therefore the volatility of the Fund, currency hedges are temporarily being held for the foreign currency bonds.

The Fund employs an active investment policy. The assets are selected on a discretionary basis. The Fund is oriented towards the ICE BofA US GNMA Mortgage Backed Securities Index EUR hedged index as a benchmark (index provider disclaimer: <https://www.erste-am.com/index-disclaimer>). The composition and performance of the Fund can deviate substantially or entirely in a positive or negative direction from that of the benchmark over the short term or long term. The discretionary power of the Management Company is not limited.

The Fund was converted to a fund in accordance with Art. 8 of the Disclosure Regulation with effect from 28 June 2024. The figures from the full reporting period were used to calculate the values shown in the annex "Sustainability-Related Information", although these values are only of limited informative value due to the conversion partway through the year.

Further information on the environmental/social characteristics of the Fund can be found in the annex "Sustainability-Related Information" in this annual report.

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 th 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 30.04.2025 EUR millions	%
Bonds		
USD	1.9	7.18
Investment certificates		
EUR	0.7	2.51
US pools		
USD	23.0	85.95
Transferable securities	25.6	95.64
Forward exchange agreements	0.5	1.96
Financial futures	-0.1	-0.19
Bank balances	0.6	2.22
Interest entitlements	0.1	0.36
Other deferred items	-0.0	-0.00
Fund assets	26.8	100.00

Comparative Overview

Accounting year	Fund assets
2022/2023	64,350,728.50
2023/2024	52,541,461.01
2024/2025	26,793,742.67

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
2022/2023	Dividend-bearing units	AT0000700778	EUR	75.92	0.8500	0.0000	-5.03
2023/2024	Dividend-bearing units	AT0000700778	EUR	72.83	0.7500	0.0000	-2.96
2024/2025	Dividend-bearing units	AT0000700778	EUR	75.39	0.7500	0.0000	4.55

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2022/2023	Dividend-bearing units	AT0000A1Y968	EUR	87.59	-	-	-
2023/2024	Dividend-bearing units	AT0000A1Y968	EUR	85.12	-	-	-
2024/2025	Dividend-bearing units	AT0000A1Y968	EUR	89.11	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2022/2023	Dividend-bearing units	AT0000A1Y976	EUR	88.13	0.6254	2.7377	-4.92
2023/2024	Dividend-bearing units	AT0000A1Y976	EUR	85.09	0.7500	0.0000	-2.75
2024/2025	Dividend-bearing units	AT0000A1Y976	EUR	88.34	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2022/2023	Non-dividend-bearing units	AT0000700786	EUR	121.14	0.0000	0.0000	-5.02
2023/2024	Non-dividend-bearing units	AT0000700786	EUR	117.52	0.0000	0.0000	-2.99
2024/2025	Non-dividend-bearing units	AT0000700786	EUR	122.87	0.0000	0.0000	4.55

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2022/2023	Non-dividend-bearing units	AT0000A1Y984	EUR	88.68	0.6616	2.4972	-4.90
2023/2024	Non-dividend-bearing units	AT0000A1Y984	EUR	85.58	0.0000	0.0000	-2.76
2024/2025	Non-dividend-bearing units	AT0000A1Y984	EUR	89.69	0.0000	0.0000	4.80

ERSTE MORTGAGE

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2022/2023	KESt-exempt non-dividend-bearing units	AT00000658984	EUR	137.79	-	0.0000	-5.02
2023/2024	KESt-exempt non-dividend-bearing units	AT00000658984	EUR	133.67	-	0.0000	-2.99
2024/2025	KESt-exempt non-dividend-bearing units	AT00000658984	EUR	139.76	-	0.0000	4.56

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2022/2023	KESt-exempt non-dividend-bearing units	AT00000A1Y992	EUR	89.33	-	-	-
2023/2024	KESt-exempt non-dividend-bearing units	AT00000A1Y992	EUR	86.81	-	-	-
2024/2025	KESt-exempt non-dividend-bearing units	AT00000A1Y992	EUR	90.88	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2022/2023	KESt-exempt non-dividend-bearing units	AT00000A1Y9A6	EUR	90.51	-	0.0000	-4.64
2023/2024	KESt-exempt non-dividend-bearing units	AT00000A1Y9A6	EUR	88.17	-	0.0000	-2.59
2024/2025	KESt-exempt non-dividend-bearing units	AT00000A1Y9A6	EUR	92.56	-	0.0000	4.98

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2022/2023	KESt-exempt non-dividend-bearing units	AT00000A1Y9B4	CZK	2,103.48	-	-	-
2023/2024	KESt-exempt non-dividend-bearing units	AT00000A1Y9B4	CZK	2,175.75	-	-	-
2024/2025	KESt-exempt non-dividend-bearing units	AT00000A1Y9B4	CZK	2,259.58	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2022/2023	KESt-exempt non-dividend-bearing units	AT00000A1Y9C2	HUF	33,133.33	-	-	-
2023/2024	KESt-exempt non-dividend-bearing units	AT00000A1Y9C2	HUF	33,759.71	-	-	-
2024/2025	KESt-exempt non-dividend-bearing units	AT00000A1Y9C2	HUF	36,634.22	-	-	-

Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 May 2024 to 30 April 2025. 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 August 2025 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 _t with option declaration	KES _t w/o option declaration	Reinvestment
Dividend-bearing units	AT0000700778	EUR	0.7500		0.0000	0.0000	0.0000
Dividend-bearing units	AT0000A1Y968	EUR	-		-	-	-
Dividend-bearing units	AT0000A1Y976	EUR	-		-	-	-
Non-dividend-bearing units	AT0000700786	EUR	0.0000		0.0000	0.0000	0.0000
Non-dividend-bearing units	AT0000A1Y984	EUR	0.0000		0.0000	0.0000	0.0000
KES _t -exempt non-dividend-bearing units	AT0000658984	EUR	-	*	-	-	0.0000
KES _t -exempt non-dividend-bearing units	AT0000A1Y992	EUR	-	*	-	-	-
KES _t -exempt non-dividend-bearing units	AT0000A1Y9A6	EUR	-	*	-	-	0.0000
KES _t -exempt non-dividend-bearing units	AT0000A1Y9B4	CZK	-	*	-	-	-
KES _t -exempt non-dividend-bearing units	AT0000A1Y9C2	HUF	-	*	-	-	-

* 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.

AT0000700778 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (94,592.258 units)	72.83
Disbursement/payment on 30.07.2024 (corresponds to roughly 0.0100 units at a calculated value of 74.67)	0.7500
Unit value at the end of the reporting period (76,860.931 units)	75.39
Total value including (notional) units gained through dividend disbursement/payment	76.15
Net earnings per unit	3.32
Value development of one unit in the period	4.55%

AT0000A1Y968 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	85.12
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	89.11
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A1Y976 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (362.000 units)	85.09
Disbursement/payment on 30.07.2024 (corresponds to roughly 0.0086 units at a calculated value of 87.42)	0.7500
Unit value at the end of the reporting period (0.000 units)	88.34
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000700786 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (94,665.015 units)	117.52
Disbursement/payment	0.0000
Unit value at the end of the reporting period (87,026.181 units)	122.87
Total value including (notional) units gained through dividend disbursement/payment	122.87
Net earnings per unit	5.35
Value development of one unit in the period	4.55%

AT0000A1Y984 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (375,008.010 units)	85.58
Disbursement/payment	0.0000
Unit value at the end of the reporting period (78,306.500 units)	89.69
Total value including (notional) units gained through dividend disbursement/payment	89.69
Net earnings per unit	4.11
Value development of one unit in the period	4.80%

AT0000658984 KESSt-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (6,025.826 units)	133.67
Disbursement/payment	0.0000
Unit value at the end of the reporting period (10,970.683 units)	139.76
Total value including (notional) units gained through dividend disbursement/payment	139.76
Net earnings per unit	6.09
Value development of one unit in the period	4.56%

AT0000A1Y992 KESSt-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	86.81
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	90.88
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A1Y9A6 KESSt-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (18,070.817 units)	88.17
Disbursement/payment	0.0000
Unit value at the end of the reporting period (18,891.166 units)	92.56
Total value including (notional) units gained through dividend disbursement/payment	92.56
Net earnings per unit	4.39
Value development of one unit in the period	4.98%

AT0000A1Y9B4 KESSt-exempt non-dividend-bearing units CZK	
Unit value at the beginning of the reporting period (0.000 units)	2,175.75
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	2,259.58
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A1Y9C2 KESSt-exempt non-dividend-bearing units HUF	
Unit value at the beginning of the reporting period (0.000 units)	33,759.71
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	36,634.22
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)	1,462,754.08	
Dividend income	0.00	
Other income 8)	0.00	
Total income (without profit or loss from price changes)		1,462,754.08

Interest paid 0.00

Expenses

Fees paid to Investment Firm	- 186,557.80	
Costs for the financial auditor and tax consultation	- 5,195.00	
Publication costs	- 16,415.30	
Securities account fees	- 2,162.38	
Depository bank fees	- 14,925.15	
Costs for the external consultant	0.00	
Performance fee	-	
Fee foreign-currency unit certificates 9)	0.00	
Total expenses		- 225,255.63
Compensation for management costs from sub-funds 1)		0.00

Ordinary fund result (excluding income adjustment) **1,237,498.45**

Realised profit or loss from price changes 2) 3)

Realised gains 4)	4,215,846.55	
Realised losses 5)	- 5,433,785.00	

Realised profit or loss from price changes (excluding income adjustment) **- 1,217,938.45**

Realised fund result (excluding income adjustment) **19,560.00**

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

Changes in the unrealised profit or loss from price changes 7) 2,311,547.25

Result for the reporting period 6) **2,331,107.25**

c. Income adjustment

Income adjustment for income in the period	91,090.34	
Income adjustment for profit carried forward from dividend-bearing units	- 211,739.78	

Overall fund result **2,210,457.81**

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	52,541,461.01
Disbursement/payment in the accounting year	- 70,984.37
Issue and redemption of units	- 27,887,191.78
Overall fund result	
(The fund result is shown in detail under item 2.)	2,210,457.81
Fund assets at the end of the reporting period	26,793,742.67

- 1) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the Fund after deduction of appropriate costs. Erste Group Bank 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 1,093,608.80.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 3,923,604.05.
- 5) Thereof losses from transactions with derivative financial instruments: -EUR 3,358,601.45.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 762.82.
- 7) Thereof changes in unrealised gains EUR 115,290.12 and unrealised losses EUR 2,196,257.13.
- 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, to other earnings in the amount of EUR 0.00, and to earnings from back-end commissions in the amount of EUR 0.00.
- 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 30 April 2025

(including changes in securities assets from 1 May 2024 to 30 April 2025)

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
Investment certificates								
Investment certificates denominated in EUR								
Issue country Austria								
ERSTE ALPHA 1 T	AT0000A03DF2		13	2,901	2,961	56.860	168,362.46	0.63
ERSTE ALPHA 2 T	AT0000A05F50		0	6,137	6,145	81.950	503,582.75	1.88
Total issue country Austria							671,945.21	2.51
Total investment certificates denominated in EUR							671,945.21	2.51
Total investment certificates							671,945.21	2.51
Securities admitted to organised markets								
US pools denominated in USD								
Issue country USA								
GNMA 20/50 POOL MA6600	US36179VKM18	3.500	0	3,000	6,000	91.355	1,109,679.77	4.14
GNMA 20/50 POOL MA6766	US36179VQT07	3.000	0	6,000	7,000	88.613	1,749,494.86	6.53
GNMA 20/50 POOL MA6820	US36179VSH41	3.000	0	10,000	5,000	88.588	1,350,807.52	5.04
GNMA 20/50 POOL MA6821	US36179VSJ07	3.500	0	0	5,000	91.907	1,282,171.22	4.79
GNMA 20/50 POOL MA6822	US36179VSK79	4.000	0	7,000	8,000	93.779	1,832,784.83	6.84
GNMA 20/50 POOL MA6865	US36179VTW09	2.500	0	4,000	6,000	84.940	2,089,162.98	7.80
GNMA 2034 POOL 629888	US36291JXR66	5.000	0	0	3	101.641	273.55	0.00
GNMA 21/51 POOL MA7136	US36179V4V97	2.500	0	7,500	5,500	84.826	2,219,965.86	8.29
GNMA 21/51 POOL MA7366	US36179WFF05	2.000	0	4,500	2,500	81.165	1,223,238.04	4.57
GNMA 21/51 POOL MA7471	US36179WJQ24	2.000	0	3,000	4,000	81.161	2,046,504.21	7.64
GNMA 22/52 POOL MA8268	US36179XFH44	4.500	0	2,000	2,500	95.894	1,751,841.85	6.54
GNMA 23/53 POOL MA8878	US36179X2K15	5.000	0	0	2,000	98.351	1,524,809.96	5.69
GNMA 23/53 POOL MA9171	US36179YFL39	5.500	0	1,000	3,000	100.158	2,189,421.87	8.17
GNMA 24/54 POOL MA9670	US36179YW756	6.500	1,500	0	1,500	102.391	1,024,651.36	3.82
GNMA 24/54 POOL MA9780	US36179Y2M52	6.000	2,000	0	2,000	101.197	1,634,366.17	6.10
Total issue country USA							23,029,174.05	85.95
Total US pools denominated in USD translated at a rate of 1.12815							23,029,174.05	85.95
Bonds denominated in USD								
Issue country USA								
USA 23/30	US91282CGJ45	3.500	3,600	1,400	2,200	98.691	1,924,576.46	7.18
Total issue country USA							1,924,576.46	7.18
Total bonds denominated in USD translated at a rate of 1.12815							1,924,576.46	7.18
Total securities admitted to organised markets							24,953,750.51	93.13

Security designation	ISIN number	Holding	Unrealised result in EUR	% share of fund assets
----------------------	----------------	---------	-----------------------------	---------------------------------

Derivatives**Financial futures denominated in USD****Issue country USA**

US 10YR NOTE (CBT)Jun25	TN1180625	-20	-50,275.89	-0.19
		Total issue country USA	-50,275.89	-0.19
		Total financial futures denominated in USD translated at a rate of 1.12815	-50,275.89	-0.19
		Total derivatives	-50,275.89	-0.19

Forward exchange agreements**Forward exchange agreements denominated in EUR****Issue country Austria**

FXF SPEST EUR/USD 13.06.2025	FXF_TAX_3472338	25,024,340	530,740.81	1.98
FXF SPEST EUR/USD 13.06.2025	FXF_TAX_3472437	527,369	-3,141.81	-0.01
FXF SPEST EUR/USD 13.06.2025	FXF_TAX_3472658	175,081	-1,753.86	-0.01
		Total issue country Austria	525,845.14	1.96
		Total forward exchange agreements denominated in EUR	525,845.14	1.96
		Total forward exchange agreements	525,845.14	1.96

Breakdown of fund assets

Transferable securities	25,625,695.72	95.64
Forward exchange agreements	525,845.14	1.96
Financial futures	-50,275.89	-0.19
Bank balances	595,868.98	2.22
Interest entitlements	97,409.41	0.36
Other deferred items	-800.69	-0.00
Fund assets	26,793,742.67	100.00

Investor note:

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

Dividend-bearing units outstanding	AT0000700778	units	76,860.931
Value of dividend-bearing unit	AT0000700778	EUR	75.39
Dividend-bearing units outstanding	AT0000A1Y968	units	0.000
Value of dividend-bearing unit	AT0000A1Y968	EUR	89.11

ERSTE MORTGAGE

Dividend-bearing units outstanding	AT0000A1Y976	units	0.000
Value of dividend-bearing unit	AT0000A1Y976	EUR	88.34
Non-dividend-bearing units outstanding	AT0000700786	units	87,026.181
Value of non-dividend-bearing unit	AT0000700786	EUR	122.87
Non-dividend-bearing units outstanding	AT0000A1Y984	units	78,306.500
Value of non-dividend-bearing unit	AT0000A1Y984	EUR	89.69
KEST-exempt non-dividend-bearing units outstanding	AT0000658984	units	10,970.683
Value of KEST-exempt non-dividend-bearing unit	AT0000658984	EUR	139.76
KEST-exempt non-dividend-bearing units outstanding	AT0000A1Y992	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1Y992	EUR	90.88
KEST-exempt non-dividend-bearing units outstanding	AT0000A1Y9A6	units	18,891.166
Value of KEST-exempt non-dividend-bearing unit	AT0000A1Y9A6	EUR	92.56
KEST-exempt non-dividend-bearing units outstanding	AT0000A1Y9B4	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1Y9B4	CZK	2,259.58
KEST-exempt non-dividend-bearing units outstanding	AT0000A1Y9C2	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1Y9C2	HUF	36,634.22

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
GNMA 20/50 POOL MA6600	US36179VKM18	0.22839	1,109,679.77
GNMA 20/50 POOL MA6766	US36179VQT07	0.31819	1,749,494.86
GNMA 20/50 POOL MA6820	US36179VSH41	0.34404	1,350,807.52
GNMA 20/50 POOL MA6821	US36179VSJ07	0.31477	1,282,171.22
GNMA 20/50 POOL MA6822	US36179VSK79	0.27560	1,832,784.83
GNMA 20/50 POOL MA6865	US36179VTW09	0.46246	2,089,162.98
GNMA 2034 POOL 629888	US36291JXR66	0.10081	273.55
GNMA 21/51 POOL MA7136	US36179V4V97	0.53681	2,219,965.86
GNMA 21/51 POOL MA7366	US36179WFF05	0.68010	1,223,238.04
GNMA 21/51 POOL MA7471	US36179WJQ24	0.71117	2,046,504.21
GNMA 22/52 POOL MA8268	US36179XFH44	0.82438	1,751,841.85
GNMA 23/53 POOL MA8878	US36179X2K15	0.87453	1,524,809.96
GNMA 23/53 POOL MA9171	US36179YFL39	0.82203	2,189,421.87
GNMA 24/54 POOL MA9670	US36179YW756	0.75264	1,024,651.36
GNMA 24/54 POOL MA9780	US36179Y2M52	0.91100	1,634,366.17

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. For foreign currency futures contracts and foreign currency swap contracts that are not physically delivered, the collateral is swapped between the Fund and Erste Group Bank AG.

In the event of negative exposure to derivative futures contracts and foreign currency swap contracts that are not physically delivered, 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 exposure to derivative futures contracts and foreign currency swap contracts that are not physically delivered, EUR-denominated bonds from the national governments or central banks of the countries of the Eurozone 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. In the event of regulatory requirements that stipulate a different discount or the provision of alternative collateral, these requirements are met.

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
Securities admitted to organised markets				
US pools denominated in USD				
Issue country USA				
GNMA 2045 POOL MA3173	US36179RQ281	3.500	0	15,000
GNMA 2046 POOL MA3663	US36179SB893	3.500	0	14,000
GNMA 22/52 POOL MA8428	US36179XLH79	5.000	0	3,000
GNMA 23/53 POOL MA9363	US36179YML55	6.000	0	2,000

ERSTE MORTGAGE

Security designation	ISIN number	Interest rate	Purch./ Additions Units/nominal (nom. in 1,000, rounded)	Sales/ Disposals
Bonds denominated in USD				
Issue country USA				
USA 20/25	US91282CAM38	0.250	1,500	2,200
USA 22/32	US91282CFF32	2.750	5,000	5,000

Vienna, 18 July 2025

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 (2023 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 31.12.2023	316
--------------------------------------	-----

Number of risk bearers in 2023	167
--------------------------------	-----

Fixed remuneration	24,670,020
--------------------	------------

Variable remuneration (bonuses)	6,921,027
---------------------------------	-----------

Total employee remuneration	31,591,046
------------------------------------	-------------------

Thereof remuneration for managing directors	1,349,187
---	-----------

Thereof remuneration for managerial risk bearers	4,044,143
--	-----------

Thereof remuneration for risk bearers with control functions*	1,889,633
---	-----------

Thereof remuneration for other risk bearers	10,764,053
---	------------

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	18,047,017
--	-------------------

* 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.

The last audit of compliance with the requirements of the remuneration policy by the Supervisory Board in March 2024 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 MORTGAGE
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 30 April 2025, 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 30 April 2025 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, 1 August 2025

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

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:
ERSTE MORTGAGE

Legal entity identifier:
5299000WC2KLR4TFY612

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

For improved readability, for the purpose of this document, "Taxonomy Regulation" means Regulation (EU) 2020/852, "Disclosure Regulation" means Regulation (EU) 2019/2088, and "RTS" means Delegated Regulation (EU) 2022/1288.

Did this financial product have a sustainable investment objective?	
☒ ☒ ☐ Yes	☒ ☐ ☒ No
☐ It made sustainable investments with an environmental objective: __ %	☒ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 96.93 % of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
☐ It made sustainable investments with a social objective: __ %	☒ with a social objective
	☐ It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

Conformity with the environmental and social characteristics promoted by the Fund was ensured by the continuous application of the process described below:

Fund applies a broad interpretation of sustainability. Both environmental and social characteristics are promoted through the application of the Management Company's proprietary sustainability approach. This is ensured by the application of the ESG toolbox of Erste Asset Management GmbH as part of the investment process.

A distinction must be made between direct investments in securities, investments in investment funds managed by the management company and investments in investment funds managed by external management companies.

Direct investments in securities and investments in investment funds (indirect investments) that are managed by the Management Company or its group companies.

Exclusion Criteria			ESG Analysis / Best in Class							Focused sustainability Impact	Fulfill Austrian ecolabel or FNG label criteria
Minimum criteria	Exclusion criteria	Norm-based Screening	ESG Risk Analysis	Best in Class							
✓	✓	✓	✓		✓	✓				Not applicable	

At the level of the Fund, the Management Company is pursuing the objective of achieving improvements in the following key environmental and social aspects through its proprietary sustainability approach:

- The environmental footprint of the investments held by the Fund, in particular
 - the carbon footprint and the mitigation of climate change in general, and
 - the responsible use of the water as a resource.
- The avoidance of environmental risks
 - for the protection of biodiversity
 - the responsible management of waste and other emissions
- Social factors such as
 - the exclusion of any investments in companies that produce or deal in controversial weapons.
 - the promotion of human rights and exclusion of issuers complicit in human rights violations.
 - the promotion of good working conditions, for example in the areas workplace safety and training, and the exclusion of issuers that are complicit in labour law violations, in particular of the core standards of the ILO.
 - the promotion of diversity and the exclusion of issuers that practice discrimination.
 - the avoidance of corruption and fraud.
- The promotion of good corporate governance:
 - the independence of supervisory bodies
 - management remuneration
 - good accounting practices
 - the protection of shareholder rights

Investments in investment funds (indirect investments) managed by external management companies

All invested financial products managed by external management companies must be classified as either Art. 8 or Art. 9 under the Disclosure Regulation, or at least comply with good governance requirements, if applicable.

Therefore the environmental and/or social characteristics promoted by these investment funds are those declared by their respective producer in compliance with the Disclosure Regulation.

No derivatives have been used to meet the environmental and social characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **How did the sustainability indicators perform?**

Direct investments in securities and investments in investment funds (indirect investments) that are managed by the Management Company or its group companies

Compliance with the social and environmental characteristics of the Fund is evaluated on the basis of the following indicators:

ESGenius score:

The ESGenius score depicts the ESG risk profile and quality of the ESG management of the issuer. It provides a holistic view of the performance of the analysed issuer in terms of the sustainability focuses listed above.

The minimum score required for the Fund and the average score of the investments held by the Fund are both considered.

Indicator 1: Compliance with the minimum score required for the Fund expressed in per cent of the fund assets

100% of the fund assets comply with the Fund's exclusion criteria.

Indicator 2: Average score of the investments held by the Fund during the reporting period
72.00 of 100

Exclusion criteria:

Continuous compliance with the Fund's exclusion criteria is assessed. This verification is performed daily by the Management Company's Risk Management department.

Indicator: Compliance with the Fund's exclusion criteria

100% of the fund assets comply with the Fund's exclusion criteria.

Sustainable Development Goals:

The Management Company assesses and reports to what degree the investments held by the Fund contribute to the 17 United Nations Sustainable Development Goals (SDGs). The contributions to the individual goals and the positive and negative overall contribution to the SDGs are reported.

Indicator 1: Share of the fund assets that makes a positive contribution to each of the 17 SDGs during the reporting period

SDG	% fund volume
No Poverty #1	0.00
No Hunger #2	0.00
Good Health and Well Being #3	0.00
Quality Education #4	0.00
Gender Equality #5	0.00
Clean Water and Sanitation #6	0.00
Affordable and Clean Energy #7	0.00
Reducing Inequality #10	0.00
Sustainable Cities and Communities #11	0.00
Responsible Consumption and Production #12	0.00
Climate Action #13	0.00
Life Below Water #14	0.00
Life on Land #15	0.00
Peace, Justice and Strong Institutions #16	0.00

Indicator 2: Proportion of impacts/contributions to SDGs generated by the investment fund's investments that are positive in nature:
0.00 % of the generated impacts/contributions to SDGs are positive in nature during the reporting period

Indicator 3: Proportion of impacts to SDGs generated by the investment fund's investments that are negative in nature:
0.00 % of the generated impacts to SDGs are negative in nature during the reporting period

Note: The investment fund did not hold any significant holdings in issuers relevant for this indicator in the reporting period or only insufficient calculation data was available. The figures reported here therefore do not provide a meaningful picture of the impact of the investments held in the investment fund during the reporting period.

A comprehensive description of the indicators, the most important contributions to the SDGs broken down by issuer, and the methodology upon which the calculation is based can be viewed on the following website:

<https://www.erste-am.at/en/private-investors/sustainability/publications-and-guidelines/green-pledge/#sdg-report>

Carbon footprint:

The Management Company calculates the Fund's carbon footprint based on the 12-month average of scope 1 + 2 greenhouse gas emissions.

Indicator: Carbon footprint

The carbon footprint of the Fund amounts to 0.00 tones per 1 million EURO sales (As of 04/30/2025)

A description of the indicators and the methodology upon which the calculation is based can be viewed on the following website:

<https://www.erste-am.at/en/private-investors/sustainability/responsible/#co2-footprint>

Water footprint:

The Management Company calculates the Fund's water footprint annually based on securities held directly in the Fund. The footprint is calculated and reported separately based on the degree of water scarcity in the regions in which the issuers in which the Fund invests consume water.

The indicator is calculated as far as there is sufficient data in the calculation systems.

Indicator: Water footprint relative to the overall global market, broken down by regions with low, medium, and high water scarcity as of 04/30/2025 (Unit of measurement: water withdrawal in m3 / thousand USD sales)

Region	Volume
High Stress Region	0.00
Medium Stress Region	0.00
Low Stress Region	0.00

Note: The investment fund did not hold any significant holdings in issuers relevant for this indicator in the reporting period or only insufficient calculation data was available. The figures reported here therefore do not provide a meaningful picture of the impact of the investments held in the investment fund during the reporting period.

In case of subfunds, these factors are tracked based upon available look-through data. Tracking is only guaranteed for investment funds managed by the management company.

Investments in investment funds (indirect investments) managed by external management companies

All invested investment funds managed by external management companies must be classified as either Art. 8 or Art. 9 under the Disclosure Regulation or at least comply with the requirements for good corporate governance, if applicable.

The environmental and/or social indicators used to measure the attainment of their respective environmental and social characteristics promoted by these financial products are those declared by their respective manufacturers in compliance with the regulation.

Apart from possible certification of the sustainability process, the sustainability indicators are neither confirmed by an auditor nor verified by third parties.

● **...and compared to previous periods?**

Not applicable

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The investment fund does not contribute to the objectives in Art. 9 of the Taxonomy-Regulation.

In the past reporting period, sustainable investments were made with social objectives, among others.

Their description is discussed above.

If the disclosure of the companies in which investments are made does not readily indicate the extent to which the investments are made in environmentally sustainable business activities, data, if available, from ESG research partners is used.

Direct investments in securities and investments in investment funds (indirect investments) that are managed by the Management Company or its group companies

The social and environmental objectives of the investment fund correspond to the focuses presented above. The sustainable investment process of the investment fund ensures that no investments are made in issuers that violate these criteria. In addition, security selection taking the ESGenius score into account results in issuers being preferred for the portfolio that have a lower risk of adverse impacts on the environmental and social objectives of the fund, and that make a positive environmental and/or social contribution through their exemplary management of these risks.

All issuers in which the Fund invests are analysed and selected before acquisition on the basis of a predefined sustainability process. The proprietary ESGenius process provides a comprehensive ESG analysis of each issuer based on its specific ESG risk profile and the measures taken to mitigate these risks. Based on the results of this analysis, the ESGenius rating, only those issuers that achieve a score of at least 30 of 100 possible points are eligible for investment based on an ESG-risk-analysis approach. This minimum score can be higher depending on the sector of the economy in which the issuer is active. All issuers are also evaluated for violations of the Fund's exclusion criteria. The investment universe is assessed for compliance with these criteria at least once per quarter and updated as needed. Compliance with the eligible investment universe is verified daily. Securities from issuers that no longer meet the sustainability criteria of the Fund are sold while protecting Unit-holder interests.

Investments in sovereign bonds are subject to similar, specific analysis. The minimum ESGenius Score for investment in sovereign bonds is 30 out of 100 points.

Moreover, social, and environmental characteristics are promoted by applying exclusion criteria.

The exclusion criteria of the fund are available on the following website:

<https://www.erste-am.at/en/exclusioncriteria>

The Management Company also exercises an active ownership function. Through Engagement with issuers in the analysed investment universe, contributions are made to the improvement of the environmental and social performance of these companies.

The focus topics of the ESG analysis, selection process, and active ownership practices are adapted to the specific ESG risk profile of each issuer.

Investments in sovereign bonds are not covered by the fund management company's active ownership programmes.

Investments in investment funds (indirect investments) managed by external management companies

All invested investment funds managed by external management companies must be classified as either Art. 8 or Art. 9 under the Disclosure Regulation or at least comply with the requirements for good corporate governance, if applicable.

Therefore the objectives of the sustainable investments that these investment funds partially intends to make and the ways the sustainable investment contribute to such objectives are those defined by their respective producers.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Direct investments in securities and investments in investment funds (indirect investments) that are managed by the Management Company or its group companies

The sustainable investments, which comprise part of this financial product, do no significant harm to the environmental or social sustainable investment objectives because this financial product invests solely in issuers that have been qualified as sustainable by the Management Company based on the sustainable investment process described above. This categorisation sets forth that issuers may have no significant adverse impacts on environmental or social factors, as such a violation would preclude an investment based on the binding ESG characteristics of this investment process.

Investments in investment funds (indirect investments) managed by external management companies

All invested investment funds managed by external management companies must be classified as either Art. 8 or Art. 9 under the Disclosure Regulation or at least comply with the requirements for good corporate governance, if applicable.

The sustainable investments partially made with these investment funds and how the sustainable investments partially made with these investment funds do not cause significant harm to an environmental or social sustainable investment objective are defined by their respective manufacturers.

How were the indicators for adverse impacts on sustainability factors taken into account?

Direct investments in securities and investments in investment funds (indirect investments) that are managed by the Management Company or its group companies

Consideration and reduction of key adverse impacts on sustainability factors ("Principle Adverse Impact - "PAI") was performed during the reporting period through the following procedures and methods:

- Application of social and/or environmental exclusion criteria.

These can be viewed on the following website:

<https://www.erste-am.at/en/exclusioncriteria>

- All issuers invested in the Fund are analysed and selected before acquisition on the basis of a predefined sustainability process. The proprietary ESGenius process provides a comprehensive ESG analysis of each issuer based on its specific ESG risk profile and the measures taken to mitigate these risks. Based on the results of this

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and bribery matters.

analysis, the ESGenius rating, only those issuers that achieve at least an ESGenius score on the predefined minimum score are eligible for investment. This minimum score can be higher depending on the sector of the economy in which the issuer is active. For investments for which no ESGenius rating is available, the application of the good governance requirements ensures that PAI is taken into account on a fundamental level.

The investment universe is assessed for compliance with these criteria at least once per quarter and updated as needed. Compliance with the eligible investment universe is verified daily. Securities from issuers that no longer meet the sustainability criteria of the Fund are sold while protecting Unit-holder interests.

During the reporting period, this led to a significant reduction in the principal adverse impacts on sustainability factors from the investments held by the Fund.

All PAIs from Table 1 of the RTS, that apply to the investment fund were taken into account. The investment fund also takes the following PAIs from Tables 2 and 3, Annex I of the RTS into account:

- Indicator 8 (Table 2) - Exposure to areas of high water stress (share of investments in investee companies with sites located in areas of high water stress without a water management policy)
- Indicator 14 (Table 3) - Number of identified cases of severe human rights issues and incidents (number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis)

Investments in investment funds (indirect investments) managed by external management companies

All invested investment funds managed by external management companies must be classified as either Art. 8 or Art. 9 under the Disclosure Regulation or at least comply with the requirements for good corporate governance, if applicable.

The indicators for adverse impacts on the sustainability factors were therefore taken into account in the way they were defined by the respective manufacturers.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: Direct investments in securities and investments in investment funds (indirect investments) that are managed by the Management Company or its group companies

Sustainable investments are made by applying the exclusion criteria described above and taking into account the ESG analysis of issuers following the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. Details on the relevant criteria are available on the following website: <https://www.erste-am.at/en/exclusioncriteria>

Investments in investment funds (indirect investments) managed by external management companies

All invested mutual funds managed by external management companies must be classified as either Art. 8 or Art. 9 under the Disclosure Regulation or at least comply with the requirements for good corporate governance, if applicable. How the sustainable investments comply with OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights can be found in the documents of the external management companies.

The investment process described above was reviewed and adhered to throughout the reporting period.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

Direct investments in securities and investments in investment funds (indirect investments) that are managed by the Management Company or its group companies

The investment strategy of this Fund takes into account the principal adverse impacts (PAI) on sustainability factors.

The process described here was complied with throughout the reporting period.

All climate and other environment-related indicators and indicators for social and employee, respect for human rights, anti-corruption, and anti-bribery matters as set forth in Annex I of the RTS are taken into account in principle. However, it must be noted that not every indicator is relevant for every investment made by the Fund. The investment process ensures that all environmental, social, and corporate governance criteria that are relevant for the assessment of the respective investment are taken into account in the assessment of that investment.

In addition to taking the above indicators into account, the investment process also employs the optional indicators from Tables 2 and 3 of Annex I to the RTS where sufficient data is available

The Management Company considers the avoidance of greenhouse gas emissions, the responsible use of water, and respecting human rights to be the most important PAI.

Fundamentally, the PAI are taken into account not using quantitative requirements, but through the structured inclusion of the respective criteria in the sustainability analysis that is part of the Fund's investment process.

The most important PAI of the Fund are taken into account through multiple elements of the investment process. The following table shows the key process elements where this occurs on the basis of the Management Company's ESG toolbox.

Erste Asset Management ESG-Toolbox – PAI Consideration

Principal Adverse Impacts (PAI)		Exclusion Criteria			ESG Analysis / Best in Class		Integration	Engagement	Voting	Themed Funds	Focused sustainability impact	Austrian ECO label / FNG label
		Minimum Criteria	Exclusions	Normsbased Screening	ESG Risk Analysis	Best in Class						
Environment	Greenhouse gas emissions	✓			✓			✓	not applicable		not applicable	
	Biodiversity	✓			✓			✓				
	Water				✓			✓				
	Waste				✓			✓				
Social & employee matters	UN Global Compact		✓	✓	✓			✓				
	OECD Guidelines for Multinational Enterprise		✓	✓	✓			✓				
	Gender equality		✓	✓	✓			✓				
	Controversial weapons	✓										

In this, measures including the following are taken:

1. GHG emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

The most important PAI from investments in government bonds are also taken into account. The following table shows the key process elements where this occurs on the basis of the Management Company's ESG toolbox.

Erste Asset Management ESG-Toolbox – PAI Consideration

Principal Adverse Impacts (PAI)		Exclusion Criteria			ESG Analysis / Best in Class		Integration	Engagement	Voting	Themed Funds	Focused sustainability impact	Austrian ECO label / FNG label
		Minimum Criteria	Exclusions	Normsbased Screening	ESG Risk Analysis	Best in Class						
Environ-ment	Greenhouse gas emissions				✓		✓	not applicable				
Social	Social regulations in internationl treaties, conventions as well as UN principles		✓	✓	✓		✓					

The PAI are taken into account at the level of the ESG analysis as well as by applying relevant exclusion criteria and integrating the financial analysis of the selected bonds.

This covers the following PAI:

15. GHG intensity
16. Investee countries subject to social violations

Investments in investment funds (indirect investments) managed by external management companies

All invested investment funds managed by external management companies must be classified as either Art. 8 or Art. 9 under the Disclosure Regulation or at least comply with the requirements for good corporate governance, if applicable.

Therefore, the indicators for adverse impacts on the sustainability factors were taken into account, in the way, they were defined by the respective manufacturers.

Quantitative PAI statement

Indicators applicable to investments in investee companies

Adverse sustainability indicator	Metric	Impact
----------------------------------	--------	--------

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions of investee companies expressed in tonnes of CO2 equivalent	0
		Scope 2 GHG emissions of investee companies expressed in tonnes of CO2 equivalent	0
		Scope 3 GHG emissions of investee companies expressed in tonnes of CO2 equivalent	0
		Total GHG emissions of investee companies expressed in tonnes of CO2 equivalent	0

	2. Carbon footprint	Total GHG emissions expressed in tonnes of CO2 equivalent per million EUR invested	0
	3. GHG intensity of investee companies	GHG emissions in tonnes per million EUR of revenue of investee companies	0
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0 %
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	0 %
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	
		A - AGRICULTURE, FORESTRY AND FISHING	0
		B - MINING AND QUARRYING	0
		C - MANUFACTURING	0
		D - ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	0
		E - WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0
		F - CONSTRUCTION	0
		G - WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	0
		H - TRANSPORTATION AND STORAGE	0
		L - REAL ESTATE ACTIVITIES	0
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0 %
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested	0

Waste	9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested	0
-------	--------------------------	--	---

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0 %
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0 %
	12. Unadjusted gender pay gap between female and male employees	Average gender pay gap between female and male employees of investee companies	0 %
	13. Management and supervisory board gender diversity	Average ratio of female to male management and supervisory board members in investee companies, expressed as a percentage of all board members	0 %
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0 %
Additional Indicators	1. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy	0 %
	2. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0 number of cases

Indicators applicable to investments in sovereigns and supranationals

Environmental	15. Sovereign GHG intensity	GHG intensity of investee countries	212.1 tCO2e/EUR million GDP
---------------	-----------------------------	-------------------------------------	-----------------------------

Social

16. Investee countries subject to social violations

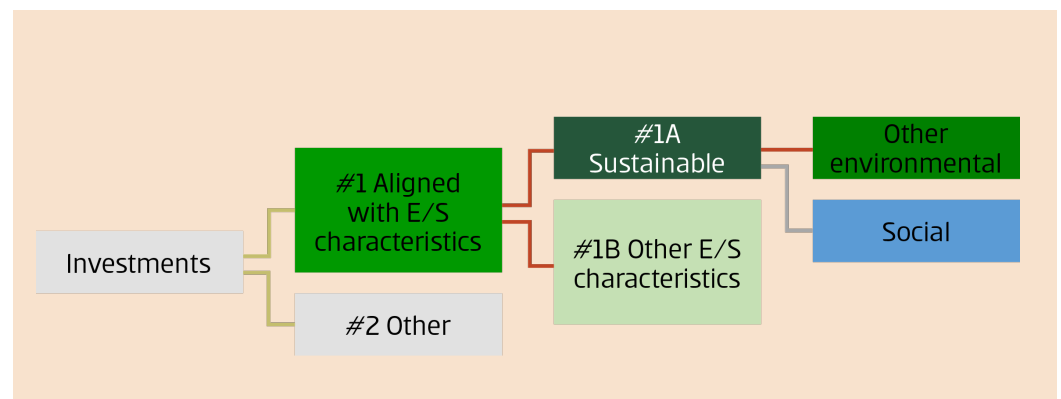
Investments in investee countries subject to social violations from international treaties and conventions, United Nations principles and where applicable national laws or principles

0 count
0 %**What were the top investments of this financial product?**

<i>Largest investments</i>	<i>Sector</i>	<i>% Assets</i>	<i>Country</i>
US36179V4V97 - GNMA 21/51 POOL MA7136	K - FINANCIAL AND INSURANCE ACTIVITIES	10.34	US
US36179YFL39 - GNMA 23/53 POOL MA9171	K - FINANCIAL AND INSURANCE ACTIVITIES	7.85	US
US36179WJQ24 - GNMA 21/51 POOL MA7471	K - FINANCIAL AND INSURANCE ACTIVITIES	7.85	US
US36179VTW09 - GNMA 20/50 POOL MA6865	K - FINANCIAL AND INSURANCE ACTIVITIES	7.85	US
US36179VSK79 - GNMA 20/50 POOL MA6822	K - FINANCIAL AND INSURANCE ACTIVITIES	7.29	US
US36179VQT07 - GNMA 20/50 POOL MA6766	K - FINANCIAL AND INSURANCE ACTIVITIES	6.88	US
US36179XFH44 - GNMA 22/52 POOL MA8268	K - FINANCIAL AND INSURANCE ACTIVITIES	6.85	US
US36179VSH41 - GNMA 20/50 POOL MA6820	K - FINANCIAL AND INSURANCE ACTIVITIES	6.81	US
US36179WFF05 - GNMA 21/51 POOL MA7366	K - FINANCIAL AND INSURANCE ACTIVITIES	6.56	US
US36179X2K15 - GNMA 23/53 POOL MA8878	K - FINANCIAL AND INSURANCE ACTIVITIES	4.81	US
US36179VKM18 - GNMA 20/50 POOL MA6600	K - FINANCIAL AND INSURANCE ACTIVITIES	4.72	US
US36179Y2M52 - GNMA 24/54 POOL MA9780	K - FINANCIAL AND INSURANCE ACTIVITIES	4.39	US
US36179VSJ07 - GNMA 20/50 POOL MA6821	K - FINANCIAL AND INSURANCE ACTIVITIES	4.04	US
US36179YW756 - GNMA 24/54 POOL MA9670	K - FINANCIAL AND INSURANCE ACTIVITIES	3.78	US
US36179XLH79 - GNMA 22/52 POOL MA8428	K - FINANCIAL AND INSURANCE ACTIVITIES	2.01	US

**What was the proportion of sustainability-related investments?**

- **What was the asset allocation?**



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01.05.2024 - 30.04.2025

Asset allocation describes the share of investments in specific assets.

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The investments of the financial product made to achieve the advertised environmental or social characteristics amounted to 96.93 %.

During the reporting period, the Fund invested 96.93 % of the fund assets in sustainable investments in accordance with Art 2 no 17 of the Disclosure Regulation.

Other environmentally sustainable investments comprised 1.22 % of the fund assets.

96.93 % of the fund assets fulfil the characteristics of socially sustainable investments.

Investments that focus on environmental or social characteristics but are not classified as sustainable investments scored 0.00 %.

Other investments accounted for 3.07 %.

All investments must confirm with this sustainability approach at the time of purchase, and thus qualify as sustainable in the sense of the Disclosure Regulation. In the event that an investment is identified as no longer qualifying as sustainable during the regular update of the ESG analysis, it must be sold while protecting the interests of Unit-holders.

● **In which economic sectors were the investments made?**

Economic sectors	% Share
K - FINANCIAL AND INSURANCE ACTIVITIES	94.76
O - PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	5.23
NA - NOT AVAILABLE	0.00



● **To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

☐

Yes

☐

In fossil gas

☐

In nuclear energy

☒

No

Sales from fossil gas and/or nuclear energy are not included in the taxonomy report. Only after the completion of the corresponding calculation methods by the European legislator and the complete availability of data, the disclosure of a possible share can be made.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Taxonomy-aligned activities are expressed as a share of:

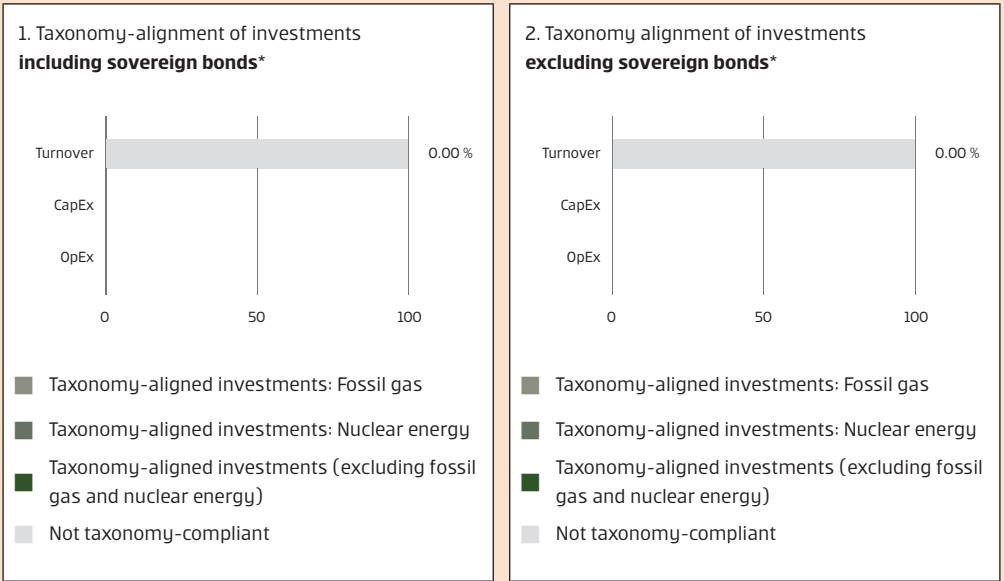
- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

- **What was the share of investments made in transitional and enabling activities?**
No data available.
- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**
Not relevant for the first reporting period.

 are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Other environmentally sustainable investments comprised 1.22 % of the fund assets.

The Taxonomy-Regulation currently only takes into account ecologically sustainable products and services from environmental technologies that are offered commercially. Ecologically sustainable business activities in the production of goods of other economic sectors are not referenced.

The management company believes that any action should also be evaluated according to its positive or negative contribution, and that such positive contributions are essential in the transition to a climate-friendly and/or environmentally sustainable economy. The investment process of this investment fund analyzes the ecologically sustainable business conduct of all invested companies and selects those companies where an ecologically responsible economic activity is recognized, also outside of pure environmental technologies as defined by the Taxonomy-Regulation. These investments had to comply with this sustainability approach at the time of acquisition and can therefore be classified as ecologically sustainable within the meaning of the Disclosure Regulation, irrespective of their categorization as ecologically sustainable economic activities within the meaning of the Taxonomy-Regulation.



What was the share of socially sustainable investments?

96.93 % of the fund assets qualify as socially sustainable investments.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Item #2 includes demand deposits, time deposits and derivatives, as well as any holdings in Article 6 investment funds eligible for investment in accordance with the Disclosure Regulation that do not correspond to the sustainable investment process of the investment fund. Demand deposits and time deposits refer to cash held as additional liquidity. Derivatives held by the investment fund are used for hedging purposes, liquidity management and as part of the investment strategy.

Holdings of investment funds eligible for investment in accordance with Article 6 of the Disclosure Regulation that do not comply with the sustainable investment process of the investment fund in question are used as part of the investment strategy.

The achievement of the sustainable investment objective is not permanently impaired by these investments falling under item #2 and their use because these assets are currently considered either neutral from an environmental and social perspective or sustainability standards have been applied to ensure minimum social and environmental protection.

All other investments held in the Fund (# Item 1) must be qualified by the Management Company as sustainable on the basis of the predefined screening process at the time of acquisition. The application of social and environmental exclusion criteria and the proprietary ESG analysis along with the ESG-Risk-Analysis approach that is based on this analysis afford a minimum degree of comprehensive basic environmental and social protection for the entire Fund.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Direct investments in securities and investments in investment funds (indirect investments) that are managed by the Management Company or its group companies.

The investment process described above was applied in full. The ESG criteria were complied with continuously in terms of the environmental, social, and ethical exclusion criteria as well as the ESG

analysis conducted via the Management Company's proprietary ESGenius model. This was ensured by the quarterly review and update of the investable universe by the responsible Responsible Investments team as well as a daily review of the investment fund by Risk Management.

The Fund is subject to the engagement policy that the Management Company has defined in accordance with Article 3g of Regulation (EU) 2007/36. This sets forth extensive focuses on environmental and social topics.

The complete engagement policy can be found on the Management Company's website:
[Stewardship_Policy_EN](#)

All engagement activities undertaken by the Management Company are presented in the annual engagement reports.

These can be viewed on the following website:
<https://www.erste-am.at/en/private-investors/sustainability/publications-and-guidelines#/active-ownership>

The management company exercises its rights as a shareholder in accordance with its voting policy. This policy and the detailed voting behavior of the management company for the past calendar year are available on the following website:
https://cdn0.erstegroup.com/content/dam/at/eam/common/files/ESG/VotingPolicy/EAM_Voting_Policy_EN.pdf

Investments in investment funds (indirect investments) managed by external management companies

All invested investment funds managed by external management companies must be classified as either Art. 8 or Art. 9 under the Disclosure Regulation or at least comply with the requirements for good corporate governance, if applicable.

The monitoring of environmental or social characteristics is ensured by the investment process described above as well as by the daily review of all investments in investment funds managed by external management companies by the risk management of the management company. It is assumed that the indirect investments held in investment funds managed by third party management companies are reviewed by the risk management processes of these management companies and therefore comply with all regulatory requirements.



How did this financial product perform compared to the reference benchmark?

The investment strategy makes reference to an index. This is the ICE BofA US GNMA Mortgage Backed Securities Index EUR hedged (index provider disclaimer: <https://www.erste-am.com/index-disclaimer>), a mainstream index that does not serve the purpose of determining whether this financial instrument is aligned with the environmental and/or social characteristics that it promotes.

- ***How does the reference benchmark differ from a broad market index?***

The index that is used is a broad market index.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

The benchmark is a broad market index (standard index) which itself has no environmental and/or social characteristics and which, in the view of the management company, is compatible with the predefined environmental and/or social characteristics of the investment strategy. Thus, there are no sustainability indicators against which such ecological and/or social characteristics could be measured. The ecological and/or social characteristics of the investment fund are based exclusively on the sustainable investment process of the fund described above.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How did this financial product perform compared with the reference benchmark?***

The application of the Fund's environmental and/or social criteria results in a more sustainable portfolio in terms of the above-mentioned environmental and/or social characteristics of the investment fund compared to the aforementioned benchmark.

- ***How did this financial product perform compared with the broad market index?***

The reference value used is a broad market index.

The application of the fund's environmental and/or social criteria results in a more sustainable portfolio in terms of the above-mentioned environmental and/or social characteristics of the investment fund compared to the aforementioned reference value.

Fund Rules

ERSTE MORTGAGE

The Fund Rules for **ERSTE MORTGAGE**, 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 mortgage-backed securities from issuers registered in Europe and/or the USA. The fund assets may also be invested in government bonds from European and/or US issuers.

The focus on mortgage-backed securities specified above can also be realised indirectly or directly through investment funds or derivative financial instruments.

The Fund employs an active investment policy. The assets are selected on a discretionary basis. The Fund is oriented towards a benchmark (more information can be found in section 12 of the prospectus). The composition and performance of the Fund can deviate substantially or entirely in a positive or negative direction from that of the benchmark over the short term or long term. The discretionary power of the Management Company is not limited.

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

Transferable securities or money market instruments issued or guaranteed by the United States of America 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.

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: **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 transferable securities, the Fund can hold a proportion of transferable securities below the specified limit 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 3.50%** 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 May to 30 April.

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.

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 August** 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 August** 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 August** 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 **on or after 1 August** of the following accounting year.

The Management Company shall provide 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.

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 0.72%** 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 **0.50%** 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 December 2023)

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

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.

1.2. 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.	Hongkong:	Hongkong Stock Exchange
3.7.	India:	Toronto, Vancouver, Montreal
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 accordance with the provisions of the InvFG 2011 and AIFMG in conjunction with the InvFG 2011, and the current versions can be accessed in the “Mandatory Publications” section of the website www.erste-am.com 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.

www.erste-am.com

www.erste-am.at