

ERSTE STOCK BIOTEC

Jointly owned fund pursuant to the InvFG

Annual Report 2019/20

Contents

General Information about the Investment Firm	3
Development of the Fund	4
Method of Calculating the Global Exposure.....	5
Asset Allocation	5
Comparative Overview	6
Disbursement/Payment	9
Income Statement and Changes in Fund Assets.....	10
Statement of Assets and Liabilities as of 14 March 2020	15
Remuneration Policy	21
Audit Report*	23
Fund Rules.....	26

General Information about the Investment Firm

The company	Erste Asset Management GmbH Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19777, fax: +43 05 0100-919777
Registered capital	EUR 2.50 million
Shareholders	Erste Group Bank AG (64.67%) VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (0.76%) Erste Bank der österreichischen Sparkassen AG (22.17%) DekaBank Deutsche Girozentrale, Frankfurt (1.65%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (0.76%) Salzburger Sparkasse Bank Aktiengesellschaft (1.65%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (1.65%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (3.30%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m. b. H. & Co KG (1.65%) Tiroler Sparkasse Bankaktiengesellschaft Innsbruck (1.74%)
Supervisory Board	Rudolf SAGMEISTER (Chairman) Thomas SCHAUFLER (Deputy Chairman) Ingo BLEIER (until 31 October 2019) Harald GASSER Gerhard GRABNER Harald Frank GRUBER (from 13 September 2019) Oswald HUBER Radovan JELASITY Robert LASSHOFER Franz PRUCKNER (from 13 September 2019) Rupert RIEDER (from 13 September 2019) Gabriele SEMMELROCK-WERZER (from 13 September 2019) Reinhard WALTTL (from 13 September 2019) Gerald WEBER Appointed by the Works Council: Martin CECH Regina HABERHAUER (from 13 September 2019) Heinrich Hubert REINER Peter RIEDERER Nicole WEINHENGST Manfred ZOUREK
Managing directors	Heinz BEDNAR Winfried BUCHBAUER Peter KARL Wolfgang TRAINDL
Prokuristen (proxies)	Achim ARNHOF Karl FREUDENSCHUSS Manfred LENTNER Günther MANDL Gerold PERMOSER Magdalena REISCHL
State commissioners	Caroline HABERFELLNER (until 31 July 2019) Christoph SEEL (from 1 August 2019) Eva SCHRITTWIESER (from 1 July 2019) Philipp VISKI-HANKA (until 30 June 2019)
Auditor	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Depository bank	Erste Group Bank AG

Dear Unit-holder,

We are pleased to present you the following annual report for the ERSTE STOCK BIOTEC jointly owned fund pursuant to the InvFG for the accounting year from 15 March 2019 to 14 March 2020.

We would also like to inform you that the name of the fund was changed from ESPA STOCK BIOTEC to ERSTE STOCK BIOTEC as of 15 December 2019.

Development of the Fund

Review

ERSTE STOCK BIOTEC is a global equity fund and invests in the most important biotechnology companies worldwide. ERSTE STOCK BIOTEC generated a negative performance of 12.15% (ISIN: AT0000746748) for the reporting period.

The biotechnology sector also generated a negative return in the reporting period in EUR terms. In a volatile exchange environment, the biotechnology sector slightly outperformed the equity market at large. The biotechnology sector underwent a correction from mid-March 2019 to the end of May 2019 and then trended sideways until the middle of October 2019. From mid-October 2019 to mid-February 2020, the biotechnology sector turned in substantial gains in line with the equity market as a whole. Growth sectors performed particularly well amidst this trend. In February 2020, the sentiment on the equity markets turned negative due to the rapid spread of the coronavirus, and the biotechnology sector returned to the levels seen in autumn 2019. This year will once again see numerous new drug approvals, which are expected to result in earnings for biotech companies in the future. A great deal of research is being conducted in the fields of immuno-oncology and cell therapy at the moment. In addition, more and more efforts are being made to investigate new treatment possibilities in the genetic technology segment, and promising research findings are expected in the coming years. There are also more and more research efforts towards treating diseases of the central nervous system such as Alzheimer's and Parkinson's.

There were again several takeovers in the biotechnology sector in the reporting period. Among others, AbbVie acquired Allergan, Pfizer bought Array BioPharma, Novartis expressed interest in The Medicines, and Gilead took over Forty Seven. ERSTE STOCK BIOTECH was invested in some of these takeover targets, and the fund was therefore able to profit. The motivation behind takeovers in the healthcare sector is the rather weak product pipeline in some major pharmaceutical and biotechnology companies combined with efforts to achieve cost efficiency in sales and research. The number of M&A transactions diminished slightly during the reporting period while IPOs increased. Numerous biotechnology companies held IPOs during the reporting period.

The largest positions in the fund currently include companies such as Biogen, Vertex, Gilead, Sarepta, and Illumina. The fund concentrates on American biotechnology stocks. The investment focus is on mid caps and large caps as well as on companies with research focuses in oncology, haematology, the central nervous system, and rare illnesses.

The Fund employs an active investment policy. The assets are selected on a discretionary basis. The Fund is oriented towards the Nasdaq Biotechnology 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.

Outlook

The outlook for the biotechnology sector is very volatile over the short term due to the spread of the coronavirus, but remains positive for the medium to long term. Numerous studies are currently under way to find a treatment or

prophylactic against the COVID-19 virus. Investors are once again focusing on the research results being published by the various companies in particular in 2020. The biotechnology sector should continue to see substantial acquisition activity in 2020.

In recent years, the number of newly approved medications has increased further to a historically high level and is laying the foundation for future revenue.

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 14.03.2020	
	EUR millions	%
Equities		
EUR	0.9	0.41
USD	203.0	98.79
Transferable securities	203.9	99.20
Bank balances	1.8	0.86
Dividend entitlements	0.1	0.04
Other deferred items	-0.2	-0.10
Fund assets	205.5	100.00

Comparative Overview

Accounting year	Fund assets
2017/2018	214,507,889.56
2018/2019	230,350,052.66
2019/2020	205,496,005.85

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
2017/2018	Dividend-bearing units	AT0000746748	EUR	434.67	1.8230	8.8616	2.08
2018/2019	Dividend-bearing units	AT0000746748	EUR	485.67	3.5507	17.4819	12.19
2019/2020	Dividend-bearing units	AT0000746748	EUR	423.30	3.0658	15.0822	-12.15

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	Dividend-bearing units	AT0000A1YFC3	EUR	103.70	-	-	-
2018/2019	Dividend-bearing units	AT0000A1YFC3	EUR	117.72	-	-	-
2019/2020	Dividend-bearing units	AT0000A1YFC3	EUR	103.44	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	Dividend-bearing units	AT0000A25NL2	EUR	-	-	-	-
2018/2019	Dividend-bearing units	AT0000A25NL2	EUR	103.95	0.3003	1.4993	3.95
2019/2020	Dividend-bearing units	AT0000A25NL2	EUR	91.90	0.8211	4.0506	-11.31

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	Non-dividend-bearing units	AT0000746755	EUR	434.67	1.8225	8.8721	2.08
2018/2019	Non-dividend-bearing units	AT0000746755	EUR	485.64	3.5457	17.4893	12.19
2019/2020	Non-dividend-bearing units	AT0000746755	EUR	423.28	3.0658	15.0494	-12.15

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	Non-dividend-bearing units	AT0000A1YFD1	EUR	103.65	-	-	-
2018/2019	Non-dividend-bearing units	AT0000A1YFD1	EUR	116.80	-	-	-
2019/2020	Non-dividend-bearing units	AT0000A1YFD1	EUR	102.63	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A0XYPO	CZK	11,730.27	-	288.4461	-3.89
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A0XYPO	CZK	13,277.01	-	574.8801	13.19
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A0XYPO	CZK	11,898.72	-	508.6185	-10.38

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A1YFG4	CZK	2,642.40	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A1YFG4	CZK	3,030.97	-	-	-
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A1YFG4	CZK	2,716.70	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	KESt-exempt non-dividend-bearing units	AT0000673165	EUR	461.07	-	11.3488	2.08
2018/2019	KESt-exempt non-dividend-bearing units	AT0000673165	EUR	517.28	-	22.4090	12.19
2019/2020	KESt-exempt non-dividend-bearing units	AT0000673165	EUR	454.43	-	19.3789	-12.15

ERSTE STOCK BIOTEC

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A1YFE9	EUR	103.86	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A1YFE9	EUR	118.10	-	-	-
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A1YFE9	EUR	103.97	-	0.0000	-11.96

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A26HX7	EUR	-	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A26HX7	EUR	100.40	-	-	-
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A26HX7	EUR	88.22	-	-	-

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A18XC5	HUF	143,500.31	-	3,524.7285	2.09
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A18XC5	HUF	162,621.79	-	7,065.1471	13.33
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A18XC5	HUF	154,675.41	-	6,607.1126	-4.89

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2017/2018	KESt-exempt non-dividend-bearing units	AT0000A1YFF6	HUF	32,325.38	-	-	-
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A1YFF6	HUF	37,122.38	-	-	-
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A1YFF6	HUF	35,427.59	-	209.1091	-4.57

Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 15 March 2019 to 14 March 2020. 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 15 June 2020 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	AT0000746748	EUR	3.0658		3.0658	3.0658	15.0822
Dividend-bearing units	AT0000A1YFC3	EUR	-		-	-	-
Dividend-bearing units	AT0000A25NL2	EUR	0.8211		0.8211	0.8211	4.0506
Non-dividend-bearing units	AT0000746755	EUR	3.0658		3.0658	3.0658	15.0494
Non-dividend-bearing units	AT0000A1YFD1	EUR	-		-	-	-
KES ^t -exempt non-dividend-bearing units	AT0000A0XYP0	CZK	-	*	-	-	508.6185
KES ^t -exempt non-dividend-bearing units	AT0000A1YFG4	CZK	-	*	-	-	-
KES ^t -exempt non-dividend-bearing units	AT0000673165	EUR	-	*	-	-	19.3789
KES ^t -exempt non-dividend-bearing units	AT0000A1YFE9	EUR	-	*	-	-	0.0000
KES ^t -exempt non-dividend-bearing units	AT0000A26HX7	EUR	-	*	-	-	-
KES ^t -exempt non-dividend-bearing units	AT0000A18XC5	HUF	-	*	-	-	6,607.1126
KES ^t -exempt non-dividend-bearing units	AT0000A1YFF6	HUF	-	*	-	-	209.1091

* 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.

AT0000746748 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (79,518.283 units)	485.67
Disbursement/payment on 13.06.2019 (corresponds to roughly 0.0079 units at a calculated value of 446.92)	3.5507
Unit value at the end of the reporting period (93,441.446 units)	423.30
Total value including (notional) units gained through dividend disbursement/payment	426.66
Net earnings per unit	-59.01
Value development of one unit in the period	-12.15%

AT0000A1YFC3 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	117.72
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	103.44
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A25NL2 dividend-bearing units EUR	
Unit value at the beginning of the reporting period (30,500.000 units)	103.95
Disbursement/payment on 13.06.2019 (corresponds to roughly 0.0031 units at a calculated value of 96.34)	0.3003
Unit value at the end of the reporting period (30,500.000 units)	91.90
Total value including (notional) units gained through dividend disbursement/payment	92.19
Net earnings per unit	-11.76
Value development of one unit in the period	-11.31%

AT0000746755 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (236,203.303 units)	485.64
Disbursement/payment on 13.06.2019 (corresponds to roughly 0.0079 units at a calculated value of 446.90)	3.5457
Unit value at the end of the reporting period (254,523.636 units)	423.28
Total value including (notional) units gained through dividend disbursement/payment	426.64
Net earnings per unit	-59.00
Value development of one unit in the period	-12.15%

AT0000A1YFD1 non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	116.80
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	102.63
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A0XYP0 KEST-exempt non-dividend-bearing units CZK	
Unit value at the beginning of the reporting period (115,777.646 units)	13,277.01
Disbursement/payment	0.0000
Unit value at the end of the reporting period (95,073.299 units)	11,898.72
Total value including (notional) units gained through dividend disbursement/payment	11,898.72
Net earnings per unit	-1,378.29
Value development of one unit in the period	-10.38%

AT0000A1YFG4 KEST-exempt non-dividend-bearing units CZK	
Unit value at the beginning of the reporting period (0.000 units)	3,030.97
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	2,716.70
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000673165 KEST-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (14,078.620 units)	517.28
Disbursement/payment	0.0000
Unit value at the end of the reporting period (13,771.842 units)	454.43
Total value including (notional) units gained through dividend disbursement/payment	454.43
Net earnings per unit	-62.85
Value development of one unit in the period	-12.15%

AT0000A1YFE9 KEST-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	118.10
Disbursement/payment	0.0000
Unit value at the end of the reporting period (3,528.000 units)	103.97
Total value including (notional) units gained through dividend disbursement/payment	103.97
Net earnings per unit	-14.13
Value development of one unit in the period	-11.96%

AT0000A26HX7 KEST-exempt non-dividend-bearing units EUR	
Unit value at the beginning of the reporting period (0.000 units)	100.40
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	88.22
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
Value development of one unit in the period	-

AT0000A18XC5 KES-st-exempt non-dividend-bearing units HUF	
Unit value at the beginning of the reporting period (12,891.855 units)	162,621.79
Disbursement/payment	0.0000
Unit value at the end of the reporting period (12,185.798 units)	154,675.41
Total value including (notional) units gained through dividend disbursement/payment	154,675.41
Net earnings per unit	-7,946.38
Value development of one unit in the period	-4.89%

AT0000A1YFF6 KES-st-exempt non-dividend-bearing units HUF	
Unit value at the beginning of the reporting period (0.000 units)	37,122.38
Disbursement/payment	0.0000
Unit value at the end of the reporting period (219.462 units)	35,427.59
Total value including (notional) units gained through dividend disbursement/payment	35,427.59
Net earnings per unit	-1,694.79
Value development of one unit in the period	-4.57%

2. Fund Result

a. Realised fund result

Ordinary fund result

Income (without profit or loss from price changes)

Interest income (excluding income adjustment) 12,552.19

Dividend income 546,638.84

Other income 8) 0.00

Total income (without profit or loss from price changes) 559,191.03

Interest paid - 36,533.46

Expenses

Fees paid to Investment Firm - 4,043,994.65

Costs for the financial auditor and tax consultation 0.00

Publication costs - 200,065.02

Securities account fees - 140,587.26

Depository bank fees - 348,701.14

Costs for the external consultant 0.00

Total expenses - 4,733,348.07

Compensation for management costs from sub-funds 1) 0.00

Ordinary fund result (excluding income adjustment) - 4,210,690.50

Realised profit or loss from price changes 2) 3)

Realised gains 4) 21,136,611.97

Realised losses 5) - 8,232,963.72

Realised profit or loss from price changes (excluding income adjustment) 12,903,648.25

Realised fund result (excluding income adjustment) 8,692,957.75

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

Changes in the unrealised profit or loss from price changes 7) - 37,041,810.15

Result for the reporting period 6) - 28,348,852.40

c. Income adjustment

Income adjustment for income in the period 109,757.14

Income adjustment for profit carried forward from dividend-bearing units 2,524,051.51

Overall fund result - 25,715,043.75

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	230,350,052.66
Disbursement/payment in the accounting year	- 1,138,680.60
Issue and redemption of units	1,999,677.54
Overall fund result	
(The fund result is shown in detail under item 2.)	- 25,715,043.75
Fund assets at the end of the reporting period	<u>205,496,005.85</u>

- 1) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the fund after deduction of appropriate costs. Erste Bank der oesterreichischen Sparkassen AG receives 25% of the calculated commissions to cover administrative costs.
- 2) Realised profits and losses are not calculated precisely for the specific periods, which means that they, as is the case for the changes in the unrealised profit or loss, are not necessarily congruent with the changes in the value of the fund in the reporting year.
- 3) Total profit or loss from price changes without income adjustment (realised profit or loss from price changes, without income adjustment, plus changes in the unrealised profit or loss): EUR -24,138,161.90.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 0.00.
- 5) Thereof losses from transactions with derivative financial instruments: EUR 0.00.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 64,036.40.
- 7) Thereof changes in unrealised gains EUR -19,610,057.17 and unrealised losses EUR -17,431,752.98.
- 8) The earnings reported under this item can be attributed to lending fees from securities lending transactions conducted with Erste Group Bank AG in the amount of EUR 0.00, to earnings from real estate funds in the amount of EUR 0.00, and to other earnings in the amount of EUR 0.00.

Statement of Assets and Liabilities as of 14 March 2020

(including changes in securities assets from 15 March 2019 to 14 March 2020)

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Units/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Publicly traded securities							
Equities denominated in EUR							
Issue country France							
INNATE PHARMA EO -.05	FR0010331421	0	0	47,200	3.956	186,723.20	0.09
Total issue country France						186,723.20	0.09
Issue country Austria							
MARINOMED BIOTECH AG BEARER	ATMARINOMED6	7,000	0	7,000	90.000	630,000.00	0.31
Total issue country Austria						630,000.00	0.31
Total equities denominated in EUR						816,723.20	0.40
Equities denominated in USD							
Issue country France							
SANOFI SA CV RIGHTS	US80105N1138	0	0	12,000	0.890	9,648.57	0.00
Total issue country France						9,648.57	0.00
Issue country USA							
ALLOGENE THERAP. DL-.001	US0197701065	80,800	40,000	40,800	22.050	812,756.35	0.40
BRISTOL-MYERS SQU.CV RIG.	US1101221570	900,000	0	900,000	2.800	2,276,628.42	1.11
GUARDANT HEALTH CL. A	US40131M1099	63,500	0	63,500	70.740	4,058,171.47	1.97
TURNING PT. THER.DL-.0001	US90041T1088	23,500	0	23,500	38.630	820,132.80	0.40
Total issue country USA						7,967,689.04	3.88
Total equities denominated in USD translated at a rate of 1.10690						7,977,337.61	3.88
Total publicly traded securities						8,794,060.81	4.28
Securities admitted to organised markets							
Equities denominated in EUR							
Issue country France							
CELLECTIS NOM. EO-.05	FR0010425595	0	0	4,000	8.740	34,960.00	0.02
Total issue country France						34,960.00	0.02
Total equities denominated in EUR						34,960.00	0.02
Equities denominated in USD							
Issue country Belgium							
GALAPAGOS N.V. ADR 1	US36315X1019	8,400	1,200	7,200	176.200	1,146,119.79	0.56
Total issue country Belgium						1,146,119.79	0.56

ERSTE STOCK BIOTEC

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Issue country Cayman Islands							
BEIGENE LTD SP.ADR	US07725L1026	0	0	27,600	144.600	3,605,528.95	1.75
CHINA BIOL.PRODS HLDGS	KYG215151047	0	0	12,900	114.780	1,337,665.55	0.65
Total issue country Cayman Islands						4,943,194.50	2.41
Issue country Great Britain							
AMARIN CORP.ADR LS-50	US0231112063	0	0	656,000	12.550	7,437,708.92	3.62
GW PHARMACEUT.SPON.ADR/12	US36197T1034	7,000	2,400	22,100	83.290	1,662,940.65	0.81
Total issue country Great Britain						9,100,649.57	4.43
Issue country Ireland							
ALKERMES PLC DL-.01	IE00B56GVS15	0	0	52,770	16.140	769,453.25	0.37
HORIZON THERAP.PLC DL-.01	IE00BQPQZ61	59,000	0	59,000	29.040	1,547,890.51	0.75
Total issue country Ireland						2,317,343.76	1.13
Issue country Canada							
AURINIA PHARMACEUT.	CA05156V1022	66,000	0	66,000	13.000	775,137.77	0.38
Total issue country Canada						775,137.77	0.38
Issue country Netherlands							
ARGENS SE SP.ADR/1 -.10	US04016X1019	5,000	0	12,500	123.330	1,392,740.99	0.68
UNIQUIRE N.V. EO -.05	NL0010696654	0	0	34,000	44.490	1,366,573.31	0.67
Total issue country Netherlands						2,759,314.30	1.34
Issue country Switzerland							
CRISPR THERAPEUT. SF -.03	CH0334081137	0	0	15,500	37.640	527,075.62	0.26
Total issue country Switzerland						527,075.62	0.26
Issue country Spain							
GRIFOLS SP.ADR B EO-.10 1	US3984384087	0	11,300	42,156	19.440	740,367.37	0.36
Total issue country Spain						740,367.37	0.36
Issue country USA							
ACADIA PHARMACEUT. DL-.01	US0042251084	11,000	0	57,200	35.630	1,841,210.59	0.90
ACCELERON PHARMA DL -.001	US00434H1086	0	0	26,900	81.590	1,982,808.75	0.96
AD.BIOTECH.CORP. DL-.0001	US00650F1093	42,000	0	42,000	19.700	747,493.00	0.36
ADURO BIOTECH DL-.0001	US00739L1017	0	0	107,000	2.560	247,465.90	0.12
AGIOS PHARMACEUT. DL-.001	US00847X1046	65,000	0	128,700	37.070	4,310,153.58	2.10
ALEXION PHARMAC. DL-.0001	US0153511094	10,500	2,700	77,750	80.440	5,650,203.27	2.75
ALNYLAM PHARMACE.DL-.0001	US02043Q1076	0	4,400	58,700	101.570	5,386,357.39	2.62
AMGEN INC. DL-.0001	US0311621009	5,700	2,700	45,200	202.100	8,252,705.75	4.02
AMICUS THERAPEUTICS INC.	US03152W1099	96,000	0	158,600	8.270	1,184,950.76	0.58
ARENA PHARMA.NEW DL-.0001	US0400476075	10,000	0	26,500	41.250	987,555.33	0.48

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
AXSOME THERAPEUT. DL-0001	US05464T1043	11,500	0	11,500	61.240	636,245.37	0.31
BIOGEN INC. DL -.0005	US09062X1037	76,500	43,300	67,800	305.210	18,694,767.37	9.10
BIOMARIN PHAR. DL-.001	US09061G1013	17,700	3,400	87,300	84.500	6,664,423.16	3.24
BIO-TECHNE CORP. DL-.01	US09073M1045	0	0	13,050	179.620	2,117,662.84	1.03
BLUEBIRD BIO INC. DL-.01	US09609G1004	0	3,500	35,550	50.470	1,620,930.98	0.79
BLUEPRINT MED.CORP.DL-001	US09627Y1091	13,200	0	47,600	50.040	2,151,869.18	1.05
BRIDGEBIO PHARMA DL-.001	US10806X1028	57,000	0	57,000	23.060	1,187,478.54	0.58
CHEMOCENTRYX INC.	US16383L1061	68,000	0	68,000	44.440	2,730,074.98	1.33
COHERUS BIOSCIEN.DL-.0001	US19249H1032	56,000	0	56,000	14.950	756,346.55	0.37
DECIPHERA PHARMAC. DL-.01	US24344T1016	18,300	0	18,300	41.540	686,766.65	0.33
DENALI THERAP.INC. DL-.01	US24823R1059	0	0	42,200	16.220	618,379.26	0.30
EDITAS MEDICINE DL-.0001	US28106W1036	0	0	13,000	19.350	227,256.30	0.11
EIDOS THERAPEUT. DL-.001	US28249H1041	13,600	0	13,600	43.800	538,151.59	0.26
ENANTA PHARMA.INC. DL-.01	US29251M1062	0	0	6,200	53.930	302,074.26	0.15
EPIZYME INC. DL -.0001	US29428V1044	0	33,000	75,200	16.820	1,142,708.47	0.56
EXACT SCIEN. DL-.01	US30063P1057	22,500	41,000	33,300	55.220	1,661,239.50	0.81
EXELIXIS INC. DL-.01	US30161Q1040	10,600	17,000	169,800	16.770	2,572,541.33	1.25
FIBROGEN INC. DL-.01	US31572Q8087	24,900	10,400	88,200	31.570	2,515,560.57	1.22
GILEAD SCIENCES DL-.001	US3755581036	0	84,500	182,800	70.750	11,684,072.64	5.69
GLOBAL BL.THERAP. DL-.01	US37890U1088	47,800	10,300	53,500	54.370	2,627,875.15	1.28
HALOZYME THERAPEU.DL-.001	US40637H1095	0	0	77,900	17.260	1,214,702.32	0.59
HOMOLOGY MED. DL-.0001	US4380831077	38,000	0	38,000	14.890	511,175.35	0.25
ILLUMINA INC. DL-.01	US4523271090	20,100	19,000	46,200	233.330	9,738,771.34	4.74
INCYTE DL-.001	US45337C1027	19,500	33,300	71,700	73.840	4,783,022.86	2.33
INSMED INC. DL-.01	US4576693075	0	0	57,700	20.440	1,065,487.40	0.52
IONIS PHARMACEUT. DL-001	US4622221004	63,200	5,200	58,000	48.410	2,536,615.77	1.23
IOVANCE BIOTHERAP.DL-.001	US4622601007	43,000	0	43,000	25.140	976,619.39	0.48
KURA ONCOLOGY DL-.0001	US50127T1097	172,000	0	172,000	8.960	1,392,284.76	0.68
LIGAND PHARMAC.NEW DL-001	US53220K5048	0	0	7,200	81.430	529,673.86	0.26
MIRATI THERAPEUTICS DL-01	US60468T1051	20,900	20,900	11,000	81.240	807,335.80	0.39
MOMENTA PHARMAC. DL-.0001	US60877T1007	38,500	0	38,500	28.650	996,499.23	0.48
MYOKARDIA INC. DL-.0001	US62857M1053	3,700	0	15,400	51.500	716,505.56	0.35
NEKTAR THERAPEUTICS	US6402681083	34,700	92,700	57,800	16.600	866,817.24	0.42
NEUROCRINE BIOSCI. DL-001	US64125C1099	0	0	39,700	85.340	3,060,798.63	1.49
PACIRA BIOSCIENC. DL-.001	US6951271005	0	0	14,400	35.090	456,496.52	0.22
PRA HEALTH SCIENC.DL -.01	US69354M1080	0	0	21,200	85.580	1,639,078.51	0.80
PTC THERAPEUTICS DL-.001	US69366J2006	78,300	9,000	69,300	43.940	2,750,963.95	1.34
RADIUS HEALTH INC.DL-0001	US7504692077	0	22,000	15,000	15.770	213,704.94	0.10
REATA PHARMA INC. 0.001	US75615P1030	22,600	0	22,600	167.790	3,425,832.51	1.67
REGENERON PHARMAC.DL-.001	US75886F1075	0	16,500	8,750	465.550	3,680,154.03	1.79
REGENXBIO INC. DL-.0001	US75901B1070	0	0	13,000	28.850	338,829.16	0.16
RETROPHIN INC. DL -.0001	US7612991064	0	0	35,600	13.340	429,039.66	0.21
SAGE THERAPEUTICS DL-0001	US78667J1088	0	20,100	18,700	38.150	644,507.18	0.31
SANGAMO THERAP.INC.DL-.01	US8006771062	0	0	36,000	6.670	216,930.17	0.11
SAREPTA THERAP. DL-.0001	US8036071004	10,300	0	119,200	99.830	10,750,506.82	5.23
SEATTLE GENETICS DL-.001	US8125781026	11,200	0	61,950	102.720	5,748,942.09	2.80
SYNEOS HEALTH A DL-.01	US87166B1026	0	6,000	34,000	51.870	1,593,260.46	0.78
ULTRAGENYX PHARM. DL-.001	US90400D1081	0	0	45,310	43.340	1,774,085.64	0.86
VERTEX PHARMAC. DL-.01	US92532F1003	27,700	25,400	81,000	220.860	16,161,947.78	7.86
VOYAGER THERAP. DL -.001	US92915B1061	0	0	58,900	7.570	402,812.36	0.20
XENCOR INC. DL-.01	US98401F1057	0	0	32,200	26.470	770,018.97	0.37

ERSTE STOCK BIOTEC

Security designation	ISIN number	Purch./ additions Sales/ disposals Units/nominal (nom. in 1,000, rounded)	Holding	Price	Value in EUR	% share of fund assets	
ZOGENIX INC. DL-.001	US98978L2043	0	0	39,900	22.010	793,386.03	0.39
Total issue country USA						172,714,135.30	84.05
Total equities denominated in USD translated at a rate of 1.10690						195,023,337.98	94.90
Total securities admitted to organised markets						195,058,297.98	94.92

Breakdown of fund assets

Transferable securities	203,852,358.79	99.20
Bank balances	1,777,468.70	0.86
Dividend entitlements	78,609.45	0.04
Other deferred items	-212,431.09	-0.10
Fund assets	205,496,005.85	100.00

Investor note:

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

Dividend-bearing units outstanding	AT0000746748	units	93,441.446
Value of dividend-bearing unit	AT0000746748	EUR	423.30
Dividend-bearing units outstanding	AT0000A1YFC3	units	0.000
Value of dividend-bearing unit	AT0000A1YFC3	EUR	103.44
Dividend-bearing units outstanding	AT0000A25NL2	units	30,500.000
Value of dividend-bearing unit	AT0000A25NL2	EUR	91.90
Non-dividend-bearing units outstanding	AT0000746755	units	254,523.636
Value of non-dividend-bearing unit	AT0000746755	EUR	423.28
Non-dividend-bearing units outstanding	AT0000A1YFD1	units	0.000
Value of non-dividend-bearing unit	AT0000A1YFD1	EUR	102.63
KEST-exempt non-dividend-bearing units outstanding	AT0000673165	units	13,771.842
Value of KEST-exempt non-dividend-bearing unit	AT0000673165	EUR	454.43
KEST-exempt non-dividend-bearing units outstanding	AT0000A0XYP0	units	95,073.299
Value of KEST-exempt non-dividend-bearing unit	AT0000A0XYP0	CZK	11,898.72
KEST-exempt non-dividend-bearing units outstanding	AT0000A18XC5	units	12,185.798
Value of KEST-exempt non-dividend-bearing unit	AT0000A18XC5	HUF	154,675.41
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YFE9	units	3,528.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YFE9	EUR	103.97
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YFG4	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YFG4	CZK	2,716.70
KEST-exempt non-dividend-bearing units outstanding	AT0000A1YFF6	units	219.462
Value of KEST-exempt non-dividend-bearing unit	AT0000A1YFF6	HUF	35,427.59
KEST-exempt non-dividend-bearing units outstanding	AT0000A26HX7	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A26HX7	EUR	88.22

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

All OTC derivatives are traded through Erste Group Bank AG.

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

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

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

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Publicly traded securities			
Equities denominated in USD			
Issue country USA			
ARQULE INC. DL-.01	US04269E1073	0	60,000
ARRAY BIOPHARMA DL-.001	US04269X1054	22,800	127,800
AUDENTES THERAP DL-.00001	US05070R1041	0	17,000
CELGENE CORP. DL-.01	US1510201049	0	267,500
GENOMIC HEALTH DL-.0001	US37244C1018	0	12,400
MEDICINES CO. DL-.001	US5846881051	36,000	63,070
SPARK THERAPEUTICS DL-001	US84652J1034	13,000	13,000

ERSTE STOCK BIOTEC

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
Securities admitted to organised markets			
Equities denominated in USD			
Issue country Netherlands			
PROQR THERAPEUTICS EO-.04	NL0010872495	0	8,000
Issue country USA			
AERIE PHARMACEUTIC.DL-001	US00771V1089	0	14,300
AIMMUNE THER.INC.DL-.0001	US00900T1079	0	20,300
ALLAKOS INC. DL-.001	US01671P1003	0	14,000
ANAPTYSBIO INC. DL-.001	US0327241065	0	7,500
BRISTOL-MYERS SQUIBBDL-10	US1101221083	220,000	238,000
CLOVIS ONCOLOGY DL-.001	US1894641000	0	15,700
FIVE PRIME THERAP.DL-.001	US33830X1046	0	39,750
JOUNCE THERAP. DL-.001	US4811161011	0	43,100
LUMINEX CORP. DEL DL-.01	US55027E1029	0	12,650
MACROGENICS INC. DL-.01	US5560991094	0	11,400
OTONOMY INC. DL-.001	US68906L1052	0	11,700
PORTOLA PHARMACEUT.DL-001	US7370101088	22,300	22,300
PTC INC. DL -.01	US69370C1009	19,500	19,500
RA PHARMA. INC. DL -.001	US74933V1089	18,000	18,000
REVANCE THERAPEUT.DL-.001	US7613301099	0	66,500

Vienna, 2 June 2020

Erste Asset Management GmbH
Electronically signed

Inspection information:
Note:

The electronic signatures in this document can be inspected at www.signaturpruefung.gv.at.
This document was signed with two qualified electronic signatures. A qualified electronic signature fulfils the legal requirements of a hand-written signature, and in particular the requirements of the written form as defined in § 886 ABGB (§ 4 [1] Austrian Signature Act [Signaturgesetz]).

Remuneration Policy

Remuneration paid to employees of Erste Asset Management GmbH in EUR (2018 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 31.12.18	247
Number of risk bearers as of 31.12.18	95
Fixed remuneration	17,978,470
Variable remuneration (bonuses)	4,589,208
Total employee remuneration	22,567,678
Thereof remuneration for managing directors	1,049,937
Thereof remuneration for managerial risk bearers	4,317,407
Thereof remuneration for risk bearers with control functions*	692,269
Thereof remuneration for other risk bearers	6,853,589
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	12,913,202

* Includes the Head of Compliance

Principles governing performance-based remuneration components

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

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

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

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

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

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

The remuneration system is made up of three components:

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

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

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

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

The complete remuneration policy of the Management Company can be viewed at http://www.erste-am.at/de/private_anleger/wer-sind-wir/investmentprozess.

The last audit of compliance with the requirements of the remuneration policy by the Supervisory Board on 3 April 2019 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 STOCK BIOTEC
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 14 March 2020, 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 14 March 2020 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 is sufficient and suitable to serve as a basis for our audit opinion.

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 report 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.

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 connection with our audit of the annual report, it is our responsibility to read this other information and to consider whether there are material discrepancies between the other information and the annual report or the information gathered by us during our audit, or if this other information appears materially incorrect in some other manner. If we come to the conclusion on the basis of our audit steps that the other information is materially incorrect, we are obligated to report this. We have nothing to report in this regard.

Vienna, 2 June 2020

Ernst & Young

Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Andrea Stippel
(Certified Public
Accountant)

ppa MMag. Roland Unterweger
(Certified Public Accountant)

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

Fund Rules

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

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

Article 1 Fund Units

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

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

Article 2 Depositary Bank (Depositary)

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

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

Article 3 Investment Instruments and Principles

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

ERSTE STOCK BIOTEC is an equity fund that invests primarily, in other words at least 51% of its assets, in stocks from companies in the biotechnology sector in the form of directly purchased individual instruments, in other words not indirectly or directly through investment funds or through derivatives.

There are no restrictions with regard to the location of the issuer's registered office. The Fund may purchase shares in companies with small market capitalisations or mid-sized market capitalisations as well as shares in large, strong, and important companies that are internationally known (blue chips).

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

a) Transferable securities

Transferable securities (including securities with embedded derivative financial instruments) comprise at least 51% of the fund assets.

b) Money market instruments

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

c) Transferable securities and money market instruments

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

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

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

d) Units in investment funds

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

e) Derivative financial instruments

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

f) Risk measurement method(s) of the Fund

The Fund applies the following risk measurement methods: 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 4.0% to cover the costs incurred by the Management Company in issuing the unit, rounded up to the next equivalent sub-unit of the currency unit specified for the respective unit category in the prospectus.

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

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

Redemption of units and back-end commission

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

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

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

Article 5 Accounting Year

The accounting year of the Fund is from 15 March to 14 March.

Article 6
Unit Categories and Use of Earnings

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

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

Use of earnings for dividend-bearing units

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

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

The amounts shall be paid to the holders of dividend-bearing units on or after 15 June 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 15 June 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 EStG 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 15 June 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 EStG at the time of payment.

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

The earnings generated by the Fund during the accounting year less all costs will not be paid out. No payment pursuant to the InvFG will be made. The reference date for the exemption from KESt payment for the profit for the year for the purposes of the InvFG shall be 15 June 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

Valid until 31 December 2019:

The Management Company shall receive an annual fee for its administrative activities of up to 1.8% of the fund assets, which shall be accrued on a daily basis and calculated using the month-end values adjusted for the accrued fees.

Valid from 1 January 2020:

The Management Company shall receive an annual fee for its administrative activities amounting to up to 1.80% of the fund assets as calculated and accrued on the basis of the daily fund volume. The fee will be charged to the fund assets once per month.

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

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

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

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

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

Annex to the Fund Rules

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

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

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

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

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

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

https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_upreg *

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

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

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

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

2. Exchanges in European countries outside of the EEA

- | | | |
|------|-------------------------|---|
| 2.1. | Bosnia and Herzegovina: | Sarajevo, Banja Luka |
| 2.2. | Montenegro: | Podgorica |
| 2.3. | Russia: | Moscow (RTS Stock Exchange)
Moscow Interbank Currency Exchange (MICEX) |
| 2.4. | Serbia: | Belgrade |
| 2.5. | Turkey: | Istanbul (only “National Market” on the stock market) |

3. Exchanges in non-European countries

- | | | |
|-------|-----------------------|--|
| 3.1. | Australia: | Sydney, Hobart, Melbourne, Perth |
| 3.2. | Argentina: | Buenos Aires |
| 3.3. | Brazil: | Rio de Janeiro, Sao Paulo |
| 3.4. | Chile: | Santiago |
| 3.5. | China: | Shanghai Stock Exchange, Shenzhen Stock Exchange |
| 3.6. | Hong Kong: | Hong Kong Stock Exchange |
| 3.7. | India: | Mumbai |
| 3.8. | Indonesia: | Jakarta |
| 3.9. | Israel: | Tel Aviv |
| 3.10. | Japan: | Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima |
| 3.11. | Canada: | Toronto, Vancouver, Montreal |
| 3.12. | Colombia: | Bolsa de Valores de Colombia |
| 3.13. | Korea: | Korea Exchange (Seoul, Busan) |
| 3.14. | Malaysia: | Kuala Lumpur, Bursa Malaysia Berhad |
| 3.15. | Mexico: | Mexico City |
| 3.16. | New Zealand: | Wellington, Christchurch/Invercargill, Auckland |
| 3.17. | Peru: | Bolsa de Valores de Lima |
| 3.18. | Philippines: | Manila |
| 3.19. | Singapore: | Singapore Stock Exchange |
| 3.20. | South Africa: | Johannesburg |
| 3.21. | Taiwan: | Taipei |
| 3.22. | Thailand: | Bangkok |
| 3.23. | USA: | New York, NYCE American, New York Stock Exchange (NYSE), Philadelphia, Chicago, Boston, Cincinnati |
| 3.24. | Venezuela: | Caracas |
| 3.25. | United Arab Emirates: | Abu Dhabi Securities Exchange (ADX) |

4. Organised markets in countries outside of the European Community

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

5. Exchanges with futures and options markets

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

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

When the expected withdrawal of the United Kingdom of Great Britain and Northern Ireland (GB) from the EU takes effect, GB will lose its status as an EEA member state and, in turn, the exchanges/regulated markets located there will also lose their status as EEA exchanges/regulated markets. In this event, we hereby inform you that the following exchanges and regulated markets located in GB shall be considered exchanges or recognised regulated markets in a third country as defined by the InvFG 2011 and the UCITS Directive that are expressly designated in the Fund Rules: Cboe Europe Equities Regulated Market – Integrated Book Segment, London Metal Exchange, Cboe Europe Equities Regulated Market – Reference Price Book Segment, Cboe Europe Equities Regulated Market – Off-Book Segment, London Stock Exchange Regulated Market (derivatives), NEX Exchange Main Board (non-equity), London Stock Exchange Regulated Market, NEX Exchange Main Board (equity), Euronext London Regulated Market, ICE FUTURES EUROPE, ICE FUTURES EUROPE – AGRICULTURAL PRODUCTS DIVISION, ICE FUTURES EUROPE – FINANCIAL PRODUCTS DIVISION, ICE FUTURES EUROPE – EQUITY PRODUCTS DIVISION, and Gibraltar Stock Exchange.

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

Note regarding the data used

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

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

Note for retail funds:

Unless indicated otherwise, source: Erste Asset Management GmbH. Our languages of communication are German and English. The full prospectus and the key investor information (and any applicable changes to these documents) were published in Amtsblatt zur Wiener Zeitung in accordance with the provisions of the InvFG 2011 in the currently amended version and are available free of charge at the registered office of the Investment Firm and at the head office of the depositary bank. The exact date of most recent publication, the languages in which the key investor information is available, and any additional locations where the documents can be obtained can be viewed on the website www.erste-am.at.

www.erste-am.com

www.erste-am.at