UNFA Global Balanced

Mutual fund pursuant to the InvFG

Annual report on the
final partial financial year
from 1 July 2017 to 23 January 2018

Contents

General Information about the Investment Firm

The company	ERSTE-SPARINVEST Kapitalanlagegesellschaft m. b. H. Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19881, Fax: +43 05 0100-17102
Nominal capital	EUR 4.50 million
Shareholders	Erste Asset Management GmbH (roughly 79.09%) DekaBank Deutsche Girozentrale (roughly 2.78%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m.b.H. & Co KG (roughly 2.78 %) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (roughly 1.27%) Salzburger Sparkasse Bank Aktiengesellschaft (roughly 2.78%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (roughly 2.78%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (roughly 5.57%) Tiroler Sparkasse Bankaktiengesellschaft Innsbruck (roughly 2.94%)
Supervisory Board	Wolfgang TRAINDL, Mag. (Chairman) Gabriele SEMMELROCK-WERZER (Deputy Chairwoman, First Deputy) Franz-Nikolaus HÖRMANN, Mag. (Deputy Chairman, Second Deputy) Matthias BAUER Josef PRESCHITZ Franz PRUCKNER, Dr. MBA Rupert RIEDER, Mag. Thomas SCHAUFLER, Mag. (FH) Reinhard WALTL, Mag. Appointed by the Works Council: Martin CECH Regina HABERHAUER Heinrich Hubert REINER, Ing. Peter RIEDERER Manfred ZOUREK
Managing directors	Heinz BEDNAR, Mag. Günther MANDL Christian SCHÖN
Prokuristen (proxies)	Achim ARNHOF, Mag. Winfried BUCHBAUER, Mag. Karl FREUDENSCHUSS Dietmar JAROSCH, Dr. Manfred LENTNER Gerold PERMOSER Magdalena REISCHL, Mag. Jürgen SINGER, Mag.
State commissioners	Erwin GRUBER Michael MANHARD, HR Dr.
Auditor	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
Custodian bank	Erste Group Bank AG

Remuneration paid to employees of ERSTE-SPARINVEST KAG in EUR
(financial year 2016 of ERSTE-SPARINVEST KAG)

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

Number of employees as of 31.12.16	131
Number of risk bearers as of 31.12.16	50
Fixed remuneration	10,429,401
Variable remuneration (bonuses)	2,748,322
Total employee remuneration	**13,177,723**
Thereof remuneration for managing directors	825,229
Thereof remuneration for managers and risk bearers	874,580
Thereof remuneration for risk bearers with controlling functions*	905,860
Thereof remuneration for other risk bearers	4,345,437
Thereof remuneration for employees at the same pay grade as managers and risk bearers due to the amount of their total remuneration	0
Total remuneration for risk bearers	**6,951,106**

* 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 the personal 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 gross annual 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 personal 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 gross annual 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 qualitative objectives must make up at least 25%. The payment of performance-based remuneration components is subject to a minimum profitability level for the Management Company and to performance targets.

Sixty percent of the performance-based remuneration components are paid directly; 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 shares in an investment fund that is administered by the Management Company, equivalent holdings or instruments linked to shares, 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: Wolfgang Traindl (remuneration expert), Franz-Nikolaus Hörmann, 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 30 March 2017 revealed no deviations. There were also no material findings during the last audit by the Internal Auditing department in July 2017.

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

Dear Shareholder,

We are pleased to present you the following annual report for the UNFA Global Balanced mutual fund pursuant to the InvFG for the final partial financial year from 1 July 2017 to 23 January 2018.

All securities that were in the fund assets at the beginning of the financial year or that were purchased during the financial year were withdrawn from the fund assets by 23 January 2018. The fund assets will be paid out to the Shareholders in the amount of EUR 112,753.50. As a result of this payment, the fund assets will decrease to EUR 702.92. This amount will be used to remit the applicable taxes.

The companies managing the sub-funds contained in the fund that are not managed by the Investment Firm assessed management fees ranging between 0.00% and 1.50%. Issue premiums ranging between 0.00% and 5.50% were charged for the purchase of these shares.

Development of the Fund

UNFA Global Balanced was issued on 1 September 2014 as a mixed fund of funds and aimed to achieve capital growth. The fund consisted of a broadly diversified portfolio and invested in the global financial markets. Between 5% and 15% of the fund assets were invested in cash and money market funds; shares in equity funds made up 30% to no more than 50% of the fund assets; and shares in bond funds accounted for 40% to no more than 60% of the fund assets. Up to 10% of the fund assets could be invested in each of the asset classes of commodities, real estate equity funds, and/or real estate investment trusts and in alternative investments.

The administration of the fund was terminated pursuant to § 60 (2) InvFG 2011 (termination due to the fund assets falling below EUR 1.15 million) effective 23 January 2018, and the fund is hereby being closed.

The third quarter of 2017 was dominated by the federal parliamentary elections in Germany and the marked worsening of tensions between the USA and North Korea. Angela Merkel was again the winner in the federal parliamentary elections in September. Merkel's victory makes her the longest-serving federal chancellor in Europe, but the right-leaning opposition party won seats in parliament for the first time, which could lead to internal conflicts. This risk of discord led many investors to lower their expectations and to proceed with caution. The European equity markets and the euro fell after the elections, in part due to worries about the future stability of the German government and economy. According to analysts, the initial market reaction to the election outcome was negative. Merkel won, but the victory was not all that pronounced for her fourth term.

Market sentiment in the USA remained good despite increased political uncertainty due to the rising tensions with North Korea and the continued failure of the Trump administration to implement its political plans. The global equity markets continued to climb in the third quarter. Generally positive macroeconomic data again supported US stocks in the fourth quarter, including unexpectedly high GDP growth of 3.0% (annualised) in the third quarter. The Dow Jones Industrial Average rose by 15.78% in the second half of 2017, and the S&P 500 index by 10.32%. This positive trend continued in January 2018 (until the 23rd), with the Dow Jones climbing by another 6.03% and the S&P 500 by a further 6.19%.

European stocks posted a moderate gain of 2.59% in the third and fourth quarters overall (as measured by the Stoxx Europe 600). The economic data for the Eurozone was robust throughout the period. GDP growth in the second quarter came to 0.6%, after expansion of 0.5% in the first quarter. Despite a good year for the European economy, European stocks delivered lower growth than their US counterparts in 2017. European companies of course did not benefit as much from tax cuts as companies in the USA. Political issues such as the independence referendum in Catalonia on 1 October 2017 and the elections in Italy in 2018 also made European investors more cautious. As was the case in the USA, the first weeks of January 2018 were very positive for the European equity markets. The Stoxx Europe 600 rose by 3.5% in this short period.

The emerging equity markets achieved an impressive gain of 14.61% in the last six months of 2017 (as measured by the MCSI Emerging Markets Index in USD) on the back of steady global growth and moderate inflation. The weakness of the US dollar, the continued rapid growth of the Chinese economy, and the rebounding commodity prices had a positive effect on EM stocks. The index rose by a further 8.11% in January (up to the 23rd).

Japanese stocks also had a very strong second half of 2017 (Nikkei 225 plus 13.63%). The most important driver of Japanese stocks was the fantastic corporate earnings growth of 16% yoy in the third quarter. This was facilitated by strong global growth and accelerating international trade. The trend continued in January 2018 with a plus of 5.97%.

Despite a further decline in unemployment and healthy GDP growth, the acceleration of US core inflation that was expected in 2017 did not materialise. The disappointment about the inflation trend enabled government bonds around the world to generate better earnings than anticipated by many investors. However, increased inflation expectations in the second half of 2017 combined with tax cuts in the USA and a tightening of central bank policy kept gains on government bonds low for the second half of the year (Bloomberg Barclays US Treasury Total Return Index plus 0.43%; Bloomberg Barclays EuroAgg Total Return Index plus 1.24%). The best performers on the bond markets were high yield issues (Bloomberg Barclays Global High Yield Total Return Index plus 3.73%) and the emerging markets (J.P. Morgan EMBI Global Total Return Index plus 2.94%). January 2018 (up to the reporting date) was weak across the board (US Treasuries minus 0.96%; Euro Aggregate plus 0.06%; EMBI Global minus 0.1%), and only the high yield segment posted clear gains (plus 1.1%).

The euro continued to appreciate against the US dollar in the third and fourth quarters of 2017 (plus 5.07%), as it had for the majority of the year up to then. The euro started the year at 1.0517 versus the US dollar. Many analysts predicted a move towards parity (1:1). But the euro recovered substantially and ended 2017 at 1.2005. This trend continued in January, and the euro climbed by a further 2.45% versus the dollar.

The depreciation of the US dollar was also the main reason for the slow performance of UNFA Global Balanced. Nearly all sub-funds in the portfolio delivered positive performance, with the equity funds doing especially well. But because the currency exposure averaged around 42% of the fund assets, the overall performance suffered considerably.

The allocations to the individual asset classes in the portfolio were not changed to any significant degree in the two quarters. At the end of 2017, the fund consisted of around 12% cash and money market funds, 44.5% bonds, 39% equities, and 4.5% materials. The equities positions consisted primarily of European and US stocks (15% and 13%, respectively), the emerging markets (3%), Asia ex Japan (3%), 6% Japanese companies, and 2% Chinese equities. UNFA Global Balanced had a long-term orientation, so corrections and changes to the asset allocation were only made very carefully. UNFA Global Balanced gained momentum in the second half of the reporting period, and achieved a plus of 1.88% for the overall period.

Method of Calculating Overall Risk

Method of calculating overall risk:		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 4th 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

	23 January 2018		30 June 2017	
	EUR millions	**%**	**EUR millions**	**%**
Investment certificates denominated in				
EUR	-	-	2.5	58.56
USD	-	-	1.7	39.43
Securities	-	-	4.2	97.99
Dividend entitlements	0.0	0.39	0.0	0.01
Cash in banks	0.1	99.78	0.1	2.01
Other deferred items	- 0.0	- 0.17	- 0.0	- 0.01
Fund assets	**0.1**	**100.00**	**4.3**	**100.00**

Comparative Overview (in EUR)

Financial year	Fund assets	Non-dividend shares			KESt-exempt non-dividend shares		Value development in per cent 1)
		Calculated value per share	Reinvested earnings	Payment in accordance with § 58 (2) InvFG	Calculated value per share	Reinvested KESt-exempt earnings	
2014/15 2)	14,988,203.86	108.31	1.35	0.32	108.31	1.67	+ 8.31
2015/16	4,714,939.61	107.21	3.5910	0.7156	107.54	4.3104	- 0.71
2016/17	4,306,881.08	111.73	2.6170	0.5431	112.82	3.1787	+ 4.91
2017/18 3)	113,456.42	113.27	-	0.7740	114.92	-	+ 1.88

1) Assuming the reinvestment of all paid dividends at their nominal value on the day of disbursement.
2) Partial financial year from 1 September 2014 to 30 June 2015.
3) Final partial financial year from 1 July 2017 to 23 January 2018; fund assets and calculated value before the distribution of the assets.

Disbursement/Payment

The following disbursement or payment will be made for the partial financial year from 1 July 2017 to 23 January 2018. 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 14 February 2018 at

Erste Group Bank AG, Vienna,

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

Fund type	ISIN	Currency	Disbursement/ payment		KESt with option declaration	KESt w/o option declaration	Reinvestment
Non-dividend shares	AT0000A193A5	EUR	0.7740		0.7440	0.7440	-
KESt-exempt non-dividend shares	AT0000A193B3	EUR	-	*	-	-	-
KESt-exempt non-dividend shares	AT0000A193C1	GBP	-	*	-	-	-
KESt-exempt non-dividend shares	AT0000A193D9	USD	-	*	-	-	-

* 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 Financial Year (Fund Performance)

Calculation according to the OeKB method per share in the share currency not accounting for an issue premium

AT0000A193A5 non-dividend shares EUR	
Share value at the beginning of the reporting period (8,503.780 shares)	111.73
Disbursement/payment on 28.09.2017 (corresponds to roughly 0.0049 shares at a calculated value of 110.34)	0.5431
Share value at the end of the reporting period (908.160 shares)	113.27
Total value including (notional) shares gained through disbursement/payment	113.83
Net earnings per share	2.10
Value development of one share in the period	1.88%

AT0000A193B3 KESt-exempt non-dividend shares EUR	
Share value at the beginning of the reporting period (690.112 shares)	112.82
Disbursement/payment	0.0000
Share value at the end of the reporting period (101.718 shares)	114.92
Total value including (notional) shares gained through disbursement/payment	114.92
Net earnings per share	2.10
Value development of one share in the period	1.86%

AT0000A193C1 KESt-exempt non-dividend shares GBP	
Share value at the beginning of the reporting period (109.822 shares)	99.18
Disbursement/payment	0.0000
Share value at the end of the reporting period (0.000 shares)	101.45
Total value including (notional) shares gained through disbursement/payment	101.45
Net earnings per share	2.27
Value development of one share in the period	2.29%

AT0000A193D9 KESt-exempt non-dividend shares USD	
Share value at the beginning of the reporting period (28,963.023 shares)	128.91
Disbursement/payment	0.0000
Share value at the end of the reporting period (0.023 shares)	140.48
Total value including (notional) shares gained through disbursement/payment	140.48
Net earnings per share	11.57
Value development of one share in the period	8.98%

2. Fund Result

a. Realised fund result			
Ordinary fund result			
Income (without profit or loss from price changes)			
Interest income (excluding income adjustment)	493.25		
Dividend income	15,570.32		
Other income 8)	46.09		
Total income (without profit or loss from price changes)		16,109.66	
Interest paid		- 128.59	
Expenses			
Fees paid to Investment Firm	- 25,219.70		
Costs for the financial auditor and tax consultation	- 2,940.00		
Publication costs	- 8,649.99		
Securities account fees	- 831.78		
Custodian bank fees	0.00		
Costs for the external consultant	0.00		
Total expenses		- 37,641.47	
Compensation for management costs from sub-funds 1)		4,553.65	
Ordinary fund result (excluding income adjustment)			**- 17,106.75**
Realised profit or loss from price changes 2) 3)			
Realised gains 4)		218,725.35	
Realised losses 5)		- 133,077.43	
Realised profit or loss from price changes (excluding income adjustment)			**85,647.92**
Realised fund result (excluding income adjustment)			**68,541.17**
b. Unrealised profit or loss from price changes 2) 3)			
Changes in the unrealised profit or loss from price changes 7)			- 62,892.64
Result for the reporting period 6)			**5,648.53**
c. Income adjustment			
Income adjustment for income in the period			- 68,116.10
Income adjustment for profit carried forward from dividend shares			0.00
Overall fund result			**- 62,467.57**

3. Changes in Fund Assets

Fund assets at the beginning of the reporting period	**4,306,881.08**
Disbursement/payment in the financial year	**- 4,623.37**
Issue and return of shares	**- 4,126,333.72**
Overall fund result	
(The fund result is shown in detail under item 2.)	**- 62,467.57**
Fund assets at the end of the reporting period	**113,456.42**

* Partial financial year from 1 July 2017 to 23 January 2018.

1) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the fund after deduction of any associated 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 22,755.28.
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 financial year includes explicitly reported transaction costs in the amount of EUR 1,313.74.
7) Thereof changes in unrealised gains EUR -130,434.57 and unrealised losses EUR 67,541.93.
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 46.09.

Fund Portfolio as of 23 January 2018

(including changes in securities assets from 1 July 2017 to 23 January 2018)

Breakdown of fund assets	Value in EUR	% share of fund
Cash in banks	113,206.41	99.78
Dividend entitlements	445.03	0.39
Other deferred items	-195.02	- 0.17
Fund assets	113,456.42	100.00

Non-dividend shares outstanding	AT0000A193A5	shares	908.160
Share value for non-dividend share	AT0000A193A5	EUR	113.27
KEST-exempt non-dividend shares outstanding	AT0000A193B3	shares	101.718
Share value for KEST-exempt non-dividend share	AT0000A193B3	EUR	114.92
KEST-exempt non-dividend shares outstanding	AT0000A193C1	shares	0
Share value for KEST-exempt non-dividend share	AT0000A193C1	GBP	101.45
KEST-exempt non-dividend shares outstanding	AT0000A193D9	shares	0.023
KEST-exempt non-dividend shares outstanding	AT0000A193D9	USD	140.48

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.

Collateral in the form of cash or bonds is pledged to Erste Group Bank AG in the amount of the negative exposure of the derivatives.

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 the amount of the positive exposure of the derivatives. 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.

Investor note:

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

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

Security designation	ISIN number	Purch./ additions	Sales/ disposals
		Shares/nominal (nom. in 1,000, rounded)	
Investment certificates			
Investment certificates denominated in EUR			
Issue country Ireland			
ISHSII-JPM DL EM BD DLDIS	IE00B2NPKV68	0	1,192
ISHSVI-E.MSCI EO MIN.VEOA	IE00B86MWN23	0	8,338
ISHSVI-E.S+P500MIN.V.DL A	IE00B6SPMN59	0	8,468
Issue country Luxembourg			
BGF-EO SHT DUR.BD REG.A2	LU0093503810	0	21,248
INVESCO PAN EUR.STR.EQU.A	LU0119750205	0	16,069
PARVEST-EQ.JA.SM.CA.C.C.H	LU0194438841	0	1,355
SISF EURO BOND A ACC	LU0106235533	0	12,380
Issue country Austria			
TRUE ROCK T	AT0000A09V98	0	4,559
Investment certificates denominated in USD			
Issue country Germany			
LBBW ROHSTOFFE 2 LS I USD	DE000A1JSV72	0	2,841
Issue country Great Britain			
M+G INVT(1)-ASIAN A A DL	GB00B3K51D55	0	5,461
Issue country Ireland			
COMGEST GRO.-GEM P.C.IADL	IE00B62TFX49	0	8,043
KAMES H.YLD GL.BD AACCDL	IE00B296WY05	0	10,558

Security designation	ISIN number	Purch./ additions	Sales/ disposals
		Shares/nominal (nom. in 1,000, rounded)	
Issue country Luxembourg			
BGF-GL GOVERNM.BD FD A2	LU0006061385	0	6,829
FID.FDS-AMER. A ACC.DL GL	LU0251131958	0	9,203
FTIF-US LOW DURAT. A A DL	LU0551246555	0	32,393
PICT.-SHORT-TERM MM USD P	LU0128496485	0	3,288
SISF GREATER CHINA C ACC	LU0140637140	0	1,403

Vienna, 5 February 2018

ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.
Electronically signed

Inspection information: The electronic signatures in this document can be inspected at www.signaturpruefung.gv.at.

Note: 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]).

Auditor's Opinion*

Statement on the annual report

Audit opinion

We have audited the annual report prepared by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., Vienna, for the fund under its management

UNFA Global Balanced
mutual fund pursuant to the InvFG,

consisting of the fund portfolio as of 23 January 2018, the income statement for the partial financial year ending on this date, and the other information specified in Annex I Scheme 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 23 January 2018 and of the earnings position of the fund for the final partial financial 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 opinion. 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 a statement 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 fund portfolio, the income statement, the other information specified in Annex I Scheme B of the InvFG 2011, and the auditor's opinion.

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, 5 February 2018

Ernst & Young
Wirtschaftsprüfungsgesellschaft m.b.H

Mag. Andrea Stippl
(Certified Public Accountant)

ppa MMag. Roland Unterweger
(Certified Public Accountant)

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

Fund Terms and Conditions for UNFA Global Balanced

Mutual fund pursuant to the InvFG

The Fund Terms and Conditions for UNFA Global Balanced, mutual 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 the collective investment of transferable securities (UCITS) and is managed by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. (the “Management Company” in the following), which is domiciled in Vienna.

Article 1
Fund Shares

The partial ownership of the fund assets is evidenced by certificates having the characteristics of a bearer share.

The share certificates are depicted in global certificates for each share class. For this reason, individual share certificates cannot be issued.

Article 2
Custodian Bank (Depositary Bank)

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

The payment offices for share certificates are the custodian bank (depositary bank) or other payment offices mentioned 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 primarily, in other words at least 51% of its assets, in shares in investment funds that according to their fund terms and conditions primarily invest

- In equities or comparable assets or assets that are categorised as an equity fund or as comparable to an equity fund by at least one internationally recognised organisation (such as its classification according to Bloomberg, Datastream, software-systems.at Börsensoftware & Datenbankservice GmbH, Standard and Poor’s, etc.); or

- In bonds or comparable debt instruments or assets that are categorised as a bond fund or as comparable to a bond fund by at least one internationally recognised organisation.

There are no limitations with regards to the domicile of the issuers of the instruments in the Fund or the economic sectors in which these issuers are active.

Shares in equity funds may amount to a maximum of 50% of the fund assets; shares in bond funds may make up to a maximum of 60% of the fund assets.

The Fund can invest to a limited extent in global equities and international bonds. There are no limitations with regards to the domicile of the issuer or the economic sector in which the issuer is active.

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

a) Securities

   Securities (including securities with embedded derivative financial instruments) may comprise up to 49% of the fund assets.

b) Money market instruments

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

c) Securities and money market instruments

   The Fund may purchase 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.

   Securities and money market instruments may only 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.

   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) Shares in investment funds

Shares in investment funds (UCITS, UCI) may each comprise up to 20% of the fund assets and may comprise up to 100% in aggregate total, provided that the target funds themselves (UCITS, UCI) do not invest more than 10% of their fund assets in shares of other investment funds.
Shares in UCIs may make up no more than 30% of the fund assets.

e) Derivative financial instruments

Derivative financial instruments can be used for hedging purposes and as part of the investment strategy, and may comprise up to 35% 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).

g) Demand deposits or callable deposits

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

There are no minimum deposit requirements.

However, in the course of the restructuring of the fund portfolio and/or in the case of the justified assumption of impending losses experienced by shares in investment funds, the Fund can hold a lower proportion of shares in investment funds and a higher proportion of demand deposits or callable deposits 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 share classes or groups of share classes.

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

Article 4
Issue and Return Procedure

The share value shall be calculated in the currency of the respective share class.
The share value is calculated at the same time as the issue and return price.

Issue of shares and issue premium

The issue price will be calculated and shares issued on every exchange trading day.

The issue price shall be made up of the share value plus a premium per share amounting to up to 5.0% to cover the costs incurred by the Management Company in issuing the share, rounded up to the next cent.

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

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

Return of shares and return fee

The return price will be calculated and shares redeemed on every exchange trading day.

The return price is the share value rounded down to the next cent. No return fee will be charged.

Upon request by the Shareholder, his shares shall be redeemed at the current return price in return for the share certificate.

Article 5
Financial Year

The financial year of the Fund is from 1 July to 30 June.

Article 6
Share Classes and Use of Earnings

The Fund features three different share classes and the corresponding certificates: dividend shares and non-dividend shares with capital gains tax withholding as well as non-dividend shares without capital gains tax withholding, with certificates being issued for one share each and also for fractional shares.

Various share classes may be issued for this Fund. The creation of share classes and the issue of shares of a specific class shall be decided at the discretion of the Management Company.

Use of earnings for dividend shares

The earnings generated during the financial year (interest and dividends) less all costs can be distributed as deemed appropriate by the Management Company. Dividend disbursement may be suspended taking the interests of the Shareholders into account. Dividends may also be paid at the discretion of the Management Company from earnings generated by the sale of fund assets, including subscription rights. Fund assets may be paid out in the form of dividends and interim dividends.
The fund assets may not fall below the legally stipulated minimum volume for termination after dividend payments in any case.

The amounts shall be paid to the holders of dividend shares on or after 1 October of the following financial year. The remaining amount shall be carried forward.

An amount calculated in accordance with the InvFG must also be paid out on or after 1 October to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund shares unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the share certificates can only be held by Shareholders who are not subject to Austrian personal or corporate income 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 shares with capital gains tax withholding

The earnings generated by the Fund during the financial year less all costs will not be paid out. In the case of non-dividend shares, an amount calculated in accordance with the InvFG must be paid out on or after 1 October to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund shares unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the share certificates can only be held by Shareholders who are not subject to Austrian personal or corporate income 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 shares without capital gains tax withholding (KESt-exempt non-dividend domestic and foreign share class)

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

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

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

Article 7
Management Fee, Compensation for Expenses, Liquidation Fee

The Management Company shall receive an annual fee for its administrative activities amounting to up to 1.25% of the fund assets, which shall be accrued on a daily basis and calculated using the month-end values adjusted for the accrued fees, in any case at least EUR 2,900 per month.

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

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

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

The custodian bank shall receive a fee in the amount of 0.5% of the fund assets upon liquidation.

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

Annex to the Fund Terms and Conditions

List of exchanges with official trading and organised markets
(As of 2014)

1. Exchanges with official trading and organised markets in the Member States of the EEA

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

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

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

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

http://mifiddatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display&subsection_id=0 *)

under "Verzeichnis der Geregelten Märkte (pdf)" (List of Regulated Markets).

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

1.2.1	Luxembourg:	Euro MTF Luxembourg

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

Markets in the EEA that have been classified as recognised markets by the respective 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.	Switzerland:	SWX Swiss Exchange
2.5.	Serbia:	Belgrade
2.6.	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:	Bombay
3.8.	Indonesia:	Jakarta
3.9.	Israel:	Tel Aviv
3.10.	Japan:	Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima
3.11.	Canada:	Toronto, Vancouver, Montreal
3.12.	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, American Stock Exchange (AMEX), New York Stock Exchange (NYSE), Los Angeles/Pacific Stock Exchange, San Francisco/Pacific Stock Exchange, 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:	SWX Swiss Exchange, BX Berne eXchange; over the counter market of the members of the International Capital Market Association (ICMA), Zurich
4.5	USA:	over the counter market in the NASDAQ system, over the counter market (markets organised by NASD such as the over the counter equity market, municipal bond market, government securities market, corporate bonds and public direct participation programs), over the counter market for agency mortgage-backed securities

5. Exchanges with futures and options markets

5.1.	Argentina:	Bolsa de Comercio de Buenos Aires
5.2.	Australia:	Australian Options Market, Australian Securities Exchange (ASX)
5.3	Brazil:	Bolsa Brasiliera 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:	American Stock Exchange, Chicago Board Options Exchange, Chicago Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, Mid America Commodity Exchange, ICE Future US Inc. New York, Pacific Stock Exchange, Philadelphia Stock Exchange, New York Stock Exchange, Boston Options Exchange (BOX)

*) To open the list, click “view all”.
[The list can be found on the FMA’s web site by going to: http://www.fma.gv.at/de/unternehmen/boerse-wertpapierhandel/boerse.html – scroll down – link to “Liste der geregelten Märkte (MiFID Database; ESMA)” – “view all”]

Note regarding the data used

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

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

Unless indicated otherwise, source: ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. Our languages of communication are German and English. Both the full prospectus and the simplified prospectus as well as 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 for free at the domicile of the Investment Firm and at the head office of the custodian bank. The exact date of the most recent publication, the languages in which the simplified prospectus and the Key Investor Information are available, and any additional locations where the documents can be obtained can be viewed on the web site www.erste-am.at.

www.erste-am.com
www.erste-am.at