

ESPA CASH DOLLAR

Mutual fund pursuant to InvFG

Semi-Annual Report 2011

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General Information about the Investment Firm

The company	ERSTE-SPARINVEST Kapitalanlagegesellschaft m. b. H. Habsburgergasse 1a, A-1010 Vienna Telephone: +43 05 0100-19881, Fax: +43 05 0100-17102
Nominal capital	EUR 4.50 million
Shareholders	Erste Asset Management GmbH (81.42%) DekaBank Deutsche Girozentrale (2.87%) Kärntner Sparkasse Aktiengesellschaft (2.87%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (1.37%) Salzburger Sparkasse Bank Aktiengesellschaft (2.87%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (2.87%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (5.73%)
Supervisory Board	Wolfgang TRAINDL, Mag. (Chairman) Gerhard FABISCH, Mag. Dr. (Deputy Chairman) Wilhelm SCHULTZE, DI (Deputy Chairman) Christian AICHINGER, Dr. Birte QUITT, Dipl. BW. (FH) Franz RATZ Gabriele SEMMELROCK-WERZER Reinhard WALTTL, Mag. Appointed by the Works Council: Regina HABERHAUER, Mag. (FH) Dieter KERSCHBAUM, Mag. Gerhard RAMBERGER, Mag. Herbert STEINDORFER
Managing directors	Heinz BEDNAR, Mag. Harald GASSER, Mag. Franz GSCHIEGL, Dr.
Prokuristen (proxies)	Achim ARNHOF, Mag. Winfried BUCHBAUER, Mag. Harald EGGER, Mag. Oskar ENTMAYR Dietmar JAROSCH, Dr. Günther MANDL Christian SCHÖN Paul A. SEVERIN, Mag. Jürgen SINGER, Mag.
State commissioners	Erwin GRUBER Michael MANHARD, HR Dr.
Auditor	ERNST & YOUNG WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH
Custodian bank	Erste Group Bank AG

Dear Shareholder,

We are pleased to present you the following semi-annual report for the ESPA CASH DOLLAR mutual fund pursuant to InvFG for the period from 1 June 2011 to 30 November 2011.

Development of the Fund

Although the global economy closed the third quarter of 2011 with a surprisingly good result, towards the end of the reporting period numerous indicators pointed to an imminent economic downturn. The emerging markets made the main contribution to global economic growth. The more restrictive monetary policy that became necessary in order to combat inflation and the problems in Europe, which is an important export market for the emerging markets, had a hampering effect there. In the developed countries, unemployment, subdued consumption and conservative lending on the part of banks all had a negative impact on development to varying degrees. The biggest stumbling block, however, was the restructuring of the overly indebted national budgets that was necessary in order to stabilise the financial markets and that required a very restrictive fiscal policy. Japan was unable to achieve any notable GDP growth rates. The US proved to be robust. The latest economic data even indicated a slight economic acceleration. Nevertheless, the employment rate was below potential and the real estate market remained a problem area. In Europe, particularly the countries with excessive budget deficits fought against recessive trends, while Germany initially continued to play the role of the economic powerhouse. Despite good domestic data, Germany's economic growth remained very export dependent. France, the Netherlands and Austria also delivered pleasing figures. The latest economic indicators clearly pointed towards a recession for these countries as well, though. The ongoing European financial market crisis is the most important reason behind the negative expectations.

The bickering in the US – between Republicans and Democrats regarding the raising of the debt ceiling along with the necessary budget consolidation – increasingly brought the AAA credit rating of US Treasury bonds into question. Nevertheless, their function as a “safe haven” and the purchases by the Fed along with the gloomy economic prospects led to relatively low yields here, for example, from 3.1% in June to as low as 1.9% in November for ten-year bonds. The yields for ten-year Japanese government bonds fell from 1.2% at the beginning of June to just under 1.0% in November. Aside from the financial sector – especially when it was involved in the exposed countries – risk premiums for corporate bonds initially remained stable at a relatively low level. It was not until the summer that increasing risk aversion drove them up again. This was intensified by considerable declines in equity prices.

Along with prices for agricultural products and raw materials, energy prices increased in the initial months of the reporting period, due in part to the political situation in the Middle East and the more critical stance towards nuclear power. As a result, the issue of inflation increasingly moved into the spotlight. However, the American and Japanese central banks left the key interest rates at the extremely low level of 0.00% to 0.25% and 0.10%, respectively. Most recently at 3.0%, the rate of consumer price growth for the Eurozone was above the ECB's stability target of 2.0%. In July, the ECB raised the main refinancing rate by another 0.25 percentage points to 1.50%. As the economic outlook darkened, the rate was lowered back to 1.25% at the beginning of November.

The euro moved sideways within a range of 1.40 and 1.47 against the dollar at first, and then lost ground starting in September, falling to as low as 1.32.

Investment policy

The fund focused on investments in short-term bank bonds, corporate bonds, government bonds and time deposits.

Asset Allocation

	30 November 2010		31 May 2011	
	USD millions	%	USD millions	%
Bonds denominated in USD	11.0	33.38	12.7	35.87
Securities	11.0	33.38	12.7	35.87
Cash in banks	21.9	66.40	22.6	64.00
Interest entitlements	0.1	0.22	0.0	0.13
Other deferred items	- 0.0	- 0.00	0.0	0.00
Fund assets	33.0	100.00	35.3	100.00

Fund Portfolio as of 30 November 2011

(including changes in securities assets from 1 June 2011 to 30 November 2011)

Security designation	ISIN number	Interest rate	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in USD	% share of fund assets
Publicly traded securities								
Bonds denominated in USD								
Issue country Germany								
DT.BANK 04/15 MTN DL	XS0198456054	1.265560	0	0	500	88.850000	444,250.00	1.35
Total							444,250.00	1.35
Issue country USA								
WELLS FARGO 2012 FLR MTN	US92976WAK27	0.676940	0	0	500	100.053700	500,268.50	1.52
Total							500,268.50	1.52
Total bonds denominated in USD							944,518.50	2.86
Total publicly traded securities							944,518.50	2.86

Security designation	ISIN number	Interest rate	Purch./ additions Shares/nominal	Sales/ disposals (nom. in 1,000, rounded)	Holding	Price	Value in USD	% share of fund assets
Securities admitted to organised markets								
Bonds denominated in USD								
Issue country Denmark								
DENMARK 09/12 MTN	XS0428037823	2.250000	1,000	0	1,000	100.790000	1,007,900.00	3.05
Total							1,007,900.00	3.05
Issue country Netherlands								
NED.WATERSCH. 10/12 MTN	XS0479894007	1.375000	0	0	1,000	100.185000	1,001,850.00	3.04
Total							1,001,850.00	3.04
Issue country Austria								
AUSTRIA 09/12 MTN REGS	XS0453795824	2.000000	1,000	0	1,000	101.035000	1,010,350.00	3.06
Total							1,010,350.00	3.06
Issue country USA								
GENL EL.CAP. 2012 FLRMTN	US36962GR893	0.592220	0	0	500	100.051000	500,255.00	1.52
HSBC FINANCE 05/12 FLR	US40429CCW01	0.697110	0	0	500	98.250000	491,250.00	1.49
US TREASURY 2012	US912828PH75	0.375000	2,000	0	2,000	100.200000	2,004,000.00	6.07
US TREASURY 2012	US912828PD61	0.375000	1,000	0	1,000	100.220000	1,002,200.00	3.04
US TREASURY 2012	US912828NS58	0.625000	0	0	1,000	100.316406	1,003,164.06	3.04
US TREASURY 2012	US912828MU14	1.000000	0	0	1,000	100.316406	1,003,164.06	3.04
US TREASURY 2013	US912828JQ49	2.750000	0	0	1,000	104.741000	1,047,410.00	3.17
Total							7,051,443.12	21.37
Total bonds denominated in USD							10,071,543.12	30.52
Total securities admitted to organised markets							10,071,543.12	30.52

Breakdown of fund assets

Securities	11,016,061.62	33.38
Cash in banks	21,909,199.58	66.40
Interest entitlements	71,882.85	0.22
Other deferred items	-3.85	-0.00
Fund assets	32,997,140.20	100.00

Dividend shares outstanding	shares	113,044
Non-dividend shares outstanding	shares	145,238
KEST-exempt non-dividend shares outstanding	shares	27,926
Share value for dividend share	USD	95.13
Share value for non-dividend share	USD	127.45
Share value for KEST-exempt non-dividend share	USD	133.67

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* As of 30 November 2011, the securities marked with "lent" in the fund portfolio and the following securities were registered as lent in the following amounts and at the following fees in the securities lending system of Erste Group Bank AG:

Security designation	ISIN number	Lent	Fee
		amount	rate in %
		Shares/nominal (nom. in 1,000, rounded)	
US TREASURY 2012	US912828PD61	1,000	0.05
US TREASURY 2012	US912828PH75	2,000	0.05

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	Interest rate	Purch./	Sales/
			additions	disposals
		Shares/nominal (nom. in 1,000, rounded)		
Publicly traded securities				
Bonds denominated in USD				
Issue country USA				
US TREASURY 2011	US912828MM97	0.750000	2,000	2,500
US TREASURY 2011	US912828LW88	1.000000	0	3,000
US TREASURY 2011	US912828LG39	1.000000	0	3,000
US TREASURY 2011	US912828GA24	4.500000	0	100

Vienna, December 2011

ERSTE-SPARINVEST
Kapitalanlagegesellschaft m.b.H.

Bednar

Gasser

Gschiegl