

ESPA STOCK EUROPE-PROPERTY

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 STOCK EUROPE-PROPERTY mutual fund pursuant to InvFG for the period from 1 May 2011 to 31 October 2011.

Development of the Fund

The sovereign debt crises in Europe and the US have put a huge damper on the financial markets in recent months. Uncertainty regarding the further development of the global economy has also influenced investment activity on the European real estate markets.

In the first half of the year, roughly EUR 140 billion flowed into commercial and residential projects worldwide. This represents an increase of roughly 33% compared to the same period of the previous year. In Europe, seven of the continent's twenty-one large metropolises saw rents rise in the second quarter of 2011. Particularly locations in Scandinavia and Eastern Europe as well as in Germany posted increases.

Real estate prices are threatening to come under pressure again due in part to the negative economic data. Retirement homes and insurance companies – important groups of buyers in terms of investment activity – may be reluctant to purchase properties in the near future. As a result of the decline in equity and bond prices, the real estate portion of these institutional investors' portfolios has already increased disproportionately. This means that the recovery of the real estate markets from the consequences of the financial crisis, which began just last year, is threatening to weaken at the very least. In the second quarter of this year, growth declined in numerous European cities.

On a positive note, corporate earnings have remained within the expectations and there have not yet been any negative surprises in the current reporting season. Most real estate companies also have strong balance sheets and are equipped with solid equity capital ratios in comparison to the crisis in 2007/2008. Refinancing risks are much lower than in previous years and should not pose any major problems overall for the listed sector. High yields in the real estate sector versus ten-year government bonds remain attractive for investors.

Over the medium term, the progress of the global economic recovery will be the main determining factor. Due to the negative trend on the stock exchanges, the discounts on the estimated net inventory values for real estate stocks increased again. Real estate stocks are currently trading at an average discount of 25–30% on their estimated fundamental intrinsic net asset value for 2011/12. We expect another year of weakened growth in 2011/12. It is becoming increasingly important to act selectively. Capital increases will remain relevant in 2011/12 to raise capital for further investments.

The EPRA index achieved a performance of -12.78% in euro terms in the reporting period, with the market moving in a range between 1170 and 1500 index points since May 2011. Leverage management, currencies and stock picking were important performance drivers, as the volatility and diversification of the stocks remained very high. The development of individual equities varied between +12.85% and -59.29%.

The investment strategy continues to focus on companies with solid balance sheets, low debt, low refinancing risk, well diversified tenant structures and sustainable cash flow growth.

Asset Allocation

	31 October 2011		30 April 2011	
	EUR millions	%	EUR millions	%
Equities denominated in				
GBP	18.5	35.35	24.8	35.68
DKK	0.2	0.33	-	-
EUR	20.7	39.53	22.4	32.13
NOK	0.3	0.57	0.7	1.03
SEK	5.5	10.41	5.3	7.58
CHF	2.3	4.31	3.9	5.56
TRL	-	-	0.1	0.13
Investment certificates denominated in				
EUR	5.1	9.74	6.4	9.22
Securities	52.6	100.23	63.6	91.34
Financial futures	-	-	0.5	0.68
Cash in banks/bank liabilities	-	0.2	5.2	7.51
Dividend entitlements	0.1	0.16	0.3	0.48
Interest entitlements	-	-	0.0	0.00
Other deferred items	-	0.0	-	0.0
Fund assets	52.5	100.00	69.6	100.00

Fund Portfolio as of 31 October 2011

(including changes in securities assets from 1 May 2011 to 31 October 2011)

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
				Shares/nominal (nom. in 1,000, rounded)			
Publicly traded securities							
Equities denominated in GBP							
Issue country Great Britain							
BARRATT DEV. PLC LS-.10	GB0000811801	250,000	0	250,000	0.827500	241,189.23	0.46
BIG YELLOW GROUP LS 0.10	GB0002869419	0	100,000	120,000	2.625000	367,248.86	0.70
BRIT. LD CO. PLC LS-.25	GB0001367019	0	160,000	618,333	4.922000	3,548,247.79	6.76
CAPITAL+COUNT.PR.LS-.80	GB00B62G9D36	0	140,000	400,000	1.725000	804,449.89	1.53
DERWENT LONDON LS-.05	GB0002652740	0	5,000	60,000	16.470000	1,152,112.15	2.20
DEV. SEC. PLC LS-.50	GB0002668464	0	0	158,757	1.860000	344,267.27	0.66
GRAINGER PLC LS-.05	GB00B04V1276	0	0	187,374	0.831000	181,534.95	0.35
GREAT PORTLD EST. LS-.125	GB00B01FLL16	0	0	300,000	3.591000	1,255,991.11	2.39
HAMMERSON PLC LS-.25	GB0004065016	0	100,000	437,843	3.905000	1,993,376.60	3.80
HANSTEEN HOLDINGS LS-.10	GB00B0PPFY88	300,000	0	300,000	0.740500	258,997.89	0.49
LAND SECURITIES GROUP PLC	GB0031809436	0	70,000	508,000	6.630000	3,926,694.80	7.48
LIBERTY INTL PLC LS-.50	GB0006834344	0	0	240,000	3.161000	884,475.17	1.69

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
Shares/nominal (nom. in 1,000, rounded)							
SEGRO PLC LS-.10	GB00B5ZN1N88	0	0	540,887	2.349000	1,481,287.87	2.82
SHAFTESBURY PLC LS-.25	GB0007990962	0	40,000	140,000	4.865000	794,073.65	1.51
ST MODWEN PTIES LS-.10	GB0007291015	0	0	150,035	1.242500	217,339.61	0.41
UNITE GROUP PLC LS-.25	GB0006928617	0	0	150,000	1.731000	302,717.99	0.58
Total						17,754,004.83	33.83
Total equities denominated in GBP translated at a rate of 0.857729						17,754,004.83	33.83

Equities denominated in DKK**Issue country Denmark**

TK DEVELOPMENT REG. DK 15	DK0010258995	100,000	11,917	88,083	14.500000	171,650.99	0.33
Total						171,650.99	0.33
Total equities denominated in DKK translated at a rate of 7.440700						171,650.99	0.33

Equities denominated in EUR**Issue country Germany**

ALSTRIA OFFICE REIT AG	DE000AOLD2U1	25,000	0	45,000	9.039000	406,755.00	0.78
DEUTSCHE EUROSHOP AG N.P.	DE0007480204	5,000	0	15,000	25.915000	388,725.00	0.74
DEUTSCHE WOHNEN AG BEARER	DE000A0HN5C6	33,000	0	33,000	10.490000	346,170.00	0.66
DIC ASSET AG	DE0005098404	0	0	2,145	6.525000	13,996.13	0.03
GSW IMMOBILIEN AG	DE000GSW1111	0	0	10,000	23.000000	230,000.00	0.44
Total						1,385,646.13	2.64

Issue country France

FONCIERE D.REGI.BEARER EO 3	FR0000064578	10,000	0	19,000	50.060000	951,140.00	1.81
ICADE S.A.	FR0000035081	9,000	4,000	11,500	61.300000	704,950.00	1.34
KLEPIERRE S.A.BEARER EO 1.40	FR0000121964	0	15,000	55,000	21.335000	1,173,425.00	2.24
MERCIALYS BEARER EO 1	FR0010241638	23,000	32,000	23,000	26.150000	601,450.00	1.15
NEXITY EO 5	FR0010112524	0	10,000	10,000	20.135000	201,350.00	0.38
PIERRE+VACANCES BEARER EO 10	FR0000073041	0	4,370	5,630	27.310000	153,755.30	0.29
UNIBAIL-ROD.SE BEARER EO 5	FR0000124711	0	4,000	38,000	138.800000	5,274,400.00	10.05
Total						9,060,470.30	17.27

Issue country Netherlands

CORIO N.V. EO 10	NL0000288967	25,000	7,000	55,500	35.365000	1,962,757.50	3.74
EUROCOMM.PR. CERT.10EO-50	NL0000288876	0	0	29,647	29.940000	887,631.18	1.69
VASTNED RETAIL NV EO 5	NL0000288918	8,000	6,900	11,655	35.060000	408,624.30	0.78
WERELDHAVE EO 10	NL0000289213	9,000	0	15,409	55.210000	850,730.89	1.62
Total						4,109,743.87	7.83

Issue country Austria

CA IMMOB.BOND	AT0000641352	lent*	0	0	30,000	9.279000	278,370.00	0.53
CONWERT IMMOBILIEN INVEST	AT0000697750	lent*	0	0	120,000	9.900000	1,188,000.00	2.26
IMMOFINANZ AG BEARER	AT0000809058	lent*	0	0	150,000	2.387000	358,050.00	0.68
Total						1,824,420.00	3.48	
Total equities denominated in EUR						16,380,280.30	31.21	

ESPA STOCK EUROPE-PROPERTY

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Equities denominated in SEK							
Issue country Sweden							
WIHLBORG FASTIGHET.SK 2.5	SE0001413600	56,000	28,000	56,000	86.750000	536,174.09	1.02
						Total	536,174.09 1.02
Total equities denominated in SEK translated at a rate of 9.060490						536,174.09	1.02
Total publicly traded securities						34,842,110.21	66.39
Investment certificates denominated in EUR							
Issue country Luxembourg							
EASYETF FTSE EPRA EUROZO.	LU0192223062	0	0	35,000	146.090000	5,113,150.00	9.74
						Total	5,113,150.00 9.74
Total investment certificates denominated in EUR						5,113,150.00	9.74
Securities admitted to organised markets							
Equities denominated in GBP							
Issue country Cayman Islands							
ORCHID DEVELOPM. GRP	KYG6791P1072	0	0	537,484	0.032500	20,365.67	0.04
						Total	20,365.67 0.04
Issue country Great Britain							
SAFESTORE HLDGS LS-.01	GB00B1N7Z094	0	0	185,000	1.045000	225,391.70	0.43
WORKSPACE GROUP LS 1	GB00B67G5X01	200,000	0	200,000	2.357500	549,707.43	1.05
						Total	775,099.13 1.48
Total equities denominated in GBP translated at a rate of 0.857729						795,464.80	1.52
Equities denominated in EUR							
Issue country Belgium							
BEFIMMO S.C.A. SICAFI	BE0003678894	5,000	0	5,000	54.050000	270,250.00	0.51
COFINIMMO	BE0003593044	6,000	0	6,000	86.720000	520,320.00	0.99
						Total	790,570.00 1.51
Issue country Germany							
PRIME OFFICE REIT-AG N.P.	DE000PRME012	80,000	0	80,000	4.495000	359,600.00	0.69
						Total	359,600.00 0.69
Issue country Finland							
CITYCON OYJ	FI0009002471	0	0	50,000	2.520000	126,000.00	0.24
SPONDA OYJ EO 1	FI0009006829	150,000	0	200,000	3.000000	600,000.00	1.14
TECHNOPOLIS PLC	FI0009006886	0	0	70,000	3.420000	239,400.00	0.46
						Total	965,400.00 1.84

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding Shares/nominal (nom. in 1,000, rounded)	Price	Value in EUR	% share of fund assets
Issue country France							
GECINA S.A. REG. EO 7.50	FR0010040865	10,000	4,000	12,000	67.530000	810,360.00	1.54
S.I.L.I.C. BEARER EO 4	FR0000050916	0	0	7,500	72.250000	541,875.00	1.03
					Total	1,352,235.00	2.58
Issue country Italy							
BENI STABILI EO 0.10	IT0001389631	0	0	654,000	0.404400	264,477.60	0.50
IMMOBILIARE GR. DISTR.	IT0003745889	0	0	150,000	1.046000	156,900.00	0.30
					Total	421,377.60	0.80
Issue country Netherlands							
NIEUWE STEEN INV. EO -.46	NL0000292324	45,825	0	45,825	10.335000	473,598.81	0.90
					Total	473,598.81	0.90
				Total equities denominated in EUR		4,362,781.41	8.31
Equities denominated in NOK							
Issue country Norway							
NORWEGIAN PROPERTY NK 0.5	N00010317811	0	0	270,000	8.590000	299,090.85	0.57
					Total	299,090.85	0.57
				Total equities denominated in NOK translated at a rate of 7.754500		299,090.85	0.57
Equities denominated in SEK							
Issue country Sweden							
CASTELLUM AB	SE0000379190	15,000	0	115,000	85.400000	1,083,936.96	2.07
FABEGE AB SK 28.50	SE0000950636	0	0	90,000	54.350000	539,871.46	1.03
HUFVUDSTADEN A SK 5	SE0000170375	0	0	90,000	68.750000	682,910.09	1.30
KLOEVERN AB NAV. SK-.5	SE0000331225	0	100,000	100,000	26.500000	292,478.66	0.56
KUNGSLEDEN AB	SE0000549412	0	0	100,000	47.500000	524,254.21	1.00
					Total	3,123,451.38	5.95
				Total equities denominated in SEK translated at a rate of 9.060490		3,123,451.38	5.95
Equities denominated in CHF							
Issue country Switzerland							
PSP SWISS PROP. SF 0.1	CH0018294154	0	0	35,000	78.650000	2,260,725.67	4.31
SWISS PRIME SITE SF18.8	CH0008038389	0	0	31,000	70.850000	1,803,776.16	3.44
					Total	4,064,501.83	7.75
				Total equities denominated in CHF translated at a rate of 1.217640		4,064,501.83	7.75
				Total securities admitted to organised markets		12,645,290.27	24.10

ESPA STOCK EUROPE-PROPERTY

Security designation	ISIN number	Purch./ additions	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
		Shares/nominal (nom. in 1,000, rounded)					

Rights evidenced by paper

Equities denominated in EUR

Issue country Austria

IMMOFINANZ RECTIF.ENTIT.	AT0000A0GYS9	150,000	0	150,000	0.000000	0.00	0.00	
						Total	0.00	0.00
						Total EUR	0.00	0.00
						Total rights evidenced by paper	0.00	0.00

Warrants denominated in EUR

Issue country Netherlands

NIEUWE STEEN INV. WTS13	NL0009842509	23	0	23	0.000000	0.00	0.00	
						Total	0.00	0.00
						Total warrants denominated in EUR	0.00	0.00
						Total unlisted securities	0.00	0.00

Unlisted securities

Warrants denominated in EUR

Issue country Netherlands

NIEUWE STEEN INV. WTS13	NL0009842509	23,000	0	23,000	0.000000	0.00	0.00	
						Total	0.00	0.00
						Total warrants denominated in EUR	0.00	0.00
						Total unlisted securities	0.00	0.00

Breakdown of fund assets

Securities	52,600,550.48	100.23
Dividend entitlements	85,966.12	0.16
Bank liabilities	-205,517.57	-0.39
Other deferred items	-2,952.91	-0.01
Fund assets	52,478,046.12	100.00

Dividend shares outstanding	shares	103,433
Non-dividend shares outstanding	shares	162,713
KEST-exempt non-dividend shares outstanding	shares	80,344
Share value for dividend share	EUR	118.45
Share value for non-dividend share	EUR	162.02
Share value for KEST-exempt non-dividend share	EUR	172.56

* As of 31 October 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)	
CA IMMOB.BOND	AT0000641352	15,600	0.20
CITYCON OYJ	FI0009002471	50,000	0.10
CONWERT IMMOBILIEN INVEST	AT0000697750	58,500	0.20
IMMOFINANZ AG BEARER	AT0000809058	113,000	0.20

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./	Sales/
		additions	disposals
		Shares/nominal (nom. in 1,000, rounded)	
Publicly traded securities			
Equities denominated in GBP			
Issue country Great Britain			
HELICAL BAR (POST REORG.)	GB00B0FYMT95	0	115,000
PERSIMMON PLC LS-.10	GB0006825383	0	50,000
WORKSPACE GRP -INT.CERT.N.-P.-	GB00B4VH2Y54	500,000	500,000
Equities denominated in EUR			
Issue country Netherlands			
KONINK.BAM GROEP EO-.10	NL0000337319	80,000	80,000
VASTNED OFF./IND. EO 5	NL0000288934	0	23,216
Issue country Austria			
S IMMO AG	AT0000652250	0	60,000
Issue country Spain			
MELIA HOTELS INTL EO -.20	ES0176252718	0	45,000
Equities denominated in SEK			
Issue country Sweden			
FASTIG.AB BALDER B SK 1	SE0000455057	32,500	97,500

ESPA STOCK EUROPE-PROPERTY

Security designation	ISIN number	Purch./ additions	Sales/ disposals
Shares/nominal (nom. in 1,000, rounded)			
Equities denominated in TRL			
Issue country Turkey			
EMLAK KONUT GAYR.YAT.ORT.	TREEGY000017	300,000	300,000
Securities admitted to organised markets			
Equities denominated in GBP			
Issue country Great Britain			
WORKSPACE GROUP LS-.10	GB0005296354	0	2,000,000
Equities denominated in NOK			
Issue country Norway			
BWG HOMES ASA NK 1	N00010298300	0	110,000
Equities denominated in SEK			
Issue country Sweden			
JM AB	SE0000806994	0	30,000
Unlisted securities			
Equities denominated in EUR			
Issue country Netherlands			
CORIO N.V. -INT.CERT.SEL.-	NL0009704543	0	37,500
VASTNED OFF./IND. -INT.CERT.-	NL0009704758	23,216	23,216
VASTNED RETAIL -INT.CERT.SEL.-	NL0009704766	10,555	10,555
WERELDHAVE -INT.CERT.SEL.-	NL0009704626	0	6,409
Equities denominated in TRL			
Issue country Turkey			
KILER GAYR.YAT.ORTAK.TN 1	TREKGY000014	0	32,640

Vienna, November 2011

ERSTE-SPARINVEST
Kapitalanlagegesellschaft m.b.H.

Bednar

Gasser

Gschiegl