

OFFERING PROSPECTUS

for the Fund

Absolute Return S.A. **Collective Fund under § 20 Investment Funds Act**

of
ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.
Habsburgergasse 1a
A - 1010 Vienna

This Offering Prospectus was drawn up in accordance with the Fund Regulations adapted to the provisions of the 1993 Investment Funds Act in the 2006 amended version and published on 27.9.2007.

It must be noted that these Fund Regulations become effective on 28.12.2007.

Last previous publications: 16.7.2005, 28.9.2005, 20.5.2006, 28.8.2007

Due to its availability by e-mail, the formatting may differ from the original filed at Oesterreichische Kontrollbank.

Prospective investors are to be provided free of charge with the currently valid Offering Prospectus and the General Fund Regulations together with the Special Fund Regulations. This Offering Prospectus is supplemented by the latest statement of accounts. If more than eight months have elapsed since the accounting date of the statement of accounts, then the prospective investors must also be provided with the interim half-yearly statement. Prospective investors must also be offered the current version of the simplified prospectus free of charge before contracting or provided with it after contracting.



DISCLAIMER IN RELATION TO THE SALE of non-US funds to US clients

Sales restriction

The shares issued by this special fund may only be the publicly offered or sold in countries in which such public offering or sale is admissible. If no declaration is made to the local regulatory authorities by the investment company or by a third party commissioned by it, or no licence has been obtained from the local regulatory authorities and if no such declaration or licence is available, then this does not constitute an offer to purchase investment shares.

The shares have not been and will not be registered according to the 1933 *United States Securities Act* as amended (hereinafter the "1933 Act") or according to the securities laws of a federal state or local authority of the United States of America or its territories, possessions or other areas, which are bound by its legal sovereignty, including the Commonwealth of Puerto Rico (hereinafter the "United States").

The shares may not be publicly offered, sold or otherwise transferred in the United States. The shares will be offered and sold on the basis of an exemption from the registration rules of the 1933 Act, in accordance with Regulation S of the said Act. The investment company and the special fund have not been and will not be registered either according to the 1940 *United States Investment Company Act* as amended, or according to other US Federal laws. Accordingly, shares will not be publicly offered or sold either in the United States or to or for the account of US persons (within the meaning of the definitions for the purposes of the US Federal laws governing securities, commodities and taxes, including Regulation S of the 1933 *United States Securities Act*) (hereinafter "US persons"). Subsequent transfers of shares within the United States or to US persons are not admissible.

The shares have neither been licensed by the US *Securities and Exchange Commission* (hereinafter the "SEC") or any other regulatory authority in the United States, nor has such a licence been refused; in addition, neither the SEC nor another regulatory authority in the United States has given a decision on the accuracy and appropriateness of this offering prospectus or the advantages of the shares. The *United States Commodity Futures Trading Commission* has neither examined nor approved this document or any other offering documents for the investment company or the special fund.

No-one is authorised to make declarations or give assurances that are not contained in the offering prospectus or in the documents to which reference is made in the offering prospectus. These documents are publicly accessible at the registered office of the investment company.

This prospectus may not be circulated in the United States.

Investors who must be considered as *restricted persons* for the purposes of US Regulation no. 2790 of the *National Association of Securities Dealers* (NASD 2790) must immediately declare their investments in the special fund of the investment company.

SECTION I INFORMATION ON THE INVESTMENT COMPANY

1. Name and registered office; legal form; date of formation; register and registration; legal system applicable

The investment company for the investment fund described in detail in this prospectus is ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. with its registered office at 1010 Vienna, Habsburgergasse 1a.

Sparinvest Kapitalanlagegesellschaft m.b.H. was formed on 29.3.1965 and, after various changes under company law, was registered from 13.6.1996 as SparInvest Austria Kapitalanlagegesellschaft m.b.H. With effect from 1.1.1998 it merged, as the transferor company, with DIE ERSTE-Kapitalanlagegesellschaft m.b.H., formed on 7.11.1985, as the acquiring company, and became ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H..

ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. is an investment company within the meaning of the Federal Investment Funds Act (InvFG). It has the legal form of a limited liability company (GmbH), is governed by the laws of Austria and is registered at the Companies' Register Court, Vienna Commercial Court, under Companies' Register number FN 81876 g.

2. Information on all the investment funds managed by the Company

The investment funds currently managed by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H. are listed in Annex 1.

3. Information on the management

Dr. Franz Gschiegl, Mag. Heinz Bednar, Mag. Harald Gasser.

4. Supervisory Board

Mag. Wolfgang Traindl (Chairman), Dr. Gerhard Fabisch (Deputy Chairman), Mag. Dr. Kurt Stöber (Deputy Chairman), Leopold Breitfellner, Mag. Alois Hochegger, Dr. Michael Malzer, Franz Ratz, Mag. Rupert Ascher.

5. Nominal capital of the limited company

Euro 2,300,000

6. Financial year

The financial year of the investment company is the calendar year.

7. Information on the shareholders

Erste Bank der oesterreichischen Sparkassen AG, NÖ-Sparkassen Beteiligungsgesellschaft m.b.H., Kärntner Sparkasse AG, Salzburger Sparkasse Bank AG, Sieben-Tiroler-Sparkassen Beteiligungsgesellschaft m.b.H., Steiermärkische Bank und Sparkassen AG, DekaBank Deutsche Girozentrale.

SECTION II INFORMATION ON Absolute Return S.A.

1. Designation of fund

The investment fund is designated Absolute Return S.A., a collective fund according to § 20 InvFG.

The investment fund complies with Directive 85/611/EEC.

2. Date of establishment of fund

Absolute Return S.A. was set up by Constantia Privatbank AG on 17.3.2003 for an indefinite period and was transferred to ERSTE-SPARINVEST KAG with effect from 17.10.2005 by FMA approval dated 22.6.2005, ref. 25 6405/3-FMA-1/3/05. Furthermore, on the combination date of 28.12.2007, Absolute Return S.A. was combined with Absolute Return S.A. Institutional, which was launched on 13.2.2004, following the approval of the financial market authority dated 20.9.2007, reference: FMA-IF25 4600/0059-INV/2007, by way of a take over via transfer pursuant to § 3(2) in conjunction with § 14(4) InvFG. The associated announcement was published in the Wiener Zeitung on 27.9.2007.

3. Information on the agency from which the Fund Regulations and the reports provided under the InvFG are obtainable

The information material mentioned in this Offering Prospectus, such as fund regulations, statements of account and half-yearly reports, can be obtained from the investment company. They will be sent free of charge to investors upon request. These documents are also available from the custody bank and its branches.

4. Information on the tax regulations applicable to the investment fund, if relevant to the shareholder. Information on whether deductions are levied at source on the revenue and investment income earned by shareholders in the investment fund
TREATMENT FOR TAX PURPOSES

Treatment for tax purposes (for tax accruals prior to 1.4.2004)

PRIVATE ASSETS

If a distribution from an investment fund to shareholders originates from income from debt securities and/or bank deposits liable to capital gains tax II, and the recipient of the distribution is liable for capital gains tax, then the domestic coupon-paying agency will withhold capital gains tax in the amount prescribed by law for such income. On the same proviso, "payouts" from reinvesting funds are withheld as capital gains tax on the income *) equivalent to a distribution which is included within the share value.

After 31.12.2000, net asset profits on debt securities (= profits from the sale of debt securities of a fund) and net asset profits from annuity subfunds (= profits from the sale of funds which invest at least 80% in debt securities) and on their associated derivatives are fully tax exempt, and net asset profits on equities, equity subfunds and their associated derivatives are 80% tax exempt, even if they are distributed. Net asset profits on equities, equity subfunds and their associated derivatives are liable for capital gains tax III at 20%.

The remaining proportion of the distribution/income equivalent to a distribution which is included in the share value is considered to be taxable income. This must, however, only be declared for tax purposes where such income has not already been subject to final taxation through the deduction of capital gains tax.

Tax portion for annuity fund
(Full and final taxation; no obligation to declare for tax purposes)

Distributions/income equivalent to a distribution from this fund are finally taxed in full. By means of the capital gains tax II deduction from the distribution/income equivalent to a distribution, the entire distribution/income equivalent to a distribution is considered to have been finally taxed on income. The final taxation also covers inheritance tax, so that bank deposits, debt securities and domestic annuity subfunds included in the share value are not liable for inheritance tax on acquisition due to death.

E x c e p t i o n s from final taxation

Final taxation is excluded:

- a) for debt securities exempt from capital gains tax II which are included in the fund portfolio, if an option exercise notice has not been issued. Such income must be declared for tax purposes; moreover, debt securities exempt from capital gains tax II which are included in the share value remain liable for inheritance tax on acquisition due to death.
- b) for securities included in the fund portfolio which have been withdrawn from Austrian fiscal sovereignty, if double taxation agreement benefits have not been waived. Such income is to be included in the income tax declaration in the column "In addition to the income listed, has income been received for which the right of taxation is due to another state on the basis of double taxation agreements"; in this case, securities included in the share value are liable for inheritance tax on acquisition due to death.

In this case, however, it is possible to offset against the capital gains tax deducted or its refund claim under § 240 Federal Tax Code (Bundesabgabenordnung).

Tax portion for equity funds and mixed funds
(Finally taxed in part; full and final taxation for accruals after 31.3.2003)

Some distributions/income equivalent to a distribution from these funds must be declared for tax purposes (accruals from 1.4.2004 need not be declared)

The treatment of this fund category for tax purposes depends on the components of the income contained in the distribution/income equivalent to a distribution.

*) does not apply to fully reinvesting funds

A) Interest income included in the distribution/income equivalent to a distribution (including interest income from domestic subfunds)

is subject to final taxation for income tax purposes through deduction of capital gains tax II and therefore need not be declared. The final taxation also covers the inheritance tax, so that bank deposits, debt securities and domestic annuity subfunds included in the share value are not liable for inheritance tax on acquisition due to death.

Exceptions from final taxation

Final taxation is excluded:

- a) for debt securities exempt from capital gains tax II which are included in the fund portfolio, if an option exercise notice has not been issued. Such income must be declared for tax purposes; moreover, debt securities exempt from capital gains tax II which are included in the share value remain liable for inheritance tax on acquisition due to death.
- b) for securities included in the fund portfolio which have been withdrawn from Austrian fiscal sovereignty, if double taxation agreement benefits have not been waived. Such income is to be included in the income tax declaration in the column "In addition to the income listed, has income been received for which the right of taxation is due to another state on the basis of double taxation agreements"; in this case, securities included in the share value are liable for inheritance tax on acquisition due to death.

In this case, however, it is possible to offset against the capital gains tax deducted or its refund claim under § 240 Federal Tax Code.

B) Dividends included in the distribution/income equivalent to a distribution (including dividends from domestic subfunds) and ordinary income (interest, dividends etc.) from foreign subfunds

Domestic dividends are liable for 25% capital gains tax before accrual to the fund. They are subject to final taxation for income tax purposes since they constitute investment income which is liable for capital gains tax.

Foreign dividends are not considered to have been subject to final taxation and must therefore be declared. The foreign gross dividends and the deductible foreign tax at source must therefore be included in the income tax return. **Distributions and income equivalent to a distribution from funds accruing to the investor after 31.3.2003 are considered to have been subject to final taxation in respect of the foreign dividends included in them, on the basis of the 2003 Budget Accompanying Act. The investment income must be recorded in the income tax return at the special tax rate of 25%. Foreign taxes deducted at source may be offset against this tax under the double taxation agreement, the surplus being refundable. The portfolio manager will automatically deduct capital gains tax from distributions and income equivalent to a distribution accruing to the investor after 31.3.2004, so that the investor achieves final taxation without having to declare it.**

Ordinary income from foreign subfunds is subject to deduction of capital gains tax (as indemnity protection capital gains tax up to 26.8.2003). The income must be declared. The capital gains tax deduction is a prepayment on income tax. **For tax accruals from funds (distribution, capital gains tax payout) after 31.3.2003, the ordinary income equivalent to a distribution from foreign subfunds is considered to have been subject to final taxation through the capital gains tax deduction (as indemnity protection capital gains tax up to 26.8.2003), on the basis of the 2003 Budget Accompanying Act.**

C) Taxable net asset profits included in the distribution/income equivalent to a distribution (from equities and equity subfunds and associated derivatives)

The taxable net asset profits (20%) included in the distribution/income equivalent to a distribution are considered to have been subject to final taxation for income tax purposes and therefore need not be declared. Net asset profits from foreign subfunds are only considered to have been subject to final taxation if proof is provided of the income equivalent to a distribution, the foreign fund is approved for domestic distribution and a domestic public issue actually takes place. If any of these conditions are not met, the capital gains tax deduction is considered to be only a prepayment on income tax. **The requirement for distribution approval and actual public issue does not apply to accruals after 30.9.2003 on the basis of the 2003 Budget Accompanying Act.**

Inheritance tax (in the case of publicly offered funds; Federal Finance Ministry (BMF) communication of 20.2.2001)

Acquisitions of domestic publicly offered funds due to death after 31.12.2000 are considered to have been subject to final taxation for inheritance tax purposes (exception see above). This now also applies to all domestic publicly offered funds which invest in foreign subfunds, on the basis of the 2003 Budget Accompanying Act.

BUSINESS ASSETS

Discharge of tax for shares within the business assets of individuals

For individuals who draw income from capital assets or a business enterprise (sole traders, partners in an OHG [*general partnership*] or KG [*limited partnership*], the income tax for income which is liable to capital gains tax is considered to have been discharged via the deduction of the capital gains tax (I and II). This also applies to distributions/income equivalent to a distribution from share certificates of investment funds within the meaning of the Austrian Investment Funds Act, provided the distributed amounts comprise investment income which is subject to final taxation, and to accruals from 1.4.2003 provided the distributed amounts comprise ordinary income equivalent to a distribution from foreign subfunds.

Distributions of net asset profits from domestic funds and net asset profits equivalent to a distribution from foreign subfunds are taxable according to the tax scale.

Capital gains tax II deductions for shares within the business assets of legal entities

If there has been no exemption declaration as laid down in § 94 no. 5 of the Income Tax Act (EstG), then the coupon-paying agency must also withhold capital gains tax on distributions for shares which are part of the business assets or must use payouts from reinvesting funds for capital gains tax. Capital gains tax deducted and transferred to the Tax Office may be offset against the corporation tax assessment.

CORPORATIONS WITH INCOME FROM CAPITAL ASSETS

If corporations (e.g. associations) draw income from capital assets, the corporation tax for investment income liable for capital gains tax II is considered to have been discharged via the tax deduction. Private foundations with investment income liable for capital gains tax II are subject to 12.5% interim tax.

Note for all taxpayers:

Details of the tax treatment of the fund distributions and income equivalent to a distribution are included in the statements of account.

Treatment for tax purposes (for tax accruals from 1.4.2004)
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PRIVATE ASSETS

Full and final taxation, no tax return obligations for the investor.

If a distribution from an investment fund to shareholders originates from investment income liable to capital gains tax, and the recipient of the distribution is liable for capital gains tax, then the domestic coupon-paying agency withholds capital gains tax in the amount prescribed by law for such income. On the same proviso, "payouts" from reinvesting funds are withheld as capital gains tax on the income *) equivalent to a distribution which is included within the share value.

The private investor has no tax return obligations to fulfil. All the investor's tax liabilities are met by the deduction of capital gains tax. The capital gains tax deduction covers the full final taxation impact in relation to income tax and inheritance and gift tax due to death.

Ex ceptions from final taxation

Final taxation is excluded:

- a) for debt securities exempt from capital gains tax II which are included in the fund portfolio, if an option exercise notice has not been issued. Such income must be declared for tax purposes; moreover, debt securities exempt from capital gains tax II which are included in the share value remain liable for inheritance tax on acquisition due to death.
- b) for securities included in the fund portfolio which have been withdrawn from Austrian fiscal sovereignty, if double taxation agreement benefits have not been waived. Such income is to be included in the income tax declaration in the column "In addition to the income listed, has income been received for which the right of taxation is due to another state on the basis of double taxation agreements"; in this case, securities included in the share value are liable for inheritance tax on acquisition due to death.

*) does not apply to fully reinvesting funds

In this case, however, it is possible to offset against the capital gains tax deducted or its refund claim under § 240 Federal Tax Code.

BUSINESS ASSETS

Discharge of tax for shares within the business assets of individuals

For individuals who draw income from capital assets or a business enterprise (sole traders, partners in an OHG or KG, the income tax for income liable to capital gains tax is considered to have been discharged via the deduction of the capital gains tax (I and II).

Distributions of net asset profits from domestic funds and net asset profits equivalent to a distribution from foreign subfunds are taxable according to the tax scale.

Capital gains tax II deductions for shares within the business assets of legal entities

If there has been no exemption declaration as laid down in § 94 No.5 EstG, then the coupon-paying agency must also withhold capital gains tax on distributions for shares which are part of the business assets or must use payouts from reinvesting funds for capital gains tax. Capital gains tax deducted and transferred to the Tax Office may be offset against the corporation tax assessment.

CORPORATIONS WITH INCOME FROM CAPITAL ASSETS

If corporations (e.g. associations) draw income from capital assets, the corporation tax for investment income liable for capital gains tax II is considered to have been discharged via the tax deduction. Private foundations with investment income liable for capital gains tax II are subject to the 12.5% interim tax.

Note for all taxpayers:

Details of the tax treatment of the fund distributions and income equivalent to a distribution are included in the statements of account.

5. Closing date for the accounts and information on the frequency and form of distribution

The accounting year of the investment fund is the period from 1 January to 31 December of the same calendar year.

Distribution/payout as defined in § 13 3rd sentence of the Investment Funds Act *) takes place as from 2 April of the following accounting year. Interim distributions are possible.

The investment company reserves the right to establish an ex date for technical reasons before the distribution/payout defined in § 13 3rd sentence InvFG. The applicable offering price for settlement is reduced on the ex date by the following distribution or payout.

*) e.g.: in the case of reinvesting funds (not fully reinvesting funds)

6. Name of bank's auditor according to § 12 (4)

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Wagramer Str. 19, 1220 Vienna.

7. Conditions under which management of the fund may be terminated; notice period

The investment company may terminate management of the fund with the approval of the Financial Market Authority and subject to a public announcement to this effect:

- a) by serving notice of termination
 - subject to six months' notice
 - with immediate effect if the fund's assets fall below EUR 370,000
- b) by the following measures, subject to three months' notice
 - Transfer of the management to another investment company
 - Consolidation of funds or contribution of the fund portfolio to another investment fund.

8. Information on the type and main characteristics of the shares, particularly

- **Original documents or certificates for such documents, entry in a register or on an account**
- **Characteristics of shares: registered or bearer instruments, information on the denomination and fractions if applicable;**
- **Rights of shareholders, particularly on termination**

The collective ownership of the assets belonging to the fund is divided into equal collective shares. The number of collective shares is unlimited.

Distribution share certificates, reinvestment share certificates with deduction of capital gains tax and reinvestment share certificates without deduction of capital gains tax, for 1 share in each case, are issued for the investment fund.

Reinvestment share certificates without deduction of capital gains tax are not sold on the domestic market.

The share certificates are evidenced in global certificates (§ 24 Securities Deposit Act, Federal Law Gazette No. 424/1969, as amended). The share certificates are made out to bearer. Physical securities are not issued.

Every purchaser of a share within a global certificate acquires collective ownership of all the assets in the fund in the amount of his share of the collective shares certificated.

With the approval of its Supervisory Board, the investment company may split the collective shares and issue additional share certificates to the shareholders, or exchange the old share certificates for new ones if, on the basis of the computed share value, it considers splitting of the collective shares to be in the interests of the collective owners.

Rights of shareholders, in particular in the event of termination of management by the investment company

The shareholders' right to management of the fund portfolio by an investment company and to redemption of the shares at all times at their share value continues after termination of management by the investment company. In the event that funds are consolidated, the shareholders also have the right to exchange the shares on the basis of the exchange ratio and to payout of any settlement of fractions. If the management ends through termination, then the custody bank takes over management on a temporary basis and must institute the winding-up of the fund if it does not transfer its management to another investment company within six months. When the winding-up operation commences, the shareholders' right to management is replaced by the right to due winding-up, and their right to repayment of the share value at all times is replaced by the right to payout of the liquidation proceeds at the end of the winding-up operation.

9. Information on the stock exchanges or markets on which the shares are listed or traded

Shares are issued and redeemed by the custody bank. Application may be made for a listing on the Vienna stock exchange.

10. Terms and conditions for the issue and sale of shares

Issue of shares

There is fundamentally no restriction on the number of shares issued and the corresponding number of share certificates. The shares may be purchased from the custody bank and its branches. The investment company reserves the right to suspend the issue of shares temporarily or permanently.

Front-end load

When the offering price is set, a front-end load is added to the value of a share to cover the issuing costs. The front-end load to cover the issuing costs is 5.55% of the value of a share.

Settlement date

The offering price applicable to settlement is the price on the Austrian stock exchange trading day following the banking day after receipt of the order by the custody bank. The value date of the purchase price debit is two banking days after the trading day.

Special features associated with calculation of the fund value:

The Absolute Return S.A. fund may invest in structured bonds and swaps that are linked to absolute return or alternative investment indices (e.g. the ARX Index published by the Vienna stock exchange). Such structured bonds and swaps may be difficult to value. The most recent available prices are used to calculate the value of structured bonds and swaps.

11. Terms and conditions for redemption or payout of the shares and conditions under which they may be suspended

Redemption of shares

Shareholders may at any time ask the custody bank for redemption of the shares by submitting the share certificates or giving a redemption instruction. The investment company must redeem the shares for the account of the fund at their current redemption price, which corresponds to the value of a share.

Payout of the return price and calculation and publication of the redemption price may be temporarily suspended and made dependent on the sale of assets in the investment fund and receipt of the proceeds of sale, subject to simultaneous notification to the Financial Market Authority, if unusual circumstances exist which make this appear necessary in consideration of the legitimate interests of shareholders.

The latest published rates are used for price calculation of the fund. If the fund is heavily invested in fund shares, the latest published rates for the subfunds are used for the price calculation. Should the latest valuation price published clearly be out of line with the actual values, and not merely in individual instances, as a result of the political or economic situation, a price calculation need not be made if the fund has invested 5% or more of its portfolio in assets which do not have rates in line with the market.

Settlement date

The redemption price applicable to settlement is the price on the Austrian stock exchange trading day following the banking day after receipt of the order by the custody bank. The value date of the selling price credit is two banking days after the trading day.

12. Description of the rules for calculation and appropriation of income and description of the rights of shareholders to claim income

Income on dividend share certificates

The income collected during the accounting year is distributed, after covering the costs, to the holders of distribution share certificates, if applicable against presentation of a coupon, in full in the case of interest and dividends and at the discretion of the investment company in the case of profits from the sale of fund assets including subscription rights, whilst the remainder is carried forward to a new account.

The investment company is obliged to make a payout in the amount calculated in accordance with § 13 InvFG.

Income on reinvesting share certificates with deduction of capital gains tax

The income collected during the accounting year is not distributed after covering the costs. An amount calculated in accordance with § 13, 3rd sentence Investment Funds Act is paid out in the case of reinvesting fund share certificates, which is to be used, where applicable, to cover any capital gains tax deduction obligation incurred on the share certificate income equivalent to a distribution.

Income on reinvesting share certificates without deduction of capital gains tax

The income collected during the accounting year is not distributed after covering the costs. A payout in accordance with § 13 3rd sentence InvFG is not made.

The investment company ensures by provision of suitable proofs by the portfolio manager that the share certificates can only be held at the time of payout by shareholders who are either not liable for domestic income or corporation tax or who fulfil the conditions for exemption in accordance with § 94 of the Income Tax Act.

If these conditions do not apply at the time of payout, the amount calculated in accordance with § 13 3rd sentence InvFG is to be paid out by crediting the financial institution managing the portfolio.

13. Description of the investment objectives of the investment fund, including the financial objectives (e.g. capital or income growth), the investment policy (e.g. specialising in geographic regions or economic areas), any restrictions in this investment policy and information on the borrowing authority which can be exercised by the investment fund management

The investment objective of Absolute Return S.A. is to achieve a return and long-term capital growth with maximum diversification of risk and security. On the basis of its assessment of the economic and capital market situation and stock market prospects, it will buy and sell the assets allowed under the Investment Funds Act and the Fund Regulations (securities, money market instruments, demand deposits, fund shares and financial instruments) in line with its investment policy.

The fund portfolio of Absolute Return S.A. will be invested on the following illustrative investment policy principles:

The Absolute Return S.A. fund endeavours to realise income through duration-neutral strategies with low volatility as long-only investments, using structured bonds and swaps linked to financial indices, e.g. multi-strategy absolute return or alternative investment indices.

These indices may cover the following strategies:

- Global macro strategies, which endeavour to pick up serious trends on a number of markets (interest rate, currency, commodity and/or equity markets) or global economic trends, to position themselves accordingly and to thereby generate profits. Decisions are as a rule made on a discretionary basis, on the basis of both fundamental analyses and the personal estimation of the fund managers, plus quantitative models.
- Commodity Trading Advisors (CTA), who also endeavour to exploit trends on a number of markets (interest rate, currency, commodity and/or equity markets) on the basis of mainly computerised fundamental and technical analysis. Exclusively derivatives are held.
- Relative value strategies, under which the manager endeavours to exploit valuation discrepancies between associated assets, by buying an asset which he believes to be undervalued and at the same time, selling short an asset which he believes to be overvalued. This strategy may be applied to equities, bonds or convertible bonds.
- Event-driven strategies, which may themselves be subdivided into the sub-strategies of merger arbitrage, special situations and distressed securities. The managers employing such strategies invest long and short in securities of companies that are experiencing significant internal cyclical changes (takeovers, mergers, demergers, turnarounds etc.).
- Long/short equity strategies, under which fundamental analysis is used to make targeted investments in companies that are considered to be undervalued. Short sale positions are acquired in sectors that are considered to be overvalued. In this way, the correlation of the portfolio against the market as a whole is generally deliberately kept low.

To illustrate the overall investment policy (in part), a total of up to 10% of the portfolio of Absolute Return S.A. may be used to buy shares in investment funds – irrespective of the country in which the management company has its registered office.

The investment fund may acquire money market instruments up to 100% as part of its investment strategy.

As portfolio regrouping measure or to mitigate the impact of possible falls in the price of securities, the investment fund may have a higher proportion of demand deposits or deposits subject to call with a maturity of 12 months maximum.

Derivatives may be used for both risk minimisation (hedging) and as an active investment instrument. Whether or not used for hedging, derivatives may represent a major proportion of the total net value of the fund portfolio. This may increase the loss exposure related to assets in the fund, temporarily at least.

Section II, no. 15 E) Derivative financial instruments, IV. Overall limit of this Offering Prospectus contains further details on calculation of the aggregate risk.

The fund pursues an active management strategy.

The aspects of security, growth and/or income are the primary considerations with regard to the selection of investment securities. It is important to be aware that there are risks inherent in securities as well as opportunities for price rises.

General

The prices for the securities in a fund may rise or fall from the purchase price. If the investor sells shares in the investment fund at a time when the prices for the securities in the portfolio have fallen from their level at the time of purchase, this means that he will not be repaid all the money he invested in the separate trust assets.

Important risks

The Absolute Return S.A. fund invests indirectly in alternative investments, which may carry a higher investment risk than traditional investments.

a) The risk of negative development of the entire market of an asset class and that this will have a negative effect on the price and value of these investments (market risk)

Price trends in securities depend mainly on capital market developments, which are in turn influenced by the general situation in the global economy and the economic and political conditions in the various countries.

One particular aspect of the market risk is the interest rate risk. This refers to the possibility of changes to the market interest level which existed at the time of issue of a fixed-income security. Changes in the market rate may result, for example, from changes in the economic situation and the policy of the bank of issue in response. If market rates rise, the prices of fixed-income securities generally fall. Conversely, if the market rate falls, price trends for fixed-income securities move in the opposite direction. In both cases, the price movements mean that the yield from the security corresponds more or less to the market interest rate. However, the price fluctuations vary depending on the maturity of the fixed-income security. Fixed-income securities with shorter maturities carry lower price risks than those with longer maturities. Generally, fixed-income securities with shorter maturities produce lower returns than those with longer maturities.

b) The risk that an issuer or counterparty is unable to meet its commitments (credit risk)

In addition to general capital market trends, the price of a security is affected by the particular developments of their issuers. Even when securities are selected with great care, it is impossible to rule out losses due, for example, to disintegration of issuers' assets.

c) The risk that a transaction cannot be settled as expected within a transfer system, because a counterparty fails to pay or deliver on time or as expected (settlement risk)

This category includes the risk that settlement within a transfer system does not take place as expected, because a counterparty fails to pay or deliver on time or as expected. The settlement risk involves the failure to receive an equivalent consideration after performing a transaction.

d) The risk that a position cannot be liquidated on time at a reasonable price (liquidity risk)

The investment company mainly buys securities for the fund which are officially listed on domestic and foreign stock exchanges or are traded on organised markets which are recognised and open to the public and which function properly, taking into account the opportunities and risks of equity and annuity investments.

Nevertheless, there may be a problem with selling individual securities in specific phases or specific stock market segments at the time required. There is also a danger that securities traded in quite a narrow market segment may be subject to considerable price volatility.

Securities are also bought from new issues whose terms of issue contain an obligation to apply for official listing on a stock exchange or organised market, provided their listing is obtained at the latest within one year of their issue date.

The investment company may buy securities which are traded on a stock exchange or regulated market within the EEA or on any of the stock exchanges or regulated markets listed in the Annex.

e) The risk that the value of investments is affected by exchange rate variations (exchange rate or currency risk)

Currency risk represents a further variant of market risk. Unless determined otherwise, investment fund assets may be invested in currencies other than the fund currency. The fund receives the income, repayments and proceeds of such investments in the currencies in which it invests. The value of these currencies against the fund currency may fall. There is therefore a currency risk that will impact upon the value of the fund to the extent that the fund invests in currencies other than the fund currency.

f) The risks resulting from concentration on specific investments or markets (concentration risk)

Other risks may arise through the fact that investment is concentrated on certain assets or markets.

g) The performance risk, and information on whether guarantees are provided by third parties and whether such guarantees are restricted (performance risk)

Assets purchased for the fund may not perform as expected at the time of their purchase. No promise of positive performance can therefore be given unless a third party provides a guarantee.

h) Information on the efficiency of any guarantor

The risk associated with the investment increases or reduces according to the efficiency of any guarantor.

i) The inflexibility risk, caused both by the product itself or by restrictions imposed when switching to other funds (inflexibility risk)

The inflexibility risk may arise both from the product itself or from restrictions imposed when switching to other funds.

j) The inflation risk (inflation risk)

Inflation may have a negative effect on the income from an investment. Devaluation may reduce the purchasing power of the money invested, or else inflation may have a direct (negative) effect on the performance of assets.

k) The risk associated with the capital in the investment fund (capital risk)

The risk associated with the capital in the investment fund may arise in particular because it is cheaper to sell than to buy the assets. This also includes the risk of erosion from withdrawals and excessive distribution of investment returns.

l) The risk of changes in other factors, including tax regulations

The value of the assets in the fund may be negatively affected by uncertainties in countries in which investments are made, for example international political developments, changes in government policy, taxation, restrictions on foreign investment, currency fluctuations and other legal or regulatory developments. Moreover, there may be trading on stock markets that are not as strictly regulated as those in the USA or the EU.

Absolute Return S.A. may have increased volatility due to the use of derivatives, particularly futures and/or options, i.e. the share values are subject to considerable fluctuation up or down, even within short periods.

The investment company may buy securities which are traded on a stock exchange or regulated market within the EEA or on any of the stock exchanges or regulated markets listed in the Annex.

National and global capital market trends are volatile and the particular trends among issuers are unpredictable. Returns achieved in the past are no guarantee of such returns being achieved again in the future. The company endeavours to minimise the risks inherent in investment in securities and to maximise the opportunities. No guarantee can however be given of a forecast investment performance.

Particular attention is paid to diversification of risk. The precise investment limits are the subject of §§ 20 and 21 of the Investment Funds Act.

It is explicitly pointed out that a brief description is given here which is not a substitute for personal investment advice from a professional.

Borrowing

Borrowing of up to 10% of the fund portfolio is permissible on a short-term basis.

14. Risk associated with derivative financial instruments within the meaning of § 21 InvFG

Within the scope of prudent management pursuant to § 21 InvFG and subject to specific conditions and restrictions, the investment company may acquire derivative financial instruments, provided that such transactions are explicitly envisaged in the Fund Regulations.

It must be noted that certain risks may be associated with derivative products, as follows:

- a) The rights acquired for a limited term may expire or suffer a reduction in value.**
- b) The risk of loss is indeterminable and may even exceed any securities provided.**
- c) It may not be possible to complete transactions aimed at excluding or restricting the risks or it may only be possible to complete them at a loss-making market price.**
- d) The risk of loss may increase if the liability from such transactions or the consideration to be claimed is denominated in a foreign currency.**

The following additional risks are possible on transactions in OTC derivatives:

- a) Problems with selling financial instruments bought on the OTC market to third parties, as they do not have an organised market; liquidation of liabilities entered into may be difficult or involve considerable costs on the basis of the individual agreement (liquidity risk);
- b) The financial success of the OTC transaction may be at risk due to default by the counterparty (counterparty credit risk);

15. Investment policy techniques and instruments

A) Demand deposits or deposits subject to call

Bank deposits in the form of demand deposits or deposits subject to call with a maximum maturity of 12 months may be acquired on the following conditions:

1. Demand deposits or deposits subject to call with a maximum maturity of 12 months comprising up to 20% of the fund portfolio may be invested in a single bank, provided that the bank
 - has its registered office in a Member State or
 - is located in a third country and is, in the opinion of the FMA, subject to regulatory requirements equivalent to those in Community law.
2. Irrespective of all the individual maxima, an investment fund may invest 20% maximum of the fund portfolio with a single bank in a combination of securities or money market instruments issued by that bank and/or deposits with that bank and/or OTC derivatives acquired by that bank.

A minimum deposit does not need to be held.

B) Money market instruments

Money market instruments may be bought for the investment fund if they

1. are officially listed on any of the domestic or foreign stock exchanges listed in the Annex or on regulated markets listed in the Annex which are recognised and open to the public and which function properly.
2. are normally traded on the money market and are liquid and their value can be precisely ascertained at any time, even if they are not traded on regulated markets, provided that the issuer or issuer of such instruments is already subject to regulations on deposits and investor protection and that they
 - a) are issued or guaranteed by a national, regional or local body or the Central Bank of a Member State, the European Central bank, the European Union or the European Investment Bank, a third country or a member state of the Commonwealth (if a federal state), or by an international public institution affiliated to at least one Member State, or
 - b) are issued by undertakings whose securities are officially listed on a domestic or foreign stock exchange listed in the Annex or traded on regulated markets listed in the Annex, or
 - c) are issued or guaranteed by an institution which is subject to regulation in accordance with the criteria specified in Community law or one which is subject to and complies with regulatory requirements which are, in the opinion of the FMA, at least as strict as those in Community law, or
 - d) are issued by other issuers in a category approved by the FMA, provided that investments in such instruments are subject to investor protection regulations which are equivalent to those in points a to c and that the issuer is either an undertaking with a minimum net worth of EUR 10 million which draws up and publishes its annual statements in accordance with the provisions of Directive 78/660 EEC, or a legal entity which is responsible,

within a group consisting of one or more publicly quoted companies, for the financing of that group, or a legal entity which is intended to finance the securitisation of liabilities using a credit line granted by a bank;

A maximum of 10% of the fund portfolio may be invested in money market instruments which do not fulfil these conditions and are not traded on a regular market.

C) Securities

The investment company buys securities which are officially listed on any of the domestic or foreign stock exchanges listed in the Annex or are traded on regulated markets listed in the Annex that are recognised and open to the public and which function properly. It also buys securities from new issues that have terms of issue which include an obligation to apply for official listing on a stock exchange or a regulated market, provided their listing is obtained at the latest within one year of their issue.

Unlisted securities and other vested rights

A total of up to 10% of the fund portfolio may be invested in securities which are not officially listed on any of the stock exchanges listed in the Annex or traded on any of the regulated markets listed in the Annex.

D) Investment fund shares

1. **A total, combined with the investment funds defined in 2 below, of up to 10% of the fund portfolio** may be used to buy shares in investment funds (= investment funds and open-ended investment companies) which meet the requirements of Directive 85/611/EEC (UCITS), provided that not more than 10% of their fund portfolio is invested in shares of other investment funds.
2. **A total, combined with the investment funds defined in 1 above, of up to 10% of the fund portfolio** may be used to buy shares in investment funds which do not meet the requirements of Directive 85/611/EEC (UCI) and
 - whose sole purpose is to invest money obtained from the public in securities and other liquid financial investments for joint account on the principle of diversification of risk, and
 - whose shares are redeemed or paid out at the request of shareholders and debited directly or indirectly to the assets of the investment fund,provided that
 - a) not more than 10% of their fund portfolio is invested in shares of other investment funds, and
 - b) they are registered under legal provisions which subject them to a regulatory system which is, in the opinion of the Financial Market Authority, equivalent to that in Community law and an adequate guarantee exists of cooperation between the authorities, and
 - c) their level of shareholder protection is equivalent to the level provided by investment funds meeting the requirements of Directive 85/611/EEC (UCITS) and, in particular, the provisions for separate custody of the separate trust assets, borrowing, lending and short selling of securities and money market instruments are equivalent to the requirements of Directive 85/611/EEC, and
 - d) their business activities are the subject of half-yearly and annual reports which enable a judgement to be formed on the assets and liabilities, income and transactions during the reporting period.
3. The investment fund may also buy shares in investment funds which are managed directly or indirectly by the same investment company or a company with which the investment company is associated through joint management, control or a material direct or indirect investment.
4. Up to 10% of the fund portfolio may be used to buy shares in the same investment fund.

E) Derivative financial instruments

I. Listed and unlisted derivatives

Derivatives, including equivalent instruments settled for cash, which are officially listed on any of the stock exchanges listed in the Annex or are traded on any of the regulated markets listed in the Annex, or derivatives which are not officially listed on a stock exchange or traded on a regulated market (OTC derivatives) may be used for an investment fund provided that

- a) the underlying interests are instruments within the meaning of § 20 or are financial indices, interest rates, exchange rates or currencies in which the investment fund may invest on the basis of its investment objectives defined in its Fund Regulations,
- b) the counterparty in transactions with OTC derivatives is an institution subject to regulation in the category approved by the FMA by order, and
- c) the OTC derivatives are subject to reliable and checkable valuation on a daily basis and may be sold, liquidated or closed out through a counter transaction at fair market value at all times on the initiative of the investment company.

II. Purpose

Derivatives may be used either as part of the investment strategy of the fund or for hedging purposes.

III. Risk management

The investment company must use a method of risk management which enables it to monitor and measure the risk associated with the investments and their ratio of the total risk profile of the fund portfolio at all times. It must also use a method which allows precise and independent assessment of the current value of the OTC derivatives. By agreement with the custody bank, the investment company must give the FMA separate details for each investment fund it manages (by the procedure defined by the FMA) of the types of derivatives in the portfolio, the risks associated with the underlying interests of each, the investment limits and the methods used to measure the risks associated with the derivative transactions.

The investment company may deal in derivatives both for exposure hedging of assets and as part of the investment strategy for the fund. This may increase the loss exposure in relation to assets held in the fund, temporarily at least. A detailed description of the use of derivatives and potential risks is given in section 13.

The aggregate risk associated with the derivatives must not exceed the total net value of the fund portfolio. The calculation of the risk includes the market value of the underlying instruments, the default risk, future market fluctuations and the liquidation term of the items. As part of its investment strategy, an investment fund may invest in derivatives within the specific investment limits applicable to the underlying in the Fund Regulations and the Investment Funds Act, provided that the total exposure of the underlying interests does not exceed such specific limits.

The default risk on transactions by an investment fund in OTC derivatives may not exceed the following levels:

- a) If the counterparty is a credit institution within the meaning of Directive 2002/12/EC, 10% of the fund portfolio,
- b) otherwise 5% of the fund portfolio.

Investments by an investment fund in index-based derivatives are not considered in view of the specific investment limits. If a derivative is embedded in a security or money market instrument, it must be considered in terms of compliance with the above provisions.

IV. Overall limit

Value at risk

The investment company applies the **value at risk (VAR) approach** for risk calculation. The value at risk indicates the maximum loss that a portfolio may expect to suffer over a specific period, subject to a certain degree of probability (confidence). The following parameters are applied for calculation purposes:

1. Confidence interval of 99%
2. Holding period of 10 days
3. an effective historical observation period of at least one year as basis for the calculation of volatility. In the event of a variation from equilibrium, the weighted average may not cover a period of less than six months.

The investment company calculates the VAR via historical simulation.

Stress tests that take due account of risk are conducted in addition to the VAR calculations. Backtesting indicates the projection quality of the model.

The risk amount attributable for the market risk of the investment fund is calculated using the absolute value at risk of the portfolio and is limited to 6.25% of the aggregate net value of the fund assets. The absolute VAR limit

is determined on the basis of an evaluation of the overall investment process. Section III, no. 13 of this Offering Prospectus includes further details of the investment process.

Leverage

If § 15 of the Special Fund Regulations allows this investment fund to use derivatives for speculation purposes, the investment company may increase the level of investment of the fund through the use of derivatives, within the limits permissible under the InvFG (leverage).

V. Interest rate swaps

Within the investment limits laid down in the Investment Funds Act, the investment company is entitled to swap variable interest claims for fixed income claims or fixed income interest claims for variable claims, provided the interest payments made are offset by equivalent interest claims arising out of assets within the fund portfolio.

On the basis of its assessment of interest rate trends, the investment company may exclude the interest rate risk and thereby avoid price losses without selling assets. Thus, the fixed income proportion of a portfolio may, for example, be swapped for variable interest claims in anticipation of rising interest rates or vice versa, the variable proportion may be swapped for fixed income in anticipation of falling interest rates.

VI. Currency swaps

The investment company is entitled to swap assets within the fund portfolio for assets denominated in a different currency.

Such a swap may be undertaken if, for example, the investment company anticipates a devaluation of the currency held within the portfolio.

VII. Repurchase agreements

Within the investment limits laid down in the Investment Funds Act, the investment company is entitled to buy assets for the fund portfolio, for the account of the investment fund, subject to an obligation on the seller to repurchase them at a time and at a price determined in advance.

This means that the features relevant to the fund of the assets "purchased under agreements to resell" may differ from the underlying features. As an example, the interest rate, maturity and buying and selling price may differ significantly from those of the underlying asset. The market risk is therefore eliminated.

VIII. Securities lending

Within the investment limits laid down in the Investment Funds Act, the investment company is entitled to transfer ownership of securities of up to 30% of the fund's portfolio to third parties, for a limited term, under a recognised securities lending system, provided the third party is obliged to retransfer such securities after a lending period determined in advance.

The premiums collected represent an additional earnings component.

16. Valuation principles

The value of one share is obtained by dividing the total value of the investment fund, including the earnings, by the number of shares. The total value of the investment fund is calculated by the custody bank, based on the market values of the securities, money market instruments and subscription rights belonging to it, plus the value of the financial investments, cash amounts, deposits, receivables and other rights belonging to the fund, less liabilities. The market values are based on the last known market prices or price quotations.

Securities, money market instruments and other liquid financial investments which are unlisted and not traded on other organised markets are valued at the current market value considered to be fair by prudent assessment, taking all the circumstances into account.

Options for which no stock exchange or market price is available are reported at a price which comes as close as possible to the market price, in reasonable economic terms, taking into account all recognisable opportunities and risks.

17. Determination of the selling or offering price and the payout or redemption price of the shares, particularly:

- **Calculation method and frequency of these prices**
- **Information on the costs associated with the sale, offering, redemption or payout**
- **Information on the publication type, location and frequency of these prices**

Front-end load

When the offering price is set, a front-end load is added to cover the issuing costs. The front-end load to cover the issuing costs is 5.55% of the value of one share. If the investment period is short, this may reduce the performance or even erode it completely. For this reason a longer investment term is recommended when purchasing investment certificates.

Rounding of offering and redemption prices

The resultant amount is rounded up to the nearest cent to determine the offering price. The redemption price corresponds to the share value.

Publication of the offering and redemption prices

The value of one share and the offering and redemption prices are determined by the custody bank on trading days and published in the "Investment Funds Supplement to the Vienna Stock Exchange List".

Costs at the time of issue and redemption of shares

Shares are issued and redeemed by the custody bank without charging additional costs, with the exception of the front-end load applied on issue of share certificates. Shares are redeemed at their redemption price free of charge.

Whether additional fees are charged to individual investors for acquisition and return of share certificates depends on the investor's individual agreements with the custody bank and is thus beyond the control of the investment company.

18. Information on the method, level and calculation of the remuneration charged to the fund for the investment company, custody bank or third parties and the refunds of expenses to the investment company, custody bank or third parties by the fund

Management costs

The investment company receives **annual** remuneration for its management activity of up to **1.25%** of the fund's assets, calculated on the basis of the month-end values.

The investment company also has the right to reimbursement of all expenses incurred by its management, particularly the costs of statutory publications, custody charges, custody bank charges and investigation, advice and transaction costs.

Other costs

The following expenses are charged to the investment fund in addition to the remuneration payable to the investment company:

a) Transaction costs

These include the costs incurred in connection with the purchase and sale of the investment fund's assets, if they are not already covered by the transaction cost charge included in the price.

b) Auditor's costs

The remuneration payable to the auditor depends firstly on the fund volume and secondly on the investment principles.

c) Publicity costs

Subsumed under this heading are the costs incurred in connection with the drafting and publication of information required by law to domestic and foreign shareholders. All the costs billed by the regulatory authorities may also be charged to the investment fund if changes are necessary (particularly to the Fund Regulations or prospectus) because legal regulations have been amended. **All the costs incurred in connection with approval for foreign distribution may also be charged to the fund.**

d) Costs for current and securities accounts of the investment fund (depository charges)

The custody bank debits the investment fund for the customary custody fees and coupon collection costs, including the customary bank charges for management of foreign securities abroad, where applicable.

e) Custody bank remuneration

The custody bank receives monthly remuneration for keeping the fund's books, daily valuation of the investment fund and publication of the price.

f) Costs for the services of external consultancy firms or investment advisors

If external consultants or investment advisors are used for the investment fund, the costs incurred are aggregated under this item and charged to the investment fund.

g) Costs for foreign sales approval

If the investment fund is approved for sale abroad, the associated costs are combined under this heading and charged to the investment fund.

Subsumed under this heading are the costs incurred in the event of foreign approval of the fund (particularly translation costs, registration costs, costs for authentication etc.).

The item "Other management costs" appears in the "Income statement and development of the fund's assets" section of the current statement of accounts, under Fund Performance, and consists of the items listed in points b to g.

19. External consultancy firms or investment advisors

The investment company uses the services of Salus Alpha Capital GmbH, Industriestrasse 2, LI - 9487 Bendorf in its portfolio management, but no costs over and above those in point 18 are charged to the fund portfolio.

20. Previous results of the investment fund, if any

See "Simplified Offering Prospectus".

21. Profile of the typical investor for whom the investment fund is designed

See "Simplified Offering Prospectus".

22. Any costs or fees with the exception of the costs listed in point 17, broken down by costs and fees payable by the shareholder and payable from the separate trust assets of the investment fund

See "Simplified Offering Prospectus".

SECTION III

INFORMATION ON THE CUSTODY BANK

1. Custody bank

The custody bank is Erste Bank der oesterreichischen Sparkassen Aktiengesellschaft, Graben 21, A - 1010 Vienna. Companies' Register No.: FN 33209 m, registration court: Vienna Commercial Court.

2. Details of the contract with the investment company and the remuneration to the custody bank, if charged to the investment fund.

Erste Bank der oesterreichischen Sparkassen AG took over the duties of custody bank in accordance with Financial Market Authority notice dated 22.6.2005, ref. 25 6405/3-FMA-I/3/05. It is responsible for the issuing and redemption of shares and management of the accounts and securities accounts of the fund, as laid down in the Investment Funds Act. The remuneration due to the investment company for its management under the Fund Regulations and the refund of its expenses in connection with its management are debited by the custody bank from the accounts held for the fund. The custody bank may debit the fund for the remuneration due to it for custody of the fund securities and for the account management. The custody bank may only take this action on the basis of an instruction from the investment company.

3. Main activity of custody bank

The custody bank is a credit institution under Austrian law. Its main activity is giro, deposit and lending operations and securities business.

The Financial Market Authority must approve the appointment and replacement of the custody bank. It may only give its approval if it can be assumed that the bank guarantees performance of the duties of a custody bank. The appointment and replacement of the custody bank must be published; the publication must specify the approval notice.

ERSTE-SPARINVEST
Kapitalanlagegesellschaft m.b.H.

Mag. Heinz Bednar

Dr. Franz Gschiegl

Ernst Sorger, authorised signatory

Mag. Harald Egger, authorised signatory

Oskar Entmayr, authorised signatory

Mag. Winfried Buchbauer, authorised signatory

ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY

The sale of shares in Absolute Return S.A. in Germany has been notified to the Federal Financial Services Authority, Bonn, in accordance with § 132 Investments Act.

Paying and information agency in Germany

HSBC Trinkaus & Burkhardt KGaA,
Königsallee 21 - 23, D - 40212 Düsseldorf

Redemption requests for the shares in Absolute Return S.A. may be made to the German paying and information agency and the proceeds of redemption, any distributions and other payments are paid out by the German paying agency to shareholders at their request in cash in the national currency.

All the necessary information for investors before and after contracting is also available free of charge from the German paying and information agency, e.g.:

- fund Regulations
- detailed and simplified offering prospectus
- annual and half-yearly reports, and
- offering and redemption prices.

In addition to the above documents, the sales agency agreement between ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H., Vienna, and HSBC Trinkaus & Burkhardt KGaA, Düsseldorf, is available for inspection at the German paying and information agency.

Publications

The offering and redemption prices of the shares are published in Germany in the daily newspaper "Die Welt" and "Welt am Sonntag", Berlin, and any other information for shareholders in the "Bundesanzeiger", Cologne.

Annex 1 to the Offering Prospectus

All investment funds managed by ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H.

15AU	ESPA CESKY FOND STATNICH DLUHOPISU
A & P-FONDS	ESPA CESKY KORPORATNI FOND PENEZNIHO TRHU
Absolute Return S.A.	ESPA-CS zajisteny fond 1
Absolute Return S.A. Institutional	ESPA-CS zajisteny fond 2
Advisory Emerging Opportunities	ESPA-CS zajisteny fond 3
Advisory One	ESPA-CS zajisteny fond 4
ALPENFONDS	ESPA-CS zajisteny fond 5
BELMONT DYNAMIC STRATEGIES	ESPA-CS zajisteny fond 7
BROKERJET EUROCASH FUND	ESPA-CS zajisteny fond 8
C 111	ESPA-CS zajisteny fond 9
CAL Global Equity ARG Fund	ESPA-CS zajisteny fond 10
COMPLETENESS FUND AMERICA	ESPA-CS zajisteny fond 11
DELPHIN-INVEST	ESPA-CS zajisteny fond 12
DONAU STAR-FONDS	ESPA-CS zajisteny fond 13
E 3	ESPA-CS zajisteny fond 14
E 4	ESPA-CS zajisteny fond 15
E 7	ESPA-CS zajisteny fond 17
E 8	ESPA-CS zajisteny fond 19
E 55	ESPA-CS zajisteny fond 20
E 57	ESPA-CS zajisteny fond 21
ECM-Aktien Protect	ESPA-CS zajisteny fond 22
ECM GLOBAL GARANT	ESPA-CS zajisteny fond 23
ECM-Renten International	ESPA-CS zajisteny fond 25
ECM Renten Total Return	ESPA-CS zajisteny fond 27
EDGAR	ESPA-CS zajisteny fond 29
EKA-KOMMERZ 14	ESPA-CS zajisteny fond 30
ERSTE-INTERBOND G1	ESPA-CS zajisteny fond 31
ERSTE ÚJ EURÓPA HOZAMBIZTOSÍTOTT NÖVEKEDÉSI ALAP	ESPA-CS zajisteny fond 32
ES 1	ESPA-CS zajisteny fond 33
ESPA ALTERNATIVE GLOBAL-MARKETS	ESPA DALE TOTAL RETURN
ESPA ALTERNATIVE MULTISTRATEGIE	ESPA Eurosky zaisteny fond 1
ESPA ALTERNATIVE EMERGING-MARKETS	ESPA FIDUCIA
ESPA BEST OF AMERICA	ESPA FX ALPHA
ESPA BEST OF EUROPE	ESPA GARANT ASIA
ESPA BEST OF HEALTHCARE	ESPA GARANT BRIC
ESPA BEST OF JAPAN	ESPA GARANT CHINA
ESPA BEST OF INNOVATION	ESPA PIF MIX
ESPA BEST OF WORLD	ESPA PIF TOP
ESPA BOND BRIK CORPORATE	ESPA PORTFOLIO BOND
ESPA BOND COMBIRENT	ESPA PORTFOLIO CREATIVE
ESPA BOND CONVERTIBLE	ESPA PORTFOLIO LIFE CYCLE/19
ESPA BOND DANUBIA	ESPA PORTFOLIO MED
ESPA BOND DOLLAR	ESPA PORTFOLIO MIX
ESPA BOND DOLLAR-CORPORATE	ESPA PORTFOLIO TARGET
ESPA BOND EMERGING-MARKETS	ESPA PORTFOLIO TARGET 4
ESPA BOND EURO-ALPHA	ESPA PRO INVEST
ESPA BOND EURO-CORPORATE	ESPA PRO MIX
ESPA BOND EURO-LONGTERM	ESPA PRO TOP
ESPA BOND EURO-MÜNDELRENT	ESPA PROTECT EUROPE
ESPA BOND EURO-PRO	ESPA PROTECT NEW EUROPE
ESPA BOND EURO-REAL	ESPA SELECT BOND
ESPA BOND EURO-RENT	ESPA SELECT BOND DYNAMIC
ESPA BOND EURO-TREND	ESPA SELECT CASH
ESPA BOND EURO-RESERVA	ESPA SELECT INVEST
ESPA BOND EUROPE	ESPA SELECT MED
ESPA BOND EUROPE-HIGH YIELD	ESPA SELECT STOCK
ESPA BOND FINANCIALS	ESPA SELECT STOCK-PLUS
ESPA BOND GLOBAL-ALPHA	ESPA SHORT TERM-PREFERRED
ESPA BOND INTERNATIONAL	ESPA SLSP Zaistený fond 3
ESPA BOND MORTGAGE	ESPA STOCK ADRIATIC
ESPA BOND PREFERRED	ESPA STOCK AMERICA
ESPA BOND SYSTEM	ESPA STOCK ASIA EMERGING
ESPA BOND SYSTEM-EXTRA	ESPA STOCK ASIA INFRASTRUCTURE
ESPA BOND USA-CORPORATE	ESPA STOCK ASIA-PACIFIC PROPERTY
ESPA BOND USA-HIGH YIELD	ESPA STOCK BIOTEC
ESPA BOND USA-REAL	ESPA STOCK BRICK
ESPA BOND YEN	ESPA STOCK COMMODITIES
ESPA CASH ASSET-BACKED	ESPA STOCK EUROPE
ESPA CASH CORPORATE-PLUS	ESPA STOCK EUROPE-ACTIVE
ESPA CASH DOLLAR	ESPA STOCK EUROPE-EMERGING
ESPA CASH EMERGING-MARKETS	ESPA STOCK EUROPE-GROWTH
ESPA CASH EURO	ESPA STOCK EUROPE-PROPERTY
ESPA CASH EURO-MIDTERM	ESPA STOCK EUROPE-VALUE
ESPA CASH EURO-PLUS	ESPA STOCK FINANCE
ESPA CASH FORINT	ESPA STOCK GLOBAL
ESPA CASH SYSTEM-PLUS	ESPA STOCK GLOBAL-EMERGING MARKETS
ESPA CESKY FOND PENEZNIHO TRHU	ESPA STOCK INTERNET-INFRA

ESPA STOCK ISTANBUL
 ESPA STOCK JAPAN
 ESPA STOCK MIDDLE EAST AND AFRICAN MARKETS
 ESPA STOCK NEW CONSUMER
 ESPA STOCK NEW-EUROPE ACTIVE
 ESPA STOCK NTX
 ESPA STOCK PHARMA
 ESPA STOCK RUSSIA
 ESPA STOCK TECHNO
 ESPA STOCK VIENNA
 ESPA Stredoeurópsky zaistený fond
 ESPA VINIS Bond
 ESPA VINIS Cash
 ESPA VINIS Stock Austria
 ESPA VINIS Stock Europe
 ESPA VINIS Stock Global
 ESPA VORSORGE CLASSIC/03
 ESPA VORSORGE CLASSIC/04
 ESPA VORSORGE CLASSIC/05
 ESPA VORSORGE CLASSIC/06-07
 ESPA VORSORGE GOLD/03
 ESPA VORSORGE GOLD/03/02
 ESPA WWF STOCK CLIMATE CHANGE
 ESPA WWF STOCK UMWELT
 EUROBOND G1
 EURO MS-FONDS
 Exclusive 1
 FTC Gideon I
 GLOBAL CONVERTIBLES
 GLOBAL-PERFORMER Aktiendachfonds der Sparkasse
 Knittelfeld AG
 INTERNATIONALE AKTIENFONDSWAHL
 INVESTMENT GLOBAL DYNAMISCH
 K 222
 K 350
 K 352
 K 354
 K 355
 K 404
 K 406
 K 411
 K 500
 K 1000
 K 1350
 K 1351
 K 1700
 K 1941
 K 2000
 KOMMERZ 3
 KOMMERZ 11
 KOMMERZ 13

SPECIAL FUNDS

A 92
 AEK 2
 Alpha TA Konzept-Fonds 2
 E 5
 E 6 AKTIEN
 E 77
 EKA-KOMMERZ 16
 ESPA TA Konzept-Fonds 4
 Fredi Sewera Privatstiftung
 GUTENBERG
 I 23
 K 20
 K 23
 K 26
 K 200
 K 401
 K 402
 K 403
 K 405
 K 407
 K 408
 K 410
 K 600
 K 1851
 K 1931
 K 2361
 KOMMERZ 15
 KOMMERZ 21
 KOOPERATIVA SPECIAL PURPOSE FUND
 KOOPERATIVA SPF 2
 Absolute Return S.A. Offering Prospectus

KOMMERZ 17
 KOMMERZ 22
 PIZ BUIN GLOBAL
 PRIVATE BANKING MANAGEMENT PROGRAM-BOND
 PRIVATE BANKING MANAGEMENT PROGRAM-BOND 2
 PRIVATE BANKING MANAGEMENT PROGRAM-EQUITY
 PRIVATE BANKING MANAGEMENT PROGRAM-EQUITY 2
 PRIVATE BANKING MANAGEMENT-REAL ESTATE
 PRO INVEST AKTIV
 PRO INVEST PLUS
 PRORENT
 QIMCO BALKAN EQUITY
 RFID INVEST III
 Salus Alpha Equity Hedged
 Salus Alpha Equity Market Neutral
 Salus Alpha Real Estate
 SALZBURGER SPARKASSE BOND AUSTRIA
 SALZBURGER SPARKASSE BOND GERMANY
 SALZBURGER SPARKASSE SELECT INVEST
 SALZBURGER SPARKASSE SELECT TREND
 SALZBURGER SPARKASSE TOP OF WORLD
 SELECT AKTIEN-DACHFONDS
 SELECT ANLEIHEN-DACHFONDS
 SPARKASSEN 9
 SPARRENT
 STRATEGIEPORTFOLIO BONDPLUS
 STRATEGIEPORTFOLIO LONGTERMPPLUS
 STRATEGIEPORTFOLIO MIDTERMPPLUS
 sWaldviertel Bond
 TOP-Fonds I der Steiermärkischen „Der Stabile“
 TOP-Fonds II der Steiermärkischen „Der Flexible“
 TOP-Fonds III der Steiermärkischen „Der Aktive“
 TOP-Fonds IV der Steiermärkischen „Der Planende“
 TOP-Fonds V der Steiermärkischen „Der Offensive“
 TOP STRATEGIE alternative
 TOP STRATEGIE bond
 TOP STRATEGIE classic
 TOP STRATEGIE dynamic
 UL Dynamický
 UL Konzervativní
 UNIQA Corporate Bond
 UNIQA European High Grade Bond
 VKB-Anlage-Mix Classic
 WE TOP DYNAMIC
 WILDER KAISER
 WSTV ESPA dynamisch
 WSTV ESPA progressiv
 WSTV ESPA traditionell
 XT EUROPA
 XT USA

IQAM TA Konzept Fonds 3
 RKF 2006
 SA 100
 SA 200
 s Europe
 s World ex Europe
 s-Kapital Fix 08/2019
 s-Kapital Fix 12/2019
 s-Sozialkapitalfonds
 SOLIDUS ETHIK
 SPARKASSEN 1
 SPARKASSEN 2
 SPARKASSEN 3
 SPARKASSEN 4
 SPARKASSEN 5
 SPARKASSEN 6
 SPARKASSEN 8
 SPARKASSEN 10
 SPARKASSEN 11
 SPARKASSEN 13
 SPARKASSEN 14
 SPARKASSEN 15
 SPARKASSEN 17
 SPARKASSEN 18
 SPARKASSEN 19
 SPARKASSEN 21
 SPARKASSEN 26
 SPARKASSEN 27
 SPARKASSEN 30
 SPARKASSEN 267 Absolute Return

SPECIAL PURPOSE FUND 3
S-High Fix 16
S-High Fix 20
S-High Fix 24
S-High Fix 29
S-High Fix 35
S-ZUKUNFT AKTIEN 1
S-ZUKUNFT RENTEN 1
TIWAG-Vorsorge-Fonds II
TOPSPEZIAL 1
UNION ESPA PORTFOLIO

VBV Absolute Return
VBV Aktien Dachfonds I
VBV Bottom Up Value Equities
VBV ESPA Euro Bond
VBV Euro Bond Passiv
VBV Fundamental Blend Equities
VBV Fundamental Growth Equities
VBV Passive World Equities
VBV TA Konzepte Dachfonds
VLV 3
WSTWIV

NOTE:

Fully reinvesting share certificates in funds approved for sale abroad:

Fully reinvesting share certificates in funds approved for sale abroad are only issued to persons who prove that they do not have unlimited tax liability in Austria and undertake before acquisition to return the share if they should ever have unlimited tax liability in Austria..

Annex 2 to the Offering Prospectus

List of officially registered stock exchanges and organised markets (Version August 2007)

1. Officially registered stock exchanges and organised markets in Member States of the EEA

In accordance with article 16 of Directive 93/22/EEC (Financial Services Directive), each Member State must keep an up-to-date list of its approved markets. This list must be forwarded to the other Member States and the Commission.

Under this regulation, the Commission is required to publish an annual list of the regulated markets notified.

Due to reduced access barriers and specialisation in trading segments, the list of regulated markets is subject to major changes. The Commission will therefore post an updated version on its official website in addition to publishing a list annually in the Official Journal of the European Communities.

The current list of regulated markets can be found at

<http://www.fma.gv.at/cms/site/attachments/2/0/2/CH0230/CMS1140105592256/listegeregmaerkte.pdf>.*)

on the "List of Regulated Markets (pdf)".

2. Stock exchanges in European countries outside the Member States of the EEA

2.1	Bosnia Herzegovina:	Sarajevo
2.2	Republic of Srpska, BiH ¹ :	Banja Luka
2.3	Croatia:	Zagreb, Varaždin
2.4	Switzerland:	SWX Swiss-Exchange
2.5	Serbia and Montenegro:	Belgrade
2.6	Turkey:	Istanbul (for stock market only "National Market")
2.7	Russia:	Moscow (RTS Stock Exchange)

3. Stock 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

¹ "BiH" is the official abbreviation for "Bosnia i Herzegovina".

* This link may be altered by the Austrian financial market authority (FMA). The current link is accessible on the FMA website at: www.fma.gv.at, by clicking on Anbieter „Informationen zu Anbietern am österreichischen Finanzmarkt“, Börse, Übersicht, Downloads, Verzeichnis der Geregeltten Märkte “

3.12	Korea:	Seoul
3.13	Malaysia:	Kuala Lumpur
3.14	Mexico:	Mexico City
3.15	New Zealand:	Wellington, Christchurch/Invercargill, Auckland
3.16	Philippines:	Manila
3.17	Singapore:	Singapore Stock Exchange
3.18	South Africa:	Johannesburg
3.19	Taiwan:	Taipei
3.20	Thailand:	Bangkok
3.21	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
3.22	Venezuela:	Caracas

4. Organised markets in countries outside the Member States of the European Union

4.1	Japan:	Over the Counter Market
4.2	Canada:	Over the Counter Market
4.3	Korea:	Over the Counter Market
4.4	Switzerland:	SWX-Swiss Exchange, BX Berne eXchange; Over the Counter Market of the members of the International Securities Market Association (ISMA), Zurich
4.5	USA	Over the Counter Market in the NASDAQ-System, Over the Counter Market (markets organised by NASD such as 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. Stock exchanges with futures and options markets

5.1	Argentina:	Bolsa de Comercio de Buenos Aires
5.2	Australia:	Australian Options Market, Sydney Futures Exchange Limited
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 Futures Exchange
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:	Singapore International Monetary Exchange
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, New York Futures Exchange, Pacific Stock Exchange, Philadelphia Stock Exchange, New York Stock Exchange, Boston Options Exchange (BOX)