



ESG Company Snapshot

ERSTE RESPONSIBLE EMERGING
CORPORATE

ERSTE
Asset Management

October 2019

Huarong Finance Co. Ltd. (China)

Company Description

China Huarong Asset Management Co., Ltd. acts as an asset manager and provides financial services as well as asset management solutions.

EAM-ESG Rating Classification (Emerging Markets)



ESG – Opportunities & Risks

- 👍 Good programmes regarding financial services for companies/projects with high social benefits
- 👍 Good employee development programmes
- 👎 No clear policy on responsible marketing and transparent contract design
- 👎 Implementation of a comprehensive code of conduct on business-ethical issues is not clearly presented

EAM-ESG Company Valuation



Source: Erste Asset Management, Data as of end 09/2019

Tencent Holdings Ltd. (China)

Company Description

Tencent Holdings Limited provides internet "value-added services" (VAS) as well as online marketing services and operates internationally.

EAM-ESG Rating Classification (Emerging Markets)



ESG – Opportunities & Risks

- 👍 Good corporate governance compared to the competition
- 👍 Implementation of adequate measures to prevent and alleviate work-related mental health problems
- 👍 Company-wide privacy policy available
- 👍 Employee training for the safe handling of personal data
- 👎 No clear measures for the responsible procurement and disposal of hardware

EAM-ESG Company Valuation



Source: Erste Asset Management, Data as of end 09/2019

Sunac China Holdings Ltd. (China)

Company Description

Sunac China Holdings Limited develops private as well as commercial real estate projects in China.

EAM-ESG Rating Classification (Emerging Markets)



ESG – Opportunities & Risks

- 👍 Energy efficiency measures to improve the ecological footprint
- 👍 Partial proof of Green Building certifications
- 👍 Remuneration policy of the company is in line with the interests of investors
- 👎 No comprehensive integration of environmental aspects into construction processes
- 👎 No indication of real estate projects with high social benefits

EAM-ESG Company Valuation



Source: Erste Asset Management, Data as of end 09/2019

Türk Telekom (Turkey)

Company Description

Türk Telekom (Türk Telekomünikasyon AS) offers integrated telecommunications services in Turkey.

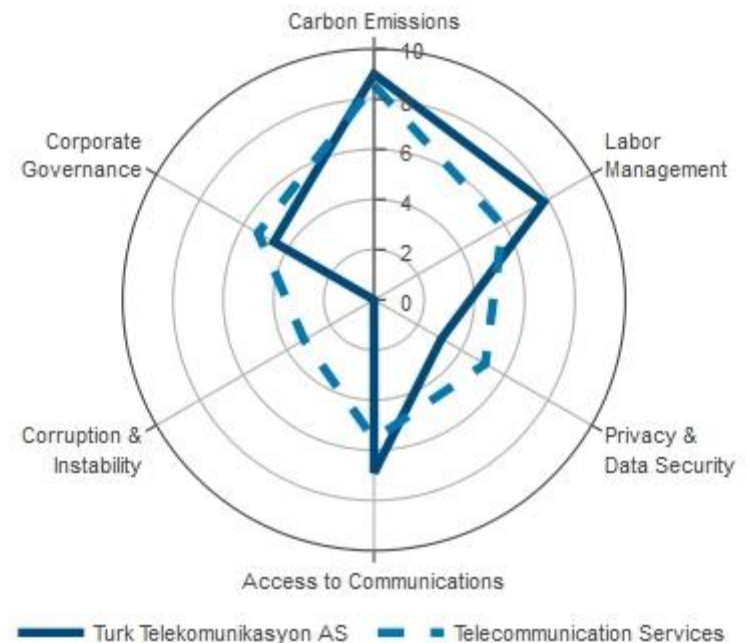
EAM-ESG Rating Classification (Emerging Markets)



ESG – Opportunities & Risks

- 👍 Strong guidelines to ensure data security (ISO 27001 certification)
- 👍 Independency of Supervisory Board members >50%
- 👍 Implementation of anti-corruption guidelines
- 👎 No evidence of guidelines for responsible marketing

EAM-ESG Company Valuation



Source: Erste Asset Management, Data as of end 09/2019

Industrial & Commercial Bank of China Ltd. (China)

Company Description

Industrial and Commercial Bank of China Limited provides various banking products and services in China as well as internationally.

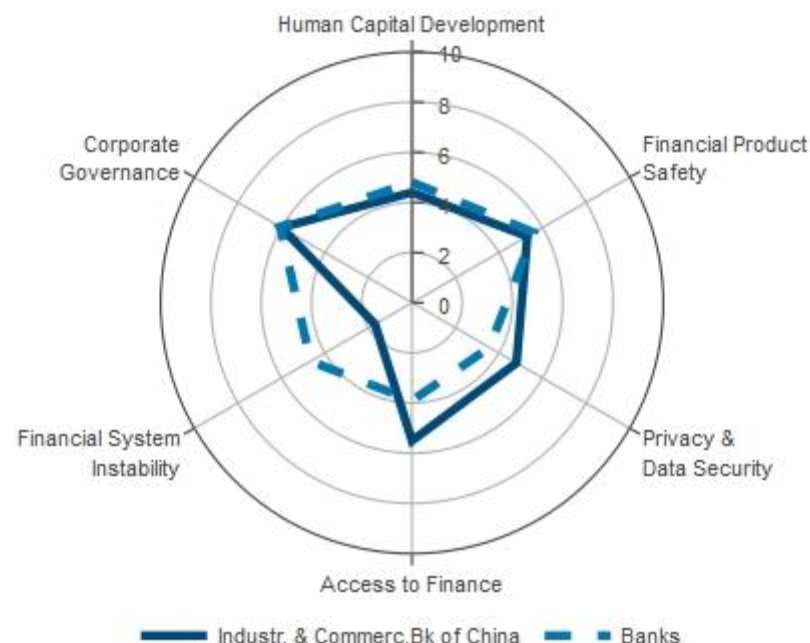
EAM-ESG Rating Classification (Emerging Markets)



ESG – Opportunities & Risks

- 👍 Risk committee that deals with conflicts of interest and identifies risks that could affect long-term shareholder value
- 👍 Identification of social or environmental impacts of lending and investments
- 👍 Implementation of green credit lines and non-implementation of loans when the minimum environmental standards are not met
- 👍 Financial services for companies/projects with high social benefits
- 👎 No comprehensive policy on responsible marketing and transparent contract design

EAM-ESG Company Valuation



Source: Erste Asset Management, Data as of end 09/2019

What is the EAM-ESG rating?

The EAM-ESG rating is the result of our in-house analysis, which is supported by external research partners. As part of the analysis, the aspects Environment, Social and Governance are reviewed from an ethical perspective as well as from a risk perspective and evaluated sector-specifically.

Contact

Erste Asset Management
Retail Sales – Austria
Am Belvedere 1
A-1100 Vienna

Tel.: +43 (0)50100 - 14299
Internet: www.erste-am.at

Advantages for the investor

- Opportunity to achieve an attractive return by investment in emerging market corporate bonds.
- The fund invests in companies that meet sustainability criteria.
- Foreign currency exposures are mostly hedged against the euro.
- Risk diversification through broad diversification in bonds of different issuers.

Risks to be considered

- Rising interest rates may lead to losses
- Changes in creditworthiness of individual issuers may have a negative effect on the fund price
- Increased risk by medium to low creditworthiness of invested companies
- A change in the credit quality of individual countries as well as the political environment can have an impact on the fund price (losses)
- Foreign currency fluctuations can affect the fund price
- Loss of capital is possible

Disclaimer

This document is an advertisement. All data is sourced from Erste Asset Management GmbH, unless indicated otherwise. Our languages of communication are German and English.

The prospectus for UCITS (including any amendments) is published in Amtsblatt zur Wiener Zeitung in accordance with the provisions of the InvFG 2011 in the currently amended version. Information for Investors pursuant to § 21 AIFMG is prepared for the alternative investment funds (AIF) administered by Erste Asset Management GmbH, pursuant to the provisions of the AIFMG in connection with the InvFG 2011.

The fund prospectus, Information for Investors pursuant to § 21 AIFMG, and the key investor document/KID can be viewed in their latest versions at the web site www.erste-am.com or obtained in their latest versions free of charge from the domicile of the management company and the domicile of the custodian bank. The exact date of the most recent publication of the fund prospectus, the languages in which the key investor document is available, and any additional locations where the documents can be obtained can be viewed on the web site www.erste-am.com.

This document serves as additional information for our investors and is based on the knowledge of the staff responsible for preparing it at the time of preparation. Our analyses and conclusions are general in nature and do not take into account the individual needs of our investors in terms of earnings, taxation, and risk appetite. Past performance is not a reliable indicator of the future performance of a fund.

Please note that investments in securities entail risks in addition to the opportunities presented here. The value of shares and their earnings can rise and fall. Changes in exchange rates can also have a positive or negative effect on the value of an investment. For this reason, you may receive less than your originally invested amount when you redeem your shares. Persons who are interested in purchasing shares in investment funds are advised to read the current fund prospectus(es) and the Information for Investors pursuant to § 21 AIFMG, especially the risk notices they contain, before making an investment decision.

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