

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Name of product:	ERSTE ADRIATIC BOND (UCITS)	
ISIN:	Name of the PRIIP manufacturer:	Competent authority:
HRERSIUEADB1 EUR	Erste Asset Management Ltd (Management Company) www.erste-am.hr	Croatian Financial Services Supervisory Agency, Franje Račkoga 6, 10000 Zagreb
	Erste Asset Management Ltd is part of the Erste Group.	Fund is authorised in Republic of Croatia.
	For further information please call: +385 (0) 72 37 2900	Date of validity of the Key Information Document: from 10.02.2025
	Date of production of the Key Information Document: 10.02.2025	

What is this product?

Type

The product is an undertaking for collective investment in transferable securities (UCITS fund) in accordance with the Act on Open-Ended Investment Funds with a Public Offering. The Subfund is a portfolio of assets with no legal personality that is divided into equal units represented by securities and other forms of financial assets, that is collectively owned by all unit-holders and that are redeemed from the Fund's assets at the investor's request.

Term

The Fund was established for an indefinite period of time.

The Management Company may transfer the management of the Fund or merge the Fund with another fund under management, both in accordance with the applicable legal regulations (see Prospectus). If the assets of the Fund falls below a certain threshold, the Management Company may liquidate the Fund. Assumptions under which it is allowed to make a decision on the liquidation of the Fund and the procedure mandatory liquidations are prescribed by the provisions of the Rules. Regardless of the reasons for liquidation as stated in the Rules, the Management Board of the Management Company is authorized to make a decision on liquidation and in other cases (for example, the fund no longer has investors or the Management Company makes a decision that managing the fund is no longer opportune or the Management Company decides that shall no longer offer units in the fund, etc).

Objectives

Erste Adriatic Bond is a bond open-ended investment fund with a public offer. The investment goal of the Fund is to increase the value of units in the medium-long period of time, by creating a portfolio of bonds or bond funds, while respecting the fundamental principles of investment: liquidity, i.e. availability of assets, market stability, as well as risk distribution through investments in a larger number of securities. The fund strives to achieve its investment goal by actively managing assets, without comparing itself to a benchmark. Fund assets can be invested without restrictions in short and long-term debt securities and money market instruments. In order to achieve growth in value, the Fund's assets will, in a ratio of not less than 75% of the Fund's net assets, be permanently exposed to bonds on the markets of the Adriatic region: Croatia in the predominant part, countries of Central, Eastern and Southern Europe and other developing markets. The Fund may use financial leverage.

Intended retail investor

The Fund is intended for natural and legal persons, that is, investors in the Fund can be all entities that are permitted by the provisions of the Act, other relevant regulations and the Prospectus. The fund is primarily intended for yield-oriented investors, who equally aim for a continuous return on investment and capital growth. Given the increased opportunities for earning returns, investors must be prepared to accept greater fluctuations in the value of units, and even possible greater losses. In order to be able to assess the risks and opportunities associated with investments, investors should have adequate knowledge and experience of investment products and capital markets within their own investment objectives or seek advisory on this, as well as take into account the investment horizon of the recommended investment period of at least two years (for details see below) and be ready to accept a moderate level of risk with the aim of achieving a return on invested assets.

Additional information

Redemption of units from the Fund can be requested at any time. Unit redemption requests received on non-business days will be considered received on the first following business day. Non-working days are Saturdays and Sundays, as well as holidays and other non-working days prescribed by Croatian laws. The Management Company can suspend redemption if this is deemed prudent based on exceptional circumstances.

The Fund's profit is determined in the Financial Statements and belongs entirely to the unit holders in the Fund. The Fund's profit is not paid out, but is automatically fully reinvested into the Fund. The taxation of returns or capital gains from the Fund depends on your tax situation and/or the location where you invest the capital. In case of questions, seek expert's advice.

The unit price is published on the website <https://www.erste-am.hr/en/private-investors/our-funds/mandatory-publications>.

The Fund's Prospectus and Rules, semi-annual and annual reports, the last unit price, as well as all other information about the Fund, are available at any time, free of charge, from the Management Company or the Depository, in the business premises of all legal entities authorized to distribute investment funds under the management of the Management Company, on the Management Company's website at: <https://www.erste-am.hr/en/private-investors/our-funds/mandatory-publications> in the Croatian language (if it is applicable also in other languages).

Depository (Custodian): Erste&Steiermärkische Bank d.d.

What are the risks and what could I get in return?

Risk indicator



The risk indicator assumes you will keep the product for at least 2 years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 2 out of 7, which is a low risk class. This rates the potential losses from future performance at a low level. Poor market conditions are very unlikely to impact our capacity to pay you.

This product does not include any protection from future market performance so you could lose some or all of your investment.

Please note potential currency risk. If you receive payments in a different currency, the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

You do not have to make any further payments to cover losses.

There are also risks that can have a significant impact on the Fund, but are not covered by the summary risk indicator, such as: credit risk, liquidity risk, operational risk or risks associated with the use of derivatives.

In order to familiarize yourself in detail with possible investment risks and the ways in which the Management Company tries to reduce or avoid them in the operation of the Fund, we invite you to carefully read the Prospectus in the section "Fund Investment Risks".

Performance scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the Fund or a suitable benchmark, if applicable, over the last 10 years. Markets could develop very differently in the future.

The stress scenario shows what you might get back in extreme market circumstances.

Recommended holding period: 2 years

Example investment: 10000 EUR

If you exit after 1 year

If you exit after 2 years

Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress scenario	What you might get back after costs	7,610 EUR	7,920 EUR
	Average return each year	-23.89 %	-10.98 %
Unfavourable scenario	What you might get back after costs	7,870 EUR	7,920 EUR
<i>This type of scenario occurred for an investment between 12/2020 and 12/2022.</i>	Average return each year	-21.28 %	-10.98 %
Moderate scenario	What you might get back after costs	10,140 EUR	10,210 EUR
<i>This type of scenario occurred for an investment between 02/2017 and 02/2019.</i>	Average return each year	1.36 %	1.04 %
Favourable scenario	What you might get back after costs	10,800 EUR	10,970 EUR
<i>This type of scenario occurred for an investment between 09/2022 and 09/2024.</i>	Average return each year	7.96 %	4.76 %

The figures shown include all the costs of the Fund itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Erste Asset Management d.o.o. is unable to pay out?

The Fund is a portfolio of assets that is segregated from the assets of the Management Company. There is thus no risk of default in terms of the Management Company (for example in the event that it becomes insolvent). The Fund is not subject to any legal or other deposit guarantee scheme.

What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest and how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.

- 10000 EUR is invested

Example investment: 10000 EUR	If you exit after 1 year	If you exit after 2 years
Total costs	246 EUR	402 EUR
Annual cost impact*	2.5 %	2.0 % per year

* This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 3.01 % before costs and 1.04 % after costs.

We may share part of the costs with the person selling you the product to cover the services they provide to you.

Composition of costs

One-off costs upon entry or exit

If you exit after 1 year

Entry costs	Management Company does not charge an entry fee.	0 EUR
Exit costs	1.00% of your investment in accordance with the Fund's documentation.	100 EUR

Ongoing costs taken each year

Management fees and other administrative or operating costs	1.45 % of the value of your investment per year. This is an estimate based on actual costs over the last year.	145 EUR
Transaction costs	0.01 % of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	1 EUR

Incidental costs taken under specific conditions

Performance fees	There is no performance fee for this product.	0 EUR
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How long should I hold it and can I take money out early?

Recommended holding period: 2 years

You should be willing to hold your investment for at least 2 year/years. This recommended holding period is based on our assessment of the risk and reward characteristics and costs of the Fund. However, losses cannot be ruled out.

The unit redemption price corresponds to the published price of the Fund's units on the day of submission of the redemption request. The unit value is calculated in EUR.

The Management Company may also charge an exit fee in accordance with the Prospectus.

The Management Company can suspend the redemption of units if it proves necessary due to extraordinary circumstances.

How can I complain?

Complaints about the product (including this document), or about the Management's Company actions or the person providing information about the product, can be submitted:

- Writing to the address: Erste Asset Management d.o.o., Ivana Lučića 2a, 10000 Zagreb
- Phone: 00 385 (0)72 37 2900
- Fax: 00 385 (0)72 37 2901
- via e-mail to the address: erste-am@erste-am.hr
- in the nearest branch office of Erste bank or through the contact center of Erste bank, Phone: 0800 7890.

You can find detailed information about filing complaints on the Company's website <https://www.erste-am.hr/en/private-investors/who-are-we/investor-complaints>.

Other relevant information

Information about Fund's performance in the last 10 years can be found on the website of the Management Company

at <https://www.erste-am.hr/en/priip-historic-performance/HRERSIUEADB1>.

The fund's performance achieved in the past period does not represent an indication nor have an influence on the future performance of the Fund. The performance of the Fund is presented after deduction of all expenses except exit fees.

On the Management Company's website <https://www.erste-am.hr/en/private-investors/our-funds/mandatory-publications>, the business premises of the Management Company and distributors (list of distributors can be found at <https://www.erste-am.hr/en/private-investors/financial-reports-and-other-publications>), a sample Prospectus and Rules are available to you free of charge, Key Information Document for investors, Fund's monthly reports, audited annual reports and half-yearly reports of the Fund, Fund's unit prices and other documents with additional information in the Croatian language (if it is applicable also in other languages). Upon investment, you will receive, via the selected communication method: certificates of issuance and redemption units, an annual statement on the balance and turnover of units, and a report on capital gains/losses.

Details of the current Remuneration Policy, including a description of the calculation method, the identity of the persons responsible for the allocation of remuneration and the Remuneration Committee Members, are available on the Management Company's website:

<https://www.erste-am.hr/en/private-investors/who-are-we/investment-process>. On request, you will be submit a copy of the Remuneration Policy in paper form free of charge.

Publication of the unit price: Fund's unit price is published daily on the Management Company's website: [Mandatory Publications / NAVs \(erste-am.hr\)](#), and in the distributor's branches.

Information on the Fund's past performance on a monthly basis can be found on the Management Company's website <https://www.erste-am.hr/en/priip-performance-scenarios/HRERSIUEADB1>

The information contained in this Key Information Document does not constitute a recommendation to buy or sell the product and is not a substitute for individual advice from your custodian bank or advisor.