

<https://blog.en.erste-am.com/investment-company-erste-asset-management-achieves-record-result-in-2021/>

Erste Asset Management achieves record result in 2021

Erste AM Communications



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Erste Asset Management, subsidiary of Erste Group Bank AG, was yet again ranked first among the Austrian investment companies last year. Assets under management in Austria had increased by 16.6% y/y to EUR 47.7bn as of 31 December 2021 (2020: EUR 40.9bn). In terms of investment categories, equity funds accounted for 31.5%, bond and money market funds for 33.4%, and mixed and other funds for 35.1%. Erste Asset Management expanded its market leadership slightly to 21.8% (source: VÖIG statistics) and thus recorded stronger growth than the overall market (EUR 218.8bn, +14%: source: VÖIG).

Sustainable funds exceeding EUR 15.5bn

Among the driving forces of our fund sales was yet again the category of funds that are managed on the basis of environmental, social, and governance criteria (ESG). Erste AM is market leader and pioneer in the area of sustainability in Austria, offering 50 sustainable mutual funds and several special funds. The company issued its first environmental equity fund as early as 2001, which has been managed in collaboration with WWF Austria since 2006. In 2009 Erste AM signed the UN Principles for Responsible Investment as the first Austrian investment company.

Erste AM's assets under management increased by 12.7%

2021 was overall a very good year for Erste AM. Erste AM coordinates, and is responsible for, the asset management activities (investment funds and portfolio solutions) within Erste Group Bank AG. With offices in Austria, Germany, Croatia, Romania, Slovakia, the Czech Republic, and Hungary, it manages assets of EUR 76.8bn (as of 31 December 2021). The performance in Slovakia, Austria, and the Czech Republic, where Erste Asset Management recorded a significant increase, was particularly pleasing.

"In the second year of the COVID pandemic, the development of the global financial markets was similar to the one we had seen in the previous year: rising share and commodity prices dominated the markets. For example, the MSCI World index, which contains 23 countries, gained more than EUR 10,000bn or 20.1% in market capitalisation due to the indicators suggesting a recovery from the slump induced by COVID and to the ongoing stimulus measures from the central banks. Our fund managers were able to seize the opportunity provided by this environment and achieved excellent returns for our clients," as Heinz Bednar, CEO of Erste Asset Management, sums it up.

Outlook 2022: inflation protection moves equities to centre stage yet again

The economic outlook for 2022 remains moderately positive. The recovery continues, albeit at a lower momentum. Also, it differs regionally. Inflation has increased more significantly than anticipated. We expect several central banks to react to this development with monetary measures. The consensus expects a number of interest rate increases for the USA until the end of the year. Even though the central banks are slowly exiting the very expansive monetary policy and yields have already increased a bit, the interest rate and yield level will remain low.

This environment means for investors that the search for yield will take precedence again. Investors wishing to protect their monetary assets from this rise in inflation may want to diversify out of money market assets to risky asset classes such as equities or corporate bonds.

Rising trend of sustainable funds

In the past two years, Erste AM has successfully placed two sustainable impact mutual funds with investors. The trend towards sustainability is becoming more pronounced, with asset inflows increasing at rapid speed. The segment of sustainable investment products by Erste AM offers investors a broad spectrum: in addition to environmental and social themes, corporate governance is also becoming more relevant. We are planning to expand our range of currently more than 50 ESG funds in 2022 and to integrate ESG aspects more substantially in existing funds.

The sustainable engagement of Erste AM is credible and consistent: since 2012, the investment company has refrained from investments in banned weapons, in 2013 the company ruled out food speculation from all mutual funds, and since 2016 investments in coal mining have been excluded. In June 2021, the range of applicability of the company's carbon strategy was expanded again when Erste AM banned electricity generated by coal. Since fiscal 2019 Erste AM has offset its CO₂ emissions and has thus become climate-neutral as a company.

"The pressure on companies to take into account sustainable criteria in their strategy increases every year. We have proven to our investors that we successfully live this topic and will continue to take ESG into account in our investment decisions," as Bednar points out. "If, for example, you are looking for a sustainable, actively managed investment product, the widely diversified equity fund [ERSTE RESPONSIBLE STOCK GLOBAL](#), that invests globally in carefully selected companies may be of interest to you. Impact funds such as [ERSTE FAIR INVEST](#) are also worth looking into on account of the strategy they follow."

For further information, please visit <https://www.erste-am.at/en>

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Prognoses are no reliable indicator for future performance.

Risk notes according to 2011 Austrian Investment Fund Act

ERSTE RESPONSIBLE STOCK GLOBAL may exhibit increased volatility due to the composition of its portfolio: i.e. the unit value can be subject to significant fluctuations both upwards and downwards within short periods of time.

Risk notes according to 2011 Austrian Investment Fund Act

ERSTE FAIR INVEST may exhibit increased volatility due to the composition of its portfolio: i.e. the unit value can be subject to significant fluctuations both upwards and downwards within short periods of time.

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The currently valid versions of the prospectus, the Information for Investors pursuant to § 21 AIFMG, and the key information document can be found on the website www.erste-am.com under "Mandatory publications" and can be obtained free of charge by interested investors at the offices of the Management Company and at the offices of the depositary bank. The exact date of the most recent publication of the prospectus, the languages in which the key information document is available, and any other locations where the documents can be obtained are indicated on the website www.erste-am.com. A summary of the investor rights is available in German and English on the website www.erste-am.com/investor-rights and can also be obtained from the Management Company.

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N.B.: The performance scenarios listed in the key information document are based on a calculation method that is specified in an EU regulation. The future market development cannot be accurately predicted. The depicted performance scenarios merely present potential earnings, but are based on the earnings in the recent past. The actual earnings may be lower than indicated. Our analyses and conclusions are general in nature and do not take into account the individual characteristics of our investors in terms of earnings, taxation, experience and knowledge, investment objective, financial position, capacity for loss, and risk tolerance.

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