

Raiffeisen Eastern European Equities

(Original German name: Raiffeisen-Osteuropa-Aktien)

annual fund report

financial year Feb 1, 2017 – Jan 31, 2018

Note:

The audit opinion issued by KPMG Austria GmbH only applies for the full German-language version.

Table of contents

General fund information	3
Fund characteristics.....	3
Specific fund information during the financial year	3
Legal notice	4
Fund details.....	5
Units in circulation.....	6
Development of the fund assets and income statement	7
Performance in financial year (fund performance)	7
Development of fund assets in EUR.....	9
Fund result in EUR	10
A. Realized fund result	10
B. Unrealized closing price	10
C. Income adjustment.....	10
Capital market report	11
Fund investment policy report	12
Makeup of fund assets in EUR	13
Portfolio of investments in EUR as of Jan 31, 2018	15
Calculation method for overall risk	22
Remuneration paid to the employees of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. in EUR (financial year 2016 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)	23
Audit opinion	26
Tax treatment	29
Fund regulations	30
Appendix	36

Report for the financial year from Feb 1, 2017 to Jan 31, 2018

General fund information

ISIN	Tranche	Income class	Currency	Launch date
AT0000936513	Raiffeisen Eastern European Equities (R) A	income-distributing	EUR	Feb 21, 1994
AT0000A1TVZ1	Raiffeisen Eastern European Equities (RZ) A	income-distributing	EUR	Apr 3, 2017
AT0000A13K38	Raiffeisen Eastern European Equities (I) T	income-retaining	EUR	Dec 2, 2013
AT0000805460	Raiffeisen Eastern European Equities (R) T	income-retaining	EUR	May 17, 1999
AT0000A1TVY4	Raiffeisen Eastern European Equities (RZ) T	income-retaining	EUR	Apr 3, 2017
AT0000A0EY50	Raiffeisen Eastern European Equities (I) VTA	full income-retaining (outside Austria)	EUR	Jan 4, 2010
AT0000785241	Raiffeisen Eastern European Equities (R) VTA	full income-retaining (outside Austria)	EUR	May 26, 1999
AT0000A1TW05	Raiffeisen Eastern European Equities (RZ) VTA	full income-retaining (outside Austria)	EUR	Apr 3, 2017

Fund characteristics

Fund currency	EUR
Financial year	Feb 1 – Jan 31
Distribution/payment/reinvestment date	Apr 1
Type of fund	Investment fund pursuant to § 2 of the Austrian Investment Fund Act, InvFG (UCITS)
Effective management fee for the fund	I-Tranche (EUR): 0.900 % R-Tranche (EUR): 2.000 % RZ-Tranche (EUR): 0.900 %
Custodian bank	Raiffeisen Bank International AG
Management company	Raiffeisen Kapitalanlage-Gesellschaft m.b.H. Mooslackengasse 12, A-1190 Vienna Tel. +43 1 71170-0 Fax +43 1 71170-761092 www.rcm.at Companies register number: 83517 w
Fund management	Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
Auditor	KPMG Austria GmbH

Specific fund information during the financial year

Change of segments	Aug 16, 2017: Liquidation Raiffeisen Eastern European Equities segment Quant Aug 16, 2017: Liquidation Raiffeisen Eastern European Equities segment Diskr
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Legal notice

The software used performs calculations on the basis of more than the two decimal places displayed. Minor discrepancies cannot be ruled out due to further calculations using published results.

The value of a unit is calculated by dividing the entire value of the investment fund inclusive of its income by the number of units. The total value of the investment fund is calculated on the basis of the current market prices of the securities, money market instruments and subscription rights in the fund plus the value of the fund's financial investments, cash holdings, credit balances, receivables and other rights net of its payables. That value will be calculated by the custodian bank.

The net assets are calculated in accordance with the following principles:

- a) The value of assets quoted or traded on a stock exchange or other regulated market shall be determined, in principle, on the basis of the most recently available price.
- b) Where an asset is not quoted or traded on a stock market or another regulated market or where the price for an asset quoted or traded on a stock market or another regulated market does not appropriately reflect its actual market value, the prices provided by reliable data providers or, alternatively, market prices for equivalent securities or other recognized market valuation methods shall be used.

Dear unitholder,

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. is pleased to present its annual fund report for Raiffeisen Eastern European Equities for the financial year from Feb 1, 2017 to Jan 31, 2018. The accounting is based on the price calculation as of Jan 31, 2018.

Fund details

	Jan 31, 2016	Jan 31, 2017	Jan 31, 2018
Total fund assets in EUR	289,091,771.34	353,480,361.99	332,780,799.79
Net asset value/distributing units (R) (AT0000936513) in EUR	167.05	221.70	236.97
Issue price/distributing units (R) (AT0000936513) in EUR	175.40	232.79	248.82
Net asset value/distributing units (RZ) (AT0000A1TVZ1) in EUR	-	-	109.36
Issue price/distributing units (RZ) (AT0000A1TVZ1) in EUR	-	-	109.36
Net asset value/reinvested units (I) (AT0000A13K38) in EUR	197.19	269.72	294.42
Issue price/reinvested units (I) (AT0000A13K38) in EUR	207.05	283.21	309.14
Net asset value/reinvested units (R) (AT0000805460) in EUR	192.22	260.04	280.76
Issue price/reinvested units (R) (AT0000805460) in EUR	201.83	273.04	294.80
Net asset value/reinvested units (RZ) (AT0000A1TVY4) in EUR	-	-	109.25
Issue price/reinvested units (RZ) (AT0000A1TVY4) in EUR	-	-	109.25
Net asset value/fully reinvested units (I) (AT0000A0EY50) in EUR	215.94	295.39	322.47
Issue price/fully reinvested units (I) (AT0000A0EY50) in EUR	226.74	310.16	338.59
Net asset value/fully reinvested units (R) (AT0000785241) in EUR	201.73	272.93	294.72
Issue price/fully reinvested units (R) (AT0000785241) in EUR	211.82	286.58	309.46
Net asset value/fully reinvested units (R) (AT0000A10BJ3) in GBP	179.37	-	-
Issue price/fully reinvested units (R) (AT0000A10BJ3) in GBP	188.34	-	-
Net asset value/fully reinvested units (R) (AT0000A10BH7) in USD	169.74	-	-
Issue price/fully reinvested units (R) (AT0000A10BH7) in USD	178.23	-	-
Net asset value/fully reinvested units (RZ) (AT0000A1TW05) in EUR	-	-	109.53
Issue price/fully reinvested units (RZ) (AT0000A1TW05) in EUR	-	-	109.53

	Apr 3, 2017	Apr 3, 2018
Distribution/unit (R) (A) EUR	2.2200	2.3700
Distribution/unit (RZ) (A) EUR	-	1.0900
Outpayment/unit (I) (T) EUR	0.0000	0.0000
Outpayment/unit (R) (T) EUR	0.0000	0.0000
Outpayment/unit (RZ) (T) EUR	-	0.9148
Reinvestment/unit (I) (T) EUR	0.0000	12.6724
Reinvestment/unit (R) (T) EUR	0.0000	9.3333
Reinvestment/unit (RZ) (T) EUR	-	3.3961
Reinvestment/unit (I) (VTA) EUR	0.0000	13.9020
Reinvestment/unit (R) (VTA) EUR	0.0000	9.8356
Reinvestment/unit (RZ) (VTA) EUR	-	4.5320

The distribution will occur free-of-charge at the fund's paying agents. Payment will be made by the custodian banks.

Units in circulation

	Units in circulation on Jan 31, 2017	Sales	Repurchases	Units in circulation on Jan 31, 2018
AT0000936513 (R) A	350,994.676	9,206.025	-39,657.795	320,542.906
AT0000A1TVZ1 (RZ) A	-	2,092.810	-10.000	2,082.810
AT0000A13K38 (I) T	78.000	0.000	0.000	78.000
AT0000805460 (R) T	717,229.848	73,296.812	-151,591.543	638,935.117
AT0000A1TVY4 (RZ) T	-	45,047.094	-664.769	44,382.325
AT0000A0EY50 (I) VTA	11,527.114	2,111.927	-3,873.491	9,765.550
AT0000785241 (R) VTA	314,083.624	23,876.235	-103,243.170	234,716.689
AT0000A1TW05 (RZ) VTA	-	10.000	0.000	10.000
Total units in circulation				1,250,513.397

Development of the fund assets and income statement

Performance in financial year (fund performance)

Distributing units (R) (AT0000936513)

Net asset value per unit at start of financial year in EUR	221.70
Distribution on Apr 3, 2017 (net asset value: EUR 215.59) of EUR 2.2200, corresponds to 0.010297 units	
Net asset value per unit at end of financial year in EUR	236.97
Total value incl. units purchased through distribution (1.010297 x 236.97)	239.41
Net income/net reduction per unit	17.71

Performance of one unit during the financial year in % **7.99**

Distributing units (RZ) (AT0000A1TVZ1)

Net asset value per unit at launch of tranche (Apr 3, 2017) in EUR	100.00
Net asset value per unit at end of financial year in EUR	109.36
Net income/net reduction per unit	9.36

Performance of one unit from launch of tranche (Apr 3, 2017) up to the end of financial year in % **9.36**

Reinvested units (I) (AT0000A13K38)

Net asset value per unit at start of financial year in EUR	269.72
Outpayment on Apr 3, 2017 (net asset value: EUR 265.47) of EUR 0.0000, corresponds to 0.000000 units	
Net asset value per unit at end of financial year in EUR	294.42
Total value incl. units purchased through outpayment (1.000000 x 294.42)	294.42
Net income/net reduction per unit	24.70

Performance of one unit during the financial year in % **9.16**

Reinvested units (R) (AT0000805460)

Net asset value per unit at start of financial year in EUR	260.04
Outpayment on Apr 3, 2017 (net asset value: EUR 255.45) of EUR 0.0000, corresponds to 0.000000 units	
Net asset value per unit at end of financial year in EUR	280.76
Total value incl. units purchased through outpayment (1.000000 x 280.76)	280.76
Net income/net reduction per unit	20.72

Performance of one unit during the financial year in % **7.97**

Reinvested units (RZ) (AT0000A1TVY4)

Net asset value per unit at launch of tranche (Apr 3, 2017) in EUR	100.00
Net asset value per unit at end of financial year in EUR	109.25
Net income/net reduction per unit	9.25

Performance of one unit from launch of tranche (Apr 3, 2017) up to the end of financial year in % **9.25**

Fully reinvested units (I) (AT0000A0EY50)

Net asset value per unit at start of financial year in EUR	295.39
Net asset value per unit at end of financial year in EUR	322.47
Net income/net reduction per unit	27.08

Performance of one unit during the financial year in % **9.17**

Fully reinvested units (R) (AT0000785241)

Net asset value per unit at start of financial year in EUR	272.93
Net asset value per unit at end of financial year in EUR	294.72
Net income/net reduction per unit	21.79

Performance of one unit during the financial year in % **7.98**

Fully reinvested units (RZ) (AT0000A1TW05)

Net asset value per unit at launch of tranche (Apr 3, 2017) in EUR	100.00
Net asset value per unit at end of financial year in EUR	109.53
Net income/net reduction per unit	9.53

Performance of one unit from launch of tranche (Apr 3, 2017) up to the end of financial year in % **9.53**

The performance is calculated assuming wholesale reinvestment of distributed/paid-out amounts at their net asset value on the distribution/payment date.

The custodian bank calculates the unit value separately for each unit certificate class. Discrepancies may arise in the annual performance figures for individual unit certificate classes.

Raiffeisen KAG uses the method developed by OeKB (Österreichische Kontrollbank AG) to calculate the fund's performance, on the basis of data provided by the custodian bank (where payment of the redemption price is suspended, using indicative values). Some costs – the subscription fee (not exceeding 5.00 % of the invested amount) and any redemption fee (not exceeding 0.00 % of the sold amount) – are not included in the performance calculation. Depending on their concrete value, they will reduce a performance accordingly. Past results do not permit any reliable inferences as to the future performance of the fund.

Development of fund assets in EUR

Fund assets on Jan 31, 2017 (1,393,913.262 units)		353,480,361.99
Distribution on Apr 3, 2017 (EUR 2.2200 x 349,716.460 distributing units (R) (AT0000936513))		-776,370.54
Issuance of units	33,016,270.79	
Redemption of units	-77,060,377.93	
Pro rata income adjustment	837,906.89	-43,206,200.25
Overall fund result		23,283,008.59
Fund assets on Jan 31, 2018 (1,250,513.397 units)		332,780,799.79

Fund result in EUR

A. Realized fund result

Ordinary fund result	
Income (excl. closing price)	
Interest income	12.94
Income from securities lending transactions	31,213.68
Interest expenses (incl. negative credit interest)	-10,069.61
Dividend income (incl. dividend equivalent)	13,066,417.84
	13,087,574.85
Expenses	
Management fees	-6,466,837.09
Custodian bank fees / Custodian's fees	-303,108.66
Auditing expenses	-10,615.23
Tax consulting fees	-12,516.78
Custody charge	-242,019.12
Statutory/publication expenses	-39,011.87
	-7,074,108.75
Ordinary fund result (excl. income adjustment)	6,013,466.10
Realized closing price	
Profits realized from securities	21,750,255.47
Losses realized from securities	-15,788,088.24
Realized closing price (excl. income adjustment)	5,962,167.23
Realized fund result (excl. income adjustment)	11,975,633.33
B. Unrealized closing price	
Change in unrealized closing price	12,145,282.15
	12,145,282.15
C. Income adjustment	
Income adjustment for income during financial year	-837,906.89
	-837,906.89
Overall fund result	23,283,008.59

The result for the past financial year includes explicitly reported transaction costs (incl. external transaction-related costs, see item 15a "Transaction costs" in section II of the prospectus) in the amount of 925,928.79 EUR.

Capital market report

Equity markets continued their upward momentum in January 2018, adding to their gains of the past year. Emerging markets performed particularly strong and US-American stock indexes kept setting new all-time highs almost on a daily basis. They have risen by roughly 20 % in Dollar terms over the course of the past year. European bourses were up by a lesser amount, gaining more than 10 %. Austrian stocks stood out among them, rising by more than 30 %. The current uptrend of global equities is driven mainly by very low interest rates, positive macro-economic data and expectations for higher growth. At the same time corporate profits are rising significantly, lending increasing support to the stock market rally. The environment for bond markets was supposed to be quite challenging in 2017, given the extremely low yields in developed bond markets. However, pressure on government bonds was quite muted for most of the year. A major reason for that might be the rather moderate inflation trends in the US, Europe, and Japan. The massive bond buying programmes by the central banks in Europe and Japan are still providing considerable support to the markets, too. Corporate bonds had another good year. Lower rated bonds outperformed higher rated ones. The yield spreads over government bonds have become quite narrow, but they are still sufficiently high to attract capital from investors. Most commodities gained significantly in 2017, especially industrial metals. The energy complex was retreating for most part of the year, but rallied strongly during the final months and continued to advance in January. The strengthening Euro has generally reduced the potential gains from assets priced in foreign currencies for Euro-based investors. The U.S. central bank (Fed) raised benchmark interest rates in December for the fifth time in the current cycle and indicated two to three additional rate hikes until year-end 2018. In addition, it has laid out a roadmap for downsizing its vast bond holdings. Despite an extremely low starting level, the leeway for the U.S. central bank to further boost interest rates seems much more limited this time than in the past. Nevertheless, the decades-old uptrend of long-dated US treasury bonds may be nearing its end, and a long-term trend change could occur. This would probably exercise some downward pressure on Euro area bonds, too, but to a lesser extent than in the U.S. Yields rose for short- and medium-dated US treasuries during the year, while they rose much less or even retreated slightly for long and very long dated maturities. Contrary to the Fed, the European Central Bank (ECB) is still pursuing an ultra-easy monetary policy with large bond purchases and negative short-term interest rates. However, the ECB has started to taper its bond purchases and will most probably end them by September of this year. Rate hikes are unlikely before 2019. The unprecedented monetary easing that the major central banks have pursued over the past years reflected a pronounced weakness of the global economy. However, economic growth has picked up significantly in almost every region. Going forward it remains to be seen how the world economy will eventually deal with tighter monetary policies. The future path of inflation rates is not clear at this point either, given the ongoing presence of strong disinflationary forces within the global economy. However, inflation rates are most likely to rise over the coming quarters, albeit probably only modestly. Bond market yields are very low almost everywhere in the world, compared to their historical levels. This “new normal” of persistently depressed bond market yields in the large economic blocs has served as a major support to equity prices. Even then, some stock markets currently sport ambitious if not elevated valuations, notably the US bourses. That makes them increasingly vulnerable to setbacks. The financial market environment will certainly remain challenging. Stock prices may see some larger fluctuations again over the coming months and quarters after experiencing very calm and quite conditions in 2017. The positive factors still seem to outweigh the negative ones at the world’s stock markets for the time being. Government bond markets, on the other hand, may still face headwinds over the coming months.

Fund investment policy report

On the Russian market, the year 2017 was dominated by restructuring in a number of sectors. With the real estate boom past its peak, we sold securities in this sector. Competition in the retail industry has also increased and the fund reduced its holdings. By contrast, we bought energy stocks since they benefited from the rising oil price. Following a weak preceding period, the Turkish market recovered significantly as the market welcomed the vote in favor of President Erdogan's new presidential system. Bank stocks benefited as well as energy and industrial stocks. In the course of the year, we specifically bought energy stocks. The Greek market remained highly volatile. Following a rally that lasted until summer, bank stocks in particular lost their previous gains but managed to recover the lost ground by the end of the reporting period. We increased our holdings of bank and energy stocks over the year. In central Europe (Poland, Hungary and the Czech Republic), equities delivered a strong performance throughout the year due to significant economic growth and a low interest rate environment. At the beginning of the year, we increased our holdings in Polish equities, particularly in the banking and refinery industries. In spring, we took part in a transaction by the Hungarian oil company MOL which involved the sale of favorably-priced stocks by a major shareholder. After several successful years of investment in Romania, we decided in the summer to substantially reduce our positions in anticipation of a deterioration of the investment as well as the political climate. In the fall of 2017 and early 2018, we increased further Polish positions in the IT and retail sectors with the aim of exploiting the country's strong economic development.

Securities lending transactions were entered into in order to generate additional income.

Makeup of fund assets in EUR

Any discrepancies in terms of the market value or the share of the fund assets result from rounding-off.

UCITS refers to units in an undertaking for collective investment in transferable securities

§ 166 InvFG refers to units in investment funds in the form of "other asset portfolios"

§ 166 (1) item 2 InvFG refers to units in special funds

§ 166 (1) item 3 InvFG refers to units in undertakings for collective investment in transferable securities pursuant to § 166 (1) item 3 InvFG
(such as alternative investments/hedge funds)

§ 166 (1) item 4 InvFG refers to units in real estate funds

Type of security	OGAW/§ 166	Currency	Market value in EUR	Share of fund assets
Equities		CZK	9,105,634.10	2.74 %
Equities		EUR	17,784,500.30	5.34 %
Equities		HRK	1,724,423.35	0.52 %
Equities		HUF	17,665,101.31	5.31 %
Equities		PLN	61,451,537.70	18.47 %
Equities		RON	4,499,382.07	1.35 %
Equities		RUB	75,697,878.26	22.75 %
Equities		TRY	51,602,089.91	15.51 %
Equities		USD	3,144,277.48	0.94 %
Total Equities			242,674,824.48	72.92 %
Equities ADR		USD	64,929,291.30	19.51 %
Total Equities ADR			64,929,291.30	19.51 %
Equities GDR		USD	23,896,995.25	7.18 %
Total Equities GDR			23,896,995.25	7.18 %
Total securities			331,501,111.03	99.62 %
Bank balances/liabilities				
Bank balances/liabilities in fund currency			1,975,516.07	0.59 %
Bank balances/liabilities in foreign currency			1,139.01	0.00 %
Total bank balances/liabilities			1,976,655.08	0.59 %
Accruals and deferrals				
Interest claims (on securities and bank balances)			-753.97	-0.00 %
Total accruals and deferrals			-753.97	-0.00 %

Type of security	OGAW/§ 166	Currency	Market value in EUR	Share of fund assets
Other items				
Various fees			-696,212.36	-0.21 %
Total other items			-696,212.36	-0.21 %
Total fund assets			332,780,799.79	100.00 %

Portfolio of investments in EUR as of Jan 31, 2018

Dates indicated for securities refer to the issue and redemption dates. An issuer's right of premature redemption (where applicable) is not specified.

The securities marked with a "Y" have an open-ended maturity (is perpetual). The price for forward exchange transactions is indicated in the relevant counter currency for the currency in question.

Any discrepancies in terms of the market value or the share of the fund assets result from rounding-off.

UCITS refers to units in an undertaking for collective investment in transferable securities

§ 166 InvFG refers to units in investment funds in the form of "other asset portfolios"

§ 166 (1) item 2 InvFG refers to units in special funds

§ 166 (1) item 3 InvFG refers to units in undertakings for collective investment in transferable securities pursuant to § 166 (1) item 3 InvFG (such as alternative investments/hedge funds)

§ 166 (1) item 4 InvFG refers to units in real estate funds

Type of security	OGAW/§ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales Units/Nom.	Pool- ILB Factor	Price	Market value in EUR	Share of fund assets
Equities		CZ0005112300	CEZ AS CEZ	CZK	149,630		268,970		517.500000	3,058,558.48	0.92 %
Equities		CZ0008019106	KOMERCNI BANKA AS KOMB	CZK	115,190	43,800	19,610		926.000000	4,213,214.05	1.27 %
Equities		CZ0008040318	MONETA MONEY BANK AS MONET	CZK	388,982		20,790		83.700000	1,286,005.19	0.39 %
Equities		CZ0009093209	O2 CZECH REPUBLIC AS TELEC	CZK	48,160	49,400	1,240		288.000000	547,856.38	0.16 %
Equities		GRS015003007	ALPHA BANK AE ALPHA	EUR	2,195,608	1,100,000	2,221,020		1.902000	4,176,046.42	1.25 %
Equities		GRS323003012	EUROBANK ERGASIAS SA EUROB	EUR	1,760,000	1,760,000	1,091,558		0.840000	1,478,400.00	0.44 %
Equities		GRS260333000	HELLENIC TELECOMMUN ORGANIZA HTO	EUR	254,879	158,410	153,350		12.640000	3,221,670.56	0.97 %
Equities		GRS282183003	JUMBO SA BELA	EUR	89,625		4,750		15.900000	1,425,037.50	0.43 %
Equities		GRS426003000	MOTOR OIL (HELLAS) SA MOH	EUR	98,840	101,000	2,160		19.600000	1,937,264.00	0.58 %
Equities		GRS003003027	NATIONAL BANK OF GREECE ETE	EUR	7,706,690	7,861,780	10,672,290		0.333000	2,566,327.77	0.77 %
Equities		GRS419003009	OPAP SA OPAP	EUR	269,661		210,050		11.050000	2,979,754.05	0.90 %
Equities		HRARNTRA0004	ARENA HOSPITALITY GROUP DD ARNTRA	HRK	28,300	28,300			452.000000	1,724,423.35	0.52 %
Equities		HU0000153937	MOL HUNGARIAN OIL AND GAS PL MOL	HUF	655,614	760,544	104,930		3,036.000000	6,405,806.11	1.92 %
Equities		HU0000061726	OTP BANK PLC OTP	HUF	243,380	48,400	128,920		11,400.000000	8,929,220.37	2.68 %
Equities		HU0000123096	RICHTER GEDEON NYRT RICHT	HUF	112,250	32,900	97,050		6,450.000000	2,330,074.83	0.70 %
Equities		PLALIOR00045	ALIOR BANK SA ALR	PLN	45,190	46,000	810		84.850000	921,701.76	0.28 %
Equities		PLBH00000012	BANK HANDLOWY W WARSZAWIE SA BHW	PLN	51,620		2,180		83.800000	1,039,820.20	0.31 %
Equities		PLPEKAO00016	BANK PEKAO SA PEO	PLN	154,450	45,427	8,270		134.800000	5,004,653.73	1.50 %
Equities		PLBZ00000044	BANK ZACHODNI WBK SA BZW	PLN	25,100	15,400	38,050		417.000000	2,515,973.17	0.76 %
Equities		PLCC00000016	CCC SA CCC	PLN	46,870	22,800	2,330		289.800000	3,265,047.96	0.98 %
Equities		PLOPTTC00011	CD PROJEKT SA	PLN	25,600	25,600			114.000000	701,521.60	0.21 %
Equities		PLCFRPT00013	CYFROWY POLSAT SA CPS	PLN	130,663		153,460		24.700000	775,792.91	0.23 %
Equities		PLDINPL00011	DINO POLSKA SA DNP	PLN	59,440	114,700	55,260		82.000000	1,171,625.68	0.35 %
Equities		PLZATRM00012	GRUPA AZOTY SA ATT	PLN	32,106	32,466	360		71.000000	547,949.81	0.16 %
Equities		PLLOTOS00025	GRUPA LOTOS SA LTS	PLN	85,330	99,300	13,970		60.840000	1,247,921.25	0.37 %
Equities		PLKGHM000017	KGHM POLSKA MIEDZ SA KGH	PLN	187,510	100,600	123,690		111.650000	5,032,449.10	1.51 %
Equities		PLKRRK000010	KRUK SA KRU	PLN	7,105	7,385	280		228.000000	389,399.29	0.12 %
Equities		PLLPP0000011	LPP SA LPP	PLN	280	280			9,850.000000	662,964.83	0.20 %
Equities		PLTLKPL00017	ORANGE POLSKA SA TPS	PLN	1,031,498		305,220		6.120000	1,517,455.77	0.46 %
Equities		PLPKO0000016	PKO BANK POLSKI SA PKO	PLN	898,040	490,500	122,560		46.070000	9,945,122.18	2.99 %
Equities		PLPKPCR00011	PKP CARGO SA PKP	PLN	128,790		15,710		58.900000	1,823,449.20	0.55 %

Type of security	OGAW/§ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales Units/Nom.	Pool- ILB Factor	Price	Market value in EUR	Share of fund assets
Equities		LU1642887738	PLAY COMMUNICATIONS SA PLY	PLN	120,636	121,506	870		33.640000	975,504.20	0.29 %
Equities		PLPKN0000018	POLSKI KONCERN NAFTOWY ORLEN PKN	PLN	345,019	161,900	61,681		107.850000	8,944,568.44	2.69 %
Equities		PLPGNIG00014	POLSKIE GORNICTWO NAFTOWE I PGN	PLN	2,460,510	736,100	2,152,790		6.600000	3,903,599.91	1.17 %
Equities		PLPZU0000011	POWSZECHNY ZAKLAD UBEZPIECZE PZU	PLN	811,790	240,000	153,610		45.750000	8,927,523.98	2.68 %
Equities		PLTAURN00011	TAURON POLSKA ENERGIA SA TPE	PLN	2,915,470	1,282,000	140,830		3.050000	2,137,492.73	0.64 %
Equities		NL0012294474	DIGI COMMUNICATIONS NV DIGI	RON	81,006	84,700	3,694		37.450000	652,396.15	0.20 %
Equities		ROFPTAACNOR5	SC FONDUL PROPRIETATEA SA	RON	3,510,600		1,268,630		0.910000	687,013.26	0.21 %
Equities		ROELECACNOR5	SOCIETATEA ENERGETICA ELECTR EL	RON	304,595		29,610		11.980000	784,733.09	0.24 %
Equities		ROSNGNACNOR3	SOCIETATEA NATIONALA DE GAZE SNG	RON	174,569		86,310		34.750000	1,304,560.76	0.39 %
Equities		ROTGNTACNOR8	TRANSGAZ SA MEDIAS TGN	RON	11,770		9,250		423.000000	1,070,678.81	0.32 %
Equities		RU0007252813	ALROSA PJSC ALRS	RUB	1,999,136	3,613,780	6,282,290		81.500000	2,329,883.72	0.70 %
Equities		RU0009062467	GAZPROM NEFT PJSC SIBN	RUB	279,770		11,830		280.100000	1,120,594.66	0.34 %
Equities		RU0007661625	GAZPROM PJSC GAZP	RUB	1,012,210		54,090		143.500000	2,077,097.21	0.62 %
Equities		RU000A0JKQU8	MAGNIT PJSC MGMT	RUB	36,874	59,399	81,725		5,419.000000	2,857,417.50	0.86 %
Equities		RU000A0JR4A1	MOSCOW EXCHANGE MICEX-RTS PJ MOEX	RUB	824,310	2,172,800	2,780,290		117.100000	1,380,326.30	0.41 %
Equities		RU000A0DKVS5	NOVATEK PJSC NVTK	RUB	772,450	75,000	276,750		711.600000	7,860,327.03	2.36 %
Equities		RU000A0J2Q06	ROSNEFT OIL CO PJSC ROSN	RUB	255,280	70,000	125,980		342.100000	1,248,832.42	0.38 %
Equities		RU000A0JPKH7	RUSHYDRO PJSC HYDR	RUB	135,493,840	127,849,400	425,123,960		0.750000	1,453,165.61	0.44 %
Equities		RU0009029540	SBERBANK OF RUSSIA PJSC SBER	RUB	9,081,780	1,984,400	5,546,920		257.800000	33,480,211.15	10.06 %
Equities		RU0009029557	SBERBANK-PFD-STD SBERPS	RUB	238,630	241,300	2,670		213.350000	728,034.54	0.22 %
Equities		RU0008926258	SURGUTNEFTGAS OJSC SNGS	RUB	2,094,630	3,702,700	1,608,070		30.300000	907,578.60	0.27 %
Equities		RU0009029524	SURGUTNEFTGAS-PREFERENCE SNGSP	RUB	8,117,360	2,910,300	6,350,640		30.700000	3,563,587.94	1.07 %
Equities		RU0009033591	TATNEFT PJSC TATN	RUB	1,649,800	242,200	677,500		565.400000	13,338,942.53	4.01 %
Equities		RU0006944147	TATNEFT-PREF 3 SERIES TATNP	RUB	575,210		30,750		407.500000	3,351,879.05	1.01 %
Equities		TRAAKBNK91N6	AKBANK T.A.S. AKBNK	TRY	2,019,498	1,650,800	1,844,020		10.790000	4,642,375.78	1.40 %
Equities		TREBIMM00018	BIM BIRLESIK MAGAZALAR AS BIMAS	TRY	251,270	90,200	9,430		75.700000	4,052,396.57	1.22 %
Equities		TRAEREG191G3	EREGLI DEMIR VE CELIK FABRIK EREGL	TRY	1,466,737	1,022,900	1,273,980		9.930000	3,102,965.28	0.93 %
Equities		TRASHOL91Q5	HACI OMER SABANCI HOLDING SAHOL	TRY	1,552,130	1,569,300	779,170		11.360000	3,756,486.60	1.13 %
Equities		TRAKCHOL91Q8	KOC HOLDING AS KCHOL	TRY	1,045,370	535,000	37,430		18.540000	4,129,097.92	1.24 %
Equities		TRALOGOW91U2	LOGO YAZILIM SANAYI VE TICAR LOGO	TRY	118,661		56,050		60.450000	1,528,198.36	0.46 %
Equities		TREMAVI00037	MAVI GIYIM SANAYI VE TICAR MAVI	TRY	135,000	135,000			58.000000	1,668,158.00	0.50 %
Equities		TRAPETKM91E0	PETKIM PETROKIMYA HOLDING AS PETKM	TRY	2,280,560	4,249,340	1,968,780		7.910000	3,843,203.72	1.15 %
Equities		TRATOASO91H3	TOFAS TURK OTOMOBIL FABRIKA TOASO	TRY	256,770	45,000	302,530		32.240000	1,763,659.47	0.53 %
Equities		TRATUPRS91E8	TUPRAS-TURKIYE PETROL RAFINE TUPRS	TRY	214,585	112,700	102,520		115.200000	5,266,562.70	1.58 %
Equities		TRATHYAO91M5	TURK HAVA YOLLARI AO THYAO	TRY	901,690	1,862,060	960,370		15.700000	3,016,006.86	0.91 %
Equities		TRATCELL91M1	TURKCELL ILETISIM HIZMET AS TCELL	TRY	1,479,220	1,295,320	45,400		15.940000	5,023,385.49	1.51 %
Equities		TRAGARAN91N1	TURKIYE GARANTI BANKASI GARAN	TRY	2,421,900	2,015,910	3,529,010		12.000000	6,191,742.30	1.86 %
Equities		TRETHAL00019	TURKIYE HALK BANKASI HALKB	TRY	730,420	1,153,070	938,550		10.150000	1,579,479.95	0.47 %
Equities		TRAICTR91N2	TURKIYE IS BANKASI-C ISCTR	TRY	1,197,460	1,197,460	3,059,154		7.990000	2,038,370.91	0.61 %
Equities		VGG572791041	LUXOFT HOLDING INC LXFT	USD	28,260	50,300	22,040		57.350000	1,305,813.96	0.39 %
Equities		NL0009805522	YANDEX NV-A YNDX	USD	59,890	61,200	1,310		38.100000	1,838,463.52	0.55 %
Equities ADR		US36829G1076	GAZPROM NEFT-SPONSORED ADR GAZ	USD	85,575		4,570		24.900000	1,716,809.01	0.52 %
Equities ADR		US3682872078	GAZPROM PAO -SPON ADR OGZD	USD	4,294,738	2,006,100	1,697,740		5.060000	17,509,063.59	5.26 %
Equities ADR		US69343P1057	LUKOIL PJSC-SPON ADR LKOD	USD	504,850	96,800	190,950		66.020000	26,854,285.94	8.07 %
Equities ADR		US55315J1025	MMC NORILSK NICKEL PJSC-ADR MNOD	USD	600,770	504,520	759,950		20.450000	9,898,679.85	2.97 %
Equities ADR		US6074091090	MOBILE TELESYSTEMS-SP ADR MBT	USD	585,250	361,900	119,550		11.970000	5,644,315.76	1.70 %
Equities ADR		US8688612048	SURGUTNEFTGAS-SP ADR SGGD	USD	240,018		732,115		5.285000	1,022,032.09	0.31 %
Equities ADR		US8766292051	TATNEFT PAO-SPONSORED ADR ATAD	USD	47,170		2,530		60.100000	2,284,105.06	0.69 %
Equities GDR		US83367Y2072	ELECTRICA SA-GDR-REG S ELSA	USD	14,400				12.700000	147,347.22	0.04 %
Equities GDR		US2634T2006	LENTA LTD-REG S LNTA	USD	181,860	183,900	164,858		7.040000	1,031,538.81	0.31 %
Equities GDR		US5603172082	MAIL.RU GROUP-GDR REGS MAIL	USD	96,570	98,500	1,930		32.480000	2,527,167.22	0.76 %

financial year Feb 1, 2017 – Jan 31, 2018

Raiffeisen Eastern European Equities

Type of security	OGAW/§ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales Units/Nom.	Pool- ILB Factor	Price	Market value in EUR	Share of fund assets
Equities GDR		US6698881090	NOVATEK PJSC-SPONS GDR REG S NVTK	USD	23,090		14,710		131.100000	2,438,946.94	0.73 %
Equities GDR		US67011E2046	NOVOLIPETSK STEEL PJSC-GDR NLMK	USD	52,000	52,000			26.620000	1,115,288.24	0.34 %
Equities GDR		US71922G2093	PHOSAGRO PJSC-GDR REG S PHOR	USD	87,090	89,000	1,910		15.920000	1,117,087.22	0.34 %
Equities GDR		US67812M2070	ROSNEFT OIL CO PJSC-REGS GDR ROSN	USD	722,180	70,200	706,687		6.100000	3,549,367.92	1.07 %
Equities GDR		US8181503025	SEVERSTAL - GDR REG S SVST	USD	343,274	40,300	234,960		16.370000	4,527,571.51	1.36 %
Equities GDR		US87238U2033	TCS GROUP HOLDING -REG S TCS	USD	178,850	182,400	3,550		21.650000	3,119,769.97	0.94 %
Equities GDR		US98387E2054	X 5 RETAIL GROUP NV-REGS GDR FIVE	USD	133,800	28,200	42,100		40.100000	4,322,910.20	1.30 %
Total licensed securities admitted to trading on the official market or another regulated market										331,501,111.03	99.62 %
Total securities										331,501,111.03	99.62 %
Bank balances/liabilities											
				EUR						1,975,516.07	0.59 %
				GBP						26.10	0.00 %
				PLN						-0.05	-0.00 %
				USD						1,112.96	0.00 %
Total bank balances/liabilities										1,976,655.08	0.59 %
Accruals and deferrals											
Interest claims (on securities and bank balances)										-753.97	-0.00 %
Total accruals and deferrals										-753.97	-0.00 %
Other items											
Various fees										-696,212.36	-0.21 %
Total other items										-696,212.36	-0.21 %
Total fund assets										332,780,799.79	100.00 %

ISIN	Income class		Currency	Net asset value per unit	Units in circulation
AT0000936513	R	income-distributing	EUR	236.97	320,542.906
AT0000A1TVZ1	RZ	income-distributing	EUR	109.36	2,082.810
AT0000A13K38	I	income-retaining	EUR	294.42	78.000
AT0000805460	R	income-retaining	EUR	280.76	638,935.117
AT0000A1TVY4	RZ	income-retaining	EUR	109.25	44,382.325
AT0000A0EY50	I	full income-retaining (outside Austria)	EUR	322.47	9,765.550
AT0000785241	R	full income-retaining (outside Austria)	EUR	294.72	234,716.689
AT0000A1TW05	RZ	full income-retaining (outside Austria)	EUR	109.53	10,000

Frozen securities forming part of the portfolio of investments (securities lending transactions)

ISIN	Security title	Currency	Volume Jan 31, 2018
US5603172082	MAIL.RU GROUP-GDR REGS MAIL	USD	96,000
US98387E2054	X 5 RETAIL GROUP NV-REGS GDR FIVE	USD	75,000

Exchange rates

Foreign currency assets were converted into EUR on the basis of the exchange rates applicable on Jan 30, 2018

Currency		Price (1 EUR =)
Czech Koruna	CZK	25.317000
British Pound	GBP	0.879200
Croatian Kuna	HRK	7.417900
Hungarian Forint	HUF	310.725000
Polish Zloty	PLN	4.160100
Romanian Leu	RON	4.650050
Russian Rubles	RUB	69.930350
Turkish Lira	TRY	4.693800
US Dollars	USD	1.241150

Securities purchases and sales during the period under review not listed under the portfolio of assets:

Type of security	OGAW/\$ 166	ISIN	Security title	Currency		Purchases Additions	Sales Disposals
Equities		AT0000652011	ERSTE GROUP BANK AG EBS	EUR			21,700
Equities		HU0000073507	MAGYAR TELEKOM TELECOMMUNICA MTEL	HUF			1,186,489
Equities		HU0000068952	MOL HUNGARIAN OIL AND GAS PL MOL	HUF		67,468	99,968
Equities		PLEURCH00011	EUROCASH SA EUR	PLN			46,100
Equities		NL0012235980	GRIFFIN PREMIUM RE NV GPR	PLN		978,000	978,000
Equities		PLKRK0000499	KRUK SA-PDA-ALLOT KRUA	PLN			7,385
Equities		PLBRE0000012	MBANK SA MBK	PLN			27,600
Equities		PLDWORY00019	SYNTHOS SA SNS	PLN			1,603,100
Equities		DE000A13STW4	UNIWHEELS AG UNW	PLN			50,948
Equities		ROTLVAACNOR1	BANCA TRANSILVANIA SA TLV	RON		215,728	1,579,531
Equities		RU000A0JS942	MEGAFON PJSC MFON	RUB		85,200	85,200
Equities		RU0009091573	TRANSNEFT PJSC TRNFP	RUB			770
Equities		TRAARCLK91H5	ARCELIK AS ARCLK	TRY		463,720	463,720
Equities		TRAASEL91H2	ASELSAN ELEKTRONIK SANAYI ASELS	TRY		517,200	517,200
Equities		TRACIMSA91F9	CIMSA CIMENTO SANAYI VE TIC CIMSA	TRY			250,800
Equities		TREEGYO00017	EMLAK KONUT GAYRIMENKUL YATI EKGYO	TRY		3,235,060	6,829,260
Equities		TRETAVH00018	TAV HAVALIMANLARI HOLDING AS TAVHL	TRY			149,400
Equities		TREULKR00015	ULKER BISKUVI SANAYI ULKER	TRY			212,589
Equities		US29414B1044	EPAM SYSTEMS INC EPAM	USD		22,800	22,800
Equities ADR		US7821834048	RUSHYDRO PJSC-ADR HYDR	USD			171,400
Equities GDR		US29760G1031	ETALON GROUP-GDR REG S ETLN	USD			461,403
Equities GDR		US55953Q2021	MAGNIT PJSC-SPON GDR REGS MGNT	USD		154,400	154,400

Further information on securities lending transactions

- Overall risk (exposure) (securities loaned as of the reporting date versus fund volume):

1.48 %

Value of loaned securities: 4,935,406.67 EUR

Proportion of assets eligible for lending transactions: 1.49 %

On the reporting date Jan 31, 2018 the following securities had been lent:

ISIN	Security title	Currency	Volume	Market value (incl. any
			Jan 31, 2018	interest accrued) Jan 31, 2018
US5603172082	MAIL.RU GROUP-GDR REGS MAIL	USD	96,000	2,512,250.73
US98387E2054	X 5 RETAIL GROUP NV-REGS GDR FIVE	USD	75,000	2,423,155.94

- Identity of the counterparties for securities lending transactions:

Raiffeisen Bank International AG (as a recognized securities lending system within the meaning of § 84 InvFG)

- Ten key issuers of collateral:

Issuer	Market value (incl. any interest	Share
	accrued) Jan 31, 2018	
VIVENDI SA	242,898.41	4.37 %
RYANAIR HOLDINGS PLC	226,438.01	4.08 %
UNITED MEXICAN STATES	219,873.13	3.96 %
EXPORT IMPORT BANK CHINA	213,731.56	3.85 %
ENEL SPA	205,942.38	3.71 %
TOTAL SA	167,961.42	3.02 %
NETFLIX INC	140,470.42	2.53 %
INTESA SANPAOLO SPA	139,604.29	2.51 %
BAO-TRANS ENTERPRISES LTD	137,873.03	2.48 %
JAPAN FINANCE CORP	136,743.04	2.46 %
TOTAL	1,831,535.69	32.97 %

- Nature and value of eligible collateral received by the investment fund versus the counterparty risk:

Under the securities lending master agreement concluded between the management company and Raiffeisen Bank International AG, Raiffeisen Bank International AG is obliged to provide collateral for loaned securities. Sight deposits, bonds, equities and units in investment funds are permitted as collateral. The bonds used as collateral may be issued by sovereigns, supranational issuers and/or companies etc. No stipulations apply in relation to the terms of these bonds. Within the scope of provision of collateral, pursuant to § 4 of the Austrian Securities Lending and Repurchase Agreement Ordinance (Verordnung zu Wertpapierleih- und Pensionsgeschäften, WPV), diversification and correlation with risk diversification achieved through quantitative issuer limits in particular and appropriate liquidity for collateral for the purpose of tradability and realizability will be ensured. Sight deposits are not subject to any haircut. The value of this collateral calculated on each day of stock market trading thus amounts to 100 % of the value of the loaned securities. Other collateral (bonds, equities and units in investment funds) will be valued – likewise on each day of stock market trading – on the basis of a value-at-risk calculation. The maximum foreseeable loss for this other collateral is calculated over a period of three business days, with a probability of 99 % (confidence interval). The value determined plus a markup of 10 % represents the applicable valuation markdown. This valuation markdown will amount to at least 5 % of the value of this other collateral. Recognition of this haircut will entail delivery of the required volume of additional collateral on each day of stock market trading.

On the reporting date the collateral had the following makeup:

Sight deposits: 0.00 %

Bonds: 56.01 %

Equities: 43.99 %

Units in investment funds: 0.00 %

Asset class	Rating	Share
Bonds	a	27.53 %
Bonds	aa	7.33 %
Bonds	aaa	0.08 %
Bonds	bbb	21.09 %
		56.01 %

Asset class	Stock exchange	Share
Equities	recognized	43.99 %
Equities	non-recognized	0.00 %
		43.99 %

Asset class	Currency	Share
Bonds	AUD	0.49 %
Bonds	CHF	0.78 %
Bonds	CZK	0.03 %
Bonds	EUR	6.97 %
Bonds	GBP	3.64 %
Bonds	USD	44.09 %
		56.01 %
Equities	CAD	0.39 %
Equities	EUR	27.17 %
Equities	GBP	1.80 %
Equities	JPY	1.07 %
Equities	USD	13.55 %
		43.99 %

In relation to securities lending transactions, the investment fund is not entirely collateralized by means of securities which are either issued or guaranteed by an EEA member state.

Collateral holding period: unlimited

Period of securities lending:

Duration / Days	< 1 day	1-7 days	7-30 days	30-90 days	90-360 days
	31 %	0 %	0 %	0 %	69 %

Country of counterparty (Raiffeisen Bank International AG: Austria

Settlement: bilateral

- Reuse of collateral:

Collateral received is not reused.

- Custody of collateral which the investment fund has received in connection with securities lending transactions:

Sight deposits are held as a deposit on an account with a credit institution determined by the management company. Other collateral is held on a security deposit account of the management company with Raiffeisen Bank International AG (custodian bank) and is likewise not reused.

- Custody of collateral which the investment fund has provided in connection with securities lending transactions:

Within the limits stipulated by law (§ 84 InvFG), the management company is merely permitted to lend securities to third parties. However, it is not permitted to borrow securities. Accordingly, the investment fund will not provide any collateral within the scope of securities lending transactions.

- Fees, direct and indirect operating costs and income of the investment fund resulting from securities lending transactions during the accounting period:

Income: 31,213.68 EUR (of which 100 % from securities lending transactions)

Costs: N/A

Further information on repurchase agreements

During the reporting period, no repurchase agreements were concluded on behalf of the fund. Accordingly, the information concerning repurchase agreements which is stipulated in § 8 of the Austrian Securities Lending and Repurchase Agreement Ordinance and Art. 13 of Regulation (EU) No. 2015/2365 is not required.

Total return swaps and similar derivative instruments

A total return swap is a credit derivative instrument. Income and fluctuations in the value of the underlying financial instrument (underlying instrument or reference asset) are exchanged for fixed interest payments.

The fund did not enter into total return swaps or similar derivative instruments in the period under review.

Calculation method for overall risk

Calculation method for overall risk

Simplified approach

**Remuneration paid to the employees of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. in EUR
(financial year 2016 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)**

Total number of employees	246
Number of risk-bearers	75
Fixed remuneration	20,581,955.28
Variable remuneration (bonuses)	1,985,934.27
Total remuneration for employees	22,567,889.55
of which remuneration for managing directors	1,005,682.63
of which remuneration for managers (risk-bearers)	2,684,297.06
of which remuneration for other risk-bearers	6,944,312.86
of which remuneration for employees in positions of control	219,259.27
of which remuneration for employees in the same income bracket as managing directors and risk-bearers due to their overall remuneration	0.00
Total remuneration for risk-bearers	10,853,551.82

- The remuneration guidelines (“remuneration guidelines”) issued by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. serve as a binding framework for fulfillment of the remuneration policy and practice requirements stipulated in §§ 17 (a) to (c) of the Austrian Investment Fund Act (InvFG), § 11 of the Austrian Alternative Investment Fund Managers Act (AIFMG) and Enclosure 2 to § 11 AIFMG. Fixed and variable remuneration components are determined on the basis of these remuneration guidelines.

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. has established a systematic, structured, differentiating and incentivizing compensation system which reflects the company’s values as well as clear and consistent outline conditions. Its employees’ compensation comprises fixed salary components as well as variable salary components for some positions. This remuneration – in particular, the variable salary component (where applicable) – reflects an objective organizational structure (“job grades”).

Compensation is determined on the basis of regular market comparisons and in accordance with local remuneration practice. The goal is to encourage employees’ long-term loyalty to the company while also promoting their performance and their development within the framework of a management or specialist career path.

At Raiffeisen Kapitalanlage-Gesellschaft m.b.H., an employee’s basic salary (fixed remuneration) is non-discretionary remuneration which does not vary in accordance with the performance of the company (earnings before interest and tax) or of the specific employee (individual target achievement). It primarily reflects relevant professional experience and organizational responsibility, as outlined in the employee’s job description as part of his terms of employment. The employee’s fixed salary is determined on the basis of his market value, his individual qualifications and the position which he holds at Raiffeisen Kapitalanlage-Gesellschaft m.b.H. Raiffeisen Kapitalanlage-Gesellschaft m.b.H. uses all of the standard remuneration management instruments (e.g. domestic and foreign remuneration studies, salary bands, position grading).

The employee’s variable salary reflects the achievement of company and performance targets which are specified and reviewed within the scope of a performance management process. Employees’ targets are specified on the basis of the company’s strategic targets, the targets of their organizational unit or department and their function. Target agreements are concluded and the employee’s level of target achievement (= performance) is determined through annual performance appraisals (“MBO system”).

The target structure at Raiffeisen Kapitalanlage-Gesellschaft m.b.H. differentiates between qualitative targets – which include individual targets or division and department targets – and quantitative targets, e.g. performance and income targets, and also quantifiable project targets. Every manager is also assigned management targets. Quantitative one-year or multiple-year targets also apply within the scope of the company's core activities of sales and fund management.

- Since the performance period 2015, in accordance with the regulatory requirements a portion of the variable remuneration for risk-bearers is paid out in the form of units in an investment fund managed by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. In addition, as required by law portions of the variable remuneration of risk-bearers are deferred and paid out over a period of several years.
- The supervisory board of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. resolves the general remuneration policy principles specified by the remuneration committee, reviews them at least once a year and is responsible for their implementation and for monitoring of this issue. The supervisory board most recently fulfilled this duty on Nov 30, 2017. It has not identified any need for changes or any irregularities in relation to the remuneration policy of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
- In addition, at least once per year a central and independent internal review determines whether the company's remuneration policy has been implemented in accordance with the applicable remuneration regulations and procedures. The internal auditing division of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. published its most recent report on Aug 22, 2017. This report has not resulted in any material findings concerning the remuneration policy of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
- The remuneration policy of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. has not been subject to any significant changes in the reporting period.

Remuneration principles of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

- The remuneration principles of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. support the business strategy and the long-term goals, interests and values of the company and of the investment funds managed by Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
- The remuneration principles of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. include measures to avoid conflicts of interest.
- The remuneration principles and policies of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. are consistent with and promote sound and effective risk-taking practices and avoid incentives for any inappropriate risk-taking propensity which exceed the level of risk tolerated by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. or the investment funds under its management.
- The total amount of variable remuneration will not limit the capacity of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. to strengthen its capital base.
- Variable remuneration is not paid by means of instruments or methods which facilitate circumvention of applicable legal requirements.
- Employees in positions of control are rewarded irrespective of the business unit which they supervise, they have an appropriate level of authority and their remuneration is determined on the basis of the fulfillment of their organizational targets in connection with their functions, irrespective of the results of the business activities under their supervision.

- Guaranteed variable remuneration is not consistent with sound risk management or the “pay-for-performance” principle and should not be included in future remuneration plans. Guaranteed variable remuneration is the exception:., This is only provided in connection with new hirings and only where Raiffeisen Kapitalanlage-Gesellschaft m.b.H. has a sound and strong capital base. It is limited to the first year of employment.
- Any payments relating to the premature termination of a contract must reflect the performance realized over the relevant period of time and must not reward failures or misconduct.

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. complies with the code of conduct for the Austrian investment fund industry 2012.

Vienna, 23 May 2018

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.


Mag. Rainer Schnabl


Mag.(FH) Dieter Aigner


Ing. Michal Kustra

Audit opinion

Report on the annual fund report

Audit opinion

We have audited the annual fund report issued by Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna, for its fund Raiffeisen Eastern European Equities, consisting of the portfolio of investments as of January 31, 2018, the income statement for the financial year ending as of this date and the other disclosures required under Annex I Schedule B of the 2011 Austrian Investment Fund Act (Investmentfondsgesetz, InvFG).

In our view, the annual fund report complies with applicable statutory requirements and provides a true and fair view of the net assets and financial position as of January 31, 2018 as well as the earnings position for the fund for the financial year ending as of this date, in compliance with Austrian commercial law, the provisions of InvFG 2011.

Basis for the audit opinion

We performed our audit in accordance with § 49 (5) InvFG 2011 in accordance with Austrian principles of orderly auditing. These principles require application of the International Standards on Auditing (ISA). Our responsibilities on the basis of these requirements and standards are outlined in further detail in the “Responsibilities of the auditor for the audit of the annual fund report” section of our audit certificate. We are independent from the company, in compliance with Austrian commercial law and professional standards, and we have fulfilled our other professional duties in accordance with these requirements. In our view, we have obtained sufficient and suitable audit documentation as a basis for our audit opinion.

Responsibilities of the company’s legal representatives and the supervisory board for the annual fund report

The company’s legal representatives are responsible for the preparation of the annual fund report and for ensuring that it provides a true and fair view of the fund’s net assets, financial and earnings position in compliance with Austrian commercial law and the provisions of InvFG 2011. The company’s legal representatives are also responsible for the internal controls which they deem necessary in order to enable the preparation of an annual fund report which is free from material (intentional or unintentional) misrepresentations.

The supervisory board is responsible for monitoring the company’s accounting process in relation to the funds under its management.

Responsibilities of the auditor for the audit of the annual fund report

Our goals are to establish sufficient certainty as to whether the annual fund report as a whole is free from material (intentional or unintentional) misrepresentations and for issuing an audit certificate which includes our audit opinion. Sufficient certainty means a high level of certainty – but not a guarantee – that an orderly audit performed in accordance with the recognized Austrian principles – which require application of the ISA – will always uncover any material misrepresentation. Misrepresentations may result from malicious acts or on the basis of errors and will be deemed material where they may be reasonably expected – either individually or collectively – to influence the economic decisions made by users on the basis of this annual fund report.

As part of an audit complying with the recognized Austrian principles of orderly auditing – which require application of the ISA – we exercise due discretion throughout our audit and maintain a critical distance.

In addition, the following applies:

- We identify and evaluate the risks of material (intentional or unintentional) misrepresentations in the annual fund report, plan audit activities in response to these risks, implement these activities and obtain audit documentation which is sufficient and suitable in order to serve as a basis for our audit opinion. The risk of material misrepresentations resulting from malicious acts not being uncovered is greater than the risk resulting from errors, since malicious acts may include fraudulent collaboration, falsifications, deliberate incompleteness, misleading representations or the suspension of internal controls.
- We obtain a picture of the internal control system which is relevant for the audit so as to plan audit activities which are adequate in the given circumstances, but not with the objective of providing an audit opinion regarding the effectiveness of the company's internal control system.
- We evaluate the adequacy of the accounting methods applied by the company's legal representatives as well as the reasonableness of the legal representatives' estimates in the accounting as well as the related disclosures.
- We evaluate the overall picture, the structure and the contents of the annual fund report including the disclosures and whether the annual fund report provides a true and fair view of the underlying business transactions and events.
- We discuss matters with the supervisory board including the planned scope of the audit and its schedule as well as significant audit findings, including any significant shortcomings in the internal control system that we identify in the course of our audit.

Other information

The company's legal representatives are responsible for the other information provided. This other information comprises all of the information included in the annual fund report, with the exception of the portfolio of investments, the income statement, the other disclosures required under Annex I Schedule B InvFG 2011 and the audit certificate.

Our audit opinion for the annual fund report does not cover this other information, and we do not provide any sort of assurance in this regard.

In connection with our audit of the annual fund report, we are responsible for reading this other information and for considering whether there are any material inconsistencies between this other information and the annual fund report or on the basis of our knowledge obtained in the course of our audit or whether this information appears to have been otherwise materially misrepresented. If we reach the conclusion on the basis of our activities that this other information has been materially misrepresented, we must report this. We have nothing to report in this respect.

Vienna, 23 May 2018

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Wilhelm Kovsca
Auditor

Tax treatment

Once the new reporting framework comes into effect (from Jun 6, 2016), Österreichische Kontrollbank (OeKB) will prepare the details of the tax arrangements for the fund and publish them on www.profitweb.at. The tax documents are available for downloading for all funds. The tax documents are also available on our website www.rcm.at. Please visit www.profitweb.at for detailed information on offsettable and reimbursable foreign taxes.

Fund regulations

Fund regulations pursuant to the Austrian Investment Fund Act 2011

The Austrian Financial Market Authority (FMA) has approved the fund regulations for the investment fund Raiffeisen Eastern European Equities, a jointly owned fund pursuant to the Austrian Investment Fund Act 2011, as amended (InvFG).

The investment fund is an undertaking for collective investment in transferable securities (UCITS) and is managed by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. (hereinafter: the "management company") which is headquartered in Vienna.

Article 1 Fund units

The fund units are embodied in unit certificates with the character of financial instruments which are issued to bearer.

The unit certificates shall be represented by global certificates for each unit class. Actual securities are not issued.

Article 2 Custodian bank (custodian)

Raiffeisen Bank International AG, Vienna, is the investment fund's custodian bank (custodian).

The custodian bank (custodian), the regional Raiffeisen banks, Kathrein Privatbank Aktiengesellschaft, Vienna, and other paying agents referred to in the prospectus are the paying agents for unit certificates.

Article 3 Investment instruments and principles

The following assets pursuant to InvFG may be selected for the investment fund.

The investment fund mainly invests in equities and equity-equivalent securities issued by companies which are headquartered or mainly active in the European emerging markets (incl. Russia) (i.e. more than 51 % of its fund assets are invested in the form of directly purchased individual securities which are not held directly or indirectly through investment funds or derivatives).

The following investment instruments are purchased for the fund assets, while complying with the investment focus outlined above.

Securities

The fund may purchase securities (including securities with embedded derivative instruments) as permitted by law.

Money market instruments

Money market instruments may comprise up to 49 % of the fund assets.

Securities and money market instruments

Not fully paid-in securities or money market instruments and subscription rights for such instruments or other not fully paid-in financial instruments may only be purchased for up to 10 % of the fund assets.

Securities and money market instruments may be purchased if they comply with the criteria concerning listing and trading on a regulated market or a securities exchange pursuant to InvFG.

Securities and money market instruments which do not fulfill the criteria laid down in the above paragraph may be purchased for up to 10 % of the fund assets in total.

Units in investment funds

Units in investment funds (UCITS, UCI) may each amount to up to 10 % of the fund assets – and up to 10 % of the fund assets in total – insofar as these UCITS or UCI do not for their part invest more than 10 % of their fund assets in units in other investment funds.

Derivative instruments

Derivative instruments may be used as part of the fund's investment strategy for up to 49 % of the fund assets (calculated on the basis of market prices) and for hedging purposes.

Investment fund's risk measurement method

The investment fund applies the following risk measurement method:

Commitment approach

The commitment figure is calculated pursuant to the 3rd chapter of the 4th Austrian Derivatives Risk Calculation and Reporting Ordinance (Derivate-Risikoberechnungs- und Meldeverordnung, DeRiMV), as amended.

The overall risk for derivative instruments which are not held for hedging purposes is limited to 60 % of the overall net value of the fund assets.

Sight deposits or deposits at notice

Sight deposits and deposits at notice with terms not exceeding 12 months may amount to up to 49 % of the fund assets. No minimum bank balance is required.

Within the framework of restructuring of the fund portfolio and/or a justified assumption of impending losses for securities, the investment fund may hold a lower proportion of securities and a higher proportion of sight deposits or deposits at notice with terms not exceeding 12 months.

Short-term loans

The management company may take up short-term loans of up to 10 % of the fund assets for account of the investment fund.

Repos

Repurchase agreements may comprise up to 100 % of the fund assets.

Securities lending

Securities lending transactions may comprise up to 30 % of the fund assets.

Investment instruments may only be acquired uniformly for the entire investment fund, not for an individual unit class or for a group of unit classes.

However, this does not apply for currency hedge transactions. These transactions may only be entered into in relation to a single unit class. Expenses and income resulting from a currency hedge transaction shall exclusively be allocated to the relevant unit class.

Article 4 Issuance and redemption modalities

The unit value shall be calculated in EUR or the currency of the unit class.

The value of units will be calculated on each day of stock market trading.

Issuance and subscription fee

Units will be issued on any banking day.

The issue price is the unit value plus a fee per unit of up to 5 % to cover the management company's issuing costs.

Unit issuance shall not in principle be subject to limitation; however, the management company reserves the right temporarily or entirely to discontinue its issuance of unit certificates.

The management company shall be entitled to introduce a graduated subscription fee.

Redemption and redemption fee

Units will be redeemed on any banking day.

The redemption price is based on the value of a unit. No redemption fee will be charged.

At the request of a unitholder, its unit shall be redeemed out of the investment fund at the applicable redemption price, against surrender of the unit certificate.

Article 5 Accounting year

The investment fund's accounting year runs from February 1 to January 31.

Article 6 Unit classes and appropriation of income

Income-distributing unit certificates, income-retaining unit certificates with capital gains tax deducted and income-retaining unit certificates without capital gains tax deducted may be issued for the investment fund.

Various classes of unit certificates may be issued for this investment fund. The management company may decide to establish unit classes or to issue units in a given unit class.

Appropriation of income for income-distributing unit certificates (income distribution)

Once costs have been covered, the income received during the past accounting year (interest and dividends) may be distributed at the discretion of the management company. Distribution may be waived subject to due consideration of the unitholders' interests. The distribution of income from the sale of assets of the investment fund including subscription rights shall likewise be at the discretion of the management company. A distribution from the fund assets and interim distributions are also permissible.

The fund assets may not through distributions fall below the minimum volume for a termination which is stipulated by law.

From April 1 of the following accounting year the amounts are to be distributed to the holders of income-distributing unit certificates. Any remaining balances shall be carried forward to a new account.

In any case, from April 1 an amount calculated pursuant to InvFG shall be paid out, to be used where applicable to meet any capital gains tax commitments on the distribution-equivalent return on those unit certificates, unless the management company ensures through appropriate proof from the custodians that at the time of payout the unit certificates may only be held by unitholders who are either not subject to Austrian income or corporate income tax or who fulfill the requirements for an exemption pursuant to § 94 of the Austrian Income Tax Act or for a capital gains tax exemption.

Appropriation of income in case of income-retaining unit certificates with capital gains tax deducted (income retention)

Income during the accounting year net of costs shall not be distributed. In case of income-retaining unit certificates, from April 1 an amount calculated pursuant to InvFG shall be paid out, to be used where applicable to meet any capital gains tax commitments on the distribution-equivalent return on those unit certificates, unless the management company ensures through appropriate proof from the custodians that as of the payment date the unit certificates are only held by unitholders who are either not subject to Austrian income or corporate income tax or who fulfill the requirements for an exemption pursuant to § 94 of the Austrian Income Tax Act or for a capital gains tax exemption.

Appropriation of income in case of income-retaining unit certificates without capital gains tax deducted (full income retention – domestic and foreign tranches)

Income during the accounting year net of costs shall not be distributed. No payment pursuant to InvFG will be made. April 1 of the following accounting year shall be the key date pursuant to InvFG in case of failure to pay capital gains tax on the annual income.

The management company shall ensure through appropriate proof from the custodians that at the time of payout the unit certificates may only be held by unitholders who are either not subject to Austrian income or corporate income tax or who fulfill the requirements for exemption as per § 94 of the Austrian Income Tax Act or for a capital gains tax exemption.

If these preconditions have not been met as of the payment date, the amount calculated pursuant to InvFG shall be paid out by the custodian bank in the form of credit.

Appropriation of income in case of income-retaining unit certificates without capital gains tax deducted (full income retention – foreign tranche)

Income-retaining unit certificates without deducted capital gains tax shall only be sold outside Austria.

Income during the accounting year net of costs shall not be distributed. No payment pursuant to InvFG will be made.

The management company shall ensure through appropriate proof that as of the payment date the unit certificates may only be held by unitholders who are either not subject to Austrian income or corporate income tax or who fulfill the requirements for exemption pursuant to § 94 of the Austrian Income Tax Act or for a capital gains tax exemption.

Article 7 Management fee, reimbursement of expenses, liquidation fee

The management company shall receive for its management activity an annual remuneration

- of up to 1 % of the fund assets for the unit certificate class "tranche I" (minimum investment: EUR 500,000) or
- of up to 2 % of the fund assets for other unit certificate classes,

calculated on the basis of the values at the end of each month.

This remuneration will be included in the calculation of the unit value on each day of stock exchange trading in the form of an accrual.

The management company is entitled to reimbursement of all expenses associated with its management of the fund.

The management company shall be entitled to introduce a graduated management fee.

The costs arising at the introduction of new unit classes for existing asset portfolios shall be deducted from the unit prices of the new unit classes.

At the liquidation of the investment fund, the custodian bank shall receive remuneration amounting to 0.5 % of the fund assets.

Please refer to the prospectus for further information on this investment fund.

Appendix

List of stock exchanges with official trading and organized markets

1. Stock exchanges with official trading and organized markets in the member states of the EEA

Each Member State is required to maintain an updated list of regulated markets authorized by it. This directory is to be made available to the other member states and to the Commission.

According to this provision, the Commission is obliged to publish once a year a directory of the regulated markets of which it has received notice.

Due to decreasing restrictions and to trading segment specialization, the directory of "regulated markets" is undergoing great changes. In addition to the annual publication of a directory in the official gazette of the European Union, the Commission will therefore provide an updated version on its official internet site.

1.1. The current directory of regulated markets is available at:

http://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_mifid_rma¹

1.2. The following stock exchanges are to be included in the directory of Regulated Markets:

1.2.1. Luxembourg Euro MTF Luxembourg

1.3. Recognized markets in the EEA pursuant to § 67 (2) item 2 InvFG:

Markets in the EEA classified as recognized markets by the relevant supervisory authorities.

2. Stock exchanges in European states which are not members of the EEA

- | | | |
|------|-----------------------|--|
| 2.1. | Bosnia & Herzegovina: | Sarajevo, Banja Luka |
| 2.2. | Montenegro: | Podgorica |
| 2.3. | Russia: | Moscow (RTS Stock Exchange);
Moscow Interbank Currency Exchange (MICEX) |
| 2.4. | Switzerland: | SWX Swiss-Exchange |
| 2.5. | Serbia: | Belgrade |
| 2.6. | Turkey: | Istanbul (for Stock Market, "National Market" only) |

3. Stock exchanges in non-European states

- | | | |
|-------|---------------|---|
| 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 |
| 3.12. | Colombia: | Bolsa de Valores de Colombia |
| 3.13. | Korea: | Korea Exchange (Seoul, Busan) |
| 3.14. | Malaysia: | Kuala Lumpur, Bursa Malaysia Berhad |
| 3.15. | Mexico: | Mexico City |
| 3.16. | New Zealand: | Wellington, Christchurch/Invercargill, Auckland |
| 3.17. | Peru: | Bolsa de Valores de Lima |
| 3.18. | Philippines: | Manila |
| 3.19. | Singapore: | Singapore Stock Exchange |
| 3.20. | South Africa: | Johannesburg |

¹Click on "Show table columns" to open the directory. The link may be modified by the Austrian Financial Market Authority (FMA) or by the European Securities and Markets Authority (ESMA).

You may access the directory as follows by way of the FMA's website:

<https://www.fma.gv.at/kapitalmaerkte/allgemeine-rechtsaufsicht-ueber-boersen/> – scroll down – link "List of Regulated Markets" – "Show table columns".

3.21.	Taiwan:	Taipei
3.22.	Thailand:	Bangkok
3.23.	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
3.24.	Venezuela:	Caracas
3.25.	United Arab Emirates:	Abu Dhabi Securities Exchange (ADX)

4. Organized markets in states which are not members of the European Community

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 Capital Market Association (ICMA), Zurich
4.5.	USA:	Over The Counter Market (subject to supervisory oversight, e.g. SEC, FINRA)

5. Stock exchanges with futures and options markets

5.1.	Argentina:	Bolsa de Comercio de Buenos Aires
5.2.	Australia:	Australian Options Market, Australian Securities Exchange (ASX)
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 Exchange (KRX)
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:	The Singapore Exchange Limited (SGX)
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, ICE Future US Inc. New York, Pacific Stock Exchange, Philadelphia Stock Exchange, New York Stock Exchange, Boston Options Exchange (BOX)

Appendix

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