

Raiffeisen Russia Equities

(Original German name: Raiffeisen-Russland-Aktien)

annual fund report

financial year Jul 1, 2018 – Jun 30, 2019

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.....	11
Capital market report	12
Fund investment policy report	13
Makeup of fund assets in EUR	14
Portfolio of investments in EUR as of Jun 28, 2019	15
Calculation method for overall risk	21
Remuneration paid to the employees of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. in EUR (financial year 2018 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)	22
Audit opinion	25
Tax treatment	28
Fund regulations	29
Appendix	35

Report for the financial year from Jul 1, 2018 to Jun 30, 2019

General fund information

ISIN	Tranche	Income class	Currency	Launch date
AT0000A07FQ5	Raiffeisen Russia Equities (R) A	income-distributing	EUR	May 5, 2008
AT0000A1TW88	Raiffeisen Russia Equities (RZ) A	income-distributing	EUR	Apr 3, 2017
AT0000A07FR3	Raiffeisen Russia Equities (R) T	income-retaining	EUR	May 5, 2008
AT0000A1TW70	Raiffeisen Russia Equities (RZ) T	income-retaining	EUR	Apr 3, 2017
AT0000A0LSR3	Raiffeisen Russia Equities (I) VTA	full income-retaining (outside Austria)	EUR	Mar 1, 2011
AT0000A07FS1	Raiffeisen Russia Equities (R) VTA	full income-retaining (outside Austria)	EUR	May 5, 2008

Fund characteristics

Fund currency	EUR
Financial year	Jul 1 – Jun 30
Distribution/payment/reinvestment date	Sep 15
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): 1.000 % R-Tranche (EUR): 2.000 % RZ-Tranche (EUR): 1.000 %
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	Jan 31, 2019: Liquidation Raiffeisen-Russland-Aktien Segment LC Jan 31, 2019: Liquidation Raiffeisen-Russland-Aktien Segment SC
Change of investment adviser	to Jan 01, 2019 OOO Raiffeisen Capital Asset Management, Moskau (Segment SmallCap)

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 Russia Equities for the financial year from Jul 1, 2018 to Jun 30, 2019. The accounting is based on the price calculation as of Jun 28, 2019.

Fund details

	Jun 30, 2017	Jun 30, 2018	Jun 30, 2019
Total fund assets in EUR	60,832,791.79	67,341,592.08	75,941,949.33
Net asset value/distributing units (I) (AT0000A1KKB4) in EUR	77.91	88.13	-
Issue price/distributing units (I) (AT0000A1KKB4) in EUR	81.81	92.54	-
Net asset value/distributing units (R) (AT0000A07FQ5) in EUR	65.29	74.70	92.53
Issue price/distributing units (R) (AT0000A07FQ5) in EUR	68.55	78.44	97.16
Net asset value/distributing units (RZ) (AT0000A1TW88) in EUR	85.96	100.11	123.56
Issue price/distributing units (RZ) (AT0000A1TW88) in EUR	85.96	100.11	123.56
Net asset value/reinvested units (R) (AT0000A07FR3) in EUR	72.66	83.90	105.00
Issue price/reinvested units (R) (AT0000A07FR3) in EUR	76.29	88.10	110.25
Net asset value/reinvested units (RZ) (AT0000A1TW70) in EUR	85.90	99.93	124.66
Issue price/reinvested units (RZ) (AT0000A1TW70) in EUR	85.90	99.93	124.66
Net asset value/fully reinvested units (I) (AT0000A0LSR3) in EUR	78.06	91.24	115.33
Issue price/fully reinvested units (I) (AT0000A0LSR3) in EUR	81.96	95.80	121.10
Net asset value/fully reinvested units (R) (AT0000A07FS1) in EUR	73.04	84.34	105.56
Issue price/fully reinvested units (R) (AT0000A07FS1) in EUR	76.69	88.56	110.84
Net asset value/fully reinvested units (RZ) (AT0000A1TW96) in EUR	85.96	100.26	-
Issue price/fully reinvested units (RZ) (AT0000A1TW96) in EUR	85.96	100.26	-
		Sep 17, 2018	Sep 16, 2019
Distribution/unit (I) (A) EUR		3.6000	0.0000
Distribution/unit (R) (A) EUR		0.7500	2.5500
Distribution/unit (RZ) (A) EUR		2.3000	5.0000
Outpayment/unit (R) (T) EUR		0.0000	0.2033
Outpayment/unit (RZ) (T) EUR		1.2600	1.5999
Reinvestment/unit (R) (T) EUR		4.6796	7.2197
Reinvestment/unit (RZ) (T) EUR		5.0439	8.2549
Reinvestment/unit (I) (VTA) EUR		6.1062	9.1023
Reinvestment/unit (R) (VTA) EUR		4.7028	7.4702
Reinvestment/unit (RZ) (VTA) EUR		6.5240	0.0000

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 Jun 30, 2018	Sales	Repurchases	Units in circulation on Jun 30, 2019
AT0000A1KKB4 (I) A	10.000	37,900.000	-37,910.000	-
AT0000A07FQ5 (R) A	35,061.597	2,451.974	-7,177.879	30,335.692
AT0000A1TW88 (RZ) A	1,880.565	184.059	-138.961	1,925.663
AT0000A07FR3 (R) T	505,803.902	49,357.700	-85,918.408	469,243.194
AT0000A1TW70 (RZ) T	24,225.513	11,393.129	-4,177.361	31,441.281
AT0000A0LSR3 (I) VTA	2,877.692	666.054	-1,357.350	2,186.396
AT0000A07FS1 (R) VTA	230,096.268	31,980.982	-77,796.317	184,280.933
AT0000A1TW96 (RZ) VTA	10.000	3,036.000	-3,046.000	-
Total units in circulation				719,413.159

Development of the fund assets and income statement

Performance in financial year (fund performance)

Distributing units (I) (AT0000A1KKB4)

Net asset value per unit at start of financial year in EUR	88.13
Distribution on Sep 17, 2018 (net asset value: EUR 83.45) of EUR 3.6000, corresponds to 0.043140 units	
Net asset value per unit at liquidation of tranche (May 31, 2019) in EUR	101.39
Total value incl. units purchased through distribution (1.0431 x 101.39)	105.76
Net income/net reduction per unit	17.63

Performance of one unit from start of the financial year up to the liquidation of the tranche (May 31, 2019) in % **20.00**

Distributing units (R) (AT0000A07FQ5)

Net asset value per unit at start of financial year in EUR	74.70
Distribution on Sep 17, 2018 (net asset value: EUR 72.90) of EUR 0.7500, corresponds to 0.010288 units	
Net asset value per unit at end of financial year in EUR	92.53
Total value incl. units purchased through distribution (1.0103 x 92.53)	93.48
Net income/net reduction per unit	18.78

Performance of one unit during the financial year in % **25.14**

Distributing units (RZ) (AT0000A1TW88)

Net asset value per unit at start of financial year in EUR	100.11
Distribution on Sep 17, 2018 (net asset value: EUR 96.60) of EUR 2.3000, corresponds to 0.02381 units	
Net asset value per unit at end of financial year in EUR	123.56
Total value incl. units purchased through distribution (1.0238 x 123.56)	126.50
Net income/net reduction per unit	26.39

Performance of one unit during the financial year in % **26.36**

Reinvested units (R) (AT0000A07FR3)

Net asset value per unit at start of financial year in EUR	83.90
Net asset value per unit at end of financial year in EUR	105.00
Net income/net reduction per unit	21.10

Performance of one unit during the financial year in % **25.15**

Reinvested units (RZ) (AT0000A1TW70)

Net asset value per unit at start of financial year in EUR	99.93
Outpayment on Sep 17, 2018 (net asset value: EUR 97.47) of EUR 1.2600, corresponds to 0.012927 units	
Net asset value per unit at end of financial year in EUR	124.66
Total value incl. units purchased through outpayment (1.0129 x 124.66)	126.27
Net income/net reduction per unit	26.34

Performance of one unit during the financial year in % **26.36**

Fully reinvested units (I) (AT0000A0LSR3)

Net asset value per unit at start of financial year in EUR	91.24
Net asset value per unit at end of financial year in EUR	115.33
Net income/net reduction per unit	24.09

Performance of one unit during the financial year in % **26.40**

Fully reinvested units (R) (AT0000A07FS1)

Net asset value per unit at start of financial year in EUR	84.34
Net asset value per unit at end of financial year in EUR	105.56
Net income/net reduction per unit	21.22

Performance of one unit during the financial year in % **25.16**

Fully reinvested units (RZ) (AT0000A1TW96)

Net asset value per unit at start of financial year in EUR	100.26
Net asset value per unit at liquidation of tranche (Jan 31, 2019) in EUR	118.07
Net income/net reduction per unit	17.81

Performance of one unit from start of the financial year up to the liquidation of the tranche (Jan 31, 2019) in % **17.76**

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 Jun 30, 2018 (799,965.537 units)		67,341,592.08
Distribution on Sep 17, 2018 (EUR 3.6000 x 10.000 distributing units (I) (AT0000A1KKB4))		-36.00
Distribution on Sep 17, 2018 (EUR 0.7500 x 35,411.735 distributing units (R) (AT0000A07FQ5))		-26,558.80
Distribution on Sep 17, 2018 (EUR 2.3000 x 1,885.862 distributing units (RZ) (AT0000A1TW88))		-4,337.48
Outpayment on Sep 17, 2018 (EUR 0.0000 x 501,441.969 reinvested units (R) (AT0000A07FR3))		0.00
Outpayment on Sep 17, 2018 (EUR 1.2600 x 26,371.861 reinvested units (RZ) (AT0000A1TW70))		-33,228.54
Issuance of units	12,662,161.57	
Redemption of units	-19,964,462.29	
Pro rata income adjustment	398,404.14	-6,903,896.58
Overall fund result		15,568,414.65
Fund assets on Jun 30, 2019 (719,413.159 units)		75,941,949.33

Fund result in EUR

A. Realized fund result

Ordinary fund result	
Income (excl. closing price)	
Interest income	15,580.96
Income from securities lending transactions	9,206.66
Interest expenses (incl. negative credit interest)	-853.21
Dividend income (incl. dividend equivalent)	4,527,151.30
	4,551,085.71
Expenses	
Management fees	-1,357,180.55
Custodian bank fees / Custodian's fees	-64,805.90
Auditing costs	-5,562.89
Expenses for tax advice / tax representation	-7,161.79
Custody charge	-52,360.97
Publicity costs, regulatory fees	-5,413.55
Costs associated with foreign sales ¹	-25,401.46
Cost of advisers and other service providers	-4,564.30
Research expenses	-7,350.66
	-1,529,802.07
Ordinary fund result (excl. income adjustment)	3,021,283.64
Realized closing price	
Profits realized from securities	6,773,715.93
Losses realized from securities	-3,988,926.96
Realized closing price (excl. income adjustment)	2,784,788.97
Realized fund result (excl. income adjustment)	5,806,072.61
B. Unrealized closing price	
Change in unrealized closing price	10,527,599.77
Change in dividends receivable	-366,853.59
	10,160,746.18

¹ The publicity costs, regulatory fees item may include costs associated with foreign sales that have arisen until September 2018.

C. Income adjustment

Income adjustment for income during financial year	-398,404.14	
		-398,404.14
Overall fund result		15,568,414.65

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 115,820.44 EUR.

Capital market report

After a very weak final quarter of the stock markets in 2018, share prices have performed very strong during the first half of 2019. A surprise monetary policy change by the US central bank (Fed) right at the beginning of the year provided the decisive catalyst. New fiscal and monetary stimulus in China and very negative investor sentiment at the turn of the year delivered additional fuel for the rally. However, some of the drag factors that had pulled share prices down in the past year continue to exist and they did facilitate some corrections along the way already. These include, in particular, weaker global growth, trade conflicts and the risk of a slowdown in corporate earnings momentum. Most bond markets had experienced a negative performance in 2018. In the new year, the Fed's policy change boosted global bond markets, too. Lower-rated corporate bonds and emerging market bonds in particular have been the top performers. In the Eurozone, movements in bond markets were less pronounced, both downward and upward. However, here, too, corporate bonds have more than regained the previous year's losses. Government bonds have also been very buoyant in recent months. They benefited from the changed monetary policy environment and a weaker growth and inflation outlook. About half of all Eurozone government bonds currently trade with negative yields. Commodity prices recovered in after a weak performance in 2018. However, the dampened global growth outlook and the escalating trade conflicts negatively affected most commodities again in the second quarter. The gold price, on the other hand, recently benefited from expectations of interest rate cuts in the USA and falling real yields. The US dollar is still going strong while the Euro has traded a bit weaker this year. The US central bank last raised its key interest rate in December 2018. There is every reason to believe that the current cycle of interest rate hikes has ended and that the Fed will cut interest rates very soon. The US Federal Reserve will also stop reducing its massive bond holdings in September, much earlier than originally expected. The weaker global economy, trade conflicts and the sharp drop in prices on the US stock markets at the end of 2018 have likely been the main factors that prompted the Fed to make this rather abrupt policy reversal. At 2.25-2.5 %, however, the key interest rate is still historically very low and close to the current inflation rate. Accordingly, there is little scope for further interest rate cuts in the event of a recession before the Fed, like the European and Japanese central banks before it, hits the zero bound. In contrast to the US Federal Reserve, the European Central Bank (ECB) has virtually maintained its ultra-loose monetary policy for 10 years without interruption. Most recently, it even hinted again at possible new easing. In the light of the experience of the last decade, however, there is a big question mark behind their effectiveness. In Japan, interest rate hikes are still not an issue at all. The unprecedented loose monetary policy of the major central banks in the last ten years reflected a pronounced weakness in global economic growth. Although many regions have since returned to quite robust growth, there has been no decisive turnaround in global monetary policy, and recently the latter has again moved into the distant future. By historical standards, yields are very low, almost everywhere in the world. A record volume of bonds in excess of EUR ten trillion is even trading with negative yield. These low bond yields in the major economic blocks have so far strongly supported equity prices. Nonetheless, valuations of some equity markets, especially those in the USA, are now quite ambitious. They are thus susceptible to further corrections, especially if there is no settlement of trade conflicts. The financial market environment remains challenging and could provide further major price fluctuations almost all asset classes in the coming months.

Fund investment policy report

Despite ongoing US sanctions, the Russian stock market continued its upward trend of recent months, reaching a new all-time high in June. The end of the FED's cycle of interest rate hikes and the resulting strengthening of the ruble are also buoying up investors' risk appetite. While the fear of new US sanctions was still noticeable on the market in H2 2018, anxiety has diminished significantly in recent months. The combination of rising oil prices until autumn 2018 and a sanctions-induced low ruble exchange rate turned out to be highly profitable for export-heavy energy companies. Accordingly, the fund's investments focused on the energy sector which was a key driver of the comparatively positive development. Since the beginning of the year, at sector level, energy companies have shifted towards gas due to the change in framework conditions (weaker oil price, stronger ruble). The unexpected dividend increase at Gazprom turned out to be an additional price driver.

Fund investments continued to focus on securities offering high dividends. The underweight of equities in the retail sector remained intact since the sector continues to suffer from weak domestic demand and stagnating economic growth.

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		GBP	1,164,571.19	1.53 %
Equities		RUB	39,499,454.41	52.01 %
Equities		USD	1,397,331.22	1.84 %
Total Equities			42,061,356.82	55.39 %
Equities ADR		USD	16,436,397.95	21.64 %
Total Equities ADR			16,436,397.95	21.64 %
Equities GDR		RUB	243,052.31	0.32 %
Equities GDR		USD	16,559,512.27	21.81 %
Total Equities GDR			16,802,564.58	22.13 %
Total securities			75,300,319.35	99.16 %
Bank balances/liabilities				
Bank balances/liabilities in fund currency			-102,264.49	-0.13 %
Bank balances/liabilities in foreign currency			600,396.83	0.79 %
Total bank balances/liabilities			498,132.34	0.66 %
Accruals and deferrals				
Interest claims (on securities and bank balances)			6,094.92	0.01 %
Dividends receivable			297,070.60	0.39 %
Total accruals and deferrals			303,165.52	0.40 %
Other items				
Various fees			-159,667.88	-0.21 %
Total other items			-159,667.88	-0.21 %
Total fund assets			75,941,949.33	100.00 %

Portfolio of investments in EUR as of Jun 28, 2019

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		JE00B6T5S470	POLYMETAL INTERNATIONAL PLC POLY	GBP	104,690	251,200	186,510		9.976000	1,164,571.19	1.53 %
Equities		RU0009062285	AEROFLOT PJSC AFLT	RUB	62		404,938		102.320000	88.45	0.00 %
Equities		RU0007252813	ALROSA PJSC ALRS	RUB	1,793,133	366,100	1,205,000		87.340000	2,183,500.61	2.88 %
Equities		RU0009100945	BANK ST PETERSBURG PJSC BSPB	RUB	294,470	294,470	162,700		51.490000	211,393.47	0.28 %
Equities		RU000A0JPNN9	FEDERAL GRID CO UNIFIED ENER FEES	RUB	254,530,000		20,000,000		0.203180	721,020.41	0.95 %
Equities		RU0007661625	GAZPROM PJSC GAZP	RUB	854,900	553,600	50,000		232.600000	2,772,379.34	3.65 %
Equities		RU000A0JPNM1	INTER RAO UES PJSC IRAO	RUB	51,000,800	39,128,300	16,200,000		4.587000	3,261,619.95	4.29 %
Equities		RU000A0JPPF0	LSR GROUP PJSC LSRG	RUB	46,400		32,600		787.200000	509,249.60	0.67 %
Equities		RU000A0JKQU8	MAGNIT PJSC MGNT	RUB	47,700	58,300	15,086		3,791.000000	2,521,156.41	3.32 %
Equities		RU0009084396	MAGNITOGORSK IRON & STEEL WO MAGN	RUB	2,849,600	1,041,600			45.180000	1,794,972.32	2.36 %
Equities		RU0007775219	MOBILE TELESYSTEMS PJSC MTSS	RUB	717,000	886,400	236,300		284.950000	2,848,494.88	3.75 %
Equities		RU000A0JR4A1	MOSCOW EXCHANGE MICEX-RTS PJ MOEX	RUB	656,960	272,900	471,900		89.770000	822,238.45	1.08 %
Equities		RU000A0DKVS5	NOVATEK PJSC NVTK	RUB	232,000	63,600	63,100		1,330.400000	4,303,262.59	5.67 %
Equities		RU000A0JNAA8	POLYUS PJSC PLZL	RUB	31,152	31,152			5,836.000000	2,534,713.30	3.34 %
Equities		RU000A0J2Q06	ROSNEFT OIL CO PJSC ROSN	RUB	209,900	29,000	161,600		415.100000	1,214,766.48	1.60 %
Equities		RU0009029540	SBERBANK OF RUSSIA PJSC SBER	RUB	1,909,100	386,800	58,800		240.500000	6,401,347.22	8.43 %
Equities		RU0009029557	SBERBANK-PREFERENCE SBERP	RUB	54,300	2,300			206.730000	156,505.99	0.21 %
Equities		RU0009046510	SEVERSTAL PJSC CHMF	RUB	13,000	13,000			1,087.600000	197,124.31	0.26 %
Equities		RU0009029524	SURGUTNEFTGAS-PREFERENCE SNGSP	RUB	6,107,350	1,549,000	1,152,400		42.400000	3,610,324.95	4.75 %
Equities		RU0006944147	TATNEFT PJSC - PREF TATNP	RUB	166,945	7,100	20,500		638.300000	1,485,682.09	1.96 %
Equities		RU0009033591	TATNEFT PJSC TATN	RUB	140,200	13,400	250,000		773.300000	1,511,553.94	1.99 %
Equities		NL0009805522	YANDEX NV-A YNDX	USD	40,900	5,400	7,900		38.840000	1,397,331.22	1.84 %
Equities ADR		US3682872078	GAZPROM PJSC-SPON ADR OGZD	USD	688,450	177,500	490,100		7.330000	4,438,878.04	5.85 %
Equities ADR		US69343P1057	LUKOIL PJSC-SPON ADR LKOD	USD	83,400	5,300	37,100		85.460000	6,269,397.02	8.26 %
Equities ADR		US55315J1025	MMC NORILSK NICKEL PJSC-ADR MNOD	USD	209,613	65,500	15,400		22.500000	4,148,561.82	5.46 %
Equities ADR		US74735M1080	QIWI PLC-SPONSORED ADR QIWI	USD	14,000	14,000			20.020000	246,540.88	0.32 %
Equities ADR		US8766292051	TATNEFT PAO-SPONSORED ADR ATAD	USD	10,800	1,200	27,600		73.500000	698,245.15	0.92 %
Equities ADR		US91822M1062	VEON LTD VEON	USD	254,100	320,100	66,000		2.840000	634,775.04	0.84 %
Equities GDR		US98387E2054	X 5 RETAIL GROUP NV-REGS GDR FIVE	RUB	7,800	20,806	13,006		2,235.000000	243,052.31	0.32 %
Equities GDR		US29760G1031	ETALON GROUP-GDR REG S ETLN	USD	338,638		55,800		2.210000	658,301.43	0.87 %
Equities GDR		US37949E2046	GLOBALTRA-SPONS GDR REG S GLTR	USD	85,410	56,240	32,000		9.300000	698,696.40	0.92 %

financial year Jul 1, 2018 – Jun 30, 2019

Raiffeisen Russia 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		US46627J3023	HALYK SAVINGS BANK-GDR REG S HSBK	USD	41,791	7,691			12.850000	472,370.45	0.62 %
Equities GDR		US5603172082	MAIL.RU GROUP-GDR REGS MAIL	USD	13,000	36,500	65,000		25.100000	287,021.15	0.38 %
Equities GDR		US6698881090	NOVATEK PJSC-SPONS GDR REG S NVTK	USD	7,900	5,300	200		211.000000	1,466,244.45	1.93 %
Equities GDR		US67011E2046	NOVOLIPETSK STEEL PJSC-GDR NLMK	USD	142,684	70,700	19,150		27.000000	3,388,721.47	4.46 %
Equities GDR		US71922G2093	PHOSAGRO PJSC-GDR REG S PHOR	USD	29,370	5,100	102,000		13.490000	348,507.98	0.46 %
Equities GDR		US67812M2070	ROSNEFT OIL CO PJSC-REGS GDR ROSN	USD	153,000	27,300	87,600		6.554000	882,053.04	1.16 %
Equities GDR		US8181503025	SEVERSTAL - GDR REG S SVST	USD	225,790	51,200	52,610		17.210000	3,418,081.45	4.50 %
Equities GDR		US87238U2033	TCS GROUP HOLDING -REG S TCS	USD	81,819	46,800			19.000000	1,367,428.42	1.80 %
Equities GDR		US98387E2054	X 5 RETAIL GROUP NV-REGS GDR FIVE	USD	115,400	70,300	12,000		35.190000	3,572,086.03	4.70 %
Total licensed securities admitted to trading on the official market or another regulated market										74,862,259.70	98.58 %
Equities		RU000A0JSQ90	DETSKY MIR PJSC DSKY	RUB	366,200		208,800		85.800000	438,059.65	0.58 %
Total licensed securities not admitted to trading on the official market or another regulated market										438,059.65	0.58 %
Total securities										75,300,319.35	99.16 %
Bank balances/liabilities											
				EUR						-102,264.49	-0.13 %
				GBP						21.58	0.00 %
				RUB						0.80	0.00 %
				USD						600,374.45	0.79 %
Total bank balances/liabilities										498,132.34	0.66 %
Accruals and deferrals											
Interest claims (on securities and bank balances)										6,094.92	0.01 %
Dividends receivable										297,070.60	0.39 %
Total accruals and deferrals										303,165.52	0.40 %
Other items											
Various fees										-159,667.88	-0.21 %
Total other items										-159,667.88	-0.21 %
Total fund assets										75,941,949.33	100.00 %

ISIN	Income class		Currency	Net asset value per unit	Units in circulation
AT0000A07FQ5	R	income-distributing	EUR	92.53	30,335.692
AT0000A1TW88	RZ	income-distributing	EUR	123.56	1,925.663
AT0000A07FR3	R	income-retaining	EUR	105.00	469,243.194
AT0000A1TW70	RZ	income-retaining	EUR	124.66	31,441.281
AT0000A0LSR3	I	full income-retaining (outside Austria)	EUR	115.33	2,186.396
AT0000A07FS1	R	full income-retaining (outside Austria)	EUR	105.56	184,280.933

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

ISIN	Security title	Currency	Volume Jun 28, 2019
RU0007775219	MOBILE TELESYSTEMS PJSC MTSS	RUB	500,000

Exchange rates

Foreign currency assets were converted into EUR on the basis of the exchange rates applicable on Jun 27, 2019

Currency		Price (1 EUR =)
British Pound	GBP	0.896800
Russian Rubles	RUB	71.725300
US Dollars	USD	1.136850

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		GB00BF4HYT85	BANK OF GEORGIA GROUP PLC BGEO	GBP			10,000
Equities		GB00B71N6K86	EVRAZ PLC EVR	GBP		60,000	60,000
Equities		RU000A0F5UN3	ENEL RUSSIA PJSC ENRU	RUB			30,036,830
Equities		RU0009062467	GAZPROM NEFT PJSC SIBN	RUB		3,100	515,850
Equities		RU000A0JPKH7	RUSHYDRO PJSC HYDR	RUB			94,324,180
Equities		RU000A0B6NK6	TMK PJSC TRMK	RUB			550,000
Equities		RU000A0JNGA5	UNIPRO PJSC UPRO	RUB			23,619,900
Equities		RU000A0JP5V6	VTB BANK PJSC VTBR	RUB			378,437,000
Equities		NL0009805522	YANDEX NV-A YNDX	RUB		6,600	6,600
Equities		US29414B1044	EPAM SYSTEMS INC EPAM	USD		3,000	3,000
Equities		VGG572791041	LUXOFT HOLDING INC LXFT	USD		8,400	8,400
Equities ADR		US36829G1076	GAZPROM NEFT-SPONSORED ADR GAZ	USD			46,308
Equities ADR		US6074091090	MOBILE TELESYSTEMS-SP ADR MBT	USD			95,700
Equities GDR		US52634T2006	LENTA LTD-REG S LNTA	USD		53,900	220,600
Equities GDR		US55279C2008	MD MEDICAL GROUP INVEST-REGS MDMG	USD			72,000
Equities GDR		US46630Q2021	VTB BANK JSC -GDR-REG S VTBR	USD		12,100	284,900

Further information on securities lending transactions

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

2.62 %

Value of loaned securities: 1,986,398.10 EUR

Proportion of assets eligible for lending transactions: 2.64 %

On the reporting date Jun 30, 2019 the following securities had been lent:

ISIN	Security title	Regulated market	Currency	Asset class	Issuer	Rating	Volume Jun 28, 2019	Market value (incl. any interest accrued) Jun 28, 2019	Share of fund assets
RU0007775219	MOBILE TELESYSTEMS PJSC MTSS	LISTED	RUB	Equities	Mobile TeleSystems PJSC	bb	500,000	1,986,398.10	2.62 %

- Identity of the counterparties for securities lending transactions:

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

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

Under the master agreement on securities lending transactions concluded between the management company and Raiffeisen Bank International AG, Raiffeisen Bank International AG is obliged to provide collateral for loaned securities. 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. This collateral will be valued on each banking day, subject to an add-on compared to the valuation of the securities loaned from the fund in accordance with provisions of EU Regulation 575/2013 (CRR). For bonds, this add-on will be determined on the basis of the credit rating of the issuer and the remaining term of the bond and will amount to no less than 0.5 %. For equities and units in investment funds, this add-on will amount to 10.607 %. The value of the required collateral, thus calculated, will result in the ongoing overcollateralization of the fund's outstanding securities lending positions.

On the reporting date the collateral had the following makeup:

ISIN	Security title	Regulated market	Currency	Asset class	Issuer	Rating	Volume Jun 28, 2019	Market value in portfolio currency
US83304A1060	SNAP INC - A SNAP	LISTED	USD	Equities	Snap Inc	n.v.	500,000	6,412,455.47

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
	0 %	0 %	0 %	0 %	100 %

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:

The collateral will be held in a separate sub-account with the custodian bank/depositary for each fund.

- 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: 9,206.66 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 2018 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)

Total number of employees	265
Number of risk-bearers	84
Fixed remuneration	22,158,147.47
Variable remuneration (bonuses)	2,005,354.33
Total remuneration for employees	24,163,501.80
of which remuneration for managing directors	1,438,323.87
of which remuneration for managers (risk-bearers)	2,145,847.00
of which remuneration for other risk-bearers	8,251,251.22
of which remuneration for employees in positions of control	252,956.98
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	12,088,379.07

- 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 29, 2018. 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 Jul 31, 2019. 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, 4 October 2019

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 Russia Equities, consisting of the portfolio of investments as of June 30, 2019, 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 June 30, 2019 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, 4 October 2019

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 2011 Austrian Investment Fund Act

The Austrian Financial Market Authority (FMA) has approved the fund regulations for the investment fund Raiffeisen Russia Equities, a jointly owned fund pursuant to the 2011 Austrian Investment Fund Act, 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 (depository)

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

The custodian bank (depository), 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 invests at least 51 % of its fund assets in the form of directly purchased individual securities – i.e. which are not held indirectly through investment funds or through derivatives – in securities and equity-equivalent securities issued by companies which are headquartered or mainly active in Russia and the successor states of the USSR.

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 the units will be calculated on each banking day in Austria.

Issuance and subscription fee

Units will be issued on any banking day in Austria.

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 in Austria.

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 July 1 to June 30.

Article 6 Unit classes and appropriation of income

Income-distributing unit certificates, income-retaining unit certificates with payment of capital gains tax and income-retaining unit certificates without payment of capital gains tax 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 September 15 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 September 15 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 payment of capital gains tax (income retention)

Income during the accounting year net of costs shall not be distributed. In case of income-retaining unit certificates, from September 15 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 without payment of capital gains tax (full income retention)

Income during the accounting year net of costs shall not be distributed. No payment pursuant to InvFG will be made. September 15 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 payment of capital gains tax (full income retention – foreign tranche)

Income-retaining unit certificates without payment of 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. This can be validly proved by the cumulative submission of statements from both the custodian bank and the management company that they are not aware of a sale to other persons.

Article 7 Management fee, reimbursement of expenses, liquidation fee

The management company shall receive for its management activity an annual remuneration of up to 2 % of the fund assets, calculated pro rata through June 30, 2019 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. From July 1, 2019 the remuneration will be calculated, recorded and deducted monthly on the basis of the respective fund assets for each calendar day.

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.

In case of the liquidation of the investment fund, the liquidator 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, as well as stock exchanges in European countries which are not EEA members that are considered to be equal to regulated markets

Each Member State is required to maintain an updated register of regulated markets authorized by it. This register 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 register of the regulated markets of which it has received notice.

Due to decreasing restrictions and to trading segment specialization, the register of “regulated markets” is undergoing great changes. In addition to the annual publication of a register 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 register of regulated markets is available at:

https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_upreg¹

1.2. The following stock exchanges are to be included in the register of regulated markets:

- | | | |
|--------|-------------|------------------------------------|
| 1.2.1. | Luxembourg | Euro MTF Luxembourg |
| 1.2.2. | Switzerland | SIX Swiss Exchange AG, BX Swiss AG |

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. | Serbia: | Belgrade |
| 2.5. | 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 |

¹ To open the register, in the left-hand column under “Entity type”, select “Regulated market” and click “Search” (click “Show table columns” and “Update” as necessary). The link may be modified by the European Securities and Markets Authority (ESMA).

- 3.21. Taiwan: Taipei
- 3.22. Thailand: Bangkok
- 3.23. USA: New York, NYCE American, New York
Stock Exchange (NYSE), 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: 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: NYCE American, Chicago Board Options
Exchange, Chicago Board of Trade, Chicago Mercantile Exchange, Comex, FINEX,
ICE Future US Inc. New York, Nasdaq PHLX, New York Stock Exchange,
Boston Options Exchange (BOX)

Appendix

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