

Raiffeisen European SmallCap

(Original German name: Raiffeisen-Europa-SmallCap)

annual fund report

financial year Aug 1, 2018 – Jul 31, 2019

Note:

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

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Report for the financial year from Aug 1, 2018 to Jul 31, 2019

General fund information

ISIN	Tranche	Income class	Currency	Launch date
AT0000638986	Raiffeisen European SmallCap (R) A	income-distributing	EUR	Jul 25, 2003
AT0000A1U5F7	Raiffeisen European SmallCap (RZ) A	income-distributing	EUR	Apr 3, 2017
AT0000638994	Raiffeisen European SmallCap (R) T	income-retaining	EUR	Jul 25, 2003
AT0000A1U5E0	Raiffeisen European SmallCap (RZ) T	income-retaining	EUR	Apr 3, 2017
AT0000A0LQ44	Raiffeisen European SmallCap (I) VTA	full income-retaining (outside Austria)	EUR	Feb 1, 2011
AT0000639000	Raiffeisen European SmallCap (R) VTA	full income-retaining (outside Austria)	EUR	Oct 28, 2003
AT0000A1U5G5	Raiffeisen European SmallCap (RZ) VTA	full income-retaining (outside Austria)	EUR	Apr 3, 2017
AT0000A15HP6	Raiffeisen European SmallCap (R) VTI	full income-retaining (Austria)	EUR	Mar 3, 2014

Fund characteristics

Fund currency	EUR
Financial year	Aug 1 – Jul 31
Distribution/payment/reinvestment date	Oct 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

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 European SmallCap for the financial year from Aug 1, 2018 to Jul 31, 2019. The accounting is based on the price calculation as of Jul 31, 2019.

Fund details

	Jul 31, 2017	Jul 31, 2018	Jul 31, 2019
Total fund assets in EUR	89,776,482.47	84,399,922.01	74,636,353.18
Net asset value/distributing units (R) (AT0000638986) in EUR	265.04	276.97	253.52
Issue price/distributing units (R) (AT0000638986) in EUR	278.29	290.82	266.20
Net asset value/distributing units (RZ) (AT0000A1U5F7) in EUR	107.24	114.21	105.24
Issue price/distributing units (RZ) (AT0000A1U5F7) in EUR	107.24	114.21	105.24
Net asset value/reinvested units (R) (AT0000638994) in EUR	288.70	304.70	284.78
Issue price/reinvested units (R) (AT0000638994) in EUR	303.14	319.94	299.02
Net asset value/reinvested units (RZ) (AT0000A1U5E0) in EUR	107.15	113.98	107.47
Issue price/reinvested units (RZ) (AT0000A1U5E0) in EUR	107.15	113.98	107.47
Net asset value/fully reinvested units (I) (AT0000A0LQ44) in EUR	321.40	343.87	328.29
Issue price/fully reinvested units (I) (AT0000A0LQ44) in EUR	337.47	361.06	344.70
Net asset value/fully reinvested units (R) (AT0000639000) in EUR	301.54	319.42	301.96
Issue price/fully reinvested units (R) (AT0000639000) in EUR	316.62	335.39	317.06
Net asset value/fully reinvested units (RZ) (AT0000A1U5G5) in EUR	107.24	114.74	109.54
Issue price/fully reinvested units (RZ) (AT0000A1U5G5) in EUR	107.24	114.74	109.54
Net asset value/fully reinvested units (R) (AT0000A15HP6) in EUR	301.95	320.00	302.75
Issue price/fully reinvested units (R) (AT0000A15HP6) in EUR	317.05	336.00	317.89
		Oct 15, 2018	Oct 15, 2019
Distribution/unit (R) (A) EUR		7.9000	9.6000
Distribution/unit (RZ) (A) EUR		3.6000	3.9900
Outpayment/unit (R) (T) EUR		3.0747	2.9176
Outpayment/unit (RZ) (T) EUR		1.2590	1.2374
Reinvestment/unit (R) (T) EUR		14.4060	13.6198
Reinvestment/unit (RZ) (T) EUR		6.1749	6.0030
Reinvestment/unit (I) (VTA) EUR		22.9669	22.0907
Reinvestment/unit (R) (VTA) EUR		18.3069	17.5464
Reinvestment/unit (RZ) (VTA) EUR		7.6650	7.3720
Reinvestment/unit (R) (VTI) EUR		18.4642	17.8025

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 Jul 31, 2018	Sales	Repurchases	Units in circulation on Jul 31, 2019
AT0000638986 (R) A	21,018.523	305.136	-1,392.660	19,930.999
AT0000A1U5F7 (RZ) A	1,491.112	421.092	-437.078	1,475.126
AT0000638994 (R) T	165,940.706	22,417.680	-28,046.342	160,312.044
AT0000A1U5E0 (RZ) T	12,520.743	7,229.206	-2,521.886	17,228.063
AT0000A0LQ44 (I) VTA	440.005	0.000	0.000	440.005
AT0000639000 (R) VTA	56,882.293	25,354.464	-33,832.947	48,403.810
AT0000A1U5G5 (RZ) VTA	10.000	0.000	0.000	10.000
AT0000A15HP6 (R) VTI	25,297.392	48,592.716	-50,241.890	23,648.218
Total units in circulation				271,448.265

Development of the fund assets and income statement

Performance in financial year (fund performance)

Distributing units (R) (AT0000638986)

Net asset value per unit at start of financial year in EUR	276.97
Distribution on Oct 15, 2018 (net asset value: EUR 242.95) of EUR 7.90, corresponds to 0.032517 units	
Net asset value per unit at end of financial year in EUR	253.52
Total value incl. units purchased through distribution (1.0325 x 253.52)	261.76
Net income/net reduction per unit	-15.21

Performance of one unit during the financial year in % **-5.49**

Distributing units (RZ) (AT0000A1U5F7)

Net asset value per unit at start of financial year in EUR	114.21
Distribution on Oct 15, 2018 (net asset value: EUR 100.05) of EUR 3.60, corresponds to 0.035982 units	
Net asset value per unit at end of financial year in EUR	105.24
Total value incl. units purchased through distribution (1.036 x 105.24)	109.03
Net income/net reduction per unit	-5.18

Performance of one unit during the financial year in % **-4.54**

Reinvested units (R) (AT0000638994)

Net asset value per unit at start of financial year in EUR	304.70
Outpayment on Oct 15, 2018 (net asset value: EUR 272.91) of EUR 3.0747, corresponds to 0.011266 units	
Net asset value per unit at end of financial year in EUR	284.78
Total value incl. units purchased through outpayment (1.0113 x 284.78)	287.99
Net income/net reduction per unit	-16.71

Performance of one unit during the financial year in % **-5.48**

Reinvested units (RZ) (AT0000A1U5E0)

Net asset value per unit at start of financial year in EUR	113.98
Outpayment on Oct 15, 2018 (net asset value: EUR 102.18) of EUR 1.259, corresponds to 0.012321 units	
Net asset value per unit at end of financial year in EUR	107.47
Total value incl. units purchased through outpayment (1.0123 x 107.47)	108.79
Net income/net reduction per unit	-5.19

Performance of one unit during the financial year in % **-4.55**

Fully reinvested units (I) (AT0000A0LQ44)

Net asset value per unit at start of financial year in EUR	343.87
Net asset value per unit at end of financial year in EUR	328.29
Net income/net reduction per unit	-15.58

Performance of one unit during the financial year in % **-4.53**

Fully reinvested units (R) (AT0000639000)

Net asset value per unit at start of financial year in EUR	319.42
Net asset value per unit at end of financial year in EUR	301.96
Net income/net reduction per unit	-17.46

Performance of one unit during the financial year in % **-5.47**

Fully reinvested units (RZ) (AT0000A1U5G5)

Net asset value per unit at start of financial year in EUR	114.74
Net asset value per unit at end of financial year in EUR	109.54
Net income/net reduction per unit	-5.20

Performance of one unit during the financial year in % **-4.53**

Fully reinvested units (R) (AT0000A15HP6)

Net asset value per unit at start of financial year in EUR	320.00
Net asset value per unit at end of financial year in EUR	302.75
Net income/net reduction per unit	-17.25

Performance of one unit during the financial year in % **-5.39**

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 Jul 31, 2018 (283,600.774 units)		84,399,922.01
Distribution on Oct 15, 2018 (EUR 7.90 x 20,639.155 distributing units (R) (AT0000638986))		-163,049.32
Distribution on Oct 15, 2018 (EUR 3.60 x 1,377.12 distributing units (RZ) (AT0000A1U5F7))		-4,957.63
Outpayment on Oct 15, 2018 (EUR 3.0747 x 164,571.46 reinvested units (R) (AT0000638994))		-506,007.87
Outpayment on Oct 15, 2018 (EUR 1.259 x 14,011.016 reinvested units (RZ) (AT0000A1U5E0))		-17,639.87
Issuance of units	29,144,230.55	
Redemption of units	-33,485,251.41	
Pro rata income adjustment	15,315.69	-4,325,705.17
Overall fund result		-4,746,208.97
Fund assets on Jul 31, 2019 (271,448.265 units)		74,636,353.18

Fund result in EUR

A. Realized fund result

Ordinary fund result	
Income (excl. closing price)	
Interest expenses (incl. negative credit interest)	-9,045.05
Dividend income (incl. dividend equivalent)	1,536,829.81
Austrian dividend income	91,047.17
	1,618,831.93
Expenses	
Management fees	-1,448,692.96
Custodian bank fees / Custodian's fees	-65,964.94
Auditing costs	-5,693.76
Expenses for tax advice / tax representation	-5,547.00
Custody charge	-27,779.76
Publicity costs, regulatory fees	-14,292.63
Costs associated with foreign sales ¹	-394.14
Cost of advisers and other service providers	-6,867.93
Research expenses	-27,387.63
	-1,602,620.75
Ordinary fund result (excl. income adjustment)	16,211.18
Realized closing price	
Profits realized from securities	4,872,672.63
Losses realized from securities	-512,357.64
Realized closing price (excl. income adjustment)	4,360,314.99
Realized fund result (excl. income adjustment)	4,376,526.17
B. Unrealized closing price	
Change in unrealized closing price	-9,107,419.45
	-9,107,419.45

¹ The statutory/publication expenses item may include costs associated with foreign sales that have arisen until September 2018.

C. Income adjustment

Income adjustment for income during financial year	-15,315.69	
		-15,315.69
Overall fund result		-4,746,208.97

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 20,238.02 EUR.

Capital market report

After a very weak final quarter in 2018 stock markets worldwide are performing strongly in 2019. So far, they have gained about 20 % year to date, on average. 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. The Fed's policy change has boosted global bond markets, too. Lower-rated corporate bonds and emerging market bonds, in particular, have been the top performers. Government bonds have also been very buoyant in recent weeks and months. They benefited from the changed monetary policy environment and a weaker growth and inflation outlook. More than half of all Eurozone government bonds currently trade with negative yields. Commodity prices recovered in 2019 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. At the end of July the US central bank slashed interest rates for the first time since 2008. The Fed will also pre-emptively end its process of shrinking its balance sheet, a procedure known as quantitative tightening. 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 US central bank to make this rather abrupt policy reversal over the past seven months. However, Fed Chairman Powell hinted that this might not be the beginning of a new interest rate cut cycle but rather a "mid-cycle" interest rate adjustment. At 2-2.25 %, the key interest rate in the US 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 hinted at possible new easing. 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. The latter has now again been postponed to a distant future. By historical standards, yields are very low, almost everywhere in the world. A record volume of bonds of EUR 14 trillion is even trading with negative yield, which is equal to about one fourth of the entire global bond market. 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 or if the widely expected economic upswing fails to materialize. 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

European small cap stocks delivered a slightly weaker performance over the past year. Stock markets reacted negatively to the escalating trade conflict between the USA and China. In this uncertain environment, companies were less willing to invest and growth expectations for the European economy were revised down. Small cap stocks were slightly weaker than the broad stock market. Nevertheless, different trends dominated in H2 2018 and H1 2019. Following the sharp correction in late 2018, a recovery set in in H1 2019. In early 2019, there were hopes for an imminent solution to the trade conflict. These hopes have recently faded to some degree.

In this environment, the fund mostly emulated the trend on the small cap stock market. Positive performance contributions were primarily generated by more defensive sectors. The consumer, financial, industrial, utilities and communications services industries all made positive contributions, while positive individual stocks included Cellnex Telecom, Teleperformance, Mowi, Davide Campari, Verbund and Virbac. The fund also benefited from the Ramirent takeover. Negative contributions were made by the IT, commodities and real estate sectors. Among the negative individual stocks were Deutsche Wohnen, Umicore, a number of paper and pulp producers, Software AG and AT&S. The fund took profits in the case of some more defensive enterprises. Fresh purchases were made in the technology sector.

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		CHF	1,676,732.92	2.25 %
Equities		DKK	604,503.24	0.81 %
Equities		EUR	62,630,118.65	83.91 %
Equities		GBP	1,962,284.42	2.63 %
Equities		NOK	1,528,107.15	2.05 %
Equities		SEK	1,391,891.45	1.86 %
Total Equities			69,793,637.83	93.51 %
Total securities			69,793,637.83	93.51 %
Bank balances/liabilities				
Bank balances/liabilities in fund currency			4,996,113.15	6.69 %
Total bank balances/liabilities			4,996,113.15	6.69 %
Accruals and deferrals				
Interest claims (on securities and bank balances)			-1,219.31	-0.00 %
Total accruals and deferrals			-1,219.31	-0.00 %
Other items				
Various fees			-152,178.49	-0.20 %
Total other items			-152,178.49	-0.20 %
Total fund assets			74,636,353.18	100.00 %

Portfolio of investments in EUR as of Jul 31, 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		AT0000A18XM4	AMS AG AMS	CHF	3,000				55.900000	151,854.03	0.20 %
Equities		CH0012453913	TEMENOS AG - REG TEMN	CHF	4,000		2,000		173.500000	628,423.96	0.84 %
Equities		CH0002088976	VALORA HOLDING AG-REG VALN	CHF	3,600				275.000000	896,454.93	1.20 %
Equities		DK0060655629	DFDS A/S DFDS	DKK	18,000				250.800000	604,503.24	0.81 %
Equities		DE0005408116	AAREAL BANK AG ARL	EUR	35,000	6,000			24.460000	856,100.00	1.15 %
Equities		DE000A0WMPJ6	AIXTRON SE AIXA	EUR	60,000	60,000			10.195000	611,700.00	0.82 %
Equities		NL0011872643	ASR NEDERLAND NV ASRNL	EUR	35,000	18,000			33.970000	1,188,950.00	1.59 %
Equities		AT0000969985	AUSTRIA TECHNOLOGIE & SYSTEM ATS	EUR	60,587				14.800000	896,687.60	1.20 %
Equities		IT0001137345	AUTOGRILL SPA AGL	EUR	59,600				9.420000	561,432.00	0.75 %
Equities		IT0003261697	AZIMUT HOLDING SPA AZM	EUR	52,645	923			16.710000	879,697.95	1.18 %
Equities		IT0005218380	BANCO BPM SPA BAMI	EUR	157,444				1.674000	263,561.26	0.35 %
Equities		AT0000BAWAG2	BAWAG GROUP AG BG	EUR	18,000				35.820000	644,760.00	0.86 %
Equities		BE0974258874	BEKAERT NV BEKB	EUR	5,000				25.240000	126,200.00	0.17 %
Equities		IT0000066123	BPER BANCA BPE	EUR	50,000				3.390000	169,500.00	0.23 %
Equities		IT0005252728	BREMBO SPA BRE	EUR	100,000				9.325000	932,500.00	1.25 %
Equities		DE000A1DAH0	BRENTAG AG BNR	EUR	7,000		3,000		44.810000	313,670.00	0.42 %
Equities		NL0010776944	BRUNEL INTERNATIONAL BRNL	EUR	19,200				12.820000	246,144.00	0.33 %
Equities		IT0001347308	BUZZI UNICEM SPA BZU	EUR	62,000	10,000			18.335000	1,136,770.00	1.52 %
Equities		AT0000641352	CA IMMOBILIEN ANLAGEN AG CAI	EUR	56,989				31.750000	1,809,400.75	2.42 %
Equities		FI0009013429	CARGOTEC OYJ-B SHARE CGCEV	EUR	24,000				27.200000	652,800.00	0.87 %
Equities		ES0105066007	CELLNEX TELECOM SA CLNX	EUR	61,700		17,000		34.090000	2,103,353.00	2.82 %
Equities		IT0000080447	CIR SPA CIR	EUR	260,000				0.982000	255,320.00	0.34 %
Equities		DE0005428007	COMDIRECT BANK AG COM	EUR	45,000				9.090000	409,050.00	0.55 %
Equities		IT0005252207	DAVIDE CAMPARI-MILANO SPA CPR	EUR	160,000		20,000		8.505000	1,360,800.00	1.82 %
Equities		DE000A0HN5C6	DEUTSCHE WOHNEN SE DWNI	EUR	26,000				33.140000	861,640.00	1.15 %
Equities		GB0059822006	DIALOG SEMICONDUCTOR PLC DLG	EUR	6,000				40.220000	241,320.00	0.32 %
Equities		IT0003492391	DIASORIN SPA DIA	EUR	7,000				101.300000	709,100.00	0.95 %
Equities		ES0112501012	EBRO FOODS SA EBRO	EUR	29,404				18.150000	533,682.60	0.72 %
Equities		FR0000130452	EIFFAGE FGR	EUR	16,000				88.620000	1,417,920.00	1.90 %
Equities		FR0012435121	ELIS SA ELIS	EUR	49,405	7,000			16.860000	832,968.30	1.12 %
Equities		ES0130960018	ENAGAS SA ENG	EUR	11,000		7,000		19.145000	210,595.00	0.28 %

financial year Aug 1, 2018 – Jul 31, 2019

Raiffeisen European SmallCap

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		ES0130625512	ENCE ENERGIA Y CELULOSA SA ENC	EUR	146,984				3.700000	543,840.80	0.73 %
Equities		NL0000288876	EUROCOMMERCIAL PROPRIETARIE-CV ECMPA	EUR	23,000				23.400000	538,200.00	0.72 %
Equities		NL0006294274	EURONEXT NV ENX	EUR	13,000	3,000			68.050000	884,650.00	1.19 %
Equities		IT0000072170	FINECOBANK SPA FBK	EUR	20,000				8.880000	177,600.00	0.24 %
Equities		DE0005773303	FRAPORT AG FRANKFURT AIRPORT FRA	EUR	27,000	2,000			76.480000	2,064,960.00	2.77 %
Equities		DE000A0Z2Z55	FREENET AG FNTN	EUR	25,000				17.410000	435,250.00	0.58 %
Equities		BE0003818359	GALAPAGOS NV GLPG	EUR	2,000	2,000			158.300000	316,600.00	0.42 %
Equities		DE000A161N30	GRENKE AG GLJ	EUR	19,398		3,000		80.500000	1,561,539.00	2.09 %
Equities		DE000A0S8488	HAMBURGER HAFEN UND LOGISTIK HHFA	EUR	40,000				22.860000	914,400.00	1.23 %
Equities		DE0008402215	HANNOVER RUECK SE HNR1	EUR	8,000				140.900000	1,127,200.00	1.51 %
Equities		IT0001250932	HERA SPA HER	EUR	282,352				3.350000	945,879.20	1.27 %
Equities		FI0009000459	HUHTAMAKI OYJ HUH1V	EUR	36,324				35.120000	1,275,698.88	1.71 %
Equities		AT0000A21KS2	IMMOFINANZ AG IIA	EUR	23,000				24.160000	555,680.00	0.74 %
Equities		ES0118594417	INDRA SISTEMAS SA IDR	EUR	85,000				7.945000	675,325.00	0.90 %
Equities		FI0009005870	KONECRANES OYJ KCR	EUR	31,950	5,000			26.300000	840,285.00	1.13 %
Equities		DE0005470405	LANXESS AG LXS	EUR	14,000	5,000			53.920000	754,880.00	1.01 %
Equities		DE000LEG1110	LEG IMMOBILIEN AG LEG	EUR	8,000				105.200000	841,600.00	1.13 %
Equities		FR0000050353	LISI FII	EUR	32,661		4,000		25.700000	839,387.70	1.12 %
Equities		FR0000053225	M6-METROPOLE TELEVISION MMT	EUR	37,238				15.350000	571,603.30	0.77 %
Equities		FR0000051070	MAUREL ET PROM MAU	EUR	55,000				2.870000	157,850.00	0.21 %
Equities		AT0000938204	MAYR-MELNHOF KARTON AG MMK	EUR	7,000				114.000000	798,000.00	1.07 %
Equities		IT0004965148	MONCLER SPA MONC	EUR	4,500				37.610000	169,245.00	0.23 %
Equities		DE000A0D9PT0	MTU AERO ENGINES AG MTX	EUR	3,500		2,000		226.300000	792,050.00	1.06 %
Equities		DE0006452907	NEMETSCHKE SE NEM	EUR	28,854	28,854	13,528		50.600000	1,460,012.40	1.96 %
Equities		FR0000044448	NEXANS SA NEX	EUR	31,604		3,300		30.440000	962,025.76	1.29 %
Equities		PTZON0AM0006	NOS SGPS NOS	EUR	188,000				5.690000	1,069,720.00	1.43 %
Equities		FR0000184798	ORPEA ORP	EUR	8,000	8,000			112.600000	900,800.00	1.21 %
Equities		DE000PAT1AG3	PATRIZIA AG PAT	EUR	26,645				17.570000	468,152.65	0.63 %
Equities		FR0000121501	PEUGEOT SA UG	EUR	10,662				21.340000	227,527.08	0.30 %
Equities		FR0000124570	PLASTIC OMNIUM POM	EUR	32,720		4,000		23.600000	772,192.00	1.03 %
Equities		ES0175438003	PROSEGUR COMP SEGURIDAD PSG	EUR	227,008				4.184000	949,801.47	1.27 %
Equities		IT0003828271	RECORDATI SPA REC	EUR	17,948		5,000		39.790000	714,150.92	0.96 %
Equities		PTREL0AM0008	REDES ENERGETICAS NACIONAIS RENE	EUR	90,000				2.465000	221,850.00	0.30 %
Equities		DE0007030009	RHEINMETALL AG RHM	EUR	13,300				103.550000	1,377,215.00	1.85 %
Equities		DE0007042301	RHOEN-KLINIKUM AG RHK	EUR	22,000				24.350000	535,700.00	0.72 %
Equities		LU0307018795	SAF-HOLLAND SA SFQ	EUR	73,000	8,000			9.355000	682,915.00	0.91 %
Equities		NL0000360618	SBM OFFSHORE NV SBMO	EUR	21,090				17.705000	373,398.45	0.50 %
Equities		PTSEM0AM0004	SEMAPA-SOCIEDADE DE INVESTIM SEM	EUR	53,433		17,000		12.120000	647,607.96	0.87 %
Equities		IT0003201198	SIAS SPA SIS	EUR	30,000				17.380000	521,400.00	0.70 %
Equities		IE00B1RR8406	SMURFIT KAPPA GROUP PLC SKG	EUR	42,000				28.380000	1,191,960.00	1.60 %
Equities		DE000A2GS401	SOFTWARE AG SOW	EUR	40,000	8,000			25.000000	1,000,000.00	1.34 %
Equities		FR0000050809	SOPRA STERIA GROUP SOP	EUR	6,500		3,000		116.200000	755,300.00	1.01 %
Equities		FR0012757854	SPIE SA SPIE	EUR	27,491				16.980000	466,797.18	0.63 %
Equities		IT0005162406	TECHNOGYM SPA TGYM	EUR	60,000				9.680000	580,800.00	0.78 %
Equities		ES0178165017	TECNICAS REUNIDAS SA TRE	EUR	4,000				21.040000	84,160.00	0.11 %
Equities		FR0000051807	TELEPERFORMANCE TEP	EUR	7,500		5,000		188.300000	1,412,250.00	1.89 %
Equities		FR0000054900	TELEVISION FRANCAISE (T.F.1) TFI	EUR	28,000				9.220000	258,160.00	0.35 %
Equities		ES0132945017	TUBACEX SA TUB	EUR	160,000				2.890000	462,400.00	0.62 %
Equities		FR0000054470	UBISOFT ENTERTAINMENT UBI	EUR	2,000				74.360000	148,720.00	0.20 %
Equities		BE0974320526	UMICORE UMI	EUR	39,420				26.050000	1,026,891.00	1.38 %

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		AT0000746409	VERBUND AG VER	EUR	34,000		5,000		50.150000	1,705,100.00	2.28 %
Equities		FR0000031577	VIRBAC SA VIRP	EUR	7,402				169.000000	1,250,938.00	1.68 %
Equities		NL0009432491	VOPAK VPK	EUR	12,862				43.300000	556,924.60	0.75 %
Equities		DE0007472060	WIRECARD AG WDI	EUR	1,500		3,500		147.500000	221,250.00	0.30 %
Equities		NL0000395903	WOLTERS KLUWER WKL	EUR	9,625				65.640000	631,785.00	0.85 %
Equities		FI0009800643	YIT OYJ YIT	EUR	180,352				4.920000	887,331.84	1.19 %
Equities		AT0000837307	ZUMTOBEL GROUP AG ZAG	EUR	12,800		5,000		7.620000	97,536.00	0.13 %
Equities		IE00B00MZ448	GRAFTON GROUP PLC-UTS GFTU	GBP	137,300				7.340000	1,099,418.53	1.47 %
Equities		GB00B5N0P849	JOHN WOOD GROUP PLC WG/	GBP	68,000				5.438000	403,408.06	0.54 %
Equities		GB00BJ1F4N75	MICRO FOCUS INTERNATIONAL MCRO	GBP	9,037	9,037			17.568000	173,198.08	0.23 %
Equities		GB00B06GM726	TELIT COMMUNICATIONS PLC TCM	GBP	160,000				1.640000	286,259.75	0.38 %
Equities		NO0003054108	MOWI ASA MOWI	NOK	70,000				213.100000	1,528,107.15	2.05 %
Equities		SE0007666110	ATTENDO AB ATT	SEK	10,000				42.620000	39,966.05	0.05 %
Equities		SE0006887063	HOIST FINANCE AB HOFI	SEK	65,000				56.100000	341,943.26	0.46 %
Equities		SE0000163594	SECURITAS AB-B SHS SECUB	SEK	65,000				165.700000	1,009,982.14	1.35 %
Total licensed securities admitted to trading on the official market or another regulated market										69,793,637.83	93.51 %
Total securities										69,793,637.83	93.51 %
Bank balances/liabilities				EUR						4,996,113.15	6.69 %
Total bank balances/liabilities										4,996,113.15	6.69 %
Accruals and deferrals											
Interest claims (on securities and bank balances)										-1,219.31	-0.00 %
Total accruals and deferrals										-1,219.31	-0.00 %
Other items											
Various fees										-152,178.49	-0.20 %
Total other items										-152,178.49	-0.20 %
Total fund assets										74,636,353.18	100.00 %

ISIN	Income class		Currency	Net asset value per unit	Units in circulation
AT0000638986	R	income-distributing	EUR	253.52	19,930.999
AT0000A1U5F7	RZ	income-distributing	EUR	105.24	1,475.126
AT0000638994	R	income-retaining	EUR	284.78	160,312.044
AT0000A1U5E0	RZ	income-retaining	EUR	107.47	17,228.063
AT0000A0LQ44	I	full income-retaining (outside Austria)	EUR	328.29	440.005
AT0000639000	R	full income-retaining (outside Austria)	EUR	301.96	48,403.810
AT0000A1U5G5	RZ	full income-retaining (outside Austria)	EUR	109.54	10,000
AT0000A15HP6	R	full income-retaining (Austria)	EUR	302.75	23,648.218

Exchange rates

Foreign currency assets were converted into EUR on the basis of the exchange rates applicable on Jul 30, 2019

Currency		Price (1 EUR =)
Swiss Francs	CHF	1.104350
Danish Kroner	DKK	7.467950
British Pound	GBP	0.916650
Norwegian Kroner	NOK	9.761750
Swedish Krona	SEK	10.664050

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		FI0009000285	AMER SPORTS OYJ AMEAS	EUR			20,000
Equities		NL0000339703	BETER BED HOLDING NV BBED	EUR			25,270
Equities		DE0003304101	GERRY WEBER INTL AG GW1	EUR			12,798
Equities		ES0161560018	NH HOTEL GROUP SA NHH	EUR			126,000
Equities		FI0009007066	RAMIRENT OYJ RAMI	EUR			171,000
Equities		GB00BD8YWM01	MICRO FOCUS INTERNATIONAL MCRO	GBP			10,894
Equities		SE0005999778	COM HEM HOLDING AB COMH	SEK			90,000
Subscription rights		ES0605066903	CELLNEX TELECOM SA-RTS CLNX/D	EUR		73,700	73,700
Subscription rights		DE000A2TSAS8	DEUTSCHE WOHNEN SE 1716714D	EUR		26,000	78,000
Subscription rights		NL0013051568	EUROCOMMERCIAL PROPERT-SCRIP 1651964D	EUR			46,000

Information on securities lending transactions and repurchase agreements

During the reporting period, no securities lending transactions were performed on behalf of the fund. Accordingly, the information concerning securities lending transactions 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.

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, 28 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 European SmallCap, consisting of the portfolio of investments as of July 31, 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 July 31, 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, 28 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 European SmallCap, 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 equities or equity-equivalent securities issued by small cap companies with a market capitalization of up to EUR 5 billion which are headquartered or mainly active in Europe.

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 25 % 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 August 1 to July 31.

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 October 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 October 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 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 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 October 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. October 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 July 31, 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 August 1, 2019 the remuneration is 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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