

# Raiffeisen Russia Equities

(Original German name: Raiffeisen-Rusland-Aktien)

## **annual fund report**

financial year Jul 1, 2019 – Jun 30, 2020

**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 Jul 1, 2019 to Jun 30, 2020

## 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.
Investment adviser	OOO Raiffeisen Capital Asset Management Company, Russland (Adviser for Russian small / mid caps) from Mar 1, 2020
Auditor	KPMG Austria GmbH

Since the start of the accounting year, the management fee has been calculated for each calendar day based on the respective fund assets, while it had previously been calculated on the basis of the value at the end of each month. The calculation of the custodian bank fee (based on the fund assets) and the custody charge (based on the portfolio assets) has also been converted to a daily basis.

### **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, 2019 to Jun 30, 2020. The accounting is based on the price calculation as of Jun 30, 2020.

## Fund details

	Jun 30, 2018	Jun 30, 2019	Jun 30, 2020
Total fund assets in EUR	67,341,592.08	75,941,949.33	67,407,474.21
Net asset value/distributing units (I) (AT0000A1KKB4) in EUR	88.13	-	-
Issue price/distributing units (I) (AT0000A1KKB4) in EUR	92.54	-	-
Net asset value/distributing units (R) (AT0000A07FQ5) in EUR	74.70	92.53	84.50
Issue price/distributing units (R) (AT0000A07FQ5) in EUR	78.44	97.16	88.73
Net asset value/distributing units (RZ) (AT0000A1TW88) in EUR	100.11	123.56	112.50
Issue price/distributing units (RZ) (AT0000A1TW88) in EUR	100.11	123.56	112.50
Net asset value/reinvested units (R) (AT0000A07FR3) in EUR	83.90	105.00	98.37
Issue price/reinvested units (R) (AT0000A07FR3) in EUR	88.10	110.25	103.29
Net asset value/reinvested units (RZ) (AT0000A1TW70) in EUR	99.93	124.66	116.70
Issue price/reinvested units (RZ) (AT0000A1TW70) in EUR	99.93	124.66	116.70
Net asset value/fully reinvested units (I) (AT0000A0LSR3) in EUR	91.24	115.33	109.34
Issue price/fully reinvested units (I) (AT0000A0LSR3) in EUR	95.80	121.10	114.81
Net asset value/fully reinvested units (R) (AT0000A07FS1) in EUR	84.34	105.56	99.08
Issue price/fully reinvested units (R) (AT0000A07FS1) in EUR	88.56	110.84	104.03
Net asset value/fully reinvested units (RZ) (AT0000A1TW96) in EUR	100.26	-	-
Issue price/fully reinvested units (RZ) (AT0000A1TW96) in EUR	100.26	-	-
		Sep 16, 2019	Sep 15, 2020
Distribution/unit (R) (A) EUR		2.5500	3.5000
Distribution/unit (RZ) (A) EUR		5.0000	5.2500
Outpayment/unit (R) (T) EUR		0.2033	1.7064
Outpayment/unit (RZ) (T) EUR		1.5999	2.1593
Reinvestment/unit (R) (T) EUR		7.2197	8.5471
Reinvestment/unit (RZ) (T) EUR		8.2549	11.2169
Reinvestment/unit (I) (VTA) EUR		9.1023	12.4578
Reinvestment/unit (R) (VTA) EUR		7.4702	10.3188

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, 2019	Sales	Repurchases	Units in circulation on Jun 30, 2020
AT0000A07FQ5 (R) A	30,335.692	5,179.358	-6,640.182	28,874.868
AT0000A1TW88 (RZ) A	1,925.663	298.450	-15.878	2,208.235
AT0000A07FR3 (R) T	469,243.194	100,873.564	-145,315.500	424,801.258
AT0000A1TW70 (RZ) T	31,441.281	12,563.743	-11,614.966	32,390.058
AT0000A0LSR3 (I) VTA	2,186.396	975.990	-795.905	2,366.481
AT0000A07FS1 (R) VTA	184,280.933	75,922.832	-69,542.605	190,661.160
<b>Total units in circulation</b>				<b>681,302.060</b>

## Development of the fund assets and income statement

### Performance in financial year (fund performance)

<b>Distributing units (R) (AT0000A07FQ5)</b>	
Net asset value per unit at start of financial year in EUR	92.53
Distribution on Sep 16, 2019 (net asset value: EUR 91.87) of EUR 2.5500, corresponds to 0.027757 units	
Net asset value per unit at end of financial year in EUR	84.50
Total value incl. units purchased through distribution (1.0278 x 84.50)	86.85
Net income/net reduction per unit	-5.68
<b>Performance of one unit during the financial year in %</b>	<b>-6.14</b>
<b>Distributing units (RZ) (AT0000A1TW88)</b>	
Net asset value per unit at start of financial year in EUR	123.56
Distribution on Sep 16, 2019 (net asset value: EUR 121.35) of EUR 5.0000, corresponds to 0.041203 units	
Net asset value per unit at end of financial year in EUR	112.50
Total value incl. units purchased through distribution (1.0412 x 112.50)	117.14
Net income/net reduction per unit	-6.42
<b>Performance of one unit during the financial year in %</b>	<b>-5.20</b>
<b>Reinvested units (R) (AT0000A07FR3)</b>	
Net asset value per unit at start of financial year in EUR	105.00
Outpayment on Sep 16, 2019 (net asset value: EUR 106.94) of EUR 0.2033, corresponds to 0.001901 units	
Net asset value per unit at end of financial year in EUR	98.37
Total value incl. units purchased through outpayment (1.0019 x 98.37)	98.56
Net income/net reduction per unit	-6.44
<b>Performance of one unit during the financial year in %</b>	<b>-6.14</b>
<b>Reinvested units (RZ) (AT0000A1TW70)</b>	
Net asset value per unit at start of financial year in EUR	124.66
Outpayment on Sep 16, 2019 (net asset value: EUR 125.87) of EUR 1.5999, corresponds to 0.012711 units	
Net asset value per unit at end of financial year in EUR	116.70
Total value incl. units purchased through outpayment (1.0127 x 116.70)	118.18
Net income/net reduction per unit	-6.48
<b>Performance of one unit during the financial year in %</b>	<b>-5.20</b>
<b>Fully reinvested units (I) (AT0000A0LSR3)</b>	
Net asset value per unit at start of financial year in EUR	115.33
Net asset value per unit at end of financial year in EUR	109.34
Net income/net reduction per unit	-5.99
<b>Performance of one unit during the financial year in %</b>	<b>-5.19</b>

<b>Fully reinvested units (R) (AT0000A07FS1)</b>	
Net asset value per unit at start of financial year in EUR	105.56
Net asset value per unit at end of financial year in EUR	99.08
Net income/net reduction per unit	-6.48
<b>Performance of one unit during the financial year in %</b>	<b>-6.14</b>

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

<b>Fund assets on Jun 30, 2019 (719,413.159 units)</b>	<b>75,941,949.33</b>
Distribution on Sep 16, 2019 (EUR 2.5500 x 28,384.548 distributing units (R) (AT0000A07FQ5))	-72,380.60
Distribution on Sep 16, 2019 (EUR 5.0000 x 1,972.689 distributing units (RZ) (AT0000A1TW88))	-9,863.45
Outpayment on Sep 16, 2019 (EUR 0.2033 x 451,451.737 reinvested units (R) (AT0000A07FR3))	-91,780.14
Outpayment on Sep 16, 2019 (EUR 1.5999 x 26,423.394 reinvested units (RZ) (AT0000A1TW70))	-42,274.79
Issuance of units	21,033,128.01
Redemption of units	-25,195,907.23
Pro rata income adjustment	207,487.96
<b>Overall fund result</b>	<b>-4,362,884.88</b>
<b>Fund assets on Jun 30, 2020 (681,302.060 units)</b>	<b>67,407,474.21</b>

## Fund result in EUR

### A. Realized fund result

<b>Ordinary fund result</b>	
<b>Income (excl. closing price)</b>	
Interest income	7,216.63
Income from securities lending transactions	21,113.69
Interest expenses (incl. negative credit interest)	-968.13
Dividend income (incl. dividend equivalent)	5,086,902.20
	<b>5,114,264.39</b>
<b>Expenses</b>	
Management fees	-1,405,377.44
Custodian bank fees / Custodian's fees	-64,669.10
Auditing costs	-5,570.80
Expenses for tax advice / tax representation	-4,210.06
Custody charge	-53,739.27
Publicity costs, regulatory fees	-30,985.37
Costs associated with foreign sales	-618.39
Cost of management of collateral	-661.90
Cost of advisers and other service providers	-12,478.77
Research expenses	-9,277.29
	<b>-1,587,588.39</b>
<b>Ordinary fund result (excl. income adjustment)</b>	<b>3,526,676.00</b>
<b>Realized closing price</b>	
Profits realized from securities	5,922,903.24
Profits realized from derivative instruments	19,186.57
Losses realized from securities	-2,115,792.08
Losses realized from derivative instruments	-73,046.01
<b>Realized closing price (excl. income adjustment)</b>	<b>3,753,251.72</b>
<b>Realized fund result (excl. income adjustment)</b>	<b>7,279,927.72</b>

### B. Unrealized closing price

<b>Change in unrealized closing price</b>	-11,428,921.67
<b>Change in dividends receivable</b>	-6,402.97
	<b>-11,435,324.64</b>

**C. Income adjustment**

<b>Income adjustment for income during financial year</b>	-207,487.96	
		<b>-207,487.96</b>
<b>Overall fund result</b>		<b>-4,362,884.88</b>

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 131,290.14 EUR.

## Capital market report

It is just half time and yet it is already clear that 2020 will go down in history as a very exceptional year for the financial markets. Several new records have been set, for example in the USA: the fastest stock market crash after new all-time highs, the fastest recovery after a crash, the largest central bank and fiscal packages ever and the first time that one of the major US stock indices (on the Nasdaq, which is heavily dominated by technology stocks) has climbed to a new all-time high while the economy is still in the middle of a recession. In general, most stock markets have recovered surprisingly quickly and vigorously from the massive price slump in the first quarter. However, despite the recent recovery, shares of highly cyclical companies and of businesses that have been hit particularly hard by the pandemic are still heavily in the red. The bond markets also reacted harshly to the drastically changed global economic landscape. The riskier bond market segments (corporate bonds, emerging market bonds) fell sharply. The actors in the financial markets are trying to price in higher default probabilities of many issuers. That's easier said than done. On the one hand, the massive economic crisis naturally implies a sharp rise in bond defaults. But on the other hand, governments and central banks are doing everything they can to prevent exactly that. In view of this, the riskier bond segments experienced strong rebounds from April onwards, similar to the stock markets. Corporate bonds in particular were boosted by announcements from both the European Central Bank (ECB) and the US Federal Reserve (Fed) of extensive purchase programmes for wide swathes of the corporate bond markets. Government bonds in the developed countries didn't fluctuate nearly as much, in comparison, except for US treasury bonds. The latter rallied strongly, and yields are approaching the zero bound for short-term maturities. Commodity markets came under renewed pressure with the COVID-19 pandemic and the resulting global economic slump, especially the price of oil. A massive overhang of crude oil supply has suddenly materialized, which can only be gradually reduced even in the event of a rapid global economic recovery. In contrast, the price of gold increased significantly during the turbulences and it kept climbing thereafter. Here, gold is benefiting from its status as a (crisis) currency, from the continuing fall in real yields and the numerous interest rate cuts, especially in the USA. The US central bank continued the monetary policy shift already initiated in 2019 and effectively cut key interest rates to zero in March. In addition, it launched new, massive purchase programs for US government bonds and, a novelty for the Fed, also for corporate bonds. In contrast, the European Central Bank has maintained its ultra-loose monetary policy almost without interruption for the past 12 years. Given already negative key interest rates, it had and has little scope for further rate cuts. But it too buys government and corporate bonds on a large scale. The historically unprecedented actions of the world's major central banks over the past twelve years reflected a pronounced weakness in global economic growth. While many regions returned to quite robust economic performance in the meantime, a global monetary policy turnaround failed to materialize. With the latest developments, it is probably farther away than ever. Yield levels are very low by historical standards almost everywhere in the world. The extremely low bond yields in the world's major economic blocs represent a major challenge for bond investors. At the same time, they have so far provided strong support for equity prices. With massive rescue programmes on an almost unimaginable scale, governments and central banks are trying to mitigate the worst economic fall-outs until the global economy can get back on track. Depending on how the pandemic continues to evolve and how long the countermeasures to contain it last, very different global economic scenarios are conceivable for the next 12-24 months. These will affect individual industries and companies in very different ways. The financial market environment therefore remains highly challenging and could continue to be prone to major price fluctuations in almost all asset classes for the foreseeable future.

## Fund investment policy report

The past reporting period was dominated by a volatile market environment. In the second half of 2019, the Russian stock market performed relatively well, supported by a stable oil price, a high dividend yield and substantial interest cuts imposed by the Russian central bank. A slight easing of relations with Ukraine had a positive impact on market performance, with the US sanctions issue still putting latent pressure on the market. At the beginning of the year, the Russian market performed relatively well despite the collapse of the OPEC+ talks. From mid-March 2020 onwards, the COVID-19 pandemic had a massive impact on the market. The stock market, the ruble and the oil price all came under strong pressure. In Q2 2020, the stock market recovered from the lows, and the oil price was back above USD 40 by the end of the reporting period. The fund took account of the volatile market developments by focusing its investments on defensive sectors. Gold mines, in particular, did very well in this difficult market environment. Securities in the IT and telecom sectors, which benefit from the current situation, also remain in the spotlight. The financial sector is still viewed with caution.

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	5,534,791.70	8.21 %
Equities		RUB	44,307,071.02	65.73 %
Equities		USD	1,843,325.63	2.73 %
<b>Total Equities</b>			<b>51,685,188.35</b>	<b>76.68 %</b>
Equities ADR		USD	6,860,952.29	10.18 %
<b>Total Equities ADR</b>			<b>6,860,952.29</b>	<b>10.18 %</b>
Equities GDR		RUB	469,088.19	0.70 %
Equities GDR		USD	8,064,769.98	11.96 %
<b>Total Equities GDR</b>			<b>8,533,858.17</b>	<b>12.66 %</b>
<b>Total securities</b>			<b>67,079,998.81</b>	<b>99.51 %</b>
<b>Bank balances/liabilities</b>				
Bank balances/liabilities in fund currency			109,792.82	0.16 %
Bank balances/liabilities in foreign currency			65,851.34	0.10 %
<b>Total bank balances/liabilities</b>			<b>175,644.16</b>	<b>0.26 %</b>
<b>Accruals and deferrals</b>				
Interest claims (on securities and bank balances)			-156.99	-0.00 %
Dividends receivable			290,393.41	0.43 %
<b>Total accruals and deferrals</b>			<b>290,236.42</b>	<b>0.43 %</b>
<b>Other items</b>				
Various fees			-138,405.18	-0.21 %
<b>Total other items</b>			<b>-138,405.18</b>	<b>-0.21 %</b>
<b>Total fund assets</b>			<b>67,407,474.21</b>	<b>100.00 %</b>

## Portfolio of investments in EUR as of Jun 30, 2020

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		GB0031544546	PETROPAVLOVSK PLC POG	GBP	4,600,000	4,600,000			0.310000	1,555,579.80	2.31 %
Equities		JE00B6T5S470	POLYMETAL INTERNATIONAL PLC POLY	GBP	229,490	169,800	45,000		15.895000	3,979,211.90	5.90 %
Equities		RU0007252813	ALROSA PJSC ALRS	RUB	1,677,823	1,344,690	1,460,000		64.340000	1,368,071.01	2.03 %
Equities		RU000A0JSQ90	DETSKY MIR PJSC DSKY	RUB	377,200	11,000			100.540000	480,609.12	0.71 %
Equities		RU0009062467	GAZPROM NEFT PJSC SIBN	RUB	50,000	50,000			335.550000	212,622.24	0.32 %
Equities		RU0007661625	GAZPROM PJSC GAZP	RUB	1,240,500	408,300	22,700		197.640000	3,107,084.43	4.61 %
Equities		RU000A0JPNM1	INTER RAO UES PJSC IRAO	RUB	43,925,800	2,925,000	10,000,000		4.836500	2,692,354.94	3.99 %
Equities		RU000A0JPFPO	LSR GROUP PJSC LSRG	RUB	30,600	1,400	17,200		713.000000	276,498.26	0.41 %
Equities		RU0009024277	LUKOIL PJSC LKOH	RUB	70,152	106,300	36,148		5,310.000000	4,720,804.54	7.00 %
Equities		RU000A0JKQU8	MAGNIT PJSC MGNT	RUB	64,000	52,300	36,000		4,153.000000	3,368,397.57	5.00 %
Equities		RU0009084396	MAGNITOGORSK IRON & STEEL WO MAGN	RUB	2,737,100	1,487,500	1,600,000		37.200000	1,290,372.34	1.91 %
Equities		RU0007288411	MMC NORILSK NICKEL PJSC GMKN	RUB	11,200	11,200			19,088.000000	2,709,317.42	4.02 %
Equities		RU0007775219	MOBILE TELESYSTEMS PJSC MTSS	RUB	748,480	247,900	216,420		326.350000	3,095,602.99	4.59 %
Equities		RU000A0JR4A1	MOSCOW EXCHANGE MICEX-RTS PJ MOEX	RUB	1,763,260	1,106,300			113.090000	2,527,097.51	3.75 %
Equities		RU000A0DKVS5	NOVATEK PJSC NVTK	RUB	184,810	47,000	94,190		1,040.000000	2,435,792.27	3.61 %
Equities		RU0009046452	NOVOLIPETSK STEEL PJSC NLMK	RUB	600,000	600,000			138.620000	1,054,043.62	1.56 %
Equities		RU000A0JRK8	PHOSAGRO PJSC PHOR	RUB	36,260	36,260			2,603.000000	1,196,143.84	1.77 %
Equities		RU000A0JNAA8	POLYUS PJSC PLZL	RUB	15,152	900	16,900		11,896.000000	2,284,295.89	3.39 %
Equities		RU000A0J2Q06	ROSNEFT OIL CO PJSC ROSN	RUB	150,000	206,300	266,200		364.050000	692,044.04	1.03 %
Equities		RU0008943394	ROSTELECOM PJSC RTKM	RUB	187,700	187,700			87.700000	208,614.89	0.31 %
Equities		RU0009029540	SBERBANK OF RUSSIA PJSC SBER	RUB	1,495,570	91,800	505,330		205.400000	3,893,037.84	5.78 %
Equities		RU0009029557	SBERBANK-PREFERENCE SBERP	RUB	55,900	1,600			189.940000	134,558.05	0.20 %
Equities		RU0009046510	SEVERSTAL PJSC CHMF	RUB	108,000	95,000			851.200000	1,165,029.20	1.73 %
Equities		RU0008926258	SURGUTNEFTGAS PJSC SNGS	RUB	1,439,300	2,845,800	1,406,500		38.540000	702,982.44	1.04 %
Equities		RU0009029524	SURGUTNEFTGAS-PREFERENCE SNGSP	RUB	3,053,030	3,225,800	6,280,120		34.715000	1,343,165.98	1.99 %
Equities		RU0006944147	TATNEFT PJSC - PREF TATNP	RUB	171,945	5,000			549.000000	1,196,308.91	1.77 %
Equities		RU0009033591	TATNEFT PJSC TATN	RUB	144,400	4,200			567.200000	1,037,970.13	1.54 %
Equities		RU000A0JP5V6	VTB BANK PJSC VTBR	RUB	1,734,200,900	2,938,763,800	1,204,562,900		0.035420	778,447.64	1.15 %
Equities		NL0009805522	YANDEX NV-A YNDX	RUB	7,630	7,630			3,472.800000	335,803.91	0.50 %
Equities		NL0009805522	YANDEX NV-A YNDX	USD	42,100	1,200			49.240000	1,843,325.63	2.73 %
Equities ADR		US3682872078	GAZPROM PJSC-SPON ADR OGZD	USD	326,970	23,200	384,680		5.546000	1,612,462.76	2.39 %

financial year Jul 1, 2019 – Jun 30, 2020

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 ADR		US42207L1061	HEADHUNTER GROUP PLC-ADR HHR	USD	10,900	10,900			23.240000	225,249.87	0.33 %
Equities ADR		US69343P1057	LUKOIL PJSC-SPON ADR LKOD	USD	11,200	12,100	84,300		75.340000	750,318.34	1.11 %
Equities ADR		US55315J1025	MMC NORILSK NICKEL PJSC-ADR MNOD	USD	131,893	5,900	83,620		27.070000	3,174,767.48	4.71 %
Equities ADR		US74735M1080	QIWI PLC-SPONSORED ADR QIWI	USD	38,700	24,700			17.410000	599,117.02	0.89 %
Equities ADR		US8688612048	SURGUTNEFTGAS-SP ADR SGGD	USD	38,304	38,304			5.400000	183,924.60	0.27 %
Equities ADR		US8766292051	TATNEFT PAO-SPONSORED ADR ATAD	USD	7,340	300	3,760		48.280000	315,112.22	0.47 %
Equities GDR		US98387E2054	X 5 RETAIL GROUP NV-REGS GDR FIVE	RUB	14,700	20,100	13,200		2,518.000000	469,088.19	0.70 %
Equities GDR		US29760G1031	ETALON GROUP-GDR REG S ETLN	USD	291,338	10,200	57,500		1.380000	357,501.73	0.53 %
Equities GDR		US46627J3023	HALYK SAVINGS BANK-GDR REG S HSBK	USD	64,708	22,917			12.650000	727,864.31	1.08 %
Equities GDR		US52634T2006	LENTA PLC LNTA	USD	95,600	95,600			2.375000	201,894.01	0.30 %
Equities GDR		US5603172082	MAIL.RU GROUP-GDR REGS MAIL	USD	39,300	30,500	4,200		22.400000	782,784.99	1.16 %
Equities GDR		US67011E2046	NOVOLIPETSK STEEL PJSC-GDR NLMK	USD	48,084	1,900	96,500		19.870000	849,572.36	1.26 %
Equities GDR		US8181503025	SEVERSTAL - GDR REG S SVST	USD	162,590	6,300	69,500		12.060000	1,743,584.74	2.59 %
Equities GDR		US87238U2033	TCS GROUP HOLDING -REG S TCS	USD	22,619	11,000	70,200		20.800000	418,348.92	0.62 %
Equities GDR		US98387E2054	X 5 RETAIL GROUP NV-REGS GDR FIVE	USD	93,400	1,200	23,200		35.920000	2,983,218.92	4.43 %
<b>Total licensed securities admitted to trading on the official market or another regulated market</b>										<b>67,079,998.81</b>	<b>99.51 %</b>
<b>Total securities</b>										<b>67,079,998.81</b>	<b>99.51 %</b>
<b>Bank balances/liabilities</b>											
				EUR						109,792.82	0.16 %
				GBP						21.16	0.00 %
				RUB						0.73	0.00 %
				USD						65,829.45	0.10 %
<b>Total bank balances/liabilities</b>										<b>175,644.16</b>	<b>0.26 %</b>
<b>Accruals and deferrals</b>											
Interest claims (on securities and bank balances)										-156.99	-0.00 %
Dividends receivable										290,393.41	0.43 %
<b>Total accruals and deferrals</b>										<b>290,236.42</b>	<b>0.43 %</b>
<b>Other items</b>											
Various fees										-138,405.18	-0.21 %
<b>Total other items</b>										<b>-138,405.18</b>	<b>-0.21 %</b>
<b>Total fund assets</b>										<b>67,407,474.21</b>	<b>100.00 %</b>

ISIN	Income class		Currency	Net asset value per unit	Units in circulation
AT0000A07FQ5	R	income-distributing	EUR	84.50	28,874,868
AT0000A1TW88	RZ	income-distributing	EUR	112.50	2,208,235
AT0000A07FR3	R	income-retaining	EUR	98.37	424,801,258
AT0000A1TW70	RZ	income-retaining	EUR	116.70	32,390,058
AT0000A0LSR3	I	full income-retaining (outside Austria)	EUR	109.34	2,366,481
AT0000A07FS1	R	full income-retaining (outside Austria)	EUR	99.08	190,661,160

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

ISIN	Security title	Currency	Volume Jun 30, 2020
GB0031544546	PETROPAVLOVSK PLC POG	GBP	4,000,000
US87238U2033	TCS GROUP HOLDING -REG S TCS	USD	22,000

Exchange rates

Foreign currency assets were converted into EUR on the basis of the exchange rates applicable on Jun 29, 2020

Currency	Price (1 EUR =)
British Pound	0.916700
Russian Rubles	78.907550
US Dollars	1.124600

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		RU0009062285	AEROFLOT PJSC AFLT	RUB	400,000	400,062
Equities		RU0009100945	BANK ST PETERSBURG PJSC BSPB	RUB	7,400	301,870
Equities		RU000A0JPNN9	FEDERAL GRID CO UNIFIED ENER FEES	RUB	4,485,900	259,015,900
Equities		RU0009024277	LUKOIL OAO-CLS LKOH	USD	71,400	71,400
Equities ADR		US6074091090	MOBILE TELESYSTEMS-SP ADR MBT	USD	28,600	28,600
Equities ADR		US91822M1062	VEON LTD VEON	USD	208,200	462,300
Equities GDR		US37949E2046	GLOBALTRA-SPONS GDR REG S GLTR	USD		85,410
Equities GDR		US50218G2066	LSR GROUP PJSC-GDR REGS LSRG	USD	31,785	31,785
Equities GDR		US6698881090	NOVATEK PJSC-SPONS GDR REG S NVTK	USD	2,200	10,100
Equities GDR		US71922G2093	PHOSAGRO PJSC-GDR REG S PHOR	USD	900	30,270
Equities GDR		US67812M2070	ROSNEFT OIL CO PJSC-REGS GDR ROSN	USD	4,600	157,600

### Further information on securities lending transactions

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

2.61 %

Value of loaned securities: 1,759,578.31 EUR

Proportion of assets eligible for lending transactions: 2.62 %

On the reporting date Jun 30, 2020 the following securities had been lent:

ISIN	Security title	Regulated market	Currency	Asset class	Issuer	Rating	Volume Jun 30, 2020	Market value (incl. any interest accrued) Jun 30, 2020	Share of fund assets
GB0031544546	PETROPAVLOVSK PLC POG	LISTED	GBP	Equities	Petropavlovsk PLC	b	4,000,000	1,352,678.09	2.01 %
US87238U2033	TCS GROUP HOLDING -REG S TCS	LISTED	USD	Equities	TCS Group Holding PLC	n.v.	22,000	406,900.23	0.60 %

- 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 30, 2020	Market value in portfolio currency
US0567521085	BAIDU INC - SPON ADR BIDU	LISTED	USD	Equities	Baidu Inc	n.v.	30,000	3,235,550.42

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: 21,113.69 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
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**Remuneration paid to the employees of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. in EUR (financial year 2019 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)**

Total number of employees	249
Number of risk-bearers	86
Fixed remuneration	23,266,854.30
Variable remuneration (bonuses)	2,453,040.49
<b>Total remuneration for employees</b>	<b>25,719,894.79</b>
of which remuneration for managing directors	1,450,304.51
of which remuneration for managers (risk-bearers)	2,287,369.16
of which remuneration for other risk-bearers	8,994,874.93
of which remuneration for employees in positions of control	259,423.17
of which remuneration for employees in the same income bracket as managing directors and risk-bearers due to their overall remuneration	0.00
<b>Total remuneration for risk-bearers</b>	<b>12,991,971.77</b>

- 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 27, 2019. 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 28, 2020. 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, 24 September 2020

**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, 2020, 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, 2020 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, 24 September 2020

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](http://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](http://www.rcm.at). Please visit [www.profitweb.at](http://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 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\\_upreg](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_upreg)<sup>1</sup>

##### 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);<br>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  |

<sup>1</sup> 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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