

CONVERTINVEST All-Cap Convertibles Fund

(Original German name: CONVERTINVEST All-Cap Convertibles Fund)

annual fund report

financial year Mar 1, 2017 – Feb 28, 2018

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 Mar 1, 2017 to Feb 28, 2018

General fund information

ISIN	Tranche	Income class	Currency	Launch date
AT0000A0RFT3	CONVERTINVEST All-Cap Convertibles Fund (I) A	income-distributing	EUR	Oct 3, 2011
AT0000A08Y62	CONVERTINVEST All-Cap Convertibles Fund (S) A	income-distributing	EUR	Mar 17, 2008
AT0000A1W442	CONVERTINVEST All-Cap Convertibles Fund (R) A	income-distributing	EUR	Jun 1, 2017
AT0000A0RFU1	CONVERTINVEST All-Cap Convertibles Fund (I) T	income-retaining	EUR	Oct 3, 2011
AT0000A09008	CONVERTINVEST All-Cap Convertibles Fund (S) T	income-retaining	EUR	Mar 17, 2008
AT0000A1W434	CONVERTINVEST All-Cap Convertibles Fund (R) T	income-retaining	EUR	Jun 1, 2017
AT0000A0RFV9	CONVERTINVEST All-Cap Convertibles Fund (I) VTA	full income-retaining (outside Austria)	EUR	Oct 3, 2011
AT0000A09016	CONVERTINVEST All-Cap Convertibles Fund (S) VTA	full income-retaining (outside Austria)	EUR	Mar 17, 2008
AT0000A1W459	CONVERTINVEST All-Cap Convertibles Fund (R) VTA	full income-retaining (outside Austria)	EUR	Jun 1, 2017

Fund characteristics

Fund currency	EUR
Financial year	Mar 1 – Feb 28/29
Distribution/payment/reinvestment date	May 31
Type of fund	Investment fund pursuant to § 2 of the Austrian Investment Fund Act, InvFG (UCITS)
Effective management fee for the fund	I-Tranche (EUR): 0.625 % (excluding any performance-related fee) S-Tranche (EUR): 1.125 % (excluding any performance-related fee) R-Tranche (EUR): 1.125 % Performance-related management fees: see below for details
Max. management fee for subfunds	0.300 % (excluding any performance-related fee)
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	CONVERTINVEST Financial Services GmbH, Brunn am Gebirge
Auditor	KPMG Austria GmbH

Performance-related management fees

The asset management company shall also receive a variable quarterly management fee for tranches S and I. The variable management fee shall not exceed 10 % of the fund's fee-relevant growth.

Fee-relevant growth means the fund's growth by comparison with the high water mark. The high water mark corresponds to the highest unit value as of the end of a quarter as of which a performance-related fee has been paid out.

This variable management fee is recorded daily on the basis of the average fund volume and has an income effect in respect of the net asset value calculated each day. During the quarter items will be credited to and debited from an amortization account in accordance with the fund's performance; the total debit items may not exceed the total credit items in a given quarter. The variable management fees already charged to the fund may not exceed zero on account of refunds in a given quarter. The method developed by OeKB (Österreichische Kontrollbank AG) is used for the net asset value and growth calculation. This method assumes reinvestment of any payments or distributions. The fund makes a quarterly variable management fee payment upon expiry of a given quarter, as of the end of the following month, with an effect on liquidity.

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 CONVERTINVEST All-Cap Convertibles Fund for the financial year from Mar 1, 2017 to Feb 28, 2018. The accounting is based on the price calculation as of Feb 28, 2018.

Fund details

	Feb 29, 2016	Feb 28, 2017	Feb 28, 2018
Total fund assets in EUR	70,177,269.06	86,928,402.19	141,598,695.04
Net asset value/distributing units (I) (AT0000A0RFT3) in EUR	109.64	118.26	124.19
Issue price/distributing units (I) (AT0000A0RFT3) in EUR	113.48	122.40	128.54
Net asset value/distributing units (S) (AT0000A08Y62) in EUR	108.60	116.64	122.30
Issue price/distributing units (S) (AT0000A08Y62) in EUR	112.40	120.72	126.58
Net asset value/distributing units (R) (AT0000A1W442) in EUR	-	-	104.41
Issue price/distributing units (R) (AT0000A1W442) in EUR	-	-	108.06
Net asset value/reinvested units (I) (AT0000A0RFU1) in EUR	138.71	152.73	164.00
Issue price/reinvested units (I) (AT0000A0RFU1) in EUR	143.56	158.08	169.74
Net asset value/reinvested units (S) (AT0000A09008) in EUR	137.90	151.34	162.03
Issue price/reinvested units (S) (AT0000A09008) in EUR	142.73	156.64	167.70
Net asset value/reinvested units (R) (AT0000A1W434) in EUR	-	-	104.41
Issue price/reinvested units (R) (AT0000A1W434) in EUR	-	-	108.06
Net asset value/fully reinvested units (I) (AT0000A0RFV9) in EUR	142.46	157.43	169.61
Issue price/fully reinvested units (I) (AT0000A0RFV9) in EUR	147.45	162.94	175.55
Net asset value/fully reinvested units (S) (AT0000A09016) in EUR	141.87	156.09	167.29
Issue price/fully reinvested units (S) (AT0000A09016) in EUR	146.84	161.55	173.15
Net asset value/fully reinvested units (R) (AT0000A1W459) in EUR	-	-	104.39
Issue price/fully reinvested units (R) (AT0000A1W459) in EUR	-	-	108.04
		May 31, 2017	Jun 1, 2018
Distribution/unit (I) (A) EUR		2.9600	3.1000
Distribution/unit (S) (A) EUR		2.9200	3.0600
Distribution/unit (R) (A) EUR		-	1.3680
Outpayment/unit (I) (T) EUR		0.4475	2.5786
Outpayment/unit (S) (T) EUR		0.3188	2.4565
Outpayment/unit (R) (T) EUR		-	1.3680
Reinvestment/unit (I) (T) EUR		2.0501	13.0225
Reinvestment/unit (S) (T) EUR		1.5587	12.3956
Reinvestment/unit (R) (T) EUR		-	6.9070
Reinvestment/unit (I) (VTA) EUR		2.6129	16.2012
Reinvestment/unit (S) (VTA) EUR		1.9344	15.1710
Reinvestment/unit (R) (VTA) EUR		-	8.2600

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 Feb 28, 2017	Sales	Repurchases	Units in circulation on Feb 28, 2018
AT0000A0RFT3 (I) A	44,010.000	168,906.518	0.000	212,916.518
AT0000A08Y62 (S) A	151,972.508	2,509.000	-94,098.000	60,383.508
AT0000A1W442 (R) A	-	10.000	0.000	10.000
AT0000A0RFU1 (I) T	113,613.549	54,552.000	-19.000	168,146.549
AT0000A09008 (S) T	99,086.000	6,438.000	-41,242.000	64,282.000
AT0000A1W434 (R) T	-	10.000	0.000	10.000
AT0000A0RFV9 (I) VTA	112,835.000	116,965.450	-79,107.516	150,692.934
AT0000A09016 (S) VTA	88,937.857	107,712.455	-6,615.321	190,034.991
AT0000A1W459 (R) VTA	-	119,010.000	0.000	119,010.000
Total units in circulation				965,486.500

Development of the fund assets and income statement

Performance in financial year (fund performance)

Distributing units (I) (AT0000A0RFT3)

Net asset value per unit at start of financial year in EUR	118.26
Distribution on May 31, 2017 (net asset value: EUR 119,11) of EUR 2,9600, corresponds to 0,024851 units	
Net asset value per unit at end of financial year in EUR	124.19
Total value incl. units purchased through distribution (1,0249 x 124,19)	127.28
Net income/net reduction per unit	9.02

Performance of one unit during the financial year in % **7.62**

Distributing units (S) (AT0000A08Y62)

Net asset value per unit at start of financial year in EUR	116.64
Distribution on May 31, 2017 (net asset value: EUR 117,37) of EUR 2,9200, corresponds to 0,024879 units	
Net asset value per unit at end of financial year in EUR	122.30
Total value incl. units purchased through distribution (1,0249 x 122,30)	125.34
Net income/net reduction per unit	8.70

Performance of one unit during the financial year in % **7.46**

Distributing units (R) (AT0000A1W442)

Net asset value per unit at launch of tranche (Jun 1, 2017) in EUR	100.00
Net asset value per unit at end of financial year in EUR	104.41
Net income/net reduction per unit	4.41

Performance of one unit from launch of tranche (Jun 1, 2017) up to the end of financial year in % **4.41**

Reinvested units (I) (AT0000A0RFU1)

Net asset value per unit at start of financial year in EUR	152.73
Outpayment on May 31, 2017 (net asset value: EUR 157,21) of EUR 0,4475, corresponds to 0,002847 units	
Net asset value per unit at end of financial year in EUR	164.00
Total value incl. units purchased through outpayment (1,0028 x 164,00)	164.47
Net income/net reduction per unit	11.74

Performance of one unit during the financial year in % **7.68**

Reinvested units (S) (AT0000A09008)

Net asset value per unit at start of financial year in EUR	151.34
Outpayment on May 31, 2017 (net asset value: EUR 155,74) of EUR 0,3188, corresponds to 0,002047 units	
Net asset value per unit at end of financial year in EUR	162.03
Total value incl. units purchased through outpayment (1,002 x 162,03)	162.36
Net income/net reduction per unit	11.02

Performance of one unit during the financial year in % **7.28**

Reinvested units (R) (AT0000A1W434)

Net asset value per unit at launch of tranche (Jun 1, 2017) in EUR	100.00
Net asset value per unit at end of financial year in EUR	104.41
Net income/net reduction per unit	4.41

Performance of one unit from launch of tranche (Jun 1, 2017) up to the end of financial year in % 4.41

Fully reinvested units (I) (AT0000A0RFV9)

Net asset value per unit at start of financial year in EUR	157.43
Net asset value per unit at end of financial year in EUR	169.61
Net income/net reduction per unit	12.18

Performance of one unit during the financial year in % 7.74

Fully reinvested units (S) (AT0000A09016)

Net asset value per unit at start of financial year in EUR	156.09
Net asset value per unit at end of financial year in EUR	167.29
Net income/net reduction per unit	11.20

Performance of one unit during the financial year in % 7.18

Fully reinvested units (R) (AT0000A1W459)

Net asset value per unit at launch of tranche (Jun 1, 2017) in EUR	100.00
Net asset value per unit at end of financial year in EUR	104.39
Net income/net reduction per unit	4.39

Performance of one unit from launch of tranche (Jun 1, 2017) up to the end of financial year in % 4.39

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 3.50 % 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 Feb 28, 2017 (610,454.914 units)		86,928,402.19
Distribution on May 31, 2017 (EUR 2,9600 x 78.010,000 distributing units (I) (AT0000A0RFT3))		-230,909.60
Distribution on May 31, 2017 (EUR 2,9200 x 144.888,508 distributing units (S) (AT0000A08Y62))		-423,074.44
Outpayment on May 31, 2017 (EUR 0,4475 x 126.851,549 reinvested units (I) (AT0000A0RFU1))		-56,766.07
Outpayment on May 31, 2017 (EUR 0,3188 x 96.872,000 reinvested units (S) (AT0000A09008))		-30,882.79
Issuance of units	79,276,149.86	
Redemption of units	-31,782,488.33	
Pro rata income adjustment	-1,887,512.27	45,606,149.26
Overall fund result		9,805,776.49
Fund assets on Feb 28, 2018 (965,486.500 units)		141,598,695.04

Fund result in EUR

A. Realized fund result

Ordinary fund result

Income (excl. closing price)	
Interest income	1,062,513.42
Net interest income from cash collateral	-1,145.10
Interest expenses (incl. negative credit interest)	-71,240.58
	990,127.74
Expenses	
Management fees	-948,716.43
Custodian bank fees / Custodian's fees	-23,878.36
Auditing expenses	-6,398.01
Tax consulting fees	-6,014.00
Custody charge	-21,929.86
Statutory/publication expenses	-5,299.85
Performance fees	-779,844.21
Rating costs Raiffeisen Bank International AG	-6,790.00
	-1,798,870.72
Ordinary fund result (excl. income adjustment)	-808,742.98
Realized closing price	
Profits realized from securities	12,318,333.41
Profits realized from derivative instruments	2,228,634.03
Losses realized from securities	-1,314,232.88
Losses realized from derivative instruments	-1,221,380.59
Realized closing price (excl. income adjustment)	12,011,353.97
Realized fund result (excl. income adjustment)	11,202,610.99

B. Unrealized closing price

Change in unrealized closing price	-3,284,346.77
	-3,284,346.77

C. Income adjustment

Income adjustment for income during financial year	1,887,512.27
	1,887,512.27

Overall fund result

9,805,776.49

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 14,311.00 EUR.

Capital market report

The past financial year was dominated by the central banks. For a start, the Fed raised interest rates and stopped its bond-purchasing program. Towards the end of the year, the Trump administration pushed through its tax reform package which cut corporate taxes to 25 %. While the stock markets temporarily benefited from this measure, markets suffered from inflation fears and anxiety that the US economy might be overheating. US Treasuries went up 60 basis points to just under 3.0 %, dragging down both the interest rate-sensitive US real estate market and the stock markets. In Europe, the European Central Bank (ECB) reduced its bond-purchase program by half and announced its end for September 2018. At the same time, the ECB clearly stated that it would not raise interest rates before 2019. In view of the substantially improved growth prospects, inflation fears also emerged in Europe. German 10-year yields climbed 40 basis points and put a damper on real estate values. The European stock markets benefited from rising profit expectations as estimates for 2017 and 2018 were raised substantially after years of low profit growth. Until the end of 2017, stock indices responded with significant price gains. However, once the issue of punitive tariffs escalated towards the end of the financial year, markets lost ground and ended the year with a minor gain of just above 3 %. The Asian markets were consistently friendly as the easing of tension on the main markets of Europe and USA was having a positive effect. Although a few noticeable events occurred in politics, their impact on the markets was temporary, with the exception of the announced punitive tariffs on US steel and aluminum imports. The tariffs predominantly affect China and were interpreted as a portent of a potential trade war between the USA and China. The stock markets thus ended the reporting period in a jittery state and prone to corrections. The development of interest rates and the key interest rate level in the USA in the coming months remains to be seen, while the positive structural framework conditions for convertible bonds have not changed – especially due to the low interest rate risk.

A number of incalculable factors will dominate next year: On the one hand, we are in an advanced phase of the current economic cycle and hence of the stock market cycle; on the other hand, political factors are increasingly dominating stock market events. Trade wars cannot be won by any side and have slowed down growth in the past. However, such arguments mean little to irrational actors. After years of low volatility, we will therefore enter a phase of higher risk premiums which, however, can be seen as a return to former normal volatility levels. In terms of valuation, with the markets within the long-term average, excessive pressure is not expected.

Fund investment policy report

The fund generated an excellent performance in the past financial year. At a delta of approx. 39 %, the fund was in a balanced position at the start of the financial year. The delta was reduced via stock index futures. In terms of sectors, the fund had high weightings in industrials, consumer goods and food. At 11 %, cash holdings were also high. Bank securities were held in the form of an exchange-traded fund (ETF). In the middle of the year, the bank ETF was sold and the stock index futures were closed out. The fund's delta rose slightly to just above 40 % due to market conditions. Technology holdings were increased, while Germany and France remained the dominating regions. After two-thirds of the Steinhoff position had been sold in August 2017, the balance sheet scandal in September 2017 did not have much of an impact on the fund's performance. The weighting of the healthcare sector was raised significantly until the end of 2017 and the fund's delta remained in the 40 % range. In January 2018, the fund benefited from the Ablynx takeover battle which started with a bid from Novo Nordisk that was outdone by a significantly higher bid from Sanofi. In anticipation of this counter-bid, the Ablynx shares were not sold until after the Sanofi bid. By the end of the financial year, the fund had a delta of close to 45 % and high weightings in commodities, industrials and consumer goods. Thanks to its excellent performance in the past year and the preceding financial years, the fund received the Lipper Fund Award for Best European Convertible Fund over 5 years in Austria and Germany.

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
Convertible bonds		CHF	2,254,855.11	1.59 %
Convertible bonds		EUR	93,896,165.25	66.31 %
Convertible bonds		GBP	1,996,733.58	1.41 %
Convertible bonds		SEK	1,622,556.93	1.15 %
Convertible bonds		USD	36,360,974.35	25.68 %
Total Convertible bonds			136,131,285.22	96.14 %
Total securities			136,131,285.22	96.14 %
Derivative products				
Valuation of forward exchange transactions			769,969.53	0.54 %
Total derivative products			769,969.53	0.54 %
Bank balances/liabilities				
Bank balances/liabilities in fund currency			3,786,192.94	2.67 %
Bank balances/liabilities in foreign currency			1,001,748.24	0.71 %
Total bank balances/liabilities			4,787,941.18	3.38 %
Accruals and deferrals				
Interest claims (on securities and bank balances)			306,175.86	0.22 %
Total accruals and deferrals			306,175.86	0.22 %
Other items				
Various fees			-396,676.75	-0.28 %
Total other items			-396,676.75	-0.28 %
Total fund assets			141,598,695.04	100.00 %

Portfolio of investments in EUR as of Feb 28, 2018

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

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

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

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

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

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

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

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

Type of security	OGAW/§ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales Units/Nom.	Pool-/ILB Factor	Price	Market value in EUR	Share of fund assets
Convertible bonds		CH0285509359	IMPLENIA AG IMPNSW 0 1/2 06/30/22	CHF	2,400,000	2,400,000			108.125000	2,254,855.11	1.59 %
Convertible bonds		XS1210352784	AABAR INVESTMENTS PJSC AABAR 0 1/2 03/27/20	EUR	4,000,000	1,000,000			94.191500	3,767,660.00	2.66 %
Convertible bonds		XS1210362239	AABAR INVESTMENTS PJSC AABAR 1 03/27/22	EUR	7,000,000	2,000,000			89.942000	6,295,940.00	4.45 %
Convertible bonds		DE000A161XW6	ADLER REAL ESTATE AG ADLERR 2 1/2 07/19/21	EUR	100,000				15.773000	1,577,300.00	1.11 %
Convertible bonds		XS1254584599	AIRBUS SE AIRFP 0 07/01/22	EUR	2,400,000	2,400,000			123.268000	2,958,432.00	2.09 %
Convertible bonds		XS1634544248	ASTALDI SPA ASTIM 4 7/8 06/21/24	EUR	2,800,000	2,800,000			64.065000	1,793,820.00	1.27 %
Convertible bonds		DE000A2E4GF6	BAYER AG BAYNGR 0.05 06/15/20	EUR	3,000,000	3,000,000			126.020000	3,780,600.00	2.67 %
Convertible bonds		XS1731596257	BE SEMICONDUCTOR BESINA 0 1/2 12/06/24	EUR	2,100,000	2,100,000			107.741500	2,262,571.50	1.60 %
Convertible bonds		XS1750026186	CELLNEX TELECOM SA CLNXSM 1 1/2 01/16/26	EUR	1,000,000	1,000,000			101.850000	1,018,500.00	0.72 %
Convertible bonds		XS1466161350	CITIGROUP GLOB MKT FND L C 0 1/2 08/04/23	EUR	3,000,000	5,000,000	2,000,000		111.815000	3,354,450.00	2.37 %
Convertible bonds		FR0013208295	CREDIT AGRICOLE SA ACAFP 0 10/03/19	EUR	20,000	20,000			83.181000	1,663,620.00	1.17 %
Convertible bonds		DE000A2G87D4	DEUTSCHE POST AG DPWGR 0.05 06/30/25	EUR	3,300,000	3,300,000			103.527000	3,416,391.00	2.41 %
Convertible bonds		DE000A2GS377	DEUTSCHE WOHNEN SE DWNIGY 0.6 01/05/26	EUR	2,000,000	2,000,000			101.224500	2,024,490.00	1.43 %
Convertible bonds		FR0013285707	ELIS SA ELISGP 0 10/06/23	EUR	12,000	12,000			33.401500	400,818.00	0.28 %
Convertible bonds		XS1082775054	FF GROUP FINANCE LX FFGPRG 1 3/4 07/03/19	EUR	2,900,000	1,700,000			95.546000	2,770,834.00	1.96 %
Convertible bonds		DE000A13R491	FRESENIUS MEDICAL CARE A FMEGR 1 1/8 01/31/20	EUR	4,000,000	4,000,000			126.443000	5,057,720.00	3.57 %
Convertible bonds		FR0013286903	GENFIT GNFTFP 3 1/2 10/16/22	EUR	85,000	85,000			30.093500	2,557,947.50	1.81 %
Convertible bonds		XS1431430740	GLANBIA CO-OPERATIVE SOC GLBID 1 3/8 06/09/21	EUR	1,000,000	2,500,000	1,500,000		104.135000	1,041,350.00	0.74 %
Convertible bonds		XS1622415245	GN STORE NORD GNDC 0 05/31/22	EUR	2,200,000	2,200,000			107.475500	2,364,461.00	1.67 %
Convertible bonds		BE6291563466	GREENYARD FRESH HOLDING BRYFO 3 3/4 12/22/21	EUR	3,000,000	1,400,000			124.246000	3,727,380.00	2.63 %
Convertible bonds		XS0981383747	INDRA SISTEMAS SA IDRSM 1 3/4 10/17/18	EUR	3,000,000	3,000,000			100.956000	3,028,680.00	2.14 %
Convertible bonds		DE000A185XT1	KLOECKNER & CO FINL SERV KCOGR 2 09/08/23	EUR	2,000,000	2,500,000	2,500,000		106.845500	2,136,910.00	1.51 %
Convertible bonds		XS1431302741	KONINKLIJKE BAM GROEP NV BAMNB 3 1/2 06/13/21	EUR	2,500,000	2,500,000			101.604500	2,540,112.50	1.79 %
Convertible bonds		FR0013266087	KORIAN SA KORIFP 2 1/2 PERP	Y EUR	56,500	56,500			42.415000	2,396,447.50	1.69 %
Convertible bonds		DE000LEG1CB5	LEG IMMOBILIEN AG LEGGR 0 1/2 07/01/21	EUR	1,200,000	500,000			163.115500	1,957,386.00	1.38 %
Convertible bonds		FR0013300381	MAISONS DU MONDE SA MDMFP 0 1/8 12/06/23	EUR	30,000	30,000			52.444000	1,573,320.00	1.11 %
Convertible bonds		NO0010748742	MARINE HARVEST ASA MHGNO 0 1/8 11/05/20	EUR	2,400,000	1,900,000	2,500,000		123.175500	2,956,212.00	2.09 %
Convertible bonds		XS0993164895	MNV ZRT HUSTHO 3 3/8 04/02/19	EUR	2,000,000	2,000,000			108.554500	2,171,090.00	1.53 %
Convertible bonds		XS0989390249	NH HOTEL GROUP SA NHHSM 4 11/08/18	EUR	1,500,000				128.961500	1,934,422.50	1.37 %
Convertible bonds		XS1194020852	OUTOKUMPU OYJ OUTOK 3 1/4 02/26/20	EUR	1,500,000	1,500,000			113.985000	1,709,775.00	1.21 %
Convertible bonds		XS1551933010	PRYSMIAN SPA PRYIM 0 01/17/22	EUR	1,600,000				105.775000	1,692,400.00	1.20 %

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
Convertible bonds		DE000A14J3R2	RAG-STIFTUNG RAGSTF 0 02/18/21	EUR	2,000,000	2,000,000			109.218000	2,184,360.00	1.54 %
Convertible bonds		DE000A1Z1N7J4	SAF-HOLLAND GROUP SFQGR 1 09/12/20	EUR	2,000,000	1,200,000			151.875000	3,037,500.00	2.15 %
Convertible bonds		FR0013087186	SAFRAN SA SAFFP 0 12/31/20	EUR	25,000	25,000			105.244500	2,631,112.50	1.86 %
Convertible bonds		NO0010766546	SIEM INDUSTRIES INC SEMUF 2 1/4 06/02/21	EUR	1,000,000	1,000,000			146.561000	1,465,610.00	1.04 %
Convertible bonds		XS1398317484	STEINHOFF FINANCE HLDG SHFSJ 1 1/4 10/21/23	EUR	2,000,000	2,000,000			51.101500	1,022,030.00	0.72 %
Convertible bonds		DE000SYM7787	SYMRISE AG SYMRIS 0.2375 06/20/24	EUR	2,000,000	2,000,000			110.048000	2,200,960.00	1.55 %
Convertible bonds		XS1351586588	TECHNIPFMC PLC FTI 0 7/8 01/25/21	EUR	1,300,000				114.945000	1,494,285.00	1.06 %
Convertible bonds		FR0013204286	UBISOFT ENTERTAINMENT SA UBIFP 0 09/27/21	EUR	26,500				79.432500	2,104,961.25	1.49 %
Convertible bonds		FR0013169810	WENDEL SA MWDP 0 07/31/19	EUR	33,000	33,000			55.282000	1,824,306.00	1.29 %
Convertible bonds		XS1410519976	BP CAPITAL MARKETS PLC BPLN 1 04/28/23	GBP	1,500,000				117.368000	1,996,733.58	1.41 %
Convertible bonds		SE0005794880	SAS AB SASSS 3 5/8 04/01/19 SAS	SEK	15,000,000				108.892500	1,622,556.93	1.15 %
Convertible bonds		XS1403868398	ABIGROVE LTD CHMFRO 0 1/2 04/29/21	USD	2,000,000	1,000,000			153.519500	2,508,693.52	1.77 %
Convertible bonds		DE000A19PVM4	AMS AG AMSSW 0 7/8 09/28/22	USD	3,200,000	3,200,000			132.306000	3,459,263.01	2.44 %
Convertible bonds		XS1084287322	APERAM APAMNA 0 5/8 07/08/21	USD	3,000,000	1,000,000			130.575000	3,200,629.14	2.26 %
Convertible bonds		DE000A2BPEU0	BASF SE BASGR 0.925 03/09/23	USD	2,500,000	2,500,000			100.194500	2,046,623.50	1.45 %
Convertible bonds		DE000A1Z3XP8	BRENNTAG FINANCE BV BNRGR 1 7/8 12/02/22	USD	3,000,000	3,000,000			101.296500	2,482,960.21	1.75 %
Convertible bonds		FR0013261062	CARREFOUR SA CAFFP 0 06/14/23	USD	3,600,000	3,600,000			95.272000	2,802,346.60	1.98 %
Convertible bonds		FR0013230745	CIE GENERALE DES ESTABL MLFP 0 01/10/22	USD	2,000,000				107.279500	1,753,076.23	1.24 %
Convertible bonds		FR0013309184	CIE GENERALE DES ESTABL MLFP 0 11/10/23	USD	2,400,000	2,400,000			93.565500	1,834,767.55	1.30 %
Convertible bonds		XS1078764302	DP WORLD LTD DPWDU 1 3/4 06/19/24	USD	2,000,000	2,000,000			107.182000	1,751,482.96	1.24 %
Convertible bonds		FR0013113073	LVMH MOET HENNESSY VUITT MCFP 0 02/16/21	USD	11,000	5,400			311.966500	2,803,849.58	1.98 %
Convertible bonds		XS1759275578	POLYUS FINANCE PLC PGILLN 1 01/26/21	USD	2,400,000	2,400,000			99.446500	1,950,090.69	1.38 %
Convertible bonds		XS1682511818	QIAGEN NV QGEN 0 1/2 09/13/23	USD	3,000,000	3,000,000			104.108500	2,551,887.41	1.80 %
Convertible bonds		DE000A17D8Q6	SIEMENS FINANCIERINGSMAT SIEGR 1.65 08/16/19	USD	1,500,000				116.758500	1,430,980.88	1.01 %
Convertible bonds		XS1327914062	TOTAL SA TOTAL 0 1/2 12/02/22	USD	3,000,000	3,000,000			106.069500	2,599,955.06	1.84 %
Convertible bonds		XS1433199624	VALEO SA FRFP 0 06/16/21	USD	1,600,000				105.100500	1,373,975.00	0.97 %
Convertible bonds		FR0013237856	VINCI SA DGFP 0 3/8 02/16/22	USD	2,000,000	1,400,000			110.787000	1,810,393.01	1.28 %
Total licensed securities admitted to trading on the official market or another regulated market										136,131,285.22	96.14 %
Total securities										136,131,285.22	96.14 %
Forward exchange transactions		DTG072757	DTG CHF EUR	CHF	-2,600,000				1.150902	-5,225.25	-0.00 %
Forward exchange transactions		DTG070717	DTG GBP EUR	GBP	-5,000,000				0.882231	-1,018.04	-0.00 %
Forward exchange transactions		DTG071091	DTG GBP EUR	GBP	1,500,000				0.882231	17,959.58	0.01 %
Forward exchange transactions		DTG070286	DTG USD EUR	USD	-5,400,000				1.225182	104,146.44	0.07 %
Forward exchange transactions		DTG070711	DTG USD EUR	USD	-25,500,000				1.225182	739,946.01	0.52 %
Forward exchange transactions		DTG071025	DTG USD EUR	USD	-1,200,000				1.225182	15,397.03	0.01 %
Forward exchange transactions		DTG071096	DTG USD EUR	USD	-2,100,000				1.225182	20,387.98	0.01 %
Forward exchange transactions		DTG071505	DTG USD EUR	USD	-1,600,000				1.225182	-2,922.63	-0.00 %
Forward exchange transactions		DTG071877	DTG USD EUR	USD	-2,200,000				1.225182	-28,157.50	-0.02 %
Forward exchange transactions		DTG071898	DTG USD EUR	USD	-6,000,000				1.225182	-89,886.24	-0.06 %
Forward exchange transactions		DTG072391	DTG USD EUR	USD	-550,000				1.225182	-657.85	-0.00 %
Total forward exchange transactions ¹										769,969.53	0.54 %

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
Bank balances/liabilities											
				EUR						3,786,192.94	2.67 %
				CHF						78,152.30	0.06 %
				GBP						2,265,948.02	1.60 %
				SEK						-1,397,193.65	-0.99 %
				USD						54,841.57	0.04 %
Total bank balances/liabilities										4,787,941.18	3.38 %
Accruals and deferrals											
Interest claims (on securities and bank balances)										306,175.86	0.22 %
Total accruals and deferrals										306,175.86	0.22 %
Other items											
Various fees										-396,676.75	-0.28 %
Total other items										-396,676.75	-0.28 %
Total fund assets										141,598,695.04	100.00 %

ISIN	Income class	Currency	Net asset value per unit	Units in circulation
AT0000A0RFT3	I income-distributing	EUR	124.19	212,916.518
AT0000A08Y62	S income-distributing	EUR	122.30	60,383.508
AT0000A1W442	R income-distributing	EUR	104.41	10.000
AT0000A0RFU1	I income-retaining	EUR	164.00	168,146.549
AT0000A09008	S income-retaining	EUR	162.03	64,282.000
AT0000A1W434	R income-retaining	EUR	104.41	10.000
AT0000A0RFV9	I full income-retaining (outside Austria)	EUR	169.61	150,692.934
AT0000A09016	S full income-retaining (outside Austria)	EUR	167.29	190,034.991
AT0000A1W459	R full income-retaining (outside Austria)	EUR	104.39	119,010.000

Exchange rates

Foreign currency assets were converted into EUR on the basis of the exchange rates applicable on Feb 27, 2018

Currency	Price (1 EUR =)
Swiss Francs	CHF 1.150850
British Pound	GBP 0.881700
Swedish Krona	SEK 10.066750
US Dollars	USD 1.223900

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
Convertible bonds		CH0227342232	SWISS LIFE HOLDING AG SLHNVX 0 12/02/20	CHF		1,500,000
Convertible bonds		BE6278650344	ABLYNX NV ABLYNX 3 1/4 05/27/20	EUR		1,500,000
Convertible bonds		DE000A1ML0D9	ADIDAS AG ADSGR 0 1/4 06/14/19	EUR		1,400,000

Type of security	OGAW/§ 166	ISIN	Security title	Currency		Purchases Additions	Sales Disposals
Convertible bonds		XS0881814411	ASTALDI SPA ASTIM 4 1/2 01/31/19	EUR			2,200,000
Convertible bonds		XS1529879600	BE SEMICONDUCTOR BESINA 2 1/2 12/02/23	EUR		500,000	2,000,000
Convertible bonds		DE000A1R0VM5	DEUTSCHE POST AG DPWGR 0.6 12/06/19	EUR			1,800,000
Convertible bonds		DE000A12UDH7	DEUTSCHE WOHNEN SE DWNIGY 0 7/8 09/08/21	EUR			1,000,000
Convertible bonds		DE000A1X3GS9	DRILLISCH AG DRIGR 0 3/4 12/12/18	EUR			800,000
Convertible bonds		FR0013286028	FIGEAC AERO FGAFP 1 1/8 10/18/22	EUR		3,888	3,888
Convertible bonds		XS1500463358	INDRA SISTEMAS SA IDRSM 1 1/4 10/07/23	EUR		700,000	2,300,000
Convertible bonds		FR0011534874	ORPEA ORPPP 1 3/4 01/01/20	EUR			31,000
Convertible bonds		XS1139088402	PT JERSEY LTD PTEC 0 1/2 11/19/19	EUR			1,700,000
Convertible bonds		DE000A2BPE24	RAG-STIFTUNG RAGSTF 0 03/16/23	EUR		1,500,000	1,500,000
Convertible bonds		FR0013200995	REMY COINTREAU SA RCOFF 0 1/8 09/07/26	EUR			13,600
Convertible bonds		DE000A168YY5	SGL CARBON SE SGLGR 3 1/2 09/30/20	EUR			2,800,000
Convertible bonds		XS1023684282	STEINHOFF FINANCE HLDG SHFSJ 4 01/30/21	EUR			1,800,000
Convertible bonds		XS1209185161	TELECOM ITALIA SPA TITIM 1 1/8 03/26/22	EUR		3,000,000	3,000,000
Convertible bonds		XS1139087933	J SAINSBURY PLC SBRYLN 1 1/4 11/21/19	GBP			2,000,000
Convertible bonds		XS1067081692	AB INDUSTRIVARDEN INDDEN 0 05/15/19	SEK			20,000,000
Convertible bonds		XS1638065414	STMICROELECTRONICS NV STM 0 1/4 07/03/24	USD		2,400,000	2,400,000
Convertible bonds		XS1494008003	TELENOR EAST HOLDING II TELNO 0 1/4 09/20/19	USD		1,000,000	2,000,000
Exchange-traded-funds	OGAW	LU0292103651	DBX STX EUROPE BANKS	EUR		20,000	60,000

1 Price gains and losses as of cut-off date.

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.

Further information on collateral for OTC derivatives

In accordance with the requirements stipulated in the Regulation (EU) No. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("EMIR"), OTC derivatives are collateralized except for a minimum transfer amount, thus reducing the risk of default for the OTC derivative counterparty. Only sight deposits paid into an account kept by a credit institution which is independent of the counterparty were used as collateral during the reporting period. Haircuts are not taken into consideration here. Sight deposits received as collateral are not used to purchase further assets for the fund assets or otherwise reused.

On February 28, 2018, only OTC derivatives (forward exchange transactions) were open. Raiffeisen Bank International AG was the counterparty and had deposited EUR 1,050,000.00 on an account kept by State Street Bank GmbH by way of collateral.

Total return swaps and similar derivative instruments

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

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

Calculation method for overall risk

Calculation method for overall risk

Simplified approach

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

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

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

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

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

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

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

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

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

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

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

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

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

Vienna, 15 June 2018

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.


Mag. Rainer Schnabl


Mag. (FH) Dieter Aigner


Ing. Michal Kustra

Audit opinion

Report on the annual fund report

Audit opinion

We have audited the annual fund report issued by Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna, for its fund CONVERTINVEST All-Cap Convertibles Fund, consisting of the portfolio of investments as of February 28, 2018, the income statement for the financial year ending as of this date and the other disclosures required under Annex I Schedule B of the 2011 Austrian Investment Fund Act (Investmentfondsgesetz, InvFG).

In our view, the annual fund report complies with applicable statutory requirements and provides a true and fair view of the net assets and financial position as of February 28, 2018 as well as the earnings position for the fund for the financial year ending as of this date, in compliance with Austrian commercial law, the provisions of InvFG 2011.

Basis for the audit opinion

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

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

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

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

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

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

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

In addition, the following applies:

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

Other information

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

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

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

Vienna, 15 June 2018

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Wilhelm Kovsca
Auditor

Tax treatment

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

Fund regulations

Fund regulations pursuant to the Austrian Investment Fund Act 2011

The Austrian Financial Market Authority (FMA) has approved the fund regulations for the investment fund **CONVERTINVEST All-Cap Convertibles Fund**, a jointly owned fund pursuant to the Austrian Investment Fund Act (InvFG) 2011, as amended.

The investment fund is a Directive-compliant fund 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 and – at the discretion of the management company – by actual securities.

Article 2 Custodian bank (custodian)

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

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

Article 3 Investment instruments and principles

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

The investment fund mainly invests (i.e. more than 51 % of its fund assets in the form of directly purchased individual securities which are not held directly or indirectly through investment funds or derivatives) in convertible bonds (this includes convertible bonds with a residual maturity of up to 397 days) issued by issuers with varying levels of stock market capitalization which are headquartered or mainly active in Europe and also bonds which are convertible into European equities.

The average rating of the debt securities held in the fund's assets (in the case of non-rated debt securities, their issuers) including the credit institutions with which deposits are held is at least investment grade (Standard & Poor's BBB-, Moody's Baa3, Fitch BBB- or similar ratings issued by other ratings providers). The average rating is determined on the basis of ratings provided by Standard & Poor's, Moody's, Fitch, similar ratings from other ratings providers and also rating assessments from Raiffeisen RESEARCH GmbH.

Non-rated debt securities whose issuers have not received ratings from Standard & Poor's, Moody's, Fitch or similar ratings from other ratings providers and also rating assessments from Raiffeisen RESEARCH GmbH may be purchased for up to 10 % of the fund assets.

Transactions involving derivative instruments are entered into for underlying instruments within the investment universe listed under "Securities" and also for financial indexes, interest rates, exchange rates and currencies.

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), as amended.

The overall risk for derivative instruments which are not held for hedging purposes is limited to **100 %** of the overall net value of the fund assets.

Sight deposits or deposits at notice

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

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

Short-term loans

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

Repos

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

Securities lending

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

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

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

Article 4 Issuance and redemption modalities

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

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

Issuance and subscription fee

Units will be issued on any banking day.

The issue price is the unit value plus a fee per unit of **up to 3.50 %** to cover the management company's issuing costs.

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

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

Redemption and redemption fee

Units will be redeemed on any banking day.

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

At the request of a unitholder, its unit shall be redeemed out of the investment fund at the applicable redemption price, against surrender of the unit certificate, those income coupons which are not yet due and the renewal certificate.

Article 5 Accounting year

The investment fund's accounting year runs from March 1 to February 28/29.

Article 6 Unit classes and appropriation of income

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

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

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

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

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

From May 31 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 May 31 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.

Unitholders' entitlement to the distribution of income shares shall become time-barred after five years. After this period, such income shares shall be treated as income of the investment fund.

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

Income during the accounting year net of costs shall not be distributed. In case of income-retaining unit certificates, from May 31 an amount calculated pursuant to InvFG shall be paid out, to be used where applicable to meet any capital gains tax commitments on the distribution-equivalent return on those unit certificates, unless the management company ensures through appropriate proof from the custodians that as of the payment date the unit certificates are only held by unitholders who are either not subject to Austrian income or corporate income tax or who fulfill the requirements for an exemption pursuant to § 94 of the Austrian Income Tax Act or for a capital gains tax exemption.

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

Income during the accounting year net of costs shall not be distributed. No payment pursuant to InvFG will be made. May 31 of the following accounting year shall be the key date pursuant to InvFG in case of failure to pay capital gains tax on the annual income.

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

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

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

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

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

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

Article 7 Management fee, reimbursement of expenses, liquidation fee

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

- of up to 1.15 % of the fund assets for the unit certificate class(es) "S"
- of up to 2.00 % of the fund assets for the other unit certificate classes,

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

The asset management company shall also receive a variable quarterly management fee for all unit certificate classes. The variable management fee shall not exceed 10 % of the fund's fee-relevant growth.

Fee-relevant growth means the fund's growth by comparison with the high water mark. The high water mark corresponds to the highest unit value as of the end of a quarter as of which a performance-related fee has been paid out.

This variable management fee is recorded daily on the basis of the average fund volume and has an income effect in respect of the net asset value calculated each day. During the quarter items will be credited to and debited from an amortization account in accordance with the fund's performance; the total debit items may not exceed the total credit items in a given quarter. The variable management fees already charged to the fund may not exceed zero on account of refunds in a given quarter. The method developed by OeKB (Österreichische Kontrollbank AG) is used for the net asset value and growth calculation. This method assumes reinvestment of any payments or distributions. The fund makes a quarterly variable management fee payment upon expiry of a given quarter, as of the end of the following month, with an effect on liquidity.

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

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

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

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

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

Appendix

List of stock exchanges with official trading and organized markets

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

According to Article 16 of Directive 93/22/EEC (investment services in the securities field), each member state is obliged to maintain an up-to-date directory of its licensed markets. This directory is to be made available to the other member states and to the Commission.

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

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

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

http://mifiddatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display&subsection_id=0¹

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

1.2.1. Luxembourg Euro MTF Luxembourg

1.3. Recognized markets in the EU 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.	Croatia:	Zagreb Stock Exchange
2.3.	Montenegro:	Podgorica
2.4.	Russia:	Moscow (RTS Stock Exchange), Moscow Interbank Currency Exchange (MICEX)
2.5.	Switzerland:	SWX Swiss-Exchange
2.6.	Serbia:	Belgrade
2.7.	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

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

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

<http://www.fma.gv.at/de/unternehmen/boerse-wertpapierhandel/boerse.html> - scroll down - link "List of Regulated Markets (MiFID Database; ESMA)" – "view all"]¹

3.19.	Singapore:	Singapore Stock Exchange
3.20.	South Africa:	Johannesburg
3.21.	Taiwan:	Taipei
3.22.	Thailand:	Bangkok
3.23.	USA:	New York, American Stock Exchange (AMEX), New York Stock Exchange (NYSE), Los Angeles/Pacific Stock Exchange, San Francisco/Pacific Stock Exchange, Philadelphia, Chicago, Boston, Cincinnati
3.24.	Venezuela:	Caracas
3.25.	United Arab Emirates:	Abu Dhabi Securities Exchange (ADX)

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

4.1.	Japan:	Over the Counter Market
4.2.	Canada:	Over the Counter Market
4.3.	Korea:	Over the Counter Market
4.4.	Switzerland:	SWX-Swiss Exchange, BX Berne eXchange; Over the Counter Market of the members of the International Capital Market Association (ICMA), Zurich
4.5.	USA:	Over the Counter Market in the NASDAQ system, Over the Counter Market (markets organized by NASD such as Over-the-Counter Equity Market, Municipal Bond Market, Government Securities Market, Corporate Bonds and Public Direct Participation Programs) Over-the-Counter-Market for Agency Mortgage-Backed Securities

5. Stock exchanges with futures and options markets

5.1.	Argentina:	Bolsa de Comercio de Buenos Aires
5.2.	Australia:	Australian Options Market, Australian Securities Exchange (ASX)
5.3.	Brazil:	Bolsa Brasileira de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
5.4.	Hong Kong:	Hong Kong Futures Exchange Ltd.
5.5.	Japan:	Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange
5.6.	Canada:	Montreal Exchange, Toronto Futures Exchange
5.7.	Korea:	Korea Exchange (KRX)
5.8.	Mexico:	Mercado Mexicano de Derivados
5.9.	New Zealand:	New Zealand Futures & Options Exchange
5.10.	Philippines:	Manila International Futures Exchange
5.11.	Singapore:	The Singapore Exchange Limited (SGX)
5.12.	Slovakia:	RM-System Slovakia
5.13.	South Africa:	Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX)
5.14.	Switzerland:	EUREX
5.15.	Turkey:	TurkDEX
5.16.	USA:	American Stock Exchange, Chicago Board Options Exchange, Chicago, Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, Mid America Commodity Exchange, ICE Future US Inc. New York, Pacific Stock Exchange, Philadelphia Stock Exchange, New York Stock Exchange, Boston Options Exchange (BOX)

Appendix

Imprint

Publisher:

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

Mooslackengasse 12, A-1190 Vienna

Responsible for contents:

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

Mooslackengasse 12, A-1190 Vienna

Copyright by publisher, dispatch location: Vienna

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Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

Raiffeisen Immobilien Kapitalanlage-Gesellschaft m.b.H.

Raiffeisen Salzburg Invest Kapitalanlage GmbH