Raiffeisen Capital Management

Raiffeisen-Dollar-ShortTerm-Bonds

(Original German name: Raiffeisen-Dollar-ShortTerm-Rent)

annual fund report

financial year Nov 1, 2015 – Oct 31, 2016

Note:

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

Table of contents

General fund information ... 3
Fund characteristics ... 3
Legal notice ... 4
Fund details ... 5
Units in circulation ... 5
Development of the fund assets an income statement ... 6
Performance in financial year (fund performance) ... 6
Development of fund assets in USD ... 7
Fund result in USD ... 8
A. Realized fund result ... 8
B. Unrealized closing price ... 8
C. Income adjustment ... 8
Capital market report ... 9
Fund investment policy report ... 10
Makeup of fund assets in USD ... 11
Portfolio of investments in USD as of Oct 31, 2016 ... 12
Calculation method for overall risk ... 17
Remuneration paid to the employees of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. in EUR (financial year 2015 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.) ... 17
Audit opinion ... 20
Tax treatment ... 22
Fund regulations ... 23
Appendix ... 29

Report for the financial year from Nov 1, 2015 to Oct 31, 2016

General fund information

ISIN	Tranche	Income class	Currency	Launch date
AT0000843503	Raiffeisen-Dollar-ShortTerm-Bonds A	income-distributing	USD	Mar 25, 1997
AT0000805247	Raiffeisen-Dollar-ShortTerm-Bonds T	income-retaining	USD	Mar 26, 1999
AT0000785456	Raiffeisen-Dollar-ShortTerm-Bonds VTA	full income-retaining (outside Austria)	USD	Oct 21, 1999

Fund characteristics

Fund currency	USD
Financial year	Nov 1 – Oct 31
Distribution/payment/reinvestment date	Jan 15
Type of fund	Investment fund pursuant to § 2 of the Austrian Investment Fund Act, InvFG (UCITS)
Max. management fee for the fund	1.500 %
Custodian bank	Raiffeisen Bank International AG
Management company	Raiffeisen Kapitalanlage-Gesellschaft m.b.H. Mooslackengasse 12, A-1190 Vienna Tel. +43 1 71170-0 Fax +43 1 71170-761092 www.rcm.at Companies register number: 83517 w
Fund management	Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
Auditor	KPMG Austria GmbH

Legal notice

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

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

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

a) The value of assets quoted or traded on a stock exchange or other regulated market shall be determined, in principle, on the basis of the most recently available price.

b) Where an asset is not quoted or traded on a stock market or another regulated market or where the price for an asset quoted or traded on a stock market or another regulated market does not appropriately reflect its actual market value, the prices provided by reliable data providers or, alternatively, market prices for equivalent securities or other recognized market valuation methods shall be used.

Dear unitholder,

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. is pleased to present its annual fund report for Raiffeisen-Dollar-ShortTerm-Bonds for the financial year from Nov 1, 2015 to Oct 31, 2016. The accounting is based on the price calculation as of Oct 31, 2016.

Fund details

	Oct 31, 2014	Oct 31, 2015	Oct 31, 2016
Total fund assets in USD	34,465,359.40	50,706,394.56	46,548,977.29
Net asset value/distributing units (AT0000843503) in USD	99.51	98.42	98.41
Issue price/distributing units (AT0000843503) in USD	100.51	99.40	99.39
Net asset value/reinvested units (AT0000805247) in USD	138.67	138.52	139.03
Issue price/reinvested units (AT0000805247) in USD	140.06	139.91	140.42
Net asset value/fully reinvestet units (AT0000785456) in USD	153.73	153.56	154.21
Issue price/fully reinvested units (AT0000785456) in USD	155.27	155.10	155.75

	Jan 15, 2016	Jan 17, 2017
Distribution/unit (A) USD	0.4200	0.9800
Outpayment/unit (T) USD	0.0788	0.1554
Reinvestment/unit (T) USD	0.2076	0.4098
Reinvestment/unit (VTA) USD	0.0000	0.6268

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 Oct 31, 2015	Sales	Repurchases	Units in circulation on Oct 31, 2016
AT0000843503 A	81,517.329	5,894.467	-17,365.216	70,046.580
AT0000805247 T	276,949.744	172,808.984	-191,723.215	258,035.513
AT0000785456 VTA	28,124.850	9,249.376	-12,864.666	24,509.560
Total units in circulation				**352,591.653**

Development of the fund assets an income statement

Performance in financial year (fund performance)

Distributing units (AT0000843503)	
Net asset value per unit at start of financial year in USD	98.42
Distribution on Jan 15, 2016 (net asset value: USD 97.86) of USD 0.4200, corresponds to 0.004292 units	
Net asset value per unit at end of financial year in USD	98.41
Total value incl. units purchased through distribution (1.004292 x 98.41)	98.83
Net income/net reduction per unit	0.41
Performance of one unit during the financial year in %	**0.42**

Reinvested units (AT0000805247)	
Net asset value per unit at start of financial year in USD	138.52
Outpayment on Jan 15, 2016 (net asset value: USD 138.25) of USD 0.0788, corresponds to 0.000570 units	
Net asset value per unit at end of financial year in USD	139.03
Total value incl. units purchased through outpayment (1.000570 x 139.03)	139.11
Net income/net reduction per unit	0.59
Performance of one unit during the financial year in %	**0.43**

Fully reinvested units (AT0000785456)	
Net asset value per unit at start of financial year in USD	153.56
Net asset value per unit at end of financial year in USD	154.21
Net income/net reduction per unit	0.65
Performance of one unit during the financial year in %	**0.42**

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 1.00 % 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 USD

Fund assets on Oct 31, 2015 (386,591.923 units)		**50,706,394.56**
Distribution on Jan 15, 2016 (USD 0.4200 x 75,596.132 distributing units (AT0000843503))		-31,750.38
Outpayment on Jan 15, 2016 (USD 0.0788 x 228,891.654 reinvested units (AT0000805247))		-18,036.66
Issuance of units	26,010,987.98	
Redemption of units	-30,298,882.53	
Pro rata income adjustment	21,211.58	-4,266,682.97
Overall fund result		**159,052.74**
Fund assets on Oct 31, 2016 (352,591.653 units)		**46,548,977.29**

Fund result in USD

A. Realized fund result

Ordinary fund result		
Income (excl. closing price)		
Interest income	615,373.16	
Income from securities lending transactions	3,942.41	
		619,315.57
Expenses		
Management fees	-232,520.62	
Custodian bank fees / Custodian's fees	-36,103.31	
Auditing expenses	-10,724.77	
Tax consulting fees	-3,564.23	
Custody charge	-13,790.25	
Statutory/publication expenses	-4,589.75	
		-301,292.93
Ordinary fund result (excl. income adjustment)		**318,022.64**
Realized closing price		
Profits realized from securities	94,911.14	
Profits realized from derivative instruments	203,603.86	
Losses realized from securities	-224,142.68	
Losses realized from derivative instruments	-181,888.27	
Realized closing price (excl. income adjustment)		**-107,515.95**
Realized fund result (excl. income adjustment)		**210,506.69**

B. Unrealized closing price

Change in unrealized closing price	-30,242.37	
		-30,242.37

C. Income adjustment

Income adjustment for income during financial year	-21,211.58	
		-21,211.58
Overall fund result		**159,052.74**

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 13,009.50 USD.

Capital market report

Almost all of the stock markets and also bonds and emerging markets currencies started out in 2016 with significant price falls. However, a strong recovery ensued from February 2016 onwards. This resulted in new all-time highs on the US stock markets, and in almost all of the emerging markets the stock indexes have realized strong gains since the start of the year. On the other hand, Japanese and European equities have once again fared less well. While they registered above-average performances in the past year, this year they have generally lost ground. The bond markets have performed very strongly, particularly in the 1st half of the year. In view of yield levels which are already extremely low in many places, the strong gains registered by government and corporate bonds are certainly surprising. Following several weak years, the commodities markets embarked upon a strong recovery. However, they subsequently relinquished some of their gains over the course of the summer.

Several (interdependent) issues have dominated on the markets for many months now. The monetary policy of the US central bank is the foremost issue. Other topics are the global economic trend (particularly in relation to China and the USA), the price trend for crude oil and the exchange rate fluctuations of the US dollar and the Chinese yuan. All of these issues are likely to strongly influence the global supply of liquidity as well as corporate profit trends – and thus also future determination of prices on stock, bond and commodities markets. Over the past few weeks, attention focused on the US presidential election. Right up to the very end, the markets had expected victory for Hillary Clinton and a continuation of the current economic policy.

In December 2016 the US central bank will very likely implement its second interest-rate hike in the current cycle, almost exactly one year since its first interest-rate adjustment. Overall, the Fed appears to have much less scope for interest-rate increases than in the past, and a huge rise in yields on a broad front in the USA is highly unlikely any time soon.

Unlike the US central bank, the European Central Bank is still loosening its monetary policy and thus increasingly breaking new ground. In order to counteract deflationary trends, it is purchasing government bonds on a huge scale and is now even buying corporate bonds. It has moved key interest rates in the Eurozone clearly into negative territory. Its monetary policy will very likely remain expansionary for some time to come and there is currently no sign of any significant yield rises in the Eurozone.

Unprecedentedly loose monetary policy around the globe reflects not least a trend of weak global economic growth which has continued for some time now. In all likelihood, this trend will remain intact over the next few quarters. However, there have recently been signs of a slight upturn in the USA and the EU. In these two economic regions, further comparatively weak but nonetheless positive growth is likely. On the other hand, at the present time it is the emerging markets which probably face the largest economic risks, despite unmistakable stabilization trends. Some of these countries are benefiting from the fall in commodities prices, while others are suffering hugely. However, regardless of this many of them must sooner or later cut back on their excessive lending growth of the past 10-15 years, a move which would generally curb economic activity.

The yield level is now extremely low almost worldwide. In view of continuing low bond yields in the key economic blocs, for these countries' stock markets this "new normality" means inter alia that they are likely less "expensive" than suggested by the valuation models of previous decades in which an entirely different interest-rate environment predominated. Over the past few quarters, the stock markets faced a headwind in particular due to increasingly ambitious equity valuations and corporate profits. However, in the case of the latter there are now signs of a positive turnaround. The financial market environment will certainly remain challenging and should continue to entail stronger price fluctuations over the next few months. This trend may be encouraged not least by the presidential election in the USA and by the referendum which is due to take place in Italy in early December 2016.

Fund investment policy report

Raiffeisen-Dollar-ShortTerm-Bonds generally maintained a very low level of interest-rate risk exposure during the period under review, which was shaped by speculation over interest-rate hikes in the USA – December 2015 saw the first interest-rate rise in almost 10 years – and by dramatic fluctuations in the price of oil amid rising political uncertainty (Brexit vote, US election). This was due both to fundamental assessments and model-based signals. The fund's interest-rate fluctuation risk was generally slightly less than one year. Overall, yields on 2-year US government bonds fluctuated between 0.50 % and 1.10 %. Non-US government bonds initially accounted for almost 35 % of the fund's assets but subsequently declined slightly over the period under review, generally due to repayments. The focus was on products with premium credit ratings (BBB to AAA ratings). The fund cut back on all of its dollar LIBOR-tied variable-interest bonds. In overall terms, the fund clearly benefited from these positions due to the interest rate premium, but the trend was not linear in nature. A brief positive trend at the start of the reporting period gave way to a bout of pronounced weakness in early 2016 due to the decline in commodities prices. This was subsequently halted after the European Central Bank launched a new purchasing program, and a huge price rally ensued. The fund slightly increased its level of US dollar currency exposure during the period. This position was closed toward the end of the reporting period. Overall, the US dollar fluctuated strongly against the euro in the reporting period, but the exchange rate did not change all that much overall.

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

Makeup of fund assets in USD

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

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

§ 166 (1) item 3 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 refers to units in real estate funds

Type of security	OGAW/§ 166	Currency	Market value in USD	Share of fund assets
Fixed bonds		USD	44,889,120.85	96.43 %
Total Fixed bonds			**44,889,120.85**	**96.43 %**
Total securities			**44,889,120.85**	**96.43 %**
Derivative products				
Valuation of financial futures			13,414.06	0.03 %
Valuation of forward exchange transactions			8,295.19	0.02 %
Total derivative products			**21,709.25**	**0.05 %**
Bank balances/liabilities				
Bank balances/liabilities in fund currency			1,358,095.92	2.92 %
Bank balances/liabilities in foreign currency			120,641.08	0.26 %
Total bank balances/liabilities			**1,478,737.00**	**3.18 %**
Accruals and deferrals				
Interest claims (on securities and bank balances)			196,116.73	0.42 %
Total accruals and deferrals			**196,116.73**	**0.42 %**
Other items				
Various fees			-36,706.54	-0.08 %
Total other items			**-36,706.54**	**-0.08 %**
Total fund assets			**46,548,977.29**	**100.00 %**

Portfolio of investments in USD as of Oct 31, 2016

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

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

§ 166 (1) item 3 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 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 In period under review Units/Nom.	Pool-/ ILB Factor	Price	Market value in USD	Share of fund assets
Fixed bonds		XS1204620915	AAREAL BANK AG AARB 1 7/8 04/01/19		USD	550,000	100,000			100.769000	554,229.50	1.19 %
Fixed bonds		XS0741962681	ABN AMRO BANK NV ABNANV 4 1/4 02/02/17		USD	200,000				100.735000	201,470.00	0.43 %
Fixed bonds		XS1485742438	ALLIANZ SE ALVGR 3 7/8 12/29/49	Y	USD	400,000	400,000			93.586000	374,344.00	0.80 %
Fixed bonds		US035242AG14	ANHEUSER-BUSCH INBEV FIN ABIBB 1.9 02/01/19		USD	70,000	70,000			100.833000	70,583.10	0.15 %
Fixed bonds		US00182FAY25	ANZ NEW ZEALAND INTL/LDN ANZNZ 2 1/4 02/01/19		USD	280,000	280,000			100.916000	282,564.80	0.61 %
Fixed bonds		US00206RBF82	AT&T INC T 1.7 06/01/17		USD	420,000	100,000			100.243000	421,020.60	0.90 %
Fixed bonds		US06416CAC29	BANK OF NOVA SCOTIA BNS 1 7/8 04/26/21		USD	110,000	110,000			100.030000	110,033.00	0.24 %
Fixed bonds		US06738EAQ89	BARCLAYS PLC BACR 3.2 08/10/21		USD	270,000	270,000			100.381000	271,028.70	0.58 %
Fixed bonds		XS1488421592	BAT INTL FINANCE PLC BATSLN 1 5/8 09/09/19		USD	250,000	250,000			99.185000	247,962.50	0.53 %
Fixed bonds		XS1220883596	BAYERISCHE LANDESBANK BYLAN 1 1/4 04/23/18		USD	750,000	100,000			99.846000	748,845.00	1.61 %
Fixed bonds		XS0818951989	BP CAPITAL MARKETS PLC BPLN 1 5/8 08/17/17		USD	400,000	200,000			100.103000	400,412.00	0.86 %
Fixed bonds		US05578DAQ51	BPCE SA BPCEGP 1 5/8 01/26/18		USD	610,000	250,000			100.086000	610,524.60	1.31 %
Fixed bonds		FR0010485185	CIE FINANCEMENT FONCIER CFF 5 5/8 06/19/17		USD	330,000	330,000			102.660000	338,778.00	0.73 %
Fixed bonds		US172967KV25	CITIGROUP INC C 2.35 08/02/21		USD	70,000	70,000			99.768000	69,837.60	0.15 %
Fixed bonds		USU2339CBC11	DAIMLER FINANCE NA LLC DAIGR 1 7/8 01/11/18		USD	300,000				100.372000	301,116.00	0.65 %
Fixed bonds		US23636BAF67	DANSKE BANK A/S DANBNK 1.65 09/06/19		USD	550,000	550,000			99.511000	547,310.50	1.18 %
Fixed bonds		US25152R5D13	DEUTSCHE BANK AG DB 2.85 05/10/19		USD	240,000	240,000			98.215000	235,716.00	0.51 %
Fixed bonds		USN27915AA03	DEUTSCHE TELEKOM INT FIN DT 2 1/4 03/06/17		USD	450,000	150,000			100.289000	451,300.50	0.97 %
Fixed bonds		US25215DAP42	DEXIA CREDIT LOCAL SA NY DEXGRP 1 7/8 01/29/20		USD	450,000				99.957000	449,806.50	0.97 %
Fixed bonds		USN3033QAT96	E.ON INTL FINANCE BV EOANGR 5.8 04/30/18		USD	510,000	100,000			105.728000	539,212.80	1.16 %
Fixed bonds		US345397VX89	FORD MOTOR CREDIT CO LLC F 4 1/4 02/03/17		USD	200,000				100.728000	201,456.00	0.43 %
Fixed bonds		XS1488419695	HENKEL AG & CO KGAA HENKEL 1 1/2 09/13/19		USD	370,000	370,000			99.783000	369,197.10	0.79 %
Fixed bonds		US40428HPL05	HSBC USA INC HSBC 1 1/2 11/13/17		USD	340,000	100,000			99.787000	339,275.80	0.73 %
Fixed bonds		USG46747AA27	HUTCH WHAMPOA INT 14 LTD HUWHY 1 5/8 10/31/17		USD	700,000	200,000			100.057000	700,399.00	1.50 %
Fixed bonds		US459200HZ73	IBM CORP IBM 1 1/8 02/06/18		USD	160,000				99.905000	159,848.00	0.34 %
Fixed bonds		US44987DAJ54	ING BANK NV INTNED 2 11/26/18		USD	320,000	650,000	330,000		100.478000	321,529.60	0.69 %
Fixed bonds		US46115HAL15	INTESA SANPAOLO SPA ISPIM 3 7/8 01/15/19		USD	200,000				102.725000	205,450.00	0.44 %
Fixed bonds		US465410BS63	ITALY GOV'T INT BOND ITALY 5 3/8 06/12/17		USD	760,000	760,000			102.391000	778,171.60	1.67 %
Fixed bonds		US24422EST72	JOHN DEERE CAPITAL CORP DE 1.35 01/16/18		USD	80,000				100.110000	80,088.00	0.17 %
Fixed bonds		US24422ESX84	JOHN DEERE CAPITAL CORP DE 1.6 07/13/18		USD	70,000				100.391000	70,273.70	0.15 %
Fixed bonds		US46625HKA76	JPMORGAN CHASE & CO JPM 2 1/4 01/23/20		USD	340,000	100,000	240,000		100.674000	342,291.60	0.74 %

Type of security	OGAW/§ 166	ISIN	Security title		Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales In period under review Units/Nom.	Pool-/ ILB Factor	Price	Market value in USD	Share of fund assets
Fixed bonds		DE000LB01RW6	LB BADEN-WUERTTEMBERG LBBW 1 3/8 03/05/18		USD	420,000	100,000			99.936000	419,731.20	0.90 %
Fixed bonds		US65557HAB87	NORDEA BANK AB NDASS 3 1/8 03/20/17		USD	200,000				100.798000	201,596.00	0.43 %
Fixed bonds		USF7061BAM21	PERNOD RICARD SA RIFP 2.95 01/15/17		USD	300,000	150,000			100.344000	301,032.00	0.65 %
Fixed bonds		US21688AAD46	RABOBANK NEDERLAND NY RABOBK 2 1/4 01/14/20		USD	250,000				101.087000	252,717.50	0.54 %
Fixed bonds		USN82008AH17	SIEMENS FINANCIERINGSMAT SIEGR 1.3 09/13/19		USD	250,000	250,000			99.243000	248,107.50	0.53 %
Fixed bonds		US86960BAN29	SVENSKA HANDELSBANKEN AB SHBASS 1 1/2 09/06/19		USD	355,000	355,000			99.346000	352,678.30	0.76 %
Fixed bonds		XS1231116481	SWEDBANK HYPOTEK AB SWEDA 2 05/12/20		USD	800,000	200,000			100.845000	806,760.00	1.73 %
Fixed bonds		USC8888LBA73	TORONTO-DOMINION BANK TD 2 1/4 09/25/19		USD	320,000				101.931000	326,179.20	0.70 %
Fixed bonds		US912828G799	US TREASURY N/B T 1 12/15/17		USD	3,000,000	2,000,000			100.292970	3,008,789.10	6.46 %
Fixed bonds		US912828XF28	US TREASURY N/B T 1 1/8 06/15/18		USD	5,000,000	3,500,000			100.484380	5,024,219.00	10.79 %
Fixed bonds		US912828TB69	US TREASURY N/B T 0 3/4 06/30/17		USD	500,000		1,500,000		100.105469	500,527.35	1.08 %
Fixed bonds		US912828TH30	US TREASURY N/B T 0 7/8 07/31/19		USD	2,500,000	2,500,000			99.703125	2,492,578.13	5.35 %
Fixed bonds		US912828K825	US TREASURY N/B T 1 08/15/18		USD	4,000,000	1,000,000			100.251955	4,010,078.20	8.61 %
Fixed bonds		US912828P956	US TREASURY N/B T 1 03/15/19		USD	4,000,000	4,000,000			100.144525	4,005,781.00	8.61 %
Fixed bonds		US912828P535	US TREASURY N/B T 0 3/4 02/15/19		USD	3,000,000	3,000,000			99.605465	2,988,163.95	6.42 %
Fixed bonds		US912828TS94	US TREASURY N/B T 0 5/8 09/30/17		USD	2,000,000				99.941406	1,998,828.12	4.29 %
Fixed bonds		US912828G203	US TREASURY N/B T 0 7/8 11/15/17		USD	2,000,000				100.160160	2,003,203.20	4.30 %
Fixed bonds		US912828TM25	US TREASURY N/B T 0 5/8 08/31/17		USD	1,000,000				99.968750	999,687.50	2.15 %
Fixed bonds		US912828Q947	US TREASURY N/B T 0 3/4 04/30/18		USD	3,000,000	3,000,000			99.930650	2,997,919.50	6.44 %
Fixed bonds		US92343VCE20	VERIZON COMMUNICATIONS VZ 1.35 06/09/17		USD	500,000	100,000			100.061000	500,305.00	1.07 %
Fixed bonds		US92857WAP59	VODAFONE GROUP PLC VOD 5 5/8 02/27/17		USD	250,000				101.398000	253,495.00	0.54 %
Fixed bonds		XS0763676557	VOLKSWAGEN INTL FIN NV VW 2 3/8 03/22/17		USD	200,000		200,000		100.351000	200,702.00	0.43 %
Fixed bonds		US96122XAH17	WESTPAC BANKING CORP WSTP 2 03/03/20		USD	200,000				100.983000	201,966.00	0.43 %
Total licensed securities admitted to trading on the official market or another regulated market											**44,889,120.85**	**96.43 %**
Total securities											**44,889,120.85**	**96.43 %**
Future on bonds		FTN120161220	US 10YR NOTE (CBT)Dec16 TYZ6 PIT		USD	-7				129.546875	6,015.62	0.01 %
Future on bonds		FTN120161220	US 10YR NOTE (CBT)Dec16 TYZ6 PIT		USD	-3				129.546875	3,843.75	0.01 %
Future on bonds		FTN220161230	US 2YR NOTE (CBT) Dec16 TUZ6 PIT		USD	-35				109.046875	-546.87	-0.00 %
Future on bonds		FTN520161230	US 5YR NOTE (CBT) Dec16 FVZ6 PIT		USD	-25				120.734375	4,101.56	0.01 %
Total financial futures [1]											**13,414.06**	**0.03 %**
Forward exchange transactions		DTG058086	DTG EUR USD		EUR	-480,962				0.914524	14,084.77	0.03 %
Forward exchange transactions		DTG059647	DTG EUR USD		EUR	488,548				0.914524	-5,789.58	-0.01 %
Total forward exchange transactions [1]											**8,295.19**	**0.02 %**

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

Type of security	OGAW/§ 166	ISIN	Security title		Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales In period under review Units/Nom.	Pool-/ ILB Factor	Price	Market value in USD	Share of fund assets
Bank balances/liabilities												
					USD						1,358,095.92	2.92 %
					AUD						5,537.07	0.01 %
					CAD						3,023.98	0.01 %
					EUR						110,810.37	0.24 %
					NZD						1,269.66	0.00 %
Total bank balances/liabilities											**1,478,737.00**	**3.18 %**
Accruals and deferrals												
Interest claims (on securities and bank balances)											196,116.73	0.42 %
Total accruals and deferrals											**196,116.73**	**0.42 %**
Other items												
Various fees											-36,706.54	-0.08 %
Total other items											**-36,706.54**	**-0.08 %**
Total fund assets											**46,548,977.29**	**100.00 %**

ISIN	Income class		Currency	Net asset value per unit	Units in circulation
AT0000843503	--	income-distributing	USD	98.41	70,046.580
AT0000805247	--	income-retaining	USD	139.03	258,035.513
AT0000785456	--	full income-retaining (outside Austria)	USD	154.21	24,509.560

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

ISIN	Security title	Currency	Volume Oct 31, 2016
US912828TS94	US TREASURY N/B T 0 5/8 09/30/17	USD	2,000,000
US912828K825	US TREASURY N/B T 1 08/15/18	USD	4,000,000
US912828XF28	US TREASURY N/B T 1 1/8 06/15/18	USD	5,000,000
XS0763676557	VOLKSWAGEN INTL FIN NV VW 2 3/8 03/22/17	USD	200,000

Exchange rates

Foreign currency assets were converted into USD on the basis of the exchange rates applicable on Oct 28, 2016

Currency		Price (1 USD =)
Australian Dollars	AUD	1.319059
Canadian Dollars	CAD	1.336993
Euro	EUR	0.914997
New Zealand Dollars	NZD	1.399762

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
Fixed bonds		US00254EMJ81	SWEDISH EXPORT CREDIT SEK 1 3/4 03/10/21	USD		800,000	800,000
Fixed bonds		US00828EAK55	AFRICAN DEVELOPMENT BANK AFDB 2 1/2 03/15/16	USD			1,000,000
Fixed bonds		US037833BQ20	APPLE INC AAPL 1.7 02/22/19	USD		70,000	70,000
Fixed bonds		US05253JAH41	AUST & NZ BANKING GRP NY ANZ 1 1/2 01/16/18	USD			500,000
Fixed bonds		US05565QCT31	BP CAPITAL MARKETS PLC BPLN 2.521 01/15/20	USD			100,000
Fixed bonds		US06738EAD76	BARCLAYS PLC BACR 2 3/4 11/08/19	USD			450,000
Fixed bonds		US25152RWY51	DEUTSCHE BANK AG LONDON DB 1.35 05/30/17	USD			200,000
Fixed bonds		US36164PFE51	GE CAPITAL INTL FUNDING GE 0.964 04/15/16	USD			227,000
Fixed bonds		US404280AY54	HSBC HOLDINGS PLC HSBC 2.95 05/25/21	USD		470,000	470,000
Fixed bonds		US40428HPU04	HSBC USA INC HSBC 2 08/07/18	USD			140,000
Fixed bonds		US44987DAE67	ING BANK NV INTNED 2.05 08/17/18	USD			550,000
Fixed bonds		US459058BB88	INTL BK RECON & DEVELOP IBRD 2 1/8 03/15/16	USD			1,500,000
Fixed bonds		US532457BK39	ELI LILLY & CO LLY 1 1/4 03/01/18	USD			40,000
Fixed bonds		US594918AY03	MICROSOFT CORP MSFT 1.85 02/12/20	USD			80,000
Fixed bonds		US63859VBC46	NATIONWIDE BLDG SOCIETY NWIDE 2.35 01/21/20	USD			200,000
Fixed bonds		US822582BP60	SHELL INTERNATIONAL FIN RDSALN 2 1/4 11/10/20	USD		140,000	140,000
Fixed bonds		US912828C327	US TREASURY N/B T 0 3/4 03/15/17	USD			3,000,000
Fixed bonds		US912828SY71	US TREASURY N/B T 0 5/8 05/31/17	USD			3,000,000
Fixed bonds		US912828US75	US TREASURY N/B T 0 3/8 03/15/16	USD			500,000
Fixed bonds		US912828UW87	US TREASURY N/B T 0 1/4 04/15/16	USD			2,000,000
Fixed bonds		US912828VR83	US TREASURY N/B T 0 5/8 08/15/16	USD			2,000,000
Fixed bonds		US912828WA40	US TREASURY N/B T 0 5/8 10/15/16	USD			3,000,000
Fixed bonds		US912828WF37	US TREASURY N/B T 0 5/8 11/15/16	USD			4,000,000
Fixed bonds		US912828WT31	US TREASURY N/B T 0 7/8 07/15/17	USD			1,000,000
Fixed bonds		USG0446NAH73	ANGLO AMERICAN CAPITAL AALLN 3 5/8 05/14/20	USD			200,000
Fixed bonds		USG91703AA90	UBS GROUP FUNDING UBS 2.95 09/24/20	USD			230,000
Fixed bonds		USG91703AH44	UBS GROUP FUNDING UBS 3 04/15/21	USD		470,000	470,000
Fixed bonds		USK0479SAD01	AP MOELLER-MAERSK A/S MAERSK 2 7/8 09/28/20	USD			250,000
Fixed bonds		XS0264823567	SIEMENS FINANCIERINGSMAT SIEGR 5 3/4 10/17/16	USD			550,000
Fixed bonds		XS0579811489	KOMMUNALBANKEN AS KBN 2 3/8 01/19/16	USD			250,000
Fixed bonds		XS1028955760	GLENCORE FUNDING LLC GLENLN 3 1/8 04/29/19	USD			100,000
Fixed bonds		XS1066895399	NESTLE HOLDINGS INC NESNVX 2 1/8 01/14/20	USD			150,000
Fixed bonds		XS1382378690	BP CAPITAL MARKETS PLC BPLN 3.161 03/17/21	USD		470,000	470,000
Floater		US92976GAF81	WELLS FARGO BANK NA WFC 0 03/15/16	USD			200,000

Further information on securities lending transactions

1. Overall risk (exposure) (average security holdings lent during the reporting period versus average fund volume):

   10.95 %

   On the reporting date Oct 31, 2016 the following securities had been lent:

ISIN	Security title	Currency	Volume Oct 31, 2016	Market value (incl. any interest accrued) Oct 31, 2016
US912828TS94	US TREASURY N/B T 0 5/8 09/30/17	USD	2,000,000	1,999,892.68
US912828K825	US TREASURY N/B T 1 08/15/18	USD	4,000,000	4,018,447.77
US912828XF28	US TREASURY N/B T 1 1/8 06/15/18	USD	5,000,000	5,045,428.02
XS0763676557	VOLKSWAGEN INTL FIN NV VW 2 3/8 03/22/17	USD	200,000	201,203.39

2. Identity of the counterparties for securities lending transactions:

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

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

   Under the securities lending agreement concluded between the management company and Raiffeisen Bank International AG, Raiffeisen Bank International AG is obliged to deliver collateral for the borrowed securities. Sight deposits (which are not used to purchase further assets and are thus held as deposits with the custodian bank), bonds, equities, convertible bonds and units in investment funds are permitted as collateral. Sight deposits do not undergo any valuation markdown, and the value of the collateral thus amounts to 100 % of the value of the lent securities. Other collateral (bonds, equities, convertible bonds and units in investment funds) will be valued daily on the basis of a value-at-risk calculation. The maximum foreseeable loss for this other collateral is calculated over a period of three business days, with a probability of 99 % (confidence interval). The value determined plus a markup of 10 % represents the applicable valuation markdown. This valuation markdown will amount to at least 5 % of the value of this other collateral. Recognition of this haircut will entail delivery of the required volume of additional collateral.

   At the end of the the end of the financial year, the collateral had the following makeup:

   Sight deposits: 0.00 %
   Bonds: 44.80 %
   Equities: 55.21 %
   Units in investment funds: 0.00 %

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

   Income: 3,942.41 USD
   Costs: N/A

Further information on repurchase agreements

The fund did not enter into any repurchase agreements during the period under review.

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 2015 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)

Total number of employees	243
Number of risk-bearers	60
Fixed remuneration	22,778,221.66
Variable remuneration (bonuses)	3,336,880.97
Total remuneration for employees	**26,115,102.63**
of which remuneration for managing directors	979,380.61
of which remuneration for managers (risk-bearers)	1,765,201.57
of which remuneration for other risk-bearers	6,048,919.67
of which remuneration for employees in positions of control	232,440.45
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	**9,025,942.30**

- 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.
- In accordance with the regulatory requirements, for the performance period 2015 a portion of the variable remuneration for risk-bearers will for the first time also be 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 will be 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 Jun 15, 2016.
- 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 25, 2016. This report did not identify any irregularities or other unresolved issues concerning the remuneration policy of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

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, 6 February 2017

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

Mag. (FH) Dieter Aigner

Mag. Rainer Schnabl

Audit opinion

Report on the annual fund report

We have audited the annual fund report as of October 31, 2016 issued by Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna, for its fund Raiffeisen-Dollar-ShortTerm-Bonds for the financial year from November 1, 2015 to October 31, 2016.

Responsibility of the company's statutory representatives for the annual fund report

The company's statutory representatives are responsible for the preparation of this annual fund report and for ensuring that it provides an appropriate overall picture in compliance with Austrian commercial law, the provisions of the Austrian Investment Fund Act and the internal checks which the company's statutory representatives deem necessary in order to enable the preparation of an annual fund report which is free from material intentional or unintentional misstatements.

Responsibility of the bank auditor

Our task is to present an opinion regarding this annual fund report on the basis of our audit.

We performed our audit in accordance with § 49 para. 5 of the Austrian Investment Fund Act in accordance with Austrian principles of proper balance sheet auditing. These principles require application of the International Standards on Auditing (ISA). In accordance with these principles, we are required to comply with the code of conduct for our profession and to plan and execute our audit so as to obtain a sufficient degree of certainty as to whether the annual fund report is free from material misstatements.

An audit includes the performance of audit activities in order to obtain documentation concerning the valuations and other information provided in the annual fund report. The audit activities are chosen at the discretion of the bank auditor. This includes an assessment of the risks of material intentional or unintentional misstatements in the annual fund report. In assessing these risks, the bank auditor considers the company's internal control system which is relevant for its preparation of the annual fund report and for ensuring that this annual fund report provides an appropriate overall picture, 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. An audit also includes an assessment of the appropriateness of the accounting principles applied and the reasonableness of the estimates made by the company's statutory representatives in this accounting as well as an assessment of the overall picture provided by the annual fund report.

In our opinion we have obtained sufficient and suitable documentation as a basis for our audit opinion.

Audit outcome

Our audit has not met with any objections. In our view the annual fund report as of October 31, 2016 for Raiffeisen-Dollar-ShortTerm-Bonds complies with the statutory regulations.

Report on activities performed during the past financial year

We have undertaken a critical assessment of the disclosures provided by the management company's management in the annual fund report on its activities in the past financial year, but these were not subject to special audit activities in accordance with the above principles. Accordingly, our audit opinion does not include an evaluation of this information. In the context of the overall picture set out in this annual fund report, these disclosures are consistent with the information provided in the rest of the report.

Vienna, 6 February 2017

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Wilhelm Kovsca
Auditor

Tax treatment

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

Fund regulations

Fund regulations pursuant to the Austrian Investment Fund Act 2011

The Austrian Financial Market Authority (FMA) has approved the fund regulations for the investment fund **Raiffeisen-Dollar-ShortTerm-Bonds**, a jointly owned fund pursuant to the **Austrian Investment Fund Act 2011, as amended** (InvFG).

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

Article 1 Fund units

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

The unit certificates shall be represented by global certificates for each unit class 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 payment offices referred to in the prospectus are the payment offices 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. at least 51 % of its fund assets are invested in the form of directly purchased individual securities which are not held directly or indirectly through investment funds or derivatives) in dollar-denominated bonds (USD, CAD, NZD, AUD) with a (residual) maturity not exceeding five years. The average residual maturity in the portfolio may not exceed three years. Subfunds of the fund shall not be included in the calculation.

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

Securities or money market instruments issued or guaranteed by the United States of America may exceed **35 %** of the fund assets if the fund assets are invested in at least six different issues, with an investment in any single issue not exceeding **30 %** of the fund assets.

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 **50 %** of the overall net value of the fund assets.

Sight deposits or deposits at notice

Sight deposits and deposits at notice with notice periods not exceeding 12 months may amount to **up to 25 %** of the fund assets. No minimum bank balance is required.

Within the framework of restructuring of the fund portfolio and/or a justified assumption of impending losses for securities, the investment fund may hold a lower proportion of securities and a higher proportion of sight deposits or deposits at notice with notice periods 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 USD 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 1 %** 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 November 1 to October 31.

Article 6 Unit classes and appropriation of income

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

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

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

Once costs have been covered, the income received during the past accounting year (interest and dividends) may be distributed at the discretion of the management company. Distribution may be waived subject to due consideration of the unitholders' interests. The distribution of income from the sale of assets of the investment fund including subscription rights shall likewise be at the discretion of the management company. A distribution from the fund assets and interim distributions are also permissible.
The fund assets may not through distributions fall below the minimum volume for a termination which is stipulated by law.

From January 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 January 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.
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 January 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 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. January 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 an exemption from capital gains tax.
If these preconditions have not been met as of the outpayment 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 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 pursuant to § 94 of the Austrian Income Tax Act or for an exemption from capital gains tax.

Article 7 Management fee, reimbursement of expenses, liquidation fee

The management company shall receive for its management activity an annual remuneration of up to **1.50 %** of the fund assets, calculated on the basis of the values at the end of each month.

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

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

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

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

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

Appendix

List of stock exchanges with official trading and organized markets

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

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

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

Due to decreasing restrictions and to trading segment specialization, the directory of "regulated markets" is undergoing great changes. In addition to the annual publication of a directory in the official gazette of the European 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=0[1]

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:

1.3.1.	United Kingdom	London Stock Exchange Alternative Investment Market (AIM)

1.4. 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.	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

[1] Click 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"]

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
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 Brasiliera 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

Raiffeisen Capital Management is the brand of:
Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
Raiffeisen Immobilien Kapitalanlage-Gesellschaft m.b.H.
Raiffeisen Salzburg Invest Kapitalanlage GmbH