

Raiffeisen Sustainable Equities

(Original German name: Raiffeisen-Nachhaltigkeit-Aktien)

annual fund report

financial year Apr 1, 2018 – Mar 31, 2019

Note:

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

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Report for the financial year from Apr 1, 2018 to Mar 31, 2019

General fund information

ISIN	Tranche	Income class	Currency	Launch date
AT0000677901	Raiffeisen Sustainable Equities (R) A	income-distributing	EUR	May 13, 2002
AT0000A1U685	Raiffeisen Sustainable Equities (RZ) A	income-distributing	EUR	Apr 3, 2017
AT0000A0LSJ0	Raiffeisen Sustainable Equities (I) T	income-retaining	EUR	Mar 1, 2011
AT0000677919	Raiffeisen Sustainable Equities (R) T	income-retaining	EUR	May 13, 2002
AT0000A1U677	Raiffeisen Sustainable Equities (RZ) T	income-retaining	EUR	Apr 3, 2017
AT0000A20EZ2	Raiffeisen Sustainable Equities (I) VTA	full income-retaining (outside Austria)	EUR	May 2, 2018
AT0000677927	Raiffeisen Sustainable Equities (R) VTA	full income-retaining (outside Austria)	EUR	Oct 29, 2002
AT0000A1U693	Raiffeisen Sustainable Equities (RZ) VTA	full income-retaining (outside Austria)	EUR	Apr 3, 2017

Fund characteristics

Fund currency	EUR
Financial year	Apr 1 – Mar 31
Distribution/payment/reinvestment date	Jun 15
Type of fund	Investment fund pursuant to § 2 of the Austrian Investment Fund Act, InvFG (UCITS)
Effective management fee for the fund	I-Tranche (EUR): 0.750 % R-Tranche (EUR): 1.500 % RZ-Tranche (EUR): 0.750 %
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 Sustainable Equities for the financial year from Apr 1, 2018 to Mar 31, 2019. The accounting is based on the price calculation as of Mar 29, 2019.

Fund details

	Mar 31, 2017	Mar 31, 2018	Mar 31, 2019
Total fund assets in EUR	81,720,869.39	101,226,006.53	182,980,901.29
Net asset value/distributing units (R) (AT0000677901) in EUR	118.10	118.89	132.82
Issue price/distributing units (R) (AT0000677901) in EUR	124.01	123.65	138.13
Net asset value/distributing units (RZ) (AT0000A1U685) in EUR	-	102.30	115.14
Issue price/distributing units (RZ) (AT0000A1U685) in EUR	-	102.30	115.14
Net asset value/reinvested units (I) (AT0000A0LSJ0) in EUR	137.25	140.50	159.00
Issue price/reinvested units (I) (AT0000A0LSJ0) in EUR	144.11	146.12	165.36
Net asset value/reinvested units (R) (AT0000677919) in EUR	130.74	132.92	149.56
Issue price/reinvested units (R) (AT0000677919) in EUR	137.28	138.24	155.54
Net asset value/reinvested units (RZ) (AT0000A1U677) in EUR	-	102.27	115.85
Issue price/reinvested units (RZ) (AT0000A1U677) in EUR	-	102.27	115.85
Net asset value/fully reinvested units (I) (AT0000A20EZ2) in EUR	-	-	110.16
Issue price/fully reinvested units (I) (AT0000A20EZ2) in EUR	-	-	114.57
Net asset value/fully reinvested units (R) (AT0000677927) in EUR	131.60	133.77	150.83
Issue price/fully reinvested units (R) (AT0000677927) in EUR	138.18	139.12	156.86
Net asset value/fully reinvested units (RZ) (AT0000A1U693) in EUR	-	102.44	116.45
Issue price/fully reinvested units (RZ) (AT0000A1U693) in EUR	-	102.44	116.45
		Jun 15, 2018	Jun 17, 2019
Distribution/unit (R) (A) EUR		1.2600	1.8000
Distribution/unit (RZ) (A) EUR		1.0800	1.5600
Outpayment/unit (I) (T) EUR		0.6632	0.7552
Outpayment/unit (R) (T) EUR		0.3894	0.5445
Outpayment/unit (RZ) (T) EUR		0.3662	0.5425
Reinvestment/unit (I) (T) EUR		2.3834	3.3448
Reinvestment/unit (R) (T) EUR		1.4309	2.2718
Reinvestment/unit (RZ) (T) EUR		1.6703	2.4346
Reinvestment/unit (I) (VTA) EUR		-	2.7050
Reinvestment/unit (R) (VTA) EUR		1.8146	2.7523
Reinvestment/unit (RZ) (VTA) EUR		2.1820	3.0110

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 Mar 31, 2018	Sales	Repurchases	Units in circulation on Mar 31, 2019
AT0000677901 (R) A	69,744.746	32,494.319	-16,191.770	86,047.295
AT0000A1U685 (RZ) A	24,967.689	18,871.073	-828.082	43,010.680
AT0000A0LSJ0 (I) T	29,388.926	28,926.386	-14,181.970	44,133.342
AT0000677919 (R) T	574,912.715	452,824.568	-155,561.332	872,175.951
AT0000A1U677 (RZ) T	53,779.623	59,841.892	-6,787.100	106,834.415
AT0000A20EZ2 (I) VTA	-	0.000	0.000	10.000
AT0000677927 (R) VTA	32,379.871	88,750.875	-10,017.295	111,113.451
AT0000A1U693 (RZ) VTA	10.000	0.000	0.000	10.000
Total units in circulation				1,263,335.134

Development of the fund assets and income statement

Performance in financial year (fund performance)

Distributing units (R) (AT0000677901)

Net asset value per unit at start of financial year in EUR	118.89
Distribution on Jun 15, 2018 (net asset value: EUR 129.28) of EUR 1.2600, corresponds to 0.009746 units	
Net asset value per unit at end of financial year in EUR	132.82
Total value incl. units purchased through distribution (1.0097 x 132.82)	134.11
Net income/net reduction per unit	15.22

Performance of one unit during the financial year in % **12.81**

Distributing units (RZ) (AT0000A1U685)

Net asset value per unit at start of financial year in EUR	102.30
Distribution on Jun 15, 2018 (net asset value: EUR 111.43) of EUR 1.0800, corresponds to 0.009692 units	
Net asset value per unit at end of financial year in EUR	115.14
Total value incl. units purchased through distribution (1.0097 x 115.14)	116.26
Net income/net reduction per unit	13.96

Performance of one unit during the financial year in % **13.64**

Reinvested units (I) (AT0000A0LSJ0)

Net asset value per unit at start of financial year in EUR	140.50
Outpayment on Jun 15, 2018 (net asset value: EUR 153.86) of EUR 0.6632, corresponds to 0.00431 units	
Net asset value per unit at end of financial year in EUR	159.00
Total value incl. units purchased through outpayment (1.0043 x 159.00)	159.69
Net income/net reduction per unit	19.19

Performance of one unit during the financial year in % **13.66**

Reinvested units (R) (AT0000677919)

Net asset value per unit at start of financial year in EUR	132.92
Outpayment on Jun 15, 2018 (net asset value: EUR 145.57) of EUR 0.3894, corresponds to 0.002675 units	
Net asset value per unit at end of financial year in EUR	149.56
Total value incl. units purchased through outpayment (1.0027 x 149.56)	149.96
Net income/net reduction per unit	17.04

Performance of one unit during the financial year in % **12.82**

Reinvested units (RZ) (AT0000A1U677)

Net asset value per unit at start of financial year in EUR	102.27
Outpayment on Jun 15, 2018 (net asset value: EUR 112.11) of EUR 0.3662, corresponds to 0.003266 units	
Net asset value per unit at end of financial year in EUR	115.85
Total value incl. units purchased through outpayment (1.0033 x 115.85)	116.23
Net income/net reduction per unit	13.96
Performance of one unit during the financial year in %	13.65

Fully reinvested units (I) (AT0000A20EZ2)

Net asset value per unit at launch of tranche (May 2, 2018) in EUR	100.00
Net asset value per unit at end of financial year in EUR	110.16
Net income/net reduction per unit	10.16
Performance of one unit from launch of tranche (May 2, 2018) up to the end of financial year in %	10.16

Fully reinvested units (R) (AT0000677927)

Net asset value per unit at start of financial year in EUR	133.77
Net asset value per unit at end of financial year in EUR	150.83
Net income/net reduction per unit	17.06
Performance of one unit during the financial year in %	12.75

Fully reinvested units (RZ) (AT0000A1U693)

Net asset value per unit at start of financial year in EUR	102.44
Net asset value per unit at end of financial year in EUR	116.45
Net income/net reduction per unit	14.01
Performance of one unit during the financial year in %	13.68

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 4.00 % of the invested amount) and any redemption fee (not exceeding 0.00 % of the sold amount) – are not included in the performance calculation. Depending on their concrete value, they will reduce a performance accordingly. Past results do not permit any reliable inferences as to the future performance of the fund.

Development of fund assets in EUR

Fund assets on Mar 31, 2018 (785,183.570 units)		101,226,006.53
Distribution on Jun 15, 2018 (EUR 1.2600 x 72,295.433 distributing units (R) (AT0000677901))		-91,092.25
Distribution on Jun 15, 2018 (EUR 1.0800 x 26,005.349 distributing units (RZ) (AT0000A1U685))		-28,085.78
Outpayment on Jun 15, 2018 (EUR 0.6632 x 31,504.945 reinvested units (I) (AT0000A0LSJ0))		-20,894.08
Outpayment on Jun 15, 2018 (EUR 0.3894 x 585,833.151 reinvested units (R) (AT0000677919))		-228,123.43
Outpayment on Jun 15, 2018 (EUR 0.3662 x 65,428.810 reinvested units (RZ) (AT0000A1U677))		-23,960.03
Issuance of units	94,065,502.33	
Redemption of units	-28,540,606.58	
Pro rata income adjustment	-446,352.26	65,078,543.49
Overall fund result		17,068,506.84
Fund assets on Mar 31, 2019 (1,263,335.134 units)		182,980,901.29

Fund result in EUR

A. Realized fund result

Ordinary fund result	
Income (excl. closing price)	
Interest income	18.02
Interest expenses (incl. negative credit interest)	-8,739.38
Dividend income (incl. dividend equivalent)	2,526,171.22
Austrian dividend income	10,228.14
	2,527,678.00
Expenses	
Management fees	-2,020,592.82
Custodian bank fees / Custodian's fees	-135,831.20
Auditing costs	-7,141.00
Expenses for tax advice / tax representation	-6,499.94
Custody charge	-59,045.04
Publicity costs, regulatory fees	-17,336.31
Costs associated with foreign sales ¹	-303.35
Cost of advisers and other service providers	-4,204.52
Research expenses	-32,900.98
	-2,283,855.16
Ordinary fund result (excl. income adjustment)	243,822.84
Realized closing price	
Profits realized from securities	3,132,403.53
Losses realized from securities	-218,315.73
Realized closing price (excl. income adjustment)	2,914,087.80
Realized fund result (excl. income adjustment)	3,157,910.64
B. Unrealized closing price	
Change in unrealized closing price	13,326,677.57
Change in dividends receivable	137,566.37
	13,464,243.94

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

C. Income adjustment

Income adjustment for income during financial year	446,352.26	
		446,352.26
Overall fund result		17,068,506.84

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 179,460.85 EUR.

Capital market report

After a very weak final quarter in 2018, stock markets around the globe recovered strongly during the first quarter of 2019. Above all, a surprise monetary policy change of the US central bank (Fed) drove stock prices up sharply. Renewed fiscal and monetary stimuli, a very negative investor sentiment at the turn of the year and deeply oversold market conditions provided additional fuel for the rally. However, many of the drag factors that pushed stock prices down in the past year continue to persist. These include, for example, weakened global growth, trade disputes, Brexit and the risk of a further slowdown in corporate profits. Most bond markets showed negative total returns in 2018, especially in emerging markets. The latter suffered noticeably from the stronger US dollar, lower risk appetite among investors and a significant rise in US yields over the course of the year. However, the abrupt shift of the Fed's monetary outlook spurred bond markets worldwide, especially bonds from emerging markets and corporate bonds of lower quality. In the Eurozone, bond market movements were less pronounced, both on the way down and on the way up. Still, European corporate bonds, too, have recovered their prior year's losses already during the first few months of 2019. Government bonds have trended higher as well in recent months. They benefited from the shift in monetary policy and from the rather benign outlook for growth and inflation rates in the USA, Europe, and Japan. Among major commodities, prices for industrial and precious metals were down during 2018. Crude oil prices, which had risen for most parts of the year, literally collapsed in the final quarter. Since the turn of the year, they have recovered strongly, as did most commodities. The US dollar advanced in 2018, especially against emerging market currencies, but versus the Euro as well. The latter has continued to trade weaker so far this year. The US central bank had hiked the key interest rate in December 2018, its last increase so far in the current interest rate cycle. At 2.25 – 2.50% the key interest rate is still very low by historical standards and hovers near the current rate of inflation. In addition, the Fed is gradually reducing its huge bond holdings. It has trimmed its balance sheet by about 560 billion dollars, or roughly 12%, since October 2017. Responding to the sharp decline of US equities prices and somewhat weakening economic data the Fed surprisingly hinted at a pause in its rate hikes in January. In addition, it also announced to end the run-reduction of the balance sheet already by September 2019, much earlier than previously planned and expected. This seems to confirm that, despite the still very low interest rates, the Fed's overall scope for interest-rate hikes may be significantly lower than in the past. In contrast to the US Federal Reserve, the ECB is still maintaining its ultra-loose monetary policy. It has postponed eventual key interest rate hikes to 2020. In Japan, rate increases are still not on the agenda at all. The unprecedented loose monetary policy of the major central banks in recent years has reflected a pronounced weakness in global economic growth. However, many regions are showing robust growth again. Inflation has also slightly picked up in some parts of the world, although in the USA so far, this is more pronounced than in the Eurozone. It remains to be seen how a further gradual slowdown in the still generous overall supply of global liquidity will affect the global economy and inflation rates. Yield levels are still very low by historical standards almost everywhere in the world. These low bond yields in the major economic blocs have so far strongly supported stock prices. Nonetheless, several stock markets – particularly in the USA – sport rather ambitious valuations. They are thus increasingly vulnerable to further corrections, especially in case of escalating trade conflicts. The financial market environment remains challenging and may provide further major price fluctuations in almost all asset classes over the coming months. For the time being, the positive factors still seem to outweigh the negative ones in most asset classes.

Fund investment policy report

The fund invests in equities of companies which focus on sustainability and have above-average ratings in terms of social and environmental criteria. Aside from a favorable sustainability assessment, the selected companies must also have attractive financial valuations.

The period under review represented a challenging environment for global equities. While the markets gained ground up to the autumn, in Q4 2018 a pronounced correction occurred. However, sentiment turned just before the end of the year. This was followed by a V-shaped recovery in Q1 2019. Key issues for market players included the trade talks between the USA and China and specifically the reversal in FED policy which ruled out further interest rate hikes. The fund registered a clearly positive trend in this environment.

The development of the different sectors was highly heterogeneous, with the IT sector making the biggest positive contribution, followed by healthcare stocks and industrials. The weakest sectors in the portfolio included basic consumer goods and cyclical consumer goods.

Of the fund's individual securities, Verbund, an Austrian hydroelectric plant operator, performed particularly strongly, along with Neste, a Finnish clean fuel refinery operator, and Tomra Systems, a sorting specialist. The weakest-performing stocks in the period under review were Sunopta, an organic food producer, Owens Corning, an industrial firm which focuses on fiberglass, and Sysmex, a Japanese producer of laboratory equipment.

At the regional level, North America was the fund's strongest weighting, followed by Europe, while Japan played a relatively minor role.

The fund's activities were shaped by profit-taking, measures to optimize risk/return perspectives and not least by changes to the sustainability assessment for individual securities.

Makeup of fund assets in EUR

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

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

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

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

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

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

Type of security	OGAW/§ 166	Currency	Market value in EUR	Share of fund assets
Equities		AUD	1,752,188.99	0.96 %
Equities		CAD	5,891,797.73	3.22 %
Equities		CHF	9,629,984.16	5.26 %
Equities		DKK	6,680,927.26	3.65 %
Equities		EUR	42,369,962.16	23.16 %
Equities		GBP	4,432,212.35	2.42 %
Equities		JPY	14,783,422.39	8.08 %
Equities		NOK	2,884,109.59	1.58 %
Equities		USD	89,314,382.04	48.81 %
Total Equities			177,738,986.67	97.14 %
Equities ADR		USD	2,405,550.51	1.31 %
Total Equities ADR			2,405,550.51	1.31 %
Subscription rights		EUR	0.00	0.00 %
Total Subscription rights			0.00	0.00 %
Total securities			180,144,537.18	98.45 %
Bank balances/liabilities				
Bank balances/liabilities in fund currency			2,867,671.76	1.57 %
Bank balances/liabilities in foreign currency			4,458.69	0.00 %
Total bank balances/liabilities			2,872,130.45	1.57 %
Accruals and deferrals				
Interest claims (on securities and bank balances)			-1,311.60	-0.00 %
Dividends receivable			245,596.33	0.13 %
Total accruals and deferrals			244,284.73	0.13 %

Type of security	OGAW/§ 166	Currency	Market value in EUR	Share of fund assets
Other items				
Various fees			-280,051.06	-0.15 %
Total other items			-280,051.06	-0.15 %
Total fund assets			182,980,901.29	100.00 %

Portfolio of investments in EUR as of Mar 29, 2019

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

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

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

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

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

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

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

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

Type of security	OGAW/§ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales Units/Nom.	Pool-/ILB Factor	Price	Market value in EUR	Share of fund assets
Equities		AU000000WBC1	WESTPAC BANKING CORP WBC	AUD	107,184	59,044			25.950000	1,752,188.99	0.96 %
Equities		CA0636711016	BANK OF MONTREAL BMO	CAD	33,052	15,600	1,400		100.520000	2,202,517.18	1.20 %
Equities		CA0641491075	BANK OF NOVA SCOTIA BNS	CAD	37,497	21,800			71.290000	1,772,124.45	0.97 %
Equities		CA3759161035	GILDAN ACTIVEWEAR INC GIL	CAD	60,036	22,900			48.170000	1,917,156.10	1.05 %
Equities		CH00030170408	GEBERIT AG-REG GEBN	CHF	6,330	3,520			404.000000	2,287,201.50	1.25 %
Equities		CH0012032048	ROCHE HOLDING AG-GENUSSCHEIN ROG	CHF	11,080	5,220	650		271.350000	2,688,988.46	1.47 %
Equities		CH0002497458	SGS SA-REG SGSN	CHF	804	390	60		2,457.000000	1,766,772.20	0.97 %
Equities		CH0008742519	SWISSCOM AG-REG SCMN	CHF	6,657	3,800			484.900000	2,887,022.00	1.58 %
Equities		DK0060448595	COLOPLAST-B COLOB	DKK	20,070	4,270	70		731.000000	1,965,590.84	1.07 %
Equities		DK0060336014	NOVOZYMES A/S-B SHARES NZYMB	DKK	57,550	25,800			311.300000	2,400,229.77	1.31 %
Equities		DK0010268606	VESTAS WIND SYSTEMS A/S VWS	DKK	31,180	10,780	6,180		554.200000	2,315,106.65	1.27 %
Equities		FR0000120404	ACCOR SA AC	EUR	48,840	32,560			35.770000	1,747,006.80	0.95 %
Equities		NL0013267909	AKZO NOBEL N.V. AKZA	EUR	28,483	28,483	0		79.460000	2,263,259.18	1.24 %
Equities		NL0010273215	ASML HOLDING NV ASML	EUR	17,450	7,850			163.360000	2,850,632.00	1.56 %
Equities		FR0000125338	CAPGEMINI SE CAP	EUR	21,600	8,650			106.600000	2,302,560.00	1.26 %
Equities		FR0000121667	ESSILORLUXOTTICA EL	EUR	20,940	8,710			96.000000	2,010,240.00	1.10 %
Equities		DE0006048432	HENKEL AG & CO KGAA VORZUG HEN3	EUR	23,170	12,540			89.880000	2,082,519.60	1.14 %
Equities		BE0003565737	KBC GROUP NV KBC	EUR	35,440	15,800	670		61.840000	2,191,609.60	1.20 %
Equities		NL0000009082	KONINKLIJKE KPN NV KPN	EUR	488,150	488,150			2.780000	1,357,057.00	0.74 %
Equities		DE0006599905	MERCK KGAA MRK	EUR	18,590	18,590			101.000000	1,877,590.00	1.03 %
Equities		FR0000121261	MICHELIN (CGDE) ML	EUR	18,350	18,630	280		103.850000	1,905,647.50	1.04 %
Equities		DE0008430026	MUENCHENER RUECKVER AG-REG MUV2	EUR	13,030	5,670	260		209.200000	2,725,876.00	1.49 %
Equities		FR0000120685	NATIXIS KN	EUR	470,570	283,320			4.687000	2,205,561.59	1.21 %
Equities		FI0009013296	NESTE OYJ NESTE	EUR	22,240	4,360	1,270		94.660000	2,105,238.40	1.15 %
Equities		FR0000184798	ORPEA ORP	EUR	18,910	9,900			104.000000	1,966,640.00	1.07 %
Equities		DE0007164600	SAP SE SAP	EUR	28,690	13,460			101.440000	2,910,313.60	1.59 %
Equities		FR0000121972	SCHNEIDER ELECTRIC SE SU	EUR	34,560	18,710			68.680000	2,373,580.80	1.30 %
Equities		FR0010613471	SUEZ SEV	EUR	196,520	97,230			11.670000	2,293,388.40	1.25 %
Equities		BE0974320526	UMICORE UMI	EUR	68,640	34,900			39.390000	2,703,729.60	1.48 %
Equities		AT0000746409	VERBUND AG VER	EUR	21,320	14,970	26,320		43.080000	918,465.60	0.50 %
Equities		NL0000395317	WESSANEN WES	EUR	145,803	76,533			10.830000	1,579,046.49	0.86 %

Type of security	OGAW/\$ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales Units/Nom.	Pool-/ILB Factor	Price	Market value in EUR	Share of fund assets
Equities		GB0004052071	HALMA PLC HLMA	GBP	110,510	110,510			16.690000	2,148,287.11	1.17 %
Equities		GB00BDR05C01	NATIONAL GRID PLC NG/	GBP	229,314	104,770	1,320		8.551000	2,283,925.24	1.25 %
Equities		JP3942400007	ASTELLAS PHARMA INC 4503	JPY	163,314	45,800			1,637.000000	2,152,388.21	1.18 %
Equities		JP3551500006	DENSO CORP 6902	JPY	35,583	19,900	1,300		4,316.000000	1,236,438.46	0.68 %
Equities		JP3270000007	KURITA WATER INDUSTRIES LTD 6370	JPY	60,000	62,400	2,400		2,782.000000	1,343,868.84	0.73 %
Equities		JP3165650007	NTT DOCOMO INC 9437	JPY	133,780	68,740	6,640		2,417.000000	2,603,252.84	1.42 %
Equities		JP3197800000	OMRON CORP 6645	JPY	47,900	49,000	1,100		5,120.000000	1,974,485.65	1.08 %
Equities		JP3419400001	SEKISUI CHEMICAL CO LTD 4204	JPY	129,275	72,900	2,000		1,782.000000	1,854,687.54	1.01 %
Equities		JP3892100003	SUMITOMO MITSUI TRUST HOLDIN 8309	JPY	40,057	20,900			3,993.000000	1,287,734.23	0.70 %
Equities		JP3351100007	SYSMEX CORP 6869	JPY	43,270	19,000	7,500		6,690.000000	2,330,566.62	1.27 %
Equities		NO0005668905	TOMRA SYSTEMS ASA TOM	NOK	115,710	34,680	9,550		242.000000	2,884,109.59	1.58 %
Equities		US88579Y1010	3M CO MMM	USD	17,320	6,100			208.530000	3,214,721.50	1.76 %
Equities		IE00B4BNMY34	ACCENTURE PLC-CL A ACN	USD	22,070	6,300			175.120000	3,440,051.98	1.88 %
Equities		US00846U1016	AGILENT TECHNOLOGIES INC A	USD	39,510	15,900	4,300		79.700000	2,802,801.07	1.53 %
Equities		US0091581068	AIR PRODUCTS & CHEMICALS INC APD	USD	11,953	1,800	1,100		190.170000	2,023,232.76	1.11 %
Equities		US02079K3059	ALPHABET INC-CL A GOOGL	USD	2,617	900			1,172.270000	2,730,601.33	1.49 %
Equities		US00206R1023	AT&T INC T	USD	85,508	42,300	1,800		31.010000	2,360,127.35	1.29 %
Equities		US0527691069	AUTODESK INC ADSK	USD	15,610	8,200	7,100		153.030000	2,126,211.21	1.16 %
Equities		US0530151036	AUTOMATIC DATA PROCESSING ADP	USD	17,400	3,800			158.370000	2,452,726.30	1.34 %
Equities		US0758871091	BECTON DICKINSON AND CO BDX	USD	10,097	1,800	300		247.000000	2,219,812.19	1.21 %
Equities		US1344291091	CAMPBELL SOUP CO CPB	USD	56,950	22,100			38.300000	1,941,419.67	1.06 %
Equities		US12504L1098	CBRE GROUP INC - A CBRE	USD	53,665	16,450	3,100		48.930000	2,337,185.98	1.28 %
Equities		US17275R1023	CISCO SYSTEMS INC CSCO	USD	62,909	15,700			53.360000	2,987,827.54	1.63 %
Equities		US2788651006	ECOLAB INC ECL	USD	18,390	6,300			175.950000	2,880,036.05	1.57 %
Equities		US4052171000	HAIN CELESTIAL GROUP INC HAIN	USD	73,388	42,660			23.370000	1,526,548.79	0.83 %
Equities		US4103451021	HANESBRANDS INC HBI	USD	107,500	57,300	26,000		17.720000	1,695,505.12	0.93 %
Equities		US6005441000	HERMAN MILLER INC MLHR	USD	58,140	25,500			35.150000	1,818,977.30	0.99 %
Equities		US4581401001	INTEL CORP INTC	USD	57,510	22,000	2,500		53.110000	2,718,608.01	1.49 %
Equities		US4595061015	INTL FLAVORS & FRAGRANCES IFF	USD	22,480	13,650	800		129.710000	2,595,354.52	1.42 %
Equities		IE00BY7QL619	JOHNSON CONTROLS INTERNATION JCI	USD	58,270	32,210	670		36.900000	1,913,807.74	1.05 %
Equities		US49338L1035	KEYSIGHT TECHNOLOGIES IN KEYS	USD	23,360	10,490	8,670		86.510000	1,798,730.40	0.98 %
Equities		US5717481023	MARSH & MCLENNAN COS MMC	USD	28,081	10,100			92.930000	2,322,712.35	1.27 %
Equities		US5926881054	METTLER-TOLEDO INTERNATIONAL MTD	USD	4,740	1,300	600		703.780000	2,969,218.69	1.62 %
Equities		US5949181045	MICROSOFT CORP MSFT	USD	31,922	10,100	500		116.930000	3,322,331.52	1.82 %
Equities		US55354G1004	MSCI INC MSCI	USD	15,000	11,600	800		196.640000	2,625,367.16	1.43 %
Equities		US6658591044	NORTHERN TRUST CORP NTRS	USD	33,170	15,900			90.070000	2,659,209.52	1.45 %
Equities		NL0009538784	NXP SEMICONDUCTORS NV NXPI	USD	23,570	16,160	2,000		85.920000	1,802,522.83	0.99 %
Equities		US6907421019	OWENS CORNING OC	USD	41,820	22,800			46.600000	1,734,590.12	0.95 %
Equities		US7427181091	PROCTER & GAMBLE CO/THE PG	USD	20,710	4,800	2,600		103.550000	1,908,785.49	1.04 %
Equities		US78409V1044	S&P GLOBAL INC SPI	USD	15,350	6,500	1,300		207.660000	2,837,188.25	1.55 %
Equities		US79466L3024	SALESFORCE.COM INC CRM	USD	22,610	10,800	2,500		155.180000	3,122,937.07	1.71 %
Equities		CA8676EP1086	SUNOPTA INC STKL	USD	180,900	89,600			3.490000	561,941.26	0.31 %
Equities		US88076W1036	TERADATA CORP TDC	USD	32,259	18,600	6,500		43.710000	1,255,043.07	0.69 %
Equities		US9078181081	UNION PACIFIC CORP UNP	USD	15,870	5,700			165.200000	2,333,532.71	1.28 %
Equities		US92220P1057	VARIAN MEDICAL SYSTEMS INC VAR	USD	18,950	8,400	1,300		140.280000	2,366,093.46	1.29 %
Equities		US92826C8394	VISA INC-CLASS A SHARES V	USD	20,828	6,100			154.670000	2,867,349.14	1.57 %
Equities		US2546871060	WALT DISNEY CO/THE DIS	USD	17,933	3,100			110.710000	1,767,122.77	0.97 %

Type of security	OGAW/\$ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales Units/Nom.	Pool-/ILB Factor	Price	Market value in EUR	Share of fund assets
Equities		US9621661043	WEYERHAEUSER CO WY	USD	102,693	63,200			26.610000	2,432,274.79	1.33 %
Equities		US98419M1009	XYLEM INC XYL	USD	40,380	18,560	1,300		79.070000	2,841,875.03	1.55 %
Equities ADR		US03524A1088	ANHEUSER-BUSCH INBEV-SPN ADR BUD	USD	32,680	17,980			82.700000	2,405,550.51	1.31 %
Subscription rights		FR0013404126	TOTAL SA-SCRIP 1704149D	EUR	33,126	33,126			0.000000	0.00	0.00 %
Total licensed securities admitted to trading on the official market or another regulated market										180,144,537.18	98.45 %
Total securities										180,144,537.18	98.45 %
Bank balances/liabilities											
				EUR						2,867,671.76	1.57 %
				CHF						150.70	0.00 %
				GBP						659.51	0.00 %
				JPY						28.75	0.00 %
				NOK						3,317.10	0.00 %
				USD						302.63	0.00 %
Total bank balances/liabilities										2,872,130.45	1.57 %
Accruals and deferrals											
Interest claims (on securities and bank balances)										-1,311.60	-0.00 %
Dividends receivable										245,596.33	0.13 %
Total accruals and deferrals										244,284.73	0.13 %
Other items											
Various fees										-280,051.06	-0.15 %
Total other items										-280,051.06	-0.15 %
Total fund assets										182,980,901.29	100.00 %

ISIN	Income class	Currency	Net asset value per unit	Units in circulation
AT0000677901	R income-distributing	EUR	132.82	86,047.295
AT0000A1U685	RZ income-distributing	EUR	115.14	43,010.680
AT0000A0LSJ0	I income-retaining	EUR	159.00	44,133.342
AT0000677919	R income-retaining	EUR	149.56	872,175.951
AT0000A1U677	RZ income-retaining	EUR	115.85	106,834.415
AT0000A20EZ2	I full income-retaining (outside Austria)	EUR	110.16	10.000
AT0000677927	R full income-retaining (outside Austria)	EUR	150.83	111,113.451
AT0000A1U693	RZ full income-retaining (outside Austria)	EUR	116.45	10.000

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

ISIN	Security title	Currency	Volume Mar 29, 2019
CH0030170408	GEBERIT AG-REG GEBN	CHF	6,320
CH0008742519	SWISSCOM AG-REG SCMN	CHF	6,600

Exchange rates

Foreign currency assets were converted into EUR on the basis of the exchange rates applicable on Mar 28, 2019

Currency		Price (1 EUR =)
Australian Dollars	AUD	1.587400
Canadian Dollars	CAD	1.508450
Swiss Francs	CHF	1.118100
Danish Kroner	DKK	7.464000
British Pound	GBP	0.858550
Japanese Yen	JPY	124.208550
Norwegian Kroner	NOK	9.709000
US Dollars	USD	1.123500

Securities purchases and sales during the period under review not listed under the portfolio of assets:

Type of security	OGAW/\$ 166	ISIN	Security title	Currency		Purchases Additions	Sales Disposals
Equities		NL0000009132	AKZO NOBEL AKZA	EUR		15,570	28,680
Equities		DE0005190003	BAYERISCHE MOTOREN WERKE AG BMW	EUR			12,670
Equities		FR0000061129	BOIRON SA BOI	EUR			6,040
Equities		NL0006144495	RELX NV RENT	EUR		25,940	78,050
Equities		GB00B2B0DG97	RELX PLC REN	EUR		78,050	78,050
Equities		FR0000120271	TOTAL SA FP	EUR		6,670	37,356
Equities		JP3112000009	AGC INC 5201	JPY			17,127
Equities		NO0010096985	EQUINOR ASA EQNR	NOK		12,090	96,647
Equities		US2310211063	CUMMINS INC CMI	USD		4,500	13,821
Subscription rights		NL0012768956	AKZO NOBEL NV-SCRIP 1582830D	EUR		13,480	13,480
Subscription rights		FR0013321452	TOTAL SA-SCRIP 1583985D	EUR			30,686
Subscription rights		FR0013358967	TOTAL SA-SCRIP 1655454D	EUR		27,326	27,326
Subscription rights		FR0013382850	TOTAL SA-SCRIP 1684777D	EUR		33,126	33,126

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

Further information on securities lending transactions

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

2.81 %

Value of loaned securities: 5,145,890.35 EUR

Proportion of assets eligible for lending transactions: 2.86 %

On the reporting date Mar 31, 2019 the following securities had been lent:

ISIN	Security title	Regulated market	Currency	Asset class	Issuer	Rating	Volume Mar 29, 2019	Market value (incl. any interest accrued) Mar 29, 2019	Share of fund assets
CH0008742519	SWISSCOM AG-REG SCMN	LISTED	CHF	Equities	Swisscom AG	a	6,600	2,862,302.12	1.56 %
CH0030170408	GEBERIT AG-REG GEBN	LISTED	CHF	Equities	Geberit AG	a	6,320	2,283,588.23	1.25 %

- Identity of the counterparties for securities lending transactions:

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

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

Under the master agreement on securities lending transactions concluded between the management company and Raiffeisen Bank International AG, Raiffeisen Bank International AG is obliged to provide collateral for loaned securities. Bonds, equities and units in investment funds are permitted as collateral. The bonds used as collateral may be issued by sovereigns, supranational issuers and/or companies etc. No stipulations apply in relation to the terms of these bonds. Within the scope of provision of collateral, pursuant to § 4 of the Austrian Securities Lending and Repurchase Agreement Ordinance (Verordnung zu Wertpapierleih- und Pensionsgeschäften, WPV), diversification and correlation with risk diversification achieved through quantitative issuer limits in particular and appropriate liquidity for collateral for the purpose of tradability and realizability will be ensured. This collateral will be valued on each banking day, subject to an add-on compared to the valuation of the securities loaned from the fund in accordance with provisions of EU Regulation 575/2013 (CRR). For bonds, this add-on will be determined on the basis of the credit rating of the issuer and the remaining term of the bond and will amount to no less than 0.5 %. For equities and units in investment funds, this add-on will amount to 10.607 %. The value of the required collateral, thus calculated, will result in the ongoing overcollateralization of the fund's outstanding securities lending positions.

On the reporting date the collateral had the following makeup:

ISIN	Security title	Regulated market	Currency	Asset class	Issuer	Rating	Volume Mar 29, 2019	Market value in portfolio currency
US6325C1CL16	NATIONAL AUSTRALIA BANK NAB 3 1/2 01/10/27	LISTED	USD	Bonds	National Australia Bank Ltd	aa	10,000,000	9,004,183.36

In relation to securities lending transactions, the investment fund is not entirely collateralized by means of securities which are either issued or guaranteed by an EEA member state.

Collateral holding period: unlimited

Period of securities lending:

Duration / Days	< 1 day	1-7 days	7-30 days	30-90 days	90-360 days
	0 %	0 %	0 %	0 %	100 %

Country of counterparty (Raiffeisen Bank International AG): Austria

Settlement: bilateral

- Reuse of collateral:

Collateral received is not reused.

- Custody of collateral which the investment fund has received in connection with securities lending transactions:

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

- Custody of collateral which the investment fund has provided in connection with securities lending transactions:

Within the limits stipulated by law (§ 84 InvFG), the management company is merely permitted to lend securities to third parties. However, it is not permitted to borrow securities. Accordingly, the investment fund will not provide any collateral within the scope of securities lending transactions.

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

Income: 0.00 EUR (of which 100 % from securities lending transactions)

Costs: N/A

Further information on repurchase agreements

During the reporting period, no repurchase agreements were concluded on behalf of the fund. Accordingly, the information concerning repurchase agreements which is stipulated in § 8 of the Austrian Securities Lending and Repurchase Agreement Ordinance and Art. 13 of Regulation (EU) No. 2015/2365 is not required.

Total return swaps and similar derivative instruments

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

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

Calculation method for overall risk

Calculation method for overall risk

Simplified approach

Remuneration paid to the employees of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. in EUR (financial year 2018 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)

Total number of employees	265
Number of risk-bearers	84
Fixed remuneration	22,158,147.47
Variable remuneration (bonuses)	2,005,354.33
Total remuneration for employees	24,163,501.80
of which remuneration for managing directors	1,438,323.87
of which remuneration for managers (risk-bearers)	2,145,847.00
of which remuneration for other risk-bearers	8,251,251.22
of which remuneration for employees in positions of control	252,956.98
of which remuneration for employees in the same income bracket as managing directors and risk-bearers due to their overall remuneration	0.00
Total remuneration for risk-bearers	12,088,379.07

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

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

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

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

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

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

- Since the performance period 2015, in accordance with the regulatory requirements a portion of the variable remuneration for risk-bearers is paid out in the form of units in an investment fund managed by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. In addition, as required by law portions of the variable remuneration of risk-bearers are deferred and paid out over a period of several years.
- The supervisory board of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. resolves the general remuneration policy principles specified by the remuneration committee, reviews them at least once a year and is responsible for their implementation and for monitoring of this issue. The supervisory board most recently fulfilled this duty on Nov 29, 2018. It has not identified any need for changes or any irregularities in relation to the remuneration policy of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
- In addition, at least once per year a central and independent internal review determines whether the company's remuneration policy has been implemented in accordance with the applicable remuneration regulations and procedures. The internal auditing division of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. published its most recent report on Aug 28, 2018. 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, 9 July 2019

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.


Mag. Rainer Schnabl


Mag. (FH) Dieter Aigner


Ing. Michal Kustra

Audit opinion

Report on the annual fund report

Audit opinion

We have audited the annual fund report issued by Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna, for its fund Raiffeisen Sustainable Equities, consisting of the portfolio of investments as of March 31, 2019, the income statement for the financial year ending as of this date and the other disclosures required under Annex I Schedule B of the 2011 Austrian Investment Fund Act (Investmentfondsgesetz, InvFG).

In our view, the annual fund report complies with applicable statutory requirements and provides a true and fair view of the net assets and financial position as of March 31, 2019 as well as the earnings position for the fund for the financial year ending as of this date, in compliance with Austrian commercial law, the provisions of InvFG 2011.

Basis for the audit opinion

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

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

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

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

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

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

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

In addition, the following applies:

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

Other information

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

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

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

Vienna, 9 July 2019

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Wilhelm Kovsca
Auditor

Tax treatment

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

Fund regulations

Fund regulations pursuant to the Austrian Investment Fund Act 2011

The Austrian Financial Market Authority (FMA) has approved the fund regulations for the investment fund **Raiffeisen Sustainable Equities**, 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 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.

At the individual stock level (i.e. not including units in investment funds, derivative instruments and sight deposits or deposits at notice) the investment fund exclusively invests in securities and/or money market instruments whose issuers are classified as sustainable on the basis of social, ecological and ethical criteria. 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 equities or in equity-equivalent securities. The fund will not invest in certain sectors such as the arms industry or green/genetic engineering of plants as well as companies which violate labor and human rights etc.

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 exclusively be used 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.

Sight deposits or deposits at notice

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

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

Short-term loans

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

Repos

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

Securities lending

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

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

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

Article 4 Issuance and redemption modalities

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

The value of 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 5 % to cover the management company's issuing costs.

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

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

Redemption and redemption fee

Units will be redeemed on any banking day.

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 April 1 to March 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 June 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 June 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 June 15 an amount calculated pursuant to InvFG shall be paid out, to be used where applicable to meet any capital gains tax commitments on the distribution-equivalent return on those unit certificates, unless the management company ensures through appropriate proof from the custodians that as of the payment date the unit certificates 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. June 15 of the following accounting year shall be the key date pursuant to InvFG in case of failure to pay capital gains tax on the annual income.

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

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

Appropriation of income in case of income-retaining unit certificates without 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 1.75 % of the fund assets, calculated on the basis of the values at the end of each month. This remuneration will be included in the calculation of the unit value on each day of stock exchange trading in the form of an accrual.

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 Union, 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://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_mifid_rma¹

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 EEA pursuant to § 67 (2) item 2 InvFG:

Markets in the EEA classified as recognized markets by the relevant supervisory authorities.

2. Stock exchanges in European states which are not members of the EEA

2.1.	Bosnia & Herzegovina:	Sarajevo, Banja Luka
2.2.	Montenegro:	Podgorica
2.3.	Russia:	Moscow (RTS Stock Exchange); Moscow Interbank Currency Exchange (MICEX)
2.4.	Switzerland:	SWX Swiss-Exchange
2.5.	Serbia:	Belgrade
2.6.	Turkey:	Istanbul (for Stock Market, "National Market" only)

3. Stock exchanges in non-European states

3.1.	Australia:	Sydney, Hobart, Melbourne, Perth
3.2.	Argentina:	Buenos Aires
3.3.	Brazil:	Rio de Janeiro, Sao Paulo
3.4.	Chile:	Santiago
3.5.	China:	Shanghai Stock Exchange, Shenzhen Stock Exchange
3.6.	Hong Kong:	Hong Kong Stock Exchange
3.7.	India:	Mumbai
3.8.	Indonesia:	Jakarta
3.9.	Israel:	Tel Aviv
3.10.	Japan:	Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima
3.11.	Canada:	Toronto, Vancouver, Montreal
3.12.	Colombia:	Bolsa de Valores de Colombia
3.13.	Korea:	Korea Exchange (Seoul, Busan)
3.14.	Malaysia:	Kuala Lumpur, Bursa Malaysia Berhad
3.15.	Mexico:	Mexico City
3.16.	New Zealand:	Wellington, Christchurch/Invercargill, Auckland
3.17.	Peru:	Bolsa de Valores de Lima
3.18.	Philippines:	Manila
3.19.	Singapore:	Singapore Stock Exchange

¹Click on "Show table columns" 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:

<https://www.fma.gv.at/kapitalmaerkte/allgemeine-rechtsaufsicht-ueber-boersen/> – scroll down – link "List of Regulated Markets" – "Show table columns".

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 (subject to supervisory oversight, e.g. SEC, FINRA)

5. Stock exchanges with futures and options markets

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

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