

# Raiffeisen Russia Equities

**Semi-annual fund report**  
2011

## Table of contents

General fund information .....	3
Fund characteristics.....	3
Legal notice .....	4
Fund details in EUR .....	5
Units in circulation.....	5
Fund investment policy report .....	6
Makeup of fund assets in EUR .....	7
Portfolio of investments in EUR .....	8

# Semi-annual fund report from 1 July 2011 to 31 December 2011

Raiffeisen Russia Equities is an equity fund whose investment goal is long-term capital growth subject to higher (short-term) risks. The fund mainly invests (at least 51 per cent of its fund assets) in equities and equity-equivalent securities issued by companies which are headquartered or mainly active in Russia and the successor states of the USSR.

## General fund information

Tranche	Launch date	ISIN
ISIN income-distributing (R) (A)	5/5/2008	AT0000A07FQ5
ISIN income-retaining (R) (T)	5/5/2008	AT0000A07FR3
ISIN full income-retaining (outside Austria) (R) (VTA)	5/5/2008	AT0000A07FS1
ISIN savings fund income-retaining (R) (T)	5/5/2008	AT0000A07FT9
ISIN full income-retaining (outside Austria) (I) (VTA)	1/3/2011	AT0000A0LSR3

## Fund characteristics

Fund currency:	EUR
Financial year:	1 July – 30 June
Distribution/payment/reinvestment date:	15 September
EU directive compliance:	EU directive-compliant investment fund pursuant to InvFG (UCITS)
Fund type:	Target fund (up to 10 % subfunds)
Max. management fee for the fund:	2.00 % (excluding any performance-related fee)
Target group:	Public fund
Custodian bank:	Raiffeisen Bank International AG
Management company:	Raiffeisen Kapitalanlage-Gesellschaft m.b.H. Schwarzenbergplatz 3, A-1010 Vienna Tel. +43 1 71170-0, Fax +43 1 71170-1092 www.rcm.at Companies register number: 83517 w
Fund management:	Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
Auditor:	KPMG Austria GmbH

### **Legal notice**

All data and information has been compiled and checked with the greatest care. No liability or guarantee can be assumed for the recentness, correctness and completeness of the information provided. We consider the sources used to be reliable. 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) In principle, the value of assets quoted or traded on a stock market or on another regulated market will be determined 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 valuation methods shall be used.

Dear unit holder,

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. is pleased to present its semi-annual fund report for Raiffeisen Russia Equities for the period from 1 July 2011 to 31 December 2011.

## Fund details in EUR

	30/6/2011	31/12/2011
Fund assets	55,906,876.46	40,152,690.88
Net asset value/unit (R) (A)	84.72	66.85
Issue price/unit (R) (A)	88.96	70.19
Net asset value/unit (R) (T)	85.65	68.21
Issue price/unit (R) (T)	89.93	71.62
Net asset value/unit (R) (VTA)	85.67	68.38
Issue price/unit (R) (VTA)	89.95	71.80
Net asset value/unit (I) (VTA)	85.97	68.95
Issue price/unit (I) (VTA))	90.27	72.40

## Units in circulation

	(R) A	(R) T	(R) (VTA)	(I) (VTA)
Units in circulation on 30/6/2011	40,506.620	319,502.774	293,042.379	10.000
Sales	3,605.179	49,382.166	42,011.420	987.779
Repurchases	- 10,091.496	- 46,062.995	- 104,196.882	0.000
Units in circulation	34,020.303	322,821.945	230,856.917	997.779
<b>Total units in circulation on 31/12/2011</b>				<b>588,696.944</b>

## Fund investment policy report

The 2<sup>nd</sup> half of 2011 was characterized by highly volatile financial markets. The worsening debt situation in Greece, the risk of a default and concerns over growth negatively impacted on the markets and led to a strong increase in risk aversion. The volatility index (VIX) was close to the levels which it had reached during the 2008 financial crisis.

Despite favorable macro figures – such as the unemployment rate, domestic consumption and disposable incomes – the Russian stock market was unable to decouple itself from the price losses which the international stock markets suffered and it recorded double-digit losses in the period under review. Volatility on the commodities markets and the Russian ruble's strong appreciation against the US dollar (approx. 16 %) also had a serious impact on the Russian market.

A large number of political events also contributed to volatility in the reporting period. These included the resignation of the finance minister, Mr. Kudrin, and the disturbances in the aftermath of the parliamentary elections where the governing party, United Russia, achieved a majority (but failed to reach the 50 % mark).

At a sector level (MSCI Russia Index) energy stocks fared best in relative terms due to oil's strength in the 4<sup>th</sup> quarter of 2011 and lost approx. 13 % (in euro terms) compared to an average fall of - 25 % (in euro terms) on the rest of the market.

The following changes were implemented in the period under review: By purchasing several consumer goods stocks we increased our overweight in this sector; we also developed our positions in the technology sector.

The fund's approx. 20 % holdings in small and medium-size companies had a negative effect on its performance.

However, from the point of view of the fund as a whole we achieved significant outperformance in the 2<sup>nd</sup> half of 2011.

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

## Makeup of fund assets in EUR

Securities	Market value	%
Equities:		
USD	35,593,849.22	88.64
GBP	2,605,166.69	6.49
<b>Total securities</b>	<b>38,199,015.91</b>	<b>95.13</b>
<b>Bank balances</b>		
Bank balances in fund currency	396,191.95	0.99
Bank balances in foreign currency	1,586,054.42	3.95
<b>Total bank balances</b>	<b>1,982,246.37</b>	<b>4.94</b>
<b>Accruals and deferrals</b>		
Interest claims (on securities and bank balances)	800.71	0.00
Dividends receivable	51,351.59	0.13
<b>Total accruals and deferrals</b>	<b>52,152.30</b>	<b>0.13</b>
<b>Other items</b>		
Various fees	- 80,723.70	- 0.20
<b>Total fund assets</b>	<b>40,152,690.88</b>	<b>100.00</b>

## Portfolio of investments in EUR

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.

ISIN	SECURITY TITLE	VOLUME 29/12/2011	PURCHASES ADDITIONS IN PERIOD UNDER REVIEW	SALES DISPOSALS	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
<b>EQUITIES IN BRITISH POUNDS</b>							
GB0031544546	PETROPAVLOVSK	161,500	91,700	72,300	6.180000	1,192,579.76	2.97
JE00B6T5S470	POLYMETAL INTL PLC	106,600	106,600		11.090000	1,412,586.93	3.52
<b>EQUITIES IN US DOLLARS</b>							
US00501T2096	AKRON	108,100	137,800	29,700	4.250000	354,864.25	0.88
RU000A0JP4J4	ARMADA	56,715	62,515	5,800	8.788200	384,986.49	0.96
RU0007976957	BASHNEFT	44,100			42.750000	1,456,204.38	3.63
US12642X1063	CTC MEDIA INC.	32,400	14,800		8.580000	214,723.67	0.53
RU000A0JP7H1	DIXY GROUP OJSC	42,200		9,800	9.041800	294,723.64	0.73
RU000A0JNGA5	E.ON RUSSIIA JSC	8,700,000	10,000,000	1,300,000	0.068100	457,629.48	1.14
RU000A0F5UN3	ENEL OGC-5 JSC	8,900,000	8,900,000		0.058100	399,405.24	0.99
US29760G1031	ETALON LTD	48,200	48,200		4.650000	173,120.15	0.43
US29843U2024	EURASIA DRILL.SP.	25,500	40,000	14,500	23.480000	462,472.48	1.15
US36829G1076	GAZPROM NE.	9,500			22.990000	168,698.10	0.42
US37949E2046	GLOBALTRANS INV.	20,000			13.400000	207,005.75	0.52
US68371H2094	GRUP.CHERKIZOVO	66,900		15,500	10.920000	564,282.24	1.41
US46627J3023	JSC HALYK BK	255,970		29,500	5.190000	1,026,133.94	2.55
US46626D1081	JSC MMC NOR.NICK.	55,075		107,825	15.100000	642,360.87	1.60
US48666V2043	KAZMUNAIGAS	49,500			14.530000	555,543.97	1.38
US6778621044	LUKOIL N.K.SP.	76,050		41,400	52.600000	3,089,815.78	7.70
RU000A0JPGA0	M.VIDEO	187,300		22,500	5.789900	837,638.18	2.09
US55953Q2021	MAGNIT	44,900	79,000	34,100	21.160000	733,853.94	1.83
US5603172082	MAIL.RU GROUP	10,600	10,600		26.000000	212,876.07	0.53
US5838405091	MECHEL PFD	140,000	104,000		3.240000	350,364.96	0.87
US6074091090	MOBILNIYE TEL.	153,650		10,000	14.500000	1,720,870.51	4.29
RU0009177331	MOSTOTREST	88,200	88,200		5.739200	390,991.73	0.97
US67812M2070	NK ROSNEFT	76,750		35,700	6.550000	388,299.93	0.97
US65538M2044	NOMOS BANK	51,300	51,300		9.200000	364,546.40	0.91
RU000A0DKVS5	NOVATEK	216,520	106,400		11.873500	1,985,749.21	4.94
US3682872078	OAO GAZP.	474,000		37,400	10.620000	3,888,216.89	9.68
RU0006914488	OAO SOLLERS	28,000		10,000	9.613100	207,907.00	0.52
US6708662019	O'KEY GROUP SA	157,500	99,500		6.800000	827,250.61	2.06
RU000A0JP7F5	PHARMSTANDARD	24,825	1,000	2,500	51.679400	990,955.94	2.47
US71922G2093	PHOSAGRO OFSC S.	60,400	60,400		8.400000	391,889.70	0.98
RU000A0JR6A6	RBK-TV MOSKVA	270,000	340,000	70,000	0.438200	91,386.86	0.23
US4662941057	RUSGIDRO OAO	252,643		110,000	3.180000	620,557.48	1.54
RU0009029540	SBERBANK ROSSII OAO	1,842,300		286,000	2.497600	3,554,109.98	8.85
RU0009029557	SBERBANK ROSSII PFD	172,000			1.845700	245,209.44	0.61
US8181503025	SEVERSTAL	139,774	16,800	61,526	11.460000	1,237,253.34	3.08
RU0009029524	SURGUTNEFTEGAZ VZ	1,624,400	1,624,400		0.514700	645,795.14	1.61
RU0009033591	TATNEFT IMENI V.D.	220,900		45,500	4.918700	839,254.49	2.09
RU000A0JNUD0	TERRITORIAL'NAYA GEN.KOM.	1,280,000,000	1,280,000,000		0.000300	296,605.26	0.74
RU000A0HGPM9	TNK BP-HOLDING	480,320			2.553700	947,432.27	2.36
US87260R2013	TRUB.MET.KO.	38,700		6,300	8.980000	268,432.39	0.67
US91688E2063	URALKALI	50,128		39,000	35.800000	1,386,152.55	3.45
RU000A0JL475	VEROFARM	27,800	7,800		27.005500	579,888.70	1.44
US92719A1060	VIMPELCOM LTD	38,300		37,000	9.380000	277,491.21	0.69
RU0009084214	VOZRORHDENIYE, BK	15,496			17.329400	207,420.06	0.52
US98387E2054	X 5 RETAIL GR.	12,200	12,200		22.930000	216,078.48	0.54
NL0009805522	YANDEX N.V. CL.A	28,600	28,600		19.800000	437,400.07	1.09
<b>TOTAL SECURITIES PORTFOLIO</b>					<b>EUR</b>	<b>38,199,015.91</b>	<b>95.13</b>
<b>BANK BALANCES</b>							
EUR BALANCES		EUR	396,191.95				
BALANCES IN OTHER EU CURRENCIES							
GBP		EUR	3,611.14				
BALANCES IN NON-EU CURRENCIES							
USD		EUR	1,582,443.28		EUR	1,982,246.37	4.94



	CURRENCY	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
<b>ACCRUALS AND DEFERRALS</b>			
INTEREST CLAIMS	EUR	800.71	
DIVIDENDS RECEIVABLE	EUR	51,351.59	0.13
<b>OTHER ITEMS</b>			
VARIOUS FEES	EUR	-80,723.70	-0.20
<b>TOTAL FUND ASSETS</b>	<b>EUR</b>	<b>40,152,690.88</b>	<b>100.00</b>
<b>NET ASSET VALUE PER UNIT</b>			
TRANCHE R INCOME-DISTRIBUTING	EUR	66.85	
TRANCHE R INCOME-RETAINING	EUR	68.21	
TRANCHE R FULL INCOME-RETAINING	EUR	68.38	
TRANCHE I FULL INCOME-RETAINING	EUR	68.95	
<b>UNITS IN CIRCULATION</b>			
TRANCHE R INCOME-DISTRIBUTING	UNITS	34,020.303	
TRANCHE R INCOME-RETAINING	UNITS	322,821.945	
TRANCHE R FULL INCOME-RETAINING	UNITS	230,856.917	
TRANCHE I FULL INCOME-RETAINING	UNITS	997.779	

**FROZEN SECURITIES FORMING PART OF THE PORTFOLIO OF INVESTMENTS (SECURITIES LENDING TRANSACTIONS):**

GB0031544546	PETROPAVLOVSK	GBP	13,500
JE00B6T5S470	POLYMETAL INTL PLC	GBP	25,000
US00501T2096	AKRON	USD	31,100
RU000A0JP4J4	ARMADA	USD	12,800
RU0007976957	BASHNEFT	USD	8,650
RU000A0JP7H1	DIXY GROUP OJSC	USD	10,000
RU000A0JNGA5	E.ON RUSSIYA JSC	USD	500,000
RU000A0F5UN3	ENEL O GK-5 JSC	USD	2,000,000
US29760G1031	ETALON LTD	USD	10,700
US29843U2024	EURASIA DRILL.SP.	USD	5,800
US36829G1076	GAZPROM NE.	USD	2,200
US37949E2046	GLOBALTRANS INV.	USD	4,600
US68371H2094	GRUP.CHERKIZOVO	USD	14,100
US46627J3023	JSC HALYK BK	USD	63,650
RU000A0JPGA0	M.VIDEO	USD	27,000
US5838405091	MECHEL PFD	USD	19,000
US6074091090	MOBILNIYE TEL.	USD	30,500
US67812M2070	NK ROSNEFT	USD	19,200
US65538M2044	NOMOS BANK	USD	10,100
RU000A0DKVS5	NOVATEK	USD	113,169
RU0006914488	OAO SOLLERS	USD	7,000
US6708662019	O'KEY GROUP SA	USD	14,000
RU000A0JP7F5	PHARMSTANDARD	USD	5,275
US71922G2093	PHOSAGRO OFSC S.	USD	10,100
RU000A0JR6A6	RBK-TV MOSKVA	USD	35,000
RU0009029540	SBERBANK ROSSII OAO	USD	425,775
US8181503025	SEVERSTAL	USD	37,300
RU0009033591	TATNEFT IJIMENI V.D.	USD	70,650
RU000A0HGPM9	TNK BP-HOLDING	USD	122,525
US87260R2013	TRUB.MET.KO.	USD	8,000
RU000A0JL475	VEROFARM	USD	5,700
RU0009084214	VOZRORHDENIYE, BK	USD	3,500

**EXCHANGE RATES**

FOREIGN CURRENCY ASSETS WERE CONVERTED INTO EUR ON THE BASIS OF THE EXCHANGE RATES APPLICABLE ON 28/12/2011:

CURRENCY	UNIT	PRICE	
BRITISH POUND	1 EUR =	0.836900	GBP
US DOLLAR	1 EUR =	1.294650	USD

SECURITIES PURCHASES AND SALES DURING THE PERIOD UNDER REVIEW NOT LISTED UNDER THE PORTFOLIO OF ASSETS:

ISIN	SECURITY TITLE	PURCHASES ADDITIONS	SALES DISPOSALS
<b>EQUITIES IN US DOLLARS</b>			
RU0009062285	AEROFLOT		304,000
RU000A0JQW60	ARMADA 1-01-10670-A-	29,300	62,515
RU0009100945	BK SANKT-PETERBURG	9,400	143,400
US30050A2024	EVRAZ GROUP GDR		73,404
US37951Q2021	GLOBAL PORTS IN.		47,925
US69338N2062	GR.KOMP.PIK SP.		188,600
RU000A0JPPF0	INT.DISTR.GRID C.S.		48,000,000
US5838401033	MECHEL OAO	33,000	160,200
RU0007775219	MOBILNIYE TELESIST		75,700
RU000A0JPVJ0	MRSK HOLDING		4,630,000
RU000A0JPPN4	MRSK VOLGI		78,000,000
RU0009084446	NOVOROSS. MORS.		997,000
US7317892021	POLYMETAL GDR REGS	103,000	103,000
RU000A0JQU47	PROTEK		294,000
RU000A0B90N8	RASPADSKAYA	210,000	210,000
RU0008943394	ROSTELEKOM	420,034	420,034
RU000A0JR977	ROSTELEKOM 10100124A009D		213,830
RU000A0JR8W6	ROSTELEKOM 10100124A011D		206,204
US48122U2042	SISTEMA,AFK		28,000
RU000A0JNG06	TERRITORIAL'NAYA		540,000,000
RU0009091573	TRANSNEFT' PFD		610
RU0009100291	VSMPO-AVISMA		7,600

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. complies with the quality standards of the Association of Austrian Investment Companies (*Vereinigung Österreichischer Investmentgesellschaften, VÖIG*).

Vienna, 2 February 2012

**Raiffeisen Kapitalanlage-Gesellschaft m. b. H.**  
  
 Dr. Mathias Bauer

  
 Mag. (FH) Dieter Aigner

  
 Mag. Gerhard Aigner