

Raiffeisen Russia Equities

(Original German name:

Raiffeisen-Russland-Aktien)

Semi-annual fund report

2013

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Semi-annual fund report from 1 July 2013 to 31 December 2013

Raiffeisen Russia Equities is an equity fund. It pursues an investment goal of long-term capital growth subject to a higher level of risk. The fund mainly invests (at least 51 % of its fund assets) in equities and equity-equivalent securities issued by companies which are headquartered or mainly active in Russia and other successor states of the USSR. The fund may also invest in other securities, in bonds and money market instruments issued by countries, supranational issuers and/or companies etc., in units in investment funds and in sight deposits and deposits at notice. The fund is actively managed and is not limited by means of a benchmark.

General fund information

| Tranche | Fund currency | Tranche currency | Launch date | ISIN |
|--|---------------|------------------|-------------|--------------|
| ISIN income-distributing (R) (A) | EUR | EUR | 5/5/2008 | AT0000A07FQ5 |
| ISIN income-retaining (R) (T) | EUR | EUR | 5/5/2008 | AT0000A07FR3 |
| ISIN full income-retaining (outside Austria) (R) (VTA) | EUR | EUR | 5/5/2008 | AT0000A07FS1 |
| ISIN full income-retaining (outside Austria) (R) (VTA) | EUR | GBP | 3/6/2013 | AT0000A10BF1 |
| ISIN full income-retaining (outside Austria) (R) (VTA) | EUR | USD | 3/6/2013 | AT0000A10BG9 |
| ISIN full income-retaining (outside Austria) (I) (VTA) | EUR | EUR | 1/3/2011 | AT0000A0LSR3 |
| ISIN savings fund income-retaining (R) (T) | EUR | EUR | 5/5/2008 | AT0000A07FT9 |

Fund characteristics

| | |
|---|---|
| Financial year: | 1 July – 30 June |
| Distribution/payment/reinvestment date: | 15 September |
| EU directive compliance: | EU directive-compliant jointly owned fund under the 2011 Austrian Investment Fund Act (InvFG), as amended |
| Max. management fee for the fund: | R tranche (EUR): 2.00 % R tranche (GBP): 2.00 % R tranche (USD): 2.00 % I tranche (EUR): 1.00 % |
| 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. |
| Investment adviser: | SmallCap segment: OOO Raiffeisen Capital Asset Management |
| Auditor: | KPMG Austria AG |

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 unitholder,

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 2013 to 31 December 2013.

Fund details

| | 30/6/2013 | 31/12/2013 |
|------------------------------------|---------------|---------------|
| Fund assets in EUR | 80,973,371.89 | 74,005,177.93 |
| Net asset value/unit (R) (A) EUR | 69.70 | 74.01 |
| Issue price/unit (R) (A) EUR | 73.19 | 77.71 |
| Net asset value/unit (R) (T) EUR | 71.62 | 77.24 |
| Issue price/unit (R) (T) EUR | 75.20 | 81.10 |
| Net asset value/unit (R) (VTA) EUR | 71.89 | 77.66 |
| Issue price/unit (R) (VTA) EUR | 75.48 | 81.54 |
| Net asset value/unit (R) (VTA) GBP | 71.91 | 75.86 |
| Issue price/unit (R) (VTA) GBP | 75.51 | 79.65 |
| Net asset value/unit (R) (VTA) USD | 71.91 | 135.05 |
| Issue price/unit (R) (VTA) USD | 75.51 | 141.80 |
| Net asset value/unit (I) (VTA) EUR | 73.78 | 80.08 |
| Issue price/unit (I) (VTA) EUR | 77.47 | 84.08 |

Units in circulation

| | AT0000A07FQ5 (R) A | AT0000A07FR3 (R) T | AT0000A07FS1 (R) VTA |
|-----------------------------------|-----------------------|-----------------------|-------------------------|
| Units in circulation on 30/6/2013 | 30,958.714 | 810,680.436 | 228,384.985 |
| Sales | 4,234.974 | 86,755.420 | 16,148.665 |
| Repurchases | - 7,148.479 | - 227,503.758 | - 32,858.072 |
| Units in circulation | 28,045.209 | 669,932.098 | 211,675.578 |

| | AT0000A10BF1 (R) VTA | AT0000A10BG9 (R) VTA | AT0000A0LSR3 (I) VTA |
|---|-------------------------|-------------------------|-------------------------|
| Units in circulation on 30/6/2013 | 10.000 | 10.000 | 58,686.155 |
| Sales | 0.000 | 2,217.356 | 482.162 |
| Repurchases | 0.000 | - 2,217.356 | - 12,456.995 |
| Units in circulation | 10.000 | 10.000 | 46,711.322 |
| Total units in circulation on 31/12/2013 | | | 956,384.207 |

Fund investment policy report

In the period under review the fund increased its positioning in the gas sector, since Russian gas exports are now performing very positively, following a weak phase, while the government's plans to introduce a mandatory payout ratio for state-owned companies may lead to a further increase in dividend yields. However, in overall terms the fund remains more strongly invested in consumer and telecoms firms. The fund has withdrawn from the fertilizer sector, where the termination of the cartel between Russian and Belarusian producers has caused huge upheavals on the market. On the other hand, the fund participated in the placement of the Alrosa diamond mine. Among the smaller companies featured in the fund, its successful investment in the airline Aeroflot was particularly notable. This segment also benefited from price gains for technology stocks.

Makeup of fund assets in EUR

| Securities | Market value | % |
|---|----------------------|---------------|
| Equities: | | |
| USD | 72,409,071.43 | 97.84 |
| EUR | 927,968.00 | 1.26 |
| GBP | 300,341.19 | 0.41 |
| Total securities | 73,637,380.62 | 99.51 |
| Bank balances | | |
| Bank balances in fund currency | 10,924.80 | 0.01 |
| Bank balances in foreign currency | 389,177.31 | 0.53 |
| Total bank balances | 400,102.11 | 0.54 |
| Accruals and deferrals | | |
| Interest claims (on securities and bank balances) | - 295.73 | 0.00 |
| Dividends receivable | 54,391.21 | 0.07 |
| Total accruals and deferrals | 54,095.48 | 0.07 |
| Other items | | |
| Various fees | - 86,400.28 | - 0.12 |
| Total fund assets | 74,005,177.93 | 100.00 |

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 30/12/2013 | PURCHASES ADDITIONS IN PERIOD UNDER REVIEW | SALES DISPOSALS | PRICE | MARKET VALUE IN EUR | % SHARE OF FUND ASSETS |
|---|---------------------------|----------------------|--|--------------------|------------|------------------------|------------------------------|
| EQUITIES IN EURO | | | | | | | |
| US4509391037 | IBS GRP HLDGS REGS | 37,600 | 10,633 | 39,683 | 24.680000 | 927,968.00 | 1.26 |
| EQUITIES IN US DOLLARS | | | | | | | |
| RU0009062285 | AEROFLOT | 826,000 | 596,000 | 800,000 | 2.532700 | 1,518,425.11 | 2.05 |
| RU000A0DQZE3 | AKTSION.FIN.KORP. SISTEMA | 1,100,200 | 1,234,800 | 134,600 | 1.385200 | 1,106,149.19 | 1.49 |
| RU000A0JP7H1 | DIXY GROUP OJSC | 218,800 | 133,400 | 27,800 | 12.429400 | 1,973,908.71 | 2.67 |
| RU000A0JNGA5 | E.ON RUSSIYA JSC | 40,151,900 | 9,500,000 | 5,418,000 | 0.071500 | 2,083,731.34 | 2.82 |
| US29414B1044 | EPAM SYSTEMS INC. | 23,800 | 23,800 | | 34.930000 | 603,399.75 | 0.82 |
| US29760G1031 | ETALON LTD GDR REGS | 157,100 | 157,100 | 170,000 | 5.315000 | 606,050.81 | 0.82 |
| US29843U2024 | EURASIA DRILL.SP.GDR REGS | 65,500 | 37,700 | 7,500 | 44.170000 | 2,099,898.39 | 2.84 |
| US36829G1076 | GAZPROM ADR | 16,779 | | 20,200 | 22.870000 | 278,523.48 | 0.38 |
| RU000A0JP7J7 | GRUPPA KOMPANIY | 238,000 | 238,000 | | 2.161300 | 373,354.67 | 0.50 |
| US46627J3023 | JSC HALYK BK GDRS/40 | 172,300 | | 110,100 | 10.050000 | 1,256,842.68 | 1.70 |
| US46626D1081 | JSC MMC NOR.NICK.ADR | 252,900 | | 94,400 | 16.710000 | 3,067,290.15 | 4.14 |
| US48666V2043 | KAZMUNAIGAS GDRS | 68,920 | | 9,000 | 15.600000 | 780,367.99 | 1.05 |
| US48668G2057 | KCELL JSC GDR REG S | 95,700 | 15,300 | 12,747 | 17.210000 | 1,195,425.15 | 1.61 |
| US6778621044 | LUKOIL N.K.SP.ADR | 90,900 | | 26,500 | 61.550000 | 4,060,892.76 | 5.49 |
| RU000A0JPGA0 | M.VIDEO | 396,833 | 37,203 | 52,800 | 9.037400 | 2,603,040.14 | 3.52 |
| RU000A0JKQU8 | MAGNIT | 34,750 | 800 | 5,200 | 279.949800 | 7,060,973.00 | 9.54 |
| US5591892048 | MAGNITOGO.METALL.REGS | 492,000 | 526,300 | 34,300 | 2.970000 | 1,060,598.80 | 1.43 |
| US55279C2008 | MD MED.GROUP INV.GDR REGS | 72,000 | 72,000 | | 11.300000 | 590,528.03 | 0.80 |
| US58517T2096 | MEGAFON OAO GDR | 90,800 | | 6,500 | 33.220000 | 2,189,349.30 | 2.96 |
| US55302T2042 | MHP S.A. GDR S/2 | 48,745 | 5,145 | 6,400 | 17.100000 | 605,000.54 | 0.82 |
| US6074091090 | MOBILNIYE TEL. ADR | 79,600 | | 130,100 | 21.520000 | 1,243,325.71 | 1.68 |
| RU000775219 | MOBILNIYE TELESIST | 312,900 | | 40,700 | 9.992700 | 2,269,436.28 | 3.07 |
| RU0009177331 | MOSTOTREST | 386,000 | 117,000 | 32,603 | 4.113700 | 1,152,522.74 | 1.56 |
| RU0009100507 | NIZHNEKAMSK. | 190,039 | | 21,800 | 0.813500 | 112,209.56 | 0.15 |
| RU0006765096 | NIZHNEKAMSK. PFD | 1,816,800 | 247,550 | | 0.626300 | 825,884.12 | 1.12 |
| US67812M2070 | NK ROSNEFT GDR REGS | 172,600 | | 415,000 | 7.540000 | 944,586.46 | 1.28 |
| RU000A0DKVS5 | NOVATEK | 278,300 | 105,400 | 73,000 | 12.235300 | 2,471,481.76 | 3.34 |
| US3682872078 | OAO GAZP. ADR SP. | 665,650 | 357,500 | 86,600 | 8.500000 | 4,106,713.85 | 5.55 |
| US87260R2013 | OAO TRUB.MET.GDRS | 123,929 | 30,000 | 6,000 | 11.500000 | 1,034,428.23 | 1.40 |
| US6708662019 | OKEY GROUP SA GDR REG S | 187,700 | 80,700 | 17,000 | 11.800000 | 1,607,592.09 | 2.17 |
| RU000A0JPKH7 | RUSGIDRO OAO | 169,629,000 | 110,334,000 | 42,705,000 | 0.017400 | 2,142,293.30 | 2.89 |
| RU0009029540 | SBERBANK ROSSII OAO | 2,353,500 | | 305,900 | 3.089900 | 5,278,228.74 | 7.13 |
| RU0009029557 | SBERBANK ROSSII PFD | 255,700 | | 33,300 | 2.443400 | 453,476.60 | 0.61 |
| US8181503025 | SEVERSTAL GDR S OCT2006 1 | 270,900 | 286,200 | 115,300 | 9.700000 | 1,907,261.84 | 2.57 |
| US8688612048 | SURGUTNEFTEGAZ ADR | 255,100 | | 33,200 | 8.630000 | 1,597,904.55 | 2.16 |
| RU0009029524 | SURGUTNEFTEGAZ VZ | 2,364,150 | | 307,200 | 0.794200 | 1,362,807.43 | 1.84 |
| US6708312052 | TATNEFT' ADR REG.S | 8,600 | | 1,200 | 38.010000 | 237,260.75 | 0.32 |
| RU0009033591 | TATNEFT' IMENI V.D. | 423,600 | | 55,100 | 6.327800 | 1,945,531.54 | 2.63 |
| RU0006944147 | TATNEFT' PFD | 348,625 | | 35,100 | 3.687000 | 932,956.18 | 1.26 |
| US92719A1060 | VIMPELCOM LTD ADR | 33,100 | 33,100 | 69,200 | 12.970000 | 311,600.07 | 0.42 |
| RU000A0JP5V6 | VTB BANK | 444,887,576 | | 57,810,300 | 0.001500 | 484,363.17 | 0.65 |
| US46630Q2021 | VTB BK GDR REG.S | 148,600 | | 903,100 | 2.932000 | 316,236.76 | 0.43 |
| RU000A0JNG55 | VTORAYA GENER.K.O.R.E.RL | 168,940,000 | 168,940,000 | | 0.007700 | 944,175.65 | 1.28 |
| EQUITIES IN BRITISH POUNDS | | | | | | | |
| IE0000590798 | DRAGON OIL PLC | 44,600 | 44,600 | 105,060 | 5.625000 | 300,341.19 | 0.41 |
| TOTAL LICENSED SECURITIES ADMITTED TO TRADING ON THE OFFICIAL MARKET OR ANOTHER REGULATED MARKET | | | | | EUR | 70,024,336.56 | 94.63 |

| ISIN | SECURITY TITLE | VOLUME 30/12/2013 | PURCHASES ADDITIONS IN PERIOD UNDER REVIEW | SALES DISPOSALS | PRICE | MARKET VALUE IN EUR | % SHARE OF FUND ASSETS |
|-------------------------------|----------------|----------------------|--|--------------------|--------------|------------------------|------------------------------|
| EQUITIES IN US DOLLARS | | | | | | | |
| RU0007252813 | ALROSA | 2,049,080 | 2,315,380 | 266,300 | 1.069900 | 1,591,225.33 | 2.15 |
| RU0009091573 | TRANSNEFT PFD | 1,060 | 1,200 | 140 | 2,627.887500 | 2,021,818.73 | 2.73 |

TOTAL LICENSED SECURITIES NOT ADMITTED TO TRADING ON THE OFFICIAL MARKET OR ANOTHER REGULATED MARKET

EUR 3,613,044.06 4.88

TOTAL SECURITIES PORTFOLIO

EUR 73,637,380.62 99.51

BANK BALANCES

| | | | | | | | |
|---------------------------------|-----|------------|--|--|-----|------------|------|
| EUR BALANCES | EUR | 10,924.80 | | | | | |
| BALANCES IN OTHER EU CURRENCIES | | | | | | | |
| GBP | EUR | 302,930.23 | | | | | |
| BALANCES IN NON-EU CURRENCIES | | | | | | | |
| USD | EUR | 86,247.08 | | | EUR | 400,102.11 | 0.54 |

ACCRUALS AND DEFERRALS

| | | | | | | | |
|----------------------|-----|-----------|--|--|-----|-----------|------|
| INTEREST CLAIMS | EUR | -295.73 | | | | | |
| DIVIDENDS RECEIVABLE | EUR | 54,391.21 | | | EUR | 54,095.48 | 0.07 |

OTHER ITEMS

| | | | | | | | |
|--------------|--|--|--|--|-----|------------|-------|
| VARIOUS FEES | | | | | EUR | -86,400.28 | -0.12 |
|--------------|--|--|--|--|-----|------------|-------|

TOTAL FUND ASSETS

EUR 74,005,177.93 100.00

NET ASSET VALUE PER UNIT

| | | | | | | | |
|---------------------------------|-----|--------|--|--|--|--|--|
| TRANCHE R INCOME-DISTRIBUTING | EUR | 74.01 | | | | | |
| TRANCHE R INCOME-RETAINING | EUR | 77.24 | | | | | |
| TRANCHE R FULL INCOME-RETAINING | EUR | 77.66 | | | | | |
| TRANCHE R FULL INCOME-RETAINING | GBP | 75.86 | | | | | |
| TRANCHE R FULL INCOME-RETAINING | USD | 135.05 | | | | | |
| TRANCHE I FULL INCOME-RETAINING | EUR | 80.08 | | | | | |

UNITS IN CIRCULATION

| | | | | | | | |
|---------------------------------|-------|-------------|--|--|--|--|--|
| TRANCHE R INCOME-DISTRIBUTING | UNITS | 28,045.209 | | | | | |
| TRANCHE R INCOME-RETAINING | UNITS | 669,932.098 | | | | | |
| TRANCHE R FULL INCOME-RETAINING | UNITS | 211,675.578 | | | | | |
| TRANCHE R FULL INCOME-RETAINING | UNITS | 10.000 | | | | | |
| TRANCHE R FULL INCOME-RETAINING | UNITS | 10.000 | | | | | |
| TRANCHE I FULL INCOME-RETAINING | UNITS | 46,711.322 | | | | | |

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

| ISIN | SECURITY TITLE | VOLUME 30/12/2013 |
|--------------|----------------|----------------------|
| RU000A0DKV55 | NOVATEK | USD 67,500 |

EXCHANGE RATES

FOREIGN CURRENCY ASSETS WERE CONVERTED INTO EUR ON THE BASIS OF THE EXCHANGE RATES APPLICABLE ON 27/12/2013:

| CURRENCY | UNIT | PRICE |
|---------------|---------|--------------|
| BRITISH POUND | 1 EUR = | 0.835300 GBP |
| US DOLLAR | 1 EUR = | 1.377750 USD |

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

| ISIN | SECURITY TITLE | PURCHASES ADDITIONS | SALES DISPOSALS |
|-----------------------------------|---------------------------|------------------------|--------------------|
| EQUITIES IN BRITISH POUNDS | | | |
| GB00B1XH2C03 | FERREXPO PLC | | 200,000 |
| JE00B6T5S470 | POLYMETAL INTL PLC | 159,800 | 159,800 |
| JE00B5WLXH36 | POLYUS GOLD INTL | | 535,600 |
| EQUITIES IN US DOLLARS | | | |
| RU000A0JP4J4 | ARMADA | | 59,570 |
| US12642X1063 | CTC MEDIA INC. | 48,700 | 179,700 |
| RU000A0JPNN9 | FED.SET.KO.E.ENER. | | 323,068,679 |
| US37949E2046 | GLOBALTRANS INV.GDR REG S | | 43,300 |
| VGG572791041 | LUXOFT HOLDING INC. A | 54,557 | 54,557 |
| US5603172082 | MAIL.RU GROUP.GDR REG S | 47,000 | 47,000 |
| RU000A0JP7F5 | PHARMSTANDARD | | 13,200 |
| US71922G2093 | PHOSAGRO OFSC S.GDR REGS | 7,600 | 257,600 |
| US91688E2063 | URALKALI GDR | | 73,041 |
| RU000A0JL475 | VEROFARM | | 35,700 |
| US98387E2054 | X 5 RETAIL G.GDR REGS | | 33,500 |
| NL0009805522 | YANDEX N.V. CLA | | 24,200 |

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

Vienna, 12 February 2014

Raiffeisen Kapitalanlage-Gesellschaft m. b. H.


Dr. Mathias Bauer


Mag. (FH) Dieter Aigner


Mag. Gerhard Aigner