

Raiffeisen Russia Equities

(Original German name:

Raiffeisen-Russland-Aktien)

Semi-annual fund report

2014

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Semi-annual fund report from 1 July 2014 to 31 December 2014

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, as amended, (InvFG)
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, Moscow
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.

The performance is calculated by Raiffeisen Kapitalanlage-Gesellschaft m. b. H. using the method developed by OeKB (Österreichische Kontrollbank AG), on the basis of data supplied by the custodian bank (where outpayment of the redemption price is suspended, with use of indicative values). Some costs – the subscription fee (not exceeding 5.00 % of the invested amount) and any redemption fee (not exceeding 0.00 % of the sold amount) – are not included in the performance calculation. Where included in any calculation, they will accordingly result in a lower performance. Past results do not permit any reliable inferences as to the future performance of the fund.

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 2014 to 31 December 2014.

Fund details

	30/6/2014	31/12/2014
Fund assets in EUR	66,654,894.22	40,138,691.55
Net asset value/unit (R) (A) EUR	69.59	45.72
Issue price/unit (R) (A) EUR	73.07	48.01
Net asset value/unit (R) (T) EUR	72.61	48.80
Issue price/unit (R) (T) EUR	76.24	51.24
Net asset value/unit (R) (VTA) EUR	73.01	49.07
Issue price/unit (R) (VTA) EUR	76.66	51.52
Net asset value/unit (R) (VTA) GBP	68.44	45.01
Issue price/unit (R) (VTA) GBP	71.86	47.26
Net asset value/unit (R) (VTA) USD	125.70	75.43
Issue price/unit (R) (VTA) USD	131.99	79.20
Net asset value/unit (I) (VTA) EUR	75.68	51.14
Issue price/unit (I) (VTA) EUR	79.46	53.70

Units in circulation

	AT0000A07FQ5 (R) A	AT0000A07FR3 (R) T	AT0000A07FS1 (R) VTA
Units in circulation on 30/6/2014	22,883.021	646,160.329	189,243.357
Sales	18,433.682	65,751.519	61,222.735
Repurchases	- 6,868.716	- 107,594.435	- 76,331.995
Units in circulation	34,447.987	604,317.413	174,134.097

	AT0000A10BF1 (R) VTA	AT0000A10BG9 (R) VTA	AT0000A0LSR3 (I) VTA
Units in circulation on 30/6/2014	10.000	10.000	57,055.218
Sales	0.000	0.000	3,243.242
Repurchases	0.000	0.000	- 50,073.703
Units in circulation	10.000	10.000	10,224.757
Total units in circulation on 31/12/2014			823,144.254

Fund investment policy report

Following the difficult 1st half of 2014, the 2nd half of the year failed to bring any relief for Russia. The conflict in eastern Ukraine remained unresolved, and the huge collapse in the price of oil triggered a strong selloff wave for the Russian ruble which was akin to a mood of panic, in December 2014 especially. This led to corresponding price losses for foreign investors, particularly for stocks with a domestic focus which are also likely to suffer during the recession which is probable for 2015.

The fund assumed an increasingly defensive positioning in this phase and established a cash position. The fund shifted its focus away from financial stocks to export-oriented companies, particularly in the commodities sector.

The fund's sector structure developed similarly in the small and mid-cap segment and the fund increased the average level of liquidity for its securities.

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

Makeup of fund assets in EUR

Securities	Market value	%
Equities:		
USD	19,472,479.83	48.51
RUB	18,987,422.30	47.30
EUR	479,872.00	1.20
Total securities	38,939,774.13	97.01
Bank balances		
Bank balances in fund currency	291,535.97	0.73
Bank balances in foreign currency	549,041.55	1.37
Total bank balances	840,577.52	2.10
Accruals and deferrals		
Interest claims (on securities and bank balances)	- 108.83	0.00
Dividends receivable	448,347.02	1.11
Total accruals and deferrals	448,238.19	1.11
Other items		
Various fees	- 89,898.29	- 0.22
Total fund assets	40,138,691.55	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	CURRENCY	VOLUME 30/12/2014	PURCHASES ADDITIONS IN PERIOD UNDER REVIEW	SALES DISPOSALS	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
EQUITIES IN EURO								
AT000A00Y78	C.A.T. OIL AG	EUR	32,600	41,500	8,900	14.720000	479,872.00	1.20
EQUITIES IN US DOLLARS								
US29760G1031	ETALON LTD GDR REGS 1	USD	506,900	6,600	6,600	1.805000	751,163.33	1.87
US29843U2024	EURASIA DRILL.SP.GDR REGS	USD	9,900	9,900		18.300000	148,737.74	0.37
US36829G1076	GAZPROM ADRS/RL-,0016	USD	16,779			12.360000	170,262.67	0.42
US68371H2094	GRUP.CHERKIZOVO GDR S	USD	34,900	34,900		8.250000	236,381.92	0.59
US46627J3023	JSC HALYK BK GDRS/40 KT15	USD	102,300		70,000	7.500000	629,900.25	1.57
US46626D1081	JSC MMC NOR.NICK.ADR RL 1	USD	274,400	40,000	24,500	14.700000	3,311,588.19	8.25
US48666V2043	KAZMUNAIGAS GDRS KT 250	USD	21,335			13.900000	243,468.25	0.61
US52634T2006	LENTA LTD GDR S 1/2	USD	27,801	27,801	23,300	6.700000	152,922.05	0.38
US6778621044	LUKOIL N.K.SP.ADR RL-.025	USD	94,900	4,000		40.250000	3,135,934.49	7.81
VGG572791041	LUXOFT HOLDING INC. A	USD	21,900	6,200	2,100	38.520000	692,572.55	1.73
US5603172082	MAIL.RU GROUP GDR REG S	USD	48,300	36,500		17.000000	674,110.26	1.68
US55279C2008	MD MED.GROUP INV.GDR REGS	USD	72,000		2,000	5.850000	345,798.61	0.86
US58517T2096	MEGAFON OAO GDR RL-,10	USD	101,100			15.550000	1,290,673.62	3.21
US6074091090	MOBILNIYE TEL. ADR/2	USD	53,400	20,000	34,700	8.000000	350,724.52	0.87
US3682872078	OAO GAZP.ADR SP./2 RL 5	USD	406,750		67,200	4.780000	1,596,211.16	3.98
US87260R2013	OAO TRUB.MET.GDRS/4 RL 10	USD	59,496	10,000	40,000	2.395000	116,984.46	0.29
US71922G2093	PHOSAGRO OFSC S.GDR REGS	USD	154,000	86,000		9.760000	1,233,972.33	3.07
US8181503025	SEVERSTAL GDR S OCT2006 1	USD	243,200	110,000		8.940000	1,784,990.76	4.45
US6708312052	TATNEFT ADR REG.S 6	USD	14,100			25.600000	296,342.51	0.74
US91688E2063	URALKALI GDR S/5 RL-,50	USD	94,000	25,000	35,000	11.940000	921,440.01	2.30
US98387E2054	X 5 RETAIL G.GDR REGS 1/4	USD	80,800	88,500	7,700	12.050000	799,343.21	1.99
NL0009805522	YANDEX N.V. CL.A DL-,01	USD	39,700	30,000	12,600	18.070000	588,956.94	1.47
EQUITIES IN RUSSIAN RUBLES								
RU0007252813	ALROSA RL 0,50	RUB	2,944,880	900,000		62.490000	2,642,450.69	6.58
RU0009100945	BANK ST.-PETERSB.REG RL 1	RUB	200,000			24.850000	71,364.98	0.18
RU0007976957	BASHNEFT RL 1	RUB	3,000	3,000		1,239.000000	53,372.96	0.13
RU0007976965	BASHNEFT PFD RL 1	RUB	4,500	4,500	24,000	911.000000	58,865.34	0.15
RU000A0JP7H1	DIXY GROUP OJSC RL-,01	RUB	257,500	11,400	33,500	371.600000	1,373,984.09	3.42
RU000A0JNGA5	E.ON RUSSIYA JSC	RUB	44,943,900		502,000	2.196000	1,417,202.33	3.53
RU000A0JPPF0	GRUPPA LSR RL-,25	RUB	24,305	3,905		458.000000	159,841.62	0.40
RU000A0JPGA0	M.VIDEO RL 10	RUB	155,330		200,031	123.800000	276,124.38	0.69
RU000A0JKQU8	MAGNIT PJSC RL-,01	RUB	23,550	2,500	4,300	10,160.000000	3,435,685.36	8.56
RU0007775219	MOBILNIYE TELESIST RL-10	RUB	185,800		127,100	179.750000	479,560.47	1.20
RU000A0JR4A1	MOSCOW EXCH.MICEX-RTS RL1	RUB	736,500	310,000	176,500	61.000000	645,106.40	1.61
RU000A0DKVS5	NOVATEK RL 0,10	RUB	266,300		12,300	451.500000	1,726,464.63	4.30
RU0009046700	ROSTELEKOM PFD RL 0,0025	RUB	220,000			57.560000	181,832.80	0.45
RU000A0JPKH7	RUSGIDRO OAO RL 1	RUB	39,295,000			0.541500	305,537.50	0.76
RU0009029540	SBERBANK ROSSII OAO RL 2	RUB	2,251,500	254,600	400,000	54.510000	1,762,288.06	4.39
RU0009029524	SURGUTNEFTGAG VZ	RUB	4,263,650	146,800	981,400	30.510000	1,867,895.26	4.65
RU0009033591	TATNEFT IMENI V.D. RL 1	RUB	423,600			246.450000	1,499,041.10	3.73
RU0006944147	TATNEFT PFD RL 1	RUB	528,625	180,000		135.800000	1,030,804.33	2.57
TOTAL SECURITIES PORTFOLIO							38,939,774.13	97.01
BANK BALANCES								
EUR BALANCES							291,535.97	0.73
BALANCES IN OTHER EU CURRENCIES								
GBP							24.64	0.00
BALANCES IN NON-EU CURRENCIES								
USD							549,016.91	1.37
TOTAL BANK BALANCES							840,577.52	2.10

Any discrepancies in terms of % shares of the fund assets result from rounding-off.

	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
ACCRUALS AND DEFERRALS		
INTEREST CLAIMS	-108.83	0.00
DIVIDENDS RECEIVABLE	448,347.02	1.11
TOTAL ACCRUALS AND DEFERRALS	448,238.19	1.11
OTHER ITEMS		
VARIOUS FEES	-89,898.29	-0.22
TOTAL FUND ASSETS	40,138,691.55	100.00
NET ASSET VALUE PER UNIT		
TRANCHE R INCOME-DISTRIBUTING	EUR	45.72
TRANCHE R INCOME-RETAINING	EUR	48.80
TRANCHE R FULL INCOME-RETAINING	EUR	49.07
TRANCHE R FULL INCOME-RETAINING	GBP	45.01
TRANCHE R FULL INCOME-RETAINING	USD	75.43
TRANCHE I FULL INCOME-RETAINING	EUR	51.14
UNITS IN CIRCULATION		
TRANCHE R INCOME-DISTRIBUTING	UNITS	34,447.987
TRANCHE R INCOME-RETAINING	UNITS	604,317.413
TRANCHE R FULL INCOME-RETAINING	UNITS	174,134.097
TRANCHE R FULL INCOME-RETAINING	UNITS	10,000
TRANCHE R FULL INCOME-RETAINING	UNITS	10,000
TRANCHE I FULL INCOME-RETAINING	UNITS	10,224.757

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

ISIN	SECURITY TITLE	CURRENCY	VOLUME 30/12/2014
US68371H2094	GRUP.CHERKIZOVO GDR S	USD	12,200
US6778621044	LUKOIL N.K.SP.ADR RL-,025	USD	94,900
US87260R2013	QAO TRUB.MET.GDRS/4 RL 10	USD	42,819

EXCHANGE RATES

FOREIGN CURRENCY ASSETS WERE CONVERTED INTO EUR ON THE BASIS OF THE EXCHANGE RATES APPLICABLE ON 29/12/2014:

CURRENCY	UNIT	PRICE
BRITISH POUND	GBP 1 EUR =	0.784350
RUSSIAN RUBLE	RUB 1 EUR =	69.642000
US DOLLAR	USD 1 EUR =	1.218050

Any discrepancies in terms of % shares of the fund assets result from rounding-off.

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

ISIN	SECURITY TITLE	CURRENCY	PURCHASES ADDITIONS	SALES DISPOSALS
EQUITIES IN RUSSIAN RUBLES				
RU0009062285	AEROFLOT RL 1	RUB		494,000
RU000A0DQZE	AKTSION.FIN.KORP. SISTEMA	RUB		1,504,300
RU0006765096	NIZHNEKAMSK. PFD RL1	RUB		1,656,600
RU0009029557	SBERBANK ROSSII PFD RL 3	RUB		1,043,700
RU000A0JNG55	VTORAYA GENER.K.O.R.E.RL	RUB		118,641,000
EQUITIES IN US DOLLARS				
US48668G2057	KCELL JSC GDR REG S	USD		76,500
US67812M2070	NK ROSNEFT GDR REGS RL-01	USD		172,600
US6708662019	OKEY GROUP SA GDR REG S	USD	15,400	47,300
US8688612048	SURGUTNEFTEGAZ ADR/10	USD		96,600
US87238U2033	TCS GROUP HOL.GDR REG S 1	USD		107,000

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

Vienna, 12 February 2015

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.


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Appendix

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