Raiffeisen Capital Management

CONVERTINVEST All-Cap Convertibles Fund

(Original German name: CONVERTINVEST All-Cap Convertibles Fund)

annual fund report

financial year Mar 1, 2018 – Feb 28, 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 Mar 1, 2018 to Feb 28, 2019

General fund information

ISIN	Tranche	Income class	Currency	Launch date
AT0000A0RFT3	CONVERTINVEST All-Cap Convertibles Fund (I) A	income-distributing	EUR	Oct 3, 2011
AT0000A08Y62	CONVERTINVEST All-Cap Convertibles Fund (S) A	income-distributing	EUR	Mar 17, 2008
AT0000A1W442	CONVERTINVEST All-Cap Convertibles Fund (SZ) A [1]	income-distributing	EUR	Jun 1, 2017
AT0000A0RFU1	CONVERTINVEST All-Cap Convertibles Fund (I) T	income-retaining	EUR	Oct 3, 2011
AT0000A09008	CONVERTINVEST All-Cap Convertibles Fund (S) T	income-retaining	EUR	Mar 17, 2008
AT0000A1W434	CONVERTINVEST All-Cap Convertibles Fund (SZ) T [1]	income-retaining	EUR	Jun 1, 2017
AT0000A0RFV9	CONVERTINVEST All-Cap Convertibles Fund (I) VTA	full income-retaining (outside Austria)	EUR	Oct 3, 2011
AT0000A09016	CONVERTINVEST All-Cap Convertibles Fund (S) VTA	full income-retaining (outside Austria)	EUR	Mar 17, 2008
AT0000A21LL5	CONVERTINVEST All-Cap Convertibles Fund (R) VTA	full income-retaining (outside Austria)	EUR	Jul 2, 2018
AT0000A1W459	CONVERTINVEST All-Cap Convertibles Fund (SZ) VTA [1]	full income-retaining (outside Austria)	EUR	Jun 1, 2017

Fund characteristics

Fund currency	EUR
Financial year	Mar 1 – Feb 28
Distribution/payment/reinvestment date	May 31
Type of fund	Investment fund pursuant to § 2 of the Austrian Investment Fund Act, InvFG (UCITS)
Effective management fee for the fund	R-Tranche (EUR): 1.875 % (excluding any performance-related fee) I-Tranche (EUR): 0.625 % (excluding any performance-related fee) S-Tranche (EUR): 1.125 % (excluding any performance-related fee) SZ-Tranche (EUR): 1.125 % Performance-related management fees: see below for details
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	CONVERTINVEST Financial Services GmbH, Brunn am Gebirge
Auditor	KPMG Austria GmbH

1 As of Jun 1, 2018, the tranche R was converted into a tranche SZ.

Performance-related management fees

The asset management company shall also receive a variable quarterly management fee for tranches S and I. The variable management fee shall not exceed 10 % of the fund's fee-relevant growth.

Fee-relevant growth means the fund's growth by comparison with the high water mark. The high water mark corresponds to the highest unit value as of the end of a quarter as of which a performance-related fee has been paid out.

This variable management fee is recorded daily on the basis of the average fund volume and has an income effect in respect of the net asset value calculated each day. During the quarter items will be credited to and debited from an amortization account in accordance with the fund's performance; the total debit items may not exceed the total credit items in a given quarter. The variable management fees already charged to the fund may not exceed zero on account of refunds in a given quarter. The method developed by OeKB (Österreichische Kontrollbank AG) is used for the net asset value and growth calculation. This method assumes reinvestment of any payments or distributions. The fund makes a quarterly variable management fee payment upon expiry of a given quarter, as of the end of the following month, with an effect on liquidity.

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 CONVERTINVEST All-Cap Convertibles Fund for the financial year from Mar 1, 2018 to Feb 28, 2019. The accounting is based on the price calculation as of Feb 28, 2019.

Fund details

	Feb 28, 2017	Feb 28, 2018	Feb 28, 2019
Total fund assets in EUR	86,928,402.19	141,598,695.04	145,543,314.23
Net asset value/distributing units (I) (AT0000A0RFT3) in EUR	118.26	124.19	110.08
Issue price/distributing units (I) (AT0000A0RFT3) in EUR	122.40	128.54	113.93
Net asset value/distributing units (S) (AT0000A08Y62) in EUR	116.64	122.30	107.92
Issue price/distributing units (S) (AT0000A08Y62) in EUR	120.72	126.58	111.70
Net asset value/distributing units (SZ) (AT0000A1W442) in EUR [1]	-	104.41	93.06
Issue price/distributing units (SZ) (AT0000A1W442) in EUR [1]	-	108.06	96.32
Net asset value/reinvested units (I) (AT0000A0RFU1) in EUR	152.73	164.00	146.85
Issue price/reinvested units (I) (AT0000A0RFU1) in EUR	158.08	169.74	151.99
Net asset value/reinvested units (S) (AT0000A09008) in EUR	151.34	162.03	144.47
Issue price/reinvested units (S) (AT0000A09008) in EUR	156.64	167.70	149.53
Net asset value/reinvested units (SZ) (AT0000A1W434) in EUR [1]	-	104.41	93.06
Issue price/reinvested units (SZ) (AT0000A1W434) in EUR [1]	-	108.06	96.32
Net asset value/fully reinvestet units (I) (AT0000A0RFV9) in EUR	157.43	169.61	154.29
Issue price/fully reinvested units (I) (AT0000A0RFV9) in EUR	162.94	175.55	159.69
Net asset value/fully reinvestet units (S) (AT0000A09016) in EUR	156.09	167.29	151.33
Issue price/fully reinvested units (S) (AT0000A09016) in EUR	161.55	173.15	156.63
Net asset value/fully reinvestet units (R) (AT0000A21LL5) in EUR	-	-	93.17
Issue price/fully reinvested units (R) (AT0000A21LL5) in EUR	-	-	94.33
Net asset value/fully reinvestet units (SZ) (AT0000A1W459) in EUR [1]	-	104.39	94.31
Issue price/fully reinvested units (SZ) (AT0000A1W459) in EUR [1]	-	108.04	97.61

1 As of Jun 1, 2018, the tranche R was converted into a tranche SZ.

	Jun 1, 2018	May 31, 2019
Distribution/unit (I) (A) EUR	3.1000	2.2000
Distribution/unit (S) (A) EUR	3.0600	2.1600
Distribution/unit (SZ) (A) EUR [1]	1.3680	0.0000
Outpayment/unit (I) (T) EUR	2.5786	0.0000
Outpayment/unit (S) (T) EUR	2.4565	0.0000
Outpayment/unit (SZ) (T) EUR [1]	1.3680	0.0000
Reinvestment/unit (I) (T) EUR	13.0225	0.0000
Reinvestment/unit (S) (T) EUR	12.3956	0.0000
Reinvestment/unit (SZ) (T) EUR [1]	6.9070	0.0000
Reinvestment/unit (I) (VTA) EUR	16.2012	0.0000
Reinvestment/unit (S) (VTA) EUR	15.1710	0.0000
Reinvestment/unit (SZ) (VTA) EUR [1]	8.2600	0.0000
Reinvestment/unit (R) (VTA) EUR	-	0.0000

Units in circulation

	Units in circulation on Feb 28, 2018	Sales	Repurchases	Units in circulation on Feb 28, 2019
AT0000A0RFT3 (I) A	212,916.518	32,981.880	-683.840	245,214.558
AT0000A08Y62 (S) A	60,383.508	405.000	-1,654.000	59,134.508
AT0000A1W442 (SZ) A [1]	10.000	0.000	0.000	10.000
AT0000A0RFU1 (I) T	168,146.549	33,391.000	-69,048.000	132,489.549
AT0000A09008 (S) T	64,282.000	35,017.000	-71,755.000	27,544.000
AT0000A1W434 (SZ) T [1]	10.000	0.000	0.000	10.000
AT0000A0RFV9 (I) VTA	150,692.934	48,224.604	-37,129.112	161,788.426
AT0000A09016 (S) VTA	190,034.991	228,873.180	-69,922.408	348,985.763
AT0000A21LL5 (R) VTA	-	107.931	0.000	117.931
AT0000A1W459 (SZ) VTA [1]	119,010.000	0.000	-3,000.000	116,010.000
Total units in circulation				**1,091,304.735**

1 As of Jun 1, 2018, the tranche R was converted into a tranche SZ.

Development of the fund assets and income statement

Performance in financial year (fund performance)

Distributing units (I) (AT0000A0RFT3)	
Net asset value per unit at start of financial year in EUR	124.19
Distribution on Jun 1, 2018 (net asset value: EUR 118,73) of EUR 3,10, corresponds to 0,02611 units	
Net asset value per unit at end of financial year in EUR	110.08
Total value incl. units purchased through distribution (1,0261 x 110,08)	112.95
Net income/net reduction per unit	-11.24
Performance of one unit during the financial year in %	**-9.05**

Distributing units (S) (AT0000A08Y62)	
Net asset value per unit at start of financial year in EUR	122.30
Distribution on Jun 1, 2018 (net asset value: EUR 116,84) of EUR 3,06, corresponds to 0,02619 units	
Net asset value per unit at end of financial year in EUR	107.92
Total value incl. units purchased through distribution (1,0262 x 107,92)	110.75
Net income/net reduction per unit	-11.55
Performance of one unit during the financial year in %	**-9.45**

Reinvested units (I) (AT0000A0RFU1)	
Net asset value per unit at start of financial year in EUR	164.00
Outpayment on Jun 1, 2018 (net asset value: EUR 158,37) of EUR 2,5786, corresponds to 0,016282 units	
Net asset value per unit at end of financial year in EUR	146.85
Total value incl. units purchased through outpayment (1,0163 x 146,85)	149.24
Net income/net reduction per unit	-14.76
Performance of one unit during the financial year in %	**-9.00**

Reinvested units (S) (AT0000A09008)	
Net asset value per unit at start of financial year in EUR	162.03
Outpayment on Jun 1, 2018 (net asset value: EUR 156,32) of EUR 2,4565, corresponds to 0,015715 units	
Net asset value per unit at end of financial year in EUR	144.47
Total value incl. units purchased through outpayment (1,0157 x 144,47)	146.74
Net income/net reduction per unit	-15.29
Performance of one unit during the financial year in %	**-9.44**

Fully reinvested units (I) (AT0000A0RFV9)	
Net asset value per unit at start of financial year in EUR	169.61
Net asset value per unit at end of financial year in EUR	154.29
Net income/net reduction per unit	-15.32
Performance of one unit during the financial year in %	**-9.03**

Fully reinvested units (S) (AT0000A09016)	
Net asset value per unit at start of financial year in EUR	167.29
Net asset value per unit at end of financial year in EUR	151.33
Net income/net reduction per unit	-15.96
Performance of one unit during the financial year in %	**-9.54**

Fully reinvested units (R) (AT0000A21LL5)	
Net asset value per unit at launch of tranche (Jul 2, 2018) in EUR	100.39
Net asset value per unit at end of financial year in EUR	93.17
Net income/net reduction per unit	-7.22
Performance of one unit from launch of tranche (Jul 2, 2018) up to the end of financial year in %	**-7.19**

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 3.50 % 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 Feb 28, 2018 (965,486.500 units)		**141,598,695.04**
Distribution on Jun 1, 2018 (EUR 3,10 x 245.348,891 distributing units (I) (AT0000A0RFT3))		-760,581.56
Distribution on Jun 1, 2018 (EUR 3,06 x 60.015,508 distributing units (S) (AT0000A08Y62))		-183,647.45
Outpayment on Jun 1, 2018 (EUR 2,5786 x 173.807,549 reinvested units (I) (AT0000A0RFU1))		-448,180.15
Outpayment on Jun 1, 2018 (EUR 2,4565 x 67.148,00 reinvested units (S) (AT0000A09008))		-164,949.06
Issuance of units	60,068,147.40	
Redemption of units	-38,479,549.24	
Pro rata income adjustment	-241,277.32	21,347,320.84
Overall fund result		**-15,845,316.07**
Fund assets on Feb 28, 2019 (1,091,304.735 units)		**145,543,314.23**

Fund result in EUR

A. Realized fund result

Ordinary fund result		
Income (excl. closing price)		
Interest income	1,563,668.85	
Net interest income from cash collateral	-238.21	
Interest expenses (incl. negative credit interest)	-29,202.91	
		1,534,227.73

Expenses		
Management fees	-1,290,477.38	
Custodian bank fees / Custodian's fees	-32,004.00	
Auditing costs	-7,511.86	
Expenses for tax advice / tax representation	-7,515.00	
Custody charge	-29,754.80	
Publicity costs, regulatory fees	-23,944.93	
Refund of performance fees	279,350.14	
Costs associated with foreign sales [1]	-7,959.29	
Cost of management of collateral	-4,833.95	
		-1,124,651.07
Ordinary fund result (excl. income adjustment)		**409,576.66**

Realized closing price		
Profits realized from securities	6,480,745.77	
Profits realized from derivative instruments	1,746,640.28	
Losses realized from securities	-5,759,378.46	
Losses realized from derivative instruments	-4,995,800.32	
Realized closing price (excl. income adjustment)		**-2,527,792.73**
Realized fund result (excl. income adjustment)		**-2,118,216.07**

B. Unrealized closing price

Change in unrealized closing price	-13,968,377.32	
		-13,968,377.32

1 The statutory/publication expenses item may include costs associated with foreign sales that have arisen until September 2018.

C. Income adjustment

Income adjustment for income during financial year	241,277.32	
		241,277.32
Overall fund result		**-15,845,316.07**

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 12,948.85 EUR.

Capital market report

Stock markets around the globe recovered strongly in January and February after a very weak fourth quarter in 2018. 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, most of the drag factors that pushed stock prices down in the past year continue to persist. These include, for example, weakened global growth, a gradual reduction in global liquidity, 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 not only equities but also bond markets worldwide. Especially bonds from emerging markets and corporate bonds recovered strongly. In the Eurozone, bond market movements were less pronounced in both 2018 and the first two months of 2019. Still, European corporate bonds, too, have recovered most of their prior year's losses. Government bonds have trended higher as well in recent months. They, too, benefitted 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 over the course of the past year. Crude oil prices had advanced substantially into fall but then virtually collapsed in the final quarter. In January, it recovered strongly, as did most commodities. The US dollar advanced in 2018, especially against emerging market currencies. The euro retreated versus the US currency as well, and it has traded slightly weaker in the New Year, too.

The US central bank has once again hiked the key interest rate in December 2018, for a ninth time in the current interest rate cycle. At 2.25 – 2.50% it 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 500 billion dollars, or roughly 11%, 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 pointed to an end to the reduction of the balance sheet in the not too distant future. 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 for the time being, with negative interest rates. 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 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.

Fund investment policy report

The financial year was dominated by political tension between China and the USA (trade dispute), internal disputes within the EU (BREXIT and Italy's budget plan) and rising certainty of an economic slowdown in 2019 going as far as fear of recession, which led to a veritable sell-out panic in Q4 2018. Following very positive fundamental data in Q1, the picture visibly darkened and growth expectations and profit estimates were downgraded from autumn onwards. The USA's more restrictive monetary policy at the time and the prospect of an end of the ECB's bond-buying program placed further strain on the market.

Until the end of December 2018, European convertible bonds lost substantial ground and did not record any significant gains until early 2019 when the FED hinted at a rethink of its more restrictive monetary policy which made further interest rate hikes less likely. The fund's delta started at 45 % in March 2018 and declined over the year to 25 % in December 2018. On average, the fund's delta was approx. 15 % higher than the market. At the sector level, the fund was overweight in industrial, technology and pharmaceutical stocks. The generally more cyclical orientation of the fund also contributed to its higher volatility. At the individual stock level, Folli Follie and Astaldi stood out, the former for accounting fraud and the latter for major value adjustments it was forced to make in Venezuela. Although both positions were reduced, they still contributed to the negative fund performance. Towards the end of the year, the delta was raised substantially in the context of an excessively negative price trend and expectations of a normalization. This helped the fund make up for part of the underperformance by the end of the financial year. At the end of the reporting period, the portfolio had returned to a more market-neutral positioning. On the one hand, there was uncertainty regarding BREXIT and the further developments in the trade dispute, on the other the markets had already had to digest a substantial rise in prices since the turn of the year.

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
Convertible bonds		CHF	2,141,200.90	1.47 %
Convertible bonds		EUR	92,538,538.30	63.58 %
Convertible bonds		GBP	8,604,410.99	5.91 %
Convertible bonds		SEK	2,873,226.79	1.97 %
Convertible bonds		USD	37,467,719.75	25.74 %
Total Convertible bonds			**143,625,096.73**	**98.68 %**
Total securities			**143,625,096.73**	**98.68 %**
Derivative products				
Valuation of forward exchange transactions			-580,265.49	-0.40 %
Total derivative products			**-580,265.49**	**-0.40 %**
Bank balances/liabilities				
Bank balances/liabilities in fund currency			614,114.59	0.42 %
Bank balances/liabilities in foreign currency			1,590,971.62	1.10 %
Total bank balances/liabilities			**2,205,086.21**	**1.52 %**
Accruals and deferrals				
Interest claims (on securities and bank balances)			415,146.74	0.29 %
Total accruals and deferrals			**415,146.74**	**0.29 %**
Other items				
Various fees			-121,749.95	-0.08 %
Total other items			**-121,749.95**	**-0.08 %**
Total fund assets			**145,543,314.23**	**100.00 %**

Portfolio of investments in EUR as of Feb 28, 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.

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§ 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 In period under review Units/Nom.	Pool-/ ILB Factor	Price	Market value in EUR	Share of fund assets
Convertible bonds		CH0285509359	IMPLENIA AG IMPNSW 0 1/2 06/30/22		CHF	2,900,000	500,000			83.924000	2,141,200.90	1.47 %
Convertible bonds		XS1210352784	AABAR INVESTMENTS PJSC AABAR 0 1/2 03/27/20		EUR	2,000,000		2,000,000		94.253500	1,885,070.00	1.30 %
Convertible bonds		XS1210362239	AABAR INVESTMENTS PJSC AABAR 1 03/27/22		EUR	5,500,000		1,500,000		86.332500	4,748,287.50	3.26 %
Convertible bonds		DE000A2LQRW5	ADIDAS AG ADSGR 0.05 09/12/23		EUR	1,200,000	2,200,000	1,000,000		106.565500	1,278,786.00	0.88 %
Convertible bonds		DE000A161XW6	ADLER REAL ESTATE AG ADLERR 2 1/2 07/19/21		EUR	150,000	50,000			15.274000	2,291,100.00	1.57 %
Convertible bonds		XS1254584599	AIRBUS SE AIRFP 0 07/01/22		EUR	3,400,000	1,000,000			124.456000	4,231,504.00	2.91 %
Convertible bonds		XS1919894813	ALMIRALL SA ALMSM 0 1/4 12/14/21		EUR	1,500,000	1,500,000			104.705000	1,570,575.00	1.08 %
Convertible bonds		DE000A19W2L5	AMS AG AMSSW 0 03/05/25		EUR	2,600,000	2,600,000			65.930000	1,714,180.00	1.18 %
Convertible bonds		FR0013284130	ARCHER OBLIGATIONS ARMISG 0 03/31/23		EUR	2,400,000	2,400,000			130.877000	3,141,048.00	2.16 %
Convertible bonds		XS1634544248	ASTALDI SPA ASTIM 4 7/8 06/21/24		EUR	2,800,000				20.920600	585,776.80	0.40 %
Convertible bonds		XS1529879600	BE SEMICONDUCTOR BESINA 2 1/2 12/02/23		EUR	2,000,000	2,000,000			125.382500	2,507,650.00	1.72 %
Convertible bonds		XS0953046991	BUZZI UNICEM SPA BZUIM 1 3/8 07/17/19		EUR	2,500,000	2,500,000			109.903500	2,747,587.50	1.89 %
Convertible bonds		XS1466161350	CITIGROUP GLOB MKT FND L C 0 1/2 08/04/23		EUR	3,000,000				110.389500	3,311,685.00	2.28 %
Convertible bonds		XS1918761997	COSMO PHARMA NV COPNSW 2 1/2 12/05/23		EUR	3,000,000	3,000,000			91.372500	2,741,175.00	1.88 %
Convertible bonds		DE000A2GS377	DEUTSCHE WOHNEN SE DWNIGY 0.6 01/05/26		EUR	2,000,000				106.609500	2,132,190.00	1.46 %
Convertible bonds		XS1082775054	FF GROUP FINANCE LX FFGRPG 1 3/4 07/03/19		EUR	1,400,000		1,500,000		6.630500	92,827.00	0.06 %
Convertible bonds		DE000A13R491	FRESENIUS MEDICAL CARE A FMEGR 1 1/8 01/31/20		EUR	4,000,000				106.713000	4,268,520.00	2.93 %
Convertible bonds		DE000A1YC3T6	FRESENIUS SE & CO KGAA FREGR 0 09/24/19		EUR	2,000,000	2,000,000			106.323500	2,126,470.00	1.46 %
Convertible bonds		FR0013286903	GENFIT GNFTFP 3 1/2 10/16/22		EUR	85,000				26.889500	2,285,607.50	1.57 %
Convertible bonds		XS1431430740	GLANBIA CO-OPERATIVE SOC GLBID 1 3/8 06/09/21		EUR	2,000,000	1,000,000			104.002000	2,080,040.00	1.43 %
Convertible bonds		XS1622415245	GN STORE NORD GNDC 0 05/31/22		EUR	1,500,000	1,500,000	2,200,000		129.850000	1,947,750.00	1.34 %
Convertible bonds		DE000A185XT1	KLOECKNER & CO FINL SERV KCOGR 2 09/08/23		EUR	2,500,000	500,000			92.806000	2,320,150.00	1.59 %
Convertible bonds		XS1431302741	KONINKLIJKE BAM GROEP NV BAMNB 3 1/2 06/13/21		EUR	2,500,000				94.060500	2,351,512.50	1.62 %
Convertible bonds		FR0013266087	KORIAN SA KORIFP 2 1/2 PERP	Y	EUR	80,000	23,500			42.094500	3,367,560.00	2.31 %
Convertible bonds		DE000LEG1CB5	LEG IMMOBILIEN AG LEGGR 0 1/2 07/01/21		EUR	700,000		500,000		185.956500	1,301,695.50	0.89 %
Convertible bonds		DE000A2AAQB8	MTU AERO ENGINES AG MTXGR 0 1/8 05/17/23		EUR	2,500,000	5,000,000	2,500,000		160.389500	4,009,737.50	2.76 %
Convertible bonds		DE000A14J3R2	RAG-STIFTUNG RAGSTF 0 02/18/21		EUR	2,000,000	1,000,000	1,000,000		100.724000	2,014,480.00	1.38 %
Convertible bonds		FR0013200995	REMY COINTREAU SA RCOFP 0 1/8 09/07/26		EUR	15,000	15,000			135.754000	2,036,310.00	1.40 %
Convertible bonds		DE000A1ZN7J4	SAF-HOLLAND GROUP SFQGR 1 09/12/20		EUR	2,600,000	600,000			104.789500	2,724,527.00	1.87 %
Convertible bonds		FR0013344033	SAFRAN SA SAFFP 0 06/21/23		EUR	45,000	45,000			153.904500	6,925,702.50	4.76 %
Convertible bonds		DE000A1Z2G97	SALZGITTER FINANCE BV SZGGR 0 06/05/22		EUR	3,000,000	3,000,000			97.917000	2,937,510.00	2.02 %

Type of security	OGAW/§ 166	ISIN	Security title		Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales In period under review Units/Nom.	Pool-/ ILB Factor	Price	Market value in EUR	Share of fund assets
Convertible bonds		DE000A2G8VX7	SGL CARBON SE SGLGR 3 09/20/23		EUR	1,900,000	1,900,000			89.653000	1,703,407.00	1.17 %
Convertible bonds		DE000A19Y072	SHOP APOTHEKE EUROPE NV SAEGR 4 1/2 04/19/23		EUR	2,400,000	2,400,000			101.658000	2,439,792.00	1.68 %
Convertible bonds		NO0010766546	SIEM INDUSTRIES INC SEMUF 2 1/4 06/02/21		EUR	1,500,000	500,000			122.042000	1,830,630.00	1.26 %
Convertible bonds		XS1398317484	STEINHOFF FINANCE HLDG SHFSJ 1 1/4 10/21/23		EUR	1,000,000		1,000,000		44.555000	445,550.00	0.31 %
Convertible bonds		DE000SYM7787	SYMRISE AG SYMRIS 0.2375 06/20/24		EUR	3,500,000	1,500,000			111.335000	3,896,725.00	2.68 %
Convertible bonds		XS1351586588	TECHNIPFMC PLC FTI 0 7/8 01/25/21		EUR	1,300,000				105.405000	1,370,265.00	0.94 %
Convertible bonds		FR0013204286	UBISOFT ENTERTAINMENT SA UBIFP 0 09/27/21		EUR	45,000	45,000	26,500		70.559000	3,175,155.00	2.18 %
Convertible bonds		XS1410519976	BP CAPITAL MARKETS PLC BPLN 1 04/28/23		GBP	3,000,000	1,500,000			127.561000	4,483,428.04	3.08 %
Convertible bonds		XS1139087933	J SAINSBURY PLC SBRYLN 1 1/4 11/21/19		GBP	3,500,000	3,500,000			100.499000	4,120,982.95	2.83 %
Convertible bonds		SE0005794880	SAS AB SASSS 3 5/8 04/01/19 SAS		SEK	30,000,000	15,000,000			100.833500	2,873,226.79	1.97 %
Convertible bonds		DE000A19PVM4	AMS AG AMSSW 0 7/8 09/28/22		USD	3,200,000	2,600,000	2,600,000		76.468000	2,149,770.26	1.48 %
Convertible bonds		XS1084287322	APERAM APAMNA 0 5/8 07/08/21		USD	1,000,000	1,000,000	3,000,000		108.518500	953,380.19	0.66 %
Convertible bonds		DE000A2BPEU0	BASF SE BASGR 0.925 03/09/23		USD	2,000,000	1,000,000	1,500,000		92.202500	1,620,074.68	1.11 %
Convertible bonds		DE000A1Z3XP8	BRENNTAG FINANCE BV BNRGR 1 7/8 12/02/22		USD	3,000,000				94.719500	2,496,450.69	1.72 %
Convertible bonds		FR0013326204	CARREFOUR SA CAFP 0 03/27/24		USD	2,000,000	2,000,000			96.767000	1,700,276.74	1.17 %
Convertible bonds		FR0013230745	CIE GENERALE DES ESTABLI MLFP 0 01/10/22		USD	2,000,000				97.147500	1,706,962.44	1.17 %
Convertible bonds		XS1799614232	GLENCORE FUNDING LLC GLENLN 0 03/27/25		USD	4,000,000	4,000,000			89.490500	3,144,845.16	2.16 %
Convertible bonds		FR0013113073	LVMH MOET HENNESSY VUITT MCFP 0 02/16/21		USD	5,000	5,000	11,000		364.417000	1,600,777.51	1.10 %
Convertible bonds		XS1814568413	NMC HEALTH JERSEY LTD NMCLN 1 7/8 04/30/25		USD	2,000,000	2,000,000			84.434500	1,483,584.45	1.02 %
Convertible bonds		XS1682511818	QIAGEN NV QGEN 0 1/2 09/13/23		USD	3,000,000				111.343500	2,934,596.97	2.02 %
Convertible bonds		XS1908221507	QIAGEN NV QGEN 1 11/13/24		USD	1,000,000	1,000,000			106.870500	938,901.82	0.65 %
Convertible bonds		DE000A17D8Q6	SIEMENS FINANCIERINGSMAT SIEGR 1.65 08/16/19		USD	3,000,000	4,000,000	2,500,000		104.008000	2,741,260.71	1.88 %
Convertible bonds		XS1638065414	STMICROELECTRONICS NV STM 0 1/4 07/03/24		USD	6,000,000	6,000,000			108.182500	5,702,569.73	3.92 %
Convertible bonds		XS1327914062	TOTAL SA TOTAL 0 1/2 12/02/22		USD	3,000,000				106.512500	2,807,269.93	1.93 %
Convertible bonds		XS1443221343	TULLOW OIL JERSEY LTD TLWLN 6 5/8 07/12/21		USD	2,000,000	4,200,000	2,200,000		120.302500	2,113,815.07	1.45 %
Convertible bonds		FR0013237856	VINCI SA DGFP 0 3/8 02/16/22		USD	3,600,000	1,600,000			106.653500	3,373,183.40	2.32 %
Total licensed securities admitted to trading on the official market or another regulated market											**143,625,096.73**	**98.68 %**
Total securities											**143,625,096.73**	**98.68 %**
FX Forwards			Forward / SOLD CHF / BOUGHT EUR / Raiffeisen Bank International AG		CHF	-2,600,000				1.136790	30,127.36	0.02 %
FX Forwards			Forward / SOLD GBP / BOUGHT EUR / Raiffeisen Bank International AG		GBP	-5,600,000				0.853873	-368,935.95	-0.25 %
FX Forwards			Forward / SOLD GBP / BOUGHT EUR / Raiffeisen Bank International AG		GBP	-600,000				0.853873	-25,586.90	-0.02 %
FX Forwards			Forward / SOLD GBP / BOUGHT EUR / Raiffeisen Bank International AG		GBP	-1,250,000				0.853873	-37,661.54	-0.03 %
FX Forwards			Forward / SOLD SEK / BOUGHT EUR / Raiffeisen Bank International AG		SEK	-39,800,000				10.529983	81,635.23	0.06 %
FX Forwards			Forward / BOUGHT USD / SOLD EUR / Raiffeisen Bank International AG		USD	1,400,000				1.139084	6,041.05	0.00 %
FX Forwards			Forward / BOUGHT USD / SOLD EUR / Raiffeisen Bank International AG		USD	1,500,000				1.139084	-3,527.93	-0.00 %
FX Forwards			Forward / BOUGHT USD / SOLD EUR / Raiffeisen Bank International AG		USD	1,200,000				1.139084	-4,750.56	-0.00 %
FX Forwards			Forward / SOLD USD / BOUGHT EUR / Raiffeisen Bank International AG		USD	-45,000,000				1.139084	-257,606.25	-0.18 %
Total forward exchange transactions [1]											**-580,265.49**	**-0.40 %**

Type of security	OGAW/§ 166	ISIN	Security title		Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales In period under review Units/Nom.	Pool-/ ILB Factor	Price	Market value in EUR	Share of fund assets
Bank balances/liabilities												
					EUR						614,114.59	0.42 %
					EUR						590,000.00	0.41 %
					CHF						27,977.05	0.02 %
					GBP						4,816.28	0.00 %
					SEK						929,957.04	0.64 %
					USD						38,221.25	0.03 %
Total bank balances/liabilities											**2,205,086.21**	**1.52 %**
Accruals and deferrals												
Interest claims (on securities and bank balances)											415,146.74	0.29 %
Total accruals and deferrals											**415,146.74**	**0.29 %**
Other items												
Various fees											-121,749.95	-0.08 %
Total other items											**-121,749.95**	**-0.08 %**
Total fund assets											**145,543,314.23**	**100.00 %**

ISIN	Income class		Currency	Net asset value per unit	Units in circulation
AT0000A0RFT3	I	income-distributing	EUR	110.08	245,214.558
AT0000A08Y62	S	income-distributing	EUR	107.92	59,134.508
AT0000A1W442	SZ	income-distributing	EUR	93.06	10.000
AT0000A0RFU1	I	income-retaining	EUR	146.85	132,489.549
AT0000A09008	S	income-retaining	EUR	144.47	27,544.000
AT0000A1W434	SZ	income-retaining	EUR	93.06	10.000
AT0000A0RFV9	I	full income-retaining (outside Austria)	EUR	154.29	161,788.426
AT0000A09016	S	full income-retaining (outside Austria)	EUR	151.33	348,985.763
AT0000A21LL5	R	full income-retaining (outside Austria)	EUR	93.17	117.931
AT0000A1W459	SZ	full income-retaining (outside Austria)	EUR	94.31	116,010.000

Exchange rates

Foreign currency assets were converted into EUR on the basis of the exchange rates applicable on Feb 27, 2019

Currency		Price (1 EUR =)
Swiss Francs	CHF	1.136650
British Pound	GBP	0.853550
Swedish Krona	SEK	10.528250
US Dollars	USD	1.138250

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
Convertible bonds		XS1046590805	ACS ACTIVIDADES FIN 2 ACSSM 1 5/8 03/27/19	EUR		2,500,000	2,500,000
Convertible bonds		DE000A2E4GF6	BAYER AG BAYNGR 0.05 06/15/20	EUR		1,000,000	4,000,000
Convertible bonds		XS1731596257	BE SEMICONDUCTOR BESINA 0 1/2 12/06/24	EUR			2,100,000
Convertible bonds		XS1750026186	CELLNEX TELECOM SA CLNXSM 1 1/2 01/16/26	EUR			1,000,000
Convertible bonds		FR0013208295	CREDIT AGRICOLE SA ACAFP 0 10/03/19	EUR			20,000
Convertible bonds		DE000A2G87D4	DEUTSCHE POST AG DPWGR 0.05 06/30/25	EUR			3,300,000
Convertible bonds		FR0013285707	ELIS SA ELISGP 0 10/06/23	EUR		65,000	77,000
Convertible bonds		BE6291563466	GREENYARD FRESH HOLDING BRYFO 3 3/4 12/22/21	EUR			3,000,000
Convertible bonds		XS0981383747	INDRA SISTEMAS SA IDRSM 1 3/4 10/17/18	EUR			3,000,000
Convertible bonds		FR0013300381	MAISONS DU MONDE SA MDMFP 0 1/8 12/06/23	EUR			30,000
Convertible bonds		NO0010748742	MARINE HARVEST ASA MHGNO 0 1/8 11/05/20	EUR		1,000,000	3,400,000
Convertible bonds		XS0993164895	MNV ZRT HUSTHO 3 3/8 04/02/19	EUR			2,000,000
Convertible bonds		XS0989390249	NH HOTEL GROUP SA NHHSM 4 11/08/18	EUR			1,500,000
Convertible bonds		XS1194020852	OUTOKUMPU OYJ OUTOK 3 1/4 02/26/20	EUR			1,500,000
Convertible bonds		XS1551933010	PRYSMIAN SPA PRYIM 0 01/17/22	EUR			1,600,000
Convertible bonds		XS1139088402	PT JERSEY LTD PTEC 0 1/2 11/19/19	EUR		1,000,000	1,000,000
Convertible bonds		FR0013087186	SAFRAN SA SAFFP 0 12/31/20	EUR		20,000	45,000
Convertible bonds		FR0013345949	SILICON ON INSULATOR TEC SOIFP 0 06/28/23	EUR		4,786	4,786
Convertible bonds		FR0013169810	WENDEL SA MWDP 0 07/31/19	EUR			33,000
Convertible bonds		XS1067081692	AB INDUSTRIVARDEN INDDEN 0 05/15/19	SEK		8,000,000	8,000,000
Convertible bonds		XS1403868398	ABIGROVE LTD CHMFRU 0 1/2 04/29/21	USD			2,000,000
Convertible bonds		FR0013261062	CARREFOUR SA CAFP 0 06/14/23	USD		1,000,000	4,600,000
Convertible bonds		FR0013309184	CIE GENERALE DES ESTABLI MLFP 0 11/10/23	USD			2,400,000
Convertible bonds		XS1078764302	DP WORLD PLC DPWDU 1 3/4 06/19/24	USD			2,000,000
Convertible bonds		XS1592282740	ELM BV (SWISS RE) SRENVX 3 1/4 06/13/24	USD		3,400,000	3,400,000
Convertible bonds		XS1759275578	POLYUS FINANCE PLC PGILLN 1 01/26/21	USD			2,400,000
Convertible bonds		XS1433199624	VALEO SA FRFP 0 06/16/21	USD		1,600,000	3,200,000
Subscription rights		IT0005333866	PRYSMIAN SPA-RTS PRYAXA	EUR		46,640	46,640

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

Information on securities lending transactions and repurchase agreements

During the reporting period, no securities lending transactions were performed on behalf of the fund. Accordingly, the information concerning securities lending transactions 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.

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 2017 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)

Total number of employees	245
Number of risk-bearers	83
Fixed remuneration	21,133,401.94
Variable remuneration (bonuses)	4,033,484.17
Total remuneration for employees	**25,166,886.11**
of which remuneration for managing directors	1,363,876.85
of which remuneration for managers (risk-bearers)	2,522,848.03
of which remuneration for other risk-bearers	8,394,504.63
of which remuneration for employees in positions of control	232,087.44
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	**12,513,316.95**

- 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.

Remuneration paid to the employees of the contract manager / the contract managers in EUR

The contract manager CONVERTINVEST Financial Services GmbH has published the following information for financial year 2017 regarding the remuneration paid to its employees in Euro:

Total number of employees	9
Fixed remuneration	1,447,282.75
Variable remuneration (bonuses)	0,00
Remuneration paid directly from the fund	0,00
Total remuneration for employees	**1,447,282.75**

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

Vienna, 6 June 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 CONVERTINVEST All-Cap Convertibles Fund , consisting of the portfolio of investments as of February 28, 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 February 28, 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, 6 June 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 **CONVERTINVEST All-Cap Convertibles Fund**, a jointly owned fund pursuant to the Austrian Investment Fund Act (InvFG) 2011, as amended.

The investment fund is a Directive-compliant fund 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.

The investment fund mainly invests (i.e. more than 51 % of its fund assets in the form of directly purchased individual securities which are not held directly or indirectly through investment funds or derivatives) in convertible bonds (this includes convertible bonds with a residual maturity of up to 397 days) issued by issuers with varying levels of stock market capitalization which are headquartered or mainly active in Europe and also bonds which are convertible into European equities.

The average rating of the debt securities held in the fund's assets (in the case of non-rated debt securities, their issuers) including the credit institutions with which deposits are held is at least investment grade (Standard & Poor's BBB-, Moody's Baa3, Fitch BBB- or similar ratings issued by other ratings providers). The average rating is determined on the basis of ratings provided by Standard & Poor's, Moody's, Fitch, similar ratings from other ratings providers and also rating assessments from Raiffeisen RESEARCH GmbH.

Non-rated debt securities whose issuers have not received ratings from Standard & Poor's, Moody's, Fitch or similar ratings from other ratings providers and also rating assessments from Raiffeisen RESEARCH GmbH may be purchased for up to 10 % of the fund assets.

Transactions involving derivative instruments are entered into for underlying instruments within the investment universe listed under "Securities" and also for financial indexes, interest rates, exchange rates and currencies.

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 be used as part of the fund's investment strategy for **up to 49 %** of the fund assets (calculated on the basis of market prices) and for hedging purposes.

Investment fund's risk measurement method

The investment fund applies the following risk measurement method:

Commitment approach

The commitment figure is calculated pursuant to the 3rd chapter of the 4th Austrian Derivatives Risk Calculation and Reporting Ordinance (Derivate-Risikoberechnungs- und Meldeverordnung), as amended.
The overall risk for derivative instruments which are not held for hedging purposes is limited to **100 %** of the overall net value of the fund assets.

Sight deposits or deposits at notice

Sight deposits and deposits at notice with terms not exceeding 12 months may amount to **up to 49 %** 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 3.50 %** 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 March 1 to February 28/29.

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 May 31 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 May 31 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 May 31 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. May 31 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 1.15 % of the fund assets for the unit certificate class(es) "S"
- of up to 2.00 % of the fund assets for the other unit certificate classes,

calculated on the basis of the values at the end of each month.

The asset management company shall also receive a variable quarterly management fee for all unit certificate classes. The variable management fee shall not exceed 10 % of the fund's fee-relevant growth.

Fee-relevant growth means the fund's growth by comparison with the high water mark. The high water mark corresponds to the highest unit value as of the end of a quarter as of which a performance-related fee has been paid out.
This variable management fee is recorded daily on the basis of the average fund volume and has an income effect in respect of the net asset value calculated each day. During the quarter items will be credited to and debited from an amortization account in accordance with the fund's performance; the total debit items may not exceed the total credit items in a given quarter. The variable management fees already charged to the fund may not exceed zero on account of refunds in a given quarter. The method developed by OeKB (Österreichische Kontrollbank AG) is used for the net asset value and growth calculation. This method assumes reinvestment of any payments or distributions. The fund makes a quarterly variable management fee payment upon expiry of a given quarter, as of the end of the following month, with an effect on liquidity.

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

According to Article 16 of Directive 93/22/EEC (investment services in the securities field), each member state is obliged to maintain an up-to-date directory of its licensed markets. 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 trading segment specialization, the directory of "regulated markets" is undergoing great changes. In addition to the annual publication of a directory in the official gazette of the European Communities, the Commission will therefore provide an updated version on its official internet site.

1.1. The current directory of regulated markets is available at:

http://mifiddatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display&subsection_id=0[1]

1.2. The following stock exchanges are to be included in the directory of Regulated Markets:

1.2.1.	Luxembourg	Euro MTF Luxembourg

1.3. Recognized markets in the EU pursuant to § 67 (2) item 2 InvFG:

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

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

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

3. Stock exchanges in non-European states

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

[1]Click on "view all" to open the directory. The link may be modified by the Austrian Financial Market Authority (FMA) or by the European Securities and Markets Authority (ESMA).
[You may access the directory as follows by way of the FMA's website:
http://www.fma.gv.at/de/unternehmen/boerse-wertpapierhandel/boerse.html - scroll down - link "List of Regulated Markets (MiFID Database; ESMA)" – "view all"]

3.19.	Singapore:	Singapore Stock Exchange
3.20.	South Africa:	Johannesburg
3.21.	Taiwan:	Taipei
3.22.	Thailand:	Bangkok
3.23.	USA:	New York, American Stock Exchange (AMEX), New York Stock Exchange (NYSE), Los Angeles/Pacific Stock Exchange, San Francisco/Pacific Stock Exchange, Philadelphia, Chicago, Boston, Cincinnati
3.24.	Venezuela:	Caracas
3.25.	United Arab Emirates:	Abu Dhabi Securities Exchange (ADX)

4. Organized markets in states which are not members of the European Community

4.1.	Japan:	Over the Counter Market
4.2.	Canada:	Over the Counter Market
4.3.	Korea:	Over the Counter Market
4.4.	Switzerland:	SWX-Swiss Exchange, BX Berne eXchange; Over the Counter Market of the members of the International Capital Market Association (ICMA), Zurich
4.5.	USA:	Over the Counter Market in the NASDAQ system, Over the Counter Market (markets organized by NASD such as Over-the-Counter Equity Market, Municipal Bond Market, Government Securities Market, Corporate Bonds and Public Direct Participation Programs) Over-the-Counter-Market for Agency Mortgage-Backed Securities

5. Stock exchanges with futures and options markets

5.1.	Argentina:	Bolsa de Comercio de Buenos Aires
5.2.	Australia:	Australian Options Market, Australian Securities Exchange (ASX)
5.3.	Brazil:	Bolsa Brasiliera de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
5.4.	Hong Kong:	Hong Kong Futures Exchange Ltd.
5.5.	Japan:	Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange
5.6.	Canada:	Montreal Exchange, Toronto Futures Exchange
5.7.	Korea:	Korea Exchange (KRX)
5.8.	Mexico:	Mercado Mexicano de Derivados
5.9.	New Zealand:	New Zealand Futures & Options Exchange
5.10.	Philippines:	Manila International Futures Exchange
5.11.	Singapore:	The Singapore Exchange Limited (SGX)
5.12.	Slovakia:	RM-System Slovakia
5.13.	South Africa:	Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX)
5.14.	Switzerland:	EUREX
5.15.	Turkey:	TurkDEX
5.16.	USA:	American Stock Exchange, Chicago Board Options Exchange, Chicago, Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, Mid America Commodity Exchange, ICE Future US Inc. New York, Pacific Stock Exchange, Philadelphia Stock Exchange, New York Stock Exchange, Boston Options Exchange (BOX)

Appendix

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