

# Raiffeisen-Active-Commodities

(Original German name: Raiffeisen-Active-Commodities)

## **annual fund report**

financial year Aug 1, 2015 – Jul 31, 2016

**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 Aug 1, 2015 to Jul 31, 2016

## General fund information

ISIN	Tranche	Income class	Currency	Launch date
AT0000A0J8B6	Raiffeisen-Active-Commodities A	income-distributing	EUR	Jun 1, 2010
AT0000A0DXB4	Raiffeisen-Active-Commodities T	income-retaining	EUR	Aug 10, 2009
AT0000A0H0S9	Raiffeisen-Active-Commodities VTA	full income-retaining (outside Austria)	EUR	Mar 12, 2010

## Fund characteristics

Fund currency	EUR
Financial year	Aug 1 – Jul 31
Distribution/payment/reinvestment date	Oct 15
Type of fund	Investment fund pursuant to § 2 of the Austrian Investment Fund Act, InvFG (UCITS)
Max. management fee for the fund	2.000 %
Max. management fee for subfunds	1.200 % (excluding any performance-related fee)
Custodian bank	Raiffeisen Bank International AG
Management company	Raiffeisen Kapitalanlage-Gesellschaft m.b.H. Mooslackengasse 12, A-1190 Vienna Tel. +43 1 71170-0 Fax +43 1 71170-761092 www.rcm.at Companies register number: 83517 w
Fund management	Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
Auditor	KPMG Austria GmbH

### **Legal notice**

The software used performs calculations on the basis of more than the two decimal places displayed. Minor discrepancies cannot be ruled out due to further calculations using published results.

The value of a unit is calculated by dividing the entire value of the investment fund inclusive of its income by the number of units. The total value of the investment fund is calculated on the basis of the current market prices of the securities, money market instruments and subscription rights in the fund plus the value of the fund's financial investments, cash holdings, credit balances, receivables and other rights net of its payables. That value will be calculated by the custodian bank.

The net assets are calculated in accordance with the following principles:

- a) The value of assets quoted or traded on a stock exchange or other regulated market shall be determined, in principle, on the basis of the most recently available price.
- b) Where an asset is not quoted or traded on a stock market or another regulated market or where the price for an asset quoted or traded on a stock market or another regulated market does not appropriately reflect its actual market value, the prices provided by reliable data providers or, alternatively, market prices for equivalent securities or other recognized market valuation methods shall be used.

Dear unitholder,

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. is pleased to present its annual fund report for Raiffeisen-Active-Commodities for the financial year from Aug 1, 2015 to Jul 31, 2016. The accounting is based on the price calculation as of Jul 29, 2016.

## Fund details

	Jul 31, 2014	Jul 31, 2015	Jul 31, 2016
Total fund assets in EUR	16,603,094.85	18,067,993.51	25,052,416.26
Net asset value/distributing units (AT0000A0J8B6) in EUR	83.46	54.26	50.55
Issue price/distributing units (AT0000A0J8B6) in EUR	87.63	56.97	53.08
Net asset value/reinvested units (AT0000A0DXB4) in EUR	86.66	56.98	53.63
Issue price/reinvested units (AT0000A0DXB4) in EUR	90.99	59.83	56.31
Net asset value/fully reinvested units (AT0000A0H0S9) in EUR	86.87	57.11	53.75
Issue price/fully reinvested units (AT0000A0H0S9) in EUR	91.21	59.97	56.44

	Oct 15, 2015	Oct 17, 2016
Distribution/unit (A) EUR	0.5400	0.5100
Outpayment/unit (T) EUR	0.0000	0.0000
Reinvestment/unit (T) EUR	0.0000	0.0000
Reinvestment/unit (VTA) EUR	0.0000	0.0000

The distribution will occur free-of-charge at the fund's paying agents.

## Units in circulation

	Units in circulation on Jul 31, 2015	Sales	Repurchases	Units in circulation on Jul 31, 2016
AT0000A0J8B6 A	12,777.726	11,879.317	-1,527.080	23,129.963
AT0000A0DXB4 T	182,251.637	127,178.538	-25,545.055	283,885.120
AT0000A0H0S9 VTA	122,362.951	55,176.881	-16,474.089	161,065.743
<b>Total units in circulation</b>				<b>468,080.826</b>

## Development of the fund assets an income statement

### Performance in financial year (fund performance)

#### Distributing units (AT0000A0J8B6)

Net asset value per unit at start of financial year in EUR	54.26
Distribution on Oct 15, 2015 (net asset value: EUR 52.10) of EUR 0.5400, corresponds to 0.010365 units	
Net asset value per unit at end of financial year in EUR	50.55
Total value incl. units purchased through distribution (1.010365 x 50.55)	51.07
Net income/net reduction per unit	-3.19

#### Performance of one unit during the financial year in %

**-5.87**

#### Reinvested units (AT0000A0DXB4)

Net asset value per unit at start of financial year in EUR	56.98
Net asset value per unit at end of financial year in EUR	53.63
Net income/net reduction per unit	-3.35

#### Performance of one unit during the financial year in %

**-5.88**

#### Fully reinvested units (AT0000A0H0S9)

Net asset value per unit at start of financial year in EUR	57.11
Net asset value per unit at end of financial year in EUR	53.75
Net income/net reduction per unit	-3.36

#### Performance of one unit during the financial year in %

**-5.88**

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 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. 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

<b>Fund assets on Jul 31, 2015 (317,392.314 units)</b>		<b>18,067,993.51</b>
Distribution on Oct 15, 2015 (EUR 0.5400 x 12,418.296 distributing units (AT0000A0J8B6))		-6,705.88
Issuance of units	9,827,112.19	
Redemption of units	-2,203,793.66	
Pro rata income adjustment	330,833.04	7,954,151.57
<b>Overall fund result</b>		<b>-963,022.94</b>
<b>Fund assets on Jul 31, 2016 (468,080.826 units)</b>		<b>25,052,416.26</b>

## Fund result in EUR

### A. Realized fund result

#### Ordinary fund result

<b>Income (excl. closing price)</b>	
Interest income	110.37
	<b>110.37</b>
<b>Expenses</b>	
Management fees	-247,106.25
Custodian bank fees / Custodian's fees	-6,284.09
Auditing expenses	-2,394.00
Tax consulting fees	-3,000.00
Custody charge	-4,573.08
Statutory/publication expenses	-5,432.88
Management costs remuneration from subfunds	22,528.19
Custodian bank's administration fee in connection with management costs remuneration from subfunds	-901.13
Interest expenses (incl. negative credit interest)	- 1,095.24
	<b>-248,258.48</b>
<b>Ordinary fund result (excl. income adjustment)</b>	<b>-248,148.11</b>
<b>Realized closing price</b>	
Profits realized from securities	1,299.94
Profits realized from derivative instruments	1,022,149.22
Losses realized from securities	-1,371,474.04
Losses realized from derivative instruments	-902,101.26
<b>Realized closing price (excl. income adjustment)</b>	<b>-1,250,126.14</b>
<b>Realized fund result (excl. income adjustment)</b>	<b>-1,498,274.25</b>

### B. Unrealized closing price

<b>Change in unrealized closing price</b>	866,084.35
	<b>866,084.35</b>



C. Income adjustment

Income adjustment for income during financial year	-330,833.04	
		<b>-330,833.04</b>
Overall fund result		<b>-963,022.94</b>

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 29,402.26 EUR.

## Capital market report

In the first few weeks of 2016, equity prices suffered strong falls everywhere, as did bonds and the currencies of the emerging markets. A strong recovery began from mid-February 2016 onwards, and many of the emerging bond and stock markets are now at higher levels than at the start of the year. The picture for the developed stock markets is mixed. US stock indexes have reached new all-time highs. On the other hand, Japan and most European stock markets have suffered falls, having registered above-average performances in the previous year. Despite temporary fluctuations, government bonds have realized strong gains since the start of the year, as have corporate bonds. Commodities (particularly precious metals) are the biggest winners to date in the current year. However, the commodities markets have experienced several years of very strong price falls. Several different issues – which naturally influence one another – have dominated on the markets for many months now: the future monetary policy of the US central bank (the Fed), the global economic trend – particularly in relation to China and the USA – the price trend for crude oil and the increasing lack of investment opportunities worldwide offering attractive risk/return profiles. All of these issues are likely to strongly influence the global supply of liquidity as well as corporate profit trends – and thus also future determination of prices on stock, bond and commodities markets. The financial markets rapidly came to terms (for the time being at least) with the British electorate's surprising vote against remaining in the EU. However, this is likely to make the US central bank even more hesitant in relation to interest-rate hikes. Following its key interest-rate rise in December 2015 (its first in over nine years), to date the Fed has not been able to bring itself to implement a second interest-rate increase. Yields on long-term US government bonds are currently much lower than before the rise in interest rates and have even temporarily fallen to new record lows. Overall, the Fed appears to have much less scope for interest-rate increases than in the past, and a huge rise in yields on a broad front in the USA is unlikely any time soon. Unlike the US central bank, the European Central Bank (ECB) is loosening its monetary policy ever further and thus breaking a lot of new ground. In order to counteract deflationary trends, it is purchasing government bonds on a huge scale and is now even buying corporate bonds. It has moved key interest rates in the Eurozone clearly into negative territory. From an economic point of view, these measures have hardly paid off to date. However, they have at least temporarily weakened the euro's exchange rate, while buoying the European financial markets. In the Eurozone, monetary policy will very likely remain expansionary for some time to come and there is currently no sign of any significant yield rises. Unprecedentedly loose monetary policy around the globe reflects not least a trend of weak global economic growth which has continued for some time now. In all likelihood, this trend will remain intact over the next few quarters. In Europe and the USA, further comparatively weak but nonetheless positive growth is likely. The economic data have recently picked up slightly. On the other hand, at the present time it is the emerging markets which probably face the largest economic risks. Some countries are benefiting from the fall in commodities prices, while others are suffering hugely. However, almost all emerging markets need to cut back on the excessive credit growth of the past decade, which is generally curbing economic activity. The yield level is extremely low almost worldwide. Over one third of all government bonds are now providing negative nominal yields. In view of continuing low bond yields in the key economic blocs, for these countries' stock markets this "new normality" means inter alia that they are likely less "expensive" than suggested by the valuation models of previous decades, where an entirely different interest-rate environment predominated. However, over the next few quarters corporate profits are expected to continue to generate a hostile environment for the stock markets. Growth rates for corporate profits are increasingly faltering or even declining in some cases, particularly in the emerging markets. The financial market environment will certainly remain challenging and may continue to entail stronger price fluctuations over the next few months.

## Fund investment policy report

Raiffeisen-Active-Commodities is a mixed fund which participates in the development of stock exchange-listed commodities (commodities derivatives). Since late October 2013, the fund has exclusively invested in strategies which exclude agricultural commodities. The fund invests in the energy, precious metals and industrial metals sectors. Commodities funds, ETFs (exchange traded funds) and commodities index derivatives (indexes on a basket of financial instruments whose value depends on the development of commodities) are used to map the investments. The fund does not purchase any physical commodities.

The fund largely hedges its foreign-currency risk. Within the scope of its active management strategy, in addition to its subfund and strategy selection and its hedging of the foreign-currency risk the fund also controls its investment quota. The international commodities markets continued to suffer strong price fluctuations in the period under review. The striking decline in prices in the energy sector at the start of the reporting period was particularly significant. Weak global economic growth and the resulting decline in the level of demand for commodities such as industrial metals and also energy prompted this trend.

Geopolitical uncertainties and the central banks' interventions also had a negative impact on sentiment among capital market participants and thus bolstered the positive trend of rising prices in the precious metals sector. All of the commodities sectors registered positive performances in the 2<sup>nd</sup> half of the reporting period. Toward the end of the period under review, the fund completely eliminated its holdings in the Comstage ETF and purchased the fund Theam Dynamic Quant Materials Enhanced. The fund's active strategies provided a marginally positive return in the period in question. Overall, the fund suffered slight price losses in the reporting period.

## 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** refers to units in investment funds in the form of "other asset portfolios"

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

**§ 166 (1) item 3** 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** refers to units in real estate funds

Type of security	OGAW/§ 166	Currency	Market value in EUR	Share of fund assets
ETC		EUR	2,293,538.00	9.15 %
<b>Total ETC</b>			<b>2,293,538.00</b>	<b>9.15 %</b>
Investment certificates non Raiffeisen	OGAW	EUR	18,949,174.63	75.64 %
<b>Total Investment certificates non Raiffeisen</b>			<b>18,949,174.63</b>	<b>75.64 %</b>
<b>Total securities</b>			<b>21,242,712.63</b>	<b>84.79 %</b>
<b>Derivative products</b>				
Valuation of financial futures			65,568.22	0.26 %
Valuation of forward exchange transactions			-115,898.94	-0.46 %
<b>Total derivative products</b>			<b>-50,330.72</b>	<b>-0.20 %</b>
<b>Bank balances/liabilities</b>				
Bank balances/liabilities in fund currency			3,895,060.66	15.55 %
Bank balances/liabilities in foreign currency			-4,913.99	-0.02 %
<b>Total bank balances/liabilities</b>			<b>3,890,146.67</b>	<b>15.53 %</b>
<b>Accruals and deferrals</b>				
Interest claims (on securities and bank balances)			-631.35	-0.00 %
<b>Total accruals and deferrals</b>			<b>-631.35</b>	<b>-0.00 %</b>
<b>Other items</b>				
Various fees			-29,480.97	-0.12 %
<b>Total other items</b>			<b>-29,480.97</b>	<b>-0.12 %</b>
<b>Total fund assets</b>			<b>25,052,416.26</b>	<b>100.00 %</b>

## Portfolio of investments in EUR as of Jul 29, 2016

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.

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** refers to units in investment funds in the form of "other asset portfolios"

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

**§ 166 (1) item 3** 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** 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	Pool/ ILB Factor	Price	Market value in EUR	Share of fund assets
ETC		CH0036249016	UBS BBG CMCI INDS MTL TR EUR EIMCI	EUR	1,573	814			650.000000	1,022,450.00	4.08 %
ETC		CH0042990116	UBS BBG CMCI PRCS MTL TR EUR EPMCI	EUR	776	360			1,638.000000	1,271,088.00	5.07 %
Investment certificates non Raiffeisen	OGAW	LU0942142620	PIONEER SF - COMMODITY ALPHA EX-AGRICULTURE I EUR ND HEGDED	EUR	5,977	2,438	365		604.650000	3,613,993.05	14.43 %
Investment certificates non Raiffeisen	OGAW	DE000A0MU8J9	LBBW ROHSTOFFE 1 I	EUR	79,809	26,649	1,638		56.320000	4,494,842.88	17.94 %
Investment certificates non Raiffeisen	OGAW	LU1039626509	MLCX COMMODITY ENHANCED BETA EX AGRICULTURE FUND	EUR	30,034	19,372			74.290000	2,231,225.86	8.91 %
Investment certificates non Raiffeisen	OGAW	FR0012169852	THEAM-QUANT RAW MAT EN-IEURH	EUR	5,198	5,198			714.460000	3,713,763.08	14.82 %
Investment certificates non Raiffeisen	OGAW	LU0249045476	UNICOMMODITIES	EUR	127,616	46,352	6,050		38.360000	4,895,349.76	19.54 %
<b>Total securities</b>										<b>21,242,712.63</b>	<b>84.79 %</b>
Commodity index futures		FCPR20160916	BCOMPR PRECIOUS Sep16 UBPU6	USD	33				188.900000	83,197.21	0.33 %
Commodity index futures		FCIN20160929	BCOMIN Ind Mets Sep16 FCIU6	USD	14				98.880000	13,294.54	0.05 %
Commodity index futures		FCIN20160929	BCOMIN Ind Mets Sep16 FCIU6	USD	28				98.880000	32,672.44	0.13 %
Commodity index futures		FCIN20160929	BCOMIN Ind Mets Sep16 FCIU6	USD	21				98.880000	24,489.10	0.10 %
Commodity index futures		FCEN20160921	BCOMEN Energy Ind Sep16 FCEU6	USD	93				33.520000	-88,085.09	-0.35 %
<b>Total financial futures <sup>1</sup></b>										<b>65,568.22</b>	<b>0.26 %</b>
Forward exchange transactions		DTG055430	DTG USD EUR	USD	-4,705,000				1.108723	-124,124.78	-0.50 %
Forward exchange transactions		DTG056390	DTG USD EUR	USD	-350,000				1.108723	-6,245.19	-0.02 %
Forward exchange transactions		DTG056746	DTG USD EUR	USD	5,000,000				1.108723	14,340.86	0.06 %
Forward exchange transactions		DTG056780	DTG USD EUR	USD	55,000				1.108723	130.17	0.00 %
<b>Total forward exchange transactions <sup>1</sup></b>										<b>-115,898.94</b>	<b>-0.46 %</b>

<sup>1</sup> Price gains and losses as of cut-off date.

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
<b>Bank balances/liabilities</b>											
				EUR						3,895,060.66	15.55 %
				USD						-4,913.99	-0.02 %
<b>Total bank balances/liabilities</b>										<b>3,890,146.67</b>	<b>15.53 %</b>
<b>Accruals and deferrals</b>											
Interest claims (on securities and bank balances)										-631.35	-0.00 %
<b>Total accruals and deferrals</b>										<b>-631.35</b>	<b>-0.00 %</b>
<b>Other items</b>											
Various fees										-29,480.97	-0.12 %
<b>Total other items</b>										<b>-29,480.97</b>	<b>-0.12 %</b>
<b>Total fund assets</b>										<b>25,052,416.26</b>	<b>100.00 %</b>

ISIN	Income class	Currency	Net asset value per unit	Units in circulation
AT0000A0J8B6	-- income-distributing	EUR	50.55	23,129,963
AT0000A0DXB4	-- income-retaining	EUR	53.63	283,885,120
AT0000A0H0S9	-- full income-retaining (outside Austria)	EUR	53.75	161,065,743

#### Exchange rates

Foreign currency assets were converted into EUR on the basis of the exchange rates applicable on Jul 28, 2016

Currency	Price (1 EUR =)
US Dollars	USD 1.108350

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
ETC		CH0042990066	UBS BBG CMCI ENERGY TR EUR EENCI	EUR	755	1,675
Exchange-traded-funds		LU0419741177	COMSTAGE ETF CB COMMODITY EX AGRI EW INDEX TR	USD	23,766	63,867

## 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 2015 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)

Total number of employees	243
Number of risk-bearers	60
Fixed remuneration	22,778,221.66
Variable remuneration (bonuses)	3,336,880.97
<b>Total remuneration for employees</b>	<b>26,115,102.63</b>
of which remuneration for managing directors	979,380.61
of which remuneration for managers (risk-bearers)	1,765,201.57
of which remuneration for other risk-bearers	6,048,919.67
of which remuneration for employees in positions of control	232,440.45
of which remuneration for employees in the same income bracket as managing directors and risk-bearers due to their overall remuneration	0.00
<b>Total remuneration for risk-bearers</b>	<b>9,025,942.30</b>

- 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.

- In accordance with the regulatory requirements, for the performance period 2015 a portion of the variable remuneration for risk-bearers will for the first time also be 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 will be 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 Jun 15, 2016.
- 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 25, 2016. This report did not identify any irregularities or other unresolved issues concerning the remuneration policy of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

#### **Remuneration principles of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.**

- The remuneration principles of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. support the business strategy and the long-term goals, interests and values of the company and of the investment funds managed by Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
- The remuneration principles of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. include measures to avoid conflicts of interest.




- The remuneration principles and policies of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. are consistent with and promote sound and effective risk-taking practices and avoid incentives for any inappropriate risk-taking propensity which exceed the level of risk tolerated by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. or the investment funds under its management.
- The total amount of variable remuneration will not limit the capacity of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. to strengthen its capital base.
- Variable remuneration is not paid by means of instruments or methods which facilitate circumvention of applicable legal requirements.
- Employees in positions of control are rewarded irrespective of the business unit which they supervise, they have an appropriate level of authority and their remuneration is determined on the basis of the fulfillment of their organizational targets in connection with their functions, irrespective of the results of the business activities under their supervision.
- Guaranteed variable remuneration is not consistent with sound risk management or the “pay-for-performance” principle and should not be included in future remuneration plans. Guaranteed variable remuneration is the exception; This is only provided in connection with new hirings and only where Raiffeisen Kapitalanlage-Gesellschaft m.b.H. has a sound and strong capital base. It is limited to the first year of employment.
- Any payments relating to the premature termination of a contract must reflect the performance realized over the relevant period of time and must not reward failures or misconduct.

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

Vienna, 7 October 2016

**Raiffeisen Kapitalanlage-Gesellschaft m.b.H.**

  
Mag. (FH) Dieter Aigner

  
Mag. Rainer Schnabl

## Audit opinion

### Report on the annual fund report

We have audited the annual fund report as of 31 July 2016 issued by Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna, for its fund Raiffeisen-Active-Commodities for the financial year from 1 August 2015 to 31 July 2016.

### Responsibility of the company's statutory representatives for the annual fund report

The company's statutory representatives are responsible for the preparation of this annual fund report and for ensuring that it provides an appropriate overall picture in compliance with Austrian commercial law, the provisions of the Austrian Investment Fund Act and the internal checks which the company's statutory representatives deem necessary in order to enable the preparation of an annual fund report which is free from material intentional or unintentional misstatements.

### Responsibility of the bank auditor

Our task is to present an opinion regarding this annual fund report on the basis of our audit.

We performed our audit in accordance with § 49 para. 5 of the Austrian Investment Fund Act in accordance with Austrian principles of proper balance sheet auditing. These principles require application of the International Standards on Auditing (ISA). In accordance with these principles, we are required to comply with the code of conduct for our profession and to plan and execute our audit so as to obtain a sufficient degree of certainty as to whether the annual fund report is free from material misstatements.

An audit includes the performance of audit activities in order to obtain documentation concerning the valuations and other information provided in the annual fund report. The audit activities are chosen at the discretion of the bank auditor. This includes an assessment of the risks of material intentional or unintentional misstatements in the annual fund report. In assessing these risks, the bank auditor considers the company's internal control system which is relevant for its preparation of the annual fund report and for ensuring that this annual fund report provides an appropriate overall picture, 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. An audit also includes an assessment of the appropriateness of the accounting principles applied and the reasonableness of the estimates made by the company's statutory representatives in this accounting as well as an assessment of the overall picture provided by the annual fund report.

In our opinion we have obtained sufficient and suitable documentation as a basis for our audit opinion.

### **Audit outcome**

Our audit has not met with any objections. In our view the annual fund report as of 31 July 2016 for Raiffeisen-Active-Commodities complies with the statutory regulations.

### **Report on activities performed during the past financial year**

We have undertaken a critical assessment of the disclosures provided by the management company's management in the annual fund report on its activities in the past financial year, but these were not subject to special audit activities in accordance with the above principles. Accordingly, our audit opinion does not include an evaluation of this information. In the context of the overall picture set out in this annual fund report, these disclosures are consistent with the information provided in the rest of the report.

Vienna, 7 October 2016

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](http://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](http://www.rcm.at). Please visit [www.profitweb.at](http://www.profitweb.at) for detailed information on offsettable and reimbursable foreign taxes.

## Fund regulations

### Fund regulations pursuant to the Austrian Investment Fund Act 2011

The Austrian Financial Market Authority (FMA) has approved the fund regulations for the investment fund **Raiffeisen-Active-Commodities**, 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. at least 51 % of its fund assets) in securities (equities, bonds) and/or units in investment funds investing in commodities-related investments (e.g. oil, gold, aluminum etc.) in particular.

Certificates for precious metals in which no derivative instruments are embedded – and which do not stipulate physical delivery or an entitlement to such delivery – may be purchased.

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 20 % of the fund assets – and up to the legally permitted limit overall – 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.

Units in UCI may be purchased for up to 30 % of the fund assets in total.

### 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.

Please refer to the prospectus for details and comments.

### 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 and/or units in investment funds, the investment fund may hold a lower proportion of securities and/or a lower proportion of investment funds 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.

Please refer to the prospectus for further details concerning Article 3.

## Article 4 Issuance and redemption modalities

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

Please refer to the prospectus for further details.

The value of units will be calculated on each day of stock market trading.

### Issuance and subscription fee

Units will be issued on any banking day.

The issue price is the unit value plus a fee per unit of up to 5 % to cover the management company's issuing costs.

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

The management company shall be entitled to introduce a graduated subscription fee.  
Please refer to the prospectus for further details.

### **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 August 1 to July 31.

## **Article 6 Unit classes and appropriation of income**

Income-distributing unit certificates, income-retaining unit certificates with capital gains tax deducted and income-retaining unit certificates without capital gains tax deducted may be issued for the investment fund.

Various classes of unit certificates may be issued for this investment fund. The management company may decide to establish unit classes or to issue units in a given unit class. Please refer to the prospectus for further details.

### **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 October 15 of the following accounting year the amounts are to be distributed to the holders of income-distributing unit certificates. Any remaining balances shall be carried forward to a new account.

In any case, from October 15 an amount calculated pursuant to InvFG shall be paid out, to be used where applicable to meet any capital gains tax commitments on the distribution-equivalent return on those unit certificates, unless the management company ensures through appropriate proof from the custodians that as of the payment date the unit certificates 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 October 15 an amount calculated pursuant to InvFG shall be paid out, to be used where applicable to meet any capital gains tax commitments on the distribution-equivalent return on those unit certificates, unless the management company ensures through appropriate proof from the custodians that as of the payment date the unit certificates are only held by unitholders who are either not subject to Austrian income or corporate income tax or who fulfill the requirements for an exemption pursuant to § 94 of the Austrian Income Tax Act or for a capital gains tax exemption.

**Appropriation of income in case of income-retaining unit certificates without capital gains tax deducted (full income retention – domestic and foreign tranches)**

Income during the accounting year net of costs shall not be distributed. No payment pursuant to InvFG will be made. October 15 of the following accounting year shall be the key date pursuant to InvFG in case of failure to pay capital gains tax on the annual income.

The management company shall ensure through appropriate proof from the custodians that 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.

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 **2.00 %** of the fund assets, calculated on the basis of the values at the end of each month.

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 details.



## 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 to trading segment specialization, the directory of "regulated markets" is undergoing great changes. In addition to the annual publication of a directory in the official gazette of the European 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&section\\_id=0](http://mifiddatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display&section_id=0)<sup>1</sup>

##### 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
3.19.	Singapore:	Singapore Stock Exchange
3.20.	South Africa:	Johannesburg
3.21.	Taiwan:	Taipei
3.22.	Thailand:	Bangkok

<sup>1</sup>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"]<sup>1</sup>

financial year Aug 1, 2015 – Jul 31, 2016

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

## Appendix

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