Raiffeisen Capital Management

Raiffeisen Eastern European Bonds

(Original German name: Raiffeisen-Osteuropa-Rent)

Annual fund report

Financial year 2015-2016

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 1 February 2015 to 31 January 2016

Raiffeisen Eastern European Bonds is a bond fund. The fund pursues an investment goal of regular income and mainly invests (at least 51 % of its fund assets) in bonds issued by issuers which are headquartered or mainly active in central and eastern European countries (incl. Turkey) and/or in bonds denominated in central and eastern European (incl. Turkish) currencies. The fund may acquire bonds and money market instruments issued by sovereigns, supranational issuers and/or companies etc. The fund is actively managed and is not limited by means of a benchmark. The investment fund may invest more than 35 % of its fund assets in securities/money market instruments issued by the following issuers: Poland, Hungary, Turkey.

General fund information

Tranche	Fund currency	Tranche currency	Launch date	ISIN
ISIN income-distributing (R) (A) *	EUR	EUR	3/5/2000	AT0000740642
ISIN income-retaining (R) (T) **	EUR	EUR	3/5/2000	AT0000740659
ISIN full income-retaining (outside Austria) (R) (VTA)	EUR	EUR	15/5/2000	AT0000740667
ISIN full income-retaining (outside Austria) (I) (VTA)	EUR	EUR	4/1/2010	AT0000A0EYA2

Fund characteristics

Financial year:	1 February – 31 January
Distribution/payment/reinvestment date:	15 April
Type of fund:	Investment fund pursuant to § 2 of the Austrian Investment Fund Act, InvFG (UCITS)
Effective management fee for the fund:	R tranche: 0.96 % I tranche: 0.48 %
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

***** On 1 June 2015, merged with ISIN savings fund R income-distributing AT0000740675.

****** On 1 June 2015, merged with ISIN savings fund R income-retaining AT0000740683.

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 Eastern European Bonds for the financial year from 1 February 2015 to 31 January 2016.

Fund details

	31/1/2015	31/1/2016
Fund assets in EUR	163,798,863.09	161,209,574.43
Net asset value/unit (R) (A) EUR	114.96	106.37
Issue price/unit (R) (A) EUR	118.41	109.56
Net asset value/unit (R) (T) EUR	215.92	207.95
Issue price/unit (R) (T) EUR	222.40	214.19
Net asset value/unit (R) (VTA) EUR	263.20	254.14
Issue price/unit (R) (VTA) EUR	271.10	261.76
Net asset value/unit (I) (VTA) EUR	269.53	261.50
Issue price/unit (I) (VTA) EUR	277.62	269.35

	15/4/2015	15/4/2016
Distribution/unit (R) (A) EUR	5.00	4.36
Outpayment/unit (R) (T) EUR	0.5811	1.1821
Reinvestment/unit (R) (T) EUR	1.6886	2.9848
Reinvestment/unit (R) (VTA) EUR	2.7631	5.0900
Reinvestment/unit (I) (VTA) EUR	4.1360	6.5099

The distribution will occur free-of-charge at the fund's paying agents. Payment will be made by the custodian banks.

Units in circulation

	AT0000740642 (R) A	**AT0000740659 (R) T**	**AT0000740667 (R) VTA**	**AT0000A0EYA2 (I) VTA**
Units in circulation on 31/1/2015	562,613.067	288,717.029	91,360.392	47,234.197
Sales	52,821.577	150,273.928	23,832.403	91,238.007
Repurchases	- 69,076.445	- 140,565.680	- 27,110.747	- 67,174.959
Units in circulation	546,358.199	298,425.277	88,082.048	71,297.245
Total units in circulation on 31/1/2016				**1,004,162.769**

Fund details for last 3 financial years

	31/1/2014	31/1/2015	31/1/2016
Total fund assets	184,770,963.06	163,798,863.09	161,209,574.43
Net asset value/distributing units (R) (AT0000740642) in EUR	109.70	114.96	106.37
Net asset value/reinvested units (R) (AT0000740659) in EUR	200.90	215.92	207.95
Net asset value/fully reinvested units (R) (AT0000740667) in EUR	242.89	263.20	254.14
Net asset value/fully reinvested units (I) (AT0000A0EYA2) in EUR	247.50	269.53	261.50

Development of the fund assets and income statement

Performance in financial year (fund performance)

Distributing units (R) (AT0000740642)	
Net asset value per unit at start of financial year in EUR	114.96
Distribution on 15/4/2015 (net asset value: EUR 114.75) of EUR 5.00, corresponds to 0.043573 units	
Net asset value per unit at end of financial year in EUR	106.37
Total value incl. units purchased through distribution (1.043573 x 106.37)	111.00
Net income/net reduction per unit	- 3.96
Performance of one unit during the financial year as %	**- 3.44**

Reinvested units (R) (AT0000740659)	
Net asset value per unit at start of financial year in EUR	215.92
Outpayment on 15/4/2015 (net asset value: EUR 224.34) of EUR 0.5811, corresponds to 0.002590 units	
Net asset value per unit at end of financial year in EUR	207.95
Total value incl. units purchased through outpayment (1.002590 x 207.95)	208.49
Net income/net reduction per unit	- 7.43
Performance of one unit during the financial year as %	**- 3.44**

Fully reinvested units (R) (AT0000740667)	
Net asset value per unit at start of financial year in EUR	263.20
Net asset value per unit at end of financial year in EUR	254.14
Net income/net reduction per unit	- 9.06
Performance of one unit during the financial year as %	**- 3.44**

Fully reinvested units (I) (AT0000A0EYA2)	
Net asset value per unit at start of financial year in EUR	269.53
Net asset value per unit at end of financial year in EUR	261.50
Net income/net reduction per unit	- 8.03
Performance of one unit during the financial year as %	**- 2.98**

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 3.00 % of the invested amount) and any redemption fee (not exceeding 0.00 % of the sold amount) – are not included in the performance calculation. The following applies for units sold outside of Austria: Some costs – the subscription fee (not exceeding 3.00 % of the invested amount) and any redemption fee (not exceeding 3.00 % of the sold amount) or a combination of the subscription fee and the redemption fee (not exceeding 3.00 % overall) – 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 31/1/2015 (989,924.685 units)		**163,798,863.09**
Distribution on 15/4/2015 (EUR 5.00 x 565,476.735 distributing units (R) (AT0000740642))		- 2,827,383.68
Outpayment on 15/4/2015 (EUR 0.5811 x 278,185.459 reinvested units (R) (AT0000740659))		- 161,653.57
Issuance of units	69,344,972.91	
Redemption of units	- 62,527,097.19	
Pro rata income adjustment	- 122,448.77	6,695,426.95
Overall fund result		**- 6,295,678.36**
Fund assets on 31/1/2016 (1,004,162.769 units)		**161,209,574.43**

Fund result in EUR

A. Realized fund result

Ordinary fund result		
Income (excl. closing price)		
Interest income	8,384,320.08	
Income from securities lending transactions	7,268.38	
Interest expenses	- 4,117.89	**8,387,470.57**
Expenses		
Management fees	- 1,514,833.23	
Custodian bank fees	- 81,725.33	
Auditing expenses	- 7,715.90	
Tax consulting fees	- 1,480.00	
Custodian fee	- 115,006.59	
Statutory/publication expenses	- 30,264.85	**- 1,751,025.90**
Ordinary fund result (excl. income adjustment)		**6,636,444.67**
Realized closing price		
Profits realized from securities	3,642,702.85	
Profits realized from derivative instruments	10,316,429.76	
Losses realized from securities	- 6,631,518.77	
Losses realized from derivative instruments	- 10,776,612.03	
Realized closing price (excl. income adjustment)		**- 3,448,998.19**
Realized fund result (excl. income adjustment)		**3,187,446.48**

B. Unrealized closing price

Change in unrealized closing price	**- 9,605,573.61**

C. Income adjustment

Income adjustment for income during financial year	**122,448.77**
Overall fund result	**- 6,295,678.36**

The result for the past accounting year includes explicitly reported transaction costs in the amount of EUR 76,324.78.

Capital market report

In the first few weeks of 2016, stock prices plunged the world over. In 2015 most developed stock markets registered gains to a greater or lesser extent. Japan and Europe were among the best markets with growth levels of approx. 10 %. However, European small caps (companies with a market capitalization of less than 5 billion euros) realized gains which were roughly twice as strong. On the other hand, almost all of the emerging markets' stock exchanges suffered losses, particularly those in Asia and Latin America. The picture for bonds was likewise mixed. Despite significant temporary fluctuations, government bonds generally achieved slight gains while corporate bonds weakened somewhat. They came under strong pressure in the final quarter of the year especially, above all in the USA and here high-yield bonds particularly. The bonds and currencies of many emerging markets registered clear losses. However, as in the previous year commodities suffered the strongest losses in value; in many cases, prices slumped to several-year lows.

Four issues (which are naturally interdependent) dominated on the markets over the past few months: (1) the future monetary policy of the US central bank (the Fed), (2) the global economic trend, particularly in relation to China and the USA, (3) the huge decline in the prices of crude oil and other commodities and (4) the exchange rate trend for the US dollar and the Chinese yuan. All four of these issues are likely to strongly influence the global supply of liquidity as well as corporate profits – and thus also the determination of prices on stock, bond and commodities markets.

In all likelihood, the global economy will remain sluggish over the next few quarters. In Europe and the USA, further comparatively weak but nonetheless clearly positive growth is likely. On the other hand, at the present time it is the emerging markets which probably face the largest economic risks. Some countries are strongly benefiting from the low 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 curbing economic activity to a greater or lesser degree.

In mid-December 2015 the Fed raised its key interest rates slightly for the first time in over nine years. However, a huge rise in yields on a broad front in the USA is unlikely. On the contrary, US government bond yields have suffered strong falls over the past few weeks. At the same time, they still significantly exceed those of Japan and the EU. Moreover, the impending devaluation of the Chinese yuan and the strong declines in commodity prices may entail further deflationary potential for the world economy and thus additionally limit the Fed's scope for interest rate rises. In order to counteract deflationary trends, around one year ago the European Central Bank (ECB) launched huge bond-purchasing activities and moved key interest rates in the Eurozone into negative territory. From an economic point of view, this has yielded hardly any success to date. It has mainly weakened the euro's exchange rate while buoying the European financial markets at least temporarily. The ECB may nonetheless be expected to stick with its current strategy. For the time being, it is thus more likely to strengthen the dose than to call into question the "medicine" itself. This means that monetary policy in the Eurozone will probably remain expansionary for a long time to come – there is currently no sign of any significant yield rises.

The yield level is now extremely low almost everywhere. Around 30 % of all government bonds are now providing negative yields. In these cases, the creditor actually pays the debtor for the "right" to lend it money. While this is quite absurd from an economic point of view, it is increasingly considered "normal". 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. However, corporate profits, on the other hand, are expected to provide only limited support for the stock markets over the next 1-2 years – this is particularly true of the USA and some emerging markets. The financial market environment will certainly remain challenging and should continue to entail stronger price fluctuations over the next few months.

Fund investment policy report

The fund once again registered a highly volatile trend over the past 12 months. The fund's performance was negative throughout the reporting period and lagged behind the marginally positive trend for a European government bond portfolio. In the 2nd and 3rd quarters of 2015, the initially highly positive trend after the situation in Ukraine calmed and amid the prospect of expansionary measures implemented by the European Central Bank (ECB) gave way to heightened risk aversion due to the significant rise in yields on European bonds as well as uncertainty over Greece's continuing membership of the Eurozone. In addition, the eastern European markets suffered due to the concerns over China's growth as well as domestic political uncertainty in Turkey and Poland. Negative risk sentiment improved on a short-term basis in September 2015 when the US Fed postponed its long-announced interest-rate hike. When the ECB subsequently disappointed the markets' expectations in early December 2015 and as the start of the interest-rate cycle in the USA loomed, the fund sold off its holdings of bonds seen as higher-risk especially.
Central European bonds and currencies moved sideways throughout the period, largely in line with global yield trends and risk sentiment. The Russian market initially registered a highly positive performance, but came under considerable pressure towards the end of the reporting period in particular due to the fall in the price of oil. However, in overall terms it achieved the best performance by far. On the other hand, up to the end of the 3rd quarter of 2015 the Turkish market remained under continuous pressure due to domestic political uncertainty and registered a clearly negative performance overall.
Within the scope of the fund's relative management, its initially defensive positioning by comparison with the local Russian market had a negative effect on its performance. However, it made up for this through an increasing weighting in Russia in the 3rd and 4th quarters of 2015 as well as its positioning in Turkey (underweight in the summer of 2015, overweight in October 2015). The fund's relative positions in the hard-currency segment (increased weightings for Belarus and Kazakhstan versus Poland and Turkey) also delivered additional performance. The fund's currency models delivered varying, but overall positive income. The fund also benefited from reduced hedging of its US dollar assets.
In December 2015, the fund slightly revised its strategic orientation. It increased its US dollar-denominated bond holdings and also its holdings in the Russian and Turkish markets, while reducing the weightings of Poland, Hungary and the Czech Republic.

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

Makeup of fund assets in EUR

Securities	Market value	%
Structured products – inflation-linked bonds:		
TRY	503,236.61	0.31
Structured products:		
USD	201,111.17	0.12
Total structured products	**704,347.78**	**0.43**
Bonds:		
PLN	39,329,023.12	24.40
USD	35,697,160.94	22.15
TRY	28,916,389.49	17.94
HUF	21,343,286.77	13.24
EUR	12,256,580.20	7.60
RUB	11,608,153.23	7.20
RON	3,806,134.93	2.36
RSD	2,012,701.14	1.25
CZK	766,872.69	0.48
Total bonds	**155,736,302.51**	**96.62**
Total securities	**156,440,650.29**	**97.05**
Derivative products		
Valuation of financial futures	- 73,246.18	- 0.05
Valuation of forward exchange transactions	- 59,924.39	- 0.04
Total derivative products	**- 133,170.57**	**- 0.09**
Bank balances		
Bank balances in fund currency	1,189,534.67	0.74
Bank balances in foreign currency	684,992.79	0.43
Total bank balances	**1,874,527.46**	**1.17**
Accruals and deferrals		
Interest claims (on securities and bank balances)	3,165,684.15	1.96
Other items		
Various fees	- 138,116.90	- 0.09
Total fund assets	**161,209,574.43**	**100.00**

Portfolio of investments in EUR

Dates indicated for securities refer to the issue and redemption dates. An issuer's right of premature redemption (where applicable) is not specified. The securities marked with a "Y" have an open-ended maturity.

ISIN	SECURITY TITLE		CURRENCY	VOLUME 29/1/2016	PURCHASES ADDITIONS IN PERIOD UNDER REVIEW	SALES DISPOSALS IN PERIOD UNDER REVIEW	ILB/ POOL FACTOR	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
STRUCTURED PRODUCTS – INFLATION-LINKED BONDS IN TURKISH LIRA										
TRT060121T16	3.0000	TURKEY 11-21 FLR	TRY	1,100,000			1.473896	101.030000	503,236.61	0.31
STRUCTURED PRODUCTS IN US DOLLARS										
XS0214240482	6.7500	SERBIA 05/24	USD	700,000	700,000		0.308964	101.725000	201,111.17	0.12
EURO BONDS										
XS1208855616	2.0000	BULGARIA 15/22 MTN	EUR	700,000	700,000			101.850000	712,950.00	0.44
XS1346201889	2.3750	POLAND 16/36 MTN	EUR	1,500,000	1,500,000			97.000000	1,455,000.00	0.90
XS1208855889	2.6250	BULGARIA 15/27 MTN	EUR	350,000	350,000			97.750000	342,125.00	0.21
XS1312891549	2.7500	ROMANIA 15/25 MTN REGS	EUR	700,000	700,000			101.875000	713,125.00	0.44
XS1015428821	3.0000	POLAND 14/24 MTN	EUR	270,000	40,000			111.701000	301,592.70	0.19
XS1070363343	3.2550	KAZAGRO HLDG 14/19 MTN	EUR	850,000	400,000			87.250000	741,625.00	0.46
XS0919581982	3.3744	RZD CAPITAL 13/21	EUR	720,000	300,000			90.000000	648,000.00	0.40
XS0841073793	3.3750	POLAND 12/24 MTN	EUR	200,000	150,000			114.261000	228,522.00	0.14
XS0794399674	3.7500	POLAND 12/23 MTN	EUR	320,000		220,000		117.350000	375,520.00	0.23
XS1205717702	3.8750	MONTENEGRO 15/20 REGS	EUR	500,000	500,000			95.000000	475,000.00	0.29
XS1313004928	3.8750	ROMANIA 15/35 MTN REGS	EUR	140,000	140,000			101.600000	142,240.00	0.09
XS1087984164	3.9750	MACEDONIA 14/21 REGS	EUR	1,100,000	130,000			94.750000	1,042,250.00	0.65
XS0893212398	4.0320	VEB FINANCE 13/23 MTN	EUR	500,000		100,000		90.000000	450,000.00	0.28
XS0993155398	4.3500	TURKEY 13/21 INTL	EUR	350,000		350,000		106.750000	373,625.00	0.23
XS0503454166	5.1250	TURKEY 10/20	EUR	400,000	80,000	380,000		111.000000	444,000.00	0.28
XS0638742485	5.2500	ROMANIA 11/16	EUR	690,000				101.870000	702,903.00	0.44
XS0212694920	5.5000	TURKEY 05/17	EUR	450,000		100,000		105.000000	472,500.00	0.29
XS0309688918	5.5000	ZAGREBACKI HOLDING 07/17	EUR	1,050,000	50,000			94.145000	988,522.50	0.61
XS0645940288	5.8750	CROATIA 11/18	EUR	380,000	480,000	100,000		109.200000	414,960.00	0.26
XS0632248802	5.8750	MFB MAGYAR F.BK 11/16	EUR	650,000		250,000		101.480000	659,620.00	0.41
XS0371163600	6.5000	ROMANIA 08/18	EUR	500,000	100,000			114.500000	572,500.00	0.36
BONDS IN US DOLLARS										
XS1303929894	0.0000	UKRAINE 15/40 IO GDP-LKD	USD	125,000	125,000			37.250000	42,563.65	0.03
US731011AT95	3.0000	POLAND 12/23	USD	1,250,000	1,050,000			98.500000	1,125,508.48	0.70
US900123CA66	3.2500	TURKEY 13/23	USD	1,600,000	1,600,000			92.250000	1,349,239.00	0.84
XS1120709669	3.8750	KAZAKHSTAN 14/24 REGS	USD	1,400,000	500,000			94.250000	1,206,179.44	0.75
XS1115429372	4.0000	HUN.EXP.-IMP.BK 14/20 MTN	USD	300,000				100.125000	274,578.36	0.17
US445545AK21	4.0000	HUNGARY 14/19	USD	600,000	100,000			103.875000	569,724.39	0.35
US857524AC63	4.0000	POLAND 14/24	USD	200,000	80,000	180,000		104.500000	191,050.78	0.12
XS0860582435	4.1250	CJSC DEV.BK KAZAKHS.12/22	USD	550,000				86.200000	433,383.61	0.27
US77586TAC09	4.3750	ROMANIA 13/23 MTN REGS	USD	320,000				105.000000	307,143.84	0.19
XS0782720402	4.3750	SLOVAKIA 12/22 REGS	USD	300,000	300,000			111.750000	306,458.25	0.19
XS0767472458	4.5000	RUSSIAN FED. 12/22 REGS	USD	2,200,000	2,200,000			100.625000	2,023,629.96	1.26
XS0934609016	4.6250	KAZAGRO HLDG 13/23 MTN	USD	750,000	750,000			81.000000	555,327.03	0.35
XS1044540547	4.7500	AZERBAIJAN 14/24 REGS	USD	750,000	750,000			89.125000	611,031.13	0.38
XS0903465127	4.7500	STATE OIL CO.AZERB.13/23	USD	500,000	500,000			82.000000	374,788.61	0.23
XS1120709826	4.8750	KAZAKHSTAN 14/44 REGS	USD	300,000				82.250000	225,558.75	0.14
US77586TAD81	4.8750	ROMANIA 14/24 MTN REGS	USD	250,000				108.350000	247,611.87	0.15
US857524AB80	5.0000	POLAND 11/22	USD	200,000				110.250000	201,563.14	0.13
XS0504954347	5.0000	RUSSIAN FED. 10/20 REGS	USD	1,600,000	1,300,000			103.500000	1,513,780.34	0.94
XS1263054519	5.1250	KAZAKHSTAN 15/25 REGS	USD	1,250,000	1,250,000			99.250000	1,134,078.34	0.70
US857524AA08	5.1250	POLAND 11/21	USD	1,200,000	820,000	270,000		110.625000	1,213,492.39	0.75
US445545AH91	5.3750	HUNGARY 13/23	USD	2,500,000	2,500,000			108.950000	2,489,830.43	1.55
US445545AL04	5.3750	HUNGARY 14/24	USD	250,000	50,000	200,000		109.750000	250,811.28	0.15
XS0701688128	5.3750	TUE.IHRACAT K.B.11/16REGS	USD	400,000				101.562000	371,358.84	0.23
XS0864511588	5.5000	HUN.EXP.-IMP.BK 2018 MTN	USD	300,000				105.125000	288,290.14	0.18
XS0867478124	5.5000	KAZKOMMERZBK 12/22 REGS	USD	32,617				68.152000	20,320.07	0.01
US900123BH29	5.6250	TURKEY 10/21	USD	400,000	100,000	400,000		106.125000	388,043.33	0.24
XS0499245180	5.7390	RZD CAPITAL 10/17 REGS	USD	300,000				101.750000	279,034.69	0.17
US445545AJ57	5.7500	HUNGARY 13/23	USD	1,300,000	1,270,000	270,000		111.750000	1,327,985.74	0.82
US900123CF53	5.7500	TURKEY 14/24	USD	600,000				106.250000	582,750.58	0.36
XS0995679619	5.8750	SERBIA 13/18 REGS	USD	300,000				104.275000	285,959.14	0.18
XS0997000251	6.0000	CROATIA 13/24 REGS	USD	250,000				107.125000	244,812.38	0.15

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

ISIN		SECURITY TITLE	CURRENCY	VOLUME 29/1/2016	PURCHASES ADDITIONS IN PERIOD UNDER REVIEW	SALES DISPOSALS IN PERIOD UNDER REVIEW	POOL FACTOR	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
BONDS IN US DOLLARS										
XS0632887997	6.0000	RSHB CAPITAL 11/21 FLRMTN	USD	450,000				94.250000	387,700.53	0.24
XS0954674312	6.2500	MFB MAGYAR F.BK 13/20REGS	USD	300,000				109.200000	299,465.24	0.19
XS0546214007	6.3750	KAZAKHST.TEMIR Z.F.10/20	USD	1,100,000	700,000			96.250000	967,823.03	0.60
XS0607904264	6.3750	CROATIA 11/21 REGS	USD	2,300,000	1,450,000	350,000		108.150000	2,273,824.22	1.41
US731011AR30	6.3750	POLAND 09/19	USD	570,000	70,000			113.125000	589,435.07	0.37
XS1263139856	6.5000	KAZAKHSTAN 15/45 REGS	USD	200,000	200,000			97.200000	177,704.65	0.11
XS0525827845	6.6250	CROATIA 10/20 REGS	USD	100,000	300,000	200,000		108.900000	99,547.51	0.06
XS0739988086	6.6250	LITHUANIA 12/22 REGS	USD	1,100,000	1,100,000			120.500000	1,211,664.15	0.75
XS0464257152	6.7500	CROATIA 09/19 REGS	USD	150,000				108.500000	148,772.80	0.09
XS0559915961	6.8000	VEB FINANCE 10/25MTN REGS	USD	150,000				96.000000	131,633.07	0.08
US900123AY60	6.8750	TURKEY 06/36	USD	700,000	600,000	100,000		112.625000	720,668.22	0.44
XS0524610812	6.9020	VEB FINANCE 10/20MTN REGS	USD	150,000				99.875000	136,946.39	0.09
XS1196496688	6.9500	STATE OIL CO.AZERB.15/30	USD	200,000	500,000	300,000		81.250000	148,544.27	0.09
XS0506527851	7.0000	KAZMUNAYGAS 10/20	USD	100,000				100.750000	92,097.45	0.06
US900123BD15	7.0000	TURKEY 08/19	USD	150,000				109.375000	149,972.58	0.09
XS0680231908	7.2500	SERBIA 11/21 REGS	USD	300,000		500,000		111.800000	306,595.37	0.19
XS0485991417	7.3750	LITHUANIA 10/20 REGS	USD	900,000	600,000			118.250000	972,850.68	0.61
US900123AW05	7.3750	TURKEY 05/25	USD	750,000	750,000			117.250000	803,853.01	0.50
XS0114288789	7.5000	RUSSIAN FED. 00/30 REGS	USD	3,890,000	2,500,000	750,000	0.595000	120.000000	2,538,927.74	1.58
US900123BE97	7.5000	TURKEY 09/17	USD	150,000				107.000000	146,716.03	0.09
XS1336590481	7.7500	UKRAINE 15/19 REGS 2	USD	197,000	197,000			93.408000	168,210.39	0.10
XS1303918939	7.7500	UKRAINE 15/20 REGS	USD	1,400,000	1,400,000			92.500000	1,183,783.54	0.74
XS1336596926	7.7500	UKRAINE 15/20 REGS 2	USD	197,000	197,000			93.291000	167,999.70	0.10
XS1303926528	7.7500	UKRAINE 15/26 REGS	USD	800,000	800,000			88.750000	649,024.18	0.40
XS0583616239	8.9500	BELARUS 11/18	USD	200,000	950,000	1,100,000		102.625000	187,622.83	0.12
XS1261825977	9.6250	BIZ FINANCE 15/22 REGS	USD	750,000	750,000			87.500000	599,890.31	0.37
BONDS IN POLISH ZLOTY										
PL0000107595	2.5000	POLAND 13/18 0718	PLN	21,000,000	29,000,000	18,000,000		102.110000	4,796,738.51	2.98
PL0000108197	3.2500	POLAND 14-25	PLN	14,500,000	28,100,000	13,600,000		102.145000	3,313,168.99	2.05
PL0000107264	4.0000	POLAND 12-23	PLN	23,100,000	16,000,000	9,000,000		108.000000	5,580,771.08	3.46
PL0000107058	4.7500	POLAND 12-17	PLN	15,000,000	9,200,000	2,000,000		104.060000	3,491,672.91	2.17
PL0000104543	5.2500	POLAND 06/17	PLN	31,550,000	3,750,000			106.455000	7,513,181.85	4.66
PL0000106126	5.2500	POLAND 10-20	PLN	18,400,000	29,000,000	16,500,000		113.540000	4,673,316.41	2.90
PL0000105441	5.5000	POLAND 08-19	PLN	20,050,000	7,000,000	9,000,000		112.730000	5,056,061.61	3.14
PL0000102646	5.7500	POLAND 02/22 0922	PLN	18,460,000	27,000,000	23,000,000		118.760000	4,904,111.76	3.04
BONDS IN HUNGARIAN FORINT										
HU0000402979	2.5000	HUNGARY 15-18 18/C	HUF	550,000,000	550,000,000			101.875500	1,780,757.19	1.10
HU0000402748	5.5000	HUNGARY 14-25 25/B	HUF	600,000,000	670,000,000	620,000,000		118.300500	2,255,849.36	1.40
HU0000402383	6.0000	HUNGARY 07-23 23/A	HUF	705,000,000	1,400,000,000	1,245,000,000		120.528000	2,700,532.02	1.68
HU0000402433	6.5000	HUNGARY 08-19 19/A	HUF	1,330,000,000	755,000,000	1,240,000,000		114.786500	4,851,932.15	3.01
HU0000402037	6.7500	HUNGARY 01-17 17/A	HUF	1,303,000,000	500,000,000	910,000,000		109.306000	4,526,480.79	2.81
HU0000402235	7.5000	HUNGARY 04-20 20/A	HUF	1,335,000,000	975,000,000	405,000,000		123.214000	5,227,735.26	3.24
BONDS IN CZECH CROWNS										
XS0138748164	0.0000	COMMERZBANK 01/16NK S407	CZK	1,000,000				98.990000	36,635.83	0.02
XS0162727878	0.0000	EIB EUR. INV.BK03/28ZOMTN	CZK	25,000,000	2,000,000			78.924000	730,236.86	0.46
BONDS IN RUSSIAN RUBLES										
RU000A0JU9V1	6.7000	RUSSIAN FED. 13-19	RUB	115,000,000	410,000,000	295,000,000		91.251500	1,248,701.94	0.77
RU000A0JU4L3	7.0000	RUSSIAN FED. 13-23	RUB	174,000,000	295,000,000	121,000,000		84.800000	1,755,763.57	1.09
RU000A0JTK38	7.0500	RUSSIAN FED. 13-28	RUB	173,500,000	138,500,000			80.788500	1,667,899.80	1.03
RU000A0JRJU8	7.4000	RUSSIAN FED. 11-17	RUB	100,000,000	230,000,000	184,500,000		96.850000	1,152,445.93	0.72
RU000A0JREQ7	7.6000	RUSSIAN FED. 11-21	RUB	206,750,000	282,750,000	186,000,000		90.736500	2,232,279.00	1.39
RU000A0JSMA2	7.6000	RUSSIAN FED. 12-22	RUB	249,000,000	249,000,000	30,000,000		89.166000	2,641,919.40	1.64
XS0564087541	7.8500	RUSSIAN FED. 11/18 REGS	RUB	80,000,000	5,000,000	33,000,000		95.504000	909,143.59	0.56
BONDS IN ROMANIAN LEI										
RO1425DBN029	4.7500	ROMANIA 14-25	RON	7,000,000	10,000,000	3,000,000		109.806000	1,691,777.08	1.05
RO1318DBN034	5.6000	ROMANIA 13/18	RON	2,800,000				111.094500	684,651.58	0.42
RO1320DBN022	5.7500	ROMANIA 13/20	RON	5,500,000	12,500,000	7,000,000		114.212500	1,382,596.18	0.86
RO1217DBN046	5.9000	ROMANIA 12-17	RON	200,000				107.020000	47,110.09	0.03
BONDS IN TURKISH LIRA										
TRT140218T10	6.3000	TURKEY 13-18	TRY	18,850,000	9,550,000	11,700,000		92.100000	5,333,758.33	3.31
TRT080323T10	7.1000	TURKEY 13-23	TRY	15,750,000	39,350,000	27,300,000		82.350000	3,984,799.84	2.47
TRT050220T17	7.4000	TURKEY 15-20	TRY	15,750,000	20,000,000	4,250,000		89.600005	4,335,617.31	2.69
TRT200618T18	8.3000	TURKEY 13-18	TRY	14,200,000	13,500,000	500,000		95.003000	4,144,651.45	2.57
TRT270923T11	8.8000	TURKEY 13-23	TRY	13,900,000	9,200,000			90.200000	3,851,977.02	2.39

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

ISIN	SECURITY TITLE		CURRENCY	VOLUME 29/1/2016 UNITS/NOM.	PURCHASES ADDITIONS IN PERIOD UNDER REVIEW UNITS/NOM.	SALES DISPOSALS	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
BONDS IN TURKISH LIRA									
TRT240724T15	9.0000	TURKEY 14-24	TRY	2,000,000	2,000,000		91.500000	562,229.25	0.35
TRT120122T17	9.5000	TURKEY 12-22	TRY	8,750,000	4,150,000	6,500,000	94.850005	2,549,809.65	1.58
TRT200324T13	10.4000	TURKEY 14-24	TRY	11,000,000	11,000,000		98.400000	3,325,447.79	2.06
TRT150120T16	10.5000	TURKEY 10/20	TRY	2,700,000	300,000	7,600,000	99.828850	828,098.85	0.52
BONDS IN SERBIAN DINAR									
RSMFRSD18930	10.0000	SERBIA 13-18	RSD	37,000,000	2,000,000		109.232300	327,033.42	0.20
RSMFRSD55551	10.0000	SERBIA 14-21	RSD	25,000,000	3,000,000		115.112000	232,862.71	0.15
RSMFRSD98312	10.0000	SERBIA 15-22	RSD	115,000,000	115,000,000		109.286000	1,016,954.93	0.63
TOTAL LICENSED SECURITIES ADMITTED TO TRADING ON THE OFFICIAL MARKET OR ANOTHER REGULATED MARKET								**156,004,800.21**	**96.78**
BONDS IN SERBIAN DINAR									
RSMFRSD97736	10.0000	SERBIA 13-16	RSD	53,000,000	3,000,000		101.630000	435,850.08	0.27
TOTAL LICENSED SECURITIES NOT ADMITTED TO TRADING ON THE OFFICIAL MARKET OR ANOTHER REGULATED MARKET								**435,850.08**	**0.27**
TOTAL SECURITIES PORTFOLIO								**156,440,650.29**	**97.05**
FINANCIAL FUTURES									
FTN120160321	10YR TREASURY NOTE FUTUR20160321		USD	-23		23	129.031250	-9,198.31	-0.01
FTN120160321	10YR TREASURY NOTE FUTUR20160321		USD	-9		9	129.031250	-11,569.32	-0.01
FCBO20160321	30YR US TREASURY BOND FU20160321		USD	-1		1	160.062500	-5,884.64	0.00
FGBM20160308	BOBL FUTURE20160308		EUR	6	21	15	132.130000	8,880.00	0.01
FGBM20160308	BOBL FUTURE20160308		EUR	8	8		132.130000	12,070.31	0.01
FGBL20160308	BUND FUTURE20160308		EUR	-8	7	15	162.370000	-27,600.00	-0.02
FGBL20160308	BUND FUTURE20160308		EUR	-6		6	162.370000	-12,840.00	-0.01
FGBL20160308	BUND FUTURE20160308		EUR	-6		6	162.370000	-9,704.22	-0.01
FGBS20160308	SCHATZ FUTURE20160308		EUR	-60		60	111.750000	-17,400.00	-0.01
TOTAL FINANCIAL FUTURES [1]								**-73,246.18**	**-0.05**
FORWARD EXCHANGE TRANSACTIONS IN US DOLLARS									
DTG051281	DTG USD EUR 02.02.16		USD	-40,500,000			1.094044	249,148.32	0.15
DTG051577	DTG USD EUR 02.02.16		USD	500,000			1.094044	194.55	0.00
DTG049968	DTG USD EUR 19.02.16		USD	1,900,000			1.094458	-38,570.95	-0.02
FORWARD EXCHANGE TRANSACTIONS IN POLISH ZLOTY									
DTG050037	DTG PLN EUR 19.02.16		PLN	-7,500,000			4.474331	77,415.13	0.05
DTG050459	DTG PLN EUR 19.02.16		PLN	15,000,000			4.474331	-138,659.56	-0.09
DTG049873	DTG PLN USD 19.02.16		PLN	-7,700,000			4.088170	36,443.35	0.02
DTG050698	DTG PLN USD 19.02.16		PLN	15,000,000			4.088170	-98,495.10	-0.06
DTG051579	DTG PLN USD 19.02.16		PLN	-14,600,000			4.088170	47,671.97	0.03
FORWARD EXCHANGE TRANSACTIONS IN HUNGARIAN FORINT									
DTG050034	DTG HUF EUR 19.02.16		HUF	550,000,000			314.960178	-16,737.53	-0.01
FORWARD EXCHANGE TRANSACTIONS IN CZECH CROWNS									
DTG050627	DTG CZK USD 19.02.16		CZK	97,000,000			24.688728	-19,324.30	-0.01
DTG049903	DTG CZK USD 19.02.16		CZK	-49,000,000			24.688728	-40,780.77	-0.03
FORWARD EXCHANGE TRANSACTIONS IN RUSSIAN RUBLES									
DTG050040	DTG RUB EUR 19.02.16		RUB	63,000,000			84.558443	-141,786.61	-0.09
DTG050471	DTG RUB EUR 19.02.16		RUB	-128,000,000			84.558443	250,552.11	0.16
DTG050069	DTG RUB USD 19.02.16		RUB	65,000,000			77.260550	-124,418.94	-0.08
DTG050457	DTG RUB USD 19.02.16		RUB	-130,000,000			77.260550	203,657.85	0.13
FORWARD EXCHANGE TRANSACTIONS IN ROMANIAN LEI									
DTG049802	DTG RON EUR 19.02.16		RON	8,400,000			4.544495	-38,003.77	-0.02
DTG050388	DTG RON EUR 19.02.16		RON	6,000,000			4.544495	-25,018.66	-0.02
DTG051277	DTG RON EUR 19.02.16		RON	-1,150,000			4.544495	734.61	0.00
DTG051574	DTG RON EUR 19.02.16		RON	-1,500,000			4.544495	188.55	0.00
DTG052213	DTG RON EUR 19.02.16		RON	-9,750,000			4.544495	-3,325.72	0.00
DTG049884	DTG RON USD 19.02.16		RON	-8,000,000			4.152278	-8,665.87	-0.01
DTG050703	DTG RON USD 19.02.16		RON	8,000,000			4.152278	-27,237.16	-0.02
DTG051013	DTG RON USD 19.02.16		RON	7,700,000			4.152278	-7,383.62	0.00

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

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

ISIN	SECURITY TITLE	CURRENCY	VOLUME 29/1/2016	PURCHASES ADDITIONS IN PERIOD UNDER REVIEW	SALES DISPOSALS IN PERIOD UNDER REVIEW	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
FORWARD EXCHANGE TRANSACTIONS IN TURKISH LIRA								
DTG049846	DTG TRY EUR 19.02.16	TRY	8,300,000			3.275091	-109,544.68	-0.07
DTG050464	DTG TRY EUR 19.02.16	TRY	-11,300,000			3.275091	145,345.82	0.09
DTG050626	DTG TRY EUR 19.02.16	TRY	-5,700,000			3.275091	3,632.09	0.00
DTG049896	DTG TRY USD 19.02.16	TRY	2,800,000			2.992431	-16,235.02	-0.01
DTG050604	DTG TRY USD 19.02.16	TRY	-5,700,000			2.992431	11,480.50	0.01
FORWARD EXCHANGE TRANSACTIONS IN KAZAKH TENGE								
DTG050501	NDF KZT USD 19.02.16	KZT	610,000,000			373.534063	-232,200.98	-0.14
TOTAL FORWARD EXCHANGE TRANSACTIONS [1]							**-59,924.39**	**-0.04**
BANK BALANCES								
EUR BALANCES							1,189,534.67	0.74
LIABILITIES IN OTHER EU CURRENCIES								
CZK							40,567.94	0.03
HRK							1,106.56	0.00
HUF							-667,003.96	-0.41
PLN							33,606.55	0.02
RON							160,465.46	0.10
BALANCES IN NON-EU CURRENCIES								
RSD							82,996.16	0.05
RUB							162,923.24	0.10
TRY							659,459.53	0.41
USD							210,871.31	0.13
TOTAL BANK BALANCES							**1,874,527.46**	**1.17**
ACCRUALS AND DEFERRALS								
INTEREST CLAIMS							**3,165,684.15**	**1.96**
OTHER ITEMS								
VARIOUS FEES							**-138,116.90**	**-0.09**
TOTAL FUND ASSETS							**161,209,574.43**	**100.00**

NET ASSET VALUE PER UNIT		
TRANCHE R INCOME-DISTRIBUTING	EUR	106.37
TRANCHE R INCOME-RETAINING	EUR	207.95
TRANCHE R FULL INCOME-RETAINING	EUR	254.14
TRANCHE I FULL INCOME-RETAINING	EUR	261.50

UNITS IN CIRCULATION		
TRANCHE R INCOME-DISTRIBUTING	UNITS	546,358.199
TRANCHE R INCOME-RETAINING	UNITS	298,425.277
TRANCHE R FULL INCOME-RETAINING	UNITS	88,082.048
TRANCHE I FULL INCOME-RETAINING	UNITS	71,297.245

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

ISIN	SECURITY TITLE	CURRENCY	VOLUME 29/1/2016
XS0559915961	6.8000 VEB FINANCE 10/25MTN REGS	USD	150,000

EXCHANGE RATES

FOREIGN CURRENCY ASSETS WERE CONVERTED INTO EUR ON THE BASIS OF THE EXCHANGE RATES APPLICABLE ON 28/1/2016

CURRENCY		UNIT	PRICE
CZECH CROWN	CZK	1 EUR =	27.020000
CROATIAN KUNA	HRK	1 EUR =	7.662400
HUNGARIAN FORINT	HUF	1 EUR =	314.650000
POLISH ZLOTY	PLN	1 EUR =	4.470350
ROMANIAN LEI	RON	1 EUR =	4.543400
SERBIAN DINAR	RSD	1 EUR =	123.583550
RUSSIAN RUBLE	RUB	1 EUR =	84.038650
TURKISH LIRA	TRY	1 EUR =	3.254900
US DOLLAR	USD	1 EUR =	1.093950

1 Price gains and losses as of cut-off date.
Any discrepancies in terms of % shares of the fund assets result from rounding-off.

FUTURES EXCHANGE KEY:

CODE	STOCK EXCHANGE
CBT	CHICAGO BOARD OF TRADE
EUREX	EUROPEAN EXCHANGE

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

ISIN		SECURITY TITLE	CURRENCY	PURCHASES ADDITIONS	SALES DISPOSALS
BONDS IN CZECH CROWNS					
AT0000492996	1.6000	ATRIUM EUROP.REAL E.05/15	CZK		22,000,000
CZ0001003859	2.5000	CZECH REP. 2028	CZK		35,000,000
CZ0001002737	3.4000	CZECH REP. 2015	CZK		27,500,000
CZ0001001317	3.7500	CZECH REP. 2020 46	CZK		69,200,000
CZ0001001143	3.8000	CZECH REP. 2015 44	CZK		10,000,000
CZ0001001903	4.0000	CZECH REP. 2017 51	CZK		22,650,000
CZ0001001945	4.7000	CZECH REP. 2022 52	CZK	40,000,000	106,250,000
CZ0001002471	5.0000	CZECH REP. 2019 56	CZK		13,800,000
CZ0001002547	5.7000	CZECH REP. 2024 58	CZK	25,000,000	25,000,000
EURO BONDS					
XS1020300288	3.3750	LITHUANIA 14-24 MTN	EUR		550,000
XS1060842975	3.6250	ROMANIA 14/24 MTN	EUR	560,000	910,000
XS0971722342	3.6250	RUSSIAN FED. 13/20 REGS	EUR	400,000	700,000
XS0212170939	3.7500	LITHUANIA 05/16	EUR	30,000	1,010,000
XS0498285351	3.7500	POLAND 10/17 MTN	EUR		700,000
XS1028953989	3.8750	CROATIA 14/22	EUR	200,000	1,200,000
XS0210314299	4.2000	POLAND 05/20 MTN	EUR	90,000	270,000
XS0802005289	4.2500	BULGARIA 12/17	EUR	170,000	870,000
XS0284810719	4.3750	HUNGARY 07/17	EUR	80,000	190,000
XS0235372140	4.5000	EESTI ENERGIA 05/20	EUR		428,000
XS1041815116	4.6000	RZD CAPITAL 14/23	EUR		500,000
XS0972758741	4.6250	ROMANIA 13/20 MTN	EUR	250,000	520,000
XS0327304001	4.8500	LITHUANIA 07/18	EUR		350,000
XS0245387450	5.0000	TURKEY 06/16	EUR		450,000
BONDS IN HUNGARIAN FORINT					
HU0000402318	5.5000	HUNGARY 05-16 16/C	HUF		595,250,000
HU0000402375	6.7500	HUNGARY 06-17 17/B	HUF	725,000,000	1,431,350,000
HU0000402524	7.0000	HUNGARY 11-22	HUF		865,000,000
BONDS IN POLISH ZLOTY					
PL0000106795	4.7500	POLAND 11-16	PLN	21,100,000	27,300,000
PL0000106340	5.0000	POLAND 10-16	PLN		52,800,000
PL0000103602	6.2500	POLAND 2015	PLN		34,350,000
BONDS IN RUSSIAN RUBLES					
RU000A0JTYA5	6.4000	RUSSIAN FED. 13-20	RUB	240,000,000	240,000,000
RU000A0JQZ18	6.9000	RUSSIAN FED. 10-16	RUB		39,500,000
RU000A0JTJL3	7.0000	RUSSIAN FED. 13-23	RUB		85,000,000
RU000A0JS3W6	8.1500	RUSSIAN FED. 12-27	RUB	272,500,000	306,500,000
BONDS IN US DOLLARS					
XS0858358236	0.0000	UKRAINE 12/22 REGS	USD		600,000
XS0863522149	2.7500	LATVIA 12/20 REGS	USD		710,000
XS0925015074	4.4000	KAZMUNAYGAS 13/23MTN REGS	USD	500,000	600,000
XS1132166031	4.8750	KAZMUNAYGAS 14/25MTN REGS	USD	500,000	500,000
XS0541528682	5.1250	LITHUANIA 10/17 REGS	USD		400,000
XS0510820011	6.2500	KAZATOMPROM 10/15 REGS	USD		100,000
XS0638552942	6.2500	UKRAINE 11/16 REGS	USD		750,000
US900123AV22	7.2500	TURKEY 04/15	USD		100,000
XS0233620235	8.0000	CS INT. 05/15 REGS	USD		500,000
XS0503737461	8.3750	BIZ FINANCE 10/15	USD		100,000
XS0529394701	8.7500	BELARUS 10/15	USD		200,000
BONDS IN TURKISH LIRA					
TRT270116T18	9.0000	TURKEY 11/16	TRY		2,100,000
BONDS IN ROMANIAN LEI					
RO1215DBN073	5.8000	ROMANIA 12-15	RON		8,310,000

Further information on securities lending transactions

1. Overall risk (exposure) (average security holdings lent during the reporting period versus average fund volume):

   4.05 %

   On the reporting date 31 January 2016 the following securities had been lent:

ISIN	SECURITY TITLE		CURRENCY	VOLUME 29/1/2016	MARKET VALUE (incl. any interest accrued) 29/1/2016
XS0559915961	6.8000	VEB FINANCE 10/25MTN REGS	USD	150,000	133,368.37

2. Identity of the counterparties for securities lending transactions:

   Raiffeisen Bank International AG (as a recognized securities lending system within the meaning of § 84 InvFG)

3. Nature and value of eligible collateral received by the investment fund versus the counterparty risk:

   Under the securities lending agreement concluded between the management company and Raiffeisen Bank International AG, Raiffeisen Bank International AG is obliged to deliver collateral for the borrowed securities. Sight deposits (which are not used to purchase further assets and are thus held as deposits with the custodian bank), bonds, equities, convertible bonds and units in investment funds are permitted as collateral. Sight deposits do not undergo any valuation markdown, and the value of the collateral thus amounts to 100 % of the value of the lent securities. Other collateral (bonds, equities, convertible bonds and units in investment funds) will be valued daily on the basis of a value-at-risk calculation. The maximum foreseeable loss for this other collateral is calculated over a period of three business days, with a probability of 99 % (confidence interval). The value determined plus a markup of 10 % represents the applicable valuation markdown. This valuation markdown will amount to at least 5 % of the value of this other collateral. Recognition of this haircut will entail delivery of the required volume of additional collateral.

   At the end of the financial year, the collateral had the following makeup:

   Sight deposits: 0.00 %
   Bonds: 59.32 %
   Equities: 40.68 %
   Units in investment funds: 0.00 %

4. Fees, direct and indirect operating costs and income of the investment fund resulting from securities lending transactions during the accounting period:

   Income: EUR 7,268.38
   Costs: N/A

Further information on repurchase agreements

The fund did not enter into any repurchase agreements during the period under review.

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 2014 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)

Number of employees	incl. waiting allowances: 264 / excl. waiting allowances: 252
Fixed remuneration	21,650,363
Variable remuneration (bonuses)	66,063
Total remuneration for employees	**21,716,426**
Number of risk-bearers	62
Remuneration for managers	3,438,075
Remuneration for other risk-bearers	3,653,530
Total remuneration for risk-bearers	**7,091,605**

- 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, 19 May 2016

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

Mag. (FH) Dieter Aigner

Mag. Rainer Sonnabl

Audit opinion

Report on the annual fund report

We have audited the annual fund report as of 31 January 2016 issued by Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna, for its fund Raiffeisen Eastern European Bonds for the financial year from 1 February 2015 to 31 January 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 January 2016 for Raiffeisen Eastern European Bonds 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, 19 May 2016

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Wilhelm Kovsca
Auditor

Tax treatment

Please see our website www.rcm.at for detailed information on the fund's tax treatment, prepared on the basis of the audited annual fund report.

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 Eastern European Bonds**, a jointly owned fund pursuant to the Austrian Investment Fund Act (InvFG) 2011, as amended.

The investment fund is a fund complying with the Directive 85/611/EC 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 payment offices referred to in the prospectus are the payment offices 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 are invested in the form of directly purchased individual securities which are not held directly or indirectly through investment funds or derivatives) in bonds issued by central and eastern European (incl. Turkish) issuers and/or in bonds denominated in central and eastern European (incl. Turkish) currencies. In the case of non-government issuers, such central and eastern European (incl. Turkish) issuers are headquartered or mainly active in central and eastern European countries and Turkey.
The investment fund also invests a maximum of 25 % of its fund assets in convertible and warrant bonds and a maximum of 10 % of its fund assets in equities and other investment securities and participation rights.

Securities

Securities (including securities featuring embedded derivative instruments) may be purchased while complying with the investment focus outlined above.

Money market instruments

Money market instruments may comprise up to **49 %** of the fund assets.

Securities and money market instruments

Securities or money market instruments issued or guaranteed by Poland, Hungary or Turkey may exceed **35 %** of the fund assets if the fund assets are invested in at least six different issues of these issuers, with an investment in any single issue not exceeding **30 %** of the fund assets.

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*).
The overall risk for derivative instruments which are not held for hedging purposes is limited to **30 %** 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 notice periods not exceeding 12 months may amount to up to **25 %** 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 notice periods 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.

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 **3 %** 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.

For unit certificates of the investment fund sold outside Austria, instead of the subscription fee a redemption fee of up to 3 % of the unit value or a combination of a subscription fee and a redemption fee which may not exceed 3 % may be added.

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. In general, 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.

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

Article 5 Accounting year

The investment fund's accounting year runs from February 1 to January 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 April 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 April 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 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 April 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 at the time of payout 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 – 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 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 pursuant to the Austrian Income Tax Act (§ 94) or for an exemption from capital gains tax.

Article 7 Management fee, reimbursement of expenses, liquidation fee

The management company shall receive for its management activity an annual remuneration

- of up to **0.75 %** of the fund assets for the unit certificate class “tranche I” (minimum investment: EUR 500,000) or
- of up to **1.50 %** of the fund assets for the unit certificate class “tranche R”,

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

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

The management company is entitled to reimbursement of all expenses associated with its management of the fund.
Please refer to the prospectus for further details.

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.

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&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 EEA 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.	Russia:	Moscow (RTS Stock Exchange)
		Moscow Interbank Currency Exchange (MICEX)
2.4.	Switzerland:	SWX Swiss Exchange
2.5.	Serbia and Montenegro:	Belgrade
2.6.	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 Columbia
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.	Philippines:	Manila
3.18.	Singapore:	Singapore Stock Exchange

[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.	South Africa:	Johannesburg
3.20.	Taiwan:	Taipei
3.21.	Thailand:	Bangkok
3.22.	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
3.23.	Venezuela:	Caracas
3.24.	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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