

Raiffeisen Sustainable Equities
(Original German name:
Raiffeisen-Nachhaltigkeitsfonds-Aktien)

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 April 2015 to 31 March 2016

Raiffeisen Sustainable Equities is an equity fund. It pursues an investment goal of long-term capital growth subject to a higher level of risk and mainly invests (at least 51 % of its fund assets) in equities or equity-equivalent securities issued by companies which are classified as sustainable on the basis of social, ecological and ethical criteria. The fund will not invest in certain sectors such as the arms industry or green/genetic engineering of plants as well as companies which violate labor and human rights etc. The fund may also invest in other securities, in bonds and money market instruments issued by sovereigns, companies or supranational issuers etc., in units in investment funds and in sight deposits and deposits at notice. The fund is actively managed and is not limited by means of a benchmark.

General fund information

Tranche	Fund currency	Tranche currency	Launch date	ISIN
ISIN income-distributing (R) (A) *	EUR	EUR	13/5/2002	AT0000677901
ISIN income-retaining (R) (T) **	EUR	EUR	13/5/2002	AT0000677919
ISIN income-retaining (I) (T)	EUR	EUR	1/3/2011	AT0000A0LSJ0
ISIN full income-retaining (outside Austria) (R) (VTA)	EUR	EUR	29/10/2002	AT0000677927

Fund characteristics

Financial year:	1 April – 31 March
Distribution/payment/reinvestment date:	15 June
Type of fund:	Investment fund pursuant to § 2 of the Austrian Investment Fund Act, InvFG (UCITS)
Effective management fee for the fund:	R tranche: 1.50 % I tranche: 0.75 %
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 11 May 2015, merged with ISIN savings fund R income-distributing AT0000677935.

** On 11 May 2015, merged with ISIN savings fund R income-retaining AT0000677943.

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 Sustainable Equities for the financial year from 1 April 2015 to 31 March 2016.

Fund details

	31/3/2015	31/3/2016
Fund assets in EUR	27,331,038.27	35,510,300.35
Net asset value/unit (R) (A) EUR	113.59	102.25
Issue price/unit (R) (A) EUR	119.27	107.36
Net asset value/unit (R) (T) EUR	123.17	112.07
Issue price/unit (R) (T) EUR	129.33	117.67
Net asset value/unit (I) (T) EUR	128.42	117.64
Issue price/unit (I) (T) EUR	134.84	123.52
Net asset value/unit (R) (VTA) EUR	123.99	112.81
Issue price/unit (R) (VTA) EUR	130.19	118.45
	15/6/2015	15/6/2016
Distribution/unit (R) (A) EUR	1.14	1.02
Outpayment/unit (R) (T) EUR	0.0000	0.0000
Outpayment/unit (I) (T) EUR	0.0000	0.8624
Reinvestment/unit (R) (T) EUR	0.0024	0.0044
Reinvestment/unit (I) (T) EUR	0.0290	4.3521
Reinvestment/unit (R) (VTA) EUR	0.0025	0.0044

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

Units in circulation

	AT0000677901 (R) A	AT0000677919 (R) T	AT0000A0LSJ0 (I) T	AT0000677927 (R) VTA
Units in circulation on 31/3/2015	14,198.822	194,685.982	10.000	14,006.291
Sales	13,852.724	141,220.662	16,605.466	5,579.806
Repurchases	- 1,620.135	- 78,133.880	- 10.000	- 2,165.532
Units in circulation	26,431.411	257,772.764	16,605.466	17,420.565
Total units in circulation on 31/3/2016				318,230.206

Fund details for last 3 financial years

	31/3/2014	31/3/2015	31/3/2016
Total fund assets	14,351,235.56	27,331,038.27	35,510,300.35
Net asset value/distributing units (R) (AT0000677901) in EUR	87.98	113.59	102.25
Net asset value/reinvested units (R) (AT0000677919) in EUR	94.48	123.17	112.07
Net asset value/reinvested units (I) (AT0000A0LSJ0) in EUR	97.68	128.42	117.64
Net asset value/fully reinvested units (R) (AT0000677927) in EUR	95.10	123.99	112.81

Development of the fund assets and income statement

Performance in financial year (fund performance)

Distributing units (R) (AT0000677901)

Net asset value per unit at start of financial year in EUR	113.59
Distribution on 15/6/2015 (net asset value: EUR 108.36) of EUR 1.14, corresponds to 0.010520 units	
Net asset value per unit at end of financial year in EUR	102.25
Total value incl. units purchased through distribution (1.010520 x 102.25)	103.33
Net income/net reduction per unit	- 10.26

Performance of one unit during the financial year as % **- 9.04**

Reinvested units (R) (AT0000677919)

Net asset value per unit at start of financial year in EUR	123.17
Net asset value per unit at end of financial year in EUR	112.07
Net income/net reduction per unit	- 11.10

Performance of one unit during the financial year as % **- 9.01**

Reinvested units (I) (AT0000A0LSJ0)

Net asset value per unit at start of financial year in EUR	128.42
Net asset value per unit at end of financial year in EUR	117.64
Net income/net reduction per unit	- 10.78

Performance of one unit during the financial year as % **- 8.39**

Fully reinvested units (R) (AT0000677927)

Net asset value per unit at start of financial year in EUR	123.99
Net asset value per unit at end of financial year in EUR	112.81
Net income/net reduction per unit	- 11.18
Performance of one unit during the financial year as %	- 9.02

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

Fund assets on 31/3/2015 (222,901.095 units)	27,331,038.27
Distribution on 15/6/2015 (EUR 1.14 x 17,502.915 distributing units (R) (AT0000677901))	- 19,953.32
Issuance of units	20,358,352.12
Redemption of units	- 9,411,344.38
Pro rata income adjustment	- 393,390.18
Overall fund result	- 2,354,402.16
Fund assets on 31/3/2016 (318,230.206 units)	35,510,300.35

Fund result in EUR

A. Realized fund result

Ordinary fund result

Income (excl. closing price)		
Interest income	28.80	
Income from securities lending transactions	11,284.29	
Dividend income (incl. dividend equivalent)	554,568.10	
Austrian dividend income	6,504.01	572,385.20
Expenses		
Management fees	- 435,658.48	
Custodian bank fees	- 26,998.72	
Auditing expenses	- 4,164.13	
Tax consulting fees	- 3,900.01	
Custody charge	- 11,696.46	
Statutory/publication expenses	- 11,037.23	
Research expenses	- 11,769.37	- 505,224.40
Ordinary fund result (excl. income adjustment)		67,160.80
Realized closing price		
Profits realized from securities	1,424,012.81	
Losses realized from securities	- 539,214.45	
Realized closing price (excl. income adjustment)		884,798.36
Realized fund result (excl. income adjustment)		951,959.16

B. Unrealized closing price

Change in unrealized closing price		- 3,699,751.50
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C. Income adjustment

Income adjustment for income during financial year		393,390.18
Overall fund result		- 2,354,402.16

The result for the past accounting 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 EUR 57,030.06.

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 almost all 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. Japan in particular has suffered a very strong fall. 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 %. On the other hand, losses in value predominated for equities, currencies and bonds on the emerging markets' stock exchanges in the past year, particularly in Asia and Latin America. The picture for the developed bond markets was mixed in 2015. Despite significant temporary fluctuations, government bonds generally achieved slight gains while corporate bonds weakened somewhat. Commodities once again 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 price trend for crude oil and other commodities and (4) the exchange rate fluctuations of 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 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, but it is clearly struggling to raise interest rates any further. Yields on long-term US government bonds even fell following the Fed's interest-rate hike. 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 continuously loosening its monetary policy and in some ways breaking new ground. In order to counteract deflationary trends, the ECB has initiated huge bond-purchasing activities and has moved key interest rates in the Eurozone clearly into negative territory. From an economic point of view, the measures of the past few years have only partially paid off to date. However, they have weakened the euro's exchange rate – at least temporarily – while buoying the European financial markets. In the Eurozone, monetary policy will very likely remain expansionary for some time to come and significant yield rises now appear probable here.

The yield level is now extremely low almost worldwide. Around one third of all government bonds are now providing negative nominal yields. In these cases, the creditor actually pays the debtor for the "right" to lend it money. While this is absurd from an economic point of view, it is nonetheless 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 in which 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. Corporate profits are either declining – particularly in the emerging markets – or else their growth rates are increasingly faltering. 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 invests in equities of companies which focus on sustainability and have above-average ratings in terms of social and environmental criteria. As well as a favorable sustainability assessment, the selected companies must also have attractive financial valuations.

The period under review represented a challenging environment for global equities. The fund was unable to escape this environment and realized a negative performance in the reporting period.

Individual sectors generally suffered setbacks, albeit to varying degrees.

Companies in the financial, cyclical consumer, energy and basic materials sectors performed particularly negatively. However, the latter two sectors play a relatively minor role in the fund. Companies in the utilities and telecoms sectors performed positively. However, these two sectors likewise had marginal weightings in the fund.

Of the fund's individual stocks, Wessanen, an organic food producer, Campbell Soup, a producer of vegetable-based ready meals, and NTT Docomo, a Japanese telecommunications firm, provided very strong contributions for the fund.

The fund also benefited from takeovers during the period under review. Pall, a filter systems specialist, was the subject of a takeover, as was BG Group, a leading firm in the natural gas sector.

Premier Oil, an oil exploration firm, and Teradata, a data analysis specialist, registered the weakest performances in the period under review.

At a regional level, North America was the fund's strongest weighting, followed by Europe, while Japan played a relatively minor role.

The fund's activities were shaped by profit-taking, measures to optimize risk/return perspectives and not least by changes to the sustainability assessment for individual securities.

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

Makeup of fund assets in EUR

Securities	Market value	%
Equities:		
USD	19,713,753.78	55.52
EUR	7,431,011.86	20.93
JPY	2,405,863.84	6.77
GBP	1,835,031.11	5.17
CAD	945,988.66	2.66
DKK	779,731.07	2.19
CHF	617,748.79	1.74
NOK	467,435.16	1.32
AUD	303,245.10	0.85
Total equities	34,499,809.37	97.15
Participation certificates:		
CHF	626,788.43	1.77
Total securities	35,126,597.80	98.92
Bank balances		
Bank balances in fund currency	396,509.19	1.12
Bank balances in foreign currency	4,587.67	0.01
Total bank balances	401,096.86	1.13
Accruals and deferrals		
Interest claims (on securities and bank balances)	2.65	0.00
Dividends receivable	37,351.98	0.10
Total accruals and deferrals	37,354.63	0.10
Other items		
Various fees	- 54,748.94	- 0.15
Total fund assets	35,510,300.35	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 31/3/2016	PURCHASES ADDITIONS IN PERIOD	SALES DISPOSALS UNDER REVIEW	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
EQUITIES IN EURO								
FR0000120404	ACCOR SA INH. EO 3	EUR	9,450	3,470	2,270	37.505000	354,422.25	1.00
NL0000009132	AKZO NOBEL EO 2	EUR	4,176	2,350	60	60.370000	252,105.12	0.71
NL0010273215	ASML HOLDING EO -,09	EUR	4,670	1,770	100	89.290000	416,984.30	1.17
DE0005190003	BAY.MOTOREN WERKE AG ST	EUR	4,770	3,000	100	82.110000	391,664.70	1.10
FR0000061129	BOIRON SA INH. EO 1	EUR	2,130	700	670	71.500000	152,295.00	0.43
FR0000125338	CAP GEMINI INH. EO 8	EUR	4,570	2,510	70	84.050000	384,108.50	1.08
DE0005552004	DEUTSCHE POST AG NA O.N.	EUR	21,820	14,190	350	24.995000	545,390.90	1.54
DE0006048432	HENKEL AG+CO.KGAA VZO	EUR	3,880	2,070	60	98.930000	383,848.40	1.08
BE0003565737	KBC GROEP N.V.	EUR	8,860	8,860		46.310000	410,306.60	1.16
DE0008430026	MUENCH.RUECKVERS.VNA O.N.	EUR	3,770	1,260	90	179.650000	677,280.50	1.91
FI0009013296	NESTE OYJ	EUR	9,900	3,260	240	30.380000	300,762.00	0.85
FI0009000681	NOKIA CORP. EO-,06	EUR	60,950	60,950		5.335000	325,168.25	0.92
AT0000743059	OMV AG AKT. O.N.	EUR	7,730	2,550	180	25.320000	195,723.60	0.55
FR0000184798	ORPEA ACT.NOM. EO 1,25	EUR	3,750	3,750		72.170000	270,637.50	0.76
NL0006144495	RELX N.V. NAM. EO -,07	EUR	24,050	14,400	530	15.675000	376,983.75	1.06
DE0007164600	SAP SE O.N.	EUR	7,810	2,750	320	71.160000	555,759.60	1.57
FR0000121972	SCHNEIDER ELEC. INH. EO 4	EUR	4,760	1,550	110	56.120000	267,131.20	0.75
FR0010613471	SUEZ ENVIRONNEMENT EO 4	EUR	27,890	9,270	980	16.160000	450,702.40	1.27
BE0003884047	UMICORE S.A. NEW	EUR	7,340	4,670	180	44.365000	325,639.10	0.92
AT0000746409	VERBUND KAT.A O.N.	EUR	9,370	2,800	230	11.195000	104,897.15	0.30
NL0000395317	WESSANEN NV. NAM. EO 1	EUR	30,188	9,850	990	9.580000	289,201.04	0.81
EQUITIES IN US DOLLARS								
US88579Y1010	3M CO. DL-,01	USD	6,280	4,080	200	166.750000	922,228.09	2.60
IE00B4BNMY34	ACCENTURE PLC A DL-000025	USD	7,960	8,060	100	115.370000	808,758.43	2.28
US00846U1016	AGILENT TECHS INC. DL-,01	USD	15,570	9,070	700	40.120000	550,126.29	1.55
US0091581068	AIR PROD. CHEM. DL 1	USD	3,673	1,240	100	145.250000	469,839.94	1.32
US02079K3059	ALPHABET INC. CL.A DL-,001	USD	957	977	20	768.340000	647,557.36	1.82
US03524A1088	ANHEUSER-BUSCH INBEV ADR	USD	4,360	1,780	110	125.740000	482,806.16	1.36
US00206R1023	AT + T INC. DL 1	USD	12,218	3,580	300	39.370000	423,621.89	1.19
US0527691069	AUTODESK INC.	USD	7,550	7,950	400	57.900000	384,980.18	1.08
US0758871091	BECTON, DICKINSON DL 1	USD	4,837	3,160	410	152.540000	649,789.50	1.83
US1344291091	CAMPBELL SOUP CO.DL-,0375	USD	13,990	5,030	300	64.160000	790,487.36	2.23
US12504L1098	CBRE GROUP INC. A DL-,01	USD	21,574	12,054	340	28.690000	545,097.37	1.54
US17275R1023	CISCO SYSTEMS DL-,001	USD	20,039	6,840	900	28.460000	502,254.46	1.41
US20825C1045	CONOCOPHILLIPS DL-,01	USD	8,100	2,930	200	40.080000	285,907.53	0.81
US2254471012	CREE INC. DL-,00125	USD	7,970	2,470	200	30.140000	211,550.68	0.60
US2310211063	CUMMINS INC. DL 2,50	USD	4,361	1,360	100	109.310000	419,815.86	1.18
US2358511028	DANAHER CORP. DL-,01	USD	5,400	5,500	100	95.030000	451,926.02	1.27
US2546871060	DISNEY (WALT) CO.	USD	4,923	2,230	100	98.910000	428,827.77	1.21
US2788651006	ECOLAB INC. DL 1	USD	6,740	4,140	200	112.420000	667,292.65	1.88
US4052171000	HAIN CELESTIAL GRP DL-,01	USD	9,270	6,860	160	41.060000	335,205.81	0.94
US4103451021	HANESBRANDS INC. DL -,01	USD	6,900	6,900		28.480000	173,062.09	0.49
US42809H1077	HESS CORP. DL 1	USD	6,800	3,980	400	50.970000	305,236.46	0.86
US4581401001	INTEL CORP. DL-,001	USD	18,000	8,105	700	32.710000	518,520.48	1.46
US4595061015	INTL FLAVORS/FRAG.DL-,125	USD	3,400	3,400		114.580000	343,084.10	0.97
US4783661071	JOHNSON CONTROLS DL-,0139	USD	15,200	7,433	300	38.880000	520,454.43	1.47
US49338L1035	KEYSIGHT TECHS DL-,01	USD	7,160	5,060	200	27.420000	172,899.34	0.49
US5717481023	MARSH+MCLENNAN COS.INC.D1	USD	8,921	9,121	200	60.740000	477,200.83	1.34
US5806451093	MCGRAW HILL FINL INC.DL 1	USD	4,993	5,093	100	98.940000	435,057.17	1.23
US5926881054	METTLER-TOLEDO INTL	USD	1,340	1,350	10	343.240000	405,056.45	1.14
US5949181045	MICROSOFT DL-,00000625	USD	13,422	5,970	300	55.050000	650,709.91	1.83
US6005441000	MILLER (HERMAN) DL-,20	USD	14,700	7,940	200	30.570000	395,754.29	1.11
US6658591044	NORTHN TRUST CORP.DL1,666	USD	7,900	2,740	240	65.480000	455,563.19	1.28
NL0009538784	NXP SEMICONDUCTORS EO-,20	USD	4,600	4,730	130	81.750000	331,175.69	0.93
US7427181091	PROCTER GAMBLE	USD	9,500	5,120	200	82.680000	691,730.52	1.95
US79466L3024	SALESFORCE.COM DL-,001	USD	5,500	5,500		74.300000	359,885.51	1.01
US8475601097	SPECTRA ENERGY DL -,001	USD	8,500	3,030	200	30.550000	228,687.80	0.64
US8552441094	STARBUCKS CORP.	USD	9,830	13,530	8,705	60.010000	519,505.33	1.46

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

ISIN	SECURITY TITLE	CURRENCY	VOLUME 31/3/2016	PURCHASES ADDITIONS IN PERIOD UNDER REVIEW	SALES DISPOSALS	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
EQUITIES IN US DOLLARS								
US8676524064	SUNPOWER CORP. DL -,01	USD	6,990	2,046	180	22.500000	138,507.27	0.39
US88076W1036	TERADATA (DEL.) DL-,01	USD	8,149	2,030	400	26.110000	187,380.35	0.53
US9078181081	UNION PAC. DL 2,50	USD	4,200	1,866	360	80.560000	297,976.22	0.84
US92220P1057	VARIAN MEDICAL SYS DL 1	USD	4,700	1,630	330	79.800000	330,303.83	0.93
US92826C8394	VISA INC. CL. A DL -,0001	USD	8,298	4,500	210	76.780000	561,092.42	1.58
US9621661043	WEYERHAEUSER CO. DL 1,25	USD	17,903	9,390	5,800	31.050000	489,553.63	1.38
US9662441057	WHITEWAVE FOODS DL-,01	USD	10,890	11,140	250	40.360000	387,072.13	1.09
US9668371068	WHOLE FOODS MKT	USD	12,834	4,560	500	31.870000	360,210.99	1.01
EQUITIES IN BRITISH POUNDS								
GB0030913577	BT GROUP PLC LS 0.05	GBP	73,520	45,360	31,040	4.461000	417,321.19	1.18
GB0005603997	LEGAL GENL GRP PLCLS-,025	GBP	105,820	67,690	1,570	2.354000	316,961.80	0.89
GB00B08SNH34	NATIONAL GRID PLC NEW	GBP	35,030	13,600	820	9.935000	442,833.76	1.25
JE00B2QKY057	SHIRE PLC LS-,05	GBP	5,570	2,586	130	39.170000	277,614.07	0.78
JE00B8KF9B49	WPP PLC LS-,10	GBP	18,280	9,160	330	16.350000	380,300.29	1.07
EQUITIES IN JAPANESE YEN								
JP3112000009	ASAHI GLASS	JPY	48,885	16,270	1,000	602.000000	230,465.65	0.65
JP3942400007	ASTELLAS PHARMA INC.	JPY	28,774	17,260	700	1,506.500000	339,471.62	0.96
JP3551500006	DENSO CORP.	JPY	4,313	1,620	100	4,375.000000	147,771.82	0.42
JP3165650007	NTT DOCOMO INC.	JPY	27,420	9,640	660	2,641.500000	567,220.82	1.60
JP3419400001	SEKISUI CHEM.	JPY	23,935	13,240	1,000	1,395.000000	261,481.96	0.74
JP3892100003	SUMITOMO MITSUI TR.HLDGS	JPY	84,000	86,000	2,000	322.100000	211,886.90	0.60
JP3351100007	SYSMEX CORP.	JPY	11,630	4,830	200	7,110.000000	647,565.07	1.82
EQUITIES IN SWISS FRANCS								
CH0002497458	SGS S.A. NA SF 1	CHF	223	120		2,029.000000	414,233.27	1.17
CH0011075394	ZURICH INSUR.GR.NA.SF0,10	CHF	1,000	300	20	222.300000	203,515.52	0.57
EQUITIES IN CANADIAN DOLLARS								
CA0636711016	BK MONTREAL CD 2	CAD	3,672	1,200	1,400	79.020000	197,476.05	0.56
CA0641491075	BK NOVA SCOTIA	CAD	4,967	1,660	1,740	63.550000	214,824.82	0.60
CA3759161035	GILDAN ACTIVEWEAR SV	CAD	14,376	9,070	210	39.060000	382,159.84	1.08
EQUITIES IN NORWEGIAN CROWNS								
NO0010096985	STATOIL ASA NK 2,50	NOK	14,650	5,340	340	131.900000	204,967.91	0.58
NO0005668905	TOMRA SYSTEMS ASA NK 1	NOK	28,360	12,350	570	87.250000	262,467.25	0.74
EQUITIES IN DANISH CROWNS								
DK0060448595	COLOPLAST NAM. B DK 1	DKK	6,270	3,010	150	500.500000	421,135.73	1.19
DK0060336014	NOVOZYMES A/S NAM. B DK 2	DKK	8,910	5,750	150	299.900000	358,595.34	1.01
EQUITIES IN AUSTRALIAN DOLLARS								
AU000000WBC1	WESTPAC BKG	AUD	14,970	5,210	350	29.890000	303,245.10	0.85
PARTICIPATION CERTIFICATES IN SWISS FRANCS								
CH0012032048	ROCHE HLDG AG GEN.	CHF	2,890	1,150	60	236.900000	626,788.43	1.77
TOTAL LICENSED SECURITIES ADMITTED TO TRADING ON THE OFFICIAL MARKET OR ANOTHER REGULATED MARKET							34,975,069.85	98.49
EQUITIES IN CANADIAN DOLLARS								
CA87971M9969	TELUS -NON CANADIAN SHS-	CAD	5,240	5,240		42.490000	151,527.95	0.43
TOTAL LICENSED SECURITIES NOT ADMITTED TO TRADING ON THE OFFICIAL MARKET OR ANOTHER REGULATED MARKET							151,527.95	0.43
TOTAL SECURITIES PORTFOLIO							35,126,597.80	98.92
BANK BALANCES								
EUR BALANCES							396,509.19	1.12
BALANCES IN OTHER EU CURRENCIES								
GBP							717.46	0.00
NOK							3,394.96	0.01
BALANCES IN NON-EU CURRENCIES								
CHF							154.26	0.00
JPY							27.97	0.00
USD							293.02	0.00
TOTAL BANK BALANCES							401,096.86	1.13

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

	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
ACCRUALS AND DEFERRALS		
INTEREST CLAIMS	2.65	0.00
DIVIDENDS RECEIVABLE	37,351.98	0.10
TOTAL ACCRUALS AND DEFERRALS	37,354.63	0.10
OTHER ITEMS		
VARIOUS FEES	-54,748.94	-0.15
TOTAL FUND ASSETS	35,510,300.35	100.00
NET ASSET VALUE PER UNIT		
TRANCHE R INCOME-DISTRIBUTING	EUR	102.25
TRANCHE R INCOME-RETAINING	EUR	112.07
TRANCHE I INCOME-RETAINING	EUR	117.64
TRANCHE R FULL INCOME-RETAINING	EUR	112.81
UNITS IN CIRCULATION		
TRANCHE R INCOME-DISTRIBUTING	UNITS	26,431.411
TRANCHE R INCOME-RETAINING	UNITS	257,772.764
TRANCHE I INCOME-RETAINING	UNITS	16,605.466
TRANCHE R FULL INCOME-RETAINING	UNITS	17,420.565

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

ISIN	SECURITY TITLE	CURRENCY	VOLUME 31/3/2016
FI0009013296	NESTE OYJ	EUR	9.900

EXCHANGE RATES

FOREIGN CURRENCY ASSETS WERE CONVERTED INTO EUR ON THE BASIS OF THE EXCHANGE RATES APPLICABLE ON 30/3/2016

CURRENCY	UNIT	PRICE
AUSTRALIAN DOLLAR	AUD 1 EUR =	1.475550
CANADIAN DOLLAR	CAD 1 EUR =	1.469350
SWISS FRANC	CHF 1 EUR =	1.092300
DANISH CROWN	DKK 1 EUR =	7.451600
BRITISH POUND	GBP 1 EUR =	0.785900
JAPANESE YEN	JPY 1 EUR =	127.692650
NORWEGIAN CROWN	NOK 1 EUR =	9.427500
US DOLLAR	USD 1 EUR =	1.135500

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

ISIN	SECURITY TITLE	CURRENCY	PURCHASES ADDITIONS	SALES DISPOSALS
EQUITIES IN AUSTRALIAN DOLLARS				
AU000000ANZ3	A.N.Z. BKG GRP	AUD	2,630	12,710
EQUITIES IN CANADIAN DOLLARS				
CA1363751027	CANADIAN NATL RAILWAY CO.	CAD		3,676
CA73755L1076	POTASH CORP. SAS. INC.	CAD	1,540	8,078
CA87971M1032	TELUS CORP.	CAD	5,340	5,340
EQUITIES IN EURO				
ES0113211835	BCO BIL.VIZ.ARG.NOM.EO-49	EUR	2,615	13,955
FR0000131104	BNP PARIBAS INH. EO 2	EUR	760	4,490
DE0006483001	LINDE AG O.N.	EUR	30	1,030
ES0173516115	REPSOL S.A. INH. EO 1	EUR	340	6,110

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

ISIN	SECURITY TITLE	CURRENCY	PURCHASES ADDITIONS	SALES DISPOSALS
EQUITIES IN BRITISH POUNDS				
GB0008762899	BG GRP PLC LS-,10	GBP	1,550	29,500
GB0033195214	KINGFISHER LS-,157142857	GBP	7,060	42,140
GB00B43G0577	PREMIER OIL LS-,125	GBP	12,970	64,700
GB0004835483	SABMILLER DL-,10	GBP	810	4,710
EQUITIES IN JAPANESE YEN				
JP3835620000	BENESSE HOLDINGS INC.	JPY	220	7,295
JP3902900004	MITSUBISHI UFJ FINL GRP	JPY	2,010	46,961
JP3866800000	PANASONIC CORP.	JPY	6,950	34,706
EQUITIES IN NORWEGIAN CROWNS				
NO0003733800	ORKLA NK 1,25	NOK	1,490	20,660
EQUITIES IN SWEDISH CROWNS				
SE0000109290	HOLMEN AB B SK 50	SEK	1,060	5,080
EQUITIES IN US DOLLARS				
US0640581007	BK N.Y. MELLON DL -,01	USD	2,180	9,280
US1101221083	BRISTOL-MYERS SQUIBBDL-10	USD	720	8,360
US1890541097	CLOROX CO. DL 1	USD	1,110	5,447
US2441991054	DEERE CO. DL 1	USD	480	2,010
US38259P5089	GOOGLE INC. A DL-,001	USD	80	737
US4592001014	INTL BUS. MACH. DL-,20	USD	540	2,386
US4878361082	KELLOGG CO. DL -,25	USD		5,804
US5719032022	MARRIOTT INTL A DL-,01	USD		3,023
US58933Y1055	MERCK CO. DL-,01	USD		7,029
US6081901042	MOHAWK INDS INC. DL-,01	USD	230	1,172
US68389X1054	ORACLE CORP. DL-,01	USD	1,090	5,056
US6964293079	PALL CORP. DL-,10	USD	110	3,660
US8574771031	STATE STREET CORP. DL 1	USD	1,860	6,874
US8715031089	SYMANTEC CORP. DL-,01	USD	3,320	15,598
US88162G1031	TETRA TECH INC. DL-,01	USD	1,100	6,230
US92343V1044	VERIZON COMM. INC. DL-,10	USD		2,900
SUBSCRIPTION RIGHTS IN AUSTRALIAN DOLLARS				
AU00000WBCR0	WESTPAC BKG -ANR.-	AUD	488	488
SUBSCRIPTION RIGHTS IN EURO				
NL0011495171	AKZO NOBEL -ANR.-	EUR	1,956	1,956
NL0010866703	AKZO NOBEL -ANR.- (WAHLD.)	EUR	1,886	1,886
ES06132119B5	BCO BIL.VIZ.ARG. -ANR.-	EUR	470	470
NL0010866760	REED ELSEVIER -ANR.-	EUR	10,180	10,180
NL0011376025	RELX N.V. -ANR.- WAHLD.	EUR	16,195	16,195
ES0673516961	REPSOL S.A. -ANR.-	EUR	70	70

Further information on securities lending transactions

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

0.86 %

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

ISIN	SECURITY TITLE	CURRENCY	VOLUME 31/3/2016	MARKET VALUE (incl. any interest accrued) 31/3/2016
FI0009013296	NESTE OYJ	EUR	9,900	300,762.00

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: 57.19 %

Equities: 42.81 %

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 11,284.29

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
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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
Total remuneration for employees	26,115,102.63
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
Total remuneration for risk-bearers	9,025,942.30

- 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 15 June 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 July 9, 2015. 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, 15 July 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 March 2016 issued by Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna, for its fund Raiffeisen Sustainable Equities for the financial year from 1 April 2015 to 31 March 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 March 2016 for Raiffeisen Sustainable Equities 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, 15 July 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 Sustainable Equities**, a jointly owned fund pursuant to the **Austrian Investment Fund Act 2011, as amended** (InvFG).

The investment fund is an undertaking for collective investment in transferable securities (UCITS) 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 invests at least 51 % of its fund assets in the form of directly purchased individual securities which are not held directly or indirectly through investment funds or derivatives in equities or equity-equivalent securities issued by companies which are classified as sustainable on the basis of social, ecological and ethical criteria. The fund will not invest in certain sectors such as the arms industry or green/genetic engineering of plants as well as companies which violate labor and human rights etc.

The following investment instruments are purchased for the fund assets, while complying with the investment focus outlined above.

Securities

The fund may purchase securities (including securities with embedded derivative instruments) as permitted by law.

Money market instruments

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

Securities and money market instruments

Not fully paid-in securities or money market instruments and subscription rights for such instruments or other not fully paid-in financial instruments may only be purchased for up to **10 %** of the fund assets.

Securities and money market instruments may be purchased if they comply with the criteria concerning listing and trading on a regulated market or a securities exchange pursuant to InvFG.

Securities and money market instruments which do not fulfill the criteria laid down in the above paragraph may be purchased for up to 10 % of the fund assets in total.

Units in investment funds

Units in investment funds (UCITS, UCI) **may each amount to up to 10 %** of the fund assets – and **up to 10 % of the fund assets in total** – insofar as these UCITS or UCI do not for their part invest more than 10 % of their fund assets in units in other investment funds.

Derivative instruments

Derivative instruments may exclusively be used 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.

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.

Article 4 Issuance and redemption modalities

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

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

Issuance and subscription fee

Units will be issued on any banking day.

The issue price is the unit value plus a fee per unit of **up to 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.

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 April 01 to March 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.

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 June 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 June 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 June 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 – domestic and foreign tranches)

Income during the accounting year net of costs shall not be distributed. No payment pursuant to InvFG will be made. June 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 at the time of payout the unit certificates may only be held by unitholders who are either not subject to Austrian income or corporate income tax or who fulfill the requirements for exemption as per § 94 of the Austrian Income Tax Act or for an exemption from capital gains tax.

If these preconditions have not been met as of the outpayment 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 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 § 94 of the Austrian Income Tax Act 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 **1.75 %** 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 information on this investment fund.

Appendix

List of stock exchanges with official trading and organized markets

1. Stock exchanges with official trading and organized markets in the member states of the EEA

Each Member State is required to maintain an updated list of regulated markets authorized by it. 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=0¹

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:

1.3.1. United Kingdom London Stock Exchange Alternative Investment Market (AIM)

1.4. 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. 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

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"]

3.15.	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
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 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, Gov- ernment 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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