

Raiffeisen Sustainable Equities

(Original German name: Raiffeisen-Nachhaltigkeit-Aktien)

annual fund report

financial year Apr 1, 2017 – Mar 31, 2018

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 Apr 1, 2017 to Mar 31, 2018

General fund information

ISIN	Tranche	Income class	Currency	Launch date
AT0000677901	Raiffeisen Sustainable Equities (R) A	income-distributing	EUR	May 13, 2002
AT0000A1U685	Raiffeisen Sustainable Equities (RZ) A	income-distributing	EUR	Apr 3, 2017
AT0000A0LSJ0	Raiffeisen Sustainable Equities (I) T	income-retaining	EUR	Mar 1, 2011
AT0000677919	Raiffeisen Sustainable Equities (R) T	income-retaining	EUR	May 13, 2002
AT0000A1U677	Raiffeisen Sustainable Equities (RZ) T	income-retaining	EUR	Apr 3, 2017
AT0000677927	Raiffeisen Sustainable Equities (R) VTA	full income-retaining (outside Austria)	EUR	Oct 29, 2002
AT0000A1U693	Raiffeisen Sustainable Equities (RZ) VTA	full income-retaining (outside Austria)	EUR	Apr 3, 2017

Fund characteristics

Fund currency	EUR
Financial year	Apr 1 – Mar 31
Distribution/payment/reinvestment date	Jun 15
Type of fund	Investment fund pursuant to § 2 of the Austrian Investment Fund Act, InvFG (UCITS)
Effective management fee for the fund	I-Tranche (EUR): 0.750 % R-Tranche (EUR): 1.500 % RZ-Tranche (EUR): 0.750 %
Custodian bank	Raiffeisen Bank International AG
Management company	Raiffeisen Kapitalanlage-Gesellschaft m.b.H. Mooslackengasse 12, A-1190 Vienna Tel. +43 1 71170-0 Fax +43 1 71170-761092 www.rcm.at Companies register number: 83517 w
Fund management	Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
Auditor	KPMG Austria GmbH

Legal notice

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

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

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

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

Dear unitholder,

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. is pleased to present its annual fund report for Raiffeisen Sustainable Equities for the financial year from Apr 1, 2017 to Mar 31, 2018. The accounting is based on the price calculation as of Mar 29, 2018.

Fund details

	Mar 31, 2016	Mar 31, 2017	Mar 31, 2018
Total fund assets in EUR	35,510,300.35	81,720,869.39	101,226,006.53
Net asset value/distributing units (R) (AT0000677901) in EUR	102.25	118.10	118.89
Issue price/distributing units (R) (AT0000677901) in EUR	107.36	124.01	123.65
Net asset value/distributing units (RZ) (AT0000A1U685) in EUR	-	-	102.30
Issue price/distributing units (RZ) (AT0000A1U685) in EUR	-	-	102.30
Net asset value/reinvested units (I) (AT0000A0LSJ0) in EUR	117.64	137.25	140.50
Issue price/reinvested units (I) (AT0000A0LSJ0) in EUR	123.52	144.11	146.12
Net asset value/reinvested units (R) (AT0000677919) in EUR	112.07	130.74	132.92
Issue price/reinvested units (R) (AT0000677919) in EUR	117.67	137.28	138.24
Net asset value/reinvested units (RZ) (AT0000A1U677) in EUR	-	-	102.27
Issue price/reinvested units (RZ) (AT0000A1U677) in EUR	-	-	102.27
Net asset value/fully reinvested units (R) (AT0000677927) in EUR	112.81	131.60	133.77
Issue price/fully reinvested units (R) (AT0000677927) in EUR	118.45	138.18	139.12
Net asset value/fully reinvested units (RZ) (AT0000A1U693) in EUR	-	-	102.44
Issue price/fully reinvested units (RZ) (AT0000A1U693) in EUR	-	-	102.44
		Jun 16, 2017	Jun 15, 2018
Distribution/unit (R) (A) EUR		1.1800	1.2600
Distribution/unit (RZ) (A) EUR		-	1.0800
Outpayment/unit (I) (T) EUR		0.1706	0.6632
Outpayment/unit (R) (T) EUR		0.0000	0.3894
Outpayment/unit (RZ) (T) EUR		-	0.3662
Reinvestment/unit (I) (T) EUR		0.6654	2.3834
Reinvestment/unit (R) (T) EUR		0.0000	1.4309
Reinvestment/unit (RZ) (T) EUR		-	1.6703
Reinvestment/unit (R) (VTA) EUR		0.0000	1.8146
Reinvestment/unit (RZ) (VTA) EUR		-	2.1820

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

Units in circulation

	Units in circulation on Mar 31, 2017	Sales	Repurchases	Units in circulation on Mar 31, 2018
AT0000677901 (R) A	52,758.697	25,946.146	-8,960.097	69,744.746
AT0000A1U685 (RZ) A	-	25,138.215	-170.526	24,967.689
AT0000A0LSJ0 (I) T	54,334.782	25,518.963	-50,464.819	29,388.926
AT0000677919 (R) T	498,653.690	145,858.788	-69,599.763	574,912.715
AT0000A1U677 (RZ) T	-	54,955.644	-1,176.021	53,779.623
AT0000677927 (R) VTA	21,550.173	13,994.989	-3,165.291	32,379.871
AT0000A1U693 (RZ) VTA	-	10.000	0.000	10.000
Total units in circulation				785,183.570

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	118.10
Distribution on Jun 16, 2017 (net asset value: EUR 119.07) of EUR 1.1800, corresponds to 0.009910 units	
Net asset value per unit at end of financial year in EUR	118.89
Total value incl. units purchased through distribution (1.009910 x 118.89)	120.07
Net income/net reduction per unit	1.97

Performance of one unit during the financial year in %

1.67

Distributing units (RZ) (AT0000A1U685)

Net asset value per unit at launch of tranche (Apr 3, 2017) in EUR	100.00
Net asset value per unit at end of financial year in EUR	102.30
Net income/net reduction per unit	2.30

Performance of one unit from launch of tranche (Apr 3, 2017) up to the end of financial year in %

2.30

Reinvested units (I) (AT0000A0LSJ0)

Net asset value per unit at start of financial year in EUR	137.25
Outpayment on Jun 16, 2017 (net asset value: EUR 139.80) of EUR 0.1706, corresponds to 0.001220 units	
Net asset value per unit at end of financial year in EUR	140.50
Total value incl. units purchased through outpayment (1.001220 x 140.50)	140.67
Net income/net reduction per unit	3.42

Performance of one unit during the financial year in %

2.49

Reinvested units (R) (AT0000677919)

Net asset value per unit at start of financial year in EUR	130.74
Outpayment on Jun 16, 2017 (net asset value: EUR 133.12) of EUR 0.0000, corresponds to 0.000000 units	
Net asset value per unit at end of financial year in EUR	132.92
Total value incl. units purchased through outpayment (1.000000 x 132.92)	132.92
Net income/net reduction per unit	2.18

Performance of one unit during the financial year in %

1.67

Reinvested units (RZ) (AT0000A1U677)

Net asset value per unit at launch of tranche (Apr 3, 2017) in EUR	100.00
Net asset value per unit at end of financial year in EUR	102.27
Net income/net reduction per unit	2.27

Performance of one unit from launch of tranche (Apr 3, 2017) up to the end of financial year in %

2.27

Fully reinvested units (R) (AT0000677927)

Net asset value per unit at start of financial year in EUR	131.60
Net asset value per unit at end of financial year in EUR	133.77
Net income/net reduction per unit	2.17

Performance of one unit during the financial year in % **1.65**

Fully reinvested units (RZ) (AT0000A1U693)

Net asset value per unit at launch of tranche (Apr 3, 2017) in EUR	100.00
Net asset value per unit at end of financial year in EUR	102.44
Net income/net reduction per unit	2.44

Performance of one unit from launch of tranche (Apr 3, 2017) up to the end of financial year in % **2.44**

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 4.00 % 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 Mar 31, 2017 (627,297.342 units)	81,720,869.39	
Distribution on Jun 16, 2017 (EUR 1.1800 x 59,992.464 distributing units (R) (AT0000677901))		-70,791.11
Outpayment on Jun 16, 2017 (EUR 0.1706 x 70,321.488 reinvested units (I) (AT0000A0LSJ0))		-11,996.85
Issuance of units	36,492,085.72	
Redemption of units	-18,236,802.10	
Pro rata income adjustment	-101,414.49	18,153,869.13
Overall fund result		1,434,055.97
Fund assets on Mar 31, 2018 (785,183.570 units)	101,226,006.53	

Fund result in EUR

A. Realized fund result

Ordinary fund result	
Income (excl. closing price)	
Interest income	7.92
Income from securities lending transactions	1,698.34
Interest expenses (incl. negative credit interest)	-4,657.48
Dividend income (incl. dividend equivalent)	1,537,677.36
Austrian dividend income	4,892.53
	1,539,618.67
Expenses	
Management fees	-1,365,351.22
Custodian bank fees / Custodian's fees	-87,060.30
Auditing expenses	-5,621.25
Tax consulting fees	-4,113.00
Custody charge	-37,945.26
Statutory/publication expenses	-21,463.24
Research expenses	-25,491.09
	-1,547,045.36
Ordinary fund result (excl. income adjustment)	-7,426.69
Realized closing price	
Profits realized from securities	1,734,688.87
Losses realized from securities	-358,897.70
Realized closing price (excl. income adjustment)	1,375,791.17
Realized fund result (excl. income adjustment)	1,368,364.48
B. Unrealized closing price	
Change in unrealized closing price	-45,747.16
Change in dividends receivable	10,024.16
	-35,723.00

C. Income adjustment

Income adjustment for income during financial year	101,414.49	
		101,414.49
Overall fund result		1,434,055.97

The result for the past financial year includes explicitly reported transaction costs (incl. external transaction-related costs, see item 15a "Transaction costs" in section II of the prospectus) in the amount of 70,675.71 EUR.

Capital market report

In the first few weeks of the new year, the stock markets built on the substantial gains they recorded in 2017. A significant downward correction occurred thereafter, and since then the markets have moved mostly sideways with larger fluctuations. Inflation anxiety and the threat of global trade wars have visibly dampened sentiment. Stock exchanges in the emerging markets have so far managed to sustain their above-average performance of the previous year. They still show minor gains for the year, overall. In contrast, most developed markets have slightly declined during the first quarter, especially European bourses. The strong Euro is weighing on them, among other things. The long-term upward trends of most stock markets are still intact, however. They are supported by consistently low interest rates, positive economic data and higher growth expectations. Corporate profits are also rising substantially. Bond markets, at least those in the developed industrialized nations, have faced a rather difficult environment for some time now. Over the past few months, yields have risen substantially in the USA, especially among short and medium maturities. This has also affected European bond markets, albeit to a much smaller extent. Despite growing challenges, corporate bonds delivered another year of positive performance in 2017, in particular lower rated classes. Although spreads are now very low in relation to government bonds, they are still attracting investors. Most commodities gained significantly in 2017, especially industrial metals. By contrast, the energy sector struggled for most of the year. Since the final quarter 2017, however, oil prices have risen substantially. Among currencies, the US dollar stands out for its pronounced weakness - while the euro gained considerably in return. For euro-based investors, this reduces any increase in the value of assets denominated in foreign currencies. The US central bank (FED) has raised the key interest rate in March 2018, for a sixth time in the current interest rate cycle. Two more hikes may follow later this year. On top of this, the Fed will gradually reduce its enormous bond holdings. However, despite the extremely low starting level, the Fed's overall scope for interest-rate hikes is likely to be much lower than in the past. Nonetheless, the decade-long upward trend for bond prices in the USA may soon end, and a long-term trend change could start. This development will most likely rub off on the Eurozone, albeit to a considerably reduced extent. Unlike the US central bank, the European Central Bank (ECB) is still maintaining its ultra-loose monetary policy for the time being, with negative interest rates and bond purchases. However, it has reduced the latter and will likely end them in September 2018. Nevertheless, key interest rate hikes - if any - are unlikely to happen before 2019. The unprecedentedly loose monetary policy pursued by key central banks over the past few years reflected a very weak global economic growth trend. However, many regions have now returned to robust growth. The impact of a gradual reduction of the very generous liquidity supply remains to be seen. It is also unclear which direction inflation rates will take in the future, given the simultaneous presence of pronounced disinflationary factors. However, for the time being, the major economic regions are likely to see inflation picking up. By historical standards, the yield levels are extremely low almost everywhere in the world. To date, this "new normal" of consistently low bond yields in the key economic blocs has provided strong support for stock prices. Nonetheless, several stock markets – particularly in the USA – sport rather ambitious valuation levels and are thus increasingly prone to corrections. The market environment will certainly remain challenging and may once again entail stronger price fluctuations over the next few months. At present, the positive factors still predominate on the stock markets, while most government bond markets may continue to experience headwinds over the coming 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. Aside from a favorable sustainability assessment, the selected companies must also have attractive financial valuations.

The period under review represented a challenging environment for global equities. While the US tax reform received a positive response from market players, sentiment was temporarily affected by fears of a US trade war with China and Europe. In addition, geopolitical uncertainty regarding a possible escalation of the Syrian conflict arose towards the end of the reporting period. The fund recorded a slightly positive performance in this environment.

The development of the different sectors was highly heterogeneous, with the IT sector making the biggest positive contribution, followed by healthcare stocks and industrials. The weaker sectors in the portfolio included basic consumer goods and cyclical consumer goods.

Of the fund's individual securities, Tomra Systems, a sorting specialist, Umicore, a chemical company focusing on recycling, and Neste, a clean fuel refinery operator, performed very strongly. The weakest performances in the reporting period were recorded by Campbell Soup, a manufacturer of vegetable-based soups, WPP, a UK advertising group, and Johnson Controls, a building technology company.

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

The following portfolio stocks were sold: Motorola Solutions, Telus, Starbucks and BMW, while Swisscom and MSCI were added to the portfolio.

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

Any discrepancies in terms of the market value or the share of the fund assets result from rounding-off.

UCITS refers to units in an undertaking for collective investment in transferable securities

§ 166 InvFG refers to units in investment funds in the form of "other asset portfolios"

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

§ 166 (1) item 3 InvFG refers to units in undertakings for collective investment in transferable securities pursuant to § 166 (1) item 3 InvFG
(such as alternative investments/hedge funds)

§ 166 (1) item 4 InvFG refers to units in real estate funds

Type of security	OGAW/§ 166	Currency	Market value in EUR	Share of fund assets
Equities		AUD	854,214.88	0.84 %
Equities		CAD	2,780,523.36	2.75 %
Equities		CHF	4,332,349.82	4.28 %
Equities		DKK	3,952,722.78	3.90 %
Equities		EUR	23,826,644.21	23.54 %
Equities		GBP	1,157,190.08	1.14 %
Equities		JPY	7,891,302.09	7.80 %
Equities		NOK	3,153,198.63	3.12 %
Equities		USD	48,786,177.92	48.20 %
Total Equities			96,734,323.77	95.56 %
Equities ADR		USD	1,304,802.04	1.29 %
Total Equities ADR			1,304,802.04	1.29 %
Subscription rights		EUR	0.00	0.00 %
Total Subscription rights			0.00	0.00 %
Total securities			98,039,125.81	96.85 %
Bank balances/liabilities				
Bank balances/liabilities in fund currency			3,234,607.60	3.20 %
Bank balances/liabilities in foreign currency			4,410.23	0.00 %
Total bank balances/liabilities			3,239,017.83	3.20 %
Accruals and deferrals				
Interest claims (on securities and bank balances)			-1,235.16	-0.00 %
Dividends receivable			106,819.93	0.11 %
Total accruals and deferrals			105,584.77	0.10 %

Type of security	OGAW/§ 166	Currency	Market value in EUR	Share of fund assets
Other items				
Various fees			-157,721.88	-0.16 %
Total other items			-157,721.88	-0.16 %
Total fund assets			101,226,006.53	100.00 %

Portfolio of investments in EUR as of Mar 29, 2018

Dates indicated for securities refer to the issue and redemption dates. An issuer's right of premature redemption (where applicable) is not specified.

The securities marked with a "Y" have an open-ended maturity (is perpetual). The price for forward exchange transactions is indicated in the relevant counter currency for the currency in question.

Any discrepancies in terms of the market value or the share of the fund assets result from rounding-off.

UCITS refers to units in an undertaking for collective investment in transferable securities

§ 166 InvFG refers to units in investment funds in the form of "other asset portfolios"

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

§ 166 (1) item 3 InvFG refers to units in undertakings for collective investment in transferable securities pursuant to § 166 (1) item 3 InvFG (such as alternative investments/hedge funds)

§ 166 (1) item 4 InvFG refers to units in real estate funds

Type of security	OGAW/§ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales Units/Nom.	Pool-/ILB Factor	Price	Market value in EUR	Share of fund assets
Equities		AU000000WBC1	WESTPAC BANKING CORP WBC	AUD	48,140	21,020			28.580000	854,214.88	0.84 %
Equities		CA0636711016	BANK OF MONTREAL BMO	CAD	18,852	12,400			96.580000	1,143,887.77	1.13 %
Equities		CA0641491075	BANK OF NOVA SCOTIA BNS	CAD	15,697	6,900			78.470000	773,854.11	0.76 %
Equities		CA3759161035	GILDAN ACTIVEWEAR INC GIL	CAD	37,136	6,100			36.980000	862,781.48	0.85 %
Equities		CH0030170408	GEBERIT AG-REG GEBN	CHF	2,810	1,220			424.800000	1,013,532.58	1.00 %
Equities		CH0012032048	ROCHE HOLDING AG-GENUSSCHEIN ROG	CHF	6,510	1,120	700		221.000000	1,221,575.04	1.21 %
Equities		CH0002497458	SGS SA-REG SGSN	CHF	474	100			2,348.000000	944,981.53	0.93 %
Equities		CH0008742519	SWISSCOM AG-REG SCMN	CHF	2,857	2,857			475.000000	1,152,260.67	1.14 %
Equities		DK0060448595	COLOPLAST-B COLOB	DKK	15,870	5,290			510.600000	1,087,746.51	1.07 %
Equities		DK0060336014	NOVOZYMES A/S-B SHARES NZYMB	DKK	31,750	6,900	2,130		312.400000	1,331,449.55	1.32 %
Equities		DK0010268606	VESTAS WIND SYSTEMS A/S VWS	DKK	26,580	12,350			429.800000	1,533,526.72	1.51 %
Equities		FR0000120404	ACCOR SA AC	EUR	16,280	7,190			44.020000	716,645.60	0.71 %
Equities		NL0000009132	AKZO NOBEL AKZA	EUR	13,110	1,120			78.200000	1,025,202.00	1.01 %
Equities		NL0010273215	ASML HOLDING NV ASML	EUR	9,600	1,900			159.050000	1,526,880.00	1.51 %
Equities		DE0005190003	BAYERISCHE MOTOREN WERKE AG BMW	EUR	12,670	4,380			85.560000	1,084,045.20	1.07 %
Equities		FR0000061129	BOIRON SA BOI	EUR	6,040	1,540			68.000000	410,720.00	0.41 %
Equities		FR0000125338	CAPGEMINI SE CAP	EUR	12,950	2,650			100.700000	1,304,065.00	1.29 %
Equities		FR0000121667	ESSILOR INTERNATIONAL EI	EUR	12,230	2,850			107.800000	1,318,394.00	1.30 %
Equities		DE0006048432	HENKEL AG & CO KGAA VORZUG HEN3	EUR	10,630	3,770			106.500000	1,132,095.00	1.12 %
Equities		BE0003565737	KBC GROUP NV KBC	EUR	20,310	1,040			71.180000	1,445,665.80	1.43 %
Equities		DE0008430026	MUENCHENER RUECKVER AG-REG MUV2	EUR	7,620	1,180			187.550000	1,429,131.00	1.41 %
Equities		FR0000120685	NATIXIS KN	EUR	187,250	73,680			6.686000	1,251,953.50	1.24 %
Equities		FI0009013296	NESTE OYJ NESTE	EUR	19,150	5,580	4,770		55.820000	1,068,953.00	1.06 %
Equities		FR0000184798	ORPEA ORP	EUR	9,010	390			101.200000	911,812.00	0.90 %
Equities		NL0006144495	RELX NV REN	EUR	52,110	10,110			16.855000	878,314.05	0.87 %
Equities		DE0007164600	SAP SE SAP	EUR	15,230	3,400	1,610		84.420000	1,285,716.60	1.27 %
Equities		FR0000121972	SCHNEIDER ELECTRIC SE SU	EUR	15,850	4,120			70.340000	1,114,889.00	1.10 %
Equities		FR0010613471	SUEZ SEV	EUR	99,290	41,660			11.815000	1,173,111.35	1.16 %
Equities		FR0000120271	TOTAL SA FP	EUR	30,686	8,866			45.835000	1,406,492.81	1.39 %
Equities		BE0974320526	UMICORE UMI	EUR	33,740	33,740			42.990000	1,450,482.60	1.43 %
Equities		AT0000746409	VERBUND AG VER	EUR	32,670	12,390			23.460000	766,438.20	0.76 %

Type of security	OGAW/\$ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales under review Units/Nom.	Pool-/ILB Factor	Price	Market value in EUR	Share of fund assets
Equities		NL0000395317	WESSANEN WES	EUR	69,270	15,860			16.250000	1,125,637.50	1.11 %
Equities		GB00BDR05C01	NATIONAL GRID PLC NG/	GBP	125,864	125,864			8.053000	1,157,190.08	1.14 %
Equities		JP3112000009	ASAHI GLASS CO LTD 5201	JPY	17,127	19,127	85,635		4,260.000000	556,164.05	0.55 %
Equities		JP3942400007	ASTELLAS PHARMA INC 4503	JPY	117,514	66,400			1,592.000000	1,426,082.62	1.41 %
Equities		JP3551500006	DENSO CORP 6902	JPY	16,983	9,600			5,785.000000	748,910.27	0.74 %
Equities		JP3165650007	NTT DOCOMO INC 9437	JPY	71,680	25,180			2,681.500000	1,465,169.30	1.45 %
Equities		JP3419400001	SEKISUI CHEMICAL CO LTD 4204	JPY	58,375	17,000			1,848.000000	822,320.04	0.81 %
Equities		JP3892100003	SUMITOMO MITSUI TRUST HOLDIN 8309	JPY	19,157	4,000			4,315.000000	630,115.72	0.62 %
Equities		JP3351100007	SYSEMEX CORP 6869	JPY	31,770	11,700	3,400		9,260.000000	2,242,540.09	2.22 %
Equities		NO0010096985	STATOIL ASA STL	NOK	84,557	25,487			184.650000	1,615,839.18	1.60 %
Equities		NO0005668905	TOMRA SYSTEMS ASA TOM	NOK	90,580	18,820			164.000000	1,537,359.45	1.52 %
Equities		US88579Y1010	3M CO MMM	USD	11,220	1,600	1,900		216.540000	1,967,111.00	1.94 %
Equities		IE00B4BNMY34	ACCENTURE PLC-CL A ACN	USD	15,770	3,500	2,500		147.410000	1,882,159.91	1.86 %
Equities		US00846U1016	AGILENT TECHNOLOGIES INC A	USD	27,910	4,100	3,000		66.400000	1,500,464.74	1.48 %
Equities		US0091581068	AIR PRODUCTS & CHEMICALS INC APD	USD	11,253	5,100	1,100		158.180000	1,441,178.48	1.42 %
Equities		US02079K3059	ALPHABET INC-CL A GOOGL	USD	1,717	200	200		1,005.180000	1,397,371.92	1.38 %
Equities		US00206R1023	AT&T INC T	USD	45,008	23,440			35.560000	1,295,833.92	1.28 %
Equities		US0527691069	AUTODESK INC ADSK	USD	14,510	3,100	2,100		124.550000	1,463,217.96	1.45 %
Equities		US0530151036	AUTOMATIC DATA PROCESSING ADP	USD	13,600	3,700			111.760000	1,230,617.76	1.22 %
Equities		US0758871091	BECTON DICKINSON AND CO BDX	USD	8,597	1,300	900		212.430000	1,478,633.88	1.46 %
Equities		US1344291091	CAMPBELL SOUP CO CPB	USD	34,850	15,200	3,700		43.410000	1,224,871.27	1.21 %
Equities		US12504L1098	CBRE GROUP INC - A CBRE	USD	40,315	6,610	4,250		46.700000	1,524,338.52	1.51 %
Equities		US17275R1023	CISCO SYSTEMS INC CSCO	USD	47,209	17,900	5,000		41.660000	1,592,362.51	1.57 %
Equities		US2310211063	CUMMINS INC CMI	USD	9,321	1,400			159.670000	1,204,990.75	1.19 %
Equities		US2788651006	ECOLAB INC ECL	USD	12,090	1,700	1,300		135.310000	1,324,506.44	1.31 %
Equities		US4052171000	HAIN CELESTIAL GROUP INC HAIN	USD	30,728	15,250	11,361		31.850000	792,394.79	0.78 %
Equities		US4103451021	HANESBRANDS INC HBI	USD	76,200	43,300			18.380000	1,133,961.62	1.12 %
Equities		US6005441000	HERMAN MILLER INC MLHR	USD	32,640	6,300			31.200000	824,522.71	0.81 %
Equities		US4581401001	INTEL CORP INTC	USD	38,010	14,700	7,500		49.600000	1,526,431.87	1.51 %
Equities		US4595061015	INTL FLAVORS & FRAGRANCES IFF	USD	9,630	1,700			135.060000	1,053,054.65	1.04 %
Equities		IE00BY7QL619	JOHNSON CONTROLS INTERNATION JCI	USD	26,730	10,940			34.290000	742,103.23	0.73 %
Equities		US49338L1035	KEYSIGHT TECHNOLOGIES IN KEYS	USD	21,540	9,050			51.230000	893,445.23	0.88 %
Equities		US5717481023	MARSH & MCLENNAN COS MMC	USD	17,981	2,600			81.890000	1,192,182.08	1.18 %
Equities		US5926881054	METTLER-TOLEDO INTERNATIONAL MTD	USD	4,040	200	400		571.900000	1,870,679.30	1.85 %
Equities		US5949181045	MICROSOFT CORP MSFT	USD	22,322	1,900	2,400		89.390000	1,615,548.20	1.60 %
Equities		US55354G1004	MSCI INC MSCI	USD	4,200	4,200			150.550000	511,950.45	0.51 %
Equities		US6658591044	NORTHERN TRUST CORP NTRS	USD	17,270	4,100	1,800		101.130000	1,414,067.77	1.40 %
Equities		NL0009538784	NXP SEMICONDUCTORS NV NXPI	USD	9,410				116.260000	885,763.58	0.88 %
Equities		US6907421019	OWENS CORNING OC	USD	19,020	3,000	5,700		81.600000	1,256,604.32	1.24 %
Equities		US7427181091	PROCTER & GAMBLE CO/THE PG	USD	18,510	3,100	1,900		78.840000	1,181,546.76	1.17 %
Equities		US78409V1044	S&P GLOBAL INC SPGI	USD	10,150	1,790	1,070		187.280000	1,539,059.19	1.52 %
Equities		US79466L3024	SALESFORCE.COM INC CRM	USD	14,310	4,700			112.880000	1,307,839.69	1.29 %
Equities		CA8676EP1086	SUNOPTA INC STKL	USD	91,300	31,400			7.100000	524,840.09	0.52 %
Equities		US88076W1036	TERADATA CORP TDC	USD	20,159	6,300			38.750000	632,468.02	0.62 %
Equities		US9078181081	UNION PACIFIC CORP UNP	USD	10,170	2,900			130.760000	1,076,697.60	1.06 %
Equities		US92220P1057	VARIAN MEDICAL SYSTEMS INC VAR	USD	11,850	4,200			121.530000	1,166,003.16	1.15 %
Equities		US92826C8394	VISA INC-CLASS A SHARES V	USD	14,728	2,200	1,600		116.990000	1,395,052.00	1.38 %
Equities		US2546871060	WALT DISNEY CO/THE DIS	USD	14,833	5,300			98.540000	1,183,421.44	1.17 %
Equities		US9621661043	WEYERHAEUSER CO WY	USD	39,493	7,700			35.020000	1,119,783.71	1.11 %
Equities		US98419M1009	XYLEM INC XYL	USD	23,120	4,560	2,500		75.810000	1,419,097.40	1.40 %

Type of security	OGAW/\$ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales Units/Nom.	Pool-/ILB Factor	Price	Market value in EUR	Share of fund assets
Equities ADR		US03524A1088	ANHEUSER-BUSCH INBEV-SPN ADR BUD	USD	14,700	5,130			109.630000	1,304,802.04	1.29 %
Subscription rights		FR0013321452	TOTAL SA-SCRIP 1583985D	EUR	30,686	30,686			0.000000	0.00	0.00 %
Total licensed securities admitted to trading on the official market or another regulated market										98,039,125.81	96.85 %
Total securities										98,039,125.81	96.85 %
Bank balances/liabilities											
				EUR						3,234,607.60	3.20 %
				CHF						143.07	0.00 %
				GBP						644.10	0.00 %
				JPY						27.22	0.00 %
				NOK						3,324.54	0.00 %
				USD						271.30	0.00 %
Total bank balances/liabilities										3,239,017.83	3.20 %
Accruals and deferrals											
Interest claims (on securities and bank balances)										-1,235.16	-0.00 %
Dividends receivable										106,819.93	0.11 %
Total accruals and deferrals										105,584.77	0.10 %
Other items											
Various fees										-157,721.88	-0.16 %
Total other items										-157,721.88	-0.16 %
Total fund assets										101,226,006.53	100.00 %

ISIN	Income class	Currency	Net asset value per unit	Units in circulation
AT0000677901	R income-distributing	EUR	118.89	69,744.746
AT0000A1U685	RZ income-distributing	EUR	102.30	24,967.689
AT0000A0LSJ0	I income-retaining	EUR	140.50	29,388.926
AT0000677919	R income-retaining	EUR	132.92	574,912.715
AT0000A1U677	RZ income-retaining	EUR	102.27	53,779.623
AT0000677927	R full income-retaining (outside Austria)	EUR	133.77	32,379.871
AT0000A1U693	RZ full income-retaining (outside Austria)	EUR	102.44	10.000

Exchange rates

Foreign currency assets were converted into EUR on the basis of the exchange rates applicable on Mar 28, 2018

Currency		Price (1 EUR =)
Australian Dollars	AUD	1.610650
Canadian Dollars	CAD	1.591700
Swiss Francs	CHF	1.177750
Danish Kroner	DKK	7.449550
British Pound	GBP	0.875900
Japanese Yen	JPY	131.186150
Norwegian Kroner	NOK	9.662750
US Dollars	USD	1.235100

Securities purchases and sales during the period under review not listed under the portfolio of assets:

Type of security	OGAW/\$ 166	ISIN	Security title	Currency		Purchases Additions	Sales Disposals
Equities		CA87971M9969	TELUS CORP.	CAD			8,660
Equities		FR0000120644	DANONE BN	EUR			12,720
Equities		BE0003884047	UMICORE NVJN	EUR		2,980	15,600
Equities		GB00B08SNH34	NATIONAL GRID PLC NG/	GBP			61,750
Equities		JE00B8KF9B49	WPP PLC WPP	GBP		14,310	44,920
Equities		US6200763075	MOTOROLA SOLUTIONS INC MSI	USD		2,590	16,100
Equities		US8552441094	STARBUCKS CORP SBUX	USD		6,100	23,790
Equities		US9662441057	WHITEWAVE FOODS CO WWAV	USD			17,080
Equities		US9668371068	WHOLE FOODS MARKET INC WFM	USD		4,000	36,834
Subscription rights		FR0013252152	ACCOR SA-SCRIP 1509888D	EUR		11,480	11,480
Subscription rights		NL0012191688	AKZO NOBEL NV-SCRIP 1490426D	EUR		11,990	11,990
Subscription rights		FR0013253770	DANONE SA-UNLISTED SCRIP 1508056D	EUR		12,720	12,720
Subscription rights		NL0012235873	RELX NV 1506407D	EUR		42,000	42,000
Subscription rights		NL0012440697	RELX NV-SCRIP 1527445D	EUR		47,050	47,050
Subscription rights		FR0013258183	TOTAL SA-SCRIP 1513137D	EUR		24,290	24,290
Subscription rights		FR0013283116	TOTAL SA-SCRIP 1539482D	EUR		28,080	28,080
Subscription rights		FR0013301744	TOTAL SA-SCRIP 1562844D	EUR		30,686	30,686

Further information on securities lending transactions

- Overall risk (exposure) (securities loaned as of the reporting date versus fund volume):

0.00 %

On the reporting date Mar 31, 2018 no securities had been lent.

- Identity of the counterparties for securities lending transactions:

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

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

Under the securities lending master agreement concluded between the management company and Raiffeisen Bank International AG, Raiffeisen Bank International AG is obliged to provide collateral for loaned securities. Sight deposits, bonds, equities and units in investment funds are permitted as collateral. The bonds used as collateral may be issued by sovereigns, supranational issuers and/or companies etc. No stipulations apply in relation to the terms of these bonds. Within the scope of provision of collateral, pursuant to § 4 of the Austrian Securities Lending and Repurchase Agreement Ordinance (Verordnung zu Wertpapierleih- und Pensionsgeschäften, WPV), diversification and correlation with risk diversification achieved through quantitative issuer limits in particular and appropriate liquidity for collateral for the purpose of tradability and realizability will be ensured. Sight deposits are not subject to any haircut. The value of this collateral calculated on each day of stock market trading thus amounts to 100 % of the value of the loaned securities. Other collateral (bonds, equities and units in investment funds) will be valued – likewise on each day of stock market trading – 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 on each day of stock market trading.

Country of counterparty (Raiffeisen Bank International AG): Austria

Settlement: bilateral

- Custody of collateral which the investment fund has received in connection with securities lending transactions:

Sight deposits are held as a deposit on an account with a credit institution determined by the management company. Other collateral is held on a security deposit account of the management company with Raiffeisen Bank International AG (custodian bank) and is likewise not reused.

- Custody of collateral which the investment fund has provided in connection with securities lending transactions:

Within the limits stipulated by law (§ 84 InvFG), the management company is merely permitted to lend securities to third parties. However, it is not permitted to borrow securities. Accordingly, the investment fund will not provide any collateral within the scope of securities lending transactions.

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

Income: 1,698.34 EUR (of which 100 % from securities lending transactions)

Costs: N/A

Further information on repurchase agreements

During the reporting period, no repurchase agreements were concluded on behalf of the fund. Accordingly, the information concerning repurchase agreements which is stipulated in § 8 of the Austrian Securities Lending and Repurchase Agreement Ordinance and Art. 13 of Regulation (EU) No. 2015/2365 is not required.

Total return swaps and similar derivative instruments

A total return swap is a credit derivative instrument. Income and fluctuations in the value of the underlying financial instrument (underlying instrument or reference asset) are exchanged for fixed interest payments.

The fund did not enter into total return swaps or similar derivative instruments in the period under review.

Calculation method for overall risk

Calculation method for overall risk

Simplified approach

Remuneration paid to the employees of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. in EUR (financial year 2017 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)

Total number of employees	245
Number of risk-bearers	83
Fixed remuneration	21,133,401.94
Variable remuneration (bonuses)	4,033,484.17
Total remuneration for employees	25,166,886.11
of which remuneration for managing directors	1,363,876.85
of which remuneration for managers (risk-bearers)	2,522,848.03
of which remuneration for other risk-bearers	8,394,504.63
of which remuneration for employees in positions of control	232,087.44
of which remuneration for employees in the same income bracket as managing directors and risk-bearers due to their overall remuneration	0.00
Total remuneration for risk-bearers	12,513,316.95

- The remuneration guidelines (“remuneration guidelines”) issued by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. serve as a binding framework for fulfillment of the remuneration policy and practice requirements stipulated in §§ 17 (a) to (c) of the Austrian Investment Fund Act (InvFG), § 11 of the Austrian Alternative Investment Fund Managers Act (AIFMG) and Enclosure 2 to § 11 AIFMG. Fixed and variable remuneration components are determined on the basis of these remuneration guidelines.
Raiffeisen Kapitalanlage-Gesellschaft m.b.H. has established a systematic, structured, differentiating and incentivizing compensation system which reflects the company’s values as well as clear and consistent outline conditions. Its employees’ compensation comprises fixed salary components as well as variable salary components for some positions. This remuneration – in particular, the variable salary component (where applicable) – reflects an objective organizational structure (“job grades”).
Compensation is determined on the basis of regular market comparisons and in accordance with local remuneration practice. The goal is to encourage employees’ long-term loyalty to the company while also promoting their performance and their development within the framework of a management or specialist career path.
At Raiffeisen Kapitalanlage-Gesellschaft m.b.H., an employee’s basic salary (fixed remuneration) is non-discretionary remuneration which does not vary in accordance with the performance of the company (earnings before interest and tax) or of the specific employee (individual target achievement). It primarily reflects relevant professional experience and organizational responsibility, as outlined in the employee’s job description as part of his terms of employment. The employee’s fixed salary is determined on the basis of his market value, his individual qualifications and the position which he holds at Raiffeisen Kapitalanlage-Gesellschaft m.b.H. Raiffeisen Kapitalanlage-Gesellschaft m.b.H. uses all of the standard remuneration management instruments (e.g. domestic and foreign remuneration studies, salary bands, position grading).
The employee’s variable salary reflects the achievement of company and performance targets which are specified and reviewed within the scope of a performance management process. Employees’ targets are specified on the basis of the company’s strategic targets, the targets of their organizational unit or department and their function. Target agreements are concluded and the employee’s level of target achievement (= performance) is determined through annual performance appraisals (“MBO system”).

The target structure at Raiffeisen Kapitalanlage-Gesellschaft m.b.H. differentiates between qualitative targets – which include individual targets or division and department targets – and quantitative targets, e.g. performance and income targets, and also quantifiable project targets. Every manager is also assigned management targets. Quantitative one-year or multiple-year targets also apply within the scope of the company's core activities of sales and fund management.

- Since the performance period 2015, in accordance with the regulatory requirements a portion of the variable remuneration for risk-bearers is paid out in the form of units in an investment fund managed by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. In addition, as required by law portions of the variable remuneration of risk-bearers are deferred and paid out over a period of several years.
- The supervisory board of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. resolves the general remuneration policy principles specified by the remuneration committee, reviews them at least once a year and is responsible for their implementation and for monitoring of this issue. The supervisory board most recently fulfilled this duty on Nov 30, 2017. It has not identified any need for changes or any irregularities in relation to the remuneration policy of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
- In addition, at least once per year a central and independent internal review determines whether the company's remuneration policy has been implemented in accordance with the applicable remuneration regulations and procedures. The internal auditing division of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. published its most recent report on Aug 22, 2017. This report has not resulted in any material findings concerning the remuneration policy of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
- The remuneration policy of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. has not been subject to any significant changes in the reporting period.

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

- The remuneration principles of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. support the business strategy and the long-term goals, interests and values of the company and of the investment funds managed by Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
- The remuneration principles of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. include measures to avoid conflicts of interest.
- The remuneration principles and policies of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. are consistent with and promote sound and effective risk-taking practices and avoid incentives for any inappropriate risk-taking propensity which exceed the level of risk tolerated by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. or the investment funds under its management.
- The total amount of variable remuneration will not limit the capacity of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. to strengthen its capital base.
- Variable remuneration is not paid by means of instruments or methods which facilitate circumvention of applicable legal requirements.
- Employees in positions of control are rewarded irrespective of the business unit which they supervise, they have an appropriate level of authority and their remuneration is determined on the basis of the fulfillment of their organizational targets in connection with their functions, irrespective of the results of the business activities under their supervision.

- Guaranteed variable remuneration is not consistent with sound risk management or the “pay-for-performance” principle and should not be included in future remuneration plans. Guaranteed variable remuneration is the exception:., This is only provided in connection with new hirings and only where Raiffeisen Kapitalanlage-Gesellschaft m.b.H. has a sound and strong capital base. It is limited to the first year of employment.
- Any payments relating to the premature termination of a contract must reflect the performance realized over the relevant period of time and must not reward failures or misconduct.

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

Vienna, 18 July 2018

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.


Mag. Rainer Schnabl


Mag.(FH) Dieter Aigner


Ing. Michal Kustra

Audit opinion

Report on the annual fund report

Audit opinion

We have audited the annual fund report issued by Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna, for its fund Raiffeisen Sustainable Equities, consisting of the portfolio of investments as of March 31, 2018, the income statement for the financial year ending as of this date and the other disclosures required under Annex I Schedule B of the 2011 Austrian Investment Fund Act (Investmentfondsgesetz, InvFG).

In our view, the annual fund report complies with applicable statutory requirements and provides a true and fair view of the net assets and financial position as of March 31, 2018 as well as the earnings position for the fund for the financial year ending as of this date, in compliance with Austrian commercial law, the provisions of InvFG 2011.

Basis for the audit opinion

We performed our audit in accordance with § 49 (5) InvFG 2011 in accordance with Austrian principles of orderly auditing. These principles require application of the International Standards on Auditing (ISA). Our responsibilities on the basis of these requirements and standards are outlined in further detail in the “Responsibilities of the auditor for the audit of the annual fund report” section of our audit certificate. We are independent from the company, in compliance with Austrian commercial law and professional standards, and we have fulfilled our other professional duties in accordance with these requirements. In our view, we have obtained sufficient and suitable audit documentation as a basis for our audit opinion.

Responsibilities of the company’s legal representatives and the supervisory board for the annual fund report

The company’s legal representatives are responsible for the preparation of the annual fund report and for ensuring that it provides a true and fair view of the fund’s net assets, financial and earnings position in compliance with Austrian commercial law and the provisions of InvFG 2011. The company’s legal representatives are also responsible for the internal controls which they deem necessary in order to enable the preparation of an annual fund report which is free from material (intentional or unintentional) misrepresentations.

The supervisory board is responsible for monitoring the company’s accounting process in relation to the funds under its management.

Responsibilities of the auditor for the audit of the annual fund report

Our goals are to establish sufficient certainty as to whether the annual fund report as a whole is free from material (intentional or unintentional) misrepresentations and for issuing an audit certificate which includes our audit opinion. Sufficient certainty means a high level of certainty – but not a guarantee – that an orderly audit performed in accordance with the recognized Austrian principles – which require application of the ISA – will always uncover any material misrepresentation. Misrepresentations may result from malicious acts or on the basis of errors and will be deemed material where they may be reasonably expected – either individually or collectively – to influence the economic decisions made by users on the basis of this annual fund report.

As part of an audit complying with the recognized Austrian principles of orderly auditing – which require application of the ISA – we exercise due discretion throughout our audit and maintain a critical distance.

In addition, the following applies:

- We identify and evaluate the risks of material (intentional or unintentional) misrepresentations in the annual fund report, plan audit activities in response to these risks, implement these activities and obtain audit documentation which is sufficient and suitable in order to serve as a basis for our audit opinion. The risk of material misrepresentations resulting from malicious acts not being uncovered is greater than the risk resulting from errors, since malicious acts may include fraudulent collaboration, falsifications, deliberate incompleteness, misleading representations or the suspension of internal controls.
- We obtain a picture of the internal control system which is relevant for the audit so as to plan audit activities which are adequate in the given circumstances, but not with the objective of providing an audit opinion regarding the effectiveness of the company's internal control system.
- We evaluate the adequacy of the accounting methods applied by the company's legal representatives as well as the reasonableness of the legal representatives' estimates in the accounting as well as the related disclosures.
- We evaluate the overall picture, the structure and the contents of the annual fund report including the disclosures and whether the annual fund report provides a true and fair view of the underlying business transactions and events.
- We discuss matters with the supervisory board including the planned scope of the audit and its schedule as well as significant audit findings, including any significant shortcomings in the internal control system that we identify in the course of our audit.

Other information

The company's legal representatives are responsible for the other information provided. This other information comprises all of the information included in the annual fund report, with the exception of the portfolio of investments, the income statement, the other disclosures required under Annex I Schedule B InvFG 2011 and the audit certificate.

Our audit opinion for the annual fund report does not cover this other information, and we do not provide any sort of assurance in this regard.

In connection with our audit of the annual fund report, we are responsible for reading this other information and for considering whether there are any material inconsistencies between this other information and the annual fund report or on the basis of our knowledge obtained in the course of our audit or whether this information appears to have been otherwise materially misrepresented. If we reach the conclusion on the basis of our activities that this other information has been materially misrepresented, we must report this. We have nothing to report in this respect.

Vienna, 18 July 2018

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Wilhelm Kovsca
Auditor

Tax treatment

Once the new reporting framework comes into effect (from Jun 6, 2016), Österreichische Kontrollbank (OeKB) will prepare the details of the tax arrangements for the fund and publish them on www.profitweb.at. The tax documents are available for downloading for all funds. The tax documents are also available on our website www.rcm.at. Please visit www.profitweb.at for detailed information on offsettable and reimbursable foreign taxes.

Fund regulations

Fund regulations pursuant to the Austrian Investment Fund Act 2011

The Austrian Financial Market Authority (FMA) has approved the fund regulations for the investment fund **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 paying agents referred to in the prospectus are the paying agents for unit certificates and the handover offices for income coupons (actual securities).

Article 3 Investment instruments and principles

The following assets pursuant to InvFG may be selected for the investment fund.

At the individual stock level (i.e. not including units in investment funds, derivative instruments and sight deposits or deposits at notice) the investment fund exclusively invests in securities and/or money market instruments whose issuers are classified as sustainable on the basis of social, ecological and ethical criteria. 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 equities or in equity-equivalent securities. 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 terms 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 terms not exceeding 12 months.

Short-term loans

The management company may take up short-term loans of up to 10 % of the fund assets for account of the investment fund.

Repos

Repurchase agreements may comprise up to 100 % of the fund assets.

Securities lending

Securities lending transactions may comprise up to 30 % of the fund assets.

Investment instruments may only be acquired uniformly for the entire investment fund, not for an individual unit class or for a group of unit classes.

However, this does not apply for currency hedge transactions. These transactions may only be entered into in relation to a single unit class. Expenses and income resulting from a currency hedge transaction shall exclusively be allocated to the relevant unit class.

Article 4 Issuance and redemption modalities

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

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

Issuance and subscription fee

Units will be issued on any banking day.

The issue price is the unit value plus a fee per unit of up to 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 1 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 as of the payment date the unit certificates are only held by unitholders who are either not subject to Austrian income or corporate income tax or who fulfill the requirements for an exemption pursuant to § 94 of the Austrian Income Tax Act or for a capital gains tax exemption.

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

Income during the accounting year net of costs shall not be distributed. No payment pursuant to InvFG will be made. 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 a capital gains tax exemption.

If these preconditions have not been met as of the payment date, the amount calculated pursuant to InvFG shall be paid out by the custodian bank in the form of credit.

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

Income-retaining unit certificates without deducted capital gains tax shall only be sold outside Austria.

Income during the accounting year net of costs shall not be distributed. No payment pursuant to InvFG will be made.

The management company shall ensure through appropriate proof that as of the payment date the unit certificates may only be held by unitholders who are either not subject to Austrian income or corporate income tax or who fulfill the requirements for exemption pursuant to § 94 of the Austrian Income Tax Act or for a capital gains tax exemption.

Article 7 Management fee, reimbursement of expenses, liquidation fee

The management company shall receive for its management activity an annual remuneration of up to 1.75 % of the fund assets, calculated on the basis of the values at the end of each month. This remuneration will be included in the calculation of the unit value on each day of stock exchange trading in the form of an accrual.

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 Union, 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://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_mifid_rma¹

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.	Montenegro:	Podgorica
2.3.	Russia:	Moscow (RTS Stock Exchange); Moscow Interbank Currency Exchange (MICEX)
2.4.	Switzerland:	SWX Swiss-Exchange
2.5.	Serbia:	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 Colombia
3.13.	Korea:	Korea Exchange (Seoul, Busan)
3.14.	Malaysia:	Kuala Lumpur, Bursa Malaysia Berhad
3.15.	Mexico:	Mexico City
3.16.	New Zealand:	Wellington, Christchurch/Invercargill, Auckland
3.17.	Peru:	Bolsa de Valores de Lima
3.18.	Philippines:	Manila
3.19.	Singapore:	Singapore Stock Exchange

¹Click on "Show table columns" 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:

<https://www.fma.gv.at/kapitalmaerkte/allgemeine-rechtsaufsicht-ueber-boersen/> – scroll down – link "List of Regulated Markets" – "Show table columns".

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

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

4.1.	Japan:	Over the Counter Market
4.2.	Canada:	Over the Counter Market
4.3.	Korea:	Over the Counter Market
4.4.	Switzerland:	SWX-Swiss Exchange, BX Berne eXchange; Over the Counter Market of the members of the International Capital Market Association (ICMA), Zurich
4.5.	USA:	Over The Counter Market (subject to supervisory oversight, e.g. SEC, FINRA)

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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