

# Raiffeisen Technology Equities

(Original German name: Raiffeisen-Technologie-Aktien)

## **annual fund report**

financial year Jun 1, 2016 – May 31, 2017

**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 Jun 1, 2016 to May 31, 2017

## General fund information

ISIN	Tranche	Income class	Currency	Launch date
AT0000688841	Raiffeisen Technology Equities (R) A	income-distributing	EUR	Feb 28, 2002
AT0000A1U7J5	Raiffeisen-Technologie-Aktien (RZ) A	income-distributing	EUR	Apr 3, 2017
AT0000688858	Raiffeisen Technology Equities (R) T	income-retaining	EUR	Feb 28, 2002
AT0000A1U7H9	Raiffeisen Technology Equities (RZ) T	income-retaining	EUR	Apr 3, 2017
AT0000688866	Raiffeisen Technology Equities (R) VTA	full income-retaining (outside Austria)	EUR	Oct 29, 2002
AT0000A1U7K3	Raiffeisen Technology Equities (RZ) VTA	full income-retaining (outside Austria)	EUR	Apr 3, 2017

## Fund characteristics

Fund currency	EUR
Financial year	Jun 1 – May 31
Distribution/payment/reinvestment date	Aug 16
Type of fund	Investment fund pursuant to § 2 of the Austrian Investment Fund Act, InvFG (UCITS)
Effective management fee for the fund	R-Tranche (EUR): 2.000 % RZ-Tranche (EUR): 1.000 %
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 Technology Equities for the financial year from Jun 1, 2016 to May 31, 2017. The accounting is based on the price calculation as of May 31, 2017.

## Fund details

	May 31, 2015	May 31, 2016	May 31, 2017
Total fund assets in EUR	30,301,158.86	28,819,817.03	41,887,710.68
Net asset value/distributing units (R) (AT0000688841) in EUR	141.29	120.94	160.70
Issue price/distributing units (R) (AT0000688841) in EUR	148.35	126.99	168.74
Net asset value/distributing units (RZ) (AT0000A1U7J5) in EUR	-	-	103.33
Issue price/distributing units (RZ) (AT0000A1U7J5) in EUR	-	-	103.33
Net asset value/reinvested units (R) (AT0000688858) in EUR	153.48	143.96	193.20
Issue price/reinvested units (R) (AT0000688858) in EUR	161.15	151.16	202.86
Net asset value/reinvested units (RZ) (AT0000A1U7H9) in EUR	-	-	103.33
Issue price/reinvested units (RZ) (AT0000A1U7H9) in EUR	-	-	103.33
Net asset value/fully reinvested units (R) (AT0000688866) in EUR	155.78	150.40	204.98
Issue price/fully reinvested units (R) (AT0000688866) in EUR	163.57	157.92	215.23
Net asset value/fully reinvested units (RZ) (AT0000A1U7K3) in EUR	-	-	103.33
Issue price/fully reinvested units (RZ) (AT0000A1U7K3) in EUR	-	-	103.33
		<b>Aug 16, 2016</b>	<b>Aug 16, 2017</b>
Distribution/unit (R) (A) EUR		3.2500	6.0000
Distribution/unit (RZ) (A) EUR		-	0.4600
Outpayment/unit (R) (T) EUR		2.3782	3.6505
Outpayment/unit (RZ) (T) EUR		-	0.4547
Reinvestment/unit (R) (T) EUR		11.6199	17.9166
Reinvestment/unit (RZ) (T) EUR		-	2.2623
Reinvestment/unit (R) (VTA) EUR		14.5251	22.8141
Reinvestment/unit (RZ) (VTA) EUR		-	2.7170

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 May 31, 2016	Sales	Repurchases	Units in circulation on May 31, 2017
AT0000688841 (R) A	10,944.517	2,405.544	-1,010.766	12,339.295
AT0000A1U7J5 (RZ) A	-	10.000	0.000	10.000
AT0000688858 (R) T	164,876.094	37,439.154	-28,018.566	174,296.682
AT0000A1U7H9 (RZ) T	-	10.000	0.000	10.000
AT0000688866 (R) VTA	24,994.967	18,980.124	-13,600.109	30,374.982
AT0000A1U7K3 (RZ) VTA	-	10.000	0.000	10.000
<b>Total units in circulation</b>				<b>217,040.959</b>

## Development of the fund assets and income statement

### Performance in financial year (fund performance)

#### Distributing units (R) (AT0000688841)

Net asset value per unit at start of financial year in EUR	120.94
Distribution on Aug 16, 2016 (net asset value: EUR 127.41) of EUR 3.2500, corresponds to 0.025508 units	
Net asset value per unit at end of financial year in EUR	160.70
Total value incl. units purchased through distribution (1.025508 x 160.70)	164.80
Net income/net reduction per unit	43.86

**Performance of one unit during the financial year in %** **36.27**

#### Distributing units (RZ) (AT0000A1U7J5)

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	103.33
Net income/net reduction per unit	3.33

**Performance of one unit from launch of tranche (Apr 3, 2017) up to the end of financial year in %** **3.33**

#### Reinvested units (R) (AT0000688858)

Net asset value per unit at start of financial year in EUR	143.96
Outpayment on Aug 16, 2016 (net asset value: EUR 153.17) of EUR 2.3782, corresponds to 0.015527 units	
Net asset value per unit at end of financial year in EUR	193.20
Total value incl. units purchased through outpayment (1.015527 x 193.20)	196.20
Net income/net reduction per unit	52.24

**Performance of one unit during the financial year in %** **36.29**

#### Reinvested units (RZ) (AT0000A1U7H9)

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	103.33
Net income/net reduction per unit	3.33

**Performance of one unit from launch of tranche (Apr 3, 2017) up to the end of financial year in %** **3.33**

**Fully reinvested units (R) (AT0000688866)**

Net asset value per unit at start of financial year in EUR	150.40
Net asset value per unit at end of financial year in EUR	204.98
Net income/net reduction per unit	54.58

**Performance of one unit during the financial year in %** **36.29**

**Fully reinvested units (RZ) (AT0000A1U7K3)**

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	103.33
Net income/net reduction per unit	3.33

**Performance of one unit from launch of tranche (Apr 3, 2017) up to the end of financial year in %** **3.33**

The performance is calculated assuming wholesale reinvestment of distributed/paid-out amounts at their net asset value on the distribution/payment date.

The custodian bank calculates the unit value separately for each unit certificate class. Discrepancies may arise in the annual performance figures for individual unit certificate classes.

Raiffeisen KAG uses the method developed by OeKB (Österreichische Kontrollbank AG) to calculate the fund's performance, on the basis of data provided by the custodian bank (where payment of the redemption price is suspended, using indicative values). Some costs – the subscription fee (not exceeding 5.00 % of the invested amount) and any redemption fee (not exceeding 0.00 % of the sold amount) – are not included in the performance calculation. Depending on their concrete value, they will reduce a performance accordingly. Past results do not permit any reliable inferences as to the future performance of the fund.

**Development of fund assets in EUR**

<b>Fund assets on May 31, 2016 (200,815.578 units)</b>		<b>28,819,817.03</b>
Distribution on Aug 16, 2016 (EUR 3.2500 x 10,652.912 distributing units (R) (AT0000688841))		-34,621.96
Outpayment on Aug 16, 2016 (EUR 2.3782 x 163,638.653 reinvested units (R) (AT0000688858))		-389,165.44
Issuance of units	10,256,605.62	
Redemption of units	-7,170,099.98	
Pro rata income adjustment	-288,951.19	2,797,554.45
<b>Overall fund result</b>		<b>10,694,126.60</b>
<b>Fund assets on May 31, 2017 (217,040.959 units)</b>		<b>41,887,710.68</b>

## Fund result in EUR

### A. Realized fund result

<b>Ordinary fund result</b>	
<b>Income (excl. closing price)</b>	
Income from securities lending transactions	1,373.04
Interest expenses (incl. negative credit interest)	-117.77
Dividend income (incl. dividend equivalent)	331,550.76
	<b>332,806.03</b>
<b>Expenses</b>	
Management fees	-689,114.98
Custodian bank fees / Custodian's fees	-32,203.07
Auditing expenses	-9,226.34
Tax consulting fees	-4,044.51
Custody charge	-14,242.07
Statutory/publication expenses	-7,568.51
	<b>-756,399.48</b>
<b>Ordinary fund result (excl. income adjustment)</b>	<b>-423,593.45</b>
<b>Realized closing price</b>	
Profits realized from securities	5,392,945.05
Losses realized from securities	-584,508.95
<b>Realized closing price (excl. income adjustment)</b>	<b>4,808,436.10</b>
<b>Realized fund result (excl. income adjustment)</b>	<b>4,384,842.65</b>
<b>B. Unrealized closing price</b>	
<b>Change in unrealized closing price</b>	<b>5,964,317.22</b>
<b>Dividends receivable</b>	<b>56,015.54</b>
	<b>6,020,332.76</b>
<b>C. Income adjustment</b>	
<b>Income adjustment for income during financial year</b>	<b>288,951.19</b>
	<b>288,951.19</b>
<b>Overall fund result</b>	<b>10,694,126.60</b>

The result for the past financial year includes explicitly reported transaction costs (incl. external transaction-related costs, see item 15a "Transaction costs" in section II of the prospectus) in the amount of 104,998.67 EUR.

## Capital market report

Almost all equity markets are showing considerable gains for the current year, thereby extending their uptrends from 2016. Emerging markets as a whole have been outperforming developed markets over the past 18 months for the first time since 2012. US stock markets meanwhile keep setting new all-time highs, following the election of Donald Trump for president. So far, they have been completely resilient to the domestic political turmoil. European bourses had struggled for most of 2016, but thanks to a very strong finish most of them ultimately showed a gain for the full year. They have outperformed their US-American peers so far in 2017. Austrian stocks have been particularly strong. The current uptrend of global equities is driven mainly by ultra-low interest rates, positive macro-economic data and expectations for higher growth. At the same time corporate profits have started to rise again, following a rather stagnant or downward trend for most of 2015/2016. The environment for bond markets was supposed to be more challenging in 2017, compared to the previous year. Higher inflation and improving growth outlooks should result in significant headwinds, given the extremely low bond market yields. However, pressure on government bonds so far has been quite muted and inflation trends already show weakening dynamics again in the US, Europe, and Japan. The massive bond buying programmes by the central banks in Europe and Japan are still providing considerable support to the markets. So far most government bond markets show positive returns for the year. The same applies to corporate bonds. Their yield spreads over government bonds have become quite narrow, but they are still sufficiently high to attract investors. Similar to stocks, emerging market bonds have outperformed their developed market peers over the past months. They continue to attract significant capital inflows from international investors. Commodities had recovered in 2016 after two years of heavy losses, but this year the picture is rather mixed. While industrial and precious metals have gained, the energy complex has lost ground. Following the March rate hike by the US central bank (FED), market participants expect one or two additional rate increases till year-end. Despite an extremely low starting level the leeway for the FED to hike rates this time seems much more limited than in the past. A return to the interest rate levels of the previous decades is, therefore, very unlikely for quite some time to come. Nevertheless, the decades-long downtrend of long-dated US treasury yields could soon come to an end, and a long-term trend change could occur. At the same time US bond markets have already priced in a significant amount of optimism regarding the macro-economic picture. Eventual yield increases are, therefore, likely to remain rather moderate for now. Rising treasury yields would probably still spill over to the Euro area, but to a much lesser extent. Contrary to the FED, the European Central Bank (ECB) is still pursuing its ultra-easy monetary policy with large bond purchases and negative short-term interest rates. From a macro-economic point of view the ECB's unprecedented measures have yielded mixed results so far. They certainly did weaken the Euro, at least temporarily, and they supported European financial markets. A gradual tapering of the ECB's bond buying programme is not expected before 2018. The unprecedented monetary easing pursued by the major central banks over the past years, reflects a persistent weakness in global economic growth. During the past months more and more indicators have signalled a revival of the global economy in almost every region. It remains to be seen, how strong and how sustained this economic upswing will be. Its inflationary impact isn't clear at this point either, given the ongoing presence of strong disinflationary forces within the global economy. Bond market yields continue to be extremely low compared to their historical levels almost everywhere in the world. This "new normal" of persistently depressed bond market yields in the large economic blocs has served as a major support to equity prices. Even then, some stock markets currently sport ambitious if not elevated valuations, notably the US bourses. That makes them increasingly vulnerable to setbacks. The financial market environment will certainly remain challenging and should continue to entail stronger price fluctuations over the coming months and quarters. At the world's stock markets the positive factors still seem to outweigh the negative ones for the time being. Government bond markets, on the other hand, may face some headwinds over the coming months.

## Fund investment policy report

Raiffeisen Technology Equities pursues a fundamentally value-oriented strategy. We mainly invest in favorably valued and sound companies with above-average growth levels. Active stock selection means that the fund's composition deviates from the market average in terms of the weightings of individual stocks, countries and subsectors and market capitalization. Stock selection is based on an intensive research process. The fund takes positions in individual stocks with a view to a medium- to long-term investment approach.

The technology sector continued to clearly outperform the broad stock market over the last few months. The semiconductor industry provided a significant contribution to this trend. Above-average growth (particularly in the case of US companies), the industry's attractive valuation level and sound corporate balance sheets are key factors in this trend. The fund's management preferred small to medium cap companies. The fund focused in its investments on US companies (approx. 80 %). Through its active stockpicking approach, the fund preferred companies with above-average profit trends and the potential for recovery in case of sufficiently attractive valuations. The fund's successful stock selection is the reason for its outperformance of the IT industry. Apple, Google and Microsoft were the largest individual stock positions in the fund. The fund's positions in Logitech, Cirrus, Micron and Nvidia provided the largest individual stock contributions. Intel's acquisition of Mobileye also had a highly positive impact on the fund. At the turn of the year, the fund sold Cirrus, Microfocus and Toshiba and entered into new positions in smaller cap US internet firms and also in Europe with Neopost.

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		CHF	985,185.52	2.35 %
Equities		EUR	3,198,965.00	7.64 %
Equities		JPY	363,520.87	0.87 %
Equities		SEK	204,877.67	0.49 %
Equities		USD	36,100,348.90	86.18 %
<b>Total Equities</b>			<b>40,852,897.96</b>	<b>97.53 %</b>
Equities ADR		USD	835,589.35	1.99 %
<b>Total Equities ADR</b>			<b>835,589.35</b>	<b>1.99 %</b>
<b>Total securities</b>			<b>41,688,487.31</b>	<b>99.52 %</b>
<b>Bank balances/liabilities</b>				
Bank balances/liabilities in fund currency			232,225.16	0.55 %
<b>Total bank balances/liabilities</b>			<b>232,225.16</b>	<b>0.55 %</b>
<b>Accruals and deferrals</b>				
Dividends receivable			55,369.23	0.13 %
<b>Total accruals and deferrals</b>			<b>55,369.23</b>	<b>0.13 %</b>
<b>Other items</b>				
Various fees			-88,371.02	-0.21 %
<b>Total other items</b>			<b>-88,371.02</b>	<b>-0.21 %</b>
<b>Total fund assets</b>			<b>41,887,710.68</b>	<b>100.00 %</b>

## Portfolio of investments in EUR as of May 31, 2017

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 Units/Nom.	Sales Units/Nom.	Pool-/ILB Factor	Price	Market value in EUR	Share of fund assets
Equities		CH0025751329	LOGITECH INTERNATIONAL-REG LOGN	CHF	30,000		28,000		35.800000	985,185.52	2.35 %
Equities		NL0010273215	ASML HOLDING NV ASML	EUR	7,200	5,600	400		119.050000	857,160.00	2.05 %
Equities		DE0006231004	INFINEON TECHNOLOGIES AG IFX	EUR	53,000		13,000		19.785000	1,048,605.00	2.50 %
Equities		FR0000120560	NEOPOST SA NEO	EUR	20,000	20,000			39.190000	783,800.00	1.87 %
Equities		FI0009000681	NOKIA OYJ NOKIA	EUR	90,000	68,000	25,000		5.660000	509,400.00	1.22 %
Equities		JP3788600009	HITACHI LTD 6501	JPY	35,000	35,000			670.200000	189,096.31	0.45 %
Equities		JP3914400001	MURATA MANUFACTURING CO LTD 6981	JPY	1,400	1,400			15,485.000000	174,424.96	0.42 %
Equities		SE0000108656	ERICSSON LM-B SHS ERICB	SEK	33,000	33,000			60.650000	204,877.67	0.49 %
Equities		US88554D2053	3D SYSTEMS CORP DDD	USD	25,000	75,000	50,000		20.820000	461,194.36	1.10 %
Equities		US00401C1080	ACACIA COMMUNICATIONS INC ACIA	USD	11,000	11,000			46.410000	456,730.04	1.09 %
Equities		US00724F1012	ADOBE SYSTEMS INC ADBE	USD	4,000	7,000	6,000		142.410000	509,630.96	1.22 %
Equities		US02079K3059	ALPHABET INC-CL A GOOGL	USD	3,100				996.170000	2,762,806.53	6.60 %
Equities		US0378331005	APPLE INC AAPL	USD	26,000	1,500	300		153.670000	3,574,520.24	8.53 %
Equities		US0382221051	APPLIED MATERIALS INC AMAT	USD	16,000	9,000			45.560000	652,167.30	1.56 %
Equities		US03835C1080	APTIO INC - CLASS A APTI	USD	40,000	40,000			16.420000	587,609.04	1.40 %
Equities		SG9999014823	BROADCOM LTD AVGO	USD	5,400	2,800	2,029		239.820000	1,158,602.55	2.77 %
Equities		US14964U1088	CAVIUM INC CAVM	USD	12,000	12,000			74.070000	795,204.65	1.90 %
Equities		US1630921096	CHEGG INC CHGG	USD	85,000	85,000			11.850000	901,140.68	2.15 %
Equities		US17275R1023	CISCO SYSTEMS INC CSCO	USD	31,400	42,000	10,600		31.680000	889,959.29	2.12 %
Equities		US2193501051	CORNING INC GLW	USD	34,000	34,000			29.320000	891,863.12	2.13 %
Equities		US2786421030	EBAY INC EBAY	USD	17,000	17,000			34.820000	526,539.92	1.26 %
Equities		US30303M1027	FACEBOOK INC-A FB	USD	11,300	2,800	9,500		152.380000	1,540,500.11	3.68 %
Equities		US31787A5074	FINISAR CORPORATION FNSR	USD	12,000	12,000			24.990000	268,288.97	0.64 %
Equities		US40434L1052	HP INC HPO	USD	40,000	40,000			18.940000	677,790.20	1.62 %
Equities		US4581401001	INTEL CORP INTC	USD	36,000	3,000			36.180000	1,165,269.51	2.78 %
Equities		US4592001014	INTL BUSINESS MACHINES CORP IBM	USD	6,300	3,500	4,700		151.730000	855,199.28	2.04 %
Equities		US4824801009	KLA-TENCOR CORP KLAC	USD	11,000	11,000			104.540000	1,028,798.93	2.46 %
Equities		BMG5876H1051	MARVELL TECHNOLOGY GROUP LTD MRVL	USD	56,000	56,000			17.370000	870,248.27	2.08 %
Equities		US5951121038	MICRON TECHNOLOGY INC MU	USD	61,000	33,000			30.700000	1,675,419.37	4.00 %
Equities		US5949181045	MICROSOFT CORP MSFT	USD	49,000		3,000		70.410000	3,086,638.34	7.37 %
Equities		GB00BY75JK65	MIMECAST LTD MIME	USD	25,000	25,000			26.720000	597,629.17	1.43 %

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		US60255W1063	MINDBODY INC - CLASS A MB	USD	30,000	30,000			27,900,000	748,825.77	1.79 %
Equities		US67020Y1001	NUANCE COMMUNICATIONS INC NUAN	USD	50,000	50,000			18,810,000	841,422.50	2.01 %
Equities		US67066G1040	NVIDIA CORP NVDA	USD	9,000	1,500	1,500		144,870,000	1,166,477.30	2.78 %
Equities		NL0009538784	NXP SEMICONDUCTORS NV NXPI	USD	7,000	7,000			108,140,000	677,235.52	1.62 %
Equities		US7194051022	PHOTONICS INC PLAB	USD	60,000	68,000	8,000		10,100,000	542,160.59	1.29 %
Equities		US7475251036	QUALCOMM INC QCOM	USD	21,500	8,500			57,340,000	1,102,938.94	2.63 %
Equities		US83088M1027	SKYWORKS SOLUTIONS INC SWKS	USD	10,000	10,000			106,360,000	951,554.46	2.27 %
Equities		US8825081040	TEXAS INSTRUMENTS INC TXN	USD	10,000	4,000			81,970,000	733,348.24	1.75 %
Equities		IL0010823792	TOWER SEMICONDUCTOR LTD TSEM	USD	27,000	27,000			25,420,000	614,037.13	1.47 %
Equities		US91347P1057	UNIVERSAL DISPLAY CORP OLED	USD	7,500	7,500			113,950,000	764,594.05	1.83 %
Equities		US92826C8394	VISA INC-CLASS A SHARES V	USD	7,500		8,500		94,720,000	635,562.51	1.52 %
Equities		US9581021055	WESTERN DIGITAL CORP WDC	USD	17,000	17,000			91,290,000	1,388,441.06	3.31 %
Equities ADR		US2267181046	CRITEO SA-SPON ADR CRTO	USD	17,000	17,000			54,940,000	835,589.35	1.99 %
<b>Total licensed securities admitted to trading on the official market or another regulated market</b>										<b>41,688,487.31</b>	<b>99.52 %</b>
<b>Total securities</b>										<b>41,688,487.31</b>	<b>99.52 %</b>
<b>Bank balances/liabilities</b>											
<b>Total bank balances/liabilities</b>										232,225.16	0.55 %
<b>Accruals and deferrals</b>											
Dividends receivable											
<b>Total accruals and deferrals</b>										<b>232,225.16</b>	<b>0.55 %</b>
<b>Other items</b>											
Various fees										55,369.23	0.13 %
<b>Total other items</b>										<b>-88,371.02</b>	<b>-0.21 %</b>
<b>Total fund assets</b>										<b>41,887,710.68</b>	<b>100.00 %</b>

ISIN	Income class	Currency	Net asset value per unit	Units in circulation
AT0000688841	R	EUR	160.70	12,339,295
AT0000A1U7J5	RZ	EUR	103.33	10,000
AT0000688858	R	EUR	193.20	174,296,682
AT0000A1U7H9	RZ	EUR	103.33	10,000
AT0000688866	R	EUR	204.98	30,374,982
AT0000A1U7K3	RZ	EUR	103.33	10,000

**Exchange rates**

Foreign currency assets were converted into EUR on the basis of the exchange rates applicable on May 30, 2017

Currency	Price (1 EUR =)
Swiss Francs	1.090150
Japanese Yen	124.047900
Swedish Krona	9.769000
US Dollars	1.117750

**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		DE0007164600	SAP SE SAP	EUR	2,600	17,600
Equities		DE0003304002	SOFTWARE AG SOW	EUR	2,500	12,500
Equities		GB00BQY7BX68	MICRO FOCUS INTERNATIONAL MCFO	GBP		30,000
Equities		GB00B8C3BL03	SAGE GROUP PLC/THE SGE	GBP		72,000
Equities		JP3592200004	TOSHIBA CORP 6502	JPY	220,000	220,000
Equities		SE0000103699	HEXAGON AB-B SHS HEXAB	SEK	5,000	12,000
Equities		IE00B4BNMY34	ACCENTURE PLC-CL A GN	USD		10,800
Equities		US0185811082	ALLIANCE DATA SYSTEMS CORP ADS	USD	3,800	3,800
Equities		US02079K1079	ALPHABET INC-CL C GOOG	USD		800
Equities		US0330151036	AUTOMATIC DATA PROCESSING ADP	USD	500	3,500
Equities		US12673P1057	CA INC CA	USD	17,000	17,000
Equities		US1727551004	CIRRUS LOGIC INC CRUS	USD		31,000
Equities		US1773761002	CITRIX SYSTEMS INC CTXS	USD		9,500
Equities		US2053631048	COMPUTER SCIENCES CORP CSC	USD		20,000
Equities		US1263491094	CSG SYSTEMS INTL INC CSGS	USD		10,000
Equities		US23355L1061	DXC TECHNOLOGY CO DXC	USD		10,300
Equities		US3364331070	FIRST SOLAR INC FSLR	USD	10,300	15,500
Equities		US3377381088	FISERV INC FISV	USD		10,500
Equities		SG9999000020	FLEX LTD FLEX	USD	55,000	55,000
Equities		US3024451011	FLIR SYSTEMS INC FLIR	USD	17,000	32,000
Equities		US42824C1099	HEWLETT PACKARD ENTERPRIS HPE	USD		6,000
Equities		US4612021034	INTUIT INC INTU	USD		2,000
Equities		US46123D2053	INVENSE INC INVN	USD		54,000
Equities		US57636Q1040	MASTERCARD INC - A MA	USD		7,000
Equities		US5950171042	MICROCHIP TECHNOLOGY INC MCHP	USD	2,500	2,500
Equities		NLD010831061	MOBILEYE NV MBLY	USD	15,000	15,000
Equities		US7043261079	PAYCHEX INC PAYX	USD		6,000
Equities		US7500861007	RACKSPACE HOSTING INC RAX	USD		29,000
Equities		US8782371061	TECH DATA CORP TECD	USD	29,000	6,500
Equities		US8919061098	TOTAL SYSTEM SERVICES INC TSS	USD	6,500	9,000
Equities		US90138F1021	TWILIO INC - A TWLO	USD	19,000	19,000
Equities		US92343E1029	VERISIGN INC VRSN	USD		9,000

## 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 May 31, 2017 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 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.

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: 1,373.04 EUR (of which 100 % from securities lending transactions)

Costs: N/A

#### Further information on repurchase agreements

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

#### Total return swaps and similar derivative instruments

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

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

#### Calculation method for overall risk

Calculation method for overall risk

Simplified approach

#### Remuneration paid to the employees of Raiffeisen Kapitalanlage-Gesellschaft m.b.H. in EUR (financial year 2016 of Raiffeisen Kapitalanlage-Gesellschaft m.b.H.)

Total number of employees	246
Number of risk-bearers	75
Fixed remuneration	20,581,955.28
Variable remuneration (bonuses)	1,985,934.27
<b>Total remuneration for employees</b>	<b>22,567,889.55</b>
of which remuneration for managing directors	1,005,682.63
of which remuneration for managers (risk-bearers)	2,684,297.06
of which remuneration for other risk-bearers	6,944,312.86
of which remuneration for employees in positions of control	219,259.27
of which remuneration for employees in the same income bracket as managing directors and risk-bearers due to their overall remuneration	0.00
<b>Total remuneration for risk-bearers</b>	<b>10,853,551.82</b>

- The remuneration guidelines (“remuneration guidelines”) issued by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. serve as a binding framework for fulfillment of the remuneration policy and practice requirements stipulated in §§ 17 (a) to (c) of the Austrian Investment Fund Act (InvFG), § 11 of the Austrian Alternative Investment Fund Managers Act (AIFMG) and Enclosure 2 to § 11 AIFMG. Fixed and variable remuneration components are determined on the basis of these remuneration guidelines.

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. has established a systematic, structured, differentiating and incentivizing compensation system which reflects the company’s values as well as clear and consistent outline conditions. Its employees’ compensation comprises fixed salary components as well as variable salary components for some positions. This remuneration – in particular, the variable salary component (where applicable) – reflects an objective organizational structure (“job grades”).

Compensation is determined on the basis of regular market comparisons and in accordance with local remuneration practice. The goal is to encourage employees’ long-term loyalty to the company while also promoting their performance and their development within the framework of a management or specialist career path.

At Raiffeisen Kapitalanlage-Gesellschaft m.b.H., an employee’s basic salary (fixed remuneration) is non-discretionary remuneration which does not vary in accordance with the performance of the company (earnings before interest and tax) or of the specific employee (individual target achievement). It primarily reflects relevant professional experience and organizational responsibility, as outlined in the employee’s job description as part of his terms of employment. The employee’s fixed salary is determined on the basis of his market value, his individual qualifications and the position which he holds at Raiffeisen Kapitalanlage-Gesellschaft m.b.H. Raiffeisen Kapitalanlage-Gesellschaft m.b.H. uses all of the standard remuneration management instruments (e.g. domestic and foreign remuneration studies, salary bands, position grading).

The employee’s variable salary reflects the achievement of company and performance targets which are specified and reviewed within the scope of a performance management process. Employees’ targets are specified on the basis of the company’s strategic targets, the targets of their organizational unit or department and their function. Target agreements are concluded and the employee’s level of target achievement (= performance) is determined through annual performance appraisals (“MBO system”).

The target structure at Raiffeisen Kapitalanlage-Gesellschaft m.b.H. differentiates between qualitative targets – which include individual targets or division and department targets – and quantitative targets, e.g. performance and income targets, and also quantifiable project targets. Every manager is also assigned management targets. Quantitative one-year or multiple-year targets also apply within the scope of the company’s core activities of sales and fund management.
- 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 28, 2016 and Mar 6, 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.

#### **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, 31 August 2017

**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 Technology Equities, consisting of the portfolio of investments as of May 31, 2017, 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 May 31, 2017 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, 31 August 2017

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Wilhelm Kovsca  
Auditor

## Tax treatment

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

## Fund regulations

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

The Austrian Financial Market Authority (FMA) has approved the fund regulations for the investment fund **Raiffeisen Technology Equities**, a jointly owned fund pursuant to the Austrian Investment Fund Act (InvFG) 2011, as amended.

The investment fund is a Directive-compliant fund and is managed by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. (hereinafter: the "management company") which is headquartered in Vienna.

#### Article 1 Fund units

The fund units are embodied in unit certificates with the character of financial instruments which are issued to bearer.

The unit certificates shall be represented by global certificates for each unit class and – at the discretion of the management company – by actual securities.

#### Article 2 Custodian bank (custodian)

Raiffeisen Bank International AG, Vienna, is the investment fund's custodian bank (custodian).

The custodian bank (custodian), the regional Raiffeisen banks, Kathrein Privatbank Aktiengesellschaft, Vienna, and other paying agents referred to in the prospectus are the paying agents for unit certificates and the handover offices for income coupons (actual securities).

#### Article 3 Investment instruments and principles

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

The investment fund mainly invests in international equities and equity-equivalent securities issued by companies in the technology sector (i.e. more than 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). The technology sector includes, in particular, companies which develop, manufacture or sell products and services relating to software, hardware, IT accessories, telecommunications and semiconductors.

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

##### Securities

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

##### Money market instruments

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

##### Securities and money market instruments

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

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

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

### Units in investment funds

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

### Derivative instruments

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

### Investment fund's risk measurement method

The investment fund applies the following risk measurement method:

#### Commitment approach

The commitment figure is calculated pursuant to the 3rd chapter of the 4th Austrian Derivatives Risk Calculation and Reporting Ordinance (Derivate-Risikoberechnungs- und Meldeverordnung, DeRiMV), as amended.

The overall risk for derivative instruments which are not held for hedging purposes is limited to 60 % of the overall net value of the fund assets.

Please refer to the prospectus for details and comments.

#### Sight deposits or deposits at notice

Sight deposits and deposits at notice with terms not exceeding 12 months may amount to up to 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.

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

## Article 4 Issuance and redemption modalities

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

Please refer to the prospectus for further details.

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

## Issuance and subscription fee

Units will be issued on any banking day.

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

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

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

## Redemption and redemption fee

Units will be redeemed on any banking day.

The redemption price is based on the value of a unit. No redemption fee will be charged.

At the request of a unitholder, its unit shall be redeemed out of the investment fund at the applicable redemption price, against surrender of the unit certificate, those income coupons which are not yet due and the renewal certificate.

## Article 5 Accounting year

The investment fund's accounting year runs from June 1 to May 31.

## Article 6 Unit classes and appropriation of income

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

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

### Appropriation of income for income-distributing unit certificates (income distribution)

Once costs have been covered, the income received during the past accounting year (interest and dividends) may be distributed at the discretion of the management company. Distribution may be waived subject to due consideration of the unitholders' interests. The distribution of income from the sale of assets of the investment fund including subscription rights shall likewise be at the discretion of the management company. A distribution from the fund assets and interim distributions are also permissible.

The fund assets may not through distributions fall below the minimum volume for a termination which is stipulated by law.

From August 16 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 August 16 an amount calculated pursuant to InvFG shall be paid out, to be used where applicable to meet any capital gains tax commitments on the distribution-equivalent return on those unit certificates, unless the management company ensures through appropriate proof from the custodians that as of the payment date the unit certificates may only be held by unitholders who are either not subject to Austrian income or corporate income tax or who fulfill the requirements for an exemption pursuant to § 94 of the Austrian Income Tax Act or for a capital gains tax exemption.

Unitholders' entitlement to the distribution of income shares shall become time-barred after five years. After this period, such income shares shall be treated as income of the investment fund.

### **Appropriation of income in case of income-retaining unit certificates with capital gains tax deducted (income retention)**

Income during the accounting year net of costs shall not be distributed. In case of income-retaining unit certificates, from August 16 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. August 16 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 **2 %** of the fund assets, calculated on the basis of the values at the end of each month.

The management company is entitled to reimbursement of all expenses associated with its management of the fund.

The management company shall be entitled to introduce a graduated management fee.

The costs arising at the introduction of new unit classes for existing asset portfolios shall be deducted from the unit prices of the new unit classes.

At the liquidation of the investment fund, the custodian bank shall receive remuneration amounting to **0.5 %** of the fund assets.

Please refer to the prospectus for further details.

## Appendix

### List of stock exchanges with official trading and organized markets

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

According to Article 16 of Directive 93/22/EEC (investment services in the securities field), each member state is obliged to maintain an up-to-date directory of its licensed markets. This directory is to be made available to the other member states and to the Commission.

According to this provision, the Commission is obliged to publish once a year a directory of the regulated markets of which it has received notice.

Due to decreasing restrictions and to trading segment specialization, the directory of "regulated markets" is undergoing great changes. In addition to the annual publication of a directory in the official gazette of the European Communities, the Commission will therefore provide an updated version on its official internet site.

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

[http://mifiddatabase.esma.europa.eu/Index.aspx?sectionlinks\\_id=23&language=0&pageName=REGULATED\\_MARKETS\\_Display&subsection\\_id=0](http://mifiddatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display&subsection_id=0)<sup>1</sup>

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

1.2.1. Luxembourg Euro MTF Luxembourg

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

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

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

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

#### 3. Stock exchanges in non-European states

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

<sup>1</sup>Click on "view all" to open the directory. The link may be modified by the Austrian Financial Market Authority (FMA) or by the European Securities and Markets Authority (ESMA).

[You may access the directory as follows by way of the FMA's website:

<http://www.fma.gv.at/de/unternehmen/boerse-wertpapierhandel/boerse.html> - scroll down - link "List of Regulated Markets (MiFID Database; ESMA)" – "view all"]<sup>1</sup>

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

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

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

#### 5. Stock exchanges with futures and options markets

5.1.	Argentina:	Bolsa de Comercio de Buenos Aires
5.2.	Australia:	Australian Options Market, Australian Securities Exchange (ASX)
5.3.	Brazil:	Bolsa 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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