

Raiffeisen 337 – Strategic Allocation Master I

(Original German name: Raiffeisen 337 – Strategic Allocation Master I)

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
AT0000A0QRP8	Raiffeisen 337 – Strategic Allocation Master I (R) A	income-distributing	EUR	Sep 1, 2011
AT0000A090G0	Raiffeisen 337 – Strategic Allocation Master I (I) T	income-retaining	EUR	Apr 4, 2008
AT0000A0QRQ6	Raiffeisen 337 – Strategic Allocation Master I (R) T	income-retaining	EUR	Sep 1, 2011
AT0000A0QRR4	Raiffeisen 337 – Strategic Allocation Master I (I) VTA	full income-retaining (outside Austria)	EUR	Sep 1, 2011
AT0000A0LHU0	Raiffeisen 337 – Strategic Allocation Master I (R) VTA	full income-retaining (outside Austria)	EUR	Feb 3, 2011
AT0000A1YBV2	Raiffeisen 337 – Strategic Allocation Master I (RZ) VTA	full income-retaining (outside Austria)	EUR	Dec 1, 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): 1.000 % R-Tranche (EUR): 2.000 % RZ-Tranche (EUR): 1.000 %
Max. management fee for subfunds	2.200 % (excluding any performance-related fee)
Custodian bank	Raiffeisen Bank International AG
Management company	Raiffeisen Kapitalanlage-Gesellschaft m.b.H. Mooslackengasse 12, A-1190 Vienna Tel. +43 1 71170-0 Fax +43 1 71170-761092 www.rcm.at Companies register number: 83517 w
Fund management	Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
Auditor	KPMG Austria GmbH

Legal notice

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

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

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

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

Dear unitholder,

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. is pleased to present its annual fund report for Raiffeisen 337 – Strategic Allocation Master I 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	55,223,686.83	52,173,577.13	44,947,230.75
Net asset value/distributing units (R) (AT0000A0QRP8) in EUR	137.18	151.32	148.36
Issue price/distributing units (R) (AT0000A0QRP8) in EUR	144.04	158.89	155.78
Net asset value/reinvested units (I) (AT0000A090G0) in EUR	148.84	167.29	167.11
Issue price/reinvested units (I) (AT0000A090G0) in EUR	156.28	175.65	175.47
Net asset value/reinvested units (R) (AT0000A0QRQ6) in EUR	142.51	158.66	157.01
Issue price/reinvested units (R) (AT0000A0QRQ6) in EUR	149.64	166.59	164.86
Net asset value/fully reinvested units (I) (AT0000A0QRR4) in EUR	149.28	167.80	167.76
Issue price/fully reinvested units (I) (AT0000A0QRR4) in EUR	156.74	176.19	176.15
Net asset value/fully reinvested units (R) (AT0000A0LHU0) in EUR	142.46	158.54	156.92
Issue price/fully reinvested units (R) (AT0000A0LHU0) in EUR	149.58	166.47	164.77
Net asset value/fully reinvested units (RZ) (AT0000A1YBV2) in EUR	-	-	98.69
Issue price/fully reinvested units (RZ) (AT0000A1YBV2) in EUR	-	-	98.69
		Jun 16, 2017	Jun 15, 2018
Distribution/unit (R) (A) EUR		1.5100	1,4800
Outpayment/unit (I) (T) EUR		0.1144	0.7162
Outpayment/unit (R) (T) EUR		0.0000	0.1185
Reinvestment/unit (I) (T) EUR		12.0250	3.6203
Reinvestment/unit (R) (T) EUR		10.1208	2.3882
Reinvestment/unit (I) (VTA) EUR		12.1902	4.3768
Reinvestment/unit (R) (VTA) EUR		10.0581	2.5279
Reinvestment/unit (RZ) (VTA) EUR		-	1.1770

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
AT0000A0QRP8 (R) A	397.000	6.961	-163.000	240.961
AT0000A090G0 (I) T	37,651.608	187.000	-1,063.588	36,775.020
AT0000A0QRQ6 (R) T	1,228.951	233.408	-101.219	1,361.140
AT0000A0QRR4 (I) VTA	34,704.864	6,983.924	-19,047.238	22,641.550
AT0000A0LHU0 (R) VTA	250,999.574	31,169.866	-60,708.176	221,461.264
AT0000A1YBV2 (RZ) VTA	-	10.000	0.000	10.000
Total units in circulation				282,489.935

Development of the fund assets and income statement

Performance in financial year (fund performance)

Distributing units (R) (AT0000A0QRP8)

Net asset value per unit at start of financial year in EUR	151.32
Distribution on Jun 16, 2017 (net asset value: EUR 149.06) of EUR 1.5100, corresponds to 0.010130 units	
Net asset value per unit at end of financial year in EUR	148.36
Total value incl. units purchased through distribution (1.010130 x 148.36)	149.86
Net income/net reduction per unit	-1.46

Performance of one unit during the financial year in % **-0.96**

Reinvested units (I) (AT0000A090G0)

Net asset value per unit at start of financial year in EUR	167.29
Outpayment on Jun 16, 2017 (net asset value: EUR 166.57) of EUR 0.1144, corresponds to 0.000687 units	
Net asset value per unit at end of financial year in EUR	167.11
Total value incl. units purchased through outpayment (1.000687 x 167.11)	167.22
Net income/net reduction per unit	-0.07

Performance of one unit during the financial year in % **-0.04**

Reinvested units (R) (AT0000A0QRQ6)

Net asset value per unit at start of financial year in EUR	158.66
Outpayment on Jun 16, 2017 (net asset value: EUR 157.74) of EUR 0.0000, corresponds to 0.000000 units	
Net asset value per unit at end of financial year in EUR	157.01
Total value incl. units purchased through outpayment (1.000000 x 157.01)	157.01
Net income/net reduction per unit	-1.65

Performance of one unit during the financial year in % **-1.04**

Fully reinvested units (I) (AT0000A0QRR4)

Net asset value per unit at start of financial year in EUR	167.80
Net asset value per unit at end of financial year in EUR	167.76
Net income/net reduction per unit	-0.04

Performance of one unit during the financial year in % **-0.02**

Fully reinvested units (R) (AT0000A0LHU0)

Net asset value per unit at start of financial year in EUR	158.54
Net asset value per unit at end of financial year in EUR	156.92
Net income/net reduction per unit	-1.62

Performance of one unit during the financial year in % **-1.02**

Fully reinvested units (RZ) (AT0000A1YBV2)

Net asset value per unit at launch of tranche (Dec 1, 2017) in EUR	100.00
Net asset value per unit at end of financial year in EUR	98.69
Net income/net reduction per unit	-1.31
Performance of one unit from launch of tranche (Dec 1, 2017) up to the end of financial year in %	-1.31

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

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

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

Development of fund assets in EUR

Fund assets on Mar 31, 2017 (324,981.997 units)	52,173,577.13
Distribution on Jun 16, 2017 (EUR 1.5100 x 240.961 distributing units (R) (AT0000A0QRP8))	-363.85
Outpayment on Jun 16, 2017 (EUR 0.1144 x 37,651.608 reinvested units (I) (AT0000A090G0))	-4,307.34
Issuance of units	6,180,498.57
Redemption of units	-12,989,907.84
Pro rata income adjustment	129,227.80
Overall fund result	-541,493.72
Fund assets on Mar 31, 2018 (282,489.935 units)	44,947,230.75

Fund result in EUR

A. Realized fund result

Ordinary fund result

Income (excl. closing price)	
Interest income	138,222.96
Net interest income from cash collateral	-50.21
Income from securities lending transactions	363.99
Inflation-linked interest income	22,819.69
Interest expenses (incl. negative credit interest)	-19,327.19
Net Income from subfunds (incl. actual distributions)	79,869.89
Net dividend income from subfunds	-9,759.38
Dividend income (incl. dividend equivalent)	-2,541.08 ¹
Tax Reclaim	2,230.07
	211,828.74
Expenses	
Management fees	-692,462.88
Custodian bank fees / Custodian's fees	-8,113.20
Auditing expenses	-3,606.88
Tax consulting fees	-4,713.00
Custody charge	-3,182.95
Statutory/publication expenses	-31,829.00
Management costs remuneration from subfunds	2,911.47 ²
	-740,996.44
Ordinary fund result (excl. income adjustment)	-529,167.70
Realized closing price	
Distribution-equivalent	100,515.37
Profits realized from securities	229,535.90
Profits realized from derivative instruments	7,874,500.16
Losses realized from securities	-596,601.21
Losses realized from derivative instruments	-6,127,122.01
Realized closing price (excl. income adjustment)	1,480,828.21
Realized fund result (excl. income adjustment)	951,660.51

¹ The negative amount results from withholding taxes on derivative transactions retained in the United States.

² The amount stated also includes the respective processing fee charged by the custodian bank through December 31, 2017.

B. Unrealized closing price

Change in unrealized closing price	-1,363,926.43	
		-1,363,926.43

C. Income adjustment

Income adjustment for income during financial year	-129,227.80	
		-129,227.80

Overall fund result		-541,493.72
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The result for the past financial year includes explicitly reported transaction costs in the amount of 44,049.46 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 made the following key changes to its strategic orientation:

In Q2 2017, the fund reduced European equities and its emerging markets currency exposure. After the price falls in the inflation-sensitive asset classes, the fund only assumed a minor additional risk in this area. This was achieved through the purchase of energy commodity futures and a shift from European inflation exposure to US inflation exposure.

In Q3 2017, profits were taken in the commodity futures segment and the position in industrial metal futures was reduced by around one percentage point.

In Q4 2017, profits were once again taken in the commodity futures segment while the position in energy commodity futures was reduced by around 1.5 percentage points. In the equities segment, the risk was also scaled down by approx. 1 percentage point via a reduction of Japanese equities (futures). With emerging markets currencies devaluing significantly since the summer, the money market exposure in emerging markets was raised by around 3 percentage points in November 2017.

In Q1 2018, emerging markets bonds and emerging markets currency risk were sold or reduced while US government bonds and European equities were bought.

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
Investment certificates Raiffeisen	OGAW	EUR	24,260,991.59	53.98 %
Total Investment certificates Raiffeisen			24,260,991.59	53.98 %
Investment certificates non Raiffeisen	OGAW	EUR	448,820.31	1.00 %
Investment certificates non Raiffeisen	OGAW	USD	437,220.84	0.97 %
Total Investment certificates non Raiffeisen			886,041.15	1.97 %
Structured products - inflation-linked bonds		EUR	3,758,223.95	8.36 %
Structured products - inflation-linked bonds		USD	6,210,022.98	13.82 %
Total Structured products - inflation-linked bonds			9,968,246.93	22.18 %
Total securities			35,115,279.67	78.13 %
Derivative products				
Valuation of financial futures			55,336.54	0.12 %
Valuation of forward exchange transactions			-8,499.94	-0.02 %
Total derivative products			46,836.60	0.10 %
Bank balances/liabilities				
Bank balances/liabilities in fund currency			7,686,429.10	17.10 %
Bank balances/liabilities in foreign currency			118,935.41	0.26 %
Fixed-term deposits in fund currency			2,000,000.00	4.45 %
Total bank balances/liabilities			9,805,364.51	21.82 %
Accruals and deferrals				
Interest claims (on securities and bank balances)			39,096.31	0.09 %
Cash collateral interest			-17.06	-0.00 %
Portfolio commission			531.66	0.00 %
Total accruals and deferrals			39,610.91	0.09 %

Type of security	OGAW/§ 166	Currency	Market value in EUR	Share of fund assets
Other items				
Various fees			-59,860.94	-0.13 %
Total other items			-59,860.94	-0.13 %
Total fund assets			44,947,230.75	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.

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§ 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
Investment certificates Raiffeisen	OGAW	AT0000A0T7S0	DURA1_1 T	EUR	60,239		2,734		97.670000	5,883,543.13	13.09 %
Investment certificates Raiffeisen	OGAW	AT0000A02YY1	RAIFFEISEN 304 - EURO CORPORATES T	EUR	21,895		4,071		159.780000	3,498,383.10	7.78 %
Investment certificates Raiffeisen	OGAW	AT0000613989	RAIFFEISEN 314 - INFLATION LINKED BONDS T	EUR	25,178	7,693	6,628		143.130000	3,603,727.14	8.02 %
Investment certificates Raiffeisen	OGAW	AT0000796412	RAIFFEISEN EMERGINGMARKETS EQUITIES (R) T	EUR	9,266		2,184		260.540000	2,414,163.64	5.37 %
Investment certificates Raiffeisen	OGAW	AT0000A0JQU5	RAIFFEISEN-INFLATION-SHIELD (R) T	EUR	61,522		32,041		85.310000	5,248,441.82	11.68 %
Investment certificates Raiffeisen	OGAW	AT0000622014	RAIFFEISEN-INFLATIONLINKED-BONDS (R) T	EUR	27,958	8,639	6,822		129.220000	3,612,732.76	8.04 %
Investment certificates non Raiffeisen	OGAW	LU0326424115	BGF WORLD MINING FUND EUR-HEDGED A2 EUR HEDGED	EUR	78,865				3.360000	264,986.40	0.59 %
Investment certificates non Raiffeisen	OGAW	LU0263854829	LISTED INFRASTRUCTURE I-T	EUR	923				199.170000	183,833.91	0.41 %
Investment certificates non Raiffeisen	OGAW	LU0273177401	DEUTSCHE IN GL AG BUS-USD FC	USD	2,754				137.490000	306,572.31	0.68 %
Investment certificates non Raiffeisen	OGAW	CH0002783535	FALCON GOLD EQUITY A	USD	680				237.300000	130,648.53	0.29 %
Structured products - inflation-linked bonds		DE0001030542	DEUTSCHLAND I/L BOND DBRI 0.1 04/15/23	EUR	700,000			1.051320	107.944000	794,385.80	1.77 %
Structured products - inflation-linked bonds		DE0001030567	DEUTSCHLAND I/L BOND DBRI 0.1 04/15/26	EUR	750,000			1.023240	110.195000	845,669.49	1.88 %
Structured products - inflation-linked bonds		DE0001030526	DEUTSCHLAND I/L BOND DBRI 1 3/4 04/15/20	EUR	850,000			1.112330	107.377000	1,015,228.60	2.26 %
Structured products - inflation-linked bonds		FR0011008705	FRANCE (GOVT OF) FRTR 1.85 07/25/27	EUR	800,000			1.085400	127.020000	1,102,940.06	2.45 %
Structured products - inflation-linked bonds		US912828TE09	TSY INFL IX N/B TII 0 1/8 07/15/22	USD	1,850,000			1.077290	98.890625	1,595,722.46	3.55 %
Structured products - inflation-linked bonds		US912810PV44	TSY INFL IX N/B TII 1 3/4 01/15/28	USD	1,250,000	1,450,000	200,000	1.182540	109.578125	1,311,437.49	2.92 %
Structured products - inflation-linked bonds		US912828LA68	TSY INFL IX N/B TII 1 7/8 07/15/19	USD	950,000		100,000	1.160260	102.734375	916,837.96	2.04 %
Structured products - inflation-linked bonds		US912810PS15	TSY INFL IX N/B TII 2 3/8 01/15/27	USD	2,100,000		200,000	1.228460	114.234375	2,386,025.07	5.31 %
Total licensed securities admitted to trading on the official market or another regulated market										35,115,279.67	78.13 %
Total securities										35,115,279.67	78.13 %
Stock index future		FESX20180615	EURO STOXX 50 Jun18 VGM8	EUR	93				3,229.000000	-112,530.00	-0.25 %
Stock index future		FTSE20180615	FTSE 100 IDX FUT Jun18 Z M8	GBP	17				6,906.500000	-42,213.72	-0.09 %
Stock index future		FTSP20180607	TOPIX INDX FUTR Jun18 TPM8 PIT	JPY	7				1,695.500000	-3,841.87	-0.01 %
Stock index future		FMWE20180615	MSCI Energy Index Jun18 MEWM8	USD	12				325.960000	1,420.45	0.00 %
Stock index future		0FES20180615	S&P500 EMINI FUT Jun18 ESM8	USD	-2				2,615.750000	14,031.25	0.03 %
Future on bonds		FCGB20180620	CAN 10YR BOND FUT Jun18 CNM8	CAD	21				132.700000	21,637.25	0.05 %
Future on bonds		FGBM20180607	EURO-BOBL FUTURE Jun18 OEM8	EUR	-36				131.130000	-27,000.00	-0.06 %

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
Future on bonds		FBTP20180607	Euro-BTP Future Jun18 IKM8	EUR	-16				137.690000	-40,160.00	-0.09 %
Future on bonds		FGBL20180607	EURO-BUND FUTURE Jun18 RXM8	EUR	29				159.230000	68,150.00	0.15 %
Future on bonds		FOAT20180607	Euro-OAT Future Jun18 OATM8	EUR	-27				154.310000	-64,530.00	-0.14 %
Future on bonds		FLGR20180627	LONG GILT FUTURE Jun18 G M8	GBP	21				122.140000	30,448.68	0.07 %
Future on bonds		FTN120180620	US 10YR NOTE (CBT)Jun18 TYM8 PIT	USD	39				120.906250	23,188.90	0.05 %
Commodity index futures		XLEN20180622	BCOMEN Energy XL Jun18 XLBM8	USD	37				38.420000	64,326.91	0.14 %
Commodity index futures		XLEN20180622	BCOMEN Energy XL Jun18 XLBM8	USD	33				38.420000	39,566.15	0.09 %
Commodity index futures		FCIN20180622	BCOMIN Ind Mets Jun18 FCIM8	USD	54				128.950000	-51,655.82	-0.11 %
Commodity index futures		FCPR20180622	BCOMPR PRECIOUS Jun18 UBPM8	USD	103				175.050000	29,355.34	0.07 %
Currency future		0FEC20180618	EURO FX CURR FUT Jun18 ECM8 PIT	USD	22				1.247750	-3,117.15	-0.01 %
Yield future		FTCB20180615	AUST 10Y BOND FUT Jun18 XMM8 PIT	AUD	108				97.330000	108,260.17	0.24 %
Total financial futures ¹										55,336.54	0.12 %
Forward exchange transactions		DTG072947	DTG MXN USD	MXN	29,900,000				22.783933	36,706.10	0.08 %
Forward exchange transactions		DTG073884	DTG MXN USD	MXN	-6,800,000				22.783933	-792.68	-0.00 %
Forward exchange transactions		DTG072893	DTG TRY USD	TRY	6,100,000				5.015412	-56,414.54	-0.13 %
Forward exchange transactions		DTG073883	DTG TRY USD	TRY	-1,100,000				5.015412	-640.66	-0.00 %
Forward exchange transactions		DTG072920	DTG ZAR USD	ZAR	18,800,000				14.647705	1,924.61	0.00 %
Forward exchange transactions		DTG073888	DTG ZAR USD	ZAR	-4,100,000				14.647705	35.87	0.00 %
Forward exchange transactions		DTG072886	NDF ARS USD	ARS	31,900,000				25.525359	13,877.54	0.03 %
Forward exchange transactions		DTG073880	NDF ARS USD	ARS	-6,600,000				25.525358	255.89	0.00 %
Forward exchange transactions		DTG072740	NDF INR USD	INR	103,400,000				81.179749	-4,802.05	-0.01 %
Forward exchange transactions		DTG073942	NDF INR USD	INR	-21,900,000				81.179750	1,349.97	0.00 %
Total forward exchange transactions ¹										-8,499.94	-0.02 %
Bank balances/liabilities											
				EUR						7,686,429.10	17.10 %
				AUD						48,440.07	0.11 %
				CAD						-12,007.58	-0.03 %
				CHF						2,758.65	0.01 %
				GBP						-29,756.55	-0.07 %
				JPY						37,684.64	0.08 %
				USD						71,816.18	0.16 %
Fixed-term deposits in fund currency										2,000,000.00	4.45 %
Total bank balances/liabilities										9,805,364.51	21.82 %
Accruals and deferrals											
Interest claims (on securities and bank balances)										39,096.31	0.09 %
Cash collateral interest										-17.06	-0.00 %
Portfolio commission										531.66	0.00 %
Total accruals and deferrals										39,610.91	0.09 %

Type of security	OGAW/§ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales In period under review Units/Nom.	Pool-/ILB Factor	Price	Market value in EUR	Share of fund assets
Other items											
Various fees										-59,860.94	-0.13 %
Total other items										-59,860.94	-0.13 %
Total fund assets										44,947,230.75	100.00 %

ISIN	Income class	Currency	Net asset value per unit	Units in circulation
AT0000A0QRP8	R income-distributing	EUR	148.36	240.961
AT0000A090G0	I income-retaining	EUR	167.11	36,775.020
AT0000A0QRQ6	R income-retaining	EUR	157.01	1,361.140
AT0000A0QRR4	I full income-retaining (outside Austria)	EUR	167.76	22,641.550
AT0000A0LHU0	R full income-retaining (outside Austria)	EUR	156.92	221,461.264
AT0000A1YBV2	RZ full income-retaining (outside Austria)	EUR	98.69	10.000

Frozen securities forming part of the portfolio of investments (securities lending transactions)

ISIN	Security title	Currency	Volume Mar 29, 2018
DE0001030542	DEUTSCHLAND I/L BOND DBRI 0.1 04/15/23	EUR	300,000
DE0001030526	DEUTSCHLAND I/L BOND DBRI 1 3/4 04/15/20	EUR	400,000
US912828TE09	TSY INFL IX N/B TII 0 1/8 07/15/22	USD	1,600,000

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
British Pound GBP	0.875900
Japanese Yen JPY	131.186150
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
Exchange-traded-funds	OGAW	IE00B2NPKV68	ISHARES JPM USD EM BOND	USD		7,351
Investment certificates non Raiffeisen	OGAW	LU0511407297	AB FCP I-EMR MKT DB-I2 E H	EUR		35,645
Structured products - inflation-linked bonds		FR0010585901	FRANCE (GOVT OF) FRTR 2.1 07/25/23	EUR		1,200,000

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

Further information on securities lending transactions

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

5.03 %

Value of loaned securities: 2,206,366.13 EUR

Proportion of assets eligible for lending transactions: 6.27 %

On the reporting date Mar 31, 2018 the following securities had been lent:

ISIN	Security title	Currency	Volume Mar 29, 2018	Market value (incl. any interest accrued)
				Mar 29, 2018
DE0001030542	DEUTSCHLAND I/L BOND DBRI 0.1 04/15/23	EUR	300,000	340,751.76
DE0001030526	DEUTSCHLAND I/L BOND DBRI 1 3/4 04/15/20	EUR	400,000	485,178.30
US912828TE09	TSY INFL IX N/B TII 0 1/8 07/15/22	USD	1,600,000	1,380,436.07

- Identity of the counterparties for securities lending transactions:

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

- Ten key issuers of collateral:

Issuer	Market value (incl. any interest accrued) Mar 29, 2018	Share
	ING BANK NV	107,946.34
RYANAIR HOLDINGS PLC	107,580.60	4.53 %
PALO ALTO NETWORKS INC	94,858.34	4.00 %
BANCO SANTANDER SA	86,590.57	3.65 %
REPUBLIC OF AUSTRIA GOVERNMENT BOND	77,922.70	3.28 %
UBS AG	61,485.41	2.59 %
DIASORIN SPA	59,630.62	2.51 %
GOLDMAN SACHS GROUP INC/THE	59,578.64	2.51 %
BAO-TRANS ENTERPRISES LTD	58,155.11	2.45 %
HERA SPA	57,677.64	2.43 %
TOTAL	771,425.97	32.50 %

- 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.

On the reporting date the collateral had the following makeup:

Sight deposits: 0.00 %

Bonds: 58.69 %

Equities: 41.31 %

Units in investment funds: 0.00 %

Asset class	Rating	Share
Bonds	a	16.22 %
Bonds	aa	17.16 %
Bonds	aaa	4.00 %
Bonds	bbb	21.30 %
		58.69 %

Asset class	Stock exchange	Share
Equities	recognized	41.31 %
Equities	non-recognized	0.00 %
		41.31 %

Asset class	Currency	Share
Bonds	AUD	0.45 %
Bonds	CHF	0.41 %
Bonds	CZK	0.30 %
Bonds	EUR	15.81 %
Bonds	GBP	3.83 %
Bonds	USD	37.88 %
		58.69 %
Equities	CAD	0.35 %
Equities	EUR	29.50 %
Equities	GBP	0.36 %
Equities	USD	11.11 %
		41.31 %

In relation to securities lending transactions, the investment fund is not entirely collateralized by means of securities which are either issued or guaranteed by an EEA member state.

Collateral holding period: unlimited

Period of securities lending:

Duration / Days	< 1 day	1-7 days	7-30 days	30-90 days	90-360 days
	0 %	0 %	0 %	0 %	100 %

Country of counterparty (Raiffeisen Bank International AG): Austria

Settlement: bilateral

- Reuse of collateral:

Collateral received is not reused.

- 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: 363.99 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		Value-at-risk method - absolute
Reference assets		-
Value-at-risk	Lowest value	2.42
	Ø Value	3.20
	Highest value	4.07
Model used		Historical simulation (99 % confidence level, holding period of 20 banking days, data history period acc. § 18 (1) item 3 of the Austrian Derivatives Ordinance)
Average leverage subject to use of the value-at-risk calculation method in case of nominal value calculation		124.85 %

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 337 – Strategic Allocation Master I, 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 337 – Strategic Allocation Master I**, a jointly owned fund pursuant to the Austrian Investment Fund Act (InvFG) 2011, as amended.

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

Article 1 Fund units

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

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

Article 2 Custodian bank (custodian)

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

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

Article 3 Investment instruments and principles

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

The investment fund mainly invests (i.e. at least 51 % of its fund assets) in equity and/or bond funds.

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

Securities

Securities (including securities featuring embedded derivative instruments) may be purchased for **up to 25 %** of the fund assets.

Money market instruments

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

Securities and money market instruments

Securities or money market instruments issued or guaranteed by Austria, Germany, Belgium, Finland, France or the Netherlands **may exceed 35 %** of the fund assets – directly or indirectly via investments in investment funds – if the fund assets are invested in at least six different issues, with an investment in any single issue not exceeding **30 %** of the fund assets.

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

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

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

Units in investment funds

Units in investment funds (UCITS, UCI) **may each amount to up to 20 %** of the fund assets – and **up to the legally permitted limit overall** – insofar as these UCITS or UCI do not for their part invest more than 10 % of their fund assets in units in other investment funds.

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

Derivative instruments

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

Investment fund's risk measurement method

The investment fund applies the following risk measurement method:

Value at risk

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

Absolute VaR

The attributable risk amount for the overall risk – calculated as the value-at-risk amount for the investments held in the fund – may not exceed **20 %** of the net asset value of the fund assets (absolute VaR).

Please refer to the prospectus for details and comments.

Sight deposits or deposits at notice

Sight deposits and deposits at notice with terms not exceeding 12 months may amount to **up to 49 %** of the fund assets. No minimum bank balance is required.

Within the framework of restructuring of the fund portfolio and/or a justified assumption of impending losses for units in investment funds, the investment fund may hold a lower proportion of investment funds and a higher proportion of sight deposits or deposits at notice with terms not exceeding 12 months.

Short-term loans

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

Repos

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

Securities lending

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

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

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

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

Article 4 Issuance and redemption modalities

The unit value shall be calculated in EUR or the currency of the unit class.
Please refer to the prospectus for further details.

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

Issuance and subscription fee

Units will be issued on any banking day.

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

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

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

Redemption and redemption fee

Units will be redeemed on any banking day.

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

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

Article 5 Accounting year

The investment fund's accounting year runs from 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. 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 June 15 of the following accounting year the amounts are to be distributed to the holders of income-distributing unit certificates. Any remaining balances shall be carried forward to a new account.

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

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

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

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

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

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

The management company shall ensure through appropriate proof from the custodians that 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 the Austrian Income Tax Act (§ 94).

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 the Austrian Income Tax Act (§ 94) 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 % of the fund assets for the unit certificate class "tranche I" or
- of up to 2 % of the fund assets for other unit certificate classes,

calculated pro rata 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=0¹

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

1.2.1. Luxembourg Euro MTF Luxembourg

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

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

¹Click 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"]¹

3.17.	Peru:	Bolsa de Valores de Lima
3.18.	Philippines:	Manila
3.19.	Singapore:	Singapore Stock Exchange
3.20.	South Africa:	Johannesburg
3.21.	Taiwan:	Taipei
3.22.	Thailand:	Bangkok
3.23.	USA:	New York, American Stock Exchange (AMEX), New York Stock Exchange (NYSE), Los Angeles/Pacific Stock Exchange, San Francisco/Pacific Stock Exchange, Philadelphia, Chicago, Boston, Cincinnati
3.24.	Venezuela:	Caracas
3.25.	United Arab Emirates:	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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