

C-QUADRAT Absolute Return ESG Fund

(Original German name: C-QUADRAT Absolute Return ESG Fund)

annual fund report

financial year Oct 1, 2016 – Sep 30, 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 Oct 1, 2016 to Sep 30, 2017

General fund information

ISIN	Tranche	Income class	Currency	Launch date
AT0000729280	C-QUADRAT Absolute Return ESG Fund (R) A	income-distributing	EUR	Nov 27, 2000
AT0000729298	C-QUADRAT Absolute Return ESG Fund (R) T	income-retaining	EUR	Nov 27, 2000
AT0000A1A6M5	C-QUADRAT Absolute Return ESG Fund (I) T	income-retaining	EUR	Feb 2, 2015
AT0000497698	C-QUADRAT Absolute Return ESG Fund (R) VTIA	full income-retaining (Austria/outside Austria)	EUR	Sep 5, 2005
AT0000A1A6N3	C-QUADRAT Absolute Return ESG Fund (I) VTIA	full income-retaining (Austria/outside Austria)	EUR	Feb 9, 2015

Fund characteristics

Fund currency	EUR
Financial year	Oct 1 – Sep 30
Distribution/payment/reinvestment date	Dec 1
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): 1.540 % I-Tranche (EUR): 0.750 %
Max. management fee for subfunds	1.200 % (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	C-QUADRAT Wealth Management GmbH, Vienna
Subdelegated to	C-QUADRAT Asset Management GmbH, Vienna
Auditor	KPMG Austria GmbH

Specific fund information during the financial year

Change of fund management/delegation	to Jul 26, 2017: C-QUADRAT Kapitalanlage AG from Jul 27, 2017: C-QUADRAT Wealth Management AG from Aug 11, 2017: C-QUADRAT Wealth Management GmbH
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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 C-QUADRAT Absolute Return ESG Fund for the financial year from Oct 1, 2016 to Sep 30, 2017. The accounting is based on the price calculation as of Sep 29, 2017.

Fund details

	Sep 30, 2015	Sep 30, 2016	Sep 30, 2017
Total fund assets in EUR	39,858,476.89	38,614,699.80	33,950,021.59
Net asset value/distributing units (R) (AT0000729280) in EUR	8.40	8.42	7.89
Issue price/distributing units (R) (AT0000729280) in EUR	8.66	8.67	8.13
Net asset value/reinvested units (R) (AT0000729298) in EUR	12.08	12.33	11.83
Issue price/reinvested units (R) (AT0000729298) in EUR	12.45	12.70	12.18
Net asset value/reinvested units (I) (AT0000A1A6M5) in EUR	9.70	10.06	9.72
Issue price/reinvested units (I) (AT0000A1A6M5) in EUR	10.00	10.36	10.01
Net asset value/fully reinvested units (R) (AT0000497698) in EUR	12.42	12.75	12.23
Issue price/fully reinvested units (R) (AT0000497698) in EUR	12.80	13.13	12.60
Net asset value/fully reinvested units (I) (AT0000A1A6N3) in EUR	9.73	10.08	9.74
Issue price/fully reinvested units (I) (AT0000A1A6N3) in EUR	10.03	10.38	10.03
		Dec 1, 2016	Dec 1, 2017
Distribution/unit (R) (A) EUR		0.2000	0.1500
Outpayment/unit (R) (T) EUR		0.0000	0.0000
Outpayment/unit (I) (T) EUR		0.0000	0.0226
Reinvestment/unit (R) (T) EUR		0.0000	0.0329
Reinvestment/unit (I) (T) EUR		0.0000	0.0822
Reinvestment/unit (R) (VTIA) EUR		0.0000	0.0331
Reinvestment/unit (I) (VTIA) EUR		0.0000	0.1050

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 Sep 30, 2016	Sales	Repurchases	Units in circulation on Sep 30, 2017
AT0000729280 (R) A	719,031.120	24,979.312	-155,572.225	588,438.207
AT0000729298 (R) T	1,496,579.911	79,338.846	-240,450.799	1,335,467.958
AT0000A1A6M5 (I) T	65,500.000	0.000	0.000	65,500.000
AT0000497698 (R) VTIA	870,349.043	2,290.904	-5,560.778	867,079.169
AT0000A1A6N3 (I) VTIA	230,800.000	0.000	0.000	230,800.000
Total units in circulation				3,087,285.334

Development of the fund assets and income statement

Performance in financial year (fund performance)

Distributing units (R) (AT0000729280)

Net asset value per unit at start of financial year in EUR	8.42
Distribution on Dec 1, 2016 (net asset value: EUR 7.90) of EUR 0.2000, corresponds to 0.025316 units	
Net asset value per unit at end of financial year in EUR	7.89
Total value incl. units purchased through distribution (1.025316 x 7.89)	8.09
Net income/net reduction per unit	-0.33

Performance of one unit during the financial year in % **-3.92**

Reinvested units (R) (AT0000729298)

Net asset value per unit at start of financial year in EUR	12.33
Net asset value per unit at end of financial year in EUR	11.83
Net income/net reduction per unit	-0.50

Performance of one unit during the financial year in % **-4.06**

Reinvested units (I) (AT0000A1A6M5)

Net asset value per unit at start of financial year in EUR	10.06
Net asset value per unit at end of financial year in EUR	9.72
Net income/net reduction per unit	-0.34

Performance of one unit during the financial year in % **-3.38**

Fully reinvested units (R) (AT0000497698)

Net asset value per unit at start of financial year in EUR	12.75
Net asset value per unit at end of financial year in EUR	12.23
Net income/net reduction per unit	-0.52

Performance of one unit during the financial year in % **-4.08**

Fully reinvested units (I) (AT0000A1A6N3)

Net asset value per unit at start of financial year in EUR	10.08
Net asset value per unit at end of financial year in EUR	9.74
Net income/net reduction per unit	-0.34
Performance of one unit during the financial year in %	-3.37

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

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

Raiffeisen KAG uses the method developed by OeKB (Österreichische Kontrollbank AG) to calculate the fund's performance, on the basis of data provided by the custodian bank (where payment of the redemption price is suspended, using indicative values). Some costs – the subscription fee (not exceeding 3.00 % of the invested amount) and any redemption fee (not exceeding 0.00 % of the sold amount) – are not included in the performance calculation. 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 Sep 30, 2016 (3,382,260.074 units)	38,614,699.80
Distribution on Dec 1, 2016 (EUR 0.2000 x 706,209.187 distributing units (R) (AT0000729280))	-141,241.84
Issuance of units	1,178,844.58
Redemption of units	-4,176,903.56
Pro rata income adjustment	-61,535.31
Overall fund result	-1,463,842.08
Fund assets on Sep 30, 2017 (3,087,285.334 units)	33,950,021.59

Fund result in EUR

A. Realized fund result

Ordinary fund result	
Income (excl. closing price)	
Interest income	497,497.52
Interest expenses (incl. negative credit interest)	-8,193.24
Dividend income (incl. dividend equivalent)	118,643.31
Consent payment	499.99
	608,447.58
Expenses	
Management fees	-527,531.35
Custodian bank fees / Custodian's fees	-21,209.68
Auditing expenses	-9,384.77
Tax consulting fees	-5,346.99
Custody charge	-9,862.10
Statutory/publication expenses	-4,989.09
	-578,323.98
Ordinary fund result (excl. income adjustment)	30,123.60
Realized closing price	
Profits realized from securities	587,755.52
Profits realized from derivative instruments	1,529,677.99
Losses realized from securities	-677,753.02
Losses realized from derivative instruments	-1,417,056.68
Realized closing price (excl. income adjustment)	22,623.81
Realized fund result (excl. income adjustment)	52,747.41
B. Unrealized closing price	
Change in unrealized closing price	-1,582,354.73
Dividends receivable	4,229.93
	-1,578,124.80
C. Income adjustment	
Income adjustment for income during financial year	61,535.31
	61,535.31
Overall fund result	-1,463,842.08

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 23,392.27 EUR.

Capital market report

The past accounting year was shaped by expectations of a general economic recovery. Above all, momentum resulted from the election of the new US president, which was expected to result in new growth impetus. Interest-rate levels initially picked up worldwide, and economically-sensitive market segments and sectors benefited. The defensive market segments and sectors suffered in this environment, but partially recovered in the past few months. At the end of the reporting period, there were increasing doubts whether growth would pick up to the anticipated extent. Current data still provide sufficient indications to confirm the opinions of both optimists and pessimists.

Fund investment policy report

The C-QUADRAT Absolute Return ESG Fund is an investment fund which is diversified worldwide. This fund aims to achieve continuous asset growth and the highest possible level of security by means of optimized diversification across every asset class as well as active risk management. It focuses on performance optimization in good market phases and on protection against losses in poor market phases. The fund actively manages its equities exposure, which may not exceed 50 % of its fund assets. Pursuant to § 14 of the Austrian Income Tax Act (EStG) in conjunction with § 25 of the Austrian Pension Fund Act (PKG), this fund may be used to provide securities-based coverage for Austrian pension accruals. Derivatives may only be used within the scope permitted by § 25 PKG. In selecting securities, the asset manager considers factors including the so-called "ESG criteria", thus seeking to invest in securities from issuers which comply with certain minimum standards in terms of protection of the environment, social criteria and good corporate governance.

The C-QUADRAT Absolute Return ESG Fund adjusted the weightings of its various asset classes in line with the trend outlined above. Bonds remained the core investment focus, but the fund slightly reduced its bond holdings in favor of its equities exposure. The fund maintained the portfolio's defensive basic structure, with high-quality issuers. Toward the end of the period, the fund had invested around 20 % of its assets in equities and exploited opportunities in the equities segment, focusing on consumer stocks, technology and gold. On diversification grounds, the fund supplemented its portfolio with foreign-currency exposure.

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
ETC		EUR	854,560.00	2.52 %
ETC		USD	856,761.70	2.52 %
Total ETC			1,711,321.70	5.04 %
Equities		CHF	349,285.93	1.03 %
Equities		DKK	146,828.20	0.43 %
Equities		EUR	1,267,888.50	3.73 %
Equities		GBP	656,649.37	1.93 %
Equities		JPY	163,982.62	0.48 %
Equities		USD	3,151,132.33	9.28 %
Total Equities			5,735,766.95	16.89 %
Fixed bonds		EUR	10,315,668.16	30.38 %
Fixed bonds		USD	12,547,591.51	36.96 %
Total Fixed bonds			22,863,259.67	67.34 %
Investment certificates non Raiffeisen	OGAW	EUR	840,435.00	2.48 %
Total Investment certificates non Raiffeisen			840,435.00	2.48 %
Total securities			31,150,783.32	91.75 %
Derivative products				
Valuation of forward exchange transactions			-50,535.21	-0.15 %
Total derivative products			-50,535.21	-0.15 %
Bank balances/liabilities				
Bank balances/liabilities in fund currency			2,672,377.75	7.87 %
Bank balances/liabilities in foreign currency			82,456.71	0.24 %
Total bank balances/liabilities			2,754,834.46	8.11 %

Type of security	OGAW/§ 166	Currency	Market value in EUR	Share of fund assets
Accruals and deferrals				
Interest claims (on securities and bank balances)			144,470.56	0.43 %
Dividends receivable			4,283.74	0.01 %
Total accruals and deferrals			148,754.30	0.44 %
Other items				
Various fees			-53,815.28	-0.16 %
Total other items			-53,815.28	-0.16 %
Total fund assets			33,950,021.59	100.00 %

Portfolio of investments in EUR as of Sep 29, 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 In period under review Units/Nom.	Sales Units/Nom.	Pool-/ILB Factor	Price	Market value in EUR	Share of fund assets
ETC		DE000A1E0HR8	DB PHYSICAL GOLD ETC EUR XAD5	EUR	8,000	8,000			106.820000	854,560.00	2.52 %
ETC		GB00B00FHZ82	GOLD BULLION SECURITIES LTD	USD	8,300	8,300			121.655000	856,761.70	2.52 %
Equities		CH0210483332	CIE FINANCIERE RICHEMONT-REG CFR	CHF	2,600	2,600			87.300000	198,261.78	0.58 %
Equities		CH0012032048	ROCHE HOLDING AG-GENUSSSCHEIN ROG	CHF	700				247.000000	151,024.15	0.44 %
Equities		DK0060534915	NOVO NORDISK A/S-B NOVOB	DKK	3,600	3,500	3,900		303.500000	146,828.20	0.43 %
Equities		DE0006048432	HENKEL AG & CO KGAA VORZUG HEN3	EUR	1,250	950	1,300		114.400000	143,000.00	0.42 %
Equities		ES0148396007	INDUSTRIA DE DISENO TEXTIL ITX	EUR	4,300	9,000	4,700		31.710000	136,353.00	0.40 %
Equities		FR0000120321	L'OREAL OR	EUR	2,250	1,000			177.900000	400,275.00	1.18 %
Equities		DE0007164600	SAP SE SAP	EUR	1,600	1,000	1,900		92.180000	147,488.00	0.43 %
Equities		NL0000009355	UNILEVER NV-CVA UNA	EUR	8,900	4,400			49.525000	440,772.50	1.30 %
Equities		GB00B24CGK77	RECKITT BENCKISER GROUP PLC RB/	GBP	4,200	2,200			67.530000	323,570.82	0.95 %
Equities		GB00B2B0DG97	RELX PLC REL	GBP	18,000	18,000			16.220000	333,078.55	0.98 %
Equities		JP3481800005	DAIKIN INDUSTRIES LTD 6367	JPY	1,900	1,900			11,465.000000	163,982.62	0.48 %
Equities		US88579Y1010	3M CO MMM	USD	1,400				209.550000	248,924.53	0.73 %
Equities		IE00B4BNMY34	ACCENTURE PLC-CL A ACN	USD	1,500				136.320000	173,501.34	0.51 %
Equities		US02079K1079	ALPHABET INC-CL C GOOG	USD	280				949.500000	225,582.28	0.66 %
Equities		US0758871091	BECTON DICKINSON AND CO BDV	USD	1,400	1,400			193.600000	229,977.51	0.68 %
Equities		US1255091092	CIGNA CORP CI	USD	900	900			187.000000	142,802.60	0.42 %
Equities		US4781601046	JOHNSON & JOHNSON JNJ	USD	2,200	3,400	1,200		129.470000	241,681.73	0.71 %
Equities		US57636Q1040	MASTERCARD INC - A MA	USD	2,600	2,600			140.200000	309,295.32	0.91 %
Equities		US58933Y1055	MERCK & CO. INC. MRK	USD	2,900	2,900			64.290000	158,195.24	0.47 %
Equities		US5949181045	MICROSOFT CORP MSFT	USD	4,000				73.870000	250,714.86	0.74 %
Equities		US7134481081	PEPSICO INC PEP	USD	4,350	2,600	1,750		111.640000	412,060.58	1.21 %
Equities		US6934751057	PNC FINANCIAL SERVICES GROUP PNC	USD	1,550	3,050	1,500		134.460000	176,838.49	0.52 %
Equities		US7427181091	PROCTER & GAMBLE CO/THE PG	USD	5,500	3,400			90.890000	424,161.05	1.25 %
Equities		US7443201022	PRUDENTIAL FINANCIAL INC PRU	USD	1,750	1,750			106.000000	157,396.80	0.46 %
Fixed bonds		XS1134519120	AKZO NOBEL NV AKZANA 1 3/4 11/07/24	EUR	400,000				105.703990	422,815.96	1.25 %
Fixed bonds		ES00000128A0	BONOS Y OBLIG DEL ESTADO SPGB 0 1/4 01/31/19	EUR	1,200,000	1,200,000			100.756000	1,209,072.00	3.56 %
Fixed bonds		ES00000127H7	BONOS Y OBLIG DEL ESTADO SPGB 1.15 07/30/20	EUR	1,000,000	1,000,000			103.558000	1,035,580.00	3.05 %
Fixed bonds		DE0001141653	BUNDESOBLIGATION OBL 0 1/2 02/23/18	EUR	1,000,000	2,500,000	1,500,000		100.496000	1,004,960.00	2.96 %
Fixed bonds		FR0012821940	CAPGEMINI SA CAPFP 2 1/2 07/01/23	EUR	400,000	400,000			109.400050	437,600.20	1.29 %

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
Fixed bonds		XS1255433754	ECOLAB INC ECL 2 5/8 07/08/25	EUR	600,000				110.696990	664,181.94	1.96 %
Fixed bonds		FI4000068663	FINNISH GOVERNMENT RFGB 1 1/8 09/15/18	EUR	1,500,000	1,000,000	1,000,000		101.742000	1,526,130.00	4.50 %
Fixed bonds		XS1219462543	RED ELECTRICA FIN SA UNI REESM 1 1/8 04/24/25	EUR	600,000				101.700510	610,203.06	1.80 %
Fixed bonds		AT0000A19XC3	REPUBLIC OF AUSTRIA RAGB 0 1/4 10/18/19	EUR	1,500,000	900,000	1,000,000		101.739000	1,526,085.00	4.50 %
Fixed bonds		XS1288467605	REPUBLIC OF POLAND POLAND 1 1/2 09/09/25	EUR	1,000,000				105.000000	1,050,000.00	3.09 %
Fixed bonds		FR0012949923	SUEZ SEVFP 1 3/4 09/10/25	EUR	400,000				106.276510	425,106.04	1.25 %
Fixed bonds		XS1218319702	UNIBAIL-RODAMCO SE ULFP 1 03/14/25	EUR	400,000				100.983490	403,933.96	1.19 %
Fixed bonds		US02079KAB35	ALPHABET INC GOOGL 3 3/8 02/25/24	USD	1,400,000		200,000		105.017000	1,247,497.35	3.67 %
Fixed bonds		US191216BS87	COCA-COLA CO/THE KO 2 7/8 10/27/25	USD	1,500,000	1,500,000	1,700,000		100.558000	1,279,852.36	3.77 %
Fixed bonds		US445545AJ57	HUNGARY REPHUN 5 3/4 11/22/23	USD	1,000,000	1,000,000			115.875000	983,199.69	2.90 %
Fixed bonds		XS1573181440	LENOVO GROUP LTD LENOVO 3 7/8 03/16/22	USD	600,000	600,000			100.327000	510,764.92	1.50 %
Fixed bonds		US58933YAF25	MERCK & CO INC MRK 2.8 05/18/23	USD	1,500,000		200,000		102.344000	1,302,583.68	3.84 %
Fixed bonds		US594918AT18	MICROSOFT CORP MSFT 2 3/8 05/01/23	USD	1,500,000		200,000		100.068000	1,273,615.88	3.75 %
Fixed bonds		US713448DN57	PEPSICO INC PEP 2 3/8 10/06/26	USD	600,000	600,000			95.639000	486,898.31	1.43 %
Fixed bonds		US742718ER62	PROCTER & GAMBLE CO/THE PG 2.45 11/03/26	USD	600,000	600,000			96.821000	492,915.87	1.45 %
Fixed bonds		US731011AT95	REPUBLIC OF POLAND POLAND 3 03/17/23	USD	1,100,000				102.375000	955,517.37	2.81 %
Fixed bonds		USU75000BD74	ROCHE HOLDINGS INC ROSW 3.35 09/30/24	USD	1,400,000		200,000		103.806000	1,233,111.87	3.63 %
Fixed bonds		US77586TAC09	ROMANIA ROMANI 4 3/8 08/22/23	USD	1,000,000	1,000,000			107.000000	907,895.30	2.67 %
Fixed bonds		XS0782720402	SLOVAK REPUBLIC SLOVAK 4 3/8 05/21/22	USD	1,100,000				108.875000	1,016,185.14	2.99 %
Fixed bonds		US904764AS64	UNILEVER CAPITAL CORP UNANA 3.1 07/30/25	USD	1,000,000	1,000,000	1,600,000		101.067000	857,553.77	2.53 %
Investment certificates non Raiffeisen	OGAW	AT0000A0J8S0	C-QUADRAT GOLD & RESOURCES FUND (I) (T)	EUR	10,750		2,250		78.180000	840,435.00	2.48 %
Total licensed securities admitted to trading on the official market or another regulated market and investment certificates										31,150,783.32	91.75 %
Total securities										31,150,783.32	91.75 %
Forward exchange transactions		DTG068102	DTG USD EUR	USD	-16,000,000				1.180085	-28,607.17	-0.08 %
Forward exchange transactions		DTG068187	DTG USD EUR	USD	-1,150,000				1.180085	-21,928.04	-0.06 %
Total forward exchange transactions ¹										-50,535.21	-0.15 %
Bank balances/liabilities											
				EUR						2,672,377.75	7.87 %
				GBP						71.46	0.00 %
				USD						82,385.25	0.24 %
Total bank balances/liabilities										2,754,834.46	8.11 %
Accruals and deferrals											
Interest claims (on securities and bank balances)										144,470.56	0.43 %
Dividends receivable										4,283.74	0.01 %
Total accruals and deferrals										148,754.30	0.44 %

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

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
Other items											
Various fees										-53,815.28	-0.16 %
Total other items										-53,815.28	-0.16 %
Total fund assets										33,950,021.59	100.00 %

ISIN	Income class	Currency	Net asset value per unit	Units in circulation
AT0000729280	R income-distributing	EUR	7.89	588,438.207
AT0000729298	R income-retaining	EUR	11.83	1,335,467.958
AT0000A1A6M5	I income-retaining	EUR	9.72	65,500,000
AT0000497698	R full income-retaining (Austria/outside Austria)	EUR	12.23	867,079.169
AT0000A1A6N3	I full income-retaining (Austria/outside Austria)	EUR	9.74	230,800,000

Exchange rates

Foreign currency assets were converted into EUR on the basis of the exchange rates applicable on Sep 28, 2017

Currency	Price (1 EUR =)
Swiss Francs	CHF 1.144850
Danish Kroner	DKK 7.441350
British Pound	GBP 0.876550
Japanese Yen	JPY 132.840300
US Dollars	USD 1.178550

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		CA0084741085	AGNICO EAGLE MINES LTD AEM	CAD		7,200
Equities		CA3518581051	FRANCO-NEVADA CORP FNV	CAD		5,500
Equities		FR0000120628	AXA SA CS	EUR	6,900	6,900
Equities		FR0000121667	ESSILOR INTERNATIONAL EI	EUR	1,200	1,200
Equities		FI0009013403	KONE OYJ-B KNEBV	EUR		4,100
Equities		JP3119600009	AJINOMOTO CO INC 2802	JPY		3,700
Equities		JP3496400007	KDDI CORP 9433	JPY		9,000
Equities		JP3165650007	NTT DOCOMO INC 9437	JPY		6,800
Equities		JP3351100007	SYSMEX CORP 6869	JPY		1,200
Equities		US09247X1019	BLACKROCK INC BLK	USD	475	475
Equities		US12572Q1058	CME GROUP INC CME	USD	1,500	1,500
Equities		US3703341046	GENERAL MILLS INC GIS	USD	2,800	2,800
Equities		US6092071058	MONDELEZ INTERNATIONAL INC-A MDLZ	USD	4,000	4,000
Equities		US6541061031	NIKE INC -CL B NKE	USD	3,000	3,000
Equities		US8825081040	TEXAS INSTRUMENTS INC TXN	USD		3,500
Equities		US8873173038	TIME WARNER INC TWX	USD	1,900	1,900
Equities		US9113121068	UNITED PARCEL SERVICE-CL B UPS	USD	1,500	1,500
Equities		US2546871060	WALT DISNEY CO/THE DIS	USD	2,400	2,400
Equities ADR		US8740391003	TAIWAN SEMICONDUCTOR-SP ADR TSM	USD		7,500

Type of security	OGAW/§ 166	ISIN	Security title	Currency		Purchases Additions	Sales Disposals
Equities GDR		US7960508882	SAMSUNG ELECTR-GDR SMSN	USD			300
Fixed bonds		XS1114155283	ADIDAS AG ADSGR 1 1/4 10/08/21	EUR			400,000
Fixed bonds		FR0012861821	AEROPORTS DE PARIS ADPPF 1 1/2 07/24/23	EUR			400,000
Fixed bonds		DE0001141711	BUNDESobligation OBL 0 04/17/20	EUR		2,200,000	2,200,000
Fixed bonds		FR0012432912	DANONE SA BNFP 1 1/8 01/14/25	EUR			400,000
Fixed bonds		FI4000106117	FINNISH GOVERNMENT RFGB 0 3/8 09/15/20	EUR		1,500,000	1,500,000
Fixed bonds		FR0012634558	FRANCE (GOVT OF) FRTR 0 02/25/18	EUR		2,250,000	2,250,000
Fixed bonds		XS1284570626	MERCK FIN SERVICES GMBH MRKGR 1 3/8 09/01/22	EUR			400,000
Fixed bonds		NL0010661930	NETHERLANDS GOVERNMENT NETHER 0 1/2 04/15/17	EUR		900,000	2,400,000
Fixed bonds		FR0012969038	SANOFI SANFP 1 1/2 09/22/25	EUR		400,000	800,000
Fixed bonds		DE000A14KJF5	SAP SE SAPGR 1 04/01/25	EUR			400,000
Fixed bonds		XS1126183760	SNAM SPA SRGIM 1 1/2 04/21/23	EUR			400,000
Fixed bonds		US19416QEG10	COLGATE-PALMOLIVE CO CL 3 1/4 03/15/24	USD			600,000
Fixed bonds		US478160BY94	JOHNSON & JOHNSON JNJ 2.45 03/01/26	USD			1,800,000
Fixed bonds		US478160BV55	JOHNSON & JOHNSON JNJ 3.7 03/01/46	USD		1,500,000	1,500,000
Fixed bonds		US742718EP07	PROCTER & GAMBLE CO/THE PG 2.7 02/02/26	USD			1,700,000
Fixed bonds		XS0863522149	REPUBLIC OF LATVIA LATVIA 2 3/4 01/12/20	USD			900,000
Fixed bonds		XS0982708926	REPUBLIC OF SLOVENIA SLOVEN 4 1/8 02/18/19	USD			1,400,000
Subscription rights		NL0012047922	UNILEVER NV-CVA SCRIP 1450274D	EUR		4,500	4,500
Subscription rights		NL0012171433	UNILEVER NV-SCRIP 1487598D	EUR		8,900	8,900
Subscription rights		NL0012314595	UNILEVER NV-SCRIP 1507770D	EUR		8,900	8,900
Subscription rights		NL0012440689	UNILEVER NV-SCRIP 1525774D	EUR		8,900	8,900

Information on securities lending transactions and repurchase agreements

Pursuant to the fund regulations, the fund does not enter into any securities lending transactions. Accordingly, the information concerning securities lending transactions 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.

Pursuant to the fund regulations, the fund does not enter into any repurchase agreements. 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		-
	Lowest value	1.86
Value-at-risk	Ø Value	2.17
	Highest value	2.74
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		
		38.58 %

**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
Total remuneration for employees	22,567,889.55
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
Total remuneration for risk-bearers	10,853,551.82

- 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, 21 December 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 C-QUADRAT Absolute Return ESG Fund, consisting of the portfolio of investments as of September 30, 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 September 30, 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, 21 December 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. 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 C-QUADRAT Absolute Return ESG Fund, a jointly owned fund pursuant to the Austrian Investment Fund Act 2011, as amended (InvFG).

The investment fund is an undertaking for collective investment in transferable securities (UCITS) and is managed by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. (hereinafter: the "management company") which is headquartered in Vienna.

Article 1 Fund units

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

The unit certificates shall be represented by global certificates for each unit class. Actual securities are not issued.

Article 2 Custodian bank (custodian)

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

The custodian bank (custodian) and other paying agents referred to in the prospectus are the paying agent for unit certificates.

Article 3 Investment instruments and principles

The investment fund may acquire the following types of assets in accordance with InvFG and while complying with § 25 (1) items 5 to 8, (2) to (4) and (6) to (8) of the Austrian Pension Fund Act (PKG). The investment fund is thus suitable for the investment of pension accruals pursuant to § 14 (7) item 4 e of the Austrian Income Tax Act.

The investment fund pursues an absolute return approach with the goal of generating growth in all market situations (rising and falling markets). The investment fund invests at least 51 % of its fund assets in units in securities and money market instruments whose issuers have been classified as sustainable on the basis of environmental, social and governance (ESG) criteria. These securities must fulfill certain minimum standards in terms of the protection of the environment, social criteria and good corporate governance.

Together with other assets within the meaning of § 25 (2) item 6 PKG, investments in equities, equity-equivalent marketable securities, corporate bonds and other investment securities within the meaning of § 25 (2) item 4 PKG may be purchased for up to 70 % of the fund assets. Equities and equity-equivalent marketable securities may be purchased for up to 50 % of the fund assets.

Investments in non-euro denominated assets are limited to 30 % of the fund assets overall. Where the currency risk is eliminated through foreign exchange cover transactions, these investments may be assigned to the euro-denominated investments.

Assets of the same issuer – with the exception of bank deposits and investments in debt securities issued by the Republic of Austria or by the federal provinces of Austria or by another EEA member state or by a constituent state of another EEA member state – may only be purchased up to 5 % of the fund assets. Pursuant to § 25 (8) PKG, assets which are held indirectly through units in other investment funds will not be included in this 5 % issuer limit insofar as these investment funds comply with the provisions of the Directive 2009/65/EC (UCITS) and provided that holdings in each such investment fund do not exceed 5 % of the fund's assets.

Assets of issuers belonging to a single corporate group within the meaning of InvFG may be purchased for up to 10 % of the fund assets.

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

The investment fund may acquire derivative instruments for hedging purposes. In addition, derivative instruments within the meaning of § 25 (1) item 6 PKG which are not held for hedging purposes may comprise up to 100 % of the fund assets if they help to reduce investment risks or facilitate efficient management of the fund assets.

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 6.10 % of the net asset value of the fund (absolute VaR).

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 securities and money market instruments, the investment fund may hold a lower proportion of securities and money market instruments 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

Not applicable.

Securities lending

Not applicable.

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

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

Article 4 Issuance and redemption modalities

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

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

Issuance and subscription fee

Units will be issued on any banking day.

The issue price is the unit value plus a fee per unit of up to 3 % to cover the management company's issuing costs.

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

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

Redemption and redemption fee

Units will be redeemed on any banking day.

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

At the request of a unitholder, its unit shall be redeemed out of the investment fund at the applicable redemption price, against surrender of the unit certificate.

Article 5 Accounting year

The investment fund's accounting year runs from October 1 to September 30.

Article 6 Unit classes and appropriation of income

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

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

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

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

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

From December 1 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 December 1 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.

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 December 1 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.

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. December 1 of the following accounting year shall be the key date pursuant to InvFG in case of failure to pay capital gains tax on the annual income.

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

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

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

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

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

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

Article 7 Management fee, reimbursement of expenses, liquidation fee

The management company shall receive for its management activity an annual remuneration of up to 1.54 % of the fund assets, calculated on the basis of the values at the end of each month. This remuneration will be included in the calculation of the unit value on each day of stock exchange trading in the form of an accrual.

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

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

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

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

Please refer to the prospectus for further information on this investment fund.

Appendix

List of stock exchanges with official trading and organized markets

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

Each Member State is required to maintain an updated list of regulated markets authorized by it. This directory is to be made available to the other member states and to the Commission.

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

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

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

http://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 EEA pursuant to § 67 (2) item 2 InvFG:

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

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

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

3. Stock exchanges in non-European states

- | | | |
|-------|---------------|---|
| 3.1. | Australia: | Sydney, Hobart, Melbourne, Perth |
| 3.2. | Argentina: | Buenos Aires |
| 3.3. | Brazil: | Rio de Janeiro, Sao Paulo |
| 3.4. | Chile: | Santiago |
| 3.5. | China: | Shanghai Stock Exchange, Shenzhen Stock Exchange |
| 3.6. | Hong Kong: | Hong Kong Stock Exchange |
| 3.7. | India: | Mumbai |
| 3.8. | Indonesia: | Jakarta |
| 3.9. | Israel: | Tel Aviv |
| 3.10. | Japan: | Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima |
| 3.11. | Canada: | Toronto, Vancouver, Montreal |
| 3.12. | Colombia: | Bolsa de Valores de Colombia |
| 3.13. | Korea: | Korea Exchange (Seoul, Busan) |
| 3.14. | Malaysia: | Kuala Lumpur, Bursa Malaysia Berhad |
| 3.15. | Mexico: | Mexico City |
| 3.16. | New Zealand: | Wellington, Christchurch/Invercargill, Auckland |
| 3.17. | Peru: | Bolsa de Valores de Lima |
| 3.18. | Philippines: | Manila |
| 3.19. | Singapore: | Singapore Stock Exchange |
| 3.20. | South Africa: | Johannesburg |
| 3.21. | Taiwan: | Taipei |

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:

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

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

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

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

5. Stock exchanges with futures and options markets

- 5.1. Argentina: Bolsa de Comercio de Buenos Aires
- 5.2. Australia: Australian Options Market, Australian Securities Exchange (ASX)
- 5.3. Brazil: Bolsa Brasileira de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
- 5.4. Hong Kong: Hong Kong Futures Exchange Ltd.
- 5.5. Japan: Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange
- 5.6. Canada: Montreal Exchange, Toronto Futures Exchange
- 5.7. Korea: Korea Exchange (KRX)
- 5.8. Mexico: Mercado Mexicano de Derivados
- 5.9. New Zealand: New Zealand Futures & Options Exchange
- 5.10. Philippines: Manila International Futures Exchange
- 5.11. Singapore: The Singapore Exchange Limited (SGX)
- 5.12. Slovakia: RM-System Slovakia
- 5.13. South Africa: Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX)
- 5.14. Switzerland: EUREX
- 5.15. Turkey: TurkDEX
- 5.16. USA: American Stock Exchange, Chicago Board Options Exchange, Chicago, Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, Mid America Commodity Exchange, ICE Future US Inc. New York, Pacific Stock Exchange, Philadelphia Stock Exchange, New York Stock Exchange, Boston Options Exchange (BOX)

Appendix

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