

Raiffeisen Short Term Strategy Plus

Annual fund report

Financial year 2014-2015

Note:

The audit opinion issued by KPMG Austria GmbH only applies for the full German-language version.

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Report for the financial year from 1 June 2014 to 31 May 2015

Raiffeisen Short Term Strategy Plus is a bond fund whose investment goal is regular income. It mainly invests (at least 51 % of the fund assets) in euro-denominated bonds and money market instruments but may also invest in asset-backed securities and mortgage-backed securities. The fund may acquire bonds and money market instruments issued by sovereigns, supranational issuers and/or companies etc. The fund may invest more than 35 % of its fund assets in securities/money market instruments issued by the following issuers: Austria, Germany, Belgium, Finland, France and the Netherlands. The fund is actively managed and is not limited by means of a benchmark.

General fund information

Tranche	Fund currency	Tranche currency	Launch date	ISIN
ISIN income-distributing (R) (A)	EUR	EUR	1/6/2005	AT0000495494
ISIN full income-retaining (outside Austria) (R) (VTA)	EUR	EUR	1/6/2005	AT0000495502
ISIN full income-retaining (outside Austria) (S) (VTA)	EUR	EUR	2/11/2011	AT0000A0QZN6

Fund characteristics

Financial year:	1 June – 31 May
Distribution/payment/reinvestment date:	15 August
EU directive compliance:	EU directive-compliant Jointly owned fund under the 2011 Austrian Investment Fund Act as amended (InvFG)
Management fee for the fund:	R tranche: 0.45 % S tranche: 0.90 %
Custodian bank:	Raiffeisen Bank International AG
Management company:	Raiffeisen Kapitalanlage-Gesellschaft m.b.H. Schwarzenbergplatz 3, A-1010 Vienna from 7 September 2015: 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 Short Term Strategy Plus for the financial year from 1 June 2014 to 31 May 2015.

Fund details

	31/5/2014	31/5/2015
Fund assets in EUR	16,318,097.04	12,705,474.26
Net asset value/unit (R) (A) EUR	88.23	86.33
Issue price/unit (R) (A) EUR	91.58	89.61
Net asset value/unit (R) (VTA) EUR	107.05	106.35
Issue price/unit (R) (VTA) EUR	111.12	110.39
Net asset value/unit (S) (VTA) EUR	105.82	104.66
Issue price/unit (S) (VTA) EUR	108.41	107.22
	18/8/2014	17/8/2015
Distribution/unit (R) (A) EUR	1.33	1.16
Reinvestment/unit (R) (VTA) EUR	0.0000	0.0000
Reinvestment/unit (S) (VTA) EUR	0.0000	0.0000

The distribution will occur free-of-charge at the fund's paying agents.

Units in circulation

	AT0000495494 (R) A	AT0000495502 (R) VTA	AT0000A0QZN6 (S) VTA
Units in circulation on 31/5/2014	116.313	149,538.467	2,828.963
Sales	0.000	19,104.971	653.044
Repurchases	- 20.227	- 51,451.849	- 1,257.343
Units in circulation	96.086	117,191.589	2,224.664
Total units in circulation on 31/5/2015			119,512.339

Fund details for last 3 financial years

	31/5/2013	31/5/2014	31/5/2015
Total fund assets	28,298,661.00	16,318,097.04	12,705,474.26
Net asset value/distributing units (R) (AT0000495494) in EUR	88.96	88.23	86.33
Net asset value/fully reinvested units (R) (AT0000495502) in EUR	106.67	107.05	106.35
Net asset value/fully reinvested units (S) (AT0000A0QZN6) in EUR	105.82	105.82	104.66

Development of the fund assets and income statement

Performance in financial year (fund performance)

Distributing units (R) (AT0000495494)

Net asset value per unit at start of financial year in EUR	88.23
Distribution on 18/8/2014 (net asset value: EUR 86.59) of EUR 1.33, corresponds to 0.015360 units	
Net asset value per unit at end of financial year in EUR	86.33
Total value incl. units purchased through distribution (1.015360 x 86.33)	87.66
Net income/net reduction per unit	- 0.57
Performance of one unit during the financial year as %	- 0.65

Fully reinvested units (R) (AT0000495502)

Net asset value per unit at start of financial year in EUR	107.05
Net asset value per unit at end of financial year in EUR	106.35
Net income/net reduction per unit	- 0.70
Performance of one unit during the financial year as %	- 0.65

Fully reinvested units (S) (AT0000A0QZN6)

Net asset value per unit at start of financial year in EUR	105.82
Net asset value per unit at end of financial year in EUR	104.66
Net income/net reduction per unit	- 1.16
Performance of one unit during the financial year as %	- 1.10

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 3.80 % of the invested amount) and any redemption fee (not exceeding 0.00 % of the sold amount) – are not included in the performance calculation. Depending on their concrete value, they will reduce a performance accordingly. Past results do not permit any reliable inferences as to the future performance of the fund.

Development of fund assets in EUR

Fund assets on 31/5/2014 (152,483.743 units)		16,318,097.04
Distribution on 18/8/2014 (EUR 1.33 x 96.313 distributing units (R) (AT0000495494))		- 128.10
Issuance of units	2,106,828.81	
Redemption of units	- 5,613,287.49	
Pro rata income adjustment	- 52,690.09	- 3,559,148.77
Overall fund result		- 53,345.91
Fund assets on 31/5/2015 (119,512.339 units)		12,705,474.26

Fund result in EUR

A. Realized fund result

Ordinary fund result

Income (excl. closing price)		
Interest income	283,249.52	
Income from securities lending transactions	553.48	
Interest expenses	- 1.78	283,801.22
Expenses		
Management fees	- 67,843.77	
Custodian bank fees	- 4,506.98	
Auditing expenses	- 4,301.25	
Tax consulting fees	- 1,327.06	
Custodian fee	- 3,554.70	
Statutory/publication expenses	- 1,473.79	- 83,007.55
Ordinary fund result (excl. income adjustment)		200,793.67
Realized closing price		
Profits realized from securities	31,889.04	
Profits realized from derivative instruments	17,490.80	
Losses realized from securities	- 116,166.59	
Losses realized from derivative instruments	- 393,357.76	
Realized closing price (excl. income adjustment)		- 460,144.51
Realized fund result (excl. income adjustment)		- 259,350.84

B. Unrealized closing price

Change in unrealized closing price	153,314.84
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C. Income adjustment

Income adjustment for income during financial year	52,690.09
Overall fund result	- 53,345.91

The result for the past accounting year includes explicitly reported transaction costs in the amount of EUR 1,903.30.

Capital market report

2014 was a highly positive capital market year for most asset classes – commodities alone suffered a strong loss of value. Of the stock markets, the USA once again clearly led the way – with double-digit percentage gains and new record highs. However, since the turn of the year European stocks appear to have assumed the lead role. Overall, emerging markets equities have also developed positively over the past 12 months, but the individual markets and sectors were once again extremely heterogeneous. The strong fall in the prices of crude oil and many other commodities put significant pressure on commodities exporters, while most importers benefited considerably. The EU's weak economic position and the growing tensions between NATO/the EU on the one hand and Russia on the other depressed economic activity and investor sentiment in Central and Eastern Europe especially. This likely also played a role in the clear fall which the Austrian stock market (the "gateway to the east") suffered in 2014, despite some attractive valuation levels. However, since the turn of the year the picture has changed here too: with growth of almost 20 % since the start of the year, Austria has been one of the strongest stock markets to date.

In many industrialized nations, yields on government bonds fell to all-time record lows in the past year. In the Eurozone, this trend continued in 2015 in view of the huge bond-buying program initiated by the European Central Bank (ECB), before a strong counter-movement in the last few weeks. At the present time, on the whole the financial markets see the possibility of Greece once again going bankrupt or even leaving the euro as a purely Greek problem – this assessment may be overly short-sighted. Corporate bonds and high-yield securities also picked up considerably in 2014 and they have also realized slight gains in the current year. More than half of all government bonds worldwide are now offering yields of less than one per cent p.a. Emerging markets bonds also recovered until late summer 2014, but subsequently weakened slightly in line with the trends for these countries' currencies.

The activities of the central banks and the economic trend remain the key direct factors shaping the financial markets. In 2015, the world economy will likely remain sluggish. There is a need to curb and to "digest" the excessive lending growth of the past few years in many countries. This is inevitably curbing new investments and economic activity. However, the lower price of oil may considerably boost some countries, not least the Eurozone. The economic data have recently picked up slightly here. Of the industrialized nations, the USA will likely once again achieve the strongest level of growth, but this will only amount to a very moderate rate. It therefore remains to be seen when, and how strongly, the US central bank will raise interest rates. Despite this, however, in view of the global economic environment even in the USA a strong rise in yields on a broad front appears highly unlikely for the time being. Moreover, US yields are in any case considerably higher than in the EU and Japan.

What is more, global inflation rates are continuing to fall almost everywhere. The ECB is seeking to counter possible deflationary trends through penalty interest rates for banks as well as heavy bond purchases. It remains to be seen whether this will pay off. At any rate, it has already significantly weakened the euro exchange rate, which is boosting the Eurozone's exports and should also cause inflation to pick up slightly through higher import prices. The ECB's bond purchasing activities should also provide additional stimulus for the European financial markets. In the Eurozone, monetary policy will very likely remain expansionary for some time to come and there is currently no sign of any significant yield rises.

In view of continuing low bond yields in the key economic blocs, for these countries' stock markets this "new normality" means inter alia that they are likely less "expensive" than suggested by the valuation models of previous decades. The financial market environment in 2015 will certainly remain challenging and should entail stronger price fluctuations than in 2013 and 2014. However, at present the positive factors are still predominant on the financial markets.

Fund investment policy report

The fund was mainly invested in financial stocks and corporate bonds.

The fund focuses on strong credit ratings. Due to the asymmetrical interest rate risk, the average fixed interest rate in the portfolio was reduced for much of the period. This paid off toward the end of the reporting period in particular.

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

Makeup of fund assets in EUR

Securities	Market value	%
Bonds:		
EUR	12,674,920.32	99.76
Derivative products		
Valuation of financial futures	22,372.90	0.17
Bank liabilities		
Bank liabilities in fund currency	- 103,284.79	- 0.81
Bank balances in foreign currency	8,461.45	0.07
Total bank liabilities	- 94,823.34	- 0.74
Accruals and deferrals		
Interest claims (on securities and bank balances)	103,004.38	0.81
Total fund assets	12,705,474.26	100.00

Portfolio of investments in EUR

Dates indicated for securities refer to the issue and redemption dates. An issuer's right of premature redemption (where applicable) is not specified. The securities marked with a "Y" have an open-ended maturity.

ISIN	SECURITY TITLE	CURRENCY	VOLUME 29/5/2015	PURCHASES ADDITIONS IN PERIOD UNDER REVIEW	SALES DISPOSALS	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
EURO BONDS								
DE000A1KRBG4	0.0180 HESSEN SCHA. S.1210 16	EUR	280.000		20.000	100.041000	280.114.80	2.20
DE0001040731	0.0770 BAD.-WUERTT. LSA 11/16R99	EUR	300.000			100.161000	300.483.00	2.36
XS0245166367	0.1380 GE CAP.EURO. 06/16 FLR	EUR	100.000			100.057000	100.057.00	0.79
XS0243636866	0.1910 CITIGROUP INC. 06/16 MTN	EUR	150.000			100.049000	150.073.50	1.18
DE000NRW0CD6	0.1930 LAND NRW SCH.R.1117VAR	EUR	300.000		200.000	100.259000	300.777.00	2.37
XS0254356057	0.2160 GE CAP.EURO. 06/21 FLR	EUR	450.000			99.362000	447.129.00	3.52
DE000EAA0CH3	0.2910 ERSTE ABW. MTN. 12/16VAR	EUR	400.000		100.000	100.408000	401.632.00	3.16
XS1112847410	0.2940 CS LONDON 14/16 FLR MTN	EUR	200.000	200.000		100.077000	200.154.00	1.58
XS0255243064	0.3380 GOLDM.S.GRP 06/16 FLR	EUR	300.000			100.158000	300.474.00	2.36
XS1033927648	0.3400 CS LONDON 14/16 FLR MTN	EUR	100.000			100.108000	100.108.00	0.79
XS0171938219	0.3770 WESTLB IS.A.9960 MTN	EUR	200.000			99.872000	199.744.00	1.57
XS1139303736	0.3970 DANSKE BK 14/18 FLR MTN	EUR	100.000	100.000		100.297000	100.297.00	0.79
XS0231555672	0.4120 JPMORGAN CHASE 05/15 MTN	EUR	400.000		100.000	100.030000	400.120.00	3.15
XS0250971222	0.4120 MORGAN STANLEY 06/16 FLR	EUR	300.000			100.203000	300.609.00	2.36
XS1078030928	0.4250 GE CAP.EURO. 14/18FLR MTN	EUR	100.000	100.000		100.433000	100.433.00	0.79
XS0282583722	0.4280 MORGAN STANLEY 07/17 FLR	EUR	300.000			100.298000	300.894.00	2.37
XS0596703875	0.4400 DNB BOLIGKRED. 11/16 MTN	EUR	200.000		200.000	100.290000	200.580.00	1.58
XS0754809548	0.4780 EIB EUR.INV.BK 12/17 FLR	EUR	100.000		300.000	101.230000	101.230.00	0.80
XS1105264821	0.5000 BMW FIN. NV 14/18 MTN	EUR	70.000	70.000		100.517610	70.362.33	0.55
XS1138423774	0.6000 OMV AG 14/18 MTN	EUR	50.000	50.000		100.479520	50.239.76	0.40
XS1144084099	0.6190 AT + T 14/19 FLR	EUR	100.000	100.000		100.535000	100.535.00	0.79
XS1137512312	0.8750 MEDIOBCA 14/17 MTN	EUR	100.000	100.000		99.800220	99.800.22	0.79
XS1017789089	1.0000 INST.CRED.OFIC. 14/15 MTN	EUR	100.000			100.226000	100.226.00	0.79
XS0909787300	1.0000 VOLKSWAGEN INTL 13/16 MTN	EUR	390.000			101.080350	394.213.37	3.10
XS1023268490	1.1250 BAYER AG 14/18 MTN	EUR	140.000			102.107300	142.950.22	1.13
DE000A1R1BC6	1.1250 DEUT.BOERSE ANL 13/18	EUR	150.000			102.306820	153.460.23	1.21
XS1003251011	1.1250 MONDELEZ INTL 13/17	EUR	100.000			101.258140	101.258.14	0.80
FR0011437367	1.2500 DANONE 13/18 MTN	EUR	200.000		100.000	102.485790	204.971.58	1.61
XS0896158952	1.2500 RLB NOE SCHULDV.13-16/PP	EUR	400.000			99.750000	399.000.00	3.14
XS0881360555	1.2500 TOYOTA MOTOR CRED13/17MTN	EUR	100.000			102.241020	102.241.02	0.80
DE000A1HG1J8	1.3750 ALLIANZ FIN. II 13/18 MTN	EUR	100.000			103.056400	103.056.40	0.81
XS1082970853	1.3750 TESCO C.TR.SERV.14/19 MTN	EUR	200.000	200.000		97.604000	195.208.00	1.54
XS0977500767	1.5000 DEUTSCHE POST MTN.13/18	EUR	40.000			103.587460	41.434.98	0.33
XS1031018911	1.5000 VOLKSWAGEN BK, MTN 14/19	EUR	100.000			103.798770	103.798.77	0.82
XS0651159484	1.6210 SANTDR CONS.FIN.11/16 FLR	EUR	200.000			101.684000	203.368.00	1.60
PTBSQEOE0029	1.6250 BANCO SANT.TO. 14/19 MTN	EUR	200.000	200.000		104.804670	209.609.34	1.65
XS0969570687	1.6250 FCE BANK PLC 13/16 MTN	EUR	100.000			101.528900	101.528.90	0.80
FR0011318146	1.7500 BPCE S.A. 12/16 MTN	EUR	100.000			101.248000	101.248.00	0.80
XS0857214968	1.7500 GLENCORE F.(DUB.)12/16MTN	EUR	200.000			101.197680	202.395.36	1.59
XS0891393414	1.7500 NATL GRID NA 13/18 MTN	EUR	200.000			103.577260	207.154.52	1.63
XS0866278921	1.8750 CARREFOUR 12/17 MTN	EUR	150.000	150.000		103.782580	155.673.87	1.23
XS0795872901	1.8750 DT. POST FIN. 12/17 MTN	EUR	200.000		100.000	103.323900	206.647.80	1.63
XS0937887379	1.8750 NOM.EUR.FIN. 13/18 MTN	EUR	130.000			103.465150	134.504.70	1.06
XS0965065112	2.0000 BNP PARIBAS 13/19 MTN	EUR	200.000	200.000		105.320740	210.641.48	1.66
XS0747743937	2.1770 BP CAPITAL MKTS 12/16 MTN	EUR	200.000			101.354000	202.708.00	1.60
DE000A1X26E7	2.2500 DT.PFBR.BANK MTN.35224	EUR	200.000			102.182500	204.365.00	1.61
XS0882166282	2.5000 BRFKREDIT 13/18	EUR	200.000			104.914500	209.829.00	1.65
XS0881544281	2.6250 UCBA MTN 13/18 S.439	EUR	100.000	100.000		103.850000	103.850.00	0.82
ES0413679269	2.7500 BANKINTER 13-16	EUR	200.000			102.903330	205.806.66	1.62
FR0010945006	2.8750 BPCE S.A. 10/15 MTN	EUR	100.000		100.000	100.830000	100.830.00	0.79
ES0415306002	2.8750 CAJA RU.NAV. 13-18	EUR	100.000			108.005000	108.005.00	0.85
FR0011156017	3.0000 GROUPE AUCHAN 11/16 MTN	EUR	300.000			104.119590	312.358.77	2.45
IT0004965346	3.3750 BCA POP. EMILIA 13/18	EUR	100.000			110.694250	110.694.25	0.87
XS0548805299	3.3750 CARLSBERG BREW. 10/17 MTN	EUR	200.000			106.751060	213.502.12	1.68
XS0765299655	3.3750 EG NTS 12-17 DIP S.1097	EUR	200.000			105.005250	210.010.50	1.65
ES0211845260	3.7500 ABERTIS INFRA. 13-23	EUR	100.000			117.132400	117.132.40	0.92
XS0725405228	4.0000 ING BK NV 11/16 MTN	EUR	200.000			105.868000	211.736.00	1.67
XS0852993285	4.0000 INTESA SAN. 12/17 MTN	EUR	200.000			107.847750	215.695.50	1.70

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

ISIN	SECURITY TITLE	CURRENCY	VOLUME 29/5/2015 UNITS/NOM.	PURCHASES ADDITIONS IN PERIOD UNDER REVIEW UNITS/NOM.	SALES DISPOSALS UNITS/NOM.	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
EURO BONDS								
XS0563106730	4.3750 A.P.MOELLER-MAERSK 10/17	EUR	100,000	100,000		109.676500	109,676.50	0.86
XS0645669200	4.5000 IMP.TOBACCO FIN.11/18 MTN	EUR	200,000			111.707110	223,414.22	1.76
XS0466303194	4.7500 HUTCHISON WH. 09/16	EUR	200,000			106.337500	212,675.00	1.67
XS0307791698	5.3750 B.A.T. INTL FIN. 07/17MTN	EUR	300,000			110.526130	331,578.39	2.61
XS0357251726	6.3750 WOLTERS KLUWER 08/18	EUR	200,000			116.598740	233,197.48	1.83
XS0423888667	6.5000 ZURICH FIN.USA 09/15 MTN	EUR	100,000		100,000	102.261000	102,261.00	0.80
XS0429612566	7.2500 MAN SE.MTN 09/16	EUR	200,000			106.778810	213,557.62	1.68
BE0934985020	8.6250 AB INBEV 09/17 MTN	EUR	300,000			113.866540	341,599.62	2.69
TOTAL SECURITIES PORTFOLIO							12,674,920.32	99.76
FINANCIAL FUTURES								
FGBM20150608	BOBL FUTURE20150608	EUR	-10		10	128.740000	4,600.00	0.04
FGBL20150608	BUND FUTURE20150608	EUR	-3		3	154.900000	11,320.19	0.09
FGBL20150608	BUND FUTURE20150608	EUR	-1		1	154.900000	1,120.00	0.01
FGBL20150608	BUND FUTURE20150608	EUR	-1		1	154.900000	1,966.33	0.01
FGBL20150608	BUND FUTURE20150608	EUR	-2	4	6	154.900000	3,140.00	0.02
FGBL20150608	BUND FUTURE20150608	EUR	-1		1	154.900000	4,050.00	0.03
FGBL20150608	BUND FUTURE20150608	EUR	-2		2	154.900000	-3,373.62	-0.03
FGBS20150608	SCHATZ FUTURE20150608	EUR	-15		15	111.185000	-450.00	0.00
TOTAL FINANCIAL FUTURES ¹							22,372.90	0.17
BANK LIABILITIES								
EUR LIABILITIES							-103,284.79	-0.81
BALANCES IN NON-EU CURRENCIES								
USD							8,461.45	0.07
TOTAL BANK LIABILITIES							-94,823.34	-0.74
ACCRUALS AND DEFERRALS								
INTEREST CLAIMS							103,004.38	0.81
TOTAL FUND ASSETS							12,705,474.26	100.00
NET ASSET VALUE PER UNIT								
TRANCHE R INCOME-DISTRIBUTING							EUR	86.33
TRANCHE R FULL INCOME-RETAINING							EUR	106.35
TRANCHE S FULL INCOME-RETAINING							EUR	104.66
UNITS IN CIRCULATION								
TRANCHE R INCOME-DISTRIBUTING							UNITS	96.086
TRANCHE R FULL INCOME-RETAINING							UNITS	117,191.589
TRANCHE S FULL INCOME-RETAINING							UNITS	2,224.664

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

ISIN	SECURITY TITLE	CURRENCY	VOLUME 29/5/2015
DE000NRW0CD6	0.1930 LAND NRW SCH.R.1117VAR	EUR	300,000
DE000EAA0CH3	0.2910 ERSTE ABW. MTN. 12/16VAR	EUR	400,000

EXCHANGE RATES

FOREIGN CURRENCY ASSETS WERE CONVERTED INTO EUR ON THE BASIS OF THE EXCHANGE RATES APPLICABLE ON 28/5/2015

CURRENCY	UNIT	PRICE
US DOLLAR	USD	1 EUR = 1.091850

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

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

FUTURES EXCHANGE KEY:

CODE	STOCK EXCHANGE
EUREX	EUROPEAN EXCHANGE

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

ISIN	SECURITY TITLE	CURRENCY	PURCHASES ADDITIONS	SALES DISPOSALS
EURO BONDS				
DE000A1KQ8B3	0.2360 FMS WERTMGMT MTN 12/15	EUR		300,000
FR0011564541	0.3820 BPCE S.A. 13/15 FLR MTN	EUR		300,000
XS0275122165	0.4990 GOLDM.S.GRP 06/14 FLR	EUR		100,000
XS0304458564	0.6370 VODAFONE GRP 07/14FLR MTN	EUR		350,000
XS0229840474	0.9120 DT.BANK 05/15 MTN VAR	EUR		155,000
XS0921670385	1.6250 HYPO NOE NTS 13-18/6	EUR		100,000
XS0973424152	1.6250 KOMMUNALKREDIT 13/18 MTN	EUR		100,000
XS0537088899	2.1250 EIKA BOLIGKRED. 10/15 MTN	EUR		300,000
XS0576107519	2.7500 VOLKSWAGEN LEASING 11/15	EUR		100,000
XS0525490198	2.8750 BNP PARIBAS 10/15 MTN	EUR		200,000
FR0010231357	3.1250 C.F.FINANC.LOC. 05/15 MTN	EUR		300,000
XS0497119486	3.6250 SPBK 1 SR BK 10/15 MTN	EUR		300,000
FR0010758888	4.5000 EL. FRANCE 09/14 MTN	EUR		200,000
DE000A1A55G9	4.6250 DAIMLER AG.MTN 09/14	EUR		400,000
XS0306773234	5.2500 BRIT. TELECOM. 07/14 MTN	EUR		200,000
XS0637823864	6.5000 KAB.DT.VERT.ITV 11/18 R.S	EUR		200,000

Further information on securities lending transactions

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

8.00 %

On the reporting date 31 May 2015 the following securities had been lent:

ISIN	SECURITY TITLE	CURRENCY	VOLUME	MARKET VALUE (incl. any interest accrued)	
				29/5/2015	29/5/2015
DE000NRW0CD6	0.1930 LAND NRW SCH.R.1117VAR	EUR	300,000		300,813.99
DE000EAA0CH3	0.2910 ERSTE ABW. MTN. 12/16VAR	EUR	400,000		401,677.27

2. Identity of the counterparties for securities lending transactions:

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

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

Under the securities lending agreement concluded between the management company and Raiffeisen Bank International AG, Raiffeisen Bank International AG is obliged to deliver collateral for the borrowed securities. Sight deposits (which are not used to purchase further assets and are thus held as deposits with the custodian bank), bonds, equities, convertible bonds and units in investment funds are permitted as collateral. Sight deposits do not undergo any valuation markdown, and the value of the collateral thus amounts to 100 % of the value of the lent securities. Other collateral (bonds, equities, convertible bonds and units in investment funds) will be valued daily on the basis of a value-at-risk calculation. The maximum foreseeable loss for this other collateral is calculated over a period of three business days, with a probability of 99 % (confidence interval). The value determined plus a markup of 10 % represents the applicable valuation markdown. This valuation markdown will amount to at least 5 % of the value of this other collateral. Recognition of this haircut will entail delivery of the required volume of additional collateral.

At the end of the financial year, the collateral had the following makeup:

Sight deposits: 0.00 %

Bonds: 13.57 %

Equities: 86.43 %

Units in investment funds: 0.00 %

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

Income: EUR 553.48

Costs: N/A

Further information on repurchase agreements

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

Total return swaps and similar derivative instruments

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

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

Calculation method for overall risk


Calculation method for overall risk:

Simplified approach

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

Vienna, 31 August 2015

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.


Mag. (FH) Dieter Aigner


Mag. Rainer Schnabl

Audit opinion

We have audited the annual fund report including the accounting as of 31 May 2015 issued by Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna, for its fund Raiffeisen Short Term Strategy Plus, for the financial year from 1 June 2014 to 31 May 2015.

Responsibility of the statutory representatives for the annual fund report, management of the asset portfolio and the accounting

The statutory representatives of the management company/the custodian bank are responsible for the accounting, valuation of the asset portfolio, calculation of withholding taxes, preparation of the annual fund report and management of the asset portfolio in accordance with the provisions of the Austrian Investment Fund Act, the supplementary provisions in the fund regulations and the tax regulations. This responsibility includes the setup, execution and maintenance of an internal control system where this is significant for the registration and valuation of the fund and preparation of the annual fund report so that this report is free from significant factual misstatements resulting from intentional or unintentional errors; selection and application of suitable valuation methods; estimates which appear appropriate in view of applicable outline conditions.

Responsibility of the bank auditor and description of the type and scope of the statutory audit of the annual fund report

We are responsible for providing an audit opinion for this annual fund report on the basis of our audit.

We performed our audit in accordance with § 49 para. 5 of the Austrian Investment Fund Act whilst complying with the applicable Austrian statutory regulations and principles of proper balance-sheet auditing. These principles require our compliance with rules of professional conduct and our planning and execution of the audit so that we are able to form an opinion with a reasonable degree of certainty on whether the annual fund report is free from significant factual misstatements.

An audit includes the performance of audit activities to obtain documentation of the figures and other disclosures in the annual fund report. The audit activities are chosen at the discretion of the bank auditor, with consideration of its assessment of the risk of significant factual misstatements due to intentional or unintentional errors. In performing the risk assessment, the bank auditor gives consideration to the internal control system where this is of significance for preparation of the annual fund report and valuation of the asset portfolio, so as to specify suitable audit activities with consideration of the applicable outline conditions. No audit opinion is provided on the effectiveness of the internal control measures implemented by the management company and the custodian bank, however. The audit also includes an assessment of the appropriateness of the valuation methods used and the key estimates made by the statutory representatives as well as an evaluation of the overall statement provided in the annual fund report.

In our opinion we have obtained sufficient and suitable documentation for our audit, so that it provides an adequate degree of certainty on which to base our judgment.

Audit outcome

Our audit has not met with any objections. On the basis of our audit findings, in our view the annual fund report as of 31 May 2015 for Raiffeisen Short Term Strategy Plus complies with the statutory regulations.

Compliance with the Austrian Investment Fund Act and the fund regulations

Pursuant to § 49 (5) InvFG our audit includes an assessment of whether this report complies with the Austrian Federal Act on Investment Funds (Austrian Investment Fund Act) and the fund regulations. We have implemented our audit in accordance with the above principles, so that we are able to determine with a sufficient level of certainty whether this report complies with the provisions of the Austrian Investment Fund Act and the fund regulations.

According to our audit findings, the provisions of the Austrian Federal Act on Investment Funds (Austrian Investment Fund Act) and the fund regulations have been complied with.

Report on activities performed during the past financial year

We have undertaken a critical assessment of the disclosures provided by the management company's management in the annual fund report on its activities in the past financial year, but these were not subject to special audit activities in accordance with the above principles. Accordingly, our audit opinion does not include an evaluation of this information. In the context of the overall picture set out in this annual fund report, these disclosures are consistent with the information provided in the rest of the report.

Vienna, 31 August 2015

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Wilhelm Kovsca
Auditor

pp. Rainer Pasching
Auditor

Tax treatment

Please see our website www.rcm.at for detailed information on the fund's tax treatment, prepared on the basis of the audited annual fund report.

Fund regulations

Fund regulations pursuant to the Austrian Investment Fund Act 2011

The Austrian Financial Market Authority (FMA) has approved the fund regulations for the investment fund **Raiffeisen Short Term Strategy Plus**, 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) is the payment office for unit certificates and the handover office 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 (at least 51 % of the fund assets) in euro-denominated bonds and money market instruments but may also invest in asset-backed securities and mortgage-backed securities.

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

Securities

Securities (including securities with embedded derivative instruments) may be purchased.

Money market instruments

Money market instruments may be purchased.

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

Derivative instruments

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

Investment fund's risk measurement method

The investment fund applies the following risk measurement method:

Commitment approach

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

The overall risk for derivative instruments which are not held for hedging purposes is limited to **75 %** of the overall net value of the fund assets.

Please refer to the prospectus for details and comments.

Sight deposits or deposits at notice

Sight deposits and deposits at notice with notice periods 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 notice periods not exceeding 12 months.

Short-term loans

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

Repos

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

Securities lending

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

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

However, this does not apply for currency hedge transactions. These transactions may only be entered into in relation to a single unit class.

Expenses and income resulting from a currency hedge transaction shall exclusively be allocated to the relevant unit class.

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 **3.8 %** 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.

Please refer to the prospectus for further details.

Article 5 Accounting year

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

Article 6 Unit classes and appropriation of income

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

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

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

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

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

From August 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 August 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 August 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. August 15 of the following accounting year shall be the key date pursuant to InvFG in case of failure to pay capital gains tax on the annual income.

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

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

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

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

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

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

Article 7 Management fee, reimbursement of expenses, liquidation fee

The management company shall receive for its management activity an annual remuneration of up to **1.25 %** of the fund assets, calculated on the basis of the values at the end of each month.

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

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

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

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

Please refer to the prospectus for further details.

Appendix

List of stock exchanges with official trading and organized markets

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

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

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

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

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

http://mifiddatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display&subsection_id=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
3.17.	Peru :	Bolsa de Valores de Lima
3.18.	Philippines:	Manila

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

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

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

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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