

P R O S P E C T U S

for

Raiffeisen-Euro-ShortTerm-Bonds

Investment fund (UCITS) pursuant to § 2 of the 2011 Austrian Investment Fund Act (InvFG)

issued by

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

Schwarzenbergplatz 3, A-1010 Vienna

This prospectus was produced in October 2011 in accordance with the fund regulations revised in line with the 1993 Austrian Investment Fund Act (InvFG) as amended in 2008. It should be pointed out that the fund regulations are expected to come into force on November 2, 2011.

The management company points out, with the approval of the Austrian Financial Market Authority [Finanzmarktaufsicht = FMA] that the 2011 Austrian Investment Fund Act (InvFG) came into force on September 1, 2011.

The statutory references made in the fund regulations and in the simplified prospectus (where available) refer to InvFG 1993, since the fund regulations were approved on the basis of the prevailing legal situation at the time of the fund's licensing.

As of September 1, 2011, these references will be considered to be references to the corresponding regulations of InvFG 2011.

Investors shall be provided with the key investor information (where available) free-of-charge. Upon request, the currently valid prospectus and the fund regulations will be provided free-of-charge. This prospectus is supplemented by the most recent annual fund report or semi-annual fund report. If no key investor information is currently available, prospective investors shall also be offered the currently applicable version of the simplified prospectus free-of-charge before a contract is concluded and it shall also be made available to them thereafter.

PART I

MANAGEMENT COMPANY

1. Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna

Raiffeisen Kapitalanlage-Gesellschaft is a management company within the meaning of the 2011 Austrian Federal Act on Investment Funds (Austrian Investment Fund Act, InvFG). Raiffeisen Kapitalanlage-Gesellschaft was founded in December 1985. Its legal form is that of a limited liability company (Gesellschaft mit beschränkter Haftung) and it is registered with the Vienna companies register court under companies register number FN 83.517w. The company's registered office is at Schwarzenbergplatz 3, A-1010 Vienna.

2. Investment funds managed by the company

Please refer to the Appendix for a list.

3. Management

Mathias BAUER, Gerhard AIGNER, Dieter AIGNER

4. Supervisory Board

Please see the end of this prospectus for details regarding the members of the Supervisory Board.

5. Other main positions of the members of the board of directors and supervisory board

Please refer to the Appendix for a list.

6. Share capital

EUR 15 million (fully paid in)

7. Accounting year

is the calendar year.

8. Stakeholders

RZB Sektorbeteiligung GmbH, Raiffeisenlandesbank Burgenland Waren- und Revisionsverband registrierte Genossenschaft mit beschränkter Haftung, Raiffeisenlandesbank Kärnten – Rechenzentrum und Revisionsverband registrierte Genossenschaft mit beschränkter Haftung, Raiffeisenlandesbank Niederösterreich – Wien Aktiengesellschaft, Raiffeisenlandesbank Steiermark registrierte Genossenschaft mit beschränkter Haftung, Raiffeisenlandesbank Vorarlberg Waren- und Revisionsverband registrierte Genossenschaft mit beschränkter Haftung, Raiffeisenverband Salzburg registrierte Genossenschaft mit beschränkter Haftung, RLB (Tirol) Sektor Beteiligungsverwaltung GmbH, RLB OÖ Sektorbeteiligungs GmbH.

PART II

INVESTMENT FUND

1. Name of the investment fund

The investment fund bears the name Raiffeisen-Euro-ShortTerm-Bonds and is a UCITS pursuant to § 2 InvFG and a fund complying with the Directive 85/611/EEC.

2. Date of establishment and duration, where limited

Raiffeisen-Euro-ShortTerm-Bonds was launched on May 4, 1987.

3. Office where the fund regulations and the reports required under the Austrian Investment Fund Act may be obtained

Documents referred to in this prospectus – such as the simplified prospectus (until June 30, 2012 at the latest), the key investor information/the key investor document (from July 1, 2012 at the latest), the fund regulations, the annual fund reports and the semi-annual fund reports – are obtainable from the management company. Upon request, the management company will provide these to investors free of charge. These documents may also be obtained from the website www.rcm.at, from the custodian bank and from the distribution offices listed in the Appendix. Where available, the key investor information will be provided before a contract is concluded.

Sales restriction

In accordance with the relevant legal regulations, the investment fund has not been registered in the USA. Units of the investment fund are not therefore intended for sale in the USA or for sale to US citizens (or permanent US residents) unless this is exceptionally permitted under American legislation.

4. TAX TREATMENT for investors with unlimited tax liability in Austria

Legal notice

The following tax comments reflect the current understanding of the legal situation. They are intended for persons with unlimited income or corporate income tax liability in Austria. The tax assessment may change due to legislation, court rulings or other legal acts of the fiscal administration. It may be advisable to seek advice from a tax expert.

The following remarks are mainly applicable for security deposit accounts held in Austria.

a) PRIVATE ASSETS

Full tax settlement (final taxation), no tax declaration obligation for the investor

Provided that they derive from capital gains subject to schedule II capital gains tax and the recipient of the

distribution is liable for capital gains tax, the domestic office redeeming a coupon shall withhold capital gains tax from sums distributed (interim distribution) by an investment fund to its unit holders at the amount payable on that income as prescribed by law. Under the same circumstances, notional outpayments from an income-retaining fund shall be withheld as capital gains tax in the amount of the distribution-equivalent income on the fund unit *).
*) not applicable for full income-retaining funds)

Private investors shall not in principle be subject to any tax declaration obligations. All tax obligations of the investor shall be settled upon the deduction of capital gains tax. This capital gains deduction shall imply full "franked" status in respect of income tax.

Exemptions from "franked" status

"Franked" status shall not apply:

a) to debt securities contained within a fund's assets that are exempt from schedule II capital gains tax insofar as a statement was not made opting for the withholding of capital gains tax. Such income must still be declared in a tax return;

b) to securities within a fund's assets that do not fall within Austria's sovereign right of taxation provided that the holder has not waived the right to benefit from double taxation agreements. Income from such securities must be declared in the column of the income tax return with the heading "Neben den angeführten Einkünften wurden Einkünfte bezogen, für die das Besteuerungsrecht aufgrund von Doppelbesteuerungsabkommen einem anderen Staat zusteht" ("income besides that income which is taxable by another country under double-tax agreements").

However, the deducted capital gains tax may in all cases be set off or claimed back as per § 240 of the Austrian Federal Fiscal Code (BAO).

The fund's ordinary income (interest, dividends) is subject to 25 per cent capital gains tax after deduction of expenses. 20 per cent of the fund's extraordinary income (price gains from the sale of equities and equity derivatives) is also subject to 25 per cent capital gains tax.

For fund accounting years beginning after June 30, 2011, the tax assessment basis for the extraordinary income (equities, equity derivatives) will be increased from 20 per cent to 30 per cent. For accounting years beginning after December 31, 2011, the tax assessment basis for the extraordinary income (equities, equity derivatives) will be increased from 30 per cent to 40 per cent. For accounting years beginning after December 31, 2012, the tax assessment basis for extraordinary income on price gains realized on bonds and bond derivatives is to be widened and 50 per cent of all realized extraordinary income will be subject to capital gains tax at a rate of 25 per cent. For accounting years beginning after December 31, 2013, 60 per cent of all realized extraordinary income will be subject to capital gains tax at a rate of 25 per cent.

Speculation period in case of sale of fund units:

The one-year speculation period will remain applicable for fund units purchased before January 1, 2011 (§ 30 of the Austrian Income Tax Act prior to the 2011 Austrian Budget Accessory Law).

Fund units purchased from January 1, 2011 are taxed on the growth realized at the time of their sale. In case of sales from April 1, 2012 the custodians will impose capital gains tax at source, at a rate of 25 per cent, on the difference between the net book value for tax purposes and the proceeds from the sale of the fund units. For calculation of the net book value for tax purposes, income taxed during the holding period will increase the acquisition costs for the unit certificate while distributions or capital gains tax payments will reduce the acquisition costs. Disposal losses may be claimed in the same calendar year together with positive income resulting from capital assets (with the exception of interest income from credit institutions) within the framework of the tax assessment.

An extended speculation period shall apply (i.e., the taxable income is to be taxed within the scope of the assessment) if the units acquired after January 1, 2011 are disposed of before April 1, 2012.

b) BUSINESS ASSETS

Taxation and tax settlement for units held as part of the business assets of private individuals

In the case of private individuals who have income from capital assets or from a business enterprise (sole proprietors, co-partners), the income tax on income that is subject to capital gains tax shall be deemed to have been discharged through the withholding of schedule I and schedule II capital gains tax).

Distributions (interim distributions) of capital gains from Austrian funds and distribution-equivalent capital gains from foreign subfunds shall be taxable in accordance with the applicable tax scale until April 1, 2012. A special 25 % tax rate will subsequently apply (assessment).

For accounting years beginning after December 31, 2012, distributions and all distribution-equivalent ordinary and extraordinary income (all price gains realized at the fund level) are taxable as part of the business assets (insofar as they result from taxable income). Tax-free retentions from realized price gains in the fund are ultimately possible for accounting years beginning in calendar year 2012.

Price gains resulting from the sale of fund units sold prior to April 1, 2012 are to be taxed within the scope of this assessment. All income which has already been taxed will be deducted from this disposal gain. A special tax rate of 25 per cent will be applied to fund units held as part of the business assets of private individuals that were sold after March 31, 2012 (assessment).

Taxation and withholding of schedule II capital gains tax in the case of units held as part of the business assets of a legal entity

Distributions and distribution-equivalent ordinary income (interest, dividends) are taxable.

Distributions of capital gains from Austrian funds and distribution-equivalent capital gains from foreign subfunds shall be subject to corporate income tax [Körperschaftsteuer = KÖSt].

For accounting years beginning after December 31, 2012, distributions and all distribution-equivalent ordinary and extraordinary income (all price gains realized at the fund level) are taxable as part of the business assets (insofar as they result from taxable income). Tax-free retentions from realized price gains in the fund are ultimately possible for accounting years beginning in calendar year 2012.

Foreign dividends realized in EU countries (current exceptions (as of July 6, 2009): Bulgaria, Ireland, Cyprus), Norway as well as certain comparable third countries are exempt from corporate income tax. Other foreign dividends will attract corporate income tax.

In the absence of a declaration of exemption within the meaning of § 94 no. 5 of the Austrian Income Tax Act, the office redeeming a coupon shall also withhold capital gains tax or use notional outpayments from income-retaining funds to pay capital gains tax on units held as a part of such business assets. Deducted capital gains tax which is paid over to the tax office may be set off against the corporate income tax which is subject to assessment.

CORPORATE BODIES WITH INCOME FROM CAPITAL ASSETS

In the case of corporate bodies receiving income from capital assets (e.g. associations), the corporation tax on capital gains that are subject to schedule II capital gains tax shall be deemed to have been discharged through the withholding of capital gains tax. Capital gains tax levied on tax-free dividends is reimbursable.

Private foundations shall in principle be subject to an interim tax at a rate of 12.5 per cent for capital gains subject to schedule II capital gains tax. With effect as of the 2011 tax assessment, private foundations shall in principle be subject to an interim tax at a rate of 25 per cent for capital gains attracting schedule II capital gains tax. Capital gains tax levied on tax-free dividends is reimbursable.

Foreign dividends realized in EU countries (current exceptions (as of July 6, 2009): Bulgaria, Ireland, Cyprus), EEA countries as well as certain comparable third countries are exempt from corporate income tax. Other foreign dividends will attract corporate income tax.

Fund units purchased from January 1, 2011 are taxed on the growth realized at the time of their sale. The assessment basis for taxation is the difference between the sales proceeds and the fund units' net book value for tax purposes. For calculation of the net book value for tax purposes, income taxed during the holding period will increase the acquisition costs for the unit certificate while distributions or capital gains tax payments will reduce the acquisition costs.

Note for all persons liable to pay tax:

The annual fund reports contain details of the taxation of fund distributions and distribution-equivalent income.

5. Cut-off date for accounting and frequency and form of distribution

The investment fund's accounting year runs from January 16 through to January 15 of the following calendar year.

The distribution/outpayment within the meaning of § 58 para. 2 InvFG*) and the fund regulations shall take place from March 15 of the following accounting year.

Interim distributions shall be possible.

*) e.g.: in the case of income-retaining funds (but not full income-retaining funds)

6. Name of the auditor

The auditor within the meaning of § 49 (5) of the Austrian Investment Fund Act is KPMG Austria Gesellschaft m.b.H., Porzellangasse 51, A-1090 Vienna. The persons tasked with the audit are indicated on the audit certificate for the annual fund report.

7. Type and main characteristics of the units, in particular:

- **Type of right (in rem, ownership claim or other right) represented by the unit**
- **Original deeds or certificates for these deeds, entries in a register or on an account**
- **Characteristics of the units: Registered or bearer instruments, denomination and fractions where appropriate**
- **Rights of the unit holders, particularly in case of termination.**

Co-ownership of the assets of the fund is subdivided into equal fund units for each unit certificate class. There is no limit to the number of fund units.

The fund units are embodied in unit certificates with the character of financial instruments, each of which shall represent a number of units.

The unit certificates shall be represented by global certificates (§ 24 of the currently applicable version of the Austrian Safe Custody of Securities Act, BGBl. [Austrian Federal Law Gazette] no. 424/1969) or by actual securities for each unit certificate class.

Each purchaser of a unit certificate in a given class shall acquire co-ownership aliquot of all of the fund's assets (and thus a right in rem) in the amount

of his or her share of the fund units documented in the certificate.

Each purchaser of a unit of a global certificate in a given class shall acquire co-ownership aliquot of all of the fund's assets at the amount of his or her share of the fund units documented therein.

With the consent of the Supervisory Board, the management company may split the fund units and issue additional unit certificates in a given class to the unit holders or exchange the old unit certificates for new ones if a unit split is deemed to be in the interests of the co-owners given the calculated value of the units.

Unit certificates are issued to bearer.

Unit certificate classes

The following unit certificate classes are to be established for the investment fund:

Tranche R and tranche S: No minimum investment total applies.

The tranches differ in that a higher maximum subscription fee and a lower management fee are applicable for tranche R. In contrast, in the case of tranche S no subscription fee is applicable and a higher management fee applies.

Tranche I: The minimum investment total is EUR 500,000.

The following is a summary of the tranches' different characteristics:

T	MI	SF	MF
R	N/A	up to 1.00 %	0.36%
S	N/A	N/A	0.80%
I	EUR 500,000	up to 1.00 %	0.18%

T: Tranche

MI: Minimum investment

SF: Subscription fee

MF: Management fee

Further information is provided on the subscription fees in item 9 and on the management fees in item 16.

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 in all tranches.

The management company may cease management of the fund with the permission of the Austrian Financial Market Authority and having made an appropriate public announcement:

a) by termination

aa) with a notice period of six months or

ab) with immediate effect if the fund has assets of less than EUR 1,150,000;

A termination pursuant to ab) shall not be permissible during a termination pursuant to aa).

b) by way of the following actions subject to a notice period of three months:

ba) transferring management to another management company

bb) amalgamating the fund's assets with or contributing the fund's assets to another investment fund.

Unit holders' rights, particularly in case of a termination by the management company of its management of the fund

The unit holders' right to have the fund's assets managed by a management company and to have their units redeemed at their unit value at any time shall remain intact even after the management company's termination of its management of the fund. In the event of an amalgamation of funds, the unit holders shall also be entitled to have their units exchanged at the applicable rate of exchange and shall be entitled to any clearing transfers. If management is terminated by notice, the custodian bank shall take over management on a provisional basis and must initiate the winding-up of the fund if it has not transferred the fund's management to another management company within a period of six months. Upon commencement of the winding-up process, the unit holders' right to management shall be replaced by a right to due winding-up and their right to redemption of the value of a unit at any time shall be replaced by the right to the disbursement of the liquidation proceeds following the end of the winding-up process.

Voting rights: No voting rights are associated with the unit certificates.

8. Stock exchanges or markets on which the units are listed or traded

The units are issued and redeemed by the custodian bank. The management company reserves the right to apply for stock exchange listings for the investment fund.

9. Methods and terms of issue and/or sale of units

The units will be issued within the intervals indicated in the fund regulations.

Issuance of units

There is in principle no limit to the number of issued units and corresponding unit certificates. Units may be purchased from the distribution outlets listed in the Appendix. The management company reserves the right to temporarily or completely cease issuing units.

Subscription fee

When the issue price is set, a subscription fee shall be added to the value of a unit to cover issuing costs. The subscription fee to cover the issuing costs shall amount to up to 1.00 per cent of the value of a unit.

No subscription fee is charged for tranche S.

Settlement date

The valid issue price applicable for the settlement is the net asset value calculated by the custodian bank on the next banking day (excluding Good Friday and New Year's Eve) following the banking day on which the custodian receives the order, by no later than 2 p.m. where the order is placed through an electronic system or otherwise by no later than 1:30 p.m. (this includes where an order is placed by fax, email or telephone), plus the subscription fee. This excludes savings fund agreements, from the second deposit payment onwards; in this case, the settlement date is the day of the month agreed in the savings fund agreement. The value date on which the purchase price shall be charged is two banking days (excluding Good Friday and New Year's Eve) after the settlement date.

10. Methods and terms of unit redemptions and payouts and circumstances under which redemptions or disbursements may be suspended

Redemption of units

Unit holders can require the custodian bank to redeem units at any time by surrendering their unit certificates or by placing a redemption order. The management company is obliged to redeem the units for the fund's account at the current redemption price, which will be the value of a unit.

If extraordinary circumstances exist that make it seem necessary in the unit holders' legitimate interests, payouts at the redemption price and the calculation and announcement of the redemption price may be temporarily suspended and may be made subject to the sale of investment fund assets and the receipt of the proceeds from their sale if the Austrian Financial Market Authority is simultaneously notified and public notice of this situation is provided. Investors shall be notified of the recommencement of redemption of unit certificates.

The most recently published prices and the previous day's subfund prices shall be consulted in order to calculate the fund's price.

Where, due to the political or economic situation, the most recently published valuation price quite clearly and not merely in one individual case does not correspond to the actual values, a price calculation may be omitted where the investment fund has invested 5 % or more of its fund assets in assets without market-compatible prices.

Settlement date

The valid redemption price applicable for the settlement is the net asset value calculated by the custodian bank on the next banking day (excluding Good Friday and New Year's Eve) following the banking day on which the custodian receives the order, by no later than 2 p.m. where the order is placed through an electronic system or otherwise by no later than 1:30 p.m. (this includes where an order

is placed by fax, email or telephone), less any redemption fee. This excludes outgoing payments under savings fund agreements where a payment phase is agreed; in this case, the settlement date is the day of the month agreed in the savings fund agreement. The value date on which the sale price shall be credited is two banking days (excluding Good Friday and New Year's Eve) after the settlement date.

11. Rules for the determination and appropriation of income

Income in case of income-distributing unit certificates

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. 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 is also permissible. In no case may the fund assets fall below EUR 1,150,000.00 through distributions. The amounts are to be distributed to the holders of income-distributing unit certificates, if appropriate against surrender of an income coupon. Any remaining balances shall be carried forward to a new account. Interim distributions shall be possible.

The asset management company shall be obliged to make a payout in the amount calculated in accordance with § 58 of the Austrian Investment Fund Act.

Income in case of income-retaining unit certificates with capital gains tax deducted

Income during the accounting year net of costs shall not be distributed. An amount calculated in accordance with § 58 para. 2 of the Austrian Investment Fund Act shall be paid out on unit certificates for income-retaining funds to be used where applicable to meet any capital gains tax commitments on the distribution-equivalent income on those unit certificates.

Income in case of income-retaining unit certificates without capital gains tax deducted (foreign tranche)

Income during the accounting year net of costs shall not be distributed. No payout as per § 58 para. 2 InvFG shall occur.

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

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

12. Description of the investment fund's investment goals, including its financial

goals (e.g. capital or income growth), investment policy (e.g. specialization in terms of geographical or economic areas), possible investment policy restrictions and techniques and instruments or borrowing powers during the management of the investment fund

Raiffeisen-Euro-ShortTerm-Bonds is a bond fund whose investment goal is regular income.

To this end, after assessing the position of the economy and the capital markets and the stock exchange outlook the fund shall in accordance with its investment policy purchase and sell the assets (securities, money market instruments, sight deposits, fund units and financial instruments) permitted by the Austrian Investment Fund Act and its fund regulations;

The management company may on behalf of Raiffeisen-Euro-ShortTerm-Bonds undertake derivative transactions as part of its investment strategy. This may at least temporarily mean an increased loss risk in respect of the fund's assets.

The overall risk for derivative instruments which are not held for hedging purposes is limited to 75 per cent of the fund assets.

The management company may therefore mainly invest in derivatives as a component of its investment strategy for Raiffeisen-Euro-ShortTerm-Bonds.

It shall thereby pay special regard to risk diversification.

The investment fund mainly invests in EUR-denominated bonds with a maximum (residual) maturity of five years and/or money market instruments. The average residual maturity for the investment fund's overall portfolio may not exceed three years. In determining these residual maturities, the period to the next possible termination date shall be key where the issuer has a right of premature termination for a bond or money market instrument. Any subfunds featured in the investment fund shall not be included in the residual maturity calculation. In accordance with § 17 of the fund regulations, units may be purchased in other investment funds for the investment fund up to an amount of 10 per cent of the fund assets. In principle, up to 25 per cent of the investment fund's assets may consist of sight deposits or deposits at notice with notice periods not exceeding 12 months. However, the investment fund may contain a larger proportion of sight deposits or deposits at notice with notice periods not exceeding 12 months during fund portfolio restructuring or in order to lessen the effect of potential falls in prices for securities. No minimum bank balance is required.

As part of the investment scheme, derivative instruments are used to safeguard income, as a replacement for securities or to increase income. The overall risk for derivative instruments which are not held for hedging purposes is limited to 75 per cent of the overall net value of the fund assets.

Security and income shall be at the forefront of the management company's considerations during the selection of assets. It must thereby be borne in mind that securities entail the possibility of risks as well as gains.

Delegation of tasks

In accordance with the applicable quality standards of the Austrian investment fund industry, the management company hereby provides notice that it has delegated tasks to a closely associated company and thus an affiliated company within the meaning of § 2 item 28 of the Austrian Banking Act.

Processing of transactions

The management company provides notice that, in accordance with the applicable quality standards of the Austrian investment fund industry, it may process transactions for the investment fund through a closely associated company and through an affiliated company in the sense of § 2 item 28 of the Austrian Banking Act.

13. Techniques and instruments of investment policy

I. Sight deposits or deposits at notice

Bank balances in the form of sight deposits or deposits at notice with a maturity not exceeding 12 months may be purchased on the following conditions:

1. sight deposits or deposits at notice with a maturity not exceeding 12 months may be invested at any one credit institution up to an amount of 20 per cent of the fund assets if the relevant credit institution
 - > is headquartered in a member state or
 - > is located in a third country and is subject to supervisory regulations which in the opinion of the Austrian Financial Market Authority are equivalent to those set out in Community law.
2. Irrespective of any individual upper limits, an investment fund may not invest with any one credit institution more than 20 per cent of its fund assets in a combination of securities or money market instruments issued by this credit institution and/or deposits held by this credit institution and/or OTC derivatives purchased by this credit institution.

No minimum balance is required.

II. Money market instruments

Money market instruments are instruments normally traded on the money market which are liquid, whose value may be precisely determined at any time and which fulfill the requirements pursuant to § 70 InvFG.

Money market instruments may be purchased for the investment fund where these are

1. officially licensed at one of the Austrian or foreign stock exchanges listed in the Appendix or traded on regulated markets listed in the Appendix which are recognized and open to the general public and which function in an orderly manner.
2. normally traded on the money market and freely transferable and liquid and their value may be precisely determined at any time and for which appropriate information is available, including such information as enables an appropriate valuation of the credit risks associated with investing in such instruments may be purchased even if they are not traded on regulated markets, where the issuer or the issuer of these instruments is already subject to the relevant provisions concerning protection of deposits and investors and these instruments are either
 - a) issued or guaranteed by a central, regional or local unit of government or by the central bank of a member state, the European Central Bank, the European Union or the European Investment Bank, a third country or – for federal states – a member state of a federation or by an international institution established under public law of which at least one member state is a member or
 - b) issued by companies whose securities are officially licensed at one of the Austrian or foreign stock exchanges listed in the Appendix or traded on regulated markets listed in the Appendix or
 - c) issued or guaranteed by an institution which is subject to supervision in accordance with the criteria stipulated in Community law or issued or guaranteed by an institution which is subject to and complies with supervisory regulations which in the opinion of the Austrian Financial Market Authority are at least as stringent as those set out in Community law or
 - d) issued by other issuers belonging to a category licensed by the Austrian Financial Market Authority, where investor protection provisions apply for investments in these instruments which are equivalent to those set out in items a to c and where the issuer is either a company with shareholders' equity of at least EUR 10 m. which prepares and publishes its annual financial statements in accordance with the provisions set out in Directive 78/660/EEC or a legal entity which, within a business group comprising one or more stock exchange-listed companies, is responsible for the financing of this group or a legal entity which, in business, corporate or contractual form, is due to finance its securitization of liabilities through a credit line granted by a bank; such credit line must be guaranteed by a financial institution which itself fulfills the criteria specified in item 2 c.

Money market instruments which do not fulfill these conditions and are not traded on a regulated market

may only be purchased up to an amount of 10 per cent of the fund assets.

III. Securities

Securities are

- a) Equities and other, equity-equivalent securities,
- b) Bonds and other securitized debt instruments,
- c) All other marketable financial instruments (e.g. subscription rights) which grant an entitlement to purchase financial instruments within the meaning of InvFG by means of subscription or exchange, with the exception of the techniques and instruments specified in § 73 InvFG.

The criteria laid down in § 69 InvFG must be fulfilled in order to qualify as a security.

Within the meaning of § 69 para. 2 InvFG securities also include

1. units in closed funds in the form of an investment company or an investment fund,
2. units in closed funds in contractual form,
3. financial instruments in accordance with § 69 para. 2 item 3 InvFG.

The management company shall purchase securities which are officially licensed at one of the Austrian or foreign stock exchanges listed in the Appendix or traded on regulated markets listed in the Appendix which are recognized and open to the general public and which function in an orderly manner. In addition, the management company will acquire securities from new issues whose terms and conditions of issue include the obligation to apply for an official listing on a stock exchange or regulated market subject to the proviso that their listing must actually take place not later than one year after their day of issue.

The fund's management may also make use of bonds granting the issuer a right of premature termination. Product documentation specifies a term for the fund's securities expiring at the premature termination. Where issuers decide to refrain from premature termination – contrary to normal market practice – the fund's maturity pattern shall be extended accordingly. The regular redemption dates for the bonds are specified in the annual and semi-annual fund reports (security designation in the statement of assets held).

Unlisted securities and other vested rights

Overall, up to 10 per cent of the fund assets may be invested in securities not officially licensed on one of the stock exchanges listed in the Appendix to the fund regulations or traded on one of the regulated markets listed in the Appendix to the fund regulations.

IV. Units in investment funds

1. Units in any single investment fund (= investment funds and open-end investment companies) pursuant to InvFG which comply with the provisions set out in Directive 2009/65/EC (UCITS) may comprise **up to 10 per cent of the fund assets**.

2. Units in any single investment fund pursuant to InvFG which do not comply with the provisions set out in Directive 2009/65/EC (UCI) and whose exclusive purpose is

- for joint account and in accordance with the principle of risk spreading to invest publicly procured monies in securities and other liquid financial investments and

- whose units are, at the request of the unit holders, repurchased or redeemed at the direct or indirect expense of the assets of the investment fund

may be purchased **for up to 10 per cent of the fund assets** where

a) they are licensed in accordance with legal provisions which make them subject to supervision which in the opinion of the Austrian Financial Market Authority is equivalent to supervision under Community law and there is an adequate guarantee of cooperation between the authorities and

b) the level of protection afforded the unit holders is equivalent to the level of protection afforded the unit holders in funds which comply with the provisions set out in Directive 2009/65/EC (UCITS) and, in particular, the provisions concerning separate safekeeping of the portfolio of assets, the take-up of loans, the extensions of loans and uncovered sales of securities and money market instruments are equivalent to the requirements set out in Directive 2009/65/EC and

c) the relevant business activity is the subject of annual and semi-annual reports which enable a judgment to be made as to the relevant assets and liabilities, income and transactions during the period under review.

The criteria stated in § 3 of the Austrian Information and Equivalency Determination Ordinance (*IG-FestV*), as amended, shall be consulted for evaluation of the equivalency of the level of protection for unit holders within the meaning of item b).

3. Units may also be purchased for the investment fund in investment funds which are directly or indirectly managed by the same management company or by a company with which the management company is affiliated through joint management or subordination or a substantial, direct or indirect investment.

4. Units in investment funds may be purchased for up to **10 per cent** of the fund assets in total.

V. Derivative financial instruments

a) Listed and non-listed derivative financial instruments

Derived financial instruments (derivatives) – including equivalent instruments settled in cash – which are officially licensed on one of the stock exchanges listed in the Appendix or traded on one

of the regulated markets listed in the Appendix or derived financial instruments which are not officially licensed by a stock exchange or traded on a regulated market (OTC derivatives) may form part of an investment fund if

1. the underlying instruments are instruments within the meaning of the fund regulations or financial indices, interest rates, exchange rates or currencies in which the investment fund is permitted to invest in accordance with the investment goals specified in its fund regulations,
2. the counter-party in transactions involving OTC derivatives is a supervised institution belonging to a category licensed by the Austrian Financial Market Authority by regulation and
3. the OTC derivatives are subject to a reliable and verifiable daily valuation and at the initiative of the management company may at any time and at an appropriate current market value be sold, liquidated or balanced through an offsetting transaction.

This also includes instruments for the transfer of the credit risk for the above-mentioned assets.

b) Use

As part of the investment scheme for Raiffeisen-Euro-ShortTerm-Bonds, derivative instruments shall be used at the discretion of the management company both for hedging purposes and as an active instrument of the investment (to safeguard or increase income, as a replacement for securities, to control the investment fund's risk profile or for synthetic liquidity control).

VI. Borrowing

The management company may take out temporary loans up to the amount of 10 per cent of the fund's assets for account of the investment fund.

In particular, borrowing is permitted for financing of unit certificate surrenders and for the purchase of fund assets. The risk will increase for the investment fund in case of financing of the purchase of fund assets.

VII. Repos

Within the investment limits laid down by the Austrian Investment Fund Act, the management company is permitted to purchase assets for account of the investment fund to be added to the fund's assets subject to an obligation on the seller to repurchase those assets at a predetermined time and for a predetermined price.

This means that the fund's endowment of assets held under repurchase agreements may differ from its basic endowment at any one time. For instance, the return, maturity and buying and selling prices may deviate significantly from those of the underlain instrument. This eliminates market risks.

VIII. Securities lending

Within the investment limits laid down by the Austrian Investment Fund Act, the management company shall be entitled to transfer to third parties securities up to the amount of 30 per cent of the

fund's assets within the framework of an acknowledged securities lending system and for a limited period subject to the proviso that the third party shall be obliged to re-transfer the transferred securities after a predetermined loan period.

The associated fee is an added source of income.

RISK PROFILE FOR THE FUND/ RISK NOTICES

It is pointed out that the following risk notices are a brief risk description and are not a substitute for personal, expert investment advice.

General points

Due to the different structures of the individual unit certificate classes, the investment outcome achieved by the investor may vary in accordance with the unit certificate class to which his purchased units belong.

The prices of the securities in an investment fund may rise or fall compared with their price at the time of purchase. If an investor sells units in the investment fund on a date on which the prices of the fund's securities have fallen relative to the date on which he purchased the units, this means that he will not receive back all the money he invested in the asset portfolio.

For an investment fund which mainly invests in bonds, the unit value may be affected by interest and exchange rate risks in particular. Additional risks also apply, such as the currency risk, the issuer risk, the liquidity risk and other market risks.

For an investment fund which mainly invests in equities, the unit value may be affected by price and credit worthiness risks in particular. Additional risks also apply, such as currency and liquidity risks and other market risks.

Key risks

(a) The risk that the entire market for an asset class performs negatively and that this negatively affects the price and value of these investments (market risk)

The performance of securities is particularly dependent on the development of the capital markets. For their part, these are affected by the general position of the world economy and by the economic and political outline conditions in the relevant countries.

The interest rate fluctuation risk is one form of market risk. This refers to the possibility of a change in the market interest rate applicable at the moment of issue of a fixed-interest security. Changes to the market interest rate may result from factors such as changes in the position of the economy and the resulting policy of the relevant issue bank. If market interest rates rise, then the prices of the fixed-interest securities will generally fall. On the other hand, if the market interest rate falls, this will have an inverse effect on fixed-interest securities. In either case, the price development means that the yield on

the security will roughly reflect the market interest rate. However, price fluctuations will vary in accordance with the maturity of the fixed-interest security. Fixed-interest securities with shorter maturities are subject to lower price risks than such securities which have longer maturities. However, fixed-interest securities with shorter maturities generally offer lower yields than fixed-interest securities with longer maturities.

(b) The risk that an issuer or counterparty is unable to fulfill its obligations (credit risk or issuer risk)

As well as the general patterns of the capital markets, the price of a security is also affected by the individual behavior of the relevant issuer. Even where securities are selected with the utmost care it is not possible to exclude, for example, losses due to issuers' pecuniary losses.

(c) The risk that a transaction is not handled within a transfer system as expected, as a counterparty does not pay or deliver in good time or as expected (fulfillment risk)

This category includes the risk that a settlement in a transfer system is not fulfilled as expected as a counterparty does not pay or deliver as expected or does so subject to a delay. The settlement risk relates to not receiving a corresponding consideration upon fulfilling a transaction after providing a performance.

(d) The risk that a position cannot be liquidated in good time for an appropriate price (liquidity risk)

With due regard to the opportunities and risks associated with investing in equities and bonds, the management company will predominantly acquire for the investment fund securities that are officially listed on stock exchanges in Austria or abroad or traded in organized markets that are recognized markets, are publicly accessible and are properly functioning markets.

Despite this, sales of individual securities in individual phases or in individual stock exchange segments may be problematic at the desired moment in time. There is also the risk that stocks traded in a somewhat tight market segment may be subject to considerable price volatility.

In addition, the management company will acquire securities from new issues whose terms and conditions of issue include an obligation to apply for an official listing on a stock exchange or organized market subject to the proviso that their listing must take place not later than one year since their day of issue.

The management company may acquire securities that are traded on a stock exchange or on a regulated market within the EEA or on one of the stock exchanges or regulated markets listed in the Appendix to the fund regulations.

(e) The risk that the value of the investments is influenced through exchange rate fluctuations (exchange rate or currency risk)

The currency risk is another form of market risk. Where not otherwise stipulated, investment fund

assets may be invested in currencies other than the relevant fund currency. The fund will receive income, repayments and proceeds from such investments in the currencies in which it invests. The value of these currencies may fall relative to the fund currency. There is therefore a currency risk which may adversely affect the value of the units where the investment fund invests in currencies other than the fund currency.

(f) The risk of the loss of assets held in a security deposit account due to insolvency, negligence or fraudulent conduct by the custodian bank/custodian or sub-custodian bank/sub-custodian (custody risk)

Custody of assets of the investment fund is subject to a loss risk due to insolvency, breaches of a duty of care or abusive conduct by the custodian or a sub-custodian. In particular, the use of a prime broker as a depository may not always guarantee the same level of security as a bank serving as a depository.

(g) The risks which are attributable to a concentration on certain investments or markets (concentration risk)

Further risks may result from a concentration of the investment on certain assets or markets.

(h) The performance risk and information on whether third-party guarantees apply and whether such guarantees are limited (performance risk)

The performance of assets purchased for the investment fund may deviate from predictions at the time of purchase. Accordingly, a positive performance cannot be guaranteed.

(i) Information on the solvency of guarantors

The risk associated with the investment rises or falls depending on the solvency of any guarantors.

(j) The risk of inflexibility, determined by both the product itself and by restrictions in case of a transfer to other investment funds (inflexibility risk)

The risk of inflexibility may be determined by both the product itself and by restrictions in case of a transfer to other investment funds.

(k) The inflation risk

The return on an investment may be negatively influenced by the inflation trend. The invested money may on the one hand be subject to a decline in purchasing power due to a fall in the value of money, on the other hand the inflation trend may have a direct (negative) effect on the performance of assets.

(l) The risk relating to the investment fund's capital (capital risk)

The risk relating to the investment fund's capital may apply in particular if the assets are sold more cheaply than they were purchased. This also covers the risk of exhaustion for repurchases and excessive distributions of investment yields.

(m) The risk of a change to other outline conditions, including tax regulations

The value of the assets of the investment fund may be negatively affected due to uncertainties in countries in which investments are made, e.g. international political trends, a change in government policy, taxation, restrictions on foreign investments, currency fluctuations and other trends in terms of legislation and regulation. The fund may also trade on stock exchanges which are not as strictly regulated as those in the USA and the EU countries.

(n) The risk of valuation prices of certain securities deviating from their actual selling prices due to prices determined on illiquid markets (valuation risk)

Particularly in times of liquidity shortages experienced by market participants due to financial crises and a general loss of confidence, price determination for certain securities and other financial instruments on capital markets may be restricted, hampering the fund's valuation. Where investors simultaneously redeem large quantities of units during such times, to maintain the fund's overall liquidity the fund's management may be forced to sell securities at prices deviating from the actual valuation prices.

Risk in case of derivative financial instruments

As part of its orderly management of an investment fund, subject to certain conditions and restrictions the management company may purchase derivative financial instruments within the meaning of the Austrian Investment Fund Act where such transactions are expressly permitted in the fund regulations.

It must be pointed out that derivatives can entail risks, such as the following:

- a) Acquired limited-term rights may fall in price or suffer a loss of value.
- b) The risk of loss may not be calculable and may exceed any furnished collateral.
- c) Transactions designed to exclude or reduce risks may not be possible or may only be possible at a market price that shall cause a loss.
- d) The risk of loss may increase if the obligations associated with such transactions or the consideration that can be claimed as a result of such transactions is denominated in a foreign currency.

The following additional risks may apply for transactions involving OTC derivatives:

- a) Problems concerning the sale to third parties of financial instruments purchased on the OTC market, as these lack an organized market; settlement of obligations entered into may be difficult due to an individual agreement or else necessitate considerable expenses (liquidity risk);
- b) the economic success of the OTC transaction may be jeopardized as a result of the contracting party's default (contracting party risk);

Risk management

The management company shall employ a risk management procedure which enables it to monitor

and measure at all times the risk associated with its investment items and its share of the overall risk profile of the fund assets. It shall also employ a procedure which enables a precise and independent valuation of the value of the OTC derivatives. With the consent of the custodian bank, for each investment fund it manages the management company shall use the procedure specified by the Austrian Financial Market Authority to notify it of the types of derivatives forming part of the fund assets, the risks associated with the underlying instruments, the investment limits and the methods used to measure the risks associated with derivative transactions.

For Raiffeisen-Euro-ShortTerm-Bonds, within the limits stipulated in the fund regulations derivative financial instruments are used not only to hedge assets of the investment fund but also as an active investment instrument. This means that the loss risk associated with the investment fund may increase.

The overall risk associated with the derivatives may not exceed the overall net value of the fund assets. A calculation of this risk must take into consideration the market value of the underlying instruments, the default risk, future market fluctuations and the liquidity period for the positions. As part of its investment strategy, within the specific investment limits for the underlying instruments set out in the fund regulations and the Austrian Investment Fund Act an investment fund may invest in derivatives where the overall risk associated with the underlying instruments does not exceed these specific investment limits.

The default risk for investment fund transactions involving OTC derivatives may not exceed the following levels:

1. if the counterparty is a credit institution as per Directive 2002/12/EC, 10 per cent of the fund assets,
2. otherwise 5 per cent of the fund assets.

Investments made by an investment fund in index-based derivatives shall not be taken into consideration with regard to the specific investment limits. Where a derivative is embedded in a security or a money market instrument, it must be taken into consideration in respect of compliance with the above-mentioned prescriptions.

Overall risk

Commitment approach

The total creditable values of the derivative financial instruments not held for hedging purposes may not exceed the value of the fund assets.

The creditable value for

- financial futures is calculated on the basis of the contract value multiplied by the forward price calculated on each day of stock exchange trading;

- options is calculated on the basis of the value of the securities or financial instruments which are covered by the options (underlying).

Leverage

The management company may increase the investment level of this investment fund by using derivatives (leverage).

For Raiffeisen-Euro-ShortTerm-Bonds, the company may increase the investment level by using derivatives by up to 175 per cent of the value of the investment fund.

VAR

Not applicable.

14. Valuation

The value of a unit in a given unit certificate class is calculated by dividing the value of the unit certificate class by the number of units issued in this unit certificate class.

At the first-time issuance of units of a given unit certificate class, their value will be calculated on the basis of the value determined for the overall investment fund.

Subsequently, the value of a unit certificate class will be calculated on the basis of the total pro rata net assets which are held by the investment fund and calculated for this unit certificate class.

The total value of the investment fund shall be 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. This value shall be calculated by the custodian bank.

The net assets are determined 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 exchange or other regulated market or where the price of an asset quoted or traded on a stock exchange or other regulated market does not appropriately reflect the actual market value, the prices supplied by reliable data providers or, alternatively, market prices for equivalent securities or other recognized valuation methods shall be used.

15. Calculation of the units' sale, issue, outpayment and redemption prices, in particular:

- Method and frequency of calculation of these prices

- Costs associated with the sale, issue, redemption or outpayment
- Type, place and frequency of publication of these prices.

The most recently published prices for the assets of the investment fund shall be consulted in order to calculate the investment fund's price. Where, due to the political or economic situation, the most recently published valuation price quite clearly and not merely in one individual case does not correspond to the actual values, a price calculation may be omitted where the investment fund has invested 5 % or more of its fund assets in assets without market-compatible prices.

Subscription fee

When the subscription fee is set, it shall be added to cover issuing costs. The subscription fee to cover the issuing costs shall amount to up to 1.00 per cent of the value of a unit.

No subscription fee is charged for tranche S.

In case of a short investment period, the/a subscription fee may reduce a fund's performance or even eat it up entirely. For this reason, investors are advised to opt for a longer investment horizon if they wish to purchase unit certificates.

Announcement of the issue and redemption prices

The custodian bank shall compute the value of a unit and the issue and redemption prices on each day of stock exchange trading and publish them electronically on the Internet website of the issuing management company.

The costs of issuing and redeeming units

Units shall be issued and redeemed by the custodian bank or purchased by a payment and handover office listed in the Appendix without any additional costs other than the addition of the subscription fee when unit certificates are issued. No redemption fee shall be payable at the redemption of the unit certificates.

Costs may be incurred at the redemption of unit certificates if they are surrendered through third parties.

The individual agreement of the individual investor with the respective custodian bank shall determine to what extent this investor must pay additional charges for the acquisition and redemption of unit certificates (besides the subscription fee and/or redemption fee). Thus, the management company has no influence over this.

16. Method, level and calculation of the remuneration payable to the management company, the custodian bank or third parties and charged to the investment fund, and reimbursement of costs to the

management company, the custodian bank or third parties by the investment fund

Management costs - tranche R

The management company shall receive for its management activity annual remuneration in the amount of 0.36 per cent of the fund assets, calculated pro rata on the basis of the values at the end of each month.

Management costs - tranche S

The management company shall receive for its management activity annual remuneration in the amount of 0.80 per cent of the fund assets, calculated pro rata on the basis of the values at the end of each month.

Management costs - tranche I (minimum investment: EUR 500,000)

The management company shall receive for its management activity annual remuneration in the amount of 0.18 per cent of the fund assets, calculated pro rata on the basis of the values at the end of each month.

Other costs

In addition to the remuneration due to the management company, the following expenses shall be charged to the investment fund:

a) Transaction costs

This refers to those costs associated with the purchase and sale of investment fund assets which are not already taken into consideration through an assets settlement.

b) Auditor's fees

The remuneration for the auditor shall be based on the funds volume on the one hand and the investment principles on the other.

c) Publicity costs

These costs are the expenses associated with the production and publication of statutorily required information for unit holders in Austria and elsewhere. In addition, all costs charged by the supervisory authority may be charged to the investment fund where changes (particularly to the fund regulations, prospectus) are necessary due to a change in the statutory regulations.

d) Costs associated with the investment fund's cash accounts and securities accounts (securities' custody account charges)

The usual custody account charges, coupon collection costs – where applicable inclusive of the amounts normally charged by a bank for the custody of foreign securities abroad - shall be charged to the investment fund.

e) Custodian bank fee

For its keeping of the fund accounts, its daily valuation of the investment fund and its publication of the fund's price the custodian bank shall receive monthly remuneration.

f) Costs associated with external consultancy firms or investment consultants

If use is made of the services of external consultants or investment consultants for the investment fund,

the accrued costs shall be summarized under this item and charged to the investment fund.

In the current annual fund report, the chapter "Ertragsrechnung und Entwicklung des Fondsvermögens" ("statement of income and development of fund assets") contains under "Fondsergebnis" ("fund results") the item "sonstige Verwaltungsaufwendungen" ("other management expenses") which consists of the items listed under items b to f.

Benefits

The management company provides notice that it shall only collect benefits (other benefits in money's worth) resulting from its management activity (e.g. for broker research, financial analyses, market and price information systems) for the investment fund in accordance with the applicable quality standards of the Austrian investment fund industry if these are used in the interests of the unit holders.

The management company may issue refunds from the collected management fee. The issue of such refunds shall not lead to additional costs for the fund.

Refunds provided by third parties (in the form of commission) shall be passed on to the investment fund, net of reasonable expense allowances, and shown in the annual fund report.

17. External consultants or investment advisers

Not applicable.

18. Economic information: costs or fees – excluding costs listed under item 15 and item 16 – with a breakdown of those payable by the unit holder and those payable out of the investment fund's asset portfolio.

The fees for custody of the unit certificates are based on the agreement concluded between the unit holder and the custodian.

PART III **CUSTODIAN BANK**

1. Company name, legal form; registered office and headquarters if this is not the same as the company's registered office.

The custodian bank is Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Vienna.

2. Main activity of the custodian bank

In accordance with the notice from the Austrian Federal Finance Minister dated April 3, 1987, ref. no. 25 4750/1-V/13/87, the custodian bank assumed the function of custodian bank for the investment fund. Permission shall be required from the Austrian Financial Market Authority to appoint or change the custodian bank. Such permission may only be granted if it may be assumed that the bank guarantees fulfillment of the tasks of a custodian bank. The appointment or replacement of the custodian bank must be publicly announced, and such announcement must cite the relevant approval notice.

The custodian bank is a bank within the meaning of Austrian law. Its principal areas of business are current accounts, deposits, lending and securities.

It has the task of issuing and redeeming units and keeping the investment fund's cash accounts and securities accounts. In doing so, it must especially guarantee that the equivalent amount is immediately transferred for transactions relating to the assets of the investment fund and that the income of the investment fund is used in accordance with the provisions of the Investment Fund Act and the fund regulations.

Furthermore, the custodian bank assumes the following tasks:

- o Valuation and pricing (including tax returns)
- o Monitoring compliance with statutory provisions
- o Managing the unit holder register, where relevant
- o Distributing profits based on the management company's resolution
- o Issuing and redeeming units
- o Contract invoicing (including mailing certificates), provided relevant

The fees payable to the management company under the fund's regulations and the reimbursement of the expenses associated with its management shall be paid by the custodian bank out of the accounts held for the fund. The custodian bank is entitled to debit the fees payable to it for custody of the securities and for keeping the accounts. In doing so, the custodian bank can only act on the basis of instructions from the management company.

PART IV

FURTHER INVESTMENT INFORMATION

1. Where applicable, performance to date for the investment fund – this information may be included in or appended to the prospectus

See “Simplified Prospectus”.

2. Profile of the typical investor for whom the investment fund is designed

See “Simplified Prospectus”.

3. Principles of the voting policy at shareholders’ meetings

a. Shareholders’ rights

The management company is committed to uniform voting rights according to the “one share, one vote” principle. It rejects multiple voting rights for certain groups of investors as well as unit classes with limited voting rights and promotes the equal treatment of all shareholders. Any measures that limit the rights of the shareholders are strictly rejected.

b. Business report and annual financial statements

A company’s reporting should provide the greatest possible transparency about the company’s business situation. If the management company believes that the applicable accounting regulations have not been complied with or insufficiently considered, it shall abstain its vote or, if necessary, vote to the contrary.

c. Auditor

Auditors must objectively audit the annual financial statements and must therefore be independent of the company they are auditing. The management company shall vote against the appointment if it has reasonable doubts about the auditor’s independence.

d. Board of directors/supervisory board

The management company will endorse the appointment of supervisory board members who distinguish themselves through particular professional qualifications and impartiality.

Supervisory board remuneration

The management company will support remuneration for supervisory board members who are in line with their tasks and the situation of the company.

For companies with board systems that do not clearly distinguish between the companies’ management and control, the management company supports remuneration models that are linked to the long-term positive development of the company.

Approval

The management company will vote against approving the actions of the board of directors and/or supervisory board in the following cases:

- In the case of significant doubts about the performance of the board of directors and/or supervisory board, for example multiple poor business performances when compared to the industry
- Misconduct on the part of the board of directors and/or supervisory board having legal consequences

e. Capital measures

Increasing capital

The management company shall approve increases in capital if this improves the company’s long-term chances for success.

Equity redemption programs

The management company shall approve the request to conduct such programs in any cases where the redemption lies in the best interests of the shareholders and fund investors. It shall vote against such programs if the redemption serves as a defensive measure or if the program is an attempt to consolidate the position of the management.

f. Mergers and acquisitions

The management company decides on mergers and acquisitions on a case-by-case basis. The fair and equal treatment of the shareholders is the condition for a merger/an acquisition. In general, the management company will vote for mergers and acquisitions,

- If the acquisition price offered represents the fair market value or if it is likely that a higher price cannot be reached
- If an added value, e.g., through boosting efficiency, is recognizable
- If a strategy promising long-term success is recognizable

g. General points

Exercising voting rights in accordance with the investment policy of the portfolio of assets

The management company exercises its voting right while also taking into account the investment goals and criteria of the portfolio of assets. For example, when exercising its voting right, the ethical, social, and/or environmental criteria are also considered with regards to a sustainability fund.

Exercising the voting right through a proxy or an external fund manager

As the proxy, the custodian bank exercises the voting right by conveying the specifications of the voting right which are made exclusively on the basis of the management company’s instructions.

A professional shareholders’ service supports the management company by recommending votes during the independent decision-making procedure.

If, in certain cases, the management company authorizes third parties such as institutional investors (within the scope of their specialized or major investor funds) with exercising its voting right, these third parties shall also exercise the voting right in accordance with the specific instructions of the management company and in the best interest of the respective investment fund.

If, while making use of § 28 InvFG, the management company engages an external fund manager with administering the portfolio of assets, the external manager must always exercise the voting rights in the best interests of the unit holders.

Conflicts of interest

The management company strives to avoid conflicts of interest resulting from voting rights being exercised or to solve or govern these conflicts in the interests of the investors.

(For example, a conflict arising from the voting procedure between it and either a directly or indirectly controlled affiliated company).

4. Complaints

Information about the procedures for unit holders to file complaints is available on the management company's website at:

www.rcm.at (menu Company, submenu Corporate Governance).

5. Conflicts of interest

Unit holders can find information about handling conflicts of interest on the management company's website at:

www.rcm.at (menu Company, submenu Corporate Governance).

6. Optimal execution of trading decisions

The optimal execution of trading decisions is guided by the following principles:

a. Selection of brokers

The selection of the trading partners (brokers), to which orders can be forwarded, occurs on the basis of pre-defined criteria and following consultation with the custodian bank. Following the commencement of business relations, trading partners undergo regular reviews by the management company. In particular, the following criteria are considered:

- Speed of execution
- Volume traded
- Ability to perform smoothly and punctually
- Ensuring optimal execution of orders
- Information for the market and flows (technical information)

- Access to fundamental market information, research services
- The reputation of the broker

Our trading partners inherently each have their own Best Execution Procedures or Policies in order to consistently deliver the best possible results.

Those trading partners which – following an internal review – are found to meet the pre-defined criteria for reliable trading partners are added to the management company's broker list for their respective instrument class. When selecting individual trading partners for specific transactions from its broker lists, the management company takes into account the execution criteria listed below in order to generate the best possible result.

b. Execution criteria

With regards to specific transactions, the following criteria are relevant in order to consistently achieve the best possible execution results for the investment fund or the portfolio over the long term:

- Rate/price
- Charges
- Type and scope of the order
- Execution speed
- Probability of execution and conclusion

This is not an exhaustive list of the execution criteria. Various other, qualitative factors beyond these criteria may exist that are also considered when deciding on how to execute an order.

Depending on the type of transaction and group of financial instruments as well as the related characteristics, the relevant criteria may be weighted in different ways. With regards to the individual performance of portfolio management for private clients, the best possible result in terms of the overall fees is relevant. The management company will conduct transactions in such a manner that the best possible results can be expected over time when considering the overall picture.

Within the framework of the fund and the individual portfolio management, the client can specify the place of execution for an individual transaction; in this case, the management company is released from its obligation to execute the order in accordance with its Best Execution Policy. The management company expressly notes that by way of an instruction issued by the client, the management company may be prevented from achieving the best possible result for the client within the framework of the Best Execution Policy.

In the case of extraordinary circumstances (e.g., technical disruptions at individual places of execution), the management company may be forced to deviate from the principles set out in this Best Execution Policy. Nonetheless, the

management company will strive to achieve the best possible execution order.

Under certain circumstances, transactions for an investment fund may be made jointly with transactions for other investment funds or with transactions for the own account of the management company. Allocations are made according to prior determined principles for part-executions.

The management company conducts a market conformity check after each transaction is concluded. After the check is implemented, any abnormalities that exceed the parameters defined in advance will be resolved by our employees.

c. Place of execution

1. Equities/bonds/exchange-traded derivatives/credit default swaps and CDs

In principle, transactions may be executed not only on regulated markets, such as Multilateral Trading Facilities (MTFs), but also at other places of execution (e.g., OTC transactions). If transactions are conducted by trading partners, the selection of a broker for a specific transaction occurs from the existing broker list, taking into account the above-mentioned execution criteria.

Transactions for the different classes of bonds are normally conducted via trading platforms or directly with the counterparty. The prevailing execution criteria are determinate when deciding on the rate/price for transactions conducted via trading platforms. The probability of the largest possible allocation is particular is taken into account when bonds are initially issued.

The following can be added to the above-mentioned criteria for the instrument classes equities, exchange traded derivatives, exchange traded funds (ETFs), and exchange traded commodities (ETCs):

A fundamental differentiation can be made in terms of how the liquidity of these individual instruments is structured. If the liquidity is relatively high, the criteria rate/price and execution speed receive a higher value. If the liquidity is lower, more weight is given to the type and score of the order as well as the probability of execution and conclusion.

The instrument classes discussed in this sub-point each have their own broker list.

2. Money market instruments (including short-term bonds)/deposits

Deposits are always executed for publically offered funds in the Austrian Raiffeisen sector. The following conditions are especially taken into account when deciding on a counterparty. The above-mentioned remarks also apply for bonds that, from the perspective of investment funds, are qualified as

money market instruments on account of their short remaining terms.

3. Foreign exchange/FX forward transactions

Foreign exchange transactions and forwards are always executed via Raiffeisen Bank International AG.

Heinz Macher
Duly authorized officer

Martin Jethan
Duly authorized officer

APPENDIX

1) Fund regulations

General fund regulations

governing the legal relationship between the unit holders and Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna (hereafter: "the asset management company") for the investment fund managed by the asset management company; these regulations shall apply in conjunction with the special fund regulations for the relevant investment fund.

§ 1 Basic situation

The asset management company is subject to the currently applicable version of the 1993 Austrian Investment Fund Act ("InvFG").

§ 2 Fund units

1. Co-ownership of the assets of the investment fund is subdivided into equal fund units for each unit certificate class. There is no limit to the number of fund units.
2. The fund units are embodied in unit certificates with the character of financial instruments. In accordance with the special fund regulations, pursuant to § 5 para. 7 InvFG the unit certificates may be issued in multiple certificate classes (unit classes, tranches), particularly in respect of the appropriation of income, the subscription fee, the redemption fee, the currency of the unit value, the management fee or a combination of these items. The unit certificates shall be represented by global certificates (§ 24 of the currently applicable version of the Austrian Safe Custody of Securities Act) and/or by actual securities for each unit certificate class.
3. Each purchaser of a unit certificate in a given class shall acquire co-ownership aliquot of all of the fund's assets in the amount of his or her share of the investment fund units documented in the certificate. Each purchaser of a share of a global certificate shall acquire co-ownership aliquot of all of the investment fund's assets in the amount of his or her share of the fund units documented in the certificate.
4. With the consent of its supervisory board, the asset management company may split the fund units and issue additional unit certificates to the unit holders or exchange the old unit certificates for new ones if a unit split is deemed to be in the interests of the co-owners given the calculated value of the units (§ 6).

§ 3 Unit certificates and global certificates

1. Unit certificates are issued to bearer.
2. The global certificates shall bear the actual signatures of an executive or an authorized employee of the custodian bank and the actual or duplicate signatures of two executives of the asset management company.
3. The actual securities shall bear the actual signature of an executive or an authorized employee of the custodian bank and the actual or duplicate signatures of two executives of the asset management company.

§ 4 Management of the investment fund

1. The asset management company shall be entitled to dispose of the assets of the investment fund and to exercise the rights associated with these assets. The company shall act on its own behalf for account of the unit holders. In these activities the asset management company shall safeguard the unit holders' interests and the integrity of the market, use the care and diligence of an orderly businessman within the meaning of § 84 para. 1 of the Austrian Companies Act and observe the provisions of the Austrian Investment Fund Act as well as the fund regulations.
The asset management company may involve third parties in the management of the investment fund and cede to these third parties the right to dispose of the assets on behalf of the asset management company or on their own behalf and for account of the unit holders.
2. The asset management company may not grant money loans or enter into any liabilities under a surety or guarantee agreement for account of an investment fund.
3. Other than in the cases stipulated in the special fund regulations, assets of the investment fund may not be not be pledged or otherwise encumbered or given in security or assigned.
§ 4 para. 2 InvFG does not preclude the investment fund's grant of collateral in connection with derivative products pursuant to § 21 InvFG 1993, irrespective of whether such collateral is granted in the form of sight deposits, money market instruments or securities.
4. The asset management company may not for account of an investment fund sell any securities, money market instruments or other financial investments as per § 20 InvFG which do not form part of the fund assets at the time of the transaction.

§ 5 Custodian bank

The custodian bank (§ 13) appointed as per § 23 of the Austrian Investment Fund Act shall administer the cash accounts and securities accounts of the investment fund and exercise all other functions transferred to it in accordance with the Austrian Investment Fund Act and the fund regulations.

§ 6 Issuance and unit value

1. Whenever units are issued or redeemed, but at least twice a month the custodian bank shall calculate the value of a unit (unit value) for each unit certificate class and publish the issue and redemption prices (§ 7).
The value of a unit in a given unit certificate class is calculated by dividing the value of the unit certificate class by the number of units issued in this unit certificate class.
At the first-time issuance of units of a given unit certificate class, their value will be calculated on the basis of the value determined for the overall investment fund.
Subsequently, the value of a unit certificate class will be calculated on the basis of the total pro rata net assets which are held by the investment fund and calculated for this unit certificate class.
The total value of the investment fund is calculated on the basis of the current market prices and the fund's securities and subscription rights plus the value of the investment fund's money market instruments and financial investments, cash holdings, credit balances, receivables and other rights net of its liabilities. This value shall be calculated by the custodian bank.
The market prices shall be calculated pursuant to § 7 (1) InvFG on the basis of the most recent stock exchange quotations and/or fixings.
2. The issue price shall be the unit value plus a markup for each unit to cover the issuing costs of the asset management company. The resulting price shall be rounded up. The amount of this markup or rounding-up is indicated in the special fund regulations (§ 23).
The asset management company shall be entitled to introduce a graduated subscription fee.
Please see the prospectuses for further details.
3. Pursuant to § 18 InvFG in connection with § 10 para. 3 of the Austrian Capital Market Act, the issue price and the redemption price shall be published electronically for each unit certificate class on the Internet website of the issuing asset management company (www.rcm.at).

§ 7 Redemption

1. At the request of a unit holder, his unit shall be redeemed out of the investment fund at the applicable redemption price, if appropriate against surrender of the unit certificate, those income coupons which are not yet due and the renewal certificate.
2. The redemption price shall be calculated on the basis of the value of a unit less any markdown and/or a rounding-off where this is stipulated in the special fund regulations (§ 23).
The asset management company shall be entitled to introduce a graduated redemption fee.
Please see the prospectuses for further details.
If extraordinary circumstances exist that make it seem necessary – whilst taking into consideration the unit holders' legitimate interests – distributions at the redemption price and the calculation and publication of the redemption price as per § 6 may be temporarily suspended and made subject to the sale of investment fund assets and receipt of the proceeds from their sale if the Austrian Financial Market Authority is simultaneously notified and a relevant publication is made pursuant to § 10. Investors shall also be notified of the recommencement of redemption of unit certificates pursuant to § 10.
This shall in particular be the case if 5 per cent or more of the investment fund's assets have been invested in assets whose market value manifestly and not just in individual cases fails to correspond to their fair value due to the current political or economic situation.

§ 8 Accounting

1. The asset management company shall publish an annual fund report in accordance with § 12 of the Austrian Investment Fund Act within four months of the expiry of the investment fund's accounting year.
2. The asset management company shall publish a semi-annual fund report in accordance with § 12 of the Austrian Investment Fund Act within two months of the expiry of the first six months of the investment fund's accounting year.
3. The annual and semi-annual fund reports shall be made available for inspection at the offices of the asset management company and the custodian bank and published on the website of the asset management company (www.rcm.at).

§ 9 Withdrawal period for income shares

Unit holders' 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.

§ 10 Publication

§10 para. 3 and para 4 of the Austrian Capital Market Act shall apply in respect of all publications concerning the unit certificates except for the notice of the values calculated pursuant to § 6.

Publication shall occur either

- through the printing in full of such documents in the "Amtsblatt zur Wiener Zeitung" (Official Gazette) or else
- by making available free-of-charge a sufficient number of copies of this publication at the offices of the asset management company and the payment offices and announcing in the "Amtsblatt zur Wiener Zeitung" (Official Gazette) the date of publication and offices where this public announcement may be obtained or
- pursuant to § 10 para. 3 item 3 of the Austrian Capital Market Act in electronic form on the website of the issuing asset management company.

Notifications pursuant to § 10 para. 4 of the Austrian Capital Market Act shall be made in the "Amtsblatt zur Wiener Zeitung" (Official Gazette) or in a newspaper circulated throughout Austria.

For prospectus changes pursuant to § 6 para. 2 InvFG, the notification pursuant to § 10 para. 4 of the Austrian Capital Market Act may merely be provided in electronic form on the website of the issuing asset management company.

§ 11 Amendment to the Fund Regulations

With the consent of its supervisory board and the custodian bank, the asset management company may amend the fund regulations. Such amendment shall also require the approval of the Austrian Financial Market Authority. Such amendment shall be published. It shall come into force on the date indicated in the public announcement, but not earlier than three months since the public announcement.

§ 12 Termination and liquidation

1. The asset management company may terminate (§ 14 para. 2 InvFG) its management of the investment fund by providing a public announcement (§ 10) after obtaining the consent of the Austrian Financial Market Authority and whilst observing a notice period of at least six months (§ 14 para. 1 InvFG) or, if the fund assets are less than EUR 1,150,000, without observing a notice period. A termination pursuant to § 14 para. 2 InvFG shall not be permissible during a termination pursuant to § 14 para. 1 InvFG.
2. In case of the expiry of the right of the asset management company to manage the investment fund, this fund shall be managed or wound up in accordance with the relevant provisions of the Austrian Investment Fund Act.

§ 12a Merger or transfer of fund assets

Whilst observing § 3 para. 2 and § 14 para. 4 of the Austrian Investment Fund Act, the asset management company may merge the fund assets of the investment fund with fund assets of other investment funds or transfer the fund assets of the investment fund to fund assets of other investment funds or incorporate fund assets of other investment funds into the fund assets of the investment fund.

Special fund regulations

for Raiffeisen-Euro-ShortTerm-Bonds, a jointly owned fund as per § 20 of the Austrian Investment Fund Act (hereafter: “the investment fund”).

The investment fund complies with Directive 85/611/EEC.

§ 13 Custodian bank

The custodian bank is Raiffeisen Bank International AG, Vienna (registered office).

§ 14 Payment and handover offices, unit certificates, unit certificate classes

1. The payment and handover offices for the unit certificates and the income coupons are Raiffeisen Bank International AG, Vienna, the regional Raiffeisen banks and Kathrein & Co Privatgeschäftsbank Aktiengesellschaft, Vienna.
2. Unit certificates may be issued for the investment fund with a variety of different characteristics, particularly with regard to the appropriation of income, the subscription fee, the redemption fee, the currency of the unit value, the management fee or a combination of these items. The asset management company may decide to establish new unit certificate classes or to issue units in a given unit certificate class. 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. The costs arising at the introduction of new unit certificate classes for existing asset portfolios shall be deducted from the unit prices of the new unit certificate classes. Investment instruments may only be acquired uniformly for the entire investment fund, not for an individual unit certificate class or for a group of unit certificate classes. However, this does not apply for currency hedge transactions. These transactions may only be entered into in relation to a single currency class. Expenses and income resulting from a currency hedge transaction shall exclusively be allocated to the relevant currency class. In particular, forward exchange transactions, currency futures, currency options and currency swaps shall be permitted as currency hedge transactions. Please see the prospectuses for further details.
3. Income-retaining unit certificates without deducted capital gains tax (foreign tranche pursuant to §27b of these fund regulations) may only be sold outside Austria. The unit certificates shall be represented by global certificates and – at the discretion of the asset management company – by actual securities.
4. Where the unit certificates are represented by global certificates, the distributions as per § 26 and the outpayments as per § 27 shall be accredited by the unit holder's custodian bank.

§ 15 Investment instruments and principles

1. In accordance with §§ 4, 20 and 21 of the Austrian Investment Fund Act and §§ 15a ff of the fund regulations, all types of securities, money market instruments and other liquid financial investments may be purchased for the investment fund if the principle of risk spreading is thereby taken into account and the legitimate interests of the unit holders are not violated.
2. The investment fund's various assets shall be selected in accordance with the following investment principles:
 - **Securities (including securities with embedded derivative instruments)/money market instruments**
The investment fund mainly invests in EUR-denominated bonds with a maximum (residual) maturity of five years and/or money market instruments. The average residual maturity for the investment fund's overall portfolio may not exceed three years. In determining these residual maturities, the period to the next possible termination date shall be key where the issuer has a right of premature termination for a bond or money market instrument. Any subfunds featured in the investment fund shall not be included in the residual maturity calculation.
 - **Units in investment funds**
In accordance with § 17 of the fund regulations, units may be purchased in other investment funds for the investment fund up to an amount of 10 per cent of the fund assets.
 - **Sight deposits or deposits at notice**
In principle, up to 25 per cent of the investment fund's assets may consist of sight deposits or deposits at notice with notice periods not exceeding 12 months. However, the investment fund may contain a larger proportion of sight deposits or deposits at notice with notice periods not exceeding 12 months during fund portfolio restructuring or in order to lessen the effect of potential falls in prices for securities. No minimum bank balance is required.
 - **Derivative instruments (including swaps and other OTC derivatives)**
As part of the investment scheme, derivative instruments are used to safeguard income, as a replacement for securities or to increase income. The overall risk for derivative instruments which are not held for hedging purposes is limited to 75 per cent of the overall net value of the fund assets.
3. If securities and money market instruments purchased for the investment fund have derivatives embedded in them, the asset management company shall take this into consideration with regard to its compliance with §§ 19 and 19a. Investments made by an investment fund in

index-based derivatives shall not be taken into consideration in respect of the investment limits set out in § 20 para. 3 items 5, 6, 7 and 8d of the Austrian Investment Fund Act.

4. Not fully paid-in equities or money market instruments and subscription rights for such instruments or other not fully paid-in financial instruments may only be purchased up to an amount of 10 per cent of the fund assets.
5. Securities or money market instruments issued or guaranteed by a member state including its units of government, by a third country or by international organizations established under public law of which one or more member states are members may exceed 35 per cent 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 per cent of the fund assets.

§ 15a Securities and money market instruments

Securities are

- a) Equities and other, equity-equivalent securities,
- b) Bonds and other securitized debt instruments,
- c) All other marketable financial instruments (e.g. subscription rights) which grant an entitlement to purchase financial instruments within the meaning of InvFG by means of subscription or exchange, with the exception of the techniques and instruments specified in § 21 InvFG.

The criteria laid down in § 1a para. 3 InvFG must be fulfilled in order to qualify as a security.

Within the meaning of § 1a para. 4 InvFG securities also include

1. units in closed funds in the form of an investment company or an investment fund,
2. units in closed funds in contractual form,
3. financial instruments in accordance with § 1a para. 4 item 3 InvFG.

Money market instruments are instruments normally traded on the money market which are liquid, whose value may be precisely determined at any time and which fulfill the requirements pursuant to § 1a para. 5 to 7 InvFG.

§ 16 Stock exchanges and organized markets

1. Securities and money market instruments may be purchased if they are
 - quoted or traded on a regulated market pursuant to § 2 item 37 of the Austrian Banking Act or
 - traded on another recognized and regulated securities market in a member state which is open to the public and operates regularly or
 - officially listed by a third country stock exchange listed in the Appendix or
 - traded on another recognized and regulated third country securities market which is open to the public and operates regularly and is listed in the Appendix or
 - their terms and conditions of issue include the obligation to apply for a license for official listing or for trading on one of the above-mentioned stock exchanges or for trading on one of the other above-mentioned markets and this license is granted within one year of the start of the issue of these securities.
2. Money market instruments which are not traded on a regulated market and which are freely transferable, are normally traded on a money market, are liquid and whose value may be determined precisely at any time and for which appropriate information is available – including information enabling an appropriate valuation of the credit risks associated with investing in such instruments – may be purchased for the investment fund if the issue itself or the issuer itself is subject to the provisions concerning protection of deposits and investors and these are either
 - issued or guaranteed by a central, regional or local unit of government or by the central bank of a member state, the European Central Bank, the European Union or the European Investment Bank, a third country or – for federal states – a member state of a federation or by an international institution established under public law of which at least one member state is a member or
 - issued by firms whose securities are traded on the regulated markets indicated in item 1 – excluding new issues – or
 - issued or guaranteed by an institution which is subject to supervision in accordance with the criteria stipulated in Community law or issued or guaranteed by an institution which is subject to and complies with supervisory regulations which in the opinion of the Austrian Financial Market Authority are at least as stringent as those set out in Community law or
 - issued by other issuers belonging to a category licensed by the Austrian Financial Market Authority, where investor protection provisions apply for investments in these instruments which are equivalent to those set out in items a to c and where the issuer is either a company with shareholders' equity of at least EUR 10 m. which prepares and publishes its annual financial statements in accordance with the provisions set out in Directive 78/660/EEC or a legal entity which, within a business group comprising one or more stock exchange-listed companies, is responsible for the financing of this group or a legal entity which, in business, corporate or contractual form, is due to finance its securitization of liabilities through a credit line granted by a bank; such credit line must be guaranteed by a financial institution which itself fulfills the criteria specified in item 2 sec. 3.
3. Overall, up to 10 per cent of the fund assets may be invested in securities and money market instruments which do not comply with the conditions set out in items 1 and 2.

§ 17 Units in investment funds

1. Units in investment funds (= investment funds and open-end investment companies) which comply with the provisions set out in Directive 85/611/EEC (UCITS) may be purchased where these funds do not invest more than 10 per cent of their assets in units in other investment funds.
2. Units in investment funds which do not comply with the provisions set out in Directive 85/611/EEC (UCI) and whose exclusive purpose is

- for joint account and in accordance with the principle of risk spreading to invest publicly procured monies in securities and other liquid financial investments and
- whose units are, at the request of the unit holders, repurchased or redeemed at the direct or indirect expense of the assets of the investment fund

may be purchased for up to 10 per cent of the fund assets in total where

- a) these funds do not invest more than 10 per cent of the fund assets in units in other investment funds and
- b) they are licensed in accordance with legal provisions which make them subject to supervision which in the opinion of the Austrian Financial Market Authority is equivalent to supervision under Community law and there is an adequate guarantee of cooperation between the authorities and
- c) the level of protection afforded the unit holders is equivalent to the level of protection afforded the unit holders in investment funds which comply with the provisions set out in Directive 85/611/EEC (UCITS) and, in particular, the provisions concerning separate safekeeping of the portfolio of assets, the take-up of loans, the extensions of loans and uncovered sales of securities and money market instruments are equivalent to the requirements set out in Directive 85/611/EEC and
- d) the relevant business activity is the subject of annual and semi-annual reports which enable a judgment to be made as to the relevant assets and liabilities, income and transactions during the period under review.

The criteria stated in § 3 of the Austrian Information and Equivalency Determination Ordinance (IG-FestV), as amended, shall be consulted for evaluation of the equivalency of the level of protection for unit holders within the meaning of item c).

3. Units may also be purchased for the investment fund in investment funds which are directly or indirectly managed by the same asset management company or by a company with which the asset management company is affiliated through joint management or subordination or a substantial, direct or indirect investment.
4. Units in investment funds in accordance with § 17 item 1 and § 17 item 2 of the fund regulations may be purchased for up to 10 per cent of the fund assets overall.

§ 18 Sight deposits or deposits at notice

Bank balances in the form of sight deposits or deposits at notice with notice periods not exceeding 12 months may be held for the investment fund. No minimum bank balance is required. Bank balances may not exceed 25 per cent of the fund assets. However, the investment fund may contain a larger proportion of bank balances during fund portfolio restructuring or in order to lessen the effect of potential falls in security prices.

§ 19 Derivatives

1. Derived financial instruments (derivatives) – including equivalent instruments which are settled in cash and traded on one of the regulated markets indicated in § 16 – may be purchased for the investment fund if the underlying instruments are instruments within the meaning of § 15a or financial indices, interest rates, exchange rates or currencies in which the investment fund is permitted to invest in accordance with its investment principles (§ 15). This also includes instruments for the transfer of the credit risk for the above-mentioned assets.
2. The overall risk associated with the derivatives may not exceed the overall net value of the fund assets. A calculation of this risk must take into consideration the market value of the underlying instruments, the default risk, future market fluctuations and the liquidity period for the positions.
3. The investment fund may purchase derivatives as part of its investment strategy within the limits stipulated in § 20 para. 3 items 5, 6, 7, 8a and 8d of the Austrian Investment Fund Act if the overall risk associated with the underlying instruments does not exceed these investment limits.

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

§ 19a OTC derivatives

1. Derived financial instruments which are not traded on a stock exchange (OTC derivatives) may be purchased for the investment fund if
 - a) the underlying instruments are in accordance with § 19 item 1,
 - b) the counterparties are supervised institutions belonging to categories licensed by the Austrian Financial Market Authority by regulation,
 - c) the OTC derivatives are subject to reliable and verifiable daily valuation and at the initiative of the investment fund may at any time and at an appropriate current market value be sold, liquidated or balanced through an offsetting transaction and
 - d) these instruments are invested within the limits stipulated in § 20 para. 3 items 5, 6, 7, 8a and 8d InvFG and the overall risk associated with the underlying instruments does not exceed these investment limits.
2. The default risk for investment fund transactions involving OTC derivatives may not exceed the following levels:
 - a) if the counterparty is a credit institution, 10 per cent of the fund assets,
 - b) otherwise 5 per cent of the fund assets.

§ 19b Value at risk

Not applicable.

§ 20 Borrowing

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

§ 21 Repos

Within the investment limits set out in the Austrian Investment Fund Act, the asset management company shall be permitted to purchase assets for account of the investment fund to be added to the fund's assets subject to an obligation on the seller to repurchase these assets at a predetermined time and for a predetermined price.

§ 22 Securities lending

Within the investment limits laid down by the Austrian Investment Fund Act, the asset management company shall be entitled to transfer to third parties securities up to the amount of 30 per cent of the fund's assets within the framework of an acknowledged securities lending system and for a limited period, subject to the proviso that the third party shall be obliged to re-transfer the transferred securities after a predetermined loan period.

§ 23 Issuance and redemption modalities

The unit value pursuant to § 6 shall be calculated in EUR.

The subscription fee to cover the company's issuing costs may not exceed 1 per cent.

For unit certificates of the investment fund sold outside Austria, to cover the issuing costs instead of the subscription fee a redemption fee of up to 1 per cent or a combination of a subscription fee and a redemption fee which may not exceed 1 per cent may be added to the calculated value.

Please see the prospectuses for further details.

The redemption price is based on the value of a unit.

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

§ 24 Accounting year

The investment fund's accounting year runs from January 16 through to January 15 of the following calendar year.

§ 25 Management fee, reimbursement of expenses

The asset management company shall receive for its management activity an annual remuneration

- of up to 0.75 per cent of the fund assets for the unit certificate class "tranche I" (minimum investment: EUR 500,000) or
- of up to 1.50 per cent of the fund assets for other unit certificate classes,

calculated pro rata on the basis of the values at the end of each month.

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

Please see the prospectuses for further details.

The asset management company shall also be entitled to reimbursement for all expenses associated with its management of the fund, particularly costs associated with custodian bank fees, transaction costs, obligatory notices, custodian fees and auditing, consulting and fund report costs.

§ 26 Appropriation of income in case of income-distributing unit certificates

Once costs have been covered, the income received during the past accounting year (interest and dividends) may be distributed at the discretion of the asset management company. The distribution of income from the sale of assets of the investment fund including subscription rights shall likewise be at the discretion of the asset management company. A distribution from the fund assets is also permissible. In no case may the fund assets fall below EUR 1,150,000 through distributions. From March 15 of the following accounting year the amounts are to be distributed to the holders of income-distributing unit certificates, if appropriate against surrender of an income coupon. Any remaining balances shall be carried forward to a new account. Interim distributions shall be possible.

In any case, from March 15 an amount calculated in accordance with § 13 clause 3 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.

§ 27 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. Instead, from March 15 an amount calculated in accordance with § 13 clause 3 InvFG shall be paid out on income-retaining fund unit certificates to be used where applicable to meet any capital gains tax commitments on the distribution-equivalent return on those unit certificates.

§ 27a Appropriation of income in case of income-retaining unit certificates without capital gains tax deducted (full income retention – domestic and foreign tranches)

Not applicable.

§ 27b Appropriation of income in case of income-retaining unit certificates without capital gains tax deducted (full income retention – foreign tranche)

Income during the accounting year net of costs shall not be distributed. No payout as per § 13 clause 3 InvFG shall occur.

The asset 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 unit holders who are either not subject to Austrian income or corporate income tax or who fulfill the requirements for an exemption as per § 94 of the Austrian Income Tax Act.

§ 28 Liquidation

Of the net liquidation proceeds, the custodian bank shall receive remuneration amounting to 0.5 per cent of the fund assets.

Appendix to § 16

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 EEA pursuant to § 20 para. 3 item 1 sec. b 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 | Russia | Moscow (RTS Stock Exchange)
Moscow Interbank Currency Exchange (MICEX) |
| 2.4 | Switzerland | SWX Swiss Exchange |
| 2.5 | Serbia and Montenegro | 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 | Bombay |
| 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 | Korea | Korea Exchange (Seoul, Busan) |
| 3.13 | Malaysia | Kuala Lumpur, Bursa Malaysia Berhad |
| 3.14 | Mexico | Mexico City |
| 3.15 | New Zealand | Wellington, Christchurch/Invercargill, Auckland |
| 3.16 | Philippines | Manila |
| 3.17 | Singapore | Singapore Stock Exchange |
| 3.18 | South Africa | Johannesburg |
| 3.19 | Taiwan | Taipei |
| 3.20 | Thailand | Bangkok |

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"]

3.21	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
3.22	Venezuela	Caracas
3.23	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).

2) Amendments since the production of this prospectus

Date of amendment	Type of amendment
2/13/2004	Amendment in line with the Austrian Investment Fund Act as amended in 2004
5/3/2004	Amendment to the Fund Regulations
3/31/2005	Amendment to Simplified Prospectus and Appendix
8/24/2005	Amendment to the Fund Regulations
3/31/2006	Amendment to Part II, III, IV and Appendix
8/31/2006	Amendment to the Fund Regulations
11/30/2006	Amendment to the Fund Regulations and Appendix
3/30/2007	Amendment to Part I, II, IV and Appendix
7/27/2007	Amendment to the Fund Regulations, Part II and Appendix
3/19/2008	Amendment to the Fund Regulations, Part I, II, IV and Appendix
3/31/2008	Amendment to Part I, II, IV and Appendix
7/15/2008	Amendment to Part II, Amendment/Supplement to Country Appendix, Removal of the Simplified Prospectus (to become independent document)
10/29/2008	Amendment to the Fund Regulations (name), Part I, II, III and Appendix
3/31/2009	Amendment to Part I and II and updating of (country) Appendix
7/16/2009	Amendment to the Fund Regulations, Appendix
1/4/2010	Amendment to the Fund Regulations (tranches I and R), Part II and updating of Appendix
4/6/2010	Amendment to Part II and updating of (country) Appendix
10/20/2010	Amendment to the Fund Regulations, Part II and Updating of (country) Appendix
10/21/2010	Updating of (country) Appendix
12/15/2010	Part III and (country) Appendix
11/2/2011	Amendment to the Fund Regulations (Fee Tranches Option), Part I, II, III and IV, Appendix

3) Supervisory Board

Gerhard GRUND, Chairman, Arndt HALLMANN, Deputy Chairman, Regina REITTER, Deputy Chairman, Rudolf KÖNIGHOFER, Georg MESSNER, Johann SCHINWALD, Michaela KEPLINGER-MITTERLEHNER, Gobert STERNBACH, Anton TROJER, Manfred BAYER, Stefan GRÜNWALD, Martin HAGER, Sylvia KUBICEK, Friedrich SCHILLER

4) Other main positions of the members of the board of directors and supervisory board

Management

Mathias Bauer

Member of the Board of Directors	<u>Ing. Wiehsböck Privatstiftung</u> , 1170 Vienna has represented the company since August 16, 2010 together with another member of the board of directors
	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna (finance, personnel, public relations, legal, taxes, internal auditing) has represented the company since September 2, 2008 together with another member of the board of directors or a duly authorized officer
Managing Director	<u>RVCM GmbH</u> , 1010 Vienna has represented the company since March 26, 2009 together with another managing director or a duly authorized officer
	<u>Raiffeisen International Fund Advisory G.m.b.H.</u> , 1010 Vienna has represented the company since September 1, 2002 together with another managing director or a duly authorized officer
Member of the Supervisory Board	<u>Raiffeisen Immobilien Kapitalanlage-Gesellschaft m.b.H.</u> , 1010 Vienna Chairman since October 11, 2008
Member of the Management Board	<u>Raiffeisen Capital Management LUXEMBURG SICAV</u> , L-1470 Luxembourg, Member

Gerhard Aigner

Managing Director	<u>Raiffeisen International Fund Advisory G.m.b.H.</u> , 1010 Vienna has represented the company since January 1, 2010 together with another managing director or a duly authorized officer
Member of the Supervisory Board	<u>Raiffeisen Immobilien Kapitalanlage-Gesellschaft m.b.H.</u> , 1010 Vienna Deputy chairman since December 6, 2003
Member of the Management Board	<u>Raiffeisen Capital Management LUXEMBURG SICAV</u> , L-1470 Luxembourg, Chairman

Dieter Aigner

Managing Director	<u>Raiffeisen Immobilien Kapitalanlage-Gesellschaft m.b.H.</u> , 1010 Vienna has represented the company since October 1, 2008 together with another managing director or a duly authorized officer with a right of joint proxy
Member of the Supervisory Board	<u>Raiffeisen e-force GmbH</u> , 1030 Vienna Member since July 8, 2011
Member of the Management Board	<u>Raiffeisen Capital Management LUXEMBURG SICAV</u> , L-1470 Luxembourg, Member

Supervisory Board

Gerhard Grund, Chairman

Member of the Board of Directors	<u>Raiffeisen Centrobank AG</u> , 1010 Vienna has represented the company since January 1, 2002 together with another member of the board of directors or a duly authorized officer with a right of joint proxy
Member of the Supervisory Board	<u>Centrotrade Holding AG</u> , 1010 Vienna Deputy chairman since June 16, 2005
	<u>GOA Corporate Invest AG in Abwicklung</u> , 1010 Vienna Chairman since May 17, 2003
	<u>Go Equity Mittelstandsfinanzierungs AG in Abwicklung</u> , 1010 Vienna Deputy chairman since November 24, 2005
	<u>Raiffeisen Investment Aktiengesellschaft</u> , 1015 Vienna Chairman since September 5, 2002

Arndt Hallmann, Deputy Chairman

Member of the Board of Directors	<u>Raiffeisen-Landesbank Steiermark AG</u> , 8010 Graz (treasury) has represented the company since July 1, 2007 together with another member of the board of directors or a duly authorized officer
Member of the Supervisory Board	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna Member since June 17, 2008
	<u>Raiffeisen Wohnbaubank Aktiengesellschaft</u> , 1030 Vienna Member since April 24, 2008

Regina Reitter, Deputy Chairman

Managing Director	<u>"AKTUELL" Raiffeisen Versicherungs-Maklerdienst Gesellschaft m.b.H.</u> , 1020 Vienna has represented the company since January 1, 2006 together with another managing director or a duly authorized officer with a right of joint proxy
	<u>Raiffeisen Versicherungs- und Bauspar-Agentur GmbH</u> , 1020 Vienna has represented the company since January 1, 2006 together with another managing director or a duly authorized officer with a right of joint proxy
Duly Authorized Officer	<u>RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG</u> , 1020 Vienna (investment and pension products) has represented the company since January 1, 2006 together with a member of the board of directors or another duly authorized officer with a right of joint proxy

Manfred Bayer

Member of the Supervisory Board	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna Member since December 30, 2003
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Sefan Grünwald

Member of the Supervisory Board	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna Member since April 5, 2008
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Martin Hager

Member of the Supervisory Board	<u>Raiffeisen Immobilien Kapitalanlage-Gesellschaft m.b.H.</u> , 1010 Vienna Member since March 1, 2008
	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna Member since October 28, 2004
Duly Authorized Officer	<u>Raiffeisen International Fund Advisory G.m.b.H.</u> , 1010 Vienna has represented the company since December 2, 2005 together with a managing director or another duly authorized officer with a right of joint proxy

Michaela Keplinger-Mitterlehner

Member of the Board of Directors	<u>Obermair Privatstiftung</u> , 4501 Neuhofen has represented the company since June 3, 1999 together with another member of the board of directors
	<u>Privatstiftung der Raiffeisenlandesbank Oberösterreich Aktiengesellschaft</u> , 4020 Linz Member, has represented the company since August 21, 2007 together with another member of the board of directors
	<u>RB Linz-Traun Verwaltungsgenossenschaft registrierte Genossenschaft mit beschränkter Haftung</u> , 4020 Linz Deputy chairman, has represented the company since November 27, 2008 together with another member of the board of directors
	<u>Raiffeisenlandesbank Oberösterreich Aktiengesellschaft</u> , 4020 Linz Member, has represented the company since April 30, 2008 together with another member of the board of directors or a duly authorized officer

Member of the Supervisory Board	<u>Energie AG Oberösterreich</u> , 4021 Linz Postfach Member since July 8, 2008
	<u>PRIVAT BANK AG der Raiffeisenlandesbank Oberösterreich</u> , 4020 Linz Member since July 7, 2007
	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna Member since December 1, 2009
	<u>Raiffeisen Wohnbaubank Aktiengesellschaft</u> , 1030 Vienna Member since December 29, 2009
	<u>bankdirekt.at AG</u> , 4020 Linz Chairman since November 13, 2007

Sylvia Kubicek

Member of the Supervisory Board	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna Member since April 5, 2008
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Rudolf Könighofer

Member of the Board of Directors	<u>Internationale Joseph Haydn Privatstiftung Eisenstadt</u> , 7000 Eisenstadt Member, has represented the company since June 1, 2011 together with the chairman or the deputy chairman
	<u>Raiffeisen - Bezirksbank - Jennersdorf registrierte Genossenschaft mit beschränkter Haftung</u> , 8380 Jennersdorf Member, has represented the company since June 18, 2009 together with the chairman or the deputy chairman
	<u>Raiffeisen - Einlagensicherung Burgenland eGen</u> , 7000 Eisenstadt has represented the company since May 14, 2009 together with the chairman or the deputy chairman
	<u>Raiffeisenbezirksbank Oberpullendorf eGen</u> , 7350 Oberpullendorf Member, has represented the company since June 28, 2010 together with the chairman or the deputy chairman
	<u>Raiffeisenlandesbank Burgenland und Revisionsverband registrierte Genossenschaft mit beschränkter Haftung</u> , 7000 Eisenstadt Deputy chairman, has represented the company since September 1, 2009 together with another member of the board of directors or a duly authorized officer
Executive	<u>Raiffeisenlandesbank Burgenland und Revisionsverband registrierte Genossenschaft mit beschränkter Haftung</u> , 7000 Eisenstadt has represented the company since December 1, 2004 together with another executive or a duly authorized officer
Member of the Supervisory Board	<u>RSC Raiffeisen Daten Service Center GmbH</u> , 1190 Vienna Member since February 26, 2008
	<u>Raiffeisen Informatik GmbH</u> , 1020 Vienna Member since July 26, 2005
	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna Member since September 15, 2009
	<u>Raiffeisen Versicherung AG</u> , 1029 Vienna Member since June 10, 2009
	<u>Raiffeisen Wohnbaubank Aktiengesellschaft</u> , 1030 Vienna Member since October 14, 2009
	<u>Raiffeisen e-force GmbH</u> , 1030 Vienna Member since September 7, 2005
Duly Authorized Officer	<u>RBE Holding e. Gen.</u> , 7000 Eisenstadt has represented the company since October 7, 2008 together with the chairman or the deputy chairman

Georg Messner

Member of the Board of Directors	<u>Raiffeisenlandesbank Kärnten - Rechenzentrum und Revisionsverband, registrierte Genossenschaft mit beschränkter Haftung</u> , 9020 Klagenfurt
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	has represented the company since February 18, 2008 together with another member of the board of directors or a duly authorized officer
Managing Director	<u>RAIFFEISEN - VERMÖGENSVERWERTUNGS GMBH.</u> , 9020 Klagenfurt has represented the company since July 1, 2008 together with another managing director or a duly authorized officer
	<u>RB Verbund GmbH</u> , 9020 Klagenfurt am Wörthersee has represented the company since May 28, 2011 together with another managing director or a duly authorized officer with a right of joint proxy
	<u>RBK GmbH</u> , 9020 Klagenfurt am Wörthersee has represented the company since May 7, 2011 together with another managing director or a duly authorized officer with a right of joint proxy
	<u>RLB Beteiligungsmanagement GmbH</u> , 9020 Klagenfurt has represented the company since July 1, 2008 together with another managing director or a duly authorized officer
	<u>RLB Innoport Beteiligungs GmbH</u> , 9020 Klagenfurt has represented the company since July 1, 2008 together with another managing director or a duly authorized officer
	<u>RLB Unternehmensbeteiligungs GmbH</u> , 9020 Klagenfurt has represented the company since July 1, 2008 together with another managing director or a duly authorized officer
	<u>RLB Verwaltungs GmbH</u> , 9020 Klagenfurt has represented the company since July 1, 2008 together with another managing director or a duly authorized officer
	<u>RS Beteiligungs GmbH</u> , 9020 Klagenfurt has represented the company since July 1, 2008 together with another managing director or a duly authorized officer
	<u>Raiffeisen Versicherungsmaklergesellschaft m.b.H.</u> , 9020 Klagenfurt has represented the company since February 2, 2007 together with another managing director or a duly authorized officer
Executive	<u>Raiffeisenlandesbank Kärnten - Rechenzentrum und Revisionsverband, registrierte Genossenschaft mit beschränkter Haftung</u> , 9020 Klagenfurt has represented the company since February 18, 2008 together with another executive or a duly authorized officer
Member of the Supervisory Board	<u>"UNSER LAGERHAUS" WARENHANDELS-GESELLSCHAFT m.b.H.</u> , 9020 Klagenfurt Deputy chairman since July 2, 2008
	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna Member since December 18, 2001
	<u>Raiffeisen Wohnbaubank Aktiengesellschaft</u> , 1030 Vienna Member since May 3, 2002
	<u>Raiffeisen e-force GmbH</u> , 1030 Vienna Member since July 8, 2011
	<u>Valida Holding AG</u> , 1020 Vienna Member since September 26, 2008

Johann Schinwald

Member of the Board of Directors	<u>RAIFFEISEN REALITÄTEN registrierte Genossenschaft mit beschränkter Haftung</u> , 5020 Salzburg Chairman, has represented the company since April 28, 2009 together with the deputy chairman, a further member of the board of directors or a duly authorized officer
Executive	<u>Raiffeisenverband Salzburg registrierte Genossenschaft mit beschränkter Haftung</u> , 5020 Salzburg (private and business clients) has represented the company since September 22, 1989 together with another executive or a duly authorized officer
Member of the Supervisory Board	<u>BVG Liegenschaftsverwaltung GmbH</u> , 5020 Salzburg Member since June 10, 1998
	<u>Raiffeisen Salzburg Invest Kapitalanlage GmbH</u> , 5020 Salzburg Chairman since April 20, 1995

	<u>Raiffeisen Salzburg Vorsorge GmbH</u> , 5020 Salzburg Chairman since August 12, 2010
	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna Deputy chairman since September 5, 2000
	<u>Raiffeisen Wohnbaubank Aktiengesellschaft</u> , 1030 Vienna Member since October 7, 1994

Gobert Sternbach

Member of the Board of Directors	<u>Raiffeisen-Landesbank Tirol AG</u> , 6020 Innsbruck Member, has represented the company since June 29, 2002 together with another member of the board of directors or a duly authorized officer with a right of joint proxy
Managing Director	<u>Livera Raiffeisen-Immobilien-Leasing Gesellschaft m.b.H.</u> , 6020 Innsbruck has represented the company since May 7, 1996 together with another managing director or a duly authorized officer
	<u>RLB Beteiligung Ges.m.b.H.</u> , 6020 Innsbruck has represented the company since June 11, 1996 together with a second managing director or a duly authorized officer
Member of the Supervisory Board	<u>Alpenbank Aktiengesellschaft</u> , 6020 Innsbruck Member since July 7, 2004
	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna Member since September 5, 2000

Friedrich Schiller

Member of the Supervisory Board	<u>Raiffeisen Immobilien Kapitalanlage-Gesellschaft m.b.H.</u> , 1010 Vienna Member since April 2, 2004
	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna Member since December 30, 2003
Duly Authorized Officer	<u>Raiffeisen Kapitalanlage-Gesellschaft mit beschränkter Haftung</u> , 1010 Vienna has represented the company since April 13, 2000 together with a managing director or another duly authorized officer with a right of joint proxy

Anton Trojer

Member of the Supervisory Board	<u>Raiffeisen Vermögensverwaltungsbank AG</u> , 1010 Vienna Member since June 4, 2009
	<u>Raiffeisen Wohnbaubank Aktiengesellschaft</u> , 1030 Vienna Member since April 8, 2009
Duly Authorized Officer	<u>Raiffeisenlandesbank Vorarlberg Waren- und Revisionsverband registrierte Genossenschaft mit beschränkter Haftung</u> , 6901 Bregenz Postfach has represented the company since December 20, 1993 together with an executive or another duly authorized officer

5) Distribution offices

Raiffeisenlandesbank Niederösterreich - Wien AG, Vienna

Raiffeisenlandesbank Burgenland und Revisionsverband reg.Gen.m.b.H., Eisenstadt

Raiffeisenlandesbank Oberösterreich AG, Linz

Raiffeisenverband Salzburg reg. Gen.m.b.H., Salzburg

Raiffeisen-Landesbank Tirol AG, Innsbruck

Raiffeisenlandesbank Vorarlberg Waren- und Revisionsverband, reg. Gen.m.b.H., Bregenz

Raiffeisenlandesbank Kärnten – Rechenzentrum und Revisionsverband, reg. Gen.m.b.H., Klagenfurt

Raiffeisenlandesbank Steiermark AG, Graz

Raiffeisen Bank International AG, Vienna

6) Investment funds managed by Raiffeisen Kapitalanlage-Gesellschaft m.b.H. (as of October 3, 2011)

Raiffeisen-Österreich-Aktien, Raiffeisen-Global-Aktien, Raiffeisen-Euro-ShortTerm-Rent, Raiffeisen-Osteuropa-Rent, Raiffeisen-EuroPlus-Rent, Raiffeisen Europa-Aktien, Raiffeisen-§14-Rent, Raiffeisen-Euro-Rent, Raiffeisen-Österreich-Rent_{Fonds}, Raiffeisen-Global-Mix, Raiffeisen-Global-Rent, Raiffeisen-Osteuropa-Aktien, Raiffeisen-Dollar-ShortTerm-Rent, Raiffeisenfonds Sicherheit, Raiffeisenfonds Ertrag, Raiffeisenfonds Wachstum, Raiffeisen-§14 Mix, Raiffeisen-§14-MixLight, Raiffeisen-Europa-HighYield, Raiffeisen-Active-Aktien, Raiffeisen-EmergingMarkets-Aktien, Raiffeisen-HealthCare-Aktien, Raiffeisen-Energie-Aktien, Raiffeisen-Technologie-Aktien, Raiffeisen-US-Aktien, Raiffeisen-Pazifik-Aktien, Raiffeisen-OK-Rent, Raiffeisen-Europa-SmallCap, Raiffeisen-Eurasien-Aktien, Raiffeisen-Ethik-Aktien, Kathrein SF12, Kathrein SF13, Kathrein SF14, Kathrein SF15, Kathrein SF19, Kathrein SF23, Kathrein SF26, Kathrein SF27, Kathrein SF29, Q.I.K. SF30, Kathrein SF31, Kathrein Q.I.K. 100, Kathrein Q.I.K. 25, Kathrein Q.I.K. 50, Kathrein Q.I.K. 70, Kathrein Euro Bond, Kathrein Corporate Bond, Kathrein Global Bond, Kathrein European Equity, Kathrein US-Equity, Kathrein SF21, Pension Equity F1, Pension Income D1, Raiffeisen 301 – Euro Gov. Bonds, Raiffeisen 303 – Non-Euro Bonds, Raiffeisen 304 – Euro Corporates, Raiffeisen 305 – Non-Euro Equities, Raiffeisen 308 – Euro Equities, Raiffeisen 311 – Euro Plus, Raiffeisen 313 – Euro Trend Follower, Raiffeisen 314 – Euro Inflation Linked, Raiffeisen 316 – Hedge FoF Balanced, Raiffeisen 317 – Absolute Return 1, UNIQA Structured Credit Fund, R 32-Fonds, APK Renten, R 5-Fonds, R 6-Fonds, R 8-Fonds, R 9-Fonds, R 15-Fonds, R 16-Fonds, R 18-Fonds, R 19-Fonds, R 24-Fonds, R 42-Fonds, R 45-Fonds, R 46-Fonds, R 51-Fonds, R 53-Fonds, R 55-Fonds, R 77-Fonds, R 81-Fonds, R 85-Fonds, R 86-Fonds, R 87-Fonds, R 88-Fonds, UNIQA High Yield Funds, R 98-Fonds, R 99-Fonds, R 105-Fonds, R 106-Fonds, R 112-Fonds, R 119-Fonds, R 126-Fonds, R 130-Fonds, R 135-Fonds, R 138-Fonds, R 139-Fonds, R 140-Fonds, R 142-Fonds, R 143-Fonds, R 146-Fonds, R 157-Fonds, R 190-Fonds, R 194-Fonds, R 770-Fonds, , R 888-Fonds, R 32000-Fonds, R 32033-Fonds, R 32195-Fonds, R 32322-Fonds, R 32415-Fonds, R 32585-Fonds, R 32904-Fonds, R 32937-Fonds, ORS DUO, RPIE Fonds, Prosperity Fonds progressiv, Raiffeisen-Euro-Corporates, Dachfonds Südtirol, Global Protected, Raiffeisen-Ceský dluhopisový fond, Raiffeisen-Pensionsfonds-Österreich 2003, Raiffeisen-Dynamic-Bonds, Raiffeisen-EmergingMarkets-Rent, Raiffeisen-EU-Spezial-Rent, Raiffeisen-Pensionsfonds-Österreich 2004, Absolute Plus Global Alternative II Fund, R-VIP 12, Kathrein Risk Optimizer, Kathrein Max Return, Raiffeisen-Inflationsschutz-Fonds, Raiffeisen-Hedge-Dachfonds, Pension-Income C1, ZKV-Index, DURA11_1, DURA11_2, Raiffeisen-Pensionsfonds-Österreich 2005, R-2012 Spezial, R 158-Fonds, WALSER Euro Cash AT, Kathrein SF35, DURA7_1, Raiffeisen-Osteuropa-Garantiefonds, Raiffeisen Short Term Strategy_{Fonds}, Raiffeisen Short Term Strategy Plus_{Fonds}, Raiffeisen-TopDividende-Aktien_{Fonds}, R 37000-Fonds, R2 Eurobond 1-3, RLBnoew Mündel Rent, RLBnoew Eurobond Active, RLBnoew Euro Corporates Active, R 32951-Fonds, OP Bond EURO hedged, R 164-Fonds, Kathrein SF50, CEE Fixed Income Fund, Raiffeisen-Eurasien-Garantiefonds, R 32250-Fonds, Raiffeisen-Pensionsfonds-Österreich 2006, R 168-Fonds, Raiffeisen-A.R.-Global Balanced, R 169-Fonds, Pension Equity D 2, WALSER Valor AT, R 32001-Fonds, R 170-Fonds, R 172-Fonds, R 180-Fonds, UNIQA Emerging Markets Debt Fund, UNIQA Eastern European Debt Fund, Kathrein SF37, UNIQA Global ABS, RLBnoew Total Return, RLBnoew Private Portfolio, R 322 - Euro Alpha Duration, R-VIP 35, R-VIP 75, R-VIP 100, R-VIP 24, R-VIP 10, R-VIP Classic Aktien, Raiffeisen-Energie-Garantiefonds, R 174-Fonds, Kathrein Q.I.K. 15 (USD), Raiffeisen-Stabilitätsfonds, MVK B.E.S.T. – MVK Bond Ethic Steady Tendency, R 178-Fonds, R 179-Fonds, Raiffeisen-TopSelection-Garantiefonds, VBV RCM Euro Bond, Raiffeisen-Pensionsfonds-Österreich 2007, R 183-Fonds, Kathrein SF39, R 184-Fonds, DURA3_1, Raiffeisen-HealthCare-Garantiefonds, Kathrein SF40, Kathrein Geldmarkt +, R 435-Fonds, Kathrein SF42, R 188-Fonds, UNIQA Portfolio, UNIQA World Selection, Raiffeisen 328 – Hedge FoF Balanced II, R 187-Fonds, Raiffeisen 902 – Treasury Zero II, Raiffeisen-Wachstumsländer-Garantiefonds, Raiffeisenfonds-Anleihen, Raiffeisen-Ceský balancovaný fond, Raiffeisen-Ceský akciový fond, Raiffeisen-Ceský fond konzervativnich investic, R 189-Fonds, Raiffeisen-Pensionsfonds-Österreich 2008, Raiffeisen 336 – GTAA Overlay, Raiffeisen 337 – Strategic Allocation Master I, Raiffeisen 338 – Strategic Allocation Master A.R. II, Kathrein SF43, Kathrein SF45, N 192 Ostarrichi Fonds, Raiffeisen-Russland-Aktien, Raiffeisen 904 – Treasury Alpha, Raiffeisen-Fondsernte-Garantie 2008, Raiffeisen-Europa-Garantiefonds 08, Raiffeisen-Infrastruktur-Aktien, Raiffeisen-Euro-ShortTerm-Bonds

DASAA 8010, EURAN 8051, GLAN 8041, R 193-Fonds, Raiffeisen 307 – Short Term Investments, Raiffeisen 332 – Hedge FoF Diversified, Raiffeisen 323 – Euro VA Trend Follower, Raiffeisen 315, Raiffeisen 312, R 197-Fonds, Raiffeisen 311, R 311 A, R 198-Fonds, Raiffeisen-Eurasien-Garantiefonds 08, Kathrein US-Dollar Bond, DURA3_2, R 192-Fonds, R2 Euro Credit, Vorsorge Renten Portfolio 1, R 203-Fonds, R 205-Fonds, R 32005-Fonds, R 204-Fonds, Vorsorge HTM Portfolio 1, R 208-Fonds, Kathrein SF46, R 201-Fonds, R 202-Fonds, Kathrein SF76, Raiffeisen 343 – Euro Credit 2013, Kathrein SF51, FlexProtection Active Fund, FlexProtection Secure 1, FlexProtection Secure 2, FlexProtection Secure 3, FlexProtection Secure 4, FlexProtection Secure 5, FlexProtection Secure 6, R 210-Fonds, R 211-Fonds, R 212-Fonds, R 313-Fonds, R 214-Fonds, R 215-Fonds, R 216-Fonds, R 217-Fonds, R 218-Fonds, R 219-Fonds, R 220-Fonds, R 221-Fonds, R 222-Fonds, R 223-Fonds, Raiffeisen-Euro-Anleihen 2014, Kathrein Euro Inflation Linked Bond, R 224-Fonds, R 1-Fonds, LD Fonds, Raiffeisen 346 –Euro Credit 2015, Raiffeisen-Eurasien-Garantiefonds 09, R 771-Fonds, R 233-Fonds, Raiffeisen 339 – Systematic Directional Trading, C 20, Kathrein Opportunity Protect 2012, R 225-Fonds, R 226-Fonds, R-VIP 50, R 227-Fonds, R 228-Fonds, Raiffeisen-EmergingMarkets-LocalBonds, R 229-Fonds, R 230-Fonds, R 241-Fonds, R 242-Fonds, R 244-Fonds, Merkur Eurobond Opportunities, Raiffeisen 372 – GTAA Plus, Kathrein Duration Flex Euro Government Bond, FlexProtection Secure 7, UNIQA European High Grade Bond, Kathrein Dynamic Asset Allocation Fund, Kathrein SF53, Raiffeisen 334 – Total Return 1, Kathrein Euro Core Government Bond, Raiffeisen-Inflation-Shield, Raiffeisen 309 – Euro Core Gov. Bonds, C 11, Centropa-Aktien, Raiffeisen 333 – Active Alpha, Kathrein Opportunities Protect USD 2013, Raiffeisen-Czech-Click Fund, Raiffeisen-CZK-LifeCycle Fund 2040, Raiffeisen-Global-Fundamental-Rent, R 21-Fonds, R 30-Fonds, R 66-Fonds, R 97-Fonds, Kathrein SF54, Kathrein SF55, Kathrein SF56, Kathrein SF57, Kathrein SF58, Kathrein Arche Noah Fund, R 245-Fonds, R 246-Fonds, R 247-Fonds, R 248-Fonds, Raiffeisen-Asia-Equities, Copernic Global Fund, DURA7_2, R 231-Fonds, FlexProtection Secure 8, FlexProtection Secure 9, FlexProtection Secure 10, FlexProtection Secure 11, Raiffeisen Centropa Regional Mix, R 270-Fonds, Concorde Cuvee Fund of Fund, Raiffeisen-LaufzeitenStrategie-2015, R 252-Fonds, R 249-Fonds, Raiffeisen-MultiAsset-Strategies, CONVERTINVEST Global Liquid Convertibles Fund, Raiffeisenfonds-Konservativ, CONVERTINVEST All-Cap Convertibles Fund

**SUPPLEMENT TO THE PROSPECTUS
FOR THE FUND
Raiffeisen-Euro-ShortTerm-Bonds
for investors in the Czech Republic**

Unit certificates are issued to bearer. The unit certificates shall be represented by global certificates (§ 24 of the Austrian Safe Custody of Securities Act, BGBl. [Austrian Federal Law Gazette] no. 424/1969). This being the case, no actual securities shall be made available to the company's clients. However, at the discretion of the management company the unit certificates may also be represented by actual securities.

In accordance with the agreement concluded between Raiffeisenbank a.s. ("RB") and the client, RB shall assume the role of a custodian (for the commission business between the parties). RB shall hold its clients' unit certificates in a security deposit account at the custodian bank (Raiffeisen Bank International AG) and in dealings with the custodian bank shall be the person authorized to dispose of the account. This means that the client shall not be known to the custodian bank, even though he is the unit holder.

However, subject to the conditions agreed with RB (esp. with regard to costs reimbursement) the client shall be entitled to issue an order for the units held for him at RB to be transferred to his own securities deposit account at the custodian bank or another bank. In this case, the client shall be known to the custodian bank or the other bank as the person authorized to dispose of the account. Raiffeisen Kapitalanlage-Gesellschaft m.b.H. may also appoint licensed distribution partners in the Czech Republic, in which case different settlement procedures shall apply.

This supplement to the prospectus shall be appended to the prospectus where unit certificates of the fund are sold in the Czech Republic.

ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

Notice of the sale of units of Raiffeisen-Euro-ShortTerm-Bonds

Security Code Number in Germany:

Units A (share certificate orders): 602245, Units A (amount orders): 357819

Units T: A0D9NN, Units V: 357820

in the Federal Republic of Germany has been issued to the German Federal Agency for Monitoring of Financial Services as per § 132 German Investment Act (InvG).

Payment and information office in Germany

DZ Bank AG, Deutsche Zentral-Genossenschaftsbank
D-60265 Frankfurt am Main, Am Platz der Republik

Redemption orders for units of Raiffeisen-Euro-ShortTerm-Bonds may be submitted to the German payment and information office. The German payment and information office is able to pay out to unit holders redemption proceeds, any distributions and other payments, at their discretion in cash, in the national currency.

All information required by the investor may also be obtained from the German payment and information office free of charge before and after the conclusion of a contract:

- the fund regulations
- the full (detailed) and the simplified prospectus/the key investor information (where available)
- the annual and semi-annual fund reports and
- the issue and redemption prices

As well as the above-mentioned documents, the payment and distribution office agreement concluded between Raiffeisen Kapitalanlage-Gesellschaft m.b.H., Vienna and DZ Bank AG, Deutsche Zentral-Genossenschaftsbank, Am Platz der Republik, D-60265 Frankfurt am Main, is also available for inspection at the German payment and information office.

Announcements

The issue and redemption prices for the units and the other information for the unit holders are published in "Financial Times Deutschland".

**Supplement to the prospectus
for Raiffeisen-Euro-ShortTerm-Bonds
for investors in the Republic of Hungary**

Unit certificates are issued to bearer. The unit certificates shall be represented by global certificates (§ 24 of the Austrian Safe Custody of Securities Act, BGBl. [Austrian Federal Law Gazette] no. 424/1969). As the unit certificates are represented by global certificates, no actual securities are issued.

Under the agreement between Raiffeisen Bank Zrt. or another distribution office ("distribution office") and the client, the distribution office shall assume the role of a custodian (for the commission business between the parties). The distribution office shall hold its clients' unit certificates in a security deposit account at the custodian bank (Raiffeisen Bank International AG) and in dealings with the custodian bank shall be the person authorized to dispose of the account. This means that the client shall not be known to the custodian bank, even though he is the unit holder.

The Hungary Financial Market Supervisory Authority has been notified of the distribution of the unit certificates in the Republic of Hungary in accordance with § 288 (1) of Law No. CXX of 2001 on the Capital Market.

Type and location of information for Hungarian investors and information on the investment risk:

The following information is available at the distribution office branches as official offices at which the issue and repurchase of the unit certificates is possible for Hungarian investors:

- Fund regulations;
- The prospectus and the simplified prospectus/key investor information (where available);
- Annual fund report and semi-annual fund report, regular and irregular reports (where available);
- Issue and redemption prices (net asset value of unit certificates) and
- Other sales documents and brochures.

Regular and irregular information for Hungarian investors:

The information for Hungarian investors is provided at www.rcm-international.com/hu. The calculated value is published daily, the semi-annual fund report twice a year and the annual fund report once a year.

Distribution offices in Hungary:

1. **Raiffeisen Bank Zrt. (1054 Budapest Akadémia u. 6.)**
A list of branches is available at www.raiffeisen.hu
2. **Erste Befektetési Zrt. Europe Tower (1138 Budapest, Népfürdő u. 24-26.)**
A list of branches is available at www.erstebroker.hu/hu/erste_private_banking.html
The fund's sales division may also be reached through www.hozamplaza.hu
3. **Partner Bank Aktiengesellschaft (Goethestrasse 1a, 4020 Linz)**
Sales activities in Hungary through duly licensed securities companies as sales subpartners

Form of issuance:

Public

Tax and cost obligations associated with the unit certificates:

Depending on the investor's domicile, address, place of residence, nationality and other factors, the income for Hungarian investors resulting from the fund may be liable for taxation in Hungary and other countries.

In respect of the Hungarian taxes applicable in connection with the investor's income resulting from the fund, we refer to § 65 of Law No. CXVII of 1995 on the Private Income Tax, to § 7 of Law No. LXXXI of 1996 on Corporate Income Tax and Dividends Tax and to Directives No. 2002/80 and 2004/96 issued by the Hungarian Tax Office, with the recommendation that investors consult a lawyer or tax adviser registered in Hungary regarding their tax liability.

Applicable legislation:

The establishment and management of the investment funds presented in this prospectus and the issuance of the fund unit certificates are subject to the prescriptions of substantive Austrian law. The distribution of the fund unit certificates in Hungary is subject to individual prescriptions of Law No. CXX of 2001 on the Capital Market, particularly § 288.

**ADDITIONAL INFORMATION FOR INVESTORS
IN THE PRINCIPALITY OF LIECHTENSTEIN**

Notice of the distribution of units of the fund Raiffeisen-Euro-ShortTerm-Bonds in the Principality of Liechtenstein has been provided in accordance with the Law on Investment Companies (IUG) and approved by the Liechtenstein Financial Market Authority.

Payment Office in the Principality of Liechtenstein:

Raiffeisen Bank (Liechtenstein) AG
Austrasse 51
FL-9490 Vaduz

All the information on Raiffeisen-Euro-ShortTerm-Bonds required by the investor is available free-of-charge in German at the payment office. This includes the following:

- the fund regulations
- the prospectuses/the key investor information (where available)
- the annual and semi-annual fund reports
- issue and redemption prices (NAV)

Announcements:

Issue and redemption prices (NAV) of the units are published at least twice a month in the newspaper "Liechtensteiner Vaterland". Changes to the prospectus/the key investor information (where available) and the fund regulations are also announced in this newspaper.

Place of performance and place of jurisdiction is Vaduz.

ADDITIONAL INFORMATION FOR INVESTORS IN ITALY

Purchasing of the unit certificates

Investors resident in Italy are able to purchase the unit certificates by means of a one-off minimum payment of EUR 1000 or an installment payment (Pani di Accumolo or "PAC").

The PAC consists of regular inpayments on the fifth day of the month amounting to at least EUR 30/month.

In relation to the international distribution of the unit certificates of Raiffeisen-Euro-ShortTerm-Bonds, it may be necessary to specify its payment offices or other legal entities which charge the investors costs associated with their payment office function.

**APPENDIX TO PROSPECTUS FOR INVESTORS
IN THE REPUBLIC OF SLOVENIA**

Management company: Raiffeisen Kapitalanlage-Gesellschaft m.b.H. (Raiffeisen KAG), Schwarzenbergplatz 3, 1010 Vienna, entered in the company register held by Vienna Commercial Court under companies register number FN 83517w.

Name of the investment fund: Raiffeisen-Euro-ShortTerm-Bonds

ISIN codes: AT0000859541 (D), AT0000962147 (savings fund D), AT0000822606 (R), AT0000822614 (savings fund R), AT0000785209 (F)

Names and addresses of the payment and distribution offices in the Republic of Slovenia at which inpayments and outpayments of the redemption price for the units are possible and through which other payments can be made to the unit holders of the investment fund ("paying agent").

HEAD OFFICE:
RAIFFEISEN BANKA d.d.
Zagrebška cesta 76,
2000 Maribor
Tel.: 02 229 31 00
Fax: 02 252 47 72

RAIFFEISEN NALOŽBENI CENTER
Zagrebška cesta 76,
2000 Maribor
Tel.: 02 229 32 96
Fax: 02 252 55 18

Poslovalnica Celje (Celje Office)
Prešernova ulica 23,
3000 Celje
Tel.: 03 425 88 68
Fax: 03 425 88 71

Poslovalnica Celje (Celje II Office)
Kidričeva ulica 24,
3000 Celje
Tel.: 03 425 86 57
Fax: 03 425 86 59

Poslovalnica Koper (Koper Office)
Cesta Zore Perello Godina 2,
6000 Koper
Tel.: 05 662 16 80
Fax: 05 662 16 87

Poslovalnica Kranj (Kranj Office)
Nazorjeva ulica 3,
4000 Kranj
Tel.: 04 280 70 12
Fax: 04 280 70 25

Poslovalnica Ljubljana I
(Ljubljana I Office)
Pogačarjev trg 2,
1000 Ljubljana
Tel.: 01 234 98 12
Fax: 01 234 98 19

Poslovalnica Ljubljana II
(Ljubljana II Office)
Linhartova cesta 9,
1000 Ljubljana
Tel.: 01 230 13 07
Fax: 01 433 94 62

Finančni center Tivoli
Tivolska cesta 30,
1000 Ljubljana
Tel.: 01 47 57 860
Fax: 01 47 57 840

Poslovalnica Maribor I (Maribor Office I)
Slomškov trg 18,
2000 Maribor
Tel.: 02 229 31 00
Fax: 02 252 35 02

Poslovalnica Maribor II (Maribor II Office)
Na poljanah 18
2000 Maribor
Tel.: 02 421 28 83
Fax: 02 421 28 85

Poslovalnica Ptuj (Ptuj Office)
Potrčeva cesta 4a,
2250 Ptuj
Tel.: 02 748 01 20
Fax: 02 748 01 33

Poslovalnica Murska Sobota
(Murska Sobota Office)
Slomškova ulica 1,
9000 Murska Sobota
Tel.: 02 530 00 20
Fax: 02 530 00 23

Poslovalnica Nova Gorica
(Nova Gorica Office)
Delpinova ulica 20,
5000 Nova Gorica
Tel.: 05 335 75 12
Fax: 05 302 66 58

Poslovalnica Novo mesto
(Novo mesto Office)
Prešernov trg 1,
8000 Novo mesto
Tel.: 07 371 98 70
Fax: 07 332 40 44

Poslovalnica Šoštanj (Šoštanj Office)
Cesta Lole Ribarja 2,
3325 Šoštanj
Tel.: 03 898 68 90
Fax: 03 898 68 86

Description of the tasks and competences assigned to the payment and distribution office in the Republic of Slovenia and the custodian bank or the management company:

Unit holders:

Unit certificates are issued to bearer. The unit certificates shall be represented by global certificates (§ 24 of the Austrian Safe Custody of Securities Act, BGBl. [Austrian Federal Law Gazette] no. 424/1969). This being the case, no actual securities shall be made available to the company's clients. However, at the discretion of the management company the unit certificates may also be represented by actual securities.

Management of the register of unit holders:

Under the agreement between Raiffeisen banka d.d. and the investor, Raiffeisen banka d.d. shall assume the role of a custodian. Raiffeisen banka d.d. holds the unit certificates of its clients through a security deposit account at Raiffeisen Bank International AG. Raiffeisen banka d.d. keeps the register of unit holders for its clients. This means that the client shall not be known to the custodian bank, even though he is the unit holder.

Legal consequences for the investor in the event of the annulment of the agreement between the payment and distribution office in the Republic of Slovenia and the management company:

In the event of the annulment of the agreement between the payment and distribution office in the Republic of Slovenia and the management company, the management company shall be obliged to protect the rights of all investors in the investment fund. In this case, the management company shall take on all transactions of the payment and distribution office or shall be obliged to establish a business relationship with a new payment and distribution office in the Republic of Slovenia and to notify investors suitably and immediately of all important information.

Issuance and repurchasing of the units in the Republic of Slovenia:

All issue and repurchase orders received by 11:30 a.m. shall be implemented on the basis of the unit value as of the following working day (d+1). If the order is granted after 11:30 a.m., all issue and repurchase orders shall be implemented on the basis of the unit value as of the next-but-one working day (d+2).

The reference time refers to the moment on which the funds are entered on the account of Raiffeisen banka d.d. or where Raiffeisen banka d.d. confirms the transfer or payment order by means of a stamp and signature. The precise time of the order's confirmation is indicated in the document itself. However, in practice this means that this time is the moment on which the investor signed and submitted the transfer or sale instruction at one of the authorized payment and distribution offices.

Euro amounts shall be transferred to the account held by Raiffeisen banka d.d.:
01000 – 0002400057 with the reference number 00 293070.

Unit certificates shall only be issued in EUR.

When funds are repurchased, the resources shall be transferred to the client's transaction account on the date of payment.

Information for investors:

The value of the unit shall be announced on a daily basis in the daily newspaper Finance and on the Internet website of Raiffeisen banka d.d. (www.raiffeisen.si). Investors shall be provided at the payment and distribution offices with the prospectus, the fund regulations, the simplified prospectus or the key investor information (where available), the latest annual fund report and possibly the follow-up semi-annual fund report for the investment fund. These documents may also be obtained from the website of banka d.d. (www.raiffeisen.si). Notice of changes to the prospectus, the simplified prospectus or the key investor information (where available), the annual fund report or the semi-annual fund report will be provided in the daily newspaper Finance.

The management company shall provide information for investors in the daily newspaper Finance on legally relevant business events associated with the business activity of the management company or the investment fund and information on changes to the fund regulations or a possible transfer of the management of the investment fund or the start of the investment fund's liquidation. It shall do so immediately upon receipt of such information.

Notification of investors regarding their units:

Investors shall receive confirmation following every issue and repurchase. Raiffeisen banka d.d. shall issue this confirmation within four banking days of the issue or repurchase of the units. Once a year, normally at the start of the calendar year, they shall receive a statement of the value of their units.

Brief description of tax treatment of investors in the Republic of Slovenia:

a.) Taxation of private individuals:

Under the Slovenian Income Tax Act (ZDOH-2, official gazette of the Republic of Slovenia, no. 117/06) investment fund unit certificates are considered to be capital.

The redemption of the investment coupon for the investment fund is also considered a taxable capital disposal. The assessment base for the tax on earnings is based on the difference between the capital value at the disposal and the capital value at the purchase.

From the tax on earnings the income tax shall be calculated at a tax rate of 20 per cent, paid from the assessment base and treated as a final tax.

The income tax rate for the capital gains shall be reduced every five years for which the capital is held and shall be as follows:

1. up to five years of capital holding: 15 %,
2. up to ten years of capital holding: 10 %,
3. up to fifteen years of capital holding: 5 %,
4. twenty or more years of capital holding: 0 %.

b.) Taxation of corporate bodies:

Under the Slovenian Law on the Taxation of Earnings of Corporate Bodies (ZDDPO-2, official gazette of the Republic of Slovenia, no. 117/06), the tax liability of a corporate body is based on the company's head office or place of actual management (as under foreign law). A corporate body liable to pay tax in the Republic of Slovenia is obliged to pay income tax on all earnings originating inside or outside the Republic of Slovenia.

A tax rate of 20 per cent applies for the profit recognized for tax purposes.