

Raiffeisen Dynamic Bonds

(Original German name: Raiffeisen-Dynamic-Bonds)

semi-annual fund report

reporting period Jan 1, 2017 – Jun 30, 2017

Table of contents

General fund information	3
Fund characteristics.....	3
Legal notice	4
Fund details.....	5
Units in circulation.....	5
Fund investment policy report	6
Makeup of fund assets in EUR	7
Portfolio of investments in EUR as of Jun 30, 2017	8
Appendix	12

Report for the reporting period from Jan 1, 2017 to Jun 30, 2017

General fund information

ISIN	Tranche	Income class	Currency	Launch date
AT0000637400	Raiffeisen Dynamic Bonds (R) A	income-distributing	EUR	Oct 1, 2003
AT0000A1V4D4	Raiffeisen Dynamic Bonds (RZ) A	income-distributing	EUR	May 2, 2017
AT0000637426	Raiffeisen Dynamic Bonds (R) T	income-retaining	EUR	Oct 1, 2003
AT0000A1V4C6	Raiffeisen Dynamic Bonds (RZ) T	income-retaining	EUR	May 2, 2017
AT0000637442	Raiffeisen Dynamic Bonds (R) VTA	full income-retaining (outside Austria)	EUR	Oct 28, 2003
AT0000A1V4E2	Raiffeisen Dynamic Bonds (RZ) VTA	full income-retaining (outside Austria)	EUR	May 2, 2017
AT0000A0QZP1	Raiffeisen Dynamic Bonds (S) VTA	full income-retaining (outside Austria)	EUR	Nov 2, 2011

Fund characteristics

Fund currency	EUR
Financial year	Jan 1 – Dec 31
Distribution/payment/reinvestment date	Mar 15
Type of fund	Investment fund pursuant to § 2 of the Austrian Investment Fund Act, InvFG (UCITS)
Effective management fee for the fund	R-Tranche (EUR): 0.600 % RZ-Tranche (EUR): 0.300 % S-Tranche (EUR): 1.000 %
Custodian bank	Raiffeisen Bank International AG
Management company	Raiffeisen Kapitalanlage-Gesellschaft m.b.H. Mooslackengasse 12, A-1190 Vienna Tel. +43 1 71170-0 Fax +43 1 71170-761092 www.rcm.at Companies register number: 83517 w
Fund management	Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
Auditor	KPMG Austria GmbH

Legal notice

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

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

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

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

Raiffeisen KAG uses the method developed by OeKB (Österreichische Kontrollbank AG) to calculate the fund's performance, on the basis of data provided by the custodian bank (where payment of the redemption price is suspended, using indicative values). Some costs – the subscription fee (not exceeding 2.75 % of the invested amount) and any redemption fee (not exceeding 0.00 % of the sold amount) – are not included in the performance calculation. Depending on their concrete value, they will reduce a performance accordingly. Past results do not permit any reliable inferences as to the future performance of the fund.

Dear unitholder,

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. is pleased to present its semi-annual fund report for Raiffeisen Dynamic Bonds for the reporting period from Jan 1, 2017 to Jun 30, 2017. The accounting is based on the price calculation as of Jun 30, 2017.

Fund details

	Dec 31, 2016	Jun 30, 2017
Total fund assets in EUR	22,659,561.82	19,227,761.50
Net asset value/distributing units (R) (AT0000637400) in EUR	94.22	90.43
Issue price/distributing units (R) (AT0000637400) in EUR	96.58	92.69
Net asset value/distributing units (RZ) (AT0000A1V4D4) in EUR	-	98.83
Issue price/distributing units (RZ) (AT0000A1V4D4) in EUR	-	98.83
Net asset value/reinvested units (R) (AT0000637426) in EUR	120.62	116.65
Issue price/reinvested units (R) (AT0000637426) in EUR	123.64	119.57
Net asset value/reinvested units (RZ) (AT0000A1V4C6) in EUR	-	98.83
Issue price/reinvested units (RZ) (AT0000A1V4C6) in EUR	-	98.83
Net asset value/fully reinvested units (R) (AT0000637442) in EUR	130.59	126.66
Issue price/fully reinvested units (R) (AT0000637442) in EUR	133.85	129.83
Net asset value/fully reinvested units (RZ) (AT0000A1V4E2) in EUR	-	98.83
Issue price/fully reinvested units (RZ) (AT0000A1V4E2) in EUR	-	98.83
Net asset value/fully reinvested units (S) (AT0000A0QZP1) in EUR	127.78	123.67
Issue price/fully reinvested units (S) (AT0000A0QZP1) in EUR	129.76	125.59

Units in circulation

	Units in circulation on Dec 31, 2016	Sales	Repurchases	Units in circulation on Jun 30, 2017
AT0000637400 (R) A	47,168.589	8.074	-4,220.215	42,956.448
AT0000A1V4D4 (RZ) A	-	10.000	0.000	10.000
AT0000637426 (R) T	59,445.603	624.162	-5,975.535	54,094.230
AT0000A1V4C6 (RZ) T	-	10.000	0.000	10.000
AT0000637442 (R) VTA	83,691.003	1,698.146	-14,946.157	70,442.992
AT0000A1V4E2 (RZ) VTA	-	10.000	0.000	10.000
AT0000A0QZP1 (S) VTA	895.089	21.153	-48.114	868.128
Total units in circulation				168,391.798

Fund investment policy report

In the period under review, the fund invested in long-term government bonds issued by Germany, Italy and France. It hedged these investments from time to time during the reporting period by entering into derivative transactions, while taking into consideration the signals provided by a quantitative model. In the first six months of 2017, yields on 10-year German government bonds generally fluctuated between approx. 0.2 % and 0.5 %. The Eurozone's favorable economic environment contrasted with inflation momentum which remained moderate. The timing of the hedging transactions entered into was somewhat inopportune in this environment, and they were subsequently unwound. Overall, a clear decline in the value of a unit in the fund was thus registered in the first half of the accounting year.

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

Makeup of fund assets in EUR

Any discrepancies in terms of the market value or the share of the fund assets result from rounding-off.

UCITS refers to units in an undertaking for collective investment in transferable securities

§ 166 InvFG refers to units in investment funds in the form of "other asset portfolios"

§ 166 (1) item 2 InvFG refers to units in special funds

§ 166 (1) item 3 InvFG refers to units in undertakings for collective investment in transferable securities pursuant to § 166 (1) item 3 InvFG
(such as alternative investments/hedge funds)

§ 166 (1) item 4 InvFG refers to units in real estate funds

Type of security	OGAW/§ 166	Currency	Market value in EUR	Share of fund assets
Fixed bonds		EUR	19,036,027.50	99.00 %
Total Fixed bonds			19,036,027.50	99.00 %
Total securities			19,036,027.50	99.00 %
Bank balances/liabilities				
Bank balances/liabilities in fund currency			139,821.35	0.73 %
Total bank balances/liabilities			139,821.35	0.73 %
Accruals and deferrals				
Interest claims (on securities and bank balances)			67,502.55	0.35 %
Total accruals and deferrals			67,502.55	0.35 %
Other items				
Various fees			-15,589.90	-0.08 %
Total other items			-15,589.90	-0.08 %
Total fund assets			19,227,761.50	100.00 %

Portfolio of investments in EUR as of Jun 30, 2017

Dates indicated for securities refer to the issue and redemption dates. An issuer's right of premature redemption (where applicable) is not specified.

The securities marked with a "Y" have an open-ended maturity (is perpetual). The price for forward exchange transactions is indicated in the relevant counter currency for the currency in question.

Any discrepancies in terms of the market value or the share of the fund assets result from rounding-off.

UCITS refers to units in an undertaking for collective investment in transferable securities

§ 166 InvFG refers to units in investment funds in the form of "other asset portfolios"

§ 166 (1) item 2 InvFG refers to units in special funds

§ 166 (1) item 3 InvFG refers to units in undertakings for collective investment in transferable securities pursuant to § 166 (1) item 3 InvFG (such as alternative investments/hedge funds)

§ 166 (1) item 4 InvFG refers to units in real estate funds

Type of security	OGAW/§ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales under review Units/Nom.	Pool- ILB Factor	Price	Market value in EUR	Share of fund assets
Fixed bonds		DE0001102408	BUNDESREPUB. DEUTSCHLAND DBR 0 08/15/26	EUR	1,000,000				96.615000	966,150.00	5.02 %
Fixed bonds		DE0001102374	BUNDESREPUB. DEUTSCHLAND DBR 0 1/2 02/15/25	EUR	1,000,000		800,000		102.649000	1,026,490.00	5.34 %
Fixed bonds		DE0001102390	BUNDESREPUB. DEUTSCHLAND DBR 0 1/2 02/15/26	EUR	750,000				101.752000	763,140.00	3.97 %
Fixed bonds		DE0001102416	BUNDESREPUB. DEUTSCHLAND DBR 0 1/4 02/15/27	EUR	1,100,000	1,100,000			98.104000	1,079,144.00	5.61 %
Fixed bonds		DE0001102366	BUNDESREPUB. DEUTSCHLAND DBR 1 08/15/24	EUR	850,000		250,000		106.523000	905,445.50	4.71 %
Fixed bonds		DE0001102382	BUNDESREPUB. DEUTSCHLAND DBR 1 08/15/25	EUR	1,700,000				106.346000	1,807,882.00	9.40 %
Fixed bonds		IT0005090318	BUONI POLIENNALI DEL TES BTPS 1 1/2 06/01/25	EUR	1,100,000				97.922000	1,077,142.00	5.60 %
Fixed bonds		IT0005210650	BUONI POLIENNALI DEL TES BTPS 1 1/4 12/01/26	EUR	1,050,000	50,000			93.495000	981,697.50	5.11 %
Fixed bonds		IT0005170839	BUONI POLIENNALI DEL TES BTPS 1.6 06/01/26	EUR	800,000	600,000			97.067000	776,536.00	4.04 %
Fixed bonds		IT0005045270	BUONI POLIENNALI DEL TES BTPS 2 1/2 12/01/24	EUR	1,300,000		300,000		105.692000	1,373,996.00	7.15 %
Fixed bonds		IT0005127086	BUONI POLIENNALI DEL TES BTPS 2 12/01/25	EUR	850,000				100.988000	858,398.00	4.46 %
Fixed bonds		IT0005001547	BUONI POLIENNALI DEL TES BTPS 3 3/4 09/01/24	EUR	1,250,000		250,000		114.357000	1,429,462.50	7.43 %
Fixed bonds		FR0012517027	FRANCE (GOVT OF) FRTR 0 1/2 05/25/25	EUR	1,000,000				100.359000	1,003,590.00	5.22 %
Fixed bonds		FR0013131877	FRANCE (GOVT OF) FRTR 0 1/2 05/25/26	EUR	900,000	350,000			98.793000	889,137.00	4.62 %
Fixed bonds		FR0013200813	FRANCE (GOVT OF) FRTR 0 1/4 11/25/26	EUR	1,000,000	1,000,000			95.650000	956,500.00	4.97 %
Fixed bonds		FR0013250560	FRANCE (GOVT OF) FRTR 1 05/25/27	EUR	1,000,000	1,000,000			101.834000	1,018,340.00	5.30 %
Fixed bonds		FR0012938116	FRANCE (GOVT OF) FRTR 1 11/25/25	EUR	700,000				103.760000	726,320.00	3.78 %
Fixed bonds		FR0011962398	FRANCE (GOVT OF) FRTR 1 3/4 11/25/24	EUR	700,000		700,000		110.206000	771,442.00	4.01 %
Fixed bonds		FR0010916924	FRANCE (GOVT OF) FRTR 3 1/2 04/25/26	EUR	500,000				125.043000	625,215.00	3.25 %
Total licensed securities admitted to trading on the official market or another regulated market										19,036,027.50	99.00 %
Total securities										19,036,027.50	99.00 %
Bank balances/liabilities				EUR						139,821.35	0.73 %
Total bank balances/liabilities										139,821.35	0.73 %

Type of security	OGAW/§ 166	ISIN	Security title	Currency	Volume Units/Nom.	Purchases In period under review Units/Nom.	Sales Units/Nom.	Pool-/ILB Factor	Price	Market value in EUR	Share of fund assets
Accruals and deferrals											
Interest claims (on securities and bank balances)										67,502.55	0.35 %
Total accruals and deferrals										67,502.55	0.35 %
Other items											
Various fees										-15,589.90	-0.08 %
Total other items										-15,589.90	-0.08 %
Total fund assets										19,227,761.50	100.00 %

ISIN	Income class	Currency	Net asset value per unit	Units in circulation
AT0000637400	R income-distributing	EUR	90.43	42,956.448
AT0000A1V4D4	RZ income-distributing	EUR	98.83	10.000
AT0000637426	R income-retaining	EUR	116.65	54,094.230
AT0000A1V4C6	RZ income-retaining	EUR	98.83	10.000
AT0000637442	R full income-retaining (outside Austria)	EUR	126.66	70,442.992
AT0000A1V4E2	RZ full income-retaining (outside Austria)	EUR	98.83	10.000
AT0000A0QZP1	S full income-retaining (outside Austria)	EUR	123.67	868.128

Securities purchases and sales during the period under review not listed under the portfolio of assets:

Type of security	OGAW/§ 166	ISIN	Security title	Currency	Purchases Additions	Sales Disposals
Fixed bonds		DE0001102358	BUNDESREPUB. DEUTSCHLAND DBR 1 1/2 05/15/24	EUR		900,000
Fixed bonds		IT0004953417	BUONI POLIENNALI DEL TES BTPS 4 1/2 03/01/24	EUR		700,000
Fixed bonds		FR0011619436	FRANCE (GOVT OF) FRTR 2 1/4 05/25/24	EUR		1,400,000
Fixed bonds		FR0010466938	FRANCE (GOVT OF) FRTR 4 1/4 10/25/23	EUR		1,000,000

Further information on securities lending transactions

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

0.00 %

On the reporting date Jun 30, 2017 no securities had been lent.

- Identity of the counterparties for securities lending transactions:

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

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

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

Country of counterparty (Raiffeisen Bank International AG): Austria

Settlement: bilateral

- Custody of collateral which the investment fund has received in connection with securities lending transactions:

Sight deposits are held as a deposit on an account with a credit institution determined by the management company. Other collateral is held on a security deposit account of the management company with Raiffeisen Bank International AG (custodian bank) and is likewise not reused.

- Custody of collateral which the investment fund has provided in connection with securities lending transactions:

Within the limits stipulated by law (§ 84 InvFG), the management company is merely permitted to lend securities to third parties. However, it is not permitted to borrow securities. Accordingly, the investment fund will not provide any collateral within the scope of securities lending transactions.

Further information on repurchase agreements

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

Total return swaps and similar derivative instruments

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

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

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

Vienna, 17 August 2017

Raiffeisen Kapitalanlage-Gesellschaft m.b.H.


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Appendix

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