

Raiffeisen-A.R.-Global-Balanced

in Hungary registered as
Raiffeisen-Abszolút hozam-Kiegyensúlyozott
-Globális Alapok alapja

Annual fund report

Financial year 2010

Note:

The unqualified audit opinion was awarded by KPMG Austria GmbH only for the unabridged German version.

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Report for the financial year from 1 January 2010 to 31 December 2010

The fund is based on a broadly diversified portfolio covering stock and bond markets in all regions, currencies and risk classes and thus participates in global capital market trends. The fund realizes additional value through a series of active management decisions in its subfunds and its fund of funds. In addition, risk control by means of derivative instruments plays a key role, enabling the portfolio's flexible adjustment in line with the current market environment. The fund does not offer an explicit capital guarantee but has a goal of limiting potential losses in very weak market phases to no more than 3 % at the end of a given calendar year.

General fund information

Tranche	Launch date	ISIN
ISIN income-retaining (T)	3/1/2006	AT0000501150
ISIN full income-retaining (outside Austria) (V)	3/1/2006	AT0000500897
ISIN savings fund income-retaining (T)	3/1/2006	AT0000A05568

Fund characteristics

Fund currency:	EUR
Financial year:	1 January – 31 December
Distribution/payment/reinvestment date:	15 March
EU directive compliance:	EU directive-compliant (public fund investing pursuant to § 20 of the Austrian Investment Fund Act)
Fund type:	Fund of funds (min. 66 % subfunds)
Target group:	Public fund
Custodian bank:	Raiffeisen Bank International AG ¹
Asset management company:	Raiffeisen Kapitalanlage-Gesellschaft m. b. H. Schwarzenbergplatz 3, A-1010 Vienna Tel. +43 1 71170-0, Fax +43 1 71170-1092 www.rcm.at Companies register number: 83517 w
Fund management:	Raiffeisen Kapitalanlage-Gesellschaft m. b. H.
Auditor:	KPMG Austria GmbH

¹ On 10 October 2010 Raiffeisen Bank International AG assumed the commercial customer business previously handled by Raiffeisen Zentralbank Österreich AG (including its custodian bank function) by way of universal succession.

Specific fund information during the financial year

Max. management fee for subfunds:	2.00 % (excluding any performance-related fee)
Change of custodian bank:	to 9 October 2010: Raiffeisen Zentralbank Österreich AG

Legal notice

The current version of the published prospectus (excluding special funds) – plus any amendments since its initial publication – is available to potential investors at www.rcm.at.

All data and information has been compiled and checked with the greatest care. No liability or guarantee can be assumed for the recentness, correctness and completeness of the information provided. We consider the sources used to be reliable. 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) In principle, the value of assets quoted or traded on a stock market or on another regulated market will be determined 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 valuation methods shall be used.

Dear unit holder,

Raiffeisen Kapitalanlage-Gesellschaft m. b. H. is pleased to present its annual fund report for Raiffeisen-A.R.-Global-Balanced for the financial year from 1 January 2010 to 31 December 2010.

Fund details in EUR

	31/12/2009	31/12/2010
Fund assets	14,767,547.30	13,154,992.29
Net asset value/unit (T)	94.35	98.85
Issue price/unit (T)	97.18	101.82
Net asset value/unit (V)	95.86	100.87
Issue price/unit (V)	98.74	103.90

	15/3/2010	15/3/2011
Outpayment/unit (T)	0.41	0.22
Reinvestment/unit (T)	0.00	4.90
Reinvestment/unit (V)	0.00	5.21

Payment will be made by the custodian banks,

Units in circulation

	T	V
Units in circulation on 31/12/2009	36,883.494	117,741.738
Sales	2,353.679	6,800.284
Repurchases	- 7,033.759	- 25,685.982
Units in circulation	32,203.414	98,856.040
Total units in circulation on 31/12/2010		131,059.454

Fund details in EUR for last 5 financial years

The performance calculation assumes wholesale reinvestment of distributed/paid-out amounts at their net asset value on the distribution/payment date. Pursuant to the terms of the 2007 Austrian Securities Supervision Act, no indication is provided for a performance of less than twelve months. We apologize for any inconvenience.

Reinvested units	31/12/2006	31/12/2007	31/12/2008	31/12/2009	31/12/2010
Total fund assets	19,402,654.02	21,974,579.19	14,897,842.62	14,767,547.30	13,154,992.29
Net asset value/unit	98.61	97.71	90.63	94.35	98.85
Amount used for reinvestment	0.00	1.40	0.00	0.00	4.90
Outpayment as per § 13 (3) InvFG	0.42	0.50	0.57	0.41	0.22
Performance as %	-	- 0.49	- 6.76	4.77	5.23

Fully reinvested units	31/12/2006	31/12/2007	31/12/2008	31/12/2009	31/12/2010
Total fund assets	19,402,654.02	21,974,579.19	14,897,842.62	14,767,547.30	13,154,992.29
Net asset value/unit	98.61	98.13	91.50	95.86	100.87
Amount used for full reinvestment	0.00	1.90	0.00	0.00	5.21
Performance as %	-	- 0.49	- 6.76	4.77	5.23

The performance is calculated by Raiffeisen Kapitalanlage-Gesellschaft m. b. H. using the method developed by OeKB (Österreichische Kontrollbank AG), on the basis of data supplied by the custodian bank (where outpayment of the redemption price is suspended, with use of indicative values). Individual costs such as the subscription and redemption fees, other fees, commission and other charges are not included in the performance calculation. They would lead to a reduced performance. Past results do not permit any inferences as to the future performance of an investment fund. Note for investors whose domestic currencies differ from the fund's currency: We would like to point out that the yield may rise or fall due to currency fluctuations.

Development of the fund assets and income statement in EUR

Performance in financial year (fund performance)

Reinvested units

Net asset value per unit at start of financial year	94.35
Outpayment on 15/3/2010 (net asset value: EUR 93.99) of EUR 0.41, corresponds to 0.004362 units	
Net asset value per unit at end of financial year	98.85
Total value incl. units purchased through outpayment (1.004362 x 98.85)	99.28
Net income/net reduction per unit	4.93

Fully reinvested units

Net asset value per unit at start of financial year	95.86
Net asset value per unit at end of financial year	100.87
Net income/net reduction per unit	5.01

Performance of one unit during the financial year as %

5.23

Development of fund assets

Fund assets on 31/12/2009 (154,625.232 units)	14,767,547.30
Outpayment on 15/3/2010 (EUR 0.41 x 35,639.727 reinvested units)	- 14,612.29
Issuance of units	884,744.08
Redemption of units	- 3,173,604.98
Pro rata income adjustment	70,826.15
Overall fund result	620,092.03
Fund assets on 31/12/2010 (131,059.454 units)	13,154,992.29

Fund result in EUR

A. Realized fund result

Ordinary fund result

Income (excl. closing price)		
Interest income	4,358.03	
Interest expenses	- 641.07	
Income from subfunds (incl. actual distributions)	233,956.95	
Dividend income from subfunds	6,539.07	244,212.98
Expenses		
Management fees	- 116,353.45	
Custodian bank fees	- 2,500.00	
Audit expenses	- 2,394.00	
Custodian fee	- 949.53	
Other fees	- 11,620.09	
Reimbursement of administrative expenses	2,164.34	
Custodian bank's administration fee in connection with management costs remuneration from subfunds	- 86.57	- 131,739.30
Ordinary fund result (excl. income adjustment)		112,473.68

Realized closing price

Profits realized from securities	495,771.88	
Profits realized from derivative instruments	1,030,376.74	
Losses realized from securities	- 215,464.12	
Losses realized from derivative instruments	- 672,145.63	
Realized closing price (excl. income adjustment)		638,538.87
Realized fund result (excl. income adjustment)		751,012.55

B. Unrealized closing price

Change in unrealized closing price	- 95,109.14	
Calculated distribution-equivalent income	- 35,014.77	- 60,094.37

C. Income adjustment

Income adjustment for income during financial year		- 70,826.15
Overall fund result		620,092.03

Appropriation of fund result in EUR

Outpayment as per § 13 clause 3 InvFG (EUR 0.22 x 32,203.414 reinvested units)	7,084.75
Reinvested amount (reinvestment)	157,719.26
Reinvested amount (full reinvestment)	515,382.39
Total	680,186.40
Realized fund result (incl. income adjustment)	680,186.40
Total	680,186.40

Capital market report

The last few months of 2010 on the capital markets were characterized by the return of the Eurozone debt crisis and by attempts to establish a long-term solution to the problem. Yields rose for all bond classes in this phase. Following a correction in November, equities ended the year with a rally.

While October and November had been dominated by increasing fears regarding the credit worthiness of Ireland and subsequently also Portugal and Spain, in December the European Central Bank (ECB) finally managed to ease the situation somewhat through increased secondary market purchasing of these governments' bonds. The yield markups of Portugal and Spain fell slightly. Government bonds then came under general selling pressure in December. This mainly reflected a significantly improved economic outlook for the USA. This was due to the agreement reached between president Obama and the Republicans to extend Bush-era tax cuts until 2012. The additional support for the unemployed was also extended and further economy-boosting measures such as a reduction in social insurance contributions and investment incentives were approved. Fears of a fallback into recession in the USA were thus finally a thing of the past. At the same time, Germany was a continuous source of positive news. In December the IFO index – one of the key upstream indicators for the German economy – rose to its highest level since German reunification in 1990. While the economic outlook remains subdued for the peripheral countries, economic predictions for the Eurozone have nonetheless also improved.

Corporate bonds also recorded yield rises in December, but yield markups on government bonds were hardly changed or even tightened slightly. In a context of continuing high liquidity, positive stock markets and increasing risk propensity, corporate bonds remained in strong demand. Default rates which continued to fall provided the fundamental justification for this trend. They are now at just 3 % and should register further falls toward the 2 % mark.

The stock markets started out in the 4th quarter with a strong rise which was then interrupted by the return of the debt crisis. However, in December investors were won over by the improved economic outlook for the USA in combination with corporate results which remained as positive as before. In December alone, as an indicator for the broad US stock market the Standard & Poors index realized a gain of 6.6 % and the Euro Stoxx rose by 5.3 %. Stock markets in the emerging markets lagged behind the developed stock markets, and China finished the 4th quarter with an only narrowly positive result. Investors were unsettled by initial interest-rate hikes in China as well as other measures which were intended to calm the real estate market. However, Brazil also realized a performance which was only marginally positive. In contrast, South Africa's stock market attracted increasing interest and may benefit from the generally improved sentiment regarding Africa. For the year as a whole the emerging markets once again outperformed stock markets in the developed economies.

This is all the more apparent if the markets are considered on a euro basis. Most emerging markets currencies gained ground against the US dollar and the euro. The flow of capital into these countries continued over the past few months and has prompted further resistance from some countries in the form of revised regulations on capital movements.

The relationship between the euro and the US dollar in the 4th quarter was shaped by a further injection of liquidity by the Fed, on the one hand, and by the Eurozone's debt crisis on the other, causing the exchange rate to fluctuate between EUR/USD 1.4 and 1.3. EUR/USD ended the year at 1.33. The Swiss franc realized particularly strong gains against the euro in December. It finished the year at CHF/EUR 1.25.

Fund investment policy report

Equity prices rose in the period from the start of the year to mid-January. This upward trend subsequently underwent a clear correction. In the next phase of rising prices, in the period to mid-April new annual highs were once again reached in some markets. The markets subsequently entered another pronounced correction phase which lasted until late August, triggered by Greece's debt problem as well as fears of a further recession. Riskier asset classes such as equities and commodities recorded clear price gains from September up to the end of the period.

The picture for bonds is more mixed. While German Bund bonds were the top performers up to August or so, the government bonds worst affected by the debt crisis suffered clear losses. Corporate bonds and bonds issued by developing markets and eastern European countries also recorded gains but initially lagged clearly behind the trend for German government bonds. From September German government bonds also suffered a significant loss of value. In the autumn most asset classes in the bond segment recorded negative performances.

A market subject to major fluctuations and a lack of enduring price trends – as in the 1st half of this year – makes for a very poor environment for the fund's capital maintenance concept. The same is true of the extremely low interest rate levels. The fund's level of risk was increased during the market's brief upward periods before being lowered again in the following correction phase. In the absence of a lasting market trend – whether upward or downward – the fund was unable to realize the benefits associated with its capital maintenance concept.

Most of the fund's alpha strategies – i.e. strategies seeking to achieve price gains regardless of the market's performance – likewise suffered in this market environment and generally yielded losses instead of the expected price gains.

The fund's balanced strategic risk allocation (the distribution of risks in relation to individual asset classes) enabled it to realize a marginally positive performance despite the highly unfavorable environment (volatile, unjustified market trend and extremely low interest rates) in the 1st half of the period under review.

In the summer the fund's alpha strategies provided positive contributions and in the period from early September – when clear trends emerged – the fund repeatedly increased its holdings of risky asset classes on account of the higher prices. Only at the end of the year were these holdings reduced, in order to comply with the risk budget for 2011.

Makeup of fund assets in EUR

Securities	Market value	%
Investment certificates:		
EUR	12,415,241.21	94.38
USD	397,289.04	3.02
Total securities	12,812,530.25	97.40
Derivative products		
Valuation of financial futures	- 16,465.33	- 0.13
Valuation of forward exchange transactions	539.94	0.01
Total derivative products	- 15,925.39	- 0.12
Bank balances		
Bank balances in fund currency	225,659.14	1.72
Bank balances in foreign currency	132,187.99	1.00
Total bank balances	357,847.13	2.72
Accruals and deferrals		
Interest claims (on securities and bank balances)	537.35	0.00
Debt interest	- 23.52	0.00
Portfolio commission	26.47	0.00
Total accruals and deferrals	540.30	0.00
Fund assets	13,154,992.29	100.00

Portfolio of investments in EUR

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

ISIN	SECURITY TITLE	VOLUME 30/12/2010	PURCHASES ADDITIONS IN PERIOD	SALES DISPOSALS UNDER REVIEW	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
INVESTMENT CERTIFICATES IN EURO FOR OTHER ORGANIZED MARKETS							
IE00B1HL8R59	ABS.INS-UK EQ.MKT N.BA EO	580,661	580,661		1.172900	681,068.90	5.18
LU0411704413	B.S.F.-B.EO ABS.RET.A2 EO	4,770	4,770		107.440000	512,488.80	3.90
LU0269770029	BNPP L1- WLD.COMM. IH EO	3,430	1,274	1,662	116.740000	400,418.20	3.04
LU0099730524	DWS INST.-MONEY PLUS INH.	48	81	33	13,829.790000	663,829.92	5.05
IE00B3VHWQ03	GLG VI-EUR.AL.ALTERN.C EO	6,101	6,101		108.600000	662,568.60	5.04
LU0129415286	JPM-GL.CONV.(EUR)NAM.C	46,745	53,555	27,969	12.930000	604,412.85	4.59
LU0209988657	LO F.-CONVERTIBLE BD I C	46,799	61,694	34,302	14.280800	668,327.16	5.08
LU0255798018	PICTET-EM.LOC.CUR.D. I	2,875	3,175	300	181.530000	397,289.04	3.02
AT0000811773	RAIFFEISEN 305 - NON-EURO EQUITIES (T)	15,323	32,227	51,820	60.460000	926,428.58	7.04
AT0000A0ALQ3	RAIFFEISEN 307 - SHORT TERM INVESTMENTS (R)	7,624			102.820000	783,899.68	5.96
AT0000789284	RAIFFEISEN 308 - EURO-EQUITIES (T)	3,172	5,270	17,519	91.170000	289,191.24	2.20
AT0000613989	RAIFFEISEN 314 - EURO INFLATION LINKED (T)	11,606	18,024	20,234	120.050000	1,393,300.30	10.59
AT0000A0GYX9	RAIFFEISEN 372 - GTAA PLUS (T)	9,538	10,138	600	104.050000	992,428.90	7.54
AT0000A06QE0	RAIFFEISEN 902 - TREASURY ZERO II (T)	1,330	6,187	4,857	112.680000	149,864.40	1.14
LU0400063383	RAIFFEISEN ALT. STRAT.	12,893		1,449	101.390000	1,307,221.27	9.94
AT0000796412	RAIFFEISEN-EMERGINGMARKETS-AKTIE (R) (T)	1,169	1,726	2,383	242.720000	283,739.68	2.16
AT0000A0FXL8	RAIFFEISEN-EMERGINGMARKETS-LOCALBONDS (T)	3,736	3,736		117.330000	438,344.88	3.33
AT0000636741	RAIFFEISEN EMERGINGMARKETS BONDS (R) (T)	1,779	3,103	3,635	156.840000	279,018.36	2.12
AT0000712526	RAIFFEISEN EURO CORPORATES (T)	9,621	14,808	16,072	143.300000	1,378,689.30	10.48
AT0000740659	RAIFFEISEN EASTERN EUROPEAN BONDS (R) (T)		1,019	2,911	193.680000	0.19	0.00
TOTAL SECURITIES PORTFOLIO					EUR	12,812,530.25	97.40
FINANCIAL FUTURES IN EURO							
FGBL20110308	BUND FUTURE AS OF 8/3/2011	21	21		125.190000	-18,270.00	-0.14
FESX20110318	DJ EURX E-STXX50 FUTURE AS OF 18/3/2011	4	4		2,822.000000	-440.00	-0.01
FINANCIAL FUTURES IN US DOLLARS							
FCPR20110324	DJ UBS PRECIOUS METALS FUTURES AS OF 24/3/2011	17	17		225.000000	-11,412.90	-0.09
FCCO20110324	DJ UBS COMMODITY FUTURES AS OF 24/3/2011	16	16		160.580000	14,058.33	0.11
OFES20110318	MINI S&P 500 FUTURE AS OF 18/3/2011	-6		6	1,254.000000	-3,927.99	-0.03
FINANCIAL FUTURES IN JAPANESE YEN							
FTSP20110310	TOKYO STOCK PRICE INDEX AS OF 10/3/2011	1	1		904.500000	2,147.55	0.02
FINANCIAL FUTURES IN BRITISH POUNDS							
FTSE20110318	FT-SE 100 INDEX FUTURE AS OF 18/3/2011	1	1		5,954.500000	1,379.68	0.01
TOTAL FINANCIAL FUTURES ¹					EUR	-16,465.33	-0.13
FORWARD EXCHANGE TRANSACTIONS							
FORWARD EXCHANGE TRANSACTIONS IN AUSTRALIAN DOLLARS							
00958_638	DTG AUD EUR AS OF 21/1/2011	150,000			1.299489	7,095.49	0.05
FORWARD EXCHANGE TRANSACTIONS IN SWISS FRANCS							
00957_638	DTG CHF EUR AS OF 21/1/2011	-140,000			1.248392	-7,400.90	-0.05
FORWARD EXCHANGE TRANSACTIONS IN JAPANESE YEN							
00956_638	DTG JPY EUR AS OF 21/1/2011	-11,000,000			107.773572	-4,374.90	-0.03
FORWARD EXCHANGE TRANSACTIONS IN NORWEGIAN CROWNS							
00955_638	DTG NOK EUR AS OF 21/1/2011	802,000			7.812982	3,643.44	0.03
FORWARD EXCHANGE TRANSACTIONS IN NEW ZEALAND DOLLARS							
00953_638	DTG NZD EUR AS OF 21/1/2011	180,000			1.722264	2,944.92	0.02

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

ISIN	SECURITY TITLE	VOLUME 30/12/2010	PURCHASES ADDITIONS IN PERIOD UNDER REVIEW	SALES DISPOSALS	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
FORWARD EXCHANGE TRANSACTIONS IN US DOLLARS							
00954_638	DTG USD EUR AS OF 21/1/2011	-400,000			1.313455	-14,369.92	-0.11
00959_638	DTG USD EUR AS OF 21/1/2011	400,000			1.313455	13,588.99	0.10
00960_638	DTG USD EUR AS OF 21/1/2011	130,000			1.313455	4,416.42	0.04
DTG000363	DTG USD EUR AS OF 21/1/2011	-500,000			1.313455	-7,991.73	-0.06
DTG000391	DTG USD EUR AS OF 21/1/2011	490,000			1.313455	2,988.13	0.02
TOTAL FORWARD EXCHANGE TRANSACTIONS ¹					EUR	539.94	0.01
BANK BALANCES							
EUR BALANCES		EUR	225,659.14				
BALANCES IN OTHER EU CURRENCIES							
GBP		EUR	12,754.21				
SEK		EUR	-2,057.09				
BALANCES IN NON-EU CURRENCIES							
AUD		EUR	1,689.61				
CAD		EUR	575.44				
CHF		EUR	-1,693.36				
HKD		EUR	9,224.12				
JPY		EUR	3,115.26				
USD		EUR	108,579.80		EUR	357,847.13	2.72
ACCRUALS AND DEFERRALS							
INTEREST CLAIMS		EUR	537.35				
DEBT INTEREST		EUR	-23.52				
PORTFOLIO COMMISSION		EUR	26.47		EUR	540.30	0.00
TOTAL FUND ASSETS					EUR	13,154,992.29	100.00
NET ASSET VALUE PER REINVESTED UNIT					EUR	98.85	
NET ASSET VALUE PER FULLY REINVESTED UNIT					EUR	100.87	
REINVESTED UNITS IN CIRCULATION					UNITS	32,203.414	
FULLY REINVESTED UNITS IN CIRCULATION					UNITS	98,856.040	

EXCHANGE RATES

FOREIGN CURRENCY ASSETS WERE CONVERTED INTO EUR ON THE BASIS OF THE EXCHANGE RATES APPLICABLE ON 29/12/2010:

CURRENCY	UNIT	PRICE	
AUSTRALIAN DOLLAR	1 EUR	= 1.296200	AUD
CANADIAN DOLLAR	1 EUR	= 1.313200	CAD
SWISS FRANC	1 EUR	= 1.248650	CHF
BRITISH POUND	1 EUR	= 0.851650	GBP
HONG KONG DOLLAR	1 EUR	= 10.223800	HKD
JAPANESE YEN	1 EUR	= 107.798100	JPY
SWEDISH CROWN	1 EUR	= 8.994300	SEK
US DOLLAR	1 EUR	= 1.313650	USD

FUTURES EXCHANGE KEY:

CODE	STOCK EXCHANGE
CME	CHICAGO MERCANTILE EXCHANGE
EUREX	EUROPEAN EXCHANGE
LIFFE	NYSE Euronext LIFFE
TSE	TOKYO STOCK EXCHANGE

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

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

ISIN	SECURITY TITLE	PURCHASES ADDITIONS	SALES DISPOSALS
INVESTMENT CERTIFICATES IN EURO FOR OTHER ORGANIZED MARKETS			
LU0261074156	ASHMORE-LOCAL CUR. EO I	9,192	16,046
LU0273792142	JPM INV-HIGHB.STA.A AC.EO	3,345	3,345
AT0000811815	RAIFFEISEN 301 - EURO GOV. BONDS (T)	32,866	32,866
AT0000A0BAS0	RAIFFEISEN 312 (T)	122	122
AT0000A00GJ3	RAIFFEISEN 322 - EURO ALPHA DURATION (T)	47,725	47,970
AT0000A07YN3	RAIFFEISEN 336 - GTAA OVERLAY (I) (T)	553	13,289
AT0000A0BBT6	RAIFFEISEN 341 (T)		12,446

Raiffeisen Kapitalanlage-Gesellschaft m. b. H. complies with the quality standards of the Association of Austrian Investment Companies (*Vereinigung Österreichischer Investmentgesellschaften, VÖIG*).

Vienna, 14 March 2011

Raiffeisen Kapitalanlage-Gesellschaft m. b. H.


 Dr. Mathias Bauer


 Mag. (FH) Dieter Aigner


 Mag. Gerhard Aigner

Unqualified audit opinion

Unqualified audit opinion

We have audited the annual fund report including the accounting as of 31 December 2010 issued by Raiffeisen Kapitalanlage-Gesellschaft m. b. H., Vienna, for its fund Raiffeisen-A.R.-Global-Balanced, a jointly owned fund as per § 20 of the Austrian Investment Fund Act, for the financial year from 1 January 2010 to 31 December 2010.

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

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

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

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

We performed our audit in accordance with § 12 para. 4 of the Austrian Investment Fund Act whilst complying with the applicable Austrian statutory regulations and principles of proper balance-sheet auditing. These principles require our compliance with rules of professional conduct and our planning and execution of the audit so that we are able to form an opinion with a reasonable degree of certainty on whether the annual fund report is free from significant factual misstatements.

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

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

Audit outcome

Our audit has not met with any objections. On the basis of our audit findings, in our view the annual fund report as of 31 December 2010 for Raiffeisen-A.R.-Global-Balanced, a jointly owned fund as per § 20 of the Austrian Investment Fund Act, complies with the statutory regulations.

Compliance with the Austrian Investment Fund Act and the fund regulations

Pursuant to § 12 (4) InvFG our audit includes an assessment of whether this annual fund report complies with the Austrian Federal Act on Investment Funds (Austrian Investment Fund Act) and the fund regulations. We have implemented our audit in accordance with the above principles, so that we are able to determine with a sufficient level of certainty whether this annual fund report complies with the provisions of the Austrian Investment Fund Act and the fund regulations.

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

Report on activities performed during the past financial year

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

Vienna, 14 March 2011

KPMG Austria GmbH, auditing and tax consulting company

Wilhelm Kovsca
Auditor

pp. Franz Frauwallner
Auditor

Tax treatment

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

Fund regulations

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 information

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. 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, the unit certificates may be issued in several different unit certificate classes. The unit certificates shall be represented by global certificates (§ 24 of the currently applicable version of the Austrian Safe Custody of Securities Act) or by actual securities.
3. Each purchaser of a share of a global certificate shall acquire co-ownership of all of the investment fund's assets in the amount of his or her share of the fund units documented in the certificate. Each purchaser of a unit certificate shall acquire co-ownership 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 pledged or otherwise encumbered or given in security or assigned.
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 of the Austrian Investment Fund Act 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 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 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).
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.

§ 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 a markdown and/or a rounding-off where this is stipulated in the special fund regulations (§ 23). 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 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.raiffeisencapitalmanagement.at).

§ 9 Withdrawal period for income shares

Unit certificate 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.

Publications 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 Internet 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 Internet website of the issuing asset management company.

§ 11 Amendments 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-A.R.-Global-Balanced, 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

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. Income-retaining unit certificates with capital gains tax deducted and income-retaining unit certificates without capital gains tax deducted shall be issued for the investment fund.
The unit certificates shall be represented by global certificates and – at the discretion of the asset management company – by actual securities. Their issuance may be subject to delays on technical printing grounds.
3. 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 §§ 16ff 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)**
The investment principles for the investment fund grant a subordinate role to the purchase of securities pursuant to § 16 of these fund regulations.
 - **Money market instruments**
Money market instruments may also be purchased for the investment fund; the investment principles grant these instruments a subordinate role in the investment strategy.
 - **Units in investment funds**
The investment fund mainly invests in equity and bond funds and/or money market funds. Global equity funds may comprise up to 70 per cent of the fund assets.
 - **Sight deposits or deposits at notice**
In principle, up to 49 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, derivative instruments are used at the discretion of the asset 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). The overall risk associated with the derivative instruments is limited to 10 per cent of the overall net value of the fund assets (overall risk calculated using value-at-risk methods).
Further information on the overall risk calculation is provided in § 19b of the fund regulations.
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.

* On 10 October 2010 Raiffeisen Bank International AG assumed the commercial customer business previously handled by Raiffeisen Zentralbank Österreich Aktiengesellschaft (including its custodian bank and paying agent functions) by way of universal succession.

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 be purchased up to an amount of 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 and 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 30 per cent of the fund assets in total where
 - a) these funds do not invest more than 10 per cent of their 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 fund 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 any single investment fund may be purchased up to an amount of 20 per cent of the fund assets.

§ 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 49 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 as per § 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.

§ 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

The attributable risk amount for the market risk – calculated as the value-at-risk amount for the investments held in the fund – may not exceed 10 % of the overall net value of the fund assets (absolute VaR). The absolute VaR limit is stipulated on the basis of an evaluation of the overall investment process (e.g. historical index assessment). Further details and comments are provided in the prospectuses.

§ 20 Take-up of loans

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 Repurchase agreements

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 3 per cent.

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 1 through to December 31 of the calendar year.

§ 25 Management fee, reimbursement of expenses

The asset management company shall receive for its management activity an annual remuneration of up to 1.50 per cent of the fund assets, calculated pro rata on the basis of the values at the end of each month.

This remuneration is less the amount (max. 1.5 % p.a.) which the asset management company has received in management fees for this investment fund for those portions of the fund which it has invested in units of an investment fund managed by it.

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

Not applicable.

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

In this case, 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)

In this case, income during the accounting year net of costs shall not be distributed. No payout as per § 13 clause 3 InvFG shall occur. March 15 of the following accounting year shall be the key date as per § 13 clause 3 for a failure to make an outpayment of capital gains tax on the annual income.

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.

If these preconditions have not been met as of the outpayment date, the amount calculated as per § 13 clause 3 InvFG shall be paid out by the custodian bank in the form of credit.

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

In this case, 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://www.fma.gv.at/cms/site/attachments/2/0/2/CH0230/CMS1140105592256/geregelte_maerkte_2008.pdf¹

in the "Verzeichnis der Geregeltten Märkte (pdf)" ["Directory of Regulated Markets (pdf)"].

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

1.2.1	Finland	OMX Nordic Exchange Helsinki
1.2.2	Sweden	OMX Nordic Exchange Stockholm AB
1.2.3	Luxembourg	Euro MTF Luxembourg

1.3. Recognized markets in the EU pursuant to § 20 (3) item 1 sec. b InvFG:

1.3.1	United Kingdom	London Stock Exchange Alternative Investment Market (AIM)
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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	Switzerland	SWX Swiss Exchange
2.4	Serbia and Montenegro	Belgrade
2.5	Turkey	Istanbul (for Stock Market, "National Market" only)
2.6	Russia	Moscow (RTS Stock Exchange)

¹ The link may be modified by the Austrian Financial Market Authority (FMA). Please see the FMA's website, www.fma.gv.at, for the current link, Providers, "Information on Providers within Austrian Financial Market", Stock Exchange, Übersicht, Downloads, Verzeichnis der Geregeltten Märkte.

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	Seoul
3.13	Malaysia	Kuala Lumpur
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
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 Securities Market Association (ISMA), 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 Futures Exchange
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	Singapore International Monetary Exchange
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, New York Futures Exchange, Pacific Stock Exchange, Philadelphia Stock Exchange, New York Stock Exchange, Boston Options Exchange (BOX)