

Raiffeisen European HighYield
in Hungary registered as
Raiffeisen-Europa-MagasHozamuKötveny Alap

Annual fund report

Financial year 2010-2011

Note:

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

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Report for the financial year from 1 February 2010 to 31 January 2011

Raiffeisen European HighYield mainly invests in euro-denominated high-yield bonds (= bonds mainly issued by companies which lack the required credit ratings/investment grades and therefore offer significantly higher interest rates). A currency risk does not apply. The fund is actively managed and invests in the full range of maturities. Since Raiffeisen European HighYield mainly invests in corporate bonds, interest-rate changes and issuer risks in particular may affect the value of a unit in the fund. This fund is particularly suitable for investors wishing to benefit from corporate bond diversification as an alternative to a direct investment.

General fund information

Tranche	Launch date	ISIN
ISIN income-distributing (R) (A)	12/5/1999	AT0000796529
ISIN income-retaining (R) (T)	12/5/1999	AT0000796537
ISIN full income-retaining (outside Austria) (R) (V)	1/12/1999	AT0000765599
ISIN full income-retaining (outside Austria) (I) (V)	4/1/2010	AT0000A0EY43
ISIN savings fund income-distributing (R) (A)	12/5/1999	AT0000796545
ISIN savings fund income-retaining (R) (T)	12/5/1999	AT0000796552

Fund characteristics

Fund currency:	EUR
Financial year:	1 February – 31 January
Distribution/payment/reinvestment date:	15 April
EU directive compliance:	EU directive-compliant (public fund investing pursuant to § 20 of the Austrian Investment Fund Act)
Fund type:	Target fund (up to 10 % 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

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 European HighYield for the financial year from 1 February 2010 to 31 January 2011.

Fund details in EUR

	31/1/2010	31/1/2011
Fund assets	196,349,581.64	242,815,029.73
Net asset value/unit (R) (A)	74.26	79.20
Issue price/unit (R) (A)	76.49	81.58
Net asset value/unit (R) (T)	135.51	151.43
Issue price/unit (R) (T)	139.58	155.97
Net asset value/unit (R) (V)	163.18	185.02
Issue price/unit (R) (V)	168.08	190.57
Net asset value/unit (I) (V)	163.17	186.65
Issue price/unit (I) (V)	168.07	192.25
	15/4/2010	15/4/2011
Distribution/unit (R) (A)	4.66	4.63
Outpayment/unit (R) (T)	2.09	2.19
Reinvestment/unit (R) (T)	0.37	12.49
Reinvestment/unit (R) (V)	2.97	17.88
Reinvestment/unit (I) (V)	1.54	19.55

The distribution will occur free-of-charge at the fund's paying agents. Payment will be made by the custodian banks,

Units in circulation

	(R) A	(R) T	(R) V	(I) V
Units in circulation on 31/1/2010	579,993.071	496,172.621	527,230.539	10.000
Sales	121,145.548	921,247.660	672,706.087	57,540.773
Repurchases	- 93,127.150	- 762,134.275	- 735,699.117	- 6,524.754
Units in circulation	608,011.469	655,286.006	464,237.509	51,026.019
Total units in circulation on 31/1/2011				1,778,561.003

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.

Distributing units (R)	31/1/2007	31/1/2008	31/1/2009	31/1/2010	31/1/2011
Total fund assets	354,601,886.50	238,102,423.63	144,268,014.32	196,349,581.64	242,815,029.73
Net asset value/unit	88.45	76.67	52.67	74.26	79.20
Distribution	5.45	5.60	5.37	4.66	4.63
Performance as %	7.31	- 7.70	- 25.90	56.57	13.38

Reinvested units (R)	31/1/2007	31/1/2008	31/1/2009	31/1/2010	31/1/2011
Total fund assets	354,601,886.50	238,102,423.63	144,268,014.32	196,349,581.64	242,815,029.73
Net asset value/unit	134.12	121.93	88.73	135.51	151.43
Amount used for reinvestment	6.58	0.93	0.00	0.37	12.49
Outpayment as per § 13 (3) InvFG	2.04	2.20	2.23	2.09	2.19
Performance as %	7.31	- 7.70	- 25.90	56.57	13.38

Fully reinvested units (R)	31/1/2007	31/1/2008	31/1/2009	31/1/2010	31/1/2011
Total fund assets	354,601,886.50	238,102,423.63	144,268,014.32	196,349,581.64	242,815,029.73
Net asset value/unit	152.38	140.64	104.22	163.18	185.02
Amount used for full reinvestment	9.76	3.59	0.00	2.97	17.88
Performance as %	7.31	- 7.70	- 25.90	56.57	13.38

Fully reinvested units (I)	31/1/2010	31/1/2011
Total fund assets	196,349,581.64	242,815,029.73
Net asset value/unit	163.17	186.65
Amount used for full reinvestment	1.54	19.55
Performance as %	-	14.39

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)

Distributing units (R)	
Net asset value per unit at start of financial year	74.26
Distribution on 15/4/2010 (net asset value: EUR 73.65) of EUR 4.66, corresponds to 0.0633 units	
Net asset value per unit at end of financial year	79.20
Total value incl. units purchased through distribution (1.0633 x 79.20)	84.21
Net income/net reduction per unit	9.95
Reinvested units (R)	
Net asset value per unit at start of financial year	135.51
Outpayment on 15/4/2010 (net asset value: EUR 140.79) of EUR 2.09, corresponds to 0.014845 units	
Net asset value per unit at end of financial year	151.43
Total value incl. units purchased through outpayment (1.014845 x 151.43)	153.68
Net income/net reduction per unit	18.17
Fully reinvested units (R)	
Net asset value per unit at start of financial year	163.18
Net asset value per unit at end of financial year	185.02
Net income/net reduction per unit	21.84
Performance of one unit during the financial year as %	13.38
Fully reinvested units (I)	
Net asset value per unit at start of financial year	163.17
Net asset value per unit at end of financial year	186.65
Net income/net reduction per unit	23.48
Performance of one unit during the financial year as %	14.39

Development of fund assets

Fund assets on 31/1/2010 (1,603,406.231 units)	196,349,581.64
Distribution on 15/4/2010 (EUR 4.66 x 563,909.340 distributing units (R))	- 2,627,817.52
Outpayment on 15/4/2010 (EUR 2.09 x 521,648.455 reinvested units (R))	- 1,090,245.27
Issuance of units	269,606,199.16
Redemption of units	- 241,521,763.74
Pro rata income adjustment	- 4,011,530.38
Overall fund result	26,110,605.84
Fund assets on 31/1/2011 (1,778,561.003 units)	242,815,029.73

Fund result in EUR

A. Realized fund result

Ordinary fund result		
Income (excl. closing price)		
Interest income	13,808,809.43	
Interest expenses	- 14,551.06	
Dividend income (incl. dividend equivalent)	20,265.84	13,814,524.21
Expenses		
Management fees	- 1,889,155.74	
Custodian bank fees	- 99,868.93	
Auditing expenses	- 7,800.00	
Tax consulting fees	- 2,400.00	
Custodian fee	- 58,668.48	
Other fees	- 20,101.85	- 2,077,995.00
Ordinary fund result (excl. income adjustment)		11,736,529.21
Realized closing price		
Profits realized from securities	12,369,001.97	
Losses realized from securities	- 4,330,718.37	
Realized closing price (excl. income adjustment)		8,038,283.60
Realized fund result (excl. income adjustment)		19,774,812.81
B. Unrealized closing price		
Change in unrealized closing price		2,324,262.65
C. Income adjustment		
Income adjustment for income during financial year		4,011,530.38
Overall fund result		26,110,605.84

Appropriation of fund result in EUR

Distribution (EUR 4.63 x 608,011.469 distributing units (R))	2,815,093.10
Outpayment as per § 13 clause 3 InvFG (EUR 2.19 x 655,286.006 reinvested units (R))	1,435,076.35
Reinvested amount (R) (reinvestment)	8,184,020.17
Reinvested amount (R) (full reinvestment)	8,298,951.39
Reinvested amount (I) (full reinvestment)	997,741.19
Total	21,730,882.20
Realized fund result (incl. income adjustment)	23,786,343.19
Profit carryover into following period	- 2,055,460.99
Total	21,730,882.20

Capital market report

2011 started out in pretty much the same way as 2010 had ended. However, the long-running issue of the Eurozone debt crisis faded slightly in prominence from the point of view of the capital markets. Yields on benchmark government bonds subsequently rose again slightly. Equities continued with their upward trend in this environment.

While in October and November 2010 market events had been dominated by fears over the credit worthiness of Ireland and subsequently also Portugal and Spain, the European Central Bank (ECB) was finally able to ease the situation through increased purchasing of bonds issued by these governments on the secondary market. The yield markups of Portugal and Spain fell significantly. Conversely, from December benchmark government bonds came under selling pressure. On the one hand, they had been previously considered a "safe haven" during the debt crisis, on the other their prices suffered in the context of the significantly improved economic outlook, particularly 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 Europe – and Germany in particular – continually yielded good news. In January the IFO index – one of the key upstream indicators for the German economy – rose to its highest ever level, 110.3 points. While the economic outlook remains subdued for the peripheral Eurozone countries, economic expectations have nonetheless also improved for the Eurozone.

Corporate bonds also recorded yield rises, but yield markups on government bonds were hardly changed or even tightened slightly. In a context of continuing high liquidity, relatively strong stock markets and increasing risk propensity, corporate bonds remained in strong demand. Default rates which continued to fall provided the fundamental justification for this. In global terms they are now at just 2.8 % and should decline further toward the 1.5 % mark.

The key global stock markets once again realized strong gains at the start of the year. Most of them are now at their highest level since the early summer of 2008. Investors were won over by improved economic expectations in connection with continuing strong liquidity and company results which were as positive as before. Nor do the valuation parameters look exaggerated so far. However, the emerging markets stock markets lagged behind the developed stock markets in this period. Investors were unsettled by initial interest-rate hikes in China as well as other measures which were intended to calm the real estate market. Stock indexes in India and Brazil even suffered quite significant setbacks in January.

In terms of currencies, the euro made up for some of the ground which it had previously lost against the US dollar at the start of the year. Not only is the debt crisis in the Eurozone figuring slightly less prominently in discussion, market participants (and ratings agencies) are also mindful of the fact that the USA is highly indebted. The euro also achieved something of a recovery against the Japanese yen and the Swiss franc from the start of the year onward.

Fund investment policy report

The fund recorded a successful performance in the past year. It realized income of approx. 13.5 % after costs. Through active management additional income of 0.8 % was also achieved.

Market events were characterized by a high level of volatility at times. In particular, the European government debt crisis had a negative impact, especially in the 1st half of the year. In the 2nd half of the year high-yield bonds largely achieved a positive decoupling.

On balance, yields on euro high-yield bonds fell from 8.2 % to 6.2 %; this decrease was exclusively attributable to a reduction of the risk markup versus German Bund bonds. The latter largely moved sideways. The decrease in risk markups was accompanied by a clear decline in default rates on the European high-yield market. These fell from slightly less than 9 % in January 2010 to approx. 1 % in January 2011.

The fund's relative performance reflects two strategy levels: top-down management is concerned with controlling spread sensitivity as well as the sector allocation. The individual security selection is the key bottom-up factor. Additional income was realized at both levels in the period under review. The portfolio was generally aligned in accordance with rising market prices. In contrast, a more defensive approach was adopted for the fund's sector allocation. Here the fund overweighted sectors with low levels of cyclical orientation in particular. The fund was successful in its individual securities selection and ensured broad diversification of its assets.

Makeup of fund assets in EUR

Securities	Market value	%
Structured products:		
EUR	4,704,796.58	1.94
Equities:		
USD	291,963.30	0.12
Bonds:		
EUR	235,006,602.02	96.79
USD	981,726.61	0.40
Total bonds	235,988,328.63	97.19
Convertible bonds:		
EUR	484,950.00	0.20
Total securities	241,470,038.51	99.45
Bank liabilities		
Bank liabilities in fund currency	- 4,144,193.79	- 1.71
Bank balances in foreign currency	6,998.39	0.00
Total bank liabilities	- 4,137,195.40	- 1.71
Accruals and deferrals		
Interest claims (on securities and bank balances)	5,482,186.62	2.26
Fund assets	242,815,029.73	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	IS PERPETUAL	VOLUME 31/1/2011 UNITS/NOM.	PURCHASES ADDITIONS IN PERIOD UNITS/NOM.	SALES DISPOSALS UNITS/NOM.	POOL FACTOR	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
STRUCTURED PRODUCTS IN EURO									
XS0267063435	1.2280 ABN AMRO 06/16 FLRMTN		800,000	2,300,000	2,250,000		85.603000	684,824.00	0.28
AT000B010046	1.2940 RZB FRN 06-16/PP/6		1,100,000	1,000,000			94.000000	1,034,000.00	0.43
ES0213495007	1.3640 SANTDR CONS.FIN. 2016 FLR		1,600,000	1,600,000			90.000000	1,440,000.00	0.59
XS0275528627	1.3810 OEVAG SCHV. 06-16		500,000	500,000			76.000000	380,000.00	0.16
XS0260783005	1.4090 EB FRN 06-17/D.349		500,000	1,750,000	1,250,000		92.533000	462,665.00	0.19
XS0207513127	1.6860 ANZ CAP.TRUST III 04/53		200,000				79.500000	159,000.00	0.07
XS0221082125	1.7780 RBS NV 05/15 FLRMTN		300,000	300,000			83.400000	250,200.00	0.10
FR0010871269	9.0000 BPCE 10/UND. FLR	Y	300,000	300,000			98.035860	294,107.58	0.12
EQUITIES IN US DOLLARS									
USU361951028	ALLY FIN.PERP.PFD G REG S	Y	442				900.000000	291,963.30	0.12
EURO BONDS									
XS0201306288	0.0000 OEVAG FIN.(JE) 04/UND.FLR	Y	500,000				34.000000	170,000.00	0.07
XS0359924643	0.0000 OEVAG PS-ZERT. 08/OE	Y	200,000				58.250000	116,500.00	0.05
FR0010094615	1.5450 RENAULT 04/11 MTN FLR		254,000				99.098000	251,708.92	0.10
XS0494547168	3.4060 TELEFONICA EM. 10/15 MTN		750,000	750,000			97.129270	728,469.53	0.30
XS0270503369	3.7480 RHODIA S.A. 06/13FLR REGS		350,000	500,000	2,650,000	0.428037	99.886000	149,642.30	0.06
XS0231264275	3.8750 MOL NYRT. 05/15		2,250,000	1,250,000			89.250000	2,008,125.00	0.83
XS0297861279	4.0450 MAGYAR TELECOM 07/13 FLR		524,000		250,000		92.010000	482,132.40	0.20
FR0011001361	4.2500 GECINA 11-16 MTN		500,000	500,000			98.083000	490,415.00	0.20
XS0304285280	4.2760 EDCON (PTY) 07/14 FLR		500,000	250,000	500,000		87.000000	435,000.00	0.18
XS0224749100	4.3750 WENDEL S.A. 05/17		1,500,000	1,500,000			90.000000	1,350,000.00	0.56
ES0213211099	4.3750 BBVA SA 04-19 FLR		500,000	500,000			86.031690	430,158.45	0.18
XS0201169439	4.5000 SANTANDER ISS. 04/19 FLR		500,000	500,000			86.995890	434,979.45	0.18
XS0254147480	4.5500 EUROPCAR GRPE 06/13 FLR		750,000		1,250,000		98.188000	736,410.00	0.30
FR0010398271	4.6250 PERNOD-RICARD 06/13		1,500,000	1,500,000			102.908997	1,543,634.96	0.64
XS0542298012	4.6250 RWE AG NRA 10/UNBEFR.	Y	2,300,000	2,300,000			95.697860	2,201,050.78	0.91
XS0187186183	4.7500 SLM CORP. 04/14 MTN		100,000				95.250000	95,250.00	0.04
XS0289333048	4.7500 CEMEX FIN.EUR. 07/14		3,100,000	350,000	3,500,000		90.250000	2,797,750.00	1.15
AT0000AOM558	4.7500 VOESTALPINE ANL 11-18		1,800,000	1,800,000			100.247000	1,804,446.00	0.74
XS0253989635	4.8750 WENDEL S.A. 06/16		2,650,000	2,750,000	500,000		94.250000	2,497,625.00	1.03
XS0290422095	4.8750 WENDEL S.A. 07/15		1,300,000	300,000	4,550,000		97.500000	1,267,500.00	0.52
FR0010871376	4.8750 PERNOD-RICARD 10/16		6,000,000	7,600,000	1,600,000		101.383003	6,082,980.18	2.51
XS0240918218	5.0000 FRESENIUS FIN. 06/13 REGS		1,000,000	1,000,000			104.000000	1,040,000.00	0.43
XS0531180544	5.0000 PERI GMBH MTN 10/15		350,000	700,000	350,000		99.597000	348,589.50	0.14
FR0010998724	5.0000 PEUGEOT 11-16 TR 2		2,500,000	2,500,000			100.505000	2,512,625.00	1.03
XS0194948617	5.1250 STORA ENSO 04/14 MTN		750,000		1,500,000		102.744003	770,580.02	0.32
XS0237431837	5.1250 TUI AG AN.REG.S 05/12		500,000	500,000			101.500000	507,500.00	0.21
XS0181557454	5.1250 EVONIK DEGUSSA ANL 03/13		2,000,000	2,000,000			104.406998	2,088,139.96	0.86
XS0222524372	5.2500 SUEDZUCKER INTL05/UND.FLR	Y	1,550,000	1,550,000			95.624001	1,482,172.02	0.61
XS0500405005	5.2500 PRYSMIAN 10/15		1,200,000	5,200,000	4,000,000		101.472000	1,217,664.00	0.50
XS0576395478	5.2500 FMC FINANCE VII 11/21		1,500,000	1,500,000			99.000000	1,485,000.00	0.61
XS0562783034	5.3750 LAFARGE 10/18 MTN		3,200,000	5,200,000	2,000,000		97.767860	3,128,571.52	1.29
XS0564487568	5.3750 LOTTOMATICA 10/18		1,500,000	1,500,000			96.436150	1,446,542.25	0.60
XS0419264063	5.4960 TELEFONICA EM. 09/16 MTN		200,000	1,000,000	800,000		104.204830	208,409.66	0.09
XS0240919372	5.5000 FRESENIUS FIN. 06/16 REGS		2,500,000	2,000,000	3,500,000		103.000000	2,575,000.00	1.06
XS0477568637	5.5000 FMC FINANCE VI 10/16 REGS		750,000	750,000			104.250000	781,875.00	0.32
FR0010871541	5.6250 RENAULT 10/17 MTN		1,500,000	1,500,000			102.360001	1,535,400.02	0.63
FR0010916734	5.6250 RENAULT 10-15 MTN		2,500,000	2,500,000			103.365997	2,584,149.92	1.06
XS0305093311	5.6250 FIAT FINANCE N.A.07/17MTN		500,000	500,000	1,000,000		100.500000	502,500.00	0.21
XS0302343164	5.6520 TRAVELP. 06/14 FLR		500,000				94.000000	470,000.00	0.19
FR0010465427	5.7500 NEXANS 07-17		1,250,000	300,000	1,750,000		99.500000	1,243,750.00	0.51
XS0499542396	5.7500 MONDI FINANCE 10/17 MTN		6,000,000	7,000,000	1,000,000		102.163101	6,129,786.06	2.52
FR0010874115	5.8750 RALLYE S.A. 10/14		800,000	1,300,000	500,000		102.310000	818,480.00	0.34
XS0482703286	5.8750 HANIEL+CIE 10/17 MTN		1,400,000	1,000,000	500,000		104.500000	1,463,000.00	0.60
XS0287290737	5.8750 STENA AB 07/19 REGS		1,500,000	1,000,000	500,000		91.000000	1,365,000.00	0.56
XS0503453275	5.8750 MOL NYRT. 10/17		1,500,000	4,500,000	3,000,000		94.500000	1,417,500.00	0.58

ISIN	SECURITY TITLE	IS PERPETUAL	VOLUME 31/1/2011	PURCHASES ADDITIONS IN PERIOD	SALES DISPOSALS UNDER REVIEW	POOL FACTOR	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
EURO BONDS									
FR0010014845	6.0000 GIE PSA TRES. 03/33		410,000				92.397003	378,827.71	0.16
BE0933072291	6.0000 BARRY CALLEBAUT SVCS07/17		500,000		500,000		104.000000	520,000.00	0.21
XS0346402463	6.0000 OTE PLC 08/15 MTN		500,000	500,000			96.128790	480,643.95	0.20
XS0552327768	6.1250 ZIGGO FIN. 10/17 REGS		3,500,000	4,250,000	750,000		101.625000	3,556,875.00	1.46
XS0552915943	6.1250 BOMBARDIER INC. 10/21REGS		1,800,000	1,800,000			98.750000	1,777,500.00	0.73
XS0285176458	6.1250 STENA AB 07/17 REGS		1,250,000	750,000	500,000		96.000000	1,200,000.00	0.49
XS0299486745	6.2500 OBRASCON HUARTE 07/12		750,000		2,250,000		101.849998	763,874.99	0.31
XS0273933902	6.2500 CHESAPEAKE EN. 06/17		3,000,000	2,000,000			101.000000	3,030,000.00	1.25
XS0300179198	6.2770 C10 CAP. SPV 07/49	Y	600,000	1,200,000	1,100,000		66.000000	396,000.00	0.16
XS0295632847	6.3750 TEREOS EUR. 07/14 REGS		2,800,000	1,800,000			103.500000	2,898,000.00	1.19
FR0010070805	6.3750 ALCATEL-LUCENT 04-14 MTN		500,000	500,000			100.250000	501,250.00	0.21
XS0555929263	6.3750 TELENET FIN.LUX10/20REGS		2,000,000	2,000,000			99.500000	1,990,000.00	0.82
XS0583151682	6.3750 UPCB FINANCE 11/20 REGS		2,000,000	2,000,000			99.438000	1,988,760.00	0.82
XS0259658846	6.5000 KRONOS INT. 06/13		1,000,000	750,000			101.125000	1,011,250.00	0.42
DE000A0G4X39	6.5000 WIENERBERGER ANL 2007	Y	750,000	1,200,000	1,950,000		89.190002	668,925.02	0.28
DE000A1A1P09	6.5000 CONTI-GUMMI FIN. 10/16		1,000,000	1,000,000			104.150002	1,041,500.02	0.43
XS0478802548	6.5000 HDLBGCEM.FIN.NTS 10/15		500,000	500,000			105.500000	527,500.00	0.22
XS0244126107	6.6250 FIAT FIN. + TRADE 06/13		2,050,000	2,000,000	1,250,000		104.625000	2,144,812.50	0.88
XS0282770675	6.7500 IRON MOUNTAIN PA. 07/18		1,000,000	1,000,000	1,000,000		99.000000	990,000.00	0.41
XS0218256468	6.7500 OWENS-BROCKWAY 04/14		1,000,000	1,000,000			102.000000	1,020,000.00	0.42
XS0459131636	6.7500 HANIEL + CIE 09/14 MTN		700,000		2,300,000		109.376801	765,637.61	0.32
XS0520759803	6.7500 HDLBGCEM.FIN. 10/15		1,000,000	1,000,000			106.750000	1,067,500.00	0.44
XS0542593792	6.7500 OI EUROPEAN GRP 10/20REGS		1,300,000	1,300,000			102.750000	1,335,750.00	0.55
US001084AK86	6.8750 AGCO CORP. 04/14		1,200,000		500,000		101.750000	1,221,000.00	0.50
XS0291713948	6.8750 OI EUROPEAN GRP 07/17REGS		500,000	500,000			104.500000	522,500.00	0.22
XS0286431100	6.8750 KAZKOMMERTSBK 07/17 MTN		600,000		3,000,000		89.000000	534,000.00	0.22
XS0465889912	6.8750 FIAT FIN. + TRADE 09/15 MTN		1,750,000	2,250,000	500,000		104.750000	1,833,125.00	0.75
XS0569255200	6.8750 NALCO 10/19 REGS		700,000	700,000			105.500000	738,500.00	0.30
XS0548101723	7.0000 SUNRISE COMM. I. 10/17		3,250,000	3,250,000			105.250000	3,420,625.00	1.41
FR0010925172	7.0000 CEGEDIM S.A. 10/15		500,000	1,900,000	1,400,000		105.000000	525,000.00	0.22
XS0307552355	7.0000 NORSKE SKOGINDUSTR. 07/17		1,200,000		750,000		88.625000	1,063,500.00	0.44
XS0506721827	7.0000 RHODIA S.A. 10/18		2,000,000	2,750,000	750,000		106.500000	2,130,000.00	0.88
XS0456708212	7.0000 EVONIK IND. ANL. 09/14		900,000		500,000		109.823196	988,408.76	0.41
XS0471946367	7.0000 PIAGGIO + C. 09/16		500,000	500,000			105.375000	526,875.00	0.22
XS0325446903	7.0200 MARIBOR FIN. 07/UND.FLR	Y	150,000				91.500000	137,250.00	0.06
XS0299967413	7.1250 FCE BANK PLC 07/13 MTN		5,100,000	2,100,000	3,000,000		105.500000	5,380,500.00	2.22
XS0304675159	7.1250 ARDAGH GLASS FIN. 07/17		700,000	1,250,000	4,250,000		97.375000	681,625.00	0.28
DE000A1A1P25	7.1250 CONTI-GUMMI FIN. 10/18		2,500,000	2,500,000			104.849998	2,621,249.95	1.08
XS0511127689	7.1250 CROWN EUROPEAN HLGs 10/18		2,850,000	4,350,000	1,500,000		105.750000	3,013,875.00	1.24
XS0273988393	7.2500 BOMBARDIER INC. 06/16REGS		2,300,000	500,000	700,000		106.500000	2,449,500.00	1.01
XS0525912522	7.2500 FCE BANK PLC 10/13 MTN		1,750,000	2,500,000	750,000		106.500000	1,863,750.00	0.77
XS0466370540	7.2500 SMURF.KAPP.ACQ.09/17 REGS		4,000,000	1,500,000	1,000,000		105.250000	4,210,000.00	1.73
XS0560905506	7.3750 WIND ACQUIS.FIN. 10/18		3,400,000	4,400,000	1,000,000		103.000000	3,502,000.00	1.44
XS0300667408	7.3750 NEW WORLD RES. 07/15 REGS		1,600,000	900,000	3,300,000		104.000000	1,664,000.00	0.69
XS0547007764	7.3750 ARDAGH PACK.FIN. 10/17		2,800,000	2,800,000			102.500000	2,870,000.00	1.18
DE000A1A0U37	7.5000 CONTI-GUMMI FIN. 10/17		3,500,000	3,500,000			106.250000	3,718,750.00	1.53
XS0478803355	7.5000 HDLBGCEM.FIN.NTS 10/20		200,000				105.000000	210,000.00	0.09
XS0458230082	7.5000 HDLBGCEM.FIN.MTN.09/14		750,000	500,000	750,000		108.500000	813,750.00	0.33
XS0294430094	7.6250 CONSOL GLASS 07/14 REGS		1,600,000	1,600,000			103.000000	1,648,000.00	0.68
XS0233895415	7.6250 ROCKWOOD SPEC. 04/14		500,000	500,000			101.750000	508,750.00	0.21
XS0451641285	7.6250 FIAT FIN. + TRADE 09/14 MTN		1,000,000	1,000,000			107.750000	1,077,500.00	0.44
XS0520235218	7.7500 LEVI STRAUSS 10/18		500,000	500,000			105.250000	526,250.00	0.22
XS0296654600	7.7500 PEERMONT GLOBAL 07/14REGS		750,000	500,000	2,250,000		89.875000	674,062.50	0.28
XS0467785613	7.7500 SMURF.KAPP.ACQ. 09/19		750,000	750,000			106.250000	796,875.00	0.33
XS0463464916	7.7500 REYNOLDS GRP ES.09/16REGS		1,500,000	500,000	1,000,000		106.000000	1,590,000.00	0.65
XS0560190901	7.7500 DONG ENERGY 2011/3010 FLR		1,500,000	1,500,000			105.458000	1,581,870.00	0.65
XS0213359671	7.8750 GERRESHEIMER NTS05/15R.S		1,900,000			0.600000	102.750000	1,171,350.00	0.48
XS0223834853	7.8750 CIRSA CAP.LUX. 05/12 REGS		500,000	500,000			109.000000	545,000.00	0.22
XS0242945367	7.8750 INEOS GR.HLDG.06/16 REG.S		3,500,000	1,650,000	3,200,000		97.625000	3,416,875.00	1.41
XS0557898946	7.8750 TVN FIN.CORP III 10/18		500,000	500,000			100.500000	502,500.00	0.21
XS0188274848	8.0000 CLONDALKIN IND.04/14 REGS		1,000,000	500,000			98.000000	980,000.00	0.40
XS0244031570	8.0000 SAVCIO HLDGS 06/13 REGS		250,000				99.875000	249,687.50	0.10
XS0207922054	8.0000 LOGWIN AG 04/12 REGS		300,000			0.500000	103.500000	155,250.00	0.06
XS0190027051	8.0000 LIGHTHOUSE INT.04/14 REGS		500,000		1,000,000		38.167000	190,835.00	0.08
XS0307398502	8.0000 BEVERAGE PACK. HLDG 07/16		1,000,000	500,000	500,000		101.000000	1,010,000.00	0.42
XS0273428416	8.0000 CABLECOM LUX. 06/16 REGS		1,250,000		1,750,000		106.500000	1,331,250.00	0.55
XS0505541044	8.0000 ZIGGO BOND CO. 10/18 REGS		3,000,000	6,500,000	3,500,000		105.750000	3,172,500.00	1.31
XS0498576833	8.0000 LBI ESCROW 10/17 REGS		1,500,000	1,500,000		0.900000	110.750000	1,495,125.00	0.62
XS0458230322	8.0000 HDLBGCEM.FIN.MTN.09/17		3,150,000	2,150,000	1,000,000		110.250000	3,472,875.00	1.43
XS0468492219	8.1250 UNITYM.NRW/HE.09/17 REGS		5,000,000	3,000,000	4,500,000		108.250000	5,412,500.00	2.23
XS0222158767	8.2500 CODERE FIN.05/15 FLR REGS		2,500,000	2,300,000	2,700,000		101.250000	2,531,250.00	1.04
XS0254095663	8.2500 LOTTOMATICA 06/66FLR REGS		2,161,000	661,000	1,150,000		99.500000	2,150,195.00	0.89

ISIN	SECURITY TITLE	VOLUME 31/1/2011	PURCHASES ADDITIONS IN PERIOD UNDER REVIEW	SALES DISPOSALS	POOL FACTOR	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
EURO BONDS								
XS0543710395	8.2500 SANTOS FIN. 10/70 FLR	1,800,000	1,800,000			98.559998	1,774,079.96	0.73
XS0461087958	8.2500 CAMPOFRIO FOOD GR. 09/16	2,300,000	1,050,000			103.875000	2,389,125.00	0.98
XS0556268471	8.3750 R+R ICE CREAM 10/17 REGS	1,000,000	1,000,000			104.750000	1,047,500.00	0.43
XS0532178000	8.3750 UPC HOLDING 10/20 REGS	2,250,000	2,250,000			104.750000	2,356,875.00	0.97
XS0231415588	8.5000 HELLAS TEL. (LU)III 05/13	221,972	1,972	500,000	1.008964	0.010000	22.40	0.00
XS0548102531	8.5000 SUNRISE COMM. SA 10/18	1,450,000	1,950,000	500,000		106.250000	1,540,625.00	0.63
XS0277864640	8.5000 CEVA GROUP PLC 06/14	750,000		500,000		97.000000	727,500.00	0.30
XS0522343101	8.5000 HERTZ HOLDS NL 10/15 REGS	1,500,000	2,000,000	500,000		108.750000	1,631,250.00	0.67
XS0577452823	8.5000 LABCO 11/18 REGS	2,600,000	2,600,000			102.005000	2,652,130.00	1.09
XS0298437087	8.6250 NXP B.V./FUND. 07/15	1,000,000	2,000,000	1,000,000		103.750000	1,037,500.00	0.43
XS0249583377	8.7500 M-REAL CORP. 06/13	1,000,000	750,000	500,000		107.250000	1,072,500.00	0.44
XS0390398344	8.7500 FRESEN.US FI.II 09/15REGS	1,750,000	1,000,000	1,000,000		116.750000	2,043,125.00	0.84
XS0506591519	8.7500 CIRSA FUN.LUX. 10/18 REGS	1,500,000	1,750,000	250,000		101.750000	1,526,250.00	0.63
XS0578309055	8.7500 CIRSA FUN.LUX. 11/18 2	750,000	750,000			101.125000	758,437.50	0.31
XS0253470644	8.8750 ISS HOLDING AS 06/16 REGS	1,750,000	1,500,000	750,000		104.625000	1,830,937.50	0.75
XS0550774870	8.8750 NARA CABLE FDG. 10/18 REGS	500,000	500,000			100.500000	502,500.00	0.21
XS0500982573	8.8750 CEMEX ESPANA (LUX.) 10/17	430,000	430,000			95.000000	408,500.00	0.17
XS0468883672	8.8750 CEDC FIN.CORP.INTL 09/16	3,350,000	2,350,000	1,000,000		106.500000	3,567,750.00	1.47
XS0442431564	9.0000 FIAT FIN. + TRADE 09/12 MTN	2,000,000				107.750000	2,155,000.00	0.89
XS0545329624	9.0000 HAPAG-LLOYD AG 10(15)REGS	2,500,000	2,500,000			109.250000	2,731,250.00	1.12
XS0544395808	9.0000 PICARD BONDCO 10/18 REGS	750,000	1,250,000	500,000		107.750000	808,125.00	0.33
XS0435914790	9.2500 ARDAGH GLASS FIN. 09/16	1,000,000				110.250000	1,102,500.00	0.45
XS0508553764	9.2500 INEOS FINANCE 10/15 REGS	1,300,000	1,300,000			109.000000	1,417,000.00	0.58
XS0562670181	9.3750 EUROPCAR GRPE 10/18 REGS	1,000,000	1,000,000			103.500000	1,035,000.00	0.43
XS0432072295	9.5000 VIRGIN MED.FI. 09/16	1,150,000	1,500,000	750,000		114.500000	1,316,750.00	0.54
XS0307399062	9.5000 BEVERAGE PACK. HLDG 07/17	750,000		1,500,000		106.000000	795,000.00	0.33
XS0527885015	9.5000 INAER AVIAT. FIN. 10/17	1,500,000	3,000,000	1,500,000		99.500000	1,492,500.00	0.61
XS0487557125	9.5000 INTERXION HLDG 10/17 REGS	500,000	1,000,000	500,000		109.750000	548,750.00	0.23
XS0523636594	9.6250 OXEA FIN.+CY 10/17 REGS	1,250,000	2,500,000	1,250,000		112.000000	1,400,000.00	0.58
XS0468466056	9.6250 UNITYMEDIA 09/19 REGS	500,000		1,500,000		111.500000	557,500.00	0.23
XS0473821816	9.6250 NOVASEP 09/16 REGS	500,000		2,000,000		75.000000	375,000.00	0.15
XS0523101722	9.7500 NORDENIA HLDG ANL 10/17	1,500,000	3,000,000	1,500,000		111.000000	1,665,000.00	0.69
XS0430907989	10.0000 IFCO SYSTEMS 09/16 REGS	1,000,000				118.000000	1,180,000.00	0.49
XS0471612076	10.0000 AGROKOR D.D. 09/16 REGS	2,100,000	500,000	2,750,000		108.250000	2,273,250.00	0.94
XS0582275441	10.0000 AGROKOR D.D. 11/16 REGS 2	250,000	250,000			108.315000	270,787.50	0.11
XS0161743785	10.1250 ECO-BAT FIN. 03/13 REGS	250,000			0.750000	101.250000	189,843.75	0.08
XS0480857415	10.6250 KERLING PLC 10/17 REGS	1,550,000	1,250,000	2,200,000		111.000000	1,720,500.00	0.71
XS0466451548	10.7500 TVN FIN. 09/17 REGS	1,000,000	1,000,000			112.750000	1,127,500.00	0.46
XS0302343917	10.8750 TRAVELPORT LLC/H.I. 07/16	250,000		750,000		94.000000	235,000.00	0.10
XS0441258117	11.0000 ISS FIN.PLC 09/14 REGS	1,500,000				110.500000	1,657,500.00	0.68
XS0559494330	11.0000 POLISH TELEV. 10/17 REGS	200,000	200,000			107.000000	214,000.00	0.09
XS0584389448	11.1250 ONO FINANCE 11/19 REGS	500,000	500,000			101.917000	509,585.00	0.21
XS0452168536	11.6250 CENTRAL EU MEDIA09/16REGS	500,000		2,500,000		106.000000	530,000.00	0.22
XS0442348073	11.7500 PE PAP. ESCROW SCHV.09/14	1,000,000				114.500000	1,145,000.00	0.47
XS0438150160	11.7500 WIND ACQUIS.FIN. 09/17	3,150,000	2,150,000	2,500,000		114.500000	3,606,750.00	1.49
BONDS IN US DOLLARS								
US36186CBP77	5.3750 ALLY FINANCIAL 08/11	1,326,000				100.875000	981,726.61	0.40
CONVERTIBLE EURO BONDS								
DE000TUAG091	2.7500 TUI AG WDL.07/12	500,000	500,000			96.990000	484,950.00	0.20
TOTAL SECURITIES PORTFOLIO						EUR	241,470,038.51	99.45
BANK LIABILITIES								
EUR LIABILITIES		EUR	-4,144,193.79					
BALANCES IN OTHER EU CURRENCIES								
GBP		EUR	638.48					
BALANCES IN NON-EU CURRENCIES								
USD		EUR	6,359.91	EUR		-4,137,195.40	-1.71	

	CURRENCY	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
ACCRUALS AND DEFERRALS			
INTEREST CLAIMS	EUR	5,482,186.62	2.26
TOTAL FUND ASSETS			
	EUR	242,815,029.73	100.00
NET ASSET VALUE PER UNIT			
DISTRIBUTING RETAIL FEE TRANCHE	EUR	79.20	
REINVESTING RETAIL FEE TRANCHE	EUR	151.43	
FULLY REINVESTING RETAIL FEE TRANCHE	EUR	185.02	
FULLY REINVESTING INSTITUTIONAL FEE TRANCHE	EUR	186.65	
UNITS IN CIRCULATION			
DISTRIBUTING RETAIL FEE TRANCHE	UNITS	608,011.469	
REINVESTING RETAIL FEE TRANCHE	UNITS	655,286.006	
FULLY REINVESTING RETAIL FEE TRANCHE	UNITS	464,237.509	
FULLY REINVESTING INSTITUTIONAL FEE TRANCHE	UNITS	51,026.019	

EXCHANGE RATES

FOREIGN CURRENCY ASSETS WERE CONVERTED INTO EUR ON THE BASIS OF THE EXCHANGE RATES APPLICABLE ON 28/1/2011:

CURRENCY	UNIT	PRICE	
BRITISH POUND	1 EUR =	0.859950	GBP
US DOLLAR	1 EUR =	1.362500	USD

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

ISIN	SECURITY TITLE	PURCHASES ADDITIONS	SALES DISPOSALS
STRUCTURED PRODUCTS IN EURO			
XS0223465393	0.9350 ERSTE FRN 05-15/DIP S.301		500,000
XS0228575501	1.0060 ERSTE SUB.FRN 05/15 S.313		150,000
AT0000285457	1.0420 RZB NR.KB.FL.05-15/S.1	1,000,000	1,000,000
XS0223310862	1.1920 BK OF IRELD 05/17 FLR MTN	800,000	800,000
XS0240868793	1.1990 ING BK NV 06/16 FLR MTN	800,000	800,000
FR0010239400	1.2080 NATIXIS S.A. 05/16 FLRMTN		2,000,000
XS0283474483	1.2250 BK OF IRELD 07/17 FLR MTN		950,000
XS0232498393	1.2660 ALLIED IRISH 05/17FLR MTN		800,000
FR0010369595	1.2790 NATIXIS S.A. 06/17 FLRMTN		1,000,000
XS0259579547	1.2930 ROYAL BK SCOTL06/17FLRMTN	550,000	550,000
XS0229524128	1.7260 DEPFA BANK 05/15 FLR MTN		500,000
XS0238065170	1.7280 KBC IFIMA 05/15 FLR MTN	1,000,000	1,000,000
DE0001397081	1.8470 DEUT.POSTBK.IS.VAR		500,000
XS0545782020	9.5000 INTESA SAN. 10/UND. FLR	1,000,000	1,000,000
EURO BONDS			
XS0101338829	0.0000 DURA OPERATING 2009 B		250,000
XS0237435317	2.4300 TUI AG AN.REG.S 05/10		2,500,000
XS0300167938	2.8790 COGNIS HOLD.REG.S 07/13		500,000
XS0229593529	3.5000 ING BK NV 05/20 FLR MTN		750,000
XS0250110409	3.5970 UNITYM.HESS.06/13 REG.S		500,000
XS0478488066	3.8750 BANQUE PSA FIN. 10/13 MTN		1,000,000
XS0257943893	4.1100 IMPRESS HLDG 06/13 FLR		1,250,000
DE000CB07899	4.1250 COMMERZBK SUB.FLR 06/16	500,000	500,000
XS0273978592	4.1750 BOMBARDIER INC. 06/13 FLR	750,000	750,000
XS0285330717	4.5000 BAY.LDSBK.IS.07/19 VAR	1,500,000	1,500,000
FR0010161067	4.6250 ALLIANZ FRANCE 05/UND.	500,000	500,000
XS0215159731	4.7500 LAFARGE 05/20 MTN	1,000,000	1,000,000
XS0203831432	4.8750 WENDEL S.A. 04/14		2,000,000
XS0523634979	4.8750 WENDEL S.A. 10/16 2	2,000,000	2,000,000
XS0268320800	5.2700 ORSZAGOS TAK.KER BK 06/16		1,250,000
XS0303583412	5.3640 GAZ CAPITAL 07/14 MTN		250,000
XS0307005545	5.3750 LAFARGE 07/17 MTN	3,250,000	3,250,000
XS0300825246	5.5000 CMA CGM 07/12 REGS		1,500,000
XS0276828042	5.5250 M-REAL CORP. 06/10 FLR		500,000
GR0114023485	6.1000 GREECE 10-15		1,050,000

ISIN	SECURITY TITLE		PURCHASES ADDITIONS	SALES DISPOSALS
EURO BONDS				
GR0124032666	6.2500 GREECE 10-20		1,000,000	1,000,000
XS0263871328	6.3750 ATRIUM EUROP.R.E.06/13MTN			1,000,000
XS0497187640	6.5000 LLOYDS TSB BK 10/20 MTN		250,000	250,000
XS0252440010	6.5450 ANGEL LUX COMMON 06/16		1,000,000	4,750,000
XS0504303164	6.7500 THOMAS COOK GRP 10/15		750,000	750,000
FR0010766329	7.0000 PERNOD-RICARD 09/15			2,000,000
XS0301291729	7.0000 URSA FINANCE 07/10			1,250,000
XS0503993627	7.3750 OBRASCON HUARTE 10/15		500,000	500,000
XS0210695150	7.5000 FAGE DAIRY IND.05/15 REGS		500,000	1,000,000
XS0342136313	7.6250 HDLBGCEM.FIN. 08/12 MTN			2,000,000
XS0506279420	7.7500 LEVI STRAUSS 10/18 REGS		1,000,000	1,000,000
XS0225720084	7.7500 UPC HOLDING 05/14 REGS		500,000	2,250,000
XS0270175762	7.7500 SOFTBANK CORP. 06/13		500,000	4,250,000
XS0242754850	8.0000 ONO FINANCE 06/14 REGS		1,250,000	1,250,000
DE000A0Z12Y2	8.0000 THYSSENKRUPP MTN 09/14			500,000
XS0241718336	8.1250 NEW RECLAMAT.GR.06/13REGS			500,000
XS0442330295	8.1250 GAZ CAPITAL 09/15 MTN			200,000
XS0252438899	8.2500 ANGEL LUX COMMON 06/16			1,500,000
FR0010806745	8.3750 RALLYE S.A. 09/15			2,000,000
FR0010780452	8.3750 PEUGEOT 09-14			400,000
DE000A1AY2A0	8.5000 CONTI-GUMMI FIN. 10/15		1,500,000	1,500,000
XS0558749569	8.5000 SUNRISE COMM. SA 10/18 2		200,000	200,000
XS0219106944	8.6250 LEVI STRAUSS 05/13			1,500,000
XS0223890251	8.6250 CELL C (PTY) 05/12 REGS			1,500,000
AT0000A0D5J1	8.7500 VOESTALPINE ANL 09-13			1,250,000
XS0191640472	8.7500 CIRSA FIN.LUX. 04/14 REGS			2,000,000
XS0499102233	8.8750 ISS HOLDING AS10/16REGS 2		750,000	750,000
XS0553686865	9.0000 HAPAG-LLOYD AG 10/15 REGS		1,000,000	1,000,000
XS0431928414	9.3750 ARCELORMITTAL 09/16			500,000
XS0263392358	9.5000 TROY CAPITAL 06/11			3,300,000
XS0265075886	9.7500 FMG FINANCE PTY 06/13			2,500,000
XS0277867825	10.0000 CEVA GROUP PLC 06/16			750,000
XS0224786649	10.1250 UNITYMEDIA 05/15 REGS			2,000,000
XS0192592425	10.5000 ONO FINANCE 04/14 REGS		500,000	1,700,000
XS0482702395	10.5000 SEAT PAGINE GIALLE 10/17			1,000,000
XS0498532117	10.7500 ALLIED IRISH 10/17 MTN		1,400,000	1,400,000
XS0268103610	10.7500 KABEL DEUT. ITV ANL 04/14		500,000	500,000
XS0236096730	11.0000 WIND ACQUIS.FIN.05/15REGS			2,750,000

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

Vienna, 14 April 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 January 2011 issued by Raiffeisen Kapitalanlage-Gesellschaft m. b. H., Vienna, for its fund Raiffeisen European HighYield, a jointly owned fund as per § 20 of the Austrian Investment Fund Act, for the financial year from 1 February 2010 to 31 January 2011.

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 January 2011 for Raiffeisen European HighYield, 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 April 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 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 European HighYield, 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 Zentralbank Österreich Aktiengesellschaft, Vienna, the regional Raiffeisen banks and Kathrein & Co Privatgeschäftsbank Aktiengesellschaft, Vienna.
2. Income-distributing unit certificates, 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 and § 27a 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 fund mainly invests in euro-denominated high-yield bonds.
Investments in non-euro denominated assets are limited to 30 per cent of the fund assets overall. Where the currency risk is eliminated through foreign exchange cover transactions, these investments may be assigned to the euro-denominated investments.
 - **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**
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 30 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 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.

* 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.

§ 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 10 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 investment funds in accordance with § 17 item 1 in connection with § 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 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

Not applicable.

§ 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. 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 3 per cent or a combination of a subscription fee and a redemption fee which may not exceed 3 per cent may be added to the calculated value.

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 February 1 through to January 31 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 1.50 per cent of the fund assets, calculated pro rata on the basis of the values at the end of each month.

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, from April 15 of the following accounting year the income received during the past accounting year shall be paid out to holders of income-distributing unit certificates in full in the case of interest and dividends received and at the discretion of the asset management company in the case of the proceeds from sales of investment fund assets – including subscription rights – if appropriate against surrender of an income coupon. Any remaining balances shall be carried forward to a new account. Income shall be deemed to comprise income from units in "funds" with a tax representative in Austria as of the time of publication of the income statement. A distribution from the fund assets is also permissible. In no case may the fund assets fall below EUR 1,150,000 through distributions. In any case, from April 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 April 15 an amount calculated in accordance with § 13 clause 3 of the Austrian Investment Fund Act 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 income 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)

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

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) |

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)