

Raiffeisen 902 – Treasury Zero II

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November 2013 (last change 04.12.2013)

Our Services – Common Understanding

Our open-ended mutual funds and institutional funds are portfolios which we manage according to our investment philosophy, our proven investment processes and our current market view.

You are an investor who has the experience, knowledge and expertise to make your own investment decisions and to adequately evaluate the associated risks.

Our statements regarding capital markets and our funds are not based on an assessment of your particular investment needs and therefore shall not serve as an individual investment advisory service.

Please contact us if you wish to receive individual financial advice concerning securities transactions.

Arguments

EUR government bonds

- Unique combination of returns in line with the market, high flexibility, liquidity and the greatest possible security
- Solid foundation for every type of investor and every investment portfolio
- Thanks, for the most part, to a fixed interest rate and fixed interest due dates, with Euro zone government bonds you can expect calculable gains without currency risk
- A universally suitable, safe asset class both as a long-term profitable core investment and for investors focusing on capital gains
- Euro government bonds also enjoy an excellent reputation among institutional investors due to their high level of repayment certainty
- Historically low volatility compared to other asset classes
- Fixed income derivatives of Euro government bonds are among the financial instruments with the highest liquidity and trading volumes across the world

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Flexible investments in EUR government bonds

- Particularly suitable for investors who prefer an exchange-rate-independent investment in EUR government bonds.
 - High sensitivity of fund management to rating changes
 - Diversification of a professionally managed portfolio
 - The fund stands out thanks to its good risk/return ratio
 - Possibility of a 55 bp outperformance of the overall market
- With the Raiffeisen 902 – Treasury Zero II, the investor benefits from the management of Raiffeisen KAG through:
 - Core competence – fixed income with a focus on the Eurozone
 - The expertise of an experienced team
 - The clarity and transparency of our long-standing, consistent investment process, confirmed, amongst other things, through many fund ratings and awards

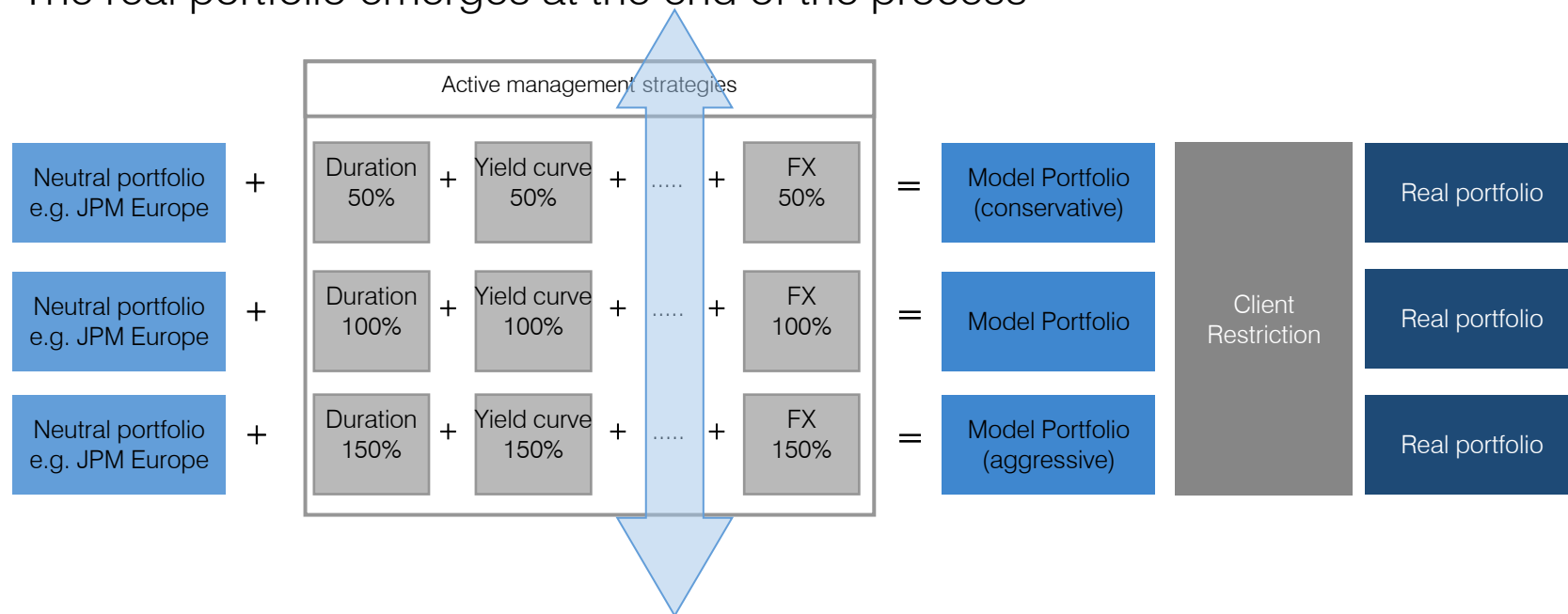
Investment process, Management

Global Fixed Income investment process

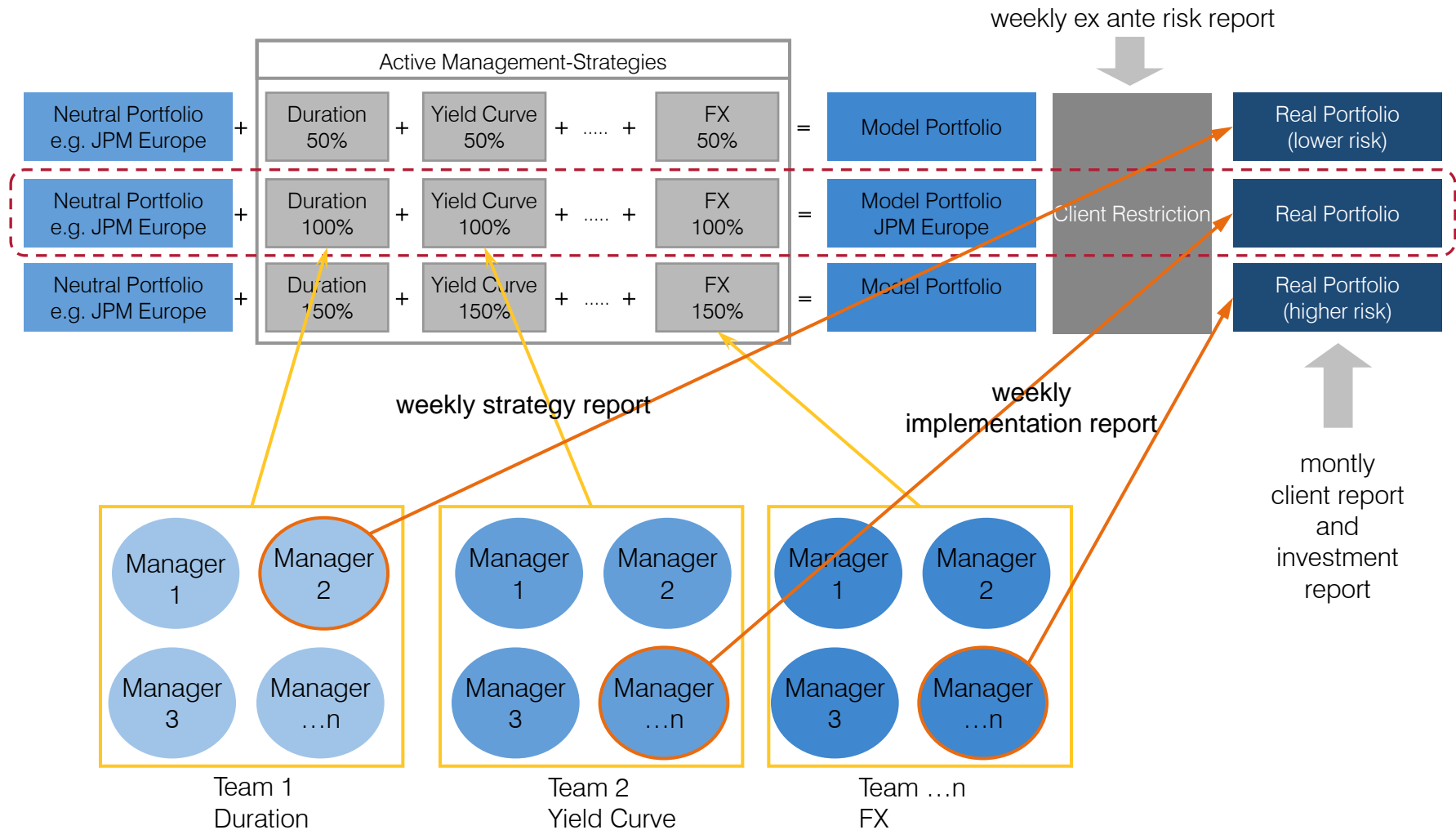
- Raiffeisen KAG is a fundamentally focused risk-oriented active manager. We are a fundamental manager as we are categorically convinced that critical market movements are a result of fundamental reasons.
- Correspondingly, the greatest importance is attached to fundamental research for investments across all asset classes. Only deviations from the prevailing market view can lead to outperformance versus the market and thereby generate additional returns for clients in comparison with a passive index portfolio. These returns are achieved through active management, i.e. conscious, deliberate deviations from a neutral portfolio

Global Fixed Income investment process

- Based on a neutral portfolio, generally an index, various active management strategies (portable Alpha) are applied
- The level of risk tolerance determines the scope of the relevant strategy
- In the next step, any client restrictions are implemented
- The real portfolio emerges at the end of the process



Strategy Implementation: Active Strategies – „Portable Alpha”



Team Global Fixed Income



Andreas Riegler, CEFA
Deputy CIO
Fund Manager/
Strategist



Robert Senz
CIO, Head of Rates & FX



Friederike Gschwendt
Assistant

Corporate Bonds



Georg Nitzlader, CFA
Head
Fund Manager/
Strategist



Christian Pail, CFA
Fund Manager/
Strategist



Martin Hinterhofer, CFA
Fund Manager/
Strategist



Paul Pawelka, CFA
Fund Manager/
Strategist



Thomas Korhammer
Fund Manager/
Strategist



Heike Schwarz
Fund Manager

Rates & FX



Andreas Bockberger
Fund Manager/
Strategist



Christian Link
Fund Manager/
Strategist



Mag. Gernot Mayr
Fund Manager/
Strategist



Alexandra Muchna Mphil.
Fund Manager/
Strategist



Gabriel Panzenböck, CEFA
Fund Manager/
Strategist



Christian Zima
Fund Manager/
Strategist



Stefania Hudakova
Assistant Fund
Manager



Daniela Jakl
Assistant Fund
manager



Margarita Leber
Fund Manager

Global Emerging Markets/Eastern Europe



Ronald Schneider, CFA
Head
Fund Manager/
Strategist



Stefan Grünwald
Fund Manager/
Strategist



Martin Marinov, CFA
Fund Manager/
Strategist



Olivera Antonijevic
Assistant Fund
Manager

Raiffeisen 902 – Treasury Zero II

Application of independent strategies

	Strategy	Target return p.a.
1.1)	EUR Duration: Qualitative/Fundamental: long 50%, short 100%	9 BP
1.2)	EUR Duration: Qualitative/Sentiment: long 50%, short 100%	4 BP
1.3)	EUR Duration: Quantitative/Macro model: long 50%, short 100%	6 BP
1.4)	EUR Duration: Quantitative/Trend following: long 50%, short 100%	3 BP
1.7)	EUR Yield curve 150 %	6 BP
1.8)	EUR Country allocation: Spread	24 BP
1.11)	EUR Duration: Quantitative/Market State Model: long 50%, short 100%	3 BP



The targeted active contribution above market amounts to ca. 55 BP before costs

Profile Raiffeisen 902 - Treasury Zero II

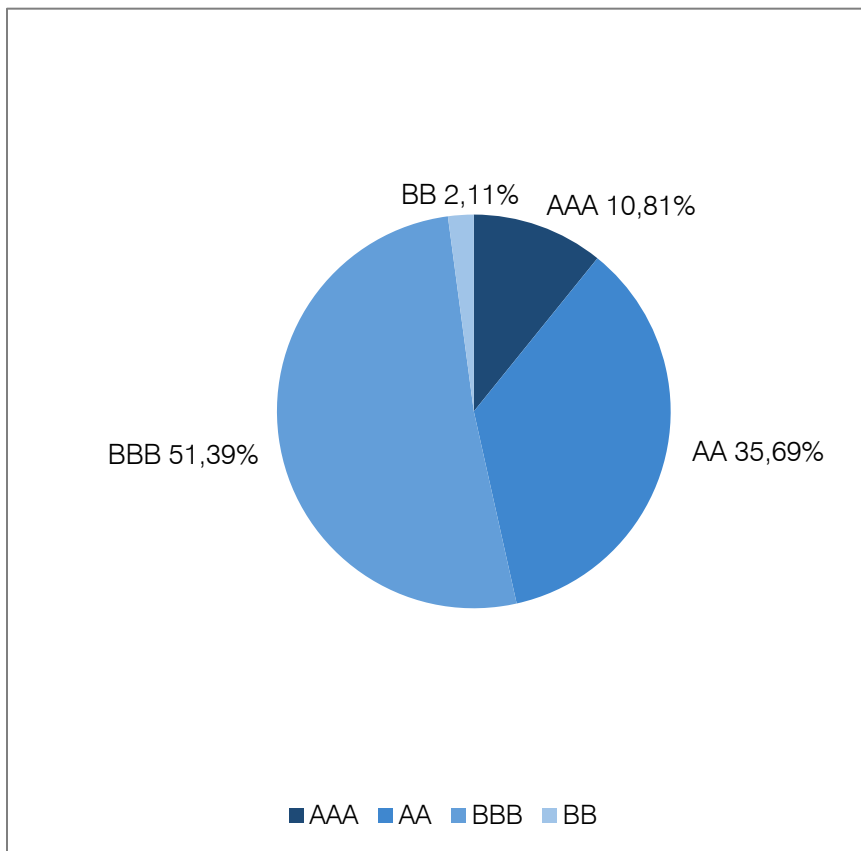
Invest in euro government bonds with maximum rating flexibility	
Investment universe	<ul style="list-style-type: none"> ▪ 100 % EMU government bonds ex Greece ▪ Minimum rating corresponds to the minimum rating of bonds in the market
Market	100 % JPM EMU GBI ex Germany
Active performance contribution objective	55 bp above market (before costs)
Management	Use of independent (i.e. uncorrelated) strategies
Other portfolio characteristics	<ul style="list-style-type: none"> ▪ Maximum 20% Germany allowed (off market) ▪ Maximum deviation from market duration +/-25 % ▪ Use of derivative-based financial instruments for active management ▪ Recommended period of investment: minimum 5 years

These investment guidelines are non-binding, internal rules for the fund. Raiffeisen KAG may amend them at any time without notifying its clients.

Data, Information, Facts

Fund Structure

Rating Structure



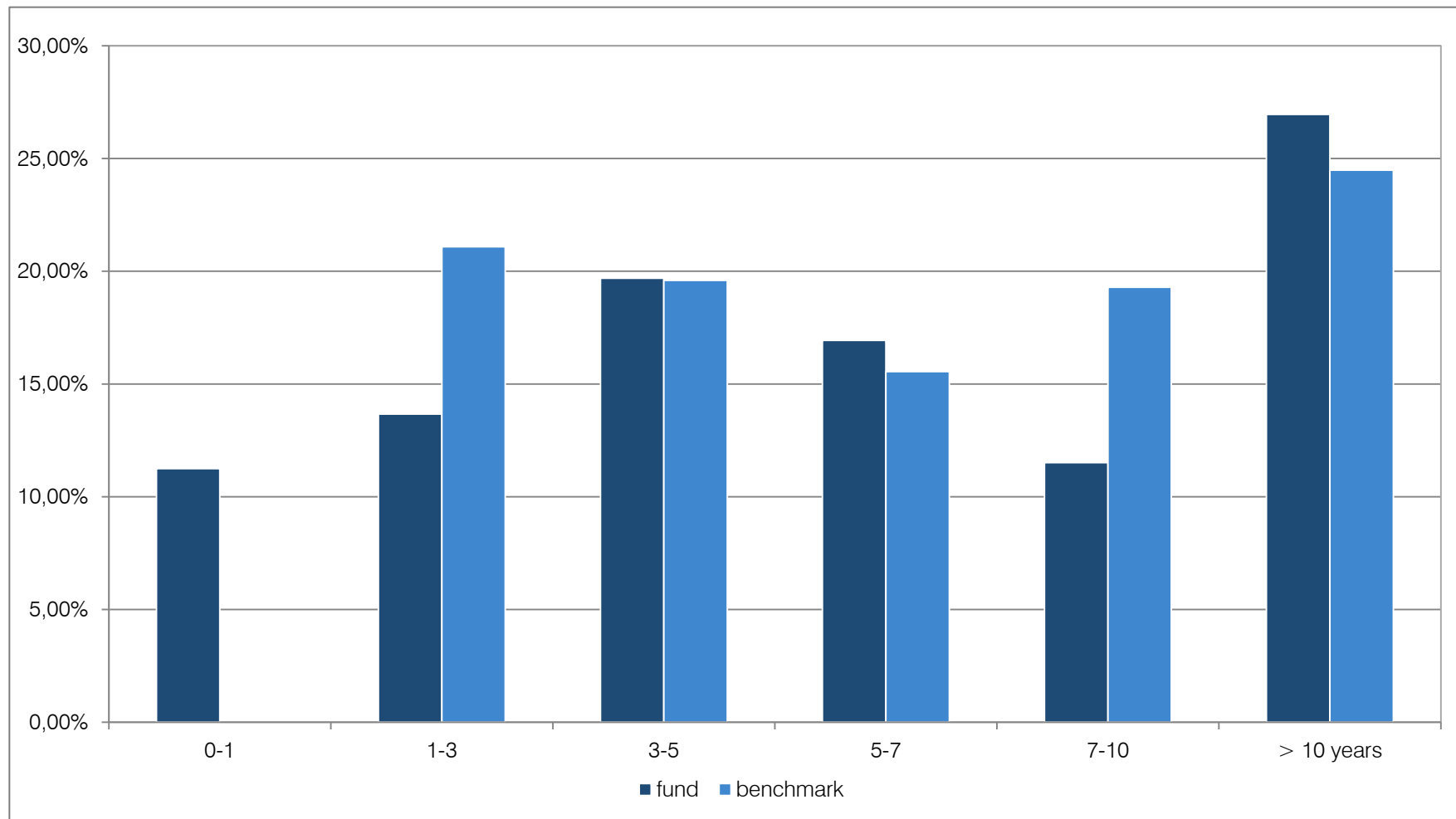
Top 10 holdings

Titolo	% nel fondo
4,50 % B.T.P. 08-19	3,67%
5,00 % B.T.P. 09-25	2,80%
3 % FRANCE (GOVT OF) 12-22	2,10%
4,75 % BUONI POLIENNALI DEL TES 11-21	2,01%
3,80 % SPANIEN 06-17	2,00%
4,25 % REP. FSE O.A.T. 07-17	1,89%
3,9 % IRISH TSY 3.9% 2023 13-23	1,86%
3 % BELGIUM KINGDOM 12-19	1,85%
5,9 % BONOS Y OBLIG DEL ESTADO 11-26	1,76%
3,5 % BUONI POLIENNALI DEL TES 12-17	1,71%

Source: Raiffeisen KAG, Datawarehouse, 14.01.2014

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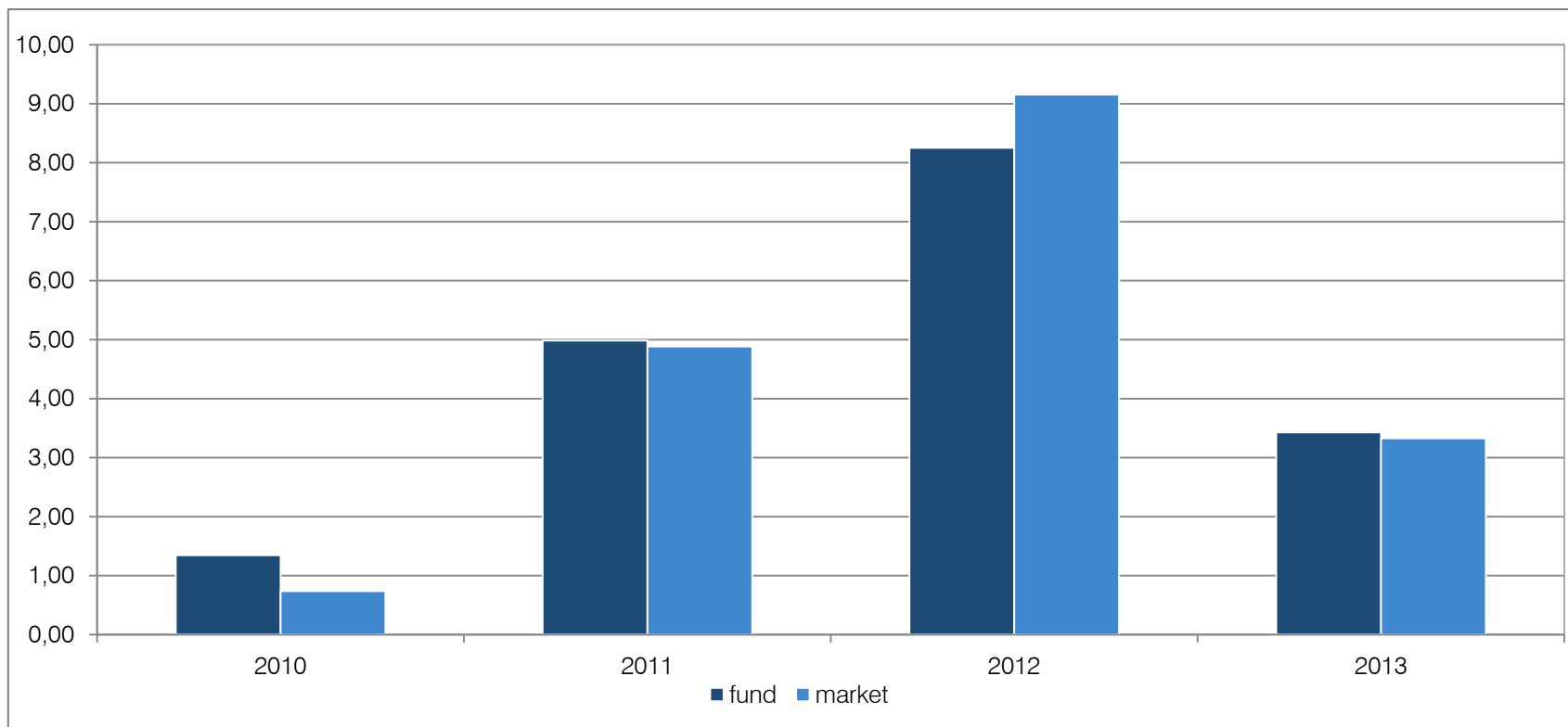
Maturity Structure



Incl derivatives Market = JPM EMU Government Bond Index ex Germany

Source: Raiffeisen KAG, Datawarehouse, 14.01.2014

Performance p.a.



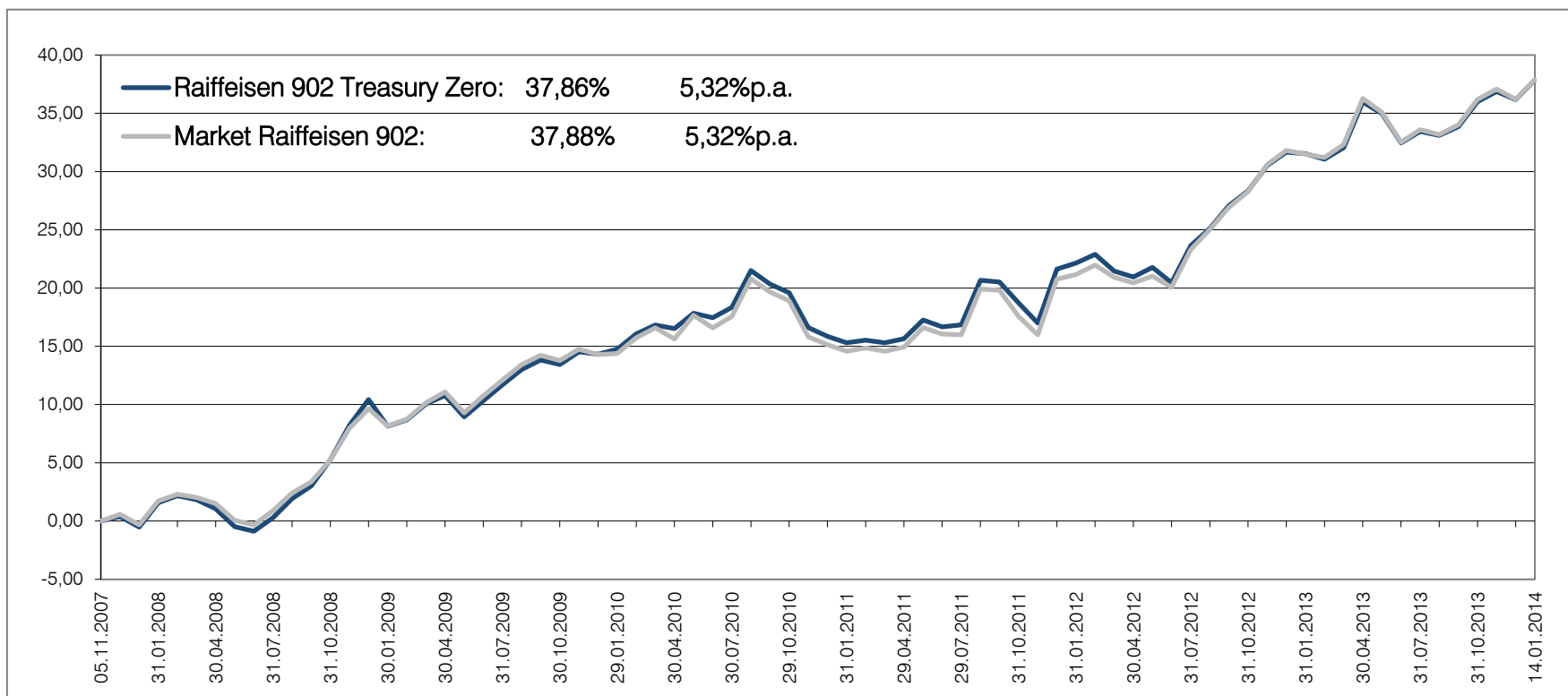
The performance is calculated by Raiffeisen KAG in accordance with the method developed by the OeKB (Österreichische Kontrollbank AG) on the basis of data provided by the custodian bank (in the event that the payment of the redemption price is suspended, using an indicative price). Past performance results do not permit any reliable inferences as to the future performance of an investment fund.

Individual costs, namely the subscription fees (up to 2 % of the invested amount) and redemption fees (up to 0 % of the sold amount), have not been included in the performance calculation. Where these costs are included this will result in a lower performance figure according to the amount of the subscription and redemption fees.

Performance lorda Market = JPM EMU Government Bond Index ex Germany

Source: Raiffeisen KAG, Datawarehouse, 14.01.2014

Performance since inception (05.11.2007)



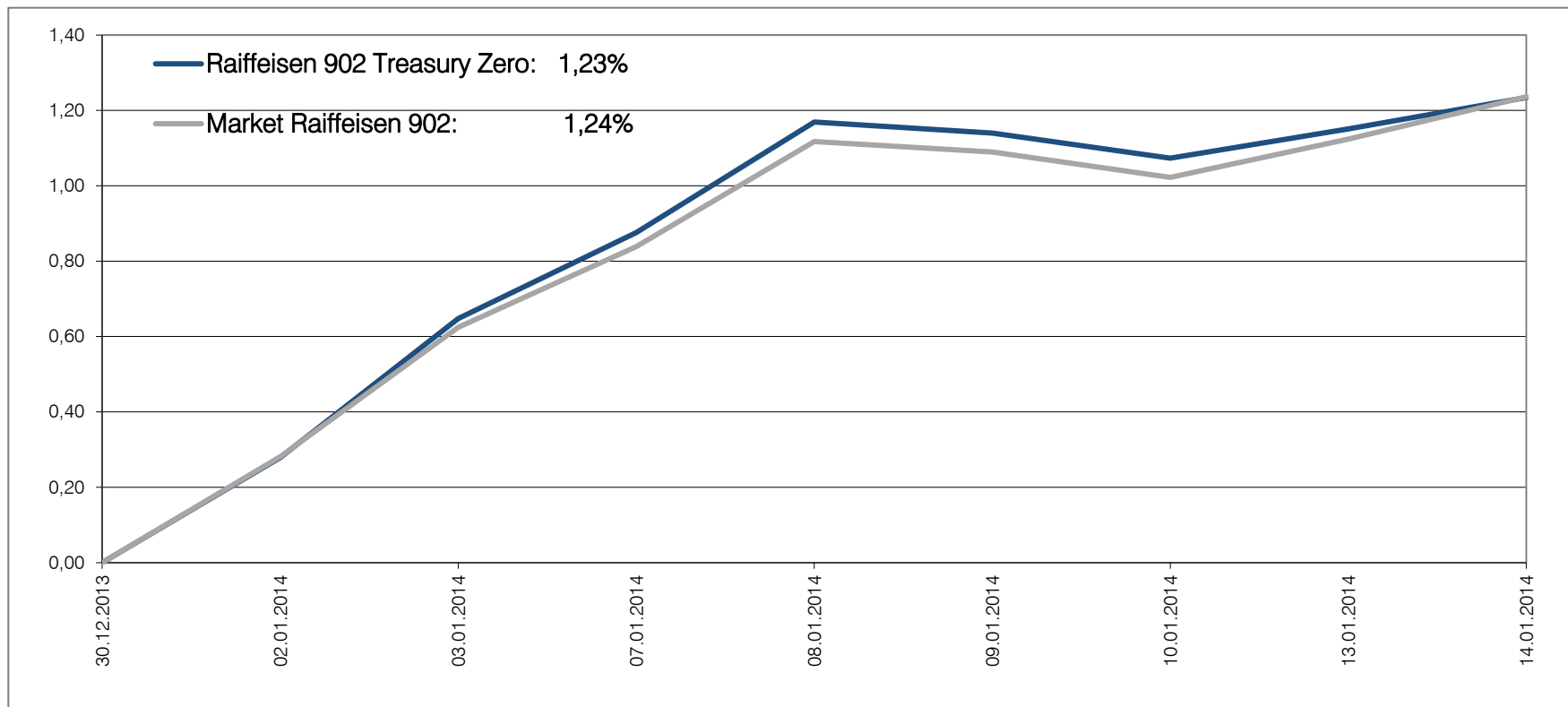
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Source: Raiffeisen KAG, Datawarehouse, 14.01.2014

Performance YTD



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Source: Raiffeisen KAG, Datawarehouse, 14.01.2014

Internal Investment Guidelines

Internal Investment Guidelines				
Fund Name	Raiffeisen 902 - Treasury Zero II	bandwidths		
valid from	15.03.2012	max	min	neutral
Market	100% JPM EMU GBI ex Germany			
definition of asset class investment universe	EUR-Government Bonds of EU-Member States ex Greece	110%	80%	100%
instruments (incl weightings)	Government Bonds	110%	80%	100%
off BM-Asset Classes (incl weightings)	German Government Bonds	20%	0%	0%
rating restrictions	only titles whose rating is better than the min rating of bonds in the benchmark			
single position limites	-			
duration restriction vs benchmark	yes	25%	-25%	-
derivative instruments	hedging	100%	0%	0%
	speculative	0%	0%	0%
CDS	no			
FX (incl weighting)	-			
Strategic FX-Hedge	no			
FX-Short allows	no			
other restrictions	-			

Attachment

Risk profile

The following risks in particular apply for Raiffeisen 902 – Treasury Zero II:

- The risk that the entire market for an asset class performs negatively and that this negatively affects the price and value of these investments (market risk)
- The risk that an issuer or counterparty is unable to fulfill its obligations (credit risk or issuer risk)
- The risk that a position cannot be liquidated in good time for an appropriate price (liquidity risk)
- The risk of the loss of assets held in a security deposit account due to insolvency, negligence or fraudulent conduct by the custodian bank/custodian or sub-custodian bank/sub-custodian (custody risk)
- The performance risk and information on whether third-party guarantees apply and whether such guarantees are limited (performance risk)
- The inflation risk
- The risk relating to the investment fund's capital (capital risk)
- The risk of a change in other outline conditions, including tax regulations
- The risk of valuation prices of certain securities deviating from their actual selling prices due to prices determined on illiquid markets (valuation risk)
- Risk of suspension of redemption
- Key personnel risk
- Operational risk
- Risk in case of derivative financial instruments
- Securities lending risk
- Risk for assets deposited as collateral (collateral risk)

A detailed presentation of risks, including general risks, which this fund is exposed to, is included in the prospectus, available under www.rcm.at.

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Raiffeisen KAG calculates investment fund performances using the method developed by OeKB (Österreichische Kontrollbank AG), on the basis of data provided by the custodian bank (in case of a suspension of payment of the redemption price, available indicative values are used). Individual costs – such as the subscription fee and any redemption fee in particular – as well as taxes will not be taken into consideration in the performance calculation. Depending on their concrete value, they will reduce a performance accordingly. Please refer to the key investor information (key investor document) for the maximum subscription fee or any redemption fee. Past performance results do not permit any inferences as to the future performance of an investment fund or portfolio. Performance is shown as a percentage (excl. charges) while considering reinvestment of dividends. The German version of the published prospectus and the key investor information (key investor document) for one of the investment funds outlined in this document may be obtained from www.rcm.at. These documents may also be available in English or in your national language from www.rcm-international.com.

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