

Raiffeisen Eastern European Equities

Semi-annual fund report
2011

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Semi-annual fund report from 1 February 2011 to 31 July 2011

The fund invests in the emerging markets of central and eastern Europe, particularly Russia and Turkey. Investors benefit from these countries' growth potential as well as their attractive equity valuations. This fund is suitable for investors who wish to benefit from the growth and opportunities in Europe's emerging markets but are also aware of their price and currency fluctuations.

General fund information

Tranche	Launch date	ISIN
ISIN income-distributing (R) (A)	21/2/1994	AT0000936513
ISIN income-retaining (R) (T)	17/5/1999	AT0000805460
ISIN full income-retaining (outside Austria) (R) (V)	26/5/1999	AT0000785241
ISIN full income-retaining (outside Austria) (I) (V)	4/1/2010	AT0000A0EY50
ISIN savings fund income-distributing (R) (A)	21/2/1994	AT0000939111
ISIN savings fund income-retaining (R) (T)	17/5/1999	AT0000805478

Fund characteristics

Fund currency:	EUR
Financial year:	1 February – 31 January
Distribution/payment/reinvestment date:	1 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
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

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 semi-annual fund report for Raiffeisen Eastern European Equities for the period from 1 February 2011 to 31 July 2011.

Fund details in EUR

	31/1/2011	31/7/2011
Fund assets	638,264,350.73	667,371,602.36
Net asset value/unit (R) (A)	285.59	279.45
Issue price/unit (R) (A)	299.87	293.42
Net asset value/unit (R) (T)	308.56	304.93
Issue price/unit (R) (T)	323.99	320.18
Net asset value/unit (R) (V)	322.28	318.37
Issue price/unit (R) (V)	338.39	334.29
Net asset value/unit (I) (V)	326.11	323.92
Issue price/unit (I) (V)	342.42	340.12

Units in circulation

	(R) A	(R) T	(R) V	(I) V
Units in circulation on 31/1/2011	488,179.440	994,632.258	588,397.365	7,059.400
Sales	30,018.976	311,292.412	184,016.154	52,622.207
Repurchases	- 41,657.807	- 339,089.058	- 70,684.333	- 10,408.508
Units in circulation	476,540.609	966,835.612	701,729.186	49,273.099
Total units in circulation on 31/7/2011				2,194,378.506

Fund investment policy report

General instability on the markets, weaker international economic data, unrest in the Middle East and north Africa, concerns over a slowdown of economic growth in China and uncertainty regarding the debt situation of the peripheral European countries contributed to increased volatility on the financial markets.

Driven by positive macro data (industrial output and the labor market), the Czech Republic significantly outperformed the other countries of the region in the period from February 2011 to late July. Russian securities lost some of the strong gains which they had realized at the start of the year – which had mainly been triggered by the significant rise in the price of oil – and thus only achieved marginal growth. Turkish stocks underwent a strong correction due to the monetary measures implemented by the central bank to counter the overheating of the economy and the risk of inflation. The Turkish lira also fell in the period from the start of the year, particularly due to this country's high current account deficit.

Turkish equities were reduced significantly due to the Turkish market's generally weaker performance, while the fund increased its holdings of Russian oil and gas stocks on account of the rise in the price of oil. We purchased further holdings of some Czech and Polish securities due to the positive economic trend and their favorable valuations. We have also increased our holdings of consumer stocks, driven by their strong growth potential.

We are currently underweighted in Turkey, Hungary and Russia in particular. In contrast, the fund is invested in several off-benchmark countries such as Kazakhstan and Austria. At a sector level the fund is overweighted in energy and utility stocks while financial and consumer stocks are underweighted.

In addition, the fund has established a model-driven segment comprising 25 % of its volume; this mainly selects equities on the basis of favorable valuations. This reflects the well-researched fact that cheaper stocks outperform more expensive ones on a long-term perspective.

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

Makeup of fund assets in EUR

Securities	Market value	%
Equities:		
USD	403,931,787.01	60.53
PLN	115,688,612.64	17.34
TRY	47,946,157.59	7.18
CZK	24,913,239.38	3.73
HUF	22,496,166.30	3.37
RUB	9,324,884.38	1.40
GBP	5,716,548.62	0.86
EUR	4,828,447.08	0.72
RON	20,089.16	0.00
Total equities	634,865,932.16	95.13
Warrants:		
USD	85,318.95	0.01
Total securities	634,951,251.11	95.14
Bank balances		
Bank balances in fund currency	25,392,155.59	3.81
Accruals and deferrals		
Interest claims (on securities and bank balances)	15,961.10	0.00
Dividends receivable	8,128,222.81	1.22
Total accruals and deferrals	8,144,183.91	1.22
Other items		
Various fees	- 1,115,988.25	- 0.17
Total fund assets	667,371,602.36	100.00

Portfolio of investments in EUR

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

ISIN	SECURITY TITLE	VOLUME 29/7/2011	PURCHASES ADDITIONS IN PERIOD UNDER REVIEW	SALES DISPOSALS	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
EQUITIES IN CZECH CROWNS							
CZ0005112300	CEZ AS INH.	571,140	598,402	221,972	855.800000	20,213,039.39	3.03
CZ0008019106	KOMERCNI BANKA INH.	29,583	13,364	55,841	3,842.000000	4,700,199.99	0.70
EQUITIES IN EURO							
AT0000743059	OMV AG AKT. O.N.	170,858	114,612	160,404	28.260000	4,828,447.08	0.72
EQUITIES IN BRITISH POUNDS							
GB0031544546	PETROPAVLOVSK	616,465	667,775	416,810	8.120000	5,716,548.62	0.86
EQUITIES IN HUNGARIAN FORINT							
HU0000073507	MAGYAR TELEK.T.NA A	4,154,050	4,826,220	2,927,124	536.000000	8,280,139.08	1.24
HU0000061726	ORSZAGOS TAKAR. KER.BK RT	701,424	935,651	876,482	5,450.000000	14,216,027.22	2.13
EQUITIES IN POLISH ZLOTY							
PLAGORA000067	AGORA S.A.	393,793	198,737	314,444	16.350000	1,607,137.82	0.24
PLARTPR00012	ARCTIC PAPER SA	313,407		24,800	6.000000	469,382.96	0.07
PLBIG0000016	BANK MILLENNIUM	2,610,770	3,162,209	2,084,512	5.320000	3,466,950.33	0.52
PLBH00000012	BK HANDLOWY W WARS.	155,883	127,517	124,504	82.500000	3,210,111.20	0.48
PLGTC0000037	GLOBE TRADE CENTRE	343,440	314,750	274,210	16.600000	1,423,070.24	0.21
PLLOTOS00025	GRUPA LOTOS S.A.	434,205	244,325	346,720	39.000000	4,226,946.98	0.63
PLKGHM000017	KGHM POLSKA MIEDZ	530,012	376,290	176,690	190.900000	25,255,676.40	3.78
PLPKN0000018	PKN ORLEN S.A.	1,537,856	1,413,944	489,264	46.830000	17,976,585.41	2.70
PLPKO0000016	PKO BANK POLSKI S.A.	1,203,938	736,806	961,292	40.800000	12,261,162.80	1.84
PLPGER000010	PL.GR.ENERGETYCZNA	2,971,840	2,983,975	715,835	23.290000	17,276,759.42	2.59
PLPGNI000014	POLSKIE GO.NAF. A	12,442,986	11,271,206	6,852,647	4.330000	13,448,686.88	2.02
PLPZU0000011	POWSZECHNY ZAKLAD UBEZP.	91,549	129,163	73,114	378.000000	8,637,991.61	1.30
PLTAURN00011	TAURON POLSKA ENERGIA	3,980,287	2,124,302	3,178,024	6.470000	6,428,150.59	0.96
EQUITIES IN RUSSIAN RUBLES							
RU0009029540	SBERBANK ROSSII OAO	3,622,000	1,811,000	1,811,000	101.620000	9,324,884.38	1.40
EQUITIES IN US DOLLARS							
US12642X1063	CTC MEDIA INC.	200,800	200,800		21.450000	3,012,000.00	0.45
RU000A0JPNM9	FED.SET.KO.E.ENER.	1,037,575,850	1,196,000,000	158,424,150	0.013700	9,940,411.99	1.49
US46627J3023	JSC HALYK BK	1,653,462	950,960	1,166,140	8.400000	9,712,643.92	1.46
US46626D1081	JSC MMC NOR.NICK.	829,845	490,225	1,179,680	26.650000	15,465,293.18	2.32
US48666V2043	KAZMUNAIGAS GDRS	386,043	694,237	308,194	18.650000	5,034,756.61	0.75
US6778621044	LUKOIL N.K.SP.ADR	1,381,270	729,862	500,092	67.400000	65,103,215.38	9.76
RU000A0JPGA0	M.VIDEO	703,450	580,174	351,724	9.910600	4,875,252.85	0.73
US5838401033	MECHEL OAO ADR	489,913	375,837	459,524	24.850000	8,513,523.11	1.28
US6074091090	MOBILNIYE TEL.	1,770,785	896,025	1,540,440	18.690000	23,144,036.12	3.47
RU0007775219	MOBILNIYE TELESIST	349,518	307,862	279,094	8.500000	2,077,554.55	0.31
US67812M2070	NK ROSNEFT GDR REGS	3,822,010	3,513,112	1,219,602	8.650000	23,119,151.40	3.46
RU000A0DKVS5	NOVATEK	1,011,757	561,839	1,382,088	14.465300	10,234,523.45	1.53
US3682872078	OAO GAZP.ADR.SP.	6,024,748	8,593,817	5,687,848	14.600000	61,511,413.15	9.22
US6708662019	OKEY GROUP SA GDR REG S	312,000	312,000		9.300000	2,029,090.91	0.30
RU000A0JP7F5	PHARMSTANDARD	110,793	50,037	88,444	88.442500	6,852,314.62	1.03
US4662941057	RUSGIDRO OAO	1,740,100	921,500	1,389,400	4.876000	5,933,375.94	0.89
RU0009029540	SBERBANK ROSSII OAO	16,649,815	11,519,425	15,438,710	3.721300	43,327,941.65	6.49
RU0009029557	SBERBANK ROSSII PFD	5,686,750	6,407,000	720,250	3.023700	12,024,493.69	1.80
US8181503025	SEVERSTAL GDR S OCT2006	810,053	512,687	599,184	19.530000	11,063,171.39	1.66
US8688612048	SURGUTNEFTEGAZ	1,585,550	1,742,000	156,450	10.250000	11,364,956.29	1.70
RU0009029524	SURGUTNEFTEGAZ VZ	23,537,250	25,860,000	2,322,750	0.524800	8,638,006.15	1.29
RU0009033591	TATNEFT' IMENI V.D.	4,343,260	5,500,200	1,156,940	6.916200	21,006,192.18	3.15
RU000A0HGPM9	TNK BP-HOLDING	4,069,228	1,837,782	3,248,984	3.260000	9,276,701.59	1.39
RU0009091573	TRANSNEFT' PFD	8,490	9,900	1,410	1,608.575700	9,550,215.17	1.43
US91688E2063	URALKALI	430,913	543,244	456,158	49.650000	14,961,419.90	2.24
US92719A1060	VIMPELCOM LTD	379,133	381,237	1,139,004	12.470000	3,306,145.81	0.50

ISIN	SECURITY TITLE	VOLUME 29/7/2011	PURCHASES ADDITIONS	SALES DISPOSALS	PRICE	MARKET VALUE IN EUR	% SHARE OF FUND ASSETS
EQUITIES IN TURKISH LIRA							
TREDOT000013	DOGUS OTOMOTIV SERV. TIC.	1,151,849	575,709	919,648	4.550000	2,192,254.39	0.33
TREEGYO00017	EMLAK KONUT GAYR.YAT.ORT.	7,285,824	6,478,751	6,770,382	2.630000	8,015,274.98	1.20
TRSAHOL91Q5	HACI OMER SABANCI	1,174,266	625,371	937,592	6.700000	3,290,980.36	0.49
TREKOAL00014	KOZA ALTIN ISLETMEL.	335,092	275,770	226,610	24.650000	3,455,134.71	0.52
TRET KHO00012	TEKFEN HOLDING AS	860,963	446,321	687,392	5.940000	2,139,217.46	0.32
TRATOASO91H3	TUERK OTOMOBIL E	1,067,230	1,699,800	632,570	7.200000	3,214,212.03	0.48
TRAGARAN91N1	TUERKIYE GAR.BANK.NAM.	5,094,385	3,197,675	6,285,090	7.460000	15,896,978.69	2.38
TRETHAL00019	TUERKIYE HALK BANKASI	1,772,358	1,168,962	1,978,904	11.700000	8,674,037.86	1.30
TRATHYAO91M5	TURK HAVA YOLLARI AS	802,948	1,767,272	4,291,666	3.180000	1,068,067.11	0.16
EQUITIES IN ROMANIAN LEI							
ROPRLAACNOR7	PRODPLAST BUCUREST N.	67,663	22,554	45,108	1.260000	20,089.16	0.00
WARRANTS IN US DOLLARS							
GB00B0L4V184	UKRAINE OPP. TR.	122,000			1.000050	85,318.95	0.01
TOTAL LICENSED SECURITIES ADMITTED TO TRADING ON THE OFFICIAL MARKET OR ANOTHER REGULATED MARKET					EUR	632,097,265.10	94.71
EQUITIES IN US DOLLARS							
RU0007976957	BASHNEFT	71,600	65,390	57,150	57.000000	2,853,986.01	0.43
TOTAL LICENSED SECURITIES NOT ADMITTED TO TRADING ON THE OFFICIAL MARKET OR ANOTHER REGULATED MARKET					EUR	2,853,986.01	0.43
TOTAL SECURITIES PORTFOLIO					EUR	634,951,251.11	95.14
BANK BALANCES							
EUR BALANCES					EUR	25,392,155.59	3.81
ACCRUALS AND DEFERRALS							
INTEREST CLAIMS		EUR	15,961.10				
DIVIDENDS RECEIVABLE		EUR	8,128,222.81		EUR	8,144,183.91	1.22
OTHER ITEMS							
VARIOUS FEES					EUR	-1,115,988.25	-0.17
TOTAL FUND ASSETS					EUR	667,371,602.36	100.00
NET ASSET VALUE PER UNIT							
TRANCHE R INCOME-DISTRIBUTING					EUR	279.45	
TRANCHE R INCOME-RETAINING					EUR	304.93	
TRANCHE R FULL INCOME-RETAINING					EUR	318.37	
TRANCHE I FULL INCOME-RETAINING					EUR	323.92	
UNITS IN CIRCULATION							
TRANCHE R INCOME-DISTRIBUTING					UNITS	476,540.609	
TRANCHE R INCOME-RETAINING					UNITS	966,835.612	
TRANCHE R FULL INCOME-RETAINING					UNITS	701,729.186	
TRANCHE I FULL INCOME-RETAINING					UNITS	49,273.099	

FROZEN SECURITIES FORMING PART OF THE PORTFOLIO OF INVESTMENTS (SECURITIES LENDING TRANSACTIONS):

CZ0005112300	CEZ AS INH.	CZK	2,175
GB0031544546	PETROPVLOVSK	GBP	16,720
HU0000061726	ORSZAGOS TAKAR. KER.BK RT	HUF	7,585
PLAGORA00067	AGORA S.A.	PLN	3,450
PLARTPR00012	ARCTIC PAPER SA	PLN	2,700
PLBIG0000016	BANK MILLENNIUM	PLN	23,051
PLBH00000012	BK HANDLOWY W WARS.	PLN	1,360
PLGTC0000037	GLOBE TRADE CENTRE	PLN	3,000
PLKGHM000017	KGHM POLSKA MIEDZ	PLN	501,150
PLPKO0000016	PKO BANK POLSKI S.A.	PLN	10,175
PLPGNIG00014	POLSKIE GO.NAF. A	PLN	45,000
PLPZU0000011	POWSZECHNY ZAKLAD UBEZP.	PLN	810
US12642X1063	CTC MEDIA INC.	USD	6,350
US46627J3023	JSC HALYK BK	USD	1,175
RU0007775219	MOBILNIYE TELESIST	USD	349,000
US67812M2070	NK ROSNEFT GDR REGS	USD	36,325
US6708662019	O'KEY GROUP SA GDR REG S	USD	3,000
US8181503025	SEVERSTAL GDR S OCT2006	USD	175
RU0009033591	TATNEFT IMENI V.D.	USD	20,150
TREDOTO00013	DOGUS OTOMOTIV SERV. TIC.	TRY	510,406
TREEGYO00017	EMLAK KONUT GAYR.YAT.ORT.	TRY	8,400
TRASAHOL91Q5	HACI OMER SABANCI	TRY	10,350
TRETKHO00012	TEKFEN HOLDING AS	TRY	7,473
TRATOASO91H3	TUERK OTOMOBIL E	TRY	9,050

EXCHANGE RATES

FOREIGN CURRENCY ASSETS WERE CONVERTED INTO EUR ON THE BASIS OF THE EXCHANGE RATES APPLICABLE ON 28/7/2011:

CURRENCY	UNIT	PRICE	
CZECH CROWN	1 EUR =	24.181500	CZK
BRITISH POUND	1 EUR =	0.875650	GBP
HUNGARIAN FORINT	1 EUR =	268.905000	HUF
POLISH ZLOTY	1 EUR =	4.006200	PLN
ROMANIAN LEI	1 EUR =	4.243850	RON
RUSSIAN RUBLE	1 EUR =	39.471550	RUB
TURKISH LIRA	1 EUR =	2.390650	TRY
US DOLLAR	1 EUR =	1.430000	USD

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

ISIN	SECURITY TITLE	PURCHASES ADDITIONS	SALES DISPOSALS
EQUITIES IN CZECH CROWNS			
NL0006282204	NEW WORLD RES.NA.A		227,756
EQUITIES IN EURO			
CY0000100111	BANK OF CYPRUS NAM.		726,350
AT0000606306	RAIFF.BK.INT. AG INH.AKT.	77,600	77,600
EQUITIES IN BRITISH POUNDS			
GB00B0HZPV38	KAZAKHMYS PLC	5,220	319,270
EQUITIES IN HUNGARIAN FORINT			
HU0000068952	MOL NYRT. NA A	62,851	154,707
EQUITIES IN POLISH ZLOTY			
PLBZ00000044	BANK ZACHODNI WBK SA		14,260
PLPEKAO00016	BK PEKAO SA	23,920	240,973
PLBRE0000012	BRE BANK		12,011
PLTLKPL00017	TPSA - TELEKOMUN. P.	185,550	1,183,875
PLTVN0000017	TVN S.A.	96,120	486,120
EQUITIES IN US DOLLARS			
VGG290991014	EASTERN PROPERTY HLDGS	65,600	65,600
US30050A2024	EVRAZ GROUP GDR REG.	188,410	640,000
RU000A0ET7Y7	MOSKOV.OBYED.ELECT.	1,953,000	62,154,000
US67011E2046	NOVOLIPETSKIY MET.KO.REGS	14,990	117,490
US6708312052	TATNEFT ADR REG.S		254,499
US9286601094	VOLGA TELE.		466,000
RU0009058234	VOLGA TELE.		428,017
US46630Q2021	VTB BANK GDR REG. S	1,088,880	1,088,880
RU000A0JNG55	VTORAYA GENER.K.O.R.E.		63,299,000

ISIN	SECURITY TITLE	PURCHASES ADDITIONS	SALES DISPOSALS
EQUITIES IN TURKISH LIRA			
TREENKA00011	ENKA INSAAT VE SAN.	80,210	1,181,573
TRAYKBNK91N6	YAPI VE KREDI B.NA	87,660	1,397,660
SUBSCRIPTION RIGHTS IN EURO			
AT0000A0FA73	OMV -BZR-	184,358	184,358
INVESTMENT CERTIFICATES IN US DOLLARS FOR OTHER ORGANIZED MARKETS			
VGG290991ALT	EASTERN PROPERTY HLDGS		32,800

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

Vienna, 31 August 2011

Raiffeisen Kapitalanlage-Gesellschaft m. b. H.


 Dr. Mathias Bauer


 Mag. (FH) Dieter Aigner


 Mag. Gerhard Aigner