

**Raiffeisen fond dluhopisové stability,  
otevřený podílový fond,  
Raiffeisen investiční společnost a.s.**

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**Semi-Annual Report  
2017**

## **Semi-Annual Report of Fund for the term of 1 January 2017 – 30 June 2017**

Currency:	CZK
ISIN:	CZ0008474293
Unit nominal value:	None
Fund form:	Open-ended mutual fund
Collective investment fund:	Standard
AKAT-type fund:	Bond fund
Date of establishment:	17 March 2014

### **Fund Manager**

Raiffeisen investiční společnost a.s., Company no. (IČ): 29146739, with registered office at Hvězdova 1716/2b, Praha 4 – Nusle, Postal Code 140 78, acts as the investment company administering and managing the Fund assets. The company was founded on 21 December 2012. The relevant licence to act as an investment company was issued by the Czech National Bank, by way of Decision ref. no. 2013/4256/570 dated 9 April 2013, that acquired legal force on 9 April 2013. The company is a 100-percent subsidiary of Raiffeisenbank a.s. The investment company has not concluded any contracts with any other persons or entities covering activities of a senior supporter of the Fund pursuant to Sections 85 to 91 of Act no. 240/2013 Collection of Laws ("Coll."), on Investment Companies and Investment Funds.

### **Fund Depositary**

The services of a depositary have been provided by UniCredit Bank Czech Republic and Slovakia, a.s., Company no. (IČ): 64948242, with registered office at Želetavská 1525/1, Praha 4, Postal Code 140 92, incorporated in the Companies Register administered by the Municipal Court in Prague, Section B, File no. 3608. The Depositary has also been in charge of the custody of the Fund assets throughout the record period.

### **Auditor**

The Fund has been audited by Deloitte Audit s.r.o., Company no. (IČ): 49620592, with registered office at Karolinská 654/2, Praha 8 – Karlín, Postal Code 186 00, incorporated in the Companies Register administered by the Municipal Court in Prague, Section C, File no. 24349.

### **Investing Strategy**

The Fund invests predominantly in bonds, money-market instruments, and bond funds denominated in Czech crowns issued, without limitation, by Governments, supranational institutions, and credit-rating undertakings. To a lesser extent, investments may also be made to instruments relating to some selected international hedgings. Investment securities or money market instruments issued or guaranteed by the Czech Republic may comprise up to 100 percent of the value of the Fund assets. The Fund has been rated in Risk Group 2 according to the Synthetic Risk and Reward Indicator (SRRI).

## Fund Portfolio Manager

Ing. Martin Zezula

Background: Fakulta financí a účetnictví, Prague School of Economics  
Courses and training: broker's licence issued by the Czech Ministry of Finance  
RIS portfolio manager: since 17 June 2013  
Practical experiences: 20 years

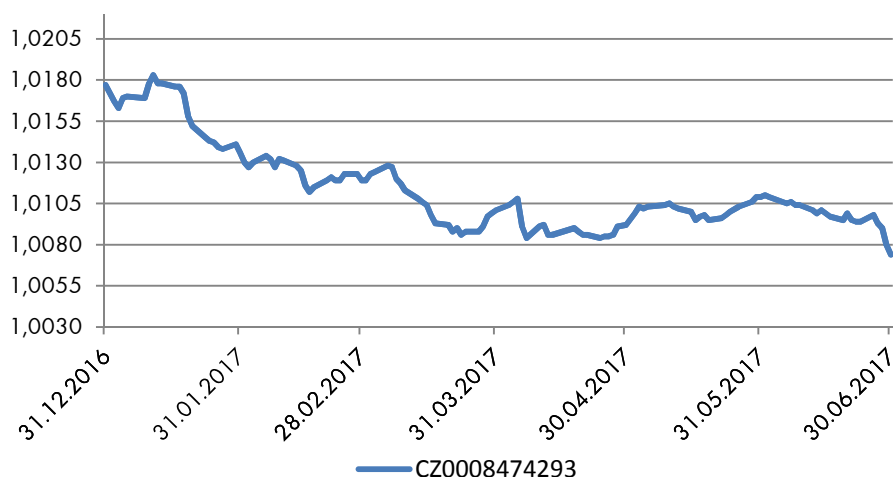
Since 2013 Raiffeisen investiční společnost a.s., Portfolio Manager  
2006 - 2013 Raiffeisenbank a.s., Portfolio Manager  
2001 - 2006 Conseq Investment Management, a.s., Portfolio Manager  
2000 - 2001 Conseq Finance, a.s., Portfolio Manager  
1998 - 2000 Conseq Finance, a.s., Analyst – Credits  
1998 - 1998 Prague International Securities, s.r.o., Analyst – Equity

## Portfolio Manager's Comments

The assets of Raiffeisen fond dluhopisové stability remained also in the first six months of 2017 allocated particularly in medium-term sovereign and corporate bonds with duration (simply speaking: average term until maturity) less than two years. As regards its credit-worthiness, the investments have been made exclusively in bonds in so-called 'investment rating zone' (i.e., ratings of BBB-/Baa3 and better). Due to negative yields to maturity of Czech Republic's sovereign bonds (T-bonds), the portion of not invested assets has been temporarily increased (as of 30 June 2017, its share amounted to approx. 17 percent of the assets as against 4 percent as the end of 2016).

Financial indicators	30 June 2017	30 June 2016	30 June 2015
Shareholders equity of the mutual fund, in CZK'000	2,625,753	2,894,790	2,993,942
Shareholders equity per one unit, in CZK	1.0074	1.0115	1.0060
Profit/loss after tax, in CZK'000	(29,239)	(1,424)	(2,702)
Number of units, in pieces	2,606,487,795	2,861,825,326	2,976,209,256

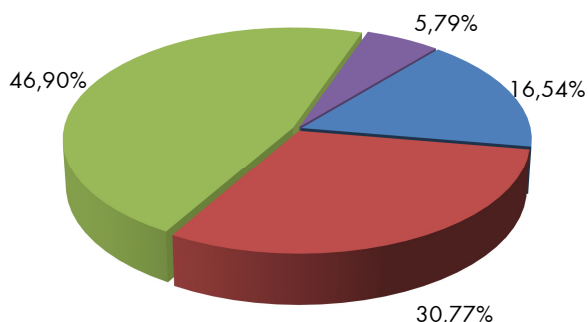
## Unit Value Curve



## Raiffeisen fond dluhopisové stability

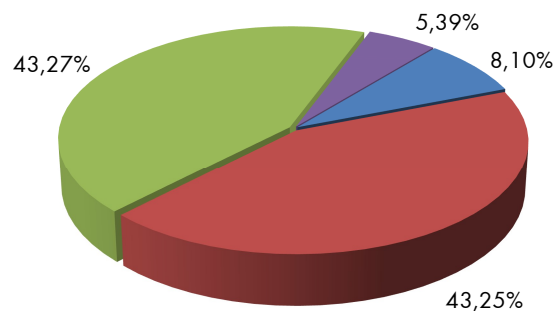
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**Fund Assets Composition as of  
30.06.2017**



■ Current accounts ■ Corporate bonds  
■ Sovereign bonds ■ Shares and share certificates

**Fund Assets Composition as of  
30.06.2016**



■ Current accounts ■ Corporate bonds  
■ Sovereign bonds ■ Shares and share certificates

**List of securities held in excess of 1 percent as of 30 June 2017**

CURRENCY	COUNTRY	ISIN	SECURITY NAME	PURCHASE PRICE in CZK'000	FAIR VALUE in CZK'000	STAKE IN ASSETS in %
CZK	CZ	CZ0001003834	CZGB 1,50/19	278,068	274,948	10.48
CZK	CZ	CZ0001004717	CZGB 0 07/17/19	272,071	270,670	10.32
CZK	CZ	CZ0002002520	UNICZ 6 04/27/18	229,948	211,010	8.05
CZK	CZ	CZ0001004600	CZGB 0,45 10/25/23	152,721	152,566	5.82
EUR	AT	AT0000622022	RAIFFEISEN- INFLTIONSSCH.	157,015	151,598	5.78
CZK	CZ	CZ0001003123	CZGB Float 04/18/23	118,826	118,753	4.53
CZK	CZ	CZ0001004246	CZGB 0,85 03/17/18	100,213	99,167	3.78
CZK	AT	AT0000A1GD94	HYPO NOE GRUPPE Float 09/20	70,001	70,238	2.68
CZK	CZ	CZ0001002471	CZGB 5 04/11/19	60,127	55,142	2.10
CZK	CZ	CZ0001000822	CZGB 4,6 08/18/18	52,572	52,553	2.00
CZK	CZ	CZ0003515033	CEPSAS 0,25 09/30/21	45,201	43,986	1.68
CZK	FR	FR0011734961	BPCEGP Float 02/14/19	40,172	40,246	1.53
CZK	FR	XS1040279462	ACAAP Float 02/28/19	40,321	40,204	1.53
CZK	CZ	XS1090620730	NETGAS 2,25 01/28/21	34,739	35,766	1.36
CZK	CZ	CZ0001003859	CZGB 2,5 08/25/28	34,246	35,159	1.34
EUR	ES	ES00000121G2	SPGB 4,80 01/31/24	33,366	33,462	1.28
CZK	AT	AT000B013750	RBIAP 0,73 04/01/21	33,001	33,244	1.27
EUR	RO	XS1060842975	ROMANI 3,625/24	30,238	30,047	1.15
EUR	NL	XS0811554962	HEIANA 2,125 08/04/20	30,054	28,255	1.08
EUR	CZ	XS1415366720	CESDRA 1,875/23	27,875	27,353	1.04
CZK	CZ	CZ0001004253	CZGB 2,4 09/17/25	26,989	26,550	1.01
EUR	NL	XS1167644407	VW 0,875 01/16/23	27,785	26,353	1.00
<b>TOTAL</b>				<b>1,895,548</b>	<b>1,857,269</b>	<b>70.81</b>

**Additional basic information pursuant to Decree 244/2013, Annex no. 2:**

**h) The value of all profit shares paid out per unit certificate or per investment share.**

The Fund represents a growth fund, i.e., the entire profit has been reinvested.

**i) Information on the actually paid consideration to the manager for managing the fund, which is to be broken down into information on the consideration for the performance of the activities of a depository, of an administrator, of a primary supporter and of an auditor, and information on other expenses or taxes.**

This information is carried in the Profit and Loss Account for the record period, which comprises part of the present Semi-Annual Report.

**j) Information on the quantitative restrictions and methods that were selected for the evaluation of the risks associated with the techniques of the Fund's management in the relevant period, including information on the counterparties to the transactions, on the type and amount of the hedging received, and on the yield and expenses associated with the application of such techniques, and information of investment limits in relation to derivatives negotiated on the account of such fund.**

The Fund has invested in the record period in keeping with its investment strategy as stipulated in the Fund Prospectus and any relevant regulations. Risk exposures of financial derivatives relate to (a) so-called 'basis' risks resulting from different price trends of the derivatives and the hedged assets; (b) risks of counterparty failure. The market value of financial derivatives negotiated for the hedging purposes and receivables from payments of pecuniary funds from accounts in the Czech or foreign currencies may comprise up to 30 percent of the Fund assets. The sum of the values of foreign currency investment instruments and receivables regarding payments of pecuniary funds from the account in foreign currencies, which have not been hedged against CZK, shall not exceed 7.5 percent of the Fund assets. Financial derivatives have been negotiated with UniCredit Bank Czech Republic and Slovakia, a.s., Československá obchodní banka, a.s., Česká spořitelna, a.s., Raiffeisenbank a.s., Komerční banka, a.s.

In the sense of Art. 13 (Section A to the Annex) of Regulation (EU) 2015/2365 of the European Parliament and of the Council, the Company informs that the Fund executed in the record period no SFT transactions, i.e., trades hedging financing, or swaps of all yields.

**BALANCE SHEET**

30 June 2017

CZK '000

Receivables from banks and cooperative credit unions	433,008
<i>including: (a) Payable upon request</i>	433,008
Debt securities	2,033,482
<i>including: (a) Issued by government institutions</i>	1,227,883
<i>(b) Issued by other entities</i>	805,599
Shares, share certificates and other investments	151,598
<i>including: (b) Share certificates</i>	151,598
Other assets	4,684
<i>including: (b) Derivatives</i>	4,247
<b>Total assets</b>	<b>2,622,772</b>

Other liabilities	(3,787)
<i>including: (b) Derivatives</i>	234
Accrued expenses and deferred income	807
Capital funds	2,624,327
Retained profit or accumulated losses from previous years	30,664
Profit or loss for the current period	(29,239)
<b>Total liabilities</b>	<b>2,622,772</b>

**PROFIT AND LOSS ACCOUNT**

In the period ending 30 June 2017

CZK '000

Interest income and similar income	1,393
<i>including: Interest from debt securities</i>	1,393
Fees and commission income	339
Fees and commission expenses	(5,914)
<i>including: Management fees</i>	(4,742)
<i>Depository fees</i>	(851)
Profit or loss from financial operations	(24,933)
Administrative costs	(124)
<i>including: Auditor's fees</i>	(124)
<b>Profit or loss for the current period from ordinary activities before tax</b>	<b>(29 239)</b>
Income tax	-
<b>Profit or loss for the current period after tax</b>	<b>(29,239)</b>