

Raiffeisen investiční společnost a.s.

Annual Report 2015

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General Information on Raiffeisen investiční společnost a.s. (“the Company”)

Company name: Raiffeisen investiční společnost a.s.
Legal status: joint-stock company
Registered office: Hvězdova 1716/2b,
140 78 Prague 4 – Nusle
Czech Republic
Corporate ID: 29146739
Register of Companies: file no. B18837 kept by the Municipal Court in Prague
Share capital: CZK 40,000,000

Contacts

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www.rfis.cz

Abbreviations used

RBI Raiffeisen Bank International

RB Raiffeisenbank a.s.

RPS Raiffeisen penzijní společnost a.s. in liquidation

KAG Raiffeisen Kapitalanlage – Gesellschaft m.b.H.

ISIN International Securities Identification Number

UCITS Directive 2009/65/EC of the European Parliament and of the Council, on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended

AIFMD Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, as amended

Introduction by the Chairman of the Board of Directors and Managing Director



Dear Ladies and Gentlemen,

2015 was so far the most successful year in the history of Raiffeisen investiční společnost. During the entire year, we were able to grow faster than the market. While at end of 2014 we had managed the clients' assets of almost CZK 10 billion, by the end of 2015 we exceeded CZK 13.3 billion.

We were able to significantly increase the number of new clients who began to discover the world of collective investment with us. The search for income in an inflation-less environment became an essential topic for many clients who had so far been happy to make only standard bank deposits. We exceeded expectations from the beginning of 2015 in all key financial indicators.

During the year, we introduced two essential innovations on the market to our clients. In April, we introduced the new fund Raiffeisen fond optimálního rozložení, which is managed based on mathematical models. These models follow key trends in individual asset categories while endeavouring to limit the potential price slump in case of a stock market downturn. The other essential innovation was the establishment of a new fund, Raiffeisen fond high-yield dluhopisů. This fund was established as part of a cross-border "master – feeder" structure. It is the first fund of its type on the Czech market.

The situation on the market last year was not at all easy. The quick growth of stock markets in the first four months was succeeded by a brief hesitation and subsequent quick drop during the summer holidays. A short recovery in November was followed by a decrease at the end of the year, and the markets kept this principal "blow" for the beginning of this year. The bond market of 2015 could be described with one word – hesitation. The speculation of traders about the future strengthening of the Czech crown further hindered investment opportunities and potential income on this market for CZK investors.

The development of the market in early 2016 showed that this year would be a big challenge for all of us. Our goals, however, remain unchanged. We will continue together with our parent company Raiffeisenbank to teach our clients how to make smart investments and savings. Our aim is to continue increasing the number of investing clients and the volume of managed client investments. This year we will bring interesting innovations offering our clients opportunities of interesting appreciation of their funds.

To conclude, please allow me to thank all our clients, business partners and co-workers for their loyalty in 2015. I look forward to further cooperation in 2016.

Jaromír Sladkovský

The Company's Annual Report

The annual report of Raiffeisen investiční společnost a.s. (hereinafter the "Company") also contains information about collective investment funds which were managed by the Company during the reporting period, information about members of the Board of Directors, the Supervisory Board, and portfolio managers. It also includes information on the depository of collective investment funds managed by the Company during the reporting period, information about all securities traders who carried out trader activities with securities for the collective investment funds managed by the Company, about legal or arbitration disputes that the Company participated or participates in.

Company Profile

Raiffeisen investiční společnost a.s. was formed on 21 December 2012 as a company fully owned by its sole shareholder, Raiffeisenbank a.s. The Company was established with the goal of expanding the offering of Raiffeisenbank a.s. and thus increase the bank's market share. Within a few years, the Company has become a respected asset manager with a regional sphere of activity in Central Europe.

The Company manages open-ended UCITS mutual collective investment funds, open-ended AIFMD mutual collective investment funds and open-ended AIFMD mutual qualified investor funds. The managed funds invest in transferrable securities, money market instruments and investment instruments for the purposes of foreign exchange hedging.

The products are offered primarily through the RB CZ distribution network in the Czech Republic.

Principal Values of the Company

We identify with four principal values: responsibility, synergy, professionalism and ambition.

- **Responsibility:** our primary responsibility is to effectively manage assets in the funds and turn every investment into success. We fulfil this responsibility dutifully while observing work ethics, honesty and integrity, laws and regulations. We aim to offer our shareholders maximum return while maintaining an acceptable level of risk.
- **Synergy:** team work – we support cooperation and cohesiveness across departments to create synergy which drives the Company forward to reach the goals we have set.
- **Professionalism:** professionalism and strict work ethics are the foundation of success.
- **Ambition:** the desire for exceptionality drives us forward and ensures continuous success.

Membership in Professional Organisations

The Company is a member of the Czech Capital Market Association ("AKAT"). The members of the association are the most important managers – investment and asset management companies active in the Czech Republic.

Website and Information on Announced Share Certificate Prices

The Company has its designated website available at www.rfis.cz. The website was designed in order to be used as the primary method of electronic communication with shareholders. It contains detailed information about the announced unit prices of share certificates provided on a daily basis, reports and financial statements and other documents issued by the Company, as well as information about the management of the Company and other information.

Information about the announced prices of share certificates is also available at www.akatcr.cz and Bloomberg.

Milestones since the Establishment of the Company

(2012 – 2015)

- **Company management**
 - **Investment management**
 - **International cooperation**

- December 2012 establishment of the Company
 - May 2013 establishment of the investment committee and the risk management committee
 - June 2013 beginning of the activity of Raiffeisen fond dluhopisových příležitostí
 - June 2013 beginning of the activity of Raiffeisen chráněný fond ekonomických cyklů

- July 2013 conclusion of a contract for the management and distribution of foreign KAG funds
 - September 2013 the Board of Directors decided on the merger of seven foreign KAG funds
 - October 2013 beginning of the activity of Raiffeisen chráněný fond americké prosperity

- March 2014 acquisition of the licence for qualified investor funds
 - April 2014 beginning of the activity of Raiffeisen fond dluhopisové stability
 - May 2014 beginning of the activity of Raiffeisen privátní fond alternativní
 - May 2014 beginning of the activity of Raiffeisen privátní fond dynamický
 - June 2014 beginning of the activity of Raiffeisen fond dluhopisových trendů
 - June 2014 beginning of the activity of Raiffeisen fond akciových trhů
 - June 2014 beginning of the activity of Raiffeisen fond pravidelných investic
 - June 2014 takeover of the management of the Leonardo fund, an open-ended mutual fund
 - December 2014 realisation of the cross-border merger of 5 KAG funds and 4 RIS funds
 - April 2015 beginning of the activity of Raiffeisen fond optimálního rozložení
 - First cross-border Master – Feeder structure
 - October 2015 beginning of the activity of Raiffeisen fond high-yield dluhopisů

List of Funds Managed as of 31 December 2015

As of 31 December 2015, Raiffeisen investiční společnost a.s. managed a total of 12 open-ended mutual funds.

Standard funds

- Raiffeisen fond dluhopisových příležitostí (ISIN CZ0008473998)
- Raiffeisen fond dluhopisové stability (ISIN CZ0008474293, CZ0008474301)
- Raiffeisen fond dluhopisových trendů (ISIN CZ0008474376, CZ0008474384)
- Raiffeisen fond akciových trhů (ISIN CZ0008474442, CZ0008474459)
- Raiffeisen fond pravidelných investic (ISIN CZ0008474400, CZ0008474434)
- Raiffeisen fond high-yield dluhopisů (ISIN CZ000847848)

Special funds

- Raiffeisen chráněný fond ekonomických cyklů (ISIN CZ0008474038)
- Raiffeisen chráněný fond americké prosperity (ISIN CZ0008474087)
- Raiffeisen privátní fond dynamický (ISIN CZ0008474350)
- Raiffeisen privátní fond alternativní (ISIN CZ0008474368)
- Raiffeisen fond optimálního rozložení (ISIN CZ0008474731)

Qualified investor fund

- LEONARDO (ISIN CZ0008474525)

Based on the Management Contract concluded between the Company and Raiffeisen Kapitalanlage – Gesellschaft m.b.H. on 1 July 2013, the Company managed the following foreign fund as of 31 December 2015:

- Raiffeisen-Czech-Click Fund II (ISIN AT0000A0QRK9)

Information on the Synthetic Indicator of the Risk Profile of the Managed Funds

| Abbreviated name of the mutual fund | Potentially lower risk | | | Potentially higher risk | | | |
|--|--------------------------|---|---|---------------------------|---|---|---|
| | Potentially lower income | | | Potentially higher income | | | |
| Raiffeisen fond dluhopisových příležitostí | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Raiffeisen chráněný fond ekonomických cyklů | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Raiffeisen chráněný fond americké prosperity | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Raiffeisen fond dluhopisové stability | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Raiffeisen fond dluhopisových trendů | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Raiffeisen fond akciových trhů | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Raiffeisen fond pravidelných investic | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Raiffeisen privátní fond dynamický | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Raiffeisen privátní fond alternativní | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Raiffeisen fond optimálního rozložení | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Raiffeisen fond high – yield dluhopisů | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| LEONARDO | 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Information about Facts Having a Material Effect on the Company's Performance and Listing of the Principal Factors Having an Impact on the Financial Result

Financial result of the Company

In 2015 the economic indicators of the Company reached gratifying levels and exceeded expectations. Thanks to positive net sales, good performance and fund mergers and subsequently generated payment, and thanks to strict expense management during the entire year, the Company managed to exceed its financial plans on the level of profit.

Payroll and similar costs of the Company in 2015 amounted to CZK 19,161 thousand. Of the total amount of payroll and similar costs, CZK 86 thousand represented the variable component. The mentioned amounts are related to the total remuneration of all employees and managers of the Company. Payroll costs and expenses for the remuneration of managers and other Company workers whose activity has a material effect on the risk profile of the funds amounted to CZK 11,195 thousand.

In 2015, the Company reported net profit of CZK 36.364 million. The net profit will be distributed based on the decision of the sole shareholder acting in the capacity of the general meeting pursuant to Section 190 (2) of Act No. 90/2012 Coll., on Business Corporations.

In 2015, the Company has no trade receivables or payables past their due dates.

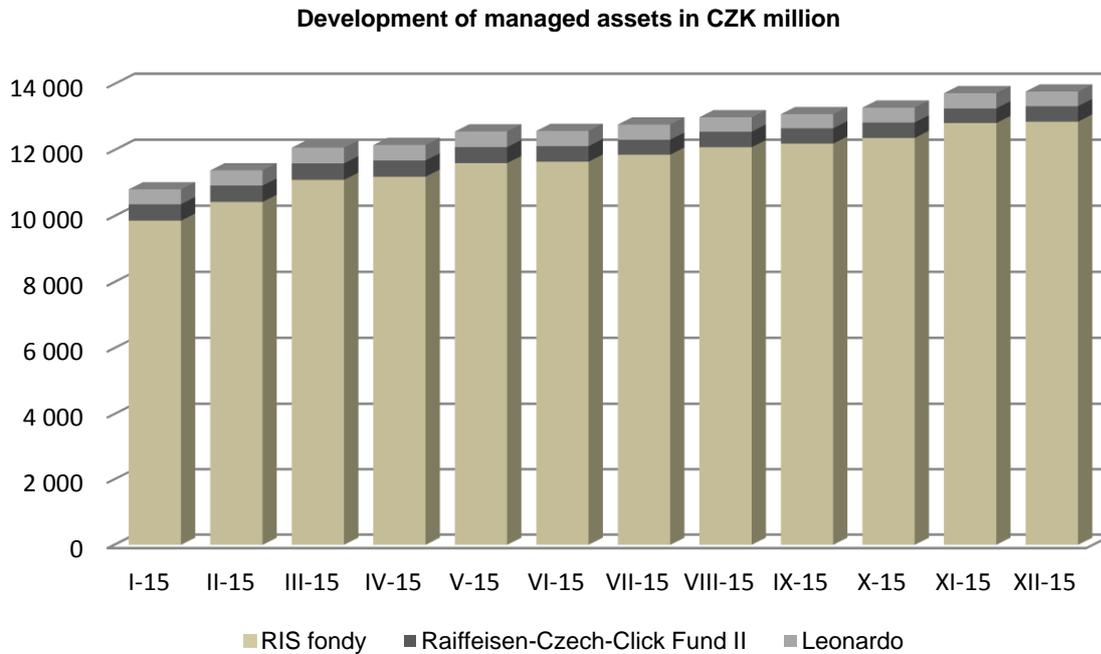
The Company's share capital of CZK 40 million represents 40 registered shares in the certificate form with a nominal value of CZK 1,000,000. The Company's capital is sufficient and fully covers the requirements arising from legal regulations. Raiffeisenbank a.s. is the sole shareholder, holding 100% of the shares and voting rights related to them.

Selected Financial Indicators of the Company

| | 31 Dec 2015 | 31 Dec 2014 |
|-------------------------------|-------------|-------------|
| Profit in CZK thousand | 36 017 | 6 085 |
| Total assets in CZK thousand | 104 280 | 58 926 |
| Share capital in CZK thousand | 40 000 | 40 000 |
| Equity in CZK thousand | 76 871 | 40 854 |

Managed Assets

The value of the assets in the Company's funds increased due to positive net sales as well as thanks to the performance of the managed funds. The value of assets managed in local funds as of 31 December 2015 amounted to CZK 13,306,931 thousand. The volume of assets in the foreign fund Raiffeisen-Czech-Click Fund II, whose portfolio the Company had been charged with managing, amounted to CZK 467,852 thousand as of 31 December 2015. The Company's primary distribution partner is Raiffeisenbank a.s.



Expected Financial Results in 2016

In 2016, the Company expects the number of shareholders in its funds to increase and a further expansion of its fund portfolio.

Information about Members of the Board of Directors, Supervisory Board and Portfolio Managers

Board of Directors

Jaromír Sladkovský – Chairman of the Board of Directors and Managing Director (from 11 October 2014 to date)

Jaromír Sladkovský graduated from the Czech Technical University in Prague and INSEAD, MBA in Fontainebleau, France. Jaromír Sladkovský simultaneously holds the position of executive director for Project Management & Strategy in Raiffeisenbank a.s. In the past, he held the position of director for Premium Retail and SME segments and director for Strategy in Raiffeisenbank a.s. Prior to joining Raiffeisenbank a.s., he worked for Československá obchodní banka, a.s. Between 1994 and 2000 he worked in Arthur Andersen.

Michal Ondruška – member of the Board of Directors and Executive Director (from 21 December 2012 to date)

Michal Ondruška graduated from the Czech Technical University in Prague, he holds the broker licence awarded by the Ministry of Finance and he successfully passed Level I of the CFA international exam. Michal Ondruška has extensive experience in the area of financial markets both in the Czech Republic and abroad (especially Austria, Germany and Eastern European markets). He joined RIS from Raiffeisenbank a.s., where he concurrently holds the position of manager of the Asset Management department. In Raiffeisenbank a.s. he successively introduced several CZK Raiffeisen mutual funds to the market.

Lucie Osvaldová – member of the Board of Directors and Executive Director (from 26 March 2015 to date)

Lucie Osvaldová graduated from the Faculty of Economics and Management of the Czech University of Life Sciences. Lucie Osvaldová has been active for over 9 years in the area of collective investment both in the Czech Republic and abroad. She is responsible for the realisation of product strategy, development of new funds, their support and marketing communication. Before joining the Company she worked at different positions, for example in ZUNO BANK AG, Poštová banka a.s., or ČSOB investiční společnost a.s.

Supervisory Board

Igor Vida – Chairman of the Supervisory Board (from 12 February 2015 to date)

Since April 2015, Igor Vida has simultaneously held the position of CEO of Raiffeisenbank a.s. Prior to that, he spent over 20 years in the Slovak Tatrabanka. He graduated from the Faculty of Electrical Engineering of the Slovak University of Technology, followed by the General Management Program of Harvard Business School. He started his career in Tatrabanka in 1992 as the head of the department of money and foreign exchange markets. Subsequently he held the position of director of Treasury and Investment Banking. He was a member of Tatrabanka's Board of Directors since 1997 and CEO and Chairman of the Board of Directors since 2007. Igor Vida holds several managerial awards, e.g. Manager of the Year in Slovakia (Trend magazine, 2008), HR Gold Personality of HR Management award (2013) or the award for the most respected CEO of 2014 awarded by Forbes and PwC.

Michal Kustra – member of the Supervisory Board (from 21 December 2012 to date)

Michal Kustra graduated from the University of Economics in Bratislava. Michal Kustra has extensive experience from managing positions in the areas of banking Treasury, capital markets and asset management. Michal Kustra also holds the position of Chairman of the Board of Directors of Tatra Asset Management (Slovakia) and a member of the Supervisory Boards of OOO Raiffeisen Capital (Russian Federation), Non-state pension fund Raiffeisen (Russian Federation), Raiffeisen Investment Fund Management JSC (Hungary) and Raiffeisen Invest (Croatia).

Vladimír Kreidl – member of the Supervisory Board (from 13 December 2013 to date)

Vladimír Kreidl graduated from Charles University in Prague, where he obtained a PhD in Economics, and from the London School of Economics, where he obtained an MSc in Economics. Prior to joining Raiffeisenbank a.s., he worked from 2001 in McKinsey&Company, where he was a partner since 2008. Between 1995 and 2000 he worked in Patria Finance, a.s., ultimately as a partner. He has been a member of the Board of Directors and Executive Director responsible for Retail Banking at Raiffeisenbank a.s. since 1 October 2013.

Portfolio Managers

Michal Ondruška

| | |
|-----------------------|--|
| Education | Czech Technical University in Prague, Faculty of Civil Engineering |
| Courses/training | Broker licence, Ministry of Finance of the Czech Republic Level I of the CFA international exam |
| Experience | 20 years |
| RIS Portfolio Manager | since 17 June 2013 |

Martin Zezula

| | |
|-----------------------|--|
| Education | Faculty of Finance and Accounting of the University of Economics in Prague |
| Courses/training | Broker licence, Ministry of Finance of the Czech Republic |
| Experience | 18 years |
| RIS Portfolio Manager | since 17 June 2013 |

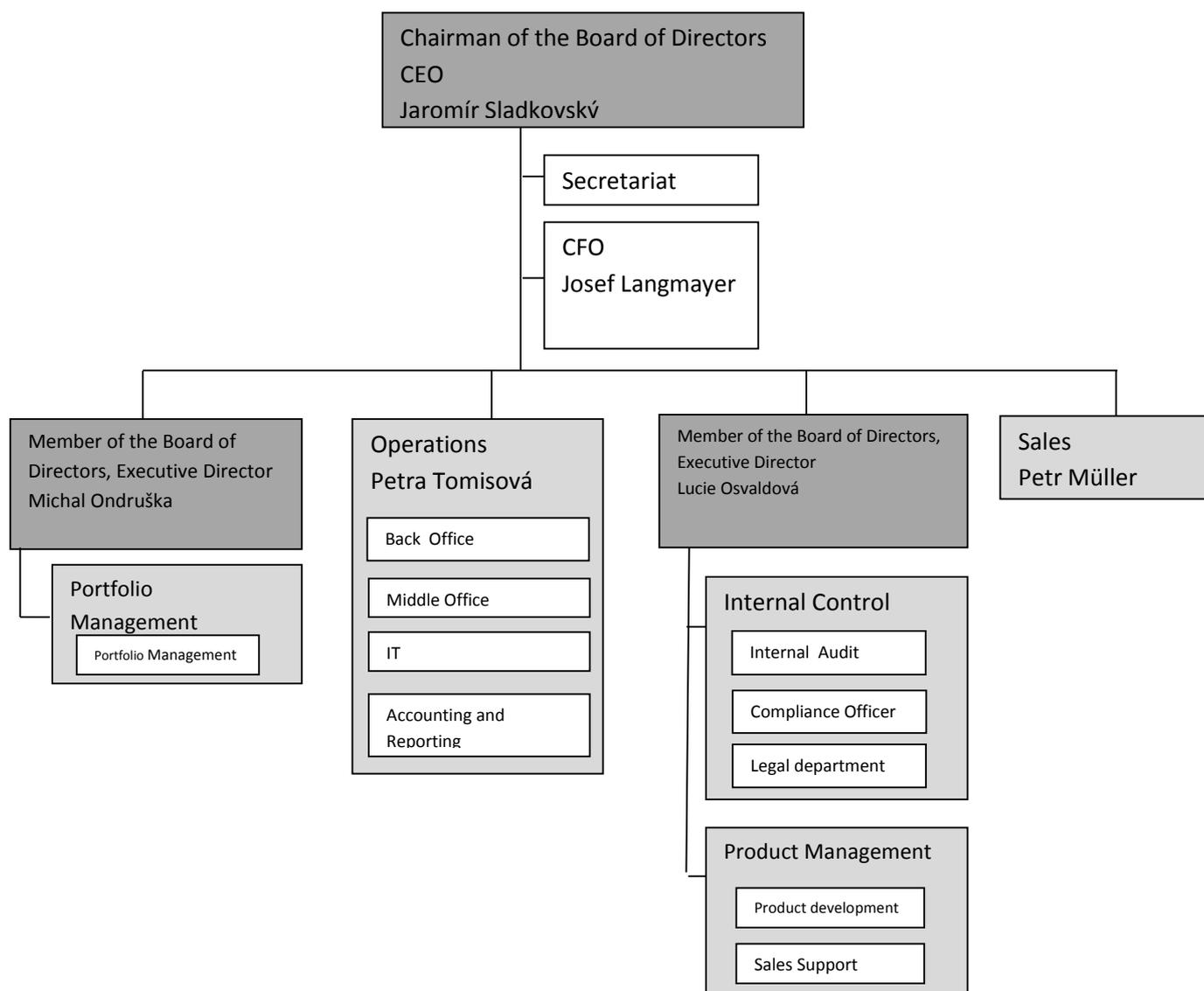
Jan Chytrý

| | |
|-----------------------|---|
| Education | Student of Charles University, Faculty of Mathematics and Physics |
| Courses/training | Broker licence, Ministry of Finance of the Czech Republic |
| Experience | 8 years |
| RIS Portfolio Manager | since 1 March 2015 |

Entities which Performed the Activity of Securities Trader in Relation to the Investment Fund Assets in 2015

- Wood and Company Financial Services, a.s.
- Commerzbank AG, Frankfurt
- Česká spořitelna, a.s. (Erste Group)
- Československá obchodní banka, a. s. (KBC Group)
- Komerční banka, a.s. (Société Generale Group)
- Patria Finance, a.s.
- Raiffeisenbank a.s.
- Raiffeisen Bank International
- UniCredit Bank Czech Republic and Slovakia, a.s.
- UniCredit Bank AG Munich
- Oppenheimer
- PPF Banka

Organisational Structure



Concerted Practices

The Company is not aware of participating in any concerted practices with other entities, unless stated otherwise hereafter.

Legal Disputes

The Company did not participate in any legal or arbitration dispute in the reporting period.

Additional Information

The Company and the managed funds had no research and development expenses in 2015, nor did they carry out any activities in the area of environmental protection and labour relations in the reporting period. During the reporting period the Company did not and does not have any branch abroad.

Significant Post-Balance Sheet Events

Aside from the material events included in the financial statements of the Company and the managed funds, the Company's management is not aware, as of the annual report date, of any subsequent material events that would have an impact on the financial statements for the year ended 31 December 2015.

Report by the Board of Directors of Raiffeisen investiční společnost a.s. on Related Party Transactions

prepared in accordance with Section 82 and the following of Act No. 90/2012 Coll., on Commercial Companies and Cooperatives, as amended (the Act on Commercial Corporations),

for the reporting period from 1 January 2015 to 31 December 2015

Raiffeisen investiční společnost a.s., having its registered office at: Hvězdova 1716/2b, Prague 4, 140 78, corporate ID: 29146739, entered in the Register of Companies maintained by the Municipal Court of Prague on 21 December 2012, Section B, Insert 18837 (hereinafter referred to as “RIS”) is part of the Raiffeisen Zentralbank Österreich AG group, in which relations exist between RIS and controlling entities and between RIS and entities controlled by the same controlling entities (hereinafter referred to as the “related parties”).

This report on relations among the below entities was prepared in accordance with the provisions of Section 82 (2) of the Act on Commercial Corporations and with regard to the legal definition of business secret according to Section 359 (a) of the Act on Commercial Corporations.

Contents:

- 1 Controlling Entities and Method of Control
- 2 Other Related Parties
- 3 Contractual Relations
- 4 Other Legal Acts
- 5 Other Factual Measures
- 6 Conclusion

1 Controlling Entities

Directly controlling entity (direct shareholder):

Raiffeisenbank, a.s., having its registered office at Hvězdova 1716/2b, 140 78, Prague 4 – Nusle, Czech Republic, Corporate ID 49240901 (“RB”)

Indirectly controlling entities

Raiffeisen CEE Region Holding GmbH, Republik Österreich
Raiffeisen RS Beteiligungs GmbH, Republik Österreich
Raiffeisen Bank International AG, Republik Österreich
Raiffeisen International Beteiligungs GmbH, Republik Österreich
Raiffeisen Zentralbank Österreich AG, Republik Österreich
R-Landesbanken-Beteiligung GmbH, Republik Österreich
Raiffeisen-Landesbanken-Holding GmbH, Republik Österreich

The sole shareholder controls RIS primarily by exercising the rights of the sole shareholder, especially by making decisions in the capacity of the General Meeting according to the Articles of Association of the Company and the Act on Commercial Corporations, through the Supervisory Board of the Company and through managerial reporting within the group.

2 Other Related Parties

Czech Republic

| | |
|---|---------------------------------------|
| Raiffeisen – Leasing, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Raiffeisen – Leasing Real Estate, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Raiffeisen Investment, s.r.o. | Hvězdova 1716/2b, Prague 4, 140 78 |
| Raiffeisen Property Management, s.r.o. | Prague 1, Vodičkova 1935/38, 110 00 |
| Raiffeisen stavební spořitelna a.s. | Prague 3, Koněvova 2747/99, 130 00 |
| Real Invest Vodičkova, spol. s r.o. | Vodičkova 38, 110 00 Prague 1 |
| Transaction System Servis s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| ZUNO BANK AG, organizační složka | Prague 4, Hvězdova 1716/2b, 140 78 |
| Hotel Maria Prag Besitz s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| KHD a.s. | Karla Engliše 3219/4, 150 00 Prague 5 |
| KONEVOVA s.r.o. | Prague 3, Koněvova 2747/99, 130 45 |
| Raiffeisen FinCorp, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |

Parties related indirectly through Raiffeisen - Leasing Real Estate, s.r.o.:

| | |
|---|--------------------------------------|
| Afrodité Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| ALT POHLEDY s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Amfion Property s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Appolon Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Astra Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Athena Property, s.r.o. in liquidation | Prague 4, Hvězdova 1716/2b, 140 78 |
| Bondy Centrum s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Boreas Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Credibilis a.s. | Prague 4, Hvězdova 1716/2b, 140 78 |
| CRISTAL PALACE Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Dafne Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Dike Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Dione Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Elektrárna Dynín s.r.o. (note: sold on 7 September 2015) | Prague 4, Hvězdova 1716/2b, 140 78 |
| Eris Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Éós Property s.r.o | Prague 4, Hvězdova 1716/2b, 140 78 |
| Euros Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Erato Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Exit 90 SPV s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Forkys Property, s.r.o. | Prague 10, Na Královce 437/7, 101 00 |
| FORZA SOLE s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| FVE Cihelna s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Gaia Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Gala Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Green Energie větrný park Bílčice, s.r.o. in liquidation | Prague 4, Hvězdova 1716/2b, 140 78 |
| GS55 Sazovice s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Harmonia Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Hébé Property | Prague 4, Hvězdova 1716/2b, 140 78 |
| Hermes Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |

Parties related indirectly through Raiffeisen - Leasing Real Estate, s.r.o.:

| | |
|--|--|
| Hestia Property s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Holečkova Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Hyperion Property s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Chronos Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Inó Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Iris Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Janus Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Kalypso Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Kappa Estates. s.r.o. | Prague 1, Politických vězňů 913/12, 110 00 |
| Kirke Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Logistický areál Hostivař, s.r.o. (note: sold on 7. 10. 2015) | Prague 4, Hvězdova 1716/2b, 140 78 |
| Létó Property s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Luna Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Maharal Hotels, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Médea Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Michalka – Sun s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Na Stárce, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Neptun Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Nike Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Niobé Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Ofión Property s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Onyx Energy projekt II s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Onyx Energy s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Orchideus Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Photon Energie s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Photon SPV 10 s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Photon SPV 11 s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Photon SPV 3 s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Photon SPV 4 s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |

Parties related indirectly through Raiffeisen - Leasing Real Estate, s.r.o.:

| | |
|---|--|
| Photon SPV 6 s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Photon SPV 8 s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Pontos Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Priapos Property, s.r.o. | Prague 10, Na Královce 437/7, 101 00 |
| Pyrit Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| PZ PROJEKT a.s. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Raiffeisen FinCorp s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Raines Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| RESIDENCE PARK TŘEBEŠ, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Rheia Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| RLRE Alpha Property, s.r.o. in liquidation removed from the Register of Companies on 9 June 2015 | Prague 4, Hvězdova 1716/2b, 140 78 |
| RLRE Beta Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| RLRE Carina Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| RLRE Eta Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| RLRE HOTEL ELLEN, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| RLRE Dorado Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| RLRE Jota Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| RLRE Orion Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| RLRE Ypsilon Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Selene Property s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Sirius Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Sky Solar Distribuce s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| T.L.S. building construction s.r.o. | Prague 2, Karlovo náměstí 557/30, 120 00 |
| Theia Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Trojské výhledy s.r.o. (note: sold on 1 July 2015) | Prague 4, Hvězdova 1716/2b, 140 78 |
| UPC Real, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Viktor Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| VILLA ATRIUM BUBENEČ s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Zefyros Property s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |

Parties related indirectly through Raiffeisen - Leasing Real Estate, s.r.o.:

| | |
|---|------------------------------------|
| Zethos Property, s.r.o. | Prague 4, Hvězdova 1716/2b, 140 78 |
| Phoenix Property, s.r.o. (note: sold on 11 May 2015) | Prague 4, Hvězdova 1716/2b, 140 78 |
| RLRE Epsilon Property, s.r.o. (note: sold on 17 June 2015) | Prague 4, Hvězdova 1716/2b, 140 78 |
| Easy Develop s.r.o. (note: sold on 10. 8. 2015) | Prague 4, Hvězdova 1716/2b, 140 78 |
| Studio Invest, s.r.o. (note: sold on 24 November 2015) | Prague 4, Hvězdova 1716/2b, 140 78 |
| RLRE Lyra Property s.r.o (note: sold on 20 April 2015) | Prague 4, Hvězdova 1716/2b, 140 78 |
| Thetis Property. s.r.o. (note: sold on 25 February 2015) | Prague 4, Hvězdova 1716/2b, 140 78 |

Other Countries:

| | |
|---|--|
| Raiffeisen Bank Zrt. | Akadémia utca 6, Budapest, Hungary |
| Raiffeisen Bank Polska S.A. | Piekna ulica 20, Warsaw, Poland |
| Raiffeisen banka a.d. | Dorda Stanojevica 16, Novi Beograd, Serbia |
| Raiffeisenbank Austria d.d. | Petrinjska 59, Zagreb, Croatia |
| Tatra Banka, a.s. | Hodžovo námestie 3, 811 06, Bratislava, Slovakia |
| Centralised Raiffeisen International Services and Payments S.R.L. | Dimitre Pompei Bld. No. 9-9A, 020335 Bucharest, |
| RZB Finance LLC | 1133 Avenue of the Americas, 16th Floor, New York, |
| Raiffeisen Malta Bank PLC | 52, Il Piazzetta, Tower Road, SLM 1607 Sliema, Malta |
| ZUNO BANK AG | Muthgasse 26, 1190, Vienna, Republic of Austria |
| Regional Card Processing Centre, s.r.o. | Hodžovo námestie 3, 811 06 Bratislava, Slovakia |
| RB International Finance LLC | 1133 Avenue of the Americas, 16th Floor, New York, |
| Raiffeisen Bank S.A. | Sky Tower Building, 246C Calea Floreasca, Bucharest, |
| Tatra Asset Management, správ. spol., a.s. | Hodžovo námestie 3, 850 05, Bratislava, Slovakia |
| Raiffeisen Centrobank AG | Tegetthoffstrasse I, 1020, Vienna, Republic of Austria |
| Raiffeisen Banka d.d. (former Raiffeisen Krekova Banka d.d.) | Zagrebska cesta 76, Maribor, Slovenia |
| Raiffeisen–Leasing International GmbH | Am Stadtpark 3, 1030 Vienna, Republic of Austria |
| Raiffeisen-Leasing Bank AG | Am Stadtpark 3, 1030 Vienna, Republic of Austria |
| ZAO Raiffeisenbank | Smolenskaya-Sennaya 28, Moscow, Russian |
| Raiffeisen Informatik Consulting GmbH | Lillienbrunnngasse 7-9, A-1020 Vienna, Republic of |
| Raiffeisen Kapitalanlage-Gesellschaft m.b.H (Raiffeisen Kag) | Schwarzenbergplatz 3, 1010 Vienna, Republic of |
| Ukrainian Processing Center | Moskovsky av., 9, Kyiv, 04073, Ukraine |

3 Contractual Relations

In the reporting period from 1 January 2015 to 31 December 2015, the Company had relations with the following controlling entities:

Raiffeisenbank a.s.

| Legal act | Counterparty | Date concluded | Performance/ Counter-performance |
|--|----------------------|-------------------|---|
| Master Agreement on RIS Services | Raiffeisenbank, a.s. | 1 January 2013 | Provision of RIS services / payment of contractual remunerations and fees |
| Agreement to Open and Maintain a Current Account | Raiffeisenbank, a.s. | 23 January 2013 | Current account maintenance / payment of contractual fees |
| Agreement on Cooperation in Preparation of Tax Returns for VAT Group | Raiffeisenbank, a.s. | 14 February 2013 | Stipulation of mutual rights and obligations of VAT group members |
| Contract for the Sublease of Non-Residential Premises | Raiffeisenbank, a.s. | 29 March 2013 | Contract for the Sublease of Non-Residential Premises / payment of rent |
| Confidentiality Agreement | Raiffeisenbank, a.s. | 17 June 2013 | Confidentiality Agreement |
| Agreement to Issue a Debit Card | Raiffeisenbank, a.s. | 14 May 2013 | Agreement to Issue a Debit Card / payment of contractual fees |
| Risk Management Agreement | Raiffeisenbank, a.s. | 1 May 2013 | Risk management in relation to funds / payment of contractual fees |
| Cooperation Agreement S/2013/00263 | Raiffeisenbank, a.s. | 17 June 2013 | Cooperation agreement (distribution of RIS funds) / payment of contractual remuneration |
| Service Agreement S/203/00265 | Raiffeisenbank, a.s. | 17 June 2013 | Provision of services – settlement of trades / payment of contractual remuneration |
| Agreement to Open and Maintain a Current Account | Raiffeisenbank, a.s. | 13 June 2013 | Current account maintenance / payment of contractual fees |
| Agreement on Direct Banking | Raiffeisenbank, a.s. | 18 June 2013 | Setting up direct banking services / payment of contractual fees |
| Treasury Master Agreement | Raiffeisenbank, a.s. | 17 July 2013 | Agreement on rights and obligations related to transactions in the financial market |
| FDP Loan Contract | Raiffeisenbank, a.s. | 30 August 2013 | Loan for financing bond opportunity fund client settlements / payment of contractual interest and principal |
| FEC Loan Contract | Raiffeisenbank, a.s. | 30 August 2013 | Loan for financing economic cycle fund client settlements / payment of contractual interest and principal |
| Agreement on Information System and Technology Services | Raiffeisenbank, a.s. | 19 September 2013 | Agreement on the provision of IT services to RIS / payment of contractual remuneration |

| Legal act | Counterparty | Date concluded | Performance/ Counter-performance |
|---|----------------------|-------------------|---|
| Agreement to Open and Maintain a Current Account RCHFAP | Raiffeisenbank, a.s. | 27 September 2013 | Current account maintenance / payment of contractual fees |
| Amendment no.1 to the Cooperation Agreement S/2013/00265 | Raiffeisenbank, a.s. | 14 March 2014 | Modification of rights and obligations of the contracting parties |
| Amendment no.1 to the Cooperation Agreement S/2013/00263 | Raiffeisenbank, a.s. | 1 October 2013 | Cancellation of the existing Appendices no. 1 and 2 and their replacement with updated versions |
| Amendment no. 1 to the Contract on the Sublease of Non-Residential Premises | Raiffeisenbank, a.s. | 1 January 2014 | Amendment to the Agreement on the sublease of non-residential premises / payment of rent |
| Amendment No. 1 to Agreement on Information System and Technology Services | Raiffeisenbank, a.s. | 1 January 2014 | Remuneration amount update / payment of contractual remuneration |
| Amendment No. 1 to Treasury Master Agreement | Raiffeisenbank, a.s. | 31 January 2014 | Modification according to EMIR |
| Agreement to Open and Maintain a Current Account | Raiffeisenbank, a.s. | 27 February 2014 | Agreement to Open and Maintain a Current Account 5170010677-5500 |
| Agreement to Open and Maintain a Current Account | Raiffeisenbank, a.s. | 21 March 2014 | Agreement to Open and Maintain a Current Account for RFDP |
| Agreement to Open and Maintain a Current Account | Raiffeisenbank, a.s. | 21 March 2014 | Agreement to Open and Maintain a Current Account for RCHFEC |
| Agreement to Open and Maintain a Current Account | Raiffeisenbank, a.s. | 21 March 2014 | Agreement to Open and Maintain a Current Account for RCHFAP |
| Amendment No. 2 to Cooperation Agreement | Raiffeisenbank, a.s. | 10 April 2014 | Appendix update, modification of rights and obligations |
| Amendment No. 3 to Cooperation Agreement | Raiffeisenbank, a.s. | 14 April 2014 | Appendix update |
| Amendment No. 1 to Agreement on Cooperation in Preparation of Tax Returns for VAT Group | Raiffeisenbank, a.s. | 13 May 2014 | Contact information update |
| Settlement Agreement | Raiffeisenbank, a.s. | 18 June 2014 | Settlement of mutual rights and obligations / payment of contractual fees |
| Amendment No. 2 to Agreement on Information System and Technology Services | Raiffeisenbank, a.s. | 1 July 2014 | Remuneration amount update / payment of contractual remuneration |
| Agreement to Open and Maintain a Current Account | Raiffeisenbank, a.s. | 10 July 2014 | Agreement to Open and Maintain a Current Account (5170011354-5500 USD, 5170011362-5500 EUR) |
| Agreement on Certain Issues Related to Management of Qualifying Investors' Fund | Raiffeisenbank, a.s. | 18 July 2014 | Cooperation, compulsory disclosure in management of Leonardo, open-end mutual fund |

| Legal act | Counterparty | Date concluded | Performance/ Counter-performance |
|--|----------------------|------------------|--|
| Agreement on Discharge of Obligation | Raiffeisenbank, a.s. | 8 October 2014 | Agreement on Discharge of Obligation regarding account maintenance (EUR, USD) RFDP |
| Agreement on Discharge of Obligation | Raiffeisenbank, a.s. | 8 October 2014 | Agreement on Discharge of Obligation regarding account maintenance (EUR, USD) RCHFEC |
| Agreement on Discharge of Obligation | Raiffeisenbank, a.s. | 26 October 2015 | Agreement on Discharge of Obligation regarding account maintenance (CZK) RCHFAP |
| Agreement on Discharge of Obligation | Raiffeisenbank, a.s. | 8 October 2014 | Agreement on Discharge of Obligation regarding account maintenance (EUR, USD) Leonardo, open-end mutual fund |
| Agreement on Discharge of Obligation | Raiffeisenbank, a.s. | 8 October 2014 | Agreement on Discharge of Obligation regarding account maintenance (EUR, USD) RCHFAP |
| Cooperation Agreement S/2014/00508 | Raiffeisenbank, a.s. | 1 December 2014 | Agreement on cooperation (RCM funds) / payment of agreed commission |
| Cooperation Agreement S/2013/0034 | Raiffeisenbank, a.s. | 1 March 2016 | Additions to information for the client about the findings dealt with by the provider in relation to mutual funds |
| Investment Instrument Brokerage Agreement | Raiffeisenbank, a.s. | 5 December 2014 | Brokerage of purchases/sales of investment instruments / payment of contractual remuneration |
| Agreement on the Use of Electronic Banking | Raiffeisenbank, a.s. | 17 December 2014 | Agreement to provide international electronic banking |
| Risk Management Agreement S/2014/00484 | Raiffeisenbank, a.s. | 31 December 2014 | Agreement to provide risk management |
| Amendment no.1 to Master Service Agreement S/2013/00482 | Raiffeisenbank, a.s. | 16 March 2015 | Amendment supplements the existing Appendix no. 2, part 1 |
| Amendment no.1 to Agreement on the Use of Electronic Banking | Raiffeisenbank, a.s. | 21 April 2015 | Amendment changes point 6.8. of the contract |
| Amendment no.4 to Cooperation Agreement S/2013/00263 | Raiffeisenbank, a.s. | 12 June 2015 | Amendment terminates appendix no. 1 and 2 of the contract and provides updated versions /change of authorised person |
| Amendment no.2 to Service Agreement S/2013/00265 | Raiffeisenbank, a.s. | 15 June 2015 | Amendment terminates appendix no. 1 of the contract and provides an updated version |
| Amendment no.5 to Cooperation Agreement S/2013/00263 | Raiffeisenbank, a.s. | 13 July 2015 | Amendment terminates appendix no. 1 and 2 of the contract and provides updated versions |
| Agreement on Discharge of Obligation RFDP | Raiffeisenbank, a.s. | 27 July 2015 | Agreement on Discharge of Obligation regarding account maintenance (CZK) RFDP |

| Legal act | Counterparty | Date concluded | Performance/ Counter-performance |
|--|----------------------|------------------|--|
| Agreement on Discharge of Obligation RFEC | Raiffeisenbank, a.s. | 27 July 2015 | Agreement on Discharge of Obligation regarding account maintenance (CZK) RFEC |
| Agreement on Discharge of Obligation | Raiffeisenbank, a.s. | 27 July 2015 | Termination on discharge of obligation related to debit card |
| Agreement to Provide Outsourcing Services in RIS Risk Management | Raiffeisenbank, a.s. | 30 July 2015 | Agreement to Provide Outsourcing Services in RIS Risk Management / payment of contractual remuneration |
| Amendment no.1 to Cooperation Agreement S/2014/00508 | Raiffeisenbank, a.s. | 1 September 2015 | Update of appendix no.1 and 2 par. 5 of the agreement /new wording of par. 5 in the Client section |
| Cooperation Agreement in the Area of Compliance | Raiffeisenbank, a.s. | 3 December 2015 | Stipulation of the conditions of the cooperation of RB in the area of compliance and FRM |
| Amendment no.6 to Cooperation Agreement S/2013/00263 | Raiffeisenbank, a.s. | 7 December 2015 | Amendment terminates appendix no. 1 and 2 of the contract and provides updated versions |
| Amendment no.7 to Cooperation Agreement S/2013/00263 | Raiffeisenbank, a.s. | 7 December 2015 | The amendment changes the construction of the remuneration of the provider/ replacing Appendices 1 and 3 with updated versions / changes of procedures in practice |
| Agreement to Issue a Debit Card | Raiffeisenbank, a.s. | 19 February 2015 | Issue of a debit card - for Lucie Osvaldová |
| Agreement on Discharge of Obligation | Raiffeisenbank, a.s. | 28 January 2015 | Cancellation of the agreement to issue a debit card - for Martin Brož |

Raiffeisen Bank International

| Legal act | Counterparty | Date concluded | Performance/ Counter-performance |
|---|--------------|-------------------|--|
| Cooperation Agreement for Fund Shares | RBI | 2 May 2014 | Provision of services to RBI |
| Amendment to Cooperation Agreement for Fund Shares | RBI | 23 May 2014 | Fund addition |
| Transfer Agency Agreement | RBI | 21 May 2014 | Provision of services to RBI / payment of contractual fees |
| Amendment to Transfer Agency Agreement | RBI | 23 May 2014 | Fund addition |
| Amendment to Transfer Agency Agreement | RBI | 31 May 2015 | Fund addition/change of contact details |
| Agreement on Electronic Banking in RBI for RFDS | RBI | 22 April 2014 | Agreement to provide international electronic banking |
| Amendment to Transfer Agency Agreement | RBI | 16 June 2015 | Extension of the list of funds |
| Amendment to Transfer Agency Agreement | RBI | 1 December 2015 | Extension of the list of funds |
| Formal Paying and Information agent in Austria | RBI | 16 June 2014 | Provision of services to RBI / payment of contractual fees |
| Agreement on Electronic Banking in RBI for RFDS | RBI | 18 June 2014 | Agreement on the provision of international electronic banking |
| Amendment to the Agreement on Electronic Banking in RBI for RFDS | RBI | 15 September 2014 | Depositary access |
| Agreement on Electronic Banking in RBI for RFDT | RBI | 18 June 2014 | Agreement on the provision of international electronic banking |
| Amendment to the Agreement on Electronic Banking in RBI for RFDT | RBI | 15 September 2014 | Depositary access |
| Agreement on Electronic Banking in RBI for RFAT | RBI | 18 June 2014 | Agreement on the provision of international electronic banking |
| Amendment to the Agreement on Electronic Banking in RBI for RFAT | RBI | 15 September 2014 | Depositary access |
| Agreement on Electronic Banking in RBI for RFPI | RBI | 18 June 2014 | Agreement on the provision of international electronic banking |
| Amendment to the Agreement on Electronic Banking in RBI for RFPI | RBI | 15 September 2014 | Depositary access |
| Agreement on Electronic Banking in RBI for RPFDP | RBI | 27 May 2014 | Agreement on the provision of international electronic banking |
| Amendment to the Agreement on Electronic Banking in RBI for RPFDP | RBI | 15 September 2014 | Depositary access |
| Agreement on Electronic Banking in RBI for RPFPA | RBI | 27 May 2014 | Agreement on the provision of international electronic banking |
| Amendment to the Agreement on Electronic Banking in RBI for RPFPA | RBI | 15 September 2014 | Depositary access |
| Agreement to Open an Account for FOR | RBI | 15 April 2015 | Account opening in RBI for RFOR |
| Agreement on Electronic Banking in RBI for RFOR | RBI | 28 April 2015 | Agreement on the provision of international electronic banking |
| Agreement to Open an Account for RFDP in RBI | RBI | 1 June 2015 | Account opening in RBI for RFDP |
| Agreement to Open an Account for RFEC in RBI | RBI | 1 June 2015 | Account opening in RBI for RFEC |
| Agreement to Open an Account for RFHY in RBI | RBI | 23 November 2015 | Account opening in RBI for RFHY |
| Amendment to Transfer Agency Agreement | RBI | 1 January 2016 | Change of issue and purchase of PL/change of P/N |

In the reporting period from 1 January 2015 to 31 December 2015, the Company had relations with the following related parties:

Raiffeisen Kapitalanlage-Gesel

| Legal act | Counterparty | Date concluded | Performance/ Counter-performance |
|---|---------------------|-----------------------|---|
| Management Agreement | KAG | 1 July 2013 | Management of funds/ payment of management fee |
| Distribution Agreement | KAG | 31 July 2013 | Agreement on the distribution of funds/payment of maintenance fee |
| Amendment no. 1 of the Management Agreement | KAG | 10 December 2014 | Amendment to the list of funds |
| Amendment no. 1 to Distribution Agreement | KAG | 9 December 2014 | Amendment to the list of funds |
| Amendment no 2. to Distribution Agreement | KAG | 1 July 2015 | Amendment to the list of funds and fees |
| Amendment no 2. of the Management Agreement | KAG | 25 August 2015 | Amendment to the list of funds and fees |
| Master Feeder Agreement | KAG | 20 August 2015 | Agreement between the managers of Master and Feeder funds |
| Agreement on RFDT Fund Merger | KAG | 29 August 2014 | Agreement on fund merger |
| Agreement on RFDS Fund Merger | KAG | 29 August 2014 | Agreement on fund merger |
| Agreement on RFAT Fund Merger | KAG | 29 August 2014 | Agreement on fund merger |
| Agreement on RFPI Fund Merger | KAG | 29 August 2014 | Agreement on fund merger |
| Amendment to Master Feeder Agreement | KAG | 16 October 2015 | Change of fund names/fund addition |

Raiffeisen Centrobank AG

| Legal act | Counterparty | Date concluded | Performance/ Counter-performance |
|---------------------|--------------------------|-----------------------|---|
| Brokerage Agreement | Raiffeisen Centrobank AG | 17 December 2015 | |

Raiffeisen Leasing, s.r.o.

| Legal act | Counterparty | Date concluded | Performance/ Counter-performance |
|--|---------------------------|-----------------------|--|
| Leasing Agreements | Raiffeisen Leasing s.r.o. | 30 November 2015 | Agreement to provide car leasing to RIS |
| Purchase Agreement for Motor Vehicles | Raiffeisen Leasing s.r.o. | 30 November 2015 | Purchase agreement for used motor vehicles |
| Amendment to Purchase Agreement for Motor Vehicles | Raiffeisen Leasing s.r.o. | 2 December 2015 | Change of date of ownership right//definition of the account for payment |
| Leasing Agreement | Raiffeisen Leasing s.r.o. | 11 January 2016 | Agreement to provide car leasing to RIS |

| | | | |
|--|---------------------------|-----------------|--|
| Amendment to Purchase Agreement for Motor Vehicles | Raiffeisen Leasing s.r.o. | 2 December 2015 | Change of date of ownership right//definition of the account for payment |
| Leasing Agreement | Raiffeisen Leasing s.r.o. | 11 January 2016 | Agreement to provide car leasing to RIS |

Raiffeisen penzijní společnost, a.s.

| Legal act | Counterparty | Date concluded | Performance/ Counter-performance |
|--|--------------|-------------------|-------------------------------------|
| Purchase Agreement | RPS | 24 September 2014 | Purchase of used goods owned by RPS |
| Purchase Agreement | RPS | 14 October 2014 | Purchase of used goods owned by RPS |
| Purchase Agreement (kitchenette) | RPS | 31 July 2014 | Purchase of used goods owned by RPS |
| Purchase Agreement for a Motor Vehicle | RPS | 30 September 2013 | Purchase of a Škoda Rapis car |

4 Other Legal Acts

The Company did not adopt or make any other legal acts in the interest or at the initiative of the related parties.

5 Other Factual Measures

Raiffeisen investiční společnost a.s. cooperates on group projects within the Raiffeisenbank, a.s. group. The cooperation on these group projects caused the Company no detriment.

6 Conclusion

We hereby represent that, to the best of our knowledge, the Report on Related Parties of Raiffeisen investiční společnost a.s. prepared in accordance with Section 82 of the Act on Commercial Corporations for the reporting period from 1 January 2015 to 31 December 2015 includes all of the below, concluded or effected in the reporting period and known to us as at the date of signing of this report:

- Contracts between related parties;
- Performance and counter-performance provided to related parties;
- Other legal acts made in the interest of these parties; and
- All other factual measures adopted or made in the interest or at the initiative of these parties.

In identifying other related parties, the Board of Directors of Raiffeisen investiční společnost a.s. used information provided by the controlling entities.

Furthermore, we represent that we are not aware of any detriment to assets caused as a result of the contracts, other legal acts and other factual measures concluded, made or adopted by RIS in the reporting period from 1 January 2015 to 31 December 2015.

In Prague on

Jaromír Sladkovský

Chairman of the Board of Directors
and CEO

Michal Ondruška

Member of the Board of Directors

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Raiffeisen investiční společnost a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Identification number: 291 46 739

Report on the Financial Statements

We have audited the accompanying financial statements of Raiffeisen investiční společnost a.s. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015, and the profit and loss account and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisen investiční společnost a.s. as of 31 December 2015, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The financial statements of Raiffeisen investiční společnost a.s. for the prior year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2015.

Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

Report on Related Party Transactions Report

We have reviewed the factual accuracy of the information included in the accompanying related party transactions report of Raiffeisen investiční společnost a.s. for the year ended 31 December 2015 which is included in this annual report on pages 13 to 25. This related party transactions report is the responsibility of the Company's Statutory Body. Our responsibility is to express our view on the related party transactions report based on our review.

We conducted our review in accordance with Auditing Standard 56 issued by the Chamber of Auditors of the Czech Republic. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the related party transactions report is free of material factual misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures and examination, on a test basis, of the factual accuracy of information, and thus provides less assurance than an audit. We have not performed an audit of the related party transactions report and, accordingly, we do not express an audit opinion.

Nothing has come to our attention based on our review that indicates that the information contained in the related party transactions report of Raiffeisen investiční společnost a.s. for the year ended 31 December 2015 contains material factual misstatements.

In Prague on 25 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Diana Rádlová
registration no. 2045



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: Raiffeisen investiční společnost a.s.
Registered Office: Hvězdova 1716/2b, Nusle, 140 78 Praha 4
Legal Status: Joint Stock Company
Corporate ID: 291 46 739

Components of the Financial Statements:

Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Notes to the Financial Statements

These financial statements were prepared on 25 April 2016.

| Statutory body of the reporting entity: | Signature |
|--|--|
| On behalf of the statutory body: Ing. Jaromír Sladkovský Ing. Michal Ondruška |  |
| Individual in charge of the accounting records: Ing. Petra Tomisová |  |

Business name: Raiffeisen investiční společnost a.s.
 Seat: Hvězdova 1716/2b, Praha 4, 140 78
 Corporate ID: 29146739
 Principal activities: fund administration and management
 Balance sheet date: 11.1.2016

BALANCE SHEET
as of 31 December 2015

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|---------------------|---|-------------------------------------|----------------------------|
| ASSETS | | | |
| 3 | Receivables from banks and credit unions <i>of which a) Repayable on demand</i> <i>b) Other receivables</i> | 9 79 453 19 421 60 032 | 36 162 11 160 25 002 |
| 9 | Intangible fixed assets | 10 8 742 | 7 446 |
| 10 | Tangible fixed assets | 11 50 | 303 |
| 11 | Other assets | 12 7 058 | 6 890 |
| 13 | Deferred expenses and accrued income | 13 8 977 | 8 125 |
| Total assets | | 104 280 | 58 926 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--------------------------|---|--------------------------------|-------------------------|
| LIABILITIES | | | |
| 4 | Other liabilities | 14 11 734 | 8 849 |
| 6 | Reserves <i>b) For taxes</i> <i>c) Other</i> | 16 15 675 8 379 7 296 | 9 223 1 542 7 681 |
| 8 | Registered capital <i>of which a) Paid-in registered capital</i> | 15 40 000 40 000 | 40 000 40 000 |
| 14 | Retained earnings or accumulated loss brought forward | 854 | (5 231) |
| 15 | Profit or loss for the period | 17 36 017 | 6 085 |
| Total liabilities | | 104 280 | 58 926 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--------------------------------------|--------------------------------|-----------------|------------|
| OFF BALANCE SHEET ITEMS | | | |
| Off balance sheet liabilities | | | |
| 15 | Assets placed under management | 8 13 782 281 | 10 397 082 |

Business name: Raiffeisen investiční společnost a.s.
 Seat: Hvězdova 1716/2b, Praha 4, 140 78
 Corporate ID: 29146739
 Principal activities: fund administration and management
 Balance sheet date: 11.1.2016

PROFIT AND LOSS ACCOUNTS
for the year ended 31 December 2015

| CZK thousand | Note | 2015 | 2014 |
|---|------|---------------|--------------|
| 1 Interest income and similar income | 3 | 65 | 25 |
| 4 Fee and commission income | 4 | 120 699 | 82 746 |
| 5 Fee and commission expenses | 4 | (37 769) | (31 971) |
| 6 Profit or loss from financial operations | 5 | (133) | (107) |
| 7 Other operating income | 6 | 1 292 | 9 |
| 8 Other operating expenses | 6 | (1 360) | (1 132) |
| 9 Administrative expenses | 7 | (37 326) | (37 708) |
| <i>a) Staff costs</i> | | (25 064) | (24 206) |
| <i>of which: aa) Wages and salaries</i> | | (19 783) | (18 719) |
| <i>ab) Social security and health insurance</i> | | (5 281) | (5 487) |
| <i>b) Other administrative expenses</i> | | (12 262) | (13 502) |
| 11 Write-offs, creation and use of reserves and provisions for tangible and intangible fixed assets | | (1 085) | (738) |
| 16 Release of other reserves | | 8 892 | 475 |
| 17 Creation and use of other reserves | | (8 507) | (3 944) |
| 19 Profit or loss for the period from ordinary activities before tax | | 44 768 | 7 655 |
| 23 Income tax | 18 | (8 751) | (1 570) |
| 24 Net profit or loss for the period | | 36 017 | 6 085 |

Business name: Raiffeisen investiční společnost a.s.
 Seat: Hvězdova 1716/2b, Praha 4, 140 78
 Corporate ID: 29146739
 Principal activities: fund administration and management
 Balance sheet date: 11.1.2016

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

| | Registered capital | Accumulated profits or accumulated losses brought forward | Profit (loss) | Total |
|--|-----------------------|---|------------------|---------------|
| Balance at 1.1.2014 | 40 000 | - | (5 231) | 34 769 |
| Distribution of profit or loss | | (5 231) | 5 231 | - |
| Profit or loss for the current period | | | 6 085 | 6 085 |
| Balance at 31.12.2014 | 40 000 | (5 231) | 6 085 | 40 854 |
| Balance at 1.1.2015 | 40 000 | (5 231) | 6 085 | 40 854 |
| Distribution of profit or loss | | 6 085 | (6 085) | - |
| Profit or loss for the current period | | | 36 017 | 36 017 |
| Balance at 31.12.2015 | 40 000 | 854 | 36 017 | 76 871 |

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements
For the Year Ended 31 December 2015

1. GENERAL INFORMATION

(a) Description of the Company

Incorporation and description of the Company

Raiffeisen investiční společnost a.s. (hereinafter the “Company”), corporate ID 29146739, with its registered office at Hvězdova 1716/2b, 140 78 Prague 4, was incorporated on 21 December 2012. The Company obtained operation authorisation based on Decision of the Czech National Bank No. 2013/4256/570 of 9 April 2013 which took effect on 9 April 2013. The Company’s registered capital of CZK 40,000 thousand is fully paid in.

Raiffeisenbank a.s. is the sole shareholder of the Company.

Principal activity of the Company

Under Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as amended, the Company is authorised, in the scope of the authorisation of the Czech National Bank, to:

- Manage investment funds or foreign investment funds; and
- Administer investment funds or foreign investment funds.

Members of the Board of Directors and Supervisory Board as of 31 December 2015

Members of the Board of Directors

Jaromír Sladkovský (Chairman)

Michal Ondruška

Lucie Osvaldová

Members of the Supervisory Board

Igor Vida (Chairman)

Vladimír Kreidl

Michal Kustra

As of 31 December 2014, Mario Drosc resigned from his position as Chairman of the Supervisory Board.

(b) Managed funds

As of 31 December 2015, the Company managed the open mutual funds as follows:

Standard funds:

- Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond, Raiffeisen investiční společnost a.s.;
- Raiffeisen fond dluhopisové stability, otevřený podílový fond, Raiffeisen investiční společnost a.s.;
- Raiffeisen fond dluhopisových trendů, otevřený podílový fond, Raiffeisen investiční společnost a.s.;
- Raiffeisen fond akciových trhů, otevřený podílový fond, Raiffeisen investiční společnost a.s.; and
- Raiffeisen fond pravidelných investic, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Special funds:

- Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond, Raiffeisen investiční společnost a.s.;
- Raiffeisen chráněný fond americké prosperity, otevřený podílový fond, Raiffeisen investiční společnost a.s.;
- Raiffeisen privátní fond dynamický, otevřený podílový fond, Raiffeisen investiční společnost a.s.;
- Raiffeisen privátní fond alternativní, otevřený podílový fond, Raiffeisen investiční společnost a.s.;
- Raiffeisen fond optimálního rozložení, otevřený podílový fond, Raiffeisen investiční společnost a.s.; and
- Raiffeisen fond high-yield dluhopisů, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements
For the Year Ended 31 December 2015

Qualified investors fund:

- Leonardo, open mutual fund

Pursuant to the management agreement between the Company and Raiffeisen Kapitalanlage - Gesellschaft m.b.H. (hereinafter "KAG") of 1 July 2013, the Company manages the following foreign funds:

- Raiffeisen - Czech-Click Fund II

As of 25 August 2015, a merger of Raiffeisen - Czech-Click Fund (dissolved fund) with Raiffeisen - Czech-Click Fund (acquiring fund) took effect. Both funds were managed by Raiffeisen Kapitalanlage-Gesellschaft m.b.H.

(c) **Basis for the Preparation of the Financial Statements**

The financial statements have been prepared based on accounting records maintained in line with:

- Accounting Act No. 563/1991, as amended;
- Regulation No. 501/2002 issued by the Ministry of Finance, as amended; and
- Czech Accounting Standards for financial institutions as published by the Ministry of Finance.

The financial statements have been prepared in compliance with the accruals principle based on which transactions and other facts are recognised when they incur and accounted for in the period which they relate to.

The financial statements are based on the going concern assumption and assuming that no facts exist that would restrict the Company or prevent it from carrying out its activity in the foreseeable future.

The financial statements comprise the balance sheet, profit and loss account, statement of changes in equity and notes to the financial statements.

These financial statements are presented in thousands of Czech crowns ('CZK') unless stated otherwise. Figures in brackets are negative.

These financial statements are unconsolidated financial statements.

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements
For the Year Ended 31 December 2015

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in line with the following accounting policies:

(a) Transaction Date

Depending on the transaction type, the transaction date is predominantly:

- Date of payment or receipt of money in circulation;
- Date of purchase or sale of foreign currency, foreign exchange or securities;
- Date of payment;
- Date of crediting (foreign currency) funds based on the account statement;
- Date of arrangement and settlement of spot transactions, namely purchase or sale of financial instruments or commodities with such a delivery date where the period between the trade date and the settlement date is no more than five days; and
- Trade date and settlement date of derivative transactions.

Spot transactions (ie purchases and sales of financial assets with a usual term of delivery) of the Company are reported directly in the relevant asset or liability at the trade date.

The Company will derecognise a financial asset or any part thereof from the balance sheet if control over the contractual rights to such a financial asset or any part thereof is lost. The loss of control occurs if the Company exercises its rights to contractual benefits, if such rights expire or should the Company waive these rights.

If a financial liability or any part thereof expires (such as when a contractual obligation is met, cancelled or expires), the financial liability or a part thereof will no longer be recognised in the Company's balance sheet. The difference between the carrying amount of the financial liability or a part thereof that has expired or has been transferred to another entity and the amount paid for the respective financial liability shall be reported through expenses or revenues as appropriate.

(b) Receivables and Provisions

Receivables are recognised at their nominal value net of provisions, if any. Bad debts are written off after the completion of the debtor's bankruptcy proceedings or when it is highly unlikely for the bad debt to be settled.

The Company recognises provisions against bad debts based on its own analysis of the debtors' solvency and aging structure of receivables.

Provisions are recognised as expenses; the utilisation of a provision is recognised in the profit and loss account along with expenses or losses arising from asset disposals. The release of a provision due to redundancy is recognised in revenues.

(c) Reserves

Reserves represent probable cash outflows of uncertain timing and amount. Reserves are charged to expenses in such amounts, which are the best estimate of expenditures required in order to settle existing liabilities.

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements
For the Year Ended 31 December 2015

Reserves are created if the following criteria are met:

- a) A performance obligation (legal or constructive) exists as a result of past events;
- b) It is probable or certain that an event will occur and will require an outflow of resources representing economic benefits, where “probable” means probability greater than 50%; and
- c) It is possible to make a reliable estimate of such fulfilment.

(d) Leased Assets

The Company recognises assets held under operating lease such that lease instalments are charged to expenses on a straight-line basis in line with the accruals principle.

(e) Tangible and Intangible Fixed Assets

Tangible and intangible fixed assets are stated at historical costs and depreciated on a straight-line basis over their estimated useful lives.

Depreciation periods of individual categories of tangible and intangible fixed assets are as follows:

Tangible fixed assets with acquisition cost greater than CZK 40 thousand

| | |
|----------------------|----------|
| Depreciation group 1 | 3 years |
| Depreciation group 2 | 5 years |
| Depreciation group 3 | 10 years |

Intangible fixed assets with acquisition cost greater than CZK 60 thousand

| | |
|----------|---------|
| Licences | 6 years |
| Software | 3 years |

The Company’s principal software is depreciated over 10 years.

Technical improvements made on leased assets are depreciated on a straight-line basis over the shorter of the lease term and the remaining useful life.

Intangible assets with acquisition cost of less than CZK 60 thousand and tangible assets with acquisition cost of less than CZK 40 thousand are charged to expenses in the period in which these were acquired, with a useful life shorter than 1 year.

(f) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate of the Czech National Bank effective on the date of the transaction.

Assets and liabilities denominated in foreign currencies along with foreign-currency spot transactions before their due dates are translated into the local currency using the exchange rate of the Czech National Bank effective at the balance sheet date. Any profit or loss resulting from the translation of assets and liabilities denominated in foreign currencies, or items hedging against foreign currency risk arising from contracts not yet recognised in the Company’s balance sheet, or from anticipated future transactions is recognised in the profit and loss account as “Profit or loss from financial operations”.

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements

For the Year Ended 31 December 2015

(g) Taxation

Tax payable

The corporate tax base is calculated from the profit for the current period before tax, increased by non-deductible expenses, less the revenues that are not subject to income tax, and further adjusted for tax allowances and relevant credits, if any.

Deferred tax

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities, using the anticipated tax rate effective for the following period. A deferred tax assets will be only recognised if there is no doubt as to its recovery in the following reporting periods.

3. NET INTEREST INCOME

| CZK '000 | 2015 | 2014 |
|---|-----------|-----------|
| Interest income and similar income from contributions | 65 | 25 |
| Total | 65 | 25 |

4. FEE AND COMMISSION INCOME AND EXPENSES

| CZK '000 | 2015 | 2014 |
|--|----------------|---------------|
| Fee and commission income | | |
| Fund management | 88 844 | 34 481 |
| Foreign fund distribution | 2 057 | 18 514 |
| A fee pursuant to the cooperation agreement concluded with Raiffeisenbank a.s. | 29 798 | 29 751 |
| Total | 120 699 | 82 746 |
| Fee and commission expenses | | |
| A fee pursuant to the cooperation agreement concluded with Raiffeisenbank a.s. | 29 798 | 29 751 |
| Fees pursuant to the agreement with Raiffeisen Bank International AG | 3 683 | 1 483 |
| Bank transactions | 242 | 92 |
| Paid incentive (UNIQA, RIS funds) | 3 967 | - |
| Sundries | 79 | 645 |
| Total | 37 769 | 31 971 |

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements
For the Year Ended 31 December 2015

5. PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| CZK '000 | 2015 | 2014 |
|-----------------------------------|------------|------------|
| Foreign exchange rate differences | 133 | 107 |
| Total | 133 | 107 |

6. OPERATING INCOME AND EXPENSES

| CZK '000 | 2015 | 2014 |
|----------------------------------|--------------|----------|
| Operating income | | |
| Income from the sale of vehicles | 1 292 | - |
| Total | 1 292 | - |

| CZK '000 | 2015 | 2014 |
|---------------------------------|--------------|--------------|
| Operating expenses | | |
| Residual value of sold vehicles | 1 320 | - |
| Lease instalments | 40 | - |
| Merge-related costs | - | 1 132 |
| Total | 1 360 | 1 132 |

7. ADMINISTRATIVE EXPENSES

| CZK '000 | 2015 | 2014 |
|--|---------------|---------------|
| Employee wages and bonuses | 13 894 | 11 418 |
| Social security and health insurance | 5 281 | 5 487 |
| Other staff costs | - | - |
| Wages and bonuses paid to: | | |
| Members of the Board of Directors | 5 889 | 7 301 |
| Staff costs | 25 064 | 24 206 |
| IT | 3 721 | 5 504 |
| Rental and related expenses | 2 831 | 2 834 |
| Audit, legal and tax advisory services | 1 370 | 2 931 |
| Sundries | 4 340 | 2 233 |
| Sundry administrative expenses | 12 262 | 13 502 |
| Total | 37 326 | 37 708 |

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements

For the Year Ended 31 December 2015

Average number of the Company's employees was as follows:

| | 2015 | 2014 |
|-----------------------------------|------|------|
| Employees | 20 | 22 |
| Members of the Board of Directors | 3 | 3 |
| Members of the Supervisory Board | 3 | 3 |

8. RELATED PARTY TRANSACTIONS

| CZK '000 | Year ended 31 Dec 2015 | Year ended 31 Dec 2014 |
|--------------------------------------|------------------------|------------------------|
| Other assets | 3 088 | 5 643 |
| Deferred expenses and accrued income | 8 977 | 8 125 |
| Other liabilities | 5 292 | 3 750 |

| CZK '000 | 2015 | 2014 |
|------------------------------------|---------|--------|
| Interest income and similar income | 2 | 2 |
| Fee and commission income | 120 699 | 82 746 |
| Fee and commission expenses | 34 513 | 31 615 |
| Administrative expenses | 6 076 | 6 034 |
| Other operating income | 1 293 | 9 |
| Other operating expenses | 1 355 | 1 132 |

| CZK '000 | Year ended 31 Dec 2015 | Year ended 31 Dec 2014 |
|--------------------------------|------------------------|------------------------|
| Off-balance sheet liabilities | | |
| Values placed under management | 13 782 281 | 10 397 082 |

9. RECEIVABLES FROM BANKS AND CREDIT UNIONS

| CZK '000 | Year ended 31 Dec 2015 | Year ended 31 Dec 2014 |
|-----------------------|------------------------|------------------------|
| Current bank accounts | 19 421 | 11 160 |
| Term deposits | 60 032 | 25 002 |
| Total | 79 453 | 36 162 |

Current accounts are payable on request. The term deposit is due on 13 April 2016.

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements
For the Year Ended 31 December 2015

10. INTANGIBLE FIXED ASSETS

Changes in intangible fixed assets

| CZK '000 | Acquisition of intangible FA | Software | Licences | Total |
|--|---------------------------------|--------------|--------------|----------------|
| Acquisition cost | | | | |
| As of 1 January 2015 | 605 | 5584 | 2 108 | 8 297 |
| Additions | - | 2 369 | 431 | 2 800 |
| Disposals | (605) | - | - | (605) |
| As of 31 December 2015 | - | 7 953 | 2 539 | 10 492 |
| Accumulated amortisation and provisions | | | | |
| As of 1 January 2015 | - | 587 | 264 | (851) |
| Ordinary depreciation | - | 527 | 372 | (899) |
| Disposals | - | - | - | - |
| Provisions | - | - | - | - |
| As of 31 December 2015 | - | 1 114 | 636 | (1 750) |
| Net book value | | | | |
| As of 1 January 2015 | 605 | 4 997 | 1 844 | 7 446 |
| As of 31 December 2015 | - | 6 839 | 1 903 | 8 742 |

Additions to fixed assets principally involve the purchase of SAP complements to the SAP software of CZK 2,369 thousand.

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements
For the Year Ended 31 December 2015

11. TANGIBLE FIXED ASSETS

Changes in tangible fixed assets

| CZK '000 | Machinery and equipment | Total |
|--|-------------------------|------------|
| Acquisition costs | | |
| As of 1 January 2015 | 382 | 382 |
| Additions | 1 252 | 1 252 |
| Disposals | 1 565 | 1 565 |
| As of 31 December 2015 | 69 | 69 |
| Accumulated depreciation and provisions | | |
| As of 1 January 2015 | 79 | 79 |
| Ordinary depreciation | 186 | 186 |
| Disposals | 246 | 246 |
| Provisions | - | - |
| As of 31 December 2015 | 19 | 19 |
| Net book value | | |
| As of 1 January 2015 | 303 | 303 |
| As of 31 December 2015 | 50 | 50 |

12. OTHER ASSETS

| CZK '000 | Year ended 31 Dec 2015 | Year ended 31 Dec 2014 |
|--|---------------------------|---------------------------|
| Estimated receivables | 2 775 | 5 345 |
| <i>Of which a) fees for the distribution of foreign funds</i> | 775 | 3 445 |
| <i> b) a fee pursuant to the cooperation agreement with Raiffeisenbank a.s.</i> | 2 000 | 1 900 |
| <i> c) other</i> | - | - |
| Deferred tax assets | 797 | 1 170 |
| Prepayments made | 2 709 | 372 |
| Other | 777 | 3 |
| Total | 7 058 | 6 890 |

13. DEFERRED EXPENSES AND ACCRUED INCOME

| CZK '000 | Year ended 31 Dec 2015 | Year ended 31 Dec 2014 |
|-------------------------------------|---------------------------|---------------------------|
| Deferred expenses – rental | 716 | 1 002 |
| Accrued income – administration fee | 8 261 | 7 123 |
| Total | 8 977 | 8 125 |

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements
For the Year Ended 31 December 2015

14. OTHER LIABILITIES

| CZK '000 | Year ended 31 Dec 2015 | Year ended 31 Dec 2014 |
|---|---------------------------|---------------------------|
| Estimated payables | 10 790 | 8 351 |
| <i>Of which: a) social security and health insurance expenses</i> | 441 | 1 082 |
| <i>b) unbilled services of Raiffeisenbank a.s.</i> | 2 921 | 3 816 |
| <i>c) wages</i> | 1 458 | 1 372 |
| <i>d) bonuses</i> | - | 1 800 |
| <i>e) other expenses</i> | 5 970 | 281 |
| Other | 944 | 498 |
| <i>Of which: a) tax liabilities</i> | 298 | 245 |
| <i>b) other liabilities</i> | 646 | 253 |
| Total | 11 734 | 8 849 |

State – tax payables and subsidies

As of 31 December 2015, tax payables amount to CZK 298 thousand (CZK 245 thousand as of 31 December 2014), none of which are past their due dates.

Payables arising from social security and health insurance

As of 31 December 2015, an estimated payable for social security and health insurance costs amount to CZK 441 thousand (CZK 1,082 thousand as of 31 December 2014). None of these liabilities are past their due dates.

15. REGISTERED CAPITAL

As of 31 December 2015, the Company's registered capital amounted to CZK 40,000 thousand, comprising 40 registered shares with a nominal value of CZK 1,000 thousand.

Shareholders of the Company as of 31 December 2014:

| Name | Registered office | Relation to the Company | Number of shares (pieces) | Share in the registered capital (in %) |
|---------------------|-------------------|----------------------------|---------------------------------|--|
| Raiffeisenbank a.s. | Czech Republic | Controlling company | 40 | 100 |
| Total | | | 40 | 100 |

The share in the registered capital as disclosed in the table above is equal to the share in the voting rights.

16. RESERVES

| CZK '000 | Reserve for taxes | Reserve for outstanding vacation days | Reserve for bonuses | Reserve for operating risks | Total |
|------------------------------------|----------------------|---|------------------------|--------------------------------|----------------|
| Balance at 1 January 2015 | 1 542 | 295 | 7 386 | - | 9 223 |
| Release during the year | - | - | (8 892) | - | (8 892) |
| Creation and usage during the year | 6 837 | (26) | 6 933 | 1 600 | 15 344 |
| Balance at 31 December 2015 | 8 379 | 269 | 5 427 | 1 600 | 15 675 |

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements
For the Year Ended 31 December 2015

17. PROPOSED ALLOCATION OF PROFIT

The Company proposes the allocation of the profit for 2015 as follows:

| CZK '000 | Profit / (loss) | Retained earnings or accumulated loss brought forward |
|--|-----------------|---|
| Balance at 31 December 2015 prior to the allocation of the profit for 2015 | 0 | 854 |
| Profit for 2015 | 36 017 | 0 |
| <i>Proposed allocation of the profit for 2015:</i> | | |
| Transfer to retained earnings/ accumulated losses | (36 017) | 36 017 |
| Total | - | 36 871 |

18. INCOME TAXATION AND DEFERRED TAX ASSET/LIABILITY

(a) Income Taxation

| CZK '000 | 2015 | 2014 |
|------------------------------------|--------------|--------------|
| Tax payable for the current period | 8 379 | 1 542 |
| Deferred tax | 372 | 28 |
| Total | 8 751 | 1 570 |

(b) Income Tax – Tax Analysis

| CZK '000 | 2015 |
|--|--------------|
| Profit or loss for the period before tax | 44 768 |
| Revenues that are not subject to tax | - |
| Tax non-deductible expenses | (669) |
| Other items (tax losses) | - |
| Subtotal | 44 099 |
| Tax calculated using the 19% tax rate (for 2015: 19%) | 8 379 |
| Tax relief applied | - |
| Withholding tax | - |
| Total | 8 379 |

(c) Deferred Tax Liability/ Asset

Deferred income tax is calculated based on all temporary differences using the tax rate effective for the period in which the tax liability will be settled or the tax asset recovered, ie 19%.

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements

For the Year Ended 31 December 2015

Deferred tax liabilities and assets comprise the items as follows:

| CZK '000 | Year ended 31 Dec 2015 Deferred tax asset (+)/ liability(-) | Year ended 31 Dec 2014 Deferred tax asset (+)/ liability(-) |
|--------------------------------|---|---|
| Reserves | 1 386 | 1 460 |
| Tangible and intangible assets | (589) | (290) |
| Deferred tax asset | 797 | 1 170 |

19. VALUES PLACED UNDER MANAGEMENT

| CZK '000 | Year ended 31 Dec 2015 | Year ended 31 Dec 2014 |
|--|---------------------------|---------------------------|
| Raiffeisen fond dluhopisových příležitostí | 2 520 377 | 1 375 464 |
| Raiffeisen chráněný fond ekonomických cyklů | 3 764 376 | 2 389 162 |
| Raiffeisen chráněný fond americké prosperity | 436 757 | 568 647 |
| Raiffeisen fond dluhopisové stability | 2 897 359 | 2 842 890 |
| Raiffeisen fond dluhopisových trendů | 1 159 813 | 1 311 262 |
| Raiffeisen fond akciových trhů | 468 607 | 331 213 |
| Raiffeisen fond pravidelných investic | 369 820 | 332 459 |
| Raiffeisen privátní fond dynamický | 454 170 | 235 226 |
| Raiffeisen privátní fond alternativní | 153 975 | 76 555 |
| Raiffeisen fond optimálního rozložení | 512 260 | - |
| Raiffeisen fond high-yield dluhopisů | 135 777 | - |
| Leonardo | 444 957 | 438 088 |
| Raiffeisen Czech Click Fund | - | 176 674 |
| Raiffeisen Czech Click Fund II | 464 033 | 319 442 |
| Total | 13 782 281 | 10 397 082 |

20. FINANCIAL INSTRUMENTS – MARKET RISK

The Company is exposed to market risks arising from open positions under a transaction with interest rate and currency instruments that are sensitive to changes in financial market conditions.

(a) Risk Management

In terms of risk management, the Company takes into consideration all material risks and risk factors which the Company and the funds managed by the Company are, or may be, exposed to. Risk management takes into account internal and external factors including the Company's future business strategy, funds managed by the Company, effects of the economic environment and cycles as well as the regulatory environment. Risk management considers quantitative and qualitative risk aspects, real opportunities for their management and expenses for and income from risk management.

Below is a description of selected risks which the Company is exposed to due to its activities and management of positions arising from these activities as well as approaches to the management of such risks.

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements
For the Year Ended 31 December 2015

(b) Liquidity Risk

Liquidity risk involves the risk as to the Company's ability to finance its assets using instruments with appropriate maturity as well as the Company's ability to liquidate/dispose of assets for an appropriate price in a reasonable time period.

Residual maturity of the Company's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--------------------------------------|--------------------|-------------------------|------------------------|-------------------|-----------------|----------------|
| As of 31 December 2015 | | | | | | |
| Receivables from banks | 19 421 | 60 032 | - | - | - | 79 453 |
| Intangible and tangible fixed assets | - | - | - | - | 8 792 | 8 792 |
| Other assets | 7 058 | - | - | - | - | 7 058 |
| Deferred expenses and accrued income | 8 977 | - | - | - | - | 8 977 |
| Total | 35 456 | 60 032 | - | - | 8 792 | 104 280 |
| Other liabilities | 11 734 | - | - | - | - | 11 734 |
| Reserves | - | 15 675 | - | - | - | 15 675 |
| Equity | - | - | - | - | 76 871 | 76 871 |
| Total | 11 734 | 15 675 | - | - | 76 871 | 104 280 |
| Gap | 23 722 | 44 357 | - | - | (68 079) | 0 |
| Cumulative gap | 23 722 | 68 079 | 68 079 | 68 079 | - | - |

Residual maturity of the Company's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--------------------------------------|--------------------|-------------------------|------------------------|-------------------|-----------------|---------------|
| As of 31 December 2014 | | | | | | |
| Receivables from banks | 36 162 | - | - | - | - | 36 162 |
| Intangible and tangible fixed assets | - | - | - | - | 7 749 | 7 749 |
| Other assets | 6 890 | - | - | - | - | 6 890 |
| Deferred expenses and accrued income | 8 125 | - | - | - | - | 8 125 |
| Total | 51 177 | - | - | - | 7 749 | 58 926 |
| Other liabilities | 8 849 | - | - | - | - | 8 849 |
| Reserves | - | 9 223 | - | - | - | 9 223 |
| Equity | - | - | - | - | 40 854 | 40 854 |
| Total | 8 849 | 9 223 | - | - | 40 854 | 58 926 |
| Gap | 42 328 | (9 223) | - | - | (33 105) | - |
| Cumulative gap | 42 328 | 33 105 | 33 105 | 33 105 | - | - |

The tables above present the residual maturity with respect to the carrying amount of individual financial instruments but not all cash flows arising from these instruments.

Raiffeisen investiční společnost a.s.

Notes to the Financial Statements

For the Year Ended 31 December 2015

(c) Interest Rate Risk

The Company is exposed to interest rate risk due to the impacts of fluctuations of the current interest rates on the market. On account of such changes, the fair value and income from financial assets may both increase and decrease. The table below provides a summary of the mismatch between the Company's assets and liabilities that are interest-rate sensitive. The carrying amount of such assets and liabilities and the nominal (imaginary) value of interest rate derivatives is included in the period in which the assets and liabilities are payable or in which a change in the interest rate is made, whichever occurs first.

Interest-rate sensitivity of the Company's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|-------------------------------|--------------------|-------------------------|------------------------|-------------------|---------------|
| As of 31 December 2015 | | | | | |
| Receivables from banks | 19 421 | 60 032 | - | - | 79 453 |
| Total | 19 421 | 60 032 | - | - | 79 453 |

Interest-rate sensitivity of the Company's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|-------------------------------|--------------------|-------------------------|------------------------|-------------------|---------------|
| As of 31 December 2014 | | | | | |
| Receivables from banks | 36 162 | - | - | - | 36 162 |
| Total | 36 162 | - | - | - | 36 162 |

The above summary only includes interest-rate sensitive assets and liabilities and, therefore, it is not identical to the values presented in the Company's balance sheet.

(d) Currency Risk

As of 31 December 2015, all assets and liabilities of the Company were denominated in CZK. For this reason, the Company was not exposed to any currency risk.

21. SIGNIFICANT POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date on 31 December 2015 that would have a significant impact on the financial statements of the Company.

Fund Annual Report

Raiffeisen fond dluhopisové stability, open-ended mutual fund, Raiffeisen investiční společnost a.s.
Raiffeisen fond dluhopisových trendů, open-ended mutual fund, Raiffeisen investiční společnost a.s.
Raiffeisen fond akciových trhů, open-ended mutual fund, Raiffeisen investiční společnost a.s.
Raiffeisen fond pravidelných investic, open-ended mutual fund, Raiffeisen investiční společnost a.s.
Raiffeisen fond dluhopisových příležitostí, open-ended mutual fund, Raiffeisen investiční společnost a.s.
Raiffeisen chráněný fond ekonomických cyklů, open-ended mutual fund, Raiffeisen investiční společnost a.s.
Raiffeisen chráněný fond americké prosperity, open-ended mutual fund, Raiffeisen investiční společnost a.s.
Raiffeisen privátní fond dynamický, open-ended mutual fund, Raiffeisen investiční společnost a.s.
Raiffeisen privátní fond alternativní, open-ended mutual fund, Raiffeisen investiční společnost a.s.
Raiffeisen fond optimálního rozložení, open-ended mutual fund, Raiffeisen investiční společnost a.s.
Leonardo, open-ended mutual fund

Raiffeisen fond dluhopisové stability, open-ended mutual fund
Raiffeisen investiční společnost a.s.

| | |
|----------------------------------|------------------------|
| Denomination: | CZK |
| ISIN – Capitalisation class: | CZ0008474293 |
| ISIN – Dividend class: | CZ0008474301 |
| Share certificate nominal value: | n.a. |
| Fund format: | open-ended mutual fund |
| Fund type (AKAT classification): | bond fund |
| Date of incorporation: | 17 March 2014 |

The underlying assets of Raiffeisen fond dluhopisové stability were allocated in 2015 in particular in medium-term sovereign and corporate bonds with duration (simply speaking: the average term to maturity) of slightly less than one and a half years. As far as their creditworthiness is concerned, the bond investments of the Fund have had the so-called “investment rating” (i.e., BBB-/Baa3 rating and higher). The purchased bonds were denominated in CZK, EUR, USD and PLN; however, the majority of such purchased bonds have been hedged against exchange rate risks.

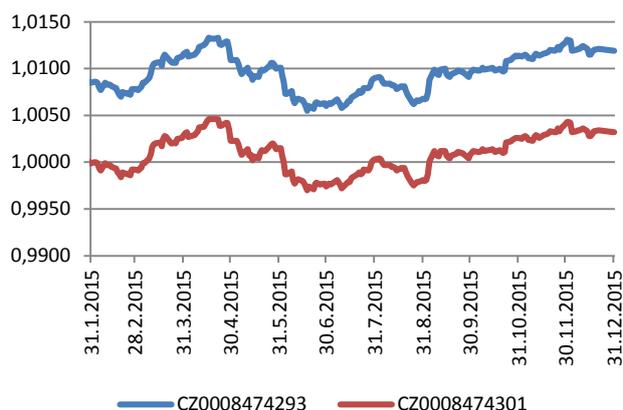
Beside changes duly disclosed in the financial statements, no substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010 (hereinafter the “AIFMD Directive”), as specified in the Prospectus.

| Financial indicators | 31 December 2015 | 31 December 2014 | Change % |
|---|-------------------------|-------------------------|-----------------|
| Profit/loss after tax, in CZK ‘000 | 14 760 | (285) | 5 278.95 |
| CZ0008474293 | | | |
| Mutual fund equity, in CZK ‘000 | 2 883 891 | 2 827 705 | 1.99 |
| Equity per share certificate, in CZK | 1.0119 | 1.0070 | 0.49 |
| Number of share certificates, in pieces | 2 849 867 494 | 2 808 126 262 | 1.49 |
| CZ0008474301 | | | |
| Mutual fund equity, in CZK ‘000 | 10 749 | 11 676 | (7.94) |
| Equity per share certificate, in CZK | 1.0032 | 0.9981 | 0.51 |
| Number of share certificates, in pieces | 10 715 210 | 11 698 086 | (8.40) |

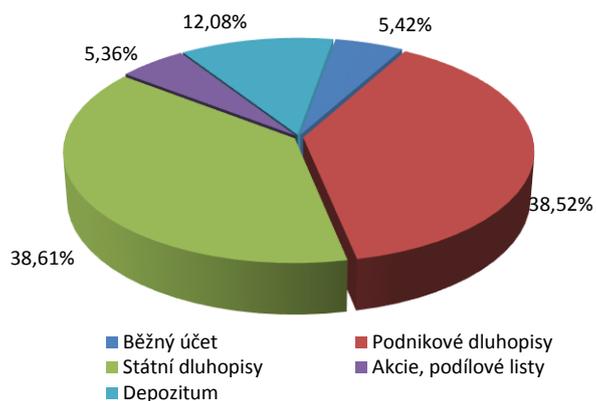
Number of share certificates issued and redeemed in 2015

| ISIN | Issued share certificates | | Redeemed share certificates | | BALANCE (+/-) | |
|--------------|----------------------------------|--------------------|------------------------------------|--------------------|----------------------|--------------------|
| | in pieces | in CZK ‘000 | in pieces | in CZK ‘000 | in pieces | in CZK ‘000 |
| CZ0008474293 | 1 162 574 693 | 1 173 107 | 1 120 833 461 | 1 131 626 | 41 741 232 | 41 481 |
| CZ0008474301 | 0 | 0 | 982 876 | 981 402 | -982 876 | - 981 402 |

Share certificate value curve



Asset composition



Legend: Current account Corporate bonds
 Treasury bonds Shares, share certificates
 Deposit

List of securities held in excess of 1% as of 31 December 2015

| COUNTRY | ISIN | SECURITY NAME | PURCHASE PRICE in CZK '000 | FAIR VALUE in CZK '000 | STAKE IN ASSETS in % |
|--------------|--------------|-------------------------------|-------------------------------|---------------------------|-------------------------|
| CZ | CZ0001004113 | CZGB Float 12/09/20 | 469 783 | 476 343 | 16.44 |
| CZ | CZ0002002520 | UNICZ 6 04/27/18 | 229 948 | 234 280 | 8.09 |
| AT | AT0000622022 | RAIFFEISEN-INFLTIONSSC.-VA | 157 015 | 155 431 | 5.36 |
| CZ | CZ0001003834 | CZGB 1,50/19 | 145 724 | 145 976 | 5.04 |
| CZ | CZ0001003123 | CZGB Float 04/18/23 | 139 666 | 142 494 | 4.92 |
| SE | XS1019818787 | PKOBP 2,324 01/23/19 | 121 484 | 119 715 | 4.13 |
| AT | AT000B119839 | ERSTBK Float 09/20/16 | 118 857 | 119 432 | 4.12 |
| CZ | CZ0001003438 | CZGB Float 07/23/17 | 103 081 | 103 011 | 3.55 |
| FR | XS1040279462 | ACAFP Float 02/28/19 | 80 641 | 80 343 | 2.77 |
| AT | XS0989620694 | RBIIV 1,875 11/08/18 | 72 037 | 72 385 | 2.50 |
| AT | AT0000A1GD94 | HYPONOE GRUPPE Float 09/16/20 | 70 001 | 70 840 | 2.44 |
| NL | XS1241115440 | LPTY 0,88 06/02/20 | 70 001 | 70 444 | 2.43 |
| CZ | CZ0001002471 | CZGB 5 04/11/19 | 60 127 | 60 380 | 2.08 |
| CZ | CZ0001004253 | CZGB 2,4 09/17/25 | 49 936 | 51 015 | 1.76 |
| FR | FR0011734961 | BPCEGP Float 02/14/19 | 40 172 | 40 161 | 1.39 |
| CZ | CZ0003501884 | CESKY 3,9 04/18/17 | 36 943 | 37 513 | 1.29 |
| PL | PL0000108502 | POLGB 0 07/25/17 | 31 162 | 30 948 | 1.07 |
| SE | XS0746259323 | PGNPW 4 02/14/17 | 29 325 | 28 915 | 1.00 |
| Total | | | 2 025 902 | 2 039 625 | 70.39 |

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: Raiffeisen fond dluhopisové stability, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Registered Office: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle

Corporate ID: 291 46 739

Components of the Financial Statements:

Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Notes to the Financial Statements

These financial statements were prepared on 13 February 2016.

| Statutory body of the reporting entity: | Signature |
|--|--|
| <p>On behalf of the statutory body:</p> <p>Ing. Jaromír Sladkovský</p> <p>Ing. Michal Ondruška</p> <p>Individual in charge of the accounting records:</p> <p>Ing. Petra Tomisová</p> |  |

Business name: Raiffeisen fond dluhopisové stability
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11. 1. 2016

BALANCE SHEET
as of 31 December 2015

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--|------|------------------|------------------|
| Assets | | | |
| 2 | 8 | | |
| Treasury bonds and other securities accepted by the central bank for refinancing | | | |
| <i>of which a) issued by government institutions</i> | | 1 034 146 | 1 317 258 |
| | | 1 034 146 | 1 317 258 |
| 3 | 9 | | |
| Receivables from banks and cooperative credit unions | | 507 257 | 175 442 |
| <i>of which a) payable upon request</i> | | 157 145 | 175 442 |
| <i>b) other receivables</i> | | 350 112 | - |
| 5 | 10 | | |
| Debt securities | | 1 200 584 | 1 350 190 |
| <i>of which a) issued by government institutions</i> | | 84 557 | 322 543 |
| <i>b) issued by other entities</i> | | 1 116 027 | 1 027 647 |
| 6 | 11 | | |
| Shares, share certificates and other investments | | 155 431 | - |
| <i>b) share certificates</i> | | 155 431 | - |
| 11 | 12 | | |
| Other assets | | 249 | 1 497 |
| Total assets | | 2 897 667 | 2 844 387 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|---|------|------------------|------------------|
| LIABILITIES | | | |
| 4 | 14 | | |
| Other liabilities | | 989 | 3 631 |
| <i>of which derivatives</i> | | 874 | 3 568 |
| 5 | 15 | | |
| Accrued expenses and deferred income | | 1 509 | 1 375 |
| 6 | 17 | | |
| Reserves | | 529 | - |
| <i>b) tax</i> | | 529 | - |
| 12 | 13 | | |
| Capital funds | | 2 880 165 | 2 839 666 |
| 14 | | | |
| Retained earnings or accumulated loss brought forward | | (285) | - |
| 15 | | | |
| Profit or loss for the reporting period | | 14 760 | (285) |
| Total liabilities | | 2 897 667 | 2 844 387 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--|------|------------|------------|
| OFF BALANCE SHEET ITEMS | | | |
| Off balance sheet assets | | | |
| 4 | 16 | | |
| Receivables from fixed term operations | | 453 747 | 768 176 |
| 8 | 21 | | |
| Values placed under management | | 2 897 359 | 2 842 890 |
| Off balance sheet liabilities | | | |
| 12 | 16 | | |
| Payables from fixed term operations | | 454 363 | 771 725 |

Business name: Raiffeisen fond dluhopisové stability
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11. 1. 2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

| CZK thousand | Note | 1.1.-31.12.2015 | 24.4.-31.12.2014 |
|---|------|-----------------|------------------|
| 1 Interest income and similar income | 3 | 16 582 | 2 684 |
| <i>of which: interest from debt securities</i> | | 16 469 | 2 684 |
| 4 Fees and commission income | 4 | 344 | - |
| 5 Fees and commission expenses | 5 | (18 544) | (3 331) |
| 6 Profit or loss from financial operations | 6 | 17 245 | 598 |
| 9 Administrative expenses | 7 | (97) | (85) |
| <i>b) other administrative expenses</i> | | (97) | (85) |
| 19 Profit or loss for the reporting period from ordinary activities before tax | | 15 530 | (134) |
| 23 Income tax | 19 | (770) | (151) |
| 24 Profit or loss for the reporting period after tax | | 14 760 | (285) |

Business name: Raiffeisen fond dluhopisové stability
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11. 1. 2016

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

| CZK thousand | Capital funds | Profit (loss) | Total |
|--|------------------|---------------|------------------|
| Balance at 24. 4. 2014 | - | - | - |
| Net profit/loss for the reporting period | - | (285) | (285) |
| Share certificates sold | 2 907 451 | - | 2 907 451 |
| Share certificates purchased | (67 785) | - | (67 785) |
| Balance at 31. 12. 2014 | 2 839 666 | (285) | 2 839 381 |

| CZK thousand | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|------------------|---|---------------|------------------|
| Balance at 1. 1. 2015 | 2 839 666 | - | (285) | 2 839 381 |
| Net profit/loss for the reporting period | - | - | 14 760 | 14 760 |
| Share certificates sold | 1 173 106 | - | - | 1 173 106 |
| Share certificates purchased | (1 132 607) | (285) | 285 | (1 132 607) |
| Balance at 31. 12. 2015 | 2 880 165 | (285) | 14 760 | 2 894 640 |

1. GENERAL INFORMATION

(a) Fund characteristics

Fund emergence and characteristics

Raiffeisen fond dluhopisové stability, otevřený podílový fond, Raiffeisen investiční společnost a.s. (hereinafter the “Fund”) represents an accounting entity without legal personality managed by Raiffeisen investiční společnost a.s. (hereinafter the “Company”) pursuant to Act no. 240/2013 Coll., on management companies and investment funds (hereinafter the “Act”). The Fund was came into existence on the day of its entry into the list kept by the Czech National Bank in accordance with Section 597 (b) of the Act, made on 17 March 2014. The Fund began its activity on 24 April 2014.

The fund is a standard securities fund in accordance with the Act, complying with all legal requirements of the European Communities.

Up to three different types of share certificates – classes – may be issued in keeping with the Fund Prospectus. The individual classes differ in the manner in which they handle the Fund profit, the amount of the entry charge (surcharge), the minimum invested amount, and the distribution channels. Each such type of share certificate has been assigned a separate ISIN.

| Type of share certificate | Class A1 | Class A2 | Class A3 |
|---------------------------|---------------------------------------|--------------|--------------|
| | Capitalisation | Dividend | RSTS * |
| | Raiffeisen fond dluhopisové stability | | |
| ISIN | CZ0008474293 | CZ0008474301 | CZ0008474319 |

*Class A3 share certificates may be distributed exclusively by Raiffeisen stavební spořitelna a.s.

Neither the number of issued share certificates nor the duration of the Fund are limited.

The Fund has no employees and all administration relating to the business activities of the Fund is supplied by the Company.

Information about the management company

The Fund assets are administered and managed by Raiffeisen investiční společnost a.s., Corporate ID 29146739, with its registered office at Hvězdova 1716/2b, Praha 4 – Nusle, 140 78. The Company was incorporated on 21 December 2012. The Company obtained operation authorisation based on Decision of the Czech National Bank No. 2013/4256/570 of 9 April 2013 which took effect on 9 April 2013.

The Company is a management company in the sense of the existing legislation and it acts in the capacity of a legal entity, which collects cash from both legal entities and natural persons (individuals), in order to use them to participate in business (collective investing).

Principal activity of the Company

Under the Act, the Company is authorised, in the scope of the authorisation of the Czech National Bank, to:

- Manage investment funds or foreign investment funds; and
- Administer investment funds or foreign investment funds.

Depository information

Depository services are provided by UniCredit Bank Czech Republic and Slovakia, a.s., Corporate ID 64948242, with its registered office at Želetavská 1525/1, Praha 4, 140 92 (hereinafter the “Depository”) under the Depository Agreement dated 6 February 2014.

(b) Basis for the Preparation of the Financial Statements

The financial statements have been prepared based on accounting records maintained in line with:

- Accounting Act No. 563/1991, as amended;
- Regulation No. 501/2002 issued by the Ministry of Finance, as amended; and
- Czech Accounting Standards for financial institutions as published by the Ministry of Finance.

The financial statements have been prepared in compliance with the accruals principle and historical prices, excluding selected financial instruments valued at fair value.

The reporting period from 24 April 2014 to 31 December 2014 is hereinafter referred to as “2014” in profit and loss account items.

The financial statements are based on the going concern assumption and assuming that no facts exist that would restrict the Fund or prevent it from carrying out its activity in the foreseeable future.

The current reporting period of the Fund is the calendar year ended 31 December 2015. Data from the previous reporting period, i.e. the year ended 31 December 2014, is used as comparative data.

These financial statements are presented in thousands of Czech crowns (‘CZK’) unless stated otherwise. Figures in brackets are negative.

These financial statements are unconsolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Transaction Date

Depending on the transaction type, the transaction date is predominantly:

- Date of payment or receipt of money in circulation;
- Date of purchase or sale of foreign currency, foreign exchange or securities;
- Date of payment;
- Date of crediting (foreign currency) funds based on the account statement;
- Date of arrangement and settlement of spot transactions, namely purchase or sale of financial instruments or commodities with such a delivery date where the period between the trade date and the settlement date is no more than five days; and
- Trade date and settlement date of derivative transactions.

Spot transactions (i.e. purchases and sales of financial assets with a usual term of delivery) of the Fund are reported directly in the relevant asset or liability at the trade date.

The Fund will derecognise a financial asset or any part thereof from the balance sheet if control over the contractual rights to such a financial asset or any part thereof is lost. The loss of control occurs if the Company exercises its rights to contractual benefits, if such rights expire or should the Fund waive these rights.

If a financial liability or any part thereof expires (such as when a contractual obligation is met, cancelled or expires), the financial liability or a part thereof will no longer be recognised in the Fund’s balance sheet. The difference between the carrying amount of the financial liability or a part thereof that has expired or has been transferred to another entity and the amount paid for the respective debt shall be reported through expenses or revenues as appropriate.

(b) Securities

In compliance with the Fund strategy, all securities have been classified as securities valued at their fair value. Securities are re-valued on a daily basis during the reporting period, pursuant to Decree no. 244/2013 Coll., of the Ministry of Finance of the Czech Republic, on detailed issues related to the Act

on Management Companies and Investment Funds, as amended (hereinafter the “Decree”). Pursuant to the Decree, securities are valued at prices derived from public markets, which may be further adjusted in keeping with the provisions of the Decree. If no market price is available, such value shall be applied as determined according to valuation models based on discounted future cash flows according to the yield curve.

Upon their initial recognition, securities are valued at acquisition cost. Acquisition cost also includes direct transaction costs related to the acquisition of securities.

Interest income

The term ‘interest income’ means the following:

- a) as regards debt securities with coupon, the accrued coupon as determined in the issue terms and conditions and the accrued difference between the nominal value and the net acquisition cost, known as a premium or discount;
- b) as regards debt securities without coupon and bills of exchange, the accrued difference between the nominal value and the acquisition cost.

Interest income on debt securities is reported in the profit and loss account commencing on the purchase using the effective interest rate method.

Debiting of securities

Upon sales of securities, the Fund values such securities disposals using the ‘average price method’.

(c) Receivables and Provisions

Operating receivables are recognised at their nominal value net of provisions, if any. Bad debts are written off after the completion of the debtor’s bankruptcy proceedings or when it is highly unlikely for the bad debt to be settled.

Provisions are recognised as expenses; the utilisation of a provision is recognised in the profit and loss account along with expenses or losses arising from asset disposals. The release of a provision due to redundancy is recognised in revenues.

(d) Financial derivatives

Derivatives are financial instruments meeting the following conditions:

- a) their fair value varies depending on changes in interest rates, security prices, commodity prices, foreign exchange rates, price indices, credit assessments (ratings) or indices, and/or depending on any other variables (so-called underlying assets);
- b) as compared to other types of contracts, which show similar responses to changing market conditions, they require little or no initial investments;
- c) they will be settled in the future and the period from the trade date to settlement exceeds that of spot transactions.

Derivatives are reported in the balance sheet at their fair values. Positive fair values of derivatives are reported in assets under ‘Other assets’. Negative fair values of derivatives are reported in liabilities under ‘Other liabilities’.

Fair value of financial derivatives is determined as the present value of future cash flows from these transactions. The present value is determined with the help of parameters identified on the active market, such as exchange rates, interest rates for a given maturity based on the yield curve, etc.

In the off-balance sheet, derivatives are reported at contractual undiscounted values of the underlying instrument under ‘Receivables from fixed-term operations’ and ‘Payables from fixed-term operations’.

(e) Funds invested by shareholders

The Fund has no share capital. The share certificates have been assigned no nominal value. The Fund does not account for share premium.

Capital funds

The selling price of share certificates is determined as a ratio of the Fund's equity and the number of issued share certificates. Share certificates are sold to investors for selling prices determined on a daily basis.

(f) Reserves

Reserves represent probable cash outflows of uncertain timing and amount. Reserves are charged to expenses in such amounts which are the best estimate of expenditures required in order to settle existing liabilities.

Reserves are created if the following criteria are met:

- a) A performance obligation (legal or constructive) exists as a result of past events;
- b) It is probable or certain that an event will occur and will require an outflow of resources representing economic benefits, where "probable" means probability greater than 50%; and
- c) It is possible to make a reliable estimate of such fulfilment.

(g) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate of the Czech National Bank effective on the date of the transaction.

Assets and liabilities denominated in foreign currencies along with foreign-currency spot transactions before their due dates are translated into the local currency using the exchange rate of the Czech National Bank effective at the balance sheet date. Any profit or loss resulting from the translation of assets and liabilities denominated in foreign currencies, excepting equity investments in foreign currencies, or items hedging against foreign currency risk arising from contracts not yet recognised in the Fund's balance sheet, or from anticipated future transactions is recognised in the profit and loss account as "Profit or loss from financial operations".

(h) Taxation

Tax payable

The corporate tax base is calculated from the profit for the current period before tax, increased by non-deductible expenses, less the revenues that are not subject to income tax, and further adjusted for tax allowances and relevant credits, if any. Based on valid tax regulations, corporate income tax for mutual funds amounts to 5%.

Deferred tax

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities, using the anticipated tax rate effective for the following period. A deferred tax asset will be only recognised if there is no doubt as to its recovery in the following reporting periods.

(i) Interest income and interest expense and dividend income

Interest income and interest expense are reported on an accrual basis.

Dividend income is reported on the effective date of entitlement to receive its payment (ex-dividend date). Dividend income from domestic securities is reported after the deduction of withholding tax.

Dividend income from foreign securities is reported prior to the deduction of withholding tax.

**Raiffeisen fond dluhopisové stability, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

3. INTEREST INCOME AND SIMILAR INCOME

| CZK '000 | 1 Jan – 31 Dec 2015 | 24 Apr – 31 Dec 2014 |
|--|---------------------|----------------------|
| Interest from current accounts and fixed term deposits | 114 | - |
| Interest from debt securities | 16 468 | 2 684 |
| Total | 16 582 | 2 684 |

4. FEES AND COMMISSION INCOME

The item 'Fees and commission income' includes the incentive received in relation to the investment in KAG funds in the amount of CZK 344 thousand (2014: CZK 0).

5. FEES AND COMMISSION EXPENSES

| CZK '000 | 1 Jan – 31 Dec 2015 | 24 Apr – 31 Dec 2014 |
|----------------------------|---------------------|----------------------|
| Management fee | 14 967 | 2 814 |
| Depository fee | 2 535 | 341 |
| Securities administration | 664 | 62 |
| Other fees and commissions | 378 | 114 |
| Total | 18 544 | 3 331 |

The management fee paid by the Fund to the Company amounts, according to the Fund Prospectus, to 0.5% of the average annual value of the Fund equity.

Under the Depository Agreement, the Fund pays a fee in the amount of 0.07% of the average annual value of the Fund equity.

6. PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| CZK '000 | 1 Jan – 31 Dec 2015 | 24 Apr – 31 Dec 2014 |
|---|---------------------|----------------------|
| Profit from securities valued at fair value | 16 036 | 1 821 |
| Profit from exchange rate differences | (17 984) | 2 728 |
| Loss from spot and fixed term transactions | 19 193 | (3 951) |
| Total | 17 245 | 598 |

Profit or loss from securities valued at fair value mainly represents daily revaluation of securities to fair value.

Profit or loss from exchange rate differences mainly represents both realised and unrealised exchange rate differences from revaluation of bond securities.

Profit or loss from spot and fixed term transactions includes profit and loss from settlements of spot transactions and fixed term transactions with financial instruments as well as revaluation of open derivatives at fair value.

7. ADMINISTRATIVE EXPENSES

Administrative expenses include audit expenses in the amount of CZK 97 thousand (2014: CZK 85 thousand).

**Raiffeisen fond dluhopisové stability, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

8. TREASURY BONDS WITHOUT COUPON AND OTHER SECURITIES ACCEPTED BY THE CENTRAL BANK FOR REFINANCING

All securities held by the Fund are listed on the Prague Stock Exchange or on foreign stock exchanges. All securities are included in the portfolio of securities at fair value.

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|------------------|------------------|
| Treasury bonds | 1 034 146 | 1 317 258 |
| Net book value | 1 034 146 | 1 317 258 |

9. RECEIVABLES FROM BANKS AND COOPERATIVE CREDIT UNIONS

Receivables from banks include current accounts maintained by Unicredit bank Czech Republic and Slovakia, a.s., and Raiffeisen Bank International AG, amounting to CZK 157,145 thousand (2014: CZK 175,442 thousand) and fixed term deposits with interest from Unicredit bank Czech Republic and Slovakia, a.s., amounting to CZK 350,112 thousand.

Current accounts are payable upon request.

10. DEBT SECURITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|------------------|------------------|
| Bonds issued by government institutions | 84 557 | 322 543 |
| Bonds issued by other entities | 1 116 027 | 1 027 647 |
| Net book value | 1 200 584 | 1 350 190 |

11. SHARES, SHARE CERTIFICATES AND OTHER INVESTMENTS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|----------------|-------------|
| Share certificates | 155 431 | - |
| Net book value | 155 431 | - |

12. OTHER ASSETS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|--|-------------|--------------|
| Positive fair value of financial derivatives | - | - |
| Other receivables | 249 | 1 497 |
| Total | 249 | 1 497 |

13. EQUITY

| <i>Number of issued share certificates</i> | 31 Dec 2015 | 31 Dec 2014 |
|--|----------------------|----------------------|
| (in pieces) | | |
| Dividend class | 2 849 867 494 | 11 698 086 |
| Capitalisation class | 10 715 210 | 2 808 126 262 |
| Total | 2 860 582 704 | 2 819 824 348 |

No other classes were issued in 2015.

**Raiffeisen fond dluhopisové stability, otevřený podílový fond,
Raiffeisen investiční společnost a.s.**
Year Ended 31 December 2015

Equity according to share certificate classes

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|----------------------|------------------|------------------|
| Dividend class | 2 883 891 | 11 676 |
| Capitalisation class | 10 749 | 2 827 705 |
| Total | 2 894 640 | 2 839 381 |

As of 31 December 2015, 2,860,582,704 share certificates of the Fund have been issued (2014: 2,819,824,348).

The value of a share certificate of the dividend class as of the last business day of 2015 amounted to CZK 1.0034 (2014: 0.9978). The value of the capitalisation class as of the last business day of 2015 amounted to CZK 1.0121 (2014: 1.0066). This is the last value of a share certificate in the respective year for which purchases and re-purchases of the Fund's share certificates were made.

14. OTHER LIABILITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-------------------------------|-------------|--------------|
| Negative value of derivatives | 874 | 3 568 |
| Other liabilities | 115 | 63 |
| Total | 989 | 3 631 |

15. ACCRUED EXPENSES AND DEFERRED INCOME

The item 'Accrued expenses' primarily includes the uninvoiced management fee for the month of December in the amount of CZK 1,206 thousand (As of 31 December 2014: CZK 1,183 thousand).

16. FINANCIAL DERIVATIVES

Nominal value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|----------------|----------------|----------------|----------------|
| | Receivable | Payable | Receivable | Payable |
| Currency forwards | 453 747 | 454 363 | 768 176 | 771 725 |
| Total | 453 747 | 454 363 | 768 176 | 771 725 |

Off-balance sheet assets and liabilities represent the nominal (contractual) undiscounted values which are revalued by the Fund using CNB's exchange rate valid as of the financial statements date. All the above financial instruments were concluded on the inter-bank market (OTC).

Fair value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|-------------|------------|-------------|--------------|
| | Positive | Negative | Positive | Negative |
| Currency forwards | - | 874 | - | 3 568 |
| Total | - | 874 | - | 3 568 |

All currency derivatives mature within one year.

**Raiffeisen fond dluhopisové stability, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

17. RESERVES

| CZK '000 | Income tax | Total reserves |
|------------------------------------|------------|----------------|
| Balance at 1 January 2015 | - | - |
| Creation | 529 | 529 |
| Usage | - | - |
| Balance at 31 December 2015 | 529 | 529 |

The Fund creates the income tax reserve because the financial statements are prepared prior to the date of determining the tax liability. In the following reporting period, the Fund will release the reserve and account for the established tax liability.

18. PROPOSED ALLOCATION OF PROFIT

The Company's Board of Directors proposes the allocation of the profit for 2015 as follows:

| CZK '000 | Profit / loss | Retained earnings or accumulated loss brought forward |
|--|---------------|---|
| Balance at 31 December 2015 prior to the allocation of the profit for 2015 | | (285) |
| Profit for 2015 | 14 760 | |
| Proposed allocation of the profit for 2015: | | |
| Transfer to retained earnings | (14 760) | 14 760 |
| Total | - | 14 475 |

19. INCOME TAXATION

(a) Income Tax

| CZK '000 | 1 Jan – 31 Dec 2015 | 24 Apr – 31 Dec 2014 |
|------------------------------------|---------------------|----------------------|
| Tax payable for the current period | 770 | - |
| Withholding tax | - | 151 |
| Total | 770 | 151 |

(b) Income Tax – Tax Analysis

| CZK '000 | 1 Jan – 31 Dec 2015 | 24 Apr – 31 Dec 2014 |
|--|---------------------|----------------------|
| Profit or loss for the period before tax | 15 530 | (134) |
| Revenues that are not subject to tax | - | - |
| Tax non-deductible expenses | - | - |
| Other items | (130) | - |
| Subtotal | 15 400 | (134) |
| Tax calculated using the 5% tax rate (for 2014: 5%) | 770 | - |
| Tax relief applied | - | - |
| Withholding tax | - | 151 |
| Total | 770 | 151 |

**Raiffeisen fond dluhopisové stability, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

20. RELATED PARTY TRANSACTIONS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|---------------------|--------------------|
| Assets | | |
| Incentive related to investments in KAG funds | 176 | - |
| Liabilities | | |
| Management fee payable to the Company | 1 206 | 1 183 |
| CZK '000 | 1 Jan – 31 Dec 2015 | 24 Apr-31 Dec 2014 |
| Expenses | | |
| Management fee payable to the Company | 14 967 | 2 814 |
| Income | | |
| Incentive related to investments in KAG funds | 344 | - |
| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
| Off-balance sheet assets | | |
| Values placed under management | 2 897 359 | 2 842 890 |

21. VALUES PLACED UNDER MANAGEMENT

The Fund has all its assets managed by the Company. The item entitled 'Values placed under management' covers both foreign and local securities, term deposits as well as current account balances.

22. FINANCIAL INSTRUMENTS – MARKET RISK

The Fund is exposed to market risks arising from open positions in interest rate, equity and currency instrument transactions that are sensitive to changes in financial market conditions.

(a) Risk management

The basic risk management instrument is represented by imposing limits on the ratio of different types of financial instruments in the portfolio, which are determined in accordance with legal requirements, the Fund Prospectus, and its investment strategy. The key risks, which are evaluated on a daily basis, include foreign currency exposures and sensitivity to interest rate fluctuations.

Market risks are measured using the Value at Risk ("VaR") method. Value at Risk represents a potential loss resulting from unfavourable developments on the market within a certain time period and at a certain level of reliability. The 'Value at Risk' is measured on the basis of a one-year holding period and a 95% reliability level.

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Raiffeisen investiční společnost a.s.
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(b) Liquidity risk

‘Liquidity risk’ represents the risk that the Fund will not have sufficient cash resources to meet its commitments associated with its financial contracts. Liquidity is monitored and managed on the basis of expected cash flows; in this context, the structure of the securities and the term deposits portfolio is adjusted.

Residual maturity of the Fund’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|---|-----------------------|-------------------------------|---------------------------|----------------------|--------------------|------------------|
| As of 31 December 2015 | | | | | | |
| Treasury bonds without coupon and other securities | 622 | 6 963 | 815 831 | 210 730 | - | 1 034 146 |
| Receivables from banks | 507 257 | - | - | - | - | 507 257 |
| Debt securities | 17 728 | 129 458 | 995 833 | 57 565 | - | 1 200 584 |
| Shares, share certificates | - | - | - | - | 155 431 | 155 431 |
| Other assets | 249 | - | - | - | - | 249 |
| Total | 525 856 | 136 421 | 1 811 664 | 268 295 | 155 431 | 2 897 667 |
| Other liabilities | 989 | - | - | - | - | 989 |
| Accrued/deferred income and expenses | 1 509 | - | - | - | - | 1 509 |
| Reserves | 529 | - | - | - | - | 529 |
| Equity | - | - | - | - | 2 894 640 | 2 894 640 |
| Total | 3 027 | - | - | - | 2 894 640 | 2 897 667 |
| GAP | 522 829 | 136 421 | 1 811 664 | 268 295 | (2 739 209) | - |
| Cumulative GAP | 522 829 | 659 250 | 2 470 914 | 2 739 209 | - | - |

Residual maturity of the Company’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|---|-----------------------|-------------------------------|---------------------------|----------------------|--------------------|------------------|
| As of 31 December 2014 | | | | | | |
| Treasury bonds without coupon and other securities | 724 | 14 036 | 667 397 | 635 101 | - | 1 317 258 |
| Receivables from banks | 175 442 | - | - | - | - | 175 442 |
| Debt securities | 189 875 | 174 148 | 971 782 | 14 385 | - | 1 350 190 |
| Other assets | 1 497 | - | - | - | - | 1 497 |
| Total | 367 538 | 188 184 | 1 639 179 | 649 486 | - | 2 844 387 |
| Other liabilities | 3 631 | - | - | - | - | 3 631 |
| Accrued/deferred income and expenses | 1 375 | - | - | - | - | 1 375 |
| Equity | - | - | - | - | 2 839 381 | 2 839 381 |
| Total | 5 006 | - | - | - | 2 839 381 | 2 844 387 |
| GAP | 362 532 | 188 184 | 1 639 179 | 649 486 | (2 839 381) | - |
| Cumulative GAP | 362 532 | 550 716 | 2 189 895 | 2 839 381 | - | - |

The above table shows residual maturities of the book values of the individual financial instruments, rather than of all cash flows resulting from such instruments.

Raiffeisen fond dluhopisové stability, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

(c) **Interest rate risk**

The Fund is exposed to interest rate risk due to the impacts of fluctuations of the current interest rates on the market. On account of such changes, the fair value and income from financial assets may both increase and decrease.

The table below provides a summary of the mismatch between the Fund's assets and liabilities that are interest-rate sensitive. The table below includes data about the extent of Fund's interest rate risk based on the contractual maturity of the financial instruments.

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|-------------------------------|---------------------------|----------------------|------------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupons and other securities | 103 078 | 624 742 | 237 050 | 69 276 | 1 034 146 |
| Receivables from banks | 507 257 | - | - | - | 507 257 |
| Debt securities | 433 637 | 22 306 | 687 076 | 57 565 | 1 200 584 |
| Total | 1 043 972 | 647 048 | 924 126 | 126 841 | 2 741 987 |

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|-------------------------------|---------------------------|----------------------|------------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupons and other securities | 83 046 | 619 500 | 582 060 | 32 652 | 1 317 258 |
| Receivables from banks | 175 442 | - | - | - | 175 442 |
| Debt securities | 648 831 | 183 112 | 503 862 | 14 385 | 1 350 190 |
| Total | 907 319 | 802 612 | 1 085 922 | 47 037 | 2 842 890 |

The above summary only includes interest-rate sensitive assets and liabilities and, therefore, it is not identical to the values presented in the Fund's balance sheet.

Raiffeisen fond dlhopisové stability, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

(d) **Currency risk**

Financial position and cash flows are affected by the fluctuations of the valid exchange rate of foreign currencies.

Both realised and unrealised foreign exchange profit and loss is reported directly in the profit and loss account. The foreign exchange positions of the Fund in the most significant currencies are as follows:

Foreign exchange positions of the Fund

| CZK '000 | EUR | PLN | USD | CZK | Total |
|--|----------------|---------------|---------------|------------------|------------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupon and other securities | - | - | - | 1 034 146 | 1 034 146 |
| Receivables from banks | 17 027 | 8 499 | 26 475 | 455 256 | 507 257 |
| Debt securities | 289 837 | 30 948 | 53 609 | 826 190 | 1 200 584 |
| Shares, share certificates and other investments | 155 431 | - | - | - | 155 431 |
| Other assets | - | - | - | 249 | 249 |
| Total | 462 295 | 39 447 | 80 084 | 2 315 841 | 2 897 667 |
| Other liabilities | | | | | |
| Accrued/deferred income and expenses | 776 | - | 98 | 115 | 989 |
| Reserves | - | - | - | 529 | 529 |
| Equity | - | - | - | 2 894 640 | 2 894 640 |
| Total | 776 | - | 98 | 2 896 793 | 2 897 667 |
| Long off-balance instruments positions | - | - | - | 453 747 | 453 747 |
| Short off-balance instruments positions | (397 268) | - | (57 095) | - | (454 363) |
| Net foreign exchange position | 64 251 | 39 447 | 22 891 | (127 205) | - |

Foreign exchange positions of the Fund

| CZK '000 | EUR | PLN | CZK | Total |
|--|----------------|---------------|------------------|------------------|
| As of 31 December 2014 | | | | |
| Treasury bonds without coupon and other securities | - | - | 1 317 258 | 1 317 258 |
| Receivables from banks | 164 | - | 175 278 | 175 442 |
| Debt securities | 796 310 | 19 116 | 534 764 | 1 350 190 |
| Other assets | - | - | 1 497 | 1 497 |
| Total | 796 474 | 19 116 | 2 028 797 | 2 844 387 |
| Other liabilities | 3 568 | - | 63 | 3 631 |
| Accrued/deferred income and expenses | - | - | 1 375 | 1 375 |
| Equity | - | - | 2 839 381 | 2 839 381 |
| Total | 3 568 | - | 2 840 819 | 2 844 387 |
| Long off-balance instruments positions | | | 768 176 | 768 176 |
| Short off-balance instruments positions | 771 725 | | | 771 725 |
| Net foreign exchange position | 21 181 | 19 116 | (43 846) | - |

23. FINANCIAL INSTRUMENTS – CREDIT RISK

Credit risk represents the risk of financial loss the Fund faces if the counterparty in a financial instrument transaction does not meet its contractual obligations.

Fund investments are implemented so that the rating structure of the securities complies with the Fund Prospectus and its investment strategy. Credit risk management includes the monitoring of diversification of investments in terms of their geographical distribution and in terms of exposure of individual issuers to credit risk.

Distribution of assets based on geographical segments

As of 31 December 2015

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|------------------|----------------|--------------------------|----------------|------------------|
| Treasury bonds without coupon and other securities | 1 034 146 | 0 | 0 | 0 | 1 034 146 |
| Receivables from banks | 507 197 | 60 | 0 | 0 | 507 257 |
| Debt securities | 337 283 | 690 066 | 0 | 173 235 | 1 200 584 |
| Shares, share certificates and other investments | 0 | 155 431 | 0 | 0 | 155 431 |
| Other assets | 249 | 0 | 0 | 0 | 249 |
| Total | 1 878 875 | 845 557 | 0 | 173 235 | 2 897 667 |

As of 31 December 2014

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|------------------|------------------|--------------------------|---------------|------------------|
| Treasury bonds without coupon and other securities | 1 317 258 | 0 | 0 | 0 | 1 317 258 |
| Receivables from banks | 175 395 | 47 | 0 | 0 | 175 442 |
| Debt securities | 84 593 | 1 040 860 | 137 091 | 87 646 | 1 350 190 |
| Shares, share certificates and other investments | 0 | 0 | 0 | 0 | 0 |
| Other assets | 1 497 | 0 | 0 | 0 | 1 497 |
| Total | 1 578 743 | 1 040 907 | 137 091 | 87 646 | 2 844 387 |

Distribution of securities based on the issuer

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|------------------|------------------|
| Issued by financial institution | 846 712 | 666 309 |
| Issued by collective investment funds | 155 431 | 0 |
| Issued by non-financial institutions | 264 356 | 356 358 |
| Issued by insurance institutions | 4 959 | 4 980 |
| Issued by government institutions | 1 118 703 | 1 639 801 |
| Total | 2 390 161 | 2 667 448 |

24. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date on 31 December 2015 that would have a significant impact on the financial statements of the Fund.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Raiffeisen fond dluhopisové stability, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Identification number: 291 46 739

We have audited the accompanying financial statements of Raiffeisen fond dluhopisové stability, otevřený podílový fond Raiffeisen investiční společnost a.s. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015, the profit and loss account and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of Raiffeisen investiční společnost a.s. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisen fond dluhopisové stability, otevřený podílový fond, Raiffeisen investiční společnost a.s. as of 31 December 2015, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The financial statements of Raiffeisen fond dluhopisové stability, otevřený podílový fond, Raiffeisen investiční společnost a.s. for the prior year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2015.

Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 25 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:

Diana Rádľ Rogerová
registration no. 2045



**Raiffeisen fond dluhopisových trendů, open-ended mutual fund,
Raiffeisen investiční společnost a.s.**

| | |
|----------------------------------|------------------------|
| Denomination: | CZK |
| ISIN - Capitalisation class: | CZ0008474376 |
| ISIN - Dividend class: | CZ0008474384 |
| Share certificate nominal value: | n.a. |
| Fund format: | open-ended mutual fund |
| Fund type (AKAT classification): | bond fund |
| Date of incorporation: | 21 May 2014 |

The underlying assets of Raiffeisen fond dluhopisových trendů were allocated in 2015 in particular in medium-term sovereign and corporate bonds with duration (simply speaking: the average term to maturity) of approximately four years. As far as their creditworthiness is concerned, the bond investments of the Fund have had the so-called “investment rating” (i.e., BBB-/Baa3 rating and higher). The purchased bonds were denominated in CZK, EUR, USD and PLN; however, the majority of such purchased bonds have been hedged against exchange rate risks (open exchange rate exposure did not exceed 10% of the value of the portfolio).

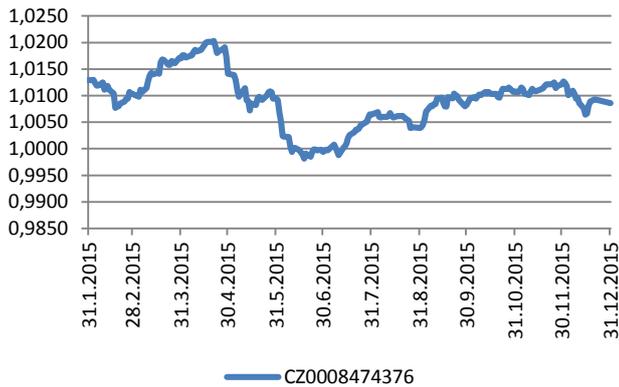
Beside changes duly disclosed in the financial statements, no substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (hereinafter the “AIFMD Directive”), as specified in the Prospectus.

| Financial indicators | 31 December 2015 | 31 December 2014 | Change % |
|---|-------------------------|-------------------------|-----------------|
| Profit/loss after tax, in CZK ‘000 | 1946 | 1 810 | 207.51 |
| CZ0008474376 | | | |
| Mutual fund equity, in CZK ‘000 | 1 158 065 | 1 308 592 | (11.50) |
| Equity per share certificate, in CZK | 1.0086 | 1.0068 | 0.18 |
| Number of share certificates, in pieces | 1 148 198 075 | 1 299 698 750 | (11.66) |
| CZ0008474384 | | | |
| Mutual fund equity, in CZK ‘000 | 0 | 11 | 0 |
| Equity per share certificate, in CZK | 0 | 0.9977 | 0 |
| Number of share certificates, in pieces | 0 | 10 992 | 0 |

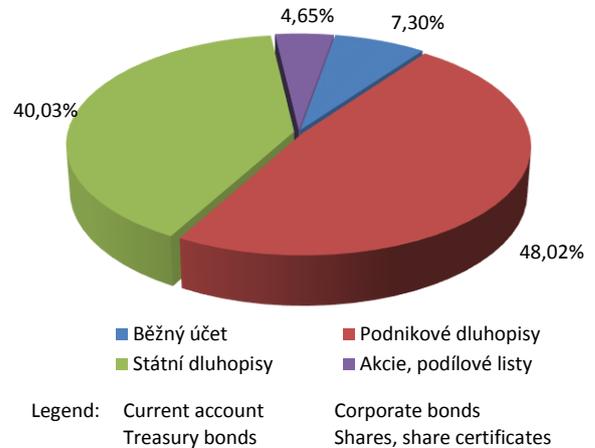
Number of share certificates issued and redeemed in 2015

| ISIN | Issued share certificates | | Redeemed share certificates | | BALANCE (+/-) | |
|--------------|----------------------------------|--------------------|------------------------------------|--------------------|----------------------|--------------------|
| | in pieces | in CZK ‘000 | in pieces | in CZK ‘000 | in pieces | in CZK ‘000 |
| CZ0008474376 | 440 528 184 | 445 470 | 592 028 859 | 597 943 | - 151 500 675 | - 152 473 |
| CZ0008474384 | 0 | 0 | 10 992 | 11 | - 10 992 | -11 |

Share certificate value curve



Asset composition



List of securities held in excess of 1% as of 31 December 2015

| COUNTRY | ISIN | SECURITY NAME | PURCHASE PRICE in CZK '000 | FAIR VALUE in CZK '000 | STAKE IN ASSETS in % |
|--------------|--------------|-------------------------------|-------------------------------|---------------------------|----------------------------|
| CZ | CZ0001001317 | CZGB 3,75 09/12/20 | 132 627 | 131 838 | 11.37 |
| CZ | CZ0001002851 | CZGB 3,85 09/29/21 | 110 381 | 110 200 | 9.50 |
| CZ | CZ0002002520 | UNICZ 6 04/27/18 | 69 424 | 70 284 | 6.06 |
| AT | AT0000A1GD94 | HYPO NOE GRUP. Float 09/16/20 | 60 038 | 60 720 | 5.23 |
| CZ | CZ0001004253 | CZGB 2,4 09/17/25 | 58 800 | 60 506 | 5.22 |
| PL | PL0000108502 | POLGB 0 07/25/17 | 56 746 | 55 707 | 4.80 |
| AT | AT0000622022 | RAIFFEISEN-INFLTIONSSC.-VA | 55 040 | 53 907 | 4.65 |
| AT | XS0989620694 | RBIAN 1,875 11/08/18 | 47 050 | 47 328 | 4.08 |
| PL | XS1082660744 | PKNPW 2,5 06/30/21 | 44 125 | 44 057 | 3.80 |
| DE | DE0001102374 | DBR 0,5 02/15/25 | 39 693 | 40 486 | 3.49 |
| EE | XS0763379343 | ESTONE 4,25 10/02/18 | 41 538 | 40 281 | 3.47 |
| NL | XS1241115440 | LPTY 0,88 06/02/20 | 40 000 | 40 254 | 3.47 |
| FR | XS1143974159 | BREPW 2 11/21 | 38 274 | 36 287 | 3.13 |
| NL | XS1322528230 | LPTY Float 11/19/20 | 35 001 | 35 131 | 3.03 |
| GB | XS0496481200 | RBS 5,5 03/23/20 | 34 274 | 33 513 | 2.89 |
| BG | XS0972758741 | ROMANIA 4,625 | 32 634 | 31 830 | 2.74 |
| CZ | CZ0003512824 | SMVAK 2 5/8 07/17/22 Corp | 23 931 | 24 525 | 2.11 |
| SE | XS1019818787 | PKOBP 2,324 01/23/19 | 23 140 | 22 803 | 1.97 |
| GB | XS0830380639 | AALLN 2,5 09/18/18 | 29 361 | 22 726 | 1.96 |
| CZ | XS0911304326 | CESKA 2,905 04/08/25 | 15 610 | 15 661 | 1.35 |
| KR | XS0943004878 | EIBKOR Float 06/17/18 | 14 000 | 14 353 | 1.24 |
| RU | XS0984191360 | VTB Float 10/28/16 | 11 336 | 11 644 | 1.00 |
| Total | | | 1 013 022 | 1 004 039 | 86.56 |

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: Raiffeisen fond dluhopisových trendů, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Registered Office: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle

Corporate ID: 291 46 739

Components of the Financial Statements:

Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Notes to the Financial Statements

These financial statements were prepared on 13 February 2016.

| Statutory body of the reporting entity: | Signature |
|--|--|
| On behalf of the statutory body: Ing. Jaromír Sladkovský Ing. Michal Ondruška |  |
| Individual in charge of the accounting records: Ing. Petra Tomisová |  |

Obchodní firma: Raiffeisen fond dluhopisových trendů

Raiffeisen investiční společnost a.s.

Seat: Hvězdova 1716/2b, Praha 4, 140 78

Corporate ID: 29146739

Principal activities: fund administration and management

Balance sheet date: 11.1.2016

**BALANCE SHEET
as of 31 December 2015**

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|---------------------|--|-------------------------------------|-------------------------------|
| ASSETS | | | |
| 2 | Treasury bonds and other securities accepted by the central bank for refinancing of which a) issued by government institutions | 8 336 282 336 282 | 786 278 786 278 |
| 3 | Receivables from banks and cooperative credit unions of which a) payable upon request | 9 84 711 84 711 | 77 122 77 122 |
| 5 | Debt securities of which a) issued by government institutions b) issued by other entities | 10 684 913 128 022 556 891 | 447 861 156 051 291 810 |
| 6 | Shares, share certificates and other investments b) share certificates | 11 53 907 53 907 | - - |
| 11 | Other assets | 12 100 | 129 |
| Total assets | | 1 159 913 | 1 311 390 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--------------------------|---|------------------------|------------------|
| LIABILITIES | | | |
| 4 | Other liabilities of which derivatives | 14 16 823 792 | 1 690 1 681 |
| 5 | Accrued expenses and deferred income | 15 1 025 | 1 097 |
| 12 | Capital funds | 13 1 157 929 | 1 310 413 |
| 14 | Retained earnings or accumulated loss brought forward | (1 810) | - |
| 15 | Profit or loss for the reporting period | 1 946 | (1 810) |
| Total liabilities | | 1 159 913 | 1 311 390 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--------------------------------------|--|-----------------|------------|
| OFF BALANCE SHEET ITEMS | | | |
| Off balance sheet assets | | | |
| 4 | Receivables from fixed term operations | 16 404 850 | 361 803 |
| 8 | Values placed under management | 20 1 159 813 | 1 311 262 |
| Off balance sheet liabilities | | | |
| 12 | Payables from fixed term operations | 16 405 375 | 363 475 |

Obchodní firma: Raiffeisen fond dluhopisových trendů
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

| CZK thousand | Note | 1.1.-31.12.2015 | 18.6.-31.12.2014 |
|---|------|-----------------|------------------|
| 1 Interest income and similar income | 3 | 11 468 | 779 |
| <i>of which: interest from debt securities</i> | | 11 468 | 779 |
| 4 Fees and commission income | 4 | 140 | - |
| 5 Fees and commission expenses | 5 | (14 409) | (1 213) |
| 6 Profit or loss from financial operations | 6 | 4 901 | (1 291) |
| 9 Administrative expenses | 7 | (97) | (85) |
| <i>b) other administrative expenses</i> | | (97) | (85) |
| 19 Profit or loss for the reporting period from ordinary activities before tax | | 2 003 | (1 810) |
| 23 Income tax | 18 | (57) | - |
| 24 Profit or loss for the reporting period after tax | | 1 946 | (1 810) |

Obchodní firma: Raiffeisen fond dluhopisových trendů
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015**

| CZK thousand | Capital funds | Profit (loss) | Total |
|--|------------------|----------------|------------------|
| Balance at 18. 6. 2014 | - | - | - |
| Net profit/loss for the reporting period | - | (1 810) | (1 810) |
| Share certificates sold | 1 312 683 | - | 1 312 683 |
| Share certificates purchased | (2 270) | - | (2 270) |
| Balance at 31. 12. 2014 | 1 310 413 | (1 810) | 1 308 603 |

| CZK thousand | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|------------------|---|----------------|------------------|
| Balance at 1. 1. 2015 | 1 310 413 | - | (1 810) | 1 308 603 |
| Net profit/loss for the reporting period | - | - | 1 946 | 1 946 |
| Share certificates sold | 445 470 | - | - | 445 470 |
| Share certificates purchased | (597 954) | - | - | (597 954) |
| Transfer to funds | - | (1 810) | 1 810 | - |
| Balance at 31. 12. 2015 | 1 157 929 | (1 810) | 1 946 | 1 158 065 |

1. GENERAL INFORMATION

(a) Fund characteristics

Fund emergence and characteristics

Raiffeisen fond dluhopisových trendů, otevřený podílový fond, Raiffeisen investiční společnost a.s. (hereinafter the “Fund”) represents an accounting entity without legal personality managed by Raiffeisen investiční společnost a.s. (hereinafter the “Company”) pursuant to Act no. 240/2013 Coll., on management companies and investment funds (hereinafter the “Act”). The Fund came into existence on the day of its entry into the list kept by the Czech National Bank in accordance with Section 597 (b) of the Act, made on 21 May 2014. The Fund began its activity on 18 June 2014.

The fund is a standard securities fund in accordance with the Act, complying with all legal requirements of the European Communities.

Up to three different types of share certificates – classes – may be issued in keeping with the Fund Prospectus. The individual classes differ in the manner in which they handle the Fund profit, the amount of the entry charge (surcharge), the minimum invested amount, and the distribution channels. Each such type of share certificate has been assigned a separate ISIN.

| Type of share certificate | Class A1 | Class A2 | Class A3 |
|---------------------------|--------------------------------------|--------------|--------------|
| | Capitalisation | Dividend | RSTS * |
| | Raiffeisen fond dluhopisových trendů | | |
| ISIN | CZ0008474376 | CZ0008474384 | CZ0008474392 |

*Class A3 share certificates may be distributed exclusively by Raiffeisen stavební spořitelna a.s.

Neither the number of issued share certificates nor the duration of the Fund are limited.

The Fund has no employees and all administration relating to the business activities of the Fund is supplied by the Company.

Information about the management company

The Fund assets are administered and managed by Raiffeisen investiční společnost a.s., Corporate ID 29146739, with its registered office at Hvězdova 1716/2b, Praha 4 – Nusle, 140 78. The Company was incorporated on 21 December 2012. The Company obtained operation authorisation based on Decision of the Czech National Bank No. 2013/4256/570 of 9 April 2013 which took effect on 9 April 2013.

The Company is a management company in the sense of the existing legislation and it acts in the capacity of a legal entity, which collects cash from both legal entities and natural persons (individuals), in order to use them to participate in business (collective investing).

Principal activity of the Company

Under the Act, the Company is authorised, in the scope of the authorisation of the Czech National Bank, to:

- Manage investment funds or foreign investment funds; and
- Administer investment funds or foreign investment funds.

Depository information

Depository services are provided by UniCredit Bank Czech Republic and Slovakia, a.s., Corporate ID 64948242, with its registered office at Želetavská 1525/1, Praha 4, 140 92 (hereinafter the “Depository”) under the Depository Agreement dated 6 February 2014.

(b) Basis for the Preparation of the Financial Statements

The financial statements have been prepared based on accounting records maintained in line with:

- Accounting Act No. 563/1991, as amended;
- Regulation No. 501/2002 issued by the Ministry of Finance, as amended; and
- Czech Accounting Standards for financial institutions as published by the Ministry of Finance.

The financial statements have been prepared in compliance with the accruals principle and historical prices, excluding selected financial instruments valued at fair value.

The financial statements are based on the going concern assumption and assuming that no facts exist that would restrict the Fund or prevent it from carrying out its activity in the foreseeable future.

The current reporting period of the Fund is the calendar year ended 31 December 2015. Data from the previous reporting period, i.e. the year ended 31 December 2014, is used as comparative data.

These financial statements are presented in thousands of Czech crowns ('CZK') unless stated otherwise. Figures in brackets are negative.

These financial statements are unconsolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Transaction Date

Depending on the transaction type, the transaction date is predominantly:

- Date of payment or receipt of money in circulation;
- Date of purchase or sale of foreign currency, foreign exchange or securities;
- Date of payment;
- Date of crediting (foreign currency) funds based on the account statement;
- Date of arrangement and settlement of spot transactions, namely purchase or sale of financial instruments or commodities with such a delivery date where the period between the trade date and the settlement date is no more than five days; and
- Trade date and settlement date of derivative transactions.

Spot transactions (i.e. purchases and sales of financial assets with a usual term of delivery) of the Fund are reported directly in the relevant asset or liability at the trade date.

The Fund will derecognise a financial asset or any part thereof from the balance sheet if control over the contractual rights to such a financial asset or any part thereof is lost. The loss of control occurs if the Company exercises its rights to contractual benefits, if such rights expire or should the Fund waive these rights.

If a financial liability or any part thereof expires (such as when a contractual obligation is met, cancelled or expires), the financial liability or a part thereof will no longer be recognised in the Fund's balance sheet. The difference between the carrying amount of the financial liability or a part thereof that has expired or has been transferred to another entity and the amount paid for the respective debt shall be reported through expenses or revenues as appropriate.

(b) Securities

In compliance with the Fund strategy, all securities have been classified as securities valued at their fair value. Securities are re-valued on a daily basis during the reporting period, pursuant to Decree no. 244/2013 Coll., of the Ministry of Finance of the Czech Republic, on detailed issues related to the Act on Management Companies and Investment Funds, as amended (hereinafter the "Decree"). Pursuant to the Decree, securities are valued at prices derived from public markets, which may be further adjusted in keeping with the provisions of the Decree. If no market price is available, such value shall be applied

as determined according to valuation models based on discounted future cash flows according to the yield curve.

Upon their initial recognition, securities are valued at acquisition cost. Acquisition cost also includes direct transaction costs related to the acquisition of securities.

Interest income

The term 'interest income' means the following:

- a) as regards debt securities with coupon, the accrued coupon as determined in the issue terms and conditions and the accrued difference between the nominal value and the net acquisition cost, known as a premium or discount;
- b) as regards debt securities without coupon and bills of exchange, the accrued difference between the nominal value and the acquisition cost.

Interest income on debt securities is reported in the profit and loss account commencing on the purchase using the effective interest rate method.

Derecognition of securities

Upon sales of securities, the Fund values such securities outflow using the 'average price method'.

(c) Receivables and Provisions

Operating receivables are recognised at their nominal value net of provisions, if any. Bad debts are written off after the completion of the debtor's bankruptcy proceedings or when it is highly unlikely for the bad debt to be settled.

Provisions are recognised as expenses; the utilisation of a provision is recognised in the profit and loss account along with expenses or losses arising from asset disposals. The release of a provision due to redundancy is recognised in revenues.

(d) Financial derivatives

Derivatives are financial instruments meeting the following conditions:

- a) their fair value varies depending on changes in interest rates, security prices, commodity prices, foreign exchange rates, price indices, credit assessments (ratings) or indices, and/or depending on any other variables (so-called underlying assets);
- b) as compared to other types of contracts, which show similar responses to changing market conditions, they require little or no initial investments;
- c) they will be settled in the future and the period from the trade date to settlement exceeds that of spot transactions.

Derivatives are reported in the balance sheet at their fair values. Positive fair values of derivatives are reported in assets under 'Other assets'. Negative fair values of derivatives are reported in liabilities under 'Other liabilities'.

Fair value of financial derivatives is determined as the present value of future cash flows from these transactions. The present value is determined with the help of parameters identified on the active market, such as exchange rates, interest rates for a given maturity based on the yield curve, etc.

In the off-balance sheet, derivatives are reported at contractual undiscounted values of the underlying instrument under 'Receivables from fixed-term operations' and 'Payables from fixed-term operations'.

(e) Funds invested by shareholders

The Fund has no share capital. The share certificates have been assigned no nominal value. The Fund does not account for share premium.

Capital funds

The selling price of share certificates is determined as a ratio of the equity of the class and the number of issued share certificates of the class. Share certificates are sold to investors for selling prices determined on a daily basis.

(f) Reserves

Reserves represent probable cash outflows of uncertain timing and amount. Reserves are charged to expenses in such amounts which are the best estimate of expenditures required in order to settle existing liabilities.

Reserves are created if the following criteria are met:

- a) A performance obligation (legal or constructive) exists as a result of past events;
- b) It is probable or certain that an event will occur and will require an outflow of resources representing economic benefits, where “probable” means probability greater than 50%; and
- c) It is possible to make a reliable estimate of such fulfilment.

(g) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate of the Czech National Bank effective on the date of the transaction.

Assets and liabilities denominated in foreign currencies along with foreign-currency spot transactions before their due dates are translated into the local currency using the exchange rate of the Czech National Bank effective at the balance sheet date. Any profit or loss resulting from the translation of assets and liabilities denominated in foreign currencies, excepting equity investments in foreign currencies, or items hedging against foreign currency risk arising from contracts not yet recognised in the Fund’s balance sheet, or from anticipated future transactions is recognised in the profit and loss account as “Profit or loss from financial operations”.

(h) Taxation

Tax payable

The corporate tax base is calculated from the profit for the current period before tax, increased by non-deductible expenses, less the revenues that are not subject to income tax, and further adjusted for tax allowances and relevant credits, if any. Based on valid tax regulations, corporate income tax for mutual funds amounts to 5%.

Deferred tax

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities, using the anticipated tax rate effective for the following period. A deferred tax asset will be only recognised if there is no doubt as to its recovery in the following reporting periods.

(i) Interest income and interest expense and dividend income

Interest income and interest expense are reported on an accrual basis.

Dividend income is reported on the effective date of entitlement to receive its payment (ex-dividend date). Dividend income from domestic securities is reported after the deduction of withholding tax.

Dividend income from foreign securities is reported prior to the deduction of withholding tax.

3. INTEREST INCOME AND SIMILAR INCOME

| CZK ‘000 | 1 Jan – 31 Dec 2015 | 18 Jun – 31 Dec 2014 |
|-------------------------------|---------------------|----------------------|
| Interest from debt securities | 11 468 | 779 |
| Total | 11 468 | 779 |

Raiffeisen fond dluhopisových trendů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

4. FEES AND COMMISSION INCOME

The item 'Fees and commission income' includes the incentive received in relation to the investment in KAG funds in the amount of CZK 140 thousand (2014: CZK 0).

5. FEES AND COMMISSION EXPENSES

| CZK '000 | 1 Jan – 31 Dec 2015 | 18 Jun – 31 Dec 2014 |
|----------------------------|---------------------|----------------------|
| Management fee | 12 803 | 1 096 |
| Depository fee | 888 | 95 |
| Securities administration | 386 | 15 |
| Other fees and commissions | 332 | 7 |
| Total | 14 409 | 1 213 |

The management fee paid by the Fund to the Company amounts, according to the Fund Prospectus, to 0.9% of the average annual value of the Fund equity.

Under the Depository Agreement, the Fund pays a fee in the amount of 0.05% of the average annual value of the Fund equity.

6. PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| CZK '000 | 1 Jan – 31 Dec 2015 | 18 Jun – 31 Dec 2014 |
|---|---------------------|----------------------|
| Profit from securities valued at fair value | 4 949 | (31) |
| Profit from exchange rate differences | (14 971) | 601 |
| Loss from spot and fixed term transactions | 14 923 | (1861) |
| Total | 4 901 | (1 291) |

Profit or loss from securities valued at fair value mainly represents daily revaluation of securities to fair value.

Profit or loss from exchange rate differences mainly represents both realised and unrealised exchange rate differences from revaluation of bond securities.

Profit or loss from spot and fixed term transactions includes profit and loss from settlements of spot transactions and fixed term transactions with financial instruments as well as revaluation of open derivatives at fair value.

7. ADMINISTRATIVE EXPENSES

Administrative expenses include audit expenses in the amount of CZK 97 thousand (2014: CZK 85 thousand).

8. TREASURY BONDS WITHOUT COUPON AND OTHER SECURITIES ACCEPTED BY THE CENTRAL BANK FOR REFINANCING

All securities held by the Fund are listed on the Prague Stock Exchange or on foreign stock exchanges. All securities are included in the portfolio of securities at fair value.

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|----------------|----------------|
| Treasury bonds | 336 282 | 786 278 |
| Net book value | 336 282 | 786 278 |

**Raiffeisen fond dlhopisových trendů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

9. RECEIVABLES FROM BANKS AND COOPERATIVE CREDIT UNIONS

Receivables from banks include current accounts maintained by Unicredit bank Czech Republic and Slovakia, a.s., amounting to CZK 84,711 thousand (2014: CZK 77,122 thousand).

Current accounts are payable upon request.

10. DEBT SECURITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|----------------|----------------|
| Bonds issued by government institutions | 128 022 | 156 051 |
| Bonds issued by other entities | 556 891 | 291 810 |
| Net book value | 684 913 | 447 861 |

11. SHARES, SHARE CERTIFICATES AND OTHER INVESTMENTS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|---------------|-------------|
| Share certificates | 53 907 | - |
| Net book value | 53 907 | - |

12. OTHER ASSETS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-------------------|-------------|-------------|
| Other receivables | 100 | 129 |
| Total | 100 | 129 |

13. EQUITY

Number of issued share certificates

| (in pieces) | 31 Dec 2015 | 31 Dec 2014 |
|----------------------|----------------------|----------------------|
| Dividend class | - | 10 992 |
| Capitalisation class | 1 148 198 075 | 1 299 698 750 |
| Total | 1 148 198 075 | 1 299 709 742 |

No other classes were issued in 2015.

Equity according to share certificate classes

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|----------------------|------------------|------------------|
| Dividend class | - | 11 |
| Capitalisation class | 1 158 065 | 1 308 592 |
| Total | 1 158 065 | 1 308 603 |

As of 31 December 2015, 1,148,198,075 share certificates of the Fund have been issued (2014: 1,299,709,742).

The dividend class was sold out in 2015. The value of the capitalisation class as of the last business day of 2015 amounted to CZK 1.0093 (2014: 1.0060). This is the last value of a share certificate in the respective year for which purchases and re-purchases of the Fund's share certificates were made.

**Raiffeisen fond dluhopisových trendů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.**
Year Ended 31 December 2015

14. OTHER LIABILITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-------------------------------|-------------|--------------|
| Negative value of derivatives | 792 | 1 681 |
| Other liabilities | 31 | 9 |
| Total | 823 | 1 690 |

15. ACCRUED EXPENSES AND DEFERRED INCOME

The item 'Accrued expenses' primarily includes the uninvoiced management fee for the month of December in the amount of CZK 869 thousand (As of 31 December 2014: CZK 982 thousand).

16. FINANCIAL DERIVATIVES

Nominal value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|----------------|----------------|----------------|----------------|
| | Receivable | Payable | Receivable | Payable |
| Currency forwards | 404 850 | 405 375 | 361 803 | 363 475 |
| Total | 404 850 | 405 375 | 361 803 | 363 475 |

Off-balance sheet assets and liabilities represent the nominal (contractual) undiscounted values which are revalued by the Fund using CNB's exchange rate valid as of the financial statements date. All the above financial instruments were concluded on the inter-bank market (OTC).

Fair value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|-------------|--------------|-------------|----------------|
| | Positive | Negative | Positive | Negative |
| Currency forwards | - | (792) | - | (1 681) |
| Total | - | (792) | - | (1 681) |

All currency derivatives mature within one year.

17. PROPOSED ALLOCATION OF PROFIT

The Company's Board of Directors proposes the allocation of the profit for 2015 as follows:

| CZK '000 | Profit / loss | Retained earnings or accumulated loss brought forward |
|--|---------------|---|
| Balance at 31 December 2015 prior to the allocation of the profit for 2015 | | (1 810) |
| Profit for 2015 | 1 946 | |
| Proposed allocation of the profit for 2015: | | |
| Transfer to retained earnings | (1 946) | 1 946 |
| Total | - | 136 |

**Raiffeisen fond dluhopisových trendů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.**
Year Ended 31 December 2015

18. INCOME TAXATION

(a) Income Tax

| CZK '000 | 1 Jan – 31 Dec 2015 | 18 Jun – 31 Dec 2014 |
|--|---------------------|----------------------|
| Tax payable for the current period | - | - |
| Tax correction for the previous period | 57 | - |
| Withholding tax | - | - |
| Total | 57 | - |

(b) Income Tax – Tax Analysis

| CZK '000 | 1 Jan – 31 Dec 2015 | 18 Jun – 31 Dec 2014 |
|--|---------------------|----------------------|
| Profit or loss for the period before tax | (2 003) | (1 810) |
| Revenues that are not subject to tax | - | - |
| Tax non-deductible expenses | - | - |
| Other items | - | - |
| Subtotal | (2 003) | (1 810) |
| Tax calculated using the 5% tax rate (for 2014: 5%) | - | - |
| Tax relief applied | - | - |
| Withholding tax | - | - |
| | 57 | - |
| Total | 57 | - |

19. RELATED PARTY TRANSACTIONS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|-------------|-------------|
| Assets | | |
| Incentive related to investments in KAG funds | 61 | - |
| Liabilities | | |
| Management fee payable to the Company | 869 | 982 |

| CZK '000 | 1 Jan – 31 Dec 2015 | 18 Jun – 31 Dec 2014 |
|---|---------------------|----------------------|
| Expenses | | |
| Management fee payable to the Company | 12 803 | 1 096 |
| Income | | |
| Incentive related to investments in KAG funds | 140 | - |

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|--------------------------------|-------------|-------------|
| Off-balance sheet assets | | |
| Values placed under management | 1 159 813 | 1 311 262 |

20. VALUES PLACED UNDER MANAGEMENT

The Fund has all its assets managed by the Company. The item entitled ‘Values placed under management’ covers both foreign and local securities, term deposits as well as current account balances.

21. FINANCIAL INSTRUMENTS – MARKET RISK

The Fund is exposed to market risks arising from open positions in interest rate, equity and currency instrument transactions that are sensitive to changes in financial market conditions.

(a) Risk management

The basic risk management instrument is represented by imposing limits on the ratio of different types of financial instruments in the portfolio, which are determined in accordance with legal requirements, the Fund Prospectus, and its investment strategy. The key risks, which are evaluated on a daily basis, include foreign currency exposures and sensitivity to interest rate fluctuations.

Market risks are measured using the Value at Risk (“VaR”) method. Value at Risk represents a potential loss resulting from unfavourable developments on the market within a certain time period and at a certain level of reliability. The ‘Value at Risk’ is measured on the basis of a one-year holding period and a 95% reliability level.

(b) Liquidity risk

‘Liquidity risk’ represents the risk that the Fund will not have sufficient cash resources to meet its commitments associated with its financial contracts. Liquidity is monitored and managed on the basis of expected cash flows; in this context, the structure of the securities and the term deposits portfolio is adjusted.

Residual maturity of the Fund’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|---|-----------------------|-------------------------------|---------------------------|----------------------|--------------------|------------------|
| As of 31 December 2015 | | | | | | |
| Treasury bonds without coupon and other securities | 39 | 6 673 | 155 735 | 173 835 | - | 336 282 |
| Receivables from banks | 84 711 | - | - | - | - | 84 711 |
| Debt securities | 1 947 | 26 497 | 496 834 | 159 635 | - | 684 913 |
| Share certificates | - | - | - | - | 53 907 | 53 907 |
| Other assets | 100 | - | - | - | - | 100 |
| Total | 86 797 | 33 170 | 652 569 | 333 470 | 53 907 | 1 159 913 |
| Other liabilities | 823 | - | - | - | - | 823 |
| Accrued/deferred income and expenses | 1 025 | - | - | - | - | 1 025 |
| Reserves | - | - | - | - | - | - |
| Equity | - | - | - | - | 1 158 065 | 1 158 065 |
| Total | 1 848 | - | - | - | 1 158 065 | 1 159 913 |
| GAP | 84 949 | 33 170 | 652 569 | 333 470 | (1 104 158) | |
| Cumulative GAP | 84 949 | 118 119 | 770 688 | 1 104 158 | - | - |

**Raiffeisen fond dlhopisových trendů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

Residual maturity of the Company's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--|--------------------|-------------------------|------------------------|-------------------|--------------------|------------------|
| As of 31 December 2014 | | | | | | |
| Treasury bonds without coupon and other securities | 942 | 7 900 | 333 114 | 444 322 | - | 786 278 |
| Receivables from banks | 77 122 | - | - | - | - | 77 122 |
| Debt securities | 50 236 | 19 474 | 340 328 | 37 823 | - | 447 861 |
| Other assets | 129 | - | - | - | - | 129 |
| Total | 128 429 | 27 374 | 673 442 | 482 145 | | 1 311 390 |
| Other liabilities | 1 690 | - | - | - | - | 1 690 |
| Accrued/deferred income and expenses | 1 097 | - | - | - | - | 1 097 |
| Equity | - | - | - | - | 1 308 603 | 1 308 603 |
| Total | 2 787 | - | - | - | 1 308 603 | 1 311 390 |
| GAP | 125 642 | 27 374 | 673 442 | 482 145 | (1 308 603) | - |
| Cumulative GAP | 125 642 | 153 016 | 826 458 | 1 308 603 | - | - |

The above table shows residual maturities of the book values of the individual financial instruments, rather than of all cash flows resulting from such instruments.

(c) Interest rate risk

The Fund is exposed to interest rate risk due to the impacts of fluctuations of the current interest rates on the market. On account of such changes, the fair value and income from financial assets may both increase and decrease.

The table below provides a summary of the mismatch between the Fund's assets and liabilities that are interest-rate sensitive. The table below includes data about the extent of Fund's interest rate risk based on the contractual maturity of the financial instruments.

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|--------------------|-------------------------|------------------------|-------------------|------------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupons and other securities | 7 211 | 15 053 | 144 535 | 169 483 | 336 282 |
| Receivables from banks | 84 711 | - | - | - | 84 711 |
| Debt securities | 153 901 | 4 881 | 366 497 | 159 634 | 684 913 |
| Total | 245 823 | 19 934 | 511 032 | 329 117 | 1 105 906 |

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|--------------------|-------------------------|------------------------|-------------------|------------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupons and other securities | 8 145 | 16 177 | 325 911 | 436 045 | 786 278 |
| Receivables from banks | 77 122 | - | - | - | 77 122 |
| Debt securities | 127 613 | 19 474 | 262 951 | 37 823 | 447 861 |
| Total | 212 880 | 35 651 | 588 862 | 473 868 | 1 311 261 |

Raiffeisen fond dlhopisových trendů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

The above summary only includes interest-rate sensitive assets and liabilities and, therefore, it is not identical to the values presented in the Fund's balance sheet.

(d) Currency risk

Financial position and cash flows are affected by the fluctuations of the valid exchange rate of foreign currencies.

Both realised and unrealised foreign exchange profit and loss is reported directly in the profit and loss account. The foreign exchange positions of the Fund in the most significant currencies are as follows:

Foreign exchange positions of the Fund

| CZK '000 | EUR | PLN | USD | CZK | Total |
|--|----------------|---------------|-----------|------------------|------------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupon and other securities | | | | 336 282 | 336 282 |
| Receivables from banks | 15 254 | 1 425 | 89 | 67 943 | 84 711 |
| Debt securities | 334 971 | 55 707 | - | 294 235 | 684 913 |
| Shares, share certificates and other investments | 53 907 | - | - | - | 53 907 |
| Other assets | - | - | - | 100 | 100 |
| Total | 404 132 | 57 132 | 89 | 698 560 | 1 159 913 |
| Other liabilities | 792 | - | - | 31 | 823 |
| Accrued/deferred income and expenses | | | | 1 025 | 1 025 |
| Reserves | | | | - | - |
| Equity | - | - | - | 1 158 065 | 1 158 065 |
| Total | 792 | - | - | 1 159 121 | 1 159 913 |
| Long off-balance instruments positions | - | - | - | 404 850 | 404 850 |
| Short off-balance instruments positions | (405 375) | - | - | - | (405 375) |
| Net foreign exchange position | (2 035) | 57 132 | 89 | (55 711) | - |

Foreign exchange positions of the Fund

| CZK '000 | EUR | PLN | CZK | Total |
|--|-----------------|---------------|------------------|------------------|
| As of 31 December 2014 | | | | |
| Treasury bonds without coupon and other securities | - | - | 786 278 | 786 278 |
| Receivables from banks | - | - | 77 122 | 77 122 |
| Debt securities | 313 455 | 28 678 | 105 728 | 447 861 |
| Other assets | - | - | 129 | 129 |
| Total | 313 455 | 28 678 | 969 257 | 1 311 390 |
| Other liabilities | 1 681 | - | 9 | 1 690 |
| Accrued/deferred income and expenses | - | - | 1 097 | 1 097 |
| Equity | - | - | 1 308 603 | 1 308 603 |
| Total | 1 681 | - | 1 309 709 | 1 311 390 |
| Long off-balance instruments positions | - | - | 361 803 | 361 803 |
| Short off-balance instruments positions | 363 475 | - | - | 363 475 |
| Net foreign exchange position | (51 701) | 28 678 | 21 351 | - |

**Raiffeisen fond dluhopisových trendů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

22. FINANCIAL INSTRUMENTS – CREDIT RISK

Credit risk represents the risk of financial loss the Fund faces if the counterparty in a financial instrument transaction does not meet its contractual obligations.

Fund investments are implemented so that the rating structure of the securities complies with the Fund Prospectus and its investment strategy. Credit risk management includes the monitoring of diversification of investments in terms of their geographical distribution and in terms of exposure of individual issuers to credit risk.

Distribution of assets based on geographical segments

As of 31 December 2015

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|----------------|----------------|--------------------------|---------------|------------------|
| Treasury bonds without coupon and other securities | 336 282 | 0 | 0 | 0 | 336 282 |
| Receivables from banks | 84 711 | 0 | 0 | 0 | 84 711 |
| Debt securities | 117 554 | 518 559 | 11 644 | 37 156 | 684 913 |
| Shares, share certificates and other investments | 0 | 53 907 | 0 | 0 | 53 907 |
| Other assets | 100 | 0 | 0 | 0 | 100 |
| Total | 538 647 | 572 466 | 11 644 | 37 156 | 1 159 913 |

As of 31 December 2014

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|----------------|----------------|--------------------------|---------------|------------------|
| Treasury bonds without coupon and other securities | 786 278 | 0 | 0 | 0 | 786 278 |
| Receivables from banks | 77 122 | 0 | 0 | 0 | 77 122 |
| Debt securities | 55 742 | 307 895 | 60 165 | 24 059 | 447 861 |
| Shares, share certificates and other investments | 0 | 0 | 0 | 0 | 0 |
| Other assets | 129 | 0 | 0 | 0 | 129 |
| Total | 919 271 | 307 895 | 60 165 | 24 059 | 1 311 390 |

Distribution of securities based on the issuer

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|------------------|------------------|
| Issued by financial institution | 342 833 | 146 112 |
| Issued by collective investment funds | 53 907 | 0 |
| Issued by non-financial institutions | 206 974 | 138 583 |
| Issued by insurance institutions | 7 084 | 7 115 |
| Issued by government institutions | 464 304 | 942 329 |
| Total | 1 075 102 | 1 234 139 |

23. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date on 31 December 2015 that would have a significant impact on the financial statements of the Fund.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Raiffeisen fond dluhopisových trendů, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Identification number: 291 46 739

We have audited the accompanying financial statements of Raiffeisen fond dluhopisových trendů, otevřený podílový fond, Raiffeisen investiční společnost a.s. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015, the profit and loss account and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of Raiffeisen investiční společnost a.s. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisen fond dluhopisových trendů, otevřený podílový fond, Raiffeisen investiční společnost a.s. as of 31 December 2015, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The financial statements of Raiffeisen fond dluhopisových trendů, otevřený podílový fond, Raiffeisen investiční společnost a.s. for the prior year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2015.

Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 25 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 79

Statutory auditor:

Diana Rádľ Rogerová
registration no. 2045



**Raiffeisen fond akciových trhů, open-ended mutual fund,
Raiffeisen investiční společnost a.s.**

| | |
|----------------------------------|------------------------|
| Denomination: | CZK |
| ISIN - Capitalisation class: | CZ0008474442 |
| ISIN - Dividend class: | CZ0008474459 |
| Share certificate nominal value: | n.a. |
| Fund format: | open-ended mutual fund |
| Fund type (AKAT classification): | equity fund |
| Date of incorporation: | 21 May 2014 |

The underlying assets of Raiffeisen fond akciových trhů were allocated in 2015 in particular in equities of certain companies; only less than one-tenth of the assets have been invested in other funds. More than a half of the assets have been allocated in the region of Central and Eastern Europe (Czech Republic, Poland) and other emerging markets (mainly China, South Korea, India, Brazil, Taiwan, Thailand, Indonesia, etc.). The regional allocations of the remaining assets in the Fund have been shared almost equally among companies in Western Europe and the United States.

Beside changes duly disclosed in the financial statements, no substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (hereinafter the “AIFMD Directive”), as specified in the Prospectus.

| Financial indicators | 31 December 2015 | 31 December 2014 | Change % |
|---|-------------------------|-------------------------|-----------------|
| Profit/loss after tax, in CZK ‘000 | (18 692) | (6 642) | (181.42) |
| CZ0008474442 | | | |
| Mutual fund equity, in CZK ‘000 | 467 607 | 330 727 | 41.39 |
| Equity per share certificate, in CZK | 0.9288 | 0.9537 | (2.61) |
| Number of share certificates, in pieces | 503 450 433 | 346 798 209 | 45.17 |
| CZ0008474459 | | | |
| Mutual fund equity, in CZK ‘000 | 0 | 7 | (100) |
| Equity per share certificate, in CZK | 0 | 0.9779 | (100) |
| Number of share certificates, in pieces | 0 | 6 897 | (100) |

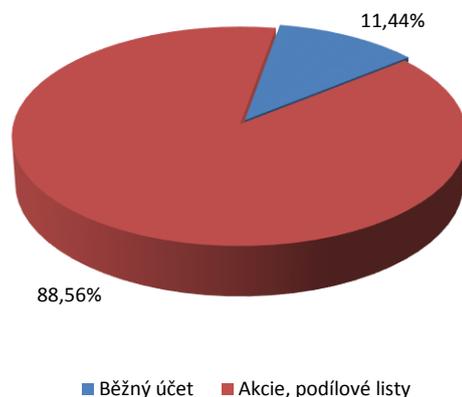
Number of share certificates issued and redeemed in 2015

| ISIN | Issued share certificates | | Redeemed share certificates | | BALANCE (+/-) | |
|--------------|---------------------------|-------------|-----------------------------|-------------|---------------|-------------|
| | in pieces | in CZK ‘000 | in pieces | in CZK ‘000 | in pieces | in CZK ‘000 |
| CZ0008474442 | 241 233 914 | 240 071 | 84 581 690 | 84 500 | 156 652 224 | 155 571 |
| CZ0008474459 | 0 | 0 | 6 897 | 6 | - 6 897 | -6 |

Share certificate value curve



Asset composition



Legend: Current account Shares, share certificates

List of securities held in excess of 1% as of 31 December 2015

| COUNTRY | ISIN | SECURITY NAME | PURCHASE PRICE in CZK '000 | FAIR VALUE in CZK '000 | STAKE IN ASSETS in % |
|--------------|--------------|---|-------------------------------|---------------------------|-------------------------|
| CZ | CZ0005112300 | ČEZ AS | 47 171 | 36 988 | 7.88 |
| CZ | CZ0008019106 | KOMERČNÍ BANKA | 37 873 | 36 863 | 7.85 |
| AT | AT0000908504 | Vienna Insurance Group AG | 45 412 | 36 742 | 7.82 |
| AT | AT0000652011 | Erste Group Bank AG | 22 369 | 30 366 | 6.47 |
| LU | LU0292107991 | db x-trackers MSCI Em Asia TRN I. U. ETF | 15 130 | 15 078 | 3.21 |
| CZ | CS0008418869 | PHILIP MORRIS CR | 10 334 | 11 999 | 2.56 |
| US | US46434V6395 | ISHARES CURR HEDGED MSCI EMU | 9 657 | 9 614 | 2.05 |
| DE | DE0007164600 | SAP SE | 5 121 | 6 465 | 1.38 |
| DE | DE0008404005 | Allianz SE-REG | 4 780 | 5 658 | 1.20 |
| LU | LU0292107645 | db x-trackers MSCI Emerging Markets Index | 5 907 | 5 530 | 1.18 |
| DE | DE0007100000 | DAIMLER AG-REGISTERED SHARES | 4 611 | 5 158 | 1.10 |
| DE | DE0007236101 | SIEMENS AG | 5 377 | 5 101 | 1.09 |
| DE | DE000BAY0017 | BAYER AG-REG | 4 919 | 4 945 | 1.05 |
| DE | DE0008430026 | MUENCHENER RUECKVER.-G. AG | 4 336 | 4 838 | 1.03 |
| DE | DE0005557508 | DEUTSCHE TELEKOM AG-REG | 3 773 | 4 736 | 1.01 |
| Total | | | 226 771 | 220 080 | 46.87 |

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: Raiffeisen fond akciových trhů, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Registered Office: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle

Corporate ID: 291 46 739

Components of the Financial Statements:

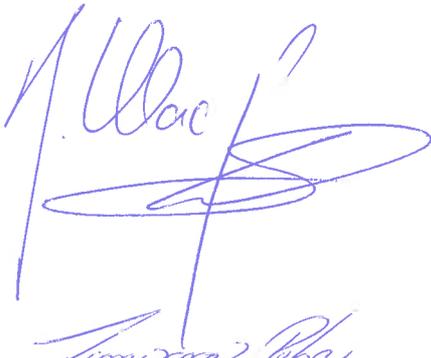
Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Notes to the Financial Statements

These financial statements were prepared on 13 February 2016.

| Statutory body of the reporting entity: | Signature |
|--|--|
| <p>On behalf of the statutory body:</p> <p>Ing. Jaromír Sladkovský</p> <p>Ing. Michal Ondruška</p> <p>Individual in charge of the accounting records:</p> <p>Ing. Petra Tomisová</p> |  |

Business name: Raiffeisen fond akciových trhů
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

BALANCE SHEET
as of 31 December 2015

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|---------------------|--|-----------------------------------|------------------------------|
| Assets | | | |
| 3 | Receivables from banks and cooperative credit unions <i>of which: a) payable upon request</i> | 7 53 594 | 37 881 37 881 |
| 6 | Shares, share certificates and other investments <i>of which: a) shares</i> <i>b) share certificates</i> | 8 415 013 377 933 37 080 | 293 332 247 951 45 381 |
| 11 | Other assets | 9 965 | 279 |
| Total assets | | 469 572 | 331 492 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--------------------------|---|------------------------|----------------|
| LIABILITIES | | | |
| 4 | Other liabilities <i>of which: derivatives</i> | 11 13 1 063 - | 138 121 |
| 5 | Accrued/deferred income and expenses | 12 902 | 620 |
| 9 | Share premium | 10 - | - |
| 12 | Capital funds | 10 492 941 | 337 376 |
| 14 | Retained earnings or accumulated loss brought forward | (6 642) | - |
| 15 | Profit or loss for the reporting period | (18 692) | (6 642) |
| Total liabilities | | 469 572 | 331 492 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--------------------------------------|--|---------------|------------|
| Off balance sheet assets | | | |
| 4 | Receivables from fixed term operations | 13 - | 25 942 |
| 8 | Values placed under management | 17 468 607 | 331 213 |
| Off balance sheet liabilities | | | |
| 12 | Liabilities from fixed term operations | 13 - | 26 062 |

Business name: Raiffeisen fond akciových trhů
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

| CZK thousand | Note | 1.1.-31.12.2015 | 21.5.-31.12.2014 |
|--------------|---|-----------------|------------------|
| 3 | Income from shares and equity investments | 9 603 | 181 |
| | <i>c) other income from shares and equity investments</i> | 9 603 | 181 |
| 5 | Fees and commission expenses | (9 132) | (933) |
| 6 | Profit or loss from financial operations | (17 731) | (5 779) |
| 9 | Administrative expenses | (97) | (85) |
| | <i>b) other administrative expenses</i> | (97) | (85) |
| 19 | Profit or loss for the reporting period from ordinary activities | (17 357) | (6 616) |
| 23 | Income tax | (1 335) | (26) |
| 24 | Profit or loss for the reporting period after tax | (18 692) | (6 642) |

Business name: Raiffeisen fond akciových trhů
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015**

| CZK thousand | Capital funds | Profit (loss) | Total |
|--|----------------|----------------|----------------|
| Balance at 18. 6. 2014 | - | - | - |
| Net profit/loss for the reporting period | - | (6 642) | (6 642) |
| Share certificates sold | 344 118 | - | 344 118 |
| Share certificates purchased | (6 742) | - | (6 742) |
| Balance at 31. 12. 2014 | 337 376 | (6 642) | 330 734 |

| CZK thousand | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|----------------|---|-----------------|----------------|
| Balance at 1. 1. 2015 | 337 376 | - | (6 642) | 330 734 |
| Net profit/loss for the reporting period | - | - | (18 692) | (18 692) |
| Share certificates sold | 240 071 | - | - | 240 071 |
| Share certificates purchased | (84 506) | - | - | (84 506) |
| Transfer to funds | - | (6 642) | 6 642 | - |
| Balance at 31. 12. 2015 | 492 941 | (6 642) | (18 692) | 467 607 |

1. GENERAL INFORMATION

(a) Fund characteristics

Fund emergence and characteristics

Raiffeisen fond akciových trhů, otevřený podílový fond, Raiffeisen investiční společnost a.s. (hereinafter the “Fund”) represents an accounting entity without legal personality managed by Raiffeisen investiční společnost a.s. (hereinafter the “Company”) pursuant to Act no. 240/2013 Coll., on management companies and investment funds (hereinafter the “Act”). The Fund was came into existence on the day of its entry into the list kept by the Czech National Bank in accordance with Section 597 (b) of the Act, made on 21 May 2014. The Fund began its activity on 18 June 2014.

The fund is a standard securities fund in accordance with the Act, complying with all legal requirements of the European Communities.

Up to three different types of share certificates – classes – may be issued in keeping with the Fund Prospectus. The individual classes differ in the manner in which they handle the Fund profit, the amount of the entry charge (surcharge), the minimum invested amount, and the distribution channels. Each such type of share certificate has been assigned a separate ISIN.

| Type of share certificate | Class A1 | Class A2 | Class A3 |
|---------------------------|--------------------------------|--------------|--------------|
| | Capitalisation | Dividend | RSTS * |
| | Raiffeisen fond akciových trhů | | |
| ISIN | CZ0008474442 | CZ0008474459 | CZ0008474467 |

*Class A3 share certificates may be distributed exclusively by Raiffeisen stavební spořitelna a.s.

Neither the number of issued share certificates nor the duration of the Fund are limited.

The Fund has no employees and all administration relating to the business activities of the Fund is supplied by the Company.

Information about the management company

The Fund assets are administered and managed by Raiffeisen investiční společnost a.s., Corporate ID 29146739, with its registered office at Hvězdova 1716/2b, Praha 4 – Nusle, 140 78. The Company was incorporated on 21 December 2012. The Company obtained operation authorisation based on Decision of the Czech National Bank No. 2013/4256/570 of 9 April 2013 which took effect on 9 April 2013.

The Company is a management company in the sense of the existing legislation and it acts in the capacity of a legal entity, which collects cash from both legal entities and natural persons (individuals), in order to use them to participate in business (collective investing).

Principal activity of the Company

Under the Act, the Company is authorised, in the scope of the authorisation of the Czech National Bank, to:

- Manage investment funds or foreign investment funds; and
- Administer investment funds or foreign investment funds.

Depository information

Depository services are provided by UniCredit Bank Czech Republic and Slovakia, a.s., Corporate ID 64948242, with its registered office at Želetavská 1525/1, Praha 4, 140 92 (hereinafter the “Depository”) under the Depository Agreement dated 6 February 2014.

(b) Basis for the Preparation of the Financial Statements

The financial statements have been prepared based on accounting records maintained in line with:

- Accounting Act No. 563/1991, as amended;
- Regulation No. 501/2002 issued by the Ministry of Finance, as amended; and
- Czech Accounting Standards for financial institutions as published by the Ministry of Finance.

The financial statements have been prepared in compliance with the accruals principle and historical prices, excluding selected financial instruments valued at fair value.

The financial statements are based on the going concern assumption and assuming that no facts exist that would restrict the Fund or prevent it from carrying out its activity in the foreseeable future.

The Fund's Current reporting period is the calendar year ended 31 December 2015. Data from the previous reporting period, i.e. the year ended 31 December 2014, is used as comparative data.

These financial statements are presented in thousands of Czech crowns ('CZK') unless stated otherwise. Figures in brackets are negative.

These financial statements are unconsolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Transaction Date

Depending on the transaction type, the transaction date is predominantly:

- Date of payment or receipt of money in circulation;
- Date of purchase or sale of foreign currency, foreign exchange or securities;
- Date of payment;
- Date of crediting (foreign currency) funds based on the account statement;
- Date of arrangement and settlement of spot transactions, namely purchase or sale of financial instruments or commodities with such a delivery date where the period between the trade date and the settlement date is no more than five days; and
- Trade date and settlement date of derivative transactions.

Spot transactions (i.e. purchases and sales of financial assets with a usual term of delivery) of the Fund are reported directly in the relevant asset or liability at the trade date.

The Fund will derecognise a financial asset or any part thereof from the balance sheet if control over the contractual rights to such a financial asset or any part thereof is lost. The loss of control occurs if the Company exercises its rights to contractual benefits, if such rights expire or should the Fund waive these rights.

If a financial liability or any part thereof expires (such as when a contractual obligation is met, cancelled or expires), the financial liability or a part thereof will no longer be recognised in the Fund's balance sheet. The difference between the carrying amount of the financial liability or a part thereof that has expired or has been transferred to another entity and the amount paid for the respective debt shall be reported through expenses or revenues as appropriate.

(b) Securities

In compliance with the Fund strategy, all securities have been classified as securities valued at their fair value. Securities are re-valued on a daily basis during the reporting period, pursuant to Decree no. 244/2013 Coll., of the Ministry of Finance of the Czech Republic, on detailed issues related to the Act on Management Companies and Investment Funds, as amended (hereinafter the "Decree"). Pursuant to the Decree, securities are valued at prices derived from public markets, which may be further adjusted in keeping with the provisions of the Decree. If no market price is available, such value shall be applied

as determined according to valuation models based on discounted future cash flows according to the yield curve.

Upon their initial recognition, securities are valued at acquisition cost. Acquisition cost also includes direct transaction costs related to the acquisition of securities.

Interest income

The term 'interest income' means the following:

- a) as regards debt securities with coupon, the accrued coupon as determined in the issue terms and conditions and the accrued difference between the nominal value and the net acquisition cost, known as a premium or discount;
- b) as regards debt securities without coupon and bills of exchange, the accrued difference between the nominal value and the acquisition cost.

Interest income on debt securities is reported in the profit and loss account commencing on the purchase using the effective interest rate method.

Derecognition of securities

Upon sales of securities, the Fund values such securities disposals using the 'average price method'.

(c) Receivables and Provisions

Operating receivables are recognised at their nominal value net of provisions, if any. Bad debts are written off after the completion of the debtor's bankruptcy proceedings or when it is highly unlikely for the bad debt to be settled.

Provisions are recognised as expenses; the utilisation of a provision is recognised in the profit and loss account along with expenses or losses arising from asset disposals. The release of a provision due to redundancy is recognised in revenues.

(d) Financial derivatives

Derivatives are financial instruments meeting the following conditions:

- a) their fair value varies depending on changes in interest rates, security prices, commodity prices, foreign exchange rates, price indices, credit assessments (ratings) or indices, and/or depending on any other variables (so-called underlying assets);
- b) as compared to other types of contracts, which show similar responses to changing market conditions, they require little or no initial investments; and
- c) they will be settled in the future and the period from the trade date to settlement exceeds that of spot transactions.

Derivatives are reported in the balance sheet at their fair values. Positive fair values of derivatives are reported in assets under 'Other assets'. Negative fair values of derivatives are reported in liabilities under 'Other liabilities'.

Fair value of financial derivatives is determined as the present value of future cash flows from these transactions. The present value is determined using parameters identified on the active market, such as exchange rates, interest rates for a given maturity based on the yield curve, etc.

In the off-balance sheet, derivatives are reported at contractual undiscounted values of the underlying instrument under 'Receivables from fixed-term operations' and 'Payables from fixed-term operations'.

(e) Funds invested by shareholders

The Fund has no share capital. The share certificates have been assigned no nominal value. The Fund does not account for share premium.

Capital funds

The selling price of share certificates is determined as a ratio of the equity of the class and the number of issued share certificates of the class. Share certificates are sold to investors for selling prices determined on a daily basis.

(f) Reserves

Reserves represent probable cash outflows of uncertain timing and amount. Reserves are charged to expenses in such amounts which are the best estimate of expenditures required in order to settle existing liabilities.

Reserves are created if the following criteria are met:

- a) A performance obligation (legal or constructive) exists as a result of past events;
- b) It is probable or certain that an event will occur and will require an outflow of resources representing economic benefits, where “probable” means probability greater than 50%; and
- c) It is possible to make a reliable estimate of such fulfilment.

(g) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate of the Czech National Bank effective on the date of the transaction.

Assets and liabilities denominated in foreign currencies along with foreign-currency spot transactions before their due dates are translated into the local currency using the exchange rate of the Czech National Bank effective at the balance sheet date. Any profit or loss resulting from the translation of assets and liabilities denominated in foreign currencies, excepting equity investments in foreign currencies, or items hedging against foreign currency risk arising from contracts not yet recognised in the Fund’s balance sheet, or from anticipated future transactions is recognised in the profit and loss account as “Profit or loss from financial operations”.

(h) Taxation

Tax payable

The corporate tax base is calculated from the profit for the current period before tax, increased by non-deductible expenses, less the revenues that are not subject to income tax, and further adjusted for tax allowances and relevant credits, if any. Based on valid tax regulations, corporate income tax for mutual funds amounts to 5%.

Deferred tax

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities, using the anticipated tax rate effective for the following period. A deferred tax asset will be only recognised if there is no doubt as to its recovery in the following reporting periods.

(i) Interest income and interest expense and dividend income

Interest income and interest expense are reported on an accrual basis.

Dividend income is reported on the effective date of entitlement to receive its payment (ex-dividend date). Dividend income from domestic securities is reported after the deduction of withholding tax.

Dividend income from foreign securities is reported prior to the deduction of withholding tax.

**Raiffeisen fond akciových trhů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

3. INCOME FROM SHARES AND EQUITY INVESTMENTS

The item 'Income from shares and equity investments' includes dividends amounting to CZK 9,603 thousand (2014: CZK 181 thousand).

4. FEES AND COMMISSION EXPENSES

| CZK '000 | 1 Jan – 31 Dec 2015 | 21 May – 31 Dec 2014 |
|----------------------------|---------------------|----------------------|
| Management fee | 8 208 | 856 |
| Depository fee | 338 | 45 |
| Securities administration | 169 | 9 |
| Other fees and commissions | 417 | 23 |
| Total | 9 132 | 933 |

Management fee paid by the Fund to the Company amounts, according to the Fund Prospectus, to 2% of the average annual value of the Fund equity.

Under the Depository Agreement, the Fund pays a fee in the amount of 0.05% of the average annual value of the Fund equity.

5. PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| CZK '000 | 1 Jan – 31 Dec 2015 | 21 May – 31 Dec 2014 |
|--|---------------------|----------------------|
| Loss from securities valued at fair value | (19 157) | (5 555) |
| Loss from exchange rate differences | (10) | (112) |
| Loss from spot and fixed term transactions | 1 436 | (112) |
| Total | (17 731) | (5 779) |

Profit or loss from securities valued at fair value mainly represents daily revaluation of securities to fair value.

Profit or loss from exchange rate differences mainly represents both realised and unrealised exchange rate differences from revaluation of foreign currency securities.

Profit or loss from spot and fixed term transactions includes profit and loss from settlements of spot transactions and fixed term transactions with financial instruments as well as revaluation of open derivatives at fair value.

6. ADMINISTRATIVE EXPENSES

Administrative expenses include audit expenses in the amount of CZK 97 thousand (2014: CZK 85 thousand).

7. RECEIVABLES FROM BANKS AND COOPERATIVE CREDIT UNIONS

Receivables from banks include current accounts maintained by Unicredit bank Czech Republic and Slovakia, a.s., amounting to CZK 53,594 thousand (2014: CZK 37,881).

Current accounts are payable upon request.

8. SHARES, SHARE CERTIFICATES AND OTHER INVESTMENTS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|----------------|----------------|
| Shares | 377 933 | 247 951 |
| Share certificates | 37 080 | 45 381 |
| Net book value | 415 013 | 293 332 |

9. OTHER ASSETS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|----------------------------------|-------------|-------------|
| Estimated dividend | 158 | 264 |
| Settlement with the state budget | 807 | 14 |
| Total | 965 | 278 |

10. EQUITY

Number of issued share certificates

| (in pieces) | 31 Dec 2015 | 31 Dec 2014 |
|----------------------|--------------------|--------------------|
| Dividend class | - | 6 897 |
| Capitalisation class | 503 450 433 | 346 798 209 |
| Total | 503 450 433 | 346 805 106 |

Other classes were not issued in 2015.

Equity according to share certificate classes

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|----------------------|----------------|----------------|
| Dividend class | - | 7 |
| Capitalisation class | 467 607 | 330 727 |
| Total | 467 607 | 330 734 |

As of 31 December 2015, 503,450,433 share certificates of the Fund have been issued (2014: 346,805,106).

The dividend class was sold out in 2015. The value of the capitalisation class as of the last business day of 2015 amounted to CZK 0.9130 (2014: 0.9478). This is the last value of a share certificate in the respective year for which purchases and re-purchases of the Fund's share certificates were made.

11. OTHER LIABILITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-------------------------------|--------------|-------------|
| Negative value of derivatives | - | 121 |
| Other liabilities | 1 063 | 17 |
| Total | 1 063 | 138 |

12. ACCRUED EXPENSES AND DEFERRED INCOME

The item 'Accrued expenses' primarily includes the uninvoiced management fee for the month of December in the amount of CZK 780 thousand (As of 31 December 2014: CZK 552 thousand).

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13. FINANCIAL DERIVATIVES

Nominal value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|-------------|----------|---------------|---------------|
| | Receivable | Payable | Receivable | Payable |
| Currency forwards | - | - | 25 942 | 26 062 |
| Total | - | - | 25 942 | 26 062 |

Off-balance sheet assets and liabilities represent the nominal (contractual) undiscounted values, which are revalued by the Fund using the CNB's exchange rate valid as of the financial statements date. All the above financial instruments were concluded on the inter-bank market (OTC).

Fair value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|-------------|----------|-------------|--------------|
| | Positive | Negative | Positive | Negative |
| Currency forwards | - | - | - | (121) |
| Total | - | - | - | (121) |

All currency derivatives mature within one year.

14. PROPOSED LOSS SETTLEMENT

The Company's Board of Directors proposes the settlement of loss for 2015 as follows:

| CZK '000 | Profit / (loss) | Retained earnings or accumulated loss brought forward |
|--|-----------------|---|
| Balance at 31 December 2015 prior to the allocation of the loss for 2015 | - | (6 642) |
| Loss for 2015 | (18 692) | - |
| Proposed loss settlement for 2015: | | |
| Transfer to accumulated loss | 18 692 | (18 692) |
| | - | (25 334) |

Due to the dividend class being sold out, the Company does not expect to pay out dividends for 2015.

15. INCOME TAXATION

(a) Income Tax

| CZK '000 | 1 Jan – 31 Dec 2015 | 1 May – 31 Dec 2014 |
|--|---------------------|---------------------|
| Tax payable for the current period | - | - |
| Tax correction for the previous period | 23 | - |
| Withholding tax | 1 312 | 26 |
| Total | 1 335 | 26 |

**Raiffeisen fond akciových trhů, otevřený podílový fond,
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(b) Income Tax – Tax Analysis

| CZK '000 | 1 Jan – 31 Dec 2015 | 21 May – 31 Dec 2014 |
|--|---------------------|----------------------|
| Profit or loss for the period before tax | (17 357) | (6 616) |
| Revenues that are not subject to tax | (9 603) | (181) |
| Tax non-deductible expenses | (17) | - |
| Other items | - | - |
| Subtotal | (26 977) | (6 797) |
| Tax calculated using the 5% tax rate (for 2014: 5%) | - | - |
| Tax relief applied | - | - |
| Withholding tax | 1 312 | 26 |
| Tax correction for the previous period | 23 | - |
| Total | 1 335 | 26 |

16. RELATED PARTY TRANSACTIONS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|-------------|-------------|
| Liabilities | | |
| Management fee payable to the Company | 780 | 552 |

| CZK '000 | 1 Jan – 31 Dec 2015 | 21 May – 31 Dec 2014 |
|---------------------------------------|---------------------|----------------------|
| Expenses | | |
| Management fee payable to the Company | 8 208 | 856 |

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|--------------------------------|-------------|-------------|
| Off-balance sheet assets | | |
| Values placed under management | 468 607 | 331 213 |

17. VALUES PLACED UNDER MANAGEMENT

The Fund has all its assets managed by the Company. The item entitled 'Values placed under management' covers both foreign and local securities, term deposits as well as current account balances.

18. FINANCIAL INSTRUMENTS – MARKET RISK

The Fund is exposed to market risks arising from open positions in interest rate, equity and currency instrument transactions that are sensitive to changes in financial market conditions.

(a) Risk management

The basic risk management instrument is represented by imposing limits on the ratio of different types of financial instruments in the portfolio, which are determined in accordance with legal requirements, the Fund Prospectus, and its investment strategy. The key risks, which are evaluated on a daily basis, include foreign currency exposures and sensitivity to interest rate fluctuations.

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Market risks are measured using the Value at Risk (“VaR”) method. Value at Risk represents a potential loss resulting from unfavourable developments on the market within a certain time period and at a certain level of reliability. The ‘Value at Risk’ is measured on the basis of a one-year holding period and a 95% reliability level.

(b) Liquidity risk

‘Liquidity risk’ represents the risk that the Fund will not have sufficient cash resources to meet its commitments associated with its financial contracts. Liquidity is monitored and managed on the basis of expected cash flows; in this context, the structure of the securities and the term deposits portfolio is adjusted.

Residual maturity of the Fund’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--------------------------------------|-----------------------|-------------------------------|---------------------------|----------------------|-----------------|----------------|
| As of 31 December 2015 | | | | | | |
| Receivables from banks | 53 594 | - | - | - | - | 53 594 |
| Shares, share certificates | - | - | - | - | 415 013 | 415 013 |
| Other assets | 965 | - | - | - | - | 965 |
| Total | 54 559 | - | - | - | 415 013 | 469 572 |
| Other liabilities | 1 063 | - | - | - | - | 1 063 |
| Accrued/deferred income and expenses | 902 | - | - | - | - | 902 |
| Equity | - | - | - | - | 467 607 | 467 607 |
| Total | 1 965 | - | - | - | 467 607 | 469 572 |
| GAP | 52 594 | - | - | - | (52 594) | - |
| Cumulative GAP | 52 594 | 52 594 | 52 594 | 52 594 | - | - |

Residual maturity of the Company’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--------------------------------------|-----------------------|-------------------------------|---------------------------|----------------------|-----------------|----------------|
| As of 31 December 2014 | | | | | | |
| Receivables from banks | 37 881 | - | - | - | - | 37 881 |
| Shares, share certificates | - | - | - | - | 293 332 | 293 332 |
| Other assets | 279 | - | - | - | - | 279 |
| Total | 38 160 | - | - | - | 293 332 | 331 492 |
| Other liabilities | 138 | - | - | - | - | 138 |
| Accrued/deferred income and expenses | 620 | - | - | - | - | 620 |
| Equity | - | - | - | - | 330 734 | 330 734 |
| Total | 758 | - | - | - | 330 734 | 331 492 |
| GAP | 37 402 | - | - | - | (37 402) | - |
| Cumulative GAP | 37 402 | 37 402 | 37 402 | 37 402 | - | - |

The above tables show residual maturities of the book values of the individual financial instruments, rather than of all cash flows resulting from such instruments.

Raiffeisen fond akciových trhů, otevřený podílový fond,
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Year Ended 31 December 2015

(c) **Interest rate risk**

The Fund is exposed to interest rate risk due to the impacts of fluctuations of the current interest rates on the market. On account of such changes, the fair value and income from financial assets may both increase and decrease.

The table below provides a summary of the mismatch between the Fund's assets and liabilities that are interest-rate sensitive. The table below includes data about the extent of the Fund's interest rate risk based on the contractual maturity of financial instruments.

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|-------------------------------|--------------------|-------------------------|------------------------|-------------------|---------------|
| As of 31 December 2015 | | | | | |
| Receivables from banks | 53 594 | - | - | - | 53 594 |
| Total | 53 594 | - | - | - | 53 594 |

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|-------------------------------|--------------------|-------------------------|------------------------|-------------------|---------------|
| As of 31 December 2014 | | | | | |
| Receivables from banks | 37 881 | - | - | - | 37 881 |
| Total | 37 881 | - | - | - | 37 881 |

The above summary only includes interest-rate sensitive assets and liabilities and, therefore, it is not identical to the values presented in the Fund's balance sheet.

(d) **Currency risk**

Financial positions and cash flows are affected by the fluctuations of the valid exchange rate of foreign currencies.

Both realised and unrealised foreign exchange profit and loss is reported directly in the profit and loss account. The foreign exchange positions of the Fund in the most significant currencies are as follows:

Foreign exchange positions of the Fund

| CZK '000 | USD | EUR | PLN | CZK | Total |
|--------------------------------------|----------------|----------------|---------------|------------------|----------------|
| As of 31 December 2015 | | | | | |
| Receivables from banks | 3 951 | 658 | 1 319 | 47 666 | 53 594 |
| Shares, share certificates | 132 425 | 101 486 | 24 167 | 156 935 | 415 013 |
| Other assets | 508 | 414 | 41 | 2 | 965 |
| Total | 136 884 | 102 558 | 25 527 | 204 603 | 469 572 |
| Other liabilities | - | - | - | 1 063 | 1 063 |
| Accrued/deferred income and expenses | - | - | - | 902 | 902 |
| Equity | - | - | - | 467 607 | 467 607 |
| Total | - | - | - | 469 572 | 469 572 |
| Net foreign exchange position | 136 884 | 102 558 | 25 527 | (264 969) | - |

**Raiffeisen fond akciových trhů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

Foreign exchange positions of the Fund

| CZK '000 | USD | EUR | PLN | CZK | Total |
|---|---------------|----------------|---------------|------------------|----------------|
| As of 31 December 2014 | | | | | |
| Receivables from banks | 123 | 7 602 | 5 258 | 24 898 | 37 881 |
| Shares, share certificates | 15 985 | 105 575 | 38 928 | 132 844 | 293 332 |
| Other assets | 29 | - | 235 | 15 | 279 |
| Total | 16 137 | 113 177 | 44 421 | 157 757 | 331 492 |
| Other liabilities | - | 121 | - | 17 | 138 |
| Accrued/deferred income and expenses | - | - | - | 620 | 620 |
| Equity | - | - | - | 330 734 | 330 734 |
| Total | - | 121 | - | 331 371 | 331 492 |
| Long off-balance instruments positions | - | - | - | 25 942 | 25 942 |
| Short off-balance instruments positions | - | 26 062 | - | - | 26 062 |
| Net foreign exchange position | 16 137 | 86 994 | 44 421 | (147 672) | - |

19. FINANCIAL INSTRUMENTS – CREDIT RISK

Credit risk refers to the risk the Fund faces if the counterparty in a financial instrument transaction does not meet its contractual commitments.

Fund investments are implemented so that the rating structure of the securities complies with the Fund Prospectus and its investment strategy. Credit risk management includes the monitoring of diversification of investments in terms of their geographical distribution and in terms of exposure of individual issuers to credit risk.

Distribution of assets based on geographical segments

As of 31 December 2015

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|----------------|----------------|--------------------------|----------------|----------------|
| Treasury bonds without coupon and other securities | 0 | 0 | 0 | 0 | 0 |
| Receivables from banks | 53 594 | 0 | 0 | 0 | 53 594 |
| Debt securities | 0 | 0 | 0 | 0 | 0 |
| Shares, share certificates and other investments | 85 850 | 196 738 | 0 | 132 425 | 415 013 |
| Other assets | 965 | 0 | 0 | 0 | 965 |
| Total | 140 409 | 196 738 | 0 | 132 425 | 469 572 |

As of 31 December 2014

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|----------------|----------------|--------------------------|---------------|----------------|
| Treasury bonds without coupon and other securities | 0 | 0 | 0 | 0 | 0 |
| Receivables from banks | 37 881 | 0 | 0 | 0 | 37 881 |
| Debt securities | 0 | 0 | 0 | 0 | 0 |
| Shares, share certificates and other investments | 86 595 | 190 065 | 0 | 16 672 | 293 332 |
| Other assets | 279 | 0 | 0 | 0 | 279 |
| Total | 124 755 | 190 065 | 0 | 16 672 | 331 492 |

**Raiffeisen fond akciových trhů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.**
Year Ended 31 December 2015

Distribution of securities based on the issuer

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|----------------|----------------|
| Issued by financial institution | 100 565 | 84 447 |
| Issued by collective investment funds | 37 080 | 45 381 |
| Issued by non-financial institutions | 226 896 | 148 938 |
| Issued by insurance institutions | 50 473 | 14 566 |
| Total | 415 014 | 293 332 |

20. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date on 31 December 2015 that would have a significant impact on the financial statements of the Fund.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Raiffeisen fond akciových trhů, otevřený podílový fond Raiffeisen investiční společnost a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Identification number: 291 46 739

We have audited the accompanying financial statements of Raiffeisen fond akciových trhů, otevřený podílový fond, Raiffeisen investiční společnost a.s. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015, the profit and loss account and the statement of changes in equity statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of Raiffeisen investiční společnost a.s. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisen fond akciových trhů, otevřený podílový fond, Raiffeisen investiční společnost a.s. as of 31 December 2015, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The financial statements of Raiffeisen fond akciových trhů, otevřený podílový fond, Raiffeisen investiční společnost a.s. for the prior year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2015.

Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 25 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:

Diana Rádł Rogerová
registration no. 2045



**Raiffeisen fond pravidelných investic, open-ended mutual fund,
Raiffeisen investiční společnost a.s.**

| | |
|-----------------------------------|------------------------|
| Denomination: | CZK |
| ISIN - Capitalisation class: | CZ0008474400 |
| ISIN - regular investments class: | CZ0008474434 |
| Share certificate nominal value: | n.a. |
| Fund format: | open-ended mutual fund |
| Fund type (AKAT classification): | mixed fund |
| Date of incorporation: | 21 May 2014 |

The underlying assets of Raiffeisen fond pravidelných investic were allocated in 2015 in particular to medium-term Czech treasury bonds with duration (simply speaking: the average term to maturity) of approximately three years. To a lesser extent, investments were made in corporate bonds with the so-called “investment rating” (i.e., BBB-/Baa3 rating and higher). Roughly two-fifths of the fund assets have been invested in instruments bearing equity risks, while the regional allocation of that portion of the invested assets has been global, with priority given to the Central European region.

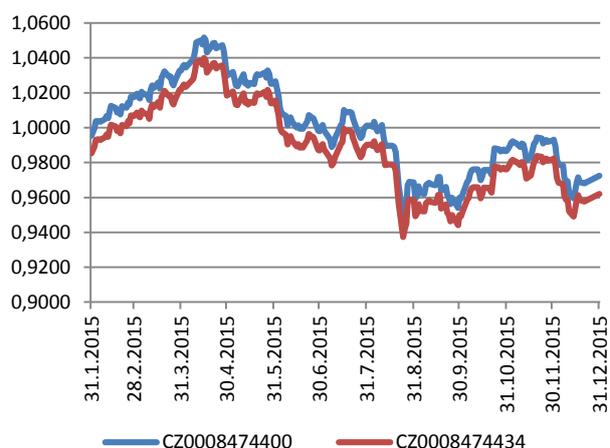
Beside changes duly disclosed in the financial statements, no substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (hereinafter the “AIFMD Directive”), as specified in the Prospectus.

| Financial indicators | 31 December 2015 | 31 December 2014 | Change % |
|---|-------------------------|-------------------------|-----------------|
| Profit/loss after tax, in CZK ‘000 | (4 411) | (5 679) | (22.33) |
| CZ0008474400 | | | |
| Mutual fund equity, in CZK ‘000 | 195 624 | 234 165 | (16.46) |
| Equity per share certificate, in CZK | 0.9727 | 0.9822 | (0.97) |
| Number of share certificates, in pieces | 201 155 306 | 238 408 068 | (15.63) |
| CZ0008474434 | | | |
| Mutual fund equity, in CZK ‘000 | 173 524 | 98 031 | 77.01 |
| Equity per share certificate, in CZK | 0.9620 | 0.9727 | (1.10) |
| Number of share certificates, in pieces | 180 379 677 | 100 779 052 | 78.99 |

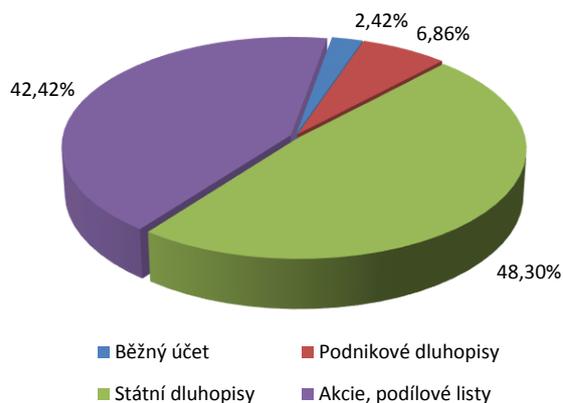
Number of share certificates issued and redeemed in 2015

| ISIN | Issued share certificates | | Redeemed share certificates | | BALANCE (+/-) | |
|--------------|----------------------------------|--------------------|------------------------------------|--------------------|----------------------|--------------------|
| | in pieces | in CZK ‘000 | in pieces | in CZK ‘000 | in pieces | in CZK ‘000 |
| CZ0008474400 | 10 943 892 | 11 012 | 48 196 654 | 48 496 | -37 252 762 | -37 484 |
| CZ0008474434 | 89 983 940 | 89 407 | 10 383 315 | 10 200 | 79 600 625 | 79 207 |

Share certificate value curve



Asset composition



Legend: Current account Corporate bonds
 Treasury bonds Shares, share certificates

List of securities held in excess of 1% as of 31 December 2015

| COUNTRY | ISIN | SECURITY NAME | PURCHASE PRICE in CZK '000 | FAIR VALUE in CZK '000 | STAKE IN ASSETS in % |
|--------------|--------------|--------------------------------------|-------------------------------|---------------------------|----------------------------|
| CZ | CZ0001000822 | CZGB 4,6 08/18/18 | 50 005 | 49 246 | 13.30 |
| CZ | CZ0001004253 | CZGB 2,4 09/17/25 | 31 617 | 32 032 | 8.65 |
| CZ | CZ0001001317 | CZGB 3,75 09/12/20 | 26 559 | 26 439 | 7.14 |
| CZ | CZ0001004113 | CZGB Float 12/09/20 | 20 027 | 20 141 | 5.44 |
| LU | LU0292107645 | db x-trackers MSCI Em. Markets Index | 17 203 | 15 009 | 4.05 |
| CZ | CZ0008019106 | KOMERČNÍ BANKA | 12 689 | 12 405 | 3.35 |
| CZ | CZ0001003123 | CZGB Float 04/18/23 | 10 830 | 10 961 | 2.96 |
| NL | XS1241115440 | LPTY 0,88 06/02/20 | 10 001 | 10 063 | 2.72 |
| AT | AT0000A0MRG6 | PAZIFIK-AKTIFONDOS-I-VA | 10 717 | 9 669 | 2.61 |
| AT | AT0000908504 | Vienna Insurance Group AG | 11 431 | 9 393 | 2.54 |
| CZ | CZ0001004246 | CZGB 0,85 03/17/18 | 8 169 | 8 251 | 2.23 |
| CZ | CZ0001003834 | CZGB 1,50/19 | 7 346 | 7 459 | 2.01 |
| CZ | CZ0005112300 | ČEZ AS | 9 642 | 7 278 | 1.97 |
| AT | AT0000652011 | Erste Group Bank AG | 6 473 | 7 245 | 1.96 |
| CZ | CZ0001002851 | CZGB 3,85 09/29/21 | 6 073 | 6 156 | 1.66 |
| AT | XS0989620694 | RBIIV 1,875 11/08/18 | 5 557 | 5 568 | 1.50 |
| DE | DE0001102374 | DBR 0,5 02/15/25 | 5 293 | 5 398 | 1.46 |
| CZ | CZ0003703555 | CBJCP 1,83 12/13/17 | 4 569 | 4 554 | 1.23 |
| PL | PLPEKAO00016 | BANK PEKAO SA | 6 203 | 4 549 | 1.23 |
| AT | AT0000A0EYCS | RAIFFEISEN-EURASIEN-AKT I-VA | 5 107 | 4 185 | 1.13 |
| TOTAL | | | 265 511 | 256 002 | 69.15 |

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: Raiffeisen fond pravidelných investic, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Registered Office: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle

Corporate ID: 291 46 739

Components of the Financial Statements:

Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Notes to the Financial Statements

These financial statements were prepared on 13 February 2016.

| Statutory body of the reporting entity: | Signature |
|--|--|
| On behalf of the statutory body: Ing. Jaromír Sladkovský Ing. Michal Ondruška |   |
| Individual in charge of the accounting records: Ing. Petra Tomisová | |

Business name: Raiffeisen fond pravidelných investic
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

BALANCE SHEET
as of 31 December 2015

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--|------|----------------|----------------|
| ASSETS | | | |
| 2 | 9 | | |
| Treasury bonds and other securities accepted by the central bank for refinancing | | 170 435 | 160 890 |
| <i>of which a) issued by government institutions</i> | | 170 435 | 160 890 |
| 3 | 10 | 8 945 | 32 854 |
| <i>of which a) payable upon request</i> | | 8 945 | 32 854 |
| 5 | 11 | 33 557 | 22 888 |
| <i>of which a) issued by government institutions</i> | | 8 200 | 2 967 |
| <i>b) issued by other entities</i> | | 25 357 | 19 921 |
| 6 | 12 | 156 883 | 115 827 |
| <i>of which a) shares</i> | | 122 974 | 94 111 |
| <i>b) share certificates</i> | | 33 909 | 21 716 |
| 11 | 13 | 382 | 264 |
| Total assets | | 370 202 | 332 723 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|-----------------------------|------|----------------|----------------|
| LIABILITIES | | | |
| 4 | 15 | 468 | 45 |
| <i>of which derivatives</i> | | - | 22 |
| 5 | 16 | 587 | 482 |
| 12 | 14 | 379 237 | 337 875 |
| 14 | | (5 679) | - |
| 15 | | (4 411) | (5 679) |
| Total liabilities | | 370 202 | 332 723 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--------------------------------------|------|------------|------------|
| OFF BALANCE SHEET ITEMS | | | |
| Off balance sheet assets | | | |
| 4 | 17 | - | 4 664 |
| 8 | 21 | 369 820 | 332 459 |
| Off balance sheet liabilities | | | |
| 12 | 17 | - | 4 686 |

Business name: Raiffeisen fond pravidelných investic
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

| CZK thousand | Note | 1.1.-31.12.2015 | 21.5.-31.12.2014 |
|---|------|-----------------|------------------|
| 1 | 3 | 1 207 | 99 |
| <i>of which: interest from debt securities</i> | | 1 207 | 99 |
| 3 | 4 | 3 642 | 144 |
| <i>c) other income from shares and equity investments</i> | | 3 642 | 144 |
| 4 | 5 | 24 | - |
| 5 | 6 | (6 292) | (830) |
| 6 | 7 | (2 391) | (4 994) |
| 9 | 8 | (97) | (85) |
| <i>b) other administrative expenses</i> | | (97) | (85) |
| 19 | | (3 907) | (5 666) |
| 23 | 19 | (504) | (13) |
| 24 | | (4 411) | (5 679) |

Business name: Raiffeisen fond pravidelných investic
 Raiffeisen investiční společnost a.s.
 Seat: Hvězdova 1716/2b, Praha 4, 140 78
 Corporate ID: 29146739
 Principal activities: fund administration and management
 Balance sheet date: 11.1.2016

STATEMENT OF CHANGES IN EQUITY
 as of 31 December 2015

| CZK thousand | Capital funds | Profit (loss) | Total |
|--|----------------|----------------|----------------|
| Balance at 17. 6. 2014 | - | - | - |
| Net profit/loss for the reporting period | - | (5 679) | (5 679) |
| Share certificates sold | 341 674 | - | 341 674 |
| Share certificates purchased | (3 799) | - | (3 799) |
| Balance at 31. 12. 2014 | 337 875 | (5 679) | 332 196 |

| CZK thousand | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|----------------|---|----------------|----------------|
| Balance at 1. 1. 2015 | 337 875 | - | (5 679) | 332 196 |
| Net profit/loss for the reporting period | - | - | (4 411) | (4 411) |
| Share certificates sold | 100 059 | - | - | 100 059 |
| Share certificates purchased | (58 696) | - | - | (58 696) |
| Transfer to funds | - | (5 679) | 5 679 | - |
| Balance at 31. 12. 2015 | 379 238 | (5 679) | (4 411) | 369 148 |

1. GENERAL INFORMATION

(a) Fund characteristics

Fund emergence and characteristics

Raiffeisen fond pravidelných investic, otevřený podílový fond, Raiffeisen investiční společnost a.s. (hereinafter the “Fund”) represents an accounting entity without legal personality managed by Raiffeisen investiční společnost a.s. (hereinafter the “Company”) pursuant to Act no. 240/2013 Coll., on management companies and investment funds (hereinafter the “Act”). The Fund came into existence on the day of its entry into the list kept by the Czech National Bank in accordance with Section 597 (b) of the Act, made on 21 May 2014. The Fund began its activity on 17 June 2014.

The fund is a standard securities fund in accordance with the Act, complying with all legal requirements of the European Communities.

As of 10 December 2014, the Fund was merged with Raiffeisen – Český balancovaný fond and Raiffeisen-CZK-LifeCycle Fund 2040 (hereinafter the “Dissolved Funds”). Based on the dissolution without liquidation, the Dissolved Funds transferred all their net assets to the Fund. Shareholders of the Dissolved Funds were issued share certificates of the Fund based on the determined exchange ratio.

Up to four different types of share certificates – classes – may be issued in keeping with the Fund Prospectus. The individual classes differ in the manner in which they handle the Fund profit, the amount of the entry charge (surcharge), the minimum invested amount, and the distribution channels. Each such type of share certificate has been assigned a separate ISIN.

| Type of share certificate | Class A1 | Class A2 | Class A3 | Class A4 |
|---------------------------|---------------------------------------|--------------|--------------|--------------------|
| | Capitalisation | Dividend | RSTS * | Regular investment |
| | Raiffeisen fond pravidelných investic | | | |
| ISIN | CZ0008474400 | CZ0008474418 | CZ0008474426 | CZ0008474434 |

*Class A3 share certificates may be distributed exclusively by Raiffeisen stavební spořitelna a.s.

Neither the number of issued share certificates nor the duration of the Fund are limited.

The Fund has no employees and all administration relating to the business activities of the Fund is supplied by the Company.

Information about the management company

The Fund assets are administered and managed by Raiffeisen investiční společnost a.s., Corporate ID 29146739, with its registered office at Hvězdova 1716/2b, Praha 4 – Nusle, 140 78.

The Company is a management company in the sense of the existing legislation and it acts in the capacity of a legal entity, which collects cash from both legal entities and natural persons (individuals), in order to use them to participate in business (collective investing).

The Company was incorporated on 21 December 2012. The Company obtained operation authorisation based on Decision of the Czech National Bank No. 2013/4256/570 of 9 April 2013 which took effect on 9 April 2013.

Principal activity of the Company

Under the Act, the Company is authorised, in the scope of the authorisation of the Czech National Bank, to:

- Manage investment funds or foreign investment funds; and
- Administer investment funds or foreign investment funds.

Depository information

Depository services are provided by UniCredit Bank Czech Republic and Slovakia, a.s., Corporate ID 64948242, with its registered office at Želetavská 1525/1, Praha 4, 140 92 (hereinafter the “Depository”) under the Depository Agreement dated 6 February 2014.

(b) Basis for the Preparation of the Financial Statements

The financial statements have been prepared based on accounting records maintained in line with:

- Accounting Act No. 563/1991, as amended;
- Regulation No. 501/2002 issued by the Ministry of Finance, as amended; and
- Czech Accounting Standards for financial institutions as published by the Ministry of Finance.

The financial statements have been prepared in compliance with the accruals principle and historical prices, excluding selected financial instruments valued at fair value.

The Fund began its activity on 21 May 2014; for this reason comparative data is not provided. The reporting period from 21 May 2014 to 31 December 2014 is hereinafter referred to as “2014” in profit and loss account items.

The financial statements are based on the going concern assumption and assuming that no facts exist that would restrict the Fund or prevent it from carrying out its activity in the foreseeable future.

These financial statements are presented in thousands of Czech crowns (‘CZK’) unless stated otherwise. Figures in brackets are negative.

These financial statements are unconsolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Transaction Date

Depending on the transaction type, the transaction date is predominantly:

- Date of payment or receipt of money in circulation;
- Date of purchase or sale of foreign currency, foreign exchange or securities;
- Date of payment;
- Date of crediting (foreign currency) funds based on the account statement;
- Date of arrangement and settlement of spot transactions, namely purchase or sale of financial instruments or commodities with such a delivery date where the period between the trade date and the settlement date is no more than five days; and
- Trade date and settlement date of derivative transactions.

Spot transactions (i.e. purchases and sales of financial assets with a usual term of delivery) of the Fund are reported directly in the relevant asset or liability at the trade date.

The Fund will derecognise a financial asset or any part thereof from the balance sheet if control over the contractual rights to such a financial asset or any part thereof is lost. The loss of control occurs if the Company exercises its rights to contractual benefits, if such rights expire or should the Fund waive these rights.

If a financial liability or any part thereof expires (such as when a contractual obligation is met, cancelled or expires), the financial liability or a part thereof will no longer be recognised in the Fund’s balance sheet. The difference between the carrying amount of the financial liability or a part thereof that has expired or has been transferred to another entity and the amount paid for the respective debt shall be reported through expenses or revenues as appropriate.

(b) Securities

In compliance with the Fund strategy, all securities have been classified as securities valued at their fair value. Securities are re-valued on a daily basis during the reporting period, pursuant to Decree no. 244/2013 Coll., of the Ministry of Finance of the Czech Republic, on detailed issues related to the Act on Management Companies and Investment Funds, as amended (hereinafter the “Decree”). Pursuant to the Decree, securities are valued at prices derived from public markets, which may be further adjusted in keeping with the provisions of the Decree. If no market price is available, such value shall be applied as determined according to valuation models based on discounted future cash flows according to the yield curve.

Upon their initial recognition, securities are valued at acquisition cost. Acquisition cost also includes direct transaction costs related to the acquisition of securities.

Interest income

The term ‘interest income’ means the following:

- a) as regards debt securities with coupon, the accrued coupon as determined in the issue terms and conditions and the accrued difference between the nominal value and the net acquisition cost, known as a premium or discount;
- b) as regards debt securities without coupon and bills of exchange, the accrued difference between the nominal value and the acquisition cost.

Interest income on debt securities is reported in the profit and loss account commencing on the purchase using the effective interest rate method.

Derecognition of securities

Upon sales of securities, the Fund values such securities disposals using the ‘average price method’.

(c) Receivables and Provisions

Operating receivables are recognised at their nominal value net of provisions, if any. Bad debts are written off after the completion of the debtor’s bankruptcy proceedings or when it is highly unlikely for the bad debt to be settled.

Provisions are recognised as expenses; the utilisation of a provision is recognised in the profit and loss account along with expenses or losses arising from asset disposals. The release of a provision due to redundancy is recognised in revenues.

(d) Financial derivatives

Derivatives are financial instruments meeting the following conditions:

- a) their fair value varies depending on changes in interest rates, security prices, commodity prices, foreign exchange rates, price indices, credit assessments (ratings) or indices, and/or depending on any other variables (so-called underlying assets);
- b) as compared to other types of contracts, which show similar responses to changing market conditions, they require little or no initial investments;
- c) they will be settled in the future and the period from the trade date to settlement exceeds that of spot transactions.

Derivatives are reported in the balance sheet at their fair values. Positive fair values of derivatives are reported in assets under ‘Other assets’. Negative fair values of derivatives are reported in liabilities under ‘Other liabilities’.

Fair value of financial derivatives is determined as the present value of future cash flows from these transactions. The present value is determined with the help of parameters identified on the active market, such as exchange rates, interest rates for a given maturity based on the yield curve, etc.

In the off-balance sheet, derivatives are reported at contractual undiscounted values of the underlying instrument under 'Receivables from fixed-term operations' and 'Payables from fixed-term operations'.

(e) Funds invested by shareholders

The Fund has no share capital. The share certificates have been assigned no nominal value. The Fund does not account for share premium.

Capital funds

The selling price of share certificates is determined as a ratio of the equity of the class and the number of issued share certificates of the class. Share certificates are sold to investors for selling prices determined on a daily basis.

(f) Reserves

Reserves represent probable cash outflows of uncertain timing and amount. Reserves are charged to expenses in such amounts which are the best estimate of expenditures required in order to settle existing liabilities.

Reserves are created if the following criteria are met:

- a) A performance obligation (legal or constructive) exists as a result of past events;
- b) It is probable or certain that an event will occur and will require an outflow of resources representing economic benefits, where "probable" means probability greater than 50%; and
- c) It is possible to make a reliable estimate of such fulfilment.

(g) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate of the Czech National Bank effective on the date of the transaction.

Assets and liabilities denominated in foreign currencies along with foreign-currency spot transactions before their due dates are translated into the local currency using the exchange rate of the Czech National Bank effective at the balance sheet date. Any profit or loss resulting from the translation of assets and liabilities denominated in foreign currencies, excepting equity investments in foreign currencies, or items hedging against foreign currency risk arising from contracts not yet recognised in the Fund's balance sheet, or from anticipated future transactions is recognised in the profit and loss account as "Profit or loss from financial operations".

(h) Taxation

Tax payable

The corporate tax base is calculated from the profit for the current period before tax, increased by non-deductible expenses, less the revenues that are not subject to income tax, and further adjusted for tax allowances and relevant credits, if any. Based on valid tax regulations, corporate income tax for mutual funds amounts to 5%.

Deferred tax

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities, using the anticipated tax rate effective for the following period. A deferred tax asset will be only recognised if there is no doubt as to its recovery in the following reporting periods.

(i) Interest income and interest expense and dividend income

Interest income and interest expense are reported on an accrual basis.

Dividend income is reported on the effective date of entitlement to receive its payment (ex-dividend date). Dividend income from domestic securities is reported after the deduction of withholding tax.

Dividend income from foreign securities is reported prior to the deduction of withholding tax.

**Raiffeisen fond pravidelných investic, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

3. INTEREST INCOME AND SIMILAR INCOME

Interest income and similar income include interest from debt securities amounting to CZK 1,207 thousand (2014: CZK 99 thousand).

4. INCOME FROM SHARES AND EQUITY INVESTMENTS

Income from shares and equity investments includes dividends amounting to CZK 3,642 thousand (2014: CZK 144 thousand).

5. FEES AND COMMISSION INCOME

The item 'Fees and commission income' includes the incentive received in relation to the investment in KAG funds in the amount of CZK 24 thousand (2014: CZK 0).

6. FEES AND COMMISSION EXPENSES

| CZK '000 | 1 Jan - 31 Dec 2015 | 21 May - 31 Dec 2014 |
|----------------------------|---------------------|----------------------|
| Management fee | 5 430 | 750 |
| Depository fee | 306 | 45 |
| Securities administration | 96 | 19 |
| Other fees and commissions | 460 | 16 |
| Total | 6 292 | 830 |

The management fee paid by the Fund to the Company amounts, according to the Fund Prospectus, to 1.5% of the average annual value of the Fund equity.

Under the Depository Agreement, the Fund pays a fee in the amount of 0.07% of the average annual value of the Fund equity.

7. PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| CZK '000 | 1 Jan - 31 Dec 2015 | 21 May - 31 Dec 2014 |
|--|---------------------|----------------------|
| Loss from securities valued at fair value | (916) | (5 008) |
| Profit from exchange rate differences | (1 507) | 73 |
| Loss from spot and fixed term transactions | 32 | (59) |
| Total | (2 391) | (4 994) |

Profit or loss from securities valued at fair value mainly represents daily revaluation of securities to fair value.

Profit or loss from exchange rate differences mainly represents both realised and unrealised exchange rate differences from revaluation of bond securities and balances on foreign currency current accounts.

Profit or loss from spot and fixed term transactions includes profit and loss from settlements of spot transactions and fixed term transactions with financial instruments as well as revaluation of open derivatives at fair value.

8. ADMINISTRATIVE EXPENSES

Administrative expenses include audit expenses in the amount of CZK 97 thousand (2014: CZK 85 thousand).

**Raiffeisen fond pravidelných investic, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

9. TREASURY BONDS WITHOUT COUPON AND OTHER SECURITIES ACCEPTED BY THE CENTRAL BANK FOR REFINANCING

All securities held by the Fund are listed on the Prague Stock Exchange or on foreign stock exchanges. All securities are included in the portfolio of securities at fair value.

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|----------------|----------------|
| Treasury bonds | 170 435 | 160 890 |
| Net book value | 170 435 | 160 890 |

10. RECEIVABLES FROM BANKS AND COOPERATIVE CREDIT UNIONS

Receivables from banks include current accounts maintained by Unicredit bank Czech Republic and Slovakia, a.s., amounting to CZK 8,945 thousand (2014: CZK 32,854 thousand).

Current accounts are payable upon request.

11. DEBT SECURITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|---------------|---------------|
| Bonds issued by government institutions | 8 200 | 2 967 |
| Bonds issued by other entities | 25 357 | 19 921 |
| Net book value | 33 557 | 22 888 |

12. SHARES, SHARE CERTIFICATES AND OTHER INVESTMENTS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|----------------|----------------|
| Shares | 122 974 | 94 111 |
| Share certificates | 33 909 | 21 716 |
| Net book value | 156 883 | 115 827 |

13. OTHER ASSETS

Other assets include primarily the receivable arising from an unreceived dividend in the amount of CZK 382 thousand (2014: CZK 264 thousand).

14. EQUITY

| <i>Number of issued share certificates</i> (in pieces) | 31 Dec 2015 | 31 Dec 2014 |
|---|--------------------|--------------------|
| Regular investment class | 180 379 677 | 100 779 052 |
| Capitalisation class | 201 155 306 | 238 408 068 |
| Total | 381 534 983 | 339 187 120 |

No other classes were issued in 2015.

**Raiffeisen fond pravidelných investic, otevřený podílový fond,
Raiffeisen investiční společnost a.s.**
Year Ended 31 December 2015

Equity according to share certificate classes

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|--------------------------|----------------|----------------|
| Regular investment class | 173 524 | 98 031 |
| Capitalisation class | 195 624 | 234 165 |
| Total | 369 148 | 332 196 |

The value of a share certificate of the capitalisation class as of the last business day of 2015 amounted to CZK 0.9680 (2014: CZK 0.9807). The value of the regular investment class as of the last business day of 2015 amounted to CZK 0.9576 (2014: CZK 0.9724). This is the last value of a share certificate in the respective year for which purchases and re-purchases of the Fund's share certificates were made.

15. OTHER LIABILITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-------------------------------|-------------|-------------|
| Negative value of derivatives | - | 22 |
| Other liabilities | 468 | 23 |
| Total | 468 | 45 |

16. ACCRUED EXPENSES AND DEFERRED INCOME

The item 'Accrued expenses' primarily includes the uninvoiced management fee for the month of December in the amount of CZK 462 thousand (2014: CZK 416 thousand).

17. FINANCIAL DERIVATIVES

Nominal value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|-------------|----------|--------------|--------------|
| | Receivable | Payable | Receivable | Payable |
| Currency forwards | - | - | 4 664 | 4 686 |
| Total | - | - | 4 664 | 4 686 |

Off-balance sheet assets and liabilities represent the nominal (contractual) undiscounted values. All the above financial instruments were concluded on the inter-bank market (OTC).

Fair value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|-------------|----------|-------------|-------------|
| | Positive | Negative | Positive | Negative |
| Currency forwards | - | - | - | (22) |
| Total | - | - | - | (22) |

All currency derivatives mature within one year.

**Raiffeisen fond pravidelných investic, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

18. PROPOSED LOSS SETTLEMENT

The Company's Board of Directors proposes the loss settlement for 2015 as follows:

| CZK '000 | Profit / loss | Retained earnings or accumulated loss brought forward |
|--|---------------|---|
| Loss for 2015 | (4 411) | (5 679) |
| Proposed loss settlement for 2015: | | |
| Transfer to retained earnings/accumulated loss | 4 411 | (4 411) |
| Total | - | (10 090) |

Due to the incurred loss the Company does not expect to pay out dividends for 2015.

19. INCOME TAXATION

(a) Income Tax

| CZK '000 | 1 Jan – 31 Dec 2015 | 21 May – 31 Dec 2014 |
|------------------------------------|---------------------|----------------------|
| Tax payable for the current period | - | - |
| Withholding tax | 504 | 13 |
| Total | 504 | 13 |

(b) Income Tax – Tax Analysis

| CZK '000 | 1 Jan – 31 Dec 2015 | 21 May – 31 Dec 2014 |
|--|---------------------|----------------------|
| Profit or loss for the period before tax | (3 907) | (5 666) |
| Revenues that are not subject to tax | (3 642) | (144) |
| Tax non-deductible expenses | - | - |
| Other items | - | - |
| Subtotal | (7 549) | (5 810) |
| Tax calculated using the 5% tax rate (for 2014: 5%) | - | - |
| Tax relief applied | - | - |
| Withholding tax | 504 | 13 |
| Total | 504 | 13 |

20. RELATED PARTY TRANSACTIONS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|-------------|-------------|
| Assets | | |
| Incentive related to investments in KAG funds | 10 | - |
| Liabilities | | |
| Management fee payable to the Company | 462 | 416 |

Raiffeisen fond pravidelných investic, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

| CZK '000 | 1 Jan - 31 Dec 2015 | 21 May - 31 Dec 2014 |
|---|---------------------|----------------------|
| Expenses | | |
| Management fee payable to the Company | 5 430 | 750 |
| Income | | |
| Incentive related to investments in KAG funds | 24 | - |

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|--------------------------------|-------------|-------------|
| Off-balance sheet assets | | |
| Values placed under management | 369 820 | 332 459 |

21. VALUES PLACED UNDER MANAGEMENT

The Fund has all its assets managed by the Company. The item entitled 'Values placed under management' covers both foreign and local securities, term deposits as well as current account balances, excluding accounts used for receiving shareholders' deposits. These current accounts are not included because they represent a payable for share certificates as yet unissued.

22. FINANCIAL INSTRUMENTS – MARKET RISK

The Fund is exposed to market risks arising from open positions in interest rate, equity and currency instrument transactions that are sensitive to changes in financial market conditions.

(a) Risk management

The basic risk management instrument is represented by imposing limits on the ratio of different types of financial instruments in the portfolio, which are determined in accordance with legal requirements, the Fund Prospectus, and its investment strategy. The key risks, which are evaluated on a daily basis, include foreign currency exposures and sensitivity to interest rate fluctuations.

Market risks are measured using the Value at Risk ("VaR") method. Value at Risk represents a potential loss resulting from unfavourable developments on the market within a certain time period and at a certain level of reliability. The 'Value at Risk' is measured on the basis of a one-year holding period and a 95% reliability level.

**Raiffeisen fond pravidelných investic, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

(b) Liquidity risk

‘Liquidity risk’ represents the risk that the Fund will not have sufficient cash resources to meet its commitments associated with its financial contracts. Liquidity is monitored and managed on the basis of expected cash flows; in this context, the structure of the securities and the term deposits portfolio is adjusted.

Residual maturity of the Fund’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|---|-----------------------|-------------------------------|---------------------------|----------------------|------------------|----------------|
| As of 31 December 2015 | | | | | | |
| Treasury bonds without coupon and other securities | 605 | 3 441 | 117 553 | 48 835 | - | 170 435 |
| Receivables from banks | 8 945 | - | - | - | - | 8 945 |
| Debt securities | 2 828 | 130 | 25 227 | 5 372 | - | 33 557 |
| Shares, share certificates | - | - | - | - | 156 883 | 156 883 |
| Other assets | 382 | - | - | - | - | 382 |
| Total | 12 760 | 3 571 | 142 780 | 54 208 | 156 883 | 370 202 |
| Other liabilities | 468 | - | - | - | - | 468 |
| Accrued/deferred income and expenses | 587 | - | - | - | - | 587 |
| Equity | - | - | - | - | 369 147 | 369 147 |
| Total | 1 055 | - | - | - | 369 147 | 370 202 |
| GAP | 11 705 | 3 571 | 142 780 | 54 208 | (212 264) | - |
| Cumulative GAP | 37 838 | 39 970 | 156 446 | 216 369 | - | - |

Residual maturity of the Company’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|---|-----------------------|-------------------------------|---------------------------|----------------------|------------------|----------------|
| As of 31 December 2014 | | | | | | |
| Treasury bonds without coupon and other securities | 144 | 2 067 | 98 756 | 59 923 | - | 160 890 |
| Receivables from banks | 32 854 | - | - | - | - | 32 854 |
| Debt securities | 5 103 | 65 | 17 720 | - | - | 22 888 |
| Shares, share certificates | - | - | - | - | 115 827 | 115 827 |
| Other assets | 264 | - | - | - | - | 264 |
| Total | 38 365 | 2 132 | 116 476 | 59 923 | 115 827 | 332 723 |
| Other liabilities | 45 | - | - | - | - | 45 |
| Accrued/deferred income and expenses | 482 | - | - | - | - | 482 |
| Equity | - | - | - | - | 332 196 | 332 196 |
| Total | 527 | - | - | - | 332 196 | 332 723 |
| GAP | 37 838 | 2 132 | 116 476 | 59 923 | (216 369) | - |
| Cumulative GAP | 37 838 | 39 970 | 156 446 | 216 369 | - | - |

The above tables show residual maturities of the book values of the individual financial instruments, rather than of all cash flows resulting from such instruments.

Raiffeisen fond pravidelných investic, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

(c) **Interest rate risk**

The Fund is exposed to interest rate risk due to the impacts of fluctuations of the current interest rates on the market. On account of such changes, the fair value and income from financial assets may both increase and decrease.

The tables below provide a summary of the mismatch between the Fund's assets and liabilities that are interest-rate sensitive. The carrying value of these assets and liabilities is included in the period when they mature or the interest rate changes, whichever comes first.

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 moths to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|------------------------------|------------------------------|----------------------|----------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupons and other securities | 3 679 | 34 463 | 94 339 | 37 954 | 170 435 |
| Receivables from banks | 8 945 | - | - | - | 8 945 |
| Debt securities | 2 828 | 3 152 | 22 205 | 5 372 | 33 557 |
| Total | 15 452 | 37 615 | 116 544 | 43 327 | 212 937 |

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 moths to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|------------------------------|------------------------------|----------------------|----------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupons and other securities | 3 231 | 8 038 | 95 669 | 53 952 | 160 890 |
| Receivables from banks | 32 854 | - | - | - | 32 854 |
| Debt securities | 10 249 | 3 086 | 9 553 | - | 22 888 |
| Total | 46 334 | 11 124 | 105 222 | 53 952 | 216 632 |

The above summary only includes interest-rate sensitive assets and liabilities and, therefore, it is not identical to the values presented in the Fund's balance sheet.

Raiffeisen fond pravidelných investic, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

(d) **Currency risk**

Foreign currency assets and liabilities including off-balance sheet participations represent the Fund's exposure to currency risks. Both realised and unrealised foreign exchange profit and loss is reported directly in the profit and loss account. The foreign exchange positions of the Fund in the most significant currencies are as follows:

Foreign exchange positions of the Fund

| CZK '000 | USD | EUR | PLN | CZK | Other | Total |
|--|---------------|---------------|---------------|------------------|--------------|----------------|
| As of 31 December 2015 | | | | | | |
| Treasury bonds without coupon and other securities | - | - | - | 170 435 | - | 170 435 |
| Receivables from banks | 343 | 2 548 | 636 | 5 418 | - | 8 945 |
| Debt securities | - | 13 768 | - | 19 789 | - | 33 557 |
| Shares, share certificates | 51 699 | 52 469 | 10 908 | 39 067 | 2 740 | 156 883 |
| Other assets | 247 | 103 | 28 | 4 | - | 382 |
| Total | 52 289 | 68 888 | 11 572 | 234 713 | 2 740 | 370 202 |
| Other liabilities | - | - | - | 468 | - | 468 |
| Accrued/deferred income and expenses | - | - | - | 587 | - | 587 |
| Equity | - | - | - | 369 147 | - | 369 147 |
| Total | - | - | - | 370 202 | - | 370 202 |
| Net foreign exchange position | 52 289 | 68 888 | 11 572 | (135 489) | 2 740 | - |

Foreign exchange positions of the Fund

| CZK '000 | USD | EUR | PLN | CZK | Other | Total |
|--|---------------|---------------|---------------|----------------|------------------|----------------|
| As of 31 December 2014 | | | | | | |
| Treasury bonds without coupon and other securities | - | - | - | 160 890 | - | 160 890 |
| Receivables from banks | 291 | 173 | - | 32 390 | - | 32 854 |
| Debt securities | - | 5 943 | - | 16 945 | - | 22 888 |
| Shares, share certificates | 10 000 | 15 725 | 40 546 | 47 582 | 1 974 | 115 827 |
| Other assets | 16 | - | 159 | 89 | - | 264 |
| Total | 10 307 | 21 841 | 40 705 | 257 896 | 1 974 | 332 723 |
| Other liabilities | - | 22 | - | - | 23 | 45 |
| Accrued/deferred income and expenses | - | - | - | - | 482 | 482 |
| Equity | - | - | - | - | 332 196 | 332 196 |
| Total | - | 22 | - | - | 332 701 | 332 723 |
| Long off-balance instruments positions | - | - | - | 4 664 | - | 4 664 |
| Short off-balance instruments positions | - | 4 686 | - | - | - | 4 686 |
| Net foreign exchange position | 10 307 | 17 133 | 40 705 | 262 560 | (330 727) | - |

23. FINANCIAL INSTRUMENTS – CREDIT RISK

Fund investments are implemented so that the rating structure of the securities complies with the Fund Prospectus and its investment strategy. Credit risk management includes the monitoring of diversification of investments in terms of their geographical distribution and in terms of exposure of individual issuers to credit risk.

Distribution of assets based on geographical segments

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|----------------|----------------|--------------------------|---------------|----------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupon and other securities | 70 435 | 0 | 0 | 0 | 70 435 |
| Receivables from banks | 8 945 | 0 | 0 | 0 | 8 945 |
| Debt securities | 9 726 | 23 831 | 0 | 0 | 33 557 |
| Shares, share certificates and other investments | 20 282 | 84 356 | 833 | 51 412 | 156 883 |
| Other assets | 382 | 0 | 0 | 0 | 382 |
| Total | 109 770 | 108 187 | 833 | 51 412 | 270 202 |

Distribution of assets based on geographical segments

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|----------------|---------------|--------------------------|---------------|----------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupon and other securities | 160 890 | 0 | 0 | 0 | 160 890 |
| Receivables from banks | 32 854 | 0 | 0 | 0 | 32 854 |
| Debt securities | 9 763 | 2 967 | 8 147 | 2 011 | 22 888 |
| Shares, share certificates and other investments | 26 520 | 79 052 | 582 | 9 673 | 115 827 |
| Other assets | 264 | 0 | 0 | 0 | 264 |
| Total | 230 291 | 82 019 | 8 729 | 11 684 | 332 723 |

Distribution of securities based on the issuer

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|----------------|----------------|
| Issued by financial institution | 43 986 | 43 839 |
| Issued by collective investment funds | 33 909 | 21 716 |
| Issued by non-financial institutions | 87 745 | 60 255 |
| Issued by insurance institutions | 16 599 | 9 937 |
| Issued by government institutions | 178 635 | 163 857 |
| Total | 360 874 | 299 605 |

24. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date on 31 December 2015 that would have a significant impact on the financial statements of the Fund.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Raiffeisen fond pravidelných investic, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Identification number: 291 46 739

We have audited the accompanying financial statements of Raiffeisen fond pravidelných investic, otevřený podílový fond, Raiffeisen investiční společnost a.s. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015, the profit and loss account and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of Raiffeisen investiční společnost a.s. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisen fond pravidelných investic, otevřený podílový fond, Raiffeisen investiční společnost a.s. as of 31 December 2015, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The financial statements of Raiffeisen fond pravidelných investic, otevřený podílový fond, Raiffeisen investiční společnost a.s. for the prior year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2015.

Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 25 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:

Diana RádI Rogerová
registration no. 2045



**Raiffeisen fond dluhopisových příležitostí, open-ended mutual fund,
Raiffeisen investiční společnost a.s.**

| | |
|----------------------------------|---------------------------|
| Denomination: | CZK |
| ISIN: | CZ0008473998 |
| Share certificate nominal value: | CZK 1 |
| Fund format: | open-ended mutual fund |
| Fund type (AKAT classification): | Bond fund |
| Date of incorporation: | 5 June 2013 |

The underlying assets of Raiffeisen fond dluhopisových příležitostí were allocated in 2015 in particular in medium-term corporate bonds and bond funds (EFT) with average creditworthiness near the lower limit of the so-called “investment rating” (i.e., BBB-/Baa3 rating and higher). The purchased bonds were denominated in CZK, EUR, USD and PLN; however, the majority of such purchased bonds have been hedged against exchange rate risks (open exchange rate exposure did not exceed 25% of the value of the portfolio).

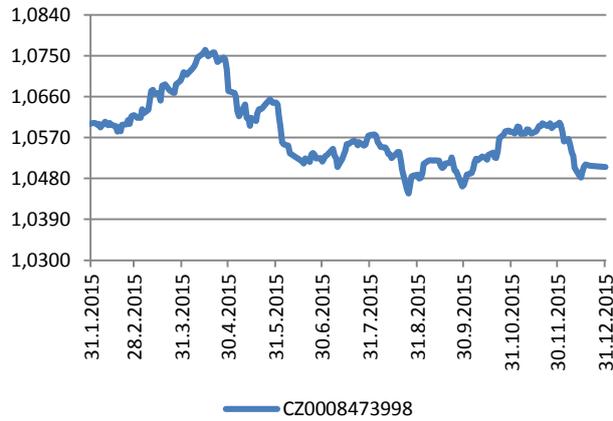
No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010 (hereinafter the “AIFMD Directive”), as specified in the Prospectus.

| Financial indicators | 31 December 2015 | 31 December 2014 | 31 December 2013 |
|---|-------------------------|-------------------------|-------------------------|
| Mutual fund equity, in CZK ‘000 | 2 517 481 | 1 366 660 | 378 612 |
| Equity per share certificate, in CZK | 1.0505 | 1.0484 | 1.0192 |
| Profit/loss after tax, in CZK ‘000 | (6 128) | 20 924 | 3 438 |
| Number of share certificates, in pieces | 2 396 568 041 | 1 303 534 891 | 371 951 824 |

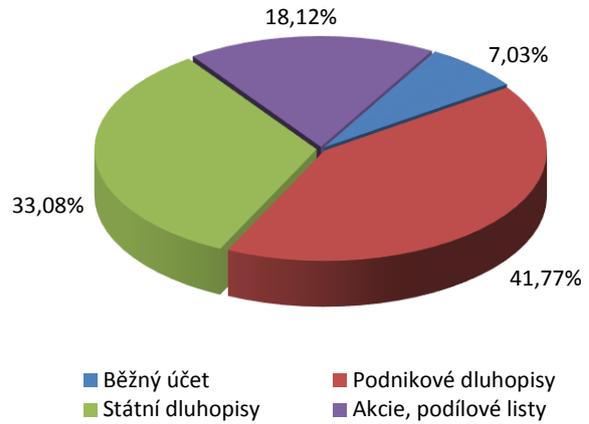
Number of share certificates issued and redeemed in 2015

| Issued share certificates | | Redeemed share certificates | | BALANCE (+/-) | |
|----------------------------------|--------------------|------------------------------------|--------------------|----------------------|--------------------|
| in pieces | in CZK ‘000 | in pieces | in CZK ‘000 | in pieces | in CZK ‘000 |
| 1 365 225 814 | 1 444 839 | 272 192 664 | 287 890 | 1 093 033 150 | 1 156 949 |

Share certificate value curve



Asset composition



Legend: Current account Treasury bonds Corporate bonds Shares, share certificates

List of securities held in excess of 1% as of 31 December 2015

| COUNTRY | ISIN | SECURITY NAME | PURCHASE PRICE in CZK '000 | FAIR VALUE in CZK '000 | STAKE IN ASSETS in % |
|--------------|---------------|-------------------------------|----------------------------|------------------------|----------------------|
| AT | AT0000A0EY43 | RAIFFEISEN-EUROPA-HI YD I-VA | 236 181 | 228 159 | 9.04 |
| CZ | CZ0001003859 | CZGB 2,5 08/25/28 | 153 437 | 158 051 | 6.26 |
| CZ | CZ0001004253 | CZGB 2,4 09/17/25 | 143 286 | 145 925 | 5.78 |
| CZ | CZ0001003123 | CZGB Float 04/18/23 | 130 123 | 131 533 | 5.21 |
| US | US78464A4177 | SPDR BARCLAYS H. Y. BD | 132 921 | 127 951 | 5.07 |
| CZ | CZ0002002520 | UNICZ 6 04/27/18 | 92 513 | 93 712 | 3.71 |
| CZ | CZ0001004113 | CZGB Float 12/09/20 | 68 109 | 68 481 | 2.71 |
| NL | XS1054089609 | VW Float 04/08/19 | 65 696 | 66 057 | 2.62 |
| CZ | CZ0001004105 | CZGB Float 11/19/27 | 61 465 | 61 894 | 2.45 |
| AT | XS0989620694 | RBI AV 1,875 11/08/18 | 55 198 | 55 680 | 2.21 |
| AT | AT0000A1AU Y6 | ERSTBK Float 12/02/19 | 50 106 | 50 634 | 2.01 |
| DE | DE0001102374 | DBR 0,5 02/15/25 | 47 631 | 48 583 | 1.93 |
| CZ | CZ0003501793 | CDCARG 3,8 12/21/16 | 40 740 | 40 879 | 1.62 |
| EE | XS0763379343 | ESTONE 4,25 10/02/18 | 41 171 | 40 281 | 1.60 |
| IE | IE00B66F4759 | ISHARES EURO HY CORP BND | 38 569 | 37 472 | 1.49 |
| NL | DE000A1C9253 | MEOGR 4,25 02/22/17 | 35 422 | 36 504 | 1.45 |
| CZ | XS0641963839 | CESDRA 4,5 06/24/16 | 34 558 | 35 171 | 1.39 |
| PL | PL0000108502 | POLGB 0 07/25/17 | 31 162 | 30 948 | 1.23 |
| AT | AT0000A1GD94 | HYPONOE GRUPPE Float 09/16/20 | 30 001 | 30 360 | 1.20 |
| AT | XS0840062979 | ERSTBK 7,125 10/10/22 | 28 952 | 29 269 | 1.16 |
| FR | XS1050665386 | BREPW 2,375 04/01/19 | 27 945 | 27 919 | 1.11 |
| AT | AT0000622022 | RAIFFEISEN-INFLTIONSSC.-VA | 27 511 | 26 953 | 1.07 |
| ZA | US836205AM61 | SOAF 6,875 05/27/19 | 25 684 | 26 820 | 1.06 |
| BG | XS0972758741 | ROMANIA 4,625 | 25 128 | 25 464 | 1.01 |
| JP | US65535HAG48 | NOMURA 2,75 03/19/19 | 22 119 | 25 183 | 1.00 |
| US | US717081DL45 | PFE 2,1 05/15/19 | 22 328 | 25 126 | 1.00 |
| TOTAL | | | 1 667 955 | 1 675 010 | 66.40 |

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Registered Office: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle

Corporate ID: 291 46 739

Components of the Financial Statements:

Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Notes to the Financial Statements

These financial statements were prepared on 13 February 2016.

| Statutory body of the reporting entity: | Signature |
|--|--|
| <p>On behalf of the statutory body:</p> <p>Ing. Jaromír Sladkovský</p> <p>Ing. Michal Ondruška</p> <p>Individual in charge of the accounting records:</p> <p>Ing. Petra Tomisová</p> |   |

Business name: Raiffeisen fond dluhopisových příležitostí

Seat: Hvězdova 1716/2b, Praha 4, 140 78

Corporate ID: 29146739

Principal activities: fund administration and management

Balance sheet date: 11.1.2016

**BALANCE SHEET
as of 31 December 2015**

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|---------------------|---|------------------|------------------|
| ASSETS | | | |
| | 3 | | |
| 2 | Treasury bonds and other securities accepted by the central bank for ref 4 | 9 | |
| | <i>of which a) issued by government institutions</i> | 571 212 | 60 909 |
| | <i>b) other</i> | 571 212 | 60 909 |
| | | - | - |
| 3 | Receivables from banks and cooperative credit unions | 10 | |
| | <i>of which a) payable upon request</i> 5 | 177 304 | 106 903 |
| | <i>b) other receivables</i> 6 | - | - |
| 5 | Debt securities | 8 | |
| | <i>of which a) issued by government institutions</i> | 11 | |
| | <i>b) issued by other entities</i> | 1 315 276 | 1 038 567 |
| | | 262 613 | 257 324 |
| | | 1 052 663 | 781 243 |
| 6 | Shares, share certificates and other investments | 12 | |
| | <i>of which a) shares</i> | - | - |
| | <i>b) share certificates</i> | 456 586 | 183 610 |
| 11 | Other assets | 13 | |
| | <i>of which derivatives</i> | 2 410 | 1 636 |
| | | - | 882 |
| Total assets | | 2 522 788 | 1 391 625 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--------------------------|---|------------------|------------------|
| LIABILITIES | | | |
| 4 | Other liabilities | 15 | |
| | <i>of which derivatives</i> | 2 983 | 22 753 |
| | | 1 450 | 10 118 |
| 5 | Accrued expenses and deferred income | 16 | |
| | | 2 324 | 1 268 |
| 6 | Reserves | 18 | |
| | <i>b) tax</i> | - | 944 |
| | <i>c) other</i> | - | 944 |
| | | - | - |
| 9 | Share premium | 14 | |
| | | 102 679 | 38 763 |
| 12 | Capital funds | 14 | |
| | | 2 396 568 | 1 303 535 |
| 14 | Retained earnings or accumulated loss brought forward | | |
| | | 24 362 | 3 438 |
| 15 | Profit or loss for the reporting period | | |
| | | (6 128) | 20 924 |
| Total liabilities | | 2 522 788 | 1 391 625 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--------------------------------------|--|------------|------------|
| OFF BALANCE SHEET ITEMS | | | |
| Off balance sheet assets | | | |
| 3 | Receivables from spot transactions | | |
| | | - | - |
| 4 | Receivables from fixed term operations | 17 | |
| | | 773 000 | 914 663 |
| 8 | Values placed under management | 22 | |
| | | 2 520 377 | 1 375 464 |
| Off balance sheet liabilities | | | |
| 11 | Payables from spot transactions | | |
| | | - | - |
| 12 | Payables from fixed term operations | 17 | |
| | | 774 127 | 923 877 |
| 15 | Values taken under management | 22 | |
| | | - | - |

Business name: Raiffeisen fond dluhopisových příležitostí

Seat: Hvězdova 1716/2b, Praha 4, 140 78

Corporate ID: 29146739

Principal activities: fund administration and management

Balance sheet date: 11.1.2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

| CZK thousand | Note | 2015 | 2014 |
|---|------|----------------|---------------|
| 1 Interest income and similar income | 3 | 28 300 | 16 547 |
| <i>of which: interest from debt securities</i> | | 28 262 | 16 525 |
| 3 Income from shares and equity investments | 4 | 10 248 | 10 |
| <i>c) other income from shares and equity investments</i> | | 10 248 | 10 |
| 4 Fees and commission income | 5 | 215 | - |
| 5 Fees and commission expenses | 6 | (21 313) | (9 695) |
| 6 Profit or loss from financial operations | 7 | (21 941) | 12 225 |
| 9 Administrative expenses | 8 | (97) | (85) |
| <i>b) other administrative expenses</i> | | (97) | (85) |
| 19 Profit or loss for the reporting period from ordinary activities before tax | | (4 588) | 19 002 |
| 23 Income tax | 20 | (1 540) | (1 583) |
| 24 Profit or loss for the reporting period after tax | | (6 128) | 17 419 |

Business name: Raiffeisen fond dluhopisových příležitostí
 Seat: Hvězdova 1716/2b, Praha 4, 140 78
 Corporate ID: 29146739
 Principal activities: fund administration and management
 Balance sheet date: 11.1.2016

STATEMENT OF CHANGES IN EQUITY
 as of 31 December 2015

| CZK thousand | Share premium | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|---------------|------------------|---|---------------|------------------|
| Balance at 1. 1. 2014 | 3 222 | 371 952 | - | 3 438 | 378 612 |
| Net profit/loss for the reporting period | - | - | - | 20 924 | 20 924 |
| Share certificates sold | 38 684 | 1 008 401 | - | - | 1 047 085 |
| Share certificates purchased | (3 143) | (76 818) | - | - | (79 961) |
| Transfer to funds | - | - | 3 438 | (3 438) | - |
| Balance at 31. 12. 2014 | 38 763 | 1 303 535 | 3 438 | 20 924 | 1 366 660 |

| CZK thousand | Share premium | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|----------------|------------------|---|----------------|------------------|
| Balance at 1. 1. 2015 | 38 763 | 1 303 535 | 3 438 | 20 924 | 1 366 660 |
| Net profit/loss for the reporting period | - | - | - | (6 128) | (6 128) |
| Share certificates sold | 79 613 | 1 365 226 | - | - | 1 444 839 |
| Share certificates purchased | (15 697) | (272 193) | - | - | (287 890) |
| Transfer to funds | - | - | 20 924 | (20 924) | - |
| Balance at 31. 12. 2015 | 102 679 | 2 396 568 | 24 362 | (6 128) | 2 517 481 |

1. GENERAL INFORMATION

(a) Fund characteristics

Fund emergence and characteristics

Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond, Raiffeisen investiční společnost a.s. (hereinafter the “Fund”) represents an accounting entity without legal personality managed by Raiffeisen investiční společnost a.s. (hereinafter the “Company”) pursuant to Act no. 240/2013 Coll., on management companies and investment funds (hereinafter the “Act”). The Fund was established as of 5 June 2013 based on the authorisation of the Czech National Bank to create a mutual fund, ref. no. 2013/6539/570 dated 5 June 2013. The Fund began its activity on 17 June 2013.

The fund is a standard securities fund in accordance with the Act, complying with all legal requirements of the European Communities.

Neither the number of issued share certificates nor the duration of the Fund are limited.

The Fund has no employees and all administration relating to the business activities of the Fund is supplied by the Company.

Information about the management company

The Fund assets are administered and managed by Raiffeisen investiční společnost a.s., Corporate ID 29146739, with its registered office at Hvězdova 1716/2b, Praha 4 – Nusle, 140 78. The Company was incorporated on 21 December 2012. The Company obtained operation authorisation based on Decision of the Czech National Bank No. 2013/4256/570 of 9 April 2013 which took effect on 9 April 2013.

The Company is a management company in the sense of the existing legislation and it acts in the capacity of a legal entity, which collects cash from both legal entities and natural persons (individuals), in order to use them to participate in business (collective investing).

Principal activity of the Company

Under the Act, the Company is authorised, in the scope of the authorisation of the Czech National Bank, to:

- Manage investment funds or foreign investment funds; and
- Administer investment funds or foreign investment funds.

Depository information

Depository services are provided by UniCredit Bank Czech Republic and Slovakia, a.s., Corporate ID 64948242, with its registered office at Želetavská 1525/1, Praha 4, 140 92 (hereinafter the “Depository”) under the Depository Agreement dated 6 February 2014.

(b) Basis for the Preparation of the Financial Statements

The financial statements have been prepared based on accounting records maintained in line with:

- Accounting Act No. 563/1991, as amended;
- Regulation No. 501/2002 issued by the Ministry of Finance, as amended; and
- Czech Accounting Standards for financial institutions as published by the Ministry of Finance.

The financial statements have been prepared in compliance with the accruals principle and historical prices, excluding selected financial instruments valued at fair value.

The financial statements are based on the going concern assumption and assuming that no facts exist that would restrict the Fund or prevent it from carrying out its activity in the foreseeable future.

The current reporting period of the Fund is the calendar year ended 31 December 2015. Data from the previous reporting period, i.e. the year ended 31 December 2014, is used as comparative data.

These financial statements are presented in thousands of Czech crowns ('CZK') unless stated otherwise. Figures in brackets are negative.

These financial statements are unconsolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Transaction Date

Depending on the transaction type, the transaction date is predominantly:

- Date of payment or receipt of money in circulation;
- Date of purchase or sale of foreign currency, foreign exchange or securities;
- Date of payment;
- Date of crediting (foreign currency) funds based on the account statement;
- Date of arrangement and settlement of spot transactions, namely purchase or sale of financial instruments or commodities with such a delivery date where the period between the trade date and the settlement date is no more than five days; and
- Trade date and settlement date of derivative transactions.

Spot transactions (i.e. purchases and sales of financial assets with a usual term of delivery) of the Fund are reported directly in the relevant asset or liability at the trade date.

The Fund will derecognise a financial asset or any part thereof from the balance sheet if control over the contractual rights to such a financial asset or any part thereof is lost. The loss of control occurs if the Company exercises its rights to contractual benefits, if such rights expire or should the Fund waive these rights.

If a financial liability or any part thereof expires (such as when a contractual obligation is met, cancelled or expires), the financial liability or a part thereof will no longer be recognised in the Fund's balance sheet. The difference between the carrying amount of the financial liability or a part thereof that has expired or has been transferred to another entity and the amount paid for the respective debt shall be reported through expenses or revenues as appropriate.

(b) Securities

In compliance with the Fund strategy, all securities have been classified as securities valued at their fair value. Securities are re-valued on a daily basis during the reporting period, pursuant to Decree no. 244/2013 Coll., of the Ministry of Finance of the Czech Republic, on detailed issues related to the Act on Management Companies and Investment Funds, as amended (hereinafter the "Decree"). Pursuant to the Decree, securities are valued at prices derived from public markets, which may be further adjusted in keeping with the provisions of the Decree. If no market price is available, such value shall be applied as determined according to valuation models based on discounted future cash flows according to the yield curve.

Upon their initial recognition, securities are valued at acquisition cost. Acquisition cost also includes direct transaction costs related to the acquisition of securities.

Interest income

The term 'interest income' means the following:

- a) as regards debt securities with coupon, the accrued coupon as determined in the issue terms and conditions and the accrued difference between the nominal value and the net acquisition cost, known as a premium or discount;

- b) as regards debt securities without coupon and bills of exchange, the accrued difference between the nominal value and the acquisition cost.

Interest income on debt securities is reported in the profit and loss account commencing on the purchase using the effective interest rate method.

Derecognition of securities

Upon sales of securities, the Fund values such securities disposals using the 'average price method'.

(c) Receivables and Provisions

Operating receivables are recognised at their nominal value net of provisions, if any. Bad debts are written off after the completion of the debtor's bankruptcy proceedings or when it is highly unlikely for the bad debt to be settled.

Provisions are recognised as expenses; the utilisation of a provision is recognised in the profit and loss account along with expenses or losses arising from asset disposals. The release of a provision due to redundancy is recognised in revenues.

(d) Financial derivatives

Derivatives are financial instruments meeting the following conditions:

- a) their fair value varies depending on changes in interest rates, security prices, commodity prices, foreign exchange rates, price indices, credit assessments (ratings) or indices, and/or depending on any other variables (so-called underlying assets);
- b) as compared to other types of contracts, which show similar responses to changing market conditions, they require little or no initial investments;
- c) they will be settled in the future and the period from the trade date to settlement exceeds that of spot transactions.

Derivatives are reported in the balance sheet at their fair values. Positive fair values of derivatives are reported in assets under 'Other assets'. Negative fair values of derivatives are reported in liabilities under 'Other liabilities'.

Fair value of financial derivatives is determined as the present value of future cash flows from these transactions. The present value is determined with the help of parameters identified on the active market, such as exchange rates, interest rates for a given maturity based on the yield curve, etc.

In the off-balance sheet, derivatives are reported at contractual undiscounted values of the underlying instrument under 'Receivables from fixed-term operations' and 'Payables from fixed-term operations'.

(e) Funds invested by shareholders

The Fund has no share capital. A share certificate has the nominal value of CZK 1. The nominal value of all share certificates is reported on the 'Capital funds' account.

Capital funds

The selling price of share certificates is determined as a ratio of the Fund's equity and the number of issued share certificates. Share certificates are sold to investors for selling prices determined on a daily basis.

Share premium

Share premium from the difference between the nominal value and selling price of share certificates is reported separately. The Fund accounts for share premium both at the moment of sale of share certificates and their re-purchase.

(f) Reserves

Reserves represent probable cash outflows of uncertain timing and amount. Reserves are charged to expenses in such amounts which are the best estimate of expenditures required in order to settle existing liabilities.

Reserves are created if the following criteria are met:

- a) A performance obligation (legal or constructive) exists as a result of past events;
- b) It is probable or certain that an event will occur and will require an outflow of resources representing economic benefits, where “probable” means probability greater than 50%; and
- c) It is possible to make a reliable estimate of such fulfilment.

(g) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate of the Czech National Bank effective on the date of the transaction.

Assets and liabilities denominated in foreign currencies along with foreign-currency spot transactions before their due dates are translated into the local currency using the exchange rate of the Czech National Bank effective at the balance sheet date. Any profit or loss resulting from the translation of assets and liabilities denominated in foreign currencies, excepting equity investments in foreign currencies, or items hedging against foreign currency risk arising from contracts not yet recognised in the Fund’s balance sheet, or from anticipated future transactions is recognised in the profit and loss account as “Profit or loss from financial operations”.

(h) Taxation

Tax payable

The corporate tax base is calculated from the profit for the current period before tax, increased by non-deductible expenses, less the revenues that are not subject to income tax, and further adjusted for tax allowances and relevant credits, if any. Based on valid tax regulations, corporate income tax for mutual funds amounts to 5%.

Deferred tax

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities, using the anticipated tax rate effective for the following period. A deferred tax assets will be only recognised if there is no doubt as to its recovery in the following reporting periods.

(i) Interest income and interest expense and dividend income

Interest income and interest expense are reported on an accrual basis.

Dividend income is reported on the effective date of entitlement to receive its payment (ex-dividend date). Dividend income from domestic securities is reported after the deduction of withholding tax.

Dividend income from foreign securities is reported prior to the deduction of withholding tax.

3. INTEREST INCOME AND SIMILAR INCOME

| CZK ‘000 | 2015 | 2014 |
|--|---------------|---------------|
| Interest from current accounts and fixed term deposits | 38 | 22 |
| Interest from debt securities | 28 262 | 16 525 |
| Total | 28 300 | 16 547 |

**Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond,
Raiffeisen investiční společnost a.s.**
Year Ended 31 December 2015

4. INCOME FROM SHARES AND EQUITY INVESTMENTS

The item 'Income from shares and equity investments' includes dividends amounting to CZK 10,248 thousand (2014: CZK 3,515 thousand).

5. FEES AND COMMISSION INCOME

The item 'Fees and commission income' includes the incentive received in relation to the investment in KAG funds in the amount of CZK 215 thousand (2014: CZK 0).

6. FEES AND COMMISSION EXPENSES

| CZK '000 | 2015 | 2014 |
|--|---------------|--------------|
| Management fee | 19 346 | 8 862 |
| Depository fee | 1 170 | 552 |
| Commission and fees from trade with securities | 100 | 36 |
| Securities administration | 514 | 205 |
| Other fees and commissions | 183 | 40 |
| Total | 21 313 | 9 695 |

The management fee paid by the Fund to the Company amounts, according to the Fund Prospectus, to 1% of the average annual value of the Fund equity.

Under the Depository Agreement, the Fund pays a fee in the amount of 0.05% of the average annual value of the Fund equity.

7. PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| CZK '000 | 2015 | 2014 |
|---|-----------------|---------------|
| Profit from securities valued at fair value | (25 646) | 10 115 |
| Profit from exchange rate differences | 11 944 | 42 774 |
| Loss from spot and fixed term transactions | (8 239) | (40 664) |
| Total | (21 941) | 12 225 |

Profit or loss from securities valued at fair value mainly represents daily revaluation of securities to fair value.

Profit or loss from exchange rate differences mainly represents both realised and unrealised exchange rate differences from revaluation of bond securities and balances on foreign currency current accounts.

Profit or loss from spot and fixed term transactions includes profit and loss from settlements of spot transactions and fixed term transactions with financial instruments as well as revaluation of open derivatives at fair value.

8. ADMINISTRATIVE EXPENSES

Administrative expenses include audit expenses in the amount of CZK 97 thousand (2014: CZK 85 thousand).

**Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond,
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Year Ended 31 December 2015**

9. TREASURY BONDS WITHOUT COUPON AND OTHER SECURITIES ACCEPTED BY THE CENTRAL BANK FOR REFINANCING

All securities held by the Fund are listed on Prague Stock Exchange or on foreign stock exchanges. All securities are included in the portfolio of securities at fair value.

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|----------------|---------------|
| Treasury bonds | 571 212 | 60 909 |
| Net book value | 571 212 | 60 909 |

10. RECEIVABLES FROM BANKS AND COOPERATIVE CREDIT UNIONS

Receivables from banks include current accounts maintained by Unicredit bank Czech Republic and Slovakia, a.s., amounting to CZK 177,304 thousand (2014: CZK 106,903 thousand).

Current accounts are payable upon request.

11. DEBT SECURITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|------------------|------------------|
| Bonds issued by government institutions | 262 613 | 257 324 |
| Bonds issued by other entities | 1 052 663 | 781 243 |
| Net book value | 1 315 276 | 1 038 567 |

12. SHARES, SHARE CERTIFICATES AND OTHER INVESTMENTS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|----------------|----------------|
| Share certificates | 456 586 | 183 610 |
| Net book value | 456 586 | 183 610 |

13. OTHER ASSETS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|--|--------------|--------------|
| Positive fair value of financial derivatives | - | 882 |
| Other receivables | 2 410 | 754 |
| Total | 2 410 | 1 636 |

14. EQUITY

As of 31 December 2015, 2,396,568,041 share certificates of the Fund have been issued (2014: 1,303,534,891).

The value of a share certificate as of the last business day of 2015 amounted to CZK 1.0508 (2014: 1.0465). This is the last value of a share certificate in the respective year for which purchases and repurchases of the Fund's share certificates were made.

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15. OTHER LIABILITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|--------------|---------------|
| Liabilities arising from shareholders' deposits | - | 12 025 |
| Negative fair values of derivatives | 1 450 | 10 118 |
| Other liabilities | 1 533 | 610 |
| Total | 2 983 | 22 753 |

16. ACCRUED EXPENSES AND DEFERRED INCOME

The item 'Accrued expenses' primarily includes the uninvoiced management fee for the month of December in the amount of CZK 2,099 thousand (2014: CZK 1,143 thousand).

17. FINANCIAL DERIVATIVES

Nominal value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|----------------|----------------|----------------|----------------|
| | Receivable | Payable | Receivable | Payable |
| Currency forwards | 773 000 | 774 127 | 914 663 | 923 877 |
| Total | 773 000 | 774 127 | 914 663 | 923 877 |

Off-balance sheet assets and liabilities represent the nominal (contractual) undiscounted values which are revalued by the Fund using CNB's exchange rate valid as of the financial statements date. All the above financial instruments were concluded on the inter-bank market (OTC).

Fair value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|-------------|--------------|-------------|---------------|
| | Positive | Negative | Positive | Negative |
| Currency forwards | - | 1 450 | 882 | 10 118 |
| Total | - | 1 450 | 882 | 10 118 |

All currency derivatives mature within one year.

18. RESERVES

| CZK '000 | Income tax | Total reserves |
|------------------------------------|------------|----------------|
| Balance at 1 January 2015 | 944 | 944 |
| Creation | - | - |
| Usage | (944) | (944) |
| Balance at 31 December 2015 | - | - |

The Fund creates the income tax reserve because the financial statements are prepared prior to the date of determining the tax liability. In the following reporting period, the Fund will release the reserve and account for the established tax liability.

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19. PROPOSED LOSS SETTLEMENT

The Company's Board of Directors proposes the settlement of loss for 2015 as follows:

| CZK '000 | Profit / loss | Retained earnings or accumulated loss brought forward |
|--|---------------|--|
| Balance at 31 December 2015 prior to the allocation of the loss for 2015 | - | 24 362 |
| Loss for 2015 | (6 128) | |
| Proposed loss settlement for 2015: | | |
| Transfer to accumulated loss | 6 128 | (6 128) |
| Total | - | 18 234 |

20. INCOME TAXATION

(a) Income Tax

| CZK '000 | 2015 | 2014 |
|--|--------------|--------------|
| Tax payable for the current period | - | 944 |
| Tax rebates/supplementary payments for the previous period | 6 | - |
| Withholding tax | 1 534 | 639 |
| Total | 1 540 | 1 583 |

(b) Income Tax – Tax Analysis

| CZK '000 | 2015 | 2014 |
|--|--------------|--------------|
| Profit or loss for the period before tax | (4 588) | 22 507 |
| Revenues that are not subject to tax | (10 248) | (3 515) |
| Tax non-deductible expenses | - | - |
| Other items | - | - |
| Subtotal | (14 836) | 18 992 |
| Tax calculated using the 5% tax rate (for 2014: 5%) | - | 944 |
| Tax relief applied | - | - |
| Withholding tax | 1 534 | 639 |
| Tax correction for the previous period | 6 | - |
| Total | 1 540 | 1 583 |

21. RELATED PARTY TRANSACTIONS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|-------------|-------------|
| Assets | | |
| Incentive related to investments in KAG funds | 101 | - |
| Liabilities | | |
| Management fee payable to the Company | 2 099 | 1 143 |

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| CZK '000 | 2015 | 2014 |
|---|-------------|-------------|
| Expenses | | |
| Management fee payable to the Company | 19 345 | 8 862 |
| Income | | |
| Incentive related to investments in KAG funds | 215 | - |
| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
| Off-balance sheet assets | | |
| Values placed under management | 2 520 377 | 1 375 464 |

22. VALUES PLACED UNDER MANAGEMENT

The Fund has all its assets managed by the Company. The item entitled 'Values placed under management' covers both foreign and local securities, term deposits as well as current account balances.

23. FINANCIAL INSTRUMENTS – MARKET RISK

The Fund is exposed to market risks arising from open positions in interest rate, equity and currency instruments that are sensitive to changes in financial market conditions.

(a) Risk management

The basic risk management instrument is represented by imposing limits on the ratio of different types of financial instruments in the portfolio, which are determined in accordance with legal requirements, the Fund Prospectus, and its investment strategy. The key risks, which are evaluated on a daily basis, include foreign currency exposures and sensitivity to interest rate fluctuations.

Market risks are measured using the Value at Risk ("VaR") method. Value at Risk represents a potential loss resulting from unfavourable developments on the market within a certain time period and at a certain level of reliability. The 'Value at Risk' is measured on the basis of a one-year holding period and a 95% reliability level.

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(b) Liquidity risk

‘Liquidity risk’ represents the risk that the Fund will not have sufficient cash resources to meet its commitments associated with its financial contracts. Liquidity is monitored and managed on the basis of expected cash flows; in this context, the structure of the securities and the term deposits portfolio is adjusted.

Residual maturity of the Fund’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--|-----------------------|-------------------------------|---------------------------|----------------------|--------------------|------------------|
| As of 31 December 2015 | | | | | | |
| Treasury bonds without coupon and other securities | - | 2 969 | 73 793 | 494 450 | - | 571 212 |
| Receivables from banks | 177 304 | - | - | - | - | 177 304 |
| Debt securities | 14 797 | 122 986 | 1 011 149 | 166 344 | - | 1 315 276 |
| Share certificates | - | - | - | - | 456 586 | 456 586 |
| Other assets | 2 410 | - | - | - | - | 2 410 |
| Total | 194 511 | 125 955 | 1 084 942 | 660 794 | 456 586 | 2 522 788 |
| Other liabilities | 2 984 | - | - | - | - | 2 984 |
| Accrued/deferred income and expenses | 2 324 | - | - | - | - | 2 324 |
| Reserves | - | - | - | - | - | - |
| Equity | - | - | - | - | 2 517 480 | 2 517 480 |
| Total | 5 308 | - | - | - | 2 517 480 | 2 522 788 |
| GAP | 189 203 | 125 955 | 1 084 942 | 660 794 | (2 060 894) | - |
| Cumulative GAP | 189 203 | 315 158 | 1 400 100 | 2 060 894 | - | - |

Residual maturity of the Company’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--|-----------------------|-------------------------------|---------------------------|----------------------|--------------------|------------------|
| As of 31 December 2014 | | | | | | |
| Treasury bonds without coupon and other securities | - | 611 | 5 311 | 54 987 | - | 60 909 |
| Receivables from banks | 106 903 | - | - | - | - | 106 903 |
| Debt securities | 14 497 | 88 896 | 798 334 | 136 840 | - | 1 038 567 |
| Share certificates | - | - | - | - | 183 610 | 183 610 |
| Other assets | 1 636 | - | - | - | - | 1 636 |
| Total | 123 036 | 89 507 | 803 645 | 191 827 | 183 610 | 1 391 625 |
| Other liabilities | 22 753 | - | - | - | - | 22 753 |
| Accrued/deferred income and expenses | 1 268 | - | - | - | - | 1 268 |
| Reserves | - | 944 | - | - | - | 944 |
| Equity | - | - | - | - | 1 366 660 | 1 366 660 |
| Total | 24 021 | 944 | - | - | 1 366 660 | 1 391 625 |
| GAP | 99 015 | 88 563 | 803 645 | 191 827 | (1 183 050) | - |
| Cumulative GAP | 99 015 | 187 578 | 991 223 | 1 183 050 | - | - |

The above tables show residual maturities of the book values of the individual financial instruments, rather than of all cash flows resulting from such instruments.

Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond,
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(c) **Interest rate risk**

The Fund is exposed to interest rate risk due to the impacts of fluctuations of the current interest rates on the market. On account of such changes, the fair value and income from financial assets may both increase and decrease.

The table below provides a summary of the mismatch between the Fund's assets and liabilities that are interest-rate sensitive. The table below includes data about the extent of Fund's interest rate risk based on the contractual maturity of the financial instruments.

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|-------------------------------|------------------------------|----------------------|------------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupons and other securities | - | 263 895 | 5 315 | 302 002 | 571 212 |
| Receivables from banks | 177 304 | - | - | - | 177 304 |
| Debt securities | 237 862 | 124 636 | 800 286 | 152 491 | 1 315 276 |
| Total | 415 166 | 388 531 | 805 601 | 454 493 | 2 063 791 |

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|-------------------------------|------------------------------|----------------------|------------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupons and other securities | - | 40 442 | 5 324 | 15 143 | 60 909 |
| Receivables from banks | 106 903 | - | - | - | 106 903 |
| Debt securities | 125 452 | 83 825 | 706 567 | 122 723 | 1 038 567 |
| Total | 232 355 | 124 267 | 711 891 | 137 866 | 1 206 379 |

The above summary only includes interest-rate sensitive assets and liabilities and, therefore, it is not identical to the values presented in the Fund's balance sheet.

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(d) **Currency risk**

Financial position and cash flows are affected by the fluctuations of the valid exchange rate of foreign currencies. Both realised and unrealised foreign exchange profit and loss is reported directly in the profit and loss account. The foreign exchange positions of the Fund in the most significant currencies are as follows:

Foreign exchange positions of the Fund

| CZK '000 | EUR | PLN | USD | CZK | Total |
|--|----------------|---------------|----------------|--------------------|------------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupon and other securities | - | - | - | 571 212 | 571 212 |
| Receivables from banks | 793 | 1 588 | 28 020 | 146 903 | 177 304 |
| Debt securities | 542 754 | 37 283 | 283 807 | 451 432 | 1 315 276 |
| Shares, share certificates and other investments | 305 492 | - | 151 094 | - | 456 586 |
| Other assets | - | - | 1 973 | 437 | 2 410 |
| Total | 849 039 | 38 871 | 464 894 | 1 169 984 | 2 522 788 |
| Other liabilities | 1 002 | - | 448 | 1 534 | 2 984 |
| Accrued/deferred income and expenses | - | - | - | 2 324 | 2 324 |
| Reserves | - | - | - | - | - |
| Equity | - | - | - | 2 517 480 | 2 517 480 |
| Total | 1 002 | - | 448 | 2 521 338 | 2 522 788 |
| Long off-balance instruments positions | - | - | - | 773 | 773 |
| Short off-balance instruments positions | 513 475 | - | 260 652 | - | 774 127 |
| Net foreign exchange position | 334 562 | 38 871 | 203 794 | (1 350 581) | - |

Foreign exchange positions of the Fund

| CZK '000 | EUR | PLN | USD | CZK | Total |
|--|----------------|--------------|----------------|------------------|------------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupon and other securities | - | - | - | 60 909 | 60 909 |
| Receivables from banks | 212 | 497 | 63 284 | 42 910 | 106 903 |
| Debt securities | 524 696 | 6 372 | 269 676 | 237 823 | 1 038 567 |
| Shares, share certificates and other investments | 78 116 | - | 105 494 | - | 183 610 |
| Other assets | - | - | 341 | 1 295 | 1 636 |
| Total | 603 024 | 6 869 | 438 795 | 342 937 | 1 391 625 |
| Other liabilities | 1 443 | - | 8 675 | 12 635 | 22 753 |
| Accrued/deferred income and expenses | - | - | - | 1 268 | 1 268 |
| Reserves | - | - | - | 944 | 944 |
| Equity | - | - | - | 1 366 660 | 1 366 660 |
| Total | 1 443 | - | 8 675 | 1 381 507 | 1 391 625 |
| Long off-balance instruments positions | - | - | - | 914 663 | 914 663 |
| Short off-balance instruments positions | 602 603 | - | 321 274 | - | 923 877 |
| Net foreign exchange position | (1 022) | 6 869 | 108 846 | (123 907) | - |

24. FINANCIAL INSTRUMENTS – CREDIT RISK

Credit risk represents the risk of financial loss the Fund faces if the counterparty in a financial instrument transaction does not meet its contractual obligations. Fund investments are implemented so that the rating structure of the securities complies with the Fund Prospectus and its investment strategy. Credit risk management includes the monitoring of diversification of investments in terms of their geographical distribution and in terms of exposure of individual issuers to credit risk.

Distribution of assets based on geographical segments

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|------------------|------------------|--------------------------|----------------|------------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupon and other securities | 571 212 | 0 | 0 | 0 | 571 212 |
| Receivables from banks | 177 304 | 0 | 0 | 0 | 177 304 |
| Debt securities | 253 589 | 718 429 | 26 192 | 317 066 | 1 315 276 |
| Shares, share certificates and other investments | 0 | 305 492 | 0 | 151 094 | 456 586 |
| Other assets | 2 410 | 0 | 0 | 0 | 2 410 |
| Total | 1 004 515 | 1 023 921 | 26 192 | 468 160 | 2 522 788 |

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|----------------|----------------|--------------------------|----------------|------------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupon and other securities | 60 909 | 0 | 0 | 0 | 60 909 |
| Receivables from banks | 106 903 | 0 | 0 | 0 | 106 903 |
| Debt securities | 108 145 | 557 462 | 95 447 | 277 513 | 1 038 567 |
| Shares, share certificates and other investments | 0 | 78 117 | 0 | 105 493 | 183 610 |
| Other assets | 1 636 | 0 | 0 | 0 | 1 636 |
| Total | 277 593 | 635 579 | 95 447 | 383 006 | 1 391 625 |

Distribution of securities based on the issuer

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|------------------|------------------|
| Issued by financial institution | 515 508 | 418 133 |
| Issued by collective investment funds | 456 586 | 183 610 |
| Issued by non-financial institutions | 537 155 | 363 110 |
| Issued by government institutions | 833 825 | 318 233 |
| Total | 2 343 074 | 1 283 086 |

25. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date on 31 December 2015 that would have a significant impact on the financial statements of the Fund.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Identification number: 291 46 739

We have audited the accompanying financial statements of Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond, Raiffeisen investiční společnost a.s. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015, the profit and loss account and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of Raiffeisen investiční společnost a.s. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond, Raiffeisen investiční společnost a.s. as of 31 December 2015, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The financial statements of Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond, Raiffeisen investiční společnost a.s. for the prior year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2015.

Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 25 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Diana Rádí Rogerová
registration no. 2045



**Raiffeisen chráněný fond ekonomických cyklů, open-ended mutual fund,
Raiffeisen investiční společnost a.s.**

| | |
|----------------------------------|------------------------|
| Denomination: | CZK |
| ISIN: | CZ0008474038 |
| Share certificate nominal value: | CZK 1 |
| Fund format: | open-ended mutual fund |
| Typ fondu: | mixed fund |
| Date of incorporation: | 14 June 2013 |

The underlying assets of Raiffeisen chráněný fond ekonomických cyklů in 2015 remained allocated in particular in medium-term Czech treasury bonds with duration (simply speaking: the average term to maturity) of approximately 2.5 years. To a lesser extent, investments were made in corporate bonds with creditworthiness in the so-called “investment rating” range (i.e., BBB-/Baa3 rating and higher). Roughly a tenth of the fund assets have been invested in instruments bearing equity risks, while the regional allocation of the share portion remains global.

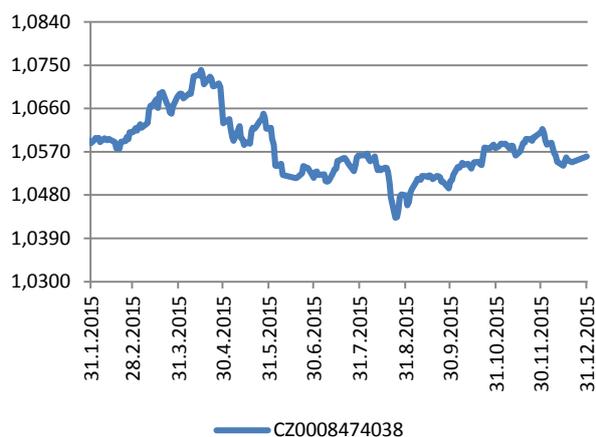
No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010 (hereinafter the “AIFMD Directive”), as specified in the Prospectus.

| Financial indicators | 31 December 2015 | 31 December 2014 | 31 December 2013 |
|---|-------------------------|-------------------------|-------------------------|
| Mutual fund equity, in CZK ‘000 | 3 763 637 | 2 388 840 | 787 800 |
| Equity per share certificate, in CZK | 1.056 | 1.0476 | 1.0211 |
| Profit/loss after tax, in CZK ‘000 | 14 185 | 46 339 | 9 652 |
| Number of share certificates, in pieces | 3 563 899 088 | 2 280 376 183 | 772 078 426 |

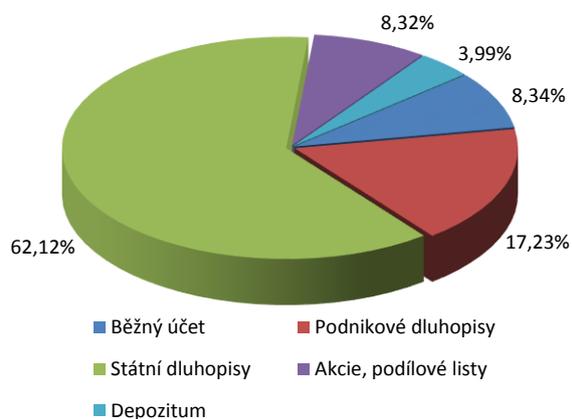
Number of share certificates issued and redeemed in 2015

| Issued share certificates | | Redeemed share certificates | | BALANCE (+/-) | |
|----------------------------------|--------------------|------------------------------------|--------------------|----------------------|--------------------|
| in pieces | in CZK ‘000 | in pieces | in CZK ‘000 | in pieces | in CZK ‘000 |
| 1 663 191 075 | 1 761 993 | 379 668 170 | 401 381 | 1 283 522 905 | 1 360 612 |

Share certificate value curve



Asset composition



Legend: Current account Corporate bonds
 Treasury bonds Shares, share certificates
 Deposit

List of securities held in excess of 1% as of 31 December 2015

| COUNTRY | ISIN | SECURITY NAME | PURCHASE PRICE in CZK '000 | FAIR VALUE in CZK '000 | STAKE IN ASSETS in % |
|--------------|--------------|----------------------------|-------------------------------|---------------------------|-------------------------|
| CZ | CZ0001003834 | CZGB 1,50/19 | 422 290 | 436 864 | 11.60 |
| CZ | CZ0001001317 | CZGB 3,75 09/12/20 | 321 933 | 321 557 | 8.54 |
| CZ | CZ0001002851 | CZGB 3,85 09/29/21 | 245 501 | 246 256 | 6.54 |
| CZ | CZ0001004246 | CZGB 0,85 03/17/18 | 234 907 | 237 220 | 6.30 |
| CZ | CZ0001003123 | CZGB Float 04/18/23 | 172 397 | 175 377 | 4.66 |
| CZ | CZ0001002471 | CZGB 5 04/11/19 | 168 009 | 169 064 | 4.49 |
| CZ | CZ0001000822 | CZGB 4,6 08/18/18 | 162 821 | 160 335 | 4.26 |
| CZ | CZ0001004113 | CZGB Float 12/09/20 | 153 014 | 156 095 | 4.14 |
| CZ | CZ0002002520 | UNICZ 6 04/27/18 | 138 532 | 140 568 | 3.73 |
| CZ | CZ0001004253 | CZGB 2,4 09/17/25 | 115 251 | 118 639 | 3.15 |
| CZ | CZ0001001903 | CZGB 4,00/17 | 106 622 | 105 447 | 2.80 |
| AT | AT0000A1GD94 | HYPONOE G. Float 09/16/20 | 100 026 | 101 200 | 2.69 |
| CZ | CZ0001003842 | CZGB 0,5/16 | 94 711 | 95 868 | 2.55 |
| CZ | CZ0001000749 | CZGB 6,95/16 | 69 276 | 64 180 | 1.70 |
| NL | XS1241115440 | LPTY 0,88 06/02/20 | 60 000 | 60 381 | 1.60 |
| CZ | CZ0001003438 | CZGB Float 07/23/17 | 51 306 | 51 505 | 1.37 |
| US | US78462F1030 | SPDR S&P 500 ETF Trust | 41 972 | 50 609 | 1.34 |
| CZ | XS1090620730 | NETGAS 2,25 01/28/21 | 42 675 | 45 398 | 1.21 |
| DE | DE0005933956 | iShares EURO STOXX 50 (DE) | 41 878 | 41 231 | 1.09 |
| AT | AT0000A1AU6 | ERSTBK Float 12/02/19 | 40 161 | 40 507 | 1.08 |
| AT | AT0000A14QE4 | ERSTBK Float 01/28/19 | 40 001 | 40 308 | 1.07 |
| FR | FR0011734961 | BPCEGP Float 02/14/19 | 40 001 | 40 161 | 1.07 |
| AT | AT000B119839 | ERSTBK Float 09/20/16 | 40 141 | 40 145 | 1.07 |
| CZ | CZ0003511529 | CETELEM Float 10/08/2019 | 39 001 | 39 356 | 1.04 |
| Total | | | 2 942 422 | 2 978 272 | 79.07 |

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: Raiffeisen chráněný fond ekonomických cyklů,
otevřený podílový fond, Raiffeisen investiční
společnost a.s.

Registered Office: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle

Corporate ID: 291 46 739

Components of the Financial Statements:

Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Notes to the Financial Statements

These financial statements were prepared on 13 February 2016.

| Statutory body of the reporting entity: | Signature |
|--|--|
| On behalf of the statutory body: Ing. Jaromír Sladkovský Ing. Michal Ondruška |  |
| Individual in charge of the accounting records: Ing. Petra Tomisová |  |

Business name: Raiffeisen chráněný fond ekonomických cyklů
 Seat: Hvězdova 1716/2b, Praha 4, 140 78
 Corporate ID: 29146739
 Principal activities: fund administration and management
 Balance sheet date: 11.1.2016

BALANCE SHEET
as of 31 December 2015

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--|------|------------------|------------------|
| ASSETS | | | |
| 2 | 9 | | |
| Treasury bonds and other securities accepted by the central bank for refinancing | | 2 338 406 | 1 723 312 |
| <i>of which a) issued by government institutions</i> | | 2 338 406 | 1 723 312 |
| <i>b) other</i> | | - | - |
| 3 | 10 | | |
| Receivables from banks and cooperative credit unions | | 464 051 | 179 067 |
| <i>of which a) payable upon request</i> | | 314 003 | 179 067 |
| <i>b) other receivables</i> | | 150 048 | - |
| 5 | 11 | | |
| Debt securities | | 648 699 | 296 730 |
| <i>of which a) issued by government institutions</i> | | - | - |
| <i>b) issued by other entities</i> | | 648 699 | 296 730 |
| 6 | 12 | | |
| Shares, share certificates and other investments | | 313 219 | 207 870 |
| <i>of which a) shares</i> | | 70 639 | - |
| <i>b) share certificates</i> | | 242 580 | 207 870 |
| 11 | 13 | | |
| Other assets | | 2 374 | 858 |
| <i>of which derivatives</i> | | - | - |
| Total assets | | 3 766 749 | 2 407 837 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|---|------|------------------|------------------|
| LIABILITIES | | | |
| 4 | 15 | | |
| Other liabilities | | 702 | 15 461 |
| <i>of which derivatives</i> | | 9 | - |
| 5 | 16 | | |
| Accrued expenses and deferred income | | 1 860 | 1 178 |
| 6 | 18 | | |
| Reserves | | 550 | 2 358 |
| <i>b) tax</i> | | 550 | 2 358 |
| <i>c) other</i> | | - | - |
| 9 | 14 | | |
| Share premium | | 129 562 | 52 473 |
| 12 | 14 | | |
| Capital funds | | 3 563 899 | 2 280 376 |
| 14 | | | |
| Retained earnings or accumulated loss brought forward | | 55 991 | 9 652 |
| 15 | | | |
| Profit or loss for the reporting period | | 14 185 | 46 339 |
| Total liabilities | | 3 766 749 | 2 407 837 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--|------|------------|------------|
| OFF BALANCE SHEET ITEMS | | | |
| Off balance sheet assets | | | |
| 3 | | | |
| Receivables from spot transactions | | - | - |
| 4 | 17 | | |
| Receivables from fixed term operations | | 4 956 | - |
| 8 | 22 | | |
| Values placed under management | | 3 764 376 | 2 389 162 |
| Off balance sheet liabilities | | | |
| 11 | | | |
| Payables from spot transactions | | - | - |
| 12 | 17 | | |
| Payables from fixed term operations | | 4 965 | - |
| 15 | 22 | | |
| Values taken under management | | - | - |

Business name: Raiffeisen chráněný fond ekonomických cyklů
 Seat: Hvězdova 1716/2b, Praha 4, 140 78
 Corporate ID: 29146739
 Principal activities: fund administration and management
 Balance sheet date: 11.1.2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

| CZK thousand | | 2015 | 2014 |
|--------------|--|---------------|---------------|
| 1 | Interest income and similar income | 15 921 | 11 861 |
| | <i>of which: interest from debt securities</i> | <i>15 792</i> | <i>11 783</i> |
| 3 | Income from shares and equity investments | 4 373 | 1 811 |
| | <i>c) other income from shares and equity investments</i> | <i>4 373</i> | <i>1 811</i> |
| 4 | Fees and commission income | 29 | - |
| 5 | Fees and commission expenses | (18 757) | (10 082) |
| 6 | Profit or loss from financial operations | 13 939 | 45 482 |
| 9 | Administrative expenses | (97) | (85) |
| | <i>b) other administrative expenses</i> | <i>(97)</i> | <i>(85)</i> |
| 19 | Profit or loss for the reporting period from ordinary activities before tax | 15 408 | 48 987 |
| 23 | Income tax | (1 223) | (2 648) |
| 24 | Profit or loss for the reporting period after tax | 14 185 | 46 339 |

Business name: Raiffeisen chráněný fond ekonomických cyklů
 Seat: Hvězdova 1716/2b, Praha 4, 140 78
 Corporate ID: 29146739
 Principal activities: fund administration and management
 Balance sheet date: 11.1.2016

STATEMENT OF CHANGES IN EQUITY
as of 31 December 2015

| CZK thousand | Share premium | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|---------------|------------------|---|---------------|------------------|
| Balance at 1. 1. 2014 | 6 070 | 772 078 | - | 9 652 | 787 800 |
| Net profit/loss for the reporting period | - | - | - | 46 339 | 46 339 |
| Share certificates sold | 52 544 | 1 678 222 | - | - | 1 730 766 |
| Share certificates purchased | (6 141) | (169 924) | - | - | (176 065) |
| Transfer to funds | - | - | 9 652 | (9 652) | - |
| Balance at 31. 12. 2014 | 52 473 | 2 280 376 | 9 652 | 46 339 | 2 388 840 |

| CZK thousand | Share premium | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|----------------|------------------|---|---------------|------------------|
| Balance at 1. 1. 2015 | 52 473 | 2 280 376 | 9 652 | 46 339 | 2 388 840 |
| Net profit/loss for the reporting period | - | - | - | 14 185 | 14 185 |
| Share certificates sold | 98 802 | 1 663 191 | - | - | 1 761 993 |
| Share certificates purchased | (21 713) | (379 668) | - | - | (401 381) |
| Transfer to funds | - | - | 46 339 | (46 339) | - |
| Balance at 31. 12. 2015 | 129 562 | 3 563 899 | 55 991 | 14 185 | 3 763 637 |

1. GENERAL INFORMATION

(a) Fund characteristics

Fund emergence and characteristics

Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond, Raiffeisen investiční společnost a.s. (hereinafter the “Fund”) represents an accounting entity without legal personality managed by Raiffeisen investiční společnost a.s. (hereinafter the “Company”) pursuant to Act no. 240/2013 Coll., on management companies and investment funds (hereinafter the “Act”). The Fund was established as of 14 June 2013 based on the authorisation of the Czech National Bank to create a mutual fund, ref. no. 2013/6981/570 dated 14 June 2013. The Fund began its activity on 17 June 2013.

The fund is a special securities fund in accordance with the Act, complying with all legal requirements of the European Communities.

Neither the number of issued share certificates nor the duration of the Fund are limited.

The Fund has no employees and all administration relating to the business activities of the Fund is supplied by the Company.

Information about the management company

The Fund assets are administered and managed by Raiffeisen investiční společnost a.s., Corporate ID 29146739, with its registered office at Hvězdova 1716/2b, Praha 4 – Nusle, 140 78. The Company was incorporated on 21 December 2012. The Company obtained operation authorisation based on Decision of the Czech National Bank No. 2013/4256/570 of 9 April 2013 which took effect on 9 April 2013.

The Company is a management company in the sense of the existing legislation and it acts in the capacity of a legal entity, which collects cash from both legal entities and natural persons (individuals), in order to use them to participate in business (collective investing).

Principal activity of the Company

Under the Act, the Company is authorised, in the scope of the authorisation of the Czech National Bank, to:

- Manage investment funds or foreign investment funds; and
- Administer investment funds or foreign investment funds.

Depository information

Since 6 February, depository services have been provided by UniCredit Bank Czech Republic and Slovakia, a.s., Corporate ID 64948242, with its registered office at Želetavská 1525/1, Praha 4, 140 92 (hereinafter the “Depository”) under the Depository Agreement dated 6 February 2014.

(b) Basis for the Preparation of the Financial Statements

The financial statements have been prepared based on accounting records maintained in line with:

- Accounting Act No. 563/1991, as amended;
- Regulation No. 501/2002 issued by the Ministry of Finance, as amended; and
- Czech Accounting Standards for financial institutions as published by the Ministry of Finance.

The financial statements have been prepared in compliance with the accruals principle and historical prices, excluding selected financial instruments valued at fair value.

The financial statements are based on the going concern assumption and assuming that no facts exist that would restrict the Fund or prevent it from carrying out its activity in the foreseeable future.

The current reporting period of the Fund is the calendar year ended 31 December 2015. Data from the previous reporting period, i.e. the year ended 31 December 2014, is used as comparative data.

These financial statements are presented in thousands of Czech crowns ('CZK') unless stated otherwise. Figures in brackets are negative.

These financial statements are unconsolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Transaction Date

Depending on the transaction type, the transaction date is predominantly:

- Date of payment or receipt of money in circulation;
- Date of purchase or sale of foreign currency, foreign exchange or securities;
- Date of payment;
- Date of crediting (foreign currency) funds based on the account statement;
- Date of arrangement and settlement of spot transactions, namely purchase or sale of financial instruments or commodities with such a delivery date where the period between the trade date and the settlement date is no more than five days; and
- Trade date and settlement date of derivative transactions.

Spot transactions (i.e. purchases and sales of financial assets with a usual term of delivery) of the Fund are reported directly in the relevant asset or liability at the trade date.

The Fund will derecognise a financial asset or any part thereof from the balance sheet if control over the contractual rights to such a financial asset or any part thereof is lost. The loss of control occurs if the Company exercises its rights to contractual benefits, if such rights expire or should the Fund waive these rights.

If a financial liability or any part thereof expires (such as when a contractual obligation is met, cancelled or expires), the financial liability or a part thereof will no longer be recognised in the Fund's balance sheet. The difference between the carrying amount of the financial liability or a part thereof that has expired or has been transferred to another entity and the amount paid for the respective debt shall be reported through expenses or revenues as appropriate.

(b) Securities

In compliance with the Fund strategy, all securities have been classified as securities valued at their fair value. Securities are re-valued on a daily basis during the reporting period, pursuant to Decree no. 244/2013 Coll., of the Ministry of Finance of the Czech Republic, on detailed issues related to the Act on Management Companies and Investment Funds, as amended (hereinafter the "Decree"). Pursuant to the Decree, securities are valued at prices derived from public markets, which may be further adjusted in keeping with the provisions of the Decree. If no market price is available, such value shall be applied as determined according to valuation models based on discounted future cash flows according to the yield curve.

Upon their initial recognition, securities are valued at acquisition cost. Acquisition cost also includes direct transaction costs related to the acquisition of securities.

Interest income

The term 'interest income' means the following:

- a) as regards debt securities with coupon, the accrued coupon as determined in the issue terms and conditions and the accrued difference between the nominal value and the net acquisition cost, known as a premium or discount;

- b) as regards debt securities without coupon and bills of exchange, the accrued difference between the nominal value and the acquisition cost.

Interest income on debt securities is reported in the profit and loss account commencing on the purchase using the effective interest rate method.

Derecognition of securities

Upon sales of securities, the Fund values such securities disposals using the 'average price method'.

(c) Receivables and Provisions

Operating receivables are recognised at their nominal value net of provisions, if any. Bad debts are written off after the completion of the debtor's bankruptcy proceedings or when it is highly unlikely for the bad debt to be settled.

Provisions are recognised as expenses; the utilisation of a provision is recognised in the profit and loss account along with expenses or losses arising from asset disposals. The release of a provision due to redundancy is recognised in revenues.

(d) Financial derivatives

Derivatives are financial instruments meeting the following conditions:

- a) their fair value varies depending on changes in interest rates, security prices, commodity prices, foreign exchange rates, price indices, credit assessments (ratings) or indices, and/or depending on any other variables (so-called underlying assets);
- b) as compared to other types of contracts, which show similar responses to changing market conditions, they require little or no initial investments;
- c) they will be settled in the future and the period from the trade date to settlement exceeds that of spot transactions.

Derivatives are reported in the balance sheet at their fair values. Positive fair values of derivatives are reported in assets under 'Other assets'. Negative fair values of derivatives are reported in liabilities under 'Other liabilities'.

Fair value of financial derivatives is determined as the present value of future cash flows from these transactions. The present value is determined with the help of parameters identified on the active market, such as exchange rates, interest rates for a given maturity based on the yield curve, etc.

In the off-balance sheet, derivatives are reported at contractual undiscounted values of the underlying instrument under 'Receivables from fixed-term operations' and 'Payables from fixed-term operations'.

(e) Funds invested by shareholders

The Fund has no share capital. A share certificate has the nominal value of CZK 1. The nominal value of all share certificates is reported on the 'Capital funds' account.

Capital funds

The selling price of share certificates is determined as a ratio of the Fund's equity and the number of issued share certificates. Share certificates are sold to investors for selling prices determined on a daily basis.

Share premium

Share premium from the difference between the nominal value and selling price of share certificates is reported separately. The Fund accounts for share premium both at the moment of sale of share certificates and their re-purchase.

(f) Reserves

Reserves represent probable cash outflows of uncertain timing and amount. Reserves are charged to expenses in such amounts which are the best estimate of expenditures required in order to settle existing liabilities.

Reserves are created if the following criteria are met:

- a) A performance obligation (legal or constructive) exists as a result of past events;
- b) It is probable or certain that an event will occur and will require an outflow of resources representing economic benefits, where “probable” means probability greater than 50%; and
- c) It is possible to make a reliable estimate of such fulfilment.

(g) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate of the Czech National Bank effective on the date of the transaction.

Assets and liabilities denominated in foreign currencies along with foreign-currency spot transactions before their due dates are translated into the local currency using the exchange rate of the Czech National Bank effective at the balance sheet date. Any profit or loss resulting from the translation of assets and liabilities denominated in foreign currencies, excepting equity investments in foreign currencies, or items hedging against foreign currency risk arising from contracts not yet recognised in the Fund’s balance sheet, or from anticipated future transactions is recognised in the profit and loss account as “Profit or loss from financial operations”.

(h) Taxation

Tax payable

The corporate tax base is calculated from the profit for the current period before tax, increased by non-deductible expenses, less the revenues that are not subject to income tax, and further adjusted for tax allowances and relevant credits, if any. Based on valid tax regulations, corporate income tax for mutual funds amounts to 5%.

Deferred tax

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities, using the anticipated tax rate effective for the following period. A deferred tax assets will be only recognised if there is no doubt as to its recovery in the following reporting periods.

(i) Interest income and interest expense and dividend income

Interest income and interest expense are reported on an accrual basis.

Dividend income is reported on the effective date of entitlement to receive its payment (ex-dividend date). Dividend income from domestic securities is reported after the deduction of withholding tax.

Dividend income from foreign securities is reported prior to the deduction of withholding tax.

3. INTEREST INCOME AND SIMILAR INCOME

| CZK ‘000 | 2015 | 2014 |
|--|---------------|---------------|
| Interest from current accounts and fixed term deposits | 129 | 78 |
| Interest from debt securities | 15 792 | 11 783 |
| Total | 15 921 | 11 861 |

Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

4. INCOME FROM SHARES AND EQUITY INVESTMENTS

The item 'Income from shares and equity investments' includes dividends amounting to CZK 4,373 thousand (2014: CZK 1,811 thousand).

5. FEES AND COMMISSION INCOME

The item 'Fees and commission income' includes the incentive received in relation to the investment in KAG funds in the amount of CZK 29 thousand (2014: CZK 0).

6. FEES AND COMMISSION EXPENSES

| CZK '000 | 2015 | 2014 |
|----------------------------|---------------|---------------|
| Management fee | 15 993 | 8 664 |
| Depository fee | 1 935 | 1 085 |
| Securities administration | 561 | 280 |
| Other fees and commissions | 268 | 53 |
| Total | 18 757 | 10 082 |

The management fee paid by the Fund to the Company amounts, according to the Fund Prospectus, to 0.5% of the average annual value of the Fund equity.

Under the Depository Agreement, the Fund pays a fee in the amount of 0.05% of the average annual value of the Fund equity.

7. PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| CZK '000 | 2015 | 2014 |
|--|---------------|---------------|
| Profit from securities valued at fair value | 7 814 | 42 713 |
| Profit from exchange rate differences | 2 418 | 2 464 |
| Profit from spot and fixed term transactions | 3 707 | 305 |
| Total | 13 939 | 45 482 |

Profit or loss from securities valued at fair value mainly represents daily revaluation of securities to fair value.

Profit or loss from exchange rate differences mainly represents both realised and unrealised exchange rate differences from revaluation of bond securities.

Profit or loss from spot and fixed term transactions includes profit and loss from settlements of spot transactions and fixed term transactions with financial instruments as well as revaluation of open derivatives at fair value.

8. ADMINISTRATIVE EXPENSES

Administrative expenses include audit expenses in the amount of CZK 97 thousand (2014: CZK 85 thousand).

**Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

9. TREASURY BONDS WITHOUT COUPON AND OTHER SECURITIES ACCEPTED BY THE CENTRAL BANK FOR REFINANCING

All securities held by the Fund are listed on the Prague Stock Exchange or on foreign stock exchanges. All securities are included in the portfolio of securities at fair value.

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|------------------|------------------|
| Treasury bonds | 2 338 406 | 1 723 312 |
| Net book value | 2 338 406 | 1 723 312 |

10. RECEIVABLES FROM BANKS AND COOPERATIVE CREDIT UNIONS

Receivables from banks include current accounts maintained by Unicredit bank Czech Republic and Slovakia, a.s., amounting to CZK 314,003 thousand (2014: CZK 179,067 thousand) and term deposits with interest from Unicredit bank Czech Republic and Slovakia, a.s., amounting to CZK 150,048 thousand.

Current accounts are payable upon request.

11. DEBT SECURITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|--------------------------------|----------------|----------------|
| Bonds issued by other entities | 648 699 | 296 730 |
| Net book value | 648 699 | 296 730 |

12. SHARES, SHARE CERTIFICATES AND OTHER INVESTMENTS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|----------------|----------------|
| Shares | 70 639 | - |
| Share certificates | 242 580 | 207 870 |
| Net book value | 313 219 | 207 870 |

13. OTHER ASSETS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|--|--------------|-------------|
| Receivable arising from withholding tax meant for credit | 2 064 | 614 |
| Estimated dividend | 296 | 196 |
| Other receivables | 14 | 48 |
| Total | 2 374 | 858 |

14. EQUITY

As of 31 December 2015, 3,563,899,088 share certificates of the Fund have been issued (2014: 2,280,376,183).

The value of a share certificate as of the last business day of 2015 amounted to CZK 1.0548 (2014: 1.0476). This is the last value of a share certificate in the respective year for which purchases and repurchases of the Fund's share certificates were made.

Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

15. OTHER LIABILITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|-------------|---------------|
| Liabilities arising from shareholders' deposits | - | 15 128 |
| Negative fair values of derivatives | 9 | - |
| Other liabilities | 693 | 333 |
| Total | 702 | 15 461 |

16. ACCRUED/DEFERRED INCOME AND EXPENSES

The item 'Accrued expenses' primarily includes the uninvoiced management fee for the month of December in the amount of CZK 1,569 thousand (2014: CZK 1,001 thousand).

17. FINANCIAL DERIVATIVES

Nominal value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|--------------|--------------|-------------|----------|
| | Receivable | Payable | Receivable | Payable |
| Currency forwards | 4 956 | 4 965 | - | - |
| Total | 4 956 | 4 965 | - | - |

Off-balance sheet assets and liabilities represent the nominal (contractual) undiscounted values which are revalued by the Fund using CNB's exchange rate valid as of the financial statements date. All the above financial instruments were concluded on the inter-bank market (OTC).

Fair value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|-------------|----------|-------------|----------|
| | Positive | Negative | Positive | Negative |
| Currency forwards | - | 9 | - | - |
| Total | - | 9 | - | - |

All currency derivatives mature within one year.

18. RESERVES

| CZK '000 | Income tax | Total reserves |
|------------------------------------|------------|----------------|
| Balance at 1 January 2015 | 2 358 | 494 |
| Creation | 550 | 2 358 |
| Usage | (2 358) | (494) |
| Balance at 31 December 2015 | 550 | 2 358 |

The Fund creates the income tax reserve because the financial statements are prepared prior to the date of determining the tax liability. In the following reporting period, the Fund will release the reserve and account for the established tax liability.

**Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.**
Year Ended 31 December 2015

19. PROPOSED ALLOCATION OF PROFIT

The Company's Board of Directors proposes the allocation of profit for 2015 as follows:

| CZK '000 | Profit / loss | Retained earnings or accumulated loss brought forward |
|---|---------------|--|
| Balance at 31 December 2015 prior to the allocation of the profit for 2015 | - | 55 991 |
| Profit for 2015 | 14 185 | |
| Proposed allocation of profit for 2015: | | |
| Transfer to retained earnings | (14 185) | 14 185 |
| Total | - | 70 176 |

20. INCOME TAXATION

(a) Income Tax

| CZK '000 | 2015 | 2014 |
|------------------------------------|--------------|--------------|
| Tax payable for the current period | 550 | 2 358 |
| Withholding tax | 673 | 290 |
| Total | 1 223 | 2 648 |

(b) Income Tax – Tax Analysis

| CZK '000 | 2015 | 2014 |
|--|--------------|--------------|
| Profit or loss for the period before tax | 15 408 | 48 987 |
| Revenues that are not subject to tax | (4 408) | (1 811) |
| Tax non-deductible expenses | - | - |
| Other items | - | - |
| Subtotal | 11 000 | 47 176 |
| Tax calculated using the 5% tax rate (for 2014: 5%) | 550 | 2 358 |
| Tax relief applied | - | - |
| Withholding tax | 673 | 290 |
| Total | 1 223 | 2 648 |

**Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.**
Year Ended 31 December 2015

21. RELATED PARTY TRANSACTIONS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|-------------|-------------|
| Assets | | |
| Incentive related to investments in KAG funds | 13 | - |
| Liabilities | | |
| Management fee payable to the Company | 1 569 | 1 001 |
| CZK '000 | 2015 | 2014 |
| Expenses | | |
| Management fee payable to the Company | 15 993 | 8 664 |
| Income | | |
| Incentive related to investments in KAG funds | 29 | - |
| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
| Off-balance sheet assets | | |
| Values placed under management | 3 764 376 | 2 389 162 |

22. VALUES PLACED UNDER MANAGEMENT

The Fund has all its assets managed by the Company. The item entitled 'Values placed under management' covers both foreign and local securities, term deposits as well as current account balances.

23. FINANCIAL INSTRUMENTS – MARKET RISK

The Fund is exposed to market risks arising from open positions in interest rate, equity and currency instrument transactions that are sensitive to changes in financial market conditions.

(a) Risk management

The basic risk management instrument is represented by imposing limits on the ratio of different types of financial instruments in the portfolio, which are determined in accordance with legal requirements, the Fund Prospectus, and its investment strategy. The key risks, which are evaluated on a daily basis, include foreign currency exposures, sensitivity to interest rate fluctuations and allocations in securities with equity exposure.

Market risks are measured using the Value at Risk ("VaR") method. Value at Risk represents a potential loss resulting from unfavourable developments on the market within a certain time period and at a certain level of reliability. The 'Value at Risk' is measured on the basis of a one-year holding period and a 95% reliability level.

Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

(b) **Liquidity risk**

‘Liquidity risk’ represents the risk that the Fund will not have sufficient cash resources to meet its commitments associated with its financial contracts. Liquidity is monitored and managed on the basis of expected cash flows; in this context, the structure of the securities and the term deposits portfolio is adjusted.

Residual maturity of the Fund’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--|--------------------|-------------------------|------------------------|-------------------|--------------------|------------------|
| As of 31 December 2015 | | | | | | |
| Treasury bonds without coupon and other securities | 66 000 | 114 057 | 1 621 991 | 536 358 | - | 2 338 406 |
| Receivables from banks | 464 051 | - | - | - | - | 464 051 |
| Debt securities | 1 622 | 45 321 | 557 251 | 44 505 | - | 648 699 |
| Share certificates | - | - | - | - | 313 219 | 313 219 |
| Other assets | 2 374 | - | - | - | - | 2 374 |
| Total | 534 047 | 159 378 | 2 179 242 | 580 863 | 313 219 | 3 766 749 |
| Other liabilities | 702 | - | - | - | - | 702 |
| Accrued/deferred income and expenses | 1 860 | - | - | - | - | 1 860 |
| Reserves | 550 | - | - | - | - | 550 |
| Equity | - | - | - | - | 3 763 637 | 3 763 637 |
| Total | 3 112 | - | - | - | 3 763 637 | 3 766 749 |
| GAP | 530 935 | 159 378 | 2 179 242 | 580 863 | (3 450 418) | - |
| Cumulative GAP | 530 935 | 690 314 | 2 869 556 | 3 450 418 | - | - |

Residual maturity of the Company’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--|--------------------|-------------------------|------------------------|-------------------|------------------|----------------|
| As of 31 December 2014 | | | | | | |
| Treasury bonds without coupon and other securities | 3 869 | 6 650 | 604 166 | - | - | 614 685 |
| Receivables from banks | 88 647 | - | - | - | - | 88 647 |
| Debt securities | 572 | - | 46 035 | - | - | 46 607 |
| Share certificates | - | - | - | - | 46 206 | 46 206 |
| Other assets | 82 | - | - | - | - | 82 |
| Total | 93 170 | 6 650 | 650 201 | - | 46 206 | 796 227 |
| Other liabilities | 7 510 | - | - | - | - | 7 510 |
| Accrued/deferred income and expenses | 423 | - | - | - | - | 423 |
| Reserves | - | 494 | - | - | - | 494 |
| Equity | - | - | - | - | 787 800 | 787 800 |
| Total | 7 933 | 494 | - | - | 787 800 | 796 227 |
| GAP | 85 237 | 6 156 | 650 201 | - | (741 594) | - |
| Cumulative GAP | 85 237 | 91 393 | 741 594 | 741 594 | - | - |

The above tables show residual maturities of the book values of the individual financial instruments, rather than of all cash flows resulting from such instruments.

Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

(c) **Interest rate risk**

The Fund is exposed to interest rate risk due to the impacts of fluctuations of the current interest rates on the market. On account of such changes, the fair value and income from financial assets may both increase and decrease.

The table below provides a summary of the mismatch between the Fund's assets and liabilities that are interest-rate sensitive. The table below includes data about the extent of Fund's interest rate risk based on the contractual maturity of the financial instruments.

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 moths to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|------------------------------|------------------------------|----------------------|------------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupons and other securities | 117 228 | 444 244 | 1 414 674 | 362 260 | 2 338 406 |
| Receivables from banks | 464 051 | - | - | - | 464 051 |
| Debt securities | 348 304 | 44 522 | 211 368 | 44 505 | 648 699 |
| Total | 929 583 | 488 766 | 1 626 042 | 406 765 | 3 451 156 |

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 moths to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|------------------------------|------------------------------|----------------------|------------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupons and other securities | 3 869 | 329 966 | 1 141 417 | 248 060 | 1 723 312 |
| Receivables from banks | 179 067 | - | - | - | 179 067 |
| Debt securities | 197 141 | 39 363 | 16 043 | 44 183 | 296 730 |
| Total | 380 077 | 369 329 | 1 157 460 | 292 243 | 2 199 109 |

The above summary only includes interest-rate sensitive assets and liabilities and, therefore, it is not identical to the values presented in the Fund's balance sheet.

Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

(d) **Currency risk**

Foreign currency assets and liabilities including off-balance sheet participations represent the Fund's exposure to currency risks. Both realised and unrealised foreign exchange profit and loss is reported directly in the profit and loss account. The foreign exchange positions of the Fund in the most significant currencies are as follows:

Foreign exchange positions of the Fund

| CZK '000 | EUR | USD | CZK | Total |
|--|----------------|----------------|------------------|------------------|
| As of 31 December 2015 | | | | |
| Treasury bonds without coupon and other securities | - | - | 2 338 406 | 2 338 406 |
| Receivables from banks | 65 959 | 52 300 | 345 792 | 464 051 |
| Debt securities | - | - | 648 699 | 648 699 |
| Shares, share certificates and other investments | 112 371 | 130 209 | 70 639 | 313 219 |
| Other assets | 47 | 900 | 1 427 | 2 374 |
| Total | 178 377 | 183 409 | 3 404 963 | 3 766 749 |
| Other liabilities | - | 9 | 693 | 702 |
| Accrued/deferred income and expenses | - | - | 1 860 | 1 860 |
| Reserves | - | - | 550 | 550 |
| Equity | - | - | 3 763 637 | 3 763 637 |
| Total | - | 9 | 3 766 740 | 3 766 749 |
| Long off-balance instruments positions | - | - | 4 956 | 4 956 |
| Short off-balance instruments positions | - | 4 956 | - | 4 956 |
| Net foreign exchange position | 178 377 | 178 444 | (356 821) | - |

Foreign exchange positions of the Fund

| CZK '000 | EUR | USD | CZK | Total |
|--|----------------|----------------|------------------|------------------|
| As of 31 December 2014 | | | | |
| Treasury bonds without coupon and other securities | - | - | 1 723 312 | 1 723 312 |
| Receivables from banks | 15 860 | 70 154 | 93 053 | 179 067 |
| Debt securities | - | - | 296 730 | 296 730 |
| Shares, share certificates and other investments | 101 308 | 106 562 | - | 207 870 |
| Other assets | 45 | 196 | 617 | 858 |
| Total | 117 213 | 176 912 | 2 113 712 | 2 407 837 |
| Other liabilities | - | - | 15 461 | 15 461 |
| Accrued/deferred income and expenses | - | - | 1 178 | 1 178 |
| Reserves | - | - | 2 358 | 2 358 |
| Equity | - | - | 2 388 840 | 2 388 840 |
| Total | - | - | 2 407 837 | 2 407 837 |
| Net foreign exchange position | 117 213 | 176 912 | (294 125) | - |

24. FINANCIAL INSTRUMENTS – CREDIT RISK

Fund investments are implemented so that the rating structure of the securities complies with the Fund Prospectus and its investment strategy. Credit risk management includes the monitoring of diversification of investments in terms of their geographical distribution and in terms of exposure of individual issuers to credit risk.

Distribution of assets based on geographical segments

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|------------------|----------------|--------------------------|----------------|------------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupon and other securities | 2 338 406 | 0 | 0 | 0 | 2 338 406 |
| Receivables from banks | 464 051 | 0 | 0 | 0 | 464 051 |
| Debt securities | 225 323 | 423 376 | 0 | | 648 699 |
| Shares, share certificates and other investments | 56 865 | 126 145 | 0 | 130 209 | 313 219 |
| Other assets | 2 374 | 0 | 0 | 0 | 2 374 |
| Total | 3 087 019 | 549 521 | 0 | 130 209 | 3 766 749 |

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|------------------|----------------|--------------------------|----------------|------------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupon and other securities | 1 723 312 | 0 | 0 | 0 | 1 723 312 |
| Receivables from banks | 179 067 | 0 | 0 | 0 | 179 067 |
| Debt securities | 83 960 | 212 770 | 0 | 0 | 296 730 |
| Shares, share certificates and other investments | 0 | 101 308 | 0 | 106 562 | 207 870 |
| Other assets | 858 | 0 | 0 | 0 | 858 |
| Total | 1 987 197 | 314 078 | 0 | 106 562 | 2 407 837 |

Distribution of securities based on the issuer

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|------------------|------------------|
| Issued by financial institution | 476 896 | 149 350 |
| Issued by collective investment funds | 242 580 | 207 870 |
| Issued by non-financial institutions | 228 668 | 147 380 |
| Issued by insurance institutions | 13 774 | 0 |
| Issued by government institutions | 2 338 406 | 1 723 312 |
| Total | 3 300 324 | 2 227 912 |

25. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date on 31 December 2015 that would have a significant impact on the financial statements of the Fund.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Raiffeisen, chráněný fond ekonomických cyklů, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Identification number: 291 46 739

We have audited the accompanying financial statements of Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond, Raiffeisen investiční společnost a.s. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015, the profit and loss account and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of Raiffeisen investiční společnost a.s. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond, Raiffeisen investiční společnost a.s. as of 31 December 2015, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The financial statements of Raiffeisen chráněný fond ekonomických cyklů, otevřený podílový fond, Raiffeisen investiční společnost a.s. for the prior year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2015.

Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 25 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Diana Rádľ Rogerová
registration no. 2045



Raiffeisen chráněný fond americké prosperity, open-ended mutual fund, Raiffeisen investiční společnost a.s.

| | |
|----------------------------------|------------------------|
| Denomination: | CZK |
| ISIN: | CZ0008474087 |
| Share certificate nominal value: | CZK 1 |
| Fund format: | open-ended mutual fund |
| Typ fondu: | mixed fund |
| Date of incorporation: | 23 September 2013 |

The underlying assets of Raiffeisen chráněný fond americké prosperity were allocated in 2015 in particular in short-term CZK bonds with duration (simply speaking: the average term to maturity) of less than one year. As far as its creditworthiness is concerned, the bond portion of the fund has been invested in Czech treasury bonds as well as corporate bonds. Roughly a tenth of the fund assets have been invested in instruments bearing equity risks, while the regional allocation of this share portion remains global.

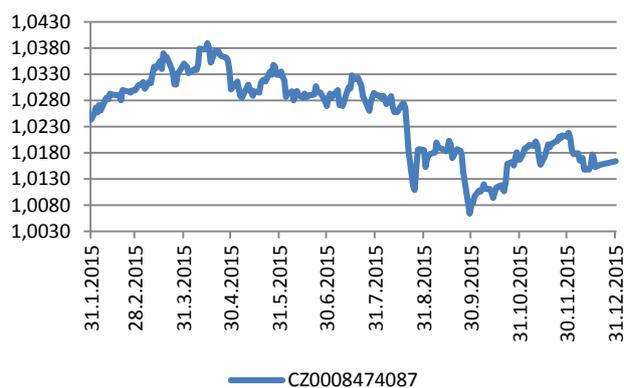
No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010 (hereinafter the “AIFMD Directive”), as specified in the Prospectus.

| Financial indicators | 31 December 2015 | 31 December 2014 | 31 December 2013 |
|---|-------------------------|-------------------------|-------------------------|
| Mutual fund equity, in CZK ‘000 | 436 833 | 567 886 | 635 011 |
| Equity per share certificate, in CZK | 1.064 | 1.0185 | 1.0012 |
| Profit/loss after tax, in CZK ‘000 | (194) | 10 493 | 271 |
| Number of share certificates, in pieces | 429 787 062 | 557 546 949 | 634 262 739 |

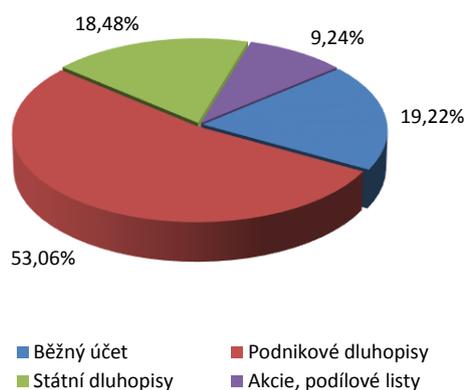
Number of share certificates issued and redeemed in 2015

| Issued share certificates | | Redeemed share certificates | | BALANCE (+/-) | |
|----------------------------------|--------------------|------------------------------------|--------------------|----------------------|--------------------|
| in pieces | in CZK ‘000 | in pieces | in CZK ‘000 | in pieces | in CZK ‘000 |
| 0 | 0 | 127 759 887 | 130 858 | -127 759 887 | -130 858 |

Share certificate value curve



Asset composition



Legend: Current account Corporate bonds
Treasury bonds Shares, share certificates

List of securities held in excess of 1% as of 31 December 2015

| COUNTRY | ISIN | SECURITY NAME | PURCHASE PRICE in CZK '000 | FAIR VALUE in CZK '000 | STAKE IN ASSETS in % |
|--------------|--------------|------------------------|-------------------------------|---------------------------|-------------------------|
| CZ | CZ0001003842 | CZGB 0,5/16 | 80 466 | 80 731 | 18.46 |
| AT | AT000B119839 | ERSTBK Float 09/20/16 | 75 031 | 75 272 | 17.21 |
| KR | XS0943004878 | EIBKOR Float 06/17/18 | 39 993 | 41 008 | 9.38 |
| CZ | CZ0002003064 | KOMERC Float 03/14/18 | 35 113 | 35 574 | 8.13 |
| CZ | CZ0003703555 | CBJCP 1,83 12/13/17 | 29 647 | 30 362 | 6.94 |
| US | XS0884604728 | GE Float 02/05/18 | 26 032 | 26 100 | 5.97 |
| CZ | CZ0002002520 | UNICZ 6 04/27/18 | 23 915 | 23 428 | 5.36 |
| US | US78462F1030 | SPDR S&P 500 ETF Trust | 17 721 | 22 015 | 5.03 |
| US | US78467X1090 | SPDR DJIA TRUST | 9 287 | 10 884 | 2.49 |
| US | US4642876555 | IShares Russell 2000 | 3 928 | 4 753 | 1.09 |
| Total | | | 341 130 | 350 127 | 80.07 |

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: Raiffeisen chráněný fond americké prosperity,
otevřený podílový fond, Raiffeisen investiční
společnost a.s.

Registered Office: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle

Corporate ID: 291 46 739

Components of the Financial Statements:

Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Notes to the Financial Statements

These financial statements were prepared on 13 February 2016.

| Statutory body of the reporting entity: | Signature |
|--|--|
| On behalf of the statutory body: Ing. Jaromír Sladkovský Ing. Michal Ondruška |   |
| Individual in charge of the accounting records: Ing. Petra Tomisová | |

Business name: Raiffeisen chráněný fond americké prosperity
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

BALANCE SHEET
as of 31 December 2015

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--|------|----------------|----------------|
| ASSETS | | | |
| 2 | 8 | | |
| Treasury bonds and other securities accepted by the central bank for refinancing | | 80 731 | 100 839 |
| <i>of which, a) issued by government institutions</i> | | 80 731 | 100 839 |
| 3 | 9 | 83 937 | 4 372 |
| Receivables from banks and cooperative credit unions | | 83 937 | 4 372 |
| <i>of which, a) payable upon request</i> | | | |
| 5 | 10 | 231 744 | 405 000 |
| Debt securities | | | |
| <i>of which, a) issued by government institutions</i> | | - | 81 232 |
| <i>b) issued by other entities</i> | | 231 744 | 323 768 |
| 6 | 11 | 40 345 | 58 436 |
| Shares, share certificates and other investments | | 40 345 | 58 436 |
| <i>b) share certificates</i> | | | |
| 11 | 12 | 539 | 243 |
| Other assets | | | |
| Total assets | | 437 296 | 568 890 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|---|------|----------------|----------------|
| LIABILITIES | | | |
| 4 | 14 | 161 | 179 |
| Other liabilities | | | |
| 5 | 15 | 302 | 316 |
| Accrued expenses and deferred income | | | |
| 6 | 16 | - | 509 |
| Reserves | | | |
| <i>b) tax</i> | | - | 509 |
| 9 | 13 | (3 524) | (425) |
| Share premium | | | |
| 12 | 13 | 429 787 | 557 547 |
| Capital funds | | | |
| 14 | | 10 764 | 271 |
| Retained earnings or accumulated loss brought forward | | | |
| 15 | | (194) | 10 493 |
| Profit or loss for the reporting period | | | |
| Total liabilities | | 437 296 | 568 890 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--|------|------------|------------|
| OFF BALANCE SHEET ITEMS | | | |
| Off balance sheet assets | | | |
| 3 | | - | - |
| Receivables from spot transactions | | | |
| 4 | | - | - |
| Receivables from fixed term operations | | | |
| 8 | 20 | 436 757 | 568 647 |
| Values placed under management | | | |
| Off balance sheet liabilities | | | |
| 11 | | - | - |
| Payables from spot transactions | | | |
| 12 | | - | - |
| Payables from fixed term operations | | | |
| 15 | 20 | - | - |
| Values taken under management | | | |

Business name: Raiffeisen chráněný fond americké prosperity
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

| CZK thousand | | 2015 | 2014 | |
|--------------|--|------|--------------|---------------|
| 1 | Interest income and similar income | 3 | 2 711 | 3 818 |
| | <i>of which: interest from debt securities</i> | | 2 698 | 3 811 |
| 3 | Income from shares and equity investments | 4 | 1 066 | 976 |
| | <i>c) other income from shares and equity investments</i> | | 1 066 | 976 |
| 5 | Fees and commission expenses | 5 | (3 014) | (3 644) |
| 6 | Profit or loss from financial operations | 6 | (700) | 10 084 |
| 9 | Administrative expenses | 7 | (97) | (85) |
| | <i>b) other administrative expenses</i> | | (97) | (85) |
| 19 | Profit or loss for the reporting period from ordinary activities before tax | | (34) | 11 149 |
| 23 | Income tax | 18 | (160) | (656) |
| 24 | Profit or loss for the reporting period after tax | | (194) | 10 493 |

Business name: Raiffeisen chráněný fond americké prosperity
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

STATEMENT OF CHANGES IN EQUITY
as of 31 December 2015

| CZK thousand | Share premium | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|---------------|----------------|---|---------------|----------------|
| Balance at 1. 1. 2014 | 477 | 634 263 | - | 271 | 635 011 |
| Net profit/loss for the reporting period | - | - | - | 10 493 | 10 493 |
| Share certificates sold | - | - | - | - | - |
| Share certificates purchased | (902) | (76 716) | - | - | (77 618) |
| Transfer to funds | - | - | 271 | (271) | - |
| Balance at 31. 12. 2014 | (425) | 557 547 | 271 | 10 493 | 567 886 |

| CZK thousand | Share premium | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|----------------|----------------|---|---------------|----------------|
| Balance at 1. 1. 2015 | (425) | 557 547 | 271 | 10 493 | 567 886 |
| Net profit/loss for the reporting period | - | - | - | (194) | (194) |
| Share certificates sold | - | - | - | - | - |
| Share certificates purchased | (3 099) | (127 760) | - | - | (130 859) |
| Transfer to funds | - | - | 10 493 | (10 493) | - |
| Balance at 31. 12. 2015 | (3 524) | 429 787 | 10 764 | (194) | 436 833 |

1. GENERAL INFORMATION

(a) Fund characteristics

Fund emergence and characteristics

Raiffeisen chráněný fond americké prosperity, otevřený podílový fond, Raiffeisen investiční společnost a.s. (hereinafter the “Fund”) represents an accounting entity without legal personality managed by Raiffeisen investiční společnost a.s. (hereinafter the “Company”) pursuant to Act no. 240/2013 Coll., on management companies and investment funds (hereinafter the “Act”). The Fund is an open-ended mutual fund and was created for a definite period until 31 December 2016. The fund came into existence on the day of its entry into the list kept by the Czech National Bank in accordance with Section 597 (b) of the Act, dated 23 September 2013. The Fund began its activity on 1 October 2013.

The fund is a special securities fund in accordance with the Act, complying with all legal requirements of the European Communities.

The Fund has no employees and all administration relating to the business activities of the Fund is supplied by the Company.

Information about the management company

The Fund assets are administered and managed by Raiffeisen investiční společnost a.s., Corporate ID 29146739, with its registered office at Hvězdova 1716/2b, Praha 4 – Nusle, 140 78. The Company was incorporated on 21 December 2012. The Company obtained operation authorisation based on Decision of the Czech National Bank No. 2013/4256/570 of 9 April 2013 which took effect on 9 April 2013.

The Company is a management company in the sense of the existing legislation and it acts in the capacity of a legal entity, which collects cash from both legal entities and natural persons (individuals), in order to use them to participate in business (collective investing).

Principal activity of the Company

Under the Act, the Company is authorised, in the scope of the authorisation of the Czech National Bank, to:

- Manage investment funds or foreign investment funds; and
- Administer investment funds or foreign investment funds.

Depository information

Depository services are provided by UniCredit Bank Czech Republic and Slovakia, a.s., Corporate ID 64948242, with its registered office at Želetavská 1525/1, Praha 4, 140 92 (hereinafter the “Depository”) under the Depository Agreement dated 6 February 2014.

(b) Basis for the Preparation of the Financial Statements

The financial statements have been prepared based on accounting records maintained in line with:

- Accounting Act No. 563/1991, as amended;
- Regulation No. 501/2002 issued by the Ministry of Finance, as amended; and
- Czech Accounting Standards for financial institutions as published by the Ministry of Finance.

The financial statements have been prepared in compliance with the accruals principle and historical prices, excluding selected financial instruments valued at fair value.

The financial statements are based on the going concern assumption and assuming that no facts exist that would restrict the Fund or prevent it from carrying out its activity in the foreseeable future.

The current reporting period of the Fund is the calendar year ended 31 December 2015. Data from the previous reporting period, i.e. the year ended 31 December 2014, is used as comparative data.

These financial statements are presented in thousands of Czech crowns ('CZK') unless stated otherwise. Figures in brackets are negative.

These financial statements are unconsolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Transaction Date

Depending on the transaction type, the transaction date is predominantly:

- Date of payment or receipt of money in circulation;
- Date of purchase or sale of foreign currency, foreign exchange or securities;
- Date of payment;
- Date of crediting (foreign currency) funds based on the account statement;
- Date of arrangement and settlement of spot transactions, namely purchase or sale of financial instruments or commodities with such a delivery date where the period between the trade date and the settlement date is no more than five days; and
- Trade date and settlement date of derivative transactions.

Spot transactions (i.e. purchases and sales of financial assets with a usual term of delivery) of the Fund are reported directly in the relevant asset or liability at the trade date.

The Fund will derecognise a financial asset or any part thereof from the balance sheet if control over the contractual rights to such a financial asset or any part thereof is lost. The loss of control occurs if the Company exercises its rights to contractual benefits, if such rights expire or should the Fund waive these rights.

If a financial liability or any part thereof expires (such as when a contractual obligation is met, cancelled or expires), the financial liability or a part thereof will no longer be recognised in the Fund's balance sheet. The difference between the carrying amount of the financial liability or a part thereof that has expired or has been transferred to another entity and the amount paid for the respective debt shall be reported through expenses or revenues as appropriate.

(b) Securities

In compliance with the Fund strategy, all securities have been classified as securities valued at their fair value. Securities are re-valued on a daily basis during the reporting period, pursuant to Decree no. 244/2013 Coll., of the Ministry of Finance of the Czech Republic, on detailed issues related to the Act on Management Companies and Investment Funds, as amended (hereinafter the "Decree"). Pursuant to the Decree, securities are valued at prices derived from public markets, which may be further adjusted in keeping with the provisions of the Decree. If no market price is available, such value shall be applied as determined according to valuation models based on discounted future cash flows according to the yield curve.

Upon their initial recognition, securities are valued at acquisition cost. Acquisition cost also includes direct transaction costs related to the acquisition of securities.

Interest income

The term 'interest income' means the following:

- a) as regards debt securities with coupon, the accrued coupon as determined in the issue terms and conditions and the accrued difference between the nominal value and the net acquisition cost, known as a premium or discount;

- b) as regards debt securities without coupon and bills of exchange, the accrued difference between the nominal value and the acquisition cost.

Interest income on debt securities is reported in the profit and loss account commencing on the purchase using the effective interest rate method.

Derecognition of securities

Upon sales of securities, the Fund values such securities disposals using the 'average price method'.

(c) Receivables and Provisions

Operating receivables are recognised at their nominal value net of provisions, if any. Bad debts are written off after the completion of the debtor's bankruptcy proceedings or when it is highly unlikely for the bad debt to be settled.

Provisions are recognised as expenses; the utilisation of a provision is recognised in the profit and loss account along with expenses or losses arising from asset disposals. The release of a provision due to redundancy is recognised in revenues.

(d) Financial derivatives

Derivatives are financial instruments meeting the following conditions:

- a) their fair value varies depending on changes in interest rates, security prices, commodity prices, foreign exchange rates, price indices, credit assessments (ratings) or indices, and/or depending on any other variables (so-called underlying assets);
- b) as compared to other types of contracts, which show similar responses to changing market conditions, they require little or no initial investments;
- c) they will be settled in the future and the period from the trade date to settlement exceeds that of spot transactions.

Derivatives are reported in the balance sheet at their fair values. Positive fair values of derivatives are reported in assets under 'Other assets'. Negative fair values of derivatives are reported in liabilities under 'Other liabilities'.

Fair value of financial derivatives is determined as the present value of future cash flows from these transactions. The present value is determined with the help of parameters identified on the active market, such as exchange rates, interest rates for a given maturity based on the yield curve, etc.

In the off-balance sheet, derivatives are reported at contractual undiscounted values of the underlying instrument under the titles of 'Receivables from fixed-term operations' and 'Payables from fixed-term operations'.

(e) Funds invested by shareholders

The Fund has no share capital. A share certificate has the nominal value of CZK 1. The nominal value of all share certificates is reported on the 'Capital funds' account.

Capital funds

The selling price of share certificates is determined as a ratio of the Fund's equity and the number of issued share certificates. Share certificates are sold to investors for selling prices determined on a daily basis.

Share premium

Share premium from the difference between the nominal value and selling price of share certificates is reported separately. The Fund accounts for share premium both at the moment of sale of share certificates and their re-purchase.

(f) Reserves

Reserves represent probable cash outflows of uncertain timing and amount. Reserves are charged to expenses in such amounts which are the best estimate of expenditures required in order to settle existing liabilities.

Reserves are created if the following criteria are met:

- a) A performance obligation (legal or constructive) exists as a result of past events;
- b) It is probable or certain that an event will occur and will require an outflow of resources representing economic benefits, where “probable” means probability greater than 50%; and
- c) It is possible to make a reliable estimate of such fulfilment.

(g) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate of the Czech National Bank effective on the date of the transaction.

Assets and liabilities denominated in foreign currencies along with foreign-currency spot transactions before their due dates are translated into the local currency using the exchange rate of the Czech National Bank effective at the balance sheet date. Any profit or loss resulting from the translation of assets and liabilities denominated in foreign currencies, excepting equity investments in foreign currencies, or items hedging against foreign currency risk arising from contracts not yet recognised in the Fund’s balance sheet, or from anticipated future transactions is recognised in the profit and loss account as “Profit or loss from financial operations”.

(h) Taxation

Tax payable

The corporate tax base is calculated from the profit for the current period before tax, increased by non-deductible expenses, less the revenues that are not subject to income tax, and further adjusted for tax allowances and relevant credits, if any. Based on valid tax regulations, corporate income tax for mutual funds amounts to 5%.

Deferred tax

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities, using the anticipated tax rate effective for the following period. A deferred tax assets will be only recognised if there is no doubt as to its recovery in the following reporting periods.

(i) Interest income and interest expense and dividend income

Interest income and interest expense are reported on an accrual basis.

Dividend income is reported on the effective date of entitlement to receive its payment (ex-dividend date). Dividend income from domestic securities is reported after the deduction of withholding tax.

Dividend income from foreign securities is reported prior to the deduction of withholding tax.

3. INTEREST INCOME AND SIMILAR INCOME

| CZK ‘000 | 2015 | 2014 |
|--|--------------|--------------|
| Interest from current accounts and fixed term deposits | 13 | 7 |
| Interest from debt securities | 2 698 | 3 811 |
| Total | 2 711 | 3 818 |

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4. INCOME FROM SHARES AND EQUITY INVESTMENTS

The item 'Income from shares and equity investments includes dividends amounting to CZK 1,066 thousand (2014: CZK 976 thousand).

5. FEES AND COMMISSION EXPENSES

| CZK '000 | 2015 | 2014 |
|----------------------------|--------------|--------------|
| Management fee | 2 556 | 3 035 |
| Depository fee | 309 | 367 |
| Other fees and commissions | 149 | 242 |
| Total | 3 014 | 3 644 |

The management fee paid by the Fund to the Company amounts, according to the Fund Prospectus, to 0.5% of the average annual value of the Fund equity.

Under the Depository Agreement, the Fund pays a fee in the amount of 0.05% of the average annual value of the Fund equity.

6. PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| CZK '000 | 2015 | 2014 |
|--|--------------|---------------|
| Profit from securities valued at fair value | (981) | 9 798 |
| Profit from exchange rate differences | 189 | 178 |
| Profit from spot and fixed term transactions | 92 | 108 |
| Total | (700) | 10 084 |

Profit or loss from securities valued at fair value mainly represents daily revaluation of securities to fair value.

Profit or loss from exchange rate differences mainly represents both realised and unrealised exchange rate differences from revaluation of bond securities and balances on foreign currency current accounts.

Profit or loss from spot and fixed term transactions includes profit and loss from settlements of spot transactions and fixed term transactions with financial instruments as well as revaluation of open derivatives at fair value.

7. ADMINISTRATIVE EXPENSES

Administrative expenses include audit expenses in the amount of CZK 97 thousand (2014: CZK 85 thousand).

8. TREASURY BONDS WITHOUT COUPON AND OTHER SECURITIES ACCEPTED BY THE CENTRAL BANK FOR REFINANCING

All securities held by the Fund are listed on the Prague Stock Exchange or on foreign stock exchanges. All securities are included in the portfolio of securities at fair value.

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|---------------|----------------|
| Treasury bonds | 80 731 | 100 839 |
| Net book value | 80 731 | 100 839 |

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9. RECEIVABLES FROM BANKS AND COOPERATIVE CREDIT UNIONS

Receivables from banks include current accounts maintained by Unicredit bank Czech Republic and Slovakia, a.s., amounting to CZK 83,937 thousand (2014: CZK 4,372 thousand).

Current accounts are payable upon request.

10. DEBT SECURITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|----------------|----------------|
| Bonds issued by government institutions | - | 81 232 |
| Bonds issued by other entities | 231 744 | 323 768 |
| Net book value | 231 744 | 405 000 |

11. SHARES, SHARE CERTIFICATES AND OTHER INVESTMENTS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|---------------|---------------|
| Share certificates | 40 345 | 58 436 |
| Net book value | 40 345 | 58 436 |

12. OTHER ASSETS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|--|-------------|-------------|
| Positive fair value of financial derivatives | - | - |
| Other receivables | 539 | 243 |
| Total | 539 | 243 |

13. EQUITY

As of 31 December 2015, 429,787,062 share certificates of the Fund have been issued (2014: 557,546,949).

The value of a share certificate as of the last business day of 2015 amounted to CZK 1.0157 (2014: 1.0176). This is the last value of a share certificate in the respective year for which purchases and re-purchases of the Fund's share certificates were made.

14. OTHER LIABILITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|-------------|-------------|
| Liabilities arising from the purchase of securities | 0 | 0 |
| Other liabilities | 161 | 179 |
| Total | 161 | 179 |

15. ACCRUED EXPENSES AND DEFERRED INCOME

The item 'Accrued expenses' primarily includes the uninvoiced management fee for the month of December in the amount of CZK 182 thousand (2014: CZK 237 thousand).

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16. RESERVES

| CZK '000 | Income tax | Total reserves |
|------------------------------------|------------|----------------|
| Balance at 1 January 2015 | 509 | 509 |
| Creation | - | - |
| Usage | (509) | (509) |
| Balance at 31 December 2015 | - | - |

The Fund creates the income tax reserve because the financial statements are prepared prior to the date of determining the tax liability. In the following reporting period, the Fund will release the reserve and account for the established tax liability.

17. PROPOSED LOSS SETTLEMENT

The Company's Board of Directors proposes the settlement of loss for 2015 as follows:

| CZK '000 | Profit / loss | Retained earnings or accumulated loss brought forward |
|--|---------------|---|
| Balance at 31 December 2015 prior to the settlement of the loss for 2015 | - | 10 764 |
| Loss for 2015 | (194) | - |
| Proposed loss settlement for 2015: | | |
| Transfer to accumulated loss | 194 | (194) |
| Total | - | 10 570 |

18. INCOME TAXATION

(a) Income Tax

| CZK '000 | 2015 | 2014 |
|------------------------------------|------------|------------|
| Tax payable for the current period | 0 | 509 |
| Withholding tax | 160 | 147 |
| Total | 160 | 656 |

(b) Income Tax – Tax Analysis

| CZK '000 | 2015 | 2014 |
|--|------------|------------|
| Profit or loss for the period before tax | (34) | 11 149 |
| Revenues that are not subject to tax | (1 066) | (976) |
| Tax non-deductible expenses | - | - |
| Other items | - | - |
| Subtotal | (1 100) | 10 173 |
| Tax calculated using the 5% tax rate (for 2014: 5%) | - | 509 |
| Tax relief applied | - | - |
| Withholding tax | 160 | 147 |
| Total | 160 | 656 |

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19. RELATED PARTY TRANSACTIONS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|-------------|-------------|
| Liabilities | | |
| Management fee payable to the Company | 182 | 237 |
| CZK '000 | 2015 | 2014 |
| Expenses | | |
| Management fee payable to the Company | 2 556 | 3 035 |
| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
| Off-balance sheet assets | | |
| Values placed under management | 436 757 | 568 647 |

20. VALUES PLACED UNDER MANAGEMENT

The Fund has all its assets managed by the Company. The item entitled 'Values placed under management' covers both foreign and local securities, term deposits as well as current account balances.

21. FINANCIAL INSTRUMENTS – MARKET RISK

The Fund is exposed to market risks arising from open positions in interest rate, equity and currency instrument transactions that are sensitive to changes in financial market conditions.

(a) Risk management

The basic risk management instrument is represented by imposing limits on the ratio of different types of financial instruments in the portfolio, which are determined in accordance with legal requirements, the Fund Prospectus, and its investment strategy. The key risks, which are evaluated on a daily basis, include foreign currency exposures and sensitivity to interest rate fluctuations.

Market risks are measured using the Value at Risk ("VaR") method. Value at Risk represents a potential loss resulting from unfavourable developments on the market within a certain time period and at a certain level of reliability. The 'Value at Risk' is measured on the basis of a one-year holding period and a 95% reliability level.

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(b) **Liquidity risk**

‘Liquidity risk’ represents the risk that the Fund will not have sufficient cash resources to meet its commitments associated with its financial contracts. Liquidity is monitored and managed on the basis of expected cash flows; in this context, the structure of the securities and the term deposits portfolio is adjusted.

Residual maturity of the Fund’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|---|-----------------------|-------------------------------|---------------------------|----------------------|------------------|----------------|
| As of 31 December 2015 | | | | | | |
| Treasury bonds without coupon and other securities | - | 80 731 | - | - | - | 80 731 |
| Receivables from banks | 83 937 | - | - | - | - | 83 937 |
| Debt securities | 257 | 75 986 | 155 501 | - | - | 231 744 |
| Shares, share certificates | - | - | - | - | 40 345 | 40 345 |
| Other assets | 539 | - | - | - | - | 539 |
| Total | 84 733 | 156 717 | 155 501 | 0 | 40 345 | 437 296 |
| Other liabilities | 161 | - | - | - | - | 161 |
| Accrued/deferred income and expenses | 302 | - | - | - | - | 302 |
| Reserves | - | - | - | - | - | - |
| Equity | - | - | - | - | 436 833 | 436 833 |
| Total | 463 | - | - | - | 436 833 | 437 296 |
| GAP | 84 270 | 156 717 | 155 501 | 0 | (396 488) | - |
| Cumulative GAP | 84 270 | 240 987 | 396 488 | 396 488 | - | - |

Residual maturity of the Company’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|---|-----------------------|-------------------------------|---------------------------|----------------------|------------------|----------------|
| As of 31 December 2014 | | | | | | |
| Treasury bonds without coupon and other securities | - | 211 | 100 628 | - | - | 100 839 |
| Receivables from banks | 4 372 | - | - | - | - | 4 372 |
| Debt securities | 12 903 | 131 713 | 260 384 | - | - | 405 000 |
| Share certificates | - | - | - | - | 58 436 | 58 436 |
| Other assets | 243 | - | - | - | - | 243 |
| Total | 17 518 | 131 924 | 361 012 | - | 58 436 | 568 890 |
| Other liabilities | 179 | - | - | - | - | 179 |
| Accrued/deferred income and expenses | 316 | - | - | - | - | 316 |
| Reserves | - | 509 | - | - | - | 509 |
| Equity | - | - | - | - | 567 886 | 567 886 |
| Total | 495 | 509 | - | - | 567 886 | 568 890 |
| GAP | 17 023 | 131 415 | 361 012 | - | (509 450) | - |
| Cumulative GAP | 17 023 | 148 438 | 509 450 | 509 450 | - | - |

The above tables show residual maturities of the book values of the individual financial instruments, rather than of all cash flows resulting from such instruments.

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(c) **Interest rate risk**

The Fund is exposed to interest rate risk due to the impacts of fluctuations of the current interest rates on the market. On account of such changes, the fair value and income from financial assets may both increase and decrease.

The table below provides a summary of the mismatch between the Fund's assets and liabilities that are interest-rate sensitive. The table below includes data about the extent of Fund's interest rate risk based on the contractual maturity of the financial instruments.

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 moths to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|------------------------------|------------------------------|----------------------|----------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupons and other securities | - | 80 731 | - | - | 80 731 |
| Receivables from banks | 83 937 | - | - | - | 83 937 |
| Debt securities | 177 954 | 836 | 52 954 | - | 231 744 |
| Total | 261 891 | 81 567 | 52 954 | - | 396 412 |

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 moths to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|------------------------------|------------------------------|----------------------|----------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupons and other securities | - | 211 | 100 628 | - | 100 839 |
| Receivables from banks | 4 372 | - | - | - | 4 372 |
| Debt securities | 299 847 | 50 993 | 54 160 | - | 405 000 |
| Total | 304 219 | 51 204 | 154 788 | - | 510 211 |

The above summary only includes interest-rate sensitive assets and liabilities and, therefore, it is not identical to the values presented in the Fund's balance sheet.

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(d) Currency risk

Financial position and cash flows are affected by the fluctuations of the valid exchange rate of foreign currencies. Both realised and unrealised foreign exchange profit and loss is reported directly in the profit and loss account. The foreign exchange positions of the Fund in the most significant currencies are as follows:

Foreign exchange positions of the Fund

| CZK '000 | USD | CZK | Total |
|--|---------------|-----------------|----------------|
| As of 31 December 2015 | | | |
| Treasury bonds without coupon and other securities | - | 80 731 | 80 731 |
| Receivables from banks | 9 752 | 74 185 | 83 937 |
| Debt securities | - | 231 744 | 231 744 |
| Shares, share certificates and other investments | 40 345 | - | 40 345 |
| Other assets | 452 | 87 | 539 |
| Total | 50 549 | 386 747 | 437 296 |
| Other liabilities | - | 161 | 161 |
| Accrued/deferred income and expenses | - | 302 | 302 |
| Reserves | - | - | - |
| Equity | - | 436 833 | 436 833 |
| Total | - | 437 296 | 437 296 |
| Net foreign exchange position | 50 549 | (50 549) | - |

Foreign exchange positions of the Fund

| CZK '000 | USD | CZK | Total |
|--|---------------|-----------------|----------------|
| As of 31 December 2014 | | | |
| Treasury bonds without coupon and other securities | - | 100 839 | 100 839 |
| Receivables from banks | 244 | 4 128 | 4 372 |
| Debt securities | - | 405 000 | 405 000 |
| Shares, share certificates and other investments | 58 436 | - | 58 436 |
| Other assets | 75 | 168 | 243 |
| Total | 58 755 | 510 135 | 568 890 |
| Other liabilities | - | 179 | 179 |
| Accrued/deferred income and expenses | - | 316 | 316 |
| Reserves | - | 509 | 509 |
| Equity | - | 567 886 | 567 886 |
| Total | - | 568 890 | 568 890 |
| Net foreign exchange position | 58 755 | (58 755) | - |

22. FINANCIAL INSTRUMENTS – CREDIT RISK

Credit risk represents the risk of financial loss the Fund faces if the counterparty in a financial instrument transaction does not meet its contractual obligations.

Fund investments are implemented so that the rating structure of the securities complies with the Fund Prospectus and its investment strategy. Credit risk management includes the monitoring of diversification of investments in terms of their geographical distribution and in terms of exposure of individual issuers to credit risk.

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Year Ended 31 December 2015

Distribution of assets based on geographical segments

As of 31 December 2015

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|----------------|---------------|--------------------------|----------------|----------------|
| Treasury bonds without coupon and other securities | 80 731 | 0 | 0 | 0 | 80 731 |
| Receivables from banks | 83 937 | 0 | 0 | 0 | 83 937 |
| Debt securities | 89 364 | 75 272 | 0 | 67 108 | 231 744 |
| Shares, share certificates and other investments | 0 | 0 | 0 | 40 345 | 40 345 |
| Other assets | 539 | | | | 539 |
| Total | 254 571 | 75 272 | 0 | 107 453 | 437 296 |

As of 31 December 2014

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|----------------|----------------|--------------------------|----------------|----------------|
| Treasury bonds without coupon and other securities | 100 839 | 0 | 0 | 0 | 100 839 |
| Receivables from banks | 4 372 | 0 | 0 | 0 | 4 372 |
| Debt securities | 140 511 | 212 410 | 0 | 52 079 | 405 000 |
| Shares, share certificates and other investments | 0 | 0 | 0 | 58 436 | 58 436 |
| Other assets | 243 | 0 | 0 | 0 | 243 |
| Total | 245 965 | 212 410 | 0 | 110 515 | 568 890 |

Distribution of securities based on the issuer

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|----------------|----------------|
| Issued by financial institution | 175 282 | 211 063 |
| Issued by collective investment funds | 40 345 | 58 436 |
| Issued by non-financial institutions | 26 100 | 82 214 |
| Issued by insurance institutions | 30 362 | 30 491 |
| Issued by government institutions | 80 731 | 182 071 |
| Total | 352 820 | 564 275 |

23. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date on 31 December 2015 that would have a significant impact on the financial statements of the Fund.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Raiffeisen chráněný fond americké prosperity, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Identification number: 291 46 739

We have audited the accompanying financial statements of Raiffeisen chráněný fond americké prosperity, otevřený podílový fond, Raiffeisen investiční společnost a.s. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015, the profit and loss account and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of Raiffeisen investiční společnost, a.s. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisen chráněný fond americké prosperity, otevřený podílový fond, Raiffeisen investiční společnost a.s. as of 31 December 2015, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The financial statements of Raiffeisen chráněný fond americké prosperity, otevřený podílový fond, Raiffeisen investiční společnost a.s. for the prior year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2015.

Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 25 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:

Diana Rádlová
registration no. 2045



Raiffeisen privátní fond dynamický, open-ended mutual fund, Raiffeisen investiční společnost a.s.

| | |
|----------------------------------|------------------------|
| Denomination: | CZK |
| ISIN: | CZ0008474350 |
| Share certificate nominal value: | n.a. |
| Fund format: | open-ended mutual fund |
| Fund type (AKAT classification): | mixed fund |
| Date of incorporation: | 28 April 2014 |

The underlying assets of Raiffeisen privátní fond dynamický were allocated in 2015 in shares and in instruments bearing equity risk. To a lesser extent, assets were allocated also in bonds and instruments bearing debt risk. The regional orientation of this fund is global. Roughly 80% of the share portion of the fund are invested in shares of companies in developed countries (Europe, North America, Japan) and approximately 20% represents shares from developing countries (Asia, South America).

No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010 (hereinafter the "AIFMD Directive"), as specified in the Prospectus.

| Financial indicators | 31 December 2015 | 31 December 2014 | Change % |
|---|-------------------------|-------------------------|-----------------|
| Mutual fund equity, in CZK '000 | 454 283 | 225 239 | 101.69 |
| Equity per share certificate, in CZK | 1.0961 | 1.0713 | 2.31 |
| Profit/loss after tax, in CZK '000 | (2 424) | 9 527 | (74.56) |
| Number of share certificates, in pieces | 414 444 500 | 210 239 863 | 97.13 |

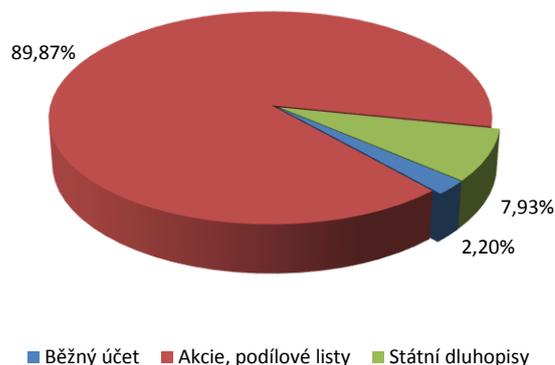
Number of share certificates issued and redeemed in 2015

| Issued share certificates | | Redeemed share certificates | | BALANCE (+/-) | |
|----------------------------------|--------------------|------------------------------------|--------------------|----------------------|--------------------|
| in pieces | in CZK '000 | in pieces | in CZK '000 | in pieces | in CZK '000 |
| 237 970 043 | 270 534 | 33 765 406 | 39 066 | 204 204 637 | 231 468 |

Share certificate value curve



Asset composition



Legend: Current account Shares, share certificates Corporate bonds

List of securities held in excess of 1% as of 31 December 2015

| COUNTRY | ISIN | SECURITY NAME | PURCHASE PRICE in CZK '000 | FAIR VALUE in CZK '000 | STAKE IN ASSETS in % |
|--------------|--------------|---|-------------------------------|---------------------------|-------------------------|
| US | US78462F1030 | SPDR S&P 500 ETF Trust | 57 140 | 62 249 | 13.66 |
| DE | DE0005933956 | iShares EURO STOXX 50 (DE) | 46 570 | 44 451 | 9.75 |
| US | US78467X1090 | SPDR DJIA TRUST | 40 344 | 43 623 | 9.57 |
| IE | DE000A0LGQD2 | ISHARES EURO GOV BND 3-5 | 22 897 | 22 529 | 4.94 |
| CZ | CZ0001003123 | CZGB Float 04/18/23 | 21 531 | 21 922 | 4.81 |
| US | US46434V6395 | ISHARES CURR HEDGED MSCI EMU | 23 419 | 21 792 | 4.78 |
| US | US4642876555 | iShares Russell 2000 | 19 180 | 20 688 | 4.54 |
| US | US73935A1043 | PowerShares QQQ Trust, Series 1 | 17 812 | 19 299 | 4.23 |
| US | US4642871762 | ISHARES TIPS BONDS ETF | 17 574 | 19 059 | 4.18 |
| AT | AT0000A0MRG6 | PAZIFIK-AKTIFONDS-I-VA | 17 860 | 16 116 | 3.54 |
| US | US78464A7303 | SPDR S&P OIL & GAS EXP & PR | 17 015 | 15 004 | 3.29 |
| CZ | CZ0001004113 | CZGB Float 12/09/20 | 13 990 | 14 099 | 3.09 |
| LU | LU0292107645 | db x-trackers MSCI Emerg. Markets Index | 15 566 | 13 903 | 3.05 |
| US | US46434V8862 | ISHARES CURR HEDGED MSCI JAPAN | 11 343 | 12 455 | 2.73 |
| DE | DE0005933931 | ISHARES DAX UCITS ETF DE | 12 611 | 12 448 | 2.73 |
| US | US46434V7047 | ISHARES HEDGED MSCI GERMANY | 9 471 | 10 587 | 2.32 |
| US | US46434V5488 | ISHARES MSCI UK | 9 452 | 9 215 | 2.02 |
| FR | FR0007063177 | LYXOR ETF NASDAQ 100 | 8 255 | 9 172 | 2.01 |
| US | US4642868487 | iShares MSCI Japan Index Fund | 7 643 | 8 123 | 1.78 |
| LU | LU0292107991 | db x-trackers M.. Asia TRN I. UCITS ETF | 7 309 | 6 652 | 1.46 |
| AT | AT0000A0EYC8 | RAIFFEISEN-EURASIEN-AKT I-VA | 7 490 | 6 138 | 1.35 |
| FR | FR0010312124 | LYXOR ETF MSCI ASIAPAC EX JP | 6 464 | 6 057 | 1.33 |
| US | US4642877397 | ISHARES US REAL ESTATE ETF | 4 678 | 5 591 | 1.23 |
| FR | FR0010245514 | Lyxor ETF Japan | 4 493 | 4 617 | 1.01 |
| FR | FR0010204073 | Lyxor ETF Eastern Europe | 5 575 | 4 574 | 1.00 |
| Total | | | 425 680 | 430 364 | 94.44 |

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: Raiffeisen privátní fond dynamický, otevřený
podílový fond, Raiffeisen investiční společnost a.s.

Registered Office: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle

Corporate ID: 291 46 739

Components of the Financial Statements:

Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Notes to the Financial Statements

These financial statements were prepared on 13 February 2016.

| Statutory body of the reporting entity: | Signature |
|--|--|
| <p>On behalf of the statutory body:</p> <p>Ing. Jaromír Sladkovský</p> <p>Ing. Michal Ondruška</p> <p>Individual in charge of the accounting records:</p> <p>Ing. Petra Tomisová</p> |  |

Business name: Raiffeisen privátní fond dynamický
 Seat: Hvězdova 1716/2b, Praha 4, 140 78
 Corporate ID: 29146739
 Principal activities: fund administration and management
 Balance sheet date: 11.1.2016

BALANCE SHEET
as of 31 December 2015

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--|------|----------------|----------------|
| ASSETS | | | |
| 2 | 9 | | |
| Treasury bonds and other securities accepted by the central bank for refinancing | | 36 021 | 7 962 |
| <i>of which a) issued by government institutions</i> | | 36 021 | 7 962 |
| <i>b) other</i> | | - | - |
| 3 | 10 | | |
| Receivables from banks and cooperative credit unions | | 10 008 | 47 181 |
| <i>of which a) payable upon request</i> | | 10 008 | 47 181 |
| <i>b) other receivables</i> | | - | - |
| 6 | 11 | | |
| Shares, share certificates and other investments | | 408 141 | 180 083 |
| <i>of which a) shares</i> | | - | - |
| <i>b) share certificates</i> | | 408 141 | 180 083 |
| 11 | 12 | | |
| Other assets | | 1 545 | 339 |
| <i>of which derivatives</i> | | - | - |
| Total assets | | 455 715 | 235 565 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|---|------|----------------|----------------|
| LIABILITIES | | | |
| 4 | 14 | | |
| Other liabilities | | 964 | 9 650 |
| <i>of which derivatives</i> | | 77 | - |
| 5 | 15 | | |
| Accrued expenses and deferred income | | 468 | 232 |
| 6 | 17 | | |
| Reserves | | - | 444 |
| <i>b) tax</i> | | - | 444 |
| <i>c) other</i> | | - | - |
| 9 | | | |
| Share premium | | - | - |
| 12 | 13 | | |
| Capital funds | | 447 180 | 215 712 |
| 14 | | | |
| Retained earnings or accumulated loss brought forward | | 9 527 | - |
| 15 | | | |
| Profit or loss for the reporting period | | (2 424) | 9 527 |
| Total liabilities | | 455 715 | 235 565 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--|------|------------|------------|
| OFF BALANCE SHEET ITEMS | | | |
| Off balance sheet assets | | | |
| 3 | | | |
| Receivables from spot transactions | | - | - |
| 4 | 16 | | |
| Receivables from fixed term operations | | 44 604 | - |
| 8 | 21 | | |
| Values placed under management | | 454 170 | 235 226 |
| Off balance sheet liabilities | | | |
| 11 | | | |
| Payables from spot transactions | | - | - |
| 12 | 16 | | |
| Payables from fixed term operations | | 44 683 | - |
| 15 | | | |
| Values taken under management | | - | - |

Business name: Raiffeisen privátní fond dynamický
 Seat: Hvězdova 1716/2b, Praha 4, 140 78
 Corporate ID: 29146739
 Principal activities: fund administration and management
 Balance sheet date: 11.1.2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

| CZK thousand | Note | 1.1.-31.12.2015 | 20.5.-31.12.2014 |
|---|------|-----------------|------------------|
| 1 Interest income and similar income | 3 | 58 | 2 |
| <i>of which: interest from debt securities</i> | | 58 | 2 |
| 3 Income from shares and equity investments | 4 | 6 236 | 1 225 |
| <i>c) other income from shares and equity investments</i> | | 6 236 | 1 225 |
| 4 Fees and commission income | 5 | 38 | - |
| 5 Fees and commission expenses | 6 | (4 367) | (813) |
| 6 Profit or loss from financial operations | 7 | (3 320) | 9 833 |
| 9 Administrative expenses | 8 | (97) | (85) |
| <i>b) other administrative expenses</i> | | (97) | (85) |
| 19 Profit or loss for the reporting period from ordinary activities before tax | | (1 452) | 10 162 |
| 23 Income tax | 19 | (972) | (635) |
| 24 Profit or loss for the reporting period after tax | | (2 424) | 9 527 |

Business name: Raiffeisen privátní fond dynamický
 Seat: Hvězdova 1716/2b, Praha 4, 140 78
 Corporate ID: 29146739
 Principal activities: fund administration and management
 Balance sheet date: 11.1.2016

STATEMENT OF CHANGES IN EQUITY
 as of 31 December 2015

| CZK thousand | Capital funds | Profit (loss) | Total |
|--|----------------|---------------|----------------|
| Balance at 20. 5. 2014 | - | - | - |
| Net profit/loss for the reporting period | - | 9 527 | 9 527 |
| Share certificates sold | 215 712 | - | 215 712 |
| Share certificates purchased | - | - | - |
| Balance at 31. 12. 2014 | 215 712 | 9 527 | 225 239 |

| CZK thousand | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|----------------|---|----------------|----------------|
| Balance at 1. 1. 2015 | 215 712 | - | 9 527 | 225 239 |
| Net profit/loss for the reporting period | - | - | (2 424) | (2 424) |
| Share certificates sold | 270 534 | - | - | 270 534 |
| Share certificates purchased | (39 066) | - | - | (39 066) |
| Transfer to funds | - | 9 527 | (9 527) | - |
| Balance at 31. 12. 2015 | 447 180 | 9 527 | (2 424) | 454 283 |

1. GENERAL INFORMATION

(a) Fund characteristics

Fund emergence and characteristics

Raiffeisen privátní fond dynamický, otevřený podílový fond, Raiffeisen investiční společnost a.s. (hereinafter the “Fund”) represents an accounting entity without legal personality managed by Raiffeisen investiční společnost a.s. (hereinafter the “Company”) pursuant to Act no. 240/2013 Coll., on management companies and investment funds (hereinafter the “Act”). The Fund came into existence on the day of its entry into the list kept by the Czech National Bank in accordance with Section 597 (b) of the Act, made on 28 April 2014. The Fund began its activity on 20 May 2014.

The fund is a special securities fund in accordance with the Act, complying with all legal requirements of the European Communities.

Neither the number of issued share certificates nor the duration of the Fund are limited.

The Fund has no employees and all administration relating to the business activities of the Fund is supplied by the Company.

Information about the management company

The Fund assets are administered and managed by Raiffeisen investiční společnost a.s., Corporate ID 29146739, with its registered office at Hvězdova 1716/2b, Praha 4 – Nusle, 140 78. The Company was incorporated on 21 December 2012. The Company obtained operation authorisation based on Decision of the Czech National Bank No. 2013/4256/570 of 9 April 2013 which took effect on 9 April 2013.

The Company is a management company in the sense of the existing legislation and it acts in the capacity of a legal entity, which collects cash from both legal entities and natural persons (individuals), in order to use them to participate in business (collective investing).

Principal activity of the Company

Under the Act, the Company is authorised, in the scope of the authorisation of the Czech National Bank, to:

- Manage investment funds or foreign investment funds; and
- Administer investment funds or foreign investment funds.

Depository information

Depository services are provided by UniCredit Bank Czech Republic and Slovakia, a.s., Corporate ID 64948242, with its registered office at Želetavská 1525/1, Praha 4, 140 92 (hereinafter the “Depository”) under the Depository Agreement dated 6 February 2014.

(b) Basis for the Preparation of the Financial Statements

The financial statements have been prepared based on accounting records maintained in line with:

- Accounting Act No. 563/1991, as amended;
- Regulation No. 501/2002 issued by the Ministry of Finance, as amended; and
- Czech Accounting Standards for financial institutions as published by the Ministry of Finance.

The financial statements have been prepared in compliance with the accruals principle and historical prices, excluding selected financial instruments valued at fair value.

The financial statements are based on the going concern assumption and assuming that no facts exist that would restrict the Fund or prevent it from carrying out its activity in the foreseeable future.

The Fund's current reporting period is the calendar year ended 31 December 2015. Data from the previous reporting period, i.e. the year ended 31 December 2014, are used as comparative data.

These financial statements are presented in thousands of Czech crowns ('CZK') unless stated otherwise. Figures in brackets are negative.

These financial statements are unconsolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Transaction Date

Depending on the transaction type, the transaction date is predominantly:

- Date of payment or receipt of money in circulation;
- Date of purchase or sale of foreign currency, foreign exchange or securities;
- Date of payment;
- Date of crediting (foreign currency) funds based on the account statement;
- Date of arrangement and settlement of spot transactions, namely purchase or sale of financial instruments or commodities with such a delivery date where the period between the trade date and the settlement date is no more than five days; and
- Trade date and settlement date of derivative transactions.

Spot transactions (i.e. purchases and sales of financial assets with a usual term of delivery) of the Fund are reported directly in the relevant asset or liability at the trade date.

The Fund will derecognise a financial asset or any part thereof from the balance sheet if control over the contractual rights to such a financial asset or any part thereof is lost. The loss of control occurs if the Company exercises its rights to contractual benefits, if such rights expire or should the Fund waive these rights.

If a financial liability or any part thereof expires (such as when a contractual obligation is met, cancelled or expires), the financial liability or a part thereof will no longer be recognised in the Fund's balance sheet. The difference between the carrying amount of the financial liability or a part thereof that has expired or has been transferred to another entity and the amount paid for the respective debt shall be reported through expenses or revenues as appropriate.

(b) Securities

In compliance with the Fund strategy, all securities have been classified as securities valued at their fair value. Securities are re-valued on a daily basis during the reporting period, pursuant to Decree no. 244/2013 Coll., of the Ministry of Finance of the Czech Republic, on detailed issues related to the Act on Management Companies and Investment Funds, as amended (hereinafter the "Decree"). Pursuant to the Decree, securities are valued at prices derived from public markets, which may be further adjusted in keeping with the provisions of the Decree. If no market price is available, such value shall be applied as determined according to valuation models based on discounted future cash flows according to the yield curve.

Upon their initial recognition, securities are valued at acquisition cost. Acquisition cost also includes direct transaction costs related to the acquisition of securities.

Interest income

The term 'interest income' means the following:

- a) as regards debt securities with coupon, the accrued coupon as determined in the issue terms and conditions and the accrued difference between the nominal value and the net acquisition cost, known as a premium or discount;
- b) as regards debt securities without coupon and bills of exchange, the accrued difference between the nominal value and the acquisition cost.

Interest income on debt securities is reported in the profit and loss account commencing on the purchase using the effective interest rate method.

Derecognition of securities

Upon sales of securities, the Fund values such securities disposals using the 'average price method'.

(c) Receivables and Provisions

Operating receivables are recognised at their nominal value net of provisions, if any. Bad debts are written off after the completion of the debtor's bankruptcy proceedings or when it is highly unlikely for the bad debt to be settled.

Provisions are recognised as expenses; the utilisation of a provision is recognised in the profit and loss account along with expenses or losses arising from asset disposals. The release of a provision due to redundancy is recognised in revenues.

(d) Financial derivatives

Derivatives are financial instruments meeting the following conditions:

- a) their fair value varies depending on changes in interest rates, security prices, commodity prices, foreign exchange rates, price indices, credit assessments (ratings) or indices, and/or depending on any other variables (so-called underlying assets);
- b) as compared to other types of contracts, which show similar responses to changing market conditions, they require little or no initial investments;
- c) they will be settled in the future and the period from the trade date to settlement exceeds that of spot transactions.

Derivatives are reported in the balance sheet at their fair values. Positive fair values of derivatives are reported in assets under 'Other assets'. Negative fair values of derivatives are reported in liabilities under 'Other liabilities'.

Fair value of financial derivatives is determined as the present value of future cash flows from these transactions. The present value is determined with the help of parameters identified on the active market, such as exchange rates, interest rates for a given maturity based on the yield curve, etc.

In the off-balance sheet, derivatives are reported at contractual undiscounted values of the underlying instrument under 'Receivables from fixed-term operations' and 'Payables from fixed-term operations'.

(e) Funds invested by shareholders

The Fund has no share capital. The share certificates have been assigned no nominal value. The Fund does not account for share premium.

Capital funds

The selling price of share certificates is determined as a ratio of the equity of the class and the number of issued share certificates of the class. Share certificates are sold to investors for selling prices determined on a daily basis.

(f) Reserves

Reserves represent probable cash outflows of uncertain timing and amount. Reserves are charged to expenses in such amounts which are the best estimate of expenditures required in order to settle existing liabilities.

Reserves are created if the following criteria are met:

- a) A performance obligation (legal or constructive) exists as a result of past events;
- b) It is probable or certain that an event will occur and will require an outflow of resources representing economic benefits, where “probable” means probability greater than 50%; and
- c) It is possible to make a reliable estimate of such fulfilment.

(g) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate of the Czech National Bank effective on the date of the transaction.

Assets and liabilities denominated in foreign currencies along with foreign-currency spot transactions before their due dates are translated into the local currency using the exchange rate of the Czech National Bank effective at the balance sheet date. Any profit or loss resulting from the translation of assets and liabilities denominated in foreign currencies, excepting equity investments in foreign currencies, or items hedging against foreign currency risk arising from contracts not yet recognised in the Fund’s balance sheet, or from anticipated future transactions is recognised in the profit and loss account as “Profit or loss from financial operations”.

(h) Taxation

Tax payable

The corporate tax base is calculated from the profit for the current period before tax, increased by non-deductible expenses, less the revenues that are not subject to income tax, and further adjusted for tax allowances and relevant credits, if any. Based on valid tax regulations, corporate income tax for mutual funds amounts to 5%.

Deferred tax

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities, using the anticipated tax rate effective for the following period. A deferred tax asset will be only recognised if there is no doubt as to its recovery in the following reporting periods.

(i) Interest income and interest expense and dividend income

Interest income and interest expense are reported on an accrual basis.

Dividend income is reported on the effective date of entitlement to receive its payment (ex-dividend date). Dividend income from domestic securities is reported after the deduction of withholding tax.

Dividend income from foreign securities is reported prior to the deduction of withholding tax.

3. INTEREST INCOME AND SIMILAR INCOME

The item ‘Interest income and similar income’ includes interest from debt securities in the amount of CZK 58 thousand (2014: CZK 2 thousand).

4. INCOME FROM SHARES AND EQUITY INVESTMENTS

Income from shares and equity investments includes dividends in the amount of CZK 6,236 thousand (2014: CZK 1,225 thousand).

Raiffeisen privátní fond dynamický, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

5. FEES AND COMMISSION INCOME

Fees and commission income includes the incentive received in relation to investment in KAG funds amounting to CZK 38 thousand (2014: CZK 0 thousand).

6. FEES AND COMMISSION EXPENSES

| CZK '000 | 1 Jan – 31 Dec 2015 | 20 May – 31 Dec 2014 |
|----------------------------|---------------------|----------------------|
| Management fee | 3 736 | 715 |
| Depository fee | 251 | 79 |
| Securities administration | 125 | 15 |
| Other fees and commissions | 255 | 4 |
| Total | 4 367 | 813 |

The management fee paid by the Fund to the Company amounts, according to the Fund Prospectus, to 0.9% of the average annual value of the Fund equity.

Under the Depository Agreement, the Fund pays a fee of 0.05% of the average annual value of the Fund equity.

7. PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| CZK '000 | 1 Jan – 31 Dec 2015 | 20 May – 31 Dec 2014 |
|--|---------------------|----------------------|
| Profit from securities valued at fair value | (524) | 8 740 |
| Profit from exchange rate differences | (1) | 971 |
| Profit from spot and fixed term transactions | (2 795) | 122 |
| Total | (3 320) | 9 833 |

Profit or loss from exchange rate differences mainly represents both realised and unrealised exchange rate differences from revaluation of bond securities.

Profit or loss from spot and fixed term transactions includes profit and loss from settlements of spot transactions and fixed term transactions with financial instruments as well as revaluation of open derivatives at fair value.

8. ADMINISTRATIVE EXPENSES

Administrative expenses include audit expenses in the amount of CZK 97 thousand (2014: CZK 85 thousand).

9. TREASURY BONDS WITHOUT COUPON AND OTHER SECURITIES ACCEPTED BY THE CENTRAL BANK FOR REFINANCING

All securities held by the Fund are listed on the Prague Stock Exchange or on foreign stock exchanges. All securities are included in the portfolio of securities at fair value.

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|---------------|--------------|
| Treasury bonds | 36 021 | 7 962 |
| Net book value | 36 021 | 7 962 |

Raiffeisen privátní fond dynamický, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

10. RECEIVABLES FROM BANKS AND COOPERATIVE CREDIT UNIONS

Receivables from banks include current accounts maintained by Unicredit bank Czech Republic and Slovakia, a.s., amounting to CZK 10,008 thousand (2014: CZK 47,181 thousand).

Current accounts are payable upon request.

11. SHARES, SHARE CERTIFICATES AND OTHER INVESTMENTS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|----------------|----------------|
| Share certificates | 408 141 | 180 083 |
| Net book value | 408 141 | 180 083 |

12. OTHER ASSETS

Other assets primarily include a receivable arising from an unreceived dividend of CZK 607 thousand (2014: CZK 243 thousand).

13. EQUITY

As of 31 December 2015, 414,444,500 share certificates of the Fund have been issued (2014: 210,239,863).

The value of a share certificate as of the last business day of 2015 amounted to CZK 1.0846 (2014: 1.0661). This is the last value of a share certificate in 2015 for which purchases and re-purchases of the Fund's share certificates were made.

14. OTHER LIABILITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|-------------|--------------|
| Liability arising from the purchase of share certificates | - | 9 506 |
| Negative fair values of financial derivatives | 77 | - |
| Other liabilities | 887 | 144 |
| Total | 964 | 9 650 |

15. ACCRUED EXPENSES AND DEFERRED INCOME

The item 'Accrued expenses' primarily includes the management fee for the month of December in the amount of CZK 341 thousand (2014: CZK 169 thousand).

16. FINANCIAL DERIVATIVES

Nominal value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|---------------|---------------|-------------|----------|
| | Receivable | Payable | Receivable | Payable |
| Currency forwards | 44 604 | 44 683 | - | - |
| Total | 44 604 | 44 683 | - | - |

Raiffeisen privátní fond dynamický, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

Off-balance sheet assets and liabilities represent the nominal (contractual) undiscounted values which are revalued by the Fund using CNB's exchange rate valid as of the financial statements date. All the above financial instruments were concluded on the inter-bank market (OTC).

Fair value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|-------------|-----------|-------------|----------|
| | Positive | Negative | Positive | Negative |
| Currency forwards | - | 77 | - | - |
| Total | - | 77 | - | - |

All currency derivatives mature within one year.

17. RESERVES

| CZK '000 | Income tax | Total reserves |
|------------------------------------|------------|----------------|
| Balance at 1 January 2015 | 444 | 444 |
| Creation | | |
| Usage | (444) | (444) |
| Balance at 31 December 2015 | - | - |

The Fund creates the income tax reserve because the financial statements are prepared prior to the determining of the tax liability. In the following reporting period, the Fund will release the reserve and account for the established tax liability.

18. PROPOSED LOSS SETTLEMENT

The Company's Board of Directors proposes the settlement of loss for 2015 as follows:

| CZK '000 | Profit / loss | Retained earnings or accumulated loss brought forward |
|---|---------------|---|
| Balance at 31 December 2015 | - | 9 527 |
| Loss for 2015 | (2 424) | - |
| Proposed loss settlement for 2015: | | |
| Transfer to accumulated loss | 2 424 | (2 424) |
| Total | - | 7 103 |

Raiffeisen privátní fond dynamický, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

19. INCOME TAXATION

(a) Income Tax

| CZK '000 | 1 Jan – 31 Dec 2015 | 20 May – 31 Dec 2014 |
|------------------------------------|---------------------|----------------------|
| Tax payable for the current period | - | 444 |
| Withholding tax | 972 | 191 |
| Total | 972 | 635 |

(b) Income Tax – Tax Analysis

| CZK '000 | 1 Jan – 31 Dec 2015 | 20 May – 31 Dec 2014 |
|--|---------------------|----------------------|
| Profit or loss for the period before tax | (1 452) | 10 162 |
| Revenues that are not subject to tax | (6 236) | (1 225) |
| Tax non-deductible expenses | | - |
| Other items | | - |
| Subtotal | (7 688) | 8 937 |
| Tax calculated using the 5% tax rate (for 2014: 5%) | - | 444 |
| Tax relief applied | - | - |
| Withholding tax | 972 | 191 |
| Total | 972 | 635 |

20. RELATED PARTY TRANSACTIONS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|--|-------------|-------------|
| Assets | | |
| Incentive related to investment in KAG funds | 17 | - |
| Liabilities | | |
| Management fee payable to the Company | 341 | 169 |

| CZK '000 | 1 Jan – 31 Dec 2015 | 20 May – 31 Dec 2014 |
|--|---------------------|----------------------|
| Expenses | | |
| Management fee payable to the Company | 3 736 | 715 |
| Income | | |
| Incentive related to investment in KAG funds | 38 | - |

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|--------------------------------|-------------|-------------|
| Off-balance sheet assets | | |
| Values placed under management | 454 170 | 235 226 |

21. VALUES PLACED UNDER MANAGEMENT

The Fund has all its assets managed by the Company. The item entitled ‘Values placed under management’ covers both foreign and local securities, term deposits as well as current account balances, excluding the current account used for receiving shareholders’ deposits. These current accounts are not included because they represent a payable for share certificates as yet unissued.

22. FINANCIAL INSTRUMENTS – MARKET RISK

The Fund is exposed to market risks arising from open positions in interest rate, equity and currency instrument transactions that are sensitive to changes in financial market conditions.

(a) Risk management

The basic risk management instrument is represented by imposing limits on the ratio of different types of financial instruments in the portfolio, which are determined in accordance with legal requirements, the Fund Prospectus, and its investment strategy. The key risks, which are evaluated on a daily basis, include foreign currency exposures and sensitivity to interest rate fluctuations.

Market risks are measured using the Value at Risk (“VaR”) method. Value at Risk represents a potential loss resulting from unfavourable developments on the market within a certain time period and at a certain level of reliability. The ‘Value at Risk’ is measured on the basis of a one-year holding period and a 95% reliability level.

(b) Liquidity risk

‘Liquidity risk’ represents the risk that the Fund will not have sufficient cash resources to meet its commitments associated with its financial contracts. Liquidity is monitored and managed on the basis of expected cash flows; in this context, the structure of the securities and the term deposits portfolio is adjusted.

Residual maturity of the Fund’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|---|-----------------------|-------------------------------|---------------------------|----------------------|------------------|----------------|
| As of 31 December 2015 | | | | | | |
| Treasury bonds without coupon and other securities | - | 160 | 14 098 | 21 763 | - | 36 021 |
| Receivables from banks | 10 008 | - | - | - | - | 10 008 |
| Share certificates | - | - | - | - | 408 141 | 408 141 |
| Other assets | 1 545 | - | - | - | - | 1 545 |
| Total | 11 553 | 160 | 14 098 | 21 763 | 408 141 | 455 715 |
| Other liabilities | 964 | - | - | - | - | 964 |
| Accrued/deferred income and expenses | 468 | - | - | - | - | 468 |
| Reserves | - | - | - | - | - | - |
| Equity | - | - | - | - | 454 283 | 454 283 |
| Total | 1 432 | - | - | - | 454 283 | 455 715 |
| GAP | 10 121 | 160 | 14 098 | 21 763 | (46 142) | - |
| Cumulative GAP | 10 121 | 10 281 | 24 379 | 46 142 | - | - |

Raiffeisen privátní fond dynamický, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

Residual maturity of the Company's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--|-----------------------|-------------------------------|---------------------------|----------------------|------------------|----------------|
| As of 31 December 2014 | | | | | | |
| Treasury bonds without coupon and other securities | - | - | - | 7 962 | - | 7 962 |
| Receivables from banks | 47 181 | - | - | - | - | 47 181 |
| Shares, share certificates | - | - | - | - | 180 083 | 180 083 |
| Other assets | 339 | - | - | - | - | 339 |
| Total | 47 520 | - | - | 7 962 | 180 083 | 235 565 |
| Other liabilities | 9 650 | - | - | - | - | 9 650 |
| Accrued/deferred income and expenses | 232 | - | - | - | - | 232 |
| Reserves | - | 444 | - | - | - | 444 |
| Equity | - | - | - | - | 225 239 | 225 239 |
| Total | 9 882 | 444 | - | - | 225 239 | 235 565 |
| GAP | 37 638 | 444 | - | 7 962 | (45 156) | - |
| Cumulative GAP | 37 638 | 37 194 | 37 194 | 45 156 | - | - |

The above tables show residual maturities of the book values of the individual financial instruments, rather than of all cash flows resulting from such instruments.

(c) **Interest rate risk**

The Fund is exposed to interest rate risk due to the impacts of fluctuations of the current interest rates on the market. On account of such changes, the fair value and income from financial assets may both increase and decrease.

The table below provides a summary of the mismatch between the Fund's assets and liabilities that are interest-rate sensitive. The carrying value of these assets and liabilities is included in the period when they mature or the interest rate changes, whichever comes first.

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|-------------------------------|------------------------------|----------------------|---------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupons and other securities | - | 36 021 | - | - | 36 021 |
| Receivables from banks | 10 008 | - | - | - | 10 008 |
| Debt securities | - | - | - | - | - |
| Total | 10 008 | 36 021 | - | - | 46 029 |

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|-------------------------------|------------------------------|----------------------|---------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupons and other securities | - | - | - | 7 962 | 7 962 |
| Receivables from banks | 47 181 | - | - | - | 47 181 |
| Total | 47 181 | - | - | 7 962 | 55 143 |

Raiffeisen privátní fond dynamický, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

The above summary only includes interest-rate sensitive assets and liabilities and, therefore, it is not identical to the values presented in the Fund's balance sheet.

(d) Currency risk

Foreign currency assets and liabilities including off-balance sheet participations represent the Fund's exposure to currency risks. Both realised and unrealised foreign exchange profit and loss is reported directly in the profit and loss account. The foreign exchange positions of the Fund in the most significant currencies are as follows:

Foreign exchange positions of the Fund

| CZK '000 | EUR | USD | CZK | Total |
|--|----------------|----------------|------------------|----------------|
| As of 31 December 2015 | | | | |
| Treasury bonds without coupon and other securities | - | - | 36 021 | 36 021 |
| Receivables from banks | 255 | 5 076 | 4 677 | 10 008 |
| Shares, share certificates | 150 542 | 257 599 | - | 408 141 |
| Other assets | 55 | 1 234 | 256 | 1 545 |
| Total | 150 852 | 263 909 | 40 954 | 455 715 |
| Other liabilities | - | 77 | 887 | 964 |
| Accrued/deferred income and expenses | - | - | 468 | 468 |
| Reserves | - | - | - | - |
| Equity | - | - | 454 283 | 454 283 |
| Total | - | 77 | 455 638 | 455 715 |
| Long off-balance instruments positions | - | - | 44 604 | 44 604 |
| Short off-balance instruments positions | - | 44 683 | - | 44 683 |
| Net foreign exchange position | 150 852 | 219 149 | (370 080) | - |

Foreign exchange positions of the Fund

| CZK '000 | EUR | USD | CZK | Total |
|--|---------------|----------------|------------------|----------------|
| As of 31 December 2014 | | | | |
| Treasury bonds without coupon and other securities | - | - | 7 962 | 7 962 |
| Receivables from banks | 10 163 | 917 | 36 101 | 47 181 |
| Shares, share certificates | 62 094 | 117 989 | - | 180 083 |
| Other assets | - | 243 | 96 | 339 |
| Total | 72 257 | 119 149 | 44 159 | 235 565 |
| Other liabilities | - | 9 506 | 144 | 9 650 |
| Accrued/deferred income and expenses | - | - | 232 | 232 |
| Reserves | - | - | 444 | 444 |
| Equity | - | - | 225 239 | 225 239 |
| Total | - | 9 506 | 226 059 | 235 565 |
| Net foreign exchange position | 72 257 | 109 643 | (181 900) | - |

Raiffeisen privátní fond dynamický, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

23. FINANCIAL INSTRUMENTS – CREDIT RISK

Fund investments are implemented so that the rating structure of the securities complies with the Fund Prospectus and its investment strategy. Credit risk management includes the monitoring of diversification of investments in terms of their geographical distribution and in terms of exposure of individual issuers to credit risk.

Distribution of assets based on geographical segments

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|---------------|----------------|--------------------------|----------------|----------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupon and other securities | 36 021 | 0 | 0 | 0 | 36 021 |
| Receivables from banks | 10 008 | 0 | 0 | 0 | 10 008 |
| Debt securities | 0 | 0 | 0 | 0 | 0 |
| Shares, share certificates and other investments | 0 | 150 542 | 0 | 257 599 | 408 141 |
| Other assets | 1 545 | 0 | 0 | 0 | 1 545 |
| Total | 47 574 | 150 542 | 0 | 257 599 | 455 715 |

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|---------------|---------------|--------------------------|----------------|----------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupon and other securities | 7 962 | 0 | 0 | 0 | 7 962 |
| Receivables from banks | 47 181 | 0 | 0 | 0 | 47 181 |
| Debt securities | 0 | 0 | 0 | 0 | 0 |
| Shares, share certificates and other investments | 0 | 62 094 | 0 | 117 989 | 180 083 |
| Other assets | 339 | 0 | 0 | 0 | 339 |
| Total | 55 482 | 62 094 | 0 | 117 989 | 235 565 |

Distribution of securities based on the issuer

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|----------------|----------------|
| Issued by collective investment funds | 408 141 | 180 083 |
| Issued by government institutions | 36 021 | 7 962 |
| Total | 444 162 | 188 045 |

24. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date on 31 December 2015 that would have a significant impact on the financial statements of the Fund.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Raiffeisen privátní fond dynamický, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Identification number: 291 46 739

We have audited the accompanying financial statements of Raiffeisen privátní fond dynamický, otevřený podílový fond, Raiffeisen investiční společnost a.s. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015, and the profit and loss account and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of Raiffeisen investiční společnost a.s. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisen privátní fond dynamický, otevřený podílový fond, Raiffeisen investiční společnost a.s. as of 31 December 2015, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The financial statements of Raiffeisen privátní fond dynamický, otevřený podílový fond, Raiffeisen investiční společnost a.s. for the prior year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2015.

Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 25 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Diana Rádlová
registration no. 2045



Raiffeisen privátní fond alternativní, open-ended mutual fund, Raiffeisen investiční společnost a.s.

| | |
|----------------------------------|------------------------|
| Denomination: | CZK |
| ISIN: | CZ0008474368 |
| Share certificate nominal value: | n.a. |
| Fund format: | open-ended mutual fund |
| Fund type (AKAT classification): | mixed fund |
| Date of incorporation: | 28 April 2014 |

The underlying assets of Raiffeisen privátní fond alternativní were allocated in 2015 primarily in riskier securities. The Fund pursues the intention to invest in alternative investments and its investment scope is therefore relatively wide. The primary investment themes of the fund include riskier assets (commodities, real estate and for example instruments profiting from volatility movements), as well as more defensive ones (bonds and instruments profiting, for example, from the “tightening” of credit spreads or inflation growth).

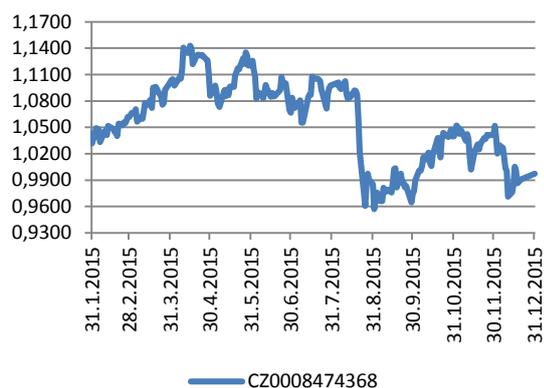
No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010 (hereinafter the “AIFMD Directive”), as specified in the Prospectus.

| Financial indicators | 31 December 2015 | 31 December 2014 | Change % |
|---|-----------------------------|-------------------------|-----------------|
| Mutual fund equity, in CZK ‘000 | 153 687 | 72 599 | 111.69 |
| Equity per share certificate, in CZK | 0.9974 | 0.9896 | 0.79 |
| Profit/loss after tax, in CZK ‘000 | (4 376) | (722) | 506.09 |
| Number of share certificates, in pieces | 154 091 162 | 73 365 357 | 110.03 |

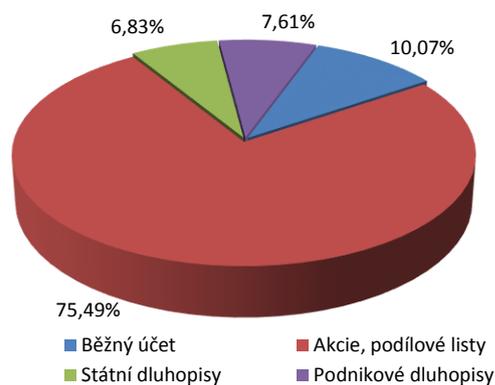
Number of share certificates issued and redeemed in 2015

| Issued share certificates | | Redeemed share certificates | | BALANCE (+/-) | |
|----------------------------------|--------------------|------------------------------------|--------------------|----------------------|--------------------|
| in pieces | in CZK ‘000 | in pieces | in CZK ‘000 | in pieces | in CZK ‘000 |
| 92 388 330 | 97 975 | 11 662 525 | 12 511 | 80 725 805 | 85 464 |

Share certificate value curve



Asset composition



Legend: Current account Shares, share certificates
Treasury bonds Corporate bonds

List of securities held in excess of 1% as of 31 December 2015

| COUNTRY | ISIN | SECURITY NAME | PURCHASE PRICE in CZK '000 | FAIR VALUE in CZK '000 | STAKE IN ASSETS in % |
|--------------|--------------|---|-------------------------------|---------------------------|-------------------------|
| US | US73936T6230 | POWERSHARES GLOBAL WATER | 1 733 | 1 818 | 1.18 |
| US | US18383Q8794 | GUGGENHEIM TIMBER ETF | 1 669 | 1 931 | 1.25 |
| US | US97717X8424 | WISDOMTREE ASIA LOCAL DEBT | 2 213 | 2 134 | 1.38 |
| US | US46428Q1094 | iShares Silver Trust | 2 754 | 2 292 | 1.49 |
| US | US73935X5005 | POWERSHARES WILDERN CLEAN EN | 2 385 | 2 353 | 1.53 |
| US | US78463V1070 | SPDR GOLD SHARES | 2 625 | 2 519 | 1.63 |
| US | US73935X8496 | POWERSHARES DYNAMIC FOOD | 3 259 | 3 757 | 2.44 |
| GB | IE00B4613386 | SPDR Barclays Em. Mark. L. Bond UCITS ETF | 4 773 | 4 302 | 2.79 |
| US | US73936D1072 | POWERSHARES DB US DOL IND BU | 4 336 | 4 457 | 2.89 |
| CZ | CZ0001004113 | CZGB Float 12/09/20 | 5 018 | 5 035 | 3.26 |
| CZ | CZ0001003123 | CZGB Float 04/18/23 | 5 383 | 5 481 | 3.55 |
| US | US4642884716 | iShares Europe Developed Real | 4 746 | 5 692 | 3.69 |
| US | US78463X7497 | SPDR DJ GLOBAL Real Estate E | 5 861 | 5 809 | 3.77 |
| US | US78464A4177 | SPDR BARCLAYS HIGH YIELD BD | 7 995 | 7 155 | 4.64 |
| US | US9229085538 | VANGUARD REIT ETF | 7 504 | 7 323 | 4.75 |
| US | US4642877397 | ISHARES US REAL ESTATE ETF | 6 561 | 7 642 | 4.95 |
| US | US57060U6055 | MARKET VECTORS AGRIBUSINESS | 9 189 | 8 656 | 5.61 |
| IE | IE00B66F4759 | ISHARES EURO HY CORP BND | 9 600 | 8 882 | 5.76 |
| CZ | CZ0002002520 | UNICZ 6 04/27/18 | 11 521 | 11 714 | 7.59 |
| US | US4642871762 | ISHARES TIPS BONDS ETF | 14 397 | 14 975 | 9.71 |
| US | US74347W6277 | PROSHARES SHORT VIX ST FUTUR | 28 562 | 23 044 | 14.94 |
| TOTAL | | | 142 084 | 136 970 | 88.78 |

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: Raiffeisen privátní fond alternativní, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Registered Office: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle

Corporate ID: 291 46 739

Components of the Financial Statements:

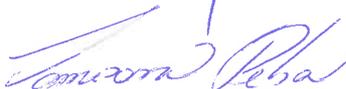
Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Notes to the Financial Statements

These financial statements were prepared on 13 February 2016.

| Statutory body of the reporting entity: | Signature |
|--|--|
| On behalf of the statutory body: Ing. Jaromír Sladkovský Ing. Michal Ondruška |  |
| Individual in charge of the accounting records: Ing. Petra Tomisová |  |

Business name: Raiffeisen privátní fond alternativní
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

BALANCE SHEET
as of 31 December 2015

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|---------------------|------|----------------|---------------|
| ASSETS | | | |
| 2 | 9 | | |
| | | 10 516 | - |
| | | 10 516 | - |
| 3 | 8 | 15 504 | 16 372 |
| | | 15 504 | 16 372 |
| 5 | 10 | 11 714 | - |
| | | 11 714 | - |
| 6 | 11 | 116 241 | 60 183 |
| | | 2 353 | - |
| | | 113 888 | 60 183 |
| 11 | 12 | 300 | 75 |
| Total assets | | 154 275 | 76 630 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--------------------------|------|----------------|---------------|
| LIABILITIES | | | |
| 4 | 14 | 366 | 3 916 |
| | 16 | 11 | - |
| 5 | 15 | 222 | 115 |
| 12 | 13 | 158 785 | 73 321 |
| 14 | | (722) | - |
| 15 | | (4 376) | (722) |
| Total liabilities | | 154 275 | 76 630 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--------------------------------------|------|------------|------------|
| OFF BALANCE SHEET ITEMS | | | |
| Off balance sheet assets | | | |
| 4 | 16 | 6 195 | - |
| 8 | | 153 975 | 76 555 |
| Off balance sheet liabilities | | | |
| 12 | 16 | 6 206 | - |

Business name: Raiffeisen privátní fond alternativní
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

| CZK thousand | Note | 1.1.-31.12.2015 | 20.5.-31.12.2014 |
|---|------|-----------------|------------------|
| 1 Interest income and similar income | 3 | 9 | 18 |
| <i>of which: interest from debt securities</i> | | 9 | 18 |
| 3 Income from shares and equity investments | 4 | 2 390 | 558 |
| <i>c) other income from shares and equity investments</i> | | 2 390 | 558 |
| 5 Fees and commission expenses | 5 | (1 490) | (340) |
| 6 Profit or loss from financial operations | 6 | (4 830) | (789) |
| 9 Administrative expenses | 7 | (97) | (85) |
| <i>b) other administrative expenses</i> | | (97) | (85) |
| 19 Profit or loss for the reporting period from ordinary activities before tax | | (4 018) | (638) |
| 23 Income tax | 18 | (358) | (84) |
| 24 Profit or loss for the reporting period after tax | | (4 376) | (722) |

Business name: Raiffeisen privátní fond alternativní
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

STATEMENT OF CHANGES IN EQUITY
as of 31 December 2015

| CZK thousand | Capital funds | Profit (loss) | Total |
|--|---------------|---------------|---------------|
| Balance at 20. 5. 2014 | - | - | - |
| Net profit/loss for the reporting period | - | (722) | (722) |
| Share certificates sold | 73 321 | - | 73 321 |
| Share certificates purchased | - | - | - |
| Balance at 31. 12. 2014 | 73 321 | (722) | 72 599 |

Overview of changes in equity

| CZK thousand | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|----------------|---|----------------|----------------|
| Balance at 1. 1. 2015 | 73 321 | - | (722) | 72 599 |
| Net profit/loss for the reporting period | - | - | (4 376) | (4 376) |
| Share certificates sold | 97 975 | - | - | 97 975 |
| Share certificates purchased | (12 511) | - | - | (12 511) |
| Transfer to funds | - | (722) | 722 | - |
| Balance at 31. 12. 2015 | 158 785 | (722) | (4 376) | 153 687 |

1. GENERAL INFORMATION

(a) Fund characteristics

Fund emergence and characteristics

Raiffeisen privátní fond alternativní, otevřený podílový fond, Raiffeisen investiční společnost a.s. (hereinafter the “Fund”) represents an accounting entity without legal personality managed by Raiffeisen investiční společnost a.s. (hereinafter the “Company”) pursuant to Act no. 240/2013 Coll., on management companies and investment funds (hereinafter the “Act”). The Fund came into existence on the day of its entry into the list kept by the Czech National Bank in accordance with Section 597 (b) of the Act, made on 28 April 2014. The Fund began its activity on 20 May 2014.

The fund is a special securities fund in accordance with the Act, complying with all legal requirements of the European Communities.

Neither the number of issued share certificates nor the duration of the Fund are limited.

The Fund has no employees and all administration relating to the business activities of the Fund is supplied by the Company.

Information about the management company

The Fund assets are administered and managed by Raiffeisen investiční společnost a.s., Corporate ID 29146739, with its registered office at Hvězdova 1716/2b, Praha 4 – Nusle, 140 78.

The Company is a management company in the sense of the existing legislation and it acts in the capacity of a legal entity, which collects cash from both legal entities and natural persons (individuals), in order to use them to participate in business (collective investing).

The Company was incorporated on 21 December 2012. The Company obtained operation authorisation based on Decision of the Czech National Bank No. 2013/4256/570 of 9 April 2013 which took effect on 9 April 2013.

Principal activity of the Company

Under the Act, the Company is authorised, in the scope of the authorisation of the Czech National Bank, to:

- Manage investment funds or foreign investment funds; and
- Administer investment funds or foreign investment funds.

Depository information

Depository services are provided by UniCredit Bank Czech Republic and Slovakia, a.s., Corporate ID 64948242, with its registered office at Želetavská 1525/1, Praha 4, 140 92 (hereinafter the “Depository”) under the Depository Agreement dated 6 February 2014.

(b) Basis for the Preparation of the Financial Statements

The financial statements have been prepared based on accounting records maintained in line with:

- Accounting Act No. 563/1991, as amended;
- Regulation No. 501/2002 issued by the Ministry of Finance, as amended; and
- Czech Accounting Standards for financial institutions as published by the Ministry of Finance.

The financial statements have been prepared in compliance with the accruals principle and historical prices, excluding selected financial instruments valued at fair value.

The Fund began its activity on 20 May 2014; for this reason comparative data is not provided. The reporting period from 20 May 2014 to 31 December 2014 is hereinafter referred to as “2014” in profit and loss account items.

The financial statements are based on the going concern assumption and assuming that no facts exist that would restrict the Fund or prevent it from carrying out its activity in the foreseeable future.

These financial statements are presented in thousands of Czech crowns (‘CZK’) unless stated otherwise. Figures in brackets are negative.

These financial statements are unconsolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Transaction Date

Depending on the transaction type, the transaction date is predominantly:

- Date of payment or receipt of money in circulation;
- Date of purchase or sale of foreign currency, foreign exchange or securities;
- Date of payment;
- Date of crediting (foreign currency) funds based on the account statement;
- Date of arrangement and settlement of spot transactions, namely purchase or sale of financial instruments or commodities with such a delivery date where the period between the trade date and the settlement date is no more than five days; and
- Trade date and settlement date of derivative transactions.

Spot transactions (i.e. purchases and sales of financial assets with a usual term of delivery) of the Fund are reported directly in the relevant asset or liability at the trade date.

The Fund will derecognise a financial asset or any part thereof from the balance sheet if control over the contractual rights to such a financial asset or any part thereof is lost. The loss of control occurs if the Company exercises its rights to contractual benefits, if such rights expire or should the Fund waive these rights.

If a financial liability or any part thereof expires (such as when a contractual obligation is met, cancelled or expires), the financial liability or a part thereof will no longer be recognised in the Fund’s balance sheet. The difference between the carrying amount of the financial liability or a part thereof that has expired or has been transferred to another entity and the amount paid for the respective debt shall be reported through expenses or revenues as appropriate.

(b) Securities

In compliance with the Fund strategy, all securities have been classified as securities valued at their fair value. Securities are re-valued on a daily basis during the reporting period, pursuant to Decree no. 244/2013 Coll., of the Ministry of Finance of the Czech Republic, on detailed issues related to the Act on Management Companies and Investment Funds, as amended (hereinafter the “Decree”). Pursuant to the Decree, securities are valued at prices derived from public markets, which may be further adjusted in keeping with the provisions of the Decree. If no market price is available, such value shall be applied as determined according to valuation models based on discounted future cash flows according to the yield curve.

Upon their initial recognition, securities are valued at acquisition cost. Acquisition cost also includes direct transaction costs related to the acquisition of securities.

Interest income

The term 'interest income' means the following:

- a) as regards debt securities with coupon, the accrued coupon as determined in the issue terms and conditions and the accrued difference between the nominal value and the net acquisition cost, known as a premium or discount;
- b) as regards debt securities without coupon and bills of exchange, the accrued difference between the nominal value and the acquisition cost.

Interest income on debt securities is reported in the profit and loss account commencing on the purchase using the effective interest rate method.

Derecognition of securities

Upon sales of securities, the Fund values such securities disposals using the 'average price method'.

(c) Receivables and Provisions

Operating receivables are recognised at their nominal value net of provisions, if any. Bad debts are written off after the completion of the debtor's bankruptcy proceedings or when it is highly unlikely for the bad debt to be settled.

Provisions are recognised as expenses; the utilisation of a provision is recognised in the profit and loss account along with expenses or losses arising from asset disposals. The release of a provision due to redundancy is recognised in revenues.

(d) Financial derivatives

Derivatives are financial instruments meeting the following conditions:

- a) their fair value varies depending on changes in interest rates, security prices, commodity prices, foreign exchange rates, price indices, credit assessments (ratings) or indices, and/or depending on any other variables (so-called underlying assets);
- b) as compared to other types of contracts, which show similar responses to changing market conditions, they require little or no initial investments;
- c) they will be settled in the future and the period from the trade date to settlement exceeds that of spot transactions.

Derivatives are reported in the balance sheet at their fair values. Positive fair values of derivatives are reported in assets under 'Other assets'. Negative fair values of derivatives are reported in liabilities under 'Other liabilities'.

Fair value of financial derivatives is determined as the present value of future cash flows from these transactions. The present value is determined with the help of parameters identified on the active market, such as exchange rates, interest rates for a given maturity based on the yield curve, etc.

In the off-balance sheet, derivatives are reported at contractual undiscounted values of the underlying instrument under 'Receivables from fixed-term operations' and 'Payables from fixed-term operations'.

(e) Funds invested by shareholders

The Fund has no share capital. The share certificates have been assigned no nominal value. The Fund does not account for share premium.

Capital funds

The selling price of share certificates is determined as a ratio of the equity of the class and the number of issued share certificates of the class. Share certificates are sold to investors for selling prices determined on a daily basis.

(f) Reserves

Reserves represent probable cash outflows of uncertain timing and amount. Reserves are charged to expenses in such amounts which are the best estimate of expenditures required in order to settle existing liabilities.

Reserves are created if the following criteria are met:

- a) A performance obligation (legal or constructive) exists as a result of past events;
- b) It is probable or certain that an event will occur and will require an outflow of resources representing economic benefits, where “probable” means probability greater than 50%; and
- c) It is possible to make a reliable estimate of such fulfilment.

(g) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate of the Czech National Bank effective on the date of the transaction.

Assets and liabilities denominated in foreign currencies along with foreign-currency spot transactions before their due dates are translated into the local currency using the exchange rate of the Czech National Bank effective at the balance sheet date. Any profit or loss resulting from the translation of assets and liabilities denominated in foreign currencies, excepting equity investments in foreign currencies, or items hedging against foreign currency risk arising from contracts not yet recognised in the Fund’s balance sheet, or from anticipated future transactions is recognised in the profit and loss account as “Profit or loss from financial operations”.

(h) Taxation

Tax payable

The corporate tax base is calculated from the profit for the current period before tax, increased by non-deductible expenses, less the revenues that are not subject to income tax, and further adjusted for tax allowances and relevant credits, if any. Based on valid tax regulations, corporate income tax for mutual funds amounts to 5%.

Deferred tax

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities, using the anticipated tax rate effective for the following period. A deferred tax asset will be only recognised if there is no doubt as to its recovery in the following reporting periods.

(i) Interest income and interest expense and dividend income

Interest income and interest expense are reported on an accrual basis.

Dividend income is reported on the effective date of entitlement to receive its payment (ex-dividend date). Dividend income from domestic securities is reported after the deduction of withholding tax.

Dividend income from foreign securities is reported prior to the deduction of withholding tax.

3. INTEREST INCOME AND SIMILAR INCOME

The item ‘Interest income and similar income’ includes interest from debt securities in the amount of CZK 9 thousand (2014: CZK 18 thousand).

4. INCOME FROM SHARES AND EQUITY INVESTMENTS

Income from shares and equity investments includes dividends in the amount of CZK 2,390 thousand (2014: CZK 558 thousand).

Raiffeisen privátní fond alternativní, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

5. FEES AND COMMISSION EXPENSES

| CZK '000 | 1 Jan – 31 Dec 2015 | 20 May – 31 Dec 2014 |
|---|---------------------|----------------------|
| Management fee | 1 280 | 251 |
| Depository fee | 115 | 78 |
| Commissions and fees from trade with securities | 26 | 5 |
| Other fees and commissions | 69 | 6 |
| Total | 1 490 | 340 |

The management fee paid by the Fund to the Company amounts, according to the Fund Prospectus, to 0.9% of the average annual value of the Fund equity.

Under the Depository Agreement, the Fund pays a flat rate fee in the amount of CZK 95,000 thousand per year.

6. PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| CZK '000 | 1 Jan – 31 Dec 2015 | 20 May – 31 Dec 2014 |
|---|---------------------|----------------------|
| Profit from securities valued at fair value | (4 454) | (1 332) |
| Profit from exchange rate differences | (1 019) | 460 |
| Loss from spot and fixed term transactions | 643 | 83 |
| Total | (4 830) | (789) |

Profit or loss from securities valued at fair value mainly represents daily revaluation of securities to fair value.

Profit or loss from exchange rate differences mainly represents both realised and unrealised exchange rate differences from revaluation of bond securities and balances of foreign currency current accounts.

Profit or loss from spot and fixed term transactions includes profit and loss from settlements of spot transactions and fixed term transactions with financial instruments as well as revaluation of open derivatives at fair value.

7. ADMINISTRATIVE EXPENSES

Administrative expenses include audit expenses in the amount of CZK 97 thousand (2014: CZK 85 thousand).

8. RECEIVABLES FROM BANKS AND COOPERATIVE CREDIT UNIONS

Receivables from banks include current accounts maintained by Unicredit bank Czech Republic and Slovakia, a.s., amounting to CZK 15,504 thousand (2014: CZK 16,372 thousand)-

Current accounts are payable upon request.

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9. TREASURY BONDS WITHOUT COUPON AND OTHER SECURITIES ACCEPTED BY THE CENTRAL BANK FOR REFINANCING

All securities held by the Fund are listed on the Prague Stock Exchange or on foreign stock exchanges. All securities are included in the portfolio of securities at fair value.

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|---------------|-------------|
| Treasury bonds | 10 516 | - |
| Net book value | 10 516 | - |

10. DEBT SECURITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|---------------|-------------|
| Bonds issued by government institutions | - | - |
| Bonds issued by other entities | 11 714 | - |
| Net book value | 11 714 | - |

11. SHARES, SHARE CERTIFICATES AND OTHER INVESTMENTS

All securities held by the Fund are listed on the Prague Stock Exchange or on foreign stock exchanges. All securities are included in the portfolio of securities at fair value.

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|----------------|---------------|
| Shares | 2 353 | - |
| Share certificates | 113 888 | 60 183 |
| Net book value | 116 241 | 60 183 |

12. OTHER ASSETS

Other assets include a receivable arising from foreign withholding tax intended for credit amounting to CZK 300 thousand (2014: CZK 75 thousand).

13. EQUITY

As of 31 December 2015, 154,091,162 share certificates of the Fund have been issued (2014: 73,365,357).

The value of a share certificate as of the last business day of 2015 amounted to CZK 0.9910 (2014: 0.9952). This is the last value of a share certificate in the respective year for which purchases and re-purchases of the Fund's share certificates were made.

14. OTHER LIABILITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|-------------|--------------|
| Liability arising from the purchase of share certificates | - | 3 830 |
| Negative fair values of derivatives | 11 | - |
| Other liabilities | 355 | 86 |
| Total | 366 | 3 916 |

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15. ACCRUED EXPENSES AND DEFERRED INCOME

The item 'Accrued expenses' primarily includes the uninvoiced management fee for the month of December in the amount of CZK 115 thousand (2014: CZK 54 thousand).

16. FINANCIAL DERIVATIVES

Nominal value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|--------------|--------------|-------------|----------|
| | Receivable | Payable | Receivable | Payable |
| Currency forwards | 6 195 | 6 206 | - | - |
| Total | 6 195 | 6 206 | - | - |

Off-balance sheet assets and liabilities represent the nominal (contractual) undiscounted values which are revalued by the Fund using CNB's exchange rate valid as of the financial statements date. All the above financial instruments were concluded on the inter-bank market (OTC).

Fair value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|-------------|-----------|-------------|----------|
| | Positive | Negative | Positive | Negative |
| Currency forwards | - | 11 | - | - |
| Total | - | 11 | - | - |

All currency derivatives mature within one year.

17. PROPOSED LOSS SETTLEMENT

The Company's Board of Directors proposes the settlement of loss for 2015 as follows:

| CZK '000 | Profit / loss | Retained earnings or accumulated loss brought forward |
|--|---------------|---|
| Balance at 31 December 2015 prior to the allocation of the loss for 2015 | - | (722) |
| Loss for 2015 | (4 376) | |
| Proposed loss settlement for 2015: | | |
| Transfer to accumulated loss | 4 376 | (4 376) |
| Total | - | (5 098) |

18. INCOME TAXATION

(a) Income Tax

| CZK '000 | 1 Jan – 31 Dec 2015 | 20 May – 31 Dec 2014 |
|------------------------------------|---------------------|----------------------|
| Tax payable for the current period | - | - |
| Withholding tax | 358 | 84 |
| Total | 358 | 84 |

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Raiffeisen investiční společnost a.s.
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(b) Income Tax – Tax Analysis

| CZK ‘000 | 1 Jan – 31 Dec 2015 | 20 May – 31 Dec 2014 |
|--|---------------------|----------------------|
| Profit or loss for the period before tax | (4 018) | (638) |
| Revenues that are not subject to tax | (2 390) | (558) |
| Tax non-deductible expenses | - | |
| Other items | - | |
| Subtotal | (6 408) | (1 196) |
| Tax calculated using the 5% tax rate (for 2014: 5%) | | |
| Tax relief applied | - | |
| Withholding tax | 358 | 84 |
| Total | 358 | 84 |

19. RELATED PARTY TRANSACTIONS

| CZK ‘000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|-------------|-------------|
| Liabilities | | |
| Management fee payable to the Company | 115 | 54 |

| CZK ‘000 | 2015 | 2014 |
|---------------------------------------|-------|------|
| Expenses | | |
| Management fee payable to the Company | 1 280 | 251 |

| CZK ‘000 | 31 Dec 2015 | 31 Dec 2014 |
|--------------------------------|-------------|-------------|
| Off-balance sheet assets | | |
| Values placed under management | 153 975 | 76 555 |

20. VALUES PLACED UNDER MANAGEMENT

The Fund has all its assets managed by the Company. The item entitled ‘Values placed under management’ covers both foreign and local securities, term deposits as well as current account balances, excluding the current account used for receiving shareholders’ deposits. These current accounts are not included because they represent a payable for share certificates as yet unissued.

21. FINANCIAL INSTRUMENTS – MARKET RISK

The Fund is exposed to market risks arising from open positions in interest rate, equity and currency instrument transactions that are sensitive to changes in financial market conditions.

(a) Risk management

The basic risk management instrument is represented by imposing limits on the ratio of different types of financial instruments in the portfolio, which are determined in accordance with legal requirements, the Fund Prospectus, and its investment strategy. The key risks, which are evaluated on a daily basis, include foreign currency exposures and sensitivity to interest rate fluctuations.

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Market risks are measured using the Value at Risk (“VaR”) method. Value at Risk represents a potential loss resulting from unfavourable developments on the market within a certain time period and at a certain level of reliability. The ‘Value at Risk’ is measured on the basis of a one-year holding period and a 95% reliability level.

(b) Liquidity risk

‘Liquidity risk’ represents the risk that the Fund will not have sufficient cash resources to meet its commitments associated with its financial contracts. Liquidity is monitored and managed on the basis of expected cash flows; in this context, the structure of the securities and the term deposits portfolio is adjusted.

Residual maturity of the Fund’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--|-----------------------|-------------------------------|---------------------------|----------------------|------------------|----------------|
| As of 31 December 2015 | | | | | | |
| Treasury bonds without coupon and other securities | - | 40 | 5 035 | 5 441 | - | 10 516 |
| Receivables from banks | 15 504 | - | - | - | - | 15 504 |
| Debt securities | - | 405 | 11 309 | - | - | 11 714 |
| Shares, share certificates | - | - | - | - | 116 241 | 116 241 |
| Other assets | 300 | - | - | - | - | 300 |
| Total | 15 804 | 445 | 16 344 | 5 441 | 116 241 | 154 275 |
| Other liabilities | 366 | - | - | - | - | 366 |
| Accrued/deferred income and expenses | 222 | - | - | - | - | 222 |
| Equity | - | - | - | - | 153 687 | 153 687 |
| Total | 588 | - | - | - | 153 687 | 154 275 |
| GAP | 15 216 | 445 | 16 344 | 5 441 | (37 446) | - |
| Cumulative GAP | 15 216 | 15 661 | 32 005 | 37 446 | - | - |

Residual maturity of the Company’s assets and liabilities

| CZK ‘000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--------------------------------------|-----------------------|-------------------------------|---------------------------|----------------------|------------------|---------------|
| As of 31 December 2014 | | | | | | |
| Receivables from banks | 16 372 | - | - | - | - | 16 372 |
| Shares, share certificates | - | - | - | - | 60 183 | 60 183 |
| Other assets | 75 | - | - | - | - | 75 |
| Total | 16 447 | - | - | - | 60 183 | 76 630 |
| Other liabilities | 3 916 | - | - | - | - | 3 916 |
| Accrued/deferred income and expenses | 115 | - | - | - | - | 115 |
| Equity | - | - | - | - | 72 599 | 72 599 |
| Total | 4 031 | - | - | - | 72 599 | 76 630 |
| GAP | 12 416 | - | - | - | (12 416) | - |
| Cumulative GAP | 12 416 | 12 416 | 12 416 | 12 416 | - | - |

The above tables show residual maturities of the book values of the individual financial instruments, rather than of all cash flows resulting from such instruments.

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(c) **Interest rate risk**

The Fund is exposed to interest rate risk due to the impacts of fluctuations of the current interest rates on the market. On account of such changes, the fair value and income from financial assets may both increase and decrease.

The tables below provide a summary of the mismatch between the Fund's assets and liabilities that are interest-rate sensitive. The carrying value of these assets and liabilities is included in the period when they mature or the interest rate changes, whichever comes first.

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 moths to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|--------------------|------------------------|------------------------|-------------------|---------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupons and other securities | - | 10 516 | - | - | 10 516 |
| Receivables from banks | 15 504 | - | - | - | 15 504 |
| Debt securities | - | 405 | 11 309 | - | 11 714 |
| Total | 15 504 | 10 921 | 11 309 | - | 37 734 |

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 moths to 1 year | From 1 year to 5 years | More than 5 years | Total |
|-------------------------------|--------------------|------------------------|------------------------|-------------------|---------------|
| As of 31 December 2014 | | | | | |
| Receivables from banks | 16 372 | - | - | - | 16 372 |
| Total | 16 372 | - | - | - | 16 372 |

The above summary only includes interest-rate sensitive assets and liabilities and, therefore, it is not identical to the values presented in the Fund's balance sheet.

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Year Ended 31 December 2015

(d) **Currency risk**

Foreign currency assets and liabilities including off-balance sheet participations represent the Fund's exposure to currency risks. Both realised and unrealised foreign exchange profit and loss is reported directly in the profit and loss account. The foreign exchange positions of the Fund in the most significant currencies are as follows:

Foreign exchange positions of the Fund

| CZK '000 | EUR | USD | CZK | Total |
|--|---------------|----------------|------------------|----------------|
| As of 31 December 2015 | | | | |
| Treasury bonds without coupon and other securities | - | - | 10 516 | 10 516 |
| Receivables from banks | 447 | 4 489 | 10 568 | 15 504 |
| Debt securities | - | - | 11 714 | 11 714 |
| Shares, share certificates | 13 185 | 103 056 | - | 116 241 |
| Other assets | - | 375 | (75) | 300 |
| Total | 13 632 | 107 920 | 32 723 | 154 275 |
| Other liabilities | - | 11 | 355 | 366 |
| Accrued/deferred income and expenses | - | - | 222 | 222 |
| Equity | - | - | 153 687 | 153 687 |
| Total | - | 11 | 154 264 | 154 275 |
| Long off-balance instruments positions | - | - | 6 195 | 6 195 |
| Short off-balance instruments positions | - | 6 206 | - | 6 206 |
| Net foreign exchange position | 13 632 | 101 703 | (115 346) | - |

Foreign exchange positions of the Fund

| CZK '000 | EUR | USD | CZK | Total |
|--------------------------------------|---------------|---------------|-----------------|---------------|
| As of 31 December 2014 | | | | |
| Receivables from banks | 2 804 | 660 | 12 908 | 16 372 |
| Shares, share certificates | 8 625 | 51 558 | - | 60 183 |
| Other assets | - | - | 75 | 75 |
| Total | 11 429 | 52 218 | 12 983 | 76 630 |
| Other liabilities | - | 3 830 | 86 | 3 916 |
| Accrued/deferred income and expenses | - | - | 115 | 115 |
| Equity | - | - | 72 599 | 72 599 |
| Total | - | 3 830 | 72 800 | 76 630 |
| Net foreign exchange position | 11 429 | 48 388 | (59 817) | - |

22. FINANCIAL INSTRUMENTS – CREDIT RISK

Fund investments are implemented so that the rating structure of the securities complies with the Fund Prospectus and its investment strategy. Credit risk management includes the monitoring of diversification of investments in terms of their geographical distribution and in terms of exposure of individual issuers to credit risk.

Distribution of assets based on geographical segments

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|---------------|---------------|--------------------------|----------------|----------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupon and other securities | 10 516 | 0 | 0 | 0 | 10 516 |
| Receivables from banks | 15 504 | 0 | 0 | 0 | 15 504 |
| Debt securities | 11 714 | 0 | 0 | 0 | 11 714 |
| Shares, share certificates and other investments | 0 | 13 185 | 0 | 103 056 | 116 241 |
| Other assets | 300 | 0 | 0 | 0 | 300 |
| Total | 38 034 | 13 185 | 0 | 103 056 | 154 275 |

Distribution of assets based on geographical segments

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|---------------|--------------|--------------------------|---------------|---------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupon and other securities | 0 | 0 | 0 | 0 | 0 |
| Receivables from banks | 16 372 | 0 | 0 | 0 | 16 372 |
| Debt securities | 0 | 0 | 0 | 0 | 0 |
| Shares, share certificates and other investments | 0 | 8 625 | 0 | 51 558 | 60 183 |
| Other assets | 75 | 0 | 0 | 0 | 75 |
| Total | 16 447 | 8 625 | 0 | 51 558 | 76 630 |

Distribution of securities based on the issuer

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|----------------|---------------|
| Issued by financial institution | 11 714 | 0 |
| Issued by collective investment funds | 113 888 | 60 183 |
| Issued by non-financial institutions | 2 353 | 0 |
| Issued by government institutions | 10 516 | 0 |
| Total | 138 471 | 60 183 |

23. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date on 31 December 2015 that would have a significant impact on the financial statements of the Fund.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Raiffeisen privátní fond alternativní, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Identification number: 291 46 739

We have audited the accompanying financial statements of Raiffeisen privátní fond alternativní, otevřený podílový fond, Raiffeisen investiční společnost a.s. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015, the profit and loss account and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of Raiffeisen investiční společnost a.s. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisen privátní fond alternativní, otevřený podílový fond, Raiffeisen investiční společnost a.s. as of 31 December 2015, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The financial statements of Raiffeisen privátní fond alternativní, otevřený podílový fond, Raiffeisen investiční společnost a.s. for the prior year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2015.

Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 25 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Diana Rádł Rogerová
registration no. 2045



Raiffeisen fond optimálního rozložení, open-ended mutual fund, Raiffeisen investiční společnost a.s.

| | |
|----------------------------------|------------------------|
| Denomination: | CZK |
| ISIN: | CZ0008474731 |
| Share certificate nominal value: | n.a. |
| Fund format: | open-ended mutual fund |
| Fund type (AKAT classification): | mixed fund |
| Date of incorporation: | 13 March 2015 |

The underlying assets of Raiffeisen fond optimálního rozložení were allocated in 2015 in particular in medium-term sovereign and Czech corporate bonds with duration (simply speaking: the average term to maturity) of approximately three years. Decisions about the Fund's risky investments are based on an internal quantitative model. During the year, it chose the instrument for the strengthening of the dollar against a basket of other currencies. Primarily in the first half of the year, investments were also made in global shares.

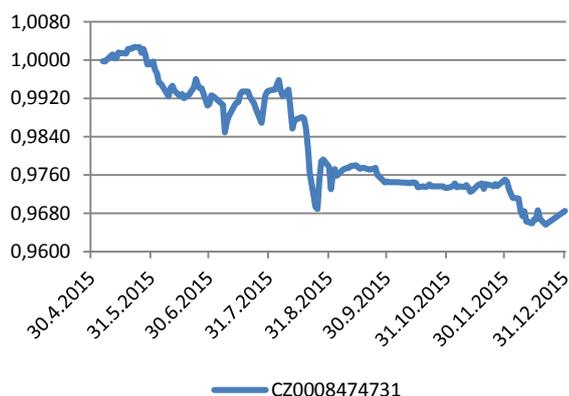
No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010 (hereinafter the "AIFMD Directive"), as specified in the Prospectus.

| Financial indicators | 31 December 2015 |
|---|-------------------------|
| Mutual fund equity, in CZK '000 | 511 548 |
| Equity per share certificate, in CZK | 0.9685 |
| Profit/loss after tax, in CZK '000 | (12 898) |
| Number of share certificates, in pieces | 528 177 617 |

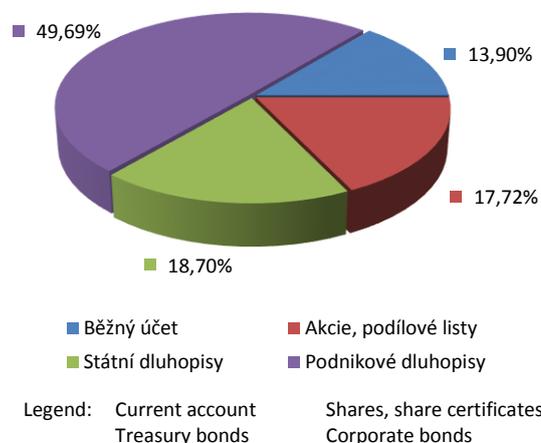
Number of share certificates issued and redeemed in 2015

| Issued share certificates | | Redeemed share certificates | | BALANCE (+/-) | |
|----------------------------------|--------------------|------------------------------------|--------------------|----------------------|--------------------|
| in pieces | in CZK '000 | in pieces | in CZK '000 | in pieces | in CZK '000 |
| 534 752 828 | 530 870 | 6 575 211 | 6 423 | 528 177 617 | 524 447 |

Share certificate value curve



Asset composition



List of securities held in excess of 1% as of 31 December 2015

| COUNTRY | ISIN | SECURITY NAME | PURCHASE PRICE in CZK '000 | FAIR VALUE in CZK '000 | STAKE IN ASSETS in % |
|--------------|--------------|-----------------------------|-------------------------------|---------------------------|-------------------------|
| AT | AT0000A14QE4 | ERSTBK Float 01/28/19 | 40 081 | 40 308 | 7.87 |
| AT | AT0000A1GD94 | HYPONOE G. Float 09/16/20 | 60 061 | 60 720 | 11.85 |
| CZ | CZ0001000822 | CZGB 4,6 08/18/18 | 22 954 | 22 905 | 4.47 |
| CZ | CZ0001003834 | CZGB 1,50/19 | 21 361 | 21 310 | 4.16 |
| CZ | CZ0001004246 | CZGB 0,85 03/17/18 | 51 151 | 51 570 | 10.07 |
| CZ | CZ0002002520 | UNICZ 6 04/27/18 | 69 004 | 70 284 | 13.72 |
| CZ | CZ0005112300 | ČEZ AS | 9 347 | 8 886 | 1.73 |
| CZ | CZ0008019106 | KOMERČNÍ BANKA | 7 647 | 7 425 | 1.45 |
| LU | LU0274211480 | db x-trackers DAX UCITS ETF | 14 585 | 14 264 | 2.78 |
| US | US73936D1072 | POWERSHARES DB US D. | 61 156 | 60 184 | 11.75 |
| NL | XS1054089609 | VW Float 04/08/19 | 20 031 | 18 873 | 3.68 |
| NL | XS1241115440 | LPTY 0,88 06/02/20 | 39 841 | 40 254 | 7.86 |
| NL | XS1322528230 | LPTY Float 11/19/20 | 24 001 | 24 090 | 4.70 |
| TOTAL | | | 441 220 | 441 074 | 86.10 |

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: Raiffeisen fond optimálního rozložení, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Registered Office: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle

Corporate ID: 291 46 739

Components of the Financial Statements:

Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Notes to the Financial Statements

These financial statements were prepared on 13 February 2016.

| Statutory body of the reporting entity: | Signature |
|--|--|
| <p>On behalf of the statutory body:</p> <p>Ing. Jaromír Sladkovský</p> <p>Ing. Michal Ondruška</p> <p>Individual in charge of the accounting records:</p> <p>Ing. Petra Tomisová</p> |  |

Business name: Raiffeisen fond optimálního rozložení
 Seat: Hvězdova 1716/2b, Praha 4, 140 78
 Corporate ID: 29146739
 Principal activities: fund administration and management
 Balance sheet date: 11.1.2016

BALANCE SHEET
as of 31 December 2015

| CZK thousand | Note | 31.12.2015 |
|---|------|----------------|
| AKTIVA | | |
| 2 | 8 | |
| Treasury bonds and other securities accepted by the central bank for refinancing | | 95 785 |
| <i>of which a) issued by government institutions</i> | | 95 785 |
| 3 | 9 | |
| Receivables from banks and cooperative credit unions | | 71 186 |
| <i>of which a) payable upon request</i> | | 71 186 |
| 5 | 10 | |
| Debt securities | | 254 530 |
| <i>of which a) issued by government institutions</i> | | - |
| <i>b) issued by other entities</i> | | 254 530 |
| 6 | 11 | |
| Shares, share certificates and other investments | | 90 759 |
| <i>of which a) shares</i> | | 16 311 |
| <i>b) share certificates</i> | | 74 448 |
| 11 | 12 | |
| Other assets | | 25 |
| Total assets | | 512 285 |

| CZK thousand | Note | 31.12.2015 |
|---|------|----------------|
| LIABILITIES | | |
| 4 | 14 | |
| Other liabilities | | 184 |
| <i>of which derivatives</i> | | 148 |
| 5 | 15 | |
| Accrued expenses and deferred income | | 553 |
| 12 | 13 | |
| Capital funds | | 524 446 |
| 15 | | |
| Profit or loss for the reporting period | | (12 898) |
| Total liabilities | | 512 285 |

| CZK thousand | Note | 31.12.2015 |
|--|------|------------|
| OFF BALANCE SHEET ITEMS | | |
| Off balance sheet assets | | |
| 3 | | |
| Receivables from spot transactions | | - |
| 4 | 16 | |
| Receivables from fixed term operations | | 59 424 |
| 8 | | |
| Values placed under management | | 512 260 |
| Off balance sheet liabilities | | |
| 11 | | |
| Payables from spot transactions | | - |
| 12 | 16 | |
| Payables from fixed term operations | | 59 578 |
| 15 | | |
| Values taken under management | | - |

Business name: Raiffeisen fond optimálního rozložení
Raiffeisen fond optimálního rozložení
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

| CZK thousand | Note | 7.4.-31.12.2015 |
|---|------|-----------------|
| 1 Interest income and similar income | 3 | 342 |
| <i>of which: interest from debt securities</i> | | 341 |
| 3 Income from shares and equity investments | 4 | 168 |
| <i>c) other income from shares and equity investments</i> | | 168 |
| 5 Fees and commission expenses | 5 | (3 229) |
| 6 Profit or loss from financial operations | 6 | (10 057) |
| 9 Administrative expenses | 7 | (97) |
| <i>b) other administrative expenses</i> | | (97) |
| 19 Profit or loss for the reporting period from ordinary activities before tax | | (12 873) |
| 23 Income tax | 18 | (25) |
| 24 Profit or loss for the reporting period after tax | | (12 898) |

Business name: Raiffeisen fond optimálního rozložení
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11.1.2016

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

| CZK thousand | Capital funds | Profit (loss) | Total |
|--|----------------|-----------------|----------------|
| Balance at 7. 4. 2015 | - | - | - |
| Net profit/loss for the reporting period | - | (12 898) | (12 898) |
| Share certificates sold | 530 869 | - | 530 869 |
| Share certificates purchased | (6 423) | - | (6 423) |
| Transfer to funds | - | - | - |
| Balance at 31. 12. 2015 | 524 446 | (12 898) | 511 548 |

1. GENERAL INFORMATION

(a) Fund characteristics

Fund emergence and characteristics

Raiffeisen fond optimálního rozložení, otevřený podílový fond, Raiffeisen investiční společnost a.s. (hereinafter the “Fund”) represents an accounting entity without legal personality managed by Raiffeisen investiční společnost a.s. (hereinafter the “Company”) pursuant to Act no. 240/2013 Coll., on management companies and investment funds (hereinafter the “Act”). The Fund was established as of 13 March 2015 based on the authorisation of the Czech National Bank to create a mutual fund, ref. no. 2015/028940/CNB/570 dated 11 March 2015. The Fund began its activity on 7 April 2015.

The fund is a special securities fund in accordance with the Act, complying with all legal requirements of the European Communities.

Neither the number of issued share certificates nor the duration of the Fund are limited.

The Fund has no employees and all administration relating to the business activities of the Fund is supplied by the Company.

Information about the management company

The Fund assets are administered and managed by Raiffeisen investiční společnost a.s., Corporate ID 29146739, with its registered office at Hvězdova 1716/2b, Praha 4 – Nusle, 140 78. The Company was incorporated on 21 December 2012. The Company obtained operation authorisation based on Decision of the Czech National Bank No. 2013/4256/570 of 9 April 2013 which took effect on 9 April 2013.

The Company is a management company in the sense of the existing legislation and it acts in the capacity of a legal entity, which collects cash from both legal entities and natural persons (individuals), in order to use them to participate in business (collective investing).

Principal activity of the Company

Under the Act, the Company is authorised, in the scope of the authorisation of the Czech National Bank, to:

- Manage investment funds or foreign investment funds; and
- Administer investment funds or foreign investment funds.

Depository information

Since 6 February 2014, depository services have been provided by UniCredit Bank Czech Republic and Slovakia, a.s., Corporate ID 64948242, with its registered office at Želetavská 1525/1, Praha 4, 140 92 (hereinafter the “Depository”) under the Depository Agreement dated 13 March 2015.

(b) Basis for the Preparation of the Financial Statements

The financial statements have been prepared based on accounting records maintained in line with:

- Accounting Act No. 563/1991, as amended;
- Regulation No. 501/2002 issued by the Ministry of Finance, as amended; and
- Czech Accounting Standards for financial institutions as published by the Ministry of Finance.

The financial statements have been prepared in compliance with the accruals principle and historical prices, excluding selected financial instruments valued at fair value.

The financial statements are based on the going concern assumption and assuming that no facts exist that would restrict the Fund or prevent it from carrying out its activity in the foreseeable future.

The current reporting period of the Fund is the calendar year ended 31 December 2015.

These financial statements are presented in thousands of Czech crowns ('CZK') unless stated otherwise. Figures in brackets are negative.

These financial statements are unconsolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Transaction Date

Depending on the transaction type, the transaction date is predominantly:

- Date of payment or receipt of money in circulation;
- Date of purchase or sale of foreign currency, foreign exchange or securities;
- Date of payment;
- Date of crediting (foreign currency) funds based on the account statement;
- Date of arrangement and settlement of spot transactions, namely purchase or sale of financial instruments or commodities with such a delivery date where the period between the trade date and the settlement date is no more than five days; and
- Trade date and settlement date of derivative transactions.

Spot transactions (i.e. purchases and sales of financial assets with a usual term of delivery) of the Fund are reported directly in the relevant asset or liability at the trade date.

The Fund will derecognise a financial asset or any part thereof from the balance sheet if control over the contractual rights to such a financial asset or any part thereof is lost. The loss of control occurs if the Company exercises its rights to contractual benefits, if such rights expire or should the Fund waive these rights.

If a financial liability or any part thereof expires (such as when a contractual obligation is met, cancelled or expires), the financial liability or a part thereof will no longer be recognised in the Fund's balance sheet. The difference between the carrying amount of the financial liability or a part thereof that has expired or has been transferred to another entity and the amount paid for the respective debt shall be reported through expenses or revenues as appropriate.

(b) Securities

In compliance with the Fund strategy, all securities have been classified as securities valued at their fair value. Securities are re-valued on a daily basis during the reporting period, pursuant to Decree no. 244/2013 Coll., of the Ministry of Finance of the Czech Republic, on detailed issues related to the Act on Management Companies and Investment Funds, as amended (hereinafter the "Decree"). Pursuant to the Decree, securities are valued at prices derived from public markets, which may be further adjusted in keeping with the provisions of the Decree. If no market price is available, such value shall be applied as determined according to valuation models based on discounted future cash flows according to the yield curve.

Upon their initial recognition, securities are valued at acquisition cost. Acquisition cost also includes direct transaction costs related to the acquisition of securities.

Interest income

The term 'interest income' means the following:

- a) as regards debt securities with coupon, the accrued coupon as determined in the issue terms and conditions and the accrued difference between the nominal value and the net acquisition cost, known as a premium or discount;

- b) as regards debt securities without coupon and bills of exchange, the accrued difference between the nominal value and the acquisition cost.

Interest income on debt securities is reported in the profit and loss account commencing on the purchase using the effective interest rate method.

Derecognition of securities

Upon sales of securities, the Fund values such securities disposals using the 'average price method'.

(c) Receivables and Provisions

Operating receivables are recognised at their nominal value net of provisions, if any. Bad debts are written off after the completion of the debtor's bankruptcy proceedings or when it is highly unlikely for the bad debt to be settled.

Provisions are recognised as expenses; the utilisation of a provision is recognised in the profit and loss account along with expenses or losses arising from asset disposals. The release of a provision due to redundancy is recognised in revenues.

(d) Financial derivatives

Derivatives are financial instruments meeting the following conditions:

- a) their fair value varies depending on changes in interest rates, security prices, commodity prices, foreign exchange rates, price indices, credit assessments (ratings) or indices, and/or depending on any other variables (so-called underlying assets);
- b) as compared to other types of contracts, which show similar responses to changing market conditions, they require little or no initial investments;
- c) they will be settled in the future and the period from the trade date to settlement exceeds that of spot transactions.

Derivatives are reported in the balance sheet at their fair values. Positive fair values of derivatives are reported in assets under 'Other assets'. Negative fair values of derivatives are reported in liabilities under 'Other liabilities'.

Fair value of financial derivatives is determined as the present value of future cash flows from these transactions. The present value is determined with the help of parameters identified on the active market, such as exchange rates, interest rates for a given maturity based on the yield curve, etc.

In the off-balance sheet, derivatives are reported at contractual undiscounted values of the underlying instrument under the titles of 'Receivables from fixed-term operations' and 'Liabilities from fixed-term operations'.

(e) Funds invested by shareholders

The Fund has no share capital. A share certificate has the nominal value of CZK 1. The nominal value of all share certificates is reported on the 'Capital funds' account.

Capital funds

The selling price of share certificates is determined as a ratio of the Fund's equity and the number of issued share certificates. Share certificates are sold to investors for selling prices determined on a daily basis.

Share premium

Share premium from the difference between the nominal value and selling price of share certificates is reported separately. The Fund accounts for share premium both at the moment of sale of share certificates and their re-purchase.

(f) Reserves

Reserves represent probable cash outflows of uncertain timing and amount. Reserves are charged to expenses in such amounts which are the best estimate of expenditures required in order to settle existing liabilities.

Reserves are created if the following criteria are met:

- a) A performance obligation (legal or constructive) exists as a result of past events;
- b) It is probable or certain that an event will occur and will require an outflow of resources representing economic benefits, where “probable” means probability greater than 50%; and
- c) It is possible to make a reliable estimate of such fulfilment.

(g) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate of the Czech National Bank effective on the date of the transaction.

Assets and liabilities denominated in foreign currencies along with foreign-currency spot transactions before their due dates are translated into the local currency using the exchange rate of the Czech National Bank effective at the balance sheet date. Any profit or loss resulting from the translation of assets and liabilities denominated in foreign currencies, excepting equity investments in foreign currencies, or items hedging against foreign currency risk arising from contracts not yet recognised in the Fund’s balance sheet, or from anticipated future transactions is recognised in the profit and loss account as “Profit or loss from financial operations”.

(h) Taxation

Tax payable

The corporate tax base is calculated from the profit for the current period before tax, increased by non-deductible expenses, less the revenues that are not subject to income tax, and further adjusted for tax allowances and relevant credits, if any. Based on valid tax regulations, corporate income tax for mutual funds amounts to 5%.

Deferred tax

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities, using the anticipated tax rate effective for the following period. A deferred tax asset will be only recognised if there is no doubt as to its recovery in the following reporting periods.

(i) Interest income and interest expense and dividend income

Interest income and interest expense are reported on an accrual basis.

Dividend income is reported on the effective date of entitlement to receive its payment (ex-dividend date). Dividend income from domestic securities is reported after the deduction of withholding tax.

Dividend income from foreign securities is reported prior to the deduction of withholding tax.

3. INTEREST INCOME AND SIMILAR INCOME

| CZK ‘000 | 7 Apr – 31 Dec 2015 |
|--|---------------------|
| Interest from current accounts and fixed term deposits | 1 |
| Interest from debt securities | 341 |
| Total | 342 |

Raiffeisen fond optimálního rozložení, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

4. INCOME FROM SHARES AND EQUITY INVESTMENTS

The item 'Income from shares and equity investments' includes dividends amounting to CZK 168 thousand.

5. FEES AND COMMISSION EXPENSES

| CZK '000 | 7 Apr – 31 Dec 2015 |
|----------------------------|---------------------|
| Management fee | 2 733 |
| Depository fee | 165 |
| Securities administration | 51 |
| Other fees and commissions | 280 |
| Total | 3 229 |

The management fee paid by the Fund to the Company amounts, according to the Fund Prospectus, to 1% of the average annual value of the Fund equity.

Under the Depository Agreement, the Fund pays a fee in the amount of 0.05% of the average annual value of the Fund equity.

6. PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| CZK '000 | 7 Apr – 31 Dec 2015 |
|--|---------------------|
| Profit from securities valued at fair value | (11 082) |
| Profit from exchange rate differences | (739) |
| Profit from spot and fixed term transactions | 1 764 |
| Total | (10 057) |

Profit or loss from securities valued at fair value mainly represents daily revaluation of securities to fair value.

Profit or loss from exchange rate differences mainly represents both realised and unrealised exchange rate differences from revaluation of bond securities.

Profit or loss from spot and fixed term transactions includes profit and loss from settlements of spot transactions and fixed term transactions with financial instruments as well as revaluation of open derivatives at fair value.

7. ADMINISTRATIVE EXPENSES

Administrative expenses include audit expenses in the amount of CZK 97 thousand.

8. TREASURY BONDS WITHOUT COUPON AND OTHER SECURITIES ACCEPTED BY THE CENTRAL BANK FOR REFINANCING

All securities held by the Fund are listed on Prague Stock Exchange or on foreign stock exchanges. All securities are included in the portfolio of securities at fair value.

| CZK '000 | 31 Dec 2015 |
|-----------------------|---------------|
| Treasury bonds | 95 785 |
| Net book value | 95 785 |

Raiffeisen fond optimálního rozložení, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

9. RECEIVABLES FROM BANKS AND COOPERATIVE CREDIT UNIONS

Receivables from banks include current accounts maintained by Unicredit bank Czech Republic and Slovakia, a.s., amounting to CZK 71,186 thousand.

Current accounts are payable upon request.

10. DEBT SECURITIES

| CZK '000 | 31 Dec 2015 |
|--------------------------------|----------------|
| Bonds issued by other entities | 254 530 |
| Net book value | 254 530 |

11. SHARES, SHARE CERTIFICATES AND OTHER INVESTMENTS

| CZK '000 | 31 Dec 2015 |
|-----------------------|---------------|
| Shares | 16 311 |
| Share certificates | 74 448 |
| Net book value | 90 759 |

12. OTHER ASSETS

| CZK '000 | 31 Dec 2015 |
|--------------------|-------------|
| Estimated dividend | 25 |
| Total | 25 |

13. EQUITY

As of 31 December 2015, 528,177,617 share certificates of the Fund have been issued.

The value of a share certificate as of the last business day of 2015 amounted to CZK 0.9656. This is the last value of a share certificate in 2015 for which purchases and re-purchases of the Fund's share certificates were made.

14. OTHER LIABILITIES

| CZK '000 | 31 Dec 2015 |
|-------------------------------------|-------------|
| Negative fair values of derivatives | 148 |
| Other liabilities | 36 |
| Total | 184 |

15. ACCRUED EXPENSES AND DEFERRED INCOME

The item 'Accrued expenses' primarily includes the uninvoiced management fee for the month of December in the amount of CZK 426 thousand.

**Raiffeisen fond optimálního rozložení, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

16. FINANCIAL DERIVATIVES

Nominal value of derivatives:

| CZK '000 | 31 Dec 2015 | |
|-------------------|---------------|---------------|
| | Receivable | Payable |
| Currency forwards | 59 424 | 59 578 |
| Total | 59 424 | 59 578 |

Off-balance sheet assets and liabilities represent the nominal (contractual) undiscounted values which are revalued by the Fund using CNB's exchange rate valid as of the financial statements date. All the above financial instruments were concluded on the inter-bank market (OTC).

Fair value of derivatives:

| CZK '000 | 31 Dec 2015 | |
|-------------------|-------------|------------|
| | Positive | Negative |
| Currency forwards | - | 148 |
| Total | - | 148 |

All currency derivatives mature within one year.

17. PROPOSED LOSS SETTLEMENT

The Company's Board of Directors proposes the settlement of loss for 2015 as follows:

| CZK '000 | Profit / loss | Retained earnings or accumulated loss brought forward |
|--|---------------|---|
| Balance at 31 December 2015 prior to the allocation of the profit for 2015 | - | - |
| Loss for 2015 | (12 898) | - |
| Proposed loss settlement for 2015: | | |
| Transfer to accumulated loss | 12 898 | (12 898) |
| Total | - | (12 898) |

18. INCOME TAXATION

(a) Income Tax

| CZK '000 | 7 Apr – 31 Dec 2015 |
|------------------------------------|---------------------|
| Tax payable for the current period | - |
| Withholding tax | 25 |
| Total | 25 |

**Raiffeisen fond optimálního rozložení, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

(b) Income Tax – Tax Analysis

| CZK ‘000 | 7 Apr – 31 Dec 2015 |
|---|---------------------|
| Profit or loss for the period before tax | (12 873) |
| Revenues that are not subject to tax | (168) |
| Tax non-deductible expenses | - |
| Other items | - |
| Subtotal | (13 041) |
| Tax calculated using the 5% tax rate | - |
| Tax relief applied | - |
| Withholding tax | 25 |
| Total | 25 |

19. RELATED PARTY TRANSACTIONS

| CZK ‘000 | 31 Dec 2015 |
|---------------------------------------|-------------|
| Liabilities | |
| Management fee payable to the Company | 426 |

| CZK ‘000 | 7 Apr – 31 Dec 2015 |
|---------------------------------------|---------------------|
| Expenses | |
| Management fee payable to the Company | 2 733 |

| CZK ‘000 | 31 Dec 2015 |
|--------------------------------|-------------|
| Off-balance sheet assets | |
| Values placed under management | 512 260 |

20. VALUES PLACED UNDER MANAGEMENT

The Fund has all its assets managed by the Company. The item entitled ‘Values placed under management’ covers both foreign and local securities, term deposits as well as current account balances.

21. FINANCIAL INSTRUMENTS – MARKET RISK

The Fund is exposed to market risks arising from open positions in interest rate, equity and currency instrument transactions that are sensitive to changes in financial market conditions.

(a) Risk management

The basic risk management instrument is represented by imposing limits on the ratio of different types of financial instruments in the portfolio, which are determined in accordance with legal requirements, the Fund Prospectus, and its investment strategy. The key risks, which are evaluated on a daily basis, include foreign currency exposures, sensitivity to interest rate fluctuations and allocations in securities with

Raiffeisen fond optimálního rozložení, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015

equity exposure.

Market risks are measured using the Value at Risk (“VaR”) method. Value at Risk represents a potential loss resulting from unfavourable developments on the market within a certain time period and at a certain level of reliability. The ‘Value at Risk’ is measured on the basis of a one-year holding period and a 95% reliability level.

(b) Liquidity risk

‘Liquidity risk’ represents the risk that the Fund will not have sufficient cash resources to meet its commitments associated with its financial contracts. Liquidity is monitored and managed on the basis of expected cash flows; in this context, the structure of the securities and the term deposits portfolio is adjusted.

Residual maturity of the Fund’s assets and liabilities

| | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|---|-----------------------|-------------------------------|---------------------------|----------------------|------------------|----------------|
| CZK ‘000 | | | | | | |
| As of 31 December 2015 | | | | | | |
| Treasury bonds without coupon and other securities | 336 | 388 | 95 061 | - | - | 95 785 |
| Receivables from banks | 71 186 | - | - | - | - | 71 186 |
| Debt securities | 115 | 2 634 | 251 781 | - | - | 254 530 |
| Share certificates | - | - | - | - | 90 759 | 90 759 |
| Other assets | 25 | - | - | - | - | 25 |
| Total | 71 662 | 3 022 | 346 842 | - | 90 759 | 512 285 |
| Other liabilities | 184 | - | - | - | - | 184 |
| Accrued/deferred income and expenses | 553 | - | - | - | - | 553 |
| Equity | - | - | - | - | 511 548 | 511 548 |
| Total | 737 | - | - | - | 511 548 | 512 285 |
| GAP | 70 925 | 3 022 | 346 842 | - | (420 789) | - |
| Cumulative GAP | 70 925 | 73 947 | 420 789 | 420 789 | - | - |

The above table shows residual maturities of the book values of the individual financial instruments, rather than of all cash flows resulting from such instruments.

(c) Interest rate risk

The Fund is exposed to interest rate risk due to the impacts of fluctuations of the current interest rates on the market. On account of such changes, the fair value and income from financial assets may both increase and decrease.

The table below provides a summary of the mismatch between the Fund’s assets and liabilities that are interest-rate sensitive. The table below includes data about the extent of Fund’s interest rate risk based on the contractual maturity of the financial instruments.

**Raiffeisen fond optimálního rozložení, otevřený podílový fond,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 moths to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|------------------------------|---------------------------|----------------------|----------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupons and other securities | 336 | 388 | 95 061 | - | 95 785 |
| Receivables from banks | 71 186 | - | - | - | 71 186 |
| Debt securities | 143 992 | 2 634 | 107 904 | - | 254 530 |
| Total | 215 514 | 3 022 | 202 965 | - | 421 501 |

The above summary only includes interest-rate sensitive assets and liabilities and, therefore, it is not identical to the values presented in the Fund's balance sheet.

(d) Currency risk

Foreign currency assets and liabilities including off-balance sheet participations represent the Fund's exposure to currency risks. Both realised and unrealised foreign exchange profit and loss is reported directly in the profit and loss account. The foreign exchange positions of the Fund in the most significant currencies are as follows:

Foreign exchange positions of the Fund

| CZK '000 | EUR | USD | CZK | Total |
|--|---------------|---------------|-----------------|----------------|
| As of 31 December 2015 | | | | |
| Treasury bonds without coupon and other securities | - | - | 95 785 | 95 785 |
| Receivables from banks | 19 495 | 247 | 51 444 | 71 186 |
| Debt securities | - | - | 254 530 | 254 530 |
| Shares, share certificates and other investments | 14 264 | 60 184 | 16 311 | 90 759 |
| Other assets | - | 25 | - | 25 |
| Total | 33 759 | 60 456 | 418 070 | 512 285 |
| Other liabilities | - | 152 | 32 | 184 |
| Accrued/deferred income and expenses | - | - | 553 | 553 |
| Equity | - | - | 511 548 | 511 548 |
| Total | - | 152 | 512 133 | 512 285 |
| Long off-balance instruments positions | - | - | 59 424 | 59 424 |
| Short off-balance instruments positions | - | 59 578 | - | 59 578 |
| Net foreign exchange position | 33 759 | 726 | (34 639) | - |

22. FINANCIAL INSTRUMENTS – CREDIT RISK

Fund investments are implemented so that the rating structure of the securities complies with the Fund Prospectus and its investment strategy. Credit risk management includes the monitoring of diversification of investments in terms of their geographical distribution and in terms of exposure of individual issuers to credit risk.

Distribution of assets based on geographical segments

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|----------------|----------------|--------------------------|---------------|----------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupon and other securities | 95 785 | 0 | 0 | 0 | 95 785 |
| Receivables from banks | 71 186 | 0 | 0 | 0 | 71 186 |
| Debt securities | 70 284 | 184 246 | 0 | 0 | 254 530 |
| Shares, share certificates and other investments | 16 311 | 14 264 | 0 | 60 184 | 90 759 |
| Other assets | 25 | 0 | 0 | 0 | 25 |
| Total | 253 591 | 198 510 | 0 | 60 184 | 512 285 |

Distribution of securities based on the issuer

| CZK '000 | 31 Dec 2015 |
|---------------------------------------|----------------|
| Issued by financial institution | 178 738 |
| Issued by collective investment funds | 74 448 |
| Issued by non-financial institutions | 92 103 |
| Issued by government institutions | 95 785 |
| Total | 441 074 |

23. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date on 31 December 2015 that would have a significant impact on the financial statements of the Fund.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Raiffeisen fond optimálního rozložení, otevřený podílový fond, Raiffeisen investiční společnost a.s.

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Identification number: 291 46 739

We have audited the accompanying financial statements of Raiffeisen fond optimálního rozložení, otevřený podílový fond, Raiffeisen investiční společnost a.s. prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015, and the profit and loss account and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of Raiffeisen investiční společnost a.s. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Raiffeisen fond optimálního rozložení, otevřený podílový fond, Raiffeisen investiční společnost a.s. as of 31 December 2015, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 25 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

Diana Rádł Rogerová
registration no. 2045



LEONARDO, open-ended mutual fund

| | |
|----------------------------------|-------------------------|
| Denomination: | CZK |
| ISIN: | CZ0008474525 |
| Share certificate nominal value: | CZK 1 |
| Fund format: | open-ended mutual fund |
| Fund type (AKAT classification): | qualified investor fund |
| Date of incorporation: | 8 September 2008 |

The Leonardo qualified investor fund invests its entrusted assets in order to maintain sustainable growth of the fund's assets. It allocates investments largely in global shares, to a lesser extent it also invests in shares in various currencies.

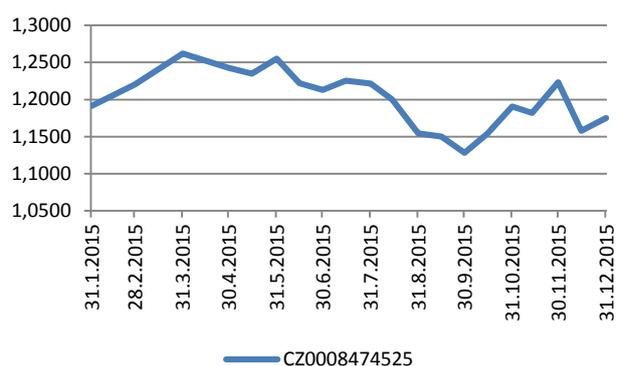
No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010 (hereinafter the "AIFMD Directive"), as specified in the Prospectus.

| Financial indicators | 31 December 2015 | 31 December 2014 | Change % |
|---|-------------------------|-------------------------|-----------------|
| Mutual fund equity, in CZK '000 | 444 225 | 436 440 | 1.78 |
| Equity per share certificate, in CZK | 1.1752 | 1.1546 | 1.78 |
| Profit/loss after tax, in CZK '000 | 7 784 | 12 050 | (35.40) |
| Number of share certificates, in pieces | 377 998 130 | 377 998 130 | 0.00 |

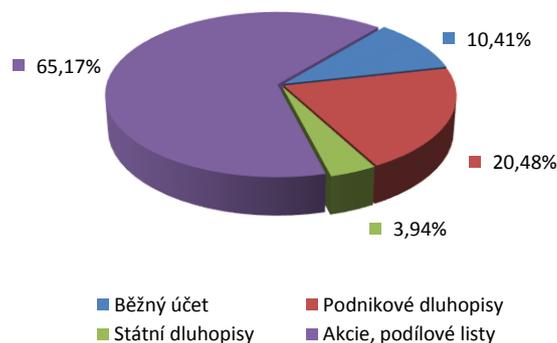
Number of share certificates issued and redeemed in 2015

| Issued share certificates | | Redeemed share certificates | | BALANCE (+/-) | |
|----------------------------------|--------------------|------------------------------------|--------------------|----------------------|--------------------|
| in pieces | in CZK '000 | in pieces | in CZK '000 | in pieces | in CZK '000 |
| 0 | 0 | 0 | 0 | 0 | 0 |

Share certificate value curve



Asset composition



Legend: Current account Corporate bonds
Treasury bonds Shares, share certificates

List of securities held in excess of 1% as of 31 December 2015

| COUNTRY | ISIN | SECURITY NAME | PURCHASE PRICE in CZK '000 | FAIR VALUE in CZK '000 | STAKE IN ASSETS in % |
|--------------|--------------|--------------------------------|-------------------------------|---------------------------|-------------------------|
| US | US4642872000 | ISHARES CORE S&P 500 ETF | 35 722 | 40 686 | 9.12 |
| LU | LU0274211480 | db x-trackers DAX UCITS ETF | 40 005 | 40 652 | 9.11 |
| US | US4642895290 | ISHARES INDIA 50 ETF | 24 805 | 23 826 | 5.34 |
| US | US4062161017 | HALLIBURTON Co. | 27 945 | 19 435 | 4.36 |
| US | GG00BPFJTF46 | PERSHING SQUARE HOLDINGS LTD | 25 339 | 19 324 | 4.33 |
| FR | FR0010688226 | AMUNDI ETF S&P GLOBAL LUXURY | 19 229 | 18 088 | 4.05 |
| CZ | CZ0001003123 | CZGB Float 04/18/23 | 16 780 | 17 538 | 3.93 |
| US | US4642875151 | ISHARES NORTH AMERICAN TECH- | 11 922 | 14 431 | 3.24 |
| US | US4642873255 | ISHARES GLOBAL HEALTHCARE ETF | 12 391 | 14 164 | 3.18 |
| LU | XS0543956717 | SBERRU 5,4 03/24/17 | 11 759 | 14 100 | 3.16 |
| US | US0378331005 | APPLE INC | 12 243 | 12 542 | 2.81 |
| US | US4581401001 | Intel Corporation | 10 248 | 11 306 | 2.53 |
| DE | DE0005439004 | CONTINENTAL AG | 8 156 | 10 589 | 2.37 |
| US | US92343V1044 | VERIZON COMMUNICATIONS INC | 9 883 | 10 212 | 2.29 |
| RU | XS0708813653 | GAZPRU 4,95 05/23/16 | 8 480 | 10 060 | 2.26 |
| US | US78463X4007 | SPDR S&P China ETF | 11 004 | 9 395 | 2.11 |
| US | US9311421039 | WAL-MART STORES - WMT US. | 10 346 | 8 978 | 2.01 |
| GB | XS0885718782 | HTOGA 7 7/8 02/07/18 | 8 472 | 8 954 | 2.01 |
| DE | DE0005190003 | BAYERISCHE MOTOREN WERKE AG | 8 022 | 8 609 | 1.93 |
| TR | XS0615235701 | YKBNK 6,75 02/08/17 | 6 279 | 7 927 | 1.78 |
| TR | XS0852697712 | ISCTR 3,875 11/07/17 | 5 767 | 7 491 | 1.68 |
| GR | GRS419003009 | OPAP SA | 6 071 | 6 239 | 1.40 |
| ES | XS0828735893 | SANTAN 4,625 03/21/16 | 5 858 | 5 651 | 1.27 |
| IT | XS0577347528 | ISPIM 4,125 01/14/16 | 5 748 | 5 625 | 1.26 |
| ES | XS0901738392 | BBVASM 3,25 03/21/16 | 5 696 | 5 578 | 1.25 |
| AU | US0886061086 | BHP BILLITON LTD-SPON ADR | 10 754 | 5 346 | 1.20 |
| GR | GRS434003000 | PUBLIC POWER CORP | 6 017 | 4 939 | 1.11 |
| US | XS0366102555 | MS 6,5 12/28/18 | 4 969 | 4 778 | 1.07 |
| IT | IT0004794142 | ENELIM 4,875 02/20/18 | 4 506 | 4 602 | 1.03 |
| NL | XS0759200321 | FREGR 4,25 04/15/19 | 4 513 | 4 565 | 1.02 |
| US | US2330518794 | DEUTSCHE X-TRACKERS H. CSI 300 | 3 482 | 4 480 | 1.00 |
| Total | | | 382 411 | 380 110 | 85.21 |

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Name of the Company: Leonardo, otevřený podílový fond
Registered Office: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Corporate ID: 291 46 739

Components of the Financial Statements:

Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Notes to the Financial Statements

These financial statements were prepared on 13 February 2016.

| Statutory body of the reporting entity: | Signature |
|--|--|
| <p>On behalf of the statutory body:</p> <p>Ing. Jaromír Sladkovský</p> <p>Ing. Michal Ondruška</p> <p>Individual in charge of the accounting records:</p> <p>Ing. Petra Tomisová</p> |  |

Business name: Leonardo, OPF
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11 January 2016

BALANCE SHEET
as of 31 December 2015

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--|------|----------------|----------------|
| ASSETS | | | |
| 2 | 8 | | |
| Treasury bonds and other securities accepted by the central bank for refinancing | | 17 538 | 101 357 |
| <i>of which: a) issued by government institutions</i> | | 17 538 | 101 357 |
| 3 | 9 | 46 309 | 14 415 |
| <i>of which: a) payable upon request</i> | | 46 309 | 14 415 |
| 5 | 10 | 91 133 | 151 227 |
| <i>of which: a) issued by government institutions</i> | | - | 33 610 |
| <i>b) issued by other entities</i> | | 91 133 | 117 617 |
| 6 | 11 | 289 977 | 171 088 |
| <i>of which: a) shares</i> | | 101 465 | 70 012 |
| <i>b) share certificates</i> | | 188 512 | 101 076 |
| 11 | 12 | 1 109 | 230 |
| Total assets | | 446 066 | 438 317 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|------------------------------|------|----------------|----------------|
| LIABILITIES | | | |
| 4 | 14 | 1 445 | 1 280 |
| <i>of which: derivatives</i> | | 641 | 1 211 |
| 5 | 15 | 227 | 175 |
| 6 | 17 | 170 | 422 |
| <i>b) tax</i> | | 170 | 422 |
| 9 | | (12 728) | (12 728) |
| 12 | 13 | 377 998 | 377 998 |
| 14 | | 71 170 | 59 120 |
| 15 | | 7 784 | 12 050 |
| Total liabilities | | 446 066 | 438 317 |

| CZK thousand | Note | 31.12.2015 | 31.12.2014 |
|--------------------------------------|------|------------|------------|
| OFF BALANCE SHEET ITEMS | | | |
| Off balance sheet assets | | | |
| 4 | 16 | 266 383 | 133 831 |
| 8 | 21 | 444 957 | 438 088 |
| Off balance sheet liabilities | | | |
| 12 | 16 | 266 827 | 135 039 |

Business name: Leonardo, OPF

Raiffeisen investiční společnost a.s.

Seat: Hvězdova 1716/2b, Praha 4, 140 78

Corporate ID: 29146739

Principal activities: fund administration and management

Balance sheet date: 11 January 2016

**PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015**

| CZK thousand | Note | 2015 | 2014 |
|--------------|--|----------------|----------------|
| 1 | Interest income and similar income <i>of which: interest from debt securities</i> | 2 971 2 971 | 5 831 5 805 |
| 3 | Income from shares and equity investments <i>c) other income from shares and equity investments</i> | 5 345 5 345 | 458 458 |
| 5 | Fees and commission expenses | (1 766) | (1 544) |
| 6 | Profit or loss from financial operations | 2 340 | 7 925 |
| 9 | Administrative expenses <i>b) other administrative expenses</i> | (103) (103) | (130) (130) |
| 19 | Profit or loss for the report. period from ordinary activ. before tax | 8 787 | 12 540 |
| 23 | Income tax | (1 003) | (490) |
| 24 | Profit or loss for the reporting period after tax | 7 784 | 12 050 |

Business name: Leonardo, OPF
Raiffeisen investiční společnost a.s.
Seat: Hvězdova 1716/2b, Praha 4, 140 78
Corporate ID: 29146739
Principal activities: fund administration and management
Balance sheet date: 11 January 2016

STATEMENT OF CHANGES IN EQUITY
as of 31 December 2015

| CZK thousand | Share premium | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|-----------------|----------------|---|---------------|----------------|
| Balance at 1. 1. 2014 | (12 919) | 378 166 | 52 457 | 6 663 | 424 367 |
| Net profit/loss for the reporting period | - | - | - | 12 050 | 12 050 |
| Share certificates sold | 191 | - | - | - | 191 |
| Share certificates purchased | - | (168) | - | - | (168) |
| Transfer to funds | - | - | 6 663 | (6 663) | - |
| Balance at 31. 12. 2014 | (12 728) | 377 998 | 59 120 | 12 050 | 436 440 |

| CZK thousand | Share premium | Capital funds | Retained earnings or accumulated loss brought forward | Profit (loss) | Total |
|--|-----------------|----------------|---|---------------|----------------|
| Balance at 1. 1. 2015 | (12 728) | 377 998 | 59 120 | 12 050 | 436 440 |
| Net profit/loss for the reporting period | - | - | - | 7 784 | 7 784 |
| Share certificates sold | - | - | - | - | - |
| Share certificates purchased | - | - | - | - | - |
| Transfer to funds | - | - | 12 050 | (12 050) | - |
| Balance at 31. 12. 2015 | (12 728) | 377 998 | 71 170 | 7 784 | 444 224 |

1. GENERAL INFORMATION

(a) Fund characteristics

Fund emergence and characteristics

Leonardo, otevřený podílový fond, Raiffeisen investiční společnost a.s. (hereinafter the “Fund”) represents an accounting entity without legal personality managed by Raiffeisen investiční společnost a.s. (hereinafter the “Company”) pursuant to Act no. 240/2013 Coll., on management companies and investment funds (hereinafter the “Act”). The Fund was established in 2008 based on the authorisation granted by the Czech National Bank to establish a mutual fund, ref. no. 2008/11404/570, from 8 September 2008, which came into force on 8 September 2008.

The fund is a qualified investor fund.

Neither the number of issued share certificates nor the duration of the Fund are limited.

The Fund has no employees and all administration relating to the business activities of the Fund is supplied by the Company.

Information about the management company

The Fund assets are administered and managed by Raiffeisen investiční společnost a.s., Corporate ID 29146739, with its registered office at Hvězdova 1716/2b, Praha 4 – Nusle, 140 78.

The Company is a management company in the sense of the existing legislation and it acts in the capacity of a legal entity, which collects cash from both legal entities and natural persons (individuals), in order to use them to participate in business (collective investing).

The Company was incorporated on 21 December 2012. The Company obtained operation authorisation based on Decision of the Czech National Bank No. 2013/4256/570 of 9 April 2013 which took effect on 9 April 2013.

Up until 31 May 2014, the Fund was managed by Investiční kapitálová společnost KB, a.s, with its registered office at Prague 1, Dlouhá 34.

Principal activity of the Company

Under the Act, the Company is authorised, in the scope of the authorisation of the Czech National Bank, to:

- Manage investment funds or foreign investment funds; and
- Administer investment funds or foreign investment funds.

Depository information

Since 2 June 2014, depository services have been provided by UniCredit Bank Czech Republic and Slovakia, a.s., Corporate ID 64948242, with its registered office at Želetavská 1525/1, Praha 4, 140 92 (hereinafter the “Depository”) under the Depository Agreement dated 2 June 2014.

(b) Basis for the Preparation of the Financial Statements

The financial statements have been prepared based on accounting records maintained in line with:

- Accounting Act No. 563/1991, as amended;
- Regulation No. 501/2002 issued by the Ministry of Finance, as amended; and
- Czech Accounting Standards for financial institutions as published by the Ministry of Finance.

The financial statements have been prepared in compliance with the accruals principle and historical prices, excluding selected financial instruments valued at fair value.

The financial statements are based on the going concern assumption and assuming that no facts exist that would restrict the Fund or prevent it from carrying out its activity in the foreseeable future.

These financial statements are presented in thousands of Czech crowns ('CZK') unless stated otherwise. Figures in brackets are negative.

These financial statements are unconsolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Transaction Date

Depending on the transaction type, the transaction date is predominantly:

- Date of payment or receipt of money in circulation;
- Date of purchase or sale of foreign currency, foreign exchange or securities;
- Date of payment;
- Date of crediting (foreign currency) funds based on the account statement;
- Date of arrangement and settlement of spot transactions, namely purchase or sale of financial instruments or commodities with such a delivery date where the period between the trade date and the settlement date is no more than five days; and
- Trade date and settlement date of derivative transactions.

Spot transactions (i.e. purchases and sales of financial assets with a usual term of delivery) of the Fund are reported directly in the relevant asset or liability at the trade date.

The Fund will derecognise a financial asset or any part thereof from the balance sheet if control over the contractual rights to such a financial asset or any part thereof is lost. The loss of control occurs if the Company exercises its rights to contractual benefits, if such rights expire or should the Fund waive these rights.

If a financial liability or any part thereof expires (such as when a contractual obligation is met, cancelled or expires), the financial liability or a part thereof will no longer be recognised in the Fund's balance sheet. The difference between the carrying amount of the financial liability or a part thereof that has expired or has been transferred to another entity and the amount paid for the respective debt shall be reported through expenses or revenues as appropriate.

(b) Securities

In compliance with the Fund strategy, all securities have been classified as securities valued at their fair value. Securities are re-valued on a daily basis during the reporting period, pursuant to Decree no. 244/2013 Coll., of the Ministry of Finance of the Czech Republic, on detailed issues related to the Act on Management Companies and Investment Funds, as amended (hereinafter the "Decree"). Pursuant to the Decree, securities are valued at prices derived from public markets, which may be further adjusted in keeping with the provisions of the Decree. If no market price is available, such value shall be applied as determined according to valuation models based on discounted future cash flows according to the yield curve.

Upon initial recognition, securities are valued at acquisition cost. Acquisition cost also includes direct transaction costs related to the acquisition of securities.

Interest income

The term 'interest income' means the following:

- a) as regards debt securities with coupon, the accrued coupon as determined in the issue terms and conditions and the accrued difference between the nominal value and the net acquisition cost, known as a premium or discount;

- b) as regards debt securities without coupon and bills of exchange, the accrued difference between the nominal value and the acquisition cost.

Interest income on debt securities is reported in the profit and loss account commencing on the purchase using the effective interest rate method.

Derecognition of securities

Upon sales of securities, the Fund values such securities disposals using the ‘average price method’.

(c) Receivables and Provisions

Operating receivables are recognised at their nominal value net of provisions, if any. Bad debts are written off after the completion of the debtor’s bankruptcy proceedings or when it is highly unlikely for the bad debt to be settled.

Provisions are recognised as expenses; the utilisation of a provision is recognised in the profit and loss account along with expenses or losses arising from asset disposals. The release of a provision due to redundancy is recognised in revenues.

(d) Financial derivatives

Derivatives are financial instruments meeting the following conditions:

- a) their fair value varies depending on changes in interest rates, security prices, commodity prices, foreign exchange rates, price indices, credit assessments (ratings) or indices, and/or depending on any other variables (so-called underlying assets);
- b) as compared to other types of contracts, which show similar responses to changing market conditions, they require little or no initial investments;
- c) they will be settled in the future and the period from the trade date to the settlement date exceeds that of spot transactions.

Derivatives are reported in the balance sheet at their fair values. Positive fair values of derivatives are reported in assets under ‘Other assets’. Negative fair values of derivatives are reported in liabilities under ‘Other liabilities’.

Fair value of financial derivatives is determined as the present value of future cash flows from these transactions. The present value is determined using the parameters identified on the active market, such as exchange rates, interest rates for a given maturity based on the yield curve, etc.

In the off-balance sheet, derivatives are reported at contractual undiscounted values of the underlying instrument under ‘Receivables from fixed-term operations’ and ‘Payables from fixed-term operations’.

(e) Funds invested by shareholders

The Fund has no share capital. The nominal value of a share certificate is CZK 1. The total nominal value of all share certificates is reported on the “Capital funds” account.

Capital funds

The selling price of share certificates is determined as a ratio of the Fund’s equity and the number of issued share certificates. Share certificates are sold to investors for selling prices determined on a monthly basis.

Share premium

The share premium arising from the difference between the nominal value and the selling price of share certificates is reported separately. The Fund accounts for share premium both at the moment of the sale of share certificates and their re-purchase.

(f) Reserves

Reserves represent probable cash outflows of uncertain timing and amount. Reserves are charged to expenses in such amounts which are the best estimate of expenditures required in order to settle existing liabilities.

Reserves are created if the following criteria are met:

- a) A performance obligation (legal or constructive) exists as a result of past events;
- b) It is probable or certain that an event will occur and will require an outflow of resources representing economic benefits, where “probable” means probability greater than 50%; and
- c) It is possible to make a reliable estimate of such fulfilment.

(g) Foreign Currency Translation

Transactions denominated in foreign currencies are translated into the local currency using the exchange rate of the Czech National Bank effective on the date of the transaction.

Assets and liabilities denominated in foreign currencies along with foreign-currency spot transactions before their due dates are translated into the local currency using the exchange rate of the Czech National Bank effective at the balance sheet date. Any profit or loss resulting from the translation of assets and liabilities denominated in foreign currencies, excepting equity investments in foreign currencies, or items hedging against foreign currency risk arising from contracts not yet recognised in the Fund’s balance sheet, or from anticipated future transactions is recognised in the profit and loss account as “Profit or loss from financial operations”.

(h) Taxation

Tax payable

The corporate tax base is calculated from the profit for the current period before tax, increased by non-deductible expenses, less the revenues that are not subject to income tax, and further adjusted for tax allowances and relevant credits, if any. Based on valid tax regulations, corporate income tax for mutual funds amounts to 5%.

Deferred tax

Deferred tax is based on all temporary differences between the carrying and tax values of assets and liabilities, using the anticipated tax rate effective for the following period. A deferred tax asset will be only recognised if there is no doubt as to its recovery in the following reporting periods.

(i) Interest income and interest expense and dividend income

Interest income and interest expense are reported on an accrual basis.

Dividend income is reported on the effective date of entitlement to receive its payment (ex-dividend date). Dividend income from domestic securities is reported after the deduction of withholding tax.

Dividend income from foreign securities is reported prior to the deduction of withholding tax.

3. INTEREST INCOME AND SIMILAR INCOME

| CZK ‘000 | 2015 | 2014 |
|--|--------------|--------------|
| Interest from current accounts and fixed term deposits | - | 26 |
| Interest from debt securities | 2 971 | 5 805 |
| Total | 2 971 | 5 831 |

4. INCOME FROM SHARES AND EQUITY INVESTMENTS

The item 'Income from shares and equity investments' includes dividends amounting to CZK 5,345 thousand (2014: CZK 458 thousand).

5. FEES AND COMMISSION EXPENSES

| CZK '000 | 2015 | 2014 |
|----------------------------|--------------|--------------|
| Management fee | 1 383 | 1 164 |
| Depository fee | 221 | 204 |
| Securities administration | 151 | 130 |
| Other fees and commissions | 11 | 46 |
| Total | 1 766 | 1 544 |

The management fee paid by the Fund to the Company amounts, according to the Fund Prospectus, to 0.30% of the average annual value of the Fund equity (2014: 0.30%).

Under the Depository Agreement, the Fund pays a fee in the amount of 0.04% of the average annual value of the Fund equity (2014: 0.04%).

6. PROFIT OR LOSS FROM FINANCIAL OPERATIONS

| CZK '000 | 2015 | 2014 |
|---|--------------|--------------|
| Profit from securities valued at fair value | (2 257) | 6 010 |
| Profit from exchange rate differences | 2 855 | 7 404 |
| Loss from spot and fixed term transactions | 1 742 | (5 489) |
| Total | 2 340 | 7 925 |

Profit or loss from securities valued at fair value mainly represents daily revaluation of securities to fair value.

Profit or loss from spot and fixed term transactions includes profit and loss from settlements of fixed term transactions with financial instruments as well as revaluation of open derivatives at fair value.

Profit or loss from exchange rate differences mainly represents both realised and unrealised exchange rate differences from revaluation of bond securities.

7. ADMINISTRATIVE EXPENSES

Administrative expenses include audit expenses in the amount of CZK 103 thousand (2014: CZK 130 thousand).

8. TREASURY BONDS WITHOUT COUPON AND OTHER SECURITIES ACCEPTED BY THE CENTRAL BANK FOR REFINANCING

All securities held by the Fund are listed on the Prague Stock Exchange or on foreign stock exchanges. All securities are included in the portfolio of securities at fair value.

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|---------------|----------------|
| Treasury bonds | 17 538 | 101 357 |
| Net book value | 17 538 | 101 357 |

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When needed, comparative data was regrouped or reclassified in order to correspond to the classification of the current period.

9. RECEIVABLES FROM BANKS AND COOPERATIVE CREDIT UNIONS

Receivables from banks includes current accounts maintained by Unicredit bank Czech Republic and Slovakia, a.s., amounting to CZK 46,309 thousand (2014: CZK 14,415).

Current accounts are payable upon request.

10. DEBT SECURITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---|---------------|----------------|
| Bonds issued by government institutions | - | 33 610 |
| Bonds issued by other entities | 91 133 | 117 617 |
| Net book value | 91 133 | 151 227 |

When needed, comparative data was regrouped or reclassified in order to correspond to the classification of the current period.

11. SHARES, SHARE CERTIFICATES AND OTHER INVESTMENTS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|-----------------------|----------------|----------------|
| Shares | 101 465 | 70 012 |
| Share certificates | 188 512 | 101 076 |
| Net book value | 289 977 | 171 088 |

12. OTHER ASSETS

Other assets include primarily a receivable arising from tax deducted abroad meant for credit in the amount of CZK 658 thousand, and a receivable arising from income tax pre-payments made in the amount of CZK 211 thousand.

As of 31 December 2014, other assets included primarily a receivable arising from tax deducted abroad meant for credit in the amount of CZK 123 thousand.

13. EQUITY

As of 31 December 2015, 377,998,130 share certificates of the Fund have been issued (2014: 377,998,130).

The value of a share certificate as of 31 December 2014 amounted to CZK 1.1752 (2014: CZK 1.1546).

14. OTHER LIABILITIES

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|------------------------------------|--------------|--------------|
| Negative fair value of derivatives | 641 | 1 211 |
| Other liabilities | 804 | 69 |
| Total | 1 445 | 1 280 |

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15. ACCRUED EXPENSES AND DEFERRED INCOME

The item 'Accrued expenses' primarily includes the management fee for the month of December in the amount of CZK 111 thousand (2014: CZK 112 thousand).

16. FINANCIAL DERIVATIVES

Nominal value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|----------------|----------------|----------------|----------------|
| | Receivable | Payable | Receivable | Payable |
| Currency forwards | 266 383 | 266 827 | 133 831 | 135 039 |
| Total | 266 383 | 266 827 | 133 831 | 135 039 |

Off-balance sheet assets and liabilities represent the nominal (contractual) undiscounted values. All the above financial instruments were concluded on the inter-bank market (OTC).

Fair value of derivatives:

| CZK '000 | 31 Dec 2015 | | 31 Dec 2014 | |
|-------------------|-------------|------------|-------------|--------------|
| | Positive | Negative | Positive | Negative |
| Currency forwards | - | 641 | - | 1 211 |
| Total | - | 641 | - | 1 211 |

All currency derivatives mature within one year.

17. RESERVES

| CZK '000 | Income tax | Total reserves |
|------------------------------------|------------|----------------|
| Balance at 1 January 2015 | 422 | 422 |
| Creation | 170 | 170 |
| Usage | 422 | 422 |
| Balance at 31 December 2015 | 170 | 170 |

The Fund creates the income tax reserve because the financial statements are prepared prior to the date of determining the tax liability. In the following reporting period, the Fund will release the reserve and account for the established tax liability.

18. PROPOSED ALLOCATION OF PROFIT

The Company's Board of Directors proposes the allocation of the profit for 2015 as follows:

| CZK '000 | Profit / loss | Retained earnings or accumulated loss brought forward |
|--|---------------|---|
| Balance at 31 December 2015 prior to the allocation of the profit for 2015 | - | 71 170 |
| Profit for 2015 | 7 784 | |
| Proposed allocation of the profit for 2015: | | |
| Transfer to retained earnings | (7 784) | 7 784 |
| | - | 78 954 |

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19. INCOME TAXATION

(a) Income Tax

| CZK '000 | 2015 | 2014 |
|------------------------------------|--------------|------------|
| Tax payable for the current period | 172 | 422 |
| Withholding tax | 831 | 68 |
| Total | 1 003 | 490 |

(b) Income Tax – Tax Analysis

| CZK '000 | 2015 | 2014 |
|--|--------------|------------|
| Profit or loss for the period before tax | 8 786 | 12 540 |
| Revenues that are not subject to tax | (5 345) | (458) |
| Tax non-deductible expenses | | |
| Other items (tax losses) | - | (3 644) |
| Subtotal | 3 441 | 8 438 |
| Tax calculated using the 5% tax rate (for 2014: 5%) | 172 | 422 |
| <i>of which: tax from extraordinary items</i> | - | - |
| Tax relief applied | - | - |
| Withholding tax | 831 | 68 |
| Total | 1 003 | 490 |

20. RELATED PARTY TRANSACTIONS

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|-------------|-------------|
| Liabilities | | |
| Management fee payable to the Company | 111 | 112 |

| CZK '000 | 2015 | 2014 |
|---------------------------------------|-------|-------|
| Expenses | | |
| Management fee payable to the Company | 1 383 | 1 164 |

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|--------------------------------|-------------|-------------|
| Off-balance sheet assets | | |
| Values placed under management | 444 957 | 438 088 |

21. VALUES PLACED UNDER MANAGEMENT

The Fund has all its assets managed by the Company. The item entitled ‘Values placed under management’ covers both foreign and local securities, term deposits as well as current account balances, with the exception of the current accounts designed to receive shareholders’ deposits. These current accounts are not included because they represent liabilities for share certificates not yet issued.

22. FINANCIAL INSTRUMENTS – MARKET RISK

The Fund is exposed to market risks arising from open positions in interest rate, equity and currency instruments that are sensitive to changes in financial market conditions.

(a) Risk management

The basic risk management instrument is represented by imposing limits on the ratio of different types of financial instruments in the portfolio, which are determined in accordance with legal requirements, the Fund Prospectus, and its investment strategy. The key risks, which are evaluated on a daily basis, include foreign currency exposures and sensitivity to interest rate fluctuations.

Market risks are measured using the Value at Risk (“VaR”) method. Value at Risk represents a potential loss resulting from unfavourable developments on the market within a certain time period and at a certain level of reliability. The ‘Value at Risk’ is measured on the basis of a one-year holding period and a 95% reliability level.

(b) Liquidity risk

‘Liquidity risk’ represents the risk that the Fund will not have sufficient cash resources to meet its commitments associated with its financial contracts. Liquidity is monitored and managed on the basis of expected cash flows; in this context, the structure of the securities and the term deposits portfolio is adjusted.

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Residual maturity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--|-----------------------|-------------------------------|------------------------------|----------------------|------------------|----------------|
| As of 31 December 2015 | | | | | | |
| Treasury bonds without coupon and other securities | - | 128 | - | 17 410 | - | 17 538 |
| Receivables from banks | 46 309 | - | - | - | - | 46 309 |
| Debt securities | 17 783 | 10 327 | 63 023 | - | - | 91 133 |
| Shares, share certificates | - | - | - | - | 289 977 | 289 977 |
| Other assets | 1 109 | - | - | - | - | 1 109 |
| Total | 65 201 | 10 455 | 63 023 | 17 410 | 289 977 | 446 066 |
| Other liabilities | 1 445 | - | - | - | - | 1 445 |
| Accrued/deferred income and expenses | 227 | - | - | - | - | 227 |
| Reserves | - | - | - | - | 170 | 170 |
| Equity | - | - | - | - | 444 224 | 444 224 |
| Total | 1 672 | - | - | - | 444 394 | 446 066 |
| GAP | 63 529 | 10 455 | 63 023 | 17 410 | (154 417) | - |
| Cumulative GAP | 63 529 | 73 984 | 137 007 | 154 417 | - | - |

Residual maturity of the Company's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Not specified | Total |
|--|-----------------------|-------------------------------|---------------------------|----------------------|------------------|----------------|
| As of 31 December 2014 | | | | | | |
| Treasury bonds without coupon and other securities | 97 | 1 102 | 72 232 | 27 926 | - | 101 357 |
| Receivables from banks | 14 415 | - | - | - | - | 14 415 |
| Debt securities | 22 865 | 43 836 | 84 526 | - | - | 151 227 |
| Shares, share certificates | - | - | - | - | 171 088 | 171 088 |
| Other assets | 230 | - | - | - | - | 230 |
| Total | 37 607 | 44 938 | 156 758 | 27 926 | 171 088 | 438 317 |
| Other liabilities | 1 280 | - | - | - | - | 1 280 |
| Accrued/deferred income and expenses | 175 | - | - | - | - | 175 |
| Reserves | - | 422 | - | - | - | 422 |
| Equity | - | - | - | - | 436 440 | 436 440 |
| Total | 1 455 | 422 | - | - | 436 440 | 438 317 |
| GAP | 36 152 | 44 516 | 156 758 | 27 926 | (265 352) | - |
| Cumulative GAP | 36 152 | 80 668 | 237 426 | 265 352 | - | - |

The above table shows residual maturities of the book values of the individual financial instruments, rather than of all cash flows resulting from such instruments.

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(c) **Interest rate risk**

The Fund is exposed to interest rate risk due to the impacts of fluctuations of the current interest rates on the market. On account of such changes, the fair value and income from financial assets may both increase and decrease.

The table below provides a summary of the mismatch between the Fund's assets and liabilities that are interest-rate sensitive. The carrying amount of such assets and liabilities is included in the period in which the assets and liabilities are payable or in which a change in the interest rate is made, whichever occurs first.

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|-------------------------------|------------------------------|----------------------|----------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupons and other securities | - | 17 538 | - | - | 17 538 |
| Receivables from banks | 46 309 | - | - | - | 46 309 |
| Debt securities | 17 783 | 10 327 | 63 023 | - | 91 133 |
| Total | 64 092 | 27 865 | 63 023 | - | 154 980 |

Interest-rate sensitivity of the Fund's assets and liabilities

| CZK '000 | Less than 3 months | From 3 months to 1 year | From 1 year to 5 years | More than 5 years | Total |
|---|-----------------------|-------------------------------|------------------------------|----------------------|----------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupons and other securities | 17 590 | 50 034 | 33 733 | - | 101 357 |
| Receivables from banks | 14 415 | - | - | - | 14 415 |
| Debt securities | 38 000 | 27 862 | 85 365 | - | 151 227 |
| Total | 70 005 | 77 896 | 119 098 | - | 266 999 |

The above summary only includes interest-rate sensitive assets and liabilities and, therefore, it is not identical to the values presented in the Fund's balance sheet.

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Year Ended 31 December 2015

(d) Currency risk

Assets and liabilities denominated in foreign currencies, including off-balance sheet exposures, represent the Fund's exposure to currency risk. Both realised and unrealised foreign exchange profit and loss is reported directly in the profit and loss account. The foreign exchange positions of the Fund in the most significant currencies are as follows:

Foreign exchange positions of the Fund

| CZK '000 | EUR | USD | PLN | CZK | Total |
|--|------------------|----------------|------------|------------------|----------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupon and other securities | - | - | - | 17 538 | 17 538 |
| Receivables from banks | 418 | 12 429 | - | 33 462 | 46 309 |
| Debt securities | 51 555 | 39 578 | - | - | 91 133 |
| Shares, share certificates and other investments | 95 536 | 194 441 | - | - | 289 977 |
| Other assets | 47 | 790 | 123 | 149 | 1 109 |
| Total | 147 556 | 247 238 | 123 | 51 149 | 446 066 |
| Other liabilities | 641 | - | - | 804 | 1 445 |
| Accrued/deferred income and expenses | - | - | - | 227 | 227 |
| Reserves | - | - | - | 170 | 170 |
| Equity | - | - | - | 444 224 | 444 224 |
| Total | 641 | - | - | 445 425 | 446 066 |
| Long off-balance instruments positions | - | 41 961 | - | 224 422 | 266 383 |
| Short off-balance instruments positions | 266 827 | - | - | - | 266 827 |
| Net foreign exchange position | (119 912) | 289 199 | 123 | (169 854) | - |

Foreign exchange positions of the Fund

| CZK '000 | EUR | USD | CZK | Other | Total |
|--|-----------------|----------------|---------------|------------------|----------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupon and other securities | - | - | - | 101 357 | 101 357 |
| Receivables from banks | 7 149 | 692 | 2 143 | 4 431 | 14 415 |
| Debt securities | 63 636 | 53 273 | 18 379 | 15 939 | 151 227 |
| Shares, share certificates and other investments | 43 553 | 127 535 | - | - | 171 088 |
| Other assets | - | 45 | 123 | 62 | 230 |
| Total | 114 338 | 181 545 | 20 645 | 121 789 | 438 317 |
| Other liabilities | 478 | 733 | - | 69 | 1 280 |
| Accrued/deferred income and expenses | - | - | - | 175 | 175 |
| Reserves | - | - | - | 422 | 422 |
| Equity | - | - | - | 436 440 | 436 440 |
| Total | 478 | 733 | - | 437 106 | 438 317 |
| Long off-balance instruments positions | - | - | - | 133 831 | 133 831 |
| Short off-balance instruments positions | 135 039 | - | - | - | 135 039 |
| Net foreign exchange position | (21 179) | 180 812 | 20 645 | (181 486) | - |

23. FINANCIAL INSTRUMENTS – CREDIT RISK

Fund investments are implemented so that the rating structure of the securities complies with the Fund Prospectus and its investment strategy. Credit risk management includes the monitoring of diversification of investments in terms of their geographical distribution and in terms of exposure of individual issuers to credit risk.

Distribution of assets based on geographical segments

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|---------------|----------------|--------------------------|----------------|----------------|
| As of 31 December 2015 | | | | | |
| Treasury bonds without coupon and other securities | 17 538 | 0 | 0 | 0 | 17 538 |
| Receivables from banks | 46 309 | 0 | 0 | 0 | 46 309 |
| Debt securities | 0 | 60 877 | 10 060 | 20 196 | 91 133 |
| Shares, share certificates and other investments | 0 | 95 536 | 0 | 194 441 | 289 977 |
| Other assets | 1 109 | 0 | 0 | 0 | 1 109 |
| Total | 64 956 | 156 413 | 10 060 | 214 637 | 446 066 |

| CZK '000 | Czech Rep. | EU | Other European Countries | Other | Total |
|--|----------------|----------------|--------------------------|----------------|----------------|
| As of 31 December 2014 | | | | | |
| Treasury bonds without coupon and other securities | 101 357 | 0 | 0 | 0 | 101 357 |
| Receivables from banks | 14 415 | 0 | 0 | 0 | 14 415 |
| Debt securities | 0 | 117 687 | 8 861 | 24 679 | 151 227 |
| Shares, share certificates and other investments | 0 | 43 553 | 0 | 127 535 | 171 088 |
| Other assets | 230 | 0 | 0 | 0 | 230 |
| Total | 116 002 | 161 240 | 8 861 | 152 214 | 438 317 |

Distribution of securities based on the issuer

| CZK '000 | 31 Dec 2015 | 31 Dec 2014 |
|---------------------------------------|----------------|----------------|
| Issued by financial institution | 51 151 | 60 306 |
| Issued by collective investment funds | 188 512 | 101 076 |
| Issued by non-financial institutions | 141 447 | 127 323 |
| Issued by government institutions | 17 538 | 134 967 |
| Total | 398 648 | 423 672 |

24. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date on 31 December 2015 that would have a significant impact on the financial statements of the Company.

INDEPENDENT AUDITOR'S REPORT To the Shareholders of Leonardo, otevřený podílový fond

Having its registered office at: Hvězdova 1716/2b, 140 78 Praha 4 - Nusle
Identification number: 291 46 739

We have audited the accompanying financial statements of Raiffeisen Leonardo, otevřený podílový fond prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2015 the profit and loss account and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body of Raiffeisen investiční společnost a.s. is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Leonardo, otevřený podílový fond as of 31 December 2015, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Other Matter

The financial statements of Leonardo, otevřený podílový fond for the prior year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 April 2015.

Other Information

The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of opinion thereon. However, in connection with our audit of the financial statements, our responsibility is to read the other information and consider whether the other information in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, the annual report has been prepared in accordance with the applicable legal requirements, or the other information does not otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that the above is not true, we are required to report such facts.

Based on the work we have performed, we have nothing to report in this regard.

In Prague on 25 April 2016

Audit firm:

Deloitte Audit s.r.o.
registration no. 079

Statutory auditor:

Diana Rádł Rogerová
registration no. 2045

