

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.

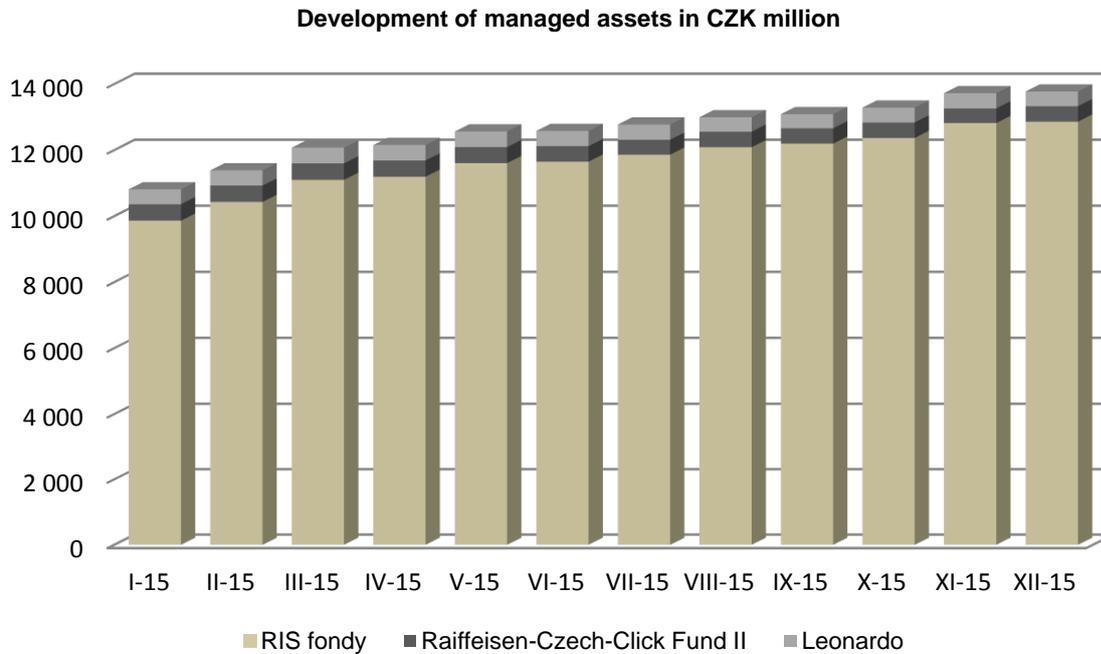
The Company's share capital of CZK 40 million represents 40 registered shares in the certificate form with a nominal value of CZK 1,000,000. The Company's capital is sufficient and fully covers the requirements arising from legal regulations. Raiffeisenbank a.s. is the sole shareholder, holding 100%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

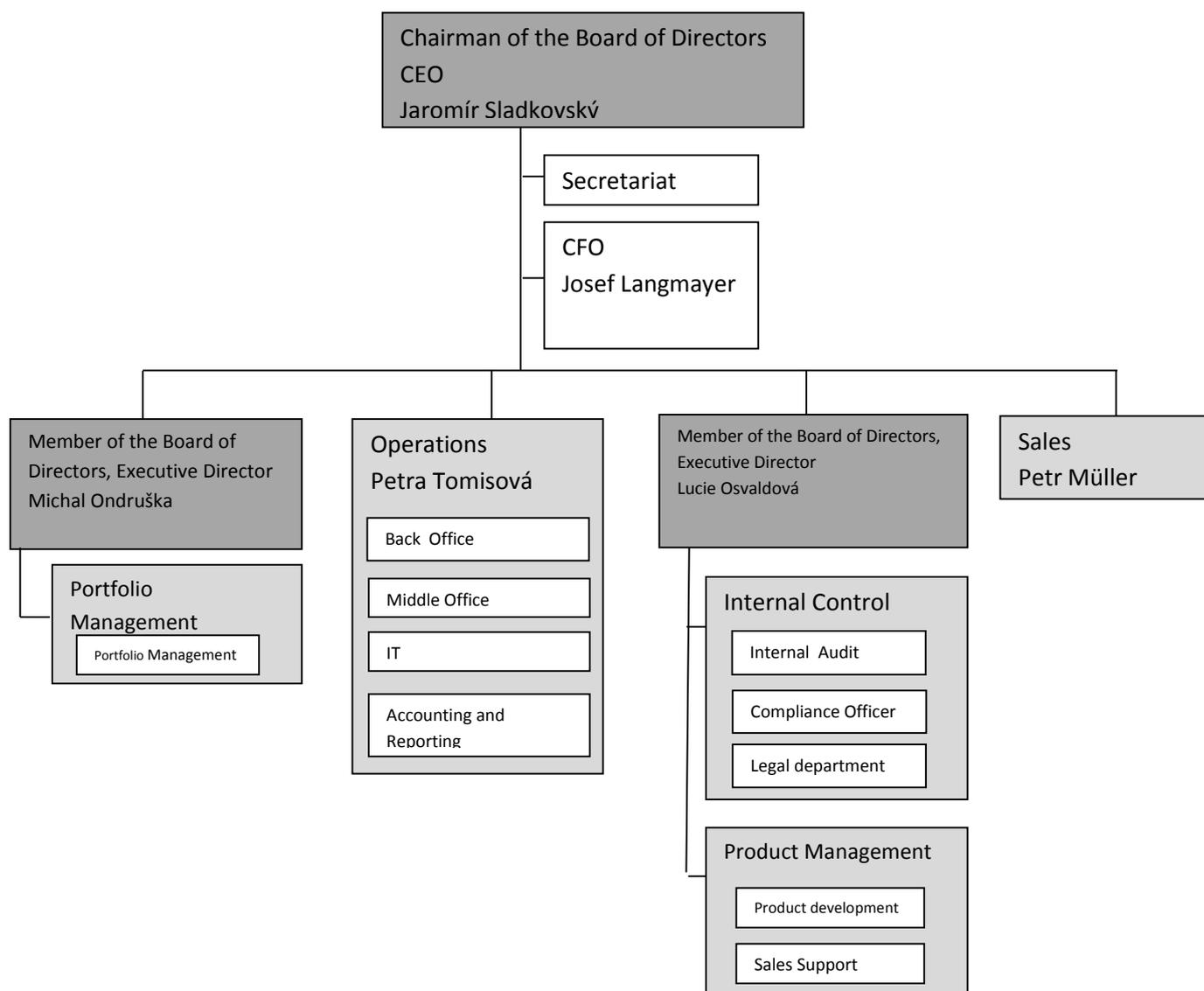
Jan Chytrý

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	Lillienbrunnigasse 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

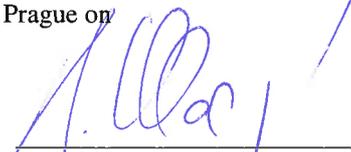
We hereby represent that, to the best of our knowledge, the Report on Related Parties of Raiffeisen investiční společnost a.s. prepared in accordance with Section 82 of the Act on Commercial Corporations for the reporting period from 1 January 2015 to 31 December 2015 includes all of the below, concluded 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
<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 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.

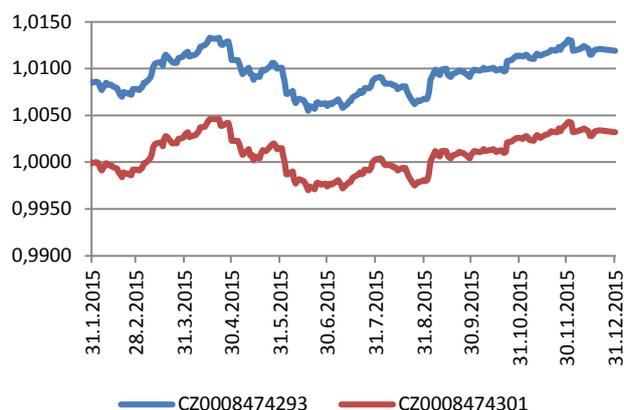
Beside changes duly disclosed in the financial statements, no substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 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)

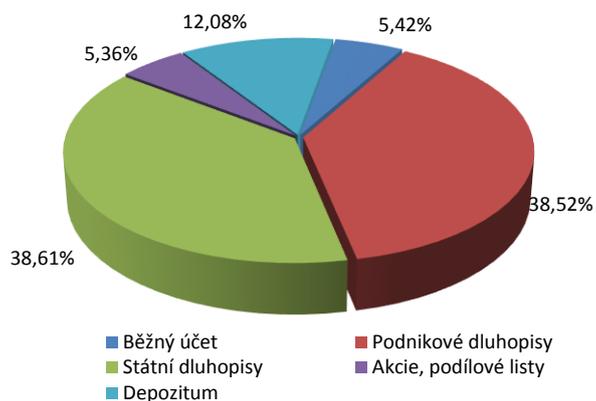
Number of share certificates issued and redeemed in 2015

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		1 034 146	1 317 258
<i>of which a) issued by government institutions</i>		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.

**Raiffeisen fond dluhopisové stability, 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	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 Rádł 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).

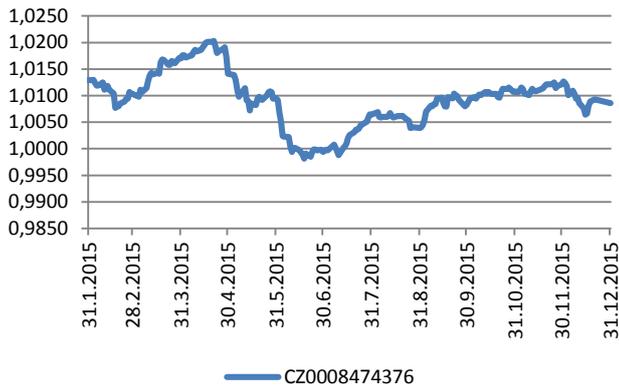
Beside changes duly disclosed in the financial statements, no substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 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

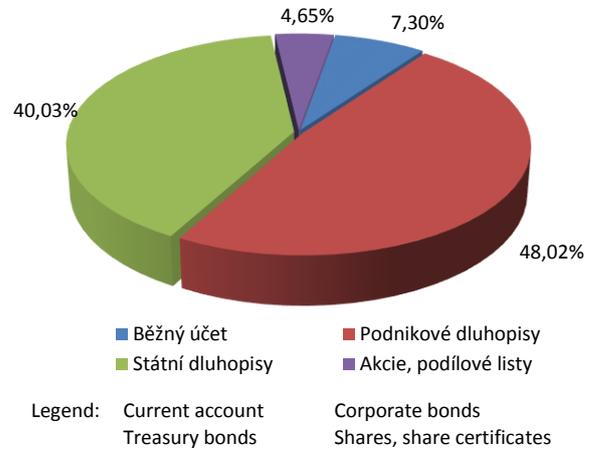
Number of share certificates issued and redeemed in 2015

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	RBI AV 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:

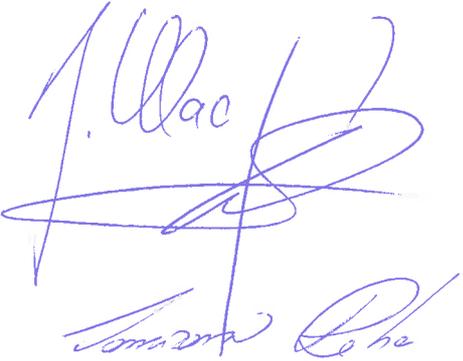
Balance Sheet

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
<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>	

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,
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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.
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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.
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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 dluhopisových 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 Rádł 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)

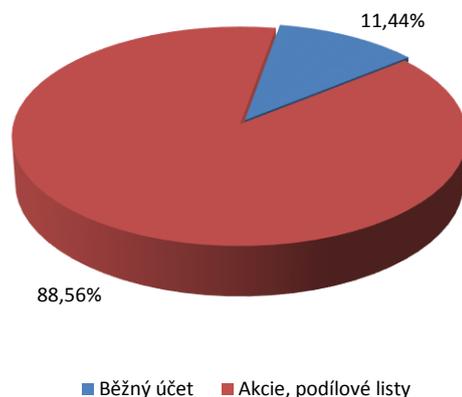
Number of share certificates issued and redeemed in 2015

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:

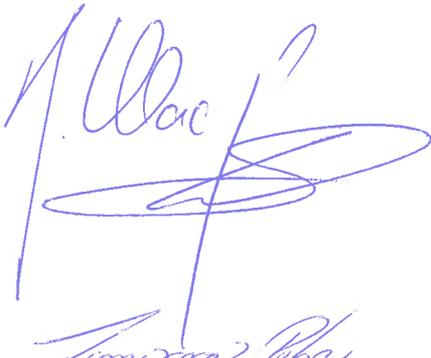
Balance Sheet

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 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).

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

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,
Raiffeisen investiční společnost a.s.
Year Ended 31 December 2015**

(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.

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

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,
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 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.

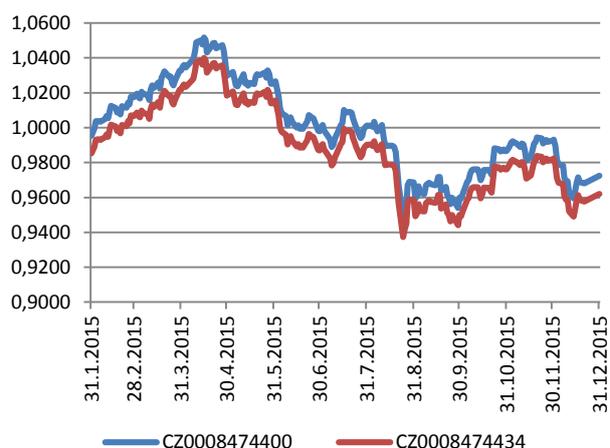
Beside changes duly disclosed in the financial statements, no substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, and amending Directives 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

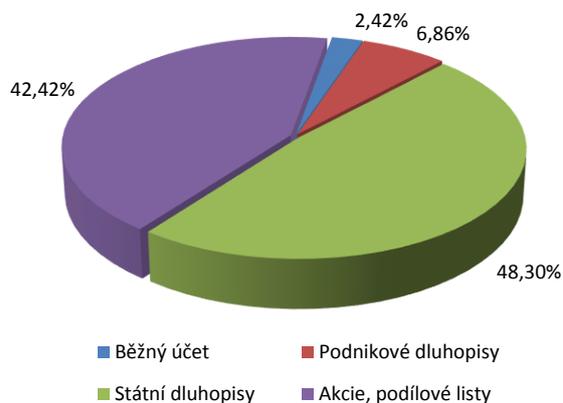
Number of share certificates issued and redeemed in 2015

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	AT0000A0EYC8	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.

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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	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,
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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	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.
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(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)	-

**Raiffeisen fond pravidelných investic, 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	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).

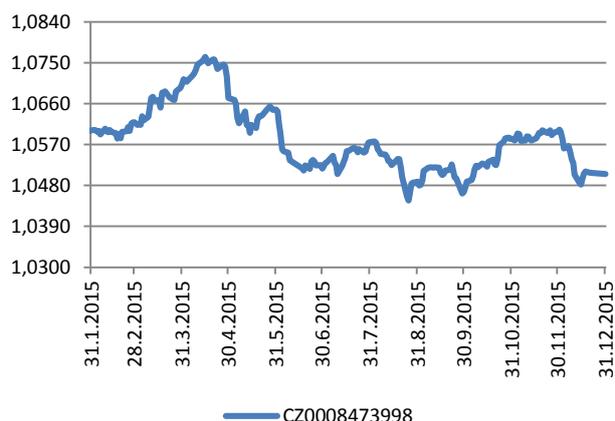
No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 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

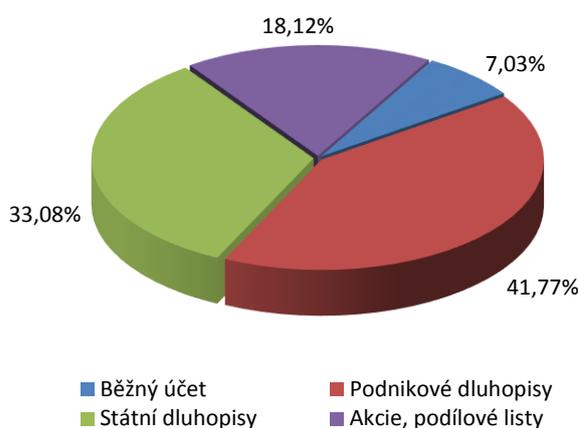
Number of share certificates issued and redeemed in 2015

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	RBIIV 1,875 11/08/18	55 198	55 680	2.21
AT	AT0000A1AUY6	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
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 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	
	<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
		-	-
		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>		
	<i>c) other</i>		
		-	944
		-	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).

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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

**Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond,
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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.

**Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond,
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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	-	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.

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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.

Raiffeisen fond dluhopisových příležitostí, otevřený podílový fond,
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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.

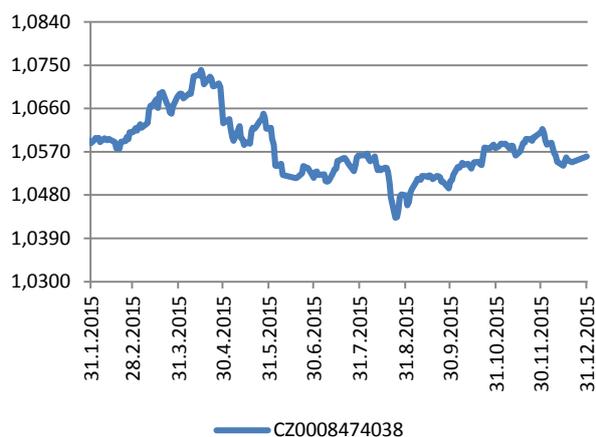
No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 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

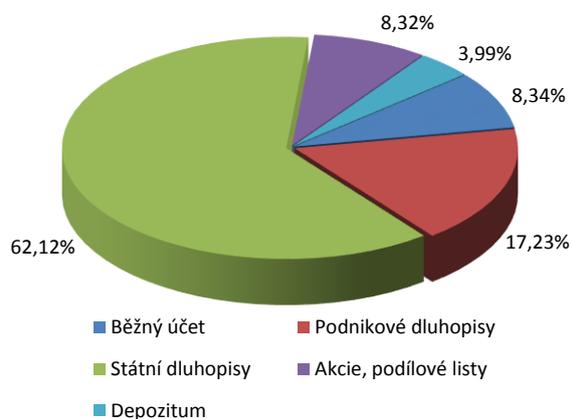
Number of share certificates issued and redeemed in 2015

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
<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 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	
<i>Proposed allocation of profit for 2015:</i>		
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,
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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.

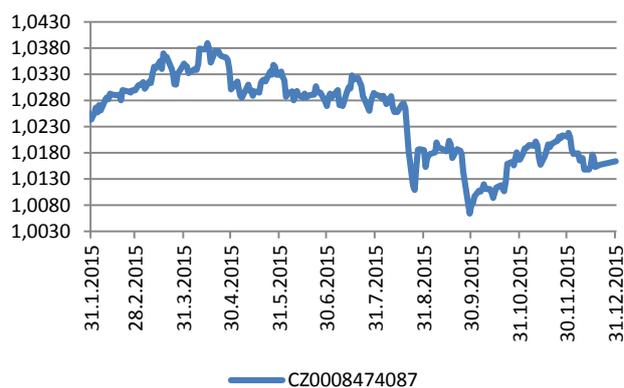
No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 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

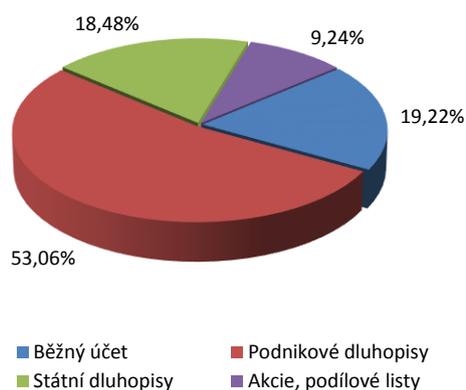
Number of share certificates issued and redeemed in 2015

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
<i>of which, a) payable upon request</i>		83 937	4 372
5	10	231 744	405 000
<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
<i>b) share certificates</i>		40 345	58 436
11	12	539	243
Total assets		437 296	568 890

CZK thousand	Note	31.12.2015	31.12.2014
LIABILITIES			
4	14	161	179
5	15	302	316
6	16	-	509
<i>b) tax</i>		-	509
9	13	(3 524)	(425)
12	13	429 787	557 547
14		10 764	271
15		(194)	10 493
Total liabilities		437 296	568 890

CZK thousand	Note	31.12.2015	31.12.2014
OFF BALANCE SHEET ITEMS			
Off balance sheet assets			
3		-	-
4		-	-
8	20	436 757	568 647
Off balance sheet liabilities			
11		-	-
12		-	-
15	20	-	-

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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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

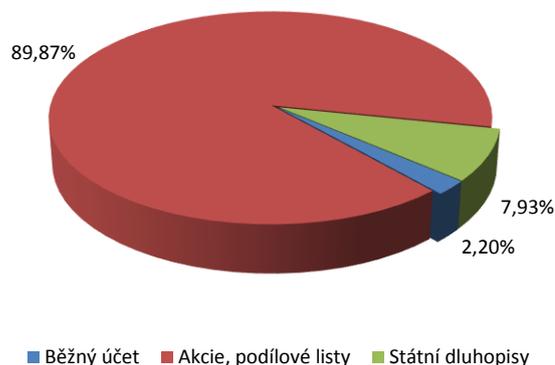
Number of share certificates issued and redeemed in 2015

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).

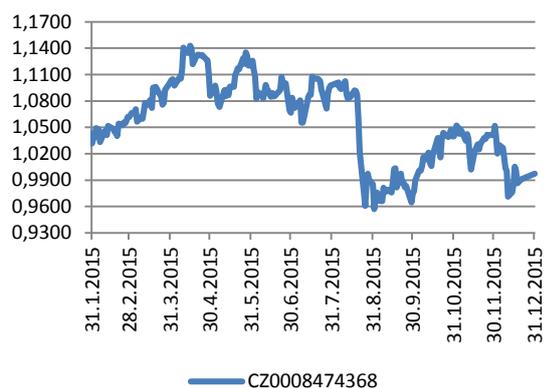
No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 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

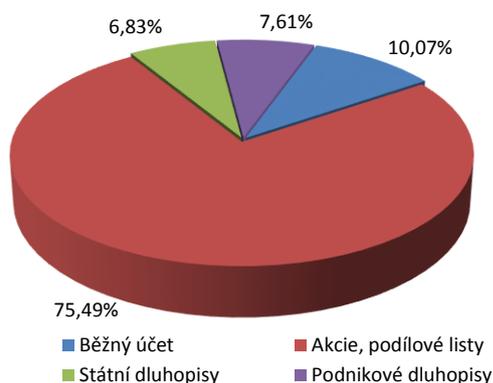
Number of share certificates issued and redeemed in 2015

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:

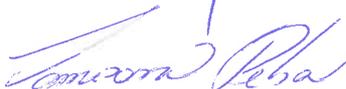
Balance Sheet

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.

**Raiffeisen privátní fond alternativní, 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	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

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

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

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

(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.

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

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.

Raiffeisen privátní fond alternativní, 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	-	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.

Raiffeisen privátní fond alternativní, 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	-	-	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.

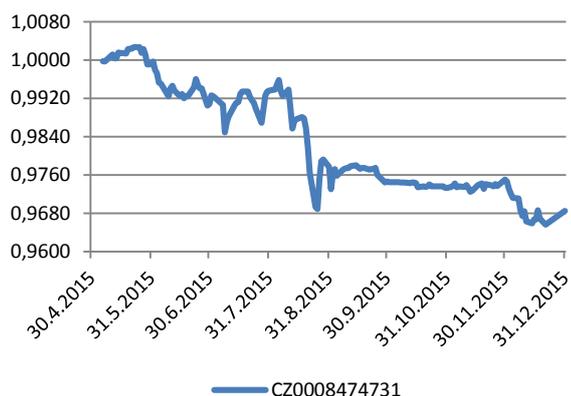
No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council, on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 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

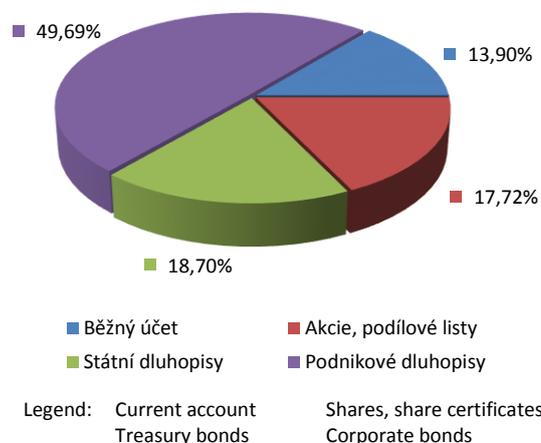
Number of share certificates issued and redeemed in 2015

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.

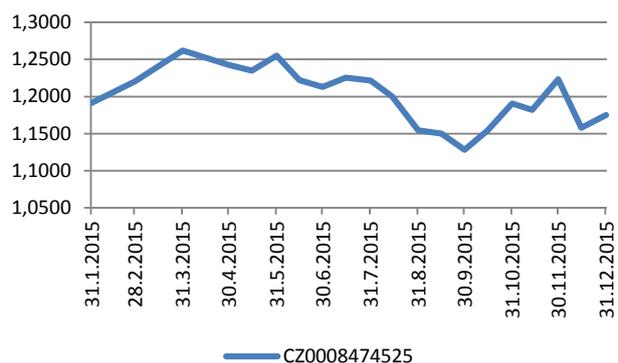
No substantial changes occurred during the reporting period in respect of the information pursuant to Article 23 of Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 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

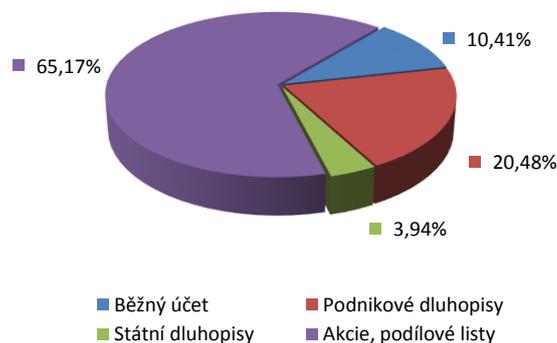
Number of share certificates issued and redeemed in 2015

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

Leonardo, otevřený podílový fond
Year Ended 31 December 2015

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

Leonardo, otevřený podílový fond
Year Ended 31 December 2015

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

Leonardo, otevřený podílový fond
Year Ended 31 December 2015

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.

Leonardo, otevřený podílový fond
Year Ended 31 December 2015

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.

Leonardo, otevřený podílový fond
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 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.

Leonardo, otevřený podílový fond
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

