

**Raiffeisen fond dluhopisových trendů,
otevřený podílový fond,
Raiffeisen investiční společnost a.s.**

**Semi-annual Report
2016**

Semi-annual report of the Fund for the period of 01.01.2016 - 30.06.2016

Currency:	CZK
ISIN:	CZ0008474376
Unit nominal value:	no
Fund form:	open-ended mutual fund
Fund AKAT-type:	bond fund
Date of establishment:	21 May 2014

Fund Manager

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

Fund Depositary

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

Auditor

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

Investing Strategy

The fund concentrates on Czech crowns bonds. It aims at achieving regular yields, by investing in bonds denominated in the Czech currency. To a lesser extent, it also may invest in bonds denominated in certain selected foreign currencies, bond funds, and money-market instruments, including term deposits. The fund has been rated in Risk Group 3 according to the Synthetic Risk and Reward Indicator (SRRI).

Fund Portfolio Manager

Mr Jan Chytrý

Background:	Student, University of Economics and Management in Prague (VŠEM)
Courses and training:	Broker's licence issued by the Czech Ministry of Finance
Practical experiences:	9 years
RIS portfolio manager	since 1 March 2015

Portfolio Manager's Comments

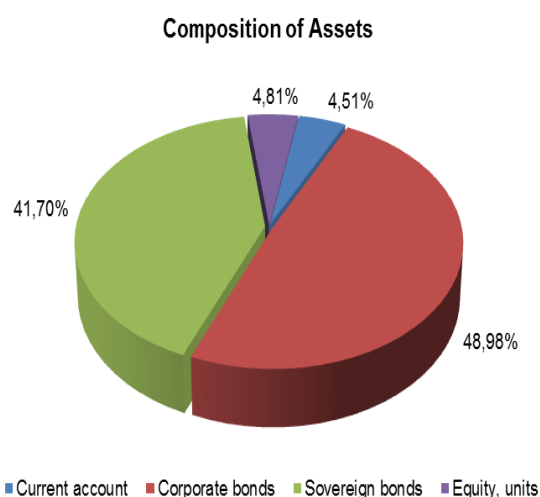
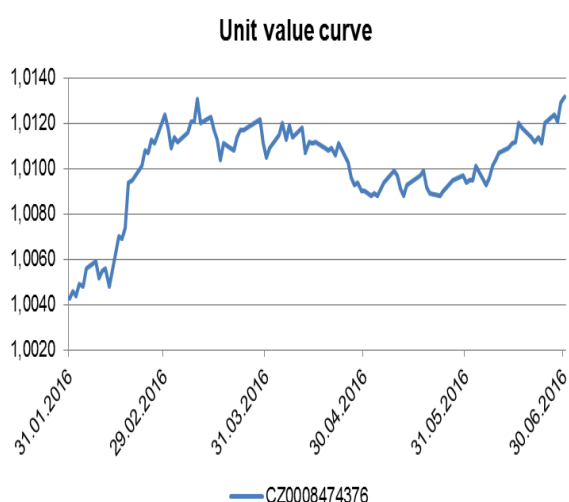
The assets of *Fond dluhopisových trendů* were allocated in the first six months of 2016 in medium-term sovereign and corporate bonds with duration (simply speaking: average term until maturity) of approximately 3.1 years. As regards credit quality, the bond portion of the fund has been invested in bonds belonging to so-called "investment rating range" (i.e., rating BBB-/Baa3 and better). Mainly purchased have been bonds denominated in CZK and EUR; the vast majority of them, however, have been hedged against unfavourable fluctuations of the exchange rates.

Financial Indicators	30 June 2016	30 June 2015
Shareholders equity of the mutual fund, in CZK'000	1,131,427	1,516,165
Shareholders equity per one unit, in CZK	1.0132	0.9994
Profit/loss after tax, in CZK'000	5,128	(12,776)
Number of units, in pieces	1,116,709,305	1,517,112,055

NB: The CZ0008474384 dividend class was eliminated in March 2016.

Number of units issued and redeemed in the period of 01.01.2016 - 30.06.2016

Units issued		Units redeemed		BALANCE (+/-)	
pcs	CZK'000	pcs	CZK'000	pcs	CZK'000
92,480,960	93,317	123,969,730	125,083	-31,488,770	-31,766



List of securities held in excess of 1 percent as of 30 June 2016

CURRENCY	COUNTRY	ISIN	SECURITY NAME	PURCHASE PRICE in CZK'000	FAIR VALUE in CZK'000	STAKE IN ASSETS in %
CZK	CZ	CZ0001001317	CZGB 3,75 09/12/20	132,627	131,517	11.62
CZK	CZ	CZ0001002851	CZGB 3,85 09/29/21	110,381	109,927	9.71
CZK	CZ	CZ0001004253	CZGB 2,4 09/17/25	106,341	109,543	9.68
CZK	CZ	CZ0002002520	UNICZ 6 04/27/18	69,424	67,008	5.92
CZK	AT	AT0000A1GD94	HYPONOE Float	60,038	61,061	5.40
EUR	AT	AT0000622022	RAIFFEISEN-INFLT.	55,040	54,303	4.80
PLN	PL	PL0000108502	POLGB 0 07/25/17	56,746	54,112	4.78
EUR	AT	XS0989620694	RBIAS 1,875 11/08/18	47,050	48,297	4.27
EUR	PL	XS1082660744	PKNPW 2,5 06/30/21	44,125	44,580	3.94
EUR	EE	XS0763379343	ESTONE 4,25 10/02/18	41,538	40,786	3.60
EUR	FR	XS1143974159	BREPW 2 11/21	38,274	37,658	3.33
CZK	NL	XS1322528230	LPTY Float 11/19/20	35,001	35,148	3.11
EUR	BG	XS0972758741	ROMANIA 4,625	32,634	32,427	2.87
EUR	GB	XS0496481200	RBS 5,5 03/23/20	34,274	32,099	2.84
CZK	NL	XS1241115440	LPTY 0,88 06/02/20	30,000	30,283	2.68
CZK	CZ	CZ0003512824	SMVAK 2 5/8 07/17/22	23,931	25,080	2.22
EUR	SE	XS1019818787	PKOBP 2,324 01/23/19	23,140	22,692	2.00
CZK	GB	XS1437011585	DB Float 06/23/21	20,981	20,983	1.85
CZK	AT	AT000B013750	RBIAS 0,73 04/01/21	18,001	18,052	1.59
EUR	CZ	XS0911304326	CESKA 2,905 04/08/25	15,610	16,185	1.43
CZK	KR	XS0943004878	EIBKOR Float 06/17/18	14,000	14,207	1.26
CZK	RU	XS0984191360	VTB Float 10/28/16	11,336	11,814	1.04
TOTAL				1,020,490	1,017,764	89.92

Additional basic information pursuant to Decree 244/2013, Annex no. 2(j):

Risk exposures of financial derivatives relate to (a) so-called “basis” risks resulting from different price trends as regards derivatives and the hedged assets; (b) risks of counterparty failure. The market value of financial derivatives negotiated in order to secure claims for the payment of pecuniary funds from accounts in the Czech or foreign currencies may comprise up to 15 percent of the value of the fund assets. Financial derivatives have been negotiated, without limitation, with UniCredit Bank Czech Republic and Slovakia, a.s.

BALANCE SHEET

	30 June 2016	31 December 2015
	CZK'000	CZK'000
Treasury bonds and other securities accepted by the central bank for refinancing	384,417	336,282
<i>of which (a) issued by government institutions</i>	<i>384,417</i>	<i>336,282</i>
Receivables from banks and cooperative credit unions	50,945	84,711
<i>of which (a) payable upon request</i>	<i>50,945</i>	<i>84,711</i>
Debt securities	639,750	684,913
<i>of which (a) issued by government institutions</i>	<i>86,538</i>	<i>128,022</i>
<i>(b) issued by other entities</i>	<i>553,212</i>	<i>556,891</i>
Shares, share certificates and other investments	54,303	53,907
Other assets	2,397	100
Total assets	1,131,812	1,159,913
Other liabilities	(803)	823
Accrued expenses and deferred income	968	1,025
Reserves	220	-
<i>of which (b) tax</i>	<i>220</i>	<i>-</i>
Capital funds	1,126,163	1,157,929
Retained earnings or accumulated loss brought forward	136	(1,810)
Profit or loss for the reporting period	5,128	1,946
Total liabilities	1,131,812	1,159,913

PROFIT AND LOSS ACCOUNT

For the period ending 30 June 2016

	CZK'000
Interest income and similar income	4,945
<i>of which: interest from debt securities</i>	<i>4,945</i>
Fees and commission income	118
Fees and commission expenses	(5,799)
<i>including: management fees</i>	<i>(5,157)</i>
<i>depository fees</i>	<i>(347)</i>
Profit or loss from financial operations	6,146
Administrative expenses	(62)
<i>including: auditor's fees</i>	<i>(62)</i>
Profit or loss for the reporting period from ordinary activities before tax	5 348
Income tax	(220)
Profit or loss for the reporting period after tax	5,128