



Prospectus

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

(Raiffeisen bond stability fund,
open-end mutual fund, Raiffeisen investiční společnost a.s.)

Table of Contents

1	LIST OF ABBREVIATIONS	4
2	COLLECTIVE INVESTMENT FUND	6
2.1	NAME OF THE MUTUAL FUND	6
2.2	DATE OF INCORPORATION OF THE FUND	6
2.3	ADDITIONAL INFORMATION ON THE FUND	7
2.4	HISTORICAL INFORMATION ON STATUS MATTERS	7
3	MANAGER	7
3.1	MANAGER OF THE FUND	7
3.2	DECISION ON PERMISSION FOR ACTIVITIES OF THE INVESTMENT COMPANY	7
3.3	CONSOLIDATION UNIT	7
3.4	LIST OF EXECUTIVES OF THE INVESTMENT COMPANY	7
3.5	LINE OF BUSINESS OF THE INVESTMENT COMPANY	7
3.6	LIST OF INVESTMENT FUNDS MANAGED	8
4	ADMINISTRATOR	8
5	AUDITOR	9
6	APPOINTMENT OF ANOTHER ENTITY TO CARRY OUT INDIVIDUAL ACTIVITIES WITHIN THE MANAGEMENT OR ADMINISTRATION	9
6.1	APPOINTMENT OF RBI	9
6.2	APPOINTMENT OF RAIFFEISENBANK	9
7	DEPOSITORY	10
7.1	INFORMATION ON THE DEPOSITORY	10
7.2	BASIC ACTIVITIES AND OBLIGATIONS OF THE DEPOSITORY, DEFINITION OF ITS RESPONSIBILITY	10
7.3	CONSOLIDATED GROUP	11
8	INVESTMENT STRATEGY	11
8.1	INVESTMENT GOALS	11
8.2	INVESTMENT POLICY	12
8.3	ASSET VALUES	12
8.4	INVESTMENT LIMITS	13
8.5	CREDITS, LOANS, DONATIONS AND SOME DEBTS	16
8.6	TECHNIQUES FOR THE MANAGEMENT OF THE FUND, MITIGATION OF THE RISK RESULTING FROM THE USE OF FINANCIAL DERIVATIVES, AND MEASUREMENT OF RISK	16
8.7	CHARACTERISTICS OF A TYPICAL INVESTOR	17
9	INFORMATION ON THE RISKS	18
9.1	RISK PROFILE OF THE FUND	18
9.2	TYPES OF RISKS	18
9.3	RISK MANAGEMENT	20
10	INFORMATION ON HISTORICAL PERFORMANCE	20
11	PRINCIPLES FOR THE MANAGEMENT OF THE FUND AND PAYMENT OF THE SHARES IN PROFIT OR YIELD (DIVIDENDS)	21
12	SECURITIES ISSUED BY THE FUND	22
12.1	SHARE CERTIFICATES OF THE FUND	22
12.2	ENTITY KEEPING THE RECORDS OF THE ISSUANCE OF SHARE CERTIFICATES	22
12.3	RIGHTS ASSOCIATED WITH THE SHARE CERTIFICATES OF THE FUND	23
12.4	PROVING THE OWNERSHIP RIGHT TO THE SHARE CERTIFICATE	24
13	ISSUANCE AND REDEMPTION OF THE SECURITIES OF THE FUND	24
13.1	ISSUANCE OF SHARE CERTIFICATES	24
13.2	REDEMPTION OF SHARE CERTIFICATES OF THE FUND	25
13.3	JOINT PROVISIONS REGARDING THE ISSUANCE AND REDEMPTION OF SHARE CERTIFICATES	25

13.4	SPECIAL PROVISIONS FOR HANDLING SHARE CERTIFICATES	26
14	FEEES AND COSTS	26
14.1	STRUCTURE OF THE FEES AND EXPENSES FOR THE TYPE OF SHARE CERTIFICATES: CLASS A1	26
14.2	STRUCTURE OF THE FEES AND EXPENSES FOR THE TYPE OF SHARE CERTIFICATES: CLASS A2	27
14.3	STRUCTURE OF THE FEES AND EXPENSES FOR THE TYPE OF SHARE CERTIFICATES: CLASS A3	27
14.4	EXPENSES PAID FROM THE ASSETS OF THE FUND	28
14.5	FEE PAID TO THE DEPOSITORY	28
14.6	FEE PAID TO THE INVESTMENT COMPANY	28
14.7	FEES PAID TO THE ENTITIES KEEPING SEPARATE RECORDS AND FOLLOW-UP RECORDS.....	29
15	ADDITIONAL INFORMATION.....	29
15.1	INFORMATION ON THE PROSPECTUS	29
15.2	PUBLISHING INFORMATION IN A MANNER ALLOWING REMOTE ACCESS.....	30
15.3	LIQUIDATION AND TRANSFORMATION OF THE FUND	30
15.4	CONTACT PLACE FOR PROVISION OF ADDITIONAL INFORMATION.....	33
15.5	BASIC INFORMATION ON THE TAX SYSTEM	33
15.6	METHOD AND FREQUENCY OF PUBLISHING OF REPORTS ON ECONOMIC ACTIVITIES OF THE FUND	34
15.7	THE FUND'S SUPERVISORY AUTHORITY	34
15.8	NOTE TO INVESTORS	35

1 LIST OF ABBREVIATIONS

Unless the text of the Prospectus implies otherwise, the following terms and abbreviations have the following meaning assigned to them:

AKAT

Czech Capital Market Association (Asociace pro kapitálový trh ČR), associates major Czech investment companies, foreign fund managers offering their products in the Czech Republic and other entities

Security

Security or book-entry security

ČNB

Czech National Bank (Česká národní banka)

Depository

UniCredit Bank Czech Republic and Slovakia, a.s. having its registered office in Želetavská 1525/1, 140 92 Praha 4, Company ID (IČ) 64948242, registered in the companies register administered by the Municipal Court (Městský soud) in Prague, section B, entry No. 3608

Distributor

An entity authorized by the Investments Company to offer investments in the Fund or to broker submission of applications for issue and redemption of Share Certificates of the Fund, namely, at its Points of Sale.

Fond

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

Investment Company

Raiffeisen investiční společnost a.s. having its registered office in Hvězdova 1716/2b, 140 78 Praha 4 - Nusle, Company ID (IČ) 29146739, registered in the companies register administered by the Municipal Court (Městský soud) in Prague, section B, entry No. 18837, manager of the Fund

ISIN

International unique identifier of securities pursuant to ISO6166 (International Securities Identification Number)

Regulation

Government Regulation No. 243/2013 Sb. (Collection of Laws), on investment fund investments and techniques and instruments used for the purpose of portfolio management

Follow-Up Records

Records of investment instruments connected with the Separate Records kept pursuant to the relevant laws and regulations (or similar foreign records). Follow-Up Records are kept by the individual Distributors.

Trading Day

Day whose published exchange rate will be used for issuing or redemption of Share Certificates of the Fund. Trading Day is every weekday which is a trade day in the Czech Republic as well as in the Republic of Austria. The up-to-date calendar of Trading Days is published by the Investment Company in a manner which allows remote access at www.rfis.cz.

Notification of Commencement of Offering

Notification of commencement of offering of any specific Classes of the Fund published by the Investment Company in a manner allowing for remote access to the Internet address www.rfis.cz. The notification will contain, in particular:

- Identification of the Fund;
- Identification of the relevant Class of the Fund;

- ISIN of the relevant Class of the Fund;
- Date of commencement of offering of the relevant Class of the Fund;
- Date of announcement of the first net asset value of the Share Certificate of the relevant Class of the Fund;
- Date in respect of which the first net asset value of the Share Certificate of the relevant Class of the Fund will be announced;
- Date as of which the issuance and redemption of the Share Certificate of the relevant Class of the Fund will commence;
- Date of the commencement of the term during which the Investment Company would accept on the Trading Day applications for the issue, and/or redemption, of Share Certificates of the relevant Class of the Fund per CZK 1;
- Date of the end of the term during which the Investment Company would accept on the Trading Day applications for the issue, and/or redemption, of Share Certificates of the relevant Class of the Fund per CZK 1.

Shareholder

Owner of a Share Certificate.

Share Certificate

Share Certificate of the Fund.

Business Day

Every business day which is a business day in the Czech Republic as well as in the Republic of Austria.

Point of Sale

In particular the network of selected locations of Raiffeisenbank, designated as a personal finance contact point, where applications for the issue and redemption of Share Certificates are received. An up-to-date list of the selected branches (locations) of Raiffeisenbank is available at www.rb.cz. In line with the development of the commercial and technical communication capabilities, the Prospectus do not rule out introduction of other forms of issuing and redeeming of Share Certificates. An up-to-date list of the Points of Sale is published by the Investment Company in a manner which allows remote access at www.rfis.cz.

Raiffeisenbank

Raiffeisenbank a.s. having its registered office in Hvězdova 1716/2b, 140 78 Praha 4, Company ID (IČ) 49240901, registered in the companies register administered by the Municipal Court (Městský soud) in Prague, section B, entry No. 2051.

Rating

The determination of the Rating limits is based on the scales of rating agencies Standard and Poor's, Fitch Ratings, and Moody's. In order to assess a particular instrument it is necessary to have rating from at least one of the above-mentioned agencies. If ratings from multiple agencies are available the second worst rating of all ratings received is the relevant one. Ratings in the following order are used for bonds: 1st rating of the issue; 2nd rating of the issuer's long-term liabilities in the issue currency; 3rd rating of the issuer's long-term liabilities; 4th rating of the guarantor's long-term liabilities in the issue currency; 5th rating of the guarantor's long-term liabilities. If the 1st rating is not available the 2nd rating shall be used. In the case of subordinated bonds, the process of establishment of the Rating is similar, provided that the order of the ratings is as follows: 1st rating of the issue; 2nd rating of the issuer's subordinated liabilities; 3rd rating of the guarantor's long-term liabilities or rating of the guarantor's subordinated liabilities, depending on the nature of the guarantee (non-subordinated or subordinated guarantee). The sources of each rating for the establishment of the resulting Rating are chosen by the Investment Company at its discretion in order to ensure the maximum explanatory power of the final rating.

RBI

Raiffeisen Bank International AG, having its registered office in Am Stadtpark 9, 1030 Vienna, Republic of Austria, registered with the Commercial Court in Vienna under file No. FN 122119m.

Repo

Transfer of Securities for money together with an obligation to accept these Securities as of the set date for the amount equal to the original money and interest; Repo is also a sale together with an agreement to repurchase or loan the Securities guaranteed by the money.

Repo Deal

Repo or Reverse repo.

Reverse repo

Acquisition of Securities for money together with an obligation to transfer these Securities as of the set date for the amount equal to the transferred money and interest; Reverse repo is also a purchase together with an agreement to re-sell or borrow the Securities guaranteed by the money.

Relevant Day

Day which determines the entitlement of the Shareholder to the dividend in the case of Class A2. Shareholders who have Class A2 Share Certificates registered on this day on the accounts of the owner in the Separate Records or on the accounts of the owner in the Follow-Up Records are entitled to the payment of a share in profits in the form of a dividend, according to the decision of the Board of Directors of the Investment Company.

Separate Records

Separate Records of investment instruments kept pursuant to the relevant laws and regulations (or similar foreign records) by the Investment Company or, as the case may be, by RBI based on the entrusting of individual administrator activities.

Key Investor Information

Document containing key information for the investors. It contains brief basic characteristics of the Fund necessary for the investors to make an informed judgment regarding the nature of the investment and the associated risks.

Prospectus

This document which contains information on the method of investment of the Fund and other information necessary for investors in order to assess the investment accurately and correctly

Class

Share Certificates which carry the same rights. Among the different Classes, some rights associated with the Share Certificate can differ in a manner regulated by the Prospectus.

Decree

Decree No. 58/2006 Sb. (Collection of Laws), on the manner of keeping separate records of investment instruments and records based on separate records of investment instruments

Management Companies and Investment Funds Act (ZISIF)

Act No. 240/2013 Sb. (Collection of Laws), on management companies and investment funds

Capital Market Undertakings Act (ZPKT)

Act No. 256/2004 Sb. (Collection of Laws), on capital market undertakings, as amended

2 COLLECTIVE INVESTMENT FUND

2.1 Identification of the mutual fund

Raiffeisen fond dluhopisové stability, otevřený podílový fond, Raiffeisen investiční společnost a.s. (Raiffeisen bond stability fund, open-end mutual fund, Raiffeisen investiční společnost a.s.)

Abbreviated identification of the Fund: Raiffeisen fond dluhopisové stability (Raiffeisen bond stability fund)

2.2 Date of incorporation of the Fund

The Fund is established on the date of its registration in the list administered by the Czech National Bank (ČNB) pursuant to Section 597 b) of the Management Companies and Investment Funds Act, made as of 17. 3. 2014.

2.3 Additional information on the Fund

The Fund is an open-end mutual fund which is not a legal entity and is established for indefinite period. The Fund is standard fund. The Fund is a bond fund. It is not a managing or subordinated standard fund. General meeting of Shareholders is not set up.

2.4 Historical information on status matters

It is a newly created fund.

3 MANAGER

3.1 Manager of the Fund

Trade name: Raiffeisen investiční společnost a.s.
Registered office: Hvězdova 1716/2b, 140 78 Praha 4, Czech Republic
Company ID (IČ): 29146739
Date of incorporation: 21 December 2012

Registered in the companies register administered by the Municipal Court (Městský soud) in Prague, section B, entry No. 18837.

The Investment Company is registered in the list of Investments Companies administered by the Czech National Bank pursuant to Section 596 a) of the Management Companies and Investment Funds Act.
Registered capital: CZK 40,000,000.00, paid: 100 %

3.2 Decision on permission for activities of the Investment Company

Issued by: Czech National Bank
Date of issue: 9 April 2013
Reference number of the decision: 2013/4256/570
Effective date of the decision: 9 April 2013

3.3 Consolidation unit

The Investment Company is a part of the Raiffeisenbank consolidated group. The consolidated financial statements of Raiffeisenbank include, in accordance with IFRS, all subsidiaries using the full consolidation method and associates using the equity method. The majority owner of Raiffeisenbank is Austrian financial institution Raiffeisen Bank International AG.

3.4 List of executives of the Investment Company

Ing. Jaromír Sladkovský, MBA, Chairman of the Board of Directors and CEO

In addition to the position in the Investment Company, Jaromír Sladkovský also holds the position of Manager of the Investment Management Department and Manager of the Project Management & Strategy in Raiffeisenbank.

Mgr. Martin Vít, Vice Chairman of the Board of Directors

Ing. Michal Ondruška, Member of the Board of Directors

In addition to the position in the Investment Company, Michal Ondruška also holds the position of Manager of the Asset Management Department in Raiffeisenbank.

3.5 Line of business of the Investment Company

The license granted to the Investment Company pursuant to the above-mentioned regulations is, pursuant to the transitory provisions of the Management Companies and Investment Funds Act, considered permission for the activities of an investment company pursuant to the Management Companies and Investment Funds Act. The Investment Company is therefore authorized to:

- a) Exceed the relevant limit;

- b) Manage standard funds and comparable foreign investment funds, special funds and comparable foreign investment funds;
- c) Perform administration within the scope of activities pursuant to Section 38 (1) of the Management Companies and Investment Funds Act, namely with respect to standard funds and comparable foreign investment funds, and with respect to special funds and comparable foreign investment funds.

3.6 List of investment funds managed

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.
- 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.

Qualified Investors Fund:

- Leonardo, otevřený podílový fond

4 ADMINISTRATOR

Administration of the Fund is carried out by the Investment Company specified in section 3.1 of the Prospectus. The Investment Company, as the administrator of the Fund, carries out in particular the following activities:

- a) bookkeeping,
- b) legal services,
- c) compliance,
- d) dealing with the investors' complaints,
- e) valuation of the assets and debts of the Fund,
- f) calculation of the current value of the Share Certificate,
- g) performing obligations with respect to taxes, charges or other similar payments,
- h) preparation and update of the annual report and semi-annual report of the Fund,
- i) preparation and update of the Key Investor Information,
- j) preparation of the promotion message related to the Fund,
- k) publication, disclosure and provision of information and documents to the Shareholders and other parties,
- l) reporting of information and provision of documents to the Czech National Bank, and
- m) distribution and payment of money in relation to the dissolution of the Fund.

5 AUDITOR

Trade name: KPMG Czech Republic Audit, s.r.o.
Registered office: Pobřežní 648/1a, 186 00 Praha 8, Czech Republic
Company ID (IČ): 49619187
registered in the companies register administered by the Municipal Court (Městský soud) in Prague, section C, entry No. 24185

6 APPOINTMENT OF ANOTHER ENTITY TO CARRY OUT INDIVIDUAL ACTIVITIES WITHIN THE MANAGEMENT OR ADMINISTRATION**6.1 Appointment of RBI****6.1.1 Information on the appointed entity**

Trade name: Raiffeisen Bank International AG
Registered office: Am Stadtpark 9, 1030 Vienna, Republic of Austria
Registered with the Commercial Court in Vienna under file No. FN 122119m

6.1.2 Activities carried out by the appointed entity

The Investment Company delegated the following activities partially or wholly on RBI under the relevant agreements:

- a) Activities related to records and settlement:
 - i. distribution and payment of the profits from the assets of this Fund (Section 38 (1)(i) of the Management Companies and Investment Funds Act);
 - ii. distribution and payment of money in relation to the dissolution of the Fund, if applicable (Section 38 (1) q of the Management Companies and Investment Funds Act);
 - iii. keeping records of the book-entry Securities issued by the Fund (Section 38 (2) a of the Management Companies and Investment Funds Act). These records, which are kept in the form of Separate Records, replace the list of shareholders pursuant to Section 109 of the Management Companies and Investment Funds Act;
- b) Activities related to the issue and redemption of Share Certificates:
 - i. issuing and redemption of Share Certificates (pursuant to Section 38 (1) j) of the Management Companies and Investment Funds Act) and keeping records (pursuant to Section 38 (1) r) and pursuant to Section 54 (1) a) and b) of the Management Companies and Investment Funds Act) on issuing and redemption Share Certificates, performing the relevant changes on the accounts in the Separate Records, and mediation of financial settlement of the issuing and redemption of Share Certificates;

Other activities pursued by RBI, in particular, in the area served by the contact bank (the Paying Agent), in the event of notifications of the Fund; including the performance of selected information duties to the investors.

No part of the assets of the Fund is managed by RBI.

6.2 Appointment of Raiffeisenbank**6.2.1 Information on the appointed entity**

Trade name: Raiffeisenbank a.s.
Registered office: Hvězdova 1716/2b, 140 78 Praha 4, Czech Republic
Company ID (IČ): 49240901

Registered in the companies register administered by the Municipal Court (Městský soud) in Prague, section B, entry No. 2051

6.2.2 Activities carried out by the appointed entity

The Investment Company delegated the following activities partially or wholly on Raiffeisenbank under the relevant agreements:

- a) Management of the market risks associated with the management of the assets of the Fund;
- b) Offering investments in the Fund within the Czech Republic (including the performance of selected information duties to the investors).

No part of the assets of the Fund is managed by Raiffeisenbank.

6.3 **Appointment of Centrální depozitář cenných papírů, a.s.**

6.3.1 Information on the appointed entity

Trade name: Centrální depozitář cenných papírů, a.s.

Registered office: Rybná 14, 110 05 Praha 1, Czech Republic

Company ID (IČ): 25081489

Registered in the companies register administered by the Municipal Court (Městský soud) in Prague, section B, entry No. 4308

6.3.2 Activities carried out by the appointed entity

The Investment Company may assign to Centrální depozitář cenných papírů, a.s., subject to and under the relevant contract, keeping records of issues of book-entry securities in the Central Securities Records, including without limitation, in the event of issues of global Share Certificates.

7 **DEPOSITORY**

7.1 **Information on the Depository**

Trade name: UniCredit Bank Czech Republic and Slovakia, a.s.

Registered office: Želetavská 1525/1, 140 92 Praha 4, Czech Republic

Company ID (IČ): 64948242

Registered in the companies register administered by the Municipal Court (Městský soud) in Prague, section B, entry No. 3608

The Depository is registered in the List of Depositories of the Investment Fund administered by the Czech National Bank pursuant to Section 596 e) of the Management Companies and Investment Funds Act.

7.2 **Basic activities and obligations of the Depository, definition of its responsibility**

7.2.1 **Depository of the Fund carries out in particular the following activities:**

- a) holds in custody the assets of the Fund,
- b) opens and maintains money accounts and registers the movement of all monies belonging to the assets of the Fund,
- c) registers, if its nature allows, or checks the status of assets of the Fund other than the assets specified in paragraphs a) and b), and
- d) registers and checks whether, in accordance with the statutory legislation, the Prospectus, and the provisions of the depository agreement:
 - i. Share Certificates have been issued and redeemed,
 - ii. the current value of the Share Certificate has been calculated,

- iii. the assets and debts of the Fund have been valued,
 - iv. payments from the transactions involving the assets of the Fund have been made in the usual periods,
 - v. the profits arising for the Fund are used, and
 - vi. the assets of the Fund are acquired and sold.
- 7.2.2 Within the activities of the depository of the Fund, the Depository issues orders to the Investment Company in accordance with the Prospectus and in accordance with the depository agreement.
- 7.2.3 The Depository of the Fund which causes harm to the Investment Company, the Fund, the Shareholder by breaching its obligation laid down for the performance of its activities as the depository shall indemnify them regardless of its default.
- 7.2.4 Should a loss of the investment instruments which are held by or in custody of Depository occur the Depository shall compensate the Fund without undue delay the resulting damage; it is irrelevant whether the Depository has delegated some activities on another party.
- 7.2.5 The Depository is obliged to carry out the activities of the depository with due care, acting in the best interests of the Fund and the Shareholders.

7.3 Consolidated group

UniCredit Bank Austria AG, Schottengasse 6-8, 1010 Vienna, Republic of Austria, owns 99.944% share in UniCredit Bank Czech Republic and Slovakia, a.s. The consolidated financial statements of UniCredit Bank Czech Republic and Slovakia, a.s. includes, in accordance with IFRS, all subsidiaries using the full consolidation method and associates using the equity method. An indirect controlling entity is UniCredit S.p.A. having its registered office in Via Specchi 16, Rome, Italy, which is the main shareholder of UniCredit Bank Austria AG with a share of 99.996 %.

8 INVESTMENT STRATEGY

8.1 Investment goals

- 8.1.1 The goal of the Fund's investment strategy is to achieve regular profits, through investments primarily (at least 51 % of the value of the assets) in bonds, money market instruments (including term deposits) and bond funds denominated in Czech crowns (CZK). To a lesser extent it is possible to invest in bonds, money market instruments (including term deposits) and bond funds denominated in selected foreign currencies. Issuers of the bonds and money market instruments in the portfolio of the Fund include, but are not limited to, governments, multinational institutions or corporations. Shares in other investment funds can represent up to 65 % of the assets of the Fund. Within its investment strategy the Fund can invest in financial derivatives.
- 8.1.2 The investment goal will be achieved by allocation of the money collected in the Fund in particular in short-term and mid-term bonds, money market instruments and bond funds denominated in CZK or, more precisely, with foreign exchange hedging in CZK. The Fund intends to concentrate its investments in bonds issued or guaranteed by the Czech Republic (up to 100 % of the value of the assets of the Fund) or, as the case may be, in bonds issued by a member state of the Organization for Economic Cooperation and Development (OECD), the central bank of such member state, a reputable international financial institution or other entities with credit quality (Rating) specified in section 8.4.20 of the Prospectus. The instruments included in the portfolio of the Fund can be denominated in CZK, EUR, USD and local currencies of Central and Eastern Europe. Weighted average maturity period of the portfolio of the Fund shall not exceed 2 years. The sum of the values of the foreign-currency investment instruments and balances of the foreign-currency money accounts in respect of which foreign exchange hedging in CZK is not applied shall not exceed 7.5 % of the value of the assets of the Fund.
- 8.1.3 The Fund is managed actively and does not intend to follow a certain index or indicator.
- 8.1.4 Money of the Fund is invested with professional care to ensure security, quality, liquidity and profitability of the assets of the Fund as a whole. The Investment Company, however, cannot

guarantee achievement of the investment goal, and no third party guarantees for protection of the investors are provided.

8.2 Investment policy

8.2.1 Due to its focus according to the AKAT classification, the Fund is a bond fund, which means that it permanently allocates its funds on the bond market and on the money market and in doing so it is obliged to comply with the following rules:

- a) bonds or similar Securities representing the right to payment of the outstanding amount, instruments bearing the risk of debt Securities and money market instruments must be represented in the portfolio of the Fund by at least 80 % share in the assets,
- b) investments in shares and instruments bearing the risks of shares are not permitted,
- c) other investment securities representing the right to payment of the outstanding amount (for example, convertible bonds, asset-backed securities - ABS) must not exceed 20 % of the value of the assets of the Fund.

8.2.2 Decisions on the investments of the Fund are regulated by internal rules of the Investment Company and are based on the so-called Top-Down approach where the basic strategic goals of the Fund's investment policy are determined in a binding manner by the decision of the Investment Committee and the portfolio manager is responsible for the practical fulfilment thereof, i.e., choice of the particular investment instrument and execution of the transaction. The execution of the investment is preceded by an analysis of economic expediency as well as verification whether the investment is in line with the legal, statutory and internal restrictions and whether it is in the best interests of the Shareholders.

8.3 Asset values

8.3.1 The following assets can be acquired to the assets of the Fund:

- a) bonds:
 - 1. issued by the Czech Republic, a Member State of the Organisation for Economic Cooperation and Development (OECD), a central bank of such Member State, an international financial institution of renown, a self-administration [territorial] organisation, or by a commercial entity; and/or any similar investment securities accepted for trading in the regulated market in Europe or in any similar regulated market, subject to such market having been listed by the CNB;
 - 2. issued by the Czech Republic, a Member State of the Organisation for Economic Cooperation and Development (OECD), a central bank of such Member State, an international financial institution of renown, a self-administration [territorial] organisation, or by a commercial entity, and/or any similar newly issued investment securities, in respect of which it can be justifiably believed that they would be accepted for trading in any of the markets as per par. 1 within 1 year of the date of termination of their issue;
- b) investment securities issued by a collective-investment fund, which does not redeem its issued securities, or by a comparable international investment fund, subject to compliance by the manager of such fund with any of the codes of corporate management and administration and subject to be subordinated to the supervision of the CNB, a supervision authority of any other Member State or a supervising authority of any other state, with such supervision contributing to investor protection;
- c) investment securities not mentioned in subparagraphs a), and b), under the condition pursuant to section 8.4.7 of the Prospectus.

8.3.2 It is possible to acquire an investment security into the assets of the Fund if it complies with the conditions specified in Section 3 (2) of the Regulation.

8.3.3 It is possible to acquire an investment security into the assets of the Fund regardless of whether or not it has been paid up.

- 8.3.4 It is possible to acquire an investment security into the assets of the Fund if it contains a derivative in accordance with Section 4 of the Regulation.
- 8.3.5 It is possible to acquire a money market instrument into the assets of the Fund in accordance with Sections 5 through 9 of the Regulation.
- 8.3.6 It is possible to acquire a Security into the assets of the Fund which is issued by a standard fund or a comparable foreign investment fund which, according to its Prospectus or a comparable document, invests no more than 10 % of the value of its assets in the Securities issued by collective investment funds or comparable foreign investment funds.
- 8.3.7 It is possible to acquire a Security into the assets of the Fund which is issued by a special fund or a comparable foreign investment fund if it meets the conditions specified in Section 10 (2) of the Regulation.
- 8.3.8 It is possible to acquire a Security into the assets of the Fund which is issued by a collective investment fund or a comparable foreign investment fund regardless of whether or not it has been paid up.
- 8.3.9 It is possible to enter into a financial derivative contract on the account of the Fund in accordance with Sections 12 through 14 of the Regulation, which means, in particular:
- a) Currency forwards, i.e., agreements of two parties on the purchase or sale of a single currency for another currency for a pre-agreed exchange rate on a pre-agreed future date (more than 2 business days of the date of the deal);
 - b) Currency swaps, i.e., combinations of currency conversions and currency forwards expressed by way of an agreement of two parties on the purchase or sale of a single currency for another currency and at the same time on re-sale or repurchase of the same currency on a pre-agreed future date (more than 2 business days of the date of the deal); both transactions are agreed at the same time;
 - c) Interest rate swaps, i.e., an agreement of two parties on the exchange of certain cash flows denominated in a single currency derived from a fixed or fluctuating basis.
- 8.3.10 Financial derivatives listed in section 8.3.9 of the Prospectus will be agreed outside the regulated markets (so-called, OTC derivatives), subject to the following conditions:
- the counterparties involved in the transactions must possess banking licences valid in the territory of the Czech Republic (i.e., they must be subordinated to the supervision of the CNB) and they must possess a long-term rating of at least of the investment grade issued by at least one of the main rating agencies, and/or such rating must be possessed by the main shareholders of such counterparties;
 - the underlying assets of such derivatives represent instruments, which the Fund is eligible to acquire in its assets pursuant to the Prospectus;
 - such derivatives will be evaluated on a daily basis by way of a reliable and verifiable manner, and the Fund is able at any time to realise them or to close them for an amount, which can be achieved among informed parties under usual arm's length conditions.

Information about risks inherent in investing in the Fund, including risks related to investing into derivatives, is carried in Chapter 9 of the Prospectus.

- 8.3.11 It is possible to acquire into the assets of the Fund only receivables for the payment of money from an account in Czech or foreign currency on behalf of any of the entities specified in Section 72 (2) of the Management Companies and Investment Funds Act, typically term deposits or similar products agreed with a bank in the Czech Republic or any other Member State, with the maturity period up to 1 year.

8.4 Investment limits

- 8.4.1 Unless stated otherwise in the following paragraphs of section 8.4 of the Prospectus, it is not allowed to invest more than 5 percent of the assets of the Fund into investment securities and financial market instruments issued by a single issuer.
- 8.4.2 Up to 10 % of the value of the assets of the Fund can be invested in investment securities and money market instruments issued by a single issuer, and up to 20 % of the value of the assets of the Fund can

- be invested in investment securities and money market instruments issued by issuers within a group for which consolidate financial statements are prepared; the sum of these investments, however, must not exceed 40 % of the value of the assets of the Fund.
- 8.4.3 Up to 35 % of the value of the assets of the Fund can be invested in investment securities and the money market instruments issued by a single issuer, provided that these Securities or book-entry Securities are issued by or guaranteed by a country, self-governing regional unit of the country, or an international financial organization whose member is one or more member states.
- 8.4.4 Up to 25 % of the value of the assets of the Fund can be invested in bonds issued by a single bank, single savings and credit cooperative, or a single foreign bank which has its registered office in a member state and is subject to supervision of such member state protecting the interests of the bond owners if the money acquired from the issue of these bonds is invested in such types of assets which cover the issuer's liabilities arising from these bonds until the maturity date of the bonds and which may be used, in the event of the issuer's insolvency, as a priority for the payment of the bond and payment of the profits; the sum of these investments, however, must not exceed 80 % of the value of the assets of the Fund.
- 8.4.5 Financial derivatives entered into with an admissible counterparty, receivables for the payment of money from an account in Czech or foreign currency according to section 8.4.11 of the Prospectus and investment according to sections 8.4.3 and 8.4.4. of the Prospectus shall not be included in the 40% limit according to section 8.4.2 of the Prospectus.
- 8.4.6 The limits according to sections 8.4.1 to 8.4.4 of the Prospectus shall not include the value of investment securities and money market instruments provided to another party as hedging of financial derivatives specified in Section 13 of the Regulation. This hedging can be included in the limits in net value if final settlement is agreed upon with such other party which will be legally effective and enforceable in all legal systems concerned.
- 8.4.7 It is not possible to invest more than 10 % of the value of the assets of the Fund in investment securities specified in section 8.3.1(c) of the Prospectus and in money market instruments specified in Section 9 of the Regulation.
- 8.4.8 Issuers that form a group shall be considered a single issuer for the purpose of these Prospectus. For the purpose of investment activities of investment funds, a state or another public corporation do not control other entities or form a group together with these entities.
- 8.4.9 It is not possible to acquire into the assets of the Fund more than
- a) 10 % of the total nominal value of the bonds issued by a single issuer, and
 - b) 10 % of the total nominal value or sum of the money market instruments issued by a single issuer.
- 8.4.10 Section 8.4.9 of the Prospectus shall not apply to investment securities or money market instruments which
- a) were issued or which are guaranteed by a state or a self-governing regional unit of a state, or
 - b) were issued by an international financial organization whose member is a member state.
- 8.4.11 Up to 100 % of the value of the assets of the Fund can be invested in investment securities and financial market instruments which were issued or which are guaranteed by the Czech Republic. This fact must be explicitly included in the Key Investor Information on the Fund and in the promotion communication pertaining to the Fund. The assets of the Fund must include at all times Securities from at least 6 different issues, and the Securities from one issue must not represent more than 30 % of the value of the assets of the Fund.
- 8.4.12 It is possible to acquire Securities into the assets of the Fund which are issued by a single collective-investment fund or a comparable foreign investment fund, up to 20 % of the value of the assets of the Fund.
- 8.4.13 It is not possible to acquire Securities into the assets of the Fund which are issued by special funds or comparable foreign investment funds if their total value would exceed 30 % of the value of the assets of the Fund.

- 8.4.14 It is not possible to acquire into the assets of the Fund more than 25 % of the value of the net asset value of a single investment fund or a comparable quantity of a foreign investment fund.
- 8.4.15 Counterparty risk arising from financial derivatives, according to section 8.3.9 of the Prospectus, corresponding with the sum of the positive fair values of these derivatives and from the techniques of management of a standard fund must not exceed for one party
- a) 10 % of the value of the assets of the Fund if such party is an entity specified in Section 72 (2) of the Management Companies and Investment Funds Act, or
 - b) 5 % of the value of the assets of the Fund if such party is an entity other than the entity specified in Section 72 (2) of the Management Companies and Investment Funds Act.
- 8.4.16 For the purpose of calculation of the limits according to sections 8.4.1 to 8.4.7 of the Prospectus, the underlying assets of the financial derivatives entered into on the account of the Fund shall be taken into account; this is not required if the underlying assets are financial indexes or other financial quantitatively represented indicators.
- 8.4.17 Receivables for the payment of money from the accounts in Czech or foreign currency from one of the entities specified in Section 72 (2) of the Management Companies and Investment Funds Act must not represent more than 20 % of the value of the assets of the Fund.
- 8.4.18 The sum of the value of investment securities or money market instruments issued by a single issuer, values of the receivables for the payment of money from the accounts in Czech or foreign currency from a single issuer and the values of the exposure to the counterparty risk arising from the financial derivatives specified in Section 13 of the Regulation associated with that issuer must not exceed 20 % of the value of the assets of the Fund; this shall not affect the provisions in sections 8.4.3 and 8.4.4 of the Prospectus.
- 8.4.19 The investment limits defined in section 8.4.18 of the Prospectus, in sections 8.4.1 through 8.4.7, 8.4.15 and 8.4.17 of the Prospectus cannot be added, and the sum of the values of investment securities or money market instruments issued by a single issuer, values of the receivables for the payment of money from the accounts in Czech or foreign currency from such issuer and the values of the exposure to the counterparty risk arising from the financial derivatives specified in Section 13 of the Regulation associated with that issuer must not exceed 35 % of the value of the assets of the Fund.
- 8.4.20 The Fund will invest in instruments with Rating at least on the investment level of BBB- / Baa3 or higher. The condition of the minimum Rating on the investment level shall apply for the purpose of the limit mentioned in the previous sentence at the moment of acquisition of the investment security into the assets of the Fund. Restrictions of the Rating specified in the Prospectus shall not apply to investments of the Fund made through purchases of Securities issued by a collective investment fund or a comparable foreign investment fund into the assets of the Fund.
- 8.4.21 Weighted Average Maturity (WAM) of the instruments in the assets of the Fund must not exceed 2 years. Weighted Average Life (WAL) of the instruments in the assets of the Fund must not exceed 5 years.
- 8.4.22 The sum of the values of foreign-currency investment instruments and balances of foreign-currency money accounts to which foreign exchange hedging into CZK is not applied must not exceed 7.5 % of the value of the assets of the Fund.
- 8.4.23 The sum of the values in Securities issued by collective investment funds or comparable foreign investment funds must not exceed 65 % of the assets of the Fund.
- 8.4.24 Bonds or similar Securities representing the right to payment of the outstanding amount, instruments bearing the risk of debt Securities and money market instruments must be represented by at least 80 % in the assets of the Fund. Other investment securities representing the right to payment of the outstanding amount (for example, convertible bonds, asset-backed securities - ABS) must not exceed 20 % of the value of the assets of the Fund. It is not possible to invest in shares, instruments similar to shares and in the Securities issued by collective investment funds, including the so-called exchange-traded funds (ETF) bearing the risk of shares.

8.4.25 In the event of diversification of the risk it is possible to depart from sections 8.4.1 through 8.4.7, 8.4.11, 8.4.12, 8.4.13 and 8.4.15 of the Prospectus, but not for more than 6 months from the time of creation of the standard fund.

8.5 Credits, loans, donations and some debts

8.5.1 A credit or loan on the account of the Fund can only be accepted if

- a) the maturity period of such credit or loan does not exceed 6 months, and
- b) the sum of the value of all such accepted credits and loans does not exceed 10 % of the value of the assets of the Fund (without prejudice to the limit for exposure of the Fund with respect to financial derivatives).

8.5.2 The assets of the Fund cannot be used to grant a credit or loan unrelated to the management thereof; this shall not affect sections 8.3.3, 8.3.8, 8.4.15, 8.4.16 of the Prospectus and Section 30 through 44 of the Regulation.

8.5.3 The assets of the Fund cannot be used to grant a donation, to back the debt of another party or to pay a debt which is not related to the management thereof; this shall not affect sections 8.3.3, 8.3.8, 8.4.15, 8.4.16 of the Prospectus and Section 30 through 44 of the Regulation.

8.5.4 On the account of the Fund, it is not possible to enter into an agreement on sale of investment instruments which are not owned by the Fund or which it holds temporarily.

8.6 Techniques for the management of the Fund, mitigation of the risk resulting from the use of financial derivatives, and measurement of risk

8.6.1 Techniques for the management of a standard fund are only Repo transactions pursuant to Sections 31 through 33 of the Regulation and financial derivatives pursuant to Sections 12 and 13 of the Regulation.

8.6.2 Techniques specified in section 8.6.1 of the Prospectus can only be used if

- a) they are related to investment securities and money market instruments,
- b) they are used solely for the purpose of effective management of the Fund and in order to:
 - 1. mitigate the risk associated with investing on the account of the Fund,
 - 2. reduce the costs associated with investing on the account of the Fund, or
 - 3. acquire additional capital or achieve additional profits if the risk taken is in accordance with the risk profile of the Fund,
- c) the use of these techniques does not bypass the rules laid down by the Regulation and determined by the Prospectus or the investment strategy of the Fund, and
- d) the debts of the Fund resulting from the use of these techniques are always fully covered by the assets of the Fund.

8.6.3 A repo transaction using the assets of the Fund can be executed only with an admissible counterparty which is subject to the supervision by the state in which it has its registered office and only if the obligation under it can be terminated without a notice period or with a notice period of less than 7 days. When arranging Repo transactions, the measures of Sections 30 through 33 of the Regulation shall be respected.

8.6.4 Manager of the Fund shall mitigate the risk arising from the use of financial derivatives as follows:

- a) If a financial derivative is to be settled by the Fund by supplying the underlying asset the Manager shall hold the underlying asset concerned as at the moment of the execution of the contract and throughout the term of the contract corresponding with such derivative within the assets of the Fund; for currency derivatives which have the characteristics of a hedging derivative according to the international accounting standards regulated by the law of the European Union it is sufficient to hold a highly liquid asset;
- b) If a financial derivative is to be settled by the Fund by supplying money the Manager shall hold within the assets of the Fund as at the moment of the execution of the contract and throughout

the term of the contract corresponding with such derivative money or a highly liquid asset in the value corresponding to the settlement price of the financial derivative concerned;

- c) With the exception of the cases according to section 8.6.5 of the Prospectus, the Manager shall not use the underlying asset, money or a highly liquid asset covering one financial derivative for covering another financial derivative; also, the Manager shall not use for covering of the financial derivative assets and money which are subject to Repo transactions;
- d) The Manager shall make ensure that the underlying asset of the financial derivative correspond to the investment strategy and the risk profile of the Fund; and
- e) The Manager shall obtain the other contracting party's consent to the settlement of the financial derivative prior to its maturity, provided that the settlement will correspond with the fair value of the financial derivative.

8.6.5 The Manager of the Fund holds the money of this Fund in order to mitigate the risk posed by the use of the financial derivatives only up to the amount of the difference of their settlement prices if it concerns a situation according to section 8.6.4b) of the Prospectus and if another financial derivative has been entered into

- a) with another contracting party in order to close an open position from the financial derivative, and these financial derivatives are settled on the same day, or
- b) with the same contracting party in order to close an open position from the financial derivative, and the settlement date of these financial derivatives does differ by more than 7 days.

8.6.6 Calculation of the total exposure of the Fund is performed at least once a day, using a standard liability method, the value at risk (VaR) method, or another advanced risk measurement method in accordance with Sections 36 through 43 of the Regulation. The Manager of the Fund shall ensure that the chosen method of calculation of the total exposure is appropriate with respect to the applied investment strategy of the Fund, types and complexity of the derivatives used, and the share of derivatives in the assets of the Fund. The following shall be taken into account when calculating the total exposure of the Fund:

- a) Current value of the underlying assets of the derivatives,
- b) Counterparty risk with respect to the party with which the derivatives are entered into,
- c) Expected future movements on the market,
- d) Time after which the positions of the fund related to the derivatives can be closed, and
- e) Techniques for management specified in sections 8.6.1 and 8.6.2 of the Prospectus, if they use a leverage effect or if they lead to an increase of the exposure of the fund to the market risk.

8.6.7 If the calculation of the total exposure of the Fund is performed using a standard liability method the exposure with respect to financial derivatives must not exceed 100 % of the net asset value of the Fund at any time; if the limit is exceeded due to the changes of the fair values the position of the Fund with respect to financial derivatives shall be modified without undue delay, so that the exposure with respect to financial derivatives would comply with the limit.

8.6.8 If the calculation of the total exposure of the Fund is performed based on the model of absolute risk value the value at risk must not exceed 20 % of the value of the capital of the Fund.

8.6.9 If the calculation of the total exposure of the Fund is performed based on the model of relative risk value the value at risk must not exceed double the risk value of the reference portfolio.

8.7 Characteristics of a typical investor

The Fund is intended for conservative investors with medium-term investment horizon who prefer low risk and the corresponding level and stability of the yield, and the intention of the investors is primarily to maintain the fair value of their money. The Fund is also suitable for investors without any knowledge of the principles and instruments of the capital markets and without experience in trading in investment instruments. A typical investor should be aware of the risks associated with investments in bonds, money market instruments and other instruments bearing the risk of bonds (including but not limited to credit, interest, foreign-exchange and concentration risk) and should be prepared to

accept the risk of possible loss resulting from the investment. The Fund is suitable for investors who plan to invest money for at least 2 years.

9 INFORMATION ON THE RISKS

9.1 Risk profile of the fund

- 9.1.1 Prices of the Securities in capital markets can go up and down, and their development cannot be predicted. The yields achieved in the past are not a guarantee for achievement of the same yields in the future. The Investment Company tries to minimize the risks associated with the investment in Securities and to increase the probability of achieving the yield. A success of the investment or return on the amount invested, however, are not guaranteed.
- 9.1.2 The current value of the Share Certificate (and thus the value of the investment) can increase or decrease relative to the purchase price.
- 9.1.3 The risk profile of the Fund based on the risk-yield ratio is represented primarily by the so-called Synthetic Risk and Reward Indicator (SRRI):

←Typically lower reward				Typically higher reward→		
←Lower risk				Higher risk→		
1	2	3	4	5	6	7

The synthetic indicator takes into account the fluctuation of the value of the share certificate and illustrates the potential return on the investment relative to the associated risk profile of the Fund. The higher this number is the greater the return may be but also less predictable, and the investor may therefore also suffer a loss. Even the lowest number does not mean that the investment is completely risk-free, but it suggests that in comparison with higher numbers this investment offer a lower but more predictable return.

With respect to the date of creation of the Fund, the calculation of the synthetic indicator cannot be based on actual historical variability of the value of the share certificate, and the calculation of the synthetic indicator relies on a modelled development of the value of the share certificate based on the assumed placement of assets in state or company bonds or in bonds issued by financial institutions within the investment rating level with Weighted Average Maturity of 2 years.

As of the date of adoption of these Prospectus the Fund was included in risk category 2. This number of calculated based on the information from the past which is not always a reliable guide when it comes to the risk profile of the Fund in the future. Inclusion of the Fund in the respective risk category does not have to be permanent and the Fund can be later re-categorized. The synthetic indicator is re-evaluated on regular basis and the current information on its amount is published in a manner allowing remote access at www.rfis.cz and it can also be found in the Key Investor Information.

9.2 Types of risks

- 9.2.1 Credit risk – A risk that the issuer or the counterparty is unable to fulfil its financial obligations; most often the bond issuer does not fulfil its obligation to pay the agreed-upon interest or principal. In spite of the most careful selection of the Securities it cannot be ruled out that a loss will occur due to such failure of the issuers of Securities to fulfil their obligations.
- 9.2.2 Risk of insufficient liquidity – The Investment Company purchases for the Fund primarily Securities that are properly traded on domestic and foreign regulated markets or on organized markets which are generally recognized, are accessible to the public and function correctly, or on OTC markets. In addition, it purchases Securities from new issues whose issuance terms include an obligation to file an application for registration for official listing in a stock exchange or an organized market if the registration is achieved no later than one year after the issue of the Securities. In individual Securities, which are only traded to a limited extent or in certain segments of the stock exchange there may be a problem to sell the Securities at the required point of time or, as the case may be, to achieve a reasonable price at the required time, which could, in extreme cases, result in the Fund not being able

to fulfil its obligations under requests for redemption of Share Certificates and in suspension of the issuance and redemption of Share Certificates according to section 13.3.4 of the Prospectus.

- 9.2.3 Risk of settlement – A risk that the settlement of a transaction will not be as originally expected due to the fact that the counterparty fails to pay or fails to supply the investment instruments within the set period. This risk consists primarily of the potential loss of investment opportunity. With respect to the fact that transactions of the Fund, with the exception of transactions whose nature rules this out (e.g., primary subscription for Securities) and with the exception of FX (foreign exchange) operations, occur essentially against a money payment (delivery versus payment) the risk of direct loss is low.
- 9.2.4 Market risk – A risk associated with an unfavourable development of the price or value of the individual asset values owned by the Fund including the value of hedging operations and assets in general (mainly prices of Securities, exchange rates or interest rates). This unfavourable development may be related to the macroeconomic situation, financial situation of the different issuers, or events which have indirect impact on the market development, e.g., political situation.
- 9.2.5 Operational risk – consists of a loss due to the lack or failure of internal processes or human factor, or due to external events and the risk of loss of property entrusted into custody or other administration which may be caused in particular by insolvency, negligence or wilful act of the party which has the Fund's assets or Securities issued by the Fund in custody or other administration.
- 9.2.6 Developing markets risk – Sum of risks which typically do not occur in most developed markets. The nature of these risk is:
- a) political, i.e., instability and volatility of the political situation and environment;
 - b) economic, i.e., high rate of inflation, risks associated with investments in recently privatized companies and with devaluation of the currency, insufficiently developed financial markets;
 - c) legal, i.e., legal uncertainty and generally difficult recognition and/or enforceability of rights;
 - d) fiscal, i.e., tax burden may be very heavy and there is no guarantee of a uniform and coherent interpretation of legal texts. Local authorities often have discretionary powers to create new taxes, sometimes retroactive;
 - e) risk of loss caused by the lack of suitable systems for transfer, valuation, payment, clearance, process of registration of Securities, custody of Securities and facilitation of operations.

The result of these risks may be increased volatility of prices of investment instruments.

- 9.2.7 Interest rate risk – is a risk of change of the interest rates. It is a special part of the market risk. Changes of market interest rates can result, among other things, from a change of the economic situation and the responding policy of the relevant central bank. If the market interest rates grow the prices of Securities with fixed interest rate usually decrease, and vice-versa. The price fluctuations caused by the changes of market interest rates are different, depending on the time to maturity of the fixed-interest Security. Fixed-interest Securities with shorter time to maturity thus have lower interest rate risk than the same Securities with longer time to maturity. Fixed-interest Securities with shorter time to maturity, however, have typically lower returns than fixed-interest Securities with longer time to maturity.
- 9.2.8 Currency risk – It is also a part of the market risk. It is related to the movements of the exchange rates of the currencies in which investments of the Fund are denominated, relative to the exchange rate of the Czech crown (CZK) in which the value of the assets of the Fund is kept. If the exchange rate of currency in which the investment is denominated relative to the exchange rate of CZK declines the value of the assets in the Fund goes down although the exchange rates of the relevant Securities in the capital markets are stable, and vice-versa.
- 9.2.9 Financial derivatives risk – the risk is inherent both in the systemic risk of the instrument itself (the underlying asset risk) and in the risk of failure of the counterparty. In view of the fact that financial derivatives will be applied within the Fund investment strategy especially as hedging instruments (currency and interest rate risk management), the most dangerous financial derivative risks are in that the performance of the underlying assets (interest rates, exchange rates, etc.) will be opposite to that expected and the Fund will miss the opportunity to generate sufficient yields.

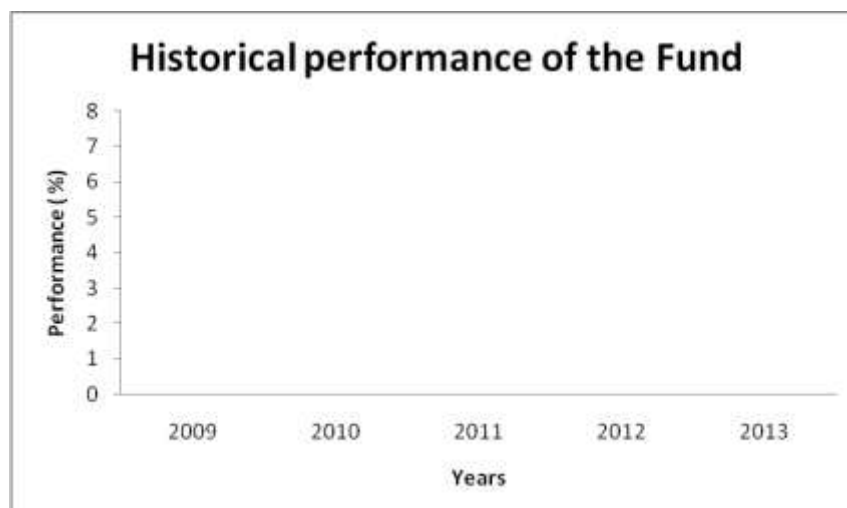
- 9.2.10 Repo Deals risks – there are two basic risks inherent in Repo Deals; the counterparty risk and the underlying asset risk, i.e., the risk inherent in the investment instrument itself. In the event of Repo, it is mainly the counterparty risk caused, for example, by an increase in the exchange rate of the hedging investment instrument held on its account by the counterparty, which may give rise to an intent not to return the investment instrument. In the event of Reverse repo, the risk is derived from the underlying asset, e.g., from the fact that a receivable held by the Fund needs not be repaid and the hedging investment instrument would be included in its assets. The Fund would in such cases face the risks associated with the holding of such investment instruments, in particular, the market risks.
- 9.2.11 Risk of premature dissolution, and/or erasure, of the Fund – due to legislatively defined reasons, e.g., if the Fund does not have a depository for more than three months or if the amount of the net asset value of the Fund does not reach at least EUR 1,250,000 within six months of the date of incorporation, or if the CNB withdraws from the Investment Company its licence to act as an investment company, decision of a court, or for reasons specified in section 15.3 of the Prospectus, the Fund may be dissolved or, more precisely, deleted from the list maintained by the Czech National Bank. With respect to this fact, it is not guaranteed that a Shareholder can be Shareholder of the Fund for the whole time of its investment horizon, which may have negative impact on the expected return on the investment.
- 9.2.12 Concentration risk – The risk consists of the possibility of a failure of the investment if the invested money is concentrated into a single investment instrument or a type of investment instrument or, as the case may be, due to uneven distribution of the invested money among the different issuers or types of issuers. The probability of a failure of the investments focusing on a certain type of investment instrument/issuer is affected by the joint risk factor, for example, conducting business in the same industry or the same geographic region, carrying out the same activity or trading the same commodity.

9.3 Risk management

The Investment Company is responsible for risk management and takes necessary measures to be able to check and measure at any time the risks associated with the different positions in the portfolio as well as the overall risk of the portfolio.

10 INFORMATION ON HISTORICAL PERFORMANCE

The calculation of the historical performance is based on the value of the net asset value of a collective investment fund and on the assumption that all yield of the collective investment fund has been re-invested. With respect to the date of creation of the Fund there is currently no sufficient information available to provide the investors with a useful picture of the historical performance of the Fund. For this reasons, the below chart does not contain any information on the historical performance of the Fund. Should the historical performance of the different Classes of the Fund differ a separate chart will be provided below for each Class of the Fund.



11 PRINCIPLES FOR THE MANAGEMENT OF THE FUND AND PAYMENT OF THE SHARES IN PROFIT OR YIELD (DIVIDENDS)

- 11.1.1 The Fund is managed by the Investment Company, with professional care. The Investment Company exercises the ownership rights to the assets of the Fund on its behalf and on the account of the Shareholders.
- 11.1.2 In the management of the assets of the Fund, the Investment Company follows the rules of prudent practices, rules for the management of assets in the Fund, and the rules of conduct consisting, among other things, of giving priority to the Shareholders' interests over own interests and the interests of third parties.
- 11.1.3 The accounting period of the Fund is the calendar year, starting on 1 January and ending on 31 December of each calendar year. The first accounting period of the Fund starts on the date of registration in the relevant list maintained by the Czech National Bank.
- 11.1.4 Audited financial statements of the Fund as well as the decision on the distribution of profits or other proceeds from the assets in the Fund or, as the case may be, on the payment of the loss shall be approved by the Board of Directors of the Investment Company.
- 11.1.5 Information about the title to payment of a share in profit or any other yields from the assets of the Fund or re-investing of such funds relating to the separate types of the Share Certificates – Classes are carried in Section 12 of the Prospectus.
- 11.1.6 The Investment Company shall pay the dividends under the conditions laid down by the Prospectus through the entity keeping Separate Records without undue delay after the Relevant Day. In the case of the Shareholders whose owner accounts are kept by the entity keeping Separate Records will be credited the respective amount of the dividend by the entity keeping Separate Records to the bank account of the Shareholder. In the case of entities keeping Records Based on Separate Records the entity keeping Separate Records shall credit the money to the bank account of the entity keeping the Follow-Up Records. The entity keeping the Follow-Up Records shall be subsequently responsible for correct payment of the dividend to each Shareholder without undue delay.
- 11.1.7 The rights to the dividend which are not exercised by the Shareholders or which cannot be exercised due to an invalid or incorrect payment link of the Shareholder up to 5 years after the decision of the Board of Directors of the Investment Companies the payment of the dividend shall be time-barred, and they will increase the assets of the Fund by the respective amount as of the first day following the day of expiration of the 5-year period.
- 11.1.8 The assets and liabilities of the Fund shall be valued at fair value. The method of determination of the fair value of the assets and liabilities of the Fund and the method of determination of the current value of the Share Certificate is in accordance with the applicable regulations, in particular Sections 190 through Section 202 of the Management Companies and Investment Funds Act.
- 11.1.9 The assets and liabilities of the Fund shall be valued as of the date of determination of the current value of the Share Certificate and as of the end of the accounting period or, as the case may be, as of the date of the extraordinary financial statements.
- 11.1.10 The first determination of the current value of the Share Certificate shall be made on and as of the date pursuant to the Notification of Commencement of Offering, then the current value of the Share Certificate shall be determined usually for each Business Day.
- 11.1.11 The current value of Share Certificates of all Classes of the Fund is determined usually for every business day, on the following Business Day, but at least once in 2 weeks, or for every day when Share Certificates were issued and redeemed. The current values of the Share Certificates are published in a manner allowing remote access at www.rfis.cz. In justified cases, the Investment Company may determine the current value of the Share Certificate valid for several days.
- 11.1.12 The current value of Share Certificates of all Classes of the Fund shall be calculated with precision to 6 decimal places with subsequent arithmetic rounding to 4 decimal places.
- 11.1.13 Accounting of the Fund is kept in a manner allowing determination of the fair value of the Share Certificate for each Class of the Fund. The balances of the individual accounts and the separate

accounting receipts will be distributed among the separate Classes of the Fund with the help of an allocation key. The allocation key will be determined from the ratio between the Fund assets belonging to the separate Classes of the Fund as against the total Fund assets on the previous date of determination of the topical net asset value of the Share certificates of the Fund. The allocation ratio is determined with an accuracy of 8 decimal places. If the sum of the individual stakes of the separate Classes of the Fund contained in the allocation key is less than 1, an additional sum will be added – comprising the rounding difference – to the Class of the Fund with the highest date of the first determination of the topical net asset value of its Share Certificates.

- 11.1.14 The current value of the Class of the Share Certificate shall be calculated as a share of the net asset value corresponding to the Class and the number of Share Certificates of that Class. The determination of the net asset value of the Share Certificates will be based on the value of the Fund assets belonging to the given Class of the Share Certificate as of the date in respect of which the determination of the topical net asset value of the Share Certificate has been determined. The Fund assets will take into consideration any accrued or deferred current expenses, in particular, fees listed in the Prospectus, for example, management fees, administration fees, depositary fees, fees for auditors, and any expected tax duties as of the date in respect of which the fund assets determination is performed. The net asset value corresponding to the Class shall be determined as a sum of the values of capital funds corresponding to the Class, retained profit/loss corresponding to the Class, and the profit/loss for the current year corresponding to the Class.
- 11.1.15 Individual accounting items of the profit and loss accounts shall be allocated among the Classes using an allocation key which corresponds to the shares between cumulative sums of the balances of the individual above-mentioned accounting items (capital funds, retain profit/loss, profit/loss of the current year after tax) per Class.
- 11.1.16 In keeping with Section 5(3) of the Management Companies and Investment Funds Act, the provisions of Sections 1401, 1415(1) and 1432 to 1437 of Act no. 89/2012 Coll., the Civic Code, shall not apply to the management of the Fund.

12 SECURITIES ISSUED BY THE FUND

12.1 Share Certificates of the Fund

- 12.1.1 The Fund issues Share Certificates. All Share Certificates are issued in book-entry form, unregistered. The Share certificates may also be issued in the form of global Share Certificates.
- 12.1.2 The Share Certificates have no nominal value.
- 12.1.3 The Share Certificates will be issued and redeemed for a term as shown in the Notification of Commencement of Offering for CZK 1, however, not longer then for the term of three months.
- 12.1.4 The Share Certificates are not accepted for trading in the European regulated market or a multilateral trading system.
- 12.1.5 The Share Certificates may be offered also in other countries of the European Union subject to compliance with the conditions laid down by the relevant regulations.
- 12.1.6 The current value of the Share Certificates is determined in CZK. Investments in the Fund can be only made in CZK. Payments of redeemed Share Certificates are made only in CZK. Payments of dividends from the Fund are made in CZK.

12.2 Entity keeping the records of the issuance of Share Certificates

- 12.2.1 Records of the Share Certificates are kept by the entity keeping Separate Records on the accounts of the owners or on the accounts of the customers. A customer account can be opened, based on the relevant agreement, by the entity keeping Separate Records only for an entity authorized to keep Follow-Up Records. An owner account can be opened by the entity keeping Separate Records or entity keeping Follow-Up Records under relevant agreement with the owner. Separate Records and Follow-Up Records shall be kept in accordance with Section 93 of the Capital Market Undertakings Act and the Decree or, as the case may be, according to the corresponding similar regulation in the EU Member

State where the entity keeping Separate Records or the entity keeping Follow-Up Records has its registered office.

12.2.2 An individual or legal entity becomes Shareholder on the date of registration of the Share Certificates on its owner account in the Separate Records or registration on the customer account in the Separate Records and owner account in the Follow-Up Records.

12.2.3 The list of Shareholders is replaced with records of book-entry Share Certificates.

12.3 Rights associated with the Share Certificates

12.3.1 According to the specific terms and conditions, up to three different types (Classes) of Share Certificates can be issued, in accordance with Section 121 of the Management Companies and Investment Funds Act. The Classes differ, in a manner of applying the profit generated by the Fund, in the amount of the entry fee (surcharge), the minimum amount of investment, and the distribution network. Each type of Share Certificate has its own ISIN assigned.

Type of Share Certificate	Class A1	Class A2	Class A3
	Capitalization	Dividend	RSTS
	Raiffeisen fond dluhopisové stability		
ISIN	CZ0008474293	CZ0008474301	CZ0008474319
Entry fee (surcharge)**	up to 1 %	up to 1 %	up to 2 %
Exit fee (deduction)*)	0	0	0
Minimum investment***	CZK 500	CZK 100,000	CZK 500
Investment Company fee	up to 0.5 %	up to 0.5 %	up to 0.5 %
Distribution of profits	Re-investment	Dividend	Re-investment

* The Class A3 Share Certificate are designed only for distribution via Raiffeisen stavební spořitelna a.s., with registered office at Praha 3, Koněvova 2747/99, Reg. no. (IČ): 49241257, incorporated in the Companies Register administered by the Municipal Court in Prague, Section B 2102.

** Additional information – see section 14 of the Prospectus.

*** The minimum amount of each separate investment by a single investor.

12.3.2 The following rights, *inter alia*, are associated with all types of the Share Certificates:

- Shareholder's share in the assets of the Fund,
- Right to redemption of the Share Certificate for its current value published as of the date on which the Investment Company received the Shareholder's request for redemption of the Share Certificate,
- Right to the payment of the current value of the Share Certificate no later than 2 weeks after the date of receipt of the request for redemption of the Share Certificate,
- Right to the payment of the share upon dissolution of the Fund with liquidation, no later than 3 months after the date of settlement of the receivables and payables resulting from the management of the assets of the Fund,
- Right to receive free Key Investor Information and, if requested by the Shareholder, also the Prospectus, the last published annual reports or semi-annual reports of the Fund,
- Right to redemption of Share Certificates pursuant to Section 211 of the Management Companies and Investment Funds Act in the event of increase of the Investment Company fee or the exit charge above the sum specified in the Prospectus for the term of at least 30 days of the date of publication of such information about an increase of the Investment Company fee or the exit charge, complete with the date of the expiration of the relevant term.

12.3.3 In the event of re-investment (capitalisation) Classes (Class A1 and Class A3), the Shareholder shall not be entitled to payments of a profit share or any other proceeds generated by the Fund, and unless the Board of Directors of the Investment Company decides otherwise pursuant to section 11.1.4 of the

Prospectus, such profit shall be retained in full as part of the Fund assets, as source of further investments (reinvested).

- 12.3.4 As regards the dividend Class (Class A2), the Shareholder shall be entitled to receive a share in the profit or any other proceeds generated by the Fund. No advances for profit sharing shall be paid pursuant to Section 120(2)(b) of the Management Companies and Investment Funds Act (ZISIF). The Board of Directors of the Investment Company, pursuant to section 11.1.4 of the Prospectus, may decide to postpone dividend payments until the next subsequent financial year if the costs of such dividend payments would be disproportionate to the amount of the dividend paid, or if the amount of the dividend per one Share Certificate would be lower than 0.1 percent of the value of the Share Certificate determined as of 31 December of the previous year.
- 12.3.5 As regards the dividend Class (Class A2), the individual Shareholders will receive the yield after withdrawal tax, and/or custodial tax, in the amount equal to the multiple of the number of the Class A2 Share Certificates held by the Shareholder as of the Relevant Day for dividend payments and the profit share belonging to the Class A2 Share Certificate as of the Relevant Day. The relevant day for dividend payments in respect of the previous financial year falls on 31 May. Deduction of taxes performed by the issuer shall not exempt the Shareholders of their tax duties relating to the holding and transfer of the Share Certificates pursuant to section 15.5 of the Prospectus.
- 12.3.6 The Investment Company, in connection with dividend payments, will suspend any issue or redemption of the dividend Class (Class A2) Share certificates six Business Days prior to the Relevant Day. The issue and redemption of the dividend Class (Class A2) Share Certificates will be resumed on the first Business Day after Relevant day.

12.4 Proving the ownership right to the Share Certificate

Ownership right to the Share Certificate shall be proven by the owner account statement from the Separate Records or, if applicable, the owner account from the Follow-Up Records, and an identification card.

13 ISSUANCE AND REDEMPTION OF THE SECURITIES OF THE FUND

13.1 Issuance of Share Certificates

- 13.1.1 The Investment Company issues Share Certificates for the amount of the current value of the Class of the Fund published for the respective Trading Day. The amount can be increased by the entry surcharge.
- 13.1.2 The request for issuance of Share Certificates must be delivered by the Distributor to the entity keeping Separate Records on the Trading Day no later than 4 p.m. The request for issuance of Share Certificates submitted at any time during the period from the previous of the Trading Day until the above-mentioned time shall be deemed to have been submitted on the Trading Day. The entity keeping Separate Records may accept the requests also after the above-mentioned deadline on the same day.
- 13.1.3 The request for issuance of Share Certificates may specify a specific number of Share Certificates or a particular amount in CZK which the Shareholder wishes to invest.
- 13.1.4 In the event of issuance of Share Certificates upon the request for issuance of Share Certificates specifying a specific number of Share Certificates the Shareholder will be issued the number of Share Certificates specified by him against the payment of the amount corresponding to the product of the number of Share Certificates issued and the current value of the Share Certificate published as of the Trading Day (and, if applicable, increased by the entry fee) rounded up to 2 decimal places. The resulting rounding difference will be used to increase the assets of the Fund.
- 13.1.5 In the event of issuance of Share Certificates upon the request for issuance of Share Certificates specifying a particular amount in CZK which the Shareholder wishes to invest the Shareholder will be issued the number of Share Certificates which corresponds to the share of the invested amount and the current value of the Share Certificate published as of the Trading Day (and, if applicable, increased by the entry fee) rounded down to the whole number. The resulting rounding difference will be used to increase the assets of the Fund.

13.1.6 The issuance of the Share Certificates occurs by registering the Share Certificates on the owner account in the Separate Records or by registering the Share Certificates on the customer account in the Separate Records and the owner account in the Follow-Up Records, i.e., new Share Certificates are issued, without undue delay after the Trading Day, but not before the money is credited to the account of the Fund with the entity keeping Separate Records. Issuance of Share Certificates is typically performed within 5 Business Days after the Trading Day.

13.1.7 The minimum investment amount per each single investment, including the entry fee for each type of Share Certificates is specified in section 12.3.1 of the Prospectus. If the intended investment amount is lower than the minimum investment amount, the Investment Company may reject such application for the issue of share certificates.

13.2 Redemption of Share Certificates of the Fund

13.2.1 The Investment Company redeems Share Certificates using the money in the Fund at the current value of the Share Certificate published as of the Trading Day. The Investment Company shall charge no exit fee.

13.2.2 The request for redemption of Share Certificates must be delivered by the Distributor to the entity keeping Separate Records on the Trading Day no later than 4 p.m. The request for redemption of Share Certificates submitted at any time during the period from the previous of the Trading Day until the above-mentioned time shall be deemed to have been submitted on the Trading Day. The entity keeping Separate Records may accept the requests also after the above-mentioned deadline on the same day.

13.2.3 The request for redemption of Share Certificates may specify a specific number of Share Certificates or a particular amount in CZK which the Shareholder wishes to receive. The request may only be accepted from the Shareholder, i.e., from the person who has Share Certificates of the respective Class and the respective quantity registered on his/her owner account.

13.2.4 In the event of redemption of Share Certificates upon the request for redemption of Share Certificates specifying a specific number of Share Certificates the Shareholder will be paid an amount corresponding to the product of the number of Share Certificates redeemed and the current value of the Share Certificate published as of the Trading Day rounded down to 2 decimal places. The resulting rounding difference will be used to increase the assets of the Fund.

13.2.5 In the event of redemption of Share Certificates upon the request for redemption of Share Certificates specifying a particular amount in CZK which the Shareholder wishes to receive, the Shareholder will be paid an amount corresponding to the product of the number of Share Certificates redeemed (calculated as a share of the redeemed amount and the current value of the Share Certificate published as of the Trading Day, rounded up to the whole number) and the current value of the Share Certificate published as of the Trading Day rounded down to 2 decimal places. The resulting rounding difference will be used to increase the assets of the Fund.

13.2.6 The redemption of the Share Certificates occurs by deregistering the Share Certificates from the owner account in the Separate Records or by deregistering the Share Certificates from the customer account in the Separate Records and the owner account in the Follow-Up Records, i.e., these Share Certificates are cancelled. At the same time, the Investment Company will financially settle the redemption of the Share Certificates. Financial settlement shall mean, for this purpose, transfer of the respective amount of money to the account of the Shareholder or, as the case may be, of the entity keeping Follow-Up Records. Redemption of Share Certificates is typically performed within 5 Business Days after the Trading Day, but not later than within two days of the Trading Day.

13.2.7 The minimum volume of Share Certificates redeemed from the Shareholder is 500 or is expressed by an equivalent amount in CZK. In the event that the number of Share Certificates of the individual Class of the Fund on the owner account or on the customer account in the Separate Records or on the owner account in the Follow-Up Records is lower than 500 the Investment Company may redeem all Share Certificates registered on such account.

13.3 Joint provisions regarding the issuance and redemption of Share Certificates

13.3.1 The request for issuance or redemption of the Share Certificate can be submitted to the Investment Company in particular through the Points of Sale.

- 13.3.2 The entity keeping Follow-Up Records buys and sells Share Certificates through the entity keeping Separate Records on behalf of the Shareholders.
- 13.3.3 The Shareholder will be informed about the issuance or redemption of Share Certificates by an account statement sent by the entity that keeps the owner account in the Separate Records or the owner account in the Follow-Up Records according to the agreed-upon frequency of the change statements, but always in accordance with the applicable regulations stipulating the deadline for sending such confirmation.
- 13.3.4 In exceptional cases the Investment Company may decide to suspend the issuance and redemption of Share Certificates, for a maximum period of three months, if it is necessary to protect the rights or legally protected interests of the Shareholders. In particular, redemption of Share Certificates can be suspended if it is not objectively possible to determine the current value of the Share Certificates because the information for the determination of this value is not available and the possible error is significant, in the case of reduced liquidity of the assets of the Fund. The report of the decision to suspend issuance and redemption of Share Certificates shall be published by the Investment Company in a manner allowing remote access at www.rfis.cz.
- 13.4 Special provisions for handling Share Certificates**
- 13.4.1 Change of the owner of Share Certificates occurs by transfer or transition. A transfer or transition of Share Certificates can be only performed through the entity keeping Separate Records or Follow-Up Records.
- 13.4.2 If the reported information on the Shareholder change the Shareholder is obliged to report these changes immediately in particular through one of the Points of Sale or, if applicable, to the Investment Company. The Shareholder shall be responsible for the consequences, if any, of a failure to comply with this obligation.

14 FEES AND COSTS

14.1 Structure of the fees and expenses for the type of Share Certificates: Class A1

One-off fees charged prior to or after the completion of the investment (This is the maximum amount that an investor may be charged prior to the investment, or prior to the pay-out of the investment)	
Entry fee (surcharge)	up to 1 % of the amount invested¹
Exit fee (deduction)	0 % of the amount redeemed
Expenses paid from the assets of the Fund during the year	
Total expense ratio (TER)²	0.65%³
Synthetic TER⁴	
Expenses paid from the assets of the Fund under special conditions	
Performance fee	not set

¹) Surcharge:

- Based on a decision of the Investment Company, the Shareholders can be charged a lower surcharge.
- The amount of the surcharge may be determined in increments according to the volume of the amount invested.
- Information on the current amount of the surcharge and its incremental decrease, if any, according to the volume of the amount invested is available at the registered office of the Investment Company, at all Points of Sale and at www.rfis.cz.
- The Shareholders who are not charged the surcharge may be charged by the distributor of the Share Certificates a fee for the arrangement of the purchase of the Share Certificates which may not exceed the maximum amount of the surcharge.

²) The total expense ratio (TER) equals the ratio of the total expense to the average monthly net fund asset value. The indicator shows the expense covered from the Fund assets.

³⁾ The total expense ratio for the first period of existence of the Fund has been determined by an educated estimate. Investors can learn about the actual amount of the total expense ratio of the Fund for the year 2014 at www.rfis.cz after the end of the accounting period of the Fund, but no later than 30 April 2015.

⁴⁾ As regards funds investing more than 10 percent of their assets in other funds, it is required also to state so-called Synthetic TER. Synthetic TER equals the sum of own TER and TER of each of the target funds in a ratio corresponding to the ratio of the investments of the Fund assets into the target fund; the percentage of the ratio of withdrawals, surcharges, and fees payable to the target funds to the average monthly net asset value of the Fund assets will be included in the TER of the target funds. In view of the fact that the Investment company does not intend to invest in the first year of the Fund existence into Securities issued by other collective-investment funds, the value of the Synthetic TER is not presented.

14.2 Structure of the fees and expenses for the type of Share Certificates: Class A2

One-off fees charged prior to or after the completion of the investment (This is the maximum amount that an investor may be charged prior to the investment, or prior to the pay-out of the investment)	
Entry fee (surcharge)	up to 1 % of the amount invested¹
Exit fee (deduction)	0 % of the amount redeemed
Expenses paid from the assets of the Fund during the year	
Total expense ratio (TER)²	0.65%³
Expenses paid from the assets of the Fund under special conditions	
Performance fee	not set

¹⁾ Surcharge:

- Based on a decision of the Investment Company, the Shareholders can be charged a lower surcharge.
- The amount of the surcharge may be determined in increments according to the volume of the amount invested.
- Information on the current amount of the surcharge and its incremental decrease, if any, according to the volume of the amount invested is available at the registered office of the Investment Company, at all Points of Sale and at www.rfis.cz.
- The Shareholders who are not charged the surcharge may be charged by the distributor of the Share Certificates a fee for the arrangement of the purchase of the Share Certificates which may not exceed the maximum amount of the surcharge.

²⁾ The total expense ratio (TER) equals the ratio of the total expense to the average monthly net fund asset value. The indicator shows the expense covered from the Fund assets.

³⁾ Total expense ratio for the first period of existence of the Fund has been determined by an educated estimate. Investors can learn about the actual amount of the total expense ratio of the Fund for the year 2014 at www.rfis.cz after the end of the accounting period of the Fund, but no later than 30 April 2015.

⁴⁾ As regards funds investing more than 10 percent of their assets in other funds, it is required also to state so-called Synthetic TER. Synthetic TER equals the sum of own TER and TER of each of the target funds in a ratio corresponding to the ratio of the investments of the Fund assets into the target fund; the percentage of the ratio of withdrawals, surcharges, and fees payable to the target funds to the average monthly net asset value of the Fund assets will be included in the TER of the target funds. In view of the fact that the Investment company does not intend to invest in the first year of the Fund existence into Securities issued by other collective-investment funds, the value of the Synthetic TER is not presented.

14.3 Structure of the fees and expenses for the type of Share Certificates: Class A3

One-off fees charged prior to or after the completion of the investment (This is the maximum amount that an investor may be charged prior to the investment, or prior to the pay-out of the investment)	
Entry fee (surcharge)	up to 2 % of the amount invested¹
Exit fee (deduction)	0 % of the amount redeemed
Expenses paid from the assets of the Fund during the year	
Total expense ratio (TER)²	0.655%³
Synthetic TER⁴	
Expenses paid from the assets of the Fund under special conditions	

Performance fee	not set
------------------------	---------

¹⁾ Surcharge:

- Based on a decision of the Investment Company, the Shareholders can be charged a lower surcharge.
- The amount of the surcharge may be determined in increments according to the volume of the amount invested.
- Information on the current amount of the surcharge and its incremental decrease, if any, according to the volume of the amount invested is available at the registered office of the Investment Company, at all Points of Sale and at www.rfis.cz.
- The Shareholders who are not charged the surcharge may be charged by the distributor of the Share Certificates a fee for the arrangement of the purchase of the Share Certificates which may not exceed the maximum amount of the surcharge.

²⁾ The total expense ratio (TER) equals the ratio of the total expense to the average monthly net fund asset value. The indicator shows the expense covered from the Fund assets.

³⁾ Total expense ratio for the first period of existence of the Fund has been determined by an educated estimate. Investors can learn about the actual amount of the total expense ratio of the Fund for the year 2014 at www.rfis.cz after the end of the accounting period of the Fund, but no later than 30 April 2015.

⁴⁾ As regards funds investing more than 10 percent of their assets in other funds, it is required also to state so-called Synthetic TER. Synthetic TER equals the sum of own TER and TER of each of the target funds in a ratio corresponding to the ratio of the investments of the Fund assets into the target fund; the percentage of the ratio of withdrawals, surcharges, and fees payable to the target funds to the average monthly net asset value of the Fund assets will be included in the TER of the target funds. In view of the fact that the Investment company does not intend to invest in the first year of the Fund existence into Securities issued by other collective-investment funds, the value of the Synthetic TER is not presented.

14.4 Expenses paid from the assets of the Fund

Expenses which are paid from the assets in the Fund include, but are not limited to:

- Administration and court fees,
- Taxes,
- Fee for the performance of the function of depository pursuant to section 14.5 of the Prospectus,
- Investment Company's fee for the management of the assets and administration of the Fund pursuant to section 14.6 of the Prospectus,
- Costs of the accounting and tax audit,
- Bank fees for the maintenance of accounts and handling the money,
- Fee for the custody, administration and deposition of foreign Securities in foreign banks or other depositories, fee for the custody of the Securities entrusted to the Depository for custody, fee for the maintenance of asset accounts and administration of the Securities with the central depository,
- Interests on the credits and loans received,
- Costs of the charges and commissions for investment instrument operations,
- Costs of expert opinions, if required by a generally binding regulation.

14.5 Fee paid to the Depository

The fee for the performance of the activities of the depository shall be determined according to the value of the net asset value of the Fund as of the last calendar day in the given month and shall be calculated as a monthly aliquot part of the agreed-upon annual rate which may not exceed 0.07 % p.a. of the net asset value of the Fund, and the minimum annual fee is CZK 95,000.00. The Depository's fee is charged on monthly basis and is increased by the applicable value added tax. Specific and detailed arrangements regarding the amount of the fee are provided in the depository agreement.

14.6 Fee paid to the Investment Company

14.6.1 The Investment Company fee includes costs incurred by the Investment Company, in particular, in order to pay:

- for the wages of employees of the Investment Company, members of its Board of Directors and the Supervisory Board, as well as other expenses incurred in the course of the activities of the Investment Company;
- for advisory services;

- c) for the management of the Fund assets;
- d) for the administration of the Fund;
- e) for researches and analyses of the financial market;
- f) for the performance of separate activities related to the management or administration assigned by the Investment Company to another.

14.6.2 The amount of the fee paid to the Investment Company for each type of Share Certificates is specified in section 12.3.1 of the Prospectus and represents the maximum value in % of the average annual net asset value of the Fund. The average annual net asset value shall be calculated as arithmetic mean of the net asset values determined always as of the last day of every calendar month. The specific current amount of the fee shall be determined by the Investment Company and published in a manner allowing remote access at www.rfis.cz. The Investment Company fee is paid in advance always within 15 days of the end of the calendar month. The amount of the monthly advance payment shall be calculated as a product of the net asset value determined as of the last calendar day of the respective month and the currently valid amount of the fee and coefficient 30/360. If the calculation of the fee starts during a calendar month the advance payment for the first month shall be calculated with the coefficient ACT/ACT (current number of days in the period/current number of days in the year). The subsequent annual billing shall be prepared by the Investment Company based on the audit of the annual financial statements by an auditor, but no later than three months after the end of the accounting period.

14.6.3 If the Fund should procure Securities issued by any other collective-investment funds and the Investment Company should receive any incentives in this connection, the Investment Company shall transfer such incentives in full and without any undue delay in the assets of the Fund.

14.6.4 If the Fund should procure Securities issued by any other funds managed by the Investment Company, the base for the determination of the relevant Investment Company fee will be reduced by an amount equal to the value of the assets of the Fund representing the Securities belonging to the managed Investment Companies.

14.6.5 For the calculation of the current value of the share certificate the Investment Company shall take into account the liability of the Fund to the Investment Company consisting of the Investment Company fee as a liability reserve the amount of which shall be calculated as a product of the net asset value determined as of the respective date, the currently valid amount of the fee, coefficient 30/360, and the portion of the number of days lapsed in the month/30.

14.7 Joint provisions regarding fees and expenses of the Fund

All and any fees payable by and expenses incurred by the Fund serve the management of the Fund assets and they result in reduction of the appreciation of the invested funds.

14.8 Fees paid to the entities keeping Separate Records and Follow-Up Records

The individual acts of the entities keeping Separate Records and Follow-Up Records can be subject to payment of service fees according to their price lists, and these fees shall be paid by the Shareholder.

15 ADDITIONAL INFORMATION

15.1 Information on the Prospectus

15.1.1 The rules for the approval of the Prospectus and any changes thereto:

- a) The Prospectus and any changes thereto shall be proposed and approved by the Board of Directors of the Investment Company,
- b) A change of the Prospectus shall be approved by approving the complete new wording of the Prospectus.

15.1.2 A change of the Prospectus is subject to prior approval by the Czech National Bank, unless it is a change

- a. of information directly resulting from the changes pertaining to the manager, administrator, fund, or its depository,

- b. induced directly by a change of the legislation,
- c. of information on the performance or actual or estimated results of the management of the Fund which requires periodical update, or
- d. not pertaining to the status or interests of the Shareholders.

15.1.3 Key Investor Information is published in addition to the Prospectus. The Key Investor Information must be in accordance with the information provided in the Prospectus.

15.1.4 The Prospectus and any changes thereto and the Key Investor Information shall be published in a manner allowing remote access and shall be available to the Shareholders in accordance with section 15.2 of the Prospectus.

15.2 Publishing information in a manner allowing remote access

Publishing information in a manner allowing remote access shall mean publishing information by the Investment Company at www.rfis.cz. The Shareholder may request documents to be sent to him/her at info@rb.cz.

15.3 Liquidation and transformation of the Fund

Reasons for dissolution of the Fund

15.3.1 Reasons for dissolution of the Fund with liquidation pursuant to Section 375 of the Management Companies and Investment Funds Act are as follows:

- a) It was decided by the manager of the Fund,
- b) The manager of the Fund was dissolved with liquidation, unless the Czech National Bank decides to transfer the management of the Fund to another manager,
- c) The license of the manager of the Fund to manage this Fund has expired, unless the Czech National Bank decides to transfer the management of the Fund to another manager,
- d) It was decided the Czech National Bank or a court.

15.3.2 The conditions under which it is possible to decide on dissolution of the Fund with liquidation or on transformation of the Fund in the form of amalgamation or merger of mutual funds or on transformation of the Fund into a corporation or, as the case may be, on other forms of transformations are as follows:

- a) The decision on dissolution or transformation of the Fund shall be made by the Board of Directors of the Investment Company
- b) The decision on dissolution or transformation of the Fund shall be adopted only subject to the condition that such decision will lead to more efficient management of the assets of the Fund and will not be contrary to the justified interests of the Shareholders of the Fund.

15.3.3 As of the date dissolution of the Fund the administrator of the Fund shall prepare extraordinary financial statements of the Fund pursuant to the act regulating accounting.

15.3.4 The Fund shall cease to exist on the date when deleted from the list of mutual funds administered by the Czech National Bank.

Information on the rights of Shareholders in the event of dissolution or transformation of the Fund

15.3.5 Shareholders will be informed about the intention to dissolve or transform the Fund in a manner allowing remote access within 14 days of the approval of the plan to dissolve or transform the Fund by the Board of Directors of the Investment Company.

15.3.6 Shareholders are entitled to receive key information of the new/takeover fund and will be provided, upon request, with the Prospectus and the last annual report and semi-annual reports of the new/takeover fund in the form prescribed by the regulations, prior to the exchange of the Share Certificates. The Shareholder of a merged fund is also entitled to ask the Depository for a report whether the assets and debts in such fund were valued in accordance with the criteria included in the respective project and whether the exchange share has been calculated in accordance with the Management Companies and Investment Funds Act and the respective project.

- 15.3.7 Dissolution or transformation of the Fund shall be governed by the provisions of Section XI, Part IV of the Management Companies and Investment Funds Act.

Transformation by amalgamation of mutual funds

- 15.3.8 Amalgamation occurs according to an approved amalgamation project. Amalgamation requires an approval of the Czech National Bank, unless the Management Companies and Investment Funds Act provides otherwise.
- 15.3.9 After the decision of the Czech National Bank to approve the amalgamation has come into force, the notification of amalgamation, which will include, among other things, information on the relevant day of the amalgamation and on the rights of the shareholders arising from the transformation, shall be published in a manner allowing remote access. With the publication of the notification of amalgamation the shareholders of the amalgamating funds shall be entitled to:
- a) Redemption of the Share Certificate without deduction (except for effectively spent expenses), or
 - b) Replacement of the security or book-entry security with a security or book-entry security issued by another standard fund or another foreign fund comparable with standard fund which is managed by the same manager or a manager that is a part of the same group as the manager of the standard fund or foreign investment fund comparable with standard fund which issues the securities or book-entry securities which are to replace the securities or book-entry securities.
- 15.3.10 The title pursuant to section 15.3.9 of the Prospectus shall terminate unless exercised within the term stipulated in the Notification of Merger; such term shall extend at least to 30 days of the date of the Notification of Merger and it shall end at least 5 Business Days prior to the Relevant Date of the merger. In cases other than mergers in respect of which Notifications of Merger are produced, the provisions of Section 391 of the Management Companies and Investment Funds Act.
- 15.3.11 The administrator of the mutual fund which would be created by the amalgamation shall facilitate replacement of the Share Certificate issued by the Mutual Fund which was dissolved by the amalgamation with a share certificate issued by the newly created mutual fund, within three months of the relevant day of the amalgamation in a proportion determined according to the amount of the net asset value of the mutual fund corresponding to the Share Certificate of the dissolved mutual fund. If this exchange proportion is not reasonable the manager of the takeover mutual fund shall provide the Shareholders of the dissolved Fund with cash compensation through the administrator of such fund.

Transformation by merger of mutual funds

- 15.3.12 Merger occurs according to an approved merger project. Merger requires an approval of the Czech National Bank, unless Section 401(1) of the Management Companies and Investment Funds Act provides otherwise.
- 15.3.13 After the decision of the Czech National Bank to approve the merger has come into force, the notification of merger, which will include, among other things, information on the relevant day of the merger and on the rights of the shareholders arising from the transformation, shall be published in a manner allowing remote access. With the publication of the notification of merger the shareholders of the funds merged shall be entitled to, pursuant to Section 406 of the Management Companies and Investment Funds Act:
- a) Redemption of the Share Certificate without deduction (except for effectively spent expenses), or
 - b) Replacement of the security or book-entry security with a security or book-entry security issued by another standard fund or another foreign fund comparable with standard fund which is managed by the same manager or a manager that is a part of the same group as the manager of the standard fund or foreign investment fund comparable with standard fund which issues the securities or book-entry securities which are to replace the securities or book-entry securities.
- 15.3.14 The title pursuant to section 15.3.13 of the Prospectus shall terminate unless exercised within the term stipulated in the Notification of Merger; such term shall extend at least to 30 days of the date of the Notification of Merger and it shall end at least 5 Business Days prior to the Relevant Date of the merger.

- 15.3.15 If this is not a merger where the notification of merger is provided the administrator of the mutual fund which is to be dissolved by the merger shall publish the decision of the Czech National Bank on approval of the merger, rules of the takeover fund, and notification of the right to redemption of the share certificate within a set period, without deduction (except for effectively spent expenses).
- 15.3.16 Manager of the takeover fund shall publish on the fund's website information that the relevant day of the merger has taken place. The administrator of the takeover fund shall facilitate replacement of the share certificate issued by the mutual fund which was dissolved by the merger with a share certificate issued by the newly created mutual fund, within three months of the relevant day of the merger in a proportion determined according to the amount of the net asset value of the mutual fund corresponding to the share certificate of the dissolved mutual fund. If this exchange proportion is not reasonable the manager of the takeover mutual fund shall provide the shareholders of the dissolved Fund with cash compensation through the administrator of such fund.
- 15.3.17 Pursuant to Section 408 of the Management Companies and Investment Funds Act, the Manager of the receiving fund (UCITS) needs not observe for the term of up to six months the investment limits stipulated by the Government Ordinance in respect of investment securities, instruments of the financial markets, securities issued by investment funds of international investment funds, derivatives or receivables in respect of payment of pecuniary funds from the account in Czech or foreign currencies, if reasons for that exist due to the consequences of a merger.

Liquidation of the Fund

- 15.3.18 Within 6 months of the date of dissolution of the Fund its manager shall encash the assets in the Fund and meet the debts in the Fund. Subsequently, within 3 months, the administrator shall pay to the Shareholders their shares in the liquidation balance. If the conditions for substitute fulfilment pursuant to the Civil Code are met the share in the liquidation balance shall be deposited in court custody. The share in the liquidation balance shall not be deposited in court custody and shall fall to the government if the court fee for the petition for opening the custody proceeding exceeds the amount which is to be deposited in court custody.

Transformation of the Fund into corporation with floating registered capital

- 15.3.19 Transformation of the Fund into corporation with floating registered capital requires an approval of the Czech National Bank.
- 15.3.20 The administrator of the Fund to be transformed shall publish on the Fund's website the transformation project, articles, by-laws of the corporation with variable registered capital into which the Fund is to be transformed, notification of the entitlement to redemption of the Share Certificate, and the decision of the Czech National Bank to approve the transformation, all within 1 month of the coming into force of this decision. With the publication of the notification of the entitlement to redemption the Shareholders of the transformed Fund will be entitled to redemption of the Share Certificate without deduction, within 2 months of the date of publication of the notification.
- 15.3.21 The Fund which is being transformed into corporation with floating registered capital will be dissolved and its Shareholders will become owners of investment shares of the newly created corporation with variable registered capital on the date of registration of the newly created corporation in the companies register.
- 15.3.22 The administrator of the corporation with floating registered capital into which the Fund has been transformed shall facilitate replacement of the Share Certificate issued by the dissolved Fund with the investment share of the newly created corporation with variable registered capital, within three months of the effective date of the transformation in a proportion determined according to the amount of the net asset value of the Fund corresponding to the Share Certificate of the dissolved Fund. If this exchange proportion is not reasonable the manager of the corporation with floating registered capital shall provide the Shareholders with cash compensation through the administrator.

Transformation of the Fund into foreign investment fund without legal personality

- 15.3.23 Pursuant to the Management Companies and Investment Funds Act, it is admissible to transform the Fund into a foreign investment fund without legal personality if it is also permitted under the laws of the country which will be home country of the transformed foreign investment fund.

- 15.3.24 Transformation of the Fund into a foreign investment fund without legal personality requires an approval of the Czech National Bank.
- 15.3.25 The administrator of the Fund to be transformed shall publish on the Fund's website a notification of the entitlement to redemption of the Share Certificate, the transformation project, and the decision of the Czech National Bank to approve the transformation, all within 1 month of the coming into force of this decision. With the publication of the notification of the entitlement to redemption the Shareholders of the transformed Fund will be entitled to redemption of the Share Certificate without deduction, within 2 months of the date of publication of the notification.
- 15.3.26 The Fund will become a foreign investment fund without legal personality on the date defined by the laws of the home country of the foreign investment fund without legal personality or, otherwise, on the date of deletion of the Fund from the list of mutual funds maintained by the Czech National Bank.
- 15.3.27 The party which carries out activities for the foreign investment fund without legal personality comparable with the activities of an administrator shall facilitate within 3 months of the relevant day of the transformation delivery of the Securities or book-entry Securities to the investors of the transformed foreign investment fund in exchange for the Share Certificates. If this exchange proportion is not reasonable the party carries out activities for the transformed investment fund without legal personality comparable with the activities of a manager shall provide the Shareholders with cash compensation through the party which carries out activities for this fund comparable with the activities of an administrator.

15.4 Contact place for provision of additional information

address: Raiffeisen investiční společnost a.s.
140 78 Praha 4, Hvězdova 1716/2b
telephone: 800 900 900
e-mail address: info@rb.cz
website: www.rfis.cz

- 15.4.1 Prior to the investment, investors must be provided with Key Investor Information in the up-to-date version, in documentary form, unless it has been defined otherwise. Shareholders or subscribers of the Share Certificates can receive upon request, free of charge, the Prospectus in their current version and the last published annual and semi-annual report of the Fund in documentary form, unless it has been defined otherwise, through the Points of Sale and at the registered office of the Investment Company. The above-mentioned documents are also published in a manner allowing remote access at www.rfis.cz.
- 15.4.2 Under the conditions which are defined by the directly applicable regulation of the European Union regulating the notification of key information, the Key Investor Information and the Prospectus can be provided only on a media which is not in document form, or only published at www.rfis.cz.
- 15.4.3 Investors shall be provided upon request with the following information by the administrator of the Fund, in addition to the information specified in the Prospectus:
- a) Quantitative limitations applied in the management of risks associated with the investments of the Fund,
 - b) Techniques used in the management of the Fund,
 - c) Development of the main risks associated with the investments of the Fund, and
 - d) Development of the yield of each type of assets which can be acquired into the assets of the Fund.

15.5 Basic information on the tax system

Warning

- 15.5.1 This part of the Prospectus only contains a simplified summary of the tax issues related to the activities of the Fund and the tax implications for individual investors. The investor is hereby explicitly warned that the tax treatment of his/her income from the Fund or capital gains from the sale of Share Certificates depends on the applicable tax regulations at the time of realization of the respective

income or capital gain. The tax treatment for individual investors can differ. We recommend contacting your tax advisor for information on the tax implications for a particular investor.

Basic information on the tax system which pertains to the Fund

- 15.5.2 Tax treatment of the Fund is regulated within the applicable tax regulations. Act No. 586/1992 Sb. (Collection of Laws), on income tax, as amended (hereinafter referred to as "Income Tax Act") regulates the taxation of the revenues of the Fund. At the time of approval of the Prospectus the profits of the Fund are subject to 5% income tax. Taxation of revenues from foreign sources are also regulated by the applicable international double taxation treaties (hereinafter referred to as "Double Taxation Treaties").

Basic information on the tax system which pertains to the possession and transfer of Share Certificates

- 15.5.3 The Income Tax Act regulates taxation of the Shareholders' income related to the possession, transfer, inheritance and giving of Share Certificates. Taxation of the income related to the possession or transfer of Share Certificates affecting non-resident Shareholders is also regulated by the respective Double Taxation Treaties.

Transfer of Share Certificates

- 15.5.4 For natural persons, the duration of the possession of the Share Certificate is relevant for the taxation of the proceeds from the sale of the Share Certificate. Pursuant to the applicable legislation at the time of commencement of the activities of the Fund, the profits from the sale of the Share Certificate which the investor owned for a period of more than 3 years from the acquisition thereof are exempted from the income tax. In legal entities and natural persons where the share certificates were included in the business assets the proceeds from the sale of Share Certificates are always reported in the tax return, included in the tax base and taxed at the corresponding rate. If the revenues from the redemption of the Share Certificate go to the recipient who is not tax resident in the Czech Republic the Investment Company shall deduct the so-called income tax security from the amount received for the redeemed Share Certificate in cases defined by the law.

15.6 Method and frequency of publishing of reports on economic activities of the Fund

- 15.6.1 The Investment Company, pursuant to Section 233 of the Management Companies and Investment Funds Act, shall publish the annual report of the Fund no later than 4 months after the end of the calendar year, in a manner allowing remote access at www.rfis.cz. The Investment Company, pursuant to Section 237 of the Management Companies and Investment Funds Act, shall publish the semi-annual report of the Fund no later than 2 months after the expiry of the first 6 months of the calendar year, in a manner allowing remote access at www.rfis.cz. Within these periods the Investment Company shall also send to the Czech National Bank its annual report and semi-annual report together with the annual report and semi-annual report of the Fund.
- 15.6.2 The previous provisions of this section of the Prospectus shall not affect the obligations of the Investment Company in the publication of the financial statements and annual report pursuant to separate regulations.
- 15.6.3 After the expiry of the relevant period the Investment Company shall publish the following information, in a manner allowing remote access at www.rfis.cz:
- At least once a month information on the current net asset value and information on the amount for which Share Certificates are issued and redeemed,
 - For every calendar month information on the number of the issued and redeemed Share Certificates and on the amounts for which these Share Certificates were issued and redeemed,
 - For every calendar month information on the structure of assets in the Fund as of the last day of the month.

15.7 The Fund's supervisory authority

name:	Česká národní banka (Czech National Bank)
address:	Na Příkopě 28, 115 03 Praha 1
telephone:	+ 420 224 411 111

e-mail address: podatelna@cnb.cz

website: www.cnb.cz

15.8 Note to investors

- The permission for activities of an investment company and supervision by the Czech National Bank are not a guarantee of return on investment or performance of the collective investment fund, cannot eliminate breach of the legal obligations or the Prospectus by the manager of the collective investment fund, administrator of the collective investment fund, depository of the collective investment fund, or another person, and do not ensure that the loss, if any, caused by such breach will be compensated.
- If the Share Certificates are offered outside the territory of the Czech Republic, they shall not be offered, sold, transferred or delivered, either directly or indirectly, to persons in respect of which the Investment Company would be required to guarantee any tax payments in the event of any redemptions of the Share Certificates of the Fund.
- The Share Certificates may not be offered, sold, transferred or delivered, directly or indirectly, in the United States of America or its territories, dependencies or territories subject to the jurisdiction of the United States of America (hereinafter referred to as "U.S.") or, as the case may be, to persons who:
 - have a U.S. citizenship or permanent residence in the U.S.,
 - are born in the U.S.,
 - have a residence address or mailing address or address of the registered office in the U.S.,
 - have placed a standing order for transfer of funds to an account maintained in the U.S. or periodically send instructions from an address in the U.S.,
 - have authorized a person with an address in the U.S., or
 - have been established under the laws of the U.S.

If any of the existing Shareholders should become such person in relations to the U.S.A., they are required to seek without delay the redemption of the Share Certificates of the Fund.

The Share Certificates have not been and will not be registered in the U.S. under the U.S. Securities Act of 1933, as amended, and the Fund has not been and will not be registered under the Investment Company Act of 1940, as amended. The Investment Company also did not enter into an agreement with the U.S. Internal Revenue Service (IRS) under the U.S. Foreign Account Tax Compliance Act (FATCA).

These Prospectus are issued in accordance with the Management Companies and Investment Funds Act and decree No. 246/2013 Sb. (Collection of Laws), on the statute of a collective investment fund and contain complete and true information.

Prague, dated October 14, 2014

Ing. Jaromír Sladkovský, MBA
Chairman of the Board of Directors
Raiffeisen investiční společnost a.s.

Mgr. Martin Vít
Vice Chairman of the Board of Directors
Raiffeisen investiční společnost a.s.