



Raiffeisen
FUTURE

Voluntary Pension Fund

Prospectus



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FUTURE

Voluntary Pension Fund

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Introductory section

Name and logo of the Voluntary Pension Fund (hereinafter: the Fund):

Raiffeisen *FUTURE* Voluntary Pension Fund



Business name of the Voluntary Pension Fund Management Company (hereinafter: the Pension Company):

Raiffeisen *FUTURE* a.d. Belgrade, Voluntary Pension Fund Management Company

Pension Company Head Office:

Belgrade, Serbia
Bulevar Zorana Đinđića 64a,
11070 Novi Beograd

Pension Company website:

<http://www.raiffeisenfuture.co.yu>

No. and date of the NBS Decision for Issuing of the operating license for the Pension Company:

10176 of November 16th, 2006.

Customer Service telephone and fax number:

Tel: +381 11 220-7180
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The Pension Company is in charge of organizing and managing the Fund, in accordance with the provisions of the Law on Voluntary Pension Funds and Pension Schemes as its sole activity.

Assets of the Voluntary Pension Fund are the ownership of the Fund members, in proportion with their share in the Fund's assets; Fund's assets are separate from the assets of the Pension Company and cannot be subject to any enforced collection, lien or mortgage, cannot be included in the liquidation or bankruptcy estate of the Pension Company, Custody Bank or other entities, nor used for settling the liabilities of the Voluntary Pension Fund member or other persons towards third parties.

Aspects of the fund investment policy and risk management rules

The Law on Voluntary Pension Funds and Pension Schemes allows us to be a step closer to the developed countries, in one of the most important aspects – pension contributions. Voluntary pension funds have been formed so that citizens can supplement their state pension and secure their income at an old age. Investments in voluntary pension funds enable us to earn savings for our „golden years“. In the developed countries today, it is practically inconceivable for employees and employers not to make contributions into voluntary pension funds in addition to making contributions into state funds.

The Pension Company is aimed at organizing and managing the Voluntary Pension Fund with a view to optimizing the total returns on investment for the benefit of voluntary pension fund members and thus securing safe future for its members. A person shall become a member of the voluntary pension fund by concluding a membership contract. The property of the voluntary pension fund is fully owned by fund members and is independent of the Pension Company's property.

In accordance with the strategy and goal of the Fund, the Pension Company aims to increase the best possible return by making investments in domestic and foreign financial instruments. It should be also emphasized that our investment policy is limited by the law in the field of investments.

Risk management rules

The Fund shall ensure regular monitoring of trends on the financial markets dealing with the securities owned by the Fund and to make careful selection of issuers of those instruments in accordance with the degree of investment risks and expected returns. Such data shall be monitored, if possible, for the period of at least three previous years and on the basis of projections for the following three years. Consequently, the Fund shall primarily focus on more liquid and stable financial instruments, with moderate returns and lower risk rates. The Pension Company's investment policy aspires to the optimization of a portfolio, in compliance with legal regulations.

Aspects of the Fund's investment policy and risk management rules

Risk can never be fully eliminated, but through introducing high-quality risk management procedures, it can be cut down to minimum. In its business operations, the Pension Company shall ensure efficient risk identification, measurement and control, as well as risk management, especially market risk, operational risk, liquidity risk and compliance risk.

Market risk represents a probability of the incidence of negative effects on the value of the Fund's assets due to the changes on the market. This type of risk includes interest rate risk, risk from changes in securities and real estate prices, as well as currency risk.

- Interest rate risk is a risk that the Fund's assets will change due to changes in the absolute level of interest rates and/or differences between two interest rates
- Risk from changes in the prices of securities and real estate represents negative effects during the drop of prices after the sale of a certain instrument
- Currency risk is a risk of the loss of the value of the Fund's assets incurred by the change of the value of one currency compared to the other

Operational risk represents a probability of the incidence of negative effects on the business and financial position of the Pension Company, or the Fund itself, due to omissions in the work of employees, inadequate internal procedures and processes, inadequate information system management and unforeseen external events.

Liquidity risk represents a probability of the incidence of negative effects on the Pension Company's ability to fulfil its due liabilities. In accordance with that, in order to reduce risk to a minimum, the Pension Company shall control this risk by regulating its liabilities and constantly having a sufficient amount of liquid assets.

Compliance risk represents a probability of the incidence of negative effects on the Pension Company's position due to non-compliance with regulations, especially those regulations referring to the amount of the Pension Company's capital, prevention of money laundering.

Aspects of the Fund's investment policy and risk management rules

Limited investments

In line with the criteria stipulated by the NBS, the Fund property can be invested in the following:

- debt securities issued by the NBS and the Republic of Serbia, securities issued by legal entities guaranteed by the Republic of Serbia and securities issued by international financial institutions – no limits;
- debt securities issued by autonomous territorial units and units of local self-government in the Republic of Serbia - up to 20%;
- debts securities issued by legal entities with headquarters in the Republic of Serbia and legal entities with headquarters in European Union member-states or those of the Organization for Economic Cooperation and Development (OECD) – up to 20%;
- mortgage backed securities issued in the territory of the Republic of Serbia – up to 30%;
- certificates of deposit issued by banks with headquarters in the Republic of Serbia and banks with headquarters in European Union member-states or those of the OECD – up to 20%;
- Shares issued by legal entities, headquartered in the Republic of Serbia, that are listed A on the Belgrade Stock Exchange listing – up to 40% of total Fund NAV;
- Shares issued by legal entities, headquartered in the Republic of Serbia, that are not listed A on the Belgrade Stock Exchange listing from September 1st – December 31st 2007 – up to 20% of total Fund NAV, from January 1st – March 31st 2008 – up to 15% of total Fund NAV, and starting April 1st 2008 – up to 10% of total Fund NAV.

The Fund's assets can be invested abroad in the amount of up to 10% of the total Fund assets. The Fund's assets cannot be invested in financial derivatives

The Fund's assets can be invested in real estate:

- up to 15% of the Fund assets
- up to 5% of the Fund assets can be invested in a single real estate.

Aspects of the Fund's investment policy and risk management rules

The Fund's assets can be invested in cash deposits:

- up to 5% of the assets of the voluntary pension fund is invested in pecuniary bank deposits.

All decisions on investing the Fund assets in securities, bank deposits or real estate are made by the portfolio manager who is responsible for managing the Fund. All decisions on investment in certain securities are made on the basis of the previously implemented macro, sector and company analysis, with a projection of future monetary trends and expected incomes of the monitored security issuer. Decisions on investments in real estate are made on the basis of analysis of total situation on the real estate market and projections of further long-term trends and tendencies on that market. Decisions on investments in bank deposits are made with a view to an interim allocation of cash up to investments in securities or real estate, with a view to protection against interim disturbances and instability on the securities and real estate market. If the value of one type of investment compared to other types of investments, with the optimization of the instruments one invests in with other instruments in the Fund portfolio, unambiguously points to the justification of such investments, a decision is made on investing contributions constituting the Fund assets in that type of investment.

A decision on the change of the investment policy is made by the Pension Company Managing Director, by changing the prospectus of the voluntary pension fund the policy of which is amended, with a previous consent of the Pension Company Supervisory Board.

The Pension Company informs Fund members of investment policy amendments by publishing an amended text of the prospectus of the Voluntary Pension Fund. Fund members are informed and the amendments are to be applied within 30 days as of the day of notification.

Fund Net Assets Value

As of December 31st, 2007 the Fund's net assets value is 122,128,279.35 Dinars.

Fund Asset Structure dated on December 31st 2007

Shares issued by legal entities headquartered in the Republic of Serbia:

- Aik banka a.d. Niš – Belgrade Stock Exchange – 6.04%
- Energoprojekt holding a.d. Beograd – Belgrade Stock Exchange – 4.17%
- Metalac a.d. Gornji Milanovac – Belgrade Stock Exchange – 1.72%
- Soja protein a.d. Bečej – Belgrade Stock Exchange – 0.90%
- Tigar a.d. Pirot – Belgrade Stock Exchange – 1.00%

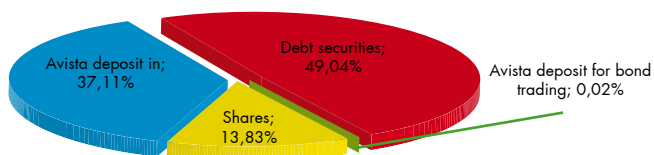
Debt securities issued by the National Bank of Serbia and the Republic of Serbia:

Bonds issued by the Republic of Serbia:

- Series A2008 – Belgrade Stock Exchange – 16.06%
- Series A2009 – Belgrade Stock Exchange – 32.98%

Avista deposits with UniCredit bank Srbija a.d. Beograd

- Avista deposit amount on the Fund's account in Euros – 37.11%
- Avista deposit for bond trading – 0.02%



Minimal amount of pension contribution in dinars

The minimal amount for the payment of a pension contribution into the Fund is 1.000,00 Dinars (one thousand Dinars).

Tax treatment

The tax treatment of the contributor and Fund members recognizes two tax payment bases, namely:

- Payment of pension contribution
- Withdrawal of accumulated assets

Pension contribution

Citizen income tax (tax on earnings)

1. Pension contribution made by the employer/organizer of the pension plan into voluntary pension funds and pension schemes is exempted from citizen income tax and contributions for the compulsory social insurance for amounts up to 3,000.00 Dinars
2. Pension contribution payment into voluntary pension funds suspended by the employer and paid from the income of an employee – member of the voluntary pension fund (administrative ban) is exempted from citizen income tax for amounts up to 3,000.00 Dinars

Withdrawal of accumulated assets:

Capital gain tax (citizen income tax) – to be applied as of January 1st, 2007

Tax treatment

1. The capital gain tax is deemed to be that part of the difference between the accumulated assets withdrawn with a one-off payment, programmed payment or the purchase of annuities from the Fund and the amount of the paid pension contribution increased by the retail price growth index according to the data of the republican authority in charge of statistics as of the day of acquisition to the day of withdrawal and is taxed at a rate of 20% of the thus realized profit.
2. The transfer of the account from the present to another voluntary pension fund is not deemed capital gain and is not subject to tax.
3. The withdrawal of accumulated assets on the basis of a share of a Fund member for the purpose of investment in the purchase of annuities in an insurance company is exempted from the capital gain tax.



Fees and charges

The Pension Company charges Fund members fee for services in line with Regulations on the Pension Company's tariff, namely:

1. Fees charged upon payment of pension contribution: 3% of the value of paid pension contributions;

Exceptionally, fees for one-off and periodical payments of pension contributions for individuals amounting to:

- 100,001.00 Dinars to 500,000.00 Dinars is calculated at a rate of 2.75% of the value of the payment made
- 500,001.00 Dinars to 1,000,000.00 Dinars is calculated at a rate of 2.50% of the value of the payment made
- 1,000,001.00 Dinars and more is calculated at a rate of 2.25% of the value of the payment made

Exceptionally, fees for pension plan organizers with pension contribution payments amounting to:

- 1,000,001.00 Dinars to 2,000,000.00 Dinars is calculated at a rate of 2.80% of the value of the payment made
- 2,000,001.00 Dinars to 5,000,000.00 Dinars is calculated at a rate of 2.50% of the value of the payment made
- 5,000,001.00 Dinars to 8,000,000.00 Dinars is calculated at a rate of 2.30% of the value of the payment made
- 8,000,001.00 Dinars and more is calculated at a rate of 2.00% of the value of the payment made

2. Fees for fund management: 2% p.a. of the Fund assets value (calculated on a daily basis and charged monthly);

3. Fees for the costs of the transfer of the Fund account into a fund run by another fund management company (charged as a reduction of those costs by the amount of Pension Company's real expenses).

In addition to the aforementioned fees, a Fund member is bound to compensate the Pension Company regarding additional demands on the manner and deadline of information on the individual account status.

Termination of a membership contract

Either contracting party (the Pension Company and a Fund member) exercises its right to termination of the membership contract in line with the general rules of the contractual law of the Law on Contracts and Torts. A membership contract is regularly terminated through the following:

- lump sum payment
- commencing programmed withdrawal in accordance with the contract on programmed withdrawals
- transfer of the account to another management company
- purchase of annuities
- if a Fund member passes away

The contract can be unilaterally terminated if the Fund member does not agree to the changes in the voluntary pension fund prospectus.

If the contributor, i.e. the Fund member, ceases to make contribution payments, the membership contract is not automatically terminated, and the Fund member still retains the status of a Fund member.



Pension contribution payment

Pension contributions are paid into the Fund by:

- private individual – Fund member, or another person for the account of a natural person
- employer, on behalf and for the account of the employee, in compliance with the membership contract between the member of the voluntary pension fund and the Pension Company (administrative ban)
- employer organizing pension scheme, in its name and for the account of an employee, i.e. a trade union member, in line with the pension scheme.

The pension contributions are converted into investment units on the same day when paid, by registering units into a Fund member's individual account.

A Fund member's individual account is run by the Pension Company. The Fund account is kept in the custody bank with which the Pension Company has concluded a contract on performing custody transactions for the Fund.

Pension contribution payments are made into the Fund account no.170-0000000102441-84, which is kept with UNICREDIT BANK SRBIJA A.D. BELGRADE.

Publication of data on investment unit value

The data on investment unit value are published daily in the following manner:

- in daily „Politika“;
- on the pension company's website:
<http://www.raiffeisenfuture.co.yu>



Withdrawal of accumulated assets

Any Fund member shall acquire the right to withdrawal and disposal of accumulated assets upon reaching the age of 53.

The accumulated assets can be withdrawn, in accordance with the law, through: lump sum payment, programmed payment, purchase of annuities or a combination of these methods.

Programmed payments are effected on the basis of a special contract concluded between a Fund member and the Pension Company. Programmed payments can be contracted in the number of investment units or in an amount expressed in Dinars.

The minimal period of the programmed payment of accumulated assets is one year. Withdrawals can be made in one of the following manners: on a weekly, monthly, quarterly, semi-annual and annual basis.

The Pension Company is bound to, even after the beginning of the withdrawal of accumulated assets through programmed payments, keep the remaining accumulated assets on an individual account, invest them and attribute the realized income to them until the entire assets have been withdrawn.

Exceptionally, the right to withdrawal and disposal of accumulated assets can be realized before the age of 53, in the cases of extraordinary medical treatment expenses (expenses of necessary treatment and expenses of purchasing necessary medicines, medicaments and medical and technical aids, on the basis of an expert opinion by three doctors specializing in the relevant field of the relevant medical institution) or in the case of permanent incapacity for work (when there is a complete loss of ability to work in the case of a Fund member, according to the findings of an assessment authority of a competent republican fund for retirement and disability insurance).

The withdrawal and disposal of accumulated assets must be initiated by a Fund member at the age of 70 at the latest.

Data on the Pension Fund Management Company

Pension Company organs:

Pension Company Assembly

Pension Company Managing Director: Snežana Ristanović

Managing Director:

- Represents the Company;
- Gives and withdraws proxy;
- Ensures that the Assembly's and Managing Board's enactments are in compliance with the law;
- Confirms preposition of the Acts issued by the Pension Company's Assembly and Managing Board;
- Passes the Rulebook on Internal Organization and Systematization of the Company;
- Passes the Rulebook on the Company's Bylaw;
- Appoints and resolves employees with special authority and responsibilities:
- Makes decisions on employee hiring if needed, organization and distribution of employees on different work positions, termination of employment in accordance with the Law and Pension Company Acts;
- Decides on employee salary amount and other compensations;
- And conducts other functions that are not in the competence of the Managing Board.

Pension Company Managing Board:

- Prepares and proposes Assembly's decisions and executes them;
- Adopts measures for maintaining the minimal capital for the Company, in accordance with the Law, i.e. provides proposals that the Assembly is competent for;
- Defines measures, within its competency, for reducing the risk that might endanger the Company, if that exposure is above what the Law allows, i.e. defines proposals that the Assembly is responsible for;
- Provides the Assembly with the reports on Company's business operations at least once a year or upon Assembly request;
- Adopts Company's General Acts that are not defined by the Assembly and Managing Director;
- Responsible for annual report;
- Prepares annual accounting reports, Company's business operations reports, and implements Company's business policy;
- Proposes distribution of the Company's profit;
- Passes investment decisions, except investment decisions that involve the

Data on the Pension Fund Management Company

- Pension Fund assets;
- Passes the rules on the Organization of the IT System and security of client and Company data;
- Defines types of orders, not defined by the Rulebook on Pension Company Business Operations, the look of orders forms, changes of payments types, as well as other forms and standards used by the Company's business operations;
- Conducts other operations defined by the Law, Foundation Act, Statute and other Pension Company enactments, as well as responsibilities passed on by the Pension Company's Assembly.

Pension Company Shareholder:

Raiffeisen banka a.d.
Bulevar Zorana Đinđića 64a
11070 Novi Beograd

Pension Company's capital:

138,790,000.00 Dinars.

The Pension Company is bound to ensure in its business that the its pecuniary capital should always be at a level not below the equivalent value in Dinars of 1,000,000 (one million) euros.

Business name and address of the Pension Company's and the Fund's external auditor that audits Company's and Funds financial reports:

KPMG d.o.o., Belgrade,
Belgrade, Studentski trg 4

Access to the pension company's general acts and financial reports:

Any concerned party may have free access to the Pension Company's general enactments in the Pension Company's premises on Fridays, between 1 and 4 p.m.

The Pension Company's business regulations, balance sheets, profit and loss accounts and cash trend balances, as well as the relevant opinions of auditors on the Company's financial reports are available on the Pension Company's website, www.raiffeisenfuture.co.yu, as well as in the Pension Company's head office.

Pension Fund Management Company's Custody Bank

The business name and head office of the custody bank:

UNICREDIT BANK SRBIJA a.d., Rajičeva br.27-29, Beograd

The custody bank performs the following custody services:

- opening and maintaining accounts of securities comprising voluntary pension fund assets with the Central Registry of Securities in its own name and on behalf of voluntary pension fund members (collective custody account);
- opening a pecuniary account of a voluntary pension fund, collecting pension contributions, transferring pecuniary assets comprising the fund assets into pecuniary deposits and effecting payments of accumulated assets to voluntary pension fund members;
- notifying the Pension Company on the necessary corporate activities regarding the Fund assets;
- executing orders of the Pension Company regarding sale and purchase of assets unless they are in contravention of the law and the Fund prospectus;
- control, approval and daily notification of the National Bank of Serbia on the calculated net asset value of the voluntary pension fund and the value of investment unit calculated by the Pension Company;
- control and approval of voluntary pension fund returns calculated by the Pension Company;
- notification of the Pension Company on effected orders and other conducted activities regarding the Fund assets;
- performance of other activities based on the contract with the Pension Company which are in compliance with the present law.

Managing Director

Snežana Ristanović





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