

# Apollo

# Euro Corporate Bond Fund

Joint tenancy fund in securities according to the Investmentfondsgesetz  
(Austrian Investment Fund Act)

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## Statement of accounts

For the fiscal year from  
October 1<sup>st</sup>, 2011 to September 30<sup>th</sup>, 2012

**Non-audited translation**



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## SECURITY

*Kapitalanlage Aktiengesellschaft*

Burgring 16, A-8010 Graz

## **Security Kapitalanlage Aktiengesellschaft, Graz**

### **Shareholder**

CAPITAL BANK -GRAWE GRUPPE AG, Graz

### **State Commissioners**

Oberrat Mag. Karin Kufner  
Amtsdirektor Josef Weidinger

### **Supervisory board**

Dr. Othmar Ederer (chairman)  
Dr. Siegfried Grigg (vice chairman)  
DDIng.Mag.Dr. Günther Puchtler  
Mag. Christiane Riel-Kinzer

### **Board of management**

Mag. Dieter Rom  
Martin Mikulik  
MMag. DDr. Hans Peter Ladreiter

### **Custodian Bank**

SEMPER CONSTANTIA PRIVATBANK AKTIENGESELLSCHAFT, Vienna

### **Sales Partner**

CAPITAL BANK -GRAWE GRUPPE AG, Graz

### **Auditor**

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna

### **Fund Manager**

Muzinich & Co. Ltd., London

## Report to the shareholders

Dear shareholder

the Security Kapitalanlage Aktiengesellschaft herewith presents the annual report of Apollo Euro Corporate Bond Fund, co-ownership fund in securities according to § 2 Austrian Investment Fund Act (Investmentfondsgesetz, short "InvFG") 2011 (former § 20 InvFG 1993), for the fiscal year from October 1<sup>st</sup>, 2011 to September 30<sup>th</sup>, 2012.

As per September 1<sup>st</sup> 2011 the Austrian Investment Fund Act (Investmentfondsgesetz/InvFG) 2011 came into force, some of the terms and legal cross references used in the fund's regulations relate to InvFG 1993, which were applicable at the time of the fund's licensing.

### 1. The past five fiscal years in comparison

	Total asset value	Distributing shares AT0000819487		Accumulating shares AT0000746938			Performance in percent ( ) in % <sup>1)</sup>
		Net asset value per distributing- share	Distribution per distributing share	Net asset value per accumulating share	Profit used for accumulation	Payment Pursuant to § 58 Abs. 2 InvFG 2011	
30/09/2012	174.173,443.87	6.39	0.25	10.03	0.28	0.10	12.10
30/09/2011	114,780,451.08	5.97	0.27	9.04	0.30	0.10	-0.96
30/09/2010	105,960,702.18	6.32	0.29	9.25	0.42	0.11	10.17
30/09/2009	83,757,003.76	5.98	0.25	8.47	0.26	0.09	18.26
30/09/2008	51,127,318.75	5.31	0.25	7.24	0.23	0.08	-0.77

<sup>1)</sup> Total reinvestment of distributed amounts at net asset value on the day of distribution assumed.

The publication of the net asset value and the issue and redemption of shares were suspended on 21/02/2012 pursuant to § 56 InvFG due to a technical problem.

## 2. Profit and loss account and fund performance

### 2.1. Fund performance of the fiscal year

Calculation according to the OeKB-calculation method:  
per share in fund currency (EUR), excluding load

	<b>Distributing share AT0000819487</b>	<b>Accumulating share AT0000746938</b>
Net asset value at the beginning of the fiscal year	5.97	9.04
Distribution on December 1 <sup>st</sup> , 2011 (equivalent to 0.0473 shares) <sup>1)</sup>	0.27	
Payment (KESt) on December 1 <sup>st</sup> , 2011 (equivalent to 0.0111 shares) <sup>1)</sup>		0.10
Net asset value at the end of the fiscal year	6.39	10.03
Total value incl. (fictitious) shares acquired by distribution/payment	6.69	10.14
Net asset value at the end of the fiscal year	0.72	1.10
<b>Performance per share in the fiscal year</b>	<b>12.10 %</b>	<b>12,19 %</b>

<sup>1)</sup> Net asset value per distributing share ( AT0000819487 ) per December 1<sup>st</sup>, 2011 EUR 5.71;  
net asset value per accumulating share ( AT0000746938 ) December 1<sup>st</sup>, 2011 EUR 8.97

Due to the use of rounded values a difference in the performance of both tranches is possible.

<b>2.2. Fund's result</b>		<b>in EUR</b>	
<b>a) Realized fund's result</b>			
<b>Ordinary fund's result</b>			
<b>Profits (without exchange result)</b>			
Interest income		<u>7,073,336.80</u>	<u>7,073,336.80</u>
<b>Interest expenditures (debit interests)</b>			<u>-1,057.16</u>
<b>Expenses</b>			
Payment to investment fund management company	<u>-1,316,720.52</u>	-1,316,720.52	
Sundry administrative fees			
Charges for the auditor	-7,200.00		
Foreign admission costs	-13,053.08		
Publication costs	-440.00		
Deposit fees	-53,607.64		
Expenses for custodian bank	<u>-36,672.82</u>	<u>-110,973.54</u>	<u>-1,427,694.06</u>
<b>Ordinary fund's result (excl. income adjustment)</b>			<b><u>5,644,585.58</u></b>
<b>Realized exchange results <sup>2) 3)</sup></b>			
Realized gains		2,990,843.94	
Realized losses		<u>-874,686.03</u>	
<b>Realized exchange result (excl. income adjustment)</b>			<b><u>2,116,157.91</u></b>
<b>Realized fund's result (excl. income adjustment)</b>			<b><u>7,760,743.49</u></b>
<b>b) Not realized fund's result <sup>2) 3)</sup></b>			
Changing of not realized fund's result			<u>8,092,872.86</u>
<b>Result of the fiscal year</b>			<b><u>15,853,616.35</u></b>
<b>c) Income adjustment</b>			
Income adjustment for fiscal year gains		<u>1,029,213.39</u>	
<b>Income adjustment</b>			<b><u>1,029,213.39</u></b>
<b>Total fund's result</b>			<b><u>16,882,829.74</u></b>

<sup>2)</sup> Earned profits and earned losses are not subject to accrual principle and do not necessarily as well as changing of not realized exchange result correspond with the fund's performance of the fiscal year.

<sup>3)</sup> Total exchange result, without income adjustment (realized exchange results without income adjustment, plus changing of not realized exchange result): EUR 10,209,030.77.

Because of the changing of the tax regulations since 04/01/2012, a change in the reporting of savings income has been made. This has no impact on the net asset value of the fund.

The result of the financial year includes explicitly designated transaction costs in the amount of EUR 12,359.80.

**2.3. Development of the fund's assets****in EUR**

<b>Fund's assets at the beginning of fiscal year <sup>4)</sup></b>		<b>114,780,451.08</b>
<b>Distribution /Payment</b>		
Distribution (for distributing shares AT0000819487) on December 1 <sup>st</sup> , 2011	-2,833,678.35	
Payment (for accumulating shares AT0000746938) on December 1 <sup>st</sup> , 2011	<u>-578,677.90</u>	
		<b>-3,412,356.25</b>
<b>Issue and redemption of shares</b>		
Issue of shares	55,750,746.34	
Redemption of shares	-8,799,013.65	
Income adjustment	<u>-1,029,213.39</u>	
		<b>45,922,519.30</b>
<b>Total fund's result</b> (the fund's result is precisely described at point 2.2)		<b><u>16,882,829.74</u></b>
<b>Fund's assets at end of fiscal year <sup>5)</sup></b>		<b><u>174,173,443.87</u></b>

## 2.4. Statement of changes in the fund's result

### Distribution/Payment/Reinvestment

Distribution on December 3 <sup>rd</sup> , 2012 for 12,892,400 distributing shares (AT0000819487), EUR 0.25 per share)		3,223,100.00	
Payment (Capital gains tax [KESt]) on December 3 <sup>rd</sup> , 2011 for 9,150,448 accumulating shares (AT0000746938, EUR 0.10 per share)	915,044.80		
Reinvestment for 9,150,448 Accumulating shares (EUR 0.28 per share)	2,601,435.95	<u>3,516,480.75</u>	
			<b><u>6,739,580.75</u></b>
<b>Realized fund result (incl. income adjustment)</b>		8,789,956.88	
<b>Expenses- and loss coverage/profit carryover</b>			
Expenses- and loss coverage from capital gains	874,686.03		
Profit carried forward to capital gains	<u>-1,575,900.80</u>	-701,214.77	
<b>Changing of profit carried forward <sup>6)</sup></b>			
Profit carried forward from the previous year	3,920,901.24		
Profit carried forward into the subsequent year	<u>-5,270,062.60</u>	<u>-1,349,161.36</u>	
			<b><u>6,739,580.75</u></b>

<sup>4)</sup> Number of shares at the beginning of fiscal year: 10,446,252 accumulating shares ( AT0000819487 ) and 5,804,443 distributing shares ( AT0000746938 )

<sup>5)</sup> Number of shares at the end of fiscal year: 12,892,400 accumulating shares ( AT0000819487 ) and 9,150,448 distributing shares ( AT0000746938 )

<sup>6)</sup> Including income adjustment for the realized fund result, as far as not contained in the distribution (payment) resp. in the reinvestment.

### Distribution (AT0000819487)

The distribution of EUR 0.25 per co-ownership share will be paid out by the customer's custodian bank for coupon number 14 effective from December 3<sup>rd</sup>, 2012.

The custodian bank has to withhold capital gains tax (KEST) amounting to EUR 0.06 (rounded) per distributing share, if there are no reasons for exemption.

### Payment (AT0000746938)

The distribution of EUR 0.10 per co-ownership share will be paid out by the customer's custodian bank for coupon number 14 effective from December 3<sup>rd</sup>, 2012.

The payment of EUR 0.10 (rounded) per accumulating share will be used by the customer's custodian bank for capital gains tax (KEST), if there are no reasons for exemption.

### 3. Financial Markets

Financial markets are still influenced by the financial crises. The indebtedness of European countries as well as of the USA and Japan is still high, in Europe the unemployment rate is increasing further. World economic growth is expected to increase at a low level, uncertainty is still felt in the markets. Corporations are doing better, many companies have decreased workforce due to the financial crises and optimized their cost situation.

Government bond markets are still concerned about Greece and Spain. With an unemployment rate at 25 % the room for action for the government to reduce expenses and to alter taxes is limited. It is to be expected, that the problems still exist and are not solved yet. Though the situation is better than in the 1st and the 2nd quarter of the year.

Corporate bonds showed a very strong performance this year, as weak companies were dropped out of business during the crises throughout the financial market crises. The default rate is at record lows.

Stocks of developed markets could gain during the 3rd quarter, whereas the indices of Emerging Market countries continue to perform poorly. The valuation of stocks is low, in Emerging Markets historically very low. Macroeconomic factors are driving the markets and are putting other valuation factors on the sidelines.

### 4. Investment Policy

The performance during the reporting year was influenced by the positive retracement of the poor year 2011. At the beginning of the reporting period high yield markets in Europe were struggling through the general uncertainties about the Eurozone. Under these circumstances the volume of issues was fairly low until year end 2011, an increasing activity emerged in 2012. The market was supported by the actions of the ECB and the low interest environment. The situation of the banks stabilized and investors favoured fundamental strength, which was offered by corporate bonds and credits in comparison to high indebted government bonds. The highest activity in new issuing came from the core countries of Europe, as companies from the peripheral countries and high yield bonds were hit by bad news coming from the Euro debt crises. The problems from the crises alienated the markets especially in April and May 2012. The situation improved, when Mario Draghi stated in June, that the ECB is doing everything to support the Eurozone and especially Spain. The markets for all risky assets gained sharply. The demand for European high yield bonds could barely become covered by supply. Even bonds of companies of peripheral countries showed a strong recovery.

The fund was positioned due to the positive expected fundamental development for corporates in high yield bonds and in selected companies from European peripheral countries. The strategy to invest in BB high yield bonds and in selected companies from peripheral countries brought a positive performance and benefitted from the general recovery of the markets after 2011. The orientation on conservative companies was continued. The proceeds by issuing bonds by corporations are still invested for repaying existing debt. During the reporting period the weighting of cars, transportation and building and construction was increased. In the automobile sector the finance subsidiaries were preferred and in transportation especially toll road and airport operators were bought. Also in the REITs market spreads widened significantly, the yield and the quality in that sector offered good opportunities. The sectors utilities, media and food/beverage/tobacco were sold. The dominant factor in the fund was the credit selection of the single issuers. The avoidance of defaults or drastic rating cuts resulting from financing problems is still the main focus in the fund. There was no default of an issuer during the reporting period.

In the fiscal year the Fund has achieved a total return of +12.10%. End of September the fund consisted of bonds of 99 issuers from 25 industries. The average credit rating was unchanged at BBB2. The average yield was 3.47% (YTW) and the average coupon was 5.23%. The main industry concentrations were telecommunications (11%), automobile/suppliers (9%) and utilities (9%), the cash rate was at 30/09/2012 1.62%. The duration (DTW) of the portfolio was 4.11 years.



## 5. Statement of the fund's assets

NAME OF SECURITIES	SEC. I. NUMB.	CURRENCY	ASSETS	PURCHASES	SALES	MARKET	MARKET	FRACTION OF
			09/30/2012	ADDITIONS	DISPOSALS	PRICE	VALUE	TOTAL FUND'S
			PIECES/NOM.	IN THE REPORTING PERIOD			in EUR	ASSETS in %
<b>Officially listed securities / regular markets</b>								
<b>Bonds</b>								
11.50 Intl Personal Finance PLC 06.08.2010-2015	XS0531331345	EUR	1,840,000	340,000	0	111.5030	2,051,655.20	1.18
2.125 BHP Billiton Finance Ltd. 29.05.12-29.11.18	XS0787785715	EUR	1,000,000	1,350,000	350,000	101.8130	1,018,130.00	0.58
2.25 GDF Suez 01.06.2012-01.06.2018	FR0011261916	EUR	1,900,000	1,900,000	0	102.7650	1,952,535.00	1.12
2.375 Aeroports de Paris MTN 11.06.2012-2019	FR0011266519	EUR	2,100,000	2,300,000	200,000	103.3310	2,169,951.00	1.25
2.625 Daimler AG Medium Term Notes 02.04.2012-19	DE000A1MLXN3	EUR	750,000	750,000	0	103.7170	777,877.50	0.45
2.75 Michelin Luxembourg SCS 20.06.2012-.2019	XS0794392588	EUR	260,000	260,000	0	103.4470	268,962.20	0.15
2.875 Accor SA 19.06.2012-19.06.2017	FR0011274026	EUR	2,800,000	2,800,000	0	102.5230	2,870,644.00	1.65
2.875 G4S Intl Finance PLC 02.05.2012-02.05.2017	XS0777017376	EUR	530,000	530,000	0	103.4550	548,311.50	0.31
2.875 Heineken NV 02.08.2012-04.08.2025	XS0811555183	EUR	2,400,000	2,400,000	0	98.1970	2,356,728.00	1.35
3.25 KPN NV 01.08.2012-01.02.2021	XS0811124790	EUR	900,000	900,000	0	101.0790	909,711.00	0.52
3.25 Motability Operations 08.02.2012-30.11.2018	XS0742069643	EUR	600,000	600,000	0	107.0820	642,492.00	0.37
3.375 Carlsberg Breweries AS 13.10.10-13.10.17	XS0548805299	EUR	1,315,000	0	0	107.4750	1,413,296.25	0.81
3.375 Gas Natural Capital 27.01.2010-27.01.2015	XS0479542150	EUR	1,100,000	0	0	100.8220	1,109,042.00	0.64
3.375 Rentokil Initial PLC 24.09.2012-24.09.2019	XS0832466931	EUR	330,000	330,000	0	101.1530	333,804.90	0.19
3.50 Everything Everywhere FI 06.02.2012-06.02.2017	XS0742446700	EUR	2,500,000	2,500,000	0	104.3190	2,607,975.00	1.50
3.625 Luxottica Group SPA 19.03.2012-19.03.2019	XS0758640279	EUR	1,600,000	1,600,000	0	107.1850	1,714,960.00	0.98
3.755 Gazprom OAO Via Gaz Capit.SA 19.7.12-15.3.17	XS0805582011	EUR	2,560,000	2,560,000	0	103.1550	2,640,768.00	1.52
3.875 PostNL N.V. 01.06.2005-01.06.2015	NL0000117190	EUR	1,000,000	1,000,000	0	105.6490	1,056,490.00	0.61
3.875 Snam Spa 17.09.2012-19.03.2018	XS0829183614	EUR	800,000	800,000	0	100.1090	800,872.00	0.46
3.875 Unibail-Rodamco SE 05.11.2010-05.11.2020	XS0554819465	EUR	2,400,000	2,400,000	0	110.7300	2,657,520.00	1.53
3.994 Casino Guichard Perracho 8.3.2012-9.3.2020	FR0011215508	EUR	2,400,000	2,400,000	0	106.4750	2,555,400.00	1.47
4.00 Autorout. Du Sud De La France 23.9.2011-24.9.18	FR0011119775	EUR	400,000	0	0	110.3710	441,484.00	0.25
4.00 BAT Holdings BV 07.07.2010-07.07.2020	XS0522407351	EUR	400,000	0	0	112.7510	451,004.00	0.26
4.00 Rheinmetall AG 22.09.2010-22.09.2017	XS0542369219	EUR	800,000	0	0	107.8080	862,464.00	0.50
4.00 RCI Banque SA 29.11.2011-02.12.2013	XS0708763452	EUR	2,000,000	2,500,000	500,000	102.3960	2,047,920.00	1.18
4.125 America Movil SA de CV 27.10.2011-25.10.2019	XS0699618863	EUR	750,000	750,000	0	112.1080	840,810.00	0.48
4.125 BAA Funding Ltd. 12.10.2010-12.10.2016	XS0548105559	EUR	1,000,000	0	0	109.2010	1,092,010.00	0.63
4.125 Eutelsat SA 26.03.2010-27.03.2017	FR0010877183	EUR	1,300,000	0	0	109.6590	1,425,567.00	0.82
4.125 Glencore Finance Europe S.A. 03.04.2012-2018	XS0767815599	EUR	1,700,000	1,700,000	0	105.6360	1,795,812.00	1.03
4.125 Mercialis 23.03.2012-26.03.2019	FR0011223692	EUR	2,000,000	2,000,000	0	106.9470	2,138,940.00	1.23
4.125 Vinci SA 19.12.2011-20.02.2017	FR0011164888	EUR	800,000	800,000	0	110.4770	883,816.00	0.51
4.125 Vivendi SA 18.01.2012-18.07.2017	FR0011182559	EUR	800,000	800,000	0	107.2910	858,328.00	0.49
4.25 Banque PSA Finance 25.02.2011-25.02.2016	XS0594299066	EUR	2,200,000	2,200,000	0	92.1890	2,028,158.00	1.16
4.25 Legrand SA 24.02.2010-24.02.2017	FR0010859686	EUR	650,000	0	0	111.1290	722,338.50	0.41
4.375 Atlantia S.p.A. 14.09.2012-16.03.2020	XS0828749761	EUR	400,000	400,000	0	101.7300	406,920.00	0.23
4.375 BAA Funding Ltd. 25.01.2012-25.01.2017	XS0736300293	EUR	900,000	1,400,000	500,000	110.1420	991,278.00	0.57
4.375 FGA Capital Ireland 18.09.2012-18.09.2014	XS0830346374	EUR	300,000	300,000	0	101.0550	303,165.00	0.17
4.375 Snam Spa 11.07.2012 - 11.07.2016	XS0803479442	EUR	1,450,000	1,450,000	0	104.9240	1,521,398.00	0.87
4.375 TDC AS 23.02.2011-23.02.2018	XS0593960304	EUR	1,160,000	550,000	750,000	112.9310	1,309,999.60	0.75
4.375 Vale SA 24.03.2010-24.03.2018	XS0497362748	EUR	930,000	0	0	110.1250	1,024,162.50	0.59
4.50 Atlantia S.p.A. 09.02.12-08.02.19	XS0744125302	EUR	1,750,000	1,750,000	0	103.8330	1,817,077.50	1.04
4.50 Compagnie de St.Gobain 30.09.2011-30.09.2019	XS0683564156	EUR	1,800,000	1,000,000	0	110.1250	1,982,250.00	1.14
4.625 Abertis Infraestr. 14.10.2009-14.10.2016	ES0211845237	EUR	1,000,000	0	800,000	100.9500	1,009,500.00	0.58
4.625 Corio N.V. 20.10.2010-22.01.2018	XS0550979842	EUR	1,600,000	1,600,000	0	107.5140	1,720,224.00	0.99
4.625 Iberdrola Finanzas 07.04.2011-07.04.2017	XS0614190477	EUR	2,500,000	2,500,000	0	102.1750	2,554,375.00	1.47
4.625 Societe Fonciere Lyonnaise 25.5.11-25.5.2016	FR00111052075	EUR	800,000	0	0	105.1880	841,504.00	0.48
4.693 Telefonica Emisiones 10.11.2009-11.11.2019	XS0462999573	EUR	2,500,000	1,100,000	0	97.5520	2,438,800.00	1.40
4.75 Adecco Int. Financial 14.04.2011-13.04.2018	XS0616395199	EUR	1,750,000	1,750,000	0	109.8790	1,922,882.50	1.10
4.75 Compagnie de St.Gobain 11.04.2007-2017	XS0294547285	EUR	200,000	0	0	112.4070	224,814.00	0.13
4.75 EDP Finance Med.Term Nts 25.06.09-26.09.2016	XS0435879605	EUR	700,000	0	0	96.4200	674,940.00	0.39
4.75 FCE Bank Plc 19.05.2011-19.01.2015	XS0628597683	EUR	300,000	0	0	106.0480	318,144.00	0.18
4.75 Gecina 11.04.2012-11.04.2019	FR0011233337	EUR	2,900,000	2,900,000	0	104.2970	3,024,613.00	1.74
4.797 Brisa-Concessao 26.09.2010-26.09.2013	PTBSSAOM0005	EUR	1,745,000	2,000,000	850,000	100.3750	1,751,543.75	1.01
4.875 Amadeus Cap Markt 15.07.2011-15.07.2016	XS0647188605	EUR	2,300,000	1,450,000	0	107.4190	2,470,637.00	1.42
4.875 Hammerson PLC 19.06.2006-19.06.2015	XS0257577345	EUR	150,000	2,000,000	1,850,000	108.5750	162,862.50	0.09
4.875 Iliad S.A. 01.06.2011-01.06.2016	FR0011057439	EUR	1,000,000	0	0	107.2150	1,072,150.00	0.62
4.875 Petrobras Int. Finance Co. 09.12.11-07.03.18	XS0716979249	EUR	650,000	650,000	0	109.4310	711,301.50	0.41
4.875 Valeo SA 12.05.2011-11.05.2018	FR0011043124	EUR	2,600,000	2,600,000	0	109.7480	2,853,448.00	1.64
4.875 Vivendi SA 30.11.2011-30.11.2018	FR0011157742	EUR	1,800,000	1,800,000	0	111.8880	2,013,984.00	1.16

NAME OF SECURITIES	SEC. I. NUMB.	CURRENCY	ASSETS	PURCHASES	SALES	MARKET	MARKET	FRACTION OF
			09/30/2012 PIECES/NOM.	ADDITIONS IN THE REPORTING PERIOD	DISPOSALS	PRICE	VALUE in EUR	TOTAL FUND'S ASSETS in %
5.00 Autor.Paris-Rhin-Rhône 12.01.2011-12.01.2017	FR0010989111	EUR	1,000,000	0	0	109.6750	1,096,750.00	0.63
5.00 CRH Finance BV 25.01.12-25.01.19	XS0736488585	EUR	1,800,000	1,800,000	0	113.3870	2,040,966.00	1.17
5.00 Eutelsat SA 14.12.2011-14.01.2019	FR0011164664	EUR	1,000,000	1,000,000	0	114.9080	1,149,080.00	0.66
5.00 Pernod-Ricard S.A. 15.03.2011-15.03.2017	FR0011022110	EUR	2,300,000	600,000	0	112.8650	2,595,895.00	1.49
5.00 Telekom Finanzmanagement 22.07.03-22.07.13	XS0172844283	EUR	400,000	0	0	103.6310	414,524.00	0.24
5.125 Pirelli & C SPA 22.02.2011-22.02.2016	XS0592703382	EUR	1,000,000	0	0	104.1990	1,041,990.00	0.60
5.25 FGA Capital Ireland 28.02.2012-28.02.2014	XS0751352898	EUR	2,900,000	2,900,000	0	102.2410	2,964,989.00	1.70
5.25 Gas Natural Finance BV 09.07.2009-2014	XS0436905821	EUR	1,100,000	0	0	104.4050	1,148,455.00	0.66
5.25 Glencore Finance Europe 22.03.2010-22.03.2017	XS0495973470	EUR	950,000	0	0	110.1170	1,046,111.50	0.60
5.25 Prysmian SPA 09.04.2010-09.04.2015	XS0500405005	EUR	1,000,000	0	0	104.1690	1,041,690.00	0.60
5.25 Siemens Fin. NV 14.09.2006-14.09.2066	XS0266838746	EUR	660,000	0	0	107.9360	712,377.60	0.41
5.25 Xstrata Finance Canada 13.06.2007-13.06.2017	XS0305188533	EUR	1,650,000	0	0	114.3460	1,886,709.00	1.08
5.375 Campari SPA 14.10.2009-14.10.2016	XS0457848272	EUR	1,100,000	0	0	107.4380	1,181,818.00	0.68
5.375 Lottomatica SPA 02.12.2010-02.02.2018	XS0564487568	EUR	600,000	600,000	0	106.1040	636,624.00	0.37
5.375 Lottomatica SPA 03.12.2009-05.12.2016	XS0471074822	EUR	1,850,000	0	0	106.4090	1,968,566.50	1.13
5.375 VW International Finance NV 22.05.2003-2018	XS0168881760	EUR	600,000	600,000	0	119.6050	717,630.00	0.41
5.50 Global Switch Holdings 18.04.2011-18.4.2018	XS0617785943	EUR	2,600,000	1,650,000	0	110.3740	2,869,724.00	1.65
5.625 Atlantia S.p.A. 06.05.09-06.05.16	XS0427290357	EUR	350,000	0	0	109.5510	383,428.50	0.22
5.625 Portugal Telecom Intl Fin 08.02.11-08.02.16	XS0587805457	EUR	1,400,000	0	0	99.9190	1,398,866.00	0.80
5.75 ASML Holding N.V. 13.06.2007-13.06.2017	XS0304756405	EUR	1,600,000	1,600,000	0	115.8370	1,853,392.00	1.06
5.75 Bord Gais Eireann 16.06.2009-16.06.2014	XS0434144969	EUR	2,450,000	800,000	0	105.1970	2,577,326.50	1.48
5.75 HIT Finance B.V. 10.03.2011-09.03.2018	XS0602534637	EUR	1,600,000	0	0	104.1550	1,666,480.00	0.96
5.875 EDP Finance BV 01.02.2011-01.02.2016	XS0586598350	EUR	2,150,000	550,000	0	100.1560	2,153,354.00	1.24
5.875 Prologis International 23.10.2007-23.10.2014	XS0326896718	EUR	1,300,000	0	0	105.8870	1,376,531.00	0.79
6.00 Portugal Telecom Intl Fin 30.04.09-30.04.13	XS0426126180	EUR	100,000	0	0	101.6820	101,682.00	0.06
6.00 Teollisuuden Voi 24.06.2009-27.06.2016	XS0435276224	EUR	400,000	0	0	114.3090	457,236.00	0.26
6.00 TPSA Eurofinance France 22.05.2009-22.05.2014	XS0429817538	EUR	1,350,000	0	0	108.0770	1,459,039.50	0.84
6.00 Barry Callebaut NV 13.07.2007-13.07.2017	BE0933072291	EUR	2,100,000	2,100,000	0	115.2000	2,419,200.00	1.39
6.125 Ziggo Finance B.V. 29.10.2010-15.11.2017	XS0552327768	EUR	2,700,000	3,385,000	685,000	107.1360	2,892,672.00	1.66
6.25 Elster Finance BV 21.04.2011-15.04.2018	XS0617027502	EUR	1,250,000	1,250,000	0	110.0340	1,375,425.00	0.79
6.25 ESB Finance Limited 11.09.2012-2017	XS0827573766	EUR	3,058,000	3,058,000	0	106.4260	3,254,507.08	1.87
6.25 Fiat Industrial Fin EUR 11.03.2011-09.03.2018	XS0604641034	EUR	1,150,000	1,150,000	450,000	106.1530	1,220,759.50	0.70
6.50 Repsol Intl.Finance 27.03.2009-27.03.2014	XS0419352199	EUR	2,000,000	0	0	105.8420	2,116,840.00	1.22
6.5872 DAA Finance PLC 09.07.2008-09.07.2018	XS0375220588	EUR	400,000	400,000	0	104.5620	418,248.00	0.24
6.625 WPP PLC 12.05.2008-12.05.2016	XS0362329517	EUR	1,000,000	100,000	500,000	117.7440	1,177,440.00	0.68
6.75 Lafarge S.A. 16.12.2009-16.12.2019	XS0473114543	EUR	540,000	0	0	106.7290	576,336.60	0.33
7.00 Rhodia S.A. 10.05.2010-15.05.2018	XS0506721827	EUR	2,000,000	2,000,000	0	112.2450	2,244,900.00	1.29
7.00 Telecom Italia Spa 20.10.2011-20.01.2017	XS0693940511	EUR	250,000	250,000	0	111.9480	279,870.00	0.16
7.625 Metro AG 05.03.2009-05.03.2015	DE000A0XFCT5	EUR	900,000	0	0	114.6860	1,032,174.00	0.59
7.125 Cyfrowy Polsat Fin AB 20.05.2011-20.05.2018	XS0626064017	EUR	680,000	0	0	108.3280	736,630.40	0.42
7.375 Linde Finance BV 14.07.2006-14.07.2066	XS0259604329	EUR	1,500,000	0	0	115.1240	1,726,860.00	0.99
7.375 Wind Acquisition Finance 26.11.2010-15.02.18	XS0560905506	EUR	1,500,000	0	0	92.1250	1,381,875.00	0.79
7.50 Deutsche Börse AG FLR-nachr. 13.6.2008-13.6.38	XS0369549570	EUR	885,000	0	0	103.6250	917,081.25	0.53
7.50 Kon. KPN N.V. 04.02.2009 - 04.02.2019	XS0411850075	EUR	425,000	0	0	127.3330	541,165.25	0.31
7.50 HeidelbergCement Fin. 19.1.2010-3.4.2020	XS0478803355	EUR	1,500,000	0	0	111.5150	1,672,725.00	0.96
7.625 Obrascón Huarte Lain SA 27.3.2012-15.3.2020	XS0760705631	EUR	377,000	1,600,000	1,223,000	99.2450	374,153.65	0.21
7.75 Smurfit Kappa Acquisitio 19.11.2009-15.11.2019	XS0467785613	EUR	895,000	0	0	110.1310	985,672.45	0.57
7.75 UCB SA FRN 18.03.2011- OE	BE6213104605	EUR	1,100,000	0	0	108.9590	1,198,549.00	0.69
7.875 New World Resources BV 27.04.2010-01.05.2018	XS0504814509	EUR	1,400,000	0	0	98.7980	1,383,172.00	0.79
8.25 Telecom Italia Spa 19.03.2009-21.03.2016	XS0418508924	EUR	1,400,000	0	0	115.7820	1,620,948.00	0.93
8.375 Imperial Tob.Fin. 17.02.2009 - 17.02.2016	XS0413494500	EUR	1,450,000	0	0	122.1970	1,771,856.50	1.02
8.50 HeidelbergCement Finance 21.10.2009-31.10.2019	XS0458685913	EUR	300,000	0	0	117.1520	351,456.00	0.20
8.50 Intergen NV 31.07.2007-30.06.2017	XS0309932092	EUR	1,850,000	1,000,000	0	104.9475	1,941,528.75	1.11
9.375 ArcelorMittal S.A. 03.06.2009-03.06.2016	XS0431928414	EUR	2,340,000	900,000	0	116.0130	2,714,704.20	1.56
							<b>159,435,735.63</b>	<b>91.54</b>
5.375 GKN Holdings Plc 19.09.2012-19.09.2022	XS0830978259	GBP	2,000,000	2,000,000	0	102.3400	2,578,158.46	1.48
8.00 Finmeccanica Finance 16.04.2009-16.12.2019	XS0423814119	GBP	1,775,000	1,775,000	0	104.6550	2,339,874.35	1.34
							<b>4,918,032.81</b>	<b>2.82</b>
<b>Total officially listed securities / regular markets</b>		<b>EUR</b>					<b>164,353,768.44</b>	<b>94.36</b>

NAME OF SECURITIES	SEC. I. NUMB.	CURRENCY	ASSETS	PURCHASES	SALES	MARKET	MARKET	FRACTION
			09/30/2012	ADDITIONS	DISPOSALS	PRICE	VALUE	OF
			PIECES/NOM. IN THE REPORTING PERIOD					in EUR
<b>New issues</b>								
<b>Admission for listing scheduled</b>								
<b>Bonds</b>								
6.875 Brisa-Concessao SA 02.10.2012-02.04.2018	PTBSSGOE0009	EUR	800,000	800,000	0	97.0920	776,736.00	0.45
							<b>776,736.00</b>	<b>0.45</b>
<b>Total new issues</b>		<b>EUR</b>					<b>776,736.00</b>	<b>0.45</b>
<b>Securities not listed</b>								
<b>Bonds</b>								
10.00 KPNQWEST NV conv. 15.03.2002-2012 reg.	XS0143136488	EUR	39,000	0	0	0.1250	48.75	0.00
							<b>48.75</b>	<b>0.00</b>
3.375 Mondi Finance Ltd. 27.09.2012-28.09.2020	XS0834719303	EUR	2,700,000	2,700,000	0	100.1300	2,703,510.00	1.55
							<b>2,703,510.00</b>	<b>1.55</b>
<b>Total securities not listed</b>		<b>EUR</b>					<b>2,703,558.75</b>	<b>1.55</b>
<b>Total assets</b>		<b>EUR</b>					<b>167,834,063.19</b>	<b>96.36</b>
<b>Currency hedging positions</b>								
<b>Sale of currencies on fixed date</b>								
		GBP	3,763,000.00			0.7943	-14,709.75	-0.01
<b>Total currency hedging positions</b>		<b>EUR</b>					<b>-14,709.75</b>	<b>-0.01</b>
<b>Bank balance</b>								
<b>EUR- balance on current account</b>								
		EUR	2,818,155.35				2,818,155.35	1.62
<b>Total bank balance</b>		<b>EUR</b>					<b>2,818,155.35</b>	<b>1.62</b>
<b>Short-dated debt</b>								
<b>Debts on accounts in sundry EU currencies</b>								
		GBP	-53,476.08				-67,358.71	-0.04
<b>Total short-dated debt</b>		<b>EUR</b>					<b>-67,358.71</b>	<b>-0.04</b>
<b>Sundry assets</b>								
<b>Claims to interests on current accounts</b>								
		EUR	143.53				143.53	0.00
<b>Claims to interests on securities</b>								
		EUR	3,640,952.11				3,640,952.11	2.09
		GBP	43,037.23				54,209.89	0.03
<b>Dispositive accrued interest on securities</b>								
		EUR	-76,426.23				-76,426.23	-0.04
<b>Receivables from non-paid coupons</b>								
		EUR	124,482.15				124,482.15	0.07
<b>Interest claims on current account credit</b>								
		GBP	-839.28				-1,057.16	0.00
<b>Administrative fees</b>								
		EUR	-130,741.15				-130,741.15	-0.08

NAME OF SECURITIES	SEC. I. NUMB.	CURRENCY	ASSETS	PURCHASES	SALES	MARKET	MARKET	FRACTION
			09/30/2012	ADDITIONS	DISPOSALS	PRICE	VALUE	OF
			PIECES/NOM. IN THE REPORTING PERIOD				in EUR	TOTAL
						in EUR	FUND'S	ASSETS in %
<b>Depository fees</b>								
		EUR	-5,241.31				-5,241.31	0.00
<b>Fees of the custodian bank</b>								
		EUR	-3,028.04				-3,028.04	0.00
<b>Total sundry assets</b>								
		EUR					<b>3,603,293.79</b>	<b>2.07</b>
<b>TOTAL ASSETS OF THE FUND</b>						EUR	<b>174,173,443.87</b>	<b>100.00</b>

Distributing share value	AT0000819487	EUR	6.39
Distributing shares outstanding	AT0000819487	UNIT	12,892,400
Accumulating share value	AT0000746938	EUR	10.03
Accumulating shares outstanding	AT0000746938	UNIT	9,150,448

#### Conversion rates/ exchange rates

Assets in foreign currencies were evaluated in EUR by using conversion rates and exchange rates per September 29<sup>th</sup>, 2012:

Currency	Units	Price
British Pound	1 EUR =	0.7939 GBP

#### Calculation method of risk: Commitment approach

Transactions during reporting period, not mentioned in the statement of fund's assets:

NAME OF SECURITIES	SEC. I. NUMB.	CURRENCY	PURCHASES	SALES
			ADDITIONS	DISPOSALS
<b>Officially listed securities / regular markets</b>				
<b>Bonds</b>				
2.850 Teva Pharmac.04.04.2012-15.04.2019	XS0765295828	EUR	440,000	440,000
2.875 GE Capital Europ.Fdg. 17.09.2010-17.09.2015	XS0541454467	EUR	0	1,850,000
3.00 Groupe Auchan S.A. 29.11.2011-02.12.2016	FR0011156017	EUR	700,000	700,000
3.50 Unibail-Rodamco SE 06.10.2011-06.04.2016	XS0686597286	EUR	2,010,000	2,010,000
3.50 Vivendi SA 13.07.2011-13.07.2015	FR0011076447	EUR	0	1,400,000
3.625 Alstom 05.-10.2010-05.10.2018	FR0010948240	EUR	0	1,500,000
3.625 Banque PSA Finance 29.04.2010-29.04.2014	XS0505200211	EUR	0	830,000
3.625 Bertelsmann AG 06.10.2005-06.10.2015	XS0230962853	EUR	0	1,420,000
3.875 Edison Spa 10.11.2010-10.11.2017	XS0557897203	EUR	0	2,050,000
4.00 Banque PSA Finance 19.07.2010-19.07.2013	XS0526100879	EUR	0	1,000,000
4.00 Beam Inc. 01.02.2006-30.01.2013 <sup>1)</sup>	XS0243150967	EUR	0	1,775,000
4.00 Luxottica Group SPA 10.11.2010-10.11.2015	XS0557635777	EUR	0	1,000,000
4.875 Iberdrola Fin. 04.03.2009 - 04.03.2014	XS0415108892	EUR	0	2,050,000
4.125 Alstom S.A. 01.02.2010-01.02.2017	FR0010850701	EUR	1,100,000	1,100,000
4.472 Casino Guichard 04.10.2011-04.04.2016	FR0011124601	EUR	400,000	400,000
4.50 Electricité de France 17.07.2009-17.07.2014	FR0010758888	EUR	0	1,000,000
4.50 Gecina 20.09.2010-19.09.2014	FR0010943316	EUR	1,050,000	1,050,000
4.50 Polo Ralph Lauren Corp 05.10.2006-04.10.2013	XS0270340804	EUR	0	600,000
4.625 OTE Plc. 21.11.2006-20.05.2016	XS0275776283	EUR	0	1,000,000
4.75 Koninklijke KPN NV 13.11.2006-17.01.2017	XS0275164084	EUR	0	600,000
4.875 Lagardere SCA 06.10.2009-06.10.2014	FR0010808071	EUR	0	1,200,000
4.875 Solvay S.A. 10.12.2003-10.01.2014	BE0378263603	EUR	0	1,000,000
4.875 Telenor ASA 29.05.2007-29.05.2017	XS0301954771	EUR	200,000	800,000
5.00 BMW Finance NV 06.08.2003-2018	XS0173501379	EUR	961,000	1,011,000
5.125 Buzzi Unicem SPA 09.12.2009-09.12.2016	XS0472205300	EUR	0	1,050,000
5.125 Carrefour S.A. 10.10.2007 - 10.10.2014	FR0010526848	EUR	0	2,000,000
5.25 Finmeccanica Finance 21.10.2009-21.01.2022	XS0458887030	EUR	1,000,000	2,220,000
5.375 Bat Intl. Finance Plc. 29.06.2007-29.06.2017	XS0307791698	EUR	0	350,000
5.375 Henkel AG & Co. KGAA 25.11.2005-2015/2104	XS0234434222	EUR	0	1,650,000

<sup>1)</sup> former: 4,00 Fortune Brands Inc. 01.02.2006-30.01.2013

NAME OF SECURITIES	SEC. I. NUMB	CURRENCY	CURRENCY PURCHASES	SALES
			ADDITIONS	DISPOSALS
5.375 Lafarge S.A. 26.06.2007-26.06.2017	XS0307005545	EUR	0	500,000
5.50 Casino Guichard Perrach 03.07.2009-30.01.2015	FR0010773697	EUR	0	1,050,000
5.625 Clariant Finance Lux 24.01.12-24.01.2017	XS0735784851	EUR	1,150,000	1,150,000
5.625 3I Group PLC 17.03.2010-17.03.2017	XS0495913229	EUR	1,000,000	1,000,000
5.75 CEZ AS 26.05.2009-26.05.2015	XS0430082932	EUR	300,000	500,000
5.75 Metro AG 14.07.2009-14.07.2014	DE000A0Z2CS9	EUR	0	250,000
6.00 Deutsche Telekom Intl.Fin. 20.01.2009-20.01.2017	DE000A0T5X07	EUR	0	400,000
6.25 OMV AG 07.04.2009 - 07.04.2014	XS0422624980	EUR	0	180,000
6.375 Lloyds Bank Plc 19.06.2009-17.06.16	XS0435070288	EUR	0	650,000
7.00 Rexel SA 27.05.2011-17.12.2018	XS0629656496	EUR	0	750,000
7.125 Heineken NV 06.04.2009-07.04.2014	XS0421464719	EUR	0	1,060,000
7.25 Metso Corporation 10.06.2009-10.06.2014	XS0432617891	EUR	0	400,000
7.25 MAN SE 20.05.2009-20.05.2016	XS0429612566	EUR	0	900,000
7.375 Achmea N.V. 16.06.2009-16.06.2014 <sup>2)</sup>	XS0433923108	EUR	0	1,400,000
7.375 Ardagh Packaging Finance 08.10.2010-15.10.2017	XS0547007764	EUR	0	1,000,000
7.375 CRH Finance BV 28.05.2009-28.05.14	XS0430786581	EUR	0	1,500,000
7.50 Autoroutes Paris-Rhin-Rhône 10.06.2009-12.01.15	FR0010766857	EUR	0	300,000
7.75 Bacardi Ltd. 09.04.2009-09.04.2014	XS0423639953	EUR	0	1,550,000
7.875 Ren Redes Energeticas 10.12.2008-10.12.2013	PTRELAOM0000	EUR	0	1,200,000
8.125 Gaz Capital S.A. 31.07.2009-04.02.2015	XS0442330295	EUR	0	1,650,000
8.625 Anheuser-Busch InBev 30.01.2009 - 30.01.2017	BE0934985020	EUR	0	820,000
8.625 PPR SA 03.04.2009-03.04.2014	FR0010744987	EUR	0	475,000
8.875 Lafarge S.A. 24.06.2009-24.11.2016	XS0434974217	EUR	0	350,000
8.875 Mark IV USA/EURO Lux SCA 13.12.2010-15.12.17	XS0566383005	EUR	0	1,300,000

<sup>2)</sup>former: 7.375 Eureko B.V. 16.06.2009-16.06.2014

Graz, Dezember 17<sup>th</sup>, 2012

Security Kapitalanlage Aktiengesellschaft

Mag. Dieter Rom

Martin Mikulik

MMag. DDr. Hans Peter Ladreiter

## **6. Unrestricted auditor's certificate <sup>\*)</sup>**

Via consideration of bookkeeping we audited the enclosed annual report per September 30<sup>th</sup>, 2013 from the Security Kapitalanlage Aktiengesellschaft, Graz (management company) with respect to Apollo Euro Corporate Bond Fund, co-ownership fund pursuant to Austrian Investment Fund Act, for the fiscal year from October 1<sup>st</sup>, 2012 to September 30<sup>th</sup>, 2013.

### **Responsibilities of legal representatives for the annual report, management of the separate asset and for bookkeeping**

Legal representatives from the management company and/or the custodian bank are responsible for bookkeeping, valuation of the separate asset, calculation of withholding tax, generation of annual reports and management of the separate asset according to the relevant regulations of the investment fund act, amendatory rules in the fund regulations and fiscal provisions. This responsibility includes: creation, development and maintenance of an internal controlling system, as far as necessary for coverage, pricing of the separate asset and establishing annual reports to ensure accuracy in respect of substantial volitional and unintentional mistakes, choice and use of valid pricing models as well as use of appraisals in reasonable circumstances.

### **Responsibility of the bank auditor and description of manner and extent of statutory assessment of the annual report**

Based on our examinations it is our responsibility to give a conclusion to this annual statement.

We finished our audit according to Section 49 clause 5 Austrian Investment Fund Act 2011 in consideration of legal directives and all principles for proper annual audit. This principles postulate compliance with ethics of profession and ensure adequate planning and operating of audit to grant a qualified opinion by proper certainty that this annual report is exempt from essential mistakes.

An examination includes the execution of audit operations to achieve documented evidence of conformity in respect of amounts and sundry statements in the annual report. The bank auditor has to choose audit operations dutifully according his own assessment of risk of incidence of substantial volitional and unintentional mistakes. In his assessment of risk the bank auditor considers internal controlling systems, as far as relevant for creating the annual report and pricing the separate assets, to find fitting audit operations within the relevant circumstances, but does not audit the effectiveness of internal controls of the management company and the custodian bank. Further the audit includes an estimation of adequacy of used pricing methods and by the legal agents used substantial computations as well as appraisal of the overall conclusion of the annual statement.

In our opinion we have sufficient documents of evidence to ensure an adequate basis for our audit.

### **Audit opinion**

Our audit did not show any reason for objection. As a result of the audit the annual report per September 30<sup>th</sup>, 2012 regarding Apollo Euro Corporate Bond Fund, co-ownership fund pursuant to Austrian Investment Fund Act, complies with the legal provisions.

### **Statement to consideration of the Austrian Investment Fund Act and the fund regulations**

According to § 49 clause 5 Austrian Investment Fund Act 2011 the audit has to contain an inspection of compliance with the Investment Fund Act and the fund provisions. Due to above mentioned principles we have performed our examinations via considering appropriate certainty to ensure compliance with the Investment Fund Act and the fund provisions.

As a result of the audit compliance with the Investment Fund Act and the fund provisions was considered.

**Statement regarding the report to operations within the past fiscal year**

Included statements from the managing board of the investment management company regarding operations within the past fiscal year are subject to critical inspection but not part of specific examination according to above mentioned principles. Our audit certificate does not include this data. In consideration of an overall picture this statement corresponds with the figures in this annual report.

Vienna, December 17<sup>th</sup>, 2012

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Dr. Robert Wauschek e.h.  
Auditor

Mag. Ernst Schönhuber e.h.  
Auditor

\*) The publication or dissemination of the annual report in a version different to the audited (unabridged in German) version (eg shortened version or translation) must not be referred to the auditors's certificate or the examination without our approval of the auditor.

## Tax treatment for Apollo Euro Corporate Bond Fund

### **AT0000819487**

For private investors all earnings of the funds are subject of end taxation via deduction of EUR 0.06 KESt (capital gains tax) per distributing share.

### **AT0000746938**

For private investors all earnings of the funds are subject of end taxation via deduction of EUR 0.10 KESt (capital gains tax) per accumulating share.

For private investors no action is required.

The tax treatment is based on this proved statement of accounts and is described in detail at [www.securitykag.at](http://www.securitykag.at).



## **Fund Regulations**

### **Apollo Euro Corporate Bond Fund (Fund regulations within the meaning of Section 20 of the Investment Fund Act [Investmentfondsgesetz – InvFG])**

#### **General Fund Regulations**

regulating the legal relationship between the unit holders and Security Kapitalanlage Aktiengesellschaft, Burgring 16, 8010 Graz (hereinafter called the "investment fund management company") for the investment funds administered by the investment fund management company and applicable only in conjunction with the Special Fund Regulations established for the respective investment fund:

#### **Section 1 Principles**

The investment fund management company is subject to the rules of the Austrian Investment Fund Act of 1993 [Investmentfondsgesetz 1993 – InvFG], as amended from time to time.

#### **Section 2 Joint-ownership units**

1. Joint ownership of the assets belonging to the fund is divided up into equal joint-ownership units. The number of joint-ownership units is unlimited.

2. The joint-ownership units are represented by unit certificates (certificates) having the nature of securities. As provided in the Special Fund Regulations, the unit certificates may be issued in several classes of unit certificates. The unit certificates are represented by global certificates (Section 24 Custody Act [Depotgesetz], as amended from time to time).

3. Every acquirer of a unit certificate acquires, in the amount of the joint-ownership units vested therein, joint ownership in the total assets of the fund. Every acquirer of a unit in a global certificate acquires, in the amount of his or her unit in the joint-ownership units vested in the global certificate, joint ownership in the total assets of the fund.

4. The investment company, with the consent of its supervisory board, may split the joint-ownership units and issue additional unit certificates to the unit-holders or exchange the old unit certificates for new ones if as a result of the calculated unit value (Section 6) it considers a splitting of the joint-ownership units to be in the interest of the joint owners.

#### **Section 3 Unit certificates and global certificates**

1. Unit certificates are made out to bearer.

2. Global certificates bear the handwritten signatures of two managers of the investment fund management company and a special authorized person of the custodian bank.

#### **Section 4 Administration of the investment fund**

1. The investment fund management company is entitled to dispose of the assets of the investment fund and to exercise the rights from the said assets. In this regard the investment fund management company acts in its own name and on the account of the unit-holders. In doing so it safeguards the interests of the unit-holders, uses the prudence of a proper and conscientious business manager within the meaning of Section 84 (1) of the Corporation Act [Aktiengesetz], and complies with the regulations of the Austrian Investment Fund Act and the General and Special Fund Regulations.

The investment fund management company may make use of third parties in administering the investment fund and may also assign to the latter the right to dispose of the assets on behalf of the investment fund management company or on their own behalf on the account of the unit-holders.

2. The investment fund management company may not grant monetary loans or enter into obligations/liabilities based on a surety or guarantee contract on account of an investment fund.

3. Assets of the investment fund may not be pledged or otherwise encumbered, or mortgaged or assigned, except where provided for in the Special Fund Regulations.

4. The investment fund management company may not sell securities according to Sections 20 and 21 of the Investment Fund Act on the account of an investment fund which are not part of the fund's assets at the time of conclusion of the transaction.

#### **Section 5 Custodian bank**

The custodian bank appointed according to Section 23 of the Investment Fund Act manages the deposits and accounts of the investment fund and exercises all other functions entrusted to it by the Investment Fund Act and in the Fund Regulations.

#### **Section 6 Issue price and unit value**

1. The custodian bank calculates the value of a unit (unit value) for every class of unit certificates and publishes the issue price and redemption price (Section 7) every time there is an issue or redemption of the units, but at least twice per month. The value of a unit is determined by dividing the total value of the investment fund including income by the number of units. The total value of the investment fund is determined by the custodian bank based on the respective market values of the respective securities and related subscription rights, plus the value of the money market instruments and financial investments, monetary amounts, credit balances, receivables (claims) and other rights belonging to the investment fund, minus liabilities. In determining the market values, the latest known stock market prices or price determinations are taken as a basis.

2. The issue price is derived from the unit value plus a sales charge per unit to cover the issuing expenses of the company. The resulting price is rounded up. The amount of this sales charge or rounding-up is stated in the Special Fund Regulations (Section 25).

3. The issue price and the redemption price are announced according to Section 18 Investment Fund Act in connection with Section 10 (3) KMG [Kapitalmarktgesetz] for every class of unit certificates in a business or daily newspaper that is published within Austria or in electronic form on the homepage of the investment fund management company.

#### **Section 7 Redemption**

1. At the request of an unit-holder, his or her unit in the investment fund is paid out to him or her at the respective redemption price, and, if applicable, against surrendering of the unit certificate, the income certificates not yet due, and the renewal coupon.

2. The redemption price is based on the value of a unit less a deduction and/or rounding down to the extent that this is mentioned in the Special Fund Regulations (Section

25). Payment of the redemption price as well as calculation and publication of the redemption price according to Section 6 may be suspended temporarily with simultaneous notification to the Financial Market Authority and may be made subject to the condition of sale of assets of the investment fund as well as of receipt of the sales proceeds if there are extraordinary circumstances which make this appear necessary in view of the legitimate interests of the unit-holders. This is in particular the case if the fund has invested 5% or more of its assets in assets the valuation prices of which – due to the political or economic situation – obviously and not only in the individual case do not represent the actual values.

### **Section 8 Accounting**

1. Within four months after the expiration of the accounting year of the investment fund, the investment company publishes an annual report prepared in accordance with Section 12 of the Investment Fund Act.

2. Within two months after the expiration of the first six months of the accounting year of an investment fund, the investment fund management company publishes a semi-annual report prepared in accordance with Section 12 of the Investment Fund Act.

3. The annual report and the semi-annual report are made available for inspection at the investment fund management company and the custodian bank.

### **Section 9 Period for collection of income shares**

If payment of income shares is not claimed by the unit-holders within five years, then this is deemed a waiver by the unit-holders; such income shares will be treated as income of the investment fund.

### **Section 10 Publication**

Section 10 Capital Markets Act [Kapitalmarktgesetz] applies to all publications related to the unit certificates, except for publications of the values calculated in accordance with Section 6.

Publications are effected either by full printing in the Official Gazette [Amtsblatt] of Wiener Zeitung or by making a sufficient number of copies of this publication available at the registered office of the investment fund management company and the paying agents free of charge and announcing in the Official Gazette of Wiener Zeitung the date of publication and the places where copies may be obtained.

### **Section 11 Amendments to the Fund Regulations**

The investment fund management company may amend the General and Special Fund Regulations with the consent of the supervisory board and with the approval of the custodian bank. The amendment also requires the approval of the Financial Market Authority. The amendment must be published. It takes effect on the date given in the publication, but not earlier than 3 months after the publication.

### **Section 12 Termination and liquidation**

1. The investment fund management company may by public announcement (Section 10) terminate the management of the investment fund after having obtained the approval of the Financial Market Authority by giving at least six months' notice, or without prior notice if the fund's assets fall Euro 370,000.00.

2. If the investment fund management company's right to manage this investment fund terminates, administration or

liquidation is performed in accordance with the relevant regulations of the Investment Fund Act.

### **Section 12 a Consolidation or transfer of fund's assets**

The investment fund management company may consolidate the investment fund's assets with the assets of other investment funds in compliance with Section 3 (2) or Section 14 (4) of the Investment Fund Act, or may transfer the investment fund's assets to the assets of other investment funds, or incorporate the assets of other investment funds into the investment fund's assets.

### **Special Fund Regulations**

for the fund Apollo Euro Corporate Bond Fund, a mutual fund investing in securities (hereinafter referred to as "investment fund").

The investment fund complies with regulation 85/611/EEC (UCITS).

### **Section 13 Custodian bank**

The custodian bank is Aviso Epsilon AG\*, Vienna.

### **Section 14 Paying agents and collecting agents, unit certificates**

1. The paying agent and collecting agent for unit certificates and coupons is Aviso Epsilon AG\*, Vienna.

2. Both accumulating and distributing unit certificates with KEST deduction are issued for the investment fund.

The unit certificates are represented by global certificates. Thus, physical securities cannot be delivered.

3. The dividends and/or payments pursuant to Section 28 are credited by the respective custodian bank of the unit holder.

### **Section 15 Securities and investment principles**

1. All kinds of fixed or floating-rate interest-bearing securities, money market instruments or other liquid financial instruments denominated in Euros for at least 50% of the fund assets may be acquired for the investment fund in accordance with Sections 4, 20 and 21 Investment Fund Act and Sections 16 et seq. of the fund's provisions, if adequate dispersion and protection of interests of share holders is guaranteed.

2. The following investment principles apply for investing in different kinds of securities for the investment fund:

- Securities: The fund is primarily invested in EUR bonds of upcoming companies rated at minimum BB-.
- Money market instruments: Money market instruments may be acquired for the investment fund to ensure short-term liquidity.
- Holdings in investment funds: The investment fund may hold up to 10 percent of the funds assets in other investment funds.

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\* on 29/12/2009 the name was changed to SEMPER CONSTANTIA PRIVATBANK AKTIENGESELLSCHAFT

- Sight deposits: The investment fund may be invested in sight deposits and callable deposits with maturity up to 12 months, within the investment strategy, these are subordinated aims.
  - Derivatives: As a rule, derivatives may be used for hedging or to increase income, within the investment strategy these are subordinated aims.
3. In the case of investment in securities and money market instruments with embedded derivatives the capital investment company has to consider those derivatives in evaluations according to Section 19 and 19a. Exposure of the investment fund in index-based derivatives shall not be considered in the investment principles according to Section 20 (3) Item 5, 6, 7 and 8d Investment Fund Act.
  4. Not applicable
  5. Securities or money market instruments issued member states including their regional authorities, third party countries or international organizations under public law to which one or more member countries belong may be acquired above 35%, to the extent that the fund assets are invested in at least six different issues with no issue exceeding 30% of the fund assets.

#### **Section 16 Stock exchanges and organized markets**

1. Securities and money market instruments may be purchased, if
  - they are listed or traded on a security exchange of a member country or
  - they are traded on a public, regulated, approved and proper security market of a member country or
  - they are officially listed on an non-EU country Exchange mentioned in the annex or
  - they are traded on a public, regulated, approved and proper security market of a non-EU country listed in the annex or
  - the conditions of issue include an undertaking that application will be filed for the admission to public listing or trading on one of the other stock exchanges set out above or for trading on one of the other markets set out above and that admission is, at the latest, within one year from the start of issue of the securities.
2. Money market instruments that are not traded on a regulated market, which usually are traded on the money market, are liquid and for which the value can be determined at any time, can be acquired for the investment fund if the issue or issuer is subject to the regulations concerning protection of investors and deposits and either
  - belong to, be guaranteed or issued by a central government, regional or local authority, the national bank of a member state, the European Central Bank, the European Union, the European Investment Bank, a non-EU country or, if this is a federal state its member state, an international institution under public law which includes at least one member country or
  - are issued by companies whose securities are traded on regulated markets according to point 1 - except new issues - or
  - are issued or guaranteed by an institution which is subject to community law supervision according to the criteria set out in community law, or which are issued or guaranteed by an institution which is subject to supervision conditions and upholds these

that are at least as strict as those set out in community law in the view of the Financial Market Authority or

- are issued by another issuer which belongs to a category admitted by the Austrian Financial Markets Supervisory Agency, as far as investment in this assets is subject to equivalent regulations concerning protection of investors and the issuer is a corporation with equity of at least EUR 10 million and reports pursuant to Directive 78/660/EEC, or is a legal entity with responsibility within a group of one or more listed companies for financing this group or, is a legal entity for financing of securitisation of debt using allowed bank credit lines.
3. Up to 10% of the fund's assets may be invested in securities and money market instruments that do not meet the conditions of 1 and 2 above.

#### **Section 17 Investment fund units**

1. Units in investment funds (=mutual funds and open investment companies) which comply with Directive 85/611/EEC (UCITS), may be acquired up to 10%, provided that their investment in mutual funds does not exceed 10% of their total assets.
2. Units in investment funds not complying with Directive 85/611/EEC (UCITS) with sole purpose of
  - investing publicly procured money for joint account in securities and other liquid financial products according to the risk distribution principle and
  - for which the units are directly or indirectly redeemed or paid out by debiting the investment fund's assets on request of the share holder,
 may be invested up to 10% of the fund's assets, if
  - a) their investment in other investment funds does not exceed 10% of their fund's assets and
  - b) from the Austrian Financial Markets Supervisory Agency's point of view their legal regulations assure, that their supervision is equivalent to community law and adequate cooperation between the agencies is granted and
  - c) the level of protection meets the level of protection of shareholders of investment funds according to Directive 85/611/EEC (UCITS), especially regulations concerning separate custody for the portfolio, borrowing, lending and short positions of securities and financial market instruments meets Directive 85/611/EEC and
  - d) Business activity is subject to annual and semi-annual reports which facilitate knowledge of assets, debts, earnings and transactions during the reporting period.
3. The investment fund may invest in units of investment funds managed directly or indirectly by the same investment company or by a company associated with investment company via consolidated management, control or a material direct or indirect holding.
4. Holdings in a single investment fund must not exceed 10 percent of the fund's assets.

#### **Section 18 Sight deposits and callable deposits**

The investment fund may be invested in bank deposits via sight deposits or callable deposits with maturity up to 12 months. No minimum bank deposit is required and the maximum bank deposit is unlimited.

#### **Section 19 Derivatives**

1. The fund may invests in derivatives including cash settled instruments provided that they are traded in

markets mentioned in Section 16 and their underlyings are securities, money market instruments or other liquid securities according to Section 15 or financial indices, interest rates, currency rates or currencies in which the fund may invest according to the fund policy, Section 15.

2. The total risk associated with derivative products must not exceed the total net value of the fund's assets. The calculation of risk considers the market value of the underlying, default risk, future market fluctuations and the liquidation period for the position.
3. The investment fund may be invested in derivatives as part of its investment policy within the meaning of Section 20 clause 3 no. 5, 6, 7, 8a and 8d Investment Fund Act, as far as the total risk of the underlyings does not exceed the limits defined herein.

#### **Section 19a OTC derivatives**

1. The investment fund can invest in derivative instruments, which are not traded on a stock exchange (OTC derivatives), provided that
  - a) The underlying complies with Section 19 clause 1,
  - b) The trading partner is a supervised institution of a category which is permitted by the Austrian Financial Markets Supervisory Agency via regulation
  - c) Reliable and verifiable valuation of the OTC derivative on a daily basis is provided and closing via selling, liquidation or counter trade on request of the capital investment company is possible in adequate time
  - d) Section 20 (3) No. 5, 6, 7, 8a and 8d Investment Fund Act are considered and the total risk of the underlying does not exceed the investment limits defined herein.
2. The default risk compared to transactions with OTC derivatives must not exceed following rates:
  - a) if the trading partner is a financial institution 10% of the fund's assets,
  - b) otherwise 5% of the fund's assets.

#### **Section 20 Borrowing**

The investment fund management company may raise short term loans for account of an investment fund up to the amount of 10% of the fund's assets.

#### **Section 21 Repurchase agreements**

The investment fund management company is entitled, within the investment limits laid down by the Investment Fund Act, to purchase assets for the account of the investment fund, subject to the seller's commitment to repurchase such assets at a predetermined time and at a predetermined price.

#### **Section 22 Interest rate swaps**

The investment fund management company is entitled, within the investment limits laid down by the Investment Fund Act, to swap claims to variable-rate interest payments for claims to fixed-rate interest payments, or claims to fixed-rate interest payments for claims to variable-rate interest payments, to the extent that the interest payments to be made are matched by equal claims to interest payments from fund's assets.

#### **Section 23 Currency swaps**

The investment fund management company is entitled, within the investment limits laid down by the Investment Fund Act, to swap fund assets for assets denominated in a different currency.

#### **Section 24 Securities lending**

The investment fund management company is authorized, within the investment limits laid down by the Investment Fund Act, to transfer to third parties for a specific period securities up to 30 per cent of the fund's assets under a recognized securities lending system, provided that such third party is obliged to retransfer such securities upon expiry of the predetermined lending period.

#### **Section 25 Offering and redemption price**

The unit value is calculated in EUR according to Section 6.

The initial charge to cover the offering expenses of the company amounts to up to 5.25 percent. To determine the issue price the resulting amount is rounded up to the next cent. The redemption price is calculated by rounding down the value of the unit down to the next cent.

In principle, there is no limit of offering units, however, the investment fund management company reserves the right to discontinue the offering of unit certificates temporarily or completely.

#### **Section 26 Fiscal year**

The fiscal year of Apollo Euro Corporate Bond Fund is from October 1 to September 30 of the next calendar year.

#### **Section 27 Administrative fee**

The investment fund management company receives an annual remuneration for its administrative activities up to an amount of 1.5 percent of the fund's assets, calculated on a monthly basis. Furthermore, the investment fund management company has the right to charge the fund with all expenses incurred in connection with the administration, in particular expenses for mandatory publications, deposit fees, and auditing, consulting, and financial reporting expenses.

#### **Section 28 Use of income in case of distributing unit certificates**

The income earned in the course of a fiscal year is, after the costs have been covered, distributed to the holders of distributing unit certificates as of December the first of the next accounting year – if applicable against collection of a coupon, as follows: if they consist in interest and dividends in full and if they consist in proceeds from the sale of assets of the fund including subscription rights at the discretion of the investment fund management company; the remainder will be carried forward.

#### **Section 29 Use of income in case of accumulating unit certificates with KESr deductions**

The income earned in the course of the accounting year after coverage of costs will not be distributed. In the case of accumulating unit certificates an amount determined according to the third sentence of Section 13 Investment Fund Act shall be paid as of December 1, which shall be used to cover any liability to pay investment income tax on the amount of income from the unit certificate that is equivalent to the distributed income.

The custodian bank receives compensation up to an amount of up to 0.5% of the fund's assets from the net settlement proceeds.

## Section 30 Settlement

### ANNEX

#### Annex to section 15 no. 5:

EU-members

United States of America, Canada

#### Annex to section 16: List of stock Exchanges with official trade and of organized markets

##### 1. Stock Exchanges with official trade and organized markets in the member states of the EEA

Concerning article 16 of Directive 93/22/EEC [investment services directive] every member country has to conduct an up-to-date catalogue of its authorized markets. This catalogue has to be communicated to the Commission and to all other member countries.

According to this regulation the Commission has to publish a catalogue of all of the regulated markets that have been notified to the Commission every year.

Due to reduced entry barriers and specialised trading segments the catalogue "organized markets" can be subject to material changes. Therefore the Commission will also publish an updated version on its official Web site.

[www.fma.gv.at/de/fma/marktteil/wertpapi/emittent/emittent.htm](http://www.fma.gv.at/de/fma/marktteil/wertpapi/emittent/emittent.htm) in „Verzeichnis der Geregeltten Märkte (pdf)“

##### As well as

Poland:	Warsaw
Slovakia:	Bratislava, RM-System Slovakia and Bratislava Options Exchange-BOB
Slovenia:	Ljubljana
Czech Republic:	Prague
Hungary:	Budapest
Estonia:	Tallinn

##### 2. Stock Exchanges in European countries outside the EEA

2.1	Croatia:	Zagreb
2.2	Swiss:	Zurich, Geneva, Basel
2.3	Turkey:	Istanbul (relevant Stock Market only "National Market")

##### 3. Stock Exchanges in non-European countries

3.1	Australia:	Sydney, Hobart, Melbourne, Perth
3.2	Argentina:	Buenos Aires
3.3	Brazil:	Rio de Janeiro, Sao Paulo
3.4	Chile:	Santiago
3.5	Hong Kong:	Hong Kong Stock Exchange
3.6	India:	Bombay
3.7	Indonesia:	Jakarta
3.8	Israel:	Tel Aviv
3.9	Japan:	Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima
3.10	Canada:	Toronto, Vancouver, Montreal
3.11	Korea:	Seoul
3.12	Malaysia:	Kuala Lumpur
3.13	Mexico:	Mexico City
3.14	New Zealand:	Wellington, Christchurch/Invercargill, Auckland
3.15	Philippines:	Manila
3.16	Singapore:	Singapore Stock Exchange
3.17	South Africa:	Johannesburg
3.18	Taiwan:	Taipei
3.19	Thailand:	Bangkok
3.20	USA:	New York, American Stock Exchange (AMEX), New York Stock Exchange (NYSE), Los Angeles/Pacific Stock Exchange, San Francisco/Pacific Stock Exchange, Philadelphia, Chicago, Boston, Cincinnati
3.21	Venezuela:	Caracas

##### 4. Organized markets outside the European community

4.1	Japan:	Over the Counter Market
4.2	Canada:	Over the Counter Market
4.3	Korea:	Over the Counter Market

- 4.4 Switzerland: SWX-Swiss Exchange, BX Berne Exchange; Over the Counter Market of the members of the International Securities Market Association (ISMA), Zürich
- 4.5 USA Over the Counter Market in the NASDAQ-System, Over the Counter Market (markets organized by NASD such as Over-the-Counter Equity Market, Municipal Bond Market, Government Securities Market, Corporate Bonds and Public Direct Participation Programs), Over-the-Counter-Market for Agency Mortgage-Backed Securities

#### 5. Stock Exchanges with future and option markets

- 5.1 Argentina: Bolsa de Comercio de Buenos Aires
- 5.2 Australia: Australian Options Market, Sydney Futures Exchange Limited
- 5.3 Brazil: Bolsa Brasileira de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
- 5.4 Canada: Montreal Exchange, Toronto Futures Exchange
- 5.5 Hong Kong: Hong Kong Futures Exchange Ltd.
- 5.6 Japan: Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange
- 5.7 New Zealand: New Zealand Futures & Options Exchange
- 5.8 Philippines: Manila International Futures Exchange
- 5.9 Singapore: Singapore International Monetary Exchange
- 5.10 South Africa: Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX)
- 5.11 Switzerland: EUREX
- 5.12 USA: American Stock Exchange, Chicago Board Options Exchange, Chicago, Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, Mid America Commodity Exchange, New York Futures Exchange, Pacific Stock Exchange, Philadelphia Stock Exchange, New York Stock Exchange