



APOLLO EURO CORPORATE BOND FUND

Co-ownership fund in securities according to the Investmentfondsgesetz (Austrian Investment Fund Act)

Statement of accounts for the fiscal year from
October 1st, 2016 to September 30th, 2017

Security Kapitalanlage Aktiengesellschaft, Graz

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Shareholder

Capital Bank - GRAWE Gruppe AG, Graz

State Commissioners

MR Mag. Hans-Jürgen Gaugl, MSc
Mag. Barbara Pichler

Supervisory board

Dr. Othmar Ederer (Vorsitzender)
Mag. Klaus Scheitegel (Vorsitzender Stellvertreter)
DDIng. Mag. Dr. Günther Puchtl
Mag. Christiane Riel-Kinzer

Board of management

Mag. Dieter Rom
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

Information on remuneration policy (2016)

(according to § 20 section 2 no. 5 and 6 AIFMG respectively according to Annex I Schedule B no. 9 InvFG 2011)

- Remuneration:

The information is provided for the total entity for the financial year 2016.

Neither incentive payments nor other charges regarding the investment fund were directly paid.

Total number of employees per 31.12.2016:	35
Total number of managers/risk carriers:	6
Fixed remuneration:	EUR 2,450,708.15
Variable remuneration (bonuses):	EUR 740,576.20
Total remuneration for employees (including executive board):	EUR 3,191,284.35

thereof:

- Remuneration for the executive board:	EUR	846,674.03
- Remuneration for managers (including executive board and employees in positions of control):	EUR	1,514,344.84
- Remuneration for executive board, employees in positions of control, risk carriers and employees, who have the same income level as executive board and risk carriers:	EUR	1,514,344.84
- Remuneration for employees in positions of control:	EUR	116,105.25
- Remuneration for other risk carriers:	EUR	0.00
- Remuneration for employees, who have the same income level as executive board and risk carriers	EUR	0.00
- Information on carried interests:		none

- Remuneration guidelines for variable remuneration:

Regarding the amount of the variable remuneration, the ratio of the fixed and variable components is such that the proportion of the fixed component is sufficiently high, that a flexible policy regarding the variable component is possible without restriction and that even the payment of a variable component can be waived entirely.

The total variable remuneration is limited in amount with the fixed annual salary.

The remuneration must be calculated on the overall performance of an employee and his department, taking into account financial and non-financial criteria and individual target.

The observation period is based on the business cycle of the company (past fiscal year). However the individual performance evaluation of an employee takes into account a multi-year period. Lack of individual target fulfillment of one financial year cannot be compensated with any over-performance in the next and / or another financial year.

Variable compensation will be paid to employees only if justified by the performance of his business unit or of himself.

The qualitative criteria include reliability, speed and careful execution of the tasks to be done. Quantitative aspects differ with the field of application. While in the sales area sales figures are relevant, fund management is particularly dependent on long-term volume development.

In addition to fulfilling tasks for one's own area, there are taken in account also initiatives beyond his own area of responsibility in his immediate department, if he is company-wide solution-oriented thinking and acting. Company-wide targets (income, market share) are taken also into consideration.

The possibility to reclaim bonus payments is provided.

The provision that employees are not permitted to use personal hedging strategies or liability-based insurance to undermine the risk-taking orientation of the compensation rules does not appear applicable as no employee has an insurable entitlement to variable remuneration

Die Bestimmung, dass die Mitarbeiter auf keine persönlichen Hedging-Strategien oder haftungsbezogene Versicherungen zurückgreifen dürfen, um die in den Vergütungsregelungen verankerte Ausrichtung am Risikoverhalten zu unterlaufen, erscheint nicht anwendbar, da keine Mitarbeiter einen versicherbaren Anspruch auf eine variable Vergütung haben.

- **Information, where the remuneration policy can be found**

A description of the remuneration policy can be found on the homepage of the management company www.securitykag.at.

- **Information on the result of the audits** (including all irregularities that have occurred) by the supervisory Board and independent internal audit (internal audit):

There have been no significant audit findings during the recent audits.

- **Information on significant changes in the remuneration policy:**

The recent change of remuneration policy was on 14th of November 2016.

Report to the shareholders

Dear shareholder,

the Security Kapitalanlage Aktiengesellschaft hereby 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, for the fiscal year from October 1st, 2016 to September 30th, 2017.

1. The past five fiscal years in comparison

	Total asset value	Distributing shares AT0000819487		Accumulating shares AT0000746938			Performance in percent ¹⁾
		Net asset value per share	Distribution per share	Net asset value per share	Profit used for accumulation	Payment pursuant to § 58 section 2 InvFG 2011	
30/09/2017	368,376,487.38	6.77	0.1200	11.98	0.3480	0.0947	1.08
30/09/2016	305,674,374.10	6.83	0.1300	11.95	0.3891	0.0598	7.67
30/09/2015	280,760,421.03	6.54	0.2000	11.19	0.2915	0.0600	0.57
30/09/2014	285,135,232.37	6.75	0.2500	11.25	0.3603	0.0900	8.27
30/09/2013	199,186,966.43	6.48	0.2500	10.47	0.3732	0.0900	5.43

	Total asset value	Distributing shares AT0000A1NQT7 ²⁾		Performance in percent ¹⁾
		Net asset value per share	Distribution per share	
30/09/2017	368,376,487.38	99.45	1.8100	1.35
30/09/2016	305,674,374.10	99.99	1.8300	-0.01

¹⁾ Total reinvestment of distributed amounts at net asset value on the day of distribution assumed

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

	Distributing share AT0000819487	Accumulating share AT0000746938
Net asset value at the beginning of the fiscal year	6.83	11.95
Distribution on December 1 st , 2016 (equivalent to 0.0198 shares) ¹⁾	0.1300	
Payment of „KEST“ on December 1st, 2016 (equivalent to 0.0083 shares) ¹⁾		0.0968
Net asset value at the end of the fiscal year	6.77	11.98
Total value including (fictitious) shares acquired by distribution/ payment	6.90	12.08
Net asset value per share	0.07	0.13
Performance per share in fiscal year	1.08 %	1.09 %

^S
¹⁾ Net asset value per distributing share (AT0000819487) on December 1st 2016 EUR 6.57; Net asset value per accumulating share (AT0000746938) on December 1st 2016 EUR 11.63

	Distributing share AT0000A1NQT7
Net asset value at the beginning of the fiscal year	99.99
Distribution on December 1 st 2016 (equivalent to 0.0190 shares) ¹⁾	1.8300
Net asset value at the end of the fiscal year	99.45
Net asset value per share	1.35
Performance per share in fiscal year	1.35 %

¹⁾ Net asset value per distributing share (AT0000A1NQT7) on December 1st 2016 EUR 96.33

Due to the use of rounded values in unit certificates, distributions and payouts, the performance of the unit classes may differ despite use of the same fee rate.

2.2. Fund's results in EUR

a) Realized fund's results

Ordinary fund's result

Profits (without exchange result)

Interest income	8,154,778.90	8,154,778.90
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Charges

Payment to investment management company	-2,829,153.27	-2,829,153.27
Sundry administration fees		
Charges for auditor/tax accountant	-8,100.00	
Foreign administration costs	-9,124.16	
Deposit fees	-117,631.53	
Interest income	-52,734.00	
Expenses for custodian bank	-49,013.88	-236,603.57
		-3,065,756.84

Ordinary fund's result (excl. income adjustment)		5,089,022.06
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Realized exchange results ^{2) 3)}

Realized profits	6,761,294.15
Derivatives	1,465,321.44
Realized losses	-1,521,665.24

Realized exchange result (excl. income adjustment)	6,704,950.35
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Realized fund's result (excl. income adjustment)	11,793,972.41
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b) Not realized fund's result ^{2) 3)}

Changing of realized result	-8,520,443.18
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Result of the fiscal year	3,273,529.23
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c) Income adjustment

Income adjustment for fiscal year gains	1,836,047.15
Income adjustment for fiscal year accumulated income	2,250,469.36
Income adjustment	4,086,516.51

Total fund's result⁴⁾	7.360.045.74
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²⁾ 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

³⁾ Total exchange result, without income adjustment (realized exchange results without income adjustment, plus changing of not realized exchange result) EUR -1,815,492.83.

⁴⁾ The result of the fiscal year includes explicitly designated transaction costs in the amount of EUR EUR 15,314.01.

2.3. Development of the fund's assets in EUR

Fund's assets at the beginning of the fiscal year ⁵⁾ **305,674,374.10**

Distribution / Payment

Distribution on December 1 st 2016 (for distributing shares AT0000819487)	-1,721,869.37	
Distribution on 1 December 1 st 2016 (for distributing shares AT0000A1NQT7)	-13,681.08	
Payment on December 1 st 2016 (for accumulating shares AT0000746938)	<u>-1,684,385.35</u>	
		-3,419,935.80

Issue and redemption of shares

Issue of shares	138,632,414.03	
Redemption of shares	-75,783,894.18	
Income adjustment	<u>-4,086,516.51</u>	
		58,762,003.34

Total fund's result **7,360,045.74**
(the fund's result is precisely described in point 2.2.)

Fund's assets at the end of fiscal year ⁶⁾ **368,376,487.38**

⁶⁾ Number of shares at the beginning of fiscal year:
12,648,648 distributing shares (AT0000819487) and one distributing share (AT0000A1NQT7) and
18,356,471 accumulating shares (AT0000746938)

⁷⁾ Number of shares at the end of fiscal year:
19,511,666 distributing shares (AT0000819487) und 154,771 distributing shares (AT0000A1NQT7) and
18,442,491 accumulating shares (AT0000746938)

Distribution (AT0000819487)

The distribution of EUR 0.12 per co-ownership share will be paid out by the customer's custodian bank for coupon number 20 effective from December 1st, 2017.

The custodian bank has to withhold capital gains tax (KEST) amounting to EUR 0.0534 (rounded) per distributing share, if there are no reasons for exemption.

Distribution (AT0000A1NQT7)

The distribution of EUR 1.81 per co-ownership share will be paid out by the customer's custodian bank for coupon number 20 effective from December 1st, 2017.

The custodian bank has to withhold capital gains tax (KEST) amounting to EUR 0.8326 (rounded) per distributing share, if there are no reasons for exemption.

Payment (AT0000746938)

The distribution of EUR 0.0947 per co-ownership share will be paid out by the customer's custodian bank for coupon number 20 effective from December 1st, 2017.

The payment of EUR 0.0947 (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.

Die Security Kapitalanlage Aktiengesellschaft takes into account den "Code of Conduct of the Austrian Investment fund industry of 2012".

3. Financial markets

The management period between October 1st 2016 and September 30th 2017 was characterized by an environment of very low rates of interest. Driven by decreasing the prime rate and executing a broad based bond purchasing program the ECB continued its highly expansive monetary policy. In contrast to that the US-FED increased its key rate by another 0.25% in December 2016. This step was the second increase after turning-around the rate cycle in 2015. The move towards a more hawkish monetary policy was backed by two further hikes in March and June 2017 that lifted the prime rate to a level of 1.25%. Even though the rate differential between the USD and the EUR widened substantially, the strength of the USD in the H1 of the business year abated and was followed by a strengthening of the EUR.

Issues like the UK leaving the EU (BREXIT), the turnaround of the rate-cycle in the US, the tough election battle in the US and in France as well as the referendum in Italy about changing the constitution elevated the level of uncertainty and demanded a great deal of psychological resistance. At least over the very short term the cocktail of those factors caused volatility levels on the international capital markets to increase. During the reporting period the average price volatility on bond as well as on equity markets remained at exceptionally low levels.

With indications and promises of reflationary measures the winner of the presidential election in the USA, Donald Trump, triggered an unprecedented rally on the international stock markets that was still intact by the end of the reporting period. In addition to the highly supportive interest rate environment especially the strong business activity backed the trend of rising stock prices. In light of this the unemployment rate in the OECD countries marked a 10 year low, changes of consumer prices approached the central-banks' target levels and deflationary fears completely faded away.

Neither the 3 rate hikes by the US-FED nor the announcement of reducing the inflated asset base of the Federal Reserve Bank tamped the positive momentum on the international stock and bond markets. The more restrained monetary policy in the US on the one hand and the positive and robust economic progress in Europe on the other hand are two factors that are putting an increasing pressure on the ECB of bringing the very accommodative policy to an end. Given the healthy business climate most countries in the Eurozone are showing a shift to a more restrained policy should be just a matter of time.

4. Investment policy

In the business year the portion of “high yield” names decreased slightly from a portfolio weight of 17.4% to 16.3%. Backed by positive fundamentals the general expectations for corporate bonds remained largely positive. Various names in the portfolio registered superior price increases and were replaced by more productive names. Especially the exposure to automobile-, paper- and media issuers was reduced in favour of attractive investments into industry segments like real estate, food/beverages/tobacco and transport (excluding air and rail). Due to increasing commodity and energy prices in 2017, bonds belonging to those sectors recovered strongly and caused us to realise a portion of the profits. From the beginning of the business year to the end of September 2017 the exposure to the energy sector was reduced by 1.1% to 7.7%. The deep analysis of credit quality remained the dominant factor in picking single issuers and bonds. In the 12month period the fund again registered no defaulting portfolio element.

The fund's net asset value registered a performance of 1.08% (A and T-shares) and +1.35% (A2-shares) respectively. With +0.35% the internally used benchmark (BofA Merrill Lynch EMU Corporates, non-financial, BBB-rated) returned substantially less. By the end of September and similar to the previous reporting period the portfolio was invested in fixed income securities issued by 92 corporations from 23 industries. The invested portfolio showed an average credit rating of BBB3, an average yield of 1.56% (yield-to-worst) and an average coupon of 2.7%. In terms of sector concentration the top 3 sectors were real estate (21%), utilities (12.7%) and telecommunication services (9.9%). By the end of September the fund held 3.97% of the total assets in cash. The duration risk was 4.9 years (duration-to-worst).

Due to the current environment of very tight spreads we think that returns for investors are limited to coupon-like gains at best for the rest of 2017 (after hedging costs). Compared to sovereign bonds high yield corporates are still attractive on a relative basis. We expect returns to be impacted by technical factors, by central bank measures as well as by other exogenous issues like political imponderables. Our management approach of keeping a very close eye on markets and manage them carefully helps us especially in volatile market environments. Those phases are characterized by a lower degree of market efficiency and enable us to pile up good quality at a reasonable price. In order to generate constant income and minimize the risk of loss-realization our investment strategy still focuses on stable issuers with robust business models. There is the risk of a more restrictive monetary policy by the ECB and the FED than market participants expect. This might weigh on international fixed income markets in the year ahead.

5. Statement of the fund's assets

NAME OF SECURITIES	SEC.I.NUMB.	CURRENCY	ASSETS	PURCHASES	SALES	MARKET	MARKET VALUE	TOTAL
			30.09.2017	ADDITIONS	DISPOSALS	PRICE	IN EUR	FUND'S-
			PIECES./NOM.	IN REPORTING PERIOD				ASSETS (IN PERCENT)
Officially listed securities/regular markets								
Bonds								
FRN AT&T Inc. 21.06.2017-04.09.2023	XS1629866606	EUR	2,000,000	2,000,000	0	101.9840	2,039,680.00	0.55
0.375 Teva Pharma.Finance NL 25.07.2016-25.07.2020	XS1439749109	EUR	405,000	405,000	0	99.1630	401,610.15	0.11
0.50 HeidelbergCement Fin.Lux.SA 18.01.17-18.01.21	XS1549372420	EUR	1,000,000	1,000,000	0	101.1170	1,011,170.00	0.27
0.50 Repsol Intl.Finance 23.05.2017-23.05.2022	XS1613140489	EUR	2,500,000	4,500,000	2,000,000	100.3520	2,508,800.00	0.68
0.75 Legrand S.A. 06.07.17-06.07.24	FR0013266830	EUR	2,900,000	2,900,000	0	100.0250	2,900,725.00	0.79
0.875 Verizon Communic.Inc.02.11.16-02.04.25	XS1405766897	EUR	2,000,000	2,000,000	0	97.2210	1,944,420.00	0.53
0.918 Nortegas Energia Distr. 28.09.2017-28.09.22	XS1691349796	EUR	1,500,000	1,500,000	0	100.3090	1,504,635.00	0.41
1.25 Allergan Funding SCS 26.05.2017-01.06.2024	XS1622624242	EUR	5,100,000	5,100,000	0	100.8720	5,144,472.00	1.40
1.25 FCA Capital Ireland 23.3.2016-23.09.2020	XS1383510259	EUR	200,000	200,000	0	102.7070	205,414.00	0.06
1.25 Selp Finance SARL 25.10.2016-25.10.2023	XS1508586150	EUR	6,225,000	6,225,000	0	99.4420	6,190,264.50	1.68
1.375 Dream Global Funding 1 27-07-2017-21.12.2021	XS1651850569	EUR	4,000,000	4,000,000	0	100.0300	4,001,200.00	1.09
1.375 FCA Capital Ireland 17.04.2015-17.04.2020	XS1220057472	EUR	1,200,000	575,000	0	102.8650	1,234,380.00	0.34
1.375 Goodman Australia Fin. 27.09.2017-27.09.2025	XS1577951129	EUR	2,530,000	2,530,000	0	99.8520	2,526,255.60	0.69
1.375 GALP Gas Natural 19.09.2016-19.09.2023	PTGDDAOE0001	EUR	5,300,000	2,300,000	0	101.4160	5,375,048.00	1.46
1.45 AT & T Inc. 02.12.14-01.06.22	XS1144086110	EUR	3,000,000	3,000,000	0	104.0160	3,120,480.00	0.85
1.45 Inmobiliaria Colonial 28.10.2016-28.10.2024	XS1509942923	EUR	900,000	900,000	0	98.9930	890,937.00	0.24
1.477 Telefonica Emisiones 14.09.2015-14.09.2021	XS1290729208	EUR	3,600,000	0	0	104.6460	3,767,256.00	1.02
1.50 Ado Properties SA 27.07.2017-26.07.2024	XS1652965085	EUR	1,400,000	1,400,000	0	100.2040	1,402,856.00	0.38
1.50 Aroundtown Property Hldg 03.05.2016-03.05.2022	XS1403685636	EUR	900,000	900,000	0	102.4200	921,780.00	0.25
1.50 Aroundtown Property Hldg 15.07.2016-15.07.2024	XS1449707055	EUR	4,500,000	4,500,000	0	99.0720	4,458,240.00	1.21
1.50 JAB Holdings BV 24.11.2014-24.11.2021	DE000A1ZSAF4	EUR	1,800,000	0	0	105.0490	1,890,882.00	0.51
1.50 Kinder Morgan 16.03.2015-16.03.2022	XS1196817156	EUR	5,100,000	2,500,000	0	103.3620	5,271,462.00	1.43
1.50 Kojamo Oyj 19.06.17-19.06.24	XS1628004779	EUR	2,000,000	2,000,000	0	100.5850	2,011,700.00	0.55
1.50 Neste Oil OYJ 07.06.2017-07.06.2024	FI4000261201	EUR	5,600,000	7,100,000	1,500,000	101.3280	5,674,368.00	1.54
1.50 Radiotelevisione Italian 28.05.2015-28.05.2020	XS1237519571	EUR	5,000,000	0	0	103.7030	5,185,150.00	1.41
1.50 Teleperformance 03.04.2017-03.04.2024	FR0013248465	EUR	4,900,000	4,900,000	0	101.3030	4,963,847.00	1.35
1.50 Thermo Fisher Scientific 24.11.15-01.12.2020	XS1322986537	EUR	550,000	0	0	104.0330	572,181.50	0.16
1.625 Ingenico 13.09.2017-13.09.2024	FR0013281946	EUR	3,200,000	3,200,000	0	99.8130	3,194,016.00	0.87
1.625 VVO Yhtyma OYJ 17.10.2016-17.10.2023	FI4000223532	EUR	2,900,000	3,500,000	600,000	101.7100	2,949,590.00	0.80
1.75 Akelius Residential AB 30.05.2017-07.02.2025	XS1622421722	EUR	2,000,000	2,000,000	0	100.7980	2,015,960.00	0.55
1.75 Danske Bank A/S 20.09.2017-20.09.2024	DK0030403993	EUR	5,170,000	5,170,000	0	100.0490	5,172,533.30	1.40
1.75 Nasdaq Inc. 20.05.2016-19.05.2023	XS1418630023	EUR	2,000,000	0	0	104.8970	2,097,940.00	0.57
1.85 Bunge Finance Europe BV 16.06.2016-2023	XS1405777316	EUR	4,550,000	1,800,000	0	103.2470	4,697,738.50	1.28
1.875 Almarai Corp. 08.12.2014-08.12.2021	XS1148074518	EUR	1,822,000	0	2,628,000	105.2660	1,917,946.52	0.52
1.875 CDP RETI SPA 29.05.2015-29.05.2022	IT0005117095	EUR	6,200,000	4,000,000	0	104.0330	6,450,046.00	1.75
1.875 Wendel SA 12.10.2015-10.04.2020	FR0013005196	EUR	3,000,000	100,000	0	104.0700	3,122,100.00	0.85
1.944 Aigues De Barcelona 15.09.2014-15.09.2021	XS1107552959	EUR	3,000,000	0	0	105.3870	3,161,610.00	0.86
2.00 Harman Finance Int. SCA 27.05.2015-27.05.2022	XS1238991480	EUR	2,700,000	0	2,500,000	106.3900	2,872,530.00	0.78
2.00 ITV PLC FRN 01.12.16-01.12.23	XS1525536840	EUR	5,100,000	5,100,000	0	103.1840	5,262,384.00	1.43
2.00 Wp Carey Inc. 21.01.2015-20.01.2023	XS1117300084	EUR	5,800,000	1,000,000	0	103.7950	6,020,110.00	1.63
2.065 Nortegas Energia Distr. 28.09.2017-28.09.27	XS1691349952	EUR	1,500,000	1,500,000	0	100.4170	1,506,255.00	0.41
2.125 ITV PLC 21.09.2015-21.09.2022	XS1292425664	EUR	1,000,000	1,500,000	3,300,000	104.8660	1,048,660.00	0.28
2.125 JAB Holdings BV 16.09.2015-16.09.2022	DE000A1Z6C06	EUR	1,300,000	0	0	107.6140	1,398,982.00	0.38
2.225 Merlin Properties Soc. 25.04.2016-25.04.2023	XS1398336351	EUR	1,500,000	0	0	105.8710	1,588,065.00	0.43
2.25 Altea 05.07.17-05.07.24	FR0013266525	EUR	6,000,000	6,000,000	0	100.1760	6,010,560.00	1.63
2.25 DS Smith PLC 16.09.2015-16.09.2022	XS1291448824	EUR	5,000,000	0	0	106.6390	5,331,950.00	1.45
2.25 SATO-OYJ 10.09.2015-10.09.2020	XS1245554859	EUR	2,675,000	0	0	104.8130	2,803,747.75	0.76
2.375 BRISA-Concessao Rodov.SA 10.05.17-10.05.27	PTBSSLOM0002	EUR	5,700,000	5,700,000	0	104.3020	5,945,214.00	1.61
2.375 Citycon Treasury BV 16.09.2015-2022	XS1291367313	EUR	1,850,000	0	0	107.7600	1,993,560.00	0.54
2.375 Discovery Communications 07.3.2014-07.3.2022	XS0982708686	EUR	2,800,000	1,800,000	0	106.3110	2,976,708.00	0.81
2.375 Metrovacesa SA 23.05.2016-23.05.2022	XS1416688890	EUR	3,400,000	2,300,000	700,000	106.8670	3,633,478.00	0.99
2.375 SATO-OYJ 24.03.2016-24.03.2021	XS1384762271	EUR	2,650,000	0	0	105.6780	2,800,467.00	0.76
2.45 Pentair Finance S.A. 17.09.2015-17.09.2019	XS1117287398	EUR	5,050,000	200,000	0	104.3090	5,267,604.50	1.43
2.50 Immobiliare Grande DIST 31.05.16-31.05.2021	XS1425959316	EUR	4,365,000	5,365,000	1,000,000	105.9310	4,623,888.15	1.26
2.50 Net4GAS SRO 28.07.2014-28.07.2021	XS1090450047	EUR	4,700,000	0	0	107.3430	5,045,121.00	1.37
2.50 Origin Energy Finance 23.04.2013-23.10.2020	XS0920705737	EUR	1,500,000	1,500,000	0	107.0800	1,606,200.00	0.44
2.50 REN Finance BV 12.02.2015-2025	XS1189286286	EUR	5,700,000	5,700,000	0	107.5270	6,129,039.00	1.66
2.625 Digital Euro Finco 15.4.2016-15.04.2024	XS1395180802	EUR	4,000,000	4,000,000	5,100,000	107.3100	4,292,400.00	1.17
2.625 ProSiebenSat.1 Media AG 15.04.14-15.04.21	DE000A11QFA7	EUR	1,400,000	4,400,000	3,000,000	105.8900	1,482,460.00	0.40

NAME OF SECURITIES	SEC.I.NUMB.	CURRENCY	ASSETS	PURCHASES	SALES	MARKET	MARKET VALUE	TOTAL
			30.09.2017 PIECES./NOM.	ADDITIONS IN REPORTING PERIOD	DISPOSALS	PRICE	IN EUR	FUND'S- ASSETS (IN PERCENT)
2.625 Sigma Alimentos SA 07.02.17-07.02.24	XS1562623584	EUR	5,300,000	5,300,000	0	106.2400	5,630,720.00	1.53
2.629 FCC Aqualia SA 08.06.2017-08.06.2027	XS1627343186	EUR	5,550,000	5,550,000	0	100.7200	5,589,960.00	1.52
2.728 Inmobiliaria Colonial SA 5.6.2015-5.6.2023	XS1241701413	EUR	3,900,000	0	0	108.7210	4,240,119.00	1.15
2.75 Metsa Board Oyj 29.09.2017-2027	FI4000282629	EUR	1,125,000	1,125,000	0	100.8890	1,135,001.25	0.31
2.75 Redexis Gas Finance BV 08.04.2014-2021	XS1050547931	EUR	4,165,000	0	0	108.3610	4,513,235.65	1.23
2.75 Vestas Wind Systems 11.03.2015-11.03.2022	XS1197336263	EUR	5,750,000	1,000,000	250,000	107.9170	6,205,227.50	1.68
2.75 ZF NA Capital 27.04.2015-27.04.2023	DE000A14J7G6	EUR	4,000,000	4,000,000	0	108.0260	4,321,040.00	1.17
2.75 Ansaldo Energia SPA 31.05.2017-31.05.2024	XS1624210933	EUR	4,350,000	4,350,000	0	101.8410	4,430,083.50	1.20
2.875 Demire Deutsche 26.07.17-15.07.22	XS1647824173	EUR	450,000	450,000	0	102.2190	459,985.50	0.12
2.875 Equinix Inc. 20.09.2017-01.10.2025	XS1679781424	EUR	3,650,000	3,650,000	0	100.5100	3,668,615.00	1.00
2.875 Nassa Topco AS 06.04.2017-06.04.2024	XS1589980330	EUR	2,975,000	4,975,000	2,000,000	100.9800	3,004,155.00	0.82
2.875 Origin Energy Finance 11.10.2012 - 2019	XS0841018004	EUR	3,700,000	3,700,000	0	105.7750	3,913,675.00	1.06
2.875 TDF Infrastructure SAS 19.10.2015-19.10.2022	FR0013016631	EUR	3,700,000	0	0	108.8930	4,029,041.00	1.09
3.00 Telecom Italia Spa 30.09.2016-30.09.2025	XS1497606365	EUR	2,000,000	2,000,000	2,375,000	107.5590	2,151,180.00	0.58
3.125 Aramark Intl. Fin. 27.03.17-01.04.25	XS1586831999	EUR	4,350,000	4,350,000	0	104.0600	4,526,610.00	1.23
3.50 Adient Global Holdings 19.08.2016-15.08.2024	XS1468662801	EUR	4,500,000	0	0	103.6600	4,664,700.00	1.27
3.75 Worldplay Finance 10.11.2015-2022	XS1319701451	EUR	1,300,000	0	0	110.3000	1,433,900.00	0.39
4.00 Ferrovie Dello Stato 22.07.2013-22.07.2020	XS0954248729	EUR	1,500,000	0	0	110.8420	1,662,630.00	0.45
4.00 MPT Oper Partnersp. 19.08.2015-19.08.2022	XS1278084147	EUR	3,825,000	0	0	109.9200	4,204,440.00	1.14
4.00 Softbank Group Corporation 28.07.2015-30.07.2022	XS1266627663	EUR	2,575,000	0	0	108.9600	2,805,720.00	0.76
4.375 A2A Spa 10.07.2013-10.01.2021	XS0951567030	EUR	260,000	0	390,000	113.9620	296,301.20	0.08
4.498 Casino Guichard Perrach 07.03.14-07.03.2024	FR0011765825	EUR	4,200,000	1,200,000	0	111.9350	4,701,270.00	1.28
6.25 Unitymedia Hessen 21.11.2013 - 15.01.2029	XS0982713330	EUR	2,150,000	2,150,000	0	113.4910	2,440,056.50	0.66
7.75 Telecom Italia Fin SA 24.1.2003-2033	XS0161100515	EUR	2,100,000	0	0	151.6050	3,183,705.00	0.86
							274,749,448.57	74.58
1.625 Anglian Water Serv Fin. 10.08.2017-2025	XS1659112616	GBP	4,850,000	4,850,000	0	98.0490	5,426,343.93	1.47
1.625 FCA Capital Ireland PLC 29.09.16-29.09.21	XS1497682036	GBP	1,475,000	0	0	98.5540	1,658,779.60	0.45
2.50 National Express Group 11.11.2016-11.11.2023	XS1514188488	GBP	4,450,000	4,450,000	0	100.8560	5,121,346.49	1.39
3.95 Kennedy Wilson Europe 30.06.2015-30.06.2022	XS1117292554	GBP	4,000,000	0	0	103.0700	4,704,513.04	1.28
4.25 Drax Finco Plc 05.05.2017-01.05.2022	XS1602280676	GBP	2,400,000	2,400,000	0	104.2180	2,854,147.32	0.77
4.28544 DRAX Finco Plc FRN 05.05.2017-01.05.2022	XS1602281567	GBP	300,000	300,000	0	102.7440	351,722.49	0.10
4.565 RAC Bond Co. 06.05.2016-06.05.2023	XS1404980846	GBP	4,680,000	2,600,000	1,500,000	108.3000	5,783,579.62	1.57
5.597 Telefonica Emisiones 12.03.2012-12.03.2020	XS0753149144	GBP	1,400,000	1,400,000	0	110.2100	1,760,643.58	0.48
5.625 TDC A/S 23.02.2011-23.02.2023	XS0593952111	GBP	4,000,000	4,000,000	0	116.1490	5,301,489.13	1.44
8.75 Firstgroup PLC 08.04.2009-2021	XS0422620566	GBP	3,000,000	1,100,000	600,000	123.3370	4,222,182.92	1.15
							37,184,748.12	10.09
3.05 Kinder Morgan 26.11.2014-01.12.2019	US49456BAE11	USD	1,800,000	0	900,000	101.8200	1,556,087.62	0.42
3.30 Discovery Communications 17.05.2012-15.05.2022	US25470DAF69	USD	1,500,000	0	0	101.8610	1,297,261.84	0.35
3.875 Mexico City Airport Trust 20.09.17-30.04.28	USP6629MAC66	USD	2,590,000	2,590,000	0	99.4500	2,186,920.53	0.59
4.215 Coca-Cola Icecek A.S. 19.09.2017-2024	XS1577950402	USD	1,780,000	1,780,000	0	101.2500	1,530,183.39	0.42
4.25 Ford Motor Credit Co 25.09.2012-20.09.2022	US345397WF64	USD	3,800,000	0	1,200,000	105.6630	3,409,062.66	0.93
5.15 Verizon Communications 18.09.13-15.09.23	US92343VBR42	USD	4,800,000	1,200,000	0	112.1330	4,569,862.46	1.24
5.25 EDP Finance B.V. 14.01.2014-14.01.2021	US26835PAD24	USD	4,500,000	0	0	108.1020	4,130,234.34	1.12
5.50 Barry Callebaut SVCS NV 20.06.2013-15.06.2023	BE6254003252	USD	4,496,000	0	0	109.5660	4,182,448.09	1.14
5.75 UBM PLC 03.11.2010-03.11.2020	US90969QAA04	USD	1,765,000	0	0	104.6700	1,568,539.23	0.43
							24,430,600.16	6.63
Total officially listed securities/regular markets		EUR					336,364,796.85	91.31
New Issues								
Admissions to officially listed securities scheduled								
Bonds								
2.875 DEMIRE Dt.Mittelst.RealEst. 2.10.17-15.7.22	XS1688573903	EUR	750,000	750,000	0	101.6500	762,375.00	0.21
							762,375.00	0.21
Total not listed securities		EUR					762,375.00	0.21

NAME OF SECURITIES	SEC.I.NUMB.	CURRENCY	ASSETS	PURCHASES	SALES	MARKET	MARKET VALUE	TOT
			30.09.2017 PIECES./NOM.	ADDITIONS IN REPORTING PERIOD	DISPOSALS	PRICE	IN EUR	FUN ASSE PERC
Not listed securities								
Bonds								
10.00 KPNQWEST NV conv. 15.03.2002-2012 reg.	XS0143136488	EUR	39,000	0	0	0.1250	48.75	
2.125 CPI Property Group SA 04.10.2017-04.10.2024	XS1693959931	EUR	2,505,000	2,505,000	0	99.0416	2,480,992.83	
3.75 Newell Brands Inc. 25.10.2016-01.10.2021	XS1389996882	EUR	5,981,000	5,981,000	0	112.4670	6,726,651.27	
							9,207,692.85	
2.75 Digital Stout Holding 21.07.2017-19.07.2024	XS1649231856	GBP	3,000,000	3,000,000	0	100.8110	3,451,052.66	
							3,451,052.66	
Total not listed securities		EUR					12,658,745.51	
Total securities assets		EUR					349,785,917.36	
Currency hedging positions								
Sale of currency on fixed date								
Open position								
		GBP	26,590,000.00			0.8776	-629,168.24	
		GBP	7,900,000.00			0.8776	-168,202.55	
		USD	31,300,000.00			1.1819	-328,578.57	
Total currency hedging positions		EUR					-1,125,949.36	
Bank balances								
EUR - balance on current account								
		EUR	11,828,911.17				11,828,911.17	
Balances on accounts in sundry EU currencies								
		GBP	48,594.06				55,450.52	
Balances on accounts in non EU currencies								
		USD	3,233,668.88				2,745,516.11	
Total bank balanced		EUR					14,629,877.80	
Further assets								
Interest claims current account deposits								
		USD	2,101.35				1,784.13	
Interest claims securities								
		EUR	2,410,570.43				2,410,570.43	
		GBP	619,157.45				706,518.46	
		USD	216,854.36				184,118.15	
Dispositive securities accrued interest								
		EUR	1,536.69				1,536.69	
Initial Margin								
		EUR	2,090,000.00				2,090,000.00	
Expenses interest income								
		EUR	-17,445.98				-17,445.98	
		GBP	-1,468.90				-1,676.16	
Administration fee								
		EUR	-273,038.00				-273,038.00	
Depository fee								
		EUR	-11,142.81				-11,142.81	
Custodian fee								
		EUR	-4,583.33				-4,583.33	

Total further assets		EUR	5,086,64.58
Fund's assets		EUR	368,376,487.38
Distributing share value	AT0000819487	EUR	6.77
Distributing shares	AT0000819487	UNIT	19,511,666
Distributing share value	AT0000A1NQT7	EUR	99.45
Distributing shares	AT0000A1NQT7	UNIT	154,771
Accumulating share value	AT0000746938	EUR	11.98
Accumulating shares	AT0000746938	UNIT	18,442,491

Conversion rates/exchange rates

Assets in foreign currencies were evaluated EUR by using conversation rates and exchange rates per September 28th, 2017:

Currency	Units	Price	
US Dollar	1 EUR =	1.17780	USD
British Pound	1 EUR =	0.87635	GBP

Valuation principles

The value of a unit is calculated by dividing the entire value of the fund inclusive of its income by the number of units. The total value of the investment fund is calculated based on the current market prices of the securities, money market instruments and subscription rights in the fund plus the value of the fund's financial investments, cash holdings, credit balances, receivables and other rights net of its liabilities to the custodian bank,

The fund's net assets are determined according to the following principles:

- The value of assets quoted or traded on a stock exchange or other regulated market is determined, in principle, based on the most recently available price.
- Where an asset is not quoted or traded on a stock exchange or other regulated market or where the price of an asset quoted or traded on a stock exchange or other regulated market does not appropriately reflect the actual market value, the prices supplied by reliable data providers or, alternatively, market prices for equivalent securities or other recognized valuation methods shall be used.

Calculation method for overall risk: Commitment approach

Total return swaps and similar derivative instruments

A total return swap is a credit derivative instrument. Income and fluctuations in the value of the underlying financial instrument (underlying instrument or reference asset) are exchanged for fixed interest payments.

The fund did not enter into total return swaps or similar derivative instruments in the period under review.

The fund does not apply securities financing transactions and total return swaps during this reporting period. (Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse and amending).

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

NAME OF SECURITIES	SEC.I. NUMB.	CURRENCY	PURCHASES ADDITIONS	SALES DISPOSALS
Officially listed securities/ regular markets				
Bonds				
0.875 GELF Bond Issuer I S.A. 20.10.16-20.10.22	XS1506612693	EUR	1,750,000	1,750,000
1.00 Renault S.A. 08.03.2017-08.03.2023	FR0013240835	EUR	3,900,000	3,900,000
1.00 Wendel SA 20.10.2016-20.04.2023	FR0013213709	EUR	1,600,000	1,600,000
1.25 Bureau Veritas SA 07.09.2016-07.09.2023	FR0013201084	EUR	0	1,000,000
1.423 Cetin Finance BV 06.12.2016-06.12.2021	XS1529934801	EUR	3,500,000	3,500,000
1.50 Akelius Residential AB 23.11.2016-23.01.2022	XS1523975859	EUR	1,700,000	1,700,000
1.50 Ferrari NV 16.03.2016-16.03.2023	XS1380394806	EUR	2,000,000	2,000,000
1.50 Mondi Finance PLC 14.04.2016-15.04.2024	XS1395010397	EUR	0	1,600,000
1.50 Stockland Trst Mgmt. Ltd. 03.11.14-03.11.21	XS1130340091	EUR	0	5,000,000

NAME OF SECURITIES	SEC.I. NUMB.	CURRENCY	PURCHASES	SALES
			ADDITIONS	DISPOSALS
1.625 JAB Holdings B.V. 30.04.2015-30.04.2025	DE000A1Z0TA4	EUR	0	2,000,000
1.75 Merlin Properties Soc. 26.05.2017-26.05.2025	XS1619643015	EUR	400,000	400,000
1.75 REN Finance BV 01.06.2016-01.06.2023	XS1423826798	EUR	0	400,000
1.875 Carnival Corporation 06.11.2015-07.11.2022	XS1317305198	EUR	0	4,200,000
1.875 Ceske Drahy 25.05.2016-25.05.2023	XS1415366720	EUR	0	4,400,000
1.875 Havas SA 08.12.2015-08.12.2020	FR0013066669	EUR	0	4,400,000
1.875 Perkinelmer Inc. 19.07.2016-19.07.2026	XS1405780617	EUR	0	975,000
1.875 Societe Fonciere Lyonnaise 26.11.14-26.11.21	FR0012346856	EUR	0	1,600,000
1.90 Discovery Communications 19.3.2015-19.3.2027	XS1117298247	EUR	0	2,875,000
2.00 FGA Capital Ireland 23.09.2014-23.10.2019	XS1111858756	EUR	0	900,000
2.25 Xylem Incorporation 11.03.2016-11.03.2023	XS1378780891	EUR	0	2,050,000
2.375 Mahle GmbH 20.05.2015-20.05.2022	XS1233299459	EUR	600,000	5,000,000
2.50 Citycon Treasury BV 01.10.2014-01.10.2024	XS1114434167	EUR	0	1,400,000
2.50 Orlen Capital AB 07.06.2016-07.06.2023	XS1429673327	EUR	0	5,150,000
2.625 Acea Spa 15.07.2014-15.07.2024	XS1087831688	EUR	0	2,800,000
2.625 FGA Capital Ireland 17.04.2014-17.04.2019	XS1057487875	EUR	375,000	1,575,000
2.625 SPP Infrastructure Fin.12.02.2015-2025	XS1185941850	EUR	0	4,200,000
2.75 Iren SPA 02.11.2015-02.11.2022	XS1314238459	EUR	0	2,050,000
2.75 Wendel SA 02.10.2014-02.10.2024	FR0012199156	EUR	0	400,000
2.875 Elenia Finance 17.12.2013-17.12.2020	XS1005068587	EUR	0	4,680,000
2.875 SPCM SA 22.04.2015-15.06.2023	XS1221105759	EUR	0	1,200,000
3.25 Rentokil Initial PLC 07.10.2013-07.10.2021	XS0976892611	EUR	0	2,800,000
3.375 Akelius Residential AB 23.09.2015-2020	XS1295537077	EUR	0	2,550,000
3.375 Levi Strauss & Co. 28.02.2017-15.03.2027	XS1571994554	EUR	550,000	550,000
3.375 Levi Strauss & Co. 28.2.17-15.3.2027	XS1602130947	EUR	550,000	550,000
3.375 Mondi Finance Ltd. 27.09.2012-28.09.2020	XS0834719303	EUR	0	3,200,000
3.375 Societa Iniz Autostradal 13.02.2014-2024	XS1032529205	EUR	0	3,090,000
3.50 ADIF - Alta Velocidad 27.05.2014-27.05.2024	XS1072141861	EUR	0	2,400,000
3.625 Faurecia S.A. 01.04.2016-15.06.2023	XS1384278203	EUR	0	1,775,000
3.75 Schaeffler Verwaltung 22.09.2016-15.09.2026	XS1490159495	EUR	0	3,525,000
3.875 BRISA-Concessao Rodov.SA 01.04.14-01.04.21	PTBSSBOE0012	EUR	0	2,900,000
3.875 Linea Group Hldg SPA 28.11.2013-28.11.2018	XS0997829519	EUR	0	4,230,000
3.875 LKQ Italia Bondco SPA 14.04.16-01.04.2024	XS1395004408	EUR	0	3,075,000
4.048 Casino Guichard Perrach 05.08.2014-2026	FR0012074284	EUR	0	2,500,000
4.625 Unitymedia Hessen GmbH 23.12.2015-15.02.26	XS1334248223	EUR	0	2,750,000
4.75 REN Finance BV 17.10.2013-16.10.2020	XS0982774399	EUR	0	3,100,000
5.125 Mediaset S.p.A. 24.10.2013-24.01.2019	XS0985395655	EUR	0	4,300,000
5.75 Intl Personal Finance PLC 7.4.2014-7.4.2021	XS1054714248	EUR	0	1,582,000
1.50 Daimler AG 13.01.2017 - 13.01.2022	XS1550144072	GBP	1,400,000	1,400,000
2.125 Intercontinental Hotels 2016-24.08.2026	XS1480022315	GBP	0	2,250,000
3.00 Marks & Spencer PLC 08.12.2016-08.12.2023	XS1531151253	GBP	1,700,000	1,700,000
4.625 Morrison Supermarkets 08.12.2011-2023	XS0717069073	GBP	2,000,000	2,450,000
5.625 Vodafone Group PLC 04.12.2003-2025	XS0181816652	GBP	0	1,700,000
3.30 Columbia Pipeline Group 12.05.2016-01.06.2020	US198280AD16	USD	0	4,100,000
3.80 Walgreens Boots Alliance 18.11.2014-18.11.2024	US931427AH10	USD	0	2,800,000
4.20 Newell Rubbermaid Inc. 30.03.2016-01.04.2026	US651229AW64	USD	0	2,850,000
4.375 CNH Industrial Capital LLC 06.11.2015-2020	US12592BAE48	USD	1,490,000	1,490,000
4.40 EnLink Midstream Partners 19.3.2014-01.04.2024	US29336UAB35	USD	1,200,000	1,200,000
5.55 Anadarko Petroleum Corp.17.03.2016-15.03.2026	US032511BN64	USD	1,400,000	1,400,000
1.50 Ferrovie Dello Stato 28.06.2017-27.06.2025	XS1639488771	EUR	3,575,000	3,575,000

Graz, December 4th 2017

Security Kapitalanlage Aktiengesellschaft

Mag. Dieter Rom

MMag. DDr. Hans Peter Ladreiter

5. Auditor's report ^{*)}

Report on the annual report

Audit

We have audited the annual report of

Apollo Euro Corporate Bond Fund

Joint tenancy fund in securities,

issued by Security Kapitalanlage Aktiengesellschaft, Graz, consisting of the statement of assets as at 30 September 2017, the income statement for the accounting year ending on that reporting date and the other information provided for in Annex I Schedule B of Austrian Investment Fund Act 2011 (InvFG 2011).

In our opinion, the annual fund report complies with applicable statutory requirements and provides a true and fair view of the net assets and financial position as of September 30th, 2017 as well as the earnings position for the fund for the financial year ending as of this date, in compliance with Austrian commercial law, the provisions of InvFG 2011.

Basis for the audit opinion

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

We performed our audit according to § 49 section 5 InvFG 2011 in consideration of legal directives and all principles for proper audit. These principles require application of the International Standards on Auditing (ISA). Our responsibilities on the basis of these requirements and standards are outlined in further detail in the "Responsibilities of the auditor for the audit of the annual fund report" section of our audit certificate. We are independent from the company, in compliance with Austrian commercial law and professional standards, and we have fulfilled our other professional duties in accordance with these requirements. In our view, we have obtained sufficient and suitable audit documentation as a basis for our audit opinion.

Responsibilities of legal representatives and supervisory board for the annual report

The company's legal representatives are responsible for generation of annual reports and management of the separate asset according to the relevant regulations of the InvFG 2011, amendatory rules in the fund regulations and fiscal provisions. The company's legal representatives are also responsible for the internal controls which they deem necessary in order to enable the preparation of an annual fund report, which is free from material misstatement, whether intentional or unintentional wrong representations.

The supervisory board is responsible for monitoring the company's accounting process regarding the funds under its management.

Responsibilities of the bank auditor for the audit of the annual report

Responsibilities of the auditor for the audit of the annual fund report

Our goals are to establish sufficient certainty as to whether the annual fund report as a whole is free from material (intentional or unintentional) misrepresentations and for issuing an audit certificate which includes our audit opinion.

Sufficient certainty means a high level of certainty – but not a guarantee – that an orderly audit performed in accordance with the recognized Austrian principles – which require application of the ISA – will always uncover any material misrepresentation. Misrepresentations may result from malicious acts or on the basis of errors and will be deemed material where they may be reasonably expected – either individually or collectively – to influence the economic decisions made by users on the basis of this annual fund report.

As part of an audit complying with the recognized Austrian principles of orderly auditing – which require application of the ISA – we exercise due discretion throughout our audit and maintain a critical distance.

In addition, the following applies:

- We identify and evaluate the risks of material (intentional or unintentional) misrepresentations in the annual fund report, plan audit activities in response to these risks, implement these activities and obtain audit documentation which is sufficient and suitable in order to serve as a basis for our audit opinion. The risk of material misrepresentations resulting from malicious acts not being uncovered is greater than the risk resulting from errors, since malicious acts may include fraudulent collaboration, falsifications, deliberate incompleteness, misleading representations or the suspension of internal controls.
- We obtain a picture of the internal control system which is relevant for the audit so as to plan audit activities which are adequate in the given circumstances, but not with the objective of providing an audit opinion regarding the effectiveness of the company's internal control system.
- We evaluate the adequacy of the accounting methods applied by the company's legal representatives as well as the reasonableness of the legal representatives' estimates in the accounting as well as the related disclosures.
- We evaluate the overall picture, the structure and the contents of the annual fund report including the disclosures and whether the annual fund report provides a true and fair view of the underlying business transactions and events.
- We discuss matters with the supervisory board including the planned scope of the audit and its schedule as well as significant audit findings, including any significant shortcomings in the internal control system that we identify in the course of our audit.

Other information

The legal representatives are responsible for the other information provided. This other information comprises all information included in the annual report, with the exception of the portfolio of investments, the income statement, the other disclosures required under Annex I Schedule B InvFG 2011 and the audit certificate.

Our audit opinion for the annual report does not cover this other information, and we do not provide any sort of assurance in this regard.

In connection with our audit of the annual fund report, we are responsible for reading this other information and for considering whether there are any material inconsistencies between this other information and the annual fund report or on the basis of our knowledge obtained in the course of our audit or whether this information appears to have been otherwise materially misrepresented. If we reach the conclusion on the basis of our activities that this other information has been materially misrepresented, we must report this. We have nothing to report in this respect.

Vienna, December 4th 2017

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Andrea Stippl e.h.
Wirtschaftsprüferin

Mag. Ernst Schönhuber e.h.
Wirtschaftsprüfer

*) 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 auditor's certificate or the examination without our approval of the auditor.

Fund conditions

Apollo Euro Corporate Bond Fund

The fund conditions for the **Apollo Euro Corporate Bond Fund**, a co-ownership fund according to the current version of the Investmentfondsgesetz 2011 (InvFG - Austrian Investment Fund Act) have been approved by the Finanzmarktaufsicht ("FMA" - Austrian Financial Markets Supervisory Authority).

The investment fund is an organism for joint investments in securities (Organismus zur gemeinsamen Veranlagung in Wertpapieren – OGAW = "UCITS") and is managed by Security Kapitalanlage AG (hereinafter: the "Management Company"), with its registered office in Graz, Austria.

Article 1 Co-ownership shares

The co-ownership shares are embodied using share certificates with the character of securities. These are bearer share certificates.

The share certificates are represented by global certificates for each type of share. As a result, actual securities can thus not be issued.

Article 2 Custodian bank

The custodian bank appointed for the investment fund is SEMPER CONSTANTIA PRIVATBANK AKTIENGESELLSCHAFT, Vienna.

The paying agent for share certificates is the custodian bank.

Article 3 Investment instruments and principles

The following assets may be selected for the investment fund according to the InvFG.

The majority of fund assets acquired for the fund (i.e., at least **51 per cent** of the fund assets) are **international bonds from companies** with a rating of **at least BB-** in the form of directly acquired individual securities. The majority of the fund assets acquired for the fund (i.e., at least **51 per cent** of the fund assets) are euro securities, with hedged foreign securities being equivalent to euro investments.

In all other respects, the management company is not subject to any restrictions with regard to investment categories, currencies, issuers, regions, etc.

The following investment instruments are acquired for the fund's assets, while upholding the investment focus detailed above.

- **Securities**

Securities (including securities with embedded derivatives) are acquired for at least 51 per cent of the fund's assets.

- **Money market instruments**

Money market instruments may be acquired for up to **49 per cent** of the fund's assets.

- **Securities and money market instruments**

Securities or money market instruments that are issued or guaranteed by a member state, including its territorial communities, a third-party country or international public law organisations which belong to one or several member states (states, see Annex 1 to the Fund conditions) may be acquired to constitute more than **35 per cent** of the fund's assets if the investment is made in at least six different issues. The investment in one single issue may not exceed **30 per cent** of the fund's assets.

The acquisition of securities or money market instruments that have not been fully paid in, and also subscription rights for such instruments or other financial instruments which have not been fully paid in is not permitted.

Securities and money market instruments may be acquired if these meet the criteria for listing or trading on a regulated market or a stock exchange according to the InvFG.

Securities and money market instruments that do not meet the criteria in the above paragraph may be acquired for up to **10 per cent** of the fund's assets.

- **Interests in investment funds**

Interests in investment funds (OGAW, OGA) may be acquired in each case up to **10 per cent** and in total up to **10 per cent** of the fund's assets to the extent that these (OGAW or OGA) in turn do not invest more than **10 per cent** of the fund's assets in interests in other investment funds.

- **Derivative instruments**

Derivative instruments may be employed in the amount of up to **49 per cent** of the fund's assets and for hedging purposes as part of the investment strategy.

- **Risk measurement methods for the investment fund**

The investment fund uses the following risk measurement method:

Commitment approach

The commitment value is calculated according to the 3rd section of the 4th Derivative-Risikoberechnungs- und MeldeV (Risk calculation and reporting directive; current version).

- **Demand deposits or cancellable deposits**

Demand deposits or cancellable deposits with a maximum term of 12 months may be acquired for up to **49 per cent** of the fund's assets. No minimum bank balance must be held.

As part of restructuring of the fund's portfolio and/or a well-founded reason to believe that there are threatened losses for securities, the investment fund can restructure the proportion of securities and have a higher proportion of demand deposits or cancellable deposits with a maximum term of 12 months.

- **Loans taken out temporarily**

The management company may take out temporary loans of up to **10 per cent** of the fund's assets for the investment fund's account.

- **Repos**

Repos may be employed for up to **49 per cent** of the fund's assets.

- **Securities lending**

Securities lending transactions may be employed for up to **30 per cent** of the fund's assets.

The acquisition of investment interests is only permitted in a uniform manner for the entire investment fund and not for an individual type of shares or a group of share types.

However, this does not apply to security hedges. These can only be concluded for a single type of shares. Expenses and income as a result of a securities hedge are exclusively allocated to the respective type of shares.

Article 4 Modalities for issuing and redemption

Share values are calculated in EUR.

The value of the shares is calculated each stock market day.

- **Issuing and issue premium**

The issue price results from the value of the share plus a premium per share in the amount of up to **5.25 per cent** to cover the management company's issuing costs, rounded to the nearest cent.

As a rule, share issues are not restricted, however, the management company reserves the right to temporarily or fully discontinue the issue of share certificates.

Staggering the issue premium is at the management company's discretion.

- **Redemption and redemption premium**

The redemption price is the value of the share rounded to the nearest cent.

No redemption premium has been agreed.

At a shareholder's request, his interest in the investment fund must be paid out to him at the respective redemption price against the return of the share certificate.

Article 5 Accounting year

The investment fund's accounting year is the period from 1 October to 30 September.

Article 6 Share types and appropriation of earnings

Coupons and/or unit certificates can be issued with a KEST deduction.

Various types of share certificates can be issued for this investment fund. The formation of share types and the issue of shares in a share type is at the management company's discretion.

- **Appropriation of earnings for coupons (disbursers)**

The earnings received during the accounting year (interest and dividends) can be disbursed at the management company's discretion after costs have been covered. Disbursements may be omitted considering the unit holders' interests. In addition, the disbursement of income from the sale of the investment fund's assets including subscription rights is at the management company's discretion. Disbursements from the fund's substance and interim disbursements are permitted.

The fund's assets may not fall below, in any case, the statutory minimum volume for termination as a result of disbursements.

The amounts are to be disbursed to the coupon holders from **1 December** of the following accounting year, the remainder will be carried forward to new account.

In any event, the amount calculated according to the InvFG must be paid out from **1 December** which may be used to cover any obligation to deduct capital gains tax on the amount of the share certificate equal to the amount to be disbursed, unless the management company can prove to the custodian banks by providing corresponding proof, that on the date of the payment the share certificates could only be held by shareholders who were either not subject to Austrian income or corporation tax or for whom the conditions for exemption according to Section 94 of the "Einkommenssteuergesetz" (Austrian Income Tax Act) or an exemption from capital gains tax apply.

- **Appropriation of earnings for unit certificates with KEST deductions (accumulators)**

The earnings received during the accounting year (interest and dividends) are not disbursed. In the case of unit certificates, the amount calculated according to the InvFG must be paid out from **1 December** which may be used to cover any obligation to deduct capital gains tax on the amount of the share certificates certificate equal to the amount to be disbursed, unless the management company can prove to the custodian banks by providing corresponding proof, that on the date of the payment the share certificates could only be held by shareholders who were either not subject to Austrian income or corporation tax or for whom the conditions for exemption according to Section 94 of the "Einkommenssteuergesetz" (Austrian Income Tax Act) or an exemption from capital gains tax apply.

Article 7 Management fee, reimbursement of expenses, processing fee

The management company receives annual remuneration of up to **1.5 per cent** of the fund assets for its management activities. This amount is calculated based on the month-end figures.

Staggering the management fee is at the management company's discretion.

The management company is entitled to reimbursement of all of the expenses resulting from management.

The costs of introducing new share types for existing special funds are charged to the share prices for the new share types.

When liquidating the investment fund, the custodian bank receives remuneration of up to **0.5 per cent** of the fund's assets.

ANNEX

Annex 1: States according to section 76 no. 2 InvFG

Austria
Germany
France
Netherlands
USA
Canada
Japan

Annex 2: List of stock Exchanges with official trade and of organized markets (version 6.2015)

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

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 specialized trading segments the catalogue "regulated markets" can be subject to material changes. Therefore the Commission will also publish an updated version on its official Web site.

1.1. The current directory of regulated markets is available at:

http://mifidatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Displ ay&subsection_id=0¹

1.2. The following stock exchanges are to be included in the directory of Regulated Markets:

1.2.1. Luxembourg Euro MTF Luxembourg

¹ Click on "view all" to open the directory. The link may be modified by the Austrian Financial Market Authority (FMA) or by the European Securities and Markets Authority (ESMA).

[You may access the directory as follows by way of the FMA's website:

<http://www.fma.gv.at/de/unternehmen/boerse-wertpapierhandel/boerse.html> - scroll down - link "List of Regulated Markets (MiFID Database; ESMA)" – "view all"]

1.3. Recognized markets in the EEA pursuant to § 67 (2) item 2 InvFG:

Markets in the EEA classified as recognized markets by the relevant supervisory authorities.

2. Stock Exchanges in European countries outside the EEA

- | | |
|--------------------------|--|
| 2.1. Bosnia Herzegovina: | Sarajevo, Banja Luka |
| 2.2. Montenegro: | Podgorica |
| 2.3. Russia | Moscow (RTS Stock Exchange);
Moscow Interbank Currency Exchange (MICEX) |
| 2.4. Switzerland: | SWX Swiss-Exchange |
| 2.5. Serbia: | Belgrade |
| 2.6. Turkey: | Istanbul (for Stock Market "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 | China: | Shanghai Stock Exchange, Shenzhen Stock Exchange |
| 3.6 | Hong Kong: | Hong Kong Stock Exchange |
| 3.7 | India: | Bombay |
| 3.8 | Indonesia: | Jakarta |
| 3.9. | Israel: | Tel Aviv |
| 3.10 | Japan: | Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima |
| 3.11 | Canada: | Toronto, Vancouver, Montreal |
| 3.12 | Columbia: | Borsa de Valores de Colombia |
| 3.13 | Korea: | Korea Exchange (Seoul, Busan) |
| 3.14 | Malaysia: | Kuala Lumpur, Bursas Malaysia Berhad |
| 3.15 | Mexico: | Mexico City |
| 3.16 | New Zealand: | Wellington, Christchurch/Invercargill, Auckland |
| 3.17 | Peru: | Borsa de Valores de Lima |
| 3.18 | Philippines: | Manila |
| 3.19 | Singapore: | Singapore Stock Exchange |
| 3.20 | South Africa: | Johannesburg |
| 3.21 | Taiwan: | Taipei |
| 3.22 | Thailand: | Bangkok |
| 3.23 | 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 |
| 3.24 | Venezuela: | Caracas |
| 3.25 | United Arab Emirates: | Abu Dhabi Securities Exchange (ADX) |

4. Organized markets in states 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 Capital Market Association (ICMA), Zürich |
| 4.5 | USA | Over the Counter Market (markets under official supervision like SEC, FINRA) |

5. Stock Exchanges with futures and options markets

- | | | |
|-----|------------|-----------------------------------|
| 5.1 | Argentina: | Bolsa de Comercio de Buenos Aires |
|-----|------------|-----------------------------------|

5.2	Australia:	Australian Options Market, Australian Securities Exchange (ASX)
5.3	Brazil:	Bolsa Brasileira de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
5.4	Hong Kong:	Hong Kong Futures Exchange Ltd.
5.5	Japan:	Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange
5.6	Canada:	Montreal Exchange, Toronto Futures Exchange
5.7	Korea:	Korea Exchange (KRX)
5.8	Mexico:	Mercado Mexicano de Derivados
5.9	New Zealand:	New Zealand Futures & Options Exchange
5.10	Philippines:	Manila International Futures Exchange
5.11	Singapore:	Singapore International Monetary Exchange
5.12	Slovakia	RM-System Slovakia
5.13	South Africa:	Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX)
5.14	Switzerland:	EUREX
5.15.	Turkey:	TurkDEX
5.16	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, Boston Options Exchange (BOX)