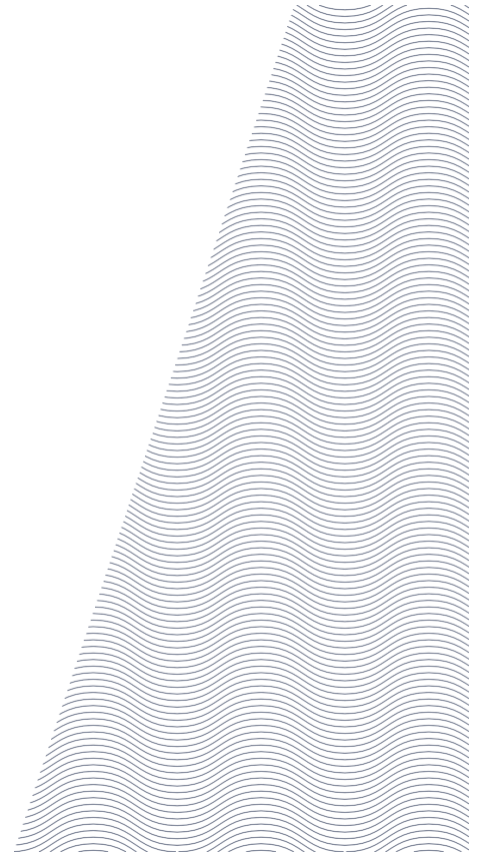


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# APOLLO EURO CORPORATE BOND FUND

Prospectus

for the investment fund according to  
the Investmentfondsgesetz 2011 in the current version  
as well as the fund regulations

Security for your capital  
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 **SECURITY**  
Kapitalanlage AG

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It is a UCITS<sup>1</sup> pursuant to Section 2 (1) and (2) in connection with Section 50 InvFG.

This prospectus was produced in April 2017 in accordance with the fund regulations established pursuant to the Investmentfondsgesetz (InvFG - Austrian Investment Fund Act) 2011 (hereinafter "InvFG").

Investors are to be provided with the key investment information (key investor document, KID) free of charge in good time prior to an offer to subscribe for units. Upon request, the currently applicable prospectus and the fund regulations will be provided free of charge and are available, together with the key investor information, at the Web site [www.securitykag.at](http://www.securitykag.at).

This prospectus is supplemented by the most recent annual fund report or semi-annual fund report.

These documents can be provided as a hard copy or electronically. All of the documents can be obtained from Security Kapitalanlage Aktiengesellschaft, Burgring 16, 8010 Graz, from SEMPER CONSTANTIA PRIVATBANK AKTIENGESELLSCHAFT as the custodian bank, Heßgasse 1, 1010 Vienna, or from the distribution agents listed in item I. 7. free of charge.

## NOTE

The reference sheet relating to **Information on the method used to process investor complaints within the meaning of Section 11 of the InvFG 2011** is available online at [www.securitykag.at](http://www.securitykag.at) and can also be requested free of charge from Security Kapitalanlage Aktiengesellschaft, Burgring 16, 8010 Graz.

Furthermore, from 25 May 2018, the information on Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data, on the free movement of persons and repealing Directive 95/46 / EC ("**General Data Protection Regulation**", **DSGVO**) or the Federal Act for the Protection of Individuals with regard to the processing of personal Data (**Austrian Data Protection Act - DSG**) is available via the above mentioned homepage.

### **NOTE TO THE INVESTMENT STRATEGY:**

The investment fund may invest more than 35 per cent and up to 100 per cent of the fund's assets in a single issuer in line with the fund regulations approved by the Austrian Financial Market Authority (FMA) according to InvFG 2011 in the case of specific issuers and under certain conditions. The management company will, however, expressly not utilize this option at present.

Version May 2018

Valid from: May 16<sup>th</sup>, 2018

**This offering prospectus applies to the public offering in the Republic of Finland. The fund is also registered for sale in Austria and Germany.**

<sup>1</sup> UCITS is short for "collective investments in transferable securities" pursuant to InvFG 2011.

## Restriction on sales

The issued units of this portfolio of assets may only be publicly offered for sale or sold in countries in which this type of public offer or such a sale is permitted. If the management company or a third party which it has engaged to not submit a notice to the local supervisory authority or if a license has not been obtained from the local supervisory authority, and if such notice or license is not available, this is thus not an offer to acquire investment units.

The units were not and will not be registered according to the United States Securities Act from 1933 in its respective applicable version (hereinafter referred to as the “Act of 1933”), or according to the securities laws of a federal state or a unit of government in the United States of America or its territories or other regions that are subject to its sovereign powers, including the Commonwealth of Puerto Rico (hereinafter referred to as the “United States”).

The units may not be publicly offered, sold or otherwise transferred in the United States. The units are offered and sold based on an exemption from the registration requirements of the Act of 1933 according to Regulation S to this Act. The management company or the portfolio of assets has not been and will not be registered according to the United States Investment Company Act from 1940 in its applicable version or according to other US federal acts. Accordingly, units will not be publicly offered or sold in the United States nor to or for the account of US persons (according to the definitions for the purposes of the US federal acts on securities, goods and taxes, including Regulation S to the United States Securities Act of 1933) (hereinafter jointly referred to as “US Persons”). Later transfers of units to the United States or to US Persons are not permitted.

The units have not been admitted by the U Securities and Exchange Commission (hereinafter referred to as “SEC”) or another supervisory authority in the United States, nor has any such admission been refused; in addition neither the SEC nor any other supervisory authority in the United States has taken a decision on the correct nature and suitability of this prospectus or the advantages of the units. The United States Commodity Futures Trading Commission has neither reviewed nor approved either this document or any other sales documents for the management company or the portfolio of assets.

Nobody is authorized to make declarations or assurances that are not included in the prospectus or the documents referred to in the prospectus. These documents are publicly accessible at the management company’s registered office.

This prospectus may not be brought into circulation in the United States.

Investors, who are to be regarded as being “Restricted Persons” within the meaning of US Regulation No. 2790 from the National Association of Securities Dealers (NASD 2790), must provide notice of their investments in the management company’s portfolio of assets without delay.

As part of implementation of the US Foreign Account Tax Compliance Act (FATCA), the fund has been registered with the IRS (Internal Revenue Service). As a result, the fund has been deemed compliant according to the FATCA provisions.

Invested customers can be provided with additional information on the fund’s assets (such as full holdings) upon request, if they need this for reporting obligations or

similar. Information concerning the contact person, from whom additional information can be obtained if required, can be found on the cover page of the prospectus.

## **Sustainability**

### **European Transparency Logo**

This fund has been awarded the **European Transparency Logo**.

The official transparency logo is a key element in the European Transparency Code allowing sustainable mutual funds to be identified. The European Transparency Logo for sustainable mutual funds represents greater transparency on the sustainable investment market, and marks a key step in quality assurance for sustainable investments and promoting trust in this special type of investment.

**Note:** The European Transparency Logo for sustainable funds shows that the MANAGEMENT COMPANY has undertaken to provide accurate, adequate and timely information to enable stakeholders, in particular retail investors, to understand the policies and practices of a given SRI fund. Detailed information on the European Transparency Code can be found here: [www.eurosif.org](http://www.eurosif.org). Eurosif is an independent organisation and manages the Transparency Code. The European SRI Transparency logo represents the fund manager's commitment as set out above. It should not be regarded as being a recommendation for a specific company, organisation or individual.

# I. INFORMATION ON THE MANAGEMENT COMPANY

## 1. Management company

The management company for the investment fund described in greater detail in this prospectus is Security Kapitalanlage Aktiengesellschaft (hereinafter referred to as the Management Company), with its registered office in Burgring 16, 8010 Graz, Austria. The Management Company was formed on June 8, 1989. It is a management company within the meaning of the *Investmentfondsgesetz* (InvFG - Austrian Investment Fund Act) 2011. It is an *Aktiengesellschaft* (AG - Public Limited Company) and is registered with number 37724 b in the commercial register (*Firmenbuch*) with the court of register in Graz.

## 2. Information on all of the investment funds managed by the management company

### Mutual funds

Apollo 2 Global Bond  
Apollo Emerging Europe  
Apollo Euro Convertible Bond Fund  
Apollo Euro Corporate Bond Fund  
Apollo European Equity  
Apollo 34  
Apollo Balkan Equity  
Apollo Mündel  
Apollo Nachhaltig Aktien Global  
Apollo Nachhaltig Global Fund  
Apollo Nachhaltig New World  
Apollo New World  
FarSighted Moderate PortFolio  
FarSighted Global PortFolio  
Apollo Selection Trend  
Apollo Styrian Global Equity  
Apollo Ausgewogen  
Apollo Konservativ  
Apollo Dynamisch  
Basis Portfolio 10 Jahre  
Value Cash Flow Fonds  
Value Investment Fonds Klassik  
Value Investment Fonds Basis  
Value Investment Fonds Chance  
Managed Profit Plus  
Schelhammer Portfolio  
Schelhammer Portfolio – dynamisch  
Security WVP Global  
SUPERIOR 1 – Ethik Renten  
SUPERIOR 3 – Ethik  
SUPERIOR 4 – Ethik Aktien  
SUPERIOR 5 – Ethik Kurzinvest  
SUPERIOR 6– Global Challenges  
TradeCom FlexTrader  
TradeCom FondsTrader  
TradeCom SuccessTrader

## **Großanlegerfonds und Spezialfonds**

A 96

Apollo 14

Apollo 16

Apollo 17

Apollo 31

Apollo 32

Apollo 32 Basis

Apollo 32 G

Apollo 35

Apollo 51

Apollo 54

Apollo 62

Apollo 70

Apollo 100

Apollo 150

Security Romania Fund

S2

SUPERIOR A

SUPERIOR Spezial ST

SUPERIOR St. Georgen

### **3. Executive bodies**

#### **Management Board**

Mag. Dieter Rom

MMag. DDr. Peter Ladreiter

Stefan Winkler

#### **Supervisory Board**

Dr. Othmar Ederer, Chairman

Mag. Klaus Scheitegel, Deputy Chairman

Mag. Gerald Gröstenberger

Mag. Christiane Riel-Kinzer

The executive bodies can also perform other material functions as part of the entire group of Grazer Wechselseitige Versicherung.

### **4. Share capital**

EUR 4.362 million

### **5. Fiscal year**

Fiscal year: January 1 to December 31

### **6. Shareholders**

CAPITAL BANK - GRAWE GRUPPE AG, Graz 100%.



## 7. Distribution agent

CAPITAL BANK - GRAWE GRUPPE AG, Graz (for AUSTRIA)

### Processing transactions

The Management Company notes that it can process transactions for the investment fund via a company with which it is closely linked, and thus an associated company within the meaning of Article 4 (1) Item 38 of the *Regulation (EU) 575/2013*.

## 8. Remuneration policy

see section II 19.

## 9. Delegation of tasks, fund management

The Management Company has delegated the tasks listed below to third parties:

- Fund management: Muzinich & Co. Ltd., 8 Hanover Street, London, W1S 1YQ, UK
- Compliance and money laundering: HYPO BANK BURGENLAND AG
- Internal auditing: CAPITAL BANK-GRAWE GRUPPE AG
- Valuation and pricing for funds (including tax returns and tax representation): Semper Constantia Invest GmbH
- Fund accounting services: Semper Constantia Invest GmbH
- Recording and retention obligations and accounting (for funds): Semper Constantia Invest GmbH
- Distributing profits: Semper Constantia Invest GmbH
- Partial transfers for reporting: HYPO BANK BURGENLAND AG (Security Kapitalanlage AG), Semper Constantia Invest GmbH und SEMPER CONSTANTIA PRIVATBANK AG (for funds) and the respective trading partners (reports to trade repository in accordance with EMIR-VO
- Partial transfers for accounting and bookkeeping (for Security Kapitalanlage AG): HYPO BANK BURGENLAND AG
- Contract invoicing (including mailing certificates): Semper Constantia Invest GmbH
- IT support: HYPO BANK BURGENLAND AG
- Payroll accounting: K&E Wirtschaftstreuhand GmbH

The Management Company notes that partly it has delegated tasks to a company with which it is closely linked, and thus an associated company within the meaning of Article 4 (1) Item 38 of the *Regulation (EU) 575/2013*.

Information on conflicts of interest arising from the delegation can be found on the homepage of the Management Company:

[http://www.securitykag.at/fileadmin/user\\_upload/Fonds/Anlegerinformationen/Interessenskonfliktepolicy.pdf](http://www.securitykag.at/fileadmin/user_upload/Fonds/Anlegerinformationen/Interessenskonfliktepolicy.pdf).

## **II. INFORMATION ON THE INVESTMENT FUND**

### **1. Name of the investment fund**

The investment fund is known as **Apollo Euro Corporate Bond Fund**, co-ownership fund according to Section 2 (2) of the InvFG (UCITS) and corresponds to Directive (EU) 2009/65/EU (“UCITS-directive”) as amended by Directive 2014/91 (UCITS V).

The fund is authorized in Austria and is regulated by the Financial market authority (hereinafter “FMA”).

### **2. Date of inception for the investment fund**

The investment fund was formed on November 10, 1998 for indefinite time.

### **3. Tax treatment for investors with unlimited tax liability in Austria**

INFORMATION FOR ALL TAX PAYERS

**The tax information is based on the legal situation as it currently stands.**

**No guarantee can be made that the tax assessment will not change as a result of legislation, litigation or other legal acts by the financial authorities. It may be advisable to consult a tax expert.**

**The annual fund reports include detailed information on the tax treatment of the fund disbursements or income equivalent to disbursements.**

#### **Tax treatment**

The following comments mostly refer to custodian accounts held in Austria and for investors who were subject to full taxation in Austria.

#### **Identification of income at fund level**

A fund’s income mostly comprises ordinary and extraordinary income.

Ordinary income mostly means interest and dividend income. The fund’s expenses (for example management fees or auditing costs) reduce the ordinary income.

Extraordinary income includes profits from securities (mostly from equities, debt securities and the associated derivative) netted with realized losses.

Losses carried forwards and any excess expenses also reduce the ongoing profits. Any excess losses can be netted with ordinary income.

Losses not netted can be carried forward for an unlimited period.

## PRIVATE ASSETS

### **Full final taxation (end taxation), now tax declaration obligations for the investor**

The Austrian office paying the coupon will retain capital gains tax in the statutory amount on the disbursement (interim disbursement) by a fund to its unit holders, to the extent that this payment results from capital gains which are subject to capital gains tax, and to the extent that the recipient of the disbursement is subject to capital gains tax. Subject to the same conditions, "payments" from reinvestment funds are retained as capital gains tax for the income equivalent to disbursement included in the value of the share (with the exception of fully reinvesting funds).

As a rule, retail investors do not have to observe any tax declaration obligations.

The deduction of capital gains tax means that all of the investor's tax obligations have been met. The deduction of capital gains tax is full final taxation with regards to income tax.

#### Final taxation exceptions

Final taxation is excluded:

a) for debt securities included in the fund assets that are not subject to capital gains tax II (so-called existing issues), to the extent that no option has been declared. Any such income is subject to a tax declaration;

b) for securities included in the fund assets and which are not subject to Austrian taxation, to the extent that the use of advantages from a double taxation agreement has not been waived. Any such income must be included in the income tax declaration in the column "In addition to the income listed, income was also obtained for which a taxation law applies as a result of a double taxation agreement with another country".

In this case, however, it is possible to net the capital gains tax deducted in this regard, or to reclaim this according to Section 240 of the BAO.

### **Taxation at fund level**

The fund's ordinary income (interest, dividends) is subject to 25% capital gains tax after deducting expenses (for taxable income from 1 January 2016, 27.5%). Any currency translation losses realised (after netting with currency translation gains) and new losses carried forward (losses from fiscal years starting in 2013) also reduce ordinary income.

At least 60% of all realised extraordinary income, including reinvested income, is also subject to 25% capital gains tax (for taxable income from 1 January 2016, 27.5%). If the realised capital gains are disbursed, these are subject to full taxation (for example, if 100% is disbursed, 100% is taxable, if 75% is disbursed, 75% is taxable).

## **Taxation at unit holder level**

### **Sale of a fund unit**

In the case of fund units (existing units) acquired prior to 1 January 2011, the one year speculation period continues to apply (Section 30 of the Austrian Income Tax Act (in the version from prior to the *BudgetbegleitG* (Budget Accompanying Act) 2011). From the current perspective, these units are no longer subject to taxation.

Fund units acquired after 1 January 2011 (new units) are subject to taxation on the increase in value realised when the units are sold, irrespective of the holding period. Taxation is performed by the account holding bank, which retains 25% capital gains tax (or 27.5% capital gains tax for sales after 1 January 2016) on the difference between the income from the sale and the extrapolated acquisition value for tax purposes (acquisition costs are increased by income equivalent to disbursements, and reduced by tax-free disbursements).

### **Compensation for losses at the unit holder's custodian account level**

From 1 April 2012 the custodian bank must net price gains and price losses and also income (with the exception of coupons from existing units, interest income on cash deposits, and savings deposits) from all types of securities from all of the custodian accounts for an individual holder held with a bank during one calendar year (so-called compensation for losses) At most, only the capital gains tax already paid can be credited. If 25% the realised losses exceed the capital gains tax already paid, the remaining loss will be held to credit through to the end of the calendar year for future profits and income that can be netted. Any other losses that are not compensated with (additional) gains or income during the calendar year will lapse. It is not possible to carry losses forward over the end of the calendar year.

Investors for whom the income tax rate is lower than 25% or 27.5% from 1 January 2016 the possibility to tax all capital gains which are subject to the 25% or 27.5% tax rate at correspondingly lower income tax rates as part of their income tax declaration (regular taxation option). In so doing, it is not possible to deduct professional expenses (such as custodian account fees). The capital gains tax previously deducted can be refunded as part of the tax declaration. If the taxpayer only wants compensation of losses within the capital gains subject to 25% taxation (for taxable income from 1 January 2016 27.5% capital gains tax) he can use the loss compensation option - in isolation from the regular taxation option. This also applies in cases in which the relief obligations can be performed as a result of double taxation agreements. In this regard it is not necessary to disclose all of the capital gains subject to final taxation.

## **COMPANY ASSETS**

### **Taxation and final taxation for interests in private individual's company assets**

In the case of private individuals who obtain income from capital assets or commercial operations (sole proprietors, co-proprietors), the income tax for income subject to capital gains tax (interest from debt securities, Austrian and foreign dividends and other ordinary income) is regarded as having been settled via the capital gains tax deduction:

Disbursements (interim disbursements) from capital gains from Austrian funds and from capital gains equivalent to disbursements from foreign sub-funds for the fiscal year that started in 2012 have to be taxed at this rate, and then the 25% special tax rate was applied (27.5% for taxable income from 1 January 2016) (assessment).

In the case of fund fiscal years which commenced after 31 December 2012, all of the price gains realised in the fund assets are taxable immediately (i.e., it is no longer possible to reinvest capital gains tax-free). The 25% or, from 1 January 2016 27.5% capital gains tax deduction does not, however, impact final taxation but is only an advance payment for the special income tax rate as part of the assessment.

Gains from the sale of fund units are generally subject to the 25% (or 27.5% from 1 January 2016) capital gains tax rate. In turn, this capital gains tax deduction is only an advance payment for the special income tax rate to be charged as part of the assessment in the amount of 25% or 27.5% from 1 January 2016 (gains = difference between the income from the sale and the acquisition costs; of this amount the income equivalent to disbursements already taxed during the holding period or on the date of the sale must be deducted; the income equivalent to disbursements must be carried off the balance sheet in the form of a tax "rem" item for the period that the fund units is held. Write downs for the fund unit under company law reduce the income equivalent to disbursements for the respective year).

No compensation for losses by the bank is permitted for custodian accounts held as company assets. These can only be netted in the tax declaration.

### **Taxation of units in legal entities' company assets**

As a rule, the ordinary income recorded in the fund (for example interest, dividends) is subject to taxation.

However, the following are tax-free:

- Austrian dividends (the capital gains tax deducted when fees accrue to the fund can be refunded)
- Gains from participations in EU corporations
- Gains from interests in foreign corporations which are comparable to an Austrian corporation according to Section 7 (3) of the Austrian Capital Gains Tax Act (KStG) and for which there is comprehensive administrative assistance with their country of domicile.

However, gains from foreign corporations are not tax-free if the foreign corporation is not subject to any taxation comparable with Austrian corporation tax (this is the case if the foreign tax is more than 10% less than the Austrian corporation tax or if the foreign corporation is subject to a personal or factual exemption).

Dividends from other countries are subject to capital gains tax.

In the case of fund fiscal years which commenced after 31 December 2012, all of the price gains realised in the fund assets are taxable immediately (i.e., it is no longer possible to reinvest capital gains tax-free).

If no exemption declaration within the meaning of Section 94 Z 5 of the Austrian Income Tax Act (EStG) is available, the party paying the coupon must also retain capital gains tax on the distribution for units held in company assets or payments made from reinvestment funds and pay this to the tax office. Any capital gains tax deducted and paid to the tax office can be netted with the corporation tax demanded or can be refunded.

Profits from the sale of fund units are subject to 25% corporation tax. Price gains or write-downs to the going concern value for tax purposes ("Teilwertabschreibungen") are tax deductible immediately.

## CORPORATIONS WITH INCOME FROM CAPITAL ASSETS

If corporations (e.g., associations) obtain income from capital assets, the corporation tax is regarded as having been paid via the tax deduction. Capital gains tax on tax-free dividends can be refunded.

The capital gains tax rate increases for income from 1 January 2016 from 25% to 27.5%. However, for corporations with income from capital assets the capital gains tax rate for this income remains at 25%.

If the coupon-paying agent does not continue to apply this 25% capital gains tax rate, the tax payer can have the excess amount of capital gains tax paid refunded from the tax office.

As a rule, private foundations are subject to the 25% interim tax rate for income recorded from funds.

However, Austrian dividends (the capital gains tax deducted when fees accrue to the fund can be refunded) and profits from participations in EU corporations which are comparable to an Austrian corporation according to Section 7 (3) of the Austrian Capital Gains Tax Act (KStG) and for which there is comprehensive administrative assistance with their country of domicile.

However, gains from foreign corporations are not tax-free if the foreign corporation is not subject to any taxation comparable with Austrian corporation tax (this is the case if the foreign tax is more than 10% less than the Austrian corporation tax or if the foreign corporation is subject to a personal or factual exemption).

Dividends from other countries are subject to capital gains tax.

At least 60% of all realized and reinvested capital gains (price gains from realised equities and equity derivatives as well as from bonds and bond derivatives) are also subject to the 25% interim tax. If the realised capital gains are disbursed, these are subject to full taxation (for example, if 100% is disbursed, 100% is taxable, if 75% is disbursed, 75% is taxable).

Fund units acquired after 1 January 2011 are subject to taxation on the increase in value realised when the units are sold. The amount of taxation is based on the difference between the income from the sale and the extrapolated tax acquisition value for the fund units. With regard to the extrapolated tax acquisition value, taxed income increases the acquisition costs during the holding period for the unit certificate, while disbursements made or capital gains tax paid reduces the acquisition costs.

#### **4. Cut-off date for the financial statements and frequency and form of distributions**

The investment fund's fiscal year runs from October 1 to September 30 of the following calendar year. Capital gains tax will be distributed or paid pursuant to Section 58 (2) InvFG from December 1 of the following fiscal year.

## 5. Name of the auditor within the meaning of Section 49 (5) of the InvFG

The auditor within the meaning of the InvFG is Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna. Further details of the persons tasked with the audit can be found on the respective audit certificate for the annual fund report.

## 6. Type and key characteristics of the units; unit holders' rights

### Characteristics of the units

Each party acquiring a unit acquires, in the amount of their share of the co-ownership units certified therein, co-ownership of all of the assets in the fund (real right).

Co-ownership of the assets which belong to the investment fund is to be broken down into equal co-ownership units. There is no limit to the number of fund units.

The co-ownership units are embodied in unit certificates with the character of financial instruments for fund units.

The unit certificates are represented by global certificates (Section 24 of the *Depotgesetz* (Austrian Safe Custody of Securities Act), BGBl. [Austrian Federal Law Gazette] No. 424/1969 in the respective applicable version).

With the consent of the Supervisory Board, the management company may split the co-ownership units and issue additional unit certificates to the unit holders or exchange the old unit certificates for new ones if a co-ownership unit split is deemed to be in the interests of the co-owners given the calculated value of the units.

Unit certificates are issued to the bearer.

There are no voting rights connected with a unit.

Disbursement unit certificates and accumulating unit certificates with capital gains tax deduction can be given for the investment fund.

The following unit certificate classes are to be issued:

- **Disbursement unit certificates (A-Tranche), ISIN: AT0000819487**
- **Disbursement unit certificates (A3-Tranche), ISIN: AT0000A1NQT7**
- **Accumulating unit certificates with capital gains tax deduction (T-Tranche), ISIN: AT0000746938**

The different classes may have a different cost structure (see item II 17.).

In addition, the management company reserves the right to issue additional classes of coupons with different management costs or issuing premiums within the fund conditions or with pre-defined minimum investment volumes for the fund.

Issuing units in a coupon category is at the management company's discretion.



## **7. Conditions under which the liquidation of the investment fund can be decided and details of liquidation, in particular in relation to the rights of the shareholders**

### **Termination of management**

The management company may terminate/end the management of the investment fund in following cases:

i) with approval from the Austrian Financial Market supervisory authority via a corresponding official notice and while upholding a notice period of at least 6 months. This period can be shortened to (at least) 30 days and the publication may be waived, if all investors are demonstrably notified of the termination. The investors may (subject to price suspension) during the period indicated above redeem their units against payment of the redemption price.

ii) with immediate effect (day of publication) with simultaneous notification of the Austrian Financial Market Authority (FMA) if the fund's assets fall below EUR 1,150,000.00;

Termination according to ii) is not permitted during termination according to i).

If the management ends as a result of termination, the custodian bank will take over interim management, who have to initiate winding-up proceedings for the fund, if it does not transfer its management to another management company within six months. When winding up starts, the unit holders' right to management is replaced by the right to proper winding up, and the right to repayment of the value of the unit at any time is replaced by the right to payment of the proceeds from winding up after this has been completed.

### **Transfer of management**

The management company may transfer the management of the fund with the approval of the Financial Market Authority, publication and subject to a term of (at least) 3 months to another management company. This period can be shortened to (at least) 30 days and the publication may be waived, if all investors are notified of the transfer. The investors may (subject to price suspension) during the period indicated above redeem their units against payment of the redemption price.

### **Amalgamation/merger of the fund with another investment fund**

The management company may, subject to certain conditions and with the approval of the Austrian Financial Market Authority (FMA), merge the fund with another investment fund or several funds with the publication (subject to a term of at least 3 months) and information about the details to the shareholders (shall be made by serving a notice of at least 30 days).

The investors may redeem their units against payment of the redemption price or possibly convert into units of another investment funds with similar investment policies during the period specified therein.

In the case of a fund merger the shareholders are entitled to exchange their units at the exchange ratio and to payment of any applicable compensation.

### **Split-off of the fund's assets**

The management company may split off parts of the fund's assets, which unexpectedly became illiquid, after approval by the FMA and publication of the details. In accordance with their units the investors will become co-owners of the splitted-off fund, which is administered by the custodian bank. After liquidation the proceeds will be paid to the unit holders.



## **Other reasons for the termination of the fund**

The right of the management company to manage an investment fund will end in the event the management company loses its investment business license or its authorization pursuant to Directive 2009/65/EC or if it resolves to wind up itself or if the authorization is withdrawn.

With the beginning of the winding-up process the right of unit holders to management will be replaced by the right to a proper handling of the liquidation and the right to redemption of the value of a unit at any time is replaced by the right to disbursement of the liquidation proceeds after settlement.

## **8. Information on the stock exchanges or markets on which the units can be listed or traded**

The units are issued and redeemed by the custodian bank.

## **9. Methods and terms of issue and/or sale of units**

### **Issuance of units**

As a rule, there is no limit to the number of issued units and corresponding unit certificates. Units may be purchased from the payment and submission agents listed in the prospectus. The management company reserves the right to temporarily or completely cease issuing units.

### **Issue fee and issue price**

When the issue price is set, a subscription fee shall be added to the value of a unit to cover issuing costs. The subscription fee to cover the issuing costs amounts to up to 5.25% of the value of a unit, rounded to the next cent.

With just a short investment horizon this subscription fee can reduce performance and even consume very quickly. For this reason, a longer investment period is recommended when purchasing investment unit certificates.

### **Settlement date**

The valid issuing price applicable for settlement is the net asset value calculated by the custodian bank on the next Austrian banking day, or the banking day after next in Austria, plus the subscription fee. The value date on which the purchase price is charged is two banking days after the settlement date.

The deadline for accepting orders is 1.30pm at the registered office of the custodian bank, this means, that these share certificate transactions reaching the depository bank prior to that date will be calculated with the net asset value of the next Austrian banking day, those after that date will be calculated with the one of the banking day after next. In this connection it must be noted that other (shorter) order acceptance periods could apply at the distribution agents and the forwarding time of other points of acceptance, are to be observed.

## **10. Methods and terms of unit redemptions and payouts and circumstances under which redemptions or disbursements may be suspended**

### **Redemption of units**

Unit holders can require the custodian bank to redeem units at any time by surrendering their unit certificates or by placing a redemption order with the custodian bank. The management company undertakes to redeem the units at the respective applicable

redemption price which corresponds to the value of a unit, rounded to the nearest cent, for the account of the investment fund.

### **Suspension**

The payment of the redemption price and calculating and publishing the redemption price can, with a simultaneous notice to the Financial Market Authority (FMA) and corresponding publication, be temporarily waived and be made dependent on the sale of assets of the investment fund and on the receipt of the income from the exploitation if there are extraordinary circumstances that make this seem necessary, taking justified interests of the unit holders into account. Resumption of redemption of the unit certificates must also be notified to the investor regulations.

### **Redemption fee and Redemption price**

No redemption fee will accrue.

### **Settlement date**

The valid redemption price applicable for settlement is the net asset value calculated by the custodian bank on the next Austrian banking day, or the banking day after next in Austria, plus the subscription fee. The value date on which the selling price is credited is two banking days after the sale order has been processed.

The deadline for accepting orders is 1.30pm at the registered office of the custodian bank, this means, that these share certificate transactions reaching the depository bank prior to that date will be calculated with the net asset value of the next Austrian banking day, those after that date will be calculated with the one of the banking day after next. In this connection it must be noted that other (shorter) order acceptance periods could apply at the distribution agents and the forwarding time of other points of acceptance, are to be observed.

## **11. Identification of the selling or issuing prices and the redemption prices for the units**

- **Method and frequency of the calculation of these prices**
- **Costs associated with the sale, issue, redemption or payment**
- **Type, place and frequency of the publication of these prices.**

### **Calculation method**

When calculating the price of the investment fund, the respective last published prices will be used. If the last published valuation price clearly does not correspond to the actual values due to the political or economic situation, and not only in an individual case, no price has to be calculated if the investment fund has invested 5 per cent or more of its fund's assets in assets that do not have prices that are in line with the market.

### **Frequency of the price calculation**

The calculation of the issue- and the redemption price will be counted daily.

### **Costs of issuing and redeeming units**

Units are issued and redeemed by the custodian bank or purchased from one of the paying or submission agents named in the prospectus without any additional costs being charged except for the subscription fee and rounding to the nearest cent when unit certificates are issued. The unit certificates are redeemed at the redemption price, rounded to the nearest cent.

The extent to which the individual investors are charged for the acquisition and redemption of unit certificates in addition to the subscription fee and additional fees depends on the individual agreement between the investor with the respective custodian bank and thus not be influenced by the management company.

### **Type, location and frequency of publishing the issue- and the redemption prices**

The value of a unit, the issue and redemption prices will be published in electronic form on the Web site of the management company every stock market day by the custodian bank.

## **12. Valuation principles**

The value of a unit or a unit certificate class is calculated by dividing the entire value of the fund or of the unit certificate class inclusive of its income by the number of units.

The share value thus calculated is rounded on two right-of-comma positions.

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 market value of the individual assets is determined according to the following principles:

- a) 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.
- b) 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.
- c) Units in a UCITS or UCI will be valued at the most recently available calculated prices/calculated value or – if their units are traded on stock exchanges or regulated markets (e.g. ETFs) – at the most recently available closing prices.
- d) The liquidation value of futures and options traded on a stock exchange or another regulated market will be determined on the basis of the most recently available settlement price.

## **13. Description of rules for calculating and using the income and description of the unit holders' entitlements to income**

See article 6 of the fund's regulations.

## 14. Investment targets and policy

The fund aims to comply with its investment goals at all times, however no assurance can be provided that these goals will actually be reached.

It is pointed out that the following notices are a brief description and are not a substitute for personal expert investment advice, in particular the individual risk profile of the investors are not considered.

The fund's **investment goal** is high ongoing income. In this regard, depending on its view of the economic situation and the situation on the capital markets and the outlook on the stock markets, as part of its investment policy it will acquire and sell assets (securities, money market instruments, fund units, sight deposits, and financial instruments) that are permitted according to the Austrian Investment Fund Act and the fund regulations. In this regard, particular attention will be paid to spreading risk.

The various assets will be selected according to the following principles for the investment fund:

The fund **mostly invests in corporate bonds** with a minimum rating requirement of BB-. The average rating in the fund is at least BBB-, and value is attached to having a broad spread in the fund's assets. There are no restrictions regarding the bonds' maturities. Investments are mostly made in euros; if additional foreign currencies are included these are hedged against the euro as far as possible.

Money market instruments may only be acquired to maintain liquidity over the short term **up to 49 per cent of the fund's assets**.

Sight deposits play a minor role for investments, and may be held **up to 49 per cent of the fund's assets**. As part of reallocations of the fund's portfolio and/or if there is a justified reason to believe that there are threatened losses for securities, the investment fund can fall below its proportion of securities and have a higher proportion of sight deposits or cancelable deposits with a maximum term of 12 months.

Units in the investment fund (OGAW, OGA) may be acquired to **up to 10 per cent of the fund assets** if the investment focus is on debt securities.

Derivative instruments are only permitted for hedging and for speculative purposes and **up to 49 per cent** of the fund's assets; speculative derivatives are currently not employed as part of the investment policy.

**The fund is actively managed. Active management means that higher transaction costs can result compared to a passive investment fund.**

## 15. Techniques and instruments of investment policy

The investment fund invests pursuant to the investment and issuer limits laid down in the InvFG in connection with the fund regulations and in compliance with the principle of risk diversification.

### Securities

Securities may only be acquired for the investment fund according to the restrictions set out in the fund regulations or the investment policy in point 13.

As a rule, securities are

- a) Bonds and other securitized debt instruments,
- b) bonds and further documented debts
- c) all other marketable financial instruments (e.g., subscription rights) which grant an entitlement to purchase financial instruments within the meaning of the InvFG by means of subscription or exchange.

The criteria laid down in Section 69 of the InvFG, however with the exception of the techniques and derivatives specified in Section 73 of the InvFG.

Within the meaning of Section 69 (2) of the InvFG securities also include

- 1. Units in closed-end funds in the form of an investment company or an investment fund,
- 2. Units in closed-end funds in contractual form,
- 3. Financial instruments in accordance with Section 69 (2) No. 3 of the InvFG.

The management company purchases securities which are officially licensed at one of the Austrian or foreign stock exchanges listed in the Appendix or traded on regulated markets listed in the Appendix which are recognized and open to the general public and which function in an orderly manner.

In addition, the management company will acquire securities from new issues whose terms and conditions of issue include an obligation to apply for official listing on a stock exchange or organized market subject to the proviso that their listing must take place no later than one year since their date of issue.

**The investment fund may invest more than 35 per cent and up to 100 per cent of the fund's assets in a single issuer in line with the fund regulations approved by the Austrian Financial Market Authority (FMA) according to InvFG 2011 in the case of specific issuers and under certain conditions. The management company will, however, expressly not utilize this option at present.**

### **Money market instruments**

Money market instruments are instruments normally traded on the money market which are liquid, whose value may be precisely determined at any time and which fulfill the requirements pursuant to Section 70 of the InvFG.

Money market instruments may be purchased for the investment fund where these are

- 1. officially licensed at one of the Austrian or foreign stock exchanges listed in the Appendix or traded on regulated markets listed in the Appendix which are recognized and open to the general public and which function in an orderly manner.
- 2. normally traded on the money market and freely transferable and liquid and their value may be precisely determined at any time and for which appropriate information is available, including such information as enables an appropriate valuation of the credit risks associated with investing in such instruments may be purchased even if they are not traded on regulated markets, where the issue or the issuer of these instruments is already subject to the relevant provisions concerning protection of deposits and investors and these instruments are either
  - a) issued or guaranteed by a central, regional or local unit of government or by the central bank of a member state, the European Central Bank, the European Union or the European Investment Bank, a third country or - for federal states - a member state of a federation or by an international institution established under public law of which at least one member state is a member or

- b) issued by companies whose securities are officially licensed at one of the Austrian or foreign stock exchanges listed in the Appendix or traded on regulated markets listed in the Appendix or
- c) issued or guaranteed by an institution which is subject to supervision in accordance with the criteria stipulated in Community law or issued or guaranteed by an institution which is subject to and complies with supervisory regulations which in the opinion of the Austrian Financial Market Authority are at least as stringent as those set out in Community law or
- d) issued by other issuers belonging to a category licensed by the Austrian Financial Market Authority, where investor protection provisions apply for investments in these instruments which are equivalent to those set out in sec. a to c and where the issuer is either a company with shareholders' equity of at least EUR 10 million which prepares and publishes its annual financial statements in accordance with the provisions set out in Directive 2013/34/EU or a legal entity which, within a business group comprising one or more stock exchange-listed companies, is responsible for the financing of this group or a legal entity which, in business, corporate or contractual form, is due to finance its securitization of liabilities through a credit line granted by a bank; such credit line must be guaranteed by a financial institution which itself fulfills the criteria specified in No. 2 sec. c.

### **Not fully paid-in securities**

Not fully paid-in securities or money market instruments and subscription rights for such instruments or other not fully paid-in financial instruments may only be purchased of the fund assets.

### **Unlisted securities and money market instruments**

Overall, up to 10 per cent of the fund's assets may be invested in securities or money market instruments not officially listed on one of the stock exchanges listed in the Appendix to the fund regulations or traded on one of the regulated markets listed in the Appendix to the fund regulations, including new issues, which are not listed within one year since first issue.

### **Units in investment funds (Section 77 InvFG)**

1. Units in investment funds (= investment funds and open-end investment companies), which comply completely with the provisions set out in Directive 2009/65/EC (UCITS) may be purchased together with funds pursuant to the following No. 2 up to an overall amount of 10 per cent of the fund's assets where these funds do not for their part invest more than 10 per cent of their fund's assets in units of other investment funds.

2. Units in a fund pursuant to Section 71 in connection with Section 77 (1) of the InvFG which do not wholly comply with the provisions set out in Directive 2009/65/EC (UCI) and whose exclusive purpose is

- for joint account and in accordance with the principle of risk spreading to invest publicly procured funds in securities and other liquid financial investments and
- whose units are, at the request of the unit holders, repurchased or redeemed at the direct or indirect expense of the assets of the investment fund

may purchased up to an overall amount of 10 per cent of the fund's assets where

- a) these funds do not invest more than 10 per cent of their fund's assets in units of other investment funds
- b) they are licensed in accordance with legal provisions which make them subject to supervision which in the opinion of the Austrian Financial Market Authority is equivalent to supervision under Community law and there is an adequate guarantee of cooperation between the authorities and



- c) the level of protection afforded the unit holders is equivalent to the level of protection afforded the unit holders in investment funds which comply with the provisions set out in the Directive 2009/65/EC (UCITS) and, in particular, the provisions concerning separate safekeeping of the portfolio of assets, the take-up of loans, the extensions of loans and uncovered sales of securities and money market instruments which are equivalent to the requirements set out in the Directive 2009/65/EC and
- d) the relevant business activity is the subject of annual and semi-annual reports which enable a judgment to be made as to the relevant assets and liabilities, income and transactions during the period under review.

The criteria stated in Section 3 of the *Informationen- und Gleichwertigkeitsfestlegungsverordnung* (IG-FestV - Austrian Information and Equivalency Determination Ordinance), as amended, shall be consulted for evaluation of the equivalency of the level of protection for unit holders within the meaning of sec. c).

3. Units may also be purchased for the investment fund in investment funds which are directly or indirectly managed by the same management company or by a company with which the management company is affiliated through joint management or control or a substantial, direct or indirect investment.

## **Derivative financial instruments**

### **a) Listed and non-listed derivative financial instruments**

Derivative financial instruments (derivatives) - including equivalent instruments settled in cash - which are officially licensed on one of the stock exchanges listed in the Appendix or traded on one of the regulated markets listed in the Appendix or derivative financial instruments which are not officially licensed by a stock exchange or traded on a regulated market (OTC derivatives) may form part of the investment fund if

- the underlying instruments are instruments pursuant to Section 67 (1) No. 1 to 4 of the InvFG or financial indices, interest rates, exchange rates or currencies in which the investment fund is permitted to invest in accordance with its fund regulations
- the counterparty in transactions involving OTC derivatives is a supervised institution belonging to a category licensed by the Austrian Financial Market Authority by regulation and
- the OTC derivatives are subject to a reliable and verifiable daily valuation and at the initiative of the management company may at any time and at an appropriate current market value be sold, liquidated or balanced through an offsetting transaction.
- they do not lead to the delivery or transfer of assets other than those specified in Section 67 (1) of the InvFG.

This also includes instruments that have to transfer the credit risk for the above-mentioned assets.

The default risk for transactions for an investment fund with OTC derivatives may not exceed the following 5 per cent of the fund's assets.

Investments by an investment fund in index-based derivatives are not taken into account in view of the specific investment thresholds. If a derivative is embedded in a security or a money market instrument, this must be taken into account to ensure that the provisions set out above are upheld.

## **b) Purpose**

**Derivative financial instruments may be part of the investment strategy and the fund may also perform transactions with derivatives for speculative purposes up to 49 per cent of the fund's assets and for hedging purposes.**

**As a result, the risk of loss in terms of the assets in the investment fund can increase, at least for interim periods.**

## **c) Risk management**

The management company must employ a risk management procedure which enables it to monitor and measure at all times the risk associated with its investment items and its share of the overall risk profile of the fund's assets.

The overall risk is to be determined in accordance with the commitment approach or the value-at-risk approach.

The management company must specify, implement and maintain appropriate and documented risk management principles. These risk management principles must include procedures such as are necessary for the evaluation of the market, liquidity and counterparty risks as well as other risks, including operational risks.

## **d) Overall risk**

### **Commitment approach**

The management company applies the commitment approach to calculate the overall risk. With this approach, all positions in derivative financial instruments including embedded derivatives within the meaning of Section 73 (6) of the InvFG are converted into the market value of an equivalent position in the underlying instrument of the relevant derivative (underlying instrument equivalent).

Netting and hedging agreements are included in the calculation of the overall risk insofar as they consider obvious and significant risks and clearly lead to a reduction in the level of risk.

It is not necessary to include in the calculation positions in derivative financial instruments which do not give rise to any additional risk for the investment fund.

Please refer to the current version of the regulation issued by the Austrian Financial Market Authority (FMA) concerning risk calculation and reporting of derivatives for the detailed overall risk calculation modalities in case of use of the commitment approach and the quantitative and qualitative details.

The total of the chargeable values of the derivative financial instruments that are not used for hedging may not exceed 49 per cent of the value of the fund's assets.

### **Sight deposits or callable deposits**

Bank balances in the form of sight deposits or callable deposits with a term of at most 12 months may be acquired under the following conditions:



1. sight deposits or callable deposits with a maturity not exceeding 12 months may be invested at any one bank up to an amount of 20 per cent of the fund's assets if the relevant bank
  - is headquartered in a member state or
  - is located in a third country and is subject to supervisory regulations which in the opinion of the Austrian Financial Market Authority (FMA) are equivalent to those set out in Community law.
2. Irrespective of any individual upper limits, an investment fund may not invest more than 20 per cent of its fund assets with any one bank in a combination of securities or money market instruments and/or deposits held by this bank and/or OTC derivatives purchased by this bank.
3. 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.

### **Borrowing**

Borrowing is permitted temporarily for up to 10 per cent of the fund assets.

The risk of the fund may increase to the same extent.

### **Repos**

Up to 49 per cent of the value of the fund's assets the management company is permitted to purchase assets for the account of the investment fund to be added to the fund's assets subject to an obligation by the seller to repurchase those assets at a predetermined time and at a predetermined price.

This means that the fund's endowment of assets held under repurchase agreements may differ from its basic endowment at any given time. For example, the return, maturity and buying and selling prices may deviate significantly from those of the underlain instrument. This eliminates market risks.

The fund conditions (contractual conditions) include information on repurchase agreements and this opportunity is thus a possibility, however the fund's current strategy does not include this, and as a result this technique is not applied. As a result, no further information on collateral management and information according to Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse have to be provided.

### **Securities lending**

Within the investment limits laid down by the InvFG, the management company is entitled to transfer to third parties securities of up to the amount of 30 per cent of the fund's assets as part of an acknowledged securities lending system and for a limited period, subject to the proviso that the third party shall be obliged to re-transfer the transferred securities after a predetermined loan period.

The premiums received in this regard are an additional source of income.

The fund conditions (contractual conditions) include information on securities lending and this opportunity is thus a possibility, however the fund's current strategy does not include this, and as a result this technique is not applied. As a result, no further information on collateral

management and information according to Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse have to be provided.

### **Total return Swaps**

The fund does not currently use total return swaps or similar derivative instruments.

## **16. Risk profile for the investment fund**

The assets in which the management company invests for the account of the investment fund entail risks as well as income opportunities. If the investor sells fund units at a time when the prices of the assets have fallen, he will not receive all of the money which he invested in the investment fund. However, the investor's risk is limited to his total investment. There is therefore no commitment to provide further capital.

The list is not conclusive and the impact of the risks mentioned on the investment fund may differ in intensity.

When selecting assets, considerations focus on security, growth and/or income. In so doing, we must note that securities include not only opportunity for price gains, but also risks.

As a result of the assessment of the investment fund, for the investment fund there is, in particular, the **risk of market and interest rate changes**, an **issuer risk**, and also a **valuation risk**, and as a result of the **use of derivatives** there is also an **increased risk of loss**.

**These risks and also the risks described in the following sections could have a negative impact on the value of the units.**

**It must be noted that the value of the unit certificates for the investment fund can increase/fall compared to the issuing price. This has the result that investors may receive less money back than they invested.**

### **Market risk**

The price performance for securities depends, in particular, on the development of the capital markets, which in turn are impacted by the general economic situation and the underlying economic and political conditions in the respective countries.

### **Risk of interest rate changes**

A particular feature of the market risk is the risk of interest rate changes. This means the possibility that the level of market interest rates that exists on the date a fixed-interest security is issued may change. Changes to the interest rates on the market can result from changes to the economic situation and the policy of the respective central banks in response to this. If market interest rates increase, as a rule the prices for fixed-interest securities fall. If, in contrast, market interest rates fall, the price of fixed-interest securities rises. In both cases, the price development means that the return from the security is roughly the same as the market interest rate. However, price fluctuations differ depending on the term of the fixed-interest security. Fixed-interest securities with shorter terms are subject to smaller price risks than those with longer terms. Fixed-interest securities with shorter terms are subject to smaller price risks than those with longer terms.

### **Credit risk or issuer risk**

In addition to the general trends on the capital markets, the specific developments for the respective issuer impact the price of a security. Even given the most careful selection of securities, it is, for example, not possible to rule out that loss may occur due to issuers'

assets declining or as a result of issuer insolvency. One form of credit risk or issuer risk is also the risk of a creditor participation in the event of a bank's recovery or resolution ("bail-in"). The measures provided for in this case can lead to a total loss of the invested capital for bank creditors.

#### **Fulfillment or counterparty risk (default risk for the counterparty)/settlement risk**

This category includes the risk that a settlement in a transfer system is not fulfilled as expected, as a counterparty does not pay or deliver as expected or does so subject to a delay. The settlement risk relates to not receiving a corresponding consideration upon fulfilling a transaction after providing performance.

Particularly for the purchase of non-listed financial products or their settlement via a transfer agent there is a risk that it may not be possible to fulfill a completed transaction as expected due to a counterparty's failure to make payment or deliver or due to losses resulting from errors occurring during operational activities as part of the execution of a transaction.

#### **Liquidity Risk**

The management company purchases securities which are officially licensed at one of the Austrian or foreign stock exchanges listed in the Appendix or traded on regulated markets listed in the Appendix which are recognized and open to the general public and which function in an orderly manner.

Despite this, sales of individual securities in individual phases or in individual stock exchange segments may be problematic at the desired moment in time. There is also a risk that securities traded in a somewhat tight market may be subject to substantial price volatility.

The management company may acquire securities that are traded on a stock exchange or on a regulated market within the EEA or on one of the stock exchanges or regulated markets listed in the Appendix to the fund regulations.

In addition, the management company will acquire securities from new issues whose terms and conditions of issue include an obligation to apply for official listing on a stock exchange or organized market subject to the proviso that their listing must take place no later than one year since their date of issue.

#### **Exchange rate or currency risk**

The currency risk is another form of market risk. Where not otherwise stipulated, investment fund assets may be invested in currencies other than the relevant fund currency. The fund will receive income, repayments and proceeds from such investments in the currencies in which it invests. The value of these currencies may fall relative to the fund currency. There is therefore a currency risk which may adversely affect the value of the units where the investment fund invests in currencies other than the fund currency.

#### **Custody risk**

Custody of assets of the investment fund is subject to a loss risk due to insolvency, breaches of a duty of care or abusive conduct by the custodian or a sub-custodian. In particular, the use of a prime broker as a depositary may not always guarantee the same level of security as a bank serving as a depositary.

#### **Concentration risk**

Further risks may result from a concentration of the investment on certain assets or markets.

#### **Performance risk**

The performance of assets purchased for the investment fund may deviate from predictions at the time of purchase. Accordingly, positive performance cannot be guaranteed unless a guarantee is granted by a third party.

**Information on the solvency of any guarantors**

The risk associated with the investment rises or falls depending on the solvency of any guarantors.

**Risk of inflexibility**

The risk of inflexibility may be determined by both the product itself and by restrictions in case of a transfer to other investment funds.

**Inflation risk**

The return on an investment may be negatively influenced by the inflation trend. The funds invested may be subject to a drop in purchasing power due to a fall in the value of money, or the inflation trend may have a direct (negative) effect on the performance of assets.

**Capital risk**

The risk relating to the investment fund's capital may apply in particular if the assets are sold more cheaply than they were purchased. This also covers the risk of exhaustion for repurchases and excessive distributions of investment yields.

**Risk of change in other underlying conditions, including tax regulations**

The value of assets of the investment fund may be negatively affected due to uncertainties in countries in which investments are made, e.g., international political developments, a change in government policy, taxation, restrictions on foreign investments, currency fluctuations, and other trends in terms of legislation and regulation. The fund may also trade on stock exchanges which are not as strictly regulated as those in the USA and EU countries.

**Valuation risk**

Particularly in times of liquidity shortages experienced by market participants due to financial crises and a general loss of confidence, price determination for certain securities and other financial instruments on the capital markets may be restricted, hampering the fund's valuation. Where investors simultaneously redeem large quantities of units during such periods, in order to maintain the fund's overall liquidity the fund's management may be forced to sell securities at prices deviating from the actual valuation prices.

**Country or transfer risk**

Country risk refers to a situation where a foreign debtor is unable, despite his solvency, to make timely payment or any payment due to an inability or a lack of readiness on the part of his country of residence to make transfers. For example, payments to which the fund is entitled may not be forthcoming or may be made in a currency which is no longer convertible due to foreign exchange restrictions.

**Risk of suspension of redemption**

In principle, unit holders may demand the redemption of their units at any time. However, the management company may temporarily suspend redemption of units in case of extraordinary circumstances.

**Key personnel risk**

The performance of a fund which realizes a highly favorable investment outcome within a given period is partly attributable to the aptitude of the persons responsible and thus to the correct decisions made by the fund's management. However, the personnel makeup of the fund's management may change. New decision-makers may be less successful in their activities.

**Operational risk**

The loss risk for the fund resulting from inadequate internal procedures as well as human or system error at the management company or due to external events plus legal and documentation risks and risks resulting from the fund's trading, settlement and valuation procedures.

**Risk in connection with other fund units (sub-funds)**

The risks for the sub-funds which are acquired for the fund are closely associated with the risks for the assets included in these target funds and their investment strategies.

Since the fund managers of the individual sub-funds act independently of one another, it is possible that multiple target funds may pursue the same or opposing investment strategies. This may cause existing risks to accumulate and to cancel out any opportunities.

**Risk in case of derivative financial instruments**

As part of its orderly management of an investment fund, subject to certain conditions and restrictions the management company may purchase derivative financial instruments where such transactions are expressly permitted in the fund regulations.

**Derivatives can entail risks such as the following:**

- a) **Acquired limited-term rights may fall in price or suffer a loss of value.**
- b) **The risk of loss may not be calculable and may exceed any furnished collateral.**
- c) **Transactions designed to exclude or reduce risks may not be possible or may only be possible at market price that shall cause a loss.**
- d) **The risk of loss may increase if the obligations associated with such transactions or the consideration that can be claimed as a result of such transactions is denominated in a foreign currency.**

**The following additional risks may apply for transactions involving OTC derivatives:**

- a) **Problems concerning the sale to third parties of financial instruments purchased on the OTC market, as these lack an organized market; settlement of obligations entered into may be difficult due to an individual agreement or else necessitate substantial expenses (liquidity risk).**
- b) **The economic success of the OTC transaction may be jeopardized as a result of the contracting party's default (counterparty risk).**

**Securities lending risk**

Non applicable.

**Risk for assets deposited as collateral (collateral risk)**

Third-party collateral provided for or given from the investment fund is subject to the typical investment risks for collateral.

## 17. Management costs and other costs

### Management costs

The management company shall receive for its management activity annual remuneration in the amount of **1.5 per cent** of the fund's assets, calculated pro rata on the basis of the values at the end of each month. For the fund may be .At present for the unit certificate class A and T the fund will be charged with 0.90 per cent p.a., for the class A3 0.65 per cent p.a..

The management fee covers the management costs and also any selling costs.

### Other costs

In addition to the remuneration due to the management company, the following expenses are charged to the investment company:

- a) Transaction costs: This refers to those costs associated with the purchase and sale of investment fund assets which are not already taken into consideration through an assets settlement. The transaction costs also include the costs for a central counterparty for OTC derivatives (in accordance with the Regulation (EU) No. 648/2012 (EMIR)). Furthermore, in the transaction costs, the costs of the Collateral management can be included.
- b) Expenses for the auditor and tax advice: The amount of remuneration for the auditor is based on the fund's volume on the one hand and the investment principles on the other hand. The expenses for tax advice are including the calculation of tax details for each unit holder who are non-unlimited taxable in Austria (and may be charged from case to case)
- c) Publicity costs including expenses for supervisory: These costs are the expenses associated with the production and publication of the statutory information for unit holders in Austria and other countries. In addition, all costs charged by the supervisory authorities and all expenses resulting of the fulfillment of legal requirements in any sales states and costs of tax representation abroad may be passed on to the investment fund if permitted by law. This also includes the costs for production and use of a permanent data storage medium.
- d) Costs of the custodian bank/depositary: The investment fund is charged the standard banking custodian account fees, coupon collection costs - where applicable inclusive of the amounts normally charged by a bank for the custody of foreign securities abroad (securities' custodian account fees).
- e) Custodian bank fee and cost for other services: The fund will be charged other costs for custodian and other services according to I. 9. of this prospectus, for instance book-keeping and daily valuation of the fund.
- f) Costs of admission to sale or tax registration in Germany.

The items are disclosed in the current fund report under "Fund's result", sub-item "expenses".



## **Benefits**

The management company notes that it will only realize (other cash-equivalent) benefits resulting from its management activity (e.g., for broker research, financial analyses, market and price information systems) for the investment fund where these benefits are used in the interests of the unit holders.

The management company may issue refunds from the collected management fee. The issue of such refunds shall not lead to additional costs for the fund.

Refunds provided by third parties (in the form of commission) shall be passed on to the investment fund, net of reasonable expense allowances, and shown in the annual fund report.

## **18. Information on activities taken in order to make payments to unit holders, the repurchase or redemption of units and distribution over the investment fund**

Issuance and redemption of unit certificates and execution of payments to unit holders have been transferred to the custodian bank. The distributions and payments will be credited by the respective custodian bank for the unit holder.

All publications concerning the unit certificates are subject to Section 136 InvFG.

The publications can be made either

- with complete printing through the Official Gazette (Amtsblatt) of Wiener Zeitung or
- copies of this publication are provided free of charge by the management company and the paying agents in sufficient numbers and the date of publication and the locations, where the copies may be obtained are announced in the Official Gazette (Amtsblatt) of Wiener Zeitung or
- may be published in electronic form on the Web site of the management company.

If the unit holders have to be informed of certain facts or activities according to Section 133 InvFG, the management company will provide the information to the custodian agents via the custodian bank, which pass this on to the unit holders.

If there is admission to public selling in other countries for the fund in question, the country-specific information is included in Appendix IV.

## **19. Information according to Section 132 (3) and (4) of the InvFG 2011 remuneration policy according to Section 17a InvFG 2011**

### **Strategies for exercising voting rights according to Section 26 (1) in connection with Section 132 (3) InvFG 2011**

The management company exercises the shareholders' and creditors' rights associated with the assets in the investment funds it manages, independently of third-party interests and exclusively in the interests of investors in the respective investment fund and the integrity of the market.

In general, the management company's ability to have an influence is low by law, as it can only acquire a small proportion of the share capital for a share.

The only determining factor is the interests of the unit holders in the respective investment fund to which the voting rights are attributable. This may result in the management company voting differently for the investment funds that it has set up.

In general meetings and when exercising voting rights, the management company takes its decisions on how to exercise its voting rights after weighing up the anticipated benefits. If, from an economic perspective - for example due to the low proportion of the respective security in the investment fund or due to disproportionately high effort involved in voting abroad - there are no advantages for the unit holders the management company may decide not to exercise its voting rights.

If, as described above, the management company participates in a general meeting and exercises voting rights, the Code of Conduct is used as the basis for decision-making, taking into account other material investor's interests. The Management Company believes that economic, social and environmental standards are part of a sustainable business policy in the interests of the shareholders.

In addition, the management company undertakes to take all legal action that appears to be the most appropriate with regard to the value under dispute, the duration of the proceedings, the costs of the proceedings and the prospects for success, in order to collect claims to assets in the most cost-effective and expeditious manner. The resulting costs of legal action can be charged to the fund's assets.

### **Principles for the best possible execution of trade decisions Section 32 and Section 132 (4) InvFG 2011**

The management company must act in the best interests of the UCITS that it manages, when it takes trade decisions for this fund when managing the portfolio, or when it passes on trade orders to other institutions for execution when managing its portfolio for the managed UCITS, and in so doing it must take all measures to achieve the best possible result for the respective investment fund.

The management company's objective is to manage the investment fund transparently and with the greatest caution and conscientiousness. This is why the "best execution" approach is firmly anchored in our internal processes and we have developed effective safeguards for implementing these principles. This approach includes cost-effective order execution and also that corresponding importance is also attached to trading transparency and execution quality.

The management company aims for opportunities for entering into long-term business relationships when selecting brokers. In spite of this the partners are only released for a limited period and are reviewed regularly.

When taking decisions on issuing orders to brokers, as a result of the price fluctuations that are standard for financial instruments, in particular those brokers are considered that constantly ensure cost-effective, full and timely processing of the transaction. As a result, certain factors that are relevant for obtaining the best possible result, such as the price, costs, speed and probability of execution and settlement, the scope and type of the order as well as all other relevant aspects for execution of the order are considered.

### **Remuneration policy according to Section 17a of the InvFG 2011 in connection with Section 131 (4) Z 12 b of the InvFG 2011**

The management company has revised the remuneration policy which already existed when the AIFM Directive 2011/61/EU was implemented based on the InvFG (Investment Fund Act) 2011 in implementation of the UCITS V Directive 2014/91/EU and executed this with effect from March 18<sup>th</sup> 2016.



The remuneration policy is in line with the corporate strategy, the company’s objectives, values and interests, and the funds that it manages and the funds’ investors, and also includes activities to avoid conflicts of interests.

A remuneration system has been defined for employees. This goes hand in hand with a solid, effective risk management system and also promotes this risk management system. It does not set any incentives to enter into risks that are not in line with their risk profiles, the investment or fund conditions for the funds they manage. Responsibilities and employee categories are defined and fixed and variable remuneration are regulated.

In addition, in order to uphold the provisions of Sections 39b with annexes and 39c of the BWG, a remuneration committee has been set up in Bank Burgenland, which monitors the corresponding remuneration guidelines for the banking group that are used when defining and applying the remuneration policy and practices.

The details of the current remuneration policy, including a description of how the remuneration and other allocations are calculated, and the identity of the persons responsible for allocating the remuneration and other allocations, can be found on the management company’s Web site:

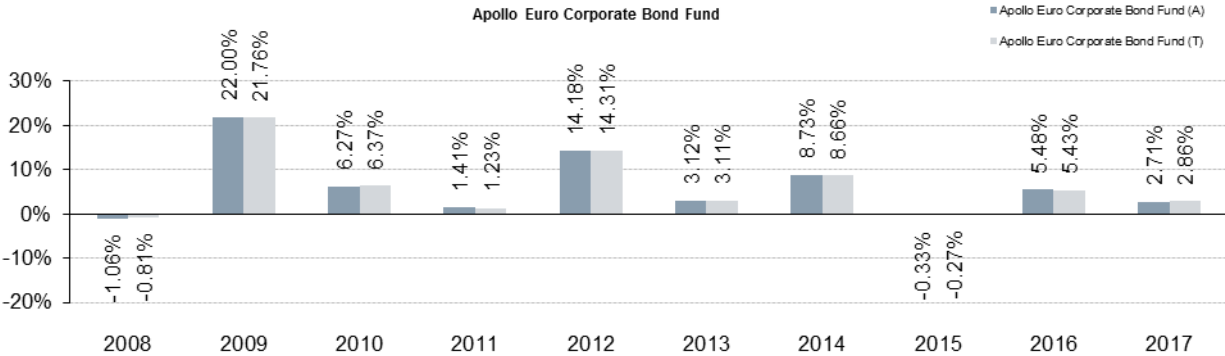
<http://www.securitykag.at/fonds/anlegerinformationen/>

and can be provided free of charge as a hard copy upon request.

**20. Previous results of the investment fund**

The calculations do not include any issuing or redemption fees or the investor’s individual tax situation, and assume re-investment of the disbursements or KEST payments.

**Past performance for Distributing Shares (A), ISIN AT0000819487 and Accumulating Shares (T) ISIN AT0000746938:**

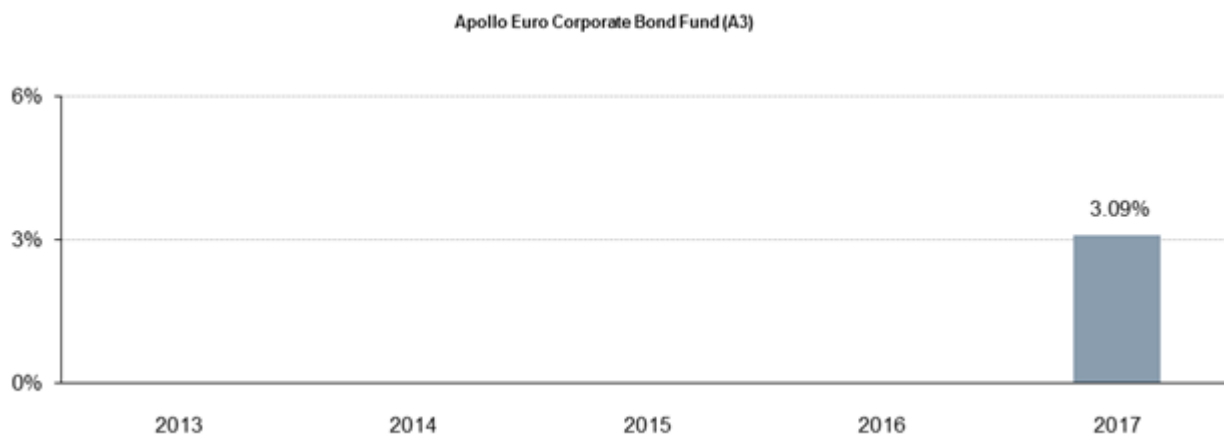


**Information on accumulated average performance**

10 years p.a.	6.03%
5 years p.a.	3.89%
3 years p.a.	2.59%

Source: OeKB  
Cut-off date: Dec. 29, 2017

## Past performance for shares A3: ISIN AT0000A1NQT7:



**Note: Past performance does not provide any reliable conclusions to be drawn concerning the future performance an investment fund.**

**For the fund's current performance please refer to**  
- the Key Investor Information or  
- the management company's web site.

**For major investor funds or major investor fund tranches, these can be obtained from the management company itself.**

### 21. Typical investor profile

Investment in funds is only suitable for experienced investors, who are able to evaluate the risks and the value of the investment.

The investor must be prepared and able to accept fluctuations in the value of the units and, if necessary, bear capital losses. The risk indicator, which reflects the fluctuations in the fund's share price on the basis of past performance, can be found in the Key Investor Information Document under "Risk and Reward Profile".

A possibly recommended retention period for shareholders can be found in the Key Investor Information under "Objectives and Investment Policy".

### 22. Economic information

The fees for custody of the unit certificates are based on the agreement concluded between the unit holder and the custodian. Costs may be incurred at the redemption of unit certificates if they are surrendered through third parties.

No further costs other than those indicated in the items 9., 10., and 17. are incurred. The costs mentioned in item 9., - 11. are borne by the unit holders, the costs in item 17. are charged to the fund.

### III. INFORMATION ON THE CUSTODIAN BANK/DEPOSITARY

#### Identity of UCITS' custodian bank/depositary

SEMPER CONSTANTIA PRIVATBANK AKTIENGESELLSCHAFT<sup>\*</sup>, Heßgasse 1, 1010 Vienna, took over the role of custodian bank/depositary according to the

#### **Notice from the Financial Market Authority (FMA) dated September 2, 2009 Ref: FMA-IF25 8500/0024-INV/2009**

Permission is required from the Austrian Financial Market Authority to appoint or change the custodian/depositary bank. Such permission may only be granted if it can be assumed that the bank guarantees fulfillment of the tasks of a custodian/depositary bank. The appointment or replacement of the custodian/depositary bank must be publicly notified and such publication must cite the relevant approval notice.

The custodian bank/depositary is a bank according to Austrian law. Its principle activities are current accounts, deposits, lending and securities.

The custodian bank fulfills the tasks and duties listed in the Sections 40ff of the InvFG 2011. According to the InvFG, it has the tasks of holding in safe custody the assets of the investment fund and managing the fund's accounts and custodian accounts. It is also responsible for the safe custody of the units for the funds managed by the Management Company. In so doing, it must especially guarantee that the equivalent amount is immediately transferred for transactions relating to the assets of the investment fund and that the income of the investment fund is used in accordance with the provisions of the Austrian Investment Fund Act and the fund regulations.

Furthermore tasks can be delegated to the custodian bank/ depositary by the management company according to the InvFG 2011, see item I. 9. :

The fees payable to the management company under the fund's regulations and the reimbursement of expenses associated with its management will be paid by the custodian/depositary bank out of the accounts held for the fund. The custodian/depositary bank is entitled to charge the fees payable to it for custody of the securities and for keeping the accounts to the investment fund. In doing so, the custodian/depositary bank may only act on the basis of instructions from the management company.

<sup>\*</sup> Custodian bank to December 6, 2009 Constantia Privatbank AG; Change of name for SEMPER CONSTANTIA PRIVATBANK AKTIENGESELLSCHAFT: Formed as Aviso Epsilon AG, renamed on December 7, 2009 to become AVISO EPSILON BANK AKTIENGESELLSCHAFT, change of name on December 29, 2009 to become SEMPER CONSTANTIA PRIVATBANK AKTIENGESELLSCHAFT

**Description of all of the custody functions taken over by the custodian agent, list of representatives and sub-representatives and information on all conflicts of interest that could result from the transfer of tasks**

The custodian bank employs sub-custodian agents for the custody of the assets that can be held in custody. The sub-custodian agents employed by the custodian agent are published on SEMPER CONSTANTIA Privatbank AG's home page <http://www.semperconstantia.at/expertise> under DEPOTBANK SERVICES. No conflicts of interest from transferring tasks to third parties were identified. Investors can be provided with the concrete relevant sub-custodian agents upon request to the custodian bank or the management company.

**Declaration, that the investors will get updated information on application, regarding information according to those who have been listed before**

The investors will get updated information on application regarding provided details concerning the custodian bank/depositary.

## **IV. ADDITIONAL INFORMATION FOR INVESTORS IN THE REPUBLIC OF FINLAND**

### **Manner in which the issue, sale, repurchase or redemption price of units of UCITS will be made public:**

The prospectus, the Key Investor Information Document (=KID, KIID), the fund's rules, the audited annual reports and the non-audited semi-annual reports will be published in internet at [www.securitykag.at](http://www.securitykag.at). Other information for the investors will be published there as well.

The daily redemption and issue prices will be published in internet at [www.securitykag.at/fondszahlen.php](http://www.securitykag.at/fondszahlen.php).

### **Information materials:**

The investors can obtain the same information and documents that unit holders in Austria are entitled to according to the Austrian InvFG. These are the prospectus, the fund's regulations, the audited annual report and the non-audited semi-annual report in English language and the Key Information Investor Information Document (=KID, KIID") in Finnish as well as the issuing and redemption prices. These documents can be received from Aktia Invest Ltd., Kalevankatu 6, 4th floor, 00100 Helsinki, as sales agent in Finland and/or Security Kapitalanlage AG as the issuer of the units.

Prospectus signatories

The Executive Board

for

S E C U R I T Y

Kapitalanlage Aktiengesellschaft

Mag. Dieter Rom      MMag. Dr. Peter Ladreiter      Stefan Winkler

(according to Article 129 (2) InvFG)

## APPENDIX Fund conditions

### 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\\_Display&subsection\\_id=0<sup>2</sup>](http://mifidatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display&subsection_id=0<sup>2</sup>)

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

1.2.1. Luxembourg Euro MTF Luxembourg

##### **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);<br>Moscow Interbank Currency Exchange (MICEX) |

<sup>2</sup> 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"]

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)