

**BayernInvest Bond Global Select-Fonds  
Annual Report  
for the financial year  
from 1 January 2013 to 31 December 2013**

# Annual Report as at 31 December 2013

## BayernInvest Bond Global Select-Fonds

ISIN: DE000A0YF280

### Activity report

BayernInvest Bond Global Select-Fonds is an investment fund that is managed in conformity with the German Investment Act. BayernInvest Kapitalanlagegesellschaft mbH has outsourced the portfolio management operations to Quaesta Capital GmbH, a company based in Frankfurt, Germany. The management fee for BayernInvest Bond Global Select-Fonds comprises 1.7% p.a. of each monthly average net inventory value – calculated on a daily basis – of the Fund. This covers the fee for the external portfolio management.

### Investment strategy and policy

BayernInvest Bond Global Select-Fonds is based on a defensive investment portfolio and aims to generate additional returns through derivatives. As investments are made in fixed-interest securities, the risk of loss is kept low. The investment guidelines that are followed prescribe that exposures be restricted chiefly to the European derivatives markets, in conjunction with a euro-based pension scheme. Derivatives are used for pursuing returns by way of futures contracts and options. At least 51% of the Fund must be invested in fixed-interest securities or money market instruments issued by an entity domiciled in a member state of the European Union or in a contracting state to the Agreement on the European Economic Area. The securities are selected under risk-return aspects. Derivatives are used both for investment and for hedging purposes. The functional currency is the euro.

### Key risks

#### Counterparty risk

The Fund may suffer a loss as the result of a default by an issuer or a counterparty. Counterparty risk is the potential impact of developments specific to the particular issuer, i.e. developments that are apart from general capital market trends, on the price of a security. Even a careful selection of securities cannot rule out the possibility of a loss resulting from an issuer defaulting. Any party to a contract concluded for the account of the Fund may default in part or in full. This holds true for all contracts that are concluded for the account of the Fund and for all securities, such as stocks or interest-bearing securities, in particular company shares and Pfandbriefe.

#### Interest rate risk

Any investment in fixed-interest securities harbours the risk that the market interest rate prevailing at the time of issue will change to the disadvantage of the investor. When market interest rates go up, fixed-interest securities prices generally go down. When the market rate falls, however, these prices increase. This type of change means that the current return on a fixed-interest security is directly tied to the current market interest rate. The degree to which the interest rate changes, however, can greatly vary, depending on the (residual) term of the fixed-income security: Short-term fixed-income securities bear a lower interest rate / price risk than do fixed-interest securities with long terms. The former usually offer lower returns. Money market instruments, for example, tend to carry lower price / interest rate risks due to their short terms, which never exceed 397 days. Rates for different interest-based financial instruments can vary, even among those with the same functional currency and similar residual terms.

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#### Market risk

Changes in the price or market value of a financial product depend mostly on capital market trends, which in turn are influenced by the overall global economy and the current domestic economic and political situation in general. But overall price trends, especially those of stock markets, are also subject to irrational factors like public sentiment, personal opinions or rumours.

#### Currency risk

The value of those Fund assets that are based on a foreign currency is affected by exchange rate fluctuations. The use of foreign currency and forward exchange transactions as a way to generate higher returns also raises the risk of loss to the Fund. Such loss occurs when the value of the foreign currency on which the particular assets in the Fund are based drops.

#### Liquidity risk

Assets may be acquired for the Fund which are neither listed on an exchange nor traded on any other organised market. Such assets, however, are often difficult to sell to third parties. Investments in, for example, stocks and bonds issued by small companies sometimes results in the investor owning a large share in a particular company or bond issue, meaning in turn that the fungibility of that portion of the Fund will be below average.

#### Risks associated with derivatives transactions

The Company may, within the confines of the contract, engage in derivatives transactions for the account of the Fund. Hedging transactions used for reducing the overall risk, on the other hand, can also undermine returns. Investing in derivatives systematically can increase the risk of loss in the investment fund. The risks associated with derivatives are varied. They include the risk of a change of price of the underlying, leverage risks, writer risks and market fluctuations in general.

### Market developments / Major changes during the reporting period

**Fund:** Neither the investment policy nor the investment strategy changed during the reporting period. In 2013 BayernInvest Bond Global Select-Fonds invested in fixed-interest securities like stocks, bonds and currency derivatives. As at the reporting date, shares make up 90% of the Fund's investments. The remaining Fund assets comprise investment units, derivatives (currency futures contracts and currency swaps), bank deposits and interest receivables. Liabilities from collateral services rendered and miscellaneous liabilities in the form of custodian bank charges and other depository fees, audit and publishing costs, management fees and interest payable under currency swap contracts are also among the Fund assets. During the financial year, the stock component was largely responsible for the net loss, whereas the other cornerstones of the investment strategy – bonds and currencies – remained stable for the most part. At the beginning of the year, the stock component suffered temporary market setbacks. The second half of the year saw these markets climb.

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**Stock market:** European stock barometers were very positive in 2013 both in the core countries and in the periphery. The Irish stock exchange ISEQ saw the highest growth, 34%, with the Greek exchange ASE-20 following at 28%. Trading on the German DAX, which had increased by 29% in 2012, went up 25%. The exchange posted a new all-time record just before the end of the year. The major US indexes also closed out 2013 with record gains. At the fore was the NASDAQ-100, which climbed 35%, followed by S&P 500 (30%) and the Dow Jones Industrial Average (26%). In Japan, the NIKKEI 225 grew by a considerable 57%.

**Currency market:** At the end of 2013 the euro was at its strongest in comparison to the previous year. The single European currency went up 4% against the US dollar, 12% against the Canadian dollar and 26% against the Japanese yen.

**Bond market:** Though much of the pressure was off for government bond markets during the first half of the year, improved growth in the US, coupled with the Fed's announcement that it would taper its quantitative easing, led to erratic activity in mid-2013. Following a brief respite in autumn, the Fed announced in December its firm plans to scale back bond purchases, causing yields to rise.

### Performance

Realised gains and losses for the reporting period totalled EUR 57,768,344.88 and EUR 76,576,613.50, respectively.

The results stem mostly from the derivatives transactions. These generated EUR 44,711,259.59 in income, only to be outstripped by EUR 70,615,736.59 in losses. Investments in interest-bearing securities, on the other hand, yielded a positive overall result, with realised gains of EUR 13,003,081.72 as opposed to EUR 1,140,313.65 in realised losses. Other realised gains/losses are attributed mainly to gains and losses on currency translations from bank deposits of EUR 54,003.57 and EUR 4,749,193.06, respectively.

The performance of BayernInvest Bond Global-Fonds in the period beginning on 1 January 2013 and ending on 31 December 2013 was negative, at -7.23% (under the method used by the German Investment Funds Association (BVI)).

### Fund/Market outlook

The stock market uptrend, driven by an expansive monetary and fiscal policy, carried on in 2013 and has left most market participants moderately optimistic for the year 2014. Monetary policy is expected to remain accommodating on the whole, though such a dependency could make asset prices more volatile. Structural divergences in the euro zone might also lead to further problems. It is therefore essential to continue closely following contractions in bank lending and the upcoming stress test for Europe's banks. Significant changes in Japanese tax law, coupled with an aggressive monetary policy and deregulation, could dominate Japan's capital markets in 2014 as well and put the years-long deflationary spiral in check. And in the US, high interest rates – resulting in part from persistent declines in US bond purchases – could dampen the fledgling recovery on the real estate market. We plan to seize the underlying potential through opportunistic trading with BayernInvest Bond Global Select-Fonds.

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## BayernInvest Bond Global Select-Fonds

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### Condensed list of assets as at 31 December 2013

Fund assets	Market price in EUR % share of Fund assets	
Bonds	367,763,857.32	90.37
Investment units	5,048,235.00	1.24
Derivatives	6,498,268.93	1.60
Other	27,656,889.07	6.79
<b>Total</b>	<b>406,967,250.32</b>	<b>100.00</b>

Bonds – by sector	Market price in EUR % share of Fund assets	
Corporates (including financials)	46,418,504.36	11.41
Pfandbriefs, municipal debentures	125,529,037.95	30.84
Special credit institutions, supra-nationals	195,816,315.01	48.12
<b>Total</b>	<b>367,763,857.32</b>	<b>90.37</b>

Bonds – by currency	Market price in EUR % share of Fund assets	
EUR	300,325,945.58	73.80
JPY	27,865,989.21	6.85
USD	39,571,922.53	9.72
<b>Total</b>	<b>367,763,857.32</b>	<b>90.37</b>

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## BayernInvest Bond Global Select-Fonds

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### Condensed list of assets as at 31 December 2013

Bonds – by residual term	Market price in EUR	% share of Fund assets
< 1 year	38,244,753.87	9.40
>= 1 year to < 3 years	132,229,832.64	32.49
>= 3 years to < 5 years	51,384,518.60	12.63
>= 5 years to < 10 years	116,519,593.65	28.63
>= 10 years	29,385,158.56	7.22
<b>Total</b>	<b>367,763,857.32</b>	<b>90.37</b>

Investment units – by fund category	Market price in EUR	% share of Fund assets
Bond funds	5,048,235.00	1.24
<b>Total</b>	<b>5,048,235.00</b>	<b>1.24</b>

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## BayernInvest Bond Global Select-Fonds

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### List of assets as at 31 December 2013

Asset type	ISIN	Market	Unit or shares or currency in 1,000	Holdings 31 December 2013	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of Fund's assets
<b>Portfolio positions</b>							<b>EUR</b>	<b>372,812,092.32</b>	<b>91.61</b>
<b>Exchange-traded securities</b>							<b>EUR</b>	<b>354,022,171.48</b>	<b>86.99</b>
<b>Interest-bearing securities</b>							<b>EUR</b>	<b>354,022,171.48</b>	<b>86.99</b>
5.7500% Allianz Finance II B.V. EO-FLR Med.-Term Nts 11(21/41)	DE000A1GNAH1		EUR	5,000			111.743	5,587,150.00	1.37
5.6250% Allianz SE FLR-Sub.Anl.v.2012(2022/2042)	DE000A1RE1Q3		EUR	4,000			110.681	4,427,243.20	1.09
3.8750% Caisse Francaise d.Financ.Loc. EO-Med.-T.Obl.Foncières 06(14)	FR0010369306		EUR	20,000			100.690	20,138,000.00	4.95
0.3130 % DekaBank Dt.Girozentrale FLR-MTN-IHS Serie 100 v.04(15)	XS0205173445		EUR	5,000			100.140	5,007,000.00	1.23
3.8750% DEPFA ACS BANK EO-Med.-T. Notes 2006(16)	DE000A0G1RB8		EUR	15,000			105.023	15,753,480.00	3.87
4.3750% DEPFA ACS BANK EO-Securities 2004(15) Reg.S	DE000A0DALH4		EUR	11,450			102.988	11,792,113.41	2.90
1.4860% DEPFA BANK PLC EO-FLR Med.-T. Nts 2005(15)	DE000A0DY6Q5		EUR	1,000			97.090	970,900.00	0.24
1,0000 % Dexia Crédit Local S.A. EO-Medium-Term Notes 2013(16)	XS0951560969		EUR	41,100	41,100		100.706	41,390,297.52	10.17
2.7500% Dexia Kommunalbank Deutschl.AG MTN-OPF Ser.1630 v.2011(2014)	DE000DXA1NP5		EUR	5,000			100.923	5,046,150.00	1.24
3.5000% Dexia Kommunalbank Deutschl.AG Öff.Pfdbr. Em.1588 v.09(14)	DE000DXA1ME1		EUR	5,000			101.273	5,063,650.00	1.24
4.6250% ENEL Finance Intl N.V. EO-Medium-Term Notes 2011(15)	XS0695403765		EUR	2,000			104.963	2,099,268.00	0.52
2.2500% Europ.Fin.Stab.Facility (EFSF) EO-Medium-Term Notes 2012(22)	EU000A1G0A16		EUR	90,000	90,000	20,000	100.746	90,670,950.00	22.28
4.1250% Gas Natural CM S.A. EO-Medium-Term Notes 2012(17)	XS0843300947		EUR	1,700			107.891	1,834,143.60	0.45
1.1250% Kreditanst.f.Wiederaufbau Anl.v.2013 (2020)	DE000A1RET49		EUR	10,000	10,000		98.196	9,819,575.00	2.41
0.3750% Kreditanst.f.Wiederaufbau Med.Term Nts. v.13(17)	DE000A1RET72		EUR	50,000	50,000		99.101	49,550,375.00	12.18
0,7230 % Landesbank Baden-Württemberg FLR-Med.Term IHS.Ser.180 00/30	XS0110606174		EUR	325			85.530	277,972.50	0.07
0,2500 % Landesbank Baden-Württemberg FLR-MTN Serie 462 v.05(15)	XS0223472258		EUR	1,980			99.909	1,978,198.20	0.49
0,3580 % Lb.Hessen-Thüringen GZ FLR-MTN IHS S.H125 v.03(15)	XS0181049205		EUR	3,710			100.185	3,716,863.50	0.91
0,4080 % LBBW Dublin Management GmbH EO-FLR Med.-Term Nts 2004(15)	XS0197937294		EUR	2,800			100.260	2,807,280.00	0.69
1.2500% Nestlé Finance Intl Ltd. EO-Medium-Term Notes 2013(20)	XS0925668625		EUR	5,700	5,700		96.529	5,502,135.90	1.35
3.6250% Nordd. Landesbank Luxemb. S.A. EO-Medium-Term Notes 2005(15)	XS0217737278		EUR	2,000			104.025	2,080,500.00	0.51
2.7500% UniCredit S.p.A. EO-Mortg.Covered MTN 2013(20)	IT0004887078		EUR	7,550	7,550		101.791	7,685,182.75	1.89
1.6500% DEPFA ACS BANK YN-Medium-Term Nts 2004(16)	XS0207954412		JPY	4,030,000	3,000,000		99.958	27,865,989.21	6.85
4.8750% DEPFA ACS BANK DL-Securities 2005(15) Reg.S	DE000A0GHGNO		USD	12,420			105.240	9,479,843.34	2.33
5.1250% DEPFA ACS BANK DL-Securities 2007(37) Reg.S	DE000A0LPMX0		USD	31,560			83.413	19,092,792.86	4.69
2.7500% Dexia Crédit Local (N.Y. Br.) DL-Notes 2010(14) Reg.S	XS0505615772		USD	6,000			100.770	4,385,117.49	1.08
<b>Securities admitted to or included in organised markets</b>							<b>EUR</b>	<b>7,127,517.00</b>	<b>1.75</b>
<b>Interest-bearing securities</b>							<b>EUR</b>	<b>7,127,517.00</b>	<b>1.75</b>
0,0000 % DEPFA BANK PLC EO-Zero Med.-Term Nts 2005(20)	XS0227637500		EUR	3,750	3,750		75.780	2,841,750.00	0.70
0,3640 % LBBW Dublin Management GmbH EO-FLR Med.-Term Nts 2005(15)	XS0223751990		EUR	4,300			99.669	4,285,767.00	1.05

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## BayernInvest Bond Global Select-Fonds

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### List of assets as at 31 December 2013

Asset type	ISIN	Market	Unit or shares or currency in 1,000	Holdings 31 December 2013	Purchases/ Additions in the reporting period	Sales/ Disposals in the reporting period	Price	Market value in EUR	% of Fund's assets
<b>Unquoted securities</b>							<b>EUR</b>	<b>6,614,168.84</b>	<b>1.63</b>
<b>Interest-bearing securities</b>							<b>EUR</b>	<b>6,614,168.84</b>	<b>1.63</b>
5,5000 % DEPFA ACS BANK DL-Medium-Term Nts 2006(16)	XS0251847009		USD	3,900	3,900	%	106.144	3,002,332.46	0.74
0,3734 % Hypothekenbank Frankfurt Intl DL-FLR M.-T.L.d.Gag.Pu. 07(14)	XS0280850107		USD	5,000		%	99.600	3,611,836.38	0.89
<b>Investment units</b>							<b>EUR</b>	<b>5,048,235.00</b>	<b>1.24</b>
<b>Investment company-owned investment units</b>							<b>EUR</b>	<b>5,048,235.00</b>	<b>1.24</b>
BayernInvest Bond Absolute Return-Fonds Inhaber-Anteile	DE000A0JK7K6		SHARE	38,250	38,250	EUR	131.980	5,048,235.00	1.24
<b>Total securities portfolio **)</b>							<b>EUR</b>	<b>372,812,092.32</b>	<b>91.61</b>
<b>Derivatives</b>							<b>EUR</b>	<b>6,498,268.93</b>	<b>1.60</b>
(Holdings marked with a minus sign are sold positions)									
<b>Currency derivatives</b>							<b>EUR</b>	<b>6,316,590.63</b>	<b>1.55</b>
Receivables/Payables									
<b>Currency futures contracts (sale)</b>							<b>EUR</b>	<b>5,176,929.65</b>	<b>1.27</b>
<b>Outstanding positions</b>									
EUR/USD 170.0m			OTC					-1,860,575.22	-0.46
GBP/USD 40.0m			OTC					-999,845.69	-0.25
JPY/EUR 4,035.0m			OTC					6,177,998.01	1.52
USD/EUR 55.6m			OTC					1,859,352.55	0.46
<b>Currency futures contracts (purchase)</b>							<b>EUR</b>	<b>1,139,660.98</b>	<b>0.28</b>
<b>Outstanding positions</b>									
EUR/USD 90.0m			OTC					808,209.80	0.20
GBP/USD 20.0m			OTC					735,910.65	0.18
USD/EUR 110.0m			OTC					-404,459.47	-0.10

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Asset type	ISIN	Market	Unit or shares or currency in 1,000	Holdings 31 December 2013	Purchases/ Additions in the reporting period	Sales/ Disposals in the reporting period	Price	Market value in EUR	% of Fund's assets	
<b>Swaps</b>								<b>EUR</b>	<b>181,678.30</b>	<b>0.04</b>
Receivables/Payables										
<b>Currency swaps</b> (Received/Paid)								<b>EUR</b>	<b>181,678.30</b>	<b>0.04</b>
Currency swap 26.09.11/24.03.14		OTC	USD	5,000,000			USD 250,498.040	181,678.30	0.04	
<b>Bank deposits, unsecuritised money market instruments and money market funds</b>								<b>EUR</b>	<b>29,561,324.32</b>	<b>7.26</b>
<b>Bank deposits</b>								<b>EUR</b>	<b>6,911,239.21</b>	<b>1.70</b>
Cash deposits at BNP Paribas S. A. Cash deposits in the Fund's currency			EUR	4,713,709.60			% 100.000	4,713,709.60	1.16	
Cash deposits in other EU/EEA currencies			GBP	18,021.20			% 100.000	21,584.86	0.01	
			NOK	15,297.76			% 100.000	1,813.76	0.00	
Cash deposits in non-EU/EEA currencies			AUD	29,971.43			% 100.000	19,345.14	0.00	
			CAD	6,471.40			% 100.000	4,390.66	0.00	
			CHF	84,720.00			% 100.000	69,272.28	0.02	
			JPY	68,908,169.00			% 100.000	476,675.21	0.12	
			NZD	31,188.98			% 100.000	18,536.18	0.00	
			TRY	33,574.17			% 100.000	11,316.25	0.00	
			USD	47,699.96			% 100.000	34,595.27	0.01	
Cash deposits at HSBC Trinkaus & Burkhardt KGaA Cash deposits in the Fund's currency			EUR	1,010,000.00			% 100.000	1,010,000.00	0.25	
Cash deposits at JPMorgan Chase & Co. Cash deposits in the Fund's currency			EUR	530,000.00			% 100.000	530,000.00	0.13	
<b>Overnight money</b>								<b>EUR</b>	<b>22,650,085.11</b>	<b>5.56</b>
Cash deposits at Bayerische Hypo- und Vereinsbank AG Overnight money			EUR	5,012,450.96			% 100.000	5,012,450.96	1.23	
Cash deposits at Deutsche Kreditbank AG Overnight money			EUR	332,290.51			% 100.000	332,290.51	0.08	
Cash deposits at HSH Nordbank AG Overnight money			EUR	17,305,343.64			% 100.000	17,305,343.64	4.25	

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### List of assets as at 31 December 2013

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<b>Other assets</b>							<b>EUR</b>	<b>3,555,958.34</b>	<b>0.87</b>
Interest due			EUR	3,555,958.34				3,555,958.34	0.87
<b>Other payables</b>							<b>EUR</b>	<b>-5,460,393.59</b>	<b>-1.34</b>
Receivables from pledged collateral in EUR			EUR	-4,790,000.00				-4,790,000.00	-1.18
Custodian bank charges			EUR	-42,715.29				-42,715.29	-0.01
Depository fees			EUR	-535.51				-535.51	-0.00
Auditing and publishing expenses			EUR	-13,199.72				-13,199.72	-0.00
Management fee			EUR	-610,219.36				-610,219.36	-0.15
Interest payable under swap contracts			EUR	-3,723.71				-3,723.71	-0.00
<b>Fund's assets</b>							<b>EUR</b>	<b>406,967,250.32</b>	<b>100.00 *)</b>
<b>Unit price</b>							<b>EUR</b>	<b>118.79</b>	
<b>Issue price</b>							<b>EUR</b>	<b>130.67</b>	
<b>Units in circulation</b>							<b>UNIT</b>	<b>3,425,807</b>	
<b>Portion of securities in the Fund's assets (in %)</b>									<b>91.61</b>
<b>Portion of derivatives of the Fund's assets (in %)</b>									<b>1.60</b>

\*) Tables may contain minor discrepancies due to rounded percentages

\*\*) Some of the Fund's securities are hedged by financial instruments

**The utilisation of the upper limit for market risk potential was calculated for this investment fund pursuant to of the German Derivatives Regulation (DerivateV) based on the qualified approach by means of an absolute value-at-risk limit. Potential risk amount for market risk pursuant to Section 28b (2) sentences 1 and 2 DerivateV**

Smallest potential risk amount	0.63%
Largest potential risk amount	10.57%
Average potential risk amount	2.94%

### Composition of benchmark assets (Section 28b (3) DerivateV)

Absolute VaR	100.00%
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### List of assets as at 31 December 2013

Asset type	ISIN	Market	Unit or shares or currency in 1,000	Holdings 31 December 2013	Purchases/ Additions in the reporting period	Sales/ Disposals	Price	Market value in EUR	% of Fund's assets
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### Risk model used pursuant to Section 10 DerivateV

Risks are measured in the internal BayernInvest data warehouse (DWH). The calculation is based on the method of measuring market risks developed by RiskMetrics. Consequently, BayernInvest KAG uses the variance-covariance method to calculate the risk of the Fund and the benchmark portfolio and the delta-gamma approach to break down the derivatives.

### Parameters applied pursuant to Section 11 DerivateV

The value at risk (VaR) of each portfolio is calculated and reported daily across the covariance matrix for a confidence level of 99% and a holding period of 10 days.

**Average leverage effect achieved in the financial year through derivatives transactions** 0.68

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## BayernInvest Bond Global Select-Fonds

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### Security prices and market rates

The assets of the Fund are valued based on the most recent prices/market rates.

- Stocks, exchange-traded derivatives and investment funds are valued at tradeable stock market values (based on closing prices) (source: Bloomberg/domestic exchange).
- Bonds are valued at tradeable prices based on Section 23 of the German Investment Fund Accounting and Valuation Regulation [InvRBV] (source: IBOXX) or at market values based on Section 24 InvRBV. For this, the respective bid or mid-market prices are used. The sources used for determining the market values of bonds are mainly Bloomberg (validated prices quoted by various brokers) or recognised external rate providers for more illiquid bonds.
- Unlisted OTC derivatives are valued by regularly reviewed models by using relevant market information (sources: Bloomberg and external providers).
- Unlisted investment funds are valued at the surrender price (NAV) most recently published by the investment company (NAV) (source: Bloomberg).
- Spot exchange prices are obtained from Reuters at 5 p.m. and serve as a basis for the conversion of foreign currency assets into the report currency.
- Currency forwards are calculated and delivered by our external price provider Value & Risk on the basis of the spot prices (5 p.m.; Reuters) forwarded by BayernLB (Market Data Department).
- Cash deposits at banks are valued at face value, time deposits at their market value and liabilities at their repayment amount.

### Exchange rates (indirect quotation)

		As at 27 December 2013	
Australian dollar	(AUD)	1.5493000	= 1 EUR (EUR)
Canadian dollar	(CAD)	1.4739000	= 1 EUR (EUR)
Swiss franc	(CHF)	1.2230000	= 1 EUR (EUR)
British pound	(GBP)	0.8349000	= 1 EUR (EUR)
Japanese yen	(JPY)	144.5600000	= 1 EUR (EUR)
Norwegian krone	(NOK)	8.4343000	= 1 EUR (EUR)
New Zealand dollar	(NZD)	1.6826000	= 1 EUR (EUR)
New Turkish lira	(TRY)	2.9669000	= 1 EUR (EUR)
US dollar	(TRY)	1.3788000	= 1 EUR (EUR)

### Market key

OTC – Over-the-counter

# Annual Report as at 31 December 2013

## BayernInvest Bond Global Select-Fonds

ISIN: DE000A0YF280

### Transactions completed during the reporting period which are no longer shown in the list of assets: - Purchases and sales of securities, investment units and Schuldschein notes (market allocation as per reporting date):

Asset type	ISIN	Unit or shares currency in	Purch ases/Add itions	Sales/Dis posals	Volume in 1,000
<b>Exchange-traded securities</b>					
<b>Stocks</b>					
RWE AG Inhaber-Stammaktien o.N.	DE0007037129	UNIT	23,300	23,300	
<b>Interest-bearing securities</b>					
0,0000 % Caisse Francaise d.Financ.Loc. YN-Med.-T.Obl.Foncières 06(13)	FR0010386128	JPY		442,000	
4.3750% Daimler Finance Nth.Amer. LLC EO-Medium-Term Notes 2006(13)	XS0247812836	EUR		3,068	
0.7105% Dexia Crédit Local (N.Y. Br.) DL-FLR Notes 2010(13) Reg.S	XS0493642028	USD		2,000	
0.1720% Dexia Kommunalbank Deutschl.AG FLR-Öff.Pf.E.1546 v.08(13)	DE000DXA0TQ2	EUR		2,500	
0,2070 % Hypo Pfandbrief Bank Intl SA EO-FLR M.-T.L.d.Gag.Pub.06(13)	XS0268584538	EUR		15,000	
3.7500% Italien, Republik EO-B.T.P. 2006(16)	IT0004019581	EUR	30,000	30,000	
4.7500% Italien, Republik EO-B.T.P. 2008(23)	IT0004356843	EUR		15,000	
5.0000% Italien, Republik EO-B.T.P. 2011(22)	IT0004759673	EUR		60,000	
4.5000% Italien, Republik EO-B.T.P. 2012(15)	IT0004840788	EUR	10,000	10,000	
4.5000% Norddeutsche Landesbank -GZ- EO-MTN-Inh.Schv.v.03(13)	XS0167014918	EUR		3,000	
3.7240% Santander US Debt S.A.U. DL-Notes 2010(15) 144A	US802815AQ38	USD		30,000	
4.2000% Spanien EO-Obligaciones 2005(37)	ES0000012932	EUR		30,000	
1.1340% Volkswagen Bank GmbH Nachr.FLR-Med.Term Nts.03/13	XS0176835949	EUR		7,000	
5.3750% Volkswagen Intl Finance N.V. EO-Medium-Term Notes 2009(13)	XS0428037583	EUR		2,000	
<b>Other securities</b>					
2.6500% HSH Nordbank AG Schiffs-PF.11(13)TR.A DIP1208	DE000HSH3PW8	EUR		9,000	
<b>Securities admitted to or included in organised markets</b>					
<b>Interest-bearing securities</b>					
3.8750% DEPFA ACS BANK EO-Securities 2003(13) Reg.S	DE0007009482	EUR		10,000	

**Derivatives** (option premiums implemented in opening transactions / volume of options transactions; for warrants: purchases and sales)

# Annual Report as at 31 December 2013

## BayernInvest Bond Global Select-Fonds

ISIN: DE000A0YF280

### Transactions completed during the reporting period which are no longer shown in the list of assets: - Purchases and sales of securities, investment units and Schuldschein notes (market allocation as per reporting date):

Asset type	ISIN	Unit or shares currency in	Purch ases/Add itions	Sales/Dis posals	Volume in 1,000
<b>Futures contracts</b>					
<b>Securities futures contracts</b>					
<b>Securities futures contracts on stocks</b>					
Purchased contracts:					
(Underlying(s): COMMERZBANK AG O.N., DT.TELEKOM AG NA, E.ON SE NA, RWE AG ST O.N., UNICREDIT)		EUR			100,622.32
Sold contracts:					
(Underlying(s): COMMERZBANK AG O.N.)		EUR			1,964.69
<b>Stock index futures contracts</b>					
Sold contracts:					
(Underlying(s): DAX PERFORMANCE-INDEX, ESTX 50 PR.EUR, NASDAQ-100 E-MINI (USD), S&P 500 MINI)		EUR			2,101,877.08
Purchased contracts:					
(Underlying(s): ESTX 50 PR.EUR)		EUR			752,574.67
<b>Interest rate futures contracts</b>					
Sold contracts: (Underlying(s):					
EURO-BUND)		EUR			131,261.00
Purchased contracts:					
(Underlying(s): EURO-BUND)		EUR			579,119.98
<b>Currency futures contracts (sale)</b>					
Sale of currency futures:					
AUD/TRY		EUR			101,917
EUR/USD		EUR			100,000
TRY/EUR		EUR			1,854
<b>Currency futures contracts (purchase)</b>					
Purchase of currency futures:					

# Annual Report as at 31 December 2013

## BayernInvest Bond Global Select-Fonds

ISIN: DE000A0YF280

### Transactions completed during the reporting period which are no longer shown in the list of assets: - Purchases and sales of securities, investment units and Schuldschein notes (market allocation as per reporting date):

Asset type	ISIN	Unit or shares currency in	Purch ases/Add itions	Sales/Dis posals	Volume in 1,000
AUD/TRY		EUR			50,176
CAD/JPY		EUR			92,934
EUR/USD		EUR			80,000
USD/EUR		EUR			1,916

### Options

#### Securities options

##### Stock options

Purchased call options (Call): (Underlying(s): COMMERZBANK AG O.N., DT.TELEKOM AG NA, E.ON SE NA, RWE AG ST O.N., UNICREDIT)		EUR			17,464.71
Sold put options (Put): (Underlying(s): ALLIANZ SE VNA O.N.)		EUR			518.19

#### Options on stock index derivatives

##### Options on stock indices

Purchased call options (Call): (Underlying(s): ESTX 50 DAX INDEX)		EUR			24,370.68
Sold put options (Put): (Underlying(s): NIKKEI 225 ST.AVERAGE)		EUR			3,855.16

#### Options on interest rate derivatives

##### Options on interest rate futures contracts

Sold call options (Call): (Underlying(s): FUTURE EURO-BUND 06.06.13, FUTURE EURO-BUND 06.09.13, FUTURE EURO-BUND 06.12.13)		EUR			2,101.73
Sold put options (Put): (Underlying(s): FUTURE EURO-BUND 06/09/2013)		EUR			730.32

#### Options on currency derivatives

# Annual Report as at 31 December 2013

## BayernInvest Bond Global Select-Fonds

ISIN: DE000A0YF280

### Transactions completed during the reporting period which are no longer shown in the list of assets:

#### - Purchases and sales of securities, investment units and Schuldschein notes (market allocation as per reporting date):

Asset type	ISIN	Unit or shares currency in	Purch ases/Add itions	Sales/Dis posals	Volume in 1,000
<b>Currency options</b>					
Purchased call options (Call): (Underlying(s): exchange rate: CAD to JPY)		EUR			543.73
Sold call options (Call): (Underlying(s): exchange rate CAD to JPY, exchange rate EUR to AUD, exchange rate EUR to USD, exchange rate GBP to USD)		EUR			5,754.34
Sold put options (Put): (Underlying(s): exchange rate CAD to JPY, exchange rate EUR to JPY, exchange rate NOK to JPY)		EUR			11,431.89

# Annual Report as at 31 December 2013

## BayernInvest Bond Global Select-Fonds

ISIN: DE000A0YF280

### Expenses pursuant to Section 41 (5) and (6) InvG

	Mgmt. fees of the target funds in % p.a.	Total mgmt. fees in % p.a.
<b>Management fees for investment units held in the Fund</b>		
<b>Investment company-owned investment units</b>		
DE000A0JK7K6      BayernInvest Bond Absolute Return-Fonds Inhaber-Anteile	1.200	2.900
Portfolio commission received during the reporting period (EUR)	0.00	
Reimbursements received during the reporting period (EUR)	32,287.23	
No front-end loads or redemption fees were charged to the Fund for investment fund units.		

# Annual Report as at 31 December 2013

## BayernInvest Bond Global Select-Fonds

ISIN: DE000A0YF280

### Income and expenses (including income adjustment) for the period from 1 January 2013 to 31 December 2013

#### I. Income

1. Interest on domestic securities	EUR	793,238.06
2. Interest on foreign securities	EUR	7,924,075.51
3. Interest on domestic cash investments	EUR	454,009.01
4. Interest on foreign cash investments	EUR	-1,187.06
5. Income from investment units	EUR	90,653.48
6. Other income	EUR	32,287.23
of which reimbursements EUR 32,287.23		

#### Total income

**EUR 9,293,076.23**

#### II. Expenses

1. Interest on loans	EUR	-8.25
2. Management fees	EUR	-7,271,826.53
3. Custodian bank charges	EUR	-508,837.60
4. Auditing and publishing expenses	EUR	-14,492.38
5. Other expenses	EUR	-28,996.90
of which depositary fees EUR 24,233.21		
of which reporting and disclosure expenses EUR 1,570.94		

#### Total expenses

**EUR -7,824,161.66**

#### III. Ordinary net income

**EUR 1,468,914.57**

#### IV. Disposals

1. Realised gains	EUR	57,768,344.88
2. Realised losses	EUR	-76,576,613.50

#### Total gains or losses on disposals

**EUR -18,808,268.62**

#### V. Total income and expenses for the financial year

**EUR -17,339,354.05**

# Annual Report as at 31 December 2013

## BayernInvest Bond Global Select-Fonds

ISIN: DE000A0YF280

### Total expense ratio (TER)

1.83%

The total expense ratio is the sum of the fees and expenses (excluding transaction costs), expressed as a percentage of the average volume of the fund throughout a given financial year.

### Performance-related fees, as a % of the average net investment value

0.00%

### Transaction costs:

EUR 961,154.29

Sum of the ancillary expenses associated with the acquisition of assets and the expenses associated with the disposal of assets;  
For certain transaction types, such as bonds or forex transactions, the transaction costs cannot be calculated individually and are therefore omitted from the amount stated above.

### Transactions with closely affiliated companies or persons

Portion of those transactions which were conducted during the reporting period for the account of the Fund through a broker that is a closely affiliated company or person.

### Transactions for the period from 1 January 2013 to 31 December 2013

	Volume in EUR	Number
Total transaction volume	7,949,910,765.03	273
Transaction volumes with affiliated companies	13,430,301.37	3
Relative, in %	0.17%	1.10%

### Expenses pursuant to Section 41 (5) and (6) InvG

During the financial year beginning on 1 January 2013 and ending on 31 December 2013, BayernInvest Kapitalanlagegesellschaft mbH received no reimbursements for the Fund from fees and compensation expenses paid out of the Fund to the custodian bank or to a third party, with the exception of fees paid to brokers for the provision of financial information required for research purposes.

# Annual Report as at 31 December 2013

## BayernInvest Bond Global Select-Fonds

ISIN: DE000A0YF280

### Performance of the Fund

		<u>2013</u>
<b>I. Value of the Fund at the beginning of the financial year</b>	<b>EUR</b>	<b>457,469,769.60</b>
1. Cash inflows/outflows (net)	EUR	-15,660,496.19
a) Cash inflows from sales of share certificates	EUR	130,209,711.31
b) Cash outflows from share redemptions	EUR	-145,870,207.50
2. Income adjustment	EUR	-1,858,688.70
3. Ordinary net income	EUR	1,468,914.57
4. Realised gains	EUR	57,768,344.88
5. Realised losses	EUR	-76,576,613.50
6. Net change in non-realised gains or losses	EUR	-15,643,980.34
<b>II. Value of the Fund at the end of the financial year</b>	<b>EUR</b>	<b>406,967,250.32</b>

# Annual Report as at 31 December 2013

## BayernInvest Bond Global Select-Fonds

ISIN: DE000A0YF280

### Reinvestments (total and per unit)

	Total	Per unit
Total income and expenses for the financial year	EUR -17,339,354.05	-5.06
Allocated from the Fund *)	EUR 17,339,354.05	5.06
<b>Available for reinvestment</b>	<b>EUR 0.00</b>	<b>0.00</b>
Withholding tax amount	EUR 0.00	0.00
<b>Reinvestments</b>	<b>EUR 0.00</b>	<b>0.00</b>

\*) The allocation from the Fund is the result of the partial recognition of realised losses

# Annual Report as at 31 December 2013

## BayernInvest Bond Global Select-Fonds

ISIN: DE000A0YF280

### Three-year comparison of performance of Fund assets and unit price

Financial year	Fund assets at end of financial year	Unit price
30 June 2011	EUR 266,195,558.01	EUR 111.57
30 June 2012	EUR 371,064,120.85	EUR 110.29
31 December 2012	EUR 457,469,769.60	EUR 128.05
31 December 2013	EUR 406,967,250.32	EUR 118.79

Munich, February 2014

### BayernInvest Kapitalanlagegesellschaft mbH

Reinhard Moll, Spokesman

Dr Oliver Schlick

Guy Schmit

# Annual Report as at 31 December 2013

## BayernInvest Bond Global Select-Fonds

ISIN: DE000A0YF280

### Auditor's remarks

*To BayernInvest Kapitalanlagegesellschaft mbH, Munich*

BayernInvest Kapitalanlagegesellschaft mbH engaged us to audit the Annual Report of the investment fund BayernInvest Bond Global Select-Fonds in accordance with Section 44 (5) of the German Investment Act for the financial year from 1 January 2013 to 31 December 2013.

#### *Responsibility of the legal representatives*

The preparation of the Annual Report in compliance with the provisions of the German Investment Act is the responsibility of the legal representatives of the investment company.

#### *Responsibility of the auditor*

Our responsibility is to express an opinion on the Annual Report based on our audit.

We conducted our audit in accordance with Section 44 (5) of the German Investment Act and the German generally accepted auditing standards promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the Annual Report are detected with reasonable assurance. Knowledge of the management of the investment fund and expectations as to possible misstatements are taken into account when establishing the audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the Annual Report are examined primarily on a test basis. The audit includes assessing the accounting principles used for the Annual Report and the key estimates made by the legal representatives of the investment company. We believe that our audit provides a reasonable basis for our opinion.

#### *Audit opinion*

Our audit has not led to any reservations.

In our opinion, based on the knowledge gained during the audit, the Annual Report is in compliance with statutory regulations.

Munich, 25 February 2014

PricewaterhouseCoopers Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Stefan Peetz Wirtschaftsprüfer (German Public Auditor)	ppa. Arndt Herdzina Wirtschaftsprüfer (German Public Auditor)
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