

# **Simplified Sales Prospectus.** **Deka-CorporateBond High Yield Euro**

An Investment Fund under Part I of the Luxembourg Law  
of 20 December 2002 on Undertakings for Collective Investment.

Issued March 2010

**Deka**  
Investmentfonds



Deka International S.A.

 Finanzgruppe

# I. Short description of the Fund and investment information

<b>Deka-CorporateBond High Yield Euro</b>	
<b>Fund established on</b>	31 August 2001, in the Grand Duchy of Luxembourg as a mutual fund ( <i>fonds commun de placement</i> - FCP)
<b>Date of first issue</b>	14 November 2001
<b>Initial issuing price</b>	
<i>Unit class CF</i>	EUR 51.50 (includes 3.00% sales commission)
<b>Term of the Fund</b>	unlimited
<b>ISIN/WKN</b>	
<i>Unit class CF</i>	LU0139115926/694307
<b>Management Company</b>	Deka International S.A. 5, rue des Labours L-1912 Luxembourg
<b>Custodian Bank</b>	DekaBank Deutsche Girozentrale Luxembourg S.A. 38, avenue John F. Kennedy L-1855 Luxembourg
<b>Auditor</b>	PricewaterhouseCoopers S.à r.l. Reviseur d'Enterprises 400, roud'Esch L-1471 Luxembourg
<b>Promoter</b>	DekaBank Deutsche Girozentrale Mainzer Landstraße 16 D-60325 Frankfurt

This Simplified Sales Prospectus is only valid in combination with the latest authorised Detailed Sales Prospectus and the Annual Report of the Fund, and no more than 16 months may have passed since the reporting date of the Annual Report. If more than eight months have passed since the reporting date of the Annual Report, the purchaser must also be offered the latest Semi-Annual Report of the Fund. Both reports form part of the Simplified and Detailed Sales Prospectuses.

## Investment objective

The main objective of the investment policy of Deka-CorporateBond High Yield Euro is to earn a higher total return consisting of income and capital growth than a portfolio of high-rated euro-denominated government and corporate bonds, while accepting certain economic and political risks and keeping currency risks low.

## Investment strategy

The Fund assets are invested primarily in variable and/or fixed-interest securities, convertible and warrant-linked bonds (incl. exchangeables), certificates, structured notes and credit-linked notes. Money market instruments, currencies and other currency instruments may also be acquired.

At least 51% of the net assets of the Fund must consist of variable and/or fixed-interest euro-denominated securities from private-sector companies that are rated lower than BBB-, or whose issuers are rated lower than BBB-. Securities that are rated lower than D, or whose issuers are rated lower than D, may not be acquired. The proportion of unrated interest-bearing securities that the Management Company feels have a comparable credit standing may not exceed 10% of the net assets of the Fund. The ratings of other recognised rating agencies have equivalent standing with the Standard & Poor's rating. If more than one rating exists, the highest rating applies.

## II. Investment information

If a rating is increased or decreased, resulting in one of the above investment limits being exceeded or making the acquisition of these securities impermissible, the Management Company shall make it a priority to normalise this situation while taking into account the interests of unit holders.

Up to 10% of the net assets of the Fund may be acquired in the form of shares from the exercise of subscription rights. Shares may not be acquired in excess of this amount.

The proportion of the net assets of the Fund that is not denominated in euro and is not hedged against the euro using exchange rate hedge trading may not exceed 5% of the net assets of the Fund.

The Fund may invest no more than 10% of its net assets in structured notes, credit-linked notes and currency-linked notes issued by the same body. In addition, when using structured notes and credit-linked notes, the Management Company shall apply the general investment principles of the Fund and the investment limits in Articles 6 to 8 of the Basic Regulation with respect to the underlying securities.

The techniques and instruments relating to transferable securities and money market instruments set out in Article 5 paragraph 1 letter g) of the Basic Regulation are also entered into for purposes other than hedging and include, among other things, options, financial futures contracts, swaps, foreign exchange futures contracts, and combinations of these.

The Management Company shall only enter into the above transactions with counterparties that are first-class financial institutions specialising in such transactions.

Up to 10% of the net assets of the Fund may be invested in the units and shares of undertakings for collective investment as set out in Article 5 paragraph 1 letter e) of the Basic Regulation.

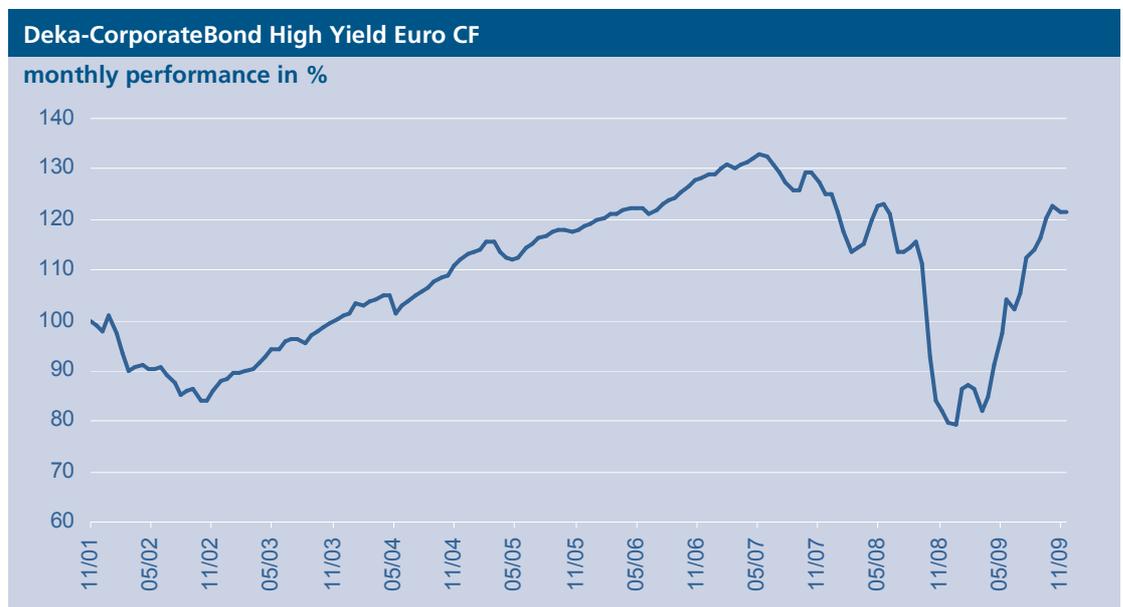
Bank balances as set out in Article 5 paragraph 1 letter f) of the Basic Regulation and liquid assets as set out in Article 5 paragraph 3 of the Basic Regulation may also be held.

### Performance

(calculated using redemption prices, with distributions reinvested at the redemption price)

14/11/2001 – 30/11/2009

**Past performance is no indicator of future performance.**



### III. Investment information

The Fund intentionally acquires interest-bearing securities from issuers whose creditworthiness is not rated as good by specialists. The Management Company shall therefore endeavour to achieve broad diversification of investments across issuers, and only acquire such securities after a careful examination has convinced it that interest and principal repayments will be made. Nevertheless, the possibility that some investments might end in a total loss cannot be ruled out completely.

An option is the right to buy ("call" option) or sell ("put" option) a certain asset during a predetermined period ("exercise period") or on a predetermined date ("exercise date") at a predetermined price ("strike price"). The price of a call or put option is the option "premium".

Financial futures contracts are bilateral agreements that entitle or require the contracting parties to deliver or take delivery of a certain asset on a predetermined date and at a predetermined price, where only a fraction of the associated contract size ("margin") needs to be paid immediately.

The Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio. The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market fluctuations and the time available to liquidate the positions.

The Management Company will commission primarily the Custodian Bank, whose subsidiary it is, to handle transactions for the account of the Investment Fund.

#### **Risk profile of the Fund and general risk information**

Units of the Fund are transferable securities whose price is determined by daily stock exchange price changes of the assets contained in the Fund and may, therefore, rise or fall.

Since the Fund specialises in corporate bonds with no government guarantee and, in some cases, corporate bonds that do not have first-class credit-worthiness, or whose issuers do not have first-class creditworthiness, investments in the Fund offer increased opportunities that are offset, however, by corresponding default risk of the issuers.

The purchase and sale of options is associated with specific risks. The premium paid to purchase a call or put option can be lost if the price of the security underlying the option does not change as expected. The leverage effect of options can result in a greater effect on the asset value of the Fund than would be the case if the underlying securities were purchased directly.

The Fund can suffer losses from the default of an issuer or counterparty. Issuer risk is the effect of particular developments at the issuer, which affect the price of a security separately from the general tendencies in the capital markets. Even when the utmost care is exercised in selecting the securities, it cannot be ruled out that there may be losses due to the financial collapse of issuers. Counterparty risk includes the risk that a party to a mutual agreement will default on the claim, in whole or in part. This applies to all contracts entered into for the account of the Fund.

A structured note is a financial instrument that is comparable to a bearer bond whose interest and/or principal repayment are linked with additional features. Structured notes are acquired for the assets of the Fund in order to invest in markets, currencies and other assets traded in markets that are in part illiquid, difficult to access, or completely inaccessible. Investors are exposed to risk resulting from the fact that the assets embedded in a particular structured note are in turn generally associated with specific risks related to the type of asset embedded. Due to the differences in composition of individual structured notes, the detailed nature of the implicit risks may not be apparent to the Fund investor.

## IV. Investment and economic information

A credit-linked note is a debt security issued by a protection buyer, whose par value is only repaid at maturity if a specified credit event does not occur. If a credit event does occur, the protection seller's claim for repayment is reduced by the agreed recovery payment. In addition to the note par value and interest payments, credit-linked notes therefore also provide for a risk premium which the issuer pays investors for the right to reduce the repayment amount of the note when a credit event occurs.

When a credit default swap is entered into, the protection seller agrees to pay a recovery payment to the protection buyer if a specified credit event occurs. In return, the protection seller receives a regular premium payment from the protection buyer. The creditworthiness of the reference debtor, the term of the contract, the creditworthiness of the protection seller, the definition of the credit event, and the probability that the protection seller and the reference security both default are the principal factors determining the size of the premium.

Unlike credit default swaps, where the protection seller only pays the agreed amount to the protection buyer if the credit event occurs, the credit-linked note buyer already pays at the time the purchase price is paid, and receives full principal repayment at maturity if the credit event does not occur. While the protection buyer in a credit default swap is exposed to the protection seller's issuer risk, the reverse is true for a credit-linked note, where the protection seller is exposed to the protection buyer's issuer risk, leading to a corresponding yield premium.

The markets for credit default swaps can be less liquid than the markets for interest-bearing securities, which may restrict their tradability. When credit default swaps are acquired for hedging purposes, there is a risk that the premium paid will be lost if the agreed loss event does not occur.

The value of the Fund assets can also be adversely affected by unforeseeable events, such as international political developments, changes in the politics of states, restrictions on foreign investment and currency repatriation and other developments and applicable laws and regulations.

Financial and foreign exchange futures contracts are associated with considerable opportunities, but also risks, because only a fraction of the contract size ("margin") must be paid immediately. A price swing in either direction for the instrument underlying the

futures contract can lead to substantial gains or losses relative to the margin paid. In this regard, futures contracts exhibit high volatility.

Custody of assets in foreign countries is associated with the risk of loss, which may result from insolvency, violations of the duty of care, or improper conduct on the part of the custodian or a sub-custodian.

The Fund is also affected by country and transfer risks. Country risk refers to the situation where a foreign debtor cannot make payments on time or at all, despite being solvent, because his country of residence is unable or not prepared to transfer the funds. Thus, for example, payments to which the Investment Fund is entitled may fail to be made or may be made in a currency that is no longer convertible due to currency exchange restrictions.

In addition, an unforeseeable change beyond the Fund's control could occur in the legal and tax treatment of the Fund. In particular, there is a risk that publicly disclosed tax bases could change for investors who are taxable in the Federal Republic of Germany or that general conditions could change in a way that is significant from a tax point of view.

**There is therefore no guarantee that the investment policy objectives can be achieved.**

The Detailed Sales Prospectus includes a more detailed description of the risks involved.

### Investor profile

The units of the Fund are intended primarily for portfolio optimisation. They are particularly appropriate for investors with a high risk-tolerance and extensive securities experience with respect to the price risks discussed above, and a medium- to long-term investment horizon.

## V. Economic information

### Tax considerations

The assets of the Fund are only subject to an annual tax of 0.05 % (*taxe d'abonnement*) in the Grand Duchy of Luxembourg on the net value of fund assets not invested in Luxembourg investment funds subject to the *taxe d'abonnement*. Income from the units is taxed in accordance with the national tax regulations applicable to the unit holder.

As of 1 July 2005, the EU Savings Tax Directive has applied to interest payments made to recipients resident in other EU states. If a foreign private investor holds units of a distributing fund that invests more than 15% in interest-bearing securities according to the provisions of the EU Savings Tax Directive in safekeeping in a securities account at a financial institution whose registered office is in Luxembourg, the interest portion of any unit distribution is subject to Article 6 of the EU Savings Tax Directive and may be taxed.

If a distributing or reinvesting fund invests more than 40% (more than 25% starting 1 January 2011) in interest-bearing securities according to the provisions of the EU Savings Tax Directive, the interest portion is subject to taxation when the units are redeemed or sold.

The tax rate is 15% starting 1 July 2005, 20% starting 1 July 2008 and 35% starting 1 July 2011.

Alternatively, the private investor has the option of avoiding tax withholding by authorising the Luxembourg financial institution to make a voluntary disclosure of his interest income, thereby allowing the financial institution to report the income to the legally specified revenue authorities instead of withholding taxes.

Potential investors are advised to consult with their legal, tax or financial advisers concerning the corresponding legal requirements, currency regulations and taxes under the laws of their country of citizenship, normal residence, or registered residence, which could have an effect on the purchase, ownership, sale or other disposal of units, and concerning the tax treatment of income.

Further information for unit holders subject to income tax or corporate income tax in Germany is provided in section IV "Synopsis of German tax regulations" of the Detailed Sales Prospectus.

### Sales commission

#### Unit class CF

up to 3.25% (currently 3.00%) of the unit value, for the benefit of the sales offices;

The issue and redemption prices of the unit class may be increased or decreased by fees or other charges incurred in the country of distribution.

### Fees and other costs

The Management Company receives a fee of up to 1.20% p.a. (currently 0.90% p.a.) of the net assets of the Fund for central administration and investment management.

The Management Company receives up to half of the income from securities loan transactions, securities sales and repurchase agreements and permissible transactions equivalent to these executed for the account of the Fund as a lump-sum fee for the initiation, preparation and performance of these transactions.

The Management Company receives an annual lump-sum fee from the Fund of up to 0.18% (currently 0.12%), calculated based on the average net assets of the Fund during the month in question and paid monthly in arrears.

Daily values are used for the calculation. The following fees and expenses are included in the lump-sum fee, and are not charged separately against the Fund:

- Custodian Bank fee;
- the expenses indicated in Article 16 paragraph 1 letters b) to i) of the Basic Regulation;
- expenses that may arise in connection with the use of a benchmark index;

## VI. Economic information and the purchase and sale of units

- costs and expenses that the Custodian Bank incurs as a result of permissible and normal market delegation of the safekeeping of assets of the Fund to third parties under Article 4 paragraph 3, of the Basic Regulation.

The Custodian Bank receives the following from the Fund assets:

- A normal bank processing fee for transactions performed for the account of the Fund.
- The Fund also pays the expenses specified in Article 16 paragraph 1 letters a) and j) of the Basic Regulation.

### Total Expense Ratio (TER)

Calculation:

$$\text{TER} = \frac{\text{TE}}{\text{A}} \times 100$$

Explanation:

TER: Total Expense Ratio as a percentage.

TE: Total expenses (nominal, all expenses except for transaction costs), in the Fund currency, that were actually charged to the unit classes during the reference period.

A: Average daily value of the net assets of the unit classes during the reference period.

The total expense ratio for unit class CF of the Fund was 1.03% for the financial year ended 30 September 2009.

### Purchase, redemption and exchange of units

Units in the unit class of the Fund can be purchased and redeemed from the Management Company and payment agents. Units of one unit class cannot be exchanged for units of another unit class.

As of 1 January 2007, units of the unit class of the Fund shall be certificated exclusively by global bearer certificates. This shall not affect the rights of current investors. Their unit certificates continue to be valid. Unit holders are not entitled to receive delivery of physical securities. Units may only be purchased if

they are held in a securities account. The Custodian Bank and the Promoter offer securities accounts for the units which allow payments to be made periodically into and out of the account.

Orders that the Management Company receives by 12:00 p.m. (midday) (Luxembourg time) on a day that is a dealing day in both Luxembourg and Frankfurt am Main ("valuation date") are settled at the issue or redemption price calculated on this valuation date. Orders that are received after 12:00 p.m. (midday) (Luxembourg time) are settled based on the price on the following valuation date. The Fund currency is the euro. As a rule, no valuation is performed on dealing days that are statutory holidays at one of the above locations, or on 24 and 31 December.

There is no time limit on the issue of units. At its sole discretion, the Management Company may reject a buy order (e.g. if there is a suspicion of market timing by the investor) or temporarily restrict, suspend, or permanently discontinue the issue of units, provided this is considered necessary in the interest of the unit holders as a whole, for the protection of the Management Company, for the protection of the Fund, in the interest of the investment policy, or if the specific investment objectives of the Fund are endangered.

### Payment Agent in Germany

All payments to investors (redemption proceeds, any distributions and other payments) can be channelled through the German Payment Agent.

DekaBank Deutsche Girozentrale  
Mainzer Landstraße 16  
D-60325 Frankfurt

### Utilisation of earnings

The Management Company shall perform an annual distribution on 20 November in accordance with Article 15 paragraphs 2 to 4 of the Basic Regulation.

## VII. Additional information

### Publication of prices and any notices to investors

Information on the issue and redemption prices for each valuation date and any notices to investors are available from the Management Company and information agents.

The issue and redemption prices are made available on each valuation date for investors in Germany on the Internet at [www.deka.de](http://www.deka.de). Other information intended for investors is published in the *Börsen-Zeitung* newspaper, which is published in Frankfurt am Main.

### Selling restrictions

Due to restrictions imposed under US supervisory regulations, the units being offered in this Sales Prospectus are not intended for distribution in the United States of America (this term also includes the states, territories and possessions of the United States and the District of Columbia) or for the benefit of US persons as defined in Regulation S of the Securities Act of 1933 as amended. US persons are natural persons residing in the United States of America. The term US person also includes legal persons established in accordance with the laws of the United States of America.

Units are accordingly not being offered or sold in the United States of America or for the accounts of US persons. Subsequent transfers of units to the United States of America or to US persons are not permitted.

This Sales Prospectus may not be disseminated in the United States of America or to US persons. Distribution of this Sales Prospectus and the offer or sale of units may also be subject to restrictions in other legal systems.

### Information Agent

The Detailed Sales Prospectus, including the Management Regulation, the Simplified Sales Prospectus, the latest Annual Report and (if applicable) the most recent Semi-Annual Report are available at any time and free of charge from the Management Company, the Custodian Bank, the Information Agent and on the Internet at [www.deka.de](http://www.deka.de).

■ in Germany  
DekaBank Deutsche Girozentrale  
Mainzer Landstraße 16  
D-60325 Frankfurt

### Point of contact for further information

Please call Deka International S.A. at (+352) 34 09 39 or DekaBank Deutsche Girozentrale at +49 (0) 69 71 47 65 2 from Monday to Friday between 8:00 a.m. and 6:00 p.m.

### Competent supervisory authority

Commission de Surveillance du Secteur Financier  
110, route d'Arlon  
L-2991 Luxembourg  
[www.cssf.lu](http://www.cssf.lu)

 **Deka**  
Investmentfonds

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