

Allianz Global Equity Dividend

Prospectus/Investment Terms and Conditions

2 February 2024

Allianz Global Investors GmbH

Warning notice

The current prospectus, the basic information sheet and the 'General Investment Terms and Conditions' in conjunction with the 'Special Investment Terms and Conditions' shall form the legal basis for purchasing and selling units in Allianz Global Equity Dividend ("Feeder Fund"). The General Investment Terms and Conditions and the Special Investment Terms and Conditions are included in this prospectus.

No information or formal statements that diverge from the content of this prospectus may be given out. The buyer shall bear sole responsibility for any purchase or sale of Fund units that is made on the basis of information or formal statements not contained in this prospectus. The information contained in this prospectus is supplemented by the most recent annual report and the semi-annual report, if published after the annual report. The prospectus and the annual and semi-annual report of Allianz Global Investors Fund – Allianz Global Dividend (Master Fund) may also be obtained from the Company, as can the Master-Feeder Agreement between Allianz Global Investors Fund – Allianz Global Dividend and this Feeder Fund.

Investment restrictions applying to US Persons

The Feeder Fund has not been and will not be registered in the United States of America (the "United States") under the US Investment Company Act of 1940 as amended (the "Investment Company Act"). The United States includes its territories and possessions, any state of the United States, and the District of Columbia. The units of the Feeder Fund have not been and will not be registered in the United States under the United States Securities Act of 1933 as amended (the "Securities Act") or under the securities laws of any state of the United States of America. The Feeder Fund units made available under this offer must not be directly or indirectly offered or sold in the United States nor to or for the benefit of any US person (as defined in Provision 902 of Regulation S under the Securities Act). Potential investors may be required to declare that they are not US persons and that they are neither acquiring units on behalf of US persons nor acquiring units with the intent to sell them to US persons. Should a Unitholder become a US Person, they may be subject to US withholding taxes and tax reporting.

US person

Any person who is a United States Person within the meaning of Rule 902 of Regulation S under the United States Securities Act of 1933 (the "Securities Act"), whereby the definition of such term may be changed from time to time by legislation, regulations or judicial or administrative agency interpretations.

A US person includes but is not limited to: i. any natural person resident in the United States; ii. any partnership or corporation organised or incorporated under the laws of the United States; iii. any estate of which any executor or administrator is a US person; iv. any trust of which any trustee is a US person; v. any agency or branch of a foreign entity located in the US; vi. any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US person; vii. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and viii. any partnership or corporation if: (1) organised or incorporated under the laws of any foreign jurisdiction; and (2) formed by a US person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by authorised investors who are not natural persons, estates or trusts.

Most important legal implications of the contractual relationship

Investors become co-owners of the assets held by the Feeder Fund in the fractional ratio of their investments. They are not entitled to dispose of the assets. Allianz Global Investors GmbH ("Company") acquires title to the assets belonging to the Feeder Fund. Upon entering into the Investment Terms and Conditions, investors become trustors with legal claims against the Company. No voting rights are associated with the units.

The contractual and the pre-contractual relations between Company and investor shall be based on German law. The registered office of the Company shall be the place of jurisdiction for any legal action brought by the investor against the Company arising from the contractual relationship. Investors who are consumers and who reside in another EU Member

State may also bring legal action before a competent court at their place of residence. All publications and promotional literature shall be drawn up in German or provided with a German translation. Furthermore, the Company shall communicate with its investors in German.

Allianz Global Investors GmbH has committed to taking part in dispute resolution proceedings before a consumer arbitration service.

In the event of disputes, consumers may contact the Ombudsman for Investment Funds at BVI Bundesverband Investment und Asset Management e.V. as the competent consumer arbitration service. This does not affect the right to take legal action.

Contact information:
Office of the Ombudsman at BVI
Unter den Linden 42
10117 Berlin, Germany
Tel.: +49 30 6449046-0
Fax: +49 30 6449046-29
Email: info@ombudsstelle-investmentfonds.de
www.ombudsstelle-investmentfonds.de

In the event of disputes arising from the application of the provisions of the German Civil Code (Bürgerliches Gesetzbuch) concerning the distance selling contracts for financial services, the parties concerned may also contact the conciliation body of Deutsche Bundesbank. This does not affect the right to take legal action.

Contact information:
Deutsche Bundesbank Conciliation Body, Postfach 11 12 32
60047 Frankfurt am Main, Germany
Email: schlichtung@bundesbank.de
www.bundesbank.de

In the event of disputes arising from purchase agreements or service agreements that were concluded online, consumers may also contact the EU's online dispute resolution platform (www.ec.europa.eu/consumers/odr). The Company's contact address is the following email address: info@allianzgi.de. The platform itself is not a dispute resolution body; instead, it only provides the parties with the contact details for a competent national conciliation body.

Allianz Global Investors GmbH
Bockenheimer Landstraße 42-44
60323 Frankfurt am Main, Germany

Commercial register: HRB 9340
District court: Frankfurt am Main

Supervisory Authority in charge:
German Federal Financial Supervisory Authority (BaFin)
Marie-Curie-Str. 24-28
60439 Frankfurt am Main, Germany

This document is a translation of the original document. In the event of discrepancies or ambiguities in interpreting the translation, the original German-language version shall prevail insofar as this does not infringe the local legislation of the relevant jurisdiction.

Contents

| | | | |
|--|----|--|-----|
| Prospectus..... | 6 | Payments to investors/distribution of reports and other information . . | 80 |
| General information..... | 6 | | |
| Facts and figures for Allianz Global Equity Dividend | 7 | Funds managed by Allianz Global Investors GmbH..... | 81 |
| Sales literature..... | 8 | The purchaser's right of revocation pursuant to Section 305 KAGB (door-to-door sales) | 82 |
| Investment Terms and Conditions..... | 8 | Information for investors in the Republic of Austria | 82 |
| Management Company | 9 | | |
| Management, supervisory board, shareholder structure, capital and additional capital..... | 9 | Investment Terms and Conditions | 84 |
| Company announcements..... | 9 | General Investment Terms and Conditions..... | 84 |
| Depositary | 10 | Special Investment Terms and Conditions..... | 96 |
| Feeder Fund..... | 14 | | |
| Investment objectives, investment principles and limits, Master Fund | 14 | Your partners..... | 102 |
| Collateral strategy..... | 40 | | |
| Borrowing..... | 42 | | |
| Leverage | 42 | | |
| Definitions..... | 42 | | |
| General exclusion of certain issuers | 44 | | |
| Valuation..... | 44 | | |
| Performance | 45 | | |
| Risk factors..... | 46 | | |
| Sub-fund..... | 55 | | |
| Units..... | 55 | | |
| Unit classes | 55 | | |
| Fair treatment of investors | 56 | | |
| Conflicts of interest | 56 | | |
| Issue and redemption of units | 57 | | |
| Charges..... | 60 | | |
| Remuneration policy..... | 63 | | |
| Rules for the calculation and allocation of income..... | 64 | | |
| Financial year and distributions | 65 | | |
| Liquidation, transfer and merger of the Feeder Fund..... | 65 | | |
| Overview of key tax regulations for investors | 67 | | |
| Internal rules for business operations relating to Master-Feeder constructs, Depositary Agreement | 78 | | |
| Auditor..... | 78 | | |
| Outsourcing of activities | 79 | | |
| Service providers | 80 | | |
| Annual, semi-annual and liquidation reports | 80 | | |

Prospectus

General information

The Fund is a UCITS-compliant Feeder Fund within the meaning of Section 1 (19) no. 11 of the Investment Code (Kapitalanlagegesetzbuch – KAGB). It is managed by Allianz Global Investors GmbH with its registered office in Frankfurt am Main (the “Company”). The Master Fund within the meaning of Section 1 (19) no. 12 KAGB is Allianz Global Investors Fund – Allianz Global Dividend (hereinafter the “Master Fund”), a fund also established and managed by the Company, a sub-fund of Allianz Global Investors Fund SICAV. The Master Fund is an EU investment fund that meets the requirements of Directive 2009/65/EC.

The management of the Feeder Fund consists primarily in investing at least 95% of the capital deposited with the Company by investors in shares of the Master Fund, share class F (EUR), separately from the Company's own assets. The Feeder Fund shall not be part of the Company's insolvency estate.

The business purpose of the Feeder Fund is limited to investment in accordance with a defined investment strategy within the framework of collective asset management via the funds deposited with it; operating activities and active entrepreneurial management of the assets held are excluded. The assets in which the Company may invest on behalf of the Feeder Fund and the provisions with which it must comply in doing so are determined by the KAGB and related regulations as well as the Investment Tax Act (“InvStG”) and the Investment Terms and Conditions governing the legal relationship between the investors and the Company. The Investment Terms and Conditions contain both a general and a specific section (“General Investment Terms and Conditions” and “Special Investment Terms and Conditions”). The application of the Investment Terms and Conditions to a feeder fund is subject to the approval of BaFin.

Facts and figures for Allianz Global Equity Dividend

| Unit class ¹⁾ | A (EUR) | R (EUR) ²⁾ |
|--|---|---|
| ISIN code: | DE0008471467 | DE000A2DU1F1 |
| Securities Identification Number: | 847146 | A2DU1F |
| Legal structure: | pursuant to German law (KAGB) | pursuant to German law (KAGB) |
| Launch: | 03 June 1996 | 16 November 2017 |
| Investment management company: | Allianz Global Investors GmbH Frankfurt am Main | Allianz Global Investors GmbH Frankfurt am Main |
| Depository: | State Street Bank International GmbH Munich | State Street Bank International GmbH Munich |
| Auditor | PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft Frankfurt am Main | PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft Frankfurt am Main |
| Financial groups initiating the Feeder Fund: | Allianz Group | Allianz Group |
| Supervisory Authority in charge: | BaFin Frankfurt am Main | BaFin Frankfurt am Main |
| Minimum investment: | - | - |
| Maximum front-end load: | 5.00% | - |
| Current front-end load: | 5.00% | - |
| Maximum all-in fee ³⁾ : | 1.80% p.a. | 1.80% p.a. |
| Current all-in fee ³⁾ : | 1.80% p.a. | 1.05% p.a. |
| Allocation of income: | distributing | distributing |
| Maturity: | unlimited | unlimited |

¹⁾ The Company may decide at any time to launch further unit classes for the Feeder Fund. In this case, the prospectus will be amended with regard to the new unit classes.

²⁾ Units of these unit class types may only be acquired with the consent of the Company and, in addition, only by such distributors that are not permitted to accept or retain ongoing distribution fees (portfolio commissions) due to statutory provisions or based on special remuneration agreements with the clients involved.

³⁾ Additional fees may be charged to the Feeder Fund at the level of the Master Fund. See the section entitled "Particular features of the acquisition of the Master Fund".

Sales literature

The prospectus, the basic information sheet, the Investment Terms and Conditions as well as the latest annual and semi-annual reports of the Feeder Fund are available free-of-charge from the Company, the Depositary, and from the agents operating for the Company. Further information about the Master-Feeder Agreement concluded between the Company and the Management Company of the Master Fund may be obtained from the Company.

The prospectus, the basic information sheet, the articles/memorandum of association as well as the latest annual and semi-annual reports of the Master Fund are also available free-of-charge from the Company, the Depositary, and from the agents operating for the Company.

Additional information on the Feeder Fund's investment restrictions imposed by the risk management, the risk management methods, and the latest developments of risks and returns of the major asset categories, can be obtained from the Company in a written version on request.

If the Company sends particular investors further information about the composition of the Feeder Fund portfolio or its performance, it will post this information on its website at the same time.

Further information on the Master Fund can be obtained from the Company in written form on request.

Investment Terms and Conditions

The Investment Terms and Conditions are included in this prospectus. The Company is entitled to amend the Investment Terms and Conditions. Changes to the Investment Terms and Conditions shall be subject to the approval of BaFin. Any change of Master Fund or any other changes in the Feeder Fund's investment principles shall additionally require approval from the Company's supervisory board. Changes to the previous investment principles of the Feeder Fund shall only be permitted on the condition that the Company either makes an offer to investors to redeem their units without charging a redemption fee before the change becomes effective, or offers investors to swap their units for units in funds with comparable investment principles free of charge if the Company or another company from the same group manages such funds. The Company is free to define the investment strategy and/or policy within the limits imposed by the Investment Terms and Conditions.

Planned changes shall be published in the Federal Gazette (Bundesanzeiger) and on the Company's website at <https://de.allianzgi.com>. If the changes affect fees and reimbursements of expenses that may be charged to the Feeder Fund, a change in the Master Fund or a change in the Feeder Fund's investment principles or material rights of investors, the custodian institutions are obliged to inform the investors using a durable medium, such as in hard copy or electronic format, that is suitable for storing such information for an appropriate length of time, and making it accessible but not editable. The information shall contain the key content of the proposed amendments, their background, the rights of investors related to such change and a note on where and how further information can be obtained.

If there is a change of Master Fund, investors shall also receive the following information and documentation:

- notification that BaFin has approved the investment in the new Master Fund,
- the new basic information sheet for this Feeder Fund and the new Master Fund,
- the date as of which the majority of the Feeder Fund will be invested in shares of the new Master Fund, and

- a note to the effect that, for at least 30 days prior to this date, investors are entitled to request redemption of their units free of charge, if applicable offsetting the charges incurred to cover redemption costs.

Other changes in the investment principles of the Feeder Fund shall only be permitted on the condition that the Company offers investors the opportunity to swap their units for units in funds with comparable investment principles free of charge, if the Company or another company from the same group manages such funds, or makes an offer to them to redeem their units without charging a redemption fee before the changes become effective.

Changes shall come into effect on the day after publication at the earliest. Changes in provisions concerning fees and reimbursement of expenses shall come into effect three months after publication at the earliest, unless an earlier date has been set with the approval of BaFin. Any change of Master Fund or any other changes that are not compatible with the previous investment principles of the Feeder Fund shall also come into effect three months after publication at the earliest.

Management Company

The Feeder Fund is managed by Allianz Global Investors GmbH, which was established in December 1955 and is domiciled in Frankfurt am Main. The Company is an investment management company within the meaning of the German Investment Code (KAGB).

The Company is permitted to manage investment funds as defined in the UCITS Directive, mixed investment funds, other investment funds and open-ended domestic special AIF with fixed investment terms and conditions, as well as comparable open-ended and closed-end EU investment funds. The value of the Feeder Fund and the value of the units are determined by the Company.

In accordance with the KAGB, the Company is licenced as both a UCITS investment management company and an AIF investment management company.

Management, supervisory board, shareholder structure, capital and additional capital

More information about the management, the composition of the supervisory board and the shareholder structure, as well as the Company's subscribed and paid-in capital can be found at the end of this prospectus.

The Company has provided the following capital to hedge the professional liability risks associated with the management of funds that do not comply with the UCITS Directive, i.e. alternative investment funds ("AIF"), and that are attributable to the professional negligence of its executive bodies or employees: Capital amounting to at least 0.01% of the value of the portfolios of all managed AIFs. This amount is reviewed and adjusted at least once a year. This capital is covered by the paid-in capital.

Company announcements

In the following, the website <https://de.allianzgi.com> is considered an electronic information medium of the Company within the meaning of the Investment Code (KAGB). Unless otherwise provided for by law or in this prospectus, all announcements by the Company concerning the Feeder Fund and notices to investors will be published on the website.

Depositary

Identity of the depositary

The depositary for the Feeder Fund is State Street Bank International GmbH, which has its registered office at Brienner Straße 59, 80333 Munich, Germany. The depositary is a credit institution under German law. Its principal activity is to conduct deposit and account business.

Its shareholders' equity as at 31 December 2021 totalled EUR 109 million.

Depositary's functions

The KAGB requires the separation of Fund Management from the safe-keeping of the investment company's own assets.

The depositary shall keep the assets in blocked custody accounts or blocked accounts. In the case of assets that cannot be held in custody, the depositary shall check whether the Management Company has acquired title to these assets. It shall monitor whether the Company's disposal over the assets complies with the provisions of the KAGB and the Investment Terms and Conditions. Investment of assets in bank deposits with another financial institution is only permitted with the approval of the depositary. The depositary must grant its approval if the investment is consistent with the Investment Terms and Conditions and the provisions of the KAGB.

In addition, the depositary has the following duties in particular:

- subscription and redemption of Feeder Fund units,
- ensuring that units are issued and redeemed and that unit value is determined in compliance with the provisions of the KAGB and the Feeder Fund's Investment Terms and Conditions,
- Ensuring that it receives the consideration for transactions concluded for the joint account of the investors within the customary periods of time,
- ensuring that income accruing to the Feeder Fund is appropriated in compliance with the provisions of the KAGB and the Investment Terms and Conditions,
- monitoring any borrowing entered into by the Company for account of the Feeder Fund and, if applicable, approval of any borrowing,
- Ensuring that collateral for securities lending is provided with legally binding effect and is available at all times.

Engagement of sub-depositaries

The depositary has full authority to transfer its duties in connection with safekeeping, in full or in part. Its liability nevertheless remains unaffected by the fact that it has entrusted to a third party some or all of the assets that it had accepted for safekeeping. The depositary's liability remains unaffected by any delegation of its safekeeping functions under the Depositary Agreement.

The depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, which it has appointed as its global sub-depositary. As the global sub-depositary, State Street Bank and Trust Company has appointed local sub-depositaries within the State Street global depositary network.

The sub-depositary has entrusted the following companies with local sub-depositary services:

| | |
|------------------------|--|
| Egypt | Citibank N.A. |
| Albania | Raiffeisen Bank sh.a. |
| Argentina | Citibank N.A. |
| Australia | The Hongkong and Shanghai Banking Corporation Ltd. |
| Bahrain | First Abu Dhabi Bank P.J.S.C. |
| Bangladesh | Standard Chartered Bank |
| Belgium | BNP Paribas S.A., France (acting through its branch office in Paris with support from its branch office in Brussels) |
| Benin | Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast |
| Bermuda | HSBC Bank Bermuda Limited |
| Bosnia and Herzegovina | UniCredit Bank d.d. |
| Botswana | Standard Chartered Bank Botswana Limited |
| Brazil | Citibank N.A. |
| Bulgaria | Citibank Europe plc, Bulgaria branch UniCredit Bulbank AD |
| Burkina Faso | Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast |
| Chile | Banco de Chile |
| China – Connect | Standard Chartered Bank (Hong Kong) Limited |
| Costa Rica | Banco BCT S.A. |
| Denmark | Skandinaviska Enskilda Banken AB (publ), Sweden (acting through its branch office in Copenhagen) |
| Germany | Deutsche Bank AG State Street Bank International GmbH |
| Ivory Coast | Standard Chartered Bank Cote d'Ivoire S.A. |
| Estonia | AS SEB Pank |
| Finland | Skandinaviska Enskilda Banken AB (publ), Sweden (acting through its branch office in Helsinki) |
| France | BNP Paribas S.A. |
| Ghana | Standard Chartered Bank Ghana PLC |
| Greece | BNP Paribas S.A. |
| United Kingdom | State Street Bank and Trust Company, UK branch |
| Guinea-Bissau | Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast |
| Hong Kong | The Hongkong and Shanghai Banking Corporation Limited |
| India | Deutsche Bank AG Citibank N.A. The Hongkong and Shanghai Banking Corporation Limited |
| Indonesia | Deutsche Bank AG Standard Chartered Bank |
| Iceland | Landsbankinn hf. |
| Israel | Bank Hapoalim B.M. |
| Italy | Intesa Sanpaolo S.p.A. |
| Japan | The Hongkong and Shanghai Banking Corporation Limited Mizuho Bank, Limited |
| Jordan | Standard Chartered Bank, Shmeissani branch |
| Canada | State Street Trust Company Canada |
| Kazakhstan | JSC Citibank Kazakhstan |
| Qatar | HSBC Bank Middle East Limited |
| Kenya | Standard Chartered Bank Kenya Limited |
| Colombia | Cititrust Colombia, S.A. Sociedad Fiduciaria |
| Croatia | Privredna Banka Zagreb d.d. Zagrebacka Banka d.d. |
| Kuwait | First Abu Dhabi Bank P.J.S.C. |
| Latvia | AS SEB Banka |
| Lithuania | AB SEB Bankas |

| | |
|---------------------|---|
| Malawi | Standard Bank PLC |
| Malaysia | Standard Chartered Bank (Malaysia) Berhad |
| Mali | Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast |
| Morocco | Citibank Maghreb SA. |
| Mauritius | The Hongkong and Shanghai Banking Corporation Limited |
| Mexico | Banco Nacional de México SA. |
| Namibia | Standard Bank Namibia Limited |
| New Zealand | The Hongkong and Shanghai Banking Corporation Limited |
| Netherlands | BNP Paribas S.A. (acting through its branch office in Paris with support from its branch office in Amsterdam) |
| Niger | Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast |
| Nigeria | Stanbic IBTC Bank Plc. |
| Norway | Skandinaviska Enskilda Banken AB (publ), Sweden (acting through its branch office in Oslo) |
| Oman | First Abu Dhabi Bank P.J.S.C. |
| Austria | UniCredit Bank Austria AG |
| Pakistan | Deutsche Bank AG |
| | Citibank, NA. |
| Panama | Citibank NA. |
| Peru | Citibank del Perú S.A. |
| Philippines | Standard Chartered Bank |
| Poland | Bank Handlowy w Warszawie S.A. |
| Portugal | Citibank Europe plc, Dublin, Ireland |
| Republic of Georgia | JSC Bank of Georgia |
| South Korea | The Hongkong and Shanghai Banking Corporation Limited |
| | Deutsche Bank AG |
| Republika Srpska | UniCredit Bank d.d. |
| Romania | Citibank Europe plc, Dublin, Romania branch |
| Russia | AO Citibank |
| Zambia | Standard Chartered Bank Zambia Plc |
| Saudi Arabia | FAB Capital J.S.C. as delegate of First Abu Dhabi Bank P.J.S.C.Saudi British BankFirst Abu Dhabi Capital Financial Company J.S.C. (FAB Capital) |
| | First Abu Dhabi Bank P.J.S.C. |
| Sweden | Skandinaviska Enskilda Banken AB (publ) |
| Switzerland | UBS Switzerland AG |
| Senegal | Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast |
| Serbia | UniCredit Bank Serbia JSC |
| Zimbabwe | Stanbic Bank Zimbabwe Limited |
| Singapore | Citibank NA. |
| Slovak Republic | UniCredit Bank Czech Republic and Slovakia, a.s. |
| Slovenia | UniCredit Banka Slovenija d.d. |
| Spain | Citibank Europe plc, Dublin, Ireland |
| Sri Lanka | The Hongkong and Shanghai Banking Corporation Limited |
| South Africa | Standard Chartered Bank |
| | FirstRand Bank Limited |
| Taiwan – R.O.C. | Standard Chartered Bank (Taiwan) Limited |
| Tanzania | Standard Chartered Bank (Tanzania) Limited |
| Thailand | Standard Chartered Bank (Thai) Public Company Limited |
| Togo | Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast |
| Czech Republic | Československá obchodní banka, a.s. |
| | UniCredit Bank Czech Republic and Slovakia, a.s. |
| Tunisia | Union Internationale de Banques |
| Turkey | Citibank A.Ş. |
| Uganda | Standard Chartered Bank Uganda Limited |
| Ukraine | JSC Citibank |

| | |
|--|---|
| Hungary | UniCredit Bank Hungary Zrt. Citibank Europe plc Magyarországi Fióktelepe |
| Uruguay | Banco Itaú Uruguay S.A. |
| United Arab Emirates – Abu Dhabi | First Abu Dhabi Bank P.J.S.C. |
| United Arab Emirates – DFM | First Abu Dhabi Bank P.J.S.C. |
| United Arab Emirates – Dubai International Financial Center (DIFC) | First Abu Dhabi Bank P.J.S.C. |
| United Arab Emirates – Abu Dhabi | First Abu Dhabi Bank P.J.S.C. |
| United States | State Street Bank and Trust Company |
| Vietnam | HSBC Bank (Vietnam) Limited |
| People's Republic of China | HSBC Bank (China) Company Limited China Construction Bank Corporation |
| Cyprus | BNP Paribas S.A., Greece (acting through its branch office in Athens) |

Conflicts of interest

In relation to State Street Bank & Trust Company, our Global Depositary, possible conflicts of interest at the first sub-depositary level have been eliminated in compliance with legal requirements. In this respect, we refer to the following comments.

In summary, the organisational precautions taken by State Street Bank International GmbH for handling conflicts of interest – specifically from the viewpoint of the German Investment Code (KAGB) – are as follows:

- The Compliance department is entrusted with the function of the “independent body” required under Section 70 (2) sentence 4 KAGB and/or Section 85 (2) sentence 4 KAGB.
- The schedule of responsibilities and organisational structure of State Street Bank International GmbH comply with statutory and regulatory requirements, taking into particular account the requirement to avoid conflicts of interest. As a result, the functions “back office/supervision of lending business and trading” are kept separate from the functions “settlement/supervision of lending business and trading” and naturally from the “trading market sector” and from the “lending business market sector” right through to senior management level. In addition, operational depositary bank or depositary business is completely separate from the “collateral management services” and “investment management company back office insourcing” sections. The segregation solution as defined in BaFin Circular 08/2015 (WA)/Depositary Circular and BaFin Circular 01/2017 (WA)/German Minimum Requirements on Risk Management for Investment Companies (KAMaRisk)) has been implemented in relation to physical, personnel, functional and hierarchical separation.
- The “Conflicts of Interest Policy” of State Street Bank International GmbH covers the topics relating to conflicts of interest, both from the viewpoint of the German Securities Trading Act (WpHG) and from the perspective of the depositary bank or depositary. It also provides for the use of a range of methods to avoid conflicts of interest, which are presented below in note form:

(a) Controlling the flow of information:

(i) Requirements for confidentiality zones (Chinese walls) and for using them.

- Passing on information within the Company in strict compliance with the “need to know” principle
- Access rights to information and physical access rights to areas of the Company. For example, the services relating to “investment management company back office insourcing” are currently provided completely separately from the depositary bank or depositary business within the system.

- (ii) Requirements for “wall crossing”.
- (b) Independent monitoring of relevant persons.
- (c) No detrimental dependencies in the remuneration system.
- (d) Avoidance of the corruptive influence of one employee on other employees.
- (e) Avoidance of a situation where the responsibilities of an employee for several activities could give rise to conflicts of interest if they are performed simultaneously.
- (f) As a last resort, there is provision for notifying the relevant client of any conflicts of interest that cannot be sufficiently avoided or controlled.

Depository's liability

The depository is basically responsible for all assets that are held in safe-keeping by itself or by another office with its approval. In the event that an asset is lost, the depository shall be liable to the Feeder Fund and its investors, unless the loss is due to events beyond the depository's control. The depository shall generally only be liable for damages that do not involve the loss of an asset if it has not fulfilled its obligations pursuant to the provisions of the KAGB, with simple negligence as the minimum criterion. No agreement on exemption from liability pursuant to Section 77 (4) KAGB has been concluded with the depository.

Additional information

On request, the Company will send up-to-date information to investors on the depository and its duties, the sub-depositaries and possible conflicts of interest in connection with the role of the depository or sub-depository.

Feeder Fund

The Feeder Fund was launched on 03 June 1996 for an unlimited period of time. As co-owners or creditors, the investors hold an interest in the assets of the Feeder Fund proportionate to the number of units held.

Investment objectives, investment principles and limits, Master Fund

Investment objective of the Feeder Fund

The Fund is a UCITS-compliant Feeder Fund of the Master Fund Allianz Global Investors Fund – Allianz Global Dividend and, as such, invests at least 95% of its value in Master Fund shares. The aim of the investment policy of the Feeder Fund is to allow investors to participate in the Master Fund's performance. For this reason, the Fund Management aims de facto to invest the Feeder Fund as fully as possible in the Master Fund to allow holders of unit certificates to participate in this way virtually entirely in the performance of the Master Fund.

The Master Fund and/or one or more of the Master Fund's unit classes are managed in relation to a reference value (the “benchmark” or the “benchmark index”) in accordance with Article 7 (1) (d) of Commission Regulation (EU) no. 583/2010.

The benchmark for the Master Fund is the MSCI AC World Total Return (Net). This benchmark index is administered by MSCI Limited. MSCI Limited is registered with the European Securities and Markets Authority, ESMA, in a public register for benchmark administrators and for benchmarks.

The Company has established robust written plans, in which it sets out the measures that will be taken if the benchmark significantly changes or is no longer appropriate. These written plans may be requested free of charge from the registered office of the Company or from the Management Company.

Investment funds that are managed in relation to a benchmark index are funds in which a benchmark index either plays a role in (i) the explicit or implicit definition of the portfolio composition of the Fund and/or in (ii) the performance objectives and measures of this Fund. In both cases, the Company adopts an active management approach in managing the Master Fund, i.e. the benchmark index is neither tracked nor replicated. In doing so, the Fund Management aims to outperform the benchmark index. The Fund Management bases its asset selection and weighting decisions on the investment process, with assets being potentially over- or underweighted compared to corresponding securities included in the benchmark index. The Fund Management may also decide not to purchase certain benchmark index securities for the Fund, or to purchase completely different securities for the Fund than those included in the benchmark index. The composition and weighting of the Master Fund's assets and the Master Fund's performance may therefore differ substantially and even completely – whether positive or negative – from the composition and weighting of the corresponding securities included in the benchmark index. The composition and weighting of the Master Fund's assets are not based on the benchmark index or on any other benchmark. As a result of the active management approach, the performance of the Master Fund may differ from the performance of the benchmark index.

When selecting and weighting the Master Fund's assets, the Fund Management will significantly deviate from the securities included in the Master Fund's benchmark index, as well as their corresponding weightings. The above-mentioned flexibility granted to the Fund Management thus defines the extent to which the Master Fund's performance may significantly exceed or fall short of the performance of the benchmark index.

When selecting and weighting the Master Fund's assets, the Fund Management may deviate materially from the securities included in the benchmark index, as well as their corresponding weightings. Generally, the majority of the securities included in the Master Fund are also included in the benchmark index. The Master Fund's Fund Manager has the flexibility to also invest in securities that are not included in the benchmark index.

If a unit class of the Master Fund is hedged against a specific currency, the Master Fund's respective benchmark index and/or the unit class in question is also hedged against this currency. If the Master Fund's benchmark index and/or the Fund's respective unit class is an interest rate, a hedged unit class of this Fund may use a suitable alternative interest rate for the hedged currency, with a suitable term.

The investments underlying this fund (see the "Investment principles" chapter) do not take into account the EU criteria for environmentally sustainable economic activities.

The Fund Management of the Master Fund considers as part of the due diligence process all relevant financial risks, including all relevant sustainability risks that could have a significant negative impact on the return on an investment of the Master Fund, in the investment decision and evaluates them on an ongoing basis. The sustainability risk assessment does not cover cash and deposits, derivatives and non-rated investments. Sustainability risks can be summarised as follows:

- Sustainability macro risks with global relevance (for example global warming and climate change).
- Sustainability sector risks with relevance for funds exposed to specific sectors (for example stranded asset risks for the oil & gas sector).
- Sustainability idiosyncratic risks on the level of individual corporate and sovereign issuers with relevance for funds exposed to these issuers (for example climate transition risk).

- Sustainability investment risks at portfolio level arising from portfolio exposure to macro sustainability risk, sustainability sector risks and, in particular, the sustainability issuers invested.

Sustainability risks are assessed using external sustainability research data and/or internal research and analysis by the Fund Management of the Master Fund. The aim of both external and internal investigations is to identify potential financial risks relating to sustainability associated with investing in an issuer's securities. Issuers can be corporate issuers, governmental issuers or sub-sovereign entity issuers. Details can be found in the Risk Management Policy Statement available at <https://www.allianzgi.com/en/our-firm/esg>.

In addition, Fund Management takes into account PAI indicators regarding sustainability factors in a similar manner as described above in all investment decisions to be made for the Fund. Further details are given in the Management Company's statement on the material adverse effects, which is available at www.allianzglobalinvestors.com.

PAI indicator(s) are a number of indicators designed to identify the material or likely material impact of investment decisions on sustainability factors. PAI indicators include, inter alia, greenhouse gas emissions, biological diversity, water, waste, and social and labour concerns for corporate issuers and, where applicable, an indicator for investments in government-issued securities. PAI indicators are used to measure how issuers have a negative impact on sustainability factors.

The Fund, which is not subject to Art. 8 or Art. 9 Sustainable Finance Disclosure Regulation (SFDR) does not mitigate the PAI indicators as it does not apply the minimum exclusion criteria with regard to sustainability.

Investment principles of the Feeder Fund

The Company may acquire the following assets for the Feeder Fund:

1. shares of the Master Fund, share class F (EUR),
2. bank deposits as specified in Section 7 of the "General Investment Terms and Conditions", if these are denominated in euro and are disposable on a daily basis, and
3. Derivatives as specified in Section 9 of the "General Investment Terms and Conditions".

Investment limits for tax purposes

At least 51% of the Feeder Fund's assets (the amount of the assets is determined by the value of the investment fund's assets without taking liabilities into account) are invested in equity investments within the meaning of Section 2 (8) of the German Investment Tax Act (Investmentsteuergesetz, InvStG), which may be acquired in line with the investment conditions for this Feeder Fund. The actual equity investment ratios of target investment funds may be taken into account in this process. In accordance with Section 2 (9a) sentence 2 InvStG, calculation of the aforementioned investment limit shall be based on the assets calculated in accordance with Section 2 (9a) sentence 1 InvStG, even if the Special Investment Terms and Conditions for this Fund still refer to the value of the investment fund.

Investor profile of the Feeder Fund

Allianz Global Equity Dividend is intended for investors pursuing the objective of general capital formation/asset optimisation and/or above-average participation in price changes. It may not be suitable for investors who wish to withdraw their capital from the Fund within a period of five years. Allianz Global Equity Dividend is aimed at investors with basic knowledge and/or experience of financial products. Prospective investors should be capable of bearing a financial loss and should not attach any importance to capital protection. In terms of risk assessment, Allianz Global Equity Dividend is assigned to risk class 4 on a scale of 1 (conservative; very low to low expectation of returns) to 7 (very tolerant of risk; highest expectation of returns) (as at: 16 January 2024).

Investment instruments in detail

1. Units of Allianz Global Investors Fund – Allianz Global Dividend (Master Fund)

Structure and investment objectives of the Master Fund

The Master Fund is a sub-fund of Allianz Global Investors Fund SICAV (hereinafter “AGIF” or “SICAV”). A SICAV is an open-ended investment company with variable share capital. AGIF is an umbrella fund, and offers investors the opportunity to invest in various sub-funds. Each sub-fund has its own investment objective and an independent securities portfolio. Each sub-fund may have various share classes that might differ in terms of the rights they confer.

AGIF was established as a SICAV and is subject to the provisions of the Luxembourg law relating to Commercial Companies of 10 August 1915 and the Luxembourg law relating to Undertakings for Collective Investment in Transferable Securities of 17 December 2010 (“Luxembourg law of 17 December 2010”). AGIF is domiciled at 6A, route de Trèves, L-2633 Senningerberg.

The Master Fund is geared towards long-term capital growth through investments in companies on the global equity markets that are expected to offer dividend payments in the long term.

Risk profile of the Master Fund

Investment in a sub-fund of the AGIF may be associated with the following general risk factors in particular.

| General risk factors | Description |
|-------------------------------------|--|
| Settlement risk | Especially when investing in unlisted securities, there is a risk that settlement through a transfer system may not be executed as expected because a payment or delivery is delayed or not carried out as agreed. As a result, the net asset value of a sub-fund may fall. |
| General market risk | If a sub-fund invests directly or indirectly in securities and other assets, it is exposed to various general trends and tendencies with regard to the economic and political situation, the securities markets and investor sentiment, which are partly based on irrational factors. These factors may lead to significant and prolonged declines in securities prices affecting the entire market and may negatively impact the value of a sub-fund's investments. |
| Risk associated with unit movements | When units are issued, cash inflows may be invested. When units are redeemed, investments may be sold to maintain liquidity. These transactions may give rise to costs that have significant adverse effects on the performance of a sub-fund if the units issued and redeemed on a single day do not approximately balance each other out. |
| Unit class liability risk | The unit classes of a sub-fund are not separate legal entities. The assets allocated to a certain unit class are liable to third parties for not just the debts and liabilities allocated to that class. If the assets of a unit class are not sufficient to cover the liabilities allocated to this class, the net asset value of other unit classes of the same sub-fund may be reduced as a result of these liabilities. Any reduction in the net asset value has a negative impact on the investment of the respective investor. |
| Valuation risk | The valuation of a sub-fund's investments may include uncertainties and judgmental determinations. If the valuation turns out to be incorrect, this may adversely affect the net asset value calculation of the Sub-fund. |
| Creditworthiness and downgrade risk | The creditworthiness (solvency) of an issuer of an asset (especially a security or money market instrument held directly or indirectly by a sub-fund) may fall. This usually leads to drops in the price of the asset, exceeding those caused by general market fluctuations. There is also the risk that the credit rating of certain debt instruments or issuers of debt instruments will be downgraded due to unfavourable market conditions. The Sub-fund may not be able to sell the downgraded debt instruments. This may lead to a decline in the net asset value of the Sub-fund and adversely affect the performance of the Sub-fund. |
| Default risk | The issuer of a security directly or indirectly held by a sub-fund or the debtor of a claim belonging to a sub-fund may become insolvent and be unable to meet their payment obligations in full and on time. In the case of issuer default, there is the risk that the assets issued by such an issuer will become economically worthless (see “Risk of distressed securities”). |
| Performance risk | It cannot be guaranteed that a sub-fund will achieve its investment objective or the investment performance desired by investors. The net asset value per unit may fluctuate and fall, causing investors to suffer losses. Investors assume the risk of receiving a lesser amount than they originally invested. Neither the AGIF nor any third parties make any guarantee regarding the results of an investment in the Sub-fund. |
| Risk of restricted flexibility | The redemption of units may be subject to restrictions. If the redemption of units is suspended, investors will not be able to redeem their units and must remain invested in the Sub-fund for a longer period of time than intended or wished. Their investments will continue to be subject to the risks associated with the Sub-fund. If a sub-fund or unit class is liquidated or if the AGIF exercises its right to compulsorily redeem units, investors will no longer be invested in the Sub-fund or unit class. The same applies if the Sub-fund or unit class held by investors merges with another fund, sub-fund or unit class, in which case investors will automatically become holders of units in another fund, sub-fund or unit class. The front-end load levied when units are acquired could in particular reduce or even eliminate any returns on an investment if the period of investment is short. If units are redeemed for the purpose of investing the proceeds in another type of investment, the investor may, in addition to the costs already incurred (e.g. front-end load), incur |

| General risk factors | Description |
|--|---|
| | additional costs, such as a redemption fee and/or divestment fee for the Sub-fund held or an additional front-end load for the purchase of other units. These events and circumstances may lead to losses for the investor. |
| Inflation risk | Inflation risk is the risk that assets will lose value because of a decrease in the value of money. Inflation can reduce the purchasing power of income made on an investment in a sub-fund as well as the intrinsic value of the investment. This could have a negative effect on an investor's investment. Different currencies are subject to different levels of inflation risk. |
| Capital risk | There is a risk that the capital of a sub-fund or the capital allocated to a unit class will decrease. A disproportionately high number of redemptions of a sub-fund's units or excessive distributions of investment returns may have the same consequences. A reduction in the capital of a sub-fund or in the capital allocated to a unit class could result in the management of the AGIF, a sub-fund or a unit class no longer being profitable, leading to the liquidation of the Company, a sub-fund or a unit class and to investor losses. |
| Counterparty risk | If transactions for the Fund are not handled through a stock exchange or a regulated market (e.g. OTC transactions), there is the risk – in addition to the general risk of settlement default – that the counterparty may default on its obligations in full or in part. This applies in particular to freely traded derivatives and other transactions involving techniques and instruments. If a counterparty defaults, this can result in losses for the respective sub-fund. However, particularly with regard to OTC derivative transactions, it is possible to significantly reduce this risk by accepting collateral from the counterparty in accordance with the AGIF's principles on collateral management. |
| Concentration risk | If a sub-fund's investment activities focus on certain markets, investment types, countries, regions or sectors, this may reduce risk diversification. Consequently, the Sub-fund may be particularly dependent on the development of these investments, markets or related markets, individual or interdependent countries or regions, individual or interdependent sectors, or companies operating in those markets, countries, regions or sectors. The Sub-fund is therefore likely to be more volatile than a fund with a more diversified investment strategy. It may be more susceptible to price fluctuations due to a limited number of holdings or the impact of unfavourable conditions with respect to a certain investment or a certain market. This may have an adverse impact on the performance of the Sub-fund and consequently adversely affect an investor's investment in the Sub-fund. |
| Credit rating risk | The credit ratings of investment grade debt instruments assigned by the rating agencies (e.g. Fitch, Moody's and/or Standard & Poor's) are subject to restrictions and do not guarantee the creditworthiness of the security and/or the issuer at any time. |
| Country and region risk | <p>If a sub-fund focuses its investments on certain countries or regions, this may increase the concentration risk. Consequently, the Sub-fund is particularly vulnerable to unfavourable developments and risks relating to individual or interdependent countries and regions, and the companies based and/or operating in those countries and regions. Unfavourable events or developments relating to the economy, politics, policies, currencies, liquidity, taxes, legal or regulatory provisions in these countries, regions or companies may adversely affect the performance of the Sub-fund and units held by investors.</p> <p>Economic or political instability in certain countries in which a sub-fund is invested may result in the Sub-fund not receiving the full amount or any of the monies to which it is entitled despite the solvency of the issuer of the respective assets. Currency or transfer restrictions or other legal changes, for example, may be of significance in this regard.</p> |
| Country risk in Europe | <p>In view of the fiscal conditions and concerns about the risk of sovereign default in certain European countries, the investments of a sub-fund in Europe may be exposed to a range of risks as a result of a potential crisis in Europe. The economic and financial problems in Europe could continue to worsen or spread within and outside Europe, leading to one or more countries leaving the eurozone or to a country in the eurozone declaring national bankruptcy. This could result in the eurozone and the euro collapsing.</p> <p>The governments of many European countries, the European Commission, the European Central Bank, the International Monetary Fund and other authorities are taking measures (for example in the form of economic reforms and the imposition of austerity measures on citizens) to get the current financial conditions and fears under control. However, these measures might not have the desired effect, resulting in uncertainty around future stability and growth in Europe. These events may have a significant impact on sub-funds that are denominated in Euro or invest primarily in instruments tied to Europe, and the net asset value of these sub-funds may be adversely affected by the increased risks (for example, increased volatility, liquidity and currency risks associated with investments in Europe).</p> |
| Liquidity risk | Investments in securities from certain emerging markets may have higher volatility and lower liquidity compared to investments in securities from more developed markets. Even relatively small orders regarding illiquid securities can lead to significant price changes. If an asset is not liquid, there is the risk that it cannot be sold or that it can only be sold at a significant discount to the purchase price. Conversely, there is also the risk that its purchase price might significantly increase. Such price changes may adversely affect the net asset value of a sub-fund. |
| Sustainability risk | refers to an environmental, social or governance event or condition that, if it occurs, could have an actual or potential material negative impact on the value of an investment. Research systematically shows that sustainability risks can manifest themselves in the form of issuer-specific, extreme loss risks. The frequency and probability of such issuer-specific sustainability risk events is usually low, but there can be a sizeable financial impact leading to significant financial losses. Sustainability risks could potentially have a negative effect on the investment performance of portfolios. Allianz Global Investors sees sustainability risks as potential drivers of financial risk factors associated with investments, such as price, credit, liquidity and operational risk. |
| Risks associated with active currency positions | A sub-fund may take active positions in currency derivatives that may not correlate with the positions in underlying securities held by the Sub-fund. As a result, such sub-funds may suffer a significant or complete loss, even if the value of the underlying securities positions held by the Sub-fund (e.g. equities, debt instruments) does not fall. |
| Risks associated with small/mid-cap companies | Equities of small-/mid-cap companies may in general have lower liquidity and a greater susceptibility to price fluctuations caused by negative economic developments than those of companies with higher market capitalization. |
| Risks of asset-backed and mortgage-backed securities (ABS and MBS) | The income, performance and/or capital repayment amounts of ABS and MBS are linked to the income, performance, liquidity and credit rating of the pools of reference assets (e.g. receivables, securities and/or credit derivatives) that economically underlie or legally cover them. The individual assets included in the pool and their issuers are also significant in this respect. If the performance of the assets in the pool turns out to be unfavourable for investors, depending on the form of the ABS or MBS, those investors may suffer losses up to and including total loss of invested capital. |

| General risk factors | Description |
|--|--|
| | <p>ABS and MBS may be issued either by a company formed for this purpose (special-purpose vehicle) or without the use of such a special-purpose vehicle. Special-purpose vehicles used to issue ABS or MBS normally do not engage in any other business aside from issuing ABS or MBS. The pool underlying the ABS or MBS, which also often consists of non-fungible assets, normally represents the only assets of the special-purpose vehicle or the only assets from which the ABS and MBS will be serviced. If ABS or MBS are issued without the use of a special-purpose vehicle, there is the risk that the liability of the issuer will be limited to the assets included in the pool. The principal risks to be mentioned in respect of the assets included in the pool are concentration risk, liquidity risk, interest rate risk, credit risk, company-specific risk, general market risk, settlement default risk and counterparty risk as well as the general risks associated with investing in bonds and derivatives, in particular interest rate risk, credit risk, company-specific risk, general market risk, settlement default risk, counterparty risk and liquidity risk.</p> <p>ABS and MBS may therefore be highly illiquid and vulnerable to significant price volatility. Consequently, these instruments may be subject to higher credit, liquidity and interest rate risks than other debt instruments. They are often associated with extension or prepayment risk, as well as the risk that the payment obligations in relation to the underlying assets will not be met. This may adversely affect returns on securities, the net asset value of the respective sub-fund or the investors.</p> |
| Risk of changing general conditions | The underlying conditions at the time of investment (e.g. economic, legal or tax conditions) may change over time. This could have a negative effect on the investment and on how the investor treats the investment. |
| Risk of investing in CoCo bonds | Investing in CoCo bonds is associated with the following specific risks, as described in the statement issued by the European Securities and Markets Authority ("ESMA") on "Potential risks associated with investing in contingent convertible instruments" (ESMA/2014/944). Inter alia, these include (i) trigger level risk: trigger levels differ; they determine exposure to conversion risk which depends on the distance between the price of equity securities and the trigger level; (ii) coupon cancellation risk: coupon payments may be cancelled by the issuer at any point and for any length of time; (iii) capital structure inversion risk: contrary to classic capital hierarchy, holders of CoCo bonds may suffer a loss of capital while shareholders do not; (iv) call extension risk: CoCo bonds are issued as perpetual instruments that can be called at predetermined levels with the approval of the competent authority only; (v) unknown risks: the structure of these instruments is innovative and not yet tested; (vi) yield/valuation risk: Investors are drawn to CoCo bonds because they frequently offer attractive yields. This can, however, also be regarded as a premium on their price in view of their structural complexity. |
| Risk of investing in convertible bonds | <p>Investments in convertible bonds are generally associated with an increased credit risk, settlement default risk, interest rate risk, prepayment risk, general market risk and liquidity risk (if the asset cannot be sold or can only be sold at a significant discount to the purchase price). All of these risks may adversely affect the net asset value of the respective sub-fund.</p> <p>The value of convertible bonds may be affected by, inter alia, price movements in the underlying securities (i.e. equities). Convertible bonds may also have redemption provisions and other characteristics that represent a call risk. All of these factors may adversely affect the net asset value of the respective sub-fund.</p> |
| Risk of investing in certificates | <p>In accordance with the certificate terms and conditions, a certificate provides its holder with the right to demand payment of a certain amount of money or delivery of certain assets on the settlement date. Whether the holder of a certificate has any entitlement to asset growth and, if so, to what extent, depends on particular criteria such as the performance of the underlying asset during the term of the certificate or its price on particular dates. As an investment instrument, certificates are exposed to the following risks in relation to the issuer of the certificate: credit risk, company-specific risk, settlement default risk and counterparty risk. Other risks that should be considered are the general market risk, the liquidity risk and, if applicable, the currency risk.</p> <p>Certificates are not hedged by other assets or through third-party guarantees. This also applies to permitted positions in the form of another instrument within the meaning of contract law.</p> |
| Risk of investing in target funds | <p>If a sub-fund uses other funds ("target funds") as investment vehicles to invest its financial resources by acquiring units in such other funds, it assumes, in addition to the risks generally associated with the investment policies of these other funds, the risks that result from the structure of the "fund" vehicle. As a result, it is itself subject to the fund capital risk, the settlement risk, the risk of restricted flexibility, the risk of changes to underlying conditions, the risk of changes to terms and conditions, the investment policy and other general provisions of a fund, the key personnel risk, the risk of transaction costs at the fund level arising from share movements and, in general, the performance risk. If the investment policy of a target fund allows investment strategies based on rising markets, the corresponding positions will generally have a positive effect on the target fund investments when markets rise and a negative effect when markets fall. If the investment policy of a target fund allows investment strategies based on falling markets, the corresponding positions will generally have a positive effect on the target fund investments when markets fall and a negative effect when markets rise.</p> <p>The Fund Managers of different funds operate independently of each other. This may lead to several target funds assuming opportunities and risks in the same or related markets or assets, which concentrates the opportunities and risks of the sub-fund holding these target funds on the same or related markets or assets. However, the opportunities and risks incurred by different target funds may also offset each other.</p> <p>If a sub-fund invests in target funds, costs are regularly incurred both at the level of the Sub-fund making the investment and at the level of the target funds, in particular management fees (fixed and/or performance-related), depositary fees and other costs. This may lead to higher costs for the investors of the Sub-fund making the investment.</p> |
| Risk of interest being charged on deposits | The AGIF invests the liquid assets of a sub-fund at the depositary or other banks for the account of the Sub-fund. In some cases, an interest rate is agreed for these bank deposits, which corresponds to the European Interbank Offered Rate (Euribor) less a certain margin. If the Euribor falls below the agreed margin, this leads to a situation where interest may be charged by the depositary or the relevant banks on the deposits of the respective sub-fund held in the corresponding account. Depending on how the interest rate policy of the European Central Bank develops, short-, medium- and long-term bank deposits may be subject to interest charges. Such interest charges may have a negative impact on the net asset value of the Sub-fund. |
| Risk of early liquidation | The Board of Directors may decide to liquidate a sub-fund under certain circumstances in accordance with the information set out in the Section entitled "Liquidation or merger" in the HK prospectus. If a sub-fund is liquidated, it must distribute the proceeds to unit- |

| General risk factors | Description |
|--|---|
| | holders on a pro rata basis (in proportion to their respective holdings). Certain assets held by the respective sub-fund may be valued at the time of sale or distribution at a price lower than their original value, which will lead to a loss on the part of unit-holders. |
| Risk of closed-end funds | <p>When investing in closed-end funds, the income, performance and capital repayment will depend on the income, performance and credit rating of the underlying assets of the closed-end funds. If the performance of the assets of the closed-end funds turns out to be unfavourable for investors, depending on the form of the closed-end funds, investors in the Sub-fund may suffer losses and even total loss.</p> <p>Redemptions of investments in closed-end funds may not be possible. These funds usually have a fixed term, which may make the continuous liquidation or termination of such investments prior to maturity impossible. For closed-end funds whose maturity is not already fixed, the liquidity risk might even be higher. Ultimately, it may be possible to sell investments in closed-end funds on a secondary market. This is associated with the risk that the bid and offer prices will differ significantly. Investments in closed-end funds may also be fully or partially repaid prior to maturity, which could lead to a less attractive overall investment in the respective closed-end fund as well as to a less attractive reinvestment. In addition, the corporate governance mechanisms, the transferability as well as the possibility to rate, to receive adequate information about and to evaluate investments in closed-end funds may deteriorate before maturity.</p> <p>The principal risks to be mentioned in respect of the investments in closed-end funds are general market risk, concentration risk, liquidity risk, interest rate risk, credit risk, company-specific risk, settlement default risk and counterparty risk. The specific risks will vary depending on the form of the respective closed-end fund.</p> <p>When investing in closed-end funds, costs are regularly incurred both at the level of the closed-end fund itself, particularly with regard to fees charged by the service provider, and at the level of the portfolio making the investment in the Fund. This may result in increased charges to the investors in the portfolio making the investment in the closed-end fund.</p> |
| Risk associated with distributions from capital | The AGIF may issue unit classes with a distribution policy that differs from the usual one. Consequently, these unit classes will make distributions from capital in accordance with Article 31 of the Law. Distributions from capital correspond to the redemption or withdrawal of part of the initial amount invested by the investor and/or capital gains from the original investment. Investors should be aware that distributions from the Sub-fund's capital may result in a direct reduction in the net asset value per unit and may reduce the amount of capital available to the Sub-fund for future investments and capital growth. This may have a negative impact on their investments in the Sub-fund. Different interest rates in relation to the reference currency of the hedged unit classes and the base currency of the Sub-fund may adversely affect the distribution amount and net asset value of the Sub-fund's hedged unit classes. This leads to an increase in the distribution amount paid from the capital and thus to greater capital erosion than for other unit classes that are not hedged. |
| Risk associated with asset allocation | The Sub-fund's performance partly depends on the success of its asset allocation strategy. It cannot be guaranteed that the strategy adopted by the Sub-fund will be successful, meaning that the Sub-fund's investment objective might not be achieved. The Sub-fund's investments may be reallocated on a regular basis. As a result, this Sub-fund may incur higher transaction costs compared to a sub-fund with a static allocation strategy. |
| Risk associated with changes to the Company and/or a sub-fund | A sub-fund's articles of incorporation, investment policy and other general provisions may be changed within the scope of what is permissible. In particular, a change in the investment policy within the permitted scope may change the risk profile of the respective sub-fund. Such changes may adversely affect the Sub-fund's performance. |
| Risk associated with non-investment grade government bonds | The Sub-fund may invest in non-investment grade debt instruments that are issued or guaranteed by a sovereign issuer. It is therefore exposed to a higher credit/default and concentration risk as well as greater volatility, and has a higher risk profile. These securities also have no bankruptcy proceedings to raise funds to recover the corresponding liabilities in full or in part. Unit-holders may be required to participate in the debt rescheduling for these securities and to provide further loans to the issuers. If a sovereign issuer defaults, the Sub-fund may suffer significant losses. |
| Risk associated with the use of derivatives | <p>A sub-fund may use derivatives – such as futures, options and swaps – for the purpose of efficient portfolio management (including hedging). This may lead to correspondingly lower opportunities and risks in the general sub-fund profile. Hedging can be used, in particular, to reflect the different currency-hedged unit classes and, in this way, to mould the profile of the respective unit class.</p> <p>A sub-fund may also use derivatives in a speculative sense to increase returns in pursuing the investment objective, in particular to represent the general sub-fund profile and to increase the level of investment above the level of investment of a fund that is fully invested in securities. In representing the general sub-fund profile through derivatives, the general sub-fund profile is implemented by replacing direct investments in securities, for example, by derivatives or – helping to shape the general sub-fund profile – by 20ollatera certain components of the Sub-fund's investment objectives and restrictions on the basis of derivatives, for example by implementing currency positions through derivatives, which normally does not have a substantial effect on the general sub-fund profile. In particular, if the respective investment objectives and restrictions specify that, with the objective of achieving additional returns, the Investment Managers may also assume separate foreign currency risks with regard to certain currencies and/or separate risks with regard to equity, bond and/or commodity futures, precious metal or commodity indices, these components of the investment objectives and restrictions are predominantly derivative-based.</p> <p>If a sub-fund employs derivatives to increase the level of investment (investment purposes), it does so in order to achieve a medium- to long-term risk profile that may have considerably higher market risk in relation to a fund with a similar profile that does not invest in derivatives. However, to this end the investment manager may employ derivatives as it sees fit, including very high levels of derivatives, which – in comparison with a fund that does not invest in derivatives with a similar profile – could result in very high additional opportunities and risks during certain phases. The Investment Manager of a sub-fund follows a risk-controlled approach in the use of derivatives.</p> |
| Risk associated with the launch of new sub-funds and the merger or | Compliance with certain sub-fund investment restrictions is not required for a certain period (usually around two months) following the launch of a new sub-fund or prior to the merger or liquidation of an existing sub-fund. The performance of the Sub-fund during these periods may differ from the performance that would otherwise have been achieved in the same period if the corresponding investment restrictions had been strictly followed. |

| General risk factors | Description |
|--|---|
| liquidation of existing sub-funds | |
| Risk of index-based investments | With regard to index-based investments, the composition of an index and the weighting of individual components may change during the time a position is held. In addition, index levels are neither current nor based on current data. These factors may adversely affect such investments. |
| Risk of local taxes | Due to local regulations, assets held by a sub-fund may sometimes be subject to taxes, duties or other deductions. This applies in particular to proceeds or income from the sale, redemption or restructuring of the Sub-fund's assets, from the restructuring of the Sub-fund's assets without using cash flow, from fees in connection with settlements and from dividends, interest or other income received by the Sub-fund. Certain taxes or duties (for example all duties levied under FATCA) may be levied in the form of a withholding tax or by withholding payment or transfer amounts. Certain taxes levied under FATCA or payments subject to withholding tax may be levied in the form of a withholding tax on the Sub-fund or in the form of a withholding tax on "passthru payments" for individual unit-holders (if this is required by future legislation but, in any case, not earlier than 1 January 2017). While the AGIF will make every effort to comply with all obligations imposed on it to prevent the imposition of the FATCA withholding tax, it cannot be guaranteed that the AGIF will be in a position to do so. The AGIF shall apply withholding tax to passthru payments to the extent that it is permissible to do so in accordance with the applicable laws and regulations, whereby the AGIF acts in good faith and on appropriate grounds. If the AGIF is subject to withholding tax as a result of the FATCA regulations, this may result in significant losses in the value of the units held by the unit-holders. |
| Risk of negative interest rates on cash accounts | The AGIF invests the liquid assets of the Sub-fund at the depositary or other banks for the account of the Sub-fund. Depending on how the market develops, in particular the interest rate policy of the European Central Bank, short-, medium- and long-term bank deposits may have negative interest rates payable by the Sub-funds. Such interest charges may have a negative impact on the net asset value of the Sub-funds. |
| Risk of government bonds | Debt instruments issued or guaranteed by governments or their authorities ("government bonds") may be exposed to political, social and economic risks. Even in the case of governments or their authorities, there is a certain risk that they will not be able or not willing to repay the principal and/or interest. In the case of government bonds, there is furthermore no insolvency procedure for collecting money to cover the liabilities resulting from the government bonds, in full or in part. As a consequence, holders of government bonds may be required to participate in the debt rescheduling and to provide further loans to the issuers of government bonds. If an issuer of government bonds defaults, the Sub-fund may suffer significant losses. A sub-fund may invest all or a considerable portion of its assets in government bonds that are issued or guaranteed by a single government or by the authorities of a single government. |
| Key personnel risk | Sub-funds that achieve very positive results in a certain period of time owe this success to the aptitude of the traders and thus to the correct decisions of their management. If there is a change in Fund Management personnel, new decision-makers in charge of managing the Sub-fund's assets may be less successful, which may adversely affect the Sub-fund's performance. |
| Company-specific risk | The value of assets held directly or indirectly by a sub-fund (particularly in the form of securities and money market instruments) may also be influenced by company-specific factors (for example the issuer's business situation). If a company-specific factor deteriorates, the price of the respective asset may drop significantly and permanently, even if the general market trend is positive. This may have adverse consequences for the Sub-fund and/or the investor. |
| Custodial risk | A sub-fund may be denied access, in whole or in part, to investments held in custody in the event of insolvency, negligence, wilful misconduct or fraudulent activity on the part of the depositary or the sub-depositary. In this case, a sub-fund may take longer to recover some of its assets or it may not be able to do so at all. This may lead to significant losses for the Sub-fund and consequently adversely affect an investor's investment in the Sub-fund. |
| Dilution and swing-pricing risk | The actual costs of the purchase or sale of a sub-fund's underlying assets may differ from the carrying amount of these assets when assessing the Sub-fund. The difference may arise as a result of transaction and other costs (e.g. taxes) and/or differences in the purchase and sale prices of the underlying assets. These dilution costs may have a detrimental effect on the total value of a sub-fund and, as a result, the net asset value per unit may be adjusted in order to prevent adverse effects on the value of the investments for the existing unit-holders. The extent to which such adjustments affect the value depends on factors such as transaction volume, the purchase or sale price of the underlying investments and the valuation method used to calculate the value of the underlying investments of the Sub-fund. |
| Currency risk | If a sub-fund directly or indirectly (via derivatives) holds assets denominated in a currency other than its base currency or if a unit class of the Sub-fund is denominated in a currency other than the base currency of the Sub-fund (a "foreign currency" in each case), the Sub-fund is exposed to currency risk unless the foreign currency positions are hedged. Changes to exchange control regulations may adversely affect the net asset value of the Sub-fund or the respective unit class. Any devaluation of the foreign currency against the base currency of the Sub-fund would cause the value of the assets denominated in the foreign currency to fall and may therefore have negative effects for the Sub-fund and/or the investors. |
| Interest rate risk | If a sub-fund invests directly or indirectly in debt instruments, it is exposed to interest rate risk. If market interest rates rise, the value of the interest-bearing securities held by the Sub-fund may drop significantly and thus adversely affect the performance of the respective sub-fund. This applies to an even greater extent if the respective sub-fund also holds longer-term debt instruments with lower nominal interest rates. |

The following sub-fund-specific risk factor is referred to separately for the Master Fund:

| Risk factor | Description |
|------------------------------|---|
| Risk of investments in China | <p>FII risk</p> <p>A Fund may invest in securities and capital investments that can be held or made by an FII under the applicable FII regulations by institutions that have obtained FII status in China. In addition to the general investment-specific risks of these investments, particularly the emerging market risks, the following risks should be noted:</p> |

| Risk factor | Description |
|-------------|--|
| | <p>Regulatory risks</p> <p>The FII regime is subject to the FII regulations. Certain parts of the Allianz Global Investors Group meet the required criteria for qualification under the FII regulations and have obtained or could obtain an FII licence. The FII regulations may change from time to time. The effects of such changes on the Fund are not predictable.</p> <p>The regulations imposed on the FII by the Chinese government in respect of investment restrictions and the repatriation of capital and gains may apply to the latter as a whole and not only to the investments made by the Fund, and may negatively affect the liquidity and performance of the Fund.</p> <p>FII investment risks</p> <p>Investors should be aware that there is no guarantee that an FII will retain its status as an FII and/or that redemption orders resulting from changes to the FII regulations can be processed in a timely manner. For this reason, a Fund may no longer be able to invest directly in the People's Republic of China. It may also be obliged to dispose of its capital investments held by the FII in the domestic securities markets of the People's Republic of China, which could negatively affect its performance or lead to significant losses. If the FII itself or the local depositary breaches a provision of the applicable guidelines and regulations, this could result in regulatory sanctions on the FII.</p> <p>Such a restriction could lead to the rejection of orders or to the suspension of the trading activity of the Fund. If the FII loses its FII status, suspends its activities or is suspended itself, the Fund may be unable in certain circumstances to invest in FII-eligible securities. It may also be obliged to dispose of its existing holdings, which would be likely to have significant negative effects on the Fund.</p> <p>Redemption restrictions</p> <p>A fund may be negatively affected by the guidelines and regulations of the FII regime (including investment restrictions and restrictions on the property and holdings of foreign investors), which could negatively affect its performance and/or liquidity. At present, no prior regulatory approval is necessary for the repatriation of the FII's assets. However, there are uncertainties surrounding the application of the FII regulations, and there is no guarantee that additional regulatory restrictions or restrictions on repatriation will not be imposed in the future. Although the applicable FII regulations have recently been revised to ease the regulatory restrictions on the onshore capital management of FIIs (including by revoking limit values for investment quotas and simplifying the process for repatriating investment proceeds), this is still a very new development and uncertainties remain surrounding its practical implementation, particularly in the early stages.</p> <p>Any restrictions on the repatriation of the invested capital and net gains could impact the Fund's ability to fulfil redemption orders from unit-holders. In exceptional circumstances, the Fund may suffer significant losses as a result of restrictions on its ability to invest. FII investment restrictions, a lack of liquidity on the securities market of the People's Republic of China or interruptions to or restrictions on the execution or settlement of transactions may make the Fund unable to fully implement or pursue its investment objectives or strategies.</p> <p>PRC custodial risks under the FII regime</p> <p>If a Fund invests in bonds and/or eligible securities through the FII, those securities are managed in accordance with the regulations of the People's Republic of China by a local depositary through suitable securities accounts and other portfolios under that name, as permitted or required under the laws of the People's Republic of China.</p> <p>The Fund may incur losses as a result of actions or omissions on the part of the depositary in the People's Republic of China when it carries out or settles a transaction.</p> <p>The depositary will take precautions to ensure that the depositary in the People's Republic of China has suitable procedures in place for the safekeeping of the Fund's assets. The securities accounts must be managed and their records kept jointly in the name of the FII and the Fund, and kept separate from the other assets of the same local depositary. However, the FII regulations are subject to interpretation by the competent authorities in the People's Republic of China. All securities acquired by the Fund and held by the FII are managed by the depositary in the People's Republic of China and should be registered jointly under the name of the FII and that of the Fund, and managed for the Fund's sole benefit and use. If the FII is the party with a claim to the securities, the relevant security may be subject to a claim on the part of a liquidator of the FII and may not be as well protected as it would be if registered solely in the name of the Fund. Moreover, investors should note that monies deposited in the Fund's cash account with the local depositary are not managed separately, but rather are treated as a liability of the local depositary to the Fund as the depositor. These monies are mixed with those of other customers held by the same local depositary. In the event of the insolvency or liquidation of the local depositary, the Fund has no right of ownership to the monies deposited in that cash account, and the Fund will become an unsecured creditor on the same level as all other unsecured creditors of the local depositary. The Fund may encounter difficulties and/or delays in recovering these liabilities, and it may be unable to recover them in full, resulting in losses to the Fund.</p> <p>Risks related to brokers in the People's Republic of China under the FII regime</p> <p>Where necessary, transactions may be executed and settled by brokers in the People's Republic of China appointed by the FII. The Fund is at risk of suffering losses due to default, bankruptcy or disqualification of the brokers in the People's Republic of China. In such an event, the Fund may be impaired in its ability to execute or settle a transaction.</p> <p>When selecting brokers in the People's Republic of China, the FII will take into account factors such as the competitiveness of commission rates, the scope of the relevant orders and the implementation standards. If the FII considers it appropriate in a particular case and if possible under the constraints of the market and operational restrictions, a single broker in the People's Republic of China may be appointed and the Fund may not necessarily pay the lowest commissions or spreads available on the market at that particular time.</p> <p>Risk of tax provisions in the People's Republic of China</p> <p>If no provisions or inadequate provisions are made for potential withholding taxes in case the tax authorities in Mainland China require such a withholding tax to be levied, this could negatively affect the net asset value of the Fund. Any withholding taxes relating</p> |

| Risk factor | Description |
|-------------|--|
| | <p>to trade in securities from the People's Republic of China may reduce the income from the Fund or negatively affect its performance. In respect of the CIBM, the withholding tax amount (if applicable) will be retained by the investment manager for the account of the Fund in question until the tax situation in the People's Republic of China in terms of income and gains from trade via the CIBM has been clarified. If the tax situation is clarified in favour of the Fund, the investment manager may reimburse all or part of the retained amount to the Fund. The withholding tax amount reimbursed in this way (if applicable) will be reinvested by the Fund and reflected in the value of its units. Notwithstanding the above, no unit-holders who redeemed their units prior to the reimbursement of retained amounts have a claim to any such reimbursement.</p> <p>It should also be noted that the actual applicable taxes levied by the tax authorities in the People's Republic of China may differ from this and may change from time to time. Regulations may be changed and taxes may be levied retroactively. Any increase in the tax liabilities of a Fund may negatively affect the value of the Fund. In this respect, any tax provision formed by the investment manager for the account of the Fund may prove to be too high or too low to cover the final tax liabilities in the People's Republic of China. As a result, the Fund's unit-holders may experience positive or negative effects depending on the final tax liabilities, the amount of the provisions and the time of subscription or redemption of their units in the Fund.</p> <p>If the tax actually levied by the tax authorities of the People's Republic of China is higher than the provision made by the investment manager and there is a shortfall in the tax provision as a result, investors are advised that the net asset value of the Fund may be affected over and above the amount of the tax provision, as the Fund will ultimately have to bear the additional tax liabilities. In such an event, the existing and new unit-holders will be disadvantaged. On the other hand, if the tax actually levied by the tax authorities of the People's Republic of China is lower than the provision made by the investment manager and there is a surplus in the tax provision as a result, those unit-holders who redeemed their units in the Fund before such a decision, decree or order was issued by the tax authorities of the People's Republic of China will be disadvantaged, as they will have borne the loss resulting from the increased provision by the investment manager. Conversely, unit-holders already existing at that time or new unit-holders may benefit if the difference between the tax provision and the actual tax liability resulting from the lower amount of tax can again be collateralised as assets in favour of the Fund.</p> <p>Investors should consult their own tax advisers regarding their specific tax situation in respect of investments of the Fund.</p> <p>It is possible that the existing tax laws, regulations and practices in the People's Republic of China may change, including through the retroactive levying of taxes, and these changes could lead to taxes on investments in the People's Republic of China being higher than those currently in effect.</p> <p>RMB risk</p> <p>Investors should be aware that RMB is managed on the basis of supply and demand on the market with reference to a basket of currencies. At present, RMB is traded both inside the People's Republic of China ("CNY") and outside the People's Republic of China ("CNH"). The RMB traded inside the People's Republic of China, CNY, is not freely convertible and is subject to the foreign exchange regulations and restrictions of the authorities of the People's Republic of China. On the other hand, CNH, which is traded outside the People's Republic of China, is freely tradable but remains subject to various controls and limitations or restrictions on its availability. In general, the daily exchange rate of RMB against other currencies is allowed to vary within a certain range above or below the central parity rate, which is published daily by the People's Bank of China ("PBOC"). Its exchange rate against other currencies, such as USD or HKD, is therefore vulnerable to variations based on external factors. There is no guarantee that these exchange rates will not be highly volatile.</p> <p>While CNY and CNH embody the same currency, they are traded on different and independently operating markets. In this respect, the value of CNH in certain circumstances may deviate significantly from the value of CNY and the CNH and CNY exchange rates may not move in the same direction. This may be attributable to a number of factors, including but not limited to foreign exchange control measures and repatriation restrictions imposed from time to time by the government of the People's Republic of China, as well as other external market forces.</p> <p>In exceptional circumstances, payments for redemptions and/or dividend payments in RMB may be delayed as a result of the foreign exchange controls and restrictions applicable to RMB.</p> <p>There is no guarantee that RMB will not be exposed to devaluation that could negatively affect investors' RMB investments.</p> <p>At present, the government of the People's Republic of China imposes certain restrictions on the repatriation of RMB from the People's Republic of China. Investors should be aware that such restrictions could limit the depth of the RMB market available outside the People's Republic of China, which could lead to a reduction in the liquidity of the Fund.</p> <p>The policy of the PRC government regarding foreign exchange controls and repatriation restrictions is subject to change, and the position of the Fund and its investors may be negatively affected by such changes.</p> <p>Investors who invest in unit classes denominated in RMB should take particular note of this risk warning.</p> <p>Chinese A-shares investment risk</p> <p>The securities market in the People's Republic of China, including Chinese A-shares, may exhibit more volatility and instability (for example, due to the risk of suspending/restricting trading of a particular share or the risk of government intervention) than the markets of more developed countries and are associated with potential settlement difficulties. This volatility and instability may lead to greater fluctuations in the prices of securities traded on this market and thereby affect the Sub-fund's share prices.</p> <p>Investments in the People's Republic of China remain vulnerable to significant changes in the country's economic and social policy. Such vulnerability may affect the capital growth and with it the performance of these investments.</p> <p>Risks of using the Stock Connect programs</p> <p>Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, investors from Hong Kong and foreign investors (including the individual Sub-funds) can trade eligible Chinese A-shares listed on the SSE via their brokers in Hong Kong and a securities trading company established by</p> |

| Risk factor | Description |
|-------------|--|
| | <p>SEHK, by forwarding orders to the SSE. Under the Southbound Hong Kong Trading Link within Shanghai-Hong Kong Stock Connect, investors in the People's Republic of China can trade certain shares listed on SEHK.</p> <p>Within Shanghai-Hong Kong Stock Connect, the individual Sub-funds can trade certain eligible shares listed on the SSE ("SSE securities") via their brokers in Hong Kong. These include all securities included in the SSE 180 Index and the SSE 380 Index and all SSE-listed Chinese A-shares that are not included in the relevant indices but have corresponding H shares listed on SEHK, with the following exceptions:</p> <ul style="list-style-type: none"> – not in – SSE-listed shares not denominated in RMB; – SSE-listed shares on the risk alert board; and – SSE-listed shares for which a process has been initiated to revoke their listing or whose listing has been suspended by the SSE. <p>The list of eligible securities is expected to be subject to review in the future.</p> <p>Trading activities are subject to the rules and regulations in force at any given time. Trading through Shanghai-Hong Kong Stock Connect is subject to daily quotas. The Northbound Shanghai Trading Link and the Southbound Hong Kong Trading Link within Shanghai-Hong Kong Stock Connect are each subject to a daily quota. The daily quota is a limit on the maximum net cross-border purchases made on a daily basis through Shanghai-Hong Kong Stock Connect. Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, investors from Hong Kong and foreign investors (including the individual Sub-funds) can trade eligible Chinese A-shares listed on the SZSE via their brokers in Hong Kong and a securities trading services company established by SEHK, by forwarding orders to the SZSE. Under the Southbound Hong Kong Trading Link within Shenzhen-Hong Kong Stock Connect, investors in the People's Republic of China can trade certain shares listed on SEHK.</p> <p>Within Shenzhen-Hong Kong Stock Connect, the individual Sub-funds can trade certain eligible shares listed on the SZSE ("SZSE securities") via their brokers in Hong Kong. These include all securities included in the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index with a market capitalization of at least RMB 6 billion and all SZSE-listed Chinese A-shares with corresponding H shares listed on SEHK, with the following exceptions:</p> <ul style="list-style-type: none"> – SZSE-listed shares not denominated in RMB; – SZSE-listed shares on the risk alert board; and – SZSE-listed shares for which a process has been initiated to revoke their listing or whose listing has been suspended by the SZSE. <p>In the initial stage of the Northbound Shenzhen Trading Link, the only investors eligible to trade in shares listed on the SZSE ChiNext board through the Northbound Shenzhen Trading Link are institutional professional investors as defined in the applicable rules and regulations in Hong Kong.</p> <p>The list of eligible securities is expected to be subject to review in the future.</p> <p>Trading activities are subject to the rules and regulations in force at any given time. Trading through Shenzhen-Hong Kong Stock Connect is subject to daily quotas. The Northbound Shenzhen Trading Link and the Southbound Hong Kong Trading Link within Shenzhen-Hong Kong Stock Connect are each subject to a daily quota. The daily quota is a limit on the maximum net cross-border purchases made on a daily basis through Shenzhen-Hong Kong Stock Connect.</p> <p>HKSCC, a wholly owned subsidiary of Hong Kong Stock Exchanges and Clearing Limited, and ChinaClear are responsible for clearing, settlement and services related to the functions of depositary and nominee, as well as for other services related to trading activities conducted by market participants and/or investors. Chinese A-shares traded through the Stock Connect programme are issued in paperless form, meaning that investors have no physical certificates. Although HKSCC does not assert any ownership interests in the SSE and SZSE securities in the omnibus securities accounts, ChinaClear, as the share registrar for companies listed on the SSE and SZSE, will continue to treat HKSCC as one of the unit-holders in respect of these SSE and SZSE securities when implementing capital measures.</p> <p>Companies listed on the SSE/SZSE generally announce their Annual General Meetings/Extraordinary General Meetings two to three weeks before they are held. All resolutions will be put to a vote by all those eligible to vote. HKSCC will inform participants in the Central Clearing and Settlement System for securities in Hong Kong ("CCASS") of all General Meetings, specifying the date, time, location and number of proposed resolutions. Within Stock Connect, investors from Hong Kong and foreign investors are subject to fees and duties imposed by the SSE, the SZSE, ChinaClear, HKSCC or the competent authorities in Mainland China when trading in SSE securities and SZSE securities and settling those securities. Further information on the trading fees and duties is available on the following web page: http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm</p> <p>In accordance with the UCITS requirements, the depositary must make provisions for the safekeeping of the assets of each sub-fund in the People's Republic of China through its global depositary network. This safekeeping complies with the requirements stipulated by the CSSF for non-cash assets in custody to be kept legally separate and for the depositary to maintain suitable internal control systems over its agents in order to ensure that the type and amount of the assets in custody, the ownership of each asset and the place in which the title deeds for each asset are filed are clearly specified in the records.</p> <p>A sub-fund may invest in Chinese A-shares through Stock Connect. In addition to the general investment-specific and share-specific risks of these investments, especially emerging market risks and risks relating to RMB, the following risks should be noted:</p> <p>Quota restrictions</p> |

| Risk factor | Description |
|-------------|---|
| | <p>Stock Connect is subject to quota restrictions. In particular, Stock Connect is subject to a daily quota that is not specific to each sub-fund, but can only be used on a first come, first served basis. Once the daily quota has been exceeded, any new purchase orders will be rejected (although investors may sell their cross-border securities irrespective of the remaining quota). The quota restrictions may therefore impair the ability of the relevant sub-fund to invest in Chinese A-shares through Stock Connect in a timely manner, and the relevant sub-fund may be unable to pursue its investment strategy effectively.</p> <p>Legal/beneficial ownership</p> <p>The SSE and SZSE shares related to the funds are managed by the depository/subdepository in accounts with CCASS held by HKSCC as the central securities depository in Hong Kong. HKSCC, in turn, holds the SSE and SZSE shares as the nominee holder via an omnibus securities account managed in its name at ChinaClear for each of the Stock Connect programmes. The exact position and rights of the Fund as the beneficial owner of the SSE and SZSE shares via HKSCC as the nominee are not adequately defined in PRC law. According to PRC law, there is no clear definition, and therefore no clear distinction, between “legal ownership” and “beneficial ownership”, and only a small number of cases with a nominee account structure have been brought before the courts of the People's Republic of China. It is therefore uncertain how and by what methods the Fund's rights and interests can be put into practice under PRC law. Given this uncertainty, in the unlikely event that HKSCC is subject to a settlement process in Hong Kong, it is unclear whether the SSE and SZSE shares would be treated as assets of which the Fund is the beneficial owner or as part of the general assets of HKSCC available for general distribution to its creditors.</p> <p>Clearing and settlement risks</p> <p>HKSCC and ChinaClear have established a clearing link under which they have become participants of each other to facilitate the clearing and settlement of cross-boundary trading transactions. For cross-border trading transactions initiated in a market, the clearing house will deal with clearing and settlement with its own clearing participants on the one hand, and undertake on the other hand to fulfil the clearing and settlement obligations of its clearing participants with the counterparty's clearing house.</p> <p>As the national central counterparty of the PRC securities market, ChinaClear operates an extensive network of clearing and settlement systems and shareholding structures. The risk management systems and measures put in place by ChinaClear are approved and monitored by the CSRC. The likelihood of a payment default by ChinaClear is considered to be low. In the unlikely event of a payment default by ChinaClear, the liability of HKSCC for SSE and SZSE securities under its market contracts with clearing participants is limited to supporting these clearing participants in asserting their claims against ChinaClear. HKSCC will, in good faith, seek recovery of the outstanding shares and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the affected sub-fund may suffer delays in the recovery process or may not be able to fully recover its losses from ChinaClear.</p> <p>Exposure risk</p> <p>SEHK, the SSE and the SZSE reserve the right to suspend trading activity if this proves to be necessary in order to ensure a proper and fair market and prudent risk management. Before a suspension enters into force, the approval of the competent supervisory authority would be obtained. If a suspension does enter into force, this will have negative effects on the ability of the sub-fund to access the PRC market.</p> <p>Different trading days</p> <p>Stock Connect will only operate on days when both the Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. As a result, the Sub-fund may not be able to trade Chinese A-shares via Stock Connect even though it may be a normal trading day on the PRC market. The respective sub-funds may therefore be subject to the risk of price fluctuations of Chinese A-shares at times during which trading via one of the Stock Connect links is not possible.</p> <p>Sales restrictions due to front-end monitoring</p> <p>The regulations in the People's Republic of China stipulate that, before an investor can sell a share, there must be a sufficient number of shares in the securities account; otherwise, the order to sell will be rejected by the SSE or SZSE. The SEHK will review sales orders for its participants' Chinese A-shares (i.e. stockbrokers) before the trading transaction is made in order to avoid overselling.</p> <p>If a sub-fund intends to sell certain Chinese A-shares held by it, it must transfer those Chinese A-shares to the respective accounts of its brokers on the day of the sale (“trading day”) before the start of trading. If it fails to do so by that time, it will not be able to sell those shares on that trading day. Because of this requirement, the sub-fund may, in certain circumstances, be unable to dispose of its holdings of Chinese A-shares.</p> <p>Operational risk</p> <p>Stock Connect depends on the correct functioning of the operational systems of the respective market participants. The market participants are permitted to participate in this programme provided that they meet certain requirements in terms of information technology and risk management, as well as other requirements that may be imposed by the stock exchange or clearing house.</p> <p>The securities regulations and legal systems of the two markets are very different, and market participants will, in certain circumstances, need to deal continuously with the problems that arise from these differences. There is no guarantee that the systems of SEHK and those of market participants will function properly or be adapted to ongoing changes and developments on these two markets. In the event that the systems in question do not function properly, trading activity through the programme on both markets may be disrupted. This could impair the ability of the sub-fund to access the market for Chinese A-shares (and thus to pursue its investment strategy).</p> <p>Regulatory risk</p> <p>The current regulations in respect of Stock Connect are relatively recent and in continuous development. The current provisions are also subject to change, which could have a retroactive effect, and there is no guarantee that Stock Connect will continue to exist. The supervisory authorities/stock exchanges in the People's Republic of China and in Hong Kong may issue new regulations regarding the</p> |

| Risk factor | Description |
|-----------------------|---|
| | <p>operation and legal enforcement of Stock Connect and cross-border trade through Stock Connect. These changes may negatively affect the respective sub-funds. Recalling of eligible shares.</p> <p>If a share is recalled from the list of securities eligible for trading via Stock Connect, that security can only be sold; it can no longer be bought. This may affect the investment portfolio or strategies of the Sub-fund, for example if the investment manager wishes to purchase a share that has been recalled from the list of eligible securities.</p> <p>Risks associated with the ChiNext market</p> <p>The Sub-fund may invest in the ChiNext Board of the SZSE ("ChiNext Board"). Investments in the ChiNext Board can lead to significant losses for the Sub-fund and its investors. The following additional risks should be considered:</p> <p>Greater share price volatility</p> <p>Companies listed on the ChiNext Board are usually of an emerging nature and act on a smaller scale. As a result, they are subject to significant share price and liquidity fluctuations and are exposed to greater risks and turnover rates than companies listed on the Main Board of the SZSE ("Main Board").</p> <p>Overvaluation risk</p> <p>Shares listed on the ChiNext Board may be overvalued, and such unusually high valuations may not be sustainable in some circumstances. Because of the smaller number of shares in circulation, the share prices may be more susceptible to manipulation.</p> <p>Regulatory differences</p> <p>The rules and regulations for companies listed on the ChiNext Board are not as strict in terms of profitability and share capital as those for companies listed on the Main Board.</p> <p>Delisting risk</p> <p>Companies listed on the ChiNext Board may be delisted more frequently and more rapidly. If companies in which the Sub-fund is invested are delisted, the Sub-fund may be negatively affected.</p> <p>Risks associated with small/mid-cap companies</p> <p>Shares in small/mid-cap companies may in general have lower liquidity and a greater susceptibility to price fluctuations in the face of negative economic developments than those of companies with higher market capitalization.</p> <p>Taxation risk</p> <p>Investments through the Stock Connect programme are subject to the tax regime in the People's Republic of China. The State Taxation Administration of the People's Republic of China has reaffirmed the application of China's standard stamp duty and a 10% dividend withholding tax, while VAT and income tax on capital gains are temporarily exempted for an indefinite period. This tax regime is subject to change, and the Sub-fund is therefore exposed to uncertainty regarding its tax liabilities in the People's Republic of China. For further details on PRC taxation, please refer to sub-section "PRC taxation" under the section titled "Taxation".</p> <p>RMB currency risk associated with Stock Connect</p> <p>Chinese A-shares are denominated in RMB, and the respective sub-funds must conduct and settle their transactions with SSE/SZSE securities in that currency. Trading in SSE/SZSE securities may be subject to special trading costs. The government of Mainland China is in control of future changes in the exchange rate and currency conversions. The exchange rate floats against a basket of foreign currencies, and the exchange rate may therefore be subject to a wide range of fluctuation against the US dollar and Hong Kong dollar or other foreign currencies in the future. Any depreciation of RMB in particular will decrease the value of any dividends and other income that investors may receive from their investments. In addition, investors should note that CNY may trade at a different exchange rate from CNH. The investments of a sub-fund may be denominated in both CNY and CNH, and the sub-fund in question may consequently be exposed to greater exchange risks and/or higher investment costs. The government policies of the People's Republic of China on foreign exchange control are subject to change, and the Sub-fund may be adversely affected.</p> |
| Emerging market risks | <p>Investments in emerging markets are more exposed to liquidity risk, currency risk and general market risk. Additionally, increased risks may arise in connection with the settlement of transactions in securities from these countries, especially as it may not be possible to deliver securities directly in return for payment. The legal and regulatory environment as well as the accounting, auditing and reporting standards in emerging markets may also deviate, to the detriment of the investor, substantially from the levels and standards that are considered standard international practice. Furthermore, there may be an increased custodial risk in emerging markets, which may, in particular, result from differing methods of selling acquired assets. These increased risks may have a negative impact on the respective sub-fund and/or the investors.</p> |

Investor profile of the Master Fund

The Master Fund is directed in particular at investors who expect returns considerably above the standard market interest rate level, with the performance resulting above all from market opportunities. With respect to the unit classes that are largely hedged against a certain currency, however, the focus is on investors who operate in this currency. In this way, there should be the prospect of high long-term returns although the risk of loss cannot be calculated.

The investment horizon of investors acquiring the Master Fund should be long-term.

Specific asset class principles and investment restrictions of the Master Fund

In addition to the general investment principles of the Master Fund set out in the Section entitled “General investment principles of the Master Fund”, the following specific asset class principles and investment restrictions apply:

- At least 70% of the Master Fund’s assets will be invested in equities in accordance with the investment objective.
- Less than 30% of the Master Fund’s assets may be invested in equities other than those described in the investment objective.
- A maximum of 30% of the Master Fund’s assets may be invested in emerging markets.
- A maximum of 15% of the Master Fund’s assets may be invested in convertible bonds, including CoCo bonds in which a maximum of 10% of the Master Fund’s assets may be invested.
- A maximum of 25% of the Master Fund’s assets may be held directly in deposits subject to call and/or (up to 20% of the Master Fund’s assets) held in sight deposits and/or invested in money market instruments and/or (up to 10% of the Master Fund’s assets) invested in money market funds for the purpose of liquidity management.
- Up to 10% of the Sub-Fund’s assets may be invested in the Chinese A-shares market.
- A maximum of 10% of the Master Fund’s assets may be invested in UCITS and/or UCIs.
- The Master Fund shall invest in assets that have an exposure to or connection with the relevant country and/or region (or avoid such investments if applicable). These investments include, inter alia, equities from companies that are listed on a regulated market in the relevant country and/or region, or registered there, that have their registered office or principal place of business there or that generate the majority of their sales or profits in the relevant country and/or region, and equities from companies that are affiliated with the aforementioned companies through shared management or control or a substantial direct or indirect shareholding.
- Hong Kong Restriction applies.
- Restrictions under the German Investment Tax Act (Investmentsteuergesetz, InvStG) will apply, but at least 70% of the Master Fund’s assets will be invested in equity investments pursuant to Article 2 (8) InvStG.
- VAG investment restrictions apply.

Equity investments pursuant to Article 2 (8) InvStG include, inter alia, the following: (1) shares of a company that has been admitted to trading on a stock exchange or an 27ollatera market or included in such a market; and/or (2) shares of a company that is not a real estate company and (i) is resident in the EU/EEA and is not exempt from income tax there, or (ii) is resident in a non-EU country and is subject to income tax of at least 15%; and/or (3) units of “equity funds” or “balanced funds” pursuant to the German Investment Tax Act, as set out in the restrictions under the German Investment

Allianz Global Equity Dividend

Tax Act, with their relative percentage of a permanent physical investment in an equity investment pursuant to Article 2 (8) InvStG, as disclosed in the investment guidelines of the respective fund.

“Restrictions under the German Investment Tax Act” means that a sub-fund – irrespective of its specific asset class principles, individual investment objective and individual investment restrictions that continue to apply in full – is permanently physically invested with a minimum of 51% of the assets of the Master Fund in an equity investment pursuant to Article 2 (8) InvStG in order to classify as an “equity fund” in accordance with the German Investment Tax Act.

Passive violation of limits

The investment limits set out in the Master Fund's specific asset class principles in conjunction with the Master Fund's individual investment restrictions may be either exceeded or not met if this occurs through changes in the value of assets held in the Master Fund, through the exercise of subscription or option rights and/or through a change in the total assets of the Master Fund and/or in connection with the issue or redemption of unit certificates ("passive violation of limits"). In such cases, investment management will seek to adhere to those limits within an appropriate time frame.

Use of techniques and instruments

The Management Company may use techniques and instruments for the Master Fund for the purpose of efficient portfolio management (including for hedging purposes) (in accordance with the "General investment principles of the Master Fund").

Under no circumstances may the Master Fund deviate from its stated investment objective when using such techniques and instruments.

Possible impact of derivative use on the risk profile of the Master Fund

The Master Fund may use derivatives – for example futures, options and swaps – for hedging purposes. This may have an impact on the general profile of the Master Fund by lowering the opportunities and risks accordingly. Hedging can be used, in particular, to reflect the different currency-hedged unit classes and, in this way, to mould the profile of the respective unit class. Added to which, the Master Fund may also use derivatives for speculative purposes to increase income in pursuing the investment objective, specifically to reflect the general profile of the Master Fund and to increase exposure over and above the exposure of a fund that is fully invested in securities. In representing the general fund profile of the Master Fund through derivatives, the general fund profile of the Master Fund is implemented by replacing direct investments in securities, for example, with derivatives or – helping to shape the general fund profile of the Master Fund – by collateralising certain components of the Master Fund's investment objectives and principles on the basis of derivatives, for example by implementing currency positions through derivatives, which normally does not have a substantial effect on the general fund profile of the Master Fund. In particular, if the Master Fund's investment objective states that the Investment Managers may also assume separate foreign currency risks with regard to certain currencies and/or separate risks with regard to equity, bond and/or commodity futures, precious metal or commodity indices in order to generate additional income, these components of the investment objectives and principles are predominantly derivative-based.

If the Master Fund employs derivatives to increase the level of investment (use of derivatives for investment purposes), it does so in order to achieve a medium- to long-term risk profile that may have considerably higher market risk in relation to a fund with a similar profile that does not invest in derivatives.

In this connection, the investment managers follow a risk-controlled approach.

Scope for exceeding or not meeting the Master Fund's set investment limits

The Master Fund may exceed or not meet the set limits when purchasing or selling the corresponding assets if techniques and instruments are used at the same time to ensure that the respective market risk potential is kept within the limits on the whole, unless otherwise stated in the Master Fund's individual investment restrictions.

To this end, the techniques and instruments are considered, as specified, relative to the delta-weighted value of the respective underlying assets. Hedging techniques and instruments are also applied as risk-reducing factors if their underlying assets do not fully match the assets in the Master Fund.

Liquidity

If the specific asset class principles of the Master Fund in conjunction with its individual investment restrictions specify that deposits, money market instruments and/or money market funds may only be used to ensure the required liquidity of the

Master Fund (liquidity management), these instruments will not be used to implement the strategic alignment of the Master Fund. In this case, they will be used in particular to meet the obligations of the Master Fund (e.g. to pay the subscription price or to cover unit redemptions) and to provide collateral or margin deposits when using techniques and instruments. Any collateral or margin deposits provided are not included in the specific liquidity limits with regard to investments in deposits, money market instruments and/or money market funds in accordance with the specific asset class principles of the Master Fund in conjunction with its individual investment restrictions.

General investment principles of the Master Fund

1. The Master Fund may invest in the following assets:

(a) Securities and money-market instruments

- that are traded on a stock exchange or another regulated market of an EU member state or of a non-member state that is 30ollateral and open to the public and operates regularly; or
- that originate from new issues whose conditions of issue contain the obligation to apply for admission to official trading on a stock exchange or on another regulated market (see above) and the admission for which is obtained no later than one year after the issue.

Money market instruments are investments that are normally traded on the money market, that are liquid and whose value can be determined precisely at any time.

Securities referring to other indices may only be acquired if the respective index is compliant with Article 44 of the Luxembourg Law of 17 December 2010 and Article 9 of the Grand-Ducal Regulation of 2008.

(b) Units of UCITS or other UCIs established in a member state of the European Union or in a non-member state, if:

- such other UCIs are admitted in accordance with legal regulations that subject them to official supervision, which in the opinion of the Commission de Surveillance du Secteur Financier ("CSSF") is equivalent to that under EU law, and provided that cooperation between the government agencies is sufficiently ensured;
- the level of protection for the unit-holders of the UCI is equivalent to the level of protection for the unit-holders of a UCITS and, in particular, is equivalent to the requirements of the UCITS Directive for the separate safekeeping of fund assets, borrowing, lending and short sales of securities and money market instruments;
- the business operations of the UCI are the subject of annual and semi-annual reports that make it possible to form a judgement concerning the assets and liabilities, the income and transactions in the reporting period;
- the UCITS or other UCIs, the units of which are to be acquired, may, in accordance with their administrative provisions or their articles of incorporation, invest a total of no more than 10% of their assets in units of other UCITS or UCIs.

The Master Fund may also invest in units of a sub-fund of the AGIF (the "target sub-fund"), provided that:

- the target sub-fund does not invest in the Master Fund that holds units in the target sub-fund; and
- a total of no more than 10% of the assets of the target sub-fund may, pursuant to its investment policy, be invested

in units of other AGIF sub-funds; and

- if applicable, voting rights associated with the relevant units are suspended if they are held by the Master Fund that invests in the target sub-fund, without prejudice to appropriate presentation in the financial statements and periodic reports;
 - in all cases, their value shall not, for the period of investment in the Master Fund, be included in the calculation of the AGIF's net assets for the purposes of confirming the minimum level of net assets as required by law; and
 - there is no duplication of management fees, front-end loads or redemption fees between the level of the Master Fund that invests in the target sub-fund, and the level of the target sub-fund.
- (c) Sight deposits or deposits subject to call with a maximum term to maturity of 12 months at financial institutions, provided that the financial institution in question has its registered office in a member state of the European Union or, if the registered office of the financial institution is located in a non-member state, is subject to supervisory provisions, which in the opinion of the CSSF are equivalent to those under EU law. The deposits may be denominated in all currencies permitted by the Master Fund's investment policy. Sight deposits are limited to cash held in current accounts at a bank that can be accessed at any time to cover current and/or exceptional payments. Deposits subject to call (e.g. time deposits or fixed-term deposits) are generally invested in interest-bearing bank accounts and usually have a predetermined maturity date.
- (d) Derivative financial instruments ("derivatives"), e.g. in particular futures, forwards, options and swaps, including equivalent instruments settled in cash, that are traded on one of the regulated markets described in a) above, and/or derivative financial instruments that are not traded on regulated markets ("OTC derivatives"), provided that the underlying assets are instruments as defined in a) and b) in which the Master Fund may invest in accordance with its investment objectives or financial indices, interest rates, exchange rates or currencies. Financial indices for this purpose include, specifically, currency, exchange rate, interest rate, price and total interest rate return indices, as well as, in particular, bond, equity, commodity futures, precious metal and commodity indices and indices that represent the additional eligible instruments listed under this number. To avoid confusion, derivative transactions requiring the delivery of a commodity, precious metal and raw material index item that serve as underlying assets will not be entered into.

In addition, the following conditions must also be fulfilled for OTC derivatives:

- The counterparties must be top-rated financial institutions collateralized in such transactions and must have a rating of at least Baa3 (Moody's) or BBB- (S&P or Fitch) from a collateral rating agency (such as Moody's, S&P or Fitch). They must be subject to prudential supervision, and belong to the categories approved by the CSSF. There are no further restrictions relating to legal status or country of origin of the counterparty.
 - the OTC derivatives must be subject to a reliable and verifiable evaluation on a daily basis and may be sold, liquidated or closed out by an offsetting transaction at any time at the proper market value.
 - The transactions must be effected on the basis of collateralized contracts.
 - The AGIF must deem the purchase or sale of such instruments, instead of instruments traded on a stock exchange or in a regulated market, to be advantageous to investors. The use of OTC derivatives is particularly advantageous if it facilitates the hedging of assets at matching maturities, thus being less expensive.
- (e) Money-market instruments that are not traded on a regulated market and do not fall under the definition under No. 1

a), provided that the issue or issuer of these instruments is itself subject to regulations concerning deposit and investor protection. The requirements for deposit and investor protection are fulfilled for money market instruments if these

instruments are rated at least investment grade by a collateral rating agency or if the AGIF considers that the credit rating of the issuer corresponds to a rating of investment grade. These money market instruments must also be

- issued or guaranteed by a central governmental, regional or local body or the central bank of a member state of the EU, the European Central Bank, the European Union or the European Investment Bank, a third country or if a federal state, a state of this federal state, or by an international collateral under public law, to which at least one member states belongs; or
- issued by a company whose securities are traded on the regulated markets described under No. 1 a); or
- issued or guaranteed by an institution that is subject to official supervision in accordance with criteria set down in European Community law, or an institution that is subject to supervisory provisions that, in the opinion of the CSSF, are equivalent to those of European Community law; or
- issued by other issuers who belong to a category admitted by the CSSF, provided that regulations for investor protection apply to investors in these instruments, which are equivalent to those of the first, second or third sub-point and provided that the issuer is either a company with share capital of at least EUR 10 million that prepares and publishes its annual financial statements according to the requirements of the Fourth Directive 78/660/EEC, or is a legal entity, which within a group of one or more listed companies, is responsible for the financing of this group, or is a legal entity that is intended to finance the collateralization of debt by collateral a credit line granted by a financial institution.

2. The Master Fund may also enter into the following transactions:

- invest up to 10% of the assets of the Master Fund in securities and money market instruments other than those listed under no. 1, subject to the provisions of the Master Fund's individual investment restrictions;
- raise short-term loans of up to 10% of the Master Fund's net assets, provided that the depositary agrees to the borrowing and the terms of the relevant loan; the individual investment restrictions or the specific asset class principles of the Master Fund shall include a purely declarative note. Not included in this 10% limit, but permissible without the approval of the depositary, are foreign currency loans in the form of back-to-back loans as well as securities repurchase agreements and securities lending transactions.

3. The following restrictions must be observed when investing the assets of the Master Fund:

- (a) The Master Fund may purchase securities or money market instruments of an issuer, provided that the total value of these securities, together with the value of the securities from the same issuer that are already held by the Master Fund, does not exceed 10% of the Master Fund's net assets at the time of purchase. The Master Fund must not invest more than 20% of its net assets in deposits made at the same institution. The settlement default risk of the counterparty for OTC derivatives must not exceed 10% of the net assets of the Master Fund if the counterparty is a financial institution within the meaning of no. 1 c); for other cases, the maximum limit is 5% of the net assets. The total value of the securities and money market instruments of issuers in whose securities and money market instruments the Master Fund has invested more than 5% of its net assets must not exceed 40% of the net assets of the Master Fund. This restriction does not apply to deposits and to transactions with OTC derivatives that are carried out with financial institutions that are subject to government supervision.

The Master Fund may invest in so-called ancillary liquid assets, restricted exclusively to sight deposits as defined above, which are required either to cover current or exceptional payments, or are required over a period of time necessary to reinvest in eligible assets, or are required over a period of time that is absolutely necessary due to exceptional market conditions. The holding of such ancillary liquid assets is limited to 20% of the net assets of the Master Fund. This 20%

limit may only be exceeded temporarily and for a strictly necessary period deemed necessary by the Master Fund's

Management Company due to such exceptional market conditions and if this excess is further justified by the interests of the unitholders of the Master Fund.

Irrespective of the individual investment limits cited above, the Master Fund may invest a maximum of 20% of its net assets in the following:

- securities or money market instruments issued by the same institution;
- deposits made with that institution, and/or
- exposures arising under OTC derivatives entered into with that institution.

(b) If the purchased securities or money market instruments are issued or guaranteed by a Member State of the EU or its central, regional or local authorities, a third country, or by international organisations under public law to which one or more Member States of the EU belong, the restriction under the first sentence of No. 3 a) is increased from 10% to 35% of the net assets of the Master Fund.

(c) In the case of bonds issued by financial institutions domiciled in an EU Member State, where the respective issuers are subject to a special official supervision due to statutory provisions protecting bond-holders, the restrictions under No. 3

a) sentence 1 and 4 are increased from 10% to 25% and 40% to 80%, respectively, provided that these financial institutions invest the issuing proceeds, pursuant to the respective statutory provisions, in assets that sufficiently cover the liabilities from bonds for their whole term to maturity, and that, as a matter of priority, are intended for capital and interest repayments becoming due on the issuer's default.

(d) The securities and money-market instruments cited under No. 3 b) and c) will not be considered when applying the 40% investment limit provided under No. 3 a) sentence 4. The restrictions under No. 3 a) to c) do not apply on a cumulative basis. Therefore, investments in securities or money-market instruments of the same issuer or in deposits with this issuer or in derivatives of the same must not exceed 35% of the Master Fund's net assets. Companies that, with respect to the preparation of their consolidated financial statements in accordance with Directive 83/349/EEC or according to accepted international accounting standards, belong to the same group of companies, are regarded as one issuer when calculating the investment limits listed under no. 3 a) to d). The Master Fund may invest up to 20% of its net assets in securities and money-market instruments of one group of companies.

(e) Investments in derivatives are included in the limits in the numbers listed above.

(f) In derogation of the limits set out in no. 3 a) to d), the Board of Directors may determine that, in accordance with the principle of risk diversification, up to 100% of the assets of the Master Fund may be invested in securities and money market instruments of different issuers that are issued or guaranteed by the European Union, the European Central Bank, a member state of the EU or its regional or local authorities, a member state of the OECD or public international bodies to which one or more member states of the EU belong or by other states that are not members of the EU but are officially accepted by the CSSF (at the date of this prospectus, the following states were accepted by the CSSF: The Special Administrative Region of Hong Kong, the Federal Republic of Brazil, the Republic of India, the Republic of Indonesia, the Russian Federation, the Republic of South Africa, the Republic of Singapore), provided that such securities and money market instruments have been issued in at least six different issues and that the securities and money market instruments of a single issue do not exceed 30% of the net assets.

(g) The Master Fund may only invest up to 10% of its net assets in units of other UCITS or UCIs as defined under no. 1 b).

In derogation of this, the Board of Directors may decide that a higher percentage or all of the Master Fund's net assets may be invested in units of other UCITS or UCIs as defined in no. 1 b), which will be explicitly mentioned in the

individual investment restrictions or the specific asset class principles of the Master Fund. In this case, the Master Fund must not invest more than 20% of its net assets in a single UCITS or UCI. In applying this investment limit, each sub-fund of an umbrella fund as defined by Article 181 of the Law must be regarded as an independent fund if the principle of separate liability of each sub-fund to third parties applies. Similarly, in this case, investments in units of UCIs other than UCITS must not exceed a total of 30% of a sub-fund's net assets.

If the Master Fund acquires units of a UCITS or UCI that are directly or indirectly managed by the same Company or by another company that is affiliated to the Company by way of joint management, control or a significant direct or indirect participation (at least 10% of the equity capital or the voting rights), neither the Company nor the affiliated company may charge any fees for the subscription or redemption of the units. In this case, the Company will also reduce its management and central administration agent fee by the fixed management fee that is actually charged by the relevant UCITS or UCI in relation to units of such associated UCITS or UCI. If the fixed management fee actually charged for the units of such associated UCITS or UCI is higher or equivalent to the management fee charged by the Fund, the management and central administration agent fee charged for such units will be reduced to zero for the relevant share class of the Master Fund. However, there shall be no reduction if the fixed management fees actually charged in relation to such associated UCITS or UCI are repaid to the Master Fund.

The weighted average management fee of the target fund units to be acquired shall not exceed 2.50% p.a.

(h) Irrespective of the investment limits set out in i) below, the Board of Directors of the Master Fund may decide to set the upper limits set out under a) to d) for investments in equities and/or debt instruments of a single issuer at a maximum of 20% if the objective of the Master Fund's investment strategy is to replicate a specific equity or bond index collateral by the CSSF. The following preconditions shall apply:

- the composition of the index is adequately diversified;
- the index represents an adequate benchmark for the market to which it refers;
- the index is published in an appropriate manner.

The limit set as 20% is raised to 35% provided this is justified on the basis of exceptional market conditions and, in particular, on regulated markets on which certain securities or money-market instruments are in a strongly dominant position. An investment up to this limit is only possible with a single issuer. The limit defined in a) above is not applicable.

(i) The AGIF must not acquire for any of its investment funds voting shares carrying voting rights through which it could exert a significant influence on the issuer's management. A sub-fund may acquire a maximum of 10% of the non-voting shares, bonds and money market instruments of a single issuer and a maximum of 25% of the units of a single UCITS or UCI. This limit does not apply to the acquisition of bonds, money market instruments and target fund units if the total amount issued or the net amount of the units issued cannot be calculated. It also does not apply if these securities and money market instruments are issued or guaranteed by a Member State of the EU or its central, regional or local authorities or by a non-Member State, or are issued by public international bodies to which one or more Member States of the EU belong.

The restrictions set out in no. 2 of the first sub-point and no. 3 refer to the time the assets are acquired. If the investment limits are subsequently exceeded as a result of price movements or due to reasons beyond the control of the AGIF, the AGIF's primary objective will be to remedy such situation, taking due account of the interests of its unit-holders.

4. Exceptions regarding investment restrictions

- (a) The AGIF does not have to comply with the limits set out in nos. 1, 2 and 3 above if it exercises subscription rights linked to transferable securities or money market instruments that form part of its assets.

Without prejudice to the obligation to ensure compliance with the principle of risk diversification, recently launched sub-funds may, for a period of six months following their launch, derogate from the limits set out in nos. 1, 2 and 3 above.

- (b) If the restrictions set out in the previous sub-section are exceeded for reasons beyond the control of the AGIF or due to the exercise of subscription rights, the AGIF must make remedying this situation its primary objective within the framework of its selling transactions, taking due account of the interests of its unit-holders.
- (c) Without prejudice to the obligation to ensure compliance with the principle of risk diversification, the Sub-funds may, in the first six months following their launch and during the last two months prior to their merger or liquidation, derogate from the applicable investment restrictions and limits as defined in the specific asset class principles and the respective sub-fund's individual investment restrictions.

5. The Master Fund is not permitted to enter into the following transactions:

- (a) The Master Fund must not assume liabilities in connection with the purchase of partly paid securities, the aggregate of which, including loans as stipulated in no. 2 of the second sub-point, exceeds 10% of its net assets.
- (b) The Master Fund must not grant loans or act as guarantor on behalf of third parties.
- (c) The Master Fund must not acquire securities, the disposal of which is subject to any kinds of restrictions due to contractual provisions.
- (d) The Master Fund must not invest in real estate, although real-estate-backed securities or money-market instruments or interests in such investments, or investments in securities or money-market instruments issued by companies that invest in real estate (such as REITs), and interests in such investments are permitted.
- (e) The Master Fund must not acquire precious metals or certificates on precious metals.
- (f) The Master Fund must not pledge or charge assets, transfer them as collateral, or assign them as collateral, unless this is required within the framework of a transaction permitted under the prospectus. Such collateral agreements shall apply in particular to OTC transactions in accordance with no. 1 d) ("Collateral management").
- (g) The Master Fund must not conduct short sales of securities, money-market instruments or target fund units.
- (h) Pursuant to the investment restrictions applicable under Hong Kong requirements, the total aggregate investments by the AGIF in any ordinary shares issued by any single issuer must not exceed 10%.

6. Use of techniques and instruments (use of derivatives in the Master Fund)

Subject to the specific investment restrictions of the Master Fund, the investment objective and general investment principles of the Master Fund may be achieved through the use of techniques and instruments, as described below.

Techniques and instruments refer to the acquisition of listed and unlisted (OTC) derivatives, in particular futures, options, forward transactions, financial instruments with embedded derivatives (structured products), credit default swaps, and other swaps and instruments whose returns are based on other investments, securities, money market instruments, funds, other derivatives, financial indices, securities baskets, currencies, exchange rates, interest rates, commodities and other eligible “underlying assets”, etc.

The counterparty of a credit default swap must be a top-rated financial institution. Collateralization in such transactions. Both the underlying assets of the credit default swap and the respective counterparty to the credit default swap must be taken into account with regard to the investment limits set out in no. 3 above. Credit default swaps are valued on a regular basis using clear and transparent methods that are monitored by the AGIF and the independent auditor. If irregularities are detected during monitoring activities, the AGIF shall arrange for them to be addressed and remedied.

Subject to the specific investment restrictions of the Master Fund, techniques and instruments may be used either (i) for the purpose of efficient portfolio management (including hedging) and/or (ii) for investment purposes. The use of techniques and instruments may include concluding hedging transactions. This may lead to gains, for example, if the prices of the underlying assets fall or to losses if the prices rise. Techniques and instruments may also be restricted by market conditions or as a result of regulatory restrictions, and there is no assurance that the pursuit of such strategies will in fact achieve the desired aim.

The ability to use such investment strategies may be restricted by market conditions or as a result of regulatory restrictions, and there is no assurance that the pursuit of such strategies will in fact achieve the desired aim.

Derivatives

The AGIF may use a wide range of derivatives that may also be combined with other assets. The AGIF may also acquire securities and money market instruments in which one or more derivatives are embedded. Derivatives have underlying assets to which they refer. These "underlying assets" may be instruments that are eligible for the Master Fund as well as financial indices, interest rates, exchange rates or currencies. The financial indices as defined here include, specifically, currency, exchange rate, interest rate, price and total interest rate return indices as well as specifically bond and equity indices and indices that relate to the instruments that are eligible for the Master Fund, as well as commodity futures, precious metal and commodity indices.

The use of derivatives to hedge an asset in the Master Fund is intended to reduce the economic risk associated with this asset. However, this also means that, if the hedged asset performs positively, the Master Fund will no longer be able to participate in this positive performance.

The Master Fund incurs additional risks by using derivatives to increase returns in pursuing the investment objective. These additional risks depend on the characteristics of both the respective derivative and the underlying security. Investment in derivatives may be associated with a leverage effect, such that even a small investment in derivatives can have a substantial impact on the performance of the Master Fund. This impact may also be negative.

Any investment in derivatives involves investment risks and transaction costs to which the Master Fund would not be subject if it did not pursue these strategies.

An investment in derivatives is associated with specific risks and there is no guarantee that a particular assumption on the part of the investment manager will prove to be correct or that an investment strategy using derivatives will be successful. The use of derivatives may cause considerable losses. Depending on the particular derivative, such losses may also be theoretically unlimited. The primary risks to be noted are the general market risk, performance risk, liquidity risk, creditworthiness risk, settlement risk, the risk of changes in the underlying conditions and counterparty risk. The following should be noted in particular:

- the derivatives used may be incorrectly valued or – due to different valuation methods – have inconsistent valuations;
- the correlation between the value of the derivatives used and the price fluctuations of the hedged positions on the one hand and the correlation between the various markets/positions that are hedged with derivatives whose underlying

assets do not correspond exactly to the hedged positions on the other do not fully coincide under certain circumstances, sometimes making complete hedging of risks impossible;

- the possible absence of a liquid secondary market for a specific instrument at a particular time may result in it not being possible to close out a derivative position, even though it would have been sound and desirable to do so from an investment perspective;
- OTC markets may be particularly illiquid and have strong price fluctuations. When OTC derivatives are used, it may not be possible to sell or close these derivative positions in time or at a reasonable price;
- There is also the potential risk that “underlying assets” serving as a benchmark for the derivatives cannot be bought or sold at a favourable time or must be bought or sold at an unfavourable time.

For derivative positions entered into via certificates there are, in addition, the general risks associated with investments in certificates. A certificate vests the right, under conditions set forth in detail in the terms and conditions of the issuer of the certificate, for the issuer of the certificate to demand payment of an amount of money or to deliver certain assets on the settlement date. Whether the holder of a certificate has any entitlement to asset growth and, if so, to what extent, depends on specific criteria such as the performance of the underlying security during the term of the certificate or its price on particular dates. As investment instruments, certificates essentially contain the following risks (related to the issuer of the certificate): credit risk, company-specific risk, settlement default risk and counterparty risk. Other risks that should be collateral are the general market risk, the liquidity risk and, if applicable, the currency risk. Certificates are not normally secured by other assets or by third-party guarantees.

Where appropriate, (1) certain techniques and instruments shall be taken into account based on their delta-weighted value and (2) hedging transactions shall also be considered as risk-reducing factors if their underlying assets do not fully match the assets in the Fund.

The Investment Manager may, in particular, invest directly or indirectly in eligible assets by using techniques and instruments related to transferable securities and money market instruments for the purpose of efficient portfolio management (including hedging) and/or for investment purposes, provided that the Investment Manager ensures that the Fund complies with the applicable investment limits set out in (i) the general investment principles, (ii) the specific asset class principles and (iii) the specific investment restrictions of the Fund. The use of such techniques and instruments should not result in a change in the defined investment objective of a fund or significantly increase the risk profile of a fund.

To this end, the techniques and instruments are considered, as specified, relative to the delta-weighted value of the respective underlying assets. Hedging techniques and instruments are also applied as risk-reducing factors if their underlying assets do not fully match the assets in the Fund.

Techniques and instruments for efficient portfolio management may be used in the following circumstances:

- (a) they are cost-effective;
- (b) they are entered into to reduce risks or costs or to generate additional capital or additional income, with a level of risk that is consistent with the risk profile of the Master Fund and the applicable risk diversification provisions;
- (c) their risks are appropriately addressed in the AGIF's risk management process.

The use of techniques and instruments may not

- (a) lead to a change in the Master Fund's investment objective;
- (b) result in significant additional risks in comparison to the risk profile of the Master Fund.

The Investment Managers follow a risk-controlled approach when using techniques and instruments. To reduce the AGIF's level of risk associated with the default of a counterparty in the context of securities lending transactions, repurchase agreements or reverse repurchase agreements, the AGIF receives cash or other assets as collateral.

7. Securities repurchase transactions, securities lending transactions

The Master Fund may not enter into repurchase agreements and securities lending transactions.

8. Buy/sell-back transactions / sell/buy-back transactions / Lombard transactions

The Master Fund must not conclude any buy/sell-back transactions or sell/buy-back transactions.

The Master Fund must not conclude Lombard transactions.

9. Total return swaps (TRS) and financial instruments with similar characteristics

The Master Fund does not engage in total return swaps ("TRS") and/or financial instruments with similar characteristics.

10. Securities Financing Transactions Regulation (at the level of the Master Fund)

The Master Fund does not engage in transactions under the Securities Financing Transactions Regulation.

2. Bank deposits in the Feeder Fund

The Company may also invest in bank deposits for account of the Feeder Fund, subject to the restrictions laid out in the Section "Investment principles and investment restrictions of the Feeder Fund". Their term must not exceed twelve months. These deposits must be maintained in blocked accounts with a financial institution domiciled in a member state of the EU or a signatory state to the Agreement on the European Economic Area. They may also be maintained at a financial institution domiciled in a third state if the supervisory regulations of this third country are equivalent to those of the Community law in the view of BaFin.

3. Derivatives in the Feeder Fund

A derivative is an instrument whose price depends on the price fluctuations or price expectations of other investments ("underlying asset"). The statements refer both to derivatives and to financial instruments with a derivative component (collectively referred to as "derivatives" below).

The use of derivatives must not more than double the market risk ("market risk limit"). Market risk is the risk of loss resulting from fluctuations in the market value of assets held in the Feeder Fund. These fluctuations are due to changes in variable market prices or rates, such as interest rates, exchange rates, equity and commodity prices, or to changes in the credit rating of an issuer. The Company must keep within the market risk limit at all times. It must determine the extent to which the market risk limit has been collateral on a daily basis in line with statutory requirements; these requirements are defined in the Ordinance on Risk Management and Risk Assessment when Using Derivatives, Securities Lending and Repurchase Agreements in Investment Funds (Derivatives Ordinance – Derivateverordnung, DerivateV).

The Company may – subject to an appropriate risk management system – use any derivative or financial instrument with a derivative component derived from assets that may be acquired for the Feeder Fund. These include in particular futures, options, financial futures and swaps as well as combinations thereof, including equivalent instruments settled in cash, that are traded on a stock exchange or regulated market, and/or derivative financial instruments that are not traded on such markets ("OTC derivatives"), if the underlying securities are assets that may be acquired for the Feeder Fund or are financial indices within the meaning of Article 9 (1) of Directive 2007/16/EC, interest rates, exchange rates or

currencies in which the Feeder Fund may invest in accordance with its investment objectives. Financial indices for this purpose include, specifically, currency, exchange rate, interest rate, price and total interest rate return indices, as well as, in particular, bond, equity, commodity futures, precious metal and commodity indices and indices that represent the other assets listed above that may be acquired for the Feeder Fund. For the avoidance of doubt, no derivative transaction will be entered into which provides for physical delivery of any component of the commodity futures, precious metal and commodity indices acting as underlying securities.

In addition, the following conditions must also be fulfilled for OTC derivatives:

- The counterparties must be top-rated financial institutions 45ollaterali in such transactions, and additionally must hold a rating from a 45ollateral rating agency (such as Moody's, S&P or Fitch) of at least Baa3 (Moody's), BBB- (S&P or Fitch). They must be subject to prudential supervision. There are no further restrictions relating to legal status or country of origin.
- the OTC derivatives must be subject to a reliable and verifiable evaluation on a daily basis and may be sold, liquidated or closed out by an offsetting transaction at any time at the proper market value.
- The transactions must be effected on the basis of 45ollateraliz contracts.
- Transactions are subject to the Company's policy as described in the following section entitled "Collateral strategy".
- The Company must deem the purchase or sale of such instruments, instead of instruments traded on a stock exchange or in a regulated market, to be advantageous to investors. The use of OTC derivatives is particularly advantageous if it facilitates the hedging of assets at matching maturities, thus being less expensive.

The Company may under no circumstances deviate from the investment objectives laid out in the "General Investment Terms and Conditions", "Special Investment Terms and Conditions" or in the prospectus.

The Company may enter into derivative transactions for the Feeder Fund exclusively for hedging purposes.

This may affect the Feeder Fund's general risk profile by way of correspondingly lower opportunities and risks. Feeder Fund management follows a risk-controlled approach in this respect.

When calculating the potential market risk for the use of derivatives, the Company shall use the qualified approach as defined in the German Derivatives Ordinance (Derivate-Verordnung). For this purpose, the Company compares the market risk of the Feeder Fund with the market risk of a virtual reference portfolio that does not include any derivatives. The potential amount at risk due to market circumstances attributable to the Feeder Fund shall at no time exceed twice the potential market risk amount attributable to the comparable fictitious reference portfolio pursuant to Section 9 DerivateV. The derivative-free reference portfolio is a virtual portfolio whose value always corresponds exactly to the current value of the Feeder Fund, but which does not contain any increases or hedging of the market risk through derivatives. The composition of the reference portfolio must correspond in all other respects to the investment objectives and investment policy that apply to the Feeder Fund. The derivative-free reference portfolio consists of an equity portfolio corresponding to the composition of the MSCI All Country World Index.

The market risk of the Feeder Fund and reference portfolio is determined in each case with the aid of a suitable risk model (value-at-risk method). The Company uses variance-covariance analysis as a modelling procedure. This modelling procedure is based on a covariance matrix, which is estimated from the balanced returns over a one-year history. The

portfolio risk is then calculated across the sensitivities of the individual instruments with reference to the risk factors that are taken into account. This enables the Company to assess the market price risks from all transactions. Using the risk

model, it quantifies the change in the value of the assets held in the Feeder Fund over the course of time. The value-at-risk indicates a limit for potential losses in a portfolio between two pre-defined points in time, expressed in monetary units. This change in value is determined by random events, namely the future performance of market prices. As a result, it is not predictable with certainty. The market risk can only be estimated with a sufficiently high probability.

Examples of how selected derivatives work

Options

Within the investment principles the Company may participate in options trading for account of the Feeder Fund. Options consist of granting a third party, for a fee (the options premium), the right to demand the delivery or receipt of assets or the payment of a balancing adjustment for a specific period of time or at the end of a specific time period at a price determined in advance (strike price), or to acquire the corresponding option rights.

Futures

Within the scope of the investment principles, the Company may, to the extent permissible, buy and sell futures contracts (futures and/or forwards) for account of the Feeder Fund. Futures are mutually binding agreements between two counterparties to buy or sell, at a specified date, the maturity date, or within a specified period, a specific quantity of a specific underlying security at a price agreed upon in advance.

Contracts for difference

A contract for difference is an agreement between the Company and a counterparty. The parties are typically described as "buyer" and "seller". The contract stipulates that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time. (If the difference is negative, then instead the buyer pays the difference to the seller.) Contracts for difference may be used to take advantage of prices moving up (long positions) or prices moving down (short positions) on the underlying financial instruments in the Feeder Fund and are often used to speculate on those markets. For example, when applied to equities, such a contract is an equity derivative that allows the portfolio manager to speculate on share price movements without holding ownership of the underlying shares.

Swaps

Swaps such as interest rate, currency or equity swaps are exchange contracts in which the assets or risks underlying the transaction are exchanged between the counterparties.

Swaptions

Swaptions are options on swaps. A swaption is the right, but not the obligation, to enter into swaps specified under certain conditions either on a specific date or within a specific period of time.

Credit default swaps

Credit default swaps are credit derivatives that permit potential credit default amounts to be transferred to third parties. In return for assuming the credit default risk, the seller of the risk pays a premium to the counterparty. In other respects, the details for swaps apply correspondingly.

Buy/sell-back transactions / sell/buy-back transactions / Lombard transactions

Buy/sell-back transactions and/or sell/buy-back transactions are not concluded for the Feeder Fund. No Lombard transactions are concluded for the Feeder Fund.

Total return swaps (TRS) and financial instruments with similar characteristics

The Feeder Fund does not engage in Total Return Swaps (TRS) or financial instruments with similar characteristics.

Securities financing regulation

The Feeder Fund does not engage in transactions under the Securities Financing Regulation.

Securitised derivatives

The Company may also acquire the derivatives described above if they are 48ollaterali. The derivatives transactions may be combined with other assets in one single security. The statements on opportunities and risks apply to such 48ollaterali derivatives correspondingly, except for the fact that the risk of loss on 48ollaterali derivatives is limited to the value of the security.

OTC derivative transactions

The Company may enter into both derivatives contracts that are admitted for trading on an exchange or in another 48ollatera market and so-called over-the-counter (OTC) transactions.

The Company may only enter into derivatives contracts that are not admitted for trading on an exchange or in another 48ollatera market with suitable financial institutions or financial services institutions on the basis of 48ollateraliz framework agreements. For derivatives traded other than on an exchange, the counterparty risk of a contract party is limited to 5% of the value of the Feeder Fund. If the counterparty is a financial institution that is domiciled in the EU, the EEA or a state that is not a member of either of those organisations but has comparable levels of governmental supervision in the view of BaFin, the counterparty risk may total 10% of the value of the Feeder Fund. Derivatives contracts purchased elsewhere than on an exchange, where the counterparty is the central clearing house of an exchange or another regulated market, are not included when determining counterparty limits if the derivatives are valued daily at market prices with a daily margin settlement. Claims of the Feeder Fund against an intermediary trader are, however, included even if the derivative is traded on an exchange or another organised market.

Collateral strategy

When conducting derivative transactions, the Company receives collateral on account of the Feeder Fund. The purpose of the collateral is to reduce, in whole or in part, the risk of default on the part of the counterparty to these transactions.

All assets that are received as collateral must fulfil the following criteria:

1. Liquidity: All non-cash collateral should be highly liquid and be traded at a transparent price on a regulated market or within a multilateral trading system, in order that it can be sold at short notice at a price that is close to the valuation that was determined prior to the sale. The collateral that is received should furthermore comply with the provisions of Article 56 of the UCITS Directive.
2. Valuation: Collateral that is received should be valued on each exchange trading day as a minimum. Assets with high volatility in their price should only be accepted as collateral if appropriate conservative valuation discounts (haircuts) are applied.
3. Credit rating of the issuer: The issuer of the collateral received must have a high credit rating.
4. Maturity: The maturity of the collateral that may be received must be comparable with that of the interest-bearing securities that may be acquired for the Feeder Fund in line with the investment policy.
5. Correlation: Collateral received should be issued by a legal entity that is independent of the counterparty and whose performance is not highly correlated to the performance of the counterparty.

6. Diversification of the collateral (investment concentration): It must be ensured that the collateral is appropriately diversified with regard to countries, markets and issuers. The criterion of adequate diversification with regard to concentration of issuers is considered to be fulfilled if the Feeder Fund receives from a counterparty, in the case of efficient portfolio management or transactions involving OTC derivatives, a collateral basket for which the maximum exposure to any particular issuer is equivalent to 20% of the Feeder Fund's value. If the Feeder Fund has different counterparties, the various collateral baskets should be aggregated in order to calculate the 20% limit for exposure to any single issuer.
7. The Feeder Fund should have the option of liquidating the collateral it has received, at any time, without referring to the counterparty or obtaining approval from the counterparty.
8. Non-cash collateral received may not be sold, re-invested or pledged.
9. Cash collateral received may only
 - a) be held as collateral at a financial institution domiciled in a member state of the EU or EEA, or at a financial institution domiciled in another state, if the supervisory regulations of this other country are equivalent to those of Community law in the view of BaFin;
 - b) invested in high quality government bonds;
 - c) be used for reverse repo agreements, provided the transactions are conducted with financial institutions that are subject to supervision, and the Feeder Fund can demand back the full accrued sum of money at any time; or
 - d) be invested in money market funds with a short maturity structure as defined in the CESR's "Guidelines on a Common Definition of European Money Market Funds".

Risks related to collateral management, e.g. operational and legal risks, must be calculated, controlled and reduced through risk management.

In cases involving transfers of rights, the relevant collateral should be held in safe-keeping by the Feeder Fund's depositary. In other types of collateral agreements, the collateral may be held by a third party who is subject to supervision and is not connected with the provider of the collateral.

If the Feeder Fund receives collateral of at least 30% of the Feeder Fund's value, an appropriate stress test strategy is applied. This is intended to ensure that stress tests are carried out on a regular basis, both under normal and under exceptional liquidity conditions, so that the Feeder Fund can assess the liquidity risk associated with the collateral. The strategy for liquidity stress tests should include requirements relating to the following aspects as a minimum:

- a) concept for the stress test scenario analysis, including calibration, certification and sensitivity analysis;
- b) empirical approach to the impact assessment, including back-testing of liquidity risk assessments;

- c) reporting frequency and reporting thresholds/loss tolerance threshold(s);

- d) measures to curb losses, including haircut strategy and gap-risk protection.

The Feeder Fund has a clear haircut strategy that is collateralized with all types of assets received as collaterals. When developing the haircut strategy, the Feeder Fund should take into account the attributes of the assets, e.g. the creditworthiness or price volatility, and the results of the stress tests carried out in accordance with the above sub-section. This strategy must be documented for the purpose of justifying the application of a certain haircut (or non-application of a haircut) to a particular type of asset.

Scope of collateralization

Transactions involving derivatives must be secured to an extent that ensures that the default risk of the counterparty does not exceed 5% of the Feeder Fund's value. If the counterparty is a financial institution that is domiciled in a member state of the EU or in a signatory state to the EEA or in a third state that has comparable levels of governmental supervision, the default risk may total 10% of the Feeder Fund's value.

Safe-keeping of securities as collateral

The Company may receive securities as collateral for account of the Feeder Fund when conducting transactions involving derivatives. If these securities are transferred as collateral, they must be held in safekeeping at the depositary. If the Company receives securities in pledge as collateral in the context of derivative transactions, they may also be held in safekeeping at another institution that is subject to effective public supervision and is independent of the collateral protection provider. Any re-use of the securities is not permitted.

Borrowing

The raising of short-term loans to the value of 10% of the Feeder Fund's assets for joint account of the investors is permitted, provided that the terms of the loan are customary for the industry and the depositary gives its consent.

Leverage

Leverage refers to the ratio between the risk of the Feeder Fund and its net asset value. Leverage is affected by any steps taken by the Company to raise the Feeder Fund's exposure. Such steps may include, in particular, securities loans, securities repurchase agreements, borrowing, leverage finance embedded in derivatives or other methods. The Company may use methods of this type for the Feeder Fund, to the extent described in this prospectus. The possibility of using derivatives, entering into securities lending transactions, repurchase transactions and borrowing has already been presented in the description of the Feeder Fund's investment policy. The use of derivatives must not more than double the market risk.

The Feeder Fund's leverage is calculated using a gross method. It describes the aggregate absolute values of all assets held by the Feeder Fund with the exception of bank deposits in the portfolio currency, measured as specified by law. Offsetting individual derivative transactions or securities against each other is not permissible (i.e. netting or hedging agreements are not considered). Any effects arising from the re-investment of securities in securities loans or securities repurchase agreements are taken into consideration. The Company expects the Feeder Fund's leverage (calculated using the gross method) to exceed the Feeder Fund's net asset value by no more than two times. Depending on market conditions, however, leverage may fluctuate with the result that the stated target may be exceeded despite constant monitoring by the Company.

Definitions

Chinese A-shares

refers to shares that are issued by companies founded in and listed on stock exchanges in the People's Republic of China (e.g. the Shanghai Stock Exchange and the Shenzhen Stock Exchange) and denominated in CNY.

Hong Kong restrictions

means that, irrespective of the specific asset class principles, the respective investment objective and the respective investment restrictions of a fund, which continue to apply without restriction, (1) the net exposures of a fund in derivatives may only amount to a maximum of 50% of its net asset value and (2) in so far as a fund invests in debt securities, it may not invest more than 10% of its assets in debt securities that are issued or guaranteed by an individual country and that have a credit rating below Investment Grade or have no rating, and (3) in so far as a fund is considered to be a bond fund or multi-asset fund (as defined in Annex 1, Part B of this prospectus), it may invest less than 30% of its assets in instruments with loss-absorption characteristics (including CoCo bonds, senior, non-preferential debt securities, as part of a settlement mechanism for instruments issued by financial institutions or other capital instruments issued by banks or other financial institutions). As a result, a maximum of 10% of the assets of the fund in question may be invested in CoCo bonds. An “individual country” as specified in sentence 1, alternative 2, means a country, its government, a public or local authority or a state-owned industry of that country.

FII

refers to a qualified foreign institutional investor in accordance with the FII regulations.

FII programme/FII regime

refers to the regime for qualified foreign institutional investors in the People’s Republic of China (including the QFII programme and RQFII programme).

FII regulations

refers to the laws and regulations applicable to the establishment and operation of the regime for qualified foreign institutional investors in the People’s Republic of China (including the qualified foreign institutional investor programme (“QFII programme”) and the RMB-qualified foreign institutional investor programme (“RQFII programme”)) as adopted and/or amended.

FII-eligible securities

refers to securities and investments that can be held or made by an FII under the FII regulations.

RMB

refers to the Chinese renminbi, the official currency of the People’s Republic of China, and, unless otherwise demanded by the context, the term “RMB” refers to the Chinese offshore renminbi (“CNH”) traded in Hong Kong or on markets outside the People’s Republic of China and not the Chinese onshore renminbi (“CNY”).

Stock Connect

refers to the programme aimed at creating reciprocal access to the stock markets of the People’s Republic of China and Hong Kong, comprising: (i) Shanghai-Hong Kong Stock Connect, a programme for securities and clearing links, developed by The Stock Exchange of Hong Kong Limited (“SEHK”), the Shanghai Stock Exchange (“SSE”), China Securities Depository and Clearing Corporation Limited (“ChinaClear”) and Hong Kong Securities Clearing Company Limited (“HKSCC”); and (ii) Shenzhen-Hong Kong Stock Connect, a programme for securities and clearing links, developed by SEHK, the Shenzhen Stock Exchange (“SZSE”), ChinaClear and HKSCC.

People’s Republic of China

refers to the People’s Republic of China excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

PRC broker

refers to a broker in the People’s Republic of China appointed by an FII.

PRC depositary

refers to a depositary (i.e. a local depositary bank) in the People's Republic of China appointed by an FI.

General exclusion of certain issuers

The Fund is a UCITS-compliant Feeder Fund of the Master Fund Allianz Global Investors Fund – Allianz Global Dividend and, as such, invests at least 95% of its value in Master Fund shares. The Master Fund in turn - and thus the Feeder Fund indirectly - does not invest directly in the securities of issuers that, in the opinion of the Management Company, engage in undesirable business activities. The undesirable business activities include in particular the following:

- Certain controversial weapons: The type of controversial weapons that fall within the scope of the exclusion may be updated from time to time and can be viewed on the website https://regulatory.allianzgi.com/ESG/Exclusion_Policy.
- Coal: Issuers engaged in business activities related to coal only fall within the scope of the exclusion if they meet certain quantitative criteria. These criteria may be updated from time to time and are available on the website https://regulatory.allianzgi.com/ESG/Exclusion_Policy.

The exclusion applies only to companies as issuers. The Fund may invest in securities baskets such as indices that may contain securities that fall under the above exclusion criteria. To undertake this exclusion, various external data and research providers are used. Debt securities of issuers falling within the scope of the exclusion may be held until the earlier of the following two dates: Either until the maturity of the respective instrument or until 30 June 2022, provided that such instrument was acquired prior to the introduction of the general exclusion for the Fund.

Valuation

General rules for the valuation of individual assets

Assets admitted to trading on a stock exchange/traded in an organised market

Assets that have been admitted to trading on a stock exchange or are included in another organised market as well as subscription rights for the Feeder Fund are valued at the latest available tradeable price that ensures a reliable valuation, unless indicated otherwise under "Special rules for the valuation of individual assets".

Assets not listed on stock exchanges or traded in organised markets or assets without tradeable price

Assets that are neither listed on stock exchanges nor included in another organised market or for which no tradeable price is available, are traded at the current market value that on careful assessment is adequate based on appropriate

valuation models taking into account the current market conditions, unless indicated otherwise under “Special rules for the valuation of individual assets”.

Special rules for the valuation of individual assets

Derivatives

Option rights and futures contracts

The option rights held by the Feeder Fund and the option rights sold to third parties for the account of the Fund that are admitted to trading on a stock exchange or included in another organised market, are valued at the latest available tradeable price that ensures a reliable valuation.

The same applies to receivables and liabilities from futures contracts sold for the account of the Feeder Fund. Margins deposited on derivatives on behalf of the Feeder Fund are counted towards the value of the Feeder Fund, including the valuation gains and valuation losses determined on the trading day.

Bank deposits and Master Fund shares

Bank deposits are stated at their nominal value plus accrued interest.

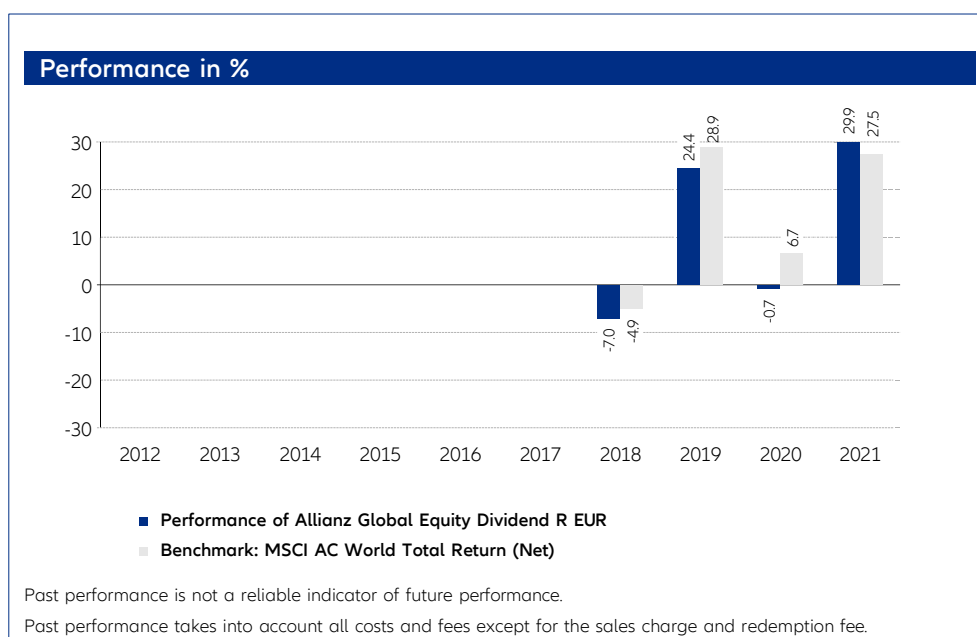
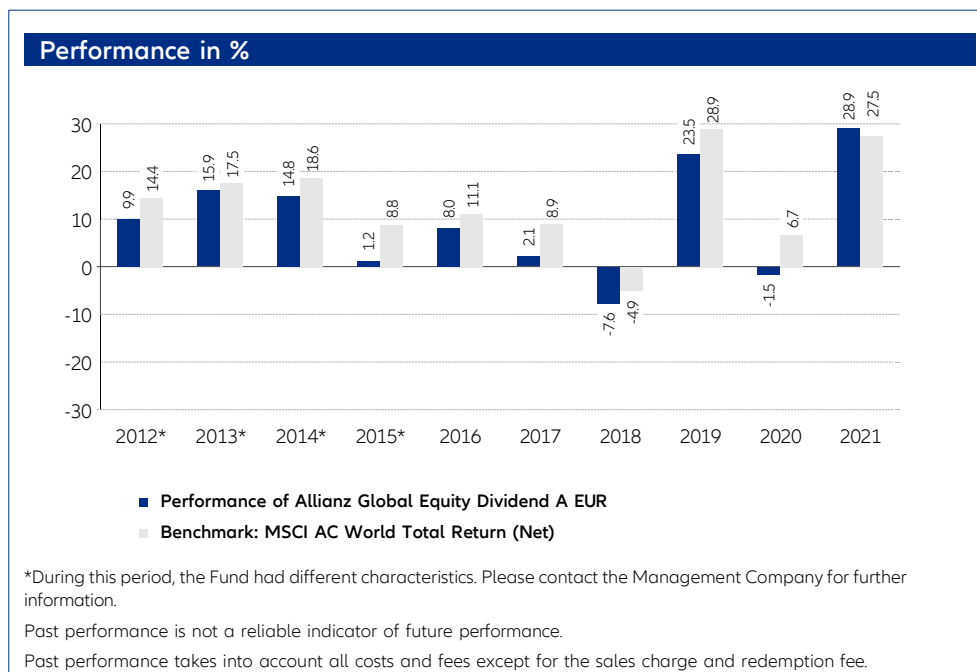
Master Fund shares are generally valued at the latest redemption price that was determined or at the latest available price that ensures a reliable valuation. If these valuations are not available, the Master Fund shares are valued at the current market value, which on careful assessment is adequate according to suitable valuation models taking into account the current market conditions.

Assets denominated in foreign currencies

Assets denominated in foreign currencies are converted to euros on the same day based on a procedure defined by the Company in its valuation guidelines.

Performance

The performance of the Feeder Fund diverges only slightly from that of the Master Fund. The reason for this divergence is that usually a small portion of the Feeder Fund’s assets is invested in bank deposits rather than in shares of the Master Fund. This liquidity is necessary to service unit redemptions at short notice if necessary, or make other payments that are due from the Feeder Fund’s assets.



Risk factors

General information

The risks entailed in investing in the Feeder Fund are closely linked to the risks inherent in the assets held by the Master Fund. These risks may be reduced, however, by the diversification of investments within the Master Fund. It is generally not possible for the Company to control the management of the Master Fund. Its investment decisions do not necessarily have to concur with the Company's assumptions or expectations. According to the Feeder Fund's Investment Terms and

Conditions, at least 95% of its assets must at all times be invested in Master Fund shares. The Company must comply with this requirement even if the performance of these shares is negative.

Before taking a decision to purchase units in the Feeder Fund, investors should carefully read the following risk factors together with the other information in this prospectus, and take it into account in their investment decision. The occurrence of one or more of these risks may, in itself or in conjunction with other circumstances, adversely affect the performance of the Feeder Fund or the assets held in the Feeder Fund, with a negative impact also on the unit value. If investors sell units of the Feeder Fund at a time when the prices of the Feeder Fund's assets are lower than at the time of purchase, they will not recover the (full) amount invested in the Feeder Fund. Investors could lose some of the capital invested in the Feeder Fund, or even all of it. In addition to the risks and uncertainties described below or in another section of the prospectus, the performance of the Feeder Fund may be impaired due to various other risks and uncertainties that are unknown at present. The order in which the following risks are listed does not provide any indication of the probability that they will occur, nor of their extent or importance if particular risks do occur.

General risks of investing in funds

The risks listed below are typically associated with investment in a fund.

Settlement risk

Especially when investing in unlisted securities, there is a risk that settlement through a transfer system is not carried out as expected, because a counterparty does not pay or deliver on time or as agreed.

Settlement default risk

The issuer of a security directly or indirectly held by the Fund or the debtor of a claim belonging to the Fund may become insolvent. This could result in the corresponding assets of the Fund becoming economically worthless.

General market risk

To the extent that the fund invests directly or indirectly in securities and other assets, it is exposed to general trends and tendencies on the markets, especially the securities markets which are based on manifold, sometimes irrational factors. These trends are in turn affected by the overall global economic situation and the economic and political framework in individual countries. There may be significant and longer-lasting declines in prices affecting the market. Securities from top-rated issuers are subject to essentially the same general market risk as other securities and assets.

Changes to general tax framework, tax risk

The overview of key tax regulations for investors as presented in this prospectus is based on current legislation. It is intended for persons with unlimited income tax or unlimited corporation tax liability in Germany. However, no assurance can be given that the tax implications will not change as a result of new legislation, court decisions or ordinances adopted by the tax authorities.

Liquidation or merger

The Company is entitled to terminate management of the Fund, particularly if the Fund's assets decline. Following termination of its management, the Company may liquidate the Fund in its entirety. The right to manage the Fund then passes to the depositary. The Company may also merge the Fund with another fund. In this case, investors may redeem their units, exchange them for units in a fund with a similar risk profile, or keep them such that they become investors in the merged fund. As a result, investors must make a new investment decision ahead of schedule in relation to the merger. This means that investors face the risk of not being able to hold their investment for the term they had planned. Taxes may become due when units are redeemed and on transfer of the management right for the Fund to the depositary. When the Fund units are taken out of the investor's securities account once the liquidation procedure has been completed, investors may be liable for income tax. If units are exchanged for units in a fund with a similar risk profile, investors may be liable for tax, for example if the value of the units received is greater than the old units at the time of acquisition.

Suspension of redemptions

The Company may temporarily suspend the redemption of units in extraordinary circumstances under which such suspension is deemed to be necessary in the interest of the investors. Extraordinary circumstances in this sense could be, for example, economic or political crises, an exceptionally high level of redemption requests, the closure of stock markets or markets, trading restrictions or other factors that hinder the sale of the assets belonging to the Fund or calculation of the unit value. BaFin may, moreover, order the Company to suspend the redemption of units if necessary in the interests of investors or the general public. This gives rise to the risk that it may not be possible to liquidate the units at the time desired by the investor due to restrictions on redemption. The unit value may also fall when redemption of units is suspended, e.g. if the Company is compelled to sell assets below market value during the suspension period. The Company reserves the right not to redeem the units until redemption has been resumed at the redemption price that is then applicable. This price may be lower than it was before redemption was suspended. Suspension may be followed directly by dissolution of the investment fund without redemption resuming beforehand, e.g. if the Company gives notice to terminate the management of the Fund in order to then liquidate it. For investors, there is the risk that they may not be able to hold their investment for the term they had planned and substantial portions of the invested capital may not be available to them for an indefinite period of time or may be lost entirely.

The influence of tax aspects on individual performance

Liability for capital gains tax depends on the individual circumstances of each investor and may be subject to changes in the future. Investors should contact their personal tax advisor if they have specific questions, especially regarding their individual tax situation. Investment decisions should also take account of an investor's non-tax-related situation.

Limitation of unit redemption

The Company may limit the redemption of the units for a total of up to 15 consecutive working days if the investors' redemption requests on a settlement date exceed a pre-determined threshold beyond which the redemption requests can no longer be executed in the interest of all investors due to the liquidity situation of the Fund. If the threshold value is reached or exceeded, the Company shall decide, at its sole discretion, whether it will limit the redemption on this settlement date. If it decides to limit redemption, it may continue for up to 14 consecutive working days on the basis of a daily discretionary decision. If the Company has decided to limit the redemption, it will only redeem units pro rata at the redemption price applicable on the settlement date; the redemption obligation will otherwise be waived. This means that each redemption request is only carried out pro rata on the basis of a quota determined by the Company. The unexecuted part of the order will not be executed at a later time either, and will expire. For the investor, there is therefore the risk that an order for the redemption of units will only be executed on a pro rata basis and that the remaining open order will have to be placed again.

Special risks in the use of derivatives

A position in the futures and options market and in swaps and currency trades is associated with the following investment risks and transaction costs:

1. Losses may arise from the use of derivative instruments, which are not predictable and may even exceed the amounts invested in the derivative transaction.
2. Price changes in the underlying asset may cause a decrease in the value of the option or futures contract, and even result in a total loss. The Fund may also suffer losses due to changes in value of the asset on which a swap is based.
3. A liquid secondary market for any particular instrument may be absent at any given time, with the result that a derivative position cannot be economically neutralised (closed), even though it would have been sound to do so from an investment perspective.
4. Any necessary back-to-back transactions (closing of position) incur costs.

5. The leverage effect of options may alter the value of the Fund's assets more strongly than would be the case if the underlying assets were acquired directly.
6. The purchase of options entails the risk that the option is not exercised because the prices of the underlying assets do not perform as expected, with the result that the Fund loses the option premium it paid. The sale of options entails the risk that the Fund may be obligated to accept assets at a price higher than the current market price or deliver assets at a price lower than the current market price. In that case, the Fund suffers a loss amounting to the price difference minus the option premium that had been received.
7. Futures contracts also entail the risk that the Fund suffers a loss on maturity due to unexpected performance of the market price.
8. The Company's forecasts of the future development of underlying assets, interest rates, securities prices and currency markets may turn out to be incorrect.
9. The prices of futures and options contracts on the one hand, and the movements in the prices of the assets or currencies being hedged on the other, may be imperfectly correlated, with the result that a complete hedging of risk is sometimes not possible.
10. It may not be possible to buy or sell the underlying assets of the derivatives at a time that would be favourable to do so, or they must be bought or sold at a disadvantageous time.
11. Potential losses may arise from the use of derivative instruments, which may not be predictable and may even exceed the margins paid.

The conclusion of over-the-counter (OTC) trades may involve the following risks:

- There may not be an organised market, making it difficult or impossible for the Company to sell financial instruments acquired on the OTC market for account of the Fund.
- The conclusion of a back-to-back transaction (closing of position) may be difficult, impossible and/or associated with significant costs due to the individual agreement.

Emerging markets risks

Investing in emerging markets means investing in countries not classified by the World Bank as "high gross national income per capita" (i.e. not "developed"). In addition to the specific risks of the particular asset class, investments in these countries are subject to greater liquidity risk and general market risk. Additionally, increased risks may arise in connection with the settlement of transactions in securities in these countries, especially as it may not be general practice or even possible to deliver securities directly when payment is made in such countries. In addition, the legal and regulatory environment as well as the accounting, auditing and reporting standards in the emerging markets may vary, to the detriment of the investor, substantially from the levels and standards that are considered standard international practice. There may also be an increased custodial risk in such countries, which may, in particular, also result from differing procurement methods for acquired assets.

Performance risk

It cannot be guaranteed that the investment objectives of the Fund or the investment performance desired by the investor will be achieved. The net asset value per unit of the Fund may also fluctuate, and in particular, may fall, causing investors to incur losses especially with regard to risks that assets acquired by the Fund are generally subject to and the risks that are entered into in the selection of individual assets in particular. Investors assume the risk of receiving a lesser amount

than they originally invested. Neither the Company nor any third parties offer guarantees as to a specific performance of the Fund.

Increased volatility

The occurrence of volatility in the Fund, i.e. especially large fluctuations in the unit price in a short period of time depends, to a significant extent, on general market conditions that cannot be estimated in advance. However, the risk of a high level of volatility increases when the investment instruments have a focus.

Risk of restricted flexibility

The redemption of Fund units may be subject to constraints. If the redemption of units is suspended or delayed, investors cannot redeem their units and may be compelled to remain invested in the Fund for a longer period of time than originally intended or desired, and their investments will continue to be subject to the general risks inherent to the Fund. If the Fund or a unit class is liquidated, investors can no longer remain invested. The same applies if the Fund or the unit class held by the investors merges with another fund, in which case the investors automatically become holders of units in the other fund. The sales charge levied when units are acquired could reduce or even eliminate any returns on an investment, especially if the period of investment is short. If units are redeemed in order to invest the proceeds in another type of investment, the investor may incur additional costs, such as front-end load for the purchase of other units in addition to the costs already incurred (e.g. front-end load for the purchase of units). These events and circumstances may result in investor losses.

Inflation risk

Inflation risk is the risk that assets will lose value because of a decrease in the value of money. Inflation can reduce the purchasing power of the Fund returns and the investment in the Fund as such. Different currencies are subject to different levels of inflation risk.

Counterparty risks including credit and claims risks

These risks may adversely affect the performance of the fund, with a negative impact also on the unit value. If investors sell units of the fund at a time when a counterparty or central counterparty is in default, thus impairing the value of the fund, they may not recover some or all of the amount invested in the fund. As a result, investors could lose some of the capital invested in the fund, or even all of it.

Counterparty risk (except central counterparties)

Even if transactions are not effected via a stock exchange or a regulated market (OTC transactions), there is – in addition to the general counterparty default risk – the risk that the counterparty of the transaction will fail to, or not fully, meet its obligations. This applies in particular to transactions involving derivatives. Any default on the part of the counterparty may result in losses for the Fund. However, in particular with respect to OTC derivatives, this risk may be significantly reduced by the receipt of collateral from the counterparty in accordance with the principles described in the Collateral Management section.

Concentration risk

To the extent that the Fund focuses its investments on certain markets or types of investment, or certain countries or regions, this concentration does not by definition allow the same scope for diversifying risks across different markets, countries or regions as would be possible if investments were less concentrated. Consequently, the Fund is particularly dependent on the development of these investments or of individual or related markets or of companies, countries or regions included in those markets.

Country and transfer risk

Country or transfer risks exist when a foreign borrower, despite their ability to pay either cannot make payments at all or cannot pay on time, because of the inability or unwillingness of its country of domicile to execute transfers, in particular

due to economic or political instability in the country of domicile. Consequently, for example, payments to which the Company is entitled on account of the Fund may remain unpaid, or may be made in a currency that is not or no longer convertible due to foreign exchange restrictions.

Sustainability risk

refers to an environmental, social or governance event or condition that, if it occurs, could have a material negative impact on the value of the investment or has potential to have a material negative impact on the value of the investment. Findings from systematic research show that sustainability risks can arise as a result of extreme issuer-related loss risks. The frequency and probability of such issuer-related sustainability risk events are generally low, but there can be a sizeable financial impact leading to significant financial losses. Sustainability risks could potentially have a negative effect on the investment performance of portfolios. Allianz Global Investors sees sustainability risks as potential drivers of financial risk factors associated with investments, such as price, credit, liquidity and operational risk.

Operational and other risks of the Fund

These risks may adversely affect the performance of the fund, with a negative impact also on the unit value. If investors sell units of the Fund at a time when the prices of the Fund's assets are lower than at the time of purchase, they will not recover the (full) amount invested in the Fund. Investors could lose some of the capital invested in the Fund, or even all of it.

Legal and political risks of investment abroad

Investments may be made on behalf of the Fund in jurisdictions in which German law does not apply or, in the event of legal disputes, where the place of jurisdiction is outside Germany. The resulting rights and obligations of the Company for account of the Fund may diverge from those in Germany to the detriment of the Fund and/or investors. Political or legal developments, including changes to the legal framework in these jurisdictions, may not be identified by the Company, or may be identified too late, or such developments may result in restrictions on assets that may be acquired or had already been acquired.

Risks of investments in target funds

The risks entailed in investment units acquired for the Fund (target funds) are closely linked to the risks inherent in the assets contained in these funds and/or in the investment strategies that they pursue. These risks may be reduced, however, by diversifying investments within the target funds and by diversification within the particular fund. Since the managers of the individual target funds act independently of each other, it may happen though that several target funds pursue the same investment strategies, or contrary strategies. This may give rise to the accumulation of existing risks, and any opportunities may cancel each other out. It is generally not possible for the Company to control the management of the target funds. Their investment decisions do not necessarily have to concur with the Company's assumptions or expectations. It is often the case that the Company does not have up-to-date knowledge of the target funds' composition at any one time. If the composition does not match the Company's assumptions or expectations, it may not be able to react by returning units in target funds without a considerable delay. If the Fund invests in target funds, this usually involves expenses both at the level of the Fund and at the level of the target funds, such as (fixed and/or performance-related) management fees, depositary fees and other expenses. As a result, the expenses to be borne by investors in the investing fund will rise proportionately.

Risks associated with limited fund liquidity (liquidity risks)

These risks may adversely affect the liquidity of the fund. This could result in the fund being unable to meet its payment obligations, either temporarily or permanently, or in it being unable to fulfil investors' requests for redemption, either temporarily or permanently. Investors may therefore not be able to hold their investment for the term they had planned and the invested capital or some of it may not be available to them for an indefinite period of time. If the liquidity risks do materialise, the fund's net asset value and consequently the unit value may also fall. This could be the case, for example, if the Company is compelled to sell assets on behalf of the fund at below market value, insofar as this is permitted under the

law. If the Company is not able to fulfil investors' redemption requests, this may also lead to the suspension of unit redemptions and, in extreme cases, to the subsequent liquidation of the fund.

Risks associated with the assets held by the fund (market risks)

These risks may adversely affect the performance of the Fund or the assets held in the Fund, with a negative impact also on the unit value. If investors sell units of the Fund at a time when the prices of the Fund's assets are lower than at the time of purchase, they will not recover the (full) amount invested in the Fund. Investors could lose the capital invested in the Fund.

Risks related to criminal actions, wrongdoings or natural disasters

The Fund may be the victim of fraud or other criminal actions. It may suffer losses through misunderstandings or errors by employees of the Company or third parties, or be damaged by external events, such as natural disasters.

Risk associated with investing in illiquid assets

Assets that are not admitted to trading on a stock exchange or traded on another organised market may also be acquired on behalf of the Fund. The acquisition of such assets runs the risk that problems may arise, particularly if the assets are sold on to third parties. It may not be possible, even, to sell assets admitted to trading on a stock exchange, or only to do so with high mark-downs in price, depending on the market situation, volume, time frame and budgeted costs. Although generally only assets that can be liquidated may be acquired for the Fund, the possibility cannot be ruled out that they may only be sold by realising losses, either during a temporary phase or on a permanent basis. When investments are made in target funds, there is also the risk that target funds must suspend the redemption of units due to limited liquidity of the assets acquired by the target fund, e.g. if there is a high level of unit redemptions at target fund level. In these circumstances, it may also be necessary to suspend redemption of units for this fund.

Risk arising from public holidays in certain regions/countries

In line with the investment strategy, investments on behalf of the Fund shall be made in certain regions/countries in particular. Local public holidays in these regions/countries may cause divergences between the trading days on stock exchanges in these regions/countries and the Fund's valuation days. It is possible that the Fund may not be able to react on the same day to market developments in the regions/countries on a day that is not a valuation day, or it may not be able to trade on those markets on a valuation day that is not a trading day in those regions/countries. This could prevent the Fund from selling assets within the required period of time. This could adversely affect the Fund's ability to comply with redemption requests or meet other payment obligations.

Risk of changes to the Investment Terms and Conditions, the investment policy and other general provisions of the Fund

The Company may only amend the Investment Terms and Conditions of the Fund with the approval of BaFin. These amendments may also affect investors' rights. The Company may also amend the investment policy and other general provisions of the Fund within the scope of what is permissible from a legal and contractual perspective, and thus may implement changes that do not require amendment of the Investment Terms and Conditions and are therefore not subject to approval by BaFin. The framework conditions, e.g. economic and tax aspects, may also change. In particular, a change in the investment policy within the investment universe permissible for UCITS-compliant funds may result in a change in the Fund risks.

Insofar as the Fund is an equity fund, a possible change in the Fund's investment conditions or investment policy may result in the tax requirements for an equity fund within the meaning of Section 2 (6) of the German Investment Tax Act (InvStG) ceasing to apply, and therefore a lower or no partial exemption rate may apply.

Risk of taxation or other charges arising from local regulations relating to assets held by the Fund

Due to local regulations, taxes, duties, fees and other deductions regarding assets held by the Fund may apply now or in the future. This is especially true with respect to proceeds or profits from the sale, repayment or restructuring of the Fund's

assets, to the cash flow-free restructuring of the Fund's assets, to changes related to sub-depository facilities, and to dividends, interest and other income received by the Fund. Certain taxes or charges, for example, all charges levied within the scope of FATCA (Foreign Account Tax Compliance Act, more details under "Taxation of the Fund"), may be levied in the form of a withholding tax or a deduction from the payment or transfer of payments.

[Risk of incurring transaction costs due to flows of units](#)

Issuing units may lead to the investment of the inflows and redeeming units may trigger sales of investments in order to obtain liquidity. Such transactions give rise to costs that could have a substantial negative effect on the performance of the Fund, particularly if units issued and redeemed on a single day do not approximately offset one another.

[Risk of interest being charged on deposits](#)

The Company invests the liquid assets of the Fund with the depository or with other banks for the Fund's account. Depending on changes in the market, in particular how the interest rate policy of the European Central Bank develops, short-, medium- and long-term bank deposits may be subject to interest charges. Such interest charges may adversely impact the performance of the Fund.

[Risk of transferring the Fund to another investment management company](#)

The Company may transfer the Fund to another investment management company. Any such transfer does not affect the fund or the position of investors. However, each investor must decide whether he considers the new investment management company to be just as suitable as the previous one within the context of the transfer. If he does not wish to remain invested in the fund under new management, he must redeem his units. This may incur income taxes.

[Risk arising from finance liquidity](#)

The Company may take out loans for account of the Fund in accordance with the provisions laid down in the section entitled "Borrowing". There is a risk that the Company cannot take out an appropriate loan, or can only take it out on considerably more unfavourable conditions. Loans with a variable rate of interest may also have a negative effect on the net assets of the Fund due to rising interest rates. If the Company has to repay a loan and cannot refinance it or pay it from the liquid assets of the Fund, it may be forced to sell assets prematurely or on terms that are worse than had been planned.

[Risk related to central counterparties](#)

A central counterparty (CCP) acts as an intermediary institution for a fund in certain transactions, particularly those involving derivative financial instruments. For these, it acts as a buyer to the seller and a seller to the buyer. A CCP hedges itself against the risk of transaction partners proving incapable of agreed performance through a number of protective mechanisms that make it possible for it to compensate at all times for losses resulting from the transactions entered into, such as so-called margin deposits (e.g. collateral). Despite these protections, it cannot be ruled out that a CCP will become over-indebted and default, potentially affecting the Company's claims on behalf of the Fund. As a result, the Fund may suffer losses that are not hedged.

[Key personnel risk](#)

The success of a fund that performs very well over a certain period of time is partly due to the aptitude of the people handling the investments, i.e. be due to the good decisions of its management. Nonetheless, investment management personnel may change. New decision-makers may then be less successful.

[Fluctuations in the net asset value of the Fund](#)

Besides the opportunities for appreciation, the assets in which the Company invests for account of the Fund also entail risks. There may be losses of value due to the market value of the assets falling versus the purchase price. If investors sell units of the Fund at a time when the prices of the Fund's assets are lower than at the time of purchase, they will not recover the full amount invested in the Fund. Although each Fund strives for steady growth, such growth cannot be

guaranteed. However, the investor's risk is limited to the loss of the amount invested. The investor has no obligation to pay more than the invested amount.

Tax risks from hedging transactions for major investors

It cannot be excluded that capital gains tax on German dividends and income from domestic equity-like profit participation rights that the investor originally obtains may not be creditable or refundable in whole or in part. The capital gains tax shall be fully credited or refunded if the investor (i) holds German equities and German equity-like profit-sharing rights for 45 days without interruption within a period of 45 days before and after the capital gain was payable (91 days in total) and (ii) bears at least 70% of the risk of a decline in value of the units or profit-participation rights without interruption throughout that entire 45-day period (so-called "45-day rule"). Furthermore, there may be no obligation to pay, directly or indirectly, the capital gain to another person (e.g. through swaps, securities lending transactions, repurchase agreements) for the purpose of offsetting capital gains tax. As a result, hedging or forward transactions that directly or indirectly hedge the risk arising from German equities or German equity-like profit participation rights may be detrimental. Hedging transactions on value and price indices are considered to be indirect hedges. To the extent that the Fund is to be considered a related party of the investor and enters into hedging transactions, such transactions may result in these being attributed to the investor, and the investor therefore failing to comply with the 45-day rule.

In the event of non-retention of capital gains tax on the corresponding income originally realised by the investor, hedging transactions of the Fund may result in being attributed to the investor and in the investor having to pay the capital gains tax to the tax office.

Company-specific risk

The price development of the securities and money-market instruments directly or indirectly held by the Fund also depends on company-specific factors, for example the issuer's business situation and its creditworthiness (solvency and willingness to pay). If the company-specific factors or creditworthiness deteriorate, the price of the respective security may drop significantly and enduringly, even if the general stock-market trend is positive.

Custodial risk

Custodial risk is the risk arising from the possibility that the Fund could be denied access, in whole or in part, to investments held in custody in the event of bankruptcy, negligence, wilful misconduct or fraudulent activity on the part of the depositary or a sub-depositary. The depositary's liability is not unlimited in the event of loss or disappearance of assets held abroad at other depositaries (see the section "Depositary").

Currency risk

If the Fund directly or indirectly holds securities that are denominated in a foreign currency, it is subject to currency risks to the extent that it has not hedged these risks. Any devaluation of the foreign currency against the base currency of the Fund would cause the value of the assets denominated in the foreign currency to fall.

Interest rate risk

Investing in fixed-rate securities is associated with the possibility that the level of market interest rates existing at the time a security is issued or acquired may change. If market interest rates rise in comparison with the interest rates at the time of issue, the prices for fixed-interest securities will fall as a rule. On the other hand, if market interest rates fall, prices for fixed-interest securities will rise. This price trend means that the current return on a fixed-interest security is roughly equivalent to the current market interest rate. These price fluctuations differ strongly, however, depending on the (residual) maturity of the fixed-interest securities. Fixed-interest securities with shorter maturities have lower price risks than fixed-interest securities with longer maturities.

In contrast, fixed-interest securities with shorter maturities generally generate lower returns than fixed-interest securities with longer maturities. Due to their short maturity of no more than 397 days, money market instruments tend to have lower

price risks. The interest rates of different financial instruments linked to interest rates and denominated in the same currency with a comparable residual maturity may also perform differently.

Sub-fund

The Feeder Fund is not a sub-fund under an umbrella construction.

Units

The rights of investors are vested exclusively in global certificates. These global certificates are deposited with a central securities depository. Investors do not have any claim on the issuing of individual units. Units may be acquired only if held in safe custody. The units are bearer certificates and represent unit-holders' claims against the Company.

Fractional units in the Feeder Fund are issued down to one thousandth of a unit, with smaller fractions being rounded. Fractional units entitle the unit-holder to proportional participation in any net income that may be distributed and in the liquidation proceeds of the respective Fund or unit class.

Unit classes

Different unit classes within the meaning of Section 16 (2) of the "General Investment Terms and Conditions" may be created for the Feeder Fund. These unit classes differ in terms of the investors who may acquire and hold units, use of income, front-end load, redemption fee, currency of the unit value including the use of currency hedging transactions, all-in fee, minimum investment or any combination of the features mentioned. Unit classes may be created at any time at the discretion of the Company.

At the time of printing this prospectus the following unit classes have actually been launched: A (EUR) and R (EUR).

Units of unit class R (EUR) may only be acquired with the consent of the Company and, in addition, only by such sales partners that are not permitted to accept or retain ongoing sales commissions (portfolio commissions) due to statutory provisions or based on special remuneration agreements with the clients involved. No version of the R or RT unit classes pays remuneration to the sales partners.

It is permitted to enter into currency hedging transactions in favour of one currency unit class only. For a currency unit class with a currency hedge in favour of this unit class's currency (reference currency) the Company may, irrespective of Section 9 of the "General Investment Terms and Conditions" and Section 4 of the "Special Investment Terms and Conditions", use derivatives on exchange rates and currencies within the meaning of Section 197 (1) KAGB with the aim of avoiding losses in unit value resulting from exchange-rate-related losses in Feeder Fund assets that are not denominated in the unit class's reference currency. Equities and equity-equivalent securities are deemed to be subject to an exchange rate risk if the currency of the country in which the issuer (or, in the case of instruments representing equities, the corporation) is domiciled is different from the reference currency of the unit class. Other assets are deemed to be subject to a currency risk if they are denominated in a currency other than the reference currency of the unit class. For currency hedged unit classes, the value of the Feeder Fund assets that are subject to a currency risk and are not hedged must not exceed 10% of the unit class value. The use of derivatives in keeping with the provisions of this sub-section must not have any effect on unit classes that are not currency hedged, or that are hedged against another currency.

Due to the different characteristics, the return the investor achieves with his investment in the Feeder Fund may vary, depending on the unit class of the units purchased. This applies to the return before and after tax.

The purchase of assets shall only be permitted for the Feeder Fund as a whole and not for individual unit classes or groups of unit classes. An exception to this shall be currency hedging transactions, whose result is attributed to certain unit classes, but has no impact on the unit value development of the other unit classes.

Fair treatment of investors

The Company must treat the investors in the Feeder Fund fairly. When controlling its liquidity risk and redeeming units, it must not prioritise the interests of one investor or a group of investors over the interests of another investor or another investor group. The procedures used by the Company to ensure fair treatment of investors are described in the sections entitled "Pricing for subscription and redemption of units" and "Liquidity management".

The Management Company and/or the depositary may, for the purpose of compliance with the Foreign Account Tax Compliance provisions of the US Hiring Incentives to Restore Employment Act ("FATCA"), be required to disclose personal data relating to certain US persons and/or non-participant FFIs to the US Internal Revenue Service or local tax authorities.

Conflicts of interest

The Company, the depositary, distributors and companies to which the Company has outsourced certain duties, or service providers, may possibly be acting in the same or a similar capacity for other funds that pursue investment objectives similar to this Feeder Fund, or otherwise be involved in such funds. For this reason it is certainly possible that one of them, when performing business-related activities, could get into a potential conflict of interests in relation to the Feeder Fund. In a situation of this type, therefore, each of them must always ensure that they fulfil their duties in accordance with their contractual obligations, and must make every effort to find an appropriate solution to these conflicts of interest. The Company has set out principles to ensure that a reasonable attempt is made in all transactions to avoid conflicts of interest and, if they cannot be avoided, to regulate them such that the Fund and its investors are treated fairly.

In addition, the above-mentioned transactions may be conducted with the Feeder Fund in its own name or on a representative basis, provided these transactions are conducted on standard market conditions and in the best interests of the investors.

Transactions are deemed as executed under normal business conditions if:

1. a certified valuation of the transaction was obtained from a person recognised by the depositary bank as independent and competent,
2. the transaction was executed under the best conditions at an organised stock exchange in accordance with the rules applicable at that exchange, or
3. if 1. and 2. are not feasible, the transaction was executed under conditions that the depositary bank believes were negotiated under normal business conditions and are customary for the industry.

Conflicts of interest may arise as a result of transactions involving derivatives, OTC derivatives or techniques and instruments for efficient portfolio management. For example, counterparties of such transactions, or representatives, intermediaries or other institutions that provide services in relation to these transactions, may be affiliated with the Company, the depositary or an outsourced company or service provider. As a consequence, these institutions may generate profits, fees or other income, or they may avoid losses through these transactions. Conflicts of interest may also arise if the collateral provided by these institutions is subject to a valuation or haircut by an affiliated party.

The Company has laid down procedures to ensure that its outsourced companies and service providers act in the best interests of the Feeder Fund when implementing trading activities and placing trade orders on behalf of the Feeder Fund in the course of managing the fund portfolio. In this respect, all reasonable measures must be taken in order that the best possible result is obtained for the Feeder Fund. The following must be taken into account in this respect: the price, the expenses, the probability of execution, the scope and nature of the order, the broker's research services for the Fund Manager or investment advisor, and all other factors that are relevant to execution of the order. Information on the Company's best execution policies and on all material changes to these policies is available to investors on request, without charge.

Issue and redemption of units

Subscription of units

There is no general restriction regarding the number of units issued. Units can be purchased from the Company, the depositary, State Street Bank International GmbH, Luxembourg branch, Fondsdepot Bank GmbH or from third parties. They are issued by the depositary at the subscription price, which is determined as the net asset value per unit plus a front-end load. However, the Company reserves the right to suspend the issue of units either temporarily or permanently.

Minimum investment

There is no minimum investment for unit classes A (EUR) and R (EUR).

Redemption of units

Irrespective of any minimum investment amount, investors may in principle request the redemption of units on every valuation day by issuing a redemption order or upon presentation of the unit certificates to the depositary, State Street Bank International GmbH, Luxembourg branch, Fondsdepot Bank GmbH or the Company itself. The Company must redeem the units for the account of the Feeder Fund at the current redemption price, which corresponds to the unit value.

Limitation of redemption

The Company may restrict the redemption of shares for a total of up to 15 consecutive working days if, on a settlement date, the investors' redemption requests amount to at least 10% of the net asset value (threshold value). If the threshold value is reached or exceeded, the Company shall decide, at its sole discretion, whether it will limit the redemption on this settlement date. If it decides to limit redemption, it may continue for up to 14 consecutive working days on the basis of a daily discretionary decision. The decision to restrict redemptions may be taken if redemption requests can no longer be executed in the interest of all investors due to the liquidity situation of the Fund. This may be the case, for example, if the liquidity of the assets of the Fund deteriorates due to political, economic or other events on the markets and is therefore no longer sufficient to fully service the redemption requests on the settlement date. In this case, restriction of redemptions can be considered a more moderate tool than total suspension of redemptions.

If the Company has decided to limit redemptions, it will only redeem units pro rata at the redemption price applicable on the settlement date. After this, the redemption obligation will not apply. This means that each redemption order is only carried out pro rata on the basis of a quota that will be determined by the Company. In the interests of the investors, the Company shall set the quota on the basis of the liquidity available and the total order volume for the respective settlement date. The amount of liquidity available largely depends on the current market environment. The quota is used to determine the percentage of redemptions that will be paid out on the settlement date. The unexecuted part of the order (remaining order) will not be executed by the Company at a later time, and will expire (pro rata approach with expiry of the remaining order).

The Company shall decide on every trading day whether and the basis upon which it will limit redemptions. The Company may restrict redemptions for a maximum of 15 consecutive working days. This does not affect the option to suspend redemptions.

The Company publishes information on restrictions on the redemption of units or the lifting of such restrictions on its website.

The redemption price corresponds to the unit value determined on that day, if applicable, less a redemption fee. The redemption may also be brokered by third parties (e.g. the institution maintaining the custody account), in which case the investor may incur additional costs.

Pricing for subscription and redemption of units

The pricing date for unit subscriptions and redemption orders shall be at the latest the second valuation date following the receipt of the unit subscription or redemption order.

Orders for units received by the Company, the custodian, the Luxembourg branch of State Street Bank International GmbH or Fondsdepot Bank GmbH by 6:00 p.m. Central European Time ("CET") or Central European Summer Time ("CEST") on a valuation day shall be priced at the subscription price that is fixed on the next valuation day, even though that price is not yet known at the time the unit order is received. Any unit orders that are received after this time shall be priced at the subscription price fixed on the next valuation day but one, even though that price is not yet known at the time when the unit order is received.

Redemption orders received by the Company, the custodian, the Luxembourg branch of State Street Bank International GmbH or Fondsdepot Bank GmbH by 6:00 p.m. Central European Time ("CET") or Central European Summer Time ("CEST") on a valuation day shall be priced at the redemption price that is fixed on the next valuation day, even though that price is not yet known at the time when the redemption order is received. Any redemption orders that are received after this time shall be priced at the redemption price fixed on the second following valuation day, even though that price is not yet known at the time when the redemption order is received.

In the case of investors who maintain their portfolio with the Company, the Depositary, State Street Bank International GmbH, the Luxembourg branch or Fondsdepot Bank GmbH, the provisions in the respective custodian agreement with the Company, the Depositary, State Street Bank International GmbH, the Luxembourg branch, or Fondsdepot Bank GmbH shall apply additionally. These provisions may include supplementary rules on the subscription and redemption prices that are applicable.

Suspension of redemptions

The Company may temporarily suspend the redemption of units in extraordinary circumstances under which, in the interest of the investors, such suspension is deemed to be necessary, or if it is not possible to value the assets of the Feeder Fund. BaFin may, moreover, order the Company to suspend the redemption of units if necessary in the interests of investors or the general public.

The Company reserves the right not to redeem the units at the prevailing price until it has sold assets of the Feeder Fund without undue delay, but while safeguarding the interest of all investors. A temporary suspension may be followed directly by dissolution of the Feeder Fund, without redemption resuming beforehand (see the section "Liquidation, transfer or merger of the Feeder Fund").

If redemption of Master Fund shares is suspended temporarily, the Company is entitled to suspend redemption of Feeder Fund units for the same period.

The Company shall inform investors in the Federal Gazette and at <https://de.allianzgi.com> about the suspension and resumption of redemptions. Furthermore, the custodian institutions are obliged to inform the investors by durable medium, such as in hard copy or electronic format.

Liquidity management

The Company has implemented a process for the regular monitoring of the liquidity situation in the Feeder Fund in order to assess the quantitative and qualitative risks of assets that are significant to the liquidity profile of the assets in the Feeder Fund. In this process, the Company monitors the liquidity situation of the Feeder Fund based, among other factors, on an assessment of the fungibility of the assets in the Feeder Fund that takes their underlying obligations and investment structure into account. The Company monitors investments in target funds, their redemption policies and any resulting effects on the liquidity of the Feeder Fund.

The Company conducts regular stress tests that enable it to evaluate the liquidity risks of the Feeder Fund. The stress tests are conducted on the basis of reliable and current quantitative data, or qualitative information if the quantitative data is insufficient. Included in this are the investment strategy, redemption periods, payment obligations and time periods within which the assets are disposed of, as well as the investor structure of the Feeder Fund, if known. The stress tests simulate insufficient liquidity in the assets of the Feeder Fund where applicable, as well as possible atypical redemption requirements. They thus account for the sensitivity of valuations under stress conditions. Stress tests are conducted at least once a year with a frequency appropriate to the type of Feeder Fund, taking the investment strategy, liquidity profile and redemption policies of the Feeder Fund into consideration.

In accordance with Section 17 (3) of the General Investment Terms and Conditions, investors may request the redemption of their units from the Company at any time. The Company shall be obliged to redeem the units for the account of the Feeder Fund at the prevailing redemption price. The redemption agent is the depositary. The Company reserves the right, in accordance with Section 17 (4) of the General Investment Terms and Conditions, to suspend the redemption of units under extraordinary circumstances when it appears that suspension is necessary in the interest of the investors. The investors shall be notified of the suspension and resumption of redemption of the units promptly by means of a durable medium after announcement in the electronic version of the Federal Gazette and on the website <https://de.allianzgi.com>. The Company has made no redemption agreements with investors that deviate from existing provisions.

Exchanges and markets

The Company may have the Feeder Fund units listed on an exchange or have them traded in organised markets; so far the Company has not done so.

It cannot be excluded that this trading is suspended in the near future or that Feeder Fund units may be introduced on other markets, possibly at short notice, or are already being traded there.

The market price that forms the basis for exchange or market trading is not determined exclusively by the value of the Feeder Fund assets, but also by supply and demand. For this reason, this market price may deviate from the calculated net asset value per unit of a unit class.

The Company is aware of the fact that – without its agreement – units of the Feeder Fund were traded at the following exchanges at the time of printing of this prospectus:

| | |
|---------|---|
| A (EUR) | Berlin Stock Exchange Düsseldorf Stock Exchange Frankfurt Stock Exchange Hamburg-Hanover Stock Exchange Munich Stock Exchange Stuttgart Stock Exchange |
| R (EUR) | - |

Determination of the subscription and redemption prices as well as the net asset value

To determine the subscription and redemption prices of the units of a given unit class, the Company shall calculate on every valuation day the value of the assets held by the Feeder Fund less the loans taken out and other liabilities (net asset value or NAV). The assets shall be valued in accordance with the principles of price determination as specified in sections 168 and 169 KAGB and the German Capital Investment Accounting and Valuation Ordinance (Kapitalanlage-Rechnungslegungs- und Bewertungsverordnung, KARBV).

Valuation days for determining the subscription and redemption prices for the units of each unit class of the Feeder Fund and for determining the net asset value of the Feeder Fund are generally any trading day. Trading days are days on which the banks and relevant markets are open all day in all countries/regions relevant to the Feeder Fund (see also Section 18 of the “General Investment Conditions”). Banks and major markets are not open all day on Saturdays and Sundays.

The relevant countries/regions and relevant markets for the Fund are:

| Relevant countries/regions | Relevant market(s) |
|----------------------------|--------------------------------|
| Germany, Hesse | Frankfurt Stock Exchange (FWB) |
| Luxembourg | Luxembourg Stock Exchange |
| USA, State of New York | New York Stock Exchange (NYSE) |

The subscription and redemption prices and the net asset value will not be calculated for the above-mentioned countries/regions on the following days because either the banks and/or markets are not open all day on these days:

- **Germany, Hesse:** 1 January, Good Friday, Easter Monday, 1 May, Ascension Day, Whit Monday, Corpus Christi, 3 October, 24 December, 25 December, 26 December and 31 December
- **Luxembourg:** 1 January, Good Friday, Easter Monday, 1 May, 9 May, Ascension Day, Whit Monday, 23 June, 15 August, 1 November, 24 December, 25 December and 26 December
- **USA:** 1 January, Martin Luther King Day (third Monday in January), Presidents’ Day (third Monday in February), Memorial Day (last Monday in May), 19 June, 4 July, Labour Day (first Monday in September), Columbus Day (second Monday in October), 11 November, Thanksgiving Day (fourth Thursday in November) and 25 December

If the banks and/or markets in one of the countries/regions mentioned are not open all day on a Saturday or Sunday that is a public holiday, the subscription and redemption prices and the net asset value will not be calculated on this day either.

In addition to the days mentioned above, there may be other days on which banks and/or markets are not open all day in the countries/regions relevant to the Feeder Fund. The closure of banks and/or markets may be caused, for example, by an unexpected and/or unforeseeable event or the introduction of a new or one-off public holiday at short notice. It may also be the case that the subscription and redemption prices and the net asset value are not calculated on such days.

The value of a unit class is the sum of the pro rata net change in the value of the Feeder Fund’s assets attributable to the unit class from the preceding valuation day and of the value of the unit class on the preceding valuation day. The value of a single unit of the unit class shall then be calculated by dividing the value of the unit class by the number of the units issued in this unit class.

The unit value shall be calculated separately for each unit class, with any expenses related to the issue of new unit classes, any distributions (including any taxes to be paid from the Feeder Fund’s assets), any all-in fees and any results of exchange-rate hedgings attributable to a certain unit class (including any income equalisation) being attributed exclusively to this unit class.

[Suspension of the calculation of subscription and redemption prices](#)

The Company may temporarily suspend the calculation of subscription and redemption prices under the same circumstances which allow a suspension of the redemption. For more detailed information, see the section “Suspension of redemptions”.

[Front-end load](#)

The subscription price includes a front-end load, which is added to the net asset value of unit class A (EUR). The front-end

Allianz Global Equity Dividend

load shall amount to 5.00% of the unit value for this unit class. The Company may, however, charge a lower front-end load.

No front-end load is currently levied on unit class R (EUR).

Particularly in the case of a short investment horizon, a front-end load may impair the performance of the Fund or even lead to losses. The front-end load is in principle a commission for the sale of the Feeder Fund units. The Company may pass on the front-end load to any intermediaries in order to compensate them for their sales efforts.

Redemption fee

There shall be no redemption fee; hence, the redemption price is equivalent to the unit value of the relevant unit class.

Publication of subscription and redemption prices

The subscription and redemption prices shall be published online on each valuation day at <https://de.allianzgi.com>.

Subscription and redemption costs

If units are issued or redeemed via third parties, these third parties may charge additional costs of their own.

Charges

For the unit classes A (EUR) and R (EUR), the Company shall receive from the Feeder Fund a daily all-in fee of 1.80% p.a. of the pro rata value of the Feeder Fund's assets, calculated on the basis of the net asset value, which is determined on each trading day. The Company may, however, charge a lower all-in fee.

In accordance with Sub-section 1, this all-in fee covers the following fees and expenses that are not charged separately to the Feeder Fund:

- fee for the management of the Feeder Fund (Fund Management, administrative activities),
- fee for the distributors of the Feeder Fund,
- the depositary's fee,
- safe-custody and account fees in line with current banking practice, including any fees charged in line with current banking practices for the custody of foreign securities abroad,
- costs for printing and dispatching the statutory sales literature (e.g. annual and semi-annual reports, prospectus) intended for the investors,
- costs for the publication of the annual and semi-annual reports, the liquidation report, the subscription and redemption prices, and distributions or accumulated income,
- costs for having the Feeder Fund audited by the Company's auditors, including the costs for a certificate stating that all tax data complies with the regulations of German tax law,
- costs for providing information to investors in the Feeder Fund by means of a durable medium, with the exception of information about fund mergers and with the exception of information about measures related to violations of investment limits or calculation errors when determining the unit value,
- fees and costs levied by government agencies in relation to the Feeder Fund,
- costs for having the success of the investment of the Feeder Fund analysed by third parties,
- costs for the redemption of coupons.

The all-in fee may be withdrawn from the Feeder Fund's assets at any time.

In addition to the fees listed above, the following expenses shall be charged to the Feeder Fund:

- costs incurred in connection with the use of securities lending programmes in line with current banking practice. The Company shall ensure that the costs of securities lending shall in no case exceed the income resulting from such transactions,
- costs for the assertion and enforcement of claims that are related to the Feeder Fund and seem to be justified, and costs for the defence of claims that are related to the Feeder Fund and do not seem to be justified,
- costs for the verification, assertion and enforcement of claims that appear to be justified for reducing, offsetting and/or reimbursing withholding taxes or other taxes and/or fiscal charges,
- taxes payable in connection with the fees payable to the Company, the depositary and third parties in connection with the expenses referred to in points 1 and 2 above in relation to administration and custody.

In addition to the aforementioned fees and expenses, the UCITS Fund is charged for the costs incurred in connection with the acquisition and disposal of assets.

The Company may, in the context of transactions, obtain research and analyses from brokers that are used for investment decisions in the best interest of investors. The Company may enter into agreements with selected brokers under which part of the fees the Company pays for the purchase or sale of assets may directly or with some delay be transferred to third parties that provide the Company with research or analysis that the Company uses for investment decisions in the best interest of investors ("Commission Sharing Agreements").

The Company usually passes on part of its all-in fee to intermediaries; such compensation may also be in the form of non-monetary benefits. This is to pay for distribution and advisory services on a commission basis and to raise the quality of these services. At the same time, the Company may receive fees or non-monetary benefits from third parties. The Company will disclose details on demand to investors on the fees and benefits granted or received.

The Company shall not receive any refunds for the fees and expenses paid to the depositary or to any third parties and charged to the Feeder Fund.

The costs charged to the Feeder Fund in the financial year shall be disclosed and reported in relation to the average volume of the Feeder Fund ("total expense ratio", TER) in the annual report. The all-in fee is considered, along with any applicable, additional costs incurred, except for the transaction costs incurred in the Feeder Fund, interest on borrowing and any performance fees. Costs incurred will not be subject to cost compensation. In addition, costs that may be incurred at the target fund level are not taken into account. The total of the expenses incurred in the period indicated is divided by the average Feeder Fund assets. The resulting percentage is the TER. Calculation complies with the method recommended in CESR Guideline 10-674 in conjunction with EU Regulation 583/2010.

While the Company does not expect any significant changes in the TER in the near term, the TER may be different in the future, for example, because of an increase in external costs outside the Company's influence.

Under MiFID II/the Securities Trading Act (WpHG), distributors must disclose to their clients the total expenses prior to providing a securities service. This total comprises the cost of the service and the Fund. MiFID II uses an extended definition of Fund costs as a basis. In particular, it includes transaction expenses in the overall cost. Some new elements, such as financing expenses or the cost of securities lending, are also added when determining ongoing expenses at Fund level. The extended definition of Fund costs also applies to ongoing client reports. The expected divergences in the cost quotation should be clarified in the prospectus. If the investor is advised by third parties when acquiring units or if such parties act as broker to the acquisition, they may quote costs or expense ratios that exceed the total expense ratio as described here. The reason for this may in particular be that the third party also takes into account the cost of its own brokerage or advice operations. In addition, the third party may also take into account non-recurring costs, such as front-end loads, and generally uses different calculation methods for the expenses incurred at Fund level, which include the Fund's transaction costs in particular. This also applies to regular cost information about the Fund investment held within a long-term advisory or other client relationship.

Special features of the acquisition of Master Fund shares

In addition to the fee for management of the Feeder Fund, fees and expenses are also charged for the shares of the Master Fund held by the Feeder Fund. The Master Fund's management company levies the following fees from the Feeder Fund, i.e. indirectly from its investors:

- All-in fee (0.45% p.a.) of share class F (EUR) of the Master Fund,
- Taxe d'abonnement (Luxembourg tax on the Master Fund's assets – 0.01% p.a.),

- Transaction costs, auditing costs and other expenses that may be charged to the Master Fund.

However, the Company shall not charge the Feeder Fund any management fee for acquired shares if the Master Fund is managed by the Company, or by another company that is affiliated to the Company by way of significant direct or indirect participation (Group-affiliated Master Fund). In this case the Company shall reduce its management fee for the proportion of the Feeder Fund that is attributable to shares in the Group-affiliated Master Fund (up to the total amount of the fee, if applicable) by the amount of the management fee charged by the acquired Group-affiliated Master Fund.

The fee charged to the Feeder Fund as a management fee for the shares of the Master Fund by its management company is disclosed in the annual and semi-annual reports. The annual report also includes a declaration on the total fees that were withdrawn from the Feeder Fund and the Master Fund.

Remuneration policy

The main components of monetary remuneration are the basic salary, which typically reflects the duties, responsibilities and experience that are required for a particular function, and an annual variable remuneration based on specific discretionary principles. The variable remuneration usually includes both an annual bonus payment in cash after the end of each performance year and a deferred component for all employees whose variable remuneration exceeds a specified threshold level.

The size of the company-wide pool for variable remuneration will depend on the company's business performance and risk position and will therefore vary every year. In this respect the allocation of specific amounts to particular employees is based in part on the performance of the employee or his department during the period under review.

The level of pay awarded to employees is linked to both qualitative and quantitative performance indicators. Quantitative indicators are based on measurable targets. Qualitative indicators take into account actions reflecting the Management Company's core values of excellence, passion, integrity and respect. Such indicators also comprise the absence of significant regulatory breaches or deviations from compliance and risk standards including AllianzGI's sustainability risk management policy.

For investment professionals, whose decisions make a real difference to delivering successful outcomes for our clients, quantitative indicators are aligned around sustainable investment performance. In particular for portfolio managers, the quantitative element is aligned with the benchmarks of the client portfolios they manage or with the client's stated investment outcome objective measured over a multi-year-framework.

For client-facing employees, goals also include client satisfaction, which is measured independently.

The amounts ultimately distributed in the framework of the long-term incentive awards depend on of the Management Company's business performance or the performance of certain investment funds over several years.

The remuneration of employees in controlling functions is not directly linked to the business performance of individual departments monitored by the controlling function.

In accordance with the applicable regulations, certain employees are included in the "identified employees" group. These include members of the Management, risk takers, employees with control functions, and all employees who, based on their overall compensation, are included in the same compensation category as members of management and risk takers whose activities have a significant impact on the risk profiles of the Management Company and the funds it manages.

Employees assigned to the “identified employees” group are subject to additional standards regarding performance management, the type of variable compensation, and the timing of payments.

Multi-year targets and deferred parts of the variable compensation ensure a long-term performance measuring. In particular, the performance of portfolio managers is measured to a large extent against quantitative return results over a multi-year-framework.

For identified employees, a significant portion of the annual variable compensation is deferred for a period of three years, starting at a defined variable compensation level. 50% of the variable compensation (deferred and not deferred) must consist of units of funds managed by the Management Company or similar instruments.

An ex-post risk adjustment allows explicit adjustments to the performance appraisal of previous years and the associated remuneration to prevent the transfer of part or all of the amount of deferred compensation (malus) or the return of ownership of a fee to the Management Company (recovery).

AllianzGI has a comprehensive risk reporting system that takes into account both current and future risks in the course of the Management Company's business activities. Risks which significantly exceed the organisation's risk appetite are presented to the Management Company's Global Remuneration Committee, which will decide, if necessary, on adjustments to the total remuneration pool.

Further details of the Company's current remuneration policy are published on the internet at <https://regulatory.allianzgi.com>. This includes a description of the calculation methods for remuneration and benefits awarded to certain groups of employees, as well as details of the persons responsible for allocation, including members of the remuneration committee. On request, the information will be made available by the Company in hard copy without charge.

Rules for the calculation and allocation of income

Use of income

For distributing unit classes, the Company shall, as a general rule, distribute to the investors the interest and income from investment units that have accrued for the account of the Feeder Fund during the financial year and that have not been required to defray expenses, subject to the requisite equalisation of income. Realised disposal gains and other income after allowing for income equalisation may also be distributed.

For accumulating unit classes, the Company shall, as a general rule, reinvest the interest, income from investment units and other income and realised disposal gains that have accrued for the account of the Feeder Fund during the financial year and that have not been required to defray expenses, subject to the requisite equalisation of income.

Income equalisation procedure

The Company shall use a procedure for income equalisation for the unit classes of the Feeder Fund. This prevents fluctuation of the share of distributable income due to inflows and outflows. Otherwise any inflows to the Feeder Fund during the course of a financial year would result in less income per unit being available for distribution on the distribution dates than would be the case if the number of units in circulation remained constant. By contrast, outflows would result in more income per unit being available for distribution than would be the case if the number of units in circulation remained constant.

In order to prevent this, the distributable income and/or capital gains/losses realised during the financial year, which purchasers of Fund units have to pay for as part of the subscription price and which sellers of unit certificates are refunded

as part of the redemption price, are continuously calculated and set as distributable positions in the calculation of income. The expenses incurred are taken into account in calculating the income equalisation.

The equalisation procedure helps to smooth changes in the relation between income and realised capital gains/losses on the one hand and other assets on the other which may result from net liquidity inflows or outflows due to unit sales or redemptions. Otherwise, any net inflow of liquidity would reduce the share of income and/or realised capital gains/losses in the net asset value of the Feeder Fund, and every net outflow would increase it.

In the end, the equalisation procedure ensures that, in the case of accumulating unit classes, the amount to be reinvested per unit is not affected by the number of outstanding units and that, in the case of distributing unit classes, the distribution per unit is not affected by unpredictable Feeder Fund performance or the number of outstanding units. In this context it is accepted that investors who, for example, buy units shortly before the distribution date, get back that portion of the subscription price accounted for by income in the form of a distribution, even though the capital they invested played no part in generating that income.

Financial year and distributions

End of the Feeder Fund's financial year

The Feeder Fund's financial year ends on 31 December.

Distribution mechanism

For unit classes A (EUR) and R (EUR), the Company shall regularly distribute the income from interest payments and Fund units that has accrued to the Feeder Fund during the financial year and has not been used to cover expenses, annually within three months after the end of the financial year. Capital gains and other income may be eligible for distribution as well. The amount and the date of the distribution shall be determined by the Company at its own discretion within the framework outlined above.

Crediting of distributions

If the units are deposited in a securities account with the depositary, the depositary's branches will credit any distributions to the account (depositary account) or cash the coupons free of charge. If the securities account is maintained at other banks or savings banks or if coupons are cashed there, additional expenses may be charged.

Liquidation, transfer and merger of the Feeder Fund

Preconditions for the liquidation or transfer of the Feeder Fund

The investors are not entitled to demand that the Feeder Fund be liquidated. However, the Company may terminate the management of the Feeder Fund by making an announcement to this effect in the Federal Gazette and also in the annual or semi-annual report at least six months in advance. Furthermore, the custodian institutions are obliged to inform the investors by durable medium, such as in hard copy or electronic format. The same may be done with regard to a unit class of the Feeder Fund.

If the Master Fund is liquidated, this Feeder Fund must also be liquidated unless BaFin, on the request of the Company, approves its continued existence with another master fund or as a normal fund that must not concentrate its investments in a master fund. If the Feeder Fund is also to be liquidated, the Company must notify BaFin of this no later than two months after it learns about the planned liquidation of the Master Fund and must notify the investors promptly by means of announcement in the Federal Gazette. Furthermore, the custodian institutions shall inform the investors about the planned liquidation in written or electronic form. If the Company is notified of liquidation of the Master Fund by its Management Company more than five months before it begins, the Company must inform BaFin and the investors no later than three months before liquidation of the Master Fund begins.

If the Master Fund is merged with another fund, this feeder fund must be liquidated unless BaFin, on the request of the Company, approves its continued existence with the fund that emerges from the merger as a master fund, with another master fund, or as a normal fund that must not concentrate its investments in a master fund. If the Feeder Fund is to be liquidated, the Company must notify BaFin of this no later than one month after it learns about the planned merger of the Master Fund and must notify the investors promptly by means of announcement in the Federal Gazette. Furthermore, the custodian institutions shall inform the investors about the planned liquidation in written or electronic form. If the Company is notified of the merger of the Master Fund more than four months in advance by its Management Company, the Company must inform BaFin and the investors no later than three months before the merger of the Master Fund.

Moreover, the Company's right to manage the Feeder Fund will lapse if bankruptcy proceedings have been opened against the Company's assets or if a petition for bankruptcy has been rejected for lack of assets pursuant to Section 26 of the German Insolvency Act (Insolvenzordnung).

When the Company's management right lapses, the right to manage the Feeder Fund is transferred to the depositary. This office shall then liquidate the Feeder Fund or, after having obtained approval from BaFin to this effect, transfer the management to another investment management company.

Investor rights on liquidation of a feeder fund

The subscription and redemption of units is discontinued. Any receipts from the sale of the assets of the Feeder Fund less the expenses to be charged to the Feeder Fund and the liquidation-related expenses shall be distributed among the investors, with the latter being entitled to receive distributions from the liquidation revenues according to the number of units they have held in the Feeder Fund.

The depositary shall be entitled to deposit unclaimed liquidation proceeds at the local court responsible for the Company.

The Company shall draw up a liquidation report for the date on which its right to manage the Fund lapses. The liquidation report shall comply with all requirements for an annual report. No later than three months after the Feeder Fund liquidation date, the liquidation report shall be published in the Federal Gazette. As long as the depositary is administering the Feeder Fund, it shall prepare annually, and on the day on which its administration ceases, a report that meets the requirements of an annual report. These reports also need to be published no later than three months after the reporting date in the Federal Gazette.

Transfer of the Feeder Fund

The Company may transfer the Feeder Fund to another investment management company. The transfer shall require the prior approval of BaFin. The approved transfer shall be published in the Federal Gazette (Bundesanzeiger) and additionally in the Feeder Fund's annual or semi-annual report. Furthermore, the custodian institutions shall inform the investors about the planned transfer by durable medium, such as hard copy or electronic format. The date on which the transfer becomes effective is determined by the contractual agreements between the Company and the receiving investment management company. However, the transfer shall come into effect three months after publication in the Federal Gazette (Bundesanzeiger) at the earliest. All the rights and obligations of the Company in relation to the Feeder Fund shall then pass to the receiving investment management company.

Requirements for merging all assets of the Feeder Fund

All assets of the Feeder Fund may, with the approval of BaFin, be transferred to another existing UCITS or one that is newly established by virtue of a merger. This UCITS must be issued in Germany or in another EU or EEA state. In addition, all the assets may be transferred to an existing German investment stock corporation with variable capital, or one that is newly established through a merger. The transfer is effective to the Feeder Fund's financial year-end, unless another transfer date is scheduled.

Investor rights on the merger of feeder funds

At least 30 days before the redemption or conversion deadline for their units, the Company shall provide investors in the Feeder Fund with information by durable medium, such as in hard copy or electronic format, on the reasons for the merger, the potential effects on investors, their rights in connection with the merger and the main procedural aspects. The investors will also receive the basic information sheet for the Feeder Fund that either already exists or is newly established through the merger.

Up to five working days before the planned transfer date, investors will have the opportunity of either redeeming their units without being subject to a redemption fee or of exchanging their units against units in another fund or foreign investment fund that is also managed by the Company or a company in the same group and pursues a similar investment policy as this Feeder Fund.

At the transfer date, the value of the receiving and of the transferring Feeder Fund or investment fund shall be calculated, the exchange ratio shall be fixed and the complete transaction shall be examined by the auditor. The exchange ratio shall be calculated on the basis of the net asset value of the transferring and of the receiving funds at the time of the transfer. Investors shall receive units in the new fund according to the value of the units they held in the transferred feeder fund.

The Company will announce, in the Federal Gazette and furthermore on its website <https://de.allianzgi.com>, when this Fund has taken over another fund and the merger has become effective. If this Fund ceases to exist as a result of a merger, the company managing the absorbing fund or the newly established fund will be responsible for the announcement.

Overview of key tax regulations for investors

The following overview of tax regulations applies only to investors who are fully liable to tax in Germany. These are also referred to below as German residents. For foreign investors, we recommend consulting their tax advisors and informing themselves about any tax liabilities they may incur in their country of residence due to their investment in the Fund before purchasing units in this Fund. Foreign investors are investors who are not fully liable to German tax. They are referred to below as non-residents.

As a special-purpose fund, the Fund is generally exempt from corporation tax and trade tax. However, it is partially subject to corporation tax through its German income from investments and other German income within the context of limited income tax liability, with the exception of gains from the sale of units to corporate entities. The tax rate is 15%. If the taxable income is taxed by deducting capital gains tax, the tax rate of 15% already includes the solidarity surcharge.

However, investment income is regarded as capital income for income tax purposes at the level of private investors to the extent that this income, together with other capital gains, exceeds the tax-free amount for savers of currently EUR 801 (for single people or couples who file their tax returns individually) or EUR 1,602 (for couples who file their tax returns jointly). The draft 2022 Annual Tax Act plans for an increase to EUR 1,000 or EUR 2,000 from 2023 onwards.

In principle, capital income is subject to a withholding tax of 25% (plus a solidarity surcharge and church tax, if applicable). Capital income also includes any income from investment funds (investment income), i.e. distributions from the Fund, advance lump sums and gains from the sale of units.

In principle, the withheld tax is equivalent to the final tax debt (final withholding tax) for private investors, so capital income will no longer have to be included in the income tax return. In principle, when the tax is withheld by the custodian institution, offsetting losses and foreign withholding tax originating from direct investments are already taken into account.

However, the withheld tax will not be final if the personal tax rate of the investor is below the final withholding tax rate of 25%. In that case, investors can include their capital income in their income tax return. The financial authorities will then

use the lower personal tax rate to calculate the tax debt and offset the withheld amount against the personal tax debt (assessment on the basis of the most favourable provision for the taxpayer).

If no tax has been withheld on capital income (for example because the income stems from the sale of Fund units held in a securities account abroad), the capital income shall be included in the tax return. The capital income shall then be taxable either at the final withholding rate of 25% or at the lower personal tax rate.

Where the units are held as part of a unit-holder's business assets, the income is treated as business income for tax purposes.

Units held as personal assets (German residents)

Distributions

The Fund's distributions are generally subject to tax.

Since the Fund meets the tax criteria for an equity fund, however, 30% of distributions are tax-free.

The taxable distributions are generally subject to withholding tax of 25% (plus solidarity surcharge and, if applicable, church tax).

No tax is withheld if the investor is a German resident for tax purposes and an appropriate exemption application (Freistellungsauftrag) has been submitted, provided that the taxable portion of such income does not exceed EUR 801 in the case of individually filed tax returns, or EUR 1,602 in the case of jointly filed tax returns for married couples. The draft 2022 Annual Tax Act plans for an increase to EUR 1,000 or EUR 2,000 from 2023 onwards.

The same also applies if a non-assessment certificate is submitted for persons who are not expected to be subject to income tax.

If the German investor's units are held in a German securities account, the custodian institution maintaining the account will not withhold tax in its capacity as the paying agent if it is presented with an exemption application (completed using official forms) for a sufficient amount before the specified distribution date, or with a non-assessment certificate that has been issued by the tax authorities for a maximum period of three years. In this case, the investor will be credited the total amount of the distribution, with no tax being withheld.

Advance lump sums

The advance lump sum is the amount by which the distributions made by the Fund within a calendar year fall below the base income for that calendar year. The base income is calculated by multiplying the unit redemption price at the start of a calendar year by 70% of the base interest rate as derived from the return on public-sector bonds that can be obtained over the long term. The base income is limited to the excess amount. This is calculated as the redemption price between the first and last price established in the calendar year, plus distributions within the calendar year. In the year in which the units are acquired, the advance lump sum is reduced by one twelfth for each full month preceding the month of acquisition. The advance lump sum is considered to have been received on the first working day of the following calendar year. Advance lump sums are generally subject to tax.

Since the Fund meets the tax criteria for an equity fund, however, 30% of advance lump sums are tax-free.

Taxable advance lump sums are generally subject to withholding tax of 25% (plus a solidarity surcharge and, if applicable, church tax).

No tax is withheld if the investor is a German resident for tax purposes and an appropriate exemption application (Freistellungsauftrag) has been submitted, provided that the taxable portion of such income does not exceed EUR 801 in the case of individually filed tax returns, or EUR 1,602 in the case of jointly filed tax returns for married couples. The draft 2022 Annual Tax Act plans for an increase to EUR 1,000 or EUR 2,000 from 2023 onwards.

The same also applies if a non-assessment certificate is submitted for persons who are not expected to be subject to income tax.

If the German investor's units are held in a German securities account, the custodian institution maintaining the account will not withhold tax in its capacity as the paying agent if it is presented with an exemption application (completed using official forms) for a sufficient amount before the specified date of receipt, or with a non-assessment certificate that has been issued by the tax authorities for a maximum period of three years. Tax is not payable in this case. Otherwise, the investor must make the amount of tax payable available to the German custodian institution. In order to do so, the custodian institution may collect the amount of tax payable from an account that it maintains in the name of the investor without the investor's consent being required. Unless the investor raises an objection before receipt of the advance lump sum, the custodian institution may collect the amount of tax payable from an account held in the name of the investor, as an overdraft facility agreed with the investor was not used for this account. If an investor fails to comply with their obligation to make the amount of tax payable available to the German custodian institution, the custodian institution must notify the competent tax office in this respect. In these circumstances, investors must declare the advance lump sum in their income tax return.

Capital gains at investor level

If Fund units are sold, any capital gains will be subject to the withholding tax of 25%.

Since the Fund meets the tax criteria for an equity fund, however, 30% of capital gains are tax-free.

If the units are held in a German securities account, the custodian institution maintaining the account will withhold the withholding tax, taking any partial exemptions into account. The withholding tax of 25% (plus solidarity surcharge and, if applicable, church tax) can be avoided by presenting an adequate exemption application or non-assessment note. If a private investor sells such units at a loss, the loss can be used to offset other positive capital income. If the units are held by a German custodian institution and positive capital income was generated at the same custodian institution in the same calendar year, the custodian institution shall offset the loss.

When calculating the amount of the capital gain, the advance lump sums applied during the investment period shall be deducted from the gain.

Units held as part of business assets (German residents)

Tax-exempt share class

A share class is tax-exempt insofar as the units in a share class may only be acquired or held by a tax-privileged investor if that investor is a domestic corporate entity, an association of persons or an estate that, in accordance with its articles of incorporation and by-laws, foundation deed of trust or other constitution instrument, solely and directly serves non-profit, charitable or religious purposes, and is actually administered accordingly, or if it is a legal entity under public law that solely and directly serves religious interests; this shall not apply if the units are held in a for-profit business operation. The same applies to comparable foreign investors with their registered office and management in a foreign state that provides official assistance and recovery services.

A share class is also tax-exempt insofar as the shares therein are held only or in addition to the above-mentioned tax-privileged investors, held in connection with pension provision agreements or basic pension agreements in accordance with the German Pension Contracts Certification Act (Altersvorsorgeverträge-Zertifizierungsgesetz).

The preconditions for the tax exemption of a share class are that investors provide the Fund with appropriate proof of their tax exemption, that the investment conditions only permit shares in such a class to be returned to the investment fund, and that the transfer of shares in such a class is excluded.

Furthermore, as regards the exemption from corporate income tax payable at fund level on German dividends and on income from German equity-related profit-sharing rights, the exemption essentially requires that German equities and German equity-related profit-sharing rights were held by the Fund as the beneficial owner for an uninterrupted period of 45 days within a period of 45 days before and after the capital gain has become due and payable and that the minimum risk of changes in value remains at a constant 70% throughout that entire 45-day period.

Tax exemption amounts (Section 12 (1) InvStG) that the Company receives in connection with management of the Fund and that are attributable to income from the aforementioned share classes are generally payable to the investors in these share classes. In derogation of this procedure, the Management Company is entitled to allocate the exemption amounts directly to the Fund, in favour of the investors in this share class; no new shares are issued as a result of this allocation.

Reimbursement of the Fund's corporation tax

The corporate income tax incurred at Fund level may be reimbursed to the Fund for forwarding to an investor if the investor is a domestic corporate entity, an association of persons or an estate that, in accordance with its articles of incorporation and by-laws, foundation deed of trust or other constitution instrument, solely and directly serves non-profit, charitable or religious purposes, and is actually administered accordingly, or if it is a legal entity under public law that solely and directly serves religious interests; no such refunding shall take place, however, if the units are held in a for-profit business operation. The same applies to comparable foreign investors with their registered office and management in a foreign state that provides official assistance and recovery services. The prerequisite for this is that such an investor submits a corresponding application and corporate income tax incurred is proportionally attributable to the investor's holding period. Additionally, the investor must be the legal and beneficial owner of the units for at least three months before receiving the proceeds of the Fund subject to corporate income tax without any obligation to transfer the units to any other person. Furthermore, with regard to the corporate income tax payable at the Fund level on German dividends and on income from German equity-related profit-sharing rights, the refund essentially requires that German equities and German equity-related profit-sharing rights were held by the Fund as the beneficial owner for an uninterrupted period of 45 days within a period of 45 days before and after the capital gain has become due and payable and that the minimum risk of changes in value remains at a constant 70% throughout that entire 45-day period (so-called "45-day rule").

The refund application must be accompanied by proof of tax-exempt status and a statement on the investment units held issued by the institution maintaining the custody account. The statement of investment fund unit holdings is an official certificate drawn up on the number of shares held by the investor throughout the calendar year as well as the timing and extent of any purchases and sales of units during the calendar year.

The corporate income tax incurred at the Fund level may also be refunded to the Fund for forwarding to an investor provided the units in the Fund are held within the framework of individual retirement arrangements or basic pensions that have been certified in accordance with the German Pension Contracts Certification Act (Altersvorsorgeverträge-Zertifizierungsgesetz). This requires the provider of an individual retirement arrangement or basic pension contract to notify the Fund at least one month before the end of the Fund's financial year about the dates and amounts of units that were acquired or sold. In addition, the above-mentioned 45-day rule must be taken into account.

There is no obligation on the part of the Fund or the Company to have the corresponding corporation tax refunded for forwarding to the investor. In particular, the Fund or the Company is free to make the application for such a refund subject to a minimum investor-related amount of the expected refund amount and/or to the agreement of a processing fee.

Due to the high degree of complexity of the regulation, it is advisable to consult a tax adviser.

Distributions

The Fund's distributions are generally subject to income tax and/or corporation and trade tax.

Since the Fund meets the tax criteria for an equity fund, however, 60% of distributions are tax-free for the purposes of income tax and 30% are tax-free for the purposes of trade tax, if the units are held by natural persons as part of business assets. In the case of taxable corporations, 80% of distributions are generally tax-free for the purposes of corporation tax, and 40% are tax-free for the purposes of trade tax. For corporations that are life or health insurance companies or pension funds in which units are to be allocated to investments, or that are credit institutions in which units are to be allocated to the trading portfolio within the meaning of Section 340e (3) of the German Commercial Code (HGB) or are to be reported as current assets at the time of their addition to business assets, 30% of distributions are tax-free for the purposes of corporation tax and 15% for the purposes of trade tax.

The distributions are generally subject to withholding tax of 25% (plus solidarity surcharge).

Since the Fund meets the tax criteria for an equity fund, the 30% partial exemption is taken into account when withholding taxes.

Advance lump sums

The advance lump sum is the amount by which the distributions made by the Fund within a calendar year fall below the base income for that calendar year. The base income is calculated by multiplying the unit redemption price at the start of a calendar year by 70% of the base interest rate as derived from the return on public-sector bonds that can be obtained over the long term. The base income is limited to the excess amount. This is calculated as the redemption price between the first and last price established in the calendar year, plus distributions within the calendar year. In the year in which the units are acquired, the advance lump sum is reduced by one twelfth for each full month preceding the month of acquisition. The advance lump sum is considered to have been received on the first working day of the following calendar year.

Advance lump sums are generally subject to income tax and/or corporation and trade tax.

Since the Fund meets the tax criteria for an equity fund, however, 60% of advance lump sums are tax-free for the purposes of income tax and 30% are tax-free for the purposes of trade tax, if the units are held by natural persons as part of business assets. In the case of taxable corporations, 80% of advance lump sums are generally tax-free for the purposes of corporation tax, and 40% are tax-free for the purposes of trade tax. For corporations that are life or health insurance companies or pension funds in which units are to be allocated to investments, or that are credit institutions in which units are to be allocated to the trading portfolio within the meaning of Section 340e(3) of the German Commercial Code (HGB) or are to be reported as current assets at the time of their addition to business assets, 30% of the advance lump sums are tax-free for the purposes of corporation tax and 15% for the purposes of trade tax.

The advance lump sums are generally subject to withholding tax of 25% (plus solidarity surcharge).

Since the Fund meets the tax criteria for an equity fund, the 30% partial exemption is taken into account when withholding taxes.

Capital gains at investor level

Gains from the sale of units are generally subject to income tax and/or corporation and trade tax. When calculating the amount of the capital gain, the advance lump sums applied during the investment period shall be deducted from the gain.

Since the Fund meets the tax criteria for an equity fund, however, 60% of capital gains are tax-free for the purposes of income tax and 30% are tax-free for the purposes of trade tax, if the units are held by natural persons as part of business assets. In the case of taxable corporations, 80% of capital gains are generally tax-free for the purposes of corporation tax, and 40% are tax-free for the purposes of trade tax. For corporations that are life or health insurance companies or pension funds in which units are to be allocated to investments, or that are credit institutions in which units are to be allocated to the trading portfolio within the meaning of Section 340e (3) of the German Commercial Code (HGB) or are to be reported as current assets at the time of their addition to business assets, 30% of capital gains are tax-free for the purposes of corporation tax and 15% for the purposes of trade tax.

Gains from the sale of units are generally not subject to withholding tax.

Negative tax income

Negative tax income from the Fund cannot be directly allocated to the investor.

Taxation during the winding-up process

During the liquidation of the Fund, distributions in a calendar year are regarded as tax-free capital repayments only to the extent that the last redemption price fixed in the calendar year is lower than the amortised cost.

Summary for taxation of typical business investor groups

| | Distributions | Advance lump sums | Capital gains |
|---|---|-------------------|---------------------------------|
| German investors | | | |
| Individual entrepreneurs | Capital gains tax: 25% (the partial exemption for equity funds in the amount of 30% or for balanced funds in the amount of 15% will be considered if necessary) | | Capital gains tax: Exemption |
| | Material taxation: Income tax and trade tax, if applicable taking partial exemptions into account (equity funds 60% for income tax/30% for trade tax; balanced funds 30% for income tax/15% for trade tax) | | |
| Corporations subject to standard taxation (typically industrial companies; banks, unless units are held in the trading portfolio; property insurance companies) | Capital gains tax: Withdrawal from banks, otherwise 25% (partial exemption for equity funds in the amount of 30% or for balanced funds in the amount of 15% will be considered if necessary) | | Capital gains tax: Exemption |
| | Material taxation: Corporation tax and trade tax, if applicable taking partial exemptions into account (equity funds 80% for corporation tax/40% for trade tax; balanced funds 40% for corporation tax/20% for trade tax) | | |
| Life and health insurance companies and pension funds in which the Fund units belong to the investment scheme | Capital gains tax: Exemption | | |
| | Material taxation: Corporation tax and trade tax, unless a reserve for premium refunds is included on the commercial balance sheet and must also be recognised for tax purposes, if applicable taking partial exemptions into account (equity funds 30% for corporation tax/15% for trade tax; balanced funds 15% for corporation tax/7.5% for trade tax) | | |
| Banks holding the Fund units in the trading portfolio | Capital gains tax: Exemption | | |
| | Material taxation: Corporation tax and trade tax, if applicable taking partial exemptions into account (equity funds 30% for corporation tax/15% for trade tax; balanced funds 15% for corporation tax/7.5% for trade tax) | | |
| Tax-exempt non-profit, charitable or church investors (in particular, churches, not-for-profit foundations) | Capital gains tax: Exemption | | |
| | Material taxation: | | |

| | Distributions | Advance lump sums | Capital gains |
|---|--|-------------------|---------------|
| German investors | | | |
| | Tax-free – additionally, the corporation tax incurred at Fund level may be refunded upon request, subject to particular conditions | | |
| Other tax-exempt investors (in particular pension funds, funeral expense funds and relief funds, provided the requirements stipulated in the German Corporation Tax Act (Körperschaftsteuergesetz) have been met) | Capital gains tax: Exemption | | |
| | Material taxation: Tax-free | | |

German safe custody is assumed. A solidarity surcharge is levied as a supplementary tax on the capital gains tax, income tax and corporation tax. For the exemption from capital gains tax, it may be required that certificates be submitted to the custodian institution in good time.

Non-residents

If a non-resident taxpayer holds Fund units at a German custodian institution, no tax is deducted from distributions, advance lump sums or gains from the sale of units, provided investors can present evidence of their non-residency. If the investor's non-resident status is not brought to the attention of the custodian institution maintaining the securities account, or if proof of such status is not supplied in time, the foreign investor will have to apply for a refund of the withholding tax pursuant to the German Fiscal Code (Abgabenordnung, AO) (Section 37 (2) AO). Such proof must be sent to the tax office responsible for the custodian institution maintaining the securities account.

Solidarity surcharge

A solidarity surcharge of 5.5% is tax deducted from the distributions, advance lump sums and gains from the sale of units. The solidarity surcharge can be offset against the income tax and corporate tax liability.

Church tax

If the income tax debt is paid by the withholding tax deducted by the German custodian institution that maintains the securities amount, the applicable church tax is normally levied in addition to the withholding tax and pursuant to the church tax rate for the religious community to which the church taxpayer belongs. Church tax is taken into account as a special expense at the time of deduction of the withholding tax.

Foreign withholding tax

Withholding tax may be deducted from the income of a Fund generated abroad. Investors must not take this withholding tax into account to reduce their tax liability.

Consequences of the merger of funds

If a German fund is merged with another German fund, hidden reserves are revealed neither at the level of the investors nor at the level of the participating funds; i.e., the merger is tax-neutral. The same applies to the transfer of all the assets of a German fund to a German investment stock corporation with variable capital or a sub-fund of a German investment stock corporation with variable capital. If investors of the fund being transferred receive a cash payment as provided for in the merger plan (Section 190 (2) no. 2 KAGB), this should be treated as a distribution.

If the applicable partial exemption rate of the transferring investment fund differs from that of the acquiring investment fund, the investment unit of the transferring investment fund shall be deemed to have been sold and the investment unit of the acquiring investment fund shall be deemed to have been acquired. The profit from the notional sale shall only be deemed as accrued once the investment unit of the acquiring investment fund has actually been sold.

Automatic exchange of information in tax matters

The significance of automatic exchange of information in combatting cross-border tax fraud and cross-border tax evasion has increased considerably on an international level in recent years. As a result, among other measures, the OECD published a global standard for the automatic exchange of information on financial accounts in tax matters (Common Reporting Standard, "CRS" below). The CRS was also incorporated into Directive 2011/16/EU on administrative cooperation in the field of taxation (automatic exchange of information) at the end of 2014, through Directive 2014/107/EU of the Council dated 9 December 2014. The participating states (all EU member states and quite a few other third states) now apply the CRS. Only a few states (e.g. Austria and Switzerland) will be permitted to apply the CRS one year later. Germany has transposed the CRS into German law through the Financial Accounts – Exchange of Information Act (Finanzkonten-Informationsaustauschgesetz) of 21 December 2015.

The CRS requires the relevant financial institutions (mainly credit institutions) to obtain certain information about their clients. If the clients (natural persons or legal entities) are persons subject to reporting requirements who are domiciled in other participating states (this does not include listed companies or financial institutions, for example), their accounts and securities accounts are classified as being subject to mandatory reporting. The reporting financial institutions will then transfer certain specified information to their home tax authority for each account that is subject to reporting requirements. The tax authority then transfers the information to the client's home tax authority.

The main items in the transferred information are the personal data of the client who is subject to mandatory reporting (name; address; tax identification number; date and place of birth (for natural persons); country of domicile) and information about accounts and securities accounts (e.g. account number; account balance or account value; total gross amount of income such as interest, dividends or distributions from investment funds); total gross income from the sale or redemption of financial assets (including fund units)).

This therefore specifically affects investors who are subject to mandatory reporting and who hold an account and/or securities account at a credit institution domiciled in a participating state. As a result, German credit institutions will report information about investors domiciled in other participating states to the Federal Central Tax Office (Bundeszentralamt für Steuern), which will forward the information to the respective tax authorities in investors' countries of domicile. In the same way, credit institutions in other participating states will report information about investors domiciled in Germany to their respective home tax authority, which will forward the information to the Federal Central Tax Office. Lastly, it is possible that credit institutions domiciled in other participating states will report information to their respective home tax authority about investors who are in turn domiciled in other participating states. The home tax authority would then forward information to the respective tax authorities in the investors' country of domicile.

General note

The tax information presented here is based on current legislation. It is intended for persons with unlimited income tax or unlimited corporation tax liability in Germany. However, no assurance can be given that the tax implications will not change as a result of new legislation, court decisions or ordinances adopted by the tax authorities.

Tax effects of investing in a Master Fund at the level of the Feeder Fund

If the Fund earns income from units in other investment funds (target funds), the tax assessment shall generally be carried out as if the Fund had itself earned the income of the target funds. Non-transparent taxation can also apply if the notification requirements pursuant to Section 5 (1) InvStG are not satisfied by the target funds. The asset structure of the target funds shall be used as the basis for determining the equity profit and real estate profit.

Taxation in the People's Republic of China

Corporation tax

If the Fund's Management Company or the Fund itself is considered to be a company resident in the People's Republic of China for tax purposes, it will be liable for PRC corporation tax of 25% of its global taxable income. If the Fund's Management Company or the Fund itself is considered to be a company not resident in the People's Republic of China for tax purposes but with a permanent establishment or a place of business in the People's Republic of China, the gains generated within the People's Republic of China will be subject to corporation tax of 25%.

Under the Corporation Tax Act, which entered into force in the People's Republic of China on 1 January 2008, a company not resident in the People's Republic of China for tax purposes with no permanent establishment in the People's Republic of China is generally subject to withholding tax of 10% on its income generated within the People's Republic of China, including passive income (e.g. dividends, interest, income from the transfer of assets, etc.).

The Fund's Management Company and the Fund's investment manager intend to operate and manage the Fund's Management Company or the Fund itself in such a way that the Fund's Management Company or the Fund itself will not be treated as a company resident in the People's Republic of China for tax purposes nor as a company not resident in the People's Republic of China for tax purposes but with a permanent establishment in the People's Republic of China for corporation tax purposes, although uncertainties with regard to the tax legislation and practice in the People's Republic of China mean that there is no guarantee of this result.

(i) Interest

Except in cases where there is an exemption in effect, companies that are not resident in the People's Republic of China for tax purposes are subject to PRC withholding tax on interest payments on debt instruments issued by companies resident in the People's Republic of China for tax purposes, including on bonds issued by companies established in Mainland China. The generally applicable rate of withholding tax is 10%, subject to reduction under the applicable double taxation conventions and agreements with the PRC tax authorities.

Interest on government bonds issued by the competent financing office of the State Council or on municipal government bonds approved by the State Council are exempt from PRC corporation tax under the PRC Corporation Tax Act.

Pursuant to a tax circular jointly published by the Ministry of Finance of the People's Republic of China ("MoF") and the State Administration of Taxation of the People's Republic of China ("SAT") on 7 November 2018, namely the circular on corporation tax and VAT policy for foreign institutions that invest in onshore bond markets ("Circular 108"), foreign institutional investors are temporarily exempted from corporation tax in the People's Republic of China on interest income earned on bonds obtained between 7 November 2018 and 6 November 2021 on the bond market of the People's Republic of China. Bond interest generated by the onshore companies/institutions of foreign investors and directly linked to these onshore companies/institutions does not fall within the scope of this exemption from corporation tax in the People's Republic of China. However, there is no guarantee that such temporary tax exemption will continue to apply, will not be repealed and retroactively reimposed, or that new tax regulations and practices specifically relating to the PRC bond market will not be enacted in China in the future.

(ii) Dividends

Under the current PRC Corporation Tax Act, companies not resident in the People's Republic of China for tax purposes are subject to PRC withholding tax on cash dividends and special distributions paid out by companies resident in the People's Republic of China for tax purposes. The generally applicable rate of withholding tax is 10%, subject to reduction under the applicable double taxation conventions and agreements with the PRC tax authorities.

(iii) Capital gains

Under the Corporation Tax Act and its implementing rules, “income from the transfer of assets” in the People’s Republic of China by companies not resident in the People’s Republic of China for tax purposes is liable for PRC withholding tax of 10%, subject to exemption or reduction under the applicable double taxation conventions and agreements with the PRC tax authorities.

The MoF, SAT and China Securities Regulatory Commission (“CSRC”) have issued joint circulars to clarify the taxation of Stock Connect, under which capital gains from the transfer of Chinese A-shares are temporarily exempted from withholding tax in the People’s Republic of China. On 31 October 2014, the MoF, SAT and CSRC issued the circular Caishui [2014] No. 79 (“Circular 79”) to clarify the taxation of capital gains from the transfer of investment assets in the People’s Republic of China by QFIs and RQFIs. Pursuant to Circular 79, in the case of QFIs and RQFIs with no permanent establishment in the People’s Republic of China or those with a permanent establishment in the People’s Republic of China where the income generated in this way is not in effect linked to that establishment, capital gains generated from the transfer of investment assets such as Chinese A-shares on or after 17 November 2014 are temporarily exempted from withholding tax in the People’s Republic of China. However, capital gains generated by QFIs and RQFIs before 17 November 2014 are subject to withholding tax in the People’s Republic of China in accordance with the provisions of the Act. The MoF, SAT and CSRC jointly issued the circulars Caishui [2014] No. 81 and Caishui [2016] No. 127 to clarify the taxation of Stock Connect, under which capital gains from the transfer of Chinese A-shares via Stock Connect are temporarily exempted from withholding tax in the People’s Republic of China.

Based on verbal statements from the PRC tax authorities, income generated by foreign investors (including FIIs) from investments in fixed-income securities from the People’s Republic of China is not considered to be income attributable to the People’s Republic of China and should therefore not be subject to PRC withholding tax. However, there are no written tax regulations from the PRC tax authorities to substantiate this statement. In practice, the PRC tax authorities have not levied any PRC withholding tax on capital income generated by FIIs from trade in fixed-income securities, even where these have been traded via the CIBM.

In light of the above and on the basis of the recommendations of consultants and independent tax advisers, the Management Company or the relevant investment manager (if applicable) intends to:

- create a reserve for 10% withholding tax on dividends from Chinese A-shares and interest on debt instruments issued by PRC companies if this withholding tax has not been directly withheld; and
- not to create a reserve for PRC withholding tax on realised and unrealised gross capital gains from trade in Chinese A-shares and non-share-based investments such as PRC debt instruments.

Given the possibility of a change in the tax regulations or their interpretation and of the retroactive levying of taxes, any tax reserve created by the investment manager could prove at any given time to be too high or too low to meet the PRC tax liabilities associated with the Management Company’s or the Fund’s capital investments in the People’s Republic of China. As a result, investors may experience advantages or disadvantages depending on the actual calculation and taxation of such gains and income, the reserves set aside by the investment manager for taxation purposes and the timing of subscription or redemption of their holdings in/from the Management Company or the Fund. If there is a change in the tax requirements or environment leading to a lack of adequate coverage of actual or potential tax liabilities on the part of the investment manager, the existing investors at that time and any new investors will be disadvantaged because the Management Company or the Fund will need to cover the difference between the withholding tax reserve held at that time and the tax liabilities under the new regime. Conversely, those investors who redeemed their units under the old regime will be disadvantaged by the change in tax requirements or environment if it leads to surplus coverage on the part of the investment manager, because they will have contributed to that surplus coverage. In such cases, the existing

investors at that time and any new investors would benefit, because the difference between the withholding tax reserve held at that time and the tax liabilities would accrue as assets to the Management Company and the Fund.

In view of the uncertainties detailed above and to cover the potential tax liabilities for gains from the disposal of fixed-income securities and interest income from fixed-income securities, the Management Company reserves the right to vary the withholding tax reserve for such gains or interest income for the account of the Management Company or the Fund in order to take account of potential tax on realised and unrealised gross capital gains and interest income.

If the uncertainties described above are resolved in the future or if there are any further changes in the tax legislation or guidelines, the Company will, as soon as is practically possible, adjust the amount of the tax provision accordingly (if applicable) to the extent it deems necessary. The amount of such a tax provision will be published in the Fund's financial statements.

It should also be noted that the actual applicable taxes levied by the tax authorities in the People's Republic of China may differ from this and may change from time to time. Regulations may be changed and taxes may be levied retroactively. In this respect, any tax provision formed by the investment manager for the account of the Fund may prove to be too high or too low to cover the final tax liabilities in the People's Republic of China. As a result, the Fund's unit-holders may experience positive or negative effects depending on the final tax liabilities, the amount of the reserve and the timing of subscription or redemption of their units in the Fund.

Value-added tax ("VAT") and other surcharges (valid from 1 May 2016)

Pursuant to the circular Caishui [2016] 36 ("Circular 36"), effective from 1 May 2016, VAT of 6% will be levied on the difference between the sale and purchase prices of these marketable securities.

Gains from trade in marketable securities (including A-shares and other listed PRC securities) are exempted from VAT in the People's Republic of China under Circular 36 and Caishui [2016] No. 70. Moreover, deposit interest income and interest income from government bonds and municipal government bonds are exempt from VAT.

According to Circular 108, foreign institutional investors are temporarily exempt from VAT on bond interest income generated on the bond market of the People's Republic of China between 7 November 2018 and 6 November 2021. However, there is no guarantee that such temporary tax exemption will continue to apply, will not be repealed and retroactively reimposed, or that new tax regulations and practices specifically relating to the PRC bond market will not be enacted in China in the future.

Dividend income or profit distributions from capital investments from the People's Republic of China are not classed as income subject to VAT.

Moreover, city maintenance and construction tax (currently at a rate of 1% to 7%), education tax (currently at a rate of 3%) and municipal education tax (currently at a rate of 2%) are set on the basis of VAT liabilities.

Stamp duty

Under the law of the People's Republic of China, stamp duty is payable for the preparation and maintenance of all taxable documents listed in the provisional regulations of the People's Republic of China on stamp duty. Stamp duty is generally levied for the sale of shares listed in the People's Republic of China at a rate of 0.1% of the purchase price. The Management Company or the Fund is liable for this tax every time it sells shares listed in the People's Republic of China. Stamp duty is not expected to be levied on the issue or on any subsequent transfer of government or corporate bonds by holders of such bonds not resident in the People's Republic of China for tax purposes.

Unit-holders not resident in the People's Republic of China for tax purposes are not liable for PRC tax for distributions they receive from the Management Company or the Fund, nor for income from the disposal of units. It is recommended that unit-holders resident in the People's Republic of China for tax purposes seek advice regarding their tax position in respect of their investment in the Management Company or the Fund.

There is no guarantee that new tax laws, regulations and practices that specifically pertain to FII, Stock Connect or the CIBM regulations and that may be applied retroactively will not be introduced in the People's Republic of China in the future. The adoption of such new tax laws, regulations and practices may entail advantages or disadvantages for unit-holders as a result of their investments in the Management Company or the Fund on the PRC market.

Investors should inform themselves or, if applicable, consult their own advisers regarding the possible tax effects of subscribing to, purchasing, holding, exchanging, redeeming or otherwise disposing of units under the laws of their country of citizenship, residence, habitual abode or domicile.

Internal rules for business operations relating to Master-Feeder constructs, Depositary Agreement

The Company, which also acts as the management company of Allianz Global Investors Fund – Allianz Global Dividend (Master Fund) through its branch in Luxembourg, has issued internal rules for business operations relating to information exchange and cooperation between the Master Fund and the Feeder Fund. Among other provisions, this ensures that the Company or the competent department within the Company receives all the information about the Master Fund that it requires to manage this Feeder Fund in accordance with statutory and contractual requirements. The agreement stipulates the following in particular:

The Company's branch in Luxembourg sends the Company the Master Fund's documentation and information relating to outsourcing and risk management. In relation to the Fund's basis for investing and selling, it is stipulated that the Feeder Fund shall invest exclusively in unit class F (EUR) of the Master Fund. Subject to the provisions of Section 182 (1) and (2) of the German Investment Code (KAGB) and Section 180 (4) KAGB, the transfer of contributions in kind is generally not permitted.

The Master Fund's unit prices must be calculated on each banking and exchange trading day in Luxembourg and New York that is also a banking and exchange trading day in Germany and sent to the Company. The Company shall ensure that, for investments made by the Feeder Fund in the Master Fund, neither front-end loads nor redemption fees shall be levied. The Company is only entitled to suspend the redemption of Master Fund shares in exceptional circumstances. The Company shall announce without delay any planned merger or liquidation of the Master Fund as well as any outsourcing plans for the future.

The internal rules for business operations end as soon as the underlying Master-Feeder construction no longer exists or the internal rules are replaced by new internal rules.

Further information on the internal rules for business operations relating to Master-Feeder constructs is available from Allianz Global Investors GmbH, Frankfurt am Main.

The depositary of this Feeder Fund and the depositary of the Master Fund have also concluded an agreement on information exchange.

Auditor

PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany has been entrusted with auditing the Feeder Fund and the annual report as well as the liquidation report, should the case arise. The Auditor audits the annual report of the Feeder Fund. In doing so, the Auditor must also ascertain whether the Feeder Fund has been

managed in compliance with the provisions of the KAGB and of the Investment Terms and Conditions. The Auditor shall summarise its findings in a separate opinion which must be reproduced in full in the annual report. The Auditor shall submit the findings of its audit of the Feeder Fund to BaFin on request.

PricewaterhouseCoopers, Société coopérative, Luxembourg, has been entrusted with auditing the Master Fund and examining the annual report as well as the liquidation report, should the case arise.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and PricewaterhouseCoopers, Société coopérative have concluded an agreement with each other on the regular exchange of information relating to this Feeder Fund and the Master Fund. In particular, at the end of the Feeder Fund's financial year, PricewaterhouseCoopers Société coopérative shall prepare an ad hoc audit report on the Master Fund.

Outsourcing of activities

The Company has outsourced the following material tasks to other companies ⁴:

| | |
|--|--|
| Trading in US equities | Allianz Capital Partners of America LLC ⁵ , US |
| Trading in Asian equities | Allianz Global Investors Asia Pacific Limited ⁶ (Hong Kong), Hong Kong |
| Securities lending (only for investment funds not mentioned in this prospectus) | Deutsche Bank AG Frankfurt am Main, Germany State Street Bank and Trust Company ⁷ London, United Kingdom BNP Paribas Securities Services ⁷ London, United Kingdom |
| Management of loan receivables | The Bank of New York Mellon ⁷ London, United Kingdom |
| Management of collateral for securities lending transactions (collateral management) | State Street Bank International GmbH, Frankfurt am Main, Germany The Bank of New York Mellon, London branch, London, United Kingdom The Bank of New York Mellon SA/NV, Frankfurt am Main branch, Frankfurt am Main, Germany Euroclear Bank SA/NV, Brussels, Belgium |
| Management of collateral for derivatives transactions (collateral management) | The Bank of New York Mellon SA/NV, Frankfurt am Main, Germany State Street Bank and Trust Company, Boston, USA |
| Fund accounting and fund administration | State Street Bank International GmbH ⁸ Munich, Germany State Street Bank International GmbH, Luxembourg branch ⁹ Luxembourg, Luxembourg Société Générale S.A. ¹⁰ Paris, France State Street Bank International GmbH, Paris branch ¹¹ Paris, France State Street Bank International GmbH Succursale Italia ¹² Milan, Italy State Street Bank and Trust Company ¹³ London, United Kingdom |
| Middle office | State Street Bank and Trust Company, Boston, USA |
| Internal auditing | Allianz Asset Management GmbH ¹⁰ Munich, Germany |
| Anti-money laundering services | Fondsdepotbank GmbH Hof, Germany |
| Portfolio analysis (incl. fee calculation) | IDS GmbH ¹⁰ Munich, Germany |
| Information technology (IT) | Allianz Technology SE Munich, Germany |

⁴ If, during the period when this prospectus is valid, the Company should make any changes to the outsourcing of material tasks, the Company shall provide information in this respect in the Fund's annual or semi-annual report.

⁵ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company had not had close ties with the Management Company under company law or in relation to personnel.

⁶ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company had not had close ties with the Management Company under company law or in relation to personnel.

⁷ Only for investment funds other than those mentioned in this prospectus.

⁸ Only for investment funds issued under German law.

⁹ Only for investment funds issued under Luxembourg law.

¹⁰ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company had not had close ties with the Management Company under company law or in relation to personnel.

¹¹ Only for investment funds issued under French law.

¹² Only for investment funds issued under Italian law.

¹³ Only for investment funds issued under British law.

| | |
|---|---|
| Portfolio management (only for investment funds other than those mentioned in this prospectus)/investment advisory services | Allianz Technology SpA ¹² Milan, Italy BNOVA S.R.L. Massa, Italy Allianz Banque Société Anonyme ¹⁰ Puteaux, France |
| | Allianz Global Investors Asia Pacific Limited ¹⁰ (Hong Kong), Hong Kong Allianz Global Investors Japan Co., Ltd. ¹⁰ Tokyo, Japan Allianz Global Investors Singapore Limited ¹⁰ Singapore, Singapore Allianz Global Investors UK Limited, London, UK PIMCO Deutschland GmbH ¹⁰ Munich, Germany Voya Investment Management Co. LLC New York, USA RiskMetrics Solutions, LLC New York, USA Infosys Limited, Bangalore, India |
| Value at risk calculation | |
| Parts of the electronic financial accounting of Allianz Global Investors GmbH | |
| IT services | Cognizant Technology Solutions GmbH, Frankfurt am Main, Germany Allianz Technology SE ¹⁰ Munich, Germany BNOVA S.R.L. Massa, Italy |
| Anti-money laundering services for the Milan branch | Allianz Bank Financial Advisors SpA ¹⁰ Milan, Italy |
| Management services within the context of anti-money laundering for certain AIFs | YouLend ApS, Copenhagen, Denmark |

Service providers

Companies that perform functions outsourced by the Company are shown in the section “Outsourcing of activities”. In addition, the Company has not engaged any consulting firms, investment advisors or other service providers in relation to management of the Feeder Fund.

Annual, semi-annual and liquidation reports

The annual and semi-annual reports as well as the liquidation report of the Feeder Fund and Master Fund can be obtained from the Company and from the depositary. They can be requested free-of-charge at any time. Moreover, these documents shall be published at <https://de.allianzgi.com>.

Payments to investors/distribution of reports and other information

The appointment of the depositary ensures that the investors receive distributions, that units are redeemed and redemption prices are paid. The basic information sheet mentioned in this prospectus may be obtained as described in the “Sales literature” section. These documents are also available from the depositary. Further information can be obtained from the Company itself.

¹² Only for investment funds issued under Italian law.

¹⁰ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company had not had close ties with the Management Company under company law or in relation to personnel.

Funds managed by Allianz Global Investors GmbH

1. Funds as defined in the UCITS Directive

| Name of the fund | Name of the fund |
|---|--------------------------------------|
| Allianz Adifonds | Allianz Strategie 2031 Plus |
| Allianz Adiverba | Allianz Strategiefonds Balance |
| Allianz Biotechnologie | Allianz Strategiefonds Stabilität |
| Allianz Euro Rentenfonds | Allianz Strategiefonds Wachstum |
| Allianz Europazins | Allianz Strategiefonds Wachstum Plus |
| Allianz Flexi Rentenfonds | Allianz Thesaurus |
| Allianz Fonds Japan | Allianz US Large Cap Growth |
| Allianz Fonds Schweiz | Allianz Vermögensbildung Deutschland |
| Allianz Fondsvorsorge 1947–1951 | Allianz Vermögensbildung Europa |
| Allianz Fondsvorsorge 1952–1956 | Allianz Wachstum Euroland |
| Allianz Fondsvorsorge 1957–1966 | Allianz Wachstum Europa |
| Allianz Fondsvorsorge 1967–1976 | Concentra |
| Allianz Fondsvorsorge 1977–1996 | CONVEST 21 VL |
| Allianz Global Equity Dividend | Fondak |
| Allianz Informationstechnologie Allianz | Fondis |
| Interglobal | Fondra |
| Allianz Internationaler Rentenfonds | Industria |
| Allianz Mobil-Fonds | Kapital Plus |
| Allianz Multi Manager Global Balanced | NÜRNBERGER Euroland A |
| Allianz Nebenwerte Deutschland Allianz | Plusfonds |
| Rentenfonds | PremiumMandat Konservativ |
| Allianz Rohstofffonds | PremiumStars Chance |
| Allianz SGB Renten | PremiumStars Wachstum |

2. Alternative retail fund

a) Mixed fund

| Name of the fund |
|--------------------------------|
| VermögensManagement Stabilität |

b) Other funds

| Name of the fund |
|--|
| VermögensManagement Stars of Multi Asset |

Allianz Global Investors GmbH also manages “Undertakings for Collective Investment in Transferable Securities” (UCITS) under French law, UCITS under Italian law, UCITS under Luxembourg law as well as special AIF under German law and AIF under French and Luxembourg law.

The purchaser's right of revocation pursuant to Section 305 KAGB (door-to-door sales)

Notice pursuant to Section 305 KAGB

1. If the purchaser of units or shares in an open investment fund has been induced by oral negotiations outside the permanent business premises of the party selling the units or shares or brokering their sale to submit a declaration of intent directed at the sale, the purchaser is bound to this declaration unless he revokes it in a written statement directed to the management company or a representative within the meaning of Section 319 of the German Capital Investment Code (KAGB) within a period of two weeks; this also applies if the party selling the units or shares or brokering their sale has no permanent business premises. In the case of distance sales transactions, Section 312g (2) no. 8 of the German Civil Code (Bürgerliches Gesetzbuch, BGB) shall apply accordingly.
2. The deadline is deemed to have been met if the declaration of revocation is mailed within the time allowed. The revocation period does not commence until the buyer has been provided with a copy of the application form or has been sent a contract note and the copy or the contract note contains instructions on the buyer's right of revocation in a form that complies with Section 246 (3) sentences 2 and 3 of the Introductory Act to the German Civil Code. If there is a dispute over the start of the period referred to in sentence 2, the burden of proof is on the seller.
3. The purchaser has no right of revocation if the seller proves that
 - a) the purchaser is not a consumer as defined in Section 13 BGB, or
 - b) they visited the purchaser for the negotiations which resulted in the sale of the units or shares based on a prior appointment (Section 55 (1) of the German Trade Code (Gewerbeordnung)).
4. If the sale has been revoked and the purchaser has already made payments, the investment management company, the EU management company or the foreign AIF management company is required to repay to the purchaser (simultaneously with the retransfer of the purchased units or shares, if applicable) the expenses paid plus an amount equivalent to the value of the paid units or shares on the day after receipt of the letter of revocation.
5. The right to revocation must not be waived.
6. The provision applies accordingly to the sale of units or shares by the investor.
7. The right of revocation in relation to units and shares of a closed investment fund is based on the German Civil Code (BGB).
8. Investors who, prior to the publication of a supplement to the prospectus, submitted a declaration of intent directed at the purchase of a unit or share of a closed public AIF can revoke it within a period of two working days after the publication of the supplement provided performance has not yet occurred. Such revocation does not require a reason to be given and must be declared in writing to the management company or person referred to in the supplement as the recipient of the revocation; timely mailing is sufficient for adhering to the deadline. Section 357a of the German Civil Code applies accordingly to the legal consequences of the revocation.

Information for investors in the Republic of Austria

The public sale of units of this Fund in the Republic of Austria has been registered with the Austrian Financial Market Authority (Finanzmarktaufsicht) in Vienna pursuant to Section 140 of the Austrian Act on Investment Funds (InvFG).

Prior to acquiring units of the Feeder Fund, investors are recommended to ascertain whether the income data on the respective unit class that is required for tax purposes is published by the Österreichische Kontrollbank AG.

Investment Terms and Conditions

General Investment Terms and Conditions

to regulate the legal relationship between the investors and Allianz Global Investors GmbH, Frankfurt am Main (the "Company") with regard to the investment funds as defined in the UCITS Directive managed by the Company. These "General Investment Terms and Conditions" are only applicable in conjunction with the "Special Investment Terms and Conditions" set out for the respective UCITS Fund.

§1 General information

1. The Company is a UCITS investment management company subject to the provisions of the German Investment Code (Kapitalanlagegesetzbuch – KAGB).
2. The Company invests the money deposited with it in its own name for the joint account of the investors pursuant to the principle of risk diversification in assets permitted under the KAGB separately from its own assets, in the form of a UCITS Fund. The resulting rights of investors are vested in collective certificates. The business purpose of the UCITS Fund is limited to investment in accordance with a defined investment strategy within the framework of collective asset management via the funds deposited with it; operating activities and active entrepreneurial management of the assets held are excluded.
3. The legal relationship between the Company and the investors is governed by the General Investment Terms and Conditions (GITC) and Special Investment Terms and Conditions (SITC) of the UCITS Fund and the KAGB (the GITC and SITC are referred to together as the "Investment Terms and Conditions").

§2 Depositary

1. The Company will appoint a credit institution as depositary for the UCITS Fund; the depositary shall act independently of the Company and exclusively in the interests of the investors.
2. The responsibilities and duties of the depositary shall be based on the Depositary Agreement concluded with the Company, and on the KAGB and the Investment Terms and Conditions.
3. The custodian may outsource custodial responsibilities to another company (sub-custodian) pursuant to Section 73 KAGB. The prospectus contains further details.
4. The depositary shall be liable to the UCITS Fund or the investors in the event that it loses a financial instrument as defined in Section 72 (1) no. 1 KAGB or that a financial instrument is lost by the depositary or sub-depositary entrusted with the safe-keeping of financial instruments pursuant to Section 73 (1) KAGB. The depositary shall not be liable if it can prove that the loss was due to influences beyond its control and the consequences of which proved unavoidable, in spite of all reasonable countermeasures being taken. The aforementioned shall be without prejudice to any further claims derived from German Civil Code provisions on the grounds of contractual agreements or impermissible actions. The depositary shall also be liable to the UCITS Fund or the investors for all other losses suffered as a result of the depositary negligently or intentionally failing to fulfil its obligations pursuant to the provisions of the KAGB. The liability of the Depositary shall not be affected in the event that the custodial duties are transferred elsewhere pursuant to Sub-section 3 sentence 1.

§3 Fund Management

1. The Company purchases and manages assets in its own name for the joint account of the investors with due and proper skill, probity, care and diligence. In performing its functions, the Company shall act independently of the depositary and exclusively in the interests of investors.
2. The Company shall be entitled to use the funds invested by the investors to acquire assets, dispose of such assets, and reinvest the proceeds; the Company shall also be authorised to perform any other legal actions resulting from the management of the assets.
3. The Company may neither grant money loans nor enter into any obligations in connection with a contract of surety or guarantee for the joint account of the investors; it must not sell assets in accordance with Sections 193, 194 and 196 KAGB that, at the time of conclusion of the transaction, are not held by the UCITS Fund. Section 197 KAGB shall remain unaffected.

§4 Investment principles

The UCITS Fund is invested, directly or indirectly, in accordance with the principle of risk diversification. The Company shall only acquire assets on behalf of the UCITS Fund from which income and/or growth can be expected. The Company shall specify in the SITC which assets may be acquired for the UCITS Fund.

§5 Securities

Provided the SITC do not contain any further restrictions and subject to Section 198 KAGB, the Company may only acquire securities for account of the UCITS Fund if

- (a) they are admitted to official trading on a stock exchange in a member state of the European Union or in another signatory state to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states,
- (b) they are exclusively admitted to trading on a stock exchange outside the member states of the European Union or outside the other signatory states to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states, provided that the selection of this stock exchange or organised market has been permitted by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) ¹,
- (c) their admission to official trading on a stock exchange in a member state of the European Union or in another signatory state to the Agreement on the European Economic Area or their admission to or inclusion in an organised market of a member state of the European Union or of another signatory state to the Agreement on the European Economic Area must be applied for under their terms of issuance, provided that the admission or inclusion takes place within one year after their issuance,
- (d) their admission to official trading on a stock exchange or their admission to or inclusion in the organised market of a state outside the European Union or outside the signatory states to the Agreement on the European Economic Area has to be applied for under their terms of issuance, provided that the selection of this stock exchange or organised market has been permitted by BaFin and the admission or inclusion takes place within one year after their issuance,

¹ The "List of permitted exchanges and other organised markets in accordance with Section 193 (1) nos. 2 and 4 KAGB" is published on the BaFin website (<https://www.bafin.de>).

- (e) they are equities to which the UCITS Fund is entitled within the framework of a capital increase from company reserves,
- (f) they are acquired through the exercise of subscription rights belonging to the UCITS Fund,
- (g) they are units of closed-end funds that meet the requirements set out in Section 193 (1) sentence 1 no. 7 KAGB,
- (h) they are financial instruments that meet the requirements set out in Section 193 (1) sentence 1 no. 8 KAGB.

The securities described in sentence 1 a) to d) may only be acquired if the requirements set out in Section 193 (1) sentence 2 KAGB are met at the same time. Subscription rights may also be acquired, provided they arise from securities that, for their part, may be acquired under this Section 5.

§6 Money market instruments

1. Provided the SITC do not contain any further restrictions and subject to Section 198 of the KAGB, the Company may acquire – for the account of the UCITS Fund – financial instruments normally traded on the money markets as well as interest-bearing securities that at the time of purchase for the UCITS Fund have a maximum residual maturity of 397 days or whose interest is adjusted in line with market rates at regular intervals or at least once within 397 days throughout their maturity pursuant to their terms of issue, or whose risk profile is similar to that of such securities (“money market instruments”).

Money market instruments may only be acquired for the UCITS Fund if they

- a) are admitted to official trading on a stock exchange in a member state of the European Union, or in another signatory state to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states,
- b) are exclusively admitted to trading on a stock exchange outside the member states of the European Union or outside the other signatory states to the Agreement on the European Economic Area, or admitted to or included in another organised market in one of these states, provided that the selection of this stock exchange or organised market has been permitted by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)²,
- c) are issued or guaranteed by the European Union, the German Federal Government, a Federal Government Fund, a Federal State or Land of the Federal Republic of Germany, another member state or another central, regional or local authority or the central bank of a member state of the European Union, the European Central Bank or the European Investment Bank, a third state or, if such state is a federal state, a member state of this federal state or an international public-law institution of which at least one member state of the European Union is a member,
- d) are issued by a company whose securities are traded on the markets described in paragraphs a) and b),
- e) are issued or guaranteed by a credit institution that is supervised pursuant to criteria set by European Union law or by a credit institution that is subject to supervisory provisions that, in the opinion of the BaFin, are equivalent to those of European Union law and complies with these provisions, or
- f) are issued by other issuers and these meet the requirements set out in Section 194 (1) sentence 1 no. 6 KAGB.

² See footnote 1

2. Money-market instruments within the meaning of Sub-section 1 may only be acquired if they meet the requirements of Section 194 (2) and (3) KAGB.

§7 Bank deposits

For the account of the UCITS Fund, the Company may maintain bank deposits with a term to maturity of no longer than twelve months. The bank deposits, which must be held in blocked accounts, may be maintained with a financial institution domiciled in a member state of the European Union or another signatory state to the Agreement on the European Economic Area. The bank deposits may also be held with a financial institution domiciled in a third state whose regulatory provisions are in the opinion of BaFin the equivalent of those under EU law. Unless otherwise provided for in the SITC, bank deposits may also be denominated in foreign currencies.

§8 Investment fund units

1. Unless otherwise provided for in the SITC, the Company may acquire units in investment funds pursuant to Directive 2009/65/EC (UCITS) for account of the UCITS Fund. Units in other German funds and investment stock corporations with variable capital as well as units in open-ended EU AIFs and foreign open-ended AIFs may be acquired if they meet the requirements set out in Section 196 (1) sentence 2 KAGB.
2. The Company may only acquire units in German funds, investment stock corporations with variable capital, EU UCITSs, open-ended EU AIFs and foreign open-ended AIFs if, under the Investment Terms and Conditions or the articles/memorandum of association of the investment management company, investment stock corporation with variable capital, EU investment fund, EU management company, foreign AIFs or a foreign AIF management company, no more than 10% of the value of its assets may be invested in units of other German funds, investment stock corporations with variable capital, open-ended EU investment funds or foreign open-ended AIFs.

§9 Derivatives

1. Unless otherwise provided for in the SITC, the Company may, within the framework of the UCITS Fund management, use derivatives within the meaning of Section 197 (1) sentence 1 KAGB and financial instruments with a derivative element within the meaning of Section 197 (1) sentence 2 KAGB. Depending on the type and volume of the derivatives and financial instruments with derivative elements it has used, it may use the simple or the qualified method according to the German Ordinance on Risk Management and Risk Assessment when Using Derivatives, Securities Lending and Repurchase Agreements in Investment Funds under the Investment Code (KAGB) (Derivateverordnung, DerivateV) issued pursuant to Section 197 (3) KAGB to calculate the degree to which the market risk limit for the use of derivatives under Section 197 (2) KAGB has been exploited; details can be found in the Prospectus.
2. If the Company applies the simplified method, it may in general use for the UCITS Fund only the following basic types of derivatives, financial instruments with a derivative component or combinations of these derivatives, financial instruments with a derivative component and underlying assets that are admissible pursuant to Section 197 (1) sentence 1 KAGB. Complex derivatives based on underlying assets that are permissible under Section 197 (1) sentence 1 KAGB may only be used to a negligible extent. In this connection, the allocable value relating to the market risk for the UCITS Fund, calculated in accordance with Section 16 of the Derivative Ordinance must at no time exceed the Fund's net asset value.

Basic forms of derivatives are:

- a) futures on the underlying assets set out in Section 197 (1) KAGB, apart from investment fund units pursuant to Section 196 KAGB;

- b) options or warrants on the underlying assets set out in Section 197 (1) KAGB, apart from investment fund units pursuant to Section 196 KAGB and futures pursuant to a) above, provided that they have the following characteristics:
 - i) they can be exercised either during their whole lifetime or at the end of the lifetime and
 - ii) the value of the option at the time of exercise is linearly dependent on the positive or negative difference between the strike price and the market price of the underlying asset and will be zero if the difference is negative;
 - c) interest rate swaps, currency swaps or cross-currency interest rate swaps;
 - d) options in respect of swaps described in c), provided they have the features described in b) under i) and ii) (swaptions);
 - e) credit default swaps referring to a single underlying asset (single name credit default swaps).
3. If the Company uses the qualified method, it may – subject to an appropriate risk management system – invest in any financial instruments with a derivative element or any derivatives that are based on an underlying asset permissible under Section 197 (1) sentence 1 KAGB.
- In this connection, the potential market risk amount attributable to the UCITS Fund must at no time exceed twice the potential amount of the market risk of the comparable fictitious reference portfolio pursuant to Section 9 of the Derivative Ordinance. Alternatively, the risk amount must at no time exceed 20% of the UCITS Fund's net asset value.
4. Under no circumstances may the Company deviate from the investment principles and limits set out in the Investment Terms and Conditions or in the prospectus in undertaking these transactions.
5. The Company will use derivatives and financial instruments with a derivative element for hedging purposes, for efficient portfolio management and for generating additional returns if and to the extent that it deems this to be advisable with respect to the interests of investors.
6. In calculating the market risk limit for the use of derivatives and financial instruments with a derivative component, the Company may at any time switch between the simplified method and the qualified method according to Section 6 sentence 3 of the Derivative Ordinance. The changeover need not be approved by BaFin; however, the Company shall inform BaFin immediately of the changeover and shall publish it in the next semi-annual or annual report.
7. In employing derivatives and financial instruments with a derivative element, the Company shall observe the German Derivative Ordinance (DerivateV).

§10 Other investment instruments

Unless otherwise provided for in the SITC, the Company may acquire for the account of the UCITS Fund up to 10% of the UCITS Fund's value in other investment instruments pursuant to Section 198 KAGB.

§11 Issuer and investment limits

1. As far as the management of the Fund is concerned, the Company shall observe the limits and restrictions pursuant to the KAGB, the German Derivative Ordinance (DerivateV) and the Investment Terms and Conditions.

2. Securities and money market instruments, including securities purchased under agreements to resell and money market instruments of the same issuer, may be acquired up to 5% of the UCITS Fund's value; up to 10% of the UCITS Fund's value may be invested in these securities, however, if this is provided for in the SITC and the total value of securities and money market instruments of such issuers does not exceed 40% of the UCITS Fund's value. The issuers of securities and money market instruments must also be taken into account in the limits indicated in sentence 1 if the securities and money market instruments they issued are acquired indirectly through other securities held in the UCITS that are linked to their performance.
3. The Company may invest up to 35% of the value of the UCITS Fund in bonds, borrower's note loans and money market instruments that are issued or for which the payment of interest and the repayment of principal is guaranteed by the German Federal Government, a German Federal State, the European Union, a member state of the European Union or its regional or local authorities, another signatory state to the Agreement on the European Economic Area, a third state or an international organisation of which at least one member state of the European Union is a member.
4. The Company may invest up to 25% of the UCITS Fund's value in mortgage bonds (Pfandbriefe), municipal bonds and bonds that have been issued by financial institutions domiciled in a member state of the European Union or another signatory state to the Agreement on the European Economic Area if the financial institutions are subject to special regulatory supervision on the basis of statutory provisions that serve to protect holders of such bonds and the monies raised from the bond issue are invested under statutory rules in assets that during the entire term of the bonds cover any liabilities arising therefrom and with respect to which any claims relating to repayments of principal and interest payments shall be accorded priority if the issuer defaults. If the Company invests more than 5% of the UCITS Fund's value in bonds of the same issuer under sentence 1, the total value of these bonds must not exceed 80% of the UCITS Fund's value.
5. Pursuant to Section 206 (2) KAGB, the restrictions under Sub-section 3 may be exceeded with respect to the securities and money market instruments of the same issuer, where this is provided for in the SITC with reference to such issuers. In such cases, the securities and money market instruments held for account of the UCITS Fund must stem from at least six different issues, and no more than 30% of the UCITS Fund's value may be invested in any one issue.
6. The Company may only invest up to 20% of the value of the UCITS Fund in bank deposits, as described in Section 195 KAGB, at any single financial institution.
7. The Company shall ensure that a combination of
 - a) securities or money market instruments issued by the same institution,
 - b) deposits at these entities, and
 - c) attributable amounts for the counterparty risk of transactions conducted with this institution,
 does not exceed 20% of the UCITS Fund's value. Sentence 1 applies to the issuers and guarantors listed in Sub-sections 3 and 4 insofar that the Company must ensure that a combination of the assets and counterparty risks listed in sentence 1 does not exceed 35% of the UCITS Fund's value. The respective individual limits shall remain unaffected in either case.
8. The bonds, borrower's note loans and money market instruments listed in Sub-sections 3 and 4 are not included in the 40% limit described in Sub-section 2. In derogation of Sub-section 7, the limits set forth in Sub-sections 2 to 4 and Sub-sections 6 to 7 must not be aggregated.

9. The Company may invest no more than 20% of the UCITS Fund's value in the units of a single investment fund as defined in Section 196 (1) KAGB. The Company may, in total, invest no more than 30% of the UCITS Fund's value in units of an investment fund as defined in Section 196 (1) no. 2 KAGB. The Company must not purchase for the UCITS Fund's account more than 25% of the issued and outstanding units of another open-ended German, EU or foreign investment fund which, subject to the principle of risk diversification, is invested in assets as defined in Sections 192 to 198 KAGB.

§12 Mergers

1. Subject to Sections 181 to 191 KAGB, the Company may
 - a) transfer all the assets and liabilities of this UCITS Fund to another existing UCITS Fund or to a new fund established thereby, or an EU UCITS or a UCITS investment stock corporation with variable capital;
 - b) absorb all the assets and liabilities of another open-ended retail investment fund into this UCITS Fund.
2. The merger requires the approval of the relevant supervisory authority. Sections 182 to 191 KAGB regulate the details of the procedure.
3. The UCITS Fund may only be merged with a retail investment fund that is not a UCITS if the absorbing or newly established investment fund remains a UCITS. An EU UCITS may also be merged into the UCITS Fund in accordance with the stipulations of Article 2 (1) p (iii) of Council Directive 2009/65/EC.

§13 Securities lending

1. The Company may, for account of the UCITS Fund, grant securities loans that are callable at any time to a securities borrower against payment of a consideration in line with prevailing market rates and on provision of sufficient collateral pursuant to Section 200 (2) KAGB. The price of the securities to be lent for account of the UCITS Fund, combined with the price of those securities already lent to the same securities borrower, including group companies as defined in Section 290 of the German Commercial Code (HGB), must not exceed 10% of the UCITS Fund's value.
2. If the securities borrower provides collateral for the securities transferred in the form of cash deposits, these deposits must be held in blocked accounts pursuant to Section 200 (2) sentence 3 no. 1 KAGB. Alternatively, the Company may make use of the option to invest such deposits in the following assets in the currency of the deposits:
 - a) in bonds of high quality that are issued by the German Federal Government, a German Federal State, the European Union, a member state of the European Union or its regional or local authorities, another signatory state to the Agreement on the European Economic Area, or another state,
 - b) in money market funds with short maturity structures in line with the guidelines issued by BaFin on the basis of Section 4 (2) KAGB, or
 - c) by way of a reverse repurchase agreement with a financial institution that guarantees that the accrued cash deposit can be recalled at any time.

Any income generated by the investment of collateral must be credited to the UCITS Fund.

3. The Company may also make use of a system for the brokerage and settlement of securities loans deviating from the requirements contained in Section 200 (1) sentence 3 KAGB and being organised by a central securities deposit bank provided there is no deviation from the right to cancel at any time pursuant to Sub-section 1.
4. Unless otherwise provided for in the SITC, the Company may grant securities loans on the basis of money market instruments and investment fund units, provided that these assets may be acquired for the UCITS Fund. In this regard, the provisions contained in Sub-sections 1 to 3 apply accordingly.

§14 Repurchase agreements

1. The Company may, for the account of the UCITS Fund, enter into securities repurchase agreements callable at any time within the meaning of Section 340b (2) of the German Commercial Code (HGB) with credit institutions or financial services institutions against consideration, on the basis of standardised framework agreements.
2. Such repurchase transactions must involve securities that may be acquired on behalf of the UCITS Fund in accordance with the Investment Terms and Conditions.
3. The term for these repurchase agreements must not exceed 12 months.
4. Unless otherwise provided for in the SITC, the Company may enter into securities repurchase agreements on the basis of money market instruments and investment fund units, provided that these assets may be acquired for the UCITS Fund. In this regard, the provisions contained in Sub-sections 1 to 3 apply accordingly.

§15 Borrowing

The Company may, for joint account of the investors, raise short-term loans up to 10% of the UCITS Fund's value, provided that the terms of the loan are customary for the industry and the depositary gives its consent.

§16 Units

1. The units in the Fund are held in the name of the bearer and are securitised in unit certificates or issued as electronic unit certificates.
2. The securitised unit certificates are securitised in a collective certificate; no individual certificates will be issued. In acquiring a unit in the Fund, the investor acquires a co-ownership share in the collective certificate. This is transferable, unless otherwise provided for in the SITC.
3. The units may carry different characteristics, in particular as regards the use of income, front-end load, redemption fee, currency of the unit value, management fee, minimum investment or any combination of these (unit classes). Details are laid down in the SITC.

§17 Issue and redemption of units, and restriction and suspension of redemption

1. There is no general restriction regarding the number of units issued. However, the Company reserves the right to suspend the issue of units either temporarily or permanently.
2. Units can be purchased from the Company, the depositary, or through the intermediation of third parties. The SITC may stipulate that units may only be acquired and held by specific investors.

3. Investors shall be entitled to demand the redemption of their units from the Company. The SITC may stipulate redemption periods. The Company is obliged to redeem the units at the current redemption price for the account of the UCITS Fund. The redemption agent is the depositary.
4. Unless there is a provision to the contrary in the SITC, however, the Company reserves the right to restrict the redemption of units for up to 15 working days if the investor's redemption requests reach a threshold from which the redemption requests can no longer be executed in the interest of all investors due to the liquidity situation vis-à-vis the Fund's assets. The threshold value is specified in the SITC. It describes the redemption request as a percentage of the net asset value of the Fund.

In this case, the Company will only meet the redemption request pro rata for each investor; after this, the redemption obligation will not apply. This means that each redemption order is only carried out on a pro rata basis. The unexecuted part of the order (remaining order) will not be executed by the Company at a later time, and will expire (pro rata approach with expiry of the remaining order).

Further details on the procedures governing redemption restrictions can be found in the sales prospectus. In the event of restrictions on the redemption of units or the lifting of such restrictions, the Company shall publish a timely notice on its website.

5. In addition, the Company reserves the right to suspend the redemption of units in accordance with Section 98 (2) KAGB in the event of extraordinary circumstances under which such suspension is deemed to be necessary in the interests of the investors.
6. The Company must inform the investors about the suspension referred to in Sub-section 5 and resumption of redemptions by means of an announcement in the Federal Gazette and by publication in a business or daily newspaper with adequate circulation or via electronic information media specified in the prospectus. The investors shall be notified of the suspension and resumption of redemption of the units promptly after announcement in the Federal Gazette by means of a durable medium.

§18 Subscription and redemption prices; determination of net asset value

1. Unless otherwise specified in the SITC, for the purpose of determining the subscription and redemption price of the units, the market value of the assets belonging to the UCITS Fund less the loans taken out and other liabilities (net asset value) shall be determined and shall be divided by the total number of units in circulation (value per unit). If, pursuant to Section 16 (3), different unit classes of the UCITS Fund are introduced, the value per unit as well as the subscription and redemption price shall be calculated separately for each unit class.

The assets shall be valued in accordance with the principles of price determination as specified in Sections 168 and 169 KAGB and the German Capital Investment Accounting and Valuation Ordinance (Kapitalanlage-Rechnungslegungs- und Bewertungsverordnung, KARBV).

2. The subscription price corresponds to the unit value of the UCITS Fund, if applicable, plus a front-end load specified in the SITC pursuant to Section 165 (2) no. 8 KAGB. The redemption price corresponds to the unit value of the UCITS Fund, if applicable, less a redemption fee specified in the SITC pursuant to Section 165 (2) no. 8 KAGB.
3. The pricing date for unit subscriptions and redemption orders shall at the latest be the valuation date following receipt of the respective unit subscription or redemption order, unless otherwise provided for in the SITC.

4. As a rule, the subscription and redemption prices and the net asset value of the UCITS Fund are determined on each trading day. The term "trading day" describes the days on which the banks and relevant markets in all countries/regions relevant to the UCITS Fund in question are open all day. The sales prospectus specifies which countries/regions and markets are relevant for the UCITS Fund in question, taking into account the investment strategy and objectives set out in the SITC. Notwithstanding this and unless otherwise specified in the SITC, the Company and the Depositary may refrain from determining the subscription and redemption prices and the net asset value on public holidays in the countries/regions relevant to the UCITS Fund in question, which are trading days, as well as on 24 and 31 December of each year; further details are set out in the sales prospectus. For a UCITS Fund that is a feeder fund within the meaning of Section 1 (19) no. 11 KAGB, a net asset value is calculated on all days on which a net asset value is calculated for the respective master fund within the meaning of Section 1 (19) no. 12 KAGB (i.e. on each trading day).

§19 Charges

1. The expenses and the compensation payable to the Company, the Depositary and third parties (including their amount), which may be charged to the UCITS Fund, are set out in the SITC of the UCITS Fund. Insofar as the SITC of a UCITS Fund provide for the calculation of compensation (incl. a flat fee) on a daily basis, the respective disposal (hereinafter the "compensation") shall be calculated daily in the amount of $\frac{1}{365}$ ($\frac{1}{366}$ in leap years) on the basis of the net asset value of the UCITS Fund determined in accordance with Sections 18 and 19 (3) of the GTC. Unless otherwise stipulated in the SITC, any compensation calculated daily in accordance with sentence 1 and sentence 2 shall be deducted daily from the net asset value of the UCITS Fund calculated in accordance with Sections 18 and 19 (3) of the GTC. Daily accrual from the net asset value of the UCITS Fund as defined above means that the compensation already calculated is taken into account as a liability for determining the net asset value in accordance with Section 18 (1) of the GTC until it is withdrawn. The Company shall withdraw the accrued remuneration from the UCITS Fund at regular intervals. Owing to the daily accrual, the time of withdrawal has no influence on the amount of the compensation and the net asset value determined.
2. For compensation that does not meet the requirements set out in paragraph 1, the SITC must also specify the method and calculation basis for payment.
3. Insofar as the SITC use the net asset value determined on each trading day to calculate compensation within the meaning of paragraph 1, the last available net asset value shall be used as the basis for calculating this compensation.

§20 Accounting

1. No later than four months after the end of the UCITS Fund's financial year, the Company shall publish an annual report including a statement of income and expenditure, in accordance with Section 101 (1), (2) and (4) KAGB.
2. No later than two months after the end of the first half-year, the Company shall publish a semi-annual report in accordance with Section 103 KAGB.
3. If the right to manage the UCITS Fund is transferred to another investment management company during the financial year, or the UCITS Fund is merged during the financial year into another UCITS Fund, UCITS investment stock corporation with variable capital or EU UCITS, then the Company must draw up an interim report as per the transfer date that complies with the requirements applying to annual reports pursuant to Sub-section 1.
4. If the UCITS Fund is liquidated, the depositary must prepare a liquidation report that meets the requirements of an annual report within the meaning of Sub-section 1. Such reports must be prepared each year and on the date on which liquidation ends.
5. The reports can be obtained from the Company, from the Depositary and from other agencies listed in the prospectus and the basic information sheet; in addition, they will be published in the Federal Gazette.

§21 Termination and liquidation of the UCITS Fund

1. Giving at least six months' notice, the Company may terminate its management of the UCITS Fund by announcement in the Federal Gazette and in the annual or semi-annual report. The investors shall be notified promptly of any termination announced in accordance with sentence 1, by means of a durable medium.
2. When the termination becomes effective, the Company's right to manage the UCITS Fund expires. In this case the UCITS Fund or the right of disposition over the UCITS Fund, as the case may be, shall pass on to the depositary which must liquidate the Fund and distribute the proceeds to the investors. During the period of liquidation, the depositary is entitled to a fee for its liquidation activities as well as to compensation for its expenses incurred in the liquidation. With the approval of BaFin, the depositary may, instead of conducting such liquidation and distribution activities, transfer management of the UCITS Fund to another investment management company, in accordance with the existing Investment Terms and Conditions.
3. On the date that its right to manage the Fund expires in accordance with Section 99 KAGB, the Company must prepare a liquidation report that meets the requirements of an annual report as defined in Section 20 (1).

§22 Change of investment management company and depositary

1. The Company may transfer the right of management and disposal of the UCITS Fund to another investment management company. The transfer shall require the prior approval of BaFin.
2. The approved transfer shall be announced in the Federal Gazette, the annual or semi-annual report and the electronic information media specified in the sales prospectus. The transfer shall come into effect three months after publication in the Federal Gazette at the earliest.
3. The Company may change the depositary for the UCITS Fund. Any change shall require the approval of BaFin.

§23 Amendments to the Investment Terms and Conditions

1. The Company is entitled to amend the Investment Terms and Conditions.
2. Amendments to the Investment Terms and Conditions shall require the prior approval of the Federal Financial Supervisory Authority (BaFin).
3. All planned amendments shall be announced in the Federal Gazette and by publication in a business or daily newspaper with adequate circulation or via electronic information media specified in the prospectus. Details of the planned amendments and their entry into force shall be published no later than at the time of the announcement set out under sentence 1 above. If there are any amendments to charges within the meaning of Section 162 (2) no. 11 KAGB that are detrimental to investors, changes to material investor rights that are detrimental to investors, or amendments to the UCITS Fund's investment principles within the meaning of Section 163 (3) KAGB, the investors must be sent the key content of the proposed amendments to the Investment Terms and Conditions and their background in a comprehensible way by means of a durable medium at the same time as the announcement in accordance with sentence 1. In the case of amendments to the existing investment principles, investors must also be informed of their rights under Section 163 (3) KAGB.
4. The amendments shall become effective no earlier than on the day after their announcement in the Federal Gazette, although in the case of changes to charges and investment principles, no earlier than four weeks after the relevant announcement.

§24 Place of performance

The place of performance shall be the registered office of the Company.

§25 Dispute resolution proceedings

1. The Company has committed to taking part in dispute resolution proceedings before a consumer arbitration service³. In the event of disputes, consumers may contact the Ombudsman for Investment Funds at BVI Bundesverband Investment und Asset Management e.V. as the competent consumer arbitration service. The Company takes part in dispute resolution proceedings before this arbitration service⁴.

Contact information:

³ Section 36 (1) no. 1 of the Verbraucherstreitbeilegungsgesetz (German Consumer Dispute Resolution Act, VSBG)

⁴ Section 36 (1) no. 2 of the Verbraucherstreitbeilegungsgesetz (German Consumer Dispute Resolution Act, VSBG)

Office of the Ombudsman at BVI
Bundesverband Investment und Asset Management e.V. Unter den Linden 42
10117 Berlin, Germany
www.ombudsstelle-investmentfonds.de

2. The European Commission has established a European online dispute resolution platform at www.ec.europa.eu/consumers/odr ⁵. Consumers may use it for out-of-court resolution of disputes arising from purchase agreements or service agreements that were concluded online. The Company's email address is: info@allianzglobalinvestors.de

⁵ Article 14 of Regulation (EU) 524/2013

Special Investment Terms and Conditions

to regulate the legal relationship between the investors and Allianz Global Investors GmbH, Frankfurt am Main, Germany (the "Company") with regard to the Fund managed by the Company in accordance with the UCITS Directive

Allianz Global Equity Dividend,

These "Special Investment Terms and Conditions" are only applicable in conjunction with the "General Investment Terms and Conditions" set out by the Company for this Fund.

§1 Feeder Fund and Master Fund

The Fund is a feeder fund as defined in Section 1 (19) no. 11 KAGB. The Master Fund within the meaning of Section 1 (19) no. 12 KAGB is "Allianz Global Investors Fund – Allianz Global Dividend", which is a sub-fund of Allianz Global Investors Fund SICAV and is managed by the Company. The Master Fund is an EU investment fund that meets the requirements of Directive 2009/65/EU.

§2 Assets

The Company may acquire the following assets for the UCITS Fund:

1. shares of the Master Fund, share class F (EUR),
2. bank deposits as specified in Section 7 of the General Investment Terms and Conditions, if these are denominated in euro and are disposable on a daily basis, and
3. Derivatives as specified in Section 9 of the "General Investment Terms and Conditions".

§3 Investment limits

- (1) Securities, money market instruments, investment units other than those specified in Section 2 no. 1 as well as other investment instruments as defined in Sections 5, 6, 8 and 10 of the "General Investment Terms and Conditions" must not be acquired for the UCITS Fund
- (2) The Company must invest at least 95% of the value of the UCITS Fund's assets in shares of the Master Fund. In this respect, it is not necessary to observe the investment limits specified in Section 207 and Section 210 (3) KAGB and Section 11 (8) of the General Investment Terms and Conditions.
- (3) The Company may also invest up to 5% of the value of the UCITS Fund's assets in bank deposits as defined in Section 2 no. 2. Bank deposits must be available on a daily basis.
- (4) Up to 5% of the UCITS Fund's value may be invested in derivatives as defined in Section 2 no. 3.
- (5) Securities lending and repurchase agreements as defined in Sections 13 and 14 of the "General Investment Terms and Conditions" will not be entered into.
- (6) Subject to the investment limits set down in the above Sub-sections 1 to 5, a further requirement is that at least 51% of the UCITS Fund's assets shall be invested in equity investments within the meaning of Section 2 (8) of the Investment Tax Act (Investmentsteuergesetz, InvStG) that are eligible for purchase in accordance with the investment conditions

laid down for the UCITS Fund. The actual equity investment ratios of target investment funds may be taken into account in this process.

§4 Derivatives

In derogation of Section 9 (5) of the "General Investment Terms and Conditions", the Company may use derivatives as defined in Section 2 no. 3 exclusively for hedging purposes.

Unit classes

§5 Unit classes

- (1) Different unit classes within the meaning of Section 16 (2) of the "General Investment Terms and Conditions" may be created for the UCITS Fund. These unit classes differ, in particular in terms of the investors who may acquire and hold units, use of income, front-end load, redemption fee, currency of the unit value including the use of currency hedging transactions, all-in fee or minimum investment or any combination of the features mentioned. Unit classes may be created at any time at the discretion of the Company.
- (2) It is permitted to enter into currency hedging transactions in favour of one currency unit class only. For a currency unit class with a currency hedge in favour of this unit class's currency (reference currency) the Company may, irrespective of Section 9 of the "General Investment Terms and Conditions" and Section 4, use derivatives on exchange rates and currencies within the meaning of Section 197 (1) KAGB with the aim of avoiding losses in unit value resulting from exchange-rate-related losses in UCITS Fund assets that are not denominated in the unit class's reference currency. For currency hedged unit classes, the value of the UCITS Fund assets that are subject to a currency risk and are not hedged must not exceed 10% of the unit class value. The use of derivatives in keeping with the provisions of this sub-section must not have any effect on unit classes that are not currency hedged, or that are hedged against another currency.
- (3) The unit value shall be calculated separately for each unit class, with any expenses related to the issue of new unit classes, any distributions (including any taxes to be paid from the Fund's assets), any all-in fees and any results of exchange-rate hedgings attributable to a certain unit class (including any income equalisation) being attributed exclusively to this unit class.
- (4) The existing unit classes shall be listed in the prospectus and in the annual and semi-annual reports. The characteristics of the unit classes as indicated in Sub-section 1 are described in detail in the prospectus and in the annual and semi-annual reports. Moreover, the Company may determine in the prospectus and in the annual and semi-annual reports that a special agreement on the all-in fee between the investor and the Company is a precondition for the acquisition of certain unit classes.

Units, subscription price, redemption price, unit redemption and charges

§6 Units, co-ownership

- (1) As co-owners, the investors hold an interest in the assets of the UCITS Fund proportionate to the number of units held.
- (2) Units in unit classes within the meaning of Section 10 of the German Investment Tax Act (InvStG) ("tax-exempt unit classes") that differ with regard to the investors who may acquire and hold units, among other differences, may only be acquired and held by

- a) German corporations, associations of persons or asset pools that, under the articles of incorporation, the foundation deed or other constitution and on the basis of the actual management, solely and directly serve non-profit, charitable or church purposes within the meaning of Sections 51 to 68 of the German Fiscal Code (AO) and that do not hold the units in a business operation;
- b) German foundations under public law, that solely and directly serve non-profit or charitable purposes;
- c) German legal entities under public law, which solely and directly serve church purposes; and
- d) non-German investors comparable with the entities described in Letters a) to c), with domicile and management in a foreign state providing administrative and debt enforcement assistance.

As proof that the aforementioned conditions have been met, the investor must provide the Company with a valid certificate as specified in Section 9 (1) no. 1 or 2 of the German Investment Tax Act. If the aforementioned conditions are no longer met by an investor, the investor is required to notify the Company of this within one month of the conditions no longer being met. Tax exemption amounts that the Company receives in connection with management of the Fund and that are attributable to income from tax-exempt unit classes are generally payable to the investors in these tax-exempt unit classes. In derogation of this procedure, the Company is entitled to allocate the exemption amounts directly to the Fund, in favour of the investors in these tax-exempt unit classes; no new units are issued as a result of this allocation. The procedure used is explained in the sales prospectus.

Units in tax-exempt unit classes may also be acquired and held within the framework of retirement provision or base pension agreements, provided they are certified in accordance with Sections 5 or 5a of the German Pension Provision Agreements Certification Act (AltZertG). As proof that the aforementioned condition has been met, the provider of the retirement provision or base pension agreement must notify the Company that it is acquiring the relevant units of the tax-exempt unit class solely within the framework of retirement provision or base pension agreements. If the aforementioned condition is no longer met, the investor is required to notify the Company of this within one month of the conditions no longer being met. Tax exemption amounts that the Company receives in connection with management of the Fund and that are attributable to income from the tax-exempt unit class are generally payable to the provider of the retirement provision or base pension agreement. The provider must reinvest the amounts in favour of the beneficiaries under the respective retirement provision or base pension agreement. In derogation of this procedure, the Company is entitled to allocate the exemption amounts directly to the Fund, in favour of the investors in the tax-exempt unit classes; no new units are issued as a result of this allocation. The procedure used is also explained in the sales prospectus.

- (3) In derogation of Section 16 (4) of the "General Investment Terms and Conditions", the units in tax-exempt unit classes must not be transferred. If the investor nevertheless transfers units, the investor is required to notify the Company of this within one month of the transfer. This does not affect the right to redeem the units only through the Company for account of the UCITS Fund in accordance with Section 17 (3) of the "General Investment Terms and Conditions".
- (4) The rights of unit-holders in the UCITS Fund are represented solely in global certificates that are held in safe-keeping at a central securities deposit bank. Investors do not have any claim on issues of individual units.

§7 Subscription and redemption prices

- (1) The front-end load is 5.00% of the unit value and serves to cover the Company's issuing costs. The Company may, however, charge a lower front-end load or no front-end load for one or more of these unit classes, or may refrain from charging a front-end load. The Company shall disclose the front-end load in the prospectus as stipulated in Section 165 (3) KAGB.

- (2) A redemption fee shall not be levied.
- (3) In derogation of Section 18 (3) of the General Investment Terms and Conditions, the pricing date for unit subscriptions and redemption orders shall be at the latest the second valuation date following the receipt of the unit subscription or redemption order.

§8 Suspension of redemption of Master Fund shares

If redemption of Master Fund shares is suspended temporarily as defined in Article 37 Sub-section 2 of amending directives 2001/107/EC and 2001/108/EC (UCITS Directive), the Company is entitled to suspend redemption of UCITS Fund units for the same period. Section 17 (4) of the "General Investment Terms and Conditions" shall remain unaffected.

§9 Costs (fees and expenses)

- (1) Fees payable to the Company are:
For all unit classes for which no minimum investment is required either in the prospectus or in the annual or semi-annual reports, the daily all-in fee for the UCITS Fund shall amount to 1.80% p.a. of the pro rata value of the UCITS Fund, calculated on the basis of the net asset value, which is determined every trading day. For the remaining unit classes, the daily all-in fee for the management of the UCITS Fund calculated on the basis of the net asset value, which is determined every trading day, shall amount to 0.95% p.a. of the pro rata value of the UCITS Fund. The Company may, however, charge a lower all-in fee for one or more unit classes. For unit classes for which the prospectus and the annual and semi-annual reports require a special agreement between the investor and the Company as a precondition for the acquisition, the all-in fee is not charged to the UCITS Fund but directly to the investor. In accordance with Sub-section 1, this all-in fee covers the following fees and expenses that are not charged separately to the UCITS Fund:
 - a) fee for the management of the UCITS Fund (Fund Management, administrative activities),
 - b) fee for the distributors of the UCITS Fund,
 - c) the depositary's fee,
 - d) safe-custody and account fees in line with current banking practice, including any fees charged in line with current banking practices for the custody of foreign securities abroad,
 - e) costs for printing and dispatching the statutory sales literature (e.g. annual and semi-annual reports, prospectus) intended for the investors,
 - f) costs for the publication of the annual and semi-annual reports, the liquidation report, the subscription and redemption prices, and distributions or accumulated income,
 - g) costs for having the UCITS Fund audited by the Company's auditors, including the costs for a certificate stating that all tax data complies with the regulations of German tax law,
 - h) costs for providing information to investors in the UCITS Fund by means of a durable medium, with the exception of information about fund mergers and with the exception of information about measures related to violations of investment limits or calculation errors when determining the unit value,
 - i) fees and costs levied by government agencies in relation to the UCITS Fund,

- j) costs for having the success of the investment of the UCITS Fund analysed by third parties,
- k) costs for the redemption of coupons.

The all-in fee may be withdrawn from the UCITS Fund's assets at any time.

- (2) In addition to the fees listed in Sub-section 1, the following expenses shall be charged to the UCITS Fund:
 1. costs incurred in connection with the use of securities lending programmes in line with current banking practice. The Company shall ensure that the costs of securities lending in no case exceed the income resulting from such transactions.
 2. a) costs for the assertion and enforcement of claims attributable to the UCITS Fund that are deemed to be justified, as well as for defence against unjustified claims brought against the UCITS Fund,
 - b) costs for the verification, assertion and enforcement of claims that appear to be justified for reducing, offsetting and/or reimbursing withholding taxes or other taxes and/or fiscal charges,
 - c) Taxes payable in connection with the fees payable to the Company, the depositary and third parties, in connection with the expenses referred to in Sub-section 2 no. 2 a) and b) and in relation to administration and custody.
- (3) In addition to the aforementioned fees and expenses, the UCITS Fund is charged for the costs incurred in connection with the acquisition and disposal of assets.
- (4) The Company must disclose in the annual and semi-annual reports the amount of the front-end loads and redemption fees that have been charged to the UCITS Fund in the reporting period for the subscription and redemption of units within the meaning of Section 196 KAGB. If the Fund acquires units in other investment funds that are directly or indirectly managed by the Company or another company affiliated to the Company by way of significant direct or indirect participation, neither the Company nor the affiliated company may charge any fees for the subscription or redemption of the units. However, the Company shall not charge the Fund any management fee for acquired shares if the relevant investment fund is managed by the Company, or by another company that is affiliated to the Company by way of significant direct or indirect participation (Group-affiliated target fund). In this case the Company shall reduce its management fee for the proportion of the target fund that is attributable to shares in the Group-affiliated target fund (up to the total amount of the fee, if applicable) by the amount of the management fee charged by the acquired Group-affiliated target fund. The Company must disclose in the annual and semi-annual reports the fee charged to the UCITS Fund by the Company itself, by another (investment) management company or by another company with which the Company is affiliated by way of a significant direct or indirect participation for the management of the units held in the UCITS Fund.

Use of income and financial year

§10 Distribution

- (1) For distributing unit classes the Company shall, as a general rule, make a pro rata distribution of the interest, dividends and income from investment units as well as consideration from loans and repurchase agreements that have accrued for the UCITS Fund's account during the financial year and that have not been required to cover expenses, subject to the requisite equalisation of income. Realised disposal gains and other income – after allowing for income equalisation – may also be distributed on a pro rata basis.

- (2) Pro rata income available for distribution under Sub-section 1 above may be carried over to future financial years for distribution purposes, provided that the total income carried over does not exceed 15% of the value of the UCITS Fund's assets by the end of the financial year. Income from abridged financial years may be carried forward in full.
- (3) In the interest of maintaining the Fund's assets, pro rata income may be partially or, in special cases, completely reinvested in the UCITS Fund.
- (4) Distribution shall be performed annually within three months following the end of each financial year.
- (5) Interim distributions are permissible in exceptional circumstances where the UCITS Fund is to be merged with another UCITS Fund in accordance with Sections 182 et seq. KAGB, or where another UCITS Fund is to be merged with the UCITS Fund in question.

§11 Accumulation

- (1) For accumulating unit classes the Company shall make a pro rata reinvestment of the dividends, interest, income from investment units, consideration from loans and repurchase agreements and other income and realised disposal gains in the Fund that have accrued for account of the UCITS Fund during the financial year and that have not been required to cover expenses, subject to the requisite equalisation of income.
- (2) Interim distributions are permissible in exceptional circumstances where the UCITS Fund is to be merged with another UCITS Fund in accordance with Sections 182 et seq. KAGB, or where another UCITS Fund is to be merged with the UCITS Fund in question.

§12 Financial year

The financial year of the UCITS Fund is the calendar year.

§13 Redemption restrictions

The Company may restrict the redemption of units if the investor's redemption requests amount to at least 10% of the net asset value of the UCITS Fund (threshold value).

Your partners

Allianz Global Investors GmbH
Bockenheimer Landstraße 42–44
60323 Frankfurt am Main, Germany
Customer Service Centre
Tel: +49 (0)9281-72 20
Fax: +49 (0)9281-72 24 61 15
+49 (0)9281-72 24 61 16
Email: info@allianzgi.de

Subscribed and paid up capital:
EUR 49.9 million
As at: 31 December 2021

Shareholder

Allianz Asset Management GmbH
Munich, Germany

Supervisory Board

Tobias C. Pross
CEO Allianz Global Investors GmbH
Munich, Germany

Giacomo Campora
CEO Allianz Bank
Financial Advisers S.p.A.
Milan, Italy

Prof. Michael Hüther
Director and Member of the Board
Institut der deutschen Wirtschaft
Cologne, Germany

Laure Poussin
Head of Enterprise Project
Management Office
Allianz Global Investors France Branch
Paris, France

Klaus-Dieter Herberg Allianz
Networks Germany
Allianz Global Investors GmbH, Munich,
Germany

Dr. Kay Müller
Member of the Board
Allianz Asset Management GmbH
Munich, Germany

Board of Management

Alexandra Auer (Chair)
Ludovic Lombard
Ingo Mainert
Dr. Robert Schmidt
Petra Trautschold
Birte Trenkner

Depository

State Street Bank International GmbH
Brienner Straße 59
80333 Munich, Germany
Equity capital of State Street Bank
International GmbH: EUR 109 million
As at 31 December 2021

Special Order Placement Offices

Fondsdepot Bank
GmbH Windmühlenweg
12
95030 Hof, Germany

State Street Bank
International GmbH,
Luxembourg Branch
49, Avenue J.F. Kennedy
L-1855 Luxembourg

Paying and Information Agent(s) within the European Union (EU wide)

Details of the measures and/or activities to be carried out as described in Article 92 of the UCITS Directive, along with all other relevant information, can be found at <https://regulatory.allianzgi.com/en/facilities-services>. State Street Bank International GmbH is responsible for processing unit purchase and unit redemption orders as well as for executing the corresponding payments to/from unitholders, including the proceeds of purchases and redemptions. Information and payments can be requested via the following address:

State Street Bank International
GmbH
Brienner Strasse 59
80333 Munich, Germany

Allianz Global Equity Dividend

The net asset value of the units and the subscription and redemption prices of the units are available at <https://regulatory.allianzgi.com/en/facilities-services> and from any other source that the Management Company deems suitable for such a purpose.

Appointment of Austrian representative to the tax authorities in the Republic of Austria

The following financial institution has been appointed the Austrian representative to the tax authorities for certification of income equivalent to distributions as defined in Section 186 (2) line 2 InvFG:

Deloitte Tax Wirtschaftsprüfungs

GmbH
Renngasse 1/Freyung
A-1010 Vienna, Austria

Auditor

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft
Friedrich-Ebert-Anlage 35–37
60327 Frankfurt am Main, Germany

Note:

In recurring reports, important information is updated as required.
As of: 16 January 2024
Visit our website at <https://de.allianzgi.com>

Allianz Global Investors GmbH

Bockenheimer Landstraße 42-44
60323 Frankfurt am Main, Germany
info@allianzgi.de
<https://de.allianzgi.com>