

Prospectus 22 March 2019

# Allianz Global Investors Fund VII

A Unit Trust established as a UCITS under the law of Ireland  
(An Umbrella Fund)

# This Document is Important

The Directors of the Management Company whose names appear on page 91 accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither the Trust nor any Fund has been or will be registered in the United States of America under the Investment Company Act of 1940 as amended. The Units have not been and will not be registered in the United States of America under the Securities Act of 1933 as amended (the "Securities Act") or under the securities laws of any state of the U.S.. The Units made available under this offer may not be directly or indirectly offered or sold in the U.S. or to or for the benefit of any U.S. Person as defined in Rule 902 of Regulation S under the Securities Act. Applicants may be required to declare that they are not a U.S. Person and are not applying for Units on behalf of any U.S. Person nor acquiring Units with the intent to sell them to a U.S. Person. Should a Unitholder become a U.S. Person, they may be subject to U.S. withholding taxes and tax reporting.

Distribution of this document is not authorised unless accompanied by a copy of the latest annual report and, if published thereafter, the latest half-yearly report of each Fund. Such reports form part of this Prospectus.

Units are offered only on the basis of the information contained in the current Prospectus and the latest annual or, if appropriate, half-yearly report of the Funds. Any further information or representation given or made by any dealer, salesman or other person should be disregarded and, accordingly, should not be relied upon.

Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein. This Prospectus should be read in its entirety before making an application for Units.

This Prospectus may be translated into other languages provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English language Prospectus will prevail, except to the extent (but only to the extent) that the law of any jurisdiction where the Units are sold requires that in an action based upon a statement in the Prospectus in a language other than English, the version of the Prospectus on which such an action is based shall prevail. All disputes as to the terms of the Prospectus, regardless of the language version, shall be governed by, and construed in accordance with, the law of Ireland.

The distribution of this Prospectus and the offering or purchase of the Units may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or any accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Units pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Units should inform themselves as to the legal requirements of so applying and as to any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

Certain terms used in this Prospectus are defined in Schedule I of this document.

**If you have any questions about the contents of this Prospectus you should consult your bank manager, lawyer or other financial adviser.**

The Management Company recommends that an investment in the Funds should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. A Fund may invest principally in FDI which involve specific risks which are disclosed on pages 11 and 12. The value and income from Units in a Fund may go up as well as down and you may not get back the amount you have invested in a Fund. Prior performance is no indicator of current or future performance. Before investing in a Fund you should consider the risks involved in such investments. Investors' attention is drawn to the risk factors set out on pages 9 to 15. The difference at any one time between the subscription and redemption price of the Units means that an investment in the Funds should be viewed as medium to long-term.

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# The Trust and the Funds

## Introduction

The Trust is an open-ended unit trust established as a UCITS under the UCITS Regulations and constituted by the Trust Deed. The Trust is authorised by the Central Bank pursuant to the UCITS Regulations, and was originally authorised on 30 January 1997. The authorisation of the Trust is not an endorsement or guarantee of the Trust by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus. The authorisation of the Trust by the Central Bank shall not constitute a warranty by the Central Bank as to the performance of the Trust or of any Fund and the Central Bank shall not be liable for the performance or default of the Trust or of any Fund.

The Trust is organised in the form of an umbrella fund and may comprise of a number of Funds. The Trust Deed provides for the creation of Funds, each constituting interests in a defined portfolio of assets and liabilities. Under Irish law there is no cross-liability between the funds of a unit trust organised in the form of an umbrella fund. Consequently, there is no cross-liability between the Funds of the Trust. A Fund may comprise of one or more Classes of Units and Classes of Units may be distinguished on the basis of various factors, including the level of the Initial Charge, the all-in-fee, the distribution policy, the currency and/or the minimum initial investment requirements. A separate pool of assets will be maintained for each Fund but not for each Class. The Unitholders of a Fund collectively own the Fund's assets but do not hold any individual rights in respect of any individual investments of the Fund. This Prospectus relates to all of the Funds of the Trust. The Management Company has obtained approval from the Central Bank for the establishment of the following Fund:

- Allianz Emerging Markets Bond Fund

With the prior approval of the Central Bank, the Management Company may from time to time create an additional Fund or Funds, the investment objective and policy of which shall be outlined in a supplemental prospectus or in a new prospectus, together with details of the Initial Offer Period, the Initial Price for each Unit and such other relevant information in relation to the additional Fund or Funds as the Management Company may deem appropriate, and the Central Bank requires, to be included. Each supplemental prospectus shall form part of, and should be read in conjunction with, this Prospectus. The Management Company shall notify the Central Bank prior to the issue of additional Classes of Units in a Fund which shall be effected in accordance with the requirements of the Central Bank.

The Management Company has registered the Fund with the appropriate authorities in a number of jurisdictions so that Units in the Fund may be offered for sale in those jurisdictions. Information in relation to some of these registrations is set out in the section entitled "Registrations" under the respective country headings. The Management Company may also register the Fund in other countries. Any information required to be provided specifically to investors in those countries will be set out either in the section entitled "Registrations" or in a country-specific schedule or in a supplemental prospectus.

## Investment Objectives and Policies of the Funds

The investment objective and policies for the Fund are set out in Schedule VI of this Prospectus.

There can be no guarantee that the investment objective of a Fund will be achieved. Any changes to the investment objective and any material changes to the investment policies of a Fund may be made only with the approval of the Central Bank and the prior consent of the Unitholders of that Fund evidenced by a majority vote of the Unitholders in a general meeting or by a resolution in writing signed by Unitholders holding 50 % or more of the Units in issue. In the event of any change in the investment objective and/or policies, a reasonable notification period will be provided to the Unitholders of that Fund to enable them to redeem their Units prior to the implementation of the change.

Each Fund's investments will be limited to investments permitted by the UCITS Regulations as set out in Schedule IV. In the case of a conflict between the investment policies and the UCITS Regulations, the more restrictive limitations shall apply.

The Investment Manager or Sub-Investment Manager decides on the composition of a Fund depending on an assessment of the market situation and taking into consideration the Fund's investment objective and policies, which may result in a complete or partial restructuring of the Fund's investments. Such adjustments could possibly occur even frequently.

With the exception of permitted investment in unlisted securities and over-the-counter financial derivative instruments, investments will be restricted to those listed, traded or dealt in on those stock exchanges and markets listed in Schedule II hereto.

## Ottawa and Oslo Conventions

The Funds refrain from investing in securities of issuers which, in the opinion of the Directors, engage in business activities prohibited by the Ottawa convention on antipersonnel mines and the Oslo convention on cluster munitions. In determining whether a company engages in such business activities, the Directors may rely on assessments that are based on: (i) research analysis from institutions specialised in screening compliance with said conventions; (ii) responses received from the Management Company or the Investment Manager or Sub-Investment Manager in the course of Unitholder engagement activities; and (iii) publicly available information. Such assessments may either be made by the Directors or obtained from third parties, including other companies within the Allianz group.

## Risk Profile of the Funds

A risk profile for each Fund is set out in the relevant schedule for that Fund. Each risk profile provides an assessment of the level of risk assumed by investing in a Fund relative to investments in other funds, and lists the specific and general risk factors to which each Fund may be exposed. Explanations of these risk factors are provided below under the heading "Risk Factors in relation to the Funds". Investors should consider the risk profile and the risk factors prior to investing in a Fund.

## Distribution Policy

The Management Company is permitted to declare distributions in respect of any Fund and any Class of Units. Distributions may not be payable for all Funds or all Classes of Units. The current distribution policy for distributing Units is to distribute net income received by and due to a Fund, including income equalisation, for a relevant period. The Management Company may also decide to distribute realised and unrealised gains less realised and unrealised losses incurred during a relevant period. The Management Company may, but is not obliged to, take account of taxation considerations in determining the amount of any distributions to be paid. Distributions for each Fund will generally be paid annually on or around the first Monday in March following the end of each Fund's accounting period.

Payment of distributions shall be made in the currency in which the Units are denominated by electronic bank transfer to a bank account in the name of the Unitholder. Where a distribution is to be paid to a Unitholder, the Management Company shall be entitled to deduct from the distribution such amount as may be necessary to discharge the Fund's liability to tax in respect of such distribution and shall arrange to discharge the amount of tax due.

The Management Company may, where the amount of the distribution payable to a Unitholder is less than EUR 250 or an equivalent amount in another currency, treat the distribution, less any Irish tax required to be deducted therefrom, as a subscription by that Unitholder for Units of the same Class of Units. The distribution will be reinvested by reference to the first Subscription Price to be calculated after the distribution is paid, except that no Initial Charge will be payable.

Any distribution which is unclaimed for six years from the date it became payable shall be forfeited automatically and become the property of the relevant Fund.

## Borrowings

A Fund may not borrow money, grant loans or act as guarantor on behalf of third parties, except as follows:

- (i) foreign currency may be acquired by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103(1) of the UCITS Regulations provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding; and
- (ii) borrowings not exceeding 10 % of the net assets of the Fund may be made on a temporary basis.

## Investment Techniques and Financial Derivative Instruments

The Investment Manager or Sub-Investment Manager may use investment techniques and financial derivative instruments ("FDI") as set out in the investment objective and policies section for each Fund in the schedules at the end of this Prospectus and in accordance with the details set out in Schedule III.

A list of the Regulated Markets on which such derivative instruments may be quoted or traded is set out in Schedule II. A description of the current conditions and limits laid down by the Central Bank in relation to FDI as well as a description of the FDI which a Fund may use is set out in Schedule III.

If a Fund invests in total return swaps or other FDI with the same characteristics, the underlying asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund as set out in Schedule VI. The counterparties to such transactions are typically banks, investment firms, broker-dealers, collective investment schemes or other financial institutions or intermediaries. The risk of the counterparty defaulting on its obligations under the total return swap and its effect on investor returns are described in the risk factors on pages 10 and 11 to 12 under the headings "Counterparty Risk" and "Risks Associated with the Use of Financial Derivative Instruments ("FDI") and Efficient Portfolio Management ("EPM") Techniques and Instruments". It is not intended that the counterparties to total return swaps entered into by a Fund assume any discretion over the composition or management of the Fund's investment portfolio or over the underlying of the FDI, or that the approval of the counterparty is required in relation to any portfolio transactions by the Fund.

The policy that will be applied to collateral arising from OTC FDI transactions or EPM techniques relating to the Funds is to adhere to the requirements set out in Schedule III. This sets out the permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the Central Bank Regulations. The categories of collateral which may be received by the Funds include cash and non-cash assets such as equities, debt securities and money market instruments. From time to time and subject to the requirements in Schedule III, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Investment Manager or Sub-Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The haircuts applied (if any) by the Investment Manager or Sub-Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in Schedule III. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy.

If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund. For further details see the risk factors set out on pages 9 to 15.

Direct and indirect operational costs and fees arising from the EPM techniques of stock lending, repurchase and reverse repurchase arrangements may be deducted from the revenue delivered to the Funds (e.g. as a result of revenue sharing arrangements). All the revenues arising from such EPM techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Management Company, the Investment Manager or Sub-Investment Manager or the Trustee. The revenues arising from such EPM techniques for the relevant reporting period, together with the direct and indirect

operational costs and fees incurred and the identity of the counterparty(ies) to these EPM techniques, will be disclosed in the annual and half-yearly reports of the Funds.

The Management Company employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with the FDI held by a Fund. The Investment Manager or Sub-Investment Manager will only use FDI that are set out in the risk management process cleared by the Central Bank. The Management Company will, on request, provide supplementary information to Unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

## Securities Financing Transactions Regulation - Disclosure

A Fund may enter into the following transactions:

- (i) total return swaps as set out in the section entitled "The Use of FDI by the Funds"; and
- (ii) repurchase agreements, reverse repurchase agreements and securities lending arrangements as set out in the section entitled "The Use of Repurchase Agreements, Reverse Repurchase Agreements and Stocklending Agreements by the Funds".

A Fund may enter into total return swaps for investment purposes and for efficient portfolio management purposes, and may enter into Securities Financing Transactions for efficient portfolio management purposes only. In this context, efficient portfolio management purposes include: the reduction of risk, the reduction of cost and the generation of additional capital or income for the Fund with a level of risk that is consistent with the risk profile of the Fund.

If the Fund invests in total return swaps or Securities Financing Transactions, the relevant asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund. Subject to the investment restrictions laid down by the Central Bank as set out in Schedule III, and also any investment restrictions as set out in the investment objective and policies section within the relevant schedule, each Fund can invest up to 100 % of its Net Asset Value in total return swaps and Securities Financing Transactions.

It is anticipated that each Fund will generally invest not more than:

- (i) 2 % of its Net Asset Value in total return swaps;
- (ii) 10 % of its Net Asset Value in repurchase transactions;
- (iii) 10 % of its Net Asset Value in securities or commodities lending and securities or commodities borrowing transactions;
- (iv) 10 % of its Net Asset Value in buy-sell back transactions or sell-buy back transactions; and
- (v) 10 % of its Net Asset Value in margin lending transactions.

However, this is solely an estimate which may be exceeded. The percentage of a Fund's assets for the respective use of the above mentioned Securities Financing Transactions and/or the use of total return swaps is no indication of the true risk level of the Fund because it does not reflect the exposure of such Securities Financing Transactions and total return swaps.

The Funds shall only enter into total return swaps and Securities Financing Transactions with counterparties that satisfy the criteria (including those relating to legal status, country of origin and minimum credit rating) as set out in paragraphs 4 and 34 of Schedule III.

The categories of collateral which may be received by the Funds are set out in paragraphs 26 to 33 of Schedule III and includes cash and non-cash assets such as equities, debt securities and money market instruments. Collateral received by the Funds will be valued in accordance with the valuation methodology set out under the section entitled "Determination of Net Asset Value". Collateral received by a Fund will be marked-to-market daily and daily variation margins will be used.



Where a Fund receives collateral as a result of entering into total return swaps or Securities Financing Transactions, there is a risk that the collateral held by the Fund may decline in value or become illiquid. In addition, there can also be no assurance that the liquidation of any collateral provided to the Fund to secure a counterparty's obligations under a total return swap or Securities Financing Transaction would satisfy the counterparty's obligations in the event of a default by the counterparty. Where the Fund provides collateral as a result of entering into total return swaps or Securities Financing Transactions, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

A Fund may provide certain of its assets as collateral to counterparties in connection with total return swaps and Securities Financing Transactions. If a Fund has over-collateralised (i.e. provided excess collateral to the counterparty) in respect of such transactions, it may be an unsecured creditor in respect of such excess collateral in the event of the counterparty's insolvency. If the Trustee or its sub-custodian or a third party holds collateral on behalf of a Fund, the Fund may be an unsecured creditor in the event of the insolvency of such entity.

There are legal risks involved in entering into total return swaps or Securities Financing Transactions which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Subject to the restrictions laid down by the Central Bank as set out in paragraphs 30 to 31 of Schedule III, a Fund may re-invest cash collateral that it receives. If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund.

For a summary of certain other risks applicable to total return swaps and Securities Financing Transactions, see the sections entitled "Risks Associated with the Use of Financial Derivative Instruments ("FDI") and Efficient Portfolio Management ("EPM") Techniques and Instruments".

Direct and indirect operational costs and fees arising from total return swaps or Securities Financing Transactions may be deducted from the revenue delivered to a Fund (e.g. as a result of revenue sharing arrangements). All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Management Company, the Investment Manager or Sub-Investment Manager or the Trustee.

## **Risk Factors in relation to the Funds**

Investors should understand that any investment involves risks. A risk profile for each Fund is set out in the relevant schedule at the end of the Prospectus. Investors should consider the relevant risk profile and the risk factors described below prior to investing in a Fund. The Management Company draws attention to the following specific risks which do not purport to be an exhaustive list of risk factors. The risk factors for emerging markets are applicable to the Funds whose investment policies allow investment in emerging markets.

### **Investment Risk**

The price of the Units may fall as well as rise. There can be no assurance that a Fund will achieve its investment objective or that a Unitholder will recover the full amount invested in a Fund. The capital return and income of a Fund are based on the capital appreciation and income on the securities held, less expenses incurred. Therefore, a Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. Neither the Management Company nor any third parties offer any guarantee with regard to the performance of a Fund. The Initial Charge levied when Units are purchased could reduce, or even erode, any returns on an investment, particularly 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, in addition to the costs already incurred (e.g. the Initial Charge for the purchase of Units), incur additional costs, such as sales charges for the

purchase of other units. These events and circumstances could result in Unitholder losses.

#### **Political Risks**

The value of a Fund's assets may be affected by uncertainties, such as political developments, changes in government policies, taxation and currency repatriation rules and restrictions on foreign investment. Adverse developments in these areas can result in losses to a Fund.

#### **General Market Risk**

By investing directly or indirectly in securities and other assets, a Fund is exposed to general market trends, especially on the securities markets. The complex and, at times, irrational factors which underpin general market trends can under certain circumstances even result in significant and long lasting falls in securities prices affecting the entire market. Securities issued by highly-rated issuers are subject to general market risk in essentially the same way as other securities and assets.

#### **Company-Specific Risk**

Changes in the market price of securities and other instruments held directly or indirectly by a Fund are also dependent on company-specific factors, for example, the issuer's business situation. If these company-specific factors deteriorate, the price of the particular security may drop significantly and permanently, regardless and independent of general stock market trends, either positive or negative.

#### **Risk of Insolvency**

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

#### **Risk of Settlement Default**

An additional risk exists, particularly in the case of investments in unlisted securities, that settlement through a transfer system will not take place as expected due to payments or deliveries being delayed or not being agreed.

#### **Counterparty Risk**

Where a Fund's investments are not dealt on a stock exchange or a regulated market ("OTC transactions"), there is a risk additional to the general risk of insolvency that the counterparty of the trade may default or not completely fulfil its obligations. This applies in particular to transactions involving FDI and techniques and instruments used for the purpose of EPM.

#### **Country/Transfer Risk**

Economic or political instability in countries in which a Fund is invested may result in the Fund not receiving the full amount or any of the monies to which it is entitled regardless of the solvency of the issuer of the particular security or asset. Currency or transfer limitations or other legal changes, for example, may be of significance in this regard.

#### **Currency Risks**

The Net Asset Value per Unit will be denominated in a specified currency whereas the investments of a Fund may be acquired in a wide range of currencies. As a result, any devaluation of a relevant foreign currency against the currency of a Unit would cause the value of the assets denominated in that foreign currency to fall with a corresponding negative impact on the performance of the Class of Units. To the extent that a Fund takes positions in currencies other than the currency or currencies its assets are denominated in, a Fund's performance might be strongly influenced by movements in FX rates. A Fund may, but is not required to, seek to minimise the exposure to currency fluctuation risks by the use of hedging and other techniques and instruments but it may not be possible or practicable to hedge against the consequent currency risk exposure.

#### **Currency Risks in Connection with Hedged Currency Classes**

To limit currency exposure to Unitholders, hedged currency Classes of Units may be created which are intended to hedge the currency exposure of the currency of the Class against the currency or currencies in which the assets of a Fund are denominated. Over-hedged or under-hedged positions may arise due to factors outside the control of the Investment

Manager or Sub-Investment Manager. The hedged positions will be kept under review to ensure that: (i) over-hedged positions do not exceed 105 % of the Net Asset Value of the relevant Class of Units; and (ii) under-hedged positions do not fall short of 95% of the hedged portion of the Net Asset Value of the relevant Class of Units, provided that if these limits are exceeded the Fund shall adopt as a priority objective the managing back of the hedge to within the limits taking due account of the interests of the Unitholders and provided further that the hedge must be re-weighted at least on a monthly basis and positions materially in excess of 100 % must not be carried forward from month to month. There can be no guarantee that the target hedging level will be achieved or that the hedging strategy will be successful. The costs, gains and losses of the hedging transactions will be borne by the particular hedged currency Class. To the extent that holders in hedged currency Classes of Units are protected against foreign exchange losses there is a similar reduction in the ability to achieve foreign exchange gains. To the extent that the hedging level of a hedged currency Class of Units exceeds 100 %, the Units of such Class of Units are exposed to additional currency fluctuation risk.

### **Concentration Risk**

Where a Fund focuses its investments on a limited number of markets or types of investment, it will not enjoy the same level of diversification of risks across different markets or types of investment which would be possible if investments were not so concentrated. Consequently, such a Fund is particularly dependent on the development of these investments as well as of individual or related markets or of companies included in those markets.

### **Liquidity Risk**

Even relatively small orders for sales or purchases of illiquid securities (being securities that cannot be sold readily) can lead in particular 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. The purchase of an illiquid asset may cause its purchase price to increase significantly.

### **Custodial Risk**

A Fund could be denied access, in whole or in part, to investments held in custody in case of the bankruptcy, negligence, wilful misconduct or fraudulent activity on the part of the Trustee or its sub-custodian.

### **Risks Associated with the Use of Financial Derivative Instruments ("FDI") and Efficient Portfolio Management ("EPM") Techniques and Instruments**

A Fund may use FDI for hedging and investment purposes and may use EPM techniques and instruments such as repurchase agreements, reverse repurchase agreements and stocklending agreements. Each Fund may seek to protect or enhance its returns by using FDI and EPM techniques and instruments as set out in the investment objective and policies section within the relevant schedule and in Schedule III. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved. The use of FDI and EPM techniques and instruments involves investment risks and transaction costs to which a Fund would not be subject if such Fund did not use these strategies. If the predictions of movements in the direction of the respective underlying(s) are inaccurate, the adverse consequences to a Fund may leave a Fund in a worse position than if such strategies were not used.

Risks inherent in the use of FDI and EPM techniques and instruments include, but are not limited to:

- a. the dependence on the ability to predict correctly movements in the direction of the underlying interest rates, securities prices, currency markets or other parameters;
- b. the possibly imperfect correlation between the price of FDI and movements in their underlying interest rates, securities prices, currency markets or other parameters;
- c. the fact that skills needed to use these strategies are different from those needed to select securities;
- d. the possible absence of a liquid secondary market for any particular instrument at any time;
- e. the possible inability of a Fund to purchase or sell an instrument at a time that otherwise would be favourable for it to do so, or the possible need for a Fund to sell an instrument at a disadvantageous time;
- f. the potential loss arising from the use of FDI or EPM techniques and instruments may not be predictable and may even exceed the margins or other collateral paid;
- g. the risk of insolvency or default of a counterparty; and

- h. the risk, in particular in the case of OTC FDI or EPM techniques and instruments, that the relevant documentation might not accurately reflect the terms agreed or be legally enforceable or the risk of loss due to the unexpected application of a law or regulation.

#### **Emerging Markets Risks – Liquidity and Settlement Risks**

Unitholders should note that emerging markets are less liquid and more volatile than stock markets in developed markets and this may result in fluctuations in the prices of the Units in a Fund. In addition, market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risk. In particular, some of the markets in which a Fund may invest do not provide for settlement on a delivery-versus-payment basis and the risk in relation to such settlements has to be borne by the Fund.

#### **Emerging Markets Risks – Regulatory Risks and Accounting Standards**

It should be remembered that the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of shareholder protection or information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards. This may affect the valuation of a Fund's assets.

#### **Emerging Markets Risks – Custodial Risks**

Investments in emerging markets are currently subject to certain heightened risks with regard to the ownership and custody of securities. In certain countries, ownership is evidenced by entries in the books of a company or its registrar. In such instances, no certificates representing ownership of companies will be held by the Trustee or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of effective state regulation and enforcement, a Fund, completely outside of its control, could lose its registration and ownership of securities through fraud, negligence or even mere oversight.

#### **Emerging Markets Risks – Risks of Direct Investment in the Investment Markets of the Russian Federation**

Direct investment in Russian securities presents many of the same risks as investing in securities of issuers in other emerging market economies, as described in the immediately preceding risk factors. However, the political, legal and operational risks of investing in Russian issuers may be particularly pronounced. Certain Russian issuers may also not meet internationally accepted standards of corporate governance.

Investment in Russia presents unique risks in relation to the settlement and safekeeping of securities. Up until 1 April 2013, book-entries into the issuer's register of shareholders represented the only evidence of ownership of securities. Each issuer appointed its own registrar which has resulted in a broad geographic distribution of several thousand registrars across Russia. Although the Russian Federal Commission for Securities introduced regulations governing registrar activities, enforcing these regulations proved difficult. This meant there was potential for risk of error and there are no assurances that any given registrar will comply with the applicable regulations. However, a change occurred in the custody arrangements applicable to certain Russian securities on 1 April 2013. From that date, the holding of many Russian securities in the relevant Funds will no longer be evidenced by a direct entry on the issuer's register of shareholders. Instead, the ownership of, and settlement of transactions in, those Russian securities was moved to a central securities depository, the National Settlement Depository ("NSD"). The Trustee or its local agent in Russia is a participant on the NSD. The NSD, in turn, will be reflected as the nominee holder of the securities on the register of the relevant issuer. Therefore, while this is intended to introduce a centralised and regulated system for recording of the ownership of, and settlement of transactions in, Russian securities, it does not eliminate all of the risks associated with the registrar system outlined in this section.

These circumstances may reduce the value of the assets that are acquired or may prevent full or partial access by a Fund to these assets, to its detriment.

#### **Fund Size Risk**

Given the risks to which a Fund is exposed, its capital may decrease due to a fall in asset values. Similarly, the size of a Fund may decline due to a high level of redemptions of a Fund's Units or the payment of distributions. A reduction in the size of

a Fund could make the Fund uneconomic and this could in turn lead to a decision to terminate the Fund and, potentially, to Unitholders suffering losses.

#### **Risk of Dealing Restrictions and Compulsory Actions**

The redemption of the Units in a Fund may be subject to restrictions. If the redemption of Units in a Fund is temporarily suspended or if the Directors decide to exercise their discretion to restrict the number of Units redeemed to 10 % of the Net Asset Value of a Fund on a particular Dealing Day, Unitholders would be compelled to remain invested in the Fund for a longer period of time than originally intended or desired with the consequence that their investments continue to be subject to the risks inherent to the Fund. If a Fund is terminated by the compulsory repurchase of Units or if the Trust exercises the right to compel the redemption of Units in a Fund, Unitholders will no longer have the opportunity to remain invested in a Fund. The same applies if a Fund or Class of Units held by the investors merges with another fund, in which case the investors automatically become unitholders in another fund. The Initial Charge levied when Units are acquired could reduce or even erode any returns on an investment, particularly 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, in addition to the costs already incurred (e.g. the Initial Charge for the purchase of Units), incur additional costs, such as an initial charge for the purchase of other units. These events and circumstances could 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 gains made on an investment in a Fund. Different currencies are subject to different levels of inflation risk.

#### **Risk of General Changes**

Over time, the framework (e.g. economic, legal or tax) within which an investment is made may change. This could have a negative effect on the investment and on the treatment of the investment by the Unitholder.

#### **Risk of Taxation or Other Charges as a Result of Local Provisions Related to the Assets held by a Fund**

As a result of local provisions, assets held by a Fund may be subject now or in the future to taxes, fees, charges and other retentions. This applies in particular to revenues or gains from the sale, redemption or restructuring of a Fund's assets, cashflow-free restructuring of a Fund's assets, changes related to settlement and dividends, interest and other income received by a Fund. Certain taxes or charges, for example all charges collected under FATCA, may be collected in the form of a withholding tax or a retention when paying out or forwarding payments.

#### **Risk of Changes in Constitutional Documentation, Investment Objective and Policies and General Conditions**

The constitutional documentation of a Fund, its investment objective and/or policies and other general conditions may change subject to, in certain cases, the approval of Unitholders. Changes of this nature can alter the nature of the risks of a Fund.

#### **Key Person Risk**

Funds which have achieved positive investment performance in the past may attribute this success to the skills, qualifications and expertise of certain personnel making investment management decisions. As the composition of personnel within an organisation can change over time, there is a risk that new personnel may achieve less success than their predecessors.

#### **Dilution and Swing Pricing Risk**

The actual cost of purchasing or selling the underlying assets of a Fund may be different from the carrying value of these assets in the Fund's valuation. The difference may arise due to dealing and other costs (such as taxes) and/or any spread between the purchase and sale prices of the underlying assets. These dealing and other costs can have an adverse effect on the overall value of the Fund and thus the Net Asset Value per Share may be adjusted in order to reduce this adverse effect and to protect the interests of existing Unitholders. The size of the Swing Pricing Adjustment is determined by factors such as the volume of transactions, the purchase or sale prices of the underlying investments and the valuation method adopted to calculate the value of the underlying investments of the Fund.

### **Risk of Interest Rate Changes and Negative Interest Rates**

To the extent that a Fund invests directly or indirectly in interest-bearing assets, it is exposed to risk of interest rate changes. If the prevailing interest rate increases, the price of the interest-bearing assets held by the Fund may drop significantly. This applies to an even greater degree if the Fund holds interest-bearing assets with a longer period to maturity and a lower nominal interest rate.

The Management Company invests the liquid assets of the Funds with banks for the account of the relevant Fund. Depending on market conditions, in particular the development of the interest policy of the European Central Bank, short-, medium- and long-term bank deposits may incur negative interest rates which will be charged to the relevant Fund. Such interest charges may adversely impact the Net Asset Value of a Fund.

### **Creditworthiness Risk**

The creditworthiness (solvency and willingness to pay) of the issuer of a security or money-market instrument held directly or indirectly by a Fund may fall. This usually leads to a decline in the price of the security or money market instrument over and above general market fluctuations.

### **Specific Risks of Investing in Target Funds**

If a Fund uses other collective investment schemes ("target funds") as an investment vehicle for its assets by acquiring units/shares in such target funds, it assumes, in addition to the risks generally associated with investment policies of the target funds, the risks that result from the structure of the target fund vehicle. As a result it is itself subject to, among other risks: fund size risk; the risk of settlement default; the risk of dealing restrictions and compulsory actions; the risk of general changes; the risk of changes in constitutional documentation, investment objective and policies and general conditions; key person risk; the risk of transaction costs due to subscriptions and redemptions affecting the entire fund as well as the individual class; and, in general, investment risk.

The fund managers of different target funds operate independently of one another. 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 Fund holding these target funds on the same or related markets or assets. It could also have the effect of cancelling out the economic opportunities and risks assumed by the different target funds.

If a Fund invests in target funds, costs are regularly incurred both at the level of the Fund making the investment and at the level of the target funds, in particular management fees (fixed and/or performance-related), custodian fees and other costs; these result in increased charges to the investors in the Fund making the investment.

### **Specific Risks of Investing in High Yield Securities**

Investments in High Yield Securities are subject to the same general risks as investments in other Debt Securities, but the level of risk is greater. Such investments are normally associated with, in particular, increased creditworthiness risk, risk of interest rate changes, company-specific risk, general market risk and liquidity risk.

### **Risks Associated with Umbrella Cash Accounts**

One or more Umbrella Cash Accounts operate at umbrella level in respect of the Trust rather than a specific Fund and the segregation of Investor Monies from the liabilities of Funds other than the relevant Fund to which the Investor Monies relate is dependent upon, among other things, the correct recording of the assets and liabilities attributable to individual Funds by or on behalf of the Trust.

In the event of the insolvency of a Fund, there is no guarantee that such Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to Investor Monies) in full.

Monies attributable to other Funds within the Trust are also held in the Umbrella Cash Accounts. In the event of the insolvency of a Fund (an "Insolvent Fund"), the recovery of any amounts to which another Fund (the "Beneficiary Fund") is entitled, but which may have transferred in error to the Insolvent Fund as a result of the operation of the Umbrella Cash Accounts, will be subject to applicable law and the operational procedures for the Umbrella Cash Accounts. There may be delays in effecting, and/or disputes as to the recovery of, such amounts, and the Insolvent Fund may have insufficient funds

to repay amounts due to the Beneficiary Fund.

In the event that an investor fails to provide the subscription monies within the timeframe stipulated in this Prospectus, the investor may be required to indemnify the Fund against the liabilities that may be incurred by it. The Trust may cancel any Units that have been issued to the investor and charge the investor interest and other expenses incurred by the relevant Fund. In the event that the Trust is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Fund, and consequently its Unitholders, may be liable.

No interest will be paid on the amounts held in the Umbrella Cash Accounts.

### Cyber Security Risk

Like other business enterprises, the use of the internet and other electronic media and technology exposes the Funds, the Trust's service providers, and their respective operations, to potential risks from cyber-security attacks or incidents (collectively, "cyber-events"). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through "hacking" activity), infection from computer viruses or other malicious software code, and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact the Trust, the Funds and the Unitholders, and cause the Funds to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures. A cyber-event may cause the Trust, a Fund, or the Trust's service providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of a Fund or allow Unitholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Trust, the Funds and the Trust's service providers. In addition, cyber-events affecting issuers in which a Fund invests could cause a Fund's investments to lose value.

### Brexit Risks

In a June 2016 referendum, citizens of the UK voted to leave the EU, creating economic and political uncertainty in its wake. The country's departure from the EU (referred to as "Brexit") sparked depreciation in the value of the British pound sterling, short-term declines in the stock markets and heightened risk of continued economic volatility in the UK and worldwide. It may also lead to weakening in consumer, corporate and financial confidence in the UK and European markets as the UK negotiates its exit from the EU. There is still considerable uncertainty relating to the potential consequences and precise timeframe for Brexit, how the negotiations for the withdrawal and new trade agreements will be conducted, and whether Brexit will increase the likelihood of other countries also departing the EU. During this period of uncertainty, the negative impact on not only the UK and European economies, but the broader global economy, could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on Europe for their business activities and revenues, which could negatively impact the value of a fund's investments. A Fund's investments could also be negatively impacted by any further exits from the EU, or the possibility of such exits, which would likely cause additional market disruption globally and introduce new legal and regulatory uncertainties.

Depending on the outcome of the Brexit negotiations between the UK and the EU, at some point in the future the Management Company may no longer be permitted to maintain registration for public sale of the Units in the UK, which could mean that the Funds would no longer be available for investment by certain UK investors.



# Administration of the Trust

## Classes and Types of Units

The Management Company may issue multiple Classes of Units for each Fund, which may differ in their charges, fee structure, distribution policy, persons permitted to invest, minimum initial investment, currency of denomination, the possibility of a hedge in a Class of Units, the determination of the Settlement Date after orders are issued, the determination of the settlement procedure after settlement of an order or other characteristics.

A table listing the Classes of Units for all Funds offered pursuant to the terms of this Prospectus is set out in Schedule V. This table also details whether a Class of Units is a distributing or accumulating Class, the currency in which each Class is denominated, whether it is a currency hedged Class or not, the minimum initial investment per Unitholder of each Class, the Initial Price for each Class, as well as any investor restrictions. Not all of the Classes of Units listed in Schedule V are currently in issue. Any decision to issue any of the Classes not currently in issue is at the discretion of the Management Company. Information on the Classes of Units in issue can be obtained from the Distributors, Intermediaries and the Registrar and Transfer Agent. Information in relation to Classes of Units in issue at a Fund's Accounting Date and Semi-Annual Accounting Date will be provided in the annual and semi-annual reports, respectively, and the Key Investor Information Document issued in respect of the relevant Class of Units.

The Units are issued either in registered form or on the basis of global certificates which may be issued for settlement purposes. With the exception of global certificates, unit certificates will not be issued. There is a required minimum initial investment (after deduction of any Initial Charge) for investment in Units of Classes of Units P, PT, N, NT, I, IT, I2, IT2, W, WT, X and XT, as indicated in Schedule V. In individual cases, the Management Company, at its discretion, may permit a lower minimum initial investment. If the investor is acting as intermediary for third-party beneficiaries, then the Units of these Classes of Units may only be acquired if the minimum initial investment condition is separately fulfilled by each of the third-party beneficiaries. A condition may be set on the issue of Units of these Classes of Units requiring the prior submission by the investor of a written confirmation to that effect.

Units of the Classes C and CT may only be acquired by investors, who are domiciled in or permanent residents of the Federal Republic of Germany, through the purchase of unit-linked insurance policies or through professional asset managers. Before C or CT Units are issued, an applicant may be required to provide satisfactory assurances to the Registrar and Transfer Agent or the Distributors that the C and CT Units are being acquired in the manner described above by investors who are either domiciled in or permanent residents of the Federal Republic of Germany. This restriction became effective on 1 September 2009 but does not apply to Unitholders in a Class C or CT immediately prior to that date, who may continue to subscribe for, hold and redeem Units in that particular Class.

Units of Classes I, IT, I2, IT2, W, WT, X and XT may only be acquired by beneficial owners who are non-natural persons and may not be acquired in situations in which the subscriber of the Units is a non-natural person but is acting as intermediary for a third-party beneficiary who is a natural person. Before I, IT, I2, IT2, W, WT, X or XT Units are issued, an applicant may be required to provide satisfactory assurances to the Registrar and Transfer Agent or the Distributors that the proposed beneficial owner of the I, IT, I2, IT2, W, WT, X or XT Units is a non-natural person who meets the minimum initial investment requirement. Failure to provide satisfactory assurances will result in the application for I, IT, I2, IT2, W, WT, X or XT Units being rejected.

Units of Classes R and RT may only be acquired with the consent of the Management Company by such Distributors or Intermediaries that, according to regulatory requirements (such as discretionary portfolio management and/or independent advice under MiFID II) or based on individual fee arrangements with their clients, are not allowed to accept or retain trail commissions. No trail commissions may be paid to any Distributors or Intermediaries in relation to Units of Classes R and RT.

Units of Classes that include "20" or "21" in the Class name are created within the meaning of Section 10 of GITA ("Tax-



Free Unit Classes”), and may only be acquired and held by:

- (a) German corporations, associations of persons or asset pools which, 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 which do not hold the shares in a business operation;
- (b) German foundations under public law, which 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 paragraphs (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 Management Company with a valid certificate as specified in Section 9 (1) No. 1 or 2 of GITA. If the aforementioned conditions are no longer met by an investor, the investor is required to notify this to the Management Company within one month of the conditions no longer being met. Tax exemption amounts that the Management Company receives in connection with management of the relevant Fund and which are attributable to income from Tax-Free Unit Classes are generally payable to the investors in these Tax-Free Unit Classes. In derogation from this procedure, the Management Company is entitled to allocate the exemption amounts directly to the Fund, in favour of the investors in these Tax-Free Unit Classes; no new Units are issued as a result of this allocation.

Units in Tax-Free 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 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 Management Company that it is acquiring the relevant Units of the Tax-Free Unit Classes 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 this to the Management Company within one month of the conditions no longer being met. Tax exemption amounts that the Management Company receives in connection with management of the relevant Fund and which are attributable to income from the Tax-Free Unit Classes are generally payable to the provider of the retirement provision or base pension agreement. The provider must reinvest the amounts in favour of the persons who are entitled under the respective retirement provision or base pension agreement. In derogation from this procedure, the Management Company is entitled to allocate the exemption amounts directly to the Fund, in favour of the investors in the Tax-Free Unit Classes; no new Units are issued as a result of this allocation.

For X and XT Units, the all-in-fee may be either charged directly to Unitholders or charged to the relevant Class of Units. Further details are set out in the section of this Prospectus entitled “Fees and Expenses – All-In-Fee”. Units of these Classes of Units may only be issued with the approval of AllianzGI and after conclusion of a special individual agreement between the Unitholder and AllianzGI. AllianzGI may, at its own discretion, decide whether to approve the issue of Units, whether it is prepared to conclude a special individual agreement and how any special individual agreement is to be structured.

Before P, PT, N or NT Units are issued, an applicant may be required to provide satisfactory assurances to the Registrar and Transfer Agent or the Distributors that the proposed beneficial owner of the P, PT, N or NT Units individually meets the minimum initial investment requirement. Failure to provide satisfactory assurances will result in the application for P, PT, N or NT Units being rejected.

The Management Company may issue Classes of Units whose currency of denomination is not the Base Currency of a Fund. Furthermore, Classes of Units may be issued that seek to hedge the currency exposure of the currency of the Class against either the currency or currencies in which the assets of the Fund are denominated or the Base Currency. The costs of the currency hedge transactions are borne by the corresponding Class of Units. The creation of hedged Classes of Units is intended: (i) to create a positive benefit to Unitholders; (ii) to not prejudice other Unitholders; and (iii) that any

unfavourable impact on other Classes of Units is highly unlikely to occur.

The respective currency of denomination of a Class of Units is indicated by the 3-letter currency code as defined by the International Organization for Standardization ("ISO") in the parentheses after the letter indicating the type of a Class of Units (A, AT, A2, AT2, C, CT, P, PT, N, NT, R, RT, S, ST, I, IT, I2, IT2, W, WT, X and XT), e.g. for Class type A and currency of denomination USD: A (USD). If the currency exposure of a Class of Units is hedged against the currency or currencies of denomination of a Fund's assets, a "H" is placed ahead of the Reference Currency and a hyphen is placed between the "H" and the currency code, e.g. for Class type A, currency of denomination USD and a currency hedge against the currency or currencies of the Fund's assets: A (H-USD). If a Class of Units seeks to hedge the Base Currency against the Reference Currency, a "H2" is placed ahead of the Reference Currency, e.g. for Class type A with Base Currency USD that hedges against the Reference Currency EUR: A (H2-EUR).

References in this Prospectus to Classes of Units A, AT, A2, AT2, C, CT, P, PT, N, NT, R, RT, S, ST, I, IT, I2, IT2, W, WT, X and XT with no additional indicators refer to all the Classes of Units with that prefix, irrespective of the currency of denomination or the application of currency hedging.

Classes of Units A, A2, C, P, N, R, S, I, I2, W and X are distributing Classes of Units and the intention is to pay distributions in accordance with the distribution policy. Classes of Units AT, AT2, CT, PT, NT, RT, ST, IT, IT2, WT and XT are accumulating Classes of Units and there is no intention to pay distributions in respect of these Classes (for more on this, see also the section entitled "Distribution Policy" and Schedule V).

All Units participate equally in the income and liquidation proceeds of the respective Class of Units.

## Subscriptions for Units

Units are initially issued at an Initial Price per Unit during the Initial Offer Period. Unless otherwise determined by the Management Company and notified to potential investors in writing, the Initial Price per Unit of a Class shall be as set out in Schedule V.

The Initial Offer Period for all Classes that are not in issue on the date of this Prospectus shall commence on the date immediately following the date of this Prospectus and will end after 6 months. This Initial Offer Period may be extended or shortened by the Management Company and the Central Bank will be notified on an annual basis of any such extensions or shortenings. If all of the Units of a Class are redeemed, the Management Company may re-open the Initial Offer Period in accordance with the requirements of the Central Bank.

Following the Initial Offer Period, Units shall be issued at the Subscription Price per Unit as determined on the day on which they are deemed to be issued. Such Subscription Price is the Net Asset Value per Unit of the relevant Class of Units determined on each Dealing Day plus any applicable Initial Charge. Information on the Classes of Units in issue can be obtained from the Distributors, Intermediaries or the Registrar and Transfer Agent.

As at the date of this Prospectus the following Classes of Units are in issue:

Allianz Emerging Markets Bond Fund

A (H2-EUR) Units  
 AT (H2-EUR) Units  
 I (H2-EUR) Units  
 IT (USD) Units  
 IT2 (H2-EUR) Units  
 P (H2-EUR) Units  
 R (H2-EUR) Units  
 WT (H2-EUR) Units

An Initial Charge on subscriptions may be payable to the Distributors and shall be deducted from the subscription monies received from an applicant for Units. The balance of the subscription monies shall be used to purchase the Units. The maximum amount of the Initial Charge for a particular Class is set out under "Initial Charge" in the section entitled "Fees and Expenses".

Each Fund may issue Classes of Units in a currency different to the Fund's Base Currency.

Applications for Units may be made on any Dealing Day or at such other times as may be determined by the Management Company. The Registrar and Transfer Agent, in consultation with the Management Company, reserves the right to reject in whole or in part any application for Units, in which case the subscription monies will be returned without interest to the applicant as soon as is practicable after the rejection of the application. The monies will be returned by electronic bank transfer at the cost and the risk of the applicant. Applications received by the Registrar and Transfer Agent, a Distributor or an Intermediary (for onward transmission to the Registrar and Transfer Agent) after the Deadline for Subscriptions on that day shall be deemed to have been received on the next succeeding Dealing Day. If the subscription monies are not received by the Registrar and Transfer Agent on or before the relevant Settlement Date, any allotment may be cancelled at the discretion of the Registrar and Transfer Agent, in consultation with the Management Company.

When subscribing for Units through Distributors and paying and information agents in Italy, investors may also have to pay transaction fees in addition to an Initial Charge. The amount of such transaction fees is set out under "Transaction Fee" in the section entitled "Fees and Expenses". If the period of investment is short, these fees may reduce or even eliminate any returns on an investment in Units of a Fund and a longer investment horizon is therefore recommended.

Investors will be required to complete an application form for Units or other documentation satisfactory to the Registrar and Transfer Agent, Distributor or Intermediary and send the signed original application form or such other written documentation to the Registrar and Transfer Agent or any of the Distributors or an Intermediary (for onward transmission to the Registrar and Transfer Agent). In order to process the initial subscription deal, a faxed copy of the completed application form and any required anti-money laundering documentation must be received and accepted by the Registrar and Transfer Agent with the signed original to follow. The application form is available from the Registrar and Transfer Agent, any of the Distributors or an Intermediary.

The Management Company reserves the right to charge interest at the EURIBOR overnight rate plus 2.00 % on the late receipt of subscription monies. The Management Company has the right to redeem any Units to pay the amount of interest due.

## Minimum Initial Investment

The minimum initial investment per Unitholder in each Class of Units is set out in Schedule V.

## Redemption of Units

Unitholders wishing to have all or any of their Units redeemed may apply in writing to the Registrar and Transfer Agent or to a Distributor or Intermediary (for onward transmission to the Registrar and Transfer Agent) and should include the duly completed original redemption request form or such other written notification specified by the Registrar and Transfer Agent, Distributor or Intermediary. Any requests received by the Registrar and Transfer Agent, Distributor or Intermediary after the Deadline for Redemptions on that day shall be deemed to have been received on the next Dealing Day. Unless a shorter period is agreed with the Management Company and provided complete documentation is received, including the signed original application form, all payments of redemption monies shall be made on the Settlement Date by electronic bank transfer to the Unitholder's account, details of which shall be notified in writing in original form by the Unitholder to the Registrar and Transfer Agent, Distributor or Intermediary.

Units shall be redeemed at the Redemption Price applicable to the Dealing Day on which the redemption is effective.

When redeeming Units through Distributors and paying and information agents in Italy, investors may also have to pay

transaction fees. The amount of such transaction fees is set out under “Transaction Fee” in the section entitled “Fees and Expenses”. If the period of investment is short, these fees may reduce or even eliminate any returns on an investment in Units of a Fund and a longer investment horizon is therefore recommended.

If on any Dealing Day a Fund receives aggregate requests for the redemption of Units the value of which amounts to 10 % or more of the Net Asset Value of that Fund, the Management Company may elect to restrict the total number of Units redeemed to 10 % of the Net Asset Value of such Fund, in which case requests will be scaled down **pro rata**. The balance will be redeemed on the next Dealing Day at the Redemption Price prevailing on that subsequent Dealing Day subject to the repeated application of the 10 % restriction, if necessary.

The Management Company, with the approval of the Trustee and the applicant Unitholder, may satisfy any application for the redemption of Units by the transfer of assets **in specie** to the Unitholder provided that the nature and type of assets to be transferred shall be determined by the Management Company to be equitable and not prejudicial to the interests of the remaining Unitholders. The Management Company may, at the request of a Unitholder, dispose of the assets and transmit the proceeds of sale to the Unitholder. The price obtained on such a sale may differ from the value attributed to the assets and the Management Company shall not be liable for any differences arising.

Where the Registrar and Transfer Agent receives a request for the redemption of Units from any Unitholder in respect of which the Registrar and Transfer Agent is required to account for, deduct or withhold taxation, the Registrar and Transfer Agent shall be entitled to deduct from the proceeds of redemption such amount of taxation as the Registrar and Transfer Agent is required to account for, deduct or withhold and shall arrange to discharge the amount of tax due.

In the event that the Registrar and Transfer Agent is required to deduct, withhold or account for tax on a disposal of Units by a Unitholder (whether upon a redemption of Units, a transfer of Units or otherwise) or upon the payment of a distribution to a Unitholder (whether in cash or otherwise), the Registrar and Transfer Agent shall be entitled to arrange for the redemption and cancellation of such number of the Units of such Unitholder as are sufficient after the deduction of any redemption charges to discharge any such tax liability and the Registrar and Transfer Agent, in consultation with the Management Company, may decline to register a transferee as a Unitholder until such time as they receive from the transferee such declarations as to residency or status as they may require. The Registrar and Transfer Agent shall arrange to discharge the amount of tax due.

## Exclusion of Conversion of Units

Unit holdings in a particular Class of Units in any Fund cannot be converted into Units of another Class of Units of the same or any other Fund.

## Umbrella Cash Accounts

Cash account arrangements have been put in place in respect of the Trust and the Funds as a consequence of the introduction of new requirements relating to the subscription, and/or redemption collection accounts pursuant to the Investor Money Regulations. The Investor Money Regulations took effect from 1 July 2016. These cash accounts are not subject to the protections of the Investor Money Regulations and instead are subject to the guidance issued by the Central Bank from time to time in relation to umbrella cash accounts.

Investor Monies will be held in a single Umbrella Cash Account in respect of each currency in which a Class is denominated. The assets in the Umbrella Cash Accounts are assets of the Trust.

Subscription monies received by a Fund in advance of the issue of Units will be held in one or more Umbrella Cash Accounts and will be treated as an asset of the relevant Fund. The subscribing investors will be unsecured creditors of the relevant Fund with respect to their subscription monies until Units are issued to them on the relevant Dealing Day. The subscribing investors will be exposed to the credit risk of the institution at which the relevant Umbrella Cash Account has been opened. Such investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Unitholder rights in respect of the subscription monies (including dividend entitlements) until such time as the Units are

issued on the relevant Dealing Day.

Redeeming investors will cease to be Unitholders of the redeemed Units from the relevant Dealing Day. Redemption and dividend payments will, pending payment to the relevant investors, be held in the Umbrella Cash Account. Redeeming investors and investors entitled to dividend payments held in the Umbrella Cash Account will be unsecured creditors of the relevant Fund with respect to those monies. Where the redemption and dividend payments cannot be transferred to the relevant investors, for example, where the investors have failed to supply such information as is required to allow the Trust to comply with its obligations under applicable anti-money laundering and counter-terrorism legislation, the redemption and dividend payments may be retained in the Umbrella Cash Account and investors should address the outstanding issues promptly. Redeeming investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Unitholder rights (including, without limitation, the entitlement to future dividends) in respect of such amounts.

For information on the risks associated with Umbrella Cash Accounts, see “Risks Associated with Umbrella Cash Accounts” in the section of the Prospectus entitled “Risk Factors in relation to the Funds”.

## Determination of Net Asset Value

The Net Asset Value per Unit of each Fund shall be determined at the Valuation Point on each Dealing Day. The Net Asset Value per Unit shall be calculated by dividing the assets of the Fund, less its liabilities, by the number of Units in issue and applying the Swing Pricing Mechanism described below, if appropriate. Any liabilities of the Trust that are not attributable to any Fund shall be allocated **pro rata** amongst all of the Funds.

Where a Fund is made up of one or more than one Class of Units, the Net Asset Value of each Class shall be determined by calculating the amount of the Net Asset Value of a Fund attributable to each Class. The amount of the Net Asset Value of a Fund attributable to a Class shall take account of relevant fees and expenses of that Class and make appropriate adjustments for distributions paid out of a Fund, if applicable. The Net Asset Value per Unit of a Class shall be calculated by dividing the Net Asset Value of a Class by the number of Units in issue in that Class and applying the Swing Pricing Mechanism described below, if appropriate. The Net Asset Value per Unit may be converted into other currencies for certain Classes of Units which are not denominated in the Base Currency.

The costs and gains/losses of any transactions entered into for the purpose of hedging the currency exposure of a specific Class shall be allocated exclusively to that Class.

## Valuation of Assets

The valuation of any investment of a Fund which is listed, quoted or dealt in on a Regulated Market shall be the average of the latest available bid and offer prices (i.e. the mid-market price) for such investment as at the Valuation Point on the Dealing Day on the Regulated Market on which the investment is listed, quoted or dealt in. Where an investment is listed, quoted or dealt in on several Regulated Markets the value shall be that on the Regulated Market which, in the opinion of the Administration Company, is the principal Regulated Market on which such investment is listed, quoted or dealt in. If bid and offer prices are unavailable or unrepresentative, official closing prices will be used, provided however, that last traded prices will be used in circumstances where the principal Regulated Market where such investment is listed, quoted or dealt in is open at the Valuation Point.

In the case of any investment which is not listed, quoted or dealt in on a Regulated Market or for which no quotation is available at the time of the valuation which would provide a fair valuation, the value of such investment shall be determined by a competent person appointed by the Management Company and approved for the purpose by the Trustee, and such value shall be determined on the basis of the probable realisation value of the investment which shall be estimated with care and in good faith.

Bank deposits and cash will be valued at their face value plus interest accrued (if any).

In determining the value of the net assets of a Fund on any Dealing Day there shall be added to the value of the assets any

income accruing to the Dealing Day but not received and any other amounts available for distribution but in respect of which no distribution has been declared and there shall be deducted all expenses accruing to the Dealing Day.

FDI will be valued on the same basis as other investments in a Fund. Accordingly, futures and options contracts traded on a Regulated Market are valued using the latest available settlement price where a settlement price is determined by the market or the average of the latest bid and offer prices or the probable realisation value estimated with care and in good faith by a competent person appointed by the Management Company and approved for the purpose by the Trustee if the settlement price or valid bid and offer prices are not available. All other FDI are valued on the basis of a valuation agreed with the counterparty at least daily and approved at least weekly by a competent person independent of the counterparty appointed by the Management Company and approved for the purpose by the Trustee. The counterparty must be prepared to value the contract and to close out the transaction at the request of the Fund at fair value. Alternatively, such other FDI may be valued using either an alternative valuation, such as a valuation calculated by a Fund or by an independent pricing vendor. In the case of an alternative valuation: (i) the valuation must occur on a daily basis; (ii) the Central Bank expects that a Fund will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA; (iii) the alternative valuation is that provided by a competent person appointed by the Management Company and approved for the purpose by the Trustee or a valuation by any other means provided that the value is approved by the Trustee; and (iv) the alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these must be promptly investigated and explained.

Investments in collective investment schemes will be valued on the basis of the latest available net asset value for units in the relevant collective investment schemes.

Assets denominated in currencies other than the Base Currency shall be converted to the Base Currency at the latest available mean rate of exchange for the purposes of valuation.

## Swing Pricing Adjustment

A Fund may suffer a reduction in the Net Asset Value per Unit (a “dilution”) due to subscriptions for, or redemptions of, Units at a price that does not reflect the dealing and other costs (such as taxes) associated with the portfolio trades undertaken by the Investment Manager or Sub-Investment Manager to accommodate cash inflows or outflows.

In order to reduce this impact and to protect Unitholders’ interests, a Swing Pricing Mechanism may be adopted by the Management Company as part of the general valuation policy of the Fund.

If, on any Dealing Day, the aggregate net subscriptions for or redemptions of Units exceeds a pre-determined threshold, determined as: (i) a percentage of that Fund’s net assets; or (ii) an absolute amount in the Base Currency of that Fund from time to time by the Management Company based on objective criteria, the Net Asset Value per Unit may be adjusted upwards or downwards to reflect the dealing and other costs attributable to the aggregate net subscriptions for, or redemptions of, Units, respectively. The aggregate net subscriptions for, or redemptions of, Units will be determined by the Management Company based on the latest available information at the time of calculation of the Net Asset Value.

The Swing Pricing Mechanism may be applied across all Funds, although currently the Swing Pricing Mechanism is only applied to the following Fund:

Allianz Emerging Markets Bond Fund.

The extent of the Swing Pricing Adjustment will be re-set by the Management Company on a periodic basis to reflect an approximation of current dealing and other costs. Such Swing Pricing Adjustment may vary from Fund to Fund and will not exceed 3 % of the original Net Asset Value per Unit.

Investors are advised that the volatility of a Fund’s Net Asset Value might not reflect the true portfolio performance as a consequence of the application of the Swing Pricing Mechanism. Typically, the Swing Pricing Adjustment will increase the

Net Asset Value per Unit when there are net subscriptions for Units in the Fund and decrease the Net Asset Value per Unit when there are net redemptions of Units in the Fund. The Net Asset Value per Unit of each Class of Units in a Fund will be calculated separately but any Swing Pricing Adjustment will, in percentage terms, affect the Net Asset Value per Unit of each Class of Units in a Fund identically.

As the Swing Pricing Adjustment is related to the net subscriptions for, and redemptions of, Units in a Fund, it is not possible to accurately predict whether a dilution will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently the Management Company will need to make such Swing Pricing Adjustments in respect of a Fund. The Management Company will retain the discretion in relation to the circumstances under which to make such a Swing Pricing Adjustment.

Details of the Swing Pricing Adjustment applied to the Net Asset Value per Unit are available on request from the Management Company.

## Publication of the Subscription and Redemption Price of the Units

Except where the determination of the Subscription Price and the Redemption Price per Unit of a Fund has been temporarily suspended in the circumstances described below, the Subscription Price and the Redemption Price of Units shall be available at the registered office of the Administration Company, the Registrar and Transfer Agent and the Distributors on each Dealing Day and shall be published daily on a website and kept up-to-date or in a newspaper circulating in the jurisdictions where a Fund is for sale, as set out in the relevant country information within the section entitled "Registrations", or in a country schedule that may be issued separately from the Prospectus in certain jurisdictions or in a supplemental prospectus. Any information published is for information purposes only. It is not an invitation to subscribe for or redeem Units at that Net Asset Value per Unit.

## Register of Unitholders

The Registrar and Transfer Agent shall maintain each Fund's register of Unitholders in which all issues, redemptions and transfers of Units other than those issued on the basis of a global certificate will be recorded. A contract note which will give details of the subscription, transfer or redemption made will be sent to Unitholders within two Business Days after the relevant Dealing Day. The contract note is a confirmation of ownership. No certificates shall be issued generally to a Unitholder although in certain instances a global certificate may be issued. A holding of Units may only be registered in a single name. A Unitholder's entry in the register of Unitholders shall be available for inspection by the Unitholder at the registered office of the Registrar and Transfer Agent. Apart from Units represented by a global certificate, all other Units issued will be registered and the register will be the sole evidence of ownership of these Units. The Management Company and/or the Registrar and Transfer Agent may issue global certificates in respect of Units to facilitate the settlement via a clearing system of Unit transactions of Distributors with underlying investors. Details of global certificates issued including the name of the current holder and the date of issue will be entered onto the register. The maintenance of the global certificates as well as any liabilities and obligations resulting from delivering Units under a global certificate are the sole responsibility of the Distributor who delivers Units under a global certificate. The Fund, the Management Company, the Trustee, the Administration Company and the Registrar and Transfer Agent are not liable for any losses to underlying investors in connection with Units delivered under a global certificate.

## Temporary Suspension of Valuation and of Subscriptions and Redemptions of Units

The Management Company may temporarily suspend the determination of the Net Asset Value and the issue or redemption of Units of any Fund during:

- (i) any period (other than ordinary holiday or customary weekend closings) when any Regulated Market is closed which is the main Regulated Market for a significant part of a Fund, or in which trading thereon is restricted or suspended;
- (ii) any period when circumstances exist as a result of which disposal by a Fund of investments which constitute a substantial portion of the assets of such Fund is not practically feasible;

- (iii) any breakdown in the means of communication or computation normally employed by the Administration Company in determining the price or value of any of the investments of a Fund or in computing or communicating the price or value of a Fund itself;
- (iv) any period when for any reason the prices of any investments of a Fund cannot be reasonably, promptly or accurately ascertained by the Administration Company;
- (v) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of a Fund cannot, in the opinion of the Administration Company in consultation with the Management Company, be carried out at the normal rate of exchange;
- (vi) any period when the proceeds of any sale or redemption of the Units cannot be transmitted to or from a Fund's account; or
- (vii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Management Company, disposal or valuation of investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Unitholders or if, in the opinion of the Administration Company, redemption prices cannot fairly be calculated.

In the event of any such suspension, Unitholders who at the time of such suspension have already applied to have their Units redeemed shall be notified immediately of such suspension and of the subsequent resumption of the determination of the Net Asset Value and the issue and redemption of the Units.

Any such suspension shall be published by the Management Company in a newspaper circulating in the jurisdictions where the relevant Fund is for sale and which is identified in the relevant section of the Prospectus if, in the opinion of the Management Company, it is likely to exceed 14 days and shall in any event be notified immediately to the Central Bank.

## Transfer of Units

All transfers of Units shall be effected by transfer in writing in any usual or common form or in any other form approved by the Registrar and Transfer Agent, in consultation with the Management Company, and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Unit shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Unit until the name of the transferee is entered in the register in respect thereof. The registration of transfers may be suspended at such times and for such periods as the Management Company from time to time may determine, provided always that such registration shall not be suspended for more than 30 days in any year. The Registrar and Transfer Agent, in consultation with the Management Company, may decline to register any transfer of Units unless the instrument of transfer is deposited at the registered office of the Registrar and Transfer Agent or at such other place as the Registrar and Transfer Agent may reasonably require, together with such other evidence as the Registrar and Transfer Agent may reasonably require to show the right of the transferor to make the transfer.

## Identity and Money Laundering Checks

The Registrar and Transfer Agent reserves the right to reject any application for Units or to request further details or evidence of identity from an applicant for, or transferee of, Units.

Each Unitholder must notify the Registrar and Transfer Agent in writing, by way of an original signed instruction, of any change in the information contained in the application form and furnish the Registrar and Transfer Agent with whatever additional documents relating to such change as it may request.

Measures aimed at the prevention of money laundering and terrorist financing may require (i) detailed verification of each investor's identity, address, source of funds and/or wealth and, where applicable, the beneficial owner on a risk-sensitive basis; and (ii) the ongoing monitoring of the investor's business relationship with the Trust.

By way of example, an individual will be required to produce a copy of a passport or identification card which shows a photograph, signature and date of birth, duly certified by a public authority such as a notary public, the police or an ambassador in his or her country of residence together with one item evidencing the applicant's address, such as a recent



utility bill or bank statement. In the case of corporate applicants this may require production of certified copies of the certificate of incorporation (and any change of name) and memorandum and articles of association (or equivalent), a certified copy of the corporate authorised signatory list, the names, occupations, dates of birth and residential and business addresses of all directors and beneficial owners (who may also be required to verify their identity as described above).

A politically exposed person (“PEP”) is an individual who is or has, at any time in the preceding year, been entrusted with a prominent public function.

Any investor and, where applicable, beneficial owner who is identified as a PEP or an immediate family member, or a close associate of a PEP will be subject to additional verification measures as required by law.

The Registrar and Transfer Agent reserves the right to request such information as is necessary to verify the identity, address and source of funds and/or wealth of an investor. In the event of delay or failure by an investor or applicant for Units to produce any information required for verification purposes, the Registrar and Transfer Agent may refuse to accept the application and subscription monies. The Management Company may also refuse to process redemption requests or pay redemption proceeds in such circumstances. Applicants should note that redemption proceeds will only be made to the account of record of an investor.

Each applicant for Units acknowledges that the Management Company, the Registrar and Transfer Agent and the Distributor shall be held harmless by the applicant against any loss arising as a result of a failure to process his or her application for Units or redemption request, if such information and documentation has been requested by the Registrar and Transfer Agent and has not been provided by the applicant. Furthermore, the Distributor reserves the right to refuse to make any payment or distribution to a Unitholder if the Registrar and Transfer Agent suspects or is advised that the payment of any redemption or distribution monies to such Unitholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Trust, Management Company, the Registrar and Transfer Agent or the Distributor with any such laws or regulations in any relevant jurisdiction. The Management Company, the Registrar and Transfer Agent and the Distributor may take such other steps as each considers appropriate or necessary to discontinue the relationship with an investor where required to do so under applicable law and regulation.

## Meetings and Votes of Unitholders

The Management Company or the Trustee may convene a meeting of Unitholders. The Trustee shall be obliged to convene a meeting of Unitholders if requested to do so by Unitholders holding not less than 15 % of the Units of the Trust or any Fund in respect of which Unitholders are then registered at any time. The quorum for any meeting of a Fund shall be Unitholders present in person or by proxy holding or representing at least one-tenth in number of the Units for the time being in issue.

Subject to the provisions of the Trust Deed, a meeting of Unitholders shall be competent by ordinary resolution to sanction any modification, alteration or addition to the Trust Deed or to sanction any scheme for the reconstruction of the Trust. A meeting of Unitholders of a Fund shall be competent by ordinary resolution to sanction any modification or alteration to the investment objective, policies, restrictions or prohibitions of such Fund. An ordinary resolution of the Trust or a Fund shall be a resolution passed by a simple majority of votes cast in person or by proxy at a meeting of Unitholders of the Trust or the Fund duly convened and held. Each Unitholder shall be entitled to one vote in respect of each Unit (save that a fractional Unit shall not carry any voting rights) and each Unitholder may attend and vote at any such meeting in person or by proxy. A resolution approved in writing by Unitholders holding at least 50 % of the Units shall for all purposes be treated as a duly passed ordinary resolution of the Trust or a Fund, as appropriate. All Units in a Fund shall carry equal voting rights, except that, in matters affecting only a particular Fund, only Unitholders of that Fund shall be entitled to vote.

# Reports, Expenses and Taxation

## Reports

The Management Company shall be responsible for publishing and making available to Unitholders an annual report including audited annual accounts for each Fund within four months of the Accounting Date. The date of the next annual report is 31 December 2018. In addition, the Management Company shall be responsible for publishing and making available to Unitholders a semi-annual report, including unaudited accounts within two months of the Semi-Annual Accounting Date for each Fund. Audited annual reports and unaudited semi-annual reports, incorporating financial statements, may be obtained free of charge at the registered office of the Registrar and Transfer Agent or from any of the Distributors.

## Fees and Expenses

### All-in-Fee

AllianzGI shall receive an all-in-fee which shall accrue daily and be payable monthly in arrears on the basis of the average daily Net Asset Value of each Fund over the preceding month.

The applicable all-in-fee per annum of the average daily Net Asset Value of a Fund for each Class of Units is shown in the table below:

Fund Name	Class of Units	All-in-Fee <sup>1)2)</sup>
Allianz Emerging Markets Bond Fund	A/AT	1.45 %
	A2/AT2	1.45 %
	C/CT	2.50 %
	N/NT	1.29 %
	R/RT	1.29 %
	S/ST	1.29 %
	P/PT	1.07 %
	I/IT	0.78 %
	I2/IT2	0.78 %
	X/XT	1.07 %
	W/WT	1.07 %

1.) AllianzGI has the discretion to charge a lower all-in-fee.

2.) For C and CT Classes of Units, the all-in-fee includes a distribution fee in respect of the additional services of the Distributor(s).

3.) For X and XT Classes of Units, the all-in-fee will apply unless otherwise agreed with Unitholders as described in more detail below.

In the case of the X and XT Classes of Units, the arrangements relating to the charging of the all-in-fee shall differ from the fee arrangements for all of the other Classes of Units. AllianzGI has the discretion to determine which of the following two charging structures shall apply to a particular X or XT Class of Units and, in exercising this discretion, may have regard to a number of factors including, without limitation, the size of proposed subscriptions from potential investor(s), the individual requirements of potential investor(s) and the legal, regulatory and fiscal rules applicable in the jurisdictions of potential investor(s):

- Unitholders may be charged an all-in-fee by AllianzGI directly instead of the all-in-fee being charged to the Class of Units. The all-in-fee shall be agreed in advance between each Unitholder and AllianzGI (the “Investor Level All-In-Fee Charging Structure”); and
- in the event that the Investor Level All-In-Fee Charging Structure does not apply to the Class of Units, the all-in-fee shall be charged to the relevant Class of Units and shall be taken directly out of the assets of the Fund attributable to the Class of Units (the “Class Level All-In-Fee Charging Structure”).

Generally, once AllianzGI has determined that one of the above two charging structures applies to a particular X or XT Class of Units, such charging structure shall apply to all Unitholders in such Class of Units for the life of that Class of Units. However, subject to the consent of all Unitholders in a Class of Units, the charging structure for that Class of Units may be changed from the Investor Level All-In-Fee Charging Structure to the Class Level All-In-Fee Charging Structure and vice versa. In no event shall it be permissible for an Investor Level All-In-Fee Charging Structure and a Class Level All-In-Fee Charging Structure to apply at the same time to different Unitholders within the same Class of Units.

Where it is decided by AllianzGI that the Investor Level All-In-Fee Charging Structure shall be implemented for a particular X or XT Class of Units, before an investor can make an initial subscription for Units such investor must enter into an agreement as to fees with AllianzGI in advance of the end of the Initial Offer Period or the Deadline for Subscriptions, as the case may be. If such agreement with regard to fees has not been reached, that investor's subscription shall be rejected.

During the Initial Offer Period of an X and XT Class of Units, AllianzGI shall confirm to investors who wish to make an application for Units, whether the Investor Level All-In-Fee Charging Structure or the Class Level All-In-Fee Charging Structure shall apply to such Class of Units. After the Initial Offer Period, information as to which of the two charging structures applies will be made available on the website [www.allianzglobalinvestors.de](http://www.allianzglobalinvestors.de) and contained in the latest annual or semi-annual report of the relevant Fund, as the case may be.

AllianzGI has the discretion to charge a lower all-in-fee for all Classes of Units.

The all-in-fee may be used in part to pay fees for the distribution of Units (such as the payment of trail fees). In addition, reimbursements of fees may be made to investors subject to the laws and regulations of Ireland. Performance fees may be charged in addition to the all-in-fee. The details of any performance fees shall be set out in a supplemental prospectus or in a new prospectus.

The all-in-fee shall cover the following fees and expenses, which shall not be charged separately to each Fund:

- management fees;
- distribution fees;
- Trustee Fees;
- Registrar and Transfer Agent Fees;
- Administration Company Fees;
- Formation Expenses;
- costs for the production (including translations) and mailing of prospectuses and key investor information documents, annual, semi-annual and interim reports;
- publication costs of prospectuses, key investor information documents and other sales documentation, annual, semi-annual and interim reports, client communications, tax information and Subscription and Redemption Prices;
- costs of auditing the Fund and legal fees and expenses (except for the fees and expenses associated with the assertion and enforcement of legal rights as mentioned in the paragraph immediately below);
- paying and information agent fees and expenses (which must be charged at normal commercial rates);
- costs of stock exchange listings and the maintenance of such listings;
- costs of registrations for public distributions and the maintenance of such registrations;
- costs related to acquiring and maintaining a status entitling the Fund to invest directly in assets in a particular country as well as costs and taxes incurred in connection with the administration and custody of such facilities; and
- with the exception of the fees and expenses referred to in the paragraph immediately below, all other fees and expenses incurred in connection with the operation of the Fund.

The all-in-fee shall not cover the following fees and expenses, which shall be borne by each Fund directly:

- costs and taxes in relation to the acquisition and disposal of assets (including any research and analyst services made available in accordance with market practice and the section of the Prospectus entitled "Conflicts of Interest");
- costs and taxes in relation to securities lending programs and securities lending transactions; and
- exceptional, non-routine, unusual or unanticipated costs, which may include, without limitation:
  - costs and taxes associated with the assertion and enforcement of legal rights of the Fund or any Class of Units

appearing to the Management Company or AllianzGI to be justifiable and with the defence against claims made against the Fund or any Class of Units that appear to the Management Company or AllianzGI to be unjustified;

- costs and taxes associated with the examination, assertion and enforcement of any claims for the reduction, deduction and rebating of withholding tax or other taxes or fiscal fees; and
- as determined at the discretion of the Management Company or AllianzGI, exceptional, non-routine, unusual or unanticipated costs and taxes which may be incurred in connection with the operation of the Fund.

To the extent that a Fund invests in units of CIS, investors will have to bear not only directly the expenses and costs described in this Prospectus, but also indirectly the pro rata expenses and costs charged to the CIS. The expenses and costs charged to the CIS are determined by their constitutive documents (e.g. investment terms and conditions and/or articles of association) and are therefore impossible to forecast in an abstract way. Typically, however, it is to be expected that the fees and expenses charged to the Fund described in this Prospectus are charged to CIS as well.

If a Fund acquires shares of a CIS which is directly or indirectly managed by the same company or by another company with which the Management Company or the Investment Manager or Sub-Investment Manager is linked by common management or control, or by way of substantial direct or indirect participation (at least 10 % of the capital or the votes) then none of the Management Company, the Investment Manager or Sub-Investment Manager or the associated company may charge fees for the subscription, conversion or redemption of units. Furthermore AllianzGI will also reduce its share of the all-in-fee for the proportion of the Fund invested in a CIS with which the Investment Manager or Sub-Investment Manager is linked by common management or control by the amount of the management fee actually charged by such linked CIS. This results in a decrease of any all-in-fee levied at the Class level of a Fund where it invests in such a linked CIS which charges a management fee.

### Initial Charge

An Initial Charge may be charged which is payable to the Distributors and Intermediaries.

The maximum Initial Charge in respect of all A, AT, A2, AT2, C and CT Classes of Units is 3 % of the amount subscribed for all Funds. The maximum Initial Charge in respect of all S and ST Classes of Units for all Funds is 9 % of the amount subscribed. A lower Initial Charge than the maximum Initial Charge may be charged.

There is no Initial Charge in respect of all P, PT, N, NT, I, IT, I2, IT2, R, RT, W, WT, X or XT Classes of Units.

### Remuneration Policy of the Management Company

The Management Company has remuneration policies and practices in place consistent with the requirements of the UCITS Regulations and will also comply with the requirements of the ESMA Remuneration Guidelines, as required and when applicable. The Management Company will procure that any delegate, including the Investment Manager, to whom such requirements also apply pursuant to the ESMA Remuneration Guidelines will have equivalent remuneration policies and practices in place as required and when applicable.

The remuneration policy reflects the Management Company's objective for good corporate governance, promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Funds or the Trust Deed. It is also aligned with the investment objectives of each Fund and includes measures to avoid conflicts of interest. The remuneration policy is reviewed on an annual basis (or more frequently, if required) by the board of directors of the Management Company, led by the independent non-executive chairman of the Management Company, to ensure that the overall remuneration system operates as intended and that the remuneration pay-outs are appropriate for each Fund. This review will also ensure that the remuneration policy reflects best practice guidelines and regulatory requirements, as may be amended from time to time.

Details of the up-to-date remuneration policy of the Management Company (including, but not limited to: (i) a description of how remuneration and benefits are calculated; (ii) the identities of persons responsible for awarding the remuneration and benefits; and (iii) the composition of the remuneration committee, where such a committee exists) will be available by

means of a website <http://www.carnegroup.com/policies-and-procedures/> and a paper copy will be made available to Unitholders free of charge upon request.

### Transaction Fee

If an investor is advised by third parties when acquiring Units, or if such third parties act as broker to the acquisition of Units, they may quote costs or expense ratios that are not identical to the costs disclosed in this Prospectus and in the Key Investor Information Document. The expense ratio may also exceed the all-in-fee as described in this Prospectus. The reason for this may be that the third party's cost or expense ratios also take into account the cost of its own operations (e.g. brokerage, advice or securities account maintenance). In addition, the third party may also take into account non-recurring costs, such as sales loads, and may generally use different calculation methods or estimates for the expenses incurred at Fund level, which may include the Fund's transaction costs in particular. Divergences in the cost quotation may arise both in the case of information provided prior to conclusion of a contract and for regular cost information about an investment in a Fund provided as part of a long-term client relationship.

When subscribing for Units or redeeming Units through Distributors and paying and information agents in Italy, investors may also have to pay transaction fees to those entities of up to EUR 75.00 per transaction.

### VAT

All fees stated above are stated exclusive of VAT, if any.

### Taxation

Unitholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting, redeeming or otherwise disposing of the Units under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Management Company regarding the law and practice in force in Ireland at the date of this document. The following is a general summary of the main Irish tax considerations applicable to the Trust and certain investors in the Trust who are the beneficial owners of Units in the Trust. It does not constitute tax advice and does not purport to deal with all of the tax consequences applicable to the Trust or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Unitholders whose acquisition of Units would be regarded as a holding of units in a Personal Portfolio Investment Undertaking ("PPIU"). Accordingly, its applicability will depend on the particular circumstances of each Unitholder. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Trust will endure indefinitely.

### Taxation of the Trust

The Directors have been advised that, under current Irish law and practice, the Trust qualifies as an investment undertaking for the purposes of Section 739B of the TCA so long as the Trust is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

### Chargeable Event

However, Irish tax can arise on the happening of a **"chargeable event"** in the Trust. A chargeable event includes any payments of distributions to Unitholders, any encashment, repurchase, redemption, cancellation or transfer of Units and any deemed disposal of Units as described below for Irish tax purposes arising as a result of holding Units for a period of eight years or more. Where a chargeable event occurs, the Trust is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Unitholder is neither resident nor ordinarily resident in Ireland ("**Non-Irish Resident**") and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Trust is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct;
- (b) the Unitholder is Non-Irish Resident and has confirmed that to the Trust and the Trust is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Unitholder and the approval has not been withdrawn; or
- (c) the Unitholder is an Exempt Irish Resident as defined below.

A reference to "**intermediary**" means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Trust at the relevant time, there is a presumption that the Unitholder is resident or ordinarily resident in Ireland ("**Irish Resident**") or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to Units held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland;
- a transfer of Units between spouses/civil partners and any transfer of Units between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate;
- an exchange by a Unitholder, effected by way of arm's length bargain where no payment is made to the Unitholder, of Units in the Trust for other Units in the Trust, or of Units in a Fund of the Trust for Units in another Fund of the Trust; or
- an exchange of Units arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Trust with another investment undertaking.

It is intended that some of the Units will be held in a recognised clearing system. Any distribution made to Unitholders whose Units are held in a recognised clearing system will not constitute a chargeable event in respect of which the Trust will be liable to account for tax. In this instance, such Unitholders will be liable to account directly to the Revenue Commissioners for any Irish tax liability arising to them in respect of any distributions paid to them by the Trust and any deemed disposals arising in respect of such Units.

Where Units cease to be held in a recognised clearing system or were never held in a recognised clearing system, the Irish withholding tax regime outlined below will apply.

If the Trust becomes liable to account for tax on a chargeable event, the Trust shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to appropriate or cancel such number of Units held by the Unitholder, or such beneficial owner, as is required to meet the amount of tax. The relevant Unitholder shall indemnify and keep the Trust indemnified against loss arising to the Trust by reason of the Trust becoming liable to account for tax on the happening of a chargeable event.

## Deemed Disposals

The Trust may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Units in a Fund held by Unitholders who are Irish Resident and who are not Exempt Irish Residents (as defined below) is 10 % or more of the Net Asset Value of the Fund, the Trust will be liable to account for the tax arising on a deemed disposal in respect of Units in that Fund as set out below. However, where the total value of Units in the Fund held by such

Unitholders is less than 10 % of the Net Asset Value of the Fund, the Trust may, and it is expected that the Trust will, elect not to account for tax on the deemed disposal. In this instance, the Trust will notify relevant Unitholders that it has made such an election and those Unitholders will be obliged to account for the tax arising under the self-assessment system themselves. Further details of this are set out below under the heading **"Taxation of Irish Resident Unitholders"**.

## Irish Courts Service

Where Units are held by the Irish courts service, the Trust is not required to account for Irish tax on a chargeable event in respect of those Units. Rather, where money under the control or subject to the order of any court is applied to acquire Units in the Trust, the Irish courts service assumes, in respect of the Units acquired, the responsibilities of the Trust to, **inter alia**, account for tax in respect of chargeable events and file returns.

## Taxation of Unitholders

### Exempt Irish Resident Unitholders

The Trust will not be required to deduct tax in respect of the following categories of Irish Resident Unitholders, provided the Trust has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the Trust is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Unitholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Trust is referred to herein as an **"Exempt Irish Resident"**:

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA applies;
- (b) a company carrying on life business within the meaning of Section 706 of the TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- (d) a special investment scheme within the meaning of Section 737 of the TCA;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (f) a qualifying management company within the meaning of Section 739B(1) of the TCA;
- (g) a unit trust to which Section 731(5)(a) of the TCA applies;
- (h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Units held are assets of an approved retirement fund or an approved minimum retirement fund;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Units are assets of a personal retirement savings account ("PRSA");
- (j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (k) the National Asset Management Agency;
- (l) the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;
- (m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (n) in certain circumstances, a company within the charge to corporation tax in respect of payments made to it by the Trust; or
- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Units under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Trust or jeopardising the tax exemptions associated with the Trust.

There is no provision for any refund of tax to Unitholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Unitholders who are within the charge to Irish corporation tax.

## Taxation of Non-Irish Resident Unitholders

Non-Irish Resident Unitholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Trust and no tax will be deducted on distributions from the Trust or payments by the Trust in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Unitholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Units except where the Units are attributable to an Irish branch or agency of such Unitholder.

Unless the Trust is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Unitholder and the approval has not been withdrawn, in the event that a Non-Irish Resident Unitholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Unitholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Units which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Trust under the self-assessment system.

## Taxation of Irish Resident Unitholders

### Deduction of Tax

Tax will be deducted and remitted to the Revenue Commissioners by the Trust from any distributions made by the Trust (other than on a disposal) in respect of Units not held in a recognised clearing system to an Irish Resident Unitholder who is not an Exempt Irish Resident at the rate of 41 %.

Tax will also be deducted by the Trust and remitted to the Revenue Commissioners from any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Units not held in a recognised clearing system by such a Unitholder at the rate of 41 %. Any gain will be computed as the difference between the value of the Unitholder's investment in the Trust at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Unitholder is an Irish resident company and the Trust is in possession of a relevant declaration from the Unitholder that it is a company and which includes the company's tax reference number, tax will be deducted by the Trust from any distributions made by the Trust to the Unitholder and from any gains arising on an encashment, repurchase, redemption, cancellation or other disposal of Units by the Unitholder at the rate of 25 %.

### Deemed Disposals

Tax will also be deducted by the Trust and remitted to the Revenue Commissioners in respect of any deemed disposal of Units not held in a recognised clearing system where the total value of Units in a Fund held by Irish Resident Unitholders who are not Exempt Irish Residents is 10 % or more of the Net Asset Value of the Fund. A deemed disposal will occur on each and every eighth anniversary of the acquisition of Units in the Fund by such Unitholders. The deemed gain will be calculated as the difference between the value of the Units held by the Unitholder on the relevant eighth year anniversary or, as described below where the Trust so elects, the value of the Units on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Units. The excess arising will be taxable at the rate of 41 % (or in the case of Irish resident corporate Unitholders where a relevant declaration has been made, at the rate of 25 %). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Units.

Where the Trust is obliged to account for tax on deemed disposals, it is expected that the Trust will elect to calculate any gain arising for Irish Resident Unitholders who are not Exempt Irish Residents by reference to the Net Asset Value of the



relevant Fund on the later of the 30 June or 31 December prior to the date of the deemed disposal, in lieu of the value of the Units on the relevant eight year anniversary.

The Trust may elect not to account for tax arising on a deemed disposal where the total value of Units in the relevant Fund held by Irish Resident Unitholders who are not Exempt Irish Residents is less than 10 % of the Net Asset Value of the Fund. In this case, such Unitholders will be obliged to account for the tax arising on the deemed disposal under the self-assessment system themselves. The deemed gain will be calculated as the difference between the value of the Units held by the Unitholder on the relevant eighth year anniversary and the relevant cost of those Units. The excess arising will be regarded as an amount taxable under Case IV of Schedule D and will be subject to tax, where the Unitholder is a company, at the rate of 25 % and, where the Unitholder is not a company, at the rate of 41 %. Tax paid on a deemed disposal should be creditable against the tax payable on an actual disposal of those Units.

## Residual Irish Tax Liability - General

Corporate Unitholders resident in Ireland which receive payments from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25 % (or 41 % if no declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Unitholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been deducted. A corporate Unitholder resident in Ireland which holds the Units in connection with a trade will be taxable on any income or gains received from the Trust as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Trust. In practice, where tax at a rate higher than 25 % has been deducted from payments to a corporate Unitholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25 % should be available.

Subject to the comments below concerning tax on a currency gain, in general, non-corporate Irish Resident Unitholders will not be subject to further Irish tax on income arising on the Units or gains made on disposal of the Units, where the appropriate tax has been deducted by the Trust from distributions paid to them.

Where a currency gain is made by a Unitholder on the disposal of Units, the Unitholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Units are disposed of.

## Residual Irish Tax Liability - Units Held in a Recognised Clearing System

Any Irish Resident Unitholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted or who receives a gain on an encashment, repurchase, redemption, cancellation or other disposal from which tax has not been deducted (for example, because the Units are held in a recognised clearing system), will be liable to account for income tax or corporation tax, as the case may be, on the payment or on the amount of the gain under the self-assessment system and, in particular, Part 41A of the TCA.

Pursuant to Section 891C of the TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Trust is obliged to report certain details in relation to Units held by investors to the Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the investment number associated with and the value of the Units held by, a Unitholder. In respect of Units acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Unitholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. These provisions do not require such details to be reported in respect of Unitholders who are:

- (a) Exempt Irish Residents (as defined above);
- (b) Unitholders who are neither Irish Resident nor ordinarily resident in Ireland (provided the relevant declaration has been made); or

(c) Unitholders whose Units are held in a recognised clearing system,

however investors should note the section below entitled “The OECD Common Reporting Standard” for information on additional investor information gathering and reporting requirements to which the Trust is subject.

## Overseas Dividends

Dividends (if any) and interest which the Trust receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Trust will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

However, in the event that the Trust receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Unitholders rateably at the time of such repayment.

## Stamp Duty

On the basis that the Trust qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Units. However, where any subscription for or redemption of Units is satisfied by an in-kind or **in specie** transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the Trust on the conveyance or transfer of stock or marketable securities of a company or other body corporate not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA or a qualifying company within the meaning of Section 110 of the TCA) which is registered in Ireland.

## Residence

In general, investors in the Trust will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

## Individual Investors

### Test of Residence

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each tax year. In determining days present in Ireland, an individual is deemed to be present if he/she is present in the country at any time during the day.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

### Test of Ordinary Residence

If an individual has been resident for the three previous tax years then the individual will be deemed “ordinarily resident” from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

## Trust Investors

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

## Corporate Investors

A company will be resident in Ireland if its central management and control is in Ireland or (in certain circumstances) if it is incorporated in Ireland. For Ireland to be treated as the location of a company's central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

All companies incorporated in Ireland are resident in Ireland for tax purposes except where:

- (a) in the case of a company incorporated before 1 January 2015, the company or a related company carries on a trade in Ireland, and either (a) the company is ultimately controlled by persons resident in a "relevant territory", being a Member State (other than Ireland) or a country with which Ireland has a double taxation agreement in force by virtue of Section 826(1) of the TCA or that is signed and which will come into force once all the ratification procedures set out in Section 826(1) of the TCA have been completed, or (b) the principal class of the shares in the company or a related company is substantially and regularly traded on a recognised stock exchange in a relevant territory; or
- (b) the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country.

A company incorporated in Ireland and coming within either (a) or (b) above will not be regarded as resident in Ireland unless its central management and control is in Ireland, **provided**, however, that a company coming within (a) above which has its central management and control outside of Ireland will still be regarded as resident in Ireland if it: (a) would by virtue of the law of a relevant territory be tax resident in that relevant territory if it were incorporated in that relevant territory but would not otherwise be tax resident in that relevant territory; (b) is managed and controlled in that relevant territory; and (c) would not otherwise by virtue of the law of any territory be regarded as resident in that territory for tax purposes.

The exception from the incorporation rule of tax residence at (a) above in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property.

## Disposal of Units and Irish Capital Acquisitions Tax

### (a) Persons Domiciled or Ordinarily Resident in Ireland

The disposal of Units by means of a gift or inheritance made by a disponent domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish capital acquisitions tax for the beneficiary of such a gift or inheritance with respect to those Units.

### (b) Persons Not Domiciled or Ordinarily Resident in Ireland

On the basis that the Trust qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Units will not be within the charge to Irish capital acquisitions tax provided that:

- the Units are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;

- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

## The OECD Common Reporting Standard

Ireland has implemented the “Standard for Automatic Exchange of Financial Account Information”, also known as the Common Reporting Standard (“CRS”), into Irish law.

The CRS is a single global standard on Automatic Exchange of Information (“AEOI”) which was approved by the Council of the Organisation for Economic Cooperation and Development (“OECD”) in July 2014. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions will be required to exchange certain information held by financial institutions regarding their non-resident unitholders. To comply with its obligations under the CRS (or similar information sharing arrangements), the Management Company may require additional information from Unitholders. The Management Company may disclose the information, certifications or other documentation that it receives from or in relation to Unitholders to the Revenue Commissioners of Ireland who may in turn exchange this information with tax authorities in other territories.

By signing the application form to subscribe for Units in the Trust, each Unitholder is agreeing to provide such information upon request from the Management Company or its delegate. The non-provision of such information may result in mandatory redemption of Units or other appropriate action taken by the Management Company. Unitholders refusing to provide the requisite information to the Management Company may also be reported to the Revenue Commissioner of Ireland or other parties as necessary to comply with the CRS.

Each prospective investor should consult its own tax advisers on the requirements applicable to it under these arrangements.

## Compliance with U.S. Withholding Requirements - Foreign Account Tax Compliance Act

FATCA is designed to require certain U.S. persons’ direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities to be reported by foreign financial institutions (“FFI”) to the U.S. Internal Revenue Service (“IRS”). The Trust may be regarded as an FFI for FATCA purposes. FATCA may impose a withholding tax of up to 30 % with respect to certain U.S. source income (including dividends and interest) and, after 31 December 2016, gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to an FFI.

Ireland has entered into an intergovernmental agreement with the U.S. to simplify the FATCA compliance process and minimise the risk of withholding tax. Under this agreement, FATCA compliance will be enforced under Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014, and reporting rules and practices.

The Management Company may require additional information from Unitholders in order to comply with these provisions. The Management Company may disclose the information, certificates or other documentation that it receives from (or concerning) Unitholders to the Irish tax authorities as necessary to comply with the Irish tax legislation and reporting rules and practices relating to FATCA, related intergovernmental agreements or other applicable law or regulation. The Irish tax authorities will, in turn, report such information to the IRS.

Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor’s own situation. If applicable, investors should contact their intermediary regarding the application of this regime to their investments in the Trust.

# Management of the Trust

## The Management Company

Carne Global Fund Managers (Ireland) Limited was incorporated in Ireland as a private limited liability company on 10 November 2003 and has its place of business in Dublin, Ireland. The Management Company is engaged in the business of providing management services to collective investment schemes.

The directors of the Management Company are:

### **Neil Clifford (nationality: Irish; Irish resident)**

Mr. Clifford is a Director with the Carne Group. He is an experienced Irish-based investment professional and fund director with wide experience of the governance and operations of alternative investments at the institutional level, including infrastructure and private equity funds. He has also had experience as an equity fund manager and is a qualified risk management professional. Mr. Clifford joined the Management Company in October 2014 from Irish Life Investment Managers ("ILIM") (April 2006 to September 2014), where he was head of alternative investments.. He also supervised ILIM's illiquid investments in private equity and infrastructure, including acting as an independent director on a number of investment companies. He began his career with Irish Life as a sector-focused equity fund manager. Prior to this, Mr. Clifford was a senior equity analyst for Goodbody Stockbrokers (September 2000 to April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Mr. Clifford has a bachelor of electrical engineering from University College Cork and a master of business administration from the Smurfit School of Business, University College, Dublin. He is a chartered alternative investment analyst and a financial risk manager (FRM – Global Association of Risk Professionals).

### **Teddy Otto (nationality: German; Irish resident)**

Mr. Otto is a Principal with the Carne Group. He specialises mainly in product development, fund establishment and risk management. Before joining the Management Company, Mr. Otto was employed by the Allianz / Dresdner Bank group in Ireland for six years. During this time, he acted as head of fund operations, head of product management and was appointed as a director of the Irish management company for Allianz Global Investors and a range of Irish and Cayman domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at Deutsche Bank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years. Mr. Otto holds a degree in business administration from Technische Universität Berlin.

### **Elizabeth Beazley (nationality: Irish; Irish resident)**

Ms. Beazley is a Director with the Carne Group specialising in corporate governance, product development, financial reporting and fund oversight for both mutual and hedge funds. She has a 18-year track record in financial services. As Head of Onboarding for Carne, Ms. Beazley oversees a team project managing the establishment of UCITS and AIFs and several third party management companies covering service provider selection, governance documentation drafting and operational set-up. Ms. Beazley acts as a designated person and compliance officer for a number of UCITS companies and acts as director on Carne's QIAIF and UCITS platforms. Prior to joining Carne, Ms. Beazley spent four years with AIB/BNY Fund Management in Ireland, and before that worked for HSBC. Ms. Beazley has been a member of various industry working groups including the Technical committee and the ETF committee. She graduated with a Bachelor of Commerce from University College Cork, and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business. Ms. Beazley is a member of the Association of Chartered Certified Accountants.

### **Michael Bishop (nationality: British; UK resident)**

Mr. Bishop was with UBS Global Asset Management (U.K.) Ltd. (1990 to 2011) holding executive director and then managing director positions and was responsible for the development and management of the UK business's range of investment funds. His areas of expertise include UK open-ended investment companies, unit trusts, unit linked funds and Irish, Cayman Islands, Channel Islands and other investment structures. He was a director of, and responsible for, the

launch of UBS Global Asset Management Life Ltd. and UBS (Irl) Fund plc. Mr. Bishop has designed and launched products catering for all capabilities including equities, fixed income and alternative strategies. He has also been responsible for service provider appointment and management, as well as holding senior accounting and managerial roles with other financial services companies including Flemings and Tyndall. He has served on a number of the Investment Management Association's committees, industry forums and consultation groups specialising in UK and international regulation, product development and taxation. Mr. Bishop is a fellow of the Chartered Association of Certified Accountants. Since retiring in 2011, he has been involved with various charities.

**Dennis Murray (nationality: Irish – Irish resident)**

Mr. Murray is head of risk for Carne Group, Ireland and designated director of risk management for the Management Company. With over 24 years of working in the international financial services sector in senior risk and investment management functions, Mr. Murray has gained extensive professional experience in both the US and Ireland as a senior risk manager with the Charles Schwab Corporation and Dexia Group, respectively. Mr. Murray then spent over ten years with Dexia Group in Ireland as a senior credit portfolio manager before becoming a director, investments for Belfius Investments Ireland, a former entity of Dexia Group. Mr. Murray holds a M.A. in Economics from U.C.D., has been a Certified Financial Risk Manager (FRM) by the Global Association of Risk Professionals (GARP) since 2000 and recently attained a dual-award of a Professional Certificate in Investment Fund Services Risk Management (Operational Risk, Conduct Risk and Risk Culture) and an Operational Risk Manager Certificate from PRMIA (the Professional Risk Managers' International Association). Mr. Murray is authorised by the Central Bank of Ireland as a non-executive director (PCF-2) and a designated person (PCF-39) and is an active member of the Certified Investment Fund Director Institute, the Institute of Directors in Ireland and the Institute of Banking. Mr. Murray was awarded the professional designation of Certified Investment Fund Director (CIFD) by the Certified Investment Fund Director Institute (a specialist body of the Institute of Banking) in 2017 and completed a Diploma in Company Direction through the Institute of Directors in Ireland in 2016.

**Kevin Nolan (nationality: Irish – Irish resident)**

Mr. Nolan joined the Carne Group as Group Finance Director in February 2015 and took responsibility for its global financial management systems. He is a qualified Chartered Accountant, with over 25 years of experience across a variety of industries including travel, security, telecommunications and financial services. Mr. Nolan is highly experienced in the streamlining of business operations that drive growth and bottom line profit and especially in the areas of revenue management, developing and implementing financial controls, I.T. and product procurement. Since joining Carne, Mr. Nolan has immersed himself in all aspects of the Carne Group's global business and has become well-versed in a wide variety of issues within the asset management industry. Mr. Nolan currently sits on the board of Carne's Non – EU Channel Islands AIFM as Chief Financial Officer and is Finance Director for both of Carne's UK and Luxembourg Management Companies. Furthermore, he is a Director of a number of other Carne entities including a Luxembourg financial sector professional company, and the main Carne Group holding company, Carne Global Financial Services Ltd.

The address of each Director is the address of the Management Company.

The Company Secretary of the Management Company is Carne Global Financial Services Limited.

The Management Company shall continue to act as manager until the termination of the Trust Deed but shall be entitled to retire in favour of some other corporation approved by the Central Bank. If the Management Company is in breach of the terms of the Trust Deed and fails to remedy such breach within 30 days of having been requested to do so by the Trustee or if the Management Company ceases to be approved by the Central Bank or enters into liquidation or its affairs are taken over by a receiver or examiner, then the Trustee may: (a) appoint a successor management company (subject to approval by the Central Bank); or (b) terminate the Trust Deed and liquidate the Funds. The Management Company may also be removed and/or replaced by the Central Bank.

In the absence of negligence, fraud, bad faith or wilful default, the Management Company will not be liable for, and shall be indemnified and held harmless out of the assets of the relevant Fund from and against, any actions, proceedings, claims, costs, demands, charges, losses, damages or expenses suffered or incurred on behalf of the Trust or of any of the Funds, a Unitholder or the Trustee or any other person as a result of the performance or non-performance by the Management Company of its obligations under the Trust Deed.

The Trust Deed allows the Management Company, with the approval of the Central Bank, to delegate its management duties to other parties. The administration duties, with the exception of the registrar and transfer agency functions, have been delegated to the Administration Company. The registrar and transfer agency functions have been delegated to the Registrar and Transfer Agent. The Management Company has delegated its investment management duties in respect of the Funds to the Investment Manager and has appointed the Distributors as distributors of the Funds. The Management Company may appoint, with the approval of the Central Bank, other investment managers or distributors and, with the approval of the Central Bank, may replace the Administration Company and the Registrar and Transfer Agent in respect of the Funds. The Management Company may also appoint paying agents, information agents, representative agents and similar agents in respect of the Funds from time to time.

## The Investment Manager

The Management Company has appointed Allianz Global Investors GmbH as investment manager of each Fund.

**Allianz Global Investors GmbH ("AllianzGI")** was incorporated under the laws of Germany in 1955 and has its place of business in Frankfurt/Main and branches across Europe, including in London, United Kingdom. As a member of the Allianz Global Investors group, AllianzGI specialises in the use of modern portfolio management techniques and is supported by the large research network of Allianz Global Investors.

The investment management and distribution agreement between the Management Company and AllianzGI provides that in the absence of wilful misfeasance, fraud, bad faith, negligence or reckless disregard of its obligations or duties, AllianzGI shall not be liable to the Management Company, the Trust or to the Unitholders for any act or omission of AllianzGI in the course of, or connected in any way with, rendering the services provided for in the investment management and distribution agreement or for any losses which may be sustained in the purchase, holding or sale of any of the investments of any Fund. The investment management and distribution agreement shall continue in force until terminated by either party on at least 90 days' notice to the other. The investment management and distribution agreement shall terminate forthwith on termination of the Trust Deed or may be terminated by the Management Company immediately in the event that AllianzGI becomes insolvent or is otherwise incapable of performing or is no longer permitted under applicable law to perform its obligations and duties under the investment management and distribution agreement. The Management Company shall also be entitled to terminate the investment management and distribution agreement without the payment of any penalty, in the event that AllianzGI commits any material breach of its obligation under the investment management and distribution agreement and, if such breach is capable of remedy, fails to make good such breach within 60 days of receipt of notice from the Management Company requiring it to do so.

AllianzGI acts as the Investment Manager for Allianz Emerging Markets Bond Fund. From time to time, AllianzGI may carry out its investment management functions through one or more of its branches located in jurisdictions across Europe.

## The Sub-Investment Managers

AllianzGI may appoint one or more Sub-Investment Managers to each Fund who shall manage the assets of the Fund to which it has been appointed investment manager in accordance with the investment objective and policies of such Fund. The Sub-Investment Managers currently appointed are set out below. Each Sub-Investment Manager may delegate to further sub-investment managers, at its own cost and expense, some or all of its duties in relation to any Fund to which it has been appointed Sub-Investment Manager. Any further sub-investment managers will be disclosed in the relevant Fund's annual and semi-annual reports. Information on any further sub-investment managers appointed will be provided to Unitholders on request to the Registrar and Transfer Agent.

**Allianz Global Investors U.S. LLC ("AllianzGI US")** has offices at 1633 Broadway, 43rd Floor, New York, NY 10019, 600 West Broadway, 31st Floor, San Diego, CA 92101 and 555 Mission Street, Suite 1700, San Francisco, CA 94105. AllianzGI US was established in 2012. Allianz GI US provides advisory services to mutual funds and institutional accounts. It is the legal successor of RCM Capital Management LLC, which was originally formed as Rosenberg Capital Management in 1970, and it and its successors have been in business consistently since then.

Globally, AllianzGI US is renowned for its unique bottom-up, research-driven investment style, and utilisation of Grassroots<sup>SM</sup> market research for the early identification of reliable and sustainable investment opportunities.

AllianzGI US has been appointed as a Sub-Investment Manager for Allianz Emerging Markets Bond Fund in order to ensure the appropriate coverage of the Fund's assets during all relevant global time zones. The main responsibility of AllianzGI US is to manage the Fund during Latin-American time zones with the primary goal of taking advantage of regional opportunities in the respective regional markets. From time to time, AllianzGI US may carry on its activities from one or more of its offices located in the U.S.

**Allianz Global Investors Asia Pacific Limited ("AllianzGI AP")** (formerly RCM Asia Pacific Limited and, before that, Thornton Management), was established in Hong Kong in 1983 as an Asia Pacific equity specialist manager for international clients. In 1997 Thornton Management was integrated into RCM, the global equity manager of Dresdner Bank that was subsequently acquired by Allianz. Today AllianzGI AP continues to build portfolios according to a research driven, bottom-up approach. The research that has been organised according to country specialisation since the company's inception has been complemented with sector research and non-financial research known as Grassroots since the late 1990s.

In Asia Pacific AllianzGI AP employs a team of sector research analysts, country specialists and regional fund managers managing a range of equity funds seeking to take advantage of the company's information advantage. In 2006 as part of an initiative to reinforce the focus on investment excellence, AllianzGI AP was incorporated in Hong Kong as a separate company from Allianz Global Investors and remains wholly owned by Allianz.

AllianzGI AP has been appointed as a Sub-Investment Manager for Allianz Emerging Markets Bond Fund in order to ensure the appropriate coverage of the Fund's assets during all relevant global time zones. The main responsibility of AllianzGI AP is to manage the Fund during Asian time zones with the primary goal of taking advantage of regional opportunities in the respective regional markets.

Each Sub-Investment Manager's fees shall be discharged by AllianzGI from its all-in-fee in respect of a Fund.

## The Trustee

The Trustee, State Street Custodial Services (Ireland) Limited, is a private limited company incorporated in Ireland on 22 May 1991. The Trustee is ultimately owned by the State Street Corporation. Its authorised share capital is Stg £ 5,000,000 and its issued and paid up share capital is Stg £ 200,000. The principal business of the Trustee is the provision of custodial and trustee services for collective investment schemes.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, U.S.A. and trades on the New York Stock Exchange under the symbol "STT".

### The Trustee's Functions

The Trustee has been entrusted with the following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with the UCITS Directive and the Trust Deed and that all necessary information in this regard is exchanged between the parties;
- ensuring that the value of the Units is calculated in accordance with applicable law and the Trust Deed;
- carrying out the instructions of the Management Company and its agents unless the Trustee determines in its reasonable opinion that they conflict with applicable law or the Trust Deed;
- ensuring that in transactions involving the assets of the Trust any consideration is remitted to it within the usual time limits which are acceptable market practice in the context of the particular transaction;
- ensuring that the income of the Trust is applied in accordance with the UCITS Directive and the Trust Deed;
- ensuring effective and proper monitoring of the Trust's cash flows; and



- safekeeping of the Trust's assets, including holding in custody all financial instruments that are registered directly or indirectly in the name of the Trustee in a financial instruments account and verifying the ownership of other assets and maintaining a record of the other assets for which it is satisfied that the Trust or the Management Company acting on behalf of the Trust holds the ownership.

### The Trustee's Liability

The Trustee shall exercise due care and diligence in the discharge of its duties.

The Trustee shall be liable to the Trust and the Unitholders for the loss of financial investments held in custody by the Trustee or a third party to whom the custody of financial instruments held in custody has been delegated. In the event of a loss of financial instruments held in custody, the Trustee shall return financial instruments of identical type or the corresponding amount to the Trust without undue delay.

The Trustee shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Unitholders may invoke the liability of the Trustee directly or indirectly through the Management Company provided that this does not lead to a duplication of redress or to unequal treatment of the Unitholders.

The Trustee will be liable to the Trust and the Unitholders for any loss suffered by them as a result of the Trustee's negligent or intentional failure to properly fulfil its obligations under the Trust Deed or pursuant to the UCITS Directive.

### Delegation

The Trustee may delegate to third parties any part of its safekeeping functions. The Trustee's liability shall not be affected by any delegation of its functions under the Trust Deed.

The Trustee 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, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network. A list of delegates and sub-delegates is contained in Schedule VI.

### Conflicts of Interest

The Trustee is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Trustee or its affiliates engage in activities under the Trust Deed or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Management Company; and
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Trust either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Trustee or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Management Company;
- (iv) may provide the same or similar services to other clients including competitors of the Management Company, the

- Trust or a Fund; and
- (v) may be granted creditors' rights in respect of the Trust which it may exercise,

provided always that the Trustee and its affiliates comply with the requirements in relation to transactions with Connected Persons described in the section entitled "Conflicts of Interest" below.

The Management Company may use an affiliate of the Trustee to execute foreign exchange, spot or swap transactions for the account of a Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Management Company or the Fund. The affiliate will seek to profit from these transactions and is entitled to retain any profit. The affiliate shall enter into such transactions on the terms and conditions agreed with the Management Company.

Where cash belonging to the Trust is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Management Company or the Investment Manager or Sub-Investment Manager may also be a client or counterparty of the Trustee or its affiliates.

Up-to-date information on the Trustee, its duties, any conflicts that may arise, the safekeeping functions delegated by the Trustee, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Unitholders by the Management Company on request.

## The Administration Company

The Management Company has appointed State Street Fund Services (Ireland) Limited to act as Administration Company of the Trust.

The Administration Company is responsible for performing the day-to-day administration of the Trust (excluding the registrar and transfer agency functions) and for providing fund accounting for the Trust, including the calculation of the Net Asset Value of the Funds and the Net Asset Value per Unit in each Class.

The Administration Company is a private limited company. It was incorporated in Ireland on 23 March 1992 and is ultimately owned by State Street Corporation. The authorised share capital of the Administration Company is Stg £ 5,000,000 with an issued and paid up share capital of Stg £ 350,000.

The administration agreement shall continue in force until terminated by either party on 90 days' notice in writing to the other party, provided that the administration agreement may be terminated by either party forthwith in the event of the liquidation, examinership or receivership of any party or the material breach of the provisions of the agreement which, if capable of remedy, shall not have been remedied within 30 days of notice of the breach.

The administration agreement provides that, in the absence of negligence, recklessness, bad faith, fraud or wilful default of its obligations and duties, the Administration Company will not be liable to the Trust, the Management Company or any Unitholders for any loss incurred by any of them in connection with the performance by the Administration Company of its obligations under the administration agreement.

## The Registrar and Transfer Agent

The Management Company has appointed International Financial Data Services (Ireland) Limited to act as Registrar and Transfer Agent of the Trust.

The Registrar and Transfer Agent is a company incorporated with limited liability in Ireland on 15 October 1991. It is ultimately owned by State Street Corporation and is engaged in the business of, *inter alia*, providing registrar and transfer

agency services to and in respect of collective investment schemes.

The Registrar and Transfer Agent is responsible under the registrar and transfer agency agreement, **inter alia**, for the subscription and redemption of Units, keeping the register of Unitholders and auxiliary services associated therewith.

The registrar and transfer agency agreement shall continue in force until terminated by either party on 90 days' notice in writing to the other party, provided that the registrar and transfer agency agreement may be terminated by either party forthwith in the event of the liquidation, examinership or receivership of any party or the material breach of the provisions of the agreement which, if capable of remedy, shall not have been remedied within 30 days of notice of the breach.

The registrar and transfer agency agreement provides that, in the absence of negligence, recklessness, bad faith, fraud or wilful default of its obligations and duties, the Registrar and Transfer Agent will not be liable to the Trust, the Management Company or any Unitholders for any loss incurred by any of them in connection with the performance by the Registrar and Transfer Agent of its obligations under the registrar and transfer agency agreement.

## The Distributor

The Management Company from time to time may appoint Distributors for Units in the Funds. The Distributors shall be responsible for promoting the sale of the Units in accordance with the provisions of this Prospectus. Those listed below may be required to act as paying agents and information agents in the relevant jurisdictions. As of the date of this Prospectus, the Distributor in respect of the Funds is AllianzGI. Accordingly, AllianzGI is the promoter of the Trust. AllianzGI may in turn appoint one or more sub-distributors to promote the sale of the Units in accordance with the provisions of this Prospectus.

# General

## Conflicts of Interest

The Management Company, the Trustee, the Investment Manager, the Sub-Investment Managers, the Administration Company, the Registrar and Transfer Agent and any of the Distributors may each from time to time act as manager, trustee, investment manager, administrator, registrar and transfer agent or distributor respectively in relation to, or be otherwise involved in, other funds which have similar investment objectives to those of the Funds. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Funds. Each will, at all times, have regard in such event to its obligations under the Trust Deed, any investment management agreement, any administration agreement, any registrar and transfer agency agreement and any distribution agreement respectively and will endeavour to ensure that such conflicts of interest are resolved fairly. The Management Company has adopted a policy designed to ensure that in all transactions a reasonable effort is made to avoid conflicts of interest and, when they cannot be avoided, such conflicts are managed such that the Funds and their Unitholders are fairly treated.

In addition, any Connected Person may deal, as principal or agent, with the Funds. Any transaction between the Trust and a Connected Person shall be conducted at arm's length and shall be in the best interests of Unitholders.

The Trust may enter into a transaction with a Connected Person if at least one of the conditions in the following paragraphs (a), (b) or (c) is complied with:

- (a) the value of the transaction is certified by either (i) a person who has been approved by the Trustee as being independent and competent or (ii) a person who has been approved by the Directors as being independent and competent in the case of transactions involving the Trustee;
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or
- (c) where (a) and (b) are not practical, the transaction is executed on terms which the Trustee is or, in the case of a transaction involving the Trustee, the Directors are, satisfied conformed to the requirement that transactions with Connected Persons shall be conducted at arm's length and shall be in the best interests of Unitholders.

The Trustee or, in the case of a transaction involving the Trustee, the Directors, shall document how it or they complied with the requirements of (a), (b) or (c) above. Where transactions are conducted in accordance with (c) above, the Trustee or, in the case of a transaction involving the Trustee, the Directors, shall document its or their rationale for being satisfied that the transaction conformed to the requirement that transactions with Connected Persons shall be conducted at arm's length and shall be in the best interests of Unitholders.

Conflicts of interest may arise as a result of transactions in FDI and EPM techniques and instruments. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transactions may be related to the Management Company, the Investment Manager or Sub-Investment Manager or the Trustee. As a result, those entities may generate profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such entities is subject to a valuation or haircut applied by a related party.

The Management Company has adopted a policy designed to ensure that its service providers act in the Funds' best interests when executing decisions to deal and placing orders to deal on behalf of those Funds in the context of managing the Funds' portfolios. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Funds, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, research services provided by the broker to the Investment Manager or Sub-Investment Manager, or any other consideration relevant to the execution of the order. Information about the Management Company's execution policy and any material change to the policy are available to Unitholders at no charge upon request.

None of the Management Company, any Investment Manager or Sub-Investment Manager or any of their respective delegates may retain cash or other rebates from a broker or dealer as a consequence of directing transactions in a Fund's assets to the particular broker or dealer except that goods and services (soft commissions) may be retained if:

- (a) the broker or dealer has agreed to provide best execution and the brokerage rates are not in excess of customary institutional full-service brokerage rates;
- (b) the goods and services provided under the agreement must be those which assist in the provision of investment services to the Fund; and
- (c) there is disclosed in the annual and semi-annual reports in the form of a statement describing the Investment Manager's soft commission practices, including a description of the goods and services received.

## Voting Policy

The Management Company has developed a strategy for determining when and how voting rights are exercised. Details of the actions taken on the basis of those strategies are available to Unitholders at no charge upon request.

## Complaints

Information regarding the Management Company's complaints procedures are available to Unitholders free of charge upon request. Unitholders may file any complaints about the Management Company or a Fund free of charge at the registered office of the Management Company.

## Data Protection Notice

Investors should note that by completing the application form they have provided personal information, which may constitute "personal data" within the meaning of the Irish Data Protection Acts 1988 and 2003, the EU Data Protection Directive 95/46/EC, the EU ePrivacy Directive 2002/58/EC (as amended) and any relevant transposition of, or successor or replacement to, those laws (including, when they come into force, the General Data Protection Regulation (Regulation (EU) 2016/679) and the successor to the ePrivacy Directive) (together, the "Data Protection Legislation").

Investors' personal data will be used by the Management Company and its delegates for the following purposes:

- to manage and administer an investor's holding in the Trust and any related accounts on an ongoing basis in accordance with the contract between the investor and the Management Company;
- to carry out statistical analysis and market research as the Management Company's legitimate business interest;
- to comply with legal and regulatory obligations applicable to the investor and the Management Company from time to time including applicable anti-money laundering and counter terrorist financing legislation. In particular, in order to comply with the Common Reporting Standard (as implemented in Ireland by Section 891E, Section 891F and Section 891G of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections) and FATCA, Unitholders' personal data (including financial information) may be shared with the Irish Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including the U.S. Internal Revenue Service and foreign tax authorities located outside the European Economic Area). Please consult the AEOL (Automatic Exchange of Information) webpage on [www.revenue.ie](http://www.revenue.ie) for further information in this regard; and
- for any other specific purposes where the investor has given specific consent.

Investors' personal data may be disclosed by the Management Company to its delegates, professional advisors, service providers, regulatory bodies, auditors, technology providers and any duly authorised agents or related, associated or affiliated companies of the foregoing for the same or related purposes.

Investors' personal data may be transferred to countries which may not have the same or equivalent data protection laws as Ireland. If such transfer occurs, the Management Company is required to ensure that such processing of investors'

personal data is in compliance with Data Protection Legislation and, in particular, that appropriate measures are in place such as entering into model contractual clauses (as published by the European Commission) or ensuring that the recipient is "Privacy Shield" certified, if appropriate. For more information on the means of transfer of investors' data or a copy of the relevant safeguards, please contact [dataprivacy@carnegroup.com](mailto:dataprivacy@carnegroup.com).

Pursuant to the Data Protection Legislation, investors have a number of rights which may be exercised in respect of their personal data, i.e.:

- the right of access to personal data held by the Management Company;
- the right to amend and rectify any inaccuracies in personal data held by the Management Company;
- the right to erase personal data held by the Management Company;
- the right to data portability of personal data held by the Management Company; and
- the right to request restriction of the processing of personal data held by the Management Company; and
- **the right to object to processing of personal data by the Management Company.**

These rights will be exercisable subject to limitations as provided for in the Data Protection Legislation. In certain circumstances it may not be feasible for the Management Company to discharge these rights, for example because of the structure of the Trust or the manner in which Unitholders hold Units in a Fund. Investors may make a request to the Management Company to exercise these rights by contacting [dataprivacy@carnegroup.com](mailto:dataprivacy@carnegroup.com).

Please note that personal data may be retained by the Management Company for the duration of an investor's investment and afterwards in accordance with the Management Company's legal and regulatory obligations, including but not limited to the Management Company's record retention policy.

The Management Company is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation. For queries, requests or comments in respect of this notice or the way in which the Management Company uses investors' personal data, please contact [dataprivacy@carnegroup.com](mailto:dataprivacy@carnegroup.com). Investors have the right to lodge a complaint with the Office of the Data Protection Commissioner if they are dissatisfied with the manner in which their personal data is used by the Management Company.

## The Trust Deed

The right of each Unitholder is to a beneficial interest under a trust constituted by the Trust Deed.

The Trust Deed provides that:

- (i) for each Fund the Management Company shall keep separate books in which all transactions relating to such Fund shall be recorded;
- (ii) the proceeds from the issue of each Class of Units shall be applied to the Fund established for that Class of Unit and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund;
- (iii) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the asset or assets from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;
- (iv) in the case of any asset which the Management Company does not consider as attributable to a particular Fund, the Management Company may determine the basis upon which any such asset shall be allocated between Funds in such manner as the Management Company in its absolute discretion deems fair and reasonable and as approved by the Trustee and the Management Company shall have power at any time and from time to time, subject to the consent of the Trustee, to vary such basis in respect of assets not previously allocated; and
- (v) each Fund shall be charged with the liabilities, expenses, costs or charges in respect of or attributable to that Fund and any such liabilities, expenses, costs or charges not attributable to any particular Fund shall be allocated and charged by the Management Company in such manner as the Management Company may in its discretion deem fair and equitable and as approved by the Trustee, and the Management Company shall have the power at any time and from

time to time, with the consent of the Trustee, to vary such basis.

Each Fund will be treated as bearing its own liabilities and its due proportion of any liability allocated to it and shall have no further liabilities. The assets of each Fund shall belong exclusively to that Fund, be segregated from other Funds and shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose.

The Trust Deed may be amended by the Trustee and the Management Company (with the prior approval of the Central Bank) without the approval of any Unitholders: (1) to cure any ambiguity or to correct or supplement any provision which may be defective or inconsistent; (2) to change any provision as may be required by the Central Bank or any successor government agency in Ireland; (3) to make such amendments as shall not materially adversely affect the interests of the Unitholders; (4) to alter the Trust Deed in such manner as may be necessary or expedient having regard to any fiscal enactment affecting the Trust; or (5) to make provision for the inclusion of additional Regulated Markets in the Trust Deed from time to time. The Trust Deed also may be amended in any respect by the Trustee and the Management Company with the approval of an ordinary resolution passed in accordance with the provisions described above, provided that no amendment will reduce the interest in a Fund of any Unitholder or reduce the percentage of Units required to consent to any amendment without the consent of all Unitholders.

## Mandatory Redemption of Units

Unitholders are required to notify the Registrar and Transfer Agent immediately in the event that they become U.S. Persons or Irish Residents and, in the case of U.S. Persons, shall redeem their Units on the next Dealing Day thereafter. The Management Company further reserves the right to redeem any Units, on 30 days' notice to the Unitholder, if the holding of the Units by any person is unlawful or which might result in the Trust incurring any liability to taxation or suffering any pecuniary, legal, regulatory or material administrative disadvantage which the Trust might not otherwise have incurred or suffered.

## Termination

Either the Management Company or the Trustee may terminate the Trust Deed and liquidate the Funds: (i) if the Trust is no longer legal or in the opinion of the Management Company it is impractical, inadvisable or no longer in the best interests of Unitholders to continue the Trust, taking into account its expenses, the aggregate size of the Trust and any other factors considered relevant by the Management Company; (ii) if the Trust is no longer authorised as a UCITS pursuant to the UCITS Regulations; or (iii) if the Trustee has sent notice of its intention to resign and no successor trustee has been appointed within 90 days of the service of such notice. The Trustee is authorised to terminate the Trust where the Management Company's appointment as manager is terminated in the circumstances outlined previously.

A Fund which is established with a Maturity Date shall terminate on that date. As at the date of the Prospectus there were no Funds in issue with a Maturity Date.

The Management Company may terminate a Fund by notice in writing to Unitholders if the Net Asset Value of the Fund on three successive Dealing Days following the Initial Offer Period is less than an amount determined by the Management Company as being uneconomic for the Fund to continue.

The Unitholders in the Trust or a Fund may terminate the Trust or a Fund, as appropriate, by ordinary resolution duly passed in accordance with the Trust Deed.

Written notice of the termination or liquidation of the Trust or Fund must be given to all Unitholders.

Within a reasonable period of time after the termination of a Fund the assets available for distribution (after satisfaction of creditors' claims) shall be distributed to Unitholders.

On the winding up of a Fund the assets of the Fund available for distribution (after satisfaction of creditors' claims) shall be

distributed **pro rata** amongst Unitholders in proportion to the number and value of their Units and on a winding up of the Trust the assets of each Fund available for distribution (after satisfaction of creditors' claims) shall be distributed **pro rata** to the holders of the Units in such Funds in proportion to the number and value of such Units. The balance of any assets of the Trust then remaining and not comprised in any of the other Funds shall be apportioned as between the Funds **pro rata** to the Net Asset Value of each Fund immediately prior to any distribution among the Unitholders of each Fund.

## Material Contracts

The following contracts have been entered into and are, or may be, material:

- The second amended and restated Trust Deed effective 1 March 2018 between Allianz Global Investors Ireland Limited, the Management Company and the Trustee establishing the Trust.
- The administration agreement dated 6 July 2005, as amended by supplemental administration agreements dated 30 October 2008 and 1 September 2009 and as novated by novation agreement effective 1 March 2018 between Allianz Global Investors Ireland Limited, the Management Company and the Administration Company, pursuant to which the latter was appointed the administrator in relation to the Trust.
- The registrar and transfer agency agreement effective 30 April 2018 between the Management Company and the Registrar and Transfer Agent, pursuant to which the latter was appointed the registrar and transfer agent in relation to the Trust.
- The investment management and distribution agreement effective 1 March 2018 between the Management Company and AllianzGI, pursuant to which the latter was appointed the Investment Manager and Distributor to the Trust.
- The sub-investment management agreement effective 1 March 2018 between AllianzGI and AllianzGI US (formerly RCM Capital Management LLC), pursuant to which Allianz GI US was appointed Sub-Investment Manager in relation to certain Funds.
- The sub-investment management agreement effective 1 March 2018 between AllianzGI and Allianz Global Investors Hong Kong Limited, pursuant to which the latter was appointed Sub-Investment Manager in relation to certain Funds.
- The amended and restated paying and representation agency agreement effective 1 January 2018, as novated by novation agreement, between Allianz Global Investors Ireland Limited, the Management Company and Allianz Investmentbank AG effective 1 March 2018, pursuant to which the latter acts as a paying and representation agent in Austria of the Funds.
- The amended and restated representative and paying agency agreement dated 31 August 2012, as amended by amendment agreement dated 1 July 2014, as novated by novation agreement between Allianz Global Investors Ireland Limited, the Management Company, the Trustee and BNP Paribas Securities Services, Paris, succursale de Zurich effective 1 March 2018, pursuant to which the latter acts as representative and paying agent in Switzerland of the Funds.
- The paying agent and information provision agreement effective 2 February 2018, as novated by novation agreement between Allianz Global Investors Ireland Limited, the Management Company and State Street Bank International GmbH effective 1 March 2018, pursuant to which the latter acts as paying agent and information provider in Germany of the Funds.
- The centralising correspondent agreement dated 16 March 2017, as novated by novation agreement between Allianz Global Investors Ireland Limited, the Management Company and State Street Banque SA effective 1 March 2018 (as will be transferred to State Street Bank International GmbH, Paris Branch, by operation of merger with effect from on or around 1 July 2019), pursuant to which the latter acts as paying and information agent in France of the Funds.

## Exchange Listings

The Management Company may, at its discretion, arrange for the Units of any Fund to be listed on a stock exchange or traded on an organised market. As at the date of this Prospectus, the Management Company had not given its approval to any such admissions to listing or trading. However, the Management Company is aware that – without its approval – Units in Funds were being traded on certain markets at the date of this Prospectus. The list below sets out the markets known to the Management Company on which such listing has occurred at some point in time in some of the Units of each Fund as



indicated.

Allianz Emerging Markets Bond Fund

- Frankfurt Stock Exchange
- Berlin Stock Exchange
- Hamburg-Hannover Stock Exchange
- Düsseldorf Stock Exchange

It cannot be ruled out that, without the knowledge of the Management Company, such listing will be suspended at any time, possibly even in the short term, or that other Units of Funds will be introduced to or are already being listed on other markets.

The market price underlying exchange listing or trading on other markets is not determined exclusively by the value of the assets held in a Fund; the price is also determined by supply and demand. For this reason, this market price may deviate from the Net Asset Value per Unit determined for a Class of Units.

## Registrations

### Austria

The sale of Units of Allianz Emerging Markets Bond Fund in Austria has been registered with the Finanzmarktaufsicht (Vienna) pursuant to section 140 InvFG. Allianz Investmentbank AG will act as paying and representation agent in Austria according to Section 141 Para 1 InvFG. Redemption requests for Units of the aforementioned Fund can be submitted to the Austrian paying and information agent. All necessary information for investors is also available at the Austrian paying and information agent free of charge, including: the Prospectus, the investment terms and conditions, the annual and semi-annual reports, the Key Investor Information Documents, and the Subscription and Redemption Prices of the Units. Prior to acquiring Units of a Fund, investors are recommended to ascertain whether the income data on each Class of Units that is required for tax purposes is published by the Oesterreichische Kontrollbank AG.

### Germany

The Management Company has notified the Bundesanstalt für Finanzdienstleistungsaufsicht in relation to the distribution in Germany of Units of the Funds.

#### Note for Investors in the Federal Republic of Germany

All payments to Unitholders (proceeds of redemptions, any distributions and other payments) can be made through the German Paying Agent listed in the Directory. Applications for redemptions and conversions may be submitted through the German Paying Agent.

With respect to sales of Units in the Federal Republic of Germany, the subscription, redemption and, if applicable, conversion prices are published on the website [www.allianzglobalinvestors.de](http://www.allianzglobalinvestors.de). Any announcements to Unitholders are published in the Börsen-Zeitung (published in Frankfurt/Main) and on the website [www.allianzglobalinvestors.de](http://www.allianzglobalinvestors.de). For selected Classes of Units (for example Classes of Units that are exclusively for institutional investors or Classes of Units the bases of taxation of which are not published in the Federal Republic of Germany) the above information may be published on one of the following websites: [www.allianzgi-regulatory.eu](http://www.allianzgi-regulatory.eu) or [www.allianzgi-b2b.eu](http://www.allianzgi-b2b.eu). In addition, in accordance with § 298 paragraph 2 of the German Capital Investment Code a durable medium within the meaning of § 167 of the German Capital Investment Code is used to inform investors in the Federal Republic of Germany of the following events:

- suspension of the redemption of Units in a Fund;
- termination of the management of the Trust or a Fund or the liquidation of the Trust or a Fund;
- amendments to the terms and conditions that are inconsistent with existing investment policies, affect material Unitholder rights or concern fees or expense reimbursements payable from a Fund, including background information on the amendments and the rights of Unitholders;

- in the case of a merger of a Fund with another fund, the merger information required to be published in accordance with Article 43 of the UCITS Directive; and
- in the case of the conversion of a Fund into a feeder fund or, if applicable, changes to a master fund, the information required to be published in accordance with Article 64 of the UCITS Directive.

The Prospectus, the Key Investor Information Document, the latest annual and semi-annual reports, the current subscription, redemption and, if applicable, conversion prices, as well as the UCITS Regulations and the Central Bank Regulations may be obtained in hard copy free of charge from the German Paying Agent listed in the Directory and free of charge on the website: [www.allianzglobalinvestors.de](http://www.allianzglobalinvestors.de). For selected Classes of Units (for example Classes of Units that are exclusively for institutional investors or Classes of Units the bases of taxation of which are not published in the Federal Republic of Germany) the above information may be published on one of the following websites: [www.allianzgi-regulatory.eu](http://www.allianzgi-regulatory.eu) or [www.allianzgi-b2b.eu](http://www.allianzgi-b2b.eu). The material contracts referred to in the section entitled "Material Contracts" of the Prospectus are available for inspection free of charge at the office of the German Paying Agent.

None of the Management Company, the Administration Company, the Registrar and Transfer Agent or the Distributor or paying or information agents shall be liable for any errors or omissions in the published prices.

#### **Risk of Change to Announced Bases of Taxation for Investors subject to Taxes in the Federal Republic of Germany and Risk of Classification as an Investment Company for Tax Purposes**

A change to incorrectly announced bases of taxation in relation to a Fund for previous financial years may have as a consequence, in the case of a correction having tax disadvantages for the investor, that the investor is responsible for the tax burden arising from the correction for previous financial years, although that investor might not have been invested in the relevant Fund at that time. Similarly, the consequence may also arise for the investor that a correction having tax advantages for the current and for previous financial years in which that investor was invested in the Fund may not benefit it because the investor redeemed or sold its Units before the correction in question was implemented. In addition, a correction of tax information may result in income that is subject to taxation or tax advantages actually being assessed in a different tax assessment period from the appropriate period, and this could have a negative impact on the individual investor. In addition, a correction of the tax information may have as a result that the tax measurement basis for an investor corresponds to or even exceeds the performance of the relevant Fund. There may be changes in announced bases of taxation, in particular, when the German tax authorities or tax courts have different interpretations of the relevant tax regulations.

## **Switzerland**

In relation to Allianz Emerging Markets Bond Fund, the Management Company has received the necessary authorisations that the Units may be offered for sale in Switzerland.

### **1. Representative and Paying Agent in Switzerland**

BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich, is representative and paying agent in Switzerland (the "Representative") for the Units distributed in Switzerland.

### **2. Place where the relevant documents may be obtained**

The Prospectus, the Key Investor Information Document, the Trust Deed as well as the annual and semi-annual reports may be obtained without charge from the Representative in Switzerland.

### **3. Publications**

Publications in Switzerland are made on [www.fundinfo.com](http://www.fundinfo.com). In Switzerland, Subscription and Redemption Prices together and/or the Net Asset Value (with the indication "commissions excluded") of the Units are published daily on [www.fundinfo.com](http://www.fundinfo.com).

### **4. Payment of retrocessions and rebates**

#### **Retrocessions:**

The Management Company and its agents may pay retrocessions as remuneration for distribution activity in respect of Units in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- setting up processes for subscribing, holding and safe custody of the Units;
- keeping a supply of marketing and legal documents, and issuing the said documents;
- forwarding or providing access to legally required publications and other publications;
- performing due diligence delegated by the Management Company in areas such as money laundering, ascertaining client needs and distribution restrictions;
- mandating an authorised auditor to check compliance with certain duties of the Distributor, in particular with the Guidelines on the Distribution of Collective Investment Schemes issued by the Swiss Funds & Asset Management Association SFAMA;
- operating and maintaining an electronic distribution and/or information platform;
- clarifying and answering specific questions from investors pertaining to the investment product or the Management Company or the Investment Manager or Sub-Investment Manager;
- drawing up fund research material;
- central relationship management;
- subscribing for Units as a "nominee" for several clients as mandated by the Management Company;
- training client advisors in collective investment schemes; and
- mandating and monitoring additional distributors.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

#### **Rebates:**

In the case of distribution activity in or from Switzerland, the Management Company and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that:

- they are paid from fees received by the Management Company and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria; and
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Management Company are:

- the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behaviour shown by the investor (e.g. expected investment period); and
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of an investor, the Management Company must disclose the amounts of such rebates free of charge.

#### **5. Place of performance and jurisdiction**

The place of performance and jurisdiction for Units distributed in and from Switzerland is at the registered office of the Representative in Switzerland.

## United Kingdom

### Note for Investors in the United Kingdom

In relation to all Funds, the Management Company has received the necessary authorisations that the Units may be offered for sale in the United Kingdom.

### UK Distributor and Facilities Agent

The name and address of the UK Distributor and Facilities Agent is listed in the Directory.

All payments to Unitholders (proceeds of redemption, any distributions and other payments) can be made through the UK Distributor and Facilities Agent.

In addition to the procedures set out in the “Administration of the Trust” section of the Prospectus, any person wishing to purchase Units or any Unitholders wishing to have all or any of their Units redeemed may also apply in writing to the UK Distributor and Facilities Agent and should include the duly completed application or redemption request form as appropriate or such other written notification specified by the UK Distributor and Facilities Agent.

Furthermore, the Subscription and Redemption Prices of the Units can be obtained from the UK Distributor and Facilities Agent and shall be published on a website address specified in the Prospectus.

Any person who has a complaint to make about the operation of the scheme can submit the complaint to the UK Distributor and Facilities Agent.

Any complaints may be sent to The Complaints Officer at the address of the UK Distributor and Facilities Agent. A copy of the complaints process leaflet of the UK Distributor and Facilities Agent is available on request. Eligible complainants may also refer their complaint to the Financial Ombudsman Service if they are not satisfied with the final response from the UK Distributor and Facilities Agent.

### UK Reporting Status Units

The Management Company currently intends to apply in respect of each accounting period for certification of certain Classes of Units in the Funds as reporting Classes of Units for UK tax purposes (“UK Reporting Status”). However, no guarantee can be given that such certification will be obtained.

### The UK Retail Distribution Review (“RDR”)

Intermediaries that are regulated by the UK’s Financial Conduct Authority (“FCA”) or are a UK branch of a regulated entity in a member state of the EEA are from 31 December 2012 subject to the FCA’s RDR rules in relation to investment advice that they provide to retail clients.

In accordance with the RDR rules, any intermediary distributing funds who: (i) is subject to these rules; and (ii) who provides personal recommendations or advice to retail clients located in the UK, shall not be entitled to receive any commission from the fund provider in respect of any investment made after 31 December 2012 on behalf of, or related services provided to, such retail clients.

Any potential investor who is subject to the RDR rules and who provides personal recommendations or advice to retail clients located in the UK is therefore obliged to ensure that it only invests in appropriate Classes of Units on behalf of its clients.

The above summary does not purport to be a comprehensive description of all the considerations that may be relevant to an investor with regard to RDR. Potential investors are strongly recommended to contact their own legal advisers in this respect.

### Available Documentation

The Prospectus, the Key Investor Information Document, the Trust Deed, the annual and semi-annual reports as well as the

material contracts referred to in this Prospectus, together with the UCITS Regulations and the Central Bank Regulations, can be inspected, free of charge, at or obtained from the UK Distributor and Facilities Agent.

# Schedule I

## Definitions

In this Prospectus the following words and phrases have the meanings set forth below:

### **Accounting Date**

means, in the case of any Fund, the date up to which the audited annual accounts are prepared and the Accounting Date in respect of all Funds is 31 December in each year;

### **Administration Company**

means State Street Fund Services (Ireland) Limited or any other person appointed by the Management Company to provide administration services;

### **Administration Company Fees**

means the fees, transaction charges and expenses of the Administration Company;

### **ADR**

means an American Depository Receipt;

### **AIFs**

means CIS, which are not UCITS and are:

- (a) schemes established in Guernsey and authorised as Class A Schemes;
- (b) schemes established in Jersey as recognised funds;
- (c) schemes established in the Isle of Man as authorised schemes;
- (d) retail investor alternative investment funds authorised by the Central Bank provided such investment funds comply in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations;
- (e) alternative investment funds authorised in a member state of the EEA, the U.K., the U.S., Jersey, Guernsey or the Isle of Man and which comply, in all material respects, with the provisions of the UCITS Regulations and the Central Bank Regulations;

### **AIMA**

means the Alternative Investment Management Association;

### **AllianzGI**

means Allianz Global Investors GmbH;

### **AllianzGI AP**

means Allianz Global Investors Asia Pacific Limited (formerly RCM Asia Pacific Limited);

### **AllianzGI US**

means Allianz Global Investors U.S. LLC;

### **Alternative CIS**

means any collective investment scheme, including but not limited to UCITS, the risk profile of which typically correlates positively with that of an alternative investment market or a number of alternative investment markets;

### **Ancillary Liquid Assets**

means cash deposits, short-term debt securities, certificates of deposit, bankers' acceptances and similar instruments;

**Base Currency**

means, in the case of any Fund, the accounting currency of that Fund; the Base Currency is USD for Allianz Emerging Markets Bond Fund;

**Bond Fund**

means any collective investment scheme, including but not limited to UCITS, the risk profile of which typically correlates positively with that of a bond market or a number of bond markets;

**Business Day**

means a day (excluding Saturday and Sunday) on which banks are open for business in Dublin, Frankfurt and London and the Frankfurt Stock Exchange and the London Stock Exchange are open for business, provided that the Management Company, with the consent of the Trustee, from time to time may designate as a Business Day a day on which banks are not open for business in Dublin, Frankfurt and London and/or the Frankfurt Stock Exchange and the London Stock Exchange are not open for business;

**Central Bank**

means the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Trust;

**Central Bank Regulations**

means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015, as amended from time to time;

**Certificate**

means any index or other certificate which may be listed on the London, Luxembourg and Stuttgart stock exchanges;

**CIS**

means a collective investment scheme or collective investment schemes, as the context requires;

**Class**

means any class of Units issued by a Fund from time to time;

**Deadline for Redemptions**

means, in the case of any Fund, the time by which requests for redemptions of Units must be made in respect of the Fund; unless otherwise determined and notified in advance to Unitholders, the Deadline for Redemptions for the Classes of Units of all Funds is 6 a.m. (Irish time) on the relevant Dealing Day and in any event, the Deadline for Redemptions is prior to the Valuation Point of a Fund;

**Deadline for Subscriptions**

means, in the case of any Fund, the time by which requests for subscriptions for Units must be made in respect of the Fund; unless otherwise determined and notified in advance to Unitholders, the Deadline for Subscriptions for the Classes of Units of all Funds is 6 a.m. (Irish time) on the relevant Dealing Day and in any event, the Deadline for Subscriptions is prior to the Valuation Point of a Fund;

**Dealing Day**

means such Business Day or Business Days as the Directors from time to time may determine provided that, in any event there shall be two Dealing Days in a month and unless otherwise determined and notified in advance to Unitholders each Business Day shall be a Dealing Day;

**Debt Securities**

means all forms of securitised debt including but not limited to government bonds, Pfandbriefe, similar non-German debt securities issued by credit institutions and secured by encumbrance on property, municipal and other public sector bonds, zero bonds, floating rate bonds, variable rate bonds, convertible bonds, option bonds, corporate bonds, mortgage backed

securities, asset backed securities as well as other collateralised bonds;

**Developed Countries**

means such countries that fall into the World Bank's category of "high gross national income (GNI) per capita";

**Directors**

means the directors of the Management Company for the time being and any duly constituted committee thereof;

**Distributor**

means an organisation promoting the sale of Units and arranging for the subscription and/or redemption of Units either directly or through intermediaries and appointed as such by the Management Company;

**EDR**

means a European Depositary Receipt;

**EEA**

means the European Economic Area;

**Emerging Market Countries**

means such countries that are part of the JP Morgan Emerging Market Bond Index Global Diversified or the JP Morgan Corporate Emerging Market Bond Index or that are Non-Developed Countries;

**EMIR**

means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories;

**EPM**

means efficient portfolio management;

**Equity Fund**

means any collective investment scheme, including but not limited to UCITS, the risk profile of which typically correlates positively with that of an equity market or a number of equity markets;

**Equity Securities**

means equity securities such as stocks, ADRs, GDRs, EDRs or warrants;

**ESMA**

means the European Securities and Markets Authority;

**ESMA Remuneration Guidelines**

means the ESMA guidelines on sound remuneration policies under the UCITS Directive;

**EUR**

means the Euro;

**EU**

means the European Union;

**FATCA**

means the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act;

**FDI**

means a financial derivative instrument or instruments;



**Formation Expenses**

means all fees and expenses relating to the establishment of a Fund;

**Fund**

means any fund of the Trust;

**GDR**

means a Global Depository Receipt;

**German Paying Agent**

means the paying agent in the Federal Republic of Germany appointed from time to time in respect of the Funds;

**GITA**

means the German Investment Tax Act as of 1 January 2018;

**High Yield Securities**

means Debt Securities which are either rated non-investment grade by a recognised rating agency or which have not been rated by any recognised rating agency but in the opinion of the Investment Manager or Sub-Investment Manager would be rated non-investment grade if they were rated;

**Initial Charge**

means the initial charge payable to a Distributor or Intermediary on the subscription of Units in a Class of a Fund;

**Initial Offer Period**

means, in the case of any Class of Units, the period during which the Units are first offered for subscription;

**Initial Price**

means the price, exclusive of any fees or charges payable, per Unit at which Units are initially offered in a Fund/Class during the Initial Offer Period which is specified for the relevant Fund/Class;

**Intermediary**

means an organisation other than a Distributor arranging for the subscription and redemption of Units;

**Investment Manager**

means the investment manager or investment managers appointed from time to time by the Management Company;

**Investor Money Regulations**

means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers;

**Investor Monies**

means subscription monies received from, and redemption and dividend monies due to, investors in the Funds;

**IOSCO**

means the International Organisation of Securities Commissions;

**Irish Resident**

means any person resident or ordinarily resident in Ireland as outlined under the heading "Taxation";

**Key Investor Information Document**

means the key investor information document issued in respect of a Class of Units of a Fund;

**Management Company**

means Carne Global Fund Managers (Ireland) Limited;

**Maturity Date**

means, in respect of any Fund, the pre-determined date on which the Fund terminates;

**Member State**

means a member state of the European Union;

**MiFID II**

means, collectively, Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, the Commission Delegated Directive (EU) 2017/593 of 7 April 2016 and the Markets in Financial Instruments (MiFIR) Regulation (EU) No 600/2014;

**Money Market Fund**

means any collective investment scheme, including but not limited to UCITS, the risk profile of which typically correlates positively with that of a money market or a number of money markets;

**NASDAQ**

means the market regulated by the National Association of Securities Dealers ("NASD") in the U.S.;

**Net Asset Value**

means the net asset value of any Fund or Class of Units as the context requires;

**Non-Developed Countries**

means such countries that do not fall into the World Bank's category of "high gross national income (GNI) per capita";

**Non-Member State**

means a state outside the European Union;

**OECD**

means the Organisation for Economic Co-operation and Development;

**OTC**

means over-the-counter;

**Prospectus**

means this prospectus, as amended or supplemented from time to time;

**Redemption Price**

means the Net Asset Value per Unit;

**Reference Currency**

means, in the case of any Fund, the currency in which the Net Asset Value per Unit of a Unit Class is calculated;

**Registrar and Transfer Agent**

means International Financial Data Services (Ireland) Limited or any other person appointed by the Management Company to provide registrar and transfer agency services;

**Registrar and Transfer Agent Fees**

means the fees, transaction charges and expenses of the Registrar and Transfer Agent;

**Regulated Market**

means any stock exchange or regulated market as listed in Schedule II;

**SEC**

means the Securities and Exchange Commission of the U.S.;

**Securities Financing Transactions Regulation**

means Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012;

**Securities Financing Transaction**

means any of the following: a repurchase transaction, securities or commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-buy back transaction and a margin lending transaction;

**Semi-Annual Accounting Date**

means, in the case of any Fund, any date up to which unaudited semi-annual accounts are prepared and the Semi-Annual Accounting Date in respect of each Fund is 30 June in each year;

**Settlement Date**

means the date for the payment of monies due on any subscription or redemption of Units and unless otherwise determined and notified in advance to Unitholders the Settlement Date in relation to all Funds shall be the second Business Day, but not later than the tenth Business Day, following the relevant Dealing Day;

**State Body**

means a government, a government agency or a local authority within a state, government, regional government, statutory body, other public body and any of their special purpose assets; an association of states, other local authorities, governments, regional governments, statutory bodies, other public bodies and any of their special purpose assets; a supranational, international or national institution, entity or organisation;

**Stg £ or Pounds Sterling**

means pounds sterling, the lawful currency of the UK;

**Sub-Investment Manager**

means the sub-investment manager or sub-investment managers appointed from time to time by the Investment Manager;

**Subscription Price**

means the Net Asset Value per Unit plus the Initial Charge, if any;

**Swing Pricing Adjustment**

means the adjustment to the Net Asset Value per Unit to reflect the dealing and other costs attributable to the aggregate net subscriptions for, or redemptions of, Units, respectively;

**Swing Pricing Mechanism**

means the swing pricing mechanism that may be adopted by the Management Company as part of the general valuation policy of the Trust or a Fund, as described in this Prospectus;

**TCA**

means the Taxes Consolidation Act, 1997, as amended from time to time;

**Trust**

means Allianz Global Investors Fund VII;

**Trust Deed**

means the second amended and restated deed between Allianz Global Investors Ireland Limited, the Management Company and the Trustee effective 1 March 2018, and all deeds supplemental thereto;

**Trustee**

means State Street Custodial Services (Ireland) Limited;

**Trustee Fees**

means the fees and expenses of the Trustee (including the fees and expenses of any sub-custodian appointed by the Trustee in respect of the assets of the Trust, which shall be charged at normal commercial rates);

**UCITS**

means an undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations or pursuant to the legislation or regulation that transposed the UCITS Directive in a Member State other than Ireland, as the case may be;

**UCITS Directive**

means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations, and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as may be amended from time to time;

**UCITS Regulations**

means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended from time to time;

**UK**

means the United Kingdom of Great Britain and Northern Ireland;

**UK Distributor and Facilities Agent**

means the distributor and facilities agent in the UK appointed from time to time in respect of the Funds;

**Umbrella Cash Account**

means any single umbrella cash account in the name of the Trust;

**Unit**

means any Unit in a Fund;

**Unitholder**

means any person holding Units;

**U.S.**

means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;

**USD or U.S. Dollars**

means United States Dollars, the lawful currency of the U.S.;

**U.S. Person**

means any person that 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"), as the definition of such term may be changed or supplemented from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

A United States Person includes, but is not limited to: (i) any natural person resident in the U.S.; (ii) any partnership or

corporation organised or incorporated under the laws of the U.S.; (iii) any estate of which any executor or administrator is a U.S. Person; (iv) any trust of which any trustee is a U.S. Person; (v) any agency or branch of a foreign entity located in the U.S.; (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 U.S. 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 U.S.; and (viii) any partnership or corporation if: (1) organised or incorporated under the laws of any foreign jurisdiction; and (2) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts;

#### **Valuation Point**

means, in the case of any Fund, the time by reference to which the Net Asset Value of the Fund is calculated; the Valuation Point for all Funds is 9 a.m. (Irish time) on each Dealing Day;

#### **VaR**

means value-at-risk.

*References in this Prospectus to the "UCITS", the "Trust" or a "Fund" shall, where required under the Central Bank Regulations, be deemed to refer to the Management Company acting in its capacity as "responsible person" in respect of the Trust or the relevant Fund, as defined in Regulation 2(1) of the Central Bank Regulation.*

# Schedule II

## Regulated Markets

### Europe

Any stock exchange in the European Union (except Malta), UK, Iceland, Norway and Switzerland, the market organised by the International Capital Markets Association and any of the stock exchanges or markets listed below.

The Istanbul Stock Exchange.\*

The MICEX Level 1 and 2.\*

The RTS Stock Exchange Level 1 and 2.\*

The Zagreb Stock Exchange.\*

The Bulgarian Stock Exchange – Sofia.\*

The Bucharest Stock Exchange.\*

The Ukrainian Stock Exchange.\*

The French Market for Titres de Creance Negotiable (over the counter market in negotiable debt instruments).

AIM the Alternative Investment Market in the United Kingdom, regulated and operated by the London Stock Exchange.

The market conducted by “listed money market institutions” as described in the United Kingdom Financial Services Authority publication entitled “The Regulation the Wholesale Cash and OTC Derivatives Markets: The Grey Paper”.

### Asia and Australasia

The Stock Exchange of Hong Kong.

BSE The Stock Exchange, Mumbai.\*

The Kuala Lumpur Stock Exchange.\*

The Singapore Exchange.\*

The Bangalore Stock Exchange.\*

The Taiwan Stock Exchange.\*

The Stock Exchange of Thailand.\*

The Korea Exchange.\*

The Calcutta Stock Exchange Association.\*

The Delhi Stock Exchange Association.\*

The Gauhati Stock Exchange Association.\*

The Hyderabad Stock Exchange.\*

The Ludhiana Stock Exchange Association\*.

The Madras Stock Exchange.\*

The Pune Stock Exchange.\*

The Uttar Pradesh Stock Exchange Association.\*

The Jakarta Stock Exchange.\*

The Surabaya Stock Exchange.\*

The Shenzhen Stock Exchange.\*

The Shanghai Securities Exchange.\*

The Colombo Stock Exchange.\*

The Philippine Stock Exchange.\*

The Karachi Stock Exchange.\*

The Lahore Stock Exchange.\*

The Dhaka Stock Exchange.\*

The GreTai Securities Market.\*

The over-the-counter market in Tokyo, Japan regulated by the Securities Dealers Association of Japan.

The Stock Exchanges of Australia and New Zealand.

Any stock exchange of Japan which is a stock exchange within the meaning of the law of that country relating to stock exchanges.

**South America**

The Buenos Aires Stock Exchange.\*  
 The Rio de Janeiro Stock Exchange.\*  
 The São Paulo Stock Exchange.\*  
 The Santiago Stock Exchange.\*  
 The Bogota Stock Exchange.\*  
 The Medellin Stock Exchange.\*  
 The Caracas Stock Exchange.\*  
 The Maracaibo Stock Exchange.\*  
 The Lima Stock Exchange.\*  
 The Mexican Stock Exchange.\*

**Middle East**

The Tel Aviv Stock Exchange.\*  
 The Cairo and Alexandria Stock Exchanges.\*  
 The Amman Stock Exchange.\*

**Africa**

The Casablanca Stock Exchange.\*  
 The JSE Securities Exchange South Africa.\*

**North America**

Any stock exchange in the U.S. or Canada.

\* The stock exchange or market is regarded by the Management Company as an emerging market exchange or market and is subject to some or all of the emerging market risks set out in the section "Risk Factors in relation to the Funds" in this Prospectus.

The over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada.

Any exchange registered with the Securities and Exchange Commission of the United States as a National Stock Exchange, The market organised by the NASDAQ (National Association of Securities Dealers Inc.).

The market in U.S. government securities which is conducted by primary dealers which are regulated by the Federal Reserve Bank of New York.

The over-the-counter market in the U.S. conducted by primary dealers as above and secondary dealers which are regulated by the U.S. Securities and Exchange Commission and by the National Association of Securities Dealers Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation.

With the exception of permitted investment in unlisted securities and OTC FDI, investments will be restricted to those stock exchanges and markets listed in the Prospectus. These markets and exchanges are listed in the Prospectus in accordance with the requirements of the Central Bank which does not issue a list of approved markets and exchanges.

The MICEX Level 1 and 2 and the RTS Stock Exchange Level 1 and 2 are included solely in relation to equity securities.

For investments in FDI:

- (i) any derivatives market in the EEA, the market organised by the International Capital Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the National Association of Securities Dealers, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market

conducted by listed money market institutions as described in the Financial Services Authority publication entitled “The Regulation of the Wholesale Cash and OTC Derivatives Markets”: “The Grey Paper” (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM – the Alternative Investment Market in the UK, regulated by the London Stock Exchange; the French Market for Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; and

- (ii) American Stock Exchange, Australian Stock Exchange, Bolsa de Valores de Rio de Janeiro, Bolsa de Valores de Sao Paulo (Bovespa), Bolsa Mexicana de Valores, Budapest Stock Exchange (BSE), Chicago Board of Trade, Chicago Board Options Exchange, Chicago Mercantile Exchange, Copenhagen Stock Exchange (including FUTOP), Eurex Deutschland, Euronext Amsterdam, OMX Exchange Helsinki, Hong Kong Stock Exchange, Istanbul Stock Exchange, Kansas City Board of Trade, Korea Exchange (KRX), London International Financial Futures and Options Exchange, Euronext Paris, MEFF Rent Fiji, MEFF Renta Variable, Montreal Stock Exchange, Moscow Interbank Currency Exchange (MISEX), New York Futures Exchange, New York Mercantile Exchange, New York Stock Exchange, New Zealand Futures and Options Exchange, OMLX The London Securities and Derivatives Exchange Ltd., OM Stockholm AB, Osaka Securities Exchange, Pacific Stock Exchange, Philadelphia Board of Trade, Philadelphia Stock Exchange, Russian Trading System (RTS), Singapore Stock Exchange, South Africa Futures Exchange (SAFEX), Sydney Futures Exchange, Taiwan Stock Exchange (TSE), The National Association of Securities Dealers Automated Quotations System (NASDAQ); Tokyo Stock Exchange; TSX Group Exchange, Warsaw Stock Exchange.

The markets and exchanges described above are set out herein in accordance with the requirements of the Central Bank which does not issue a list of approved exchanges and markets.



# Schedule III

## Investment Techniques and Financial Derivative Instruments

1. A Fund may invest in FDI provided that:
  - 1.1 the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates or currencies; and
  - 1.2 the FDI do not expose the Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which the Fund cannot have a direct exposure);
  - 1.3 the FDI do not cause the Fund to diverge from its investment objectives;
  - 1.4 the reference in 1.1 above to financial indices shall be understood as a reference to indices which fulfil the following criteria and the provisions of the Central Bank Regulations:
    - (a) they are sufficiently diversified, in that the following criteria are fulfilled:
      - (i) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
      - (ii) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;
      - (iii) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71(1) of the UCITS Regulations;
    - (b) they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:
      - (i) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;
      - (ii) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;
      - (iii) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;
    - (c) they are published in an appropriate manner, in that the following criteria are fulfilled:
      - (i) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;
      - (ii) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in (a), (b) or (c) above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g) of the UCITS Regulations, be regarded as FDI on a combination of the assets referred to in Regulation 68(1)(g)(i) of the UCITS Regulations, excluding financial indices.

- 1.5 Where a Fund enters into a total return swap or invests in other FDI with similar characteristics, the assets held by the Fund must comply with Regulations 70, 71, 72, 73 and 74 of the UCITS Regulations.

## 2. Credit Derivatives

Credit Derivatives are permitted where:

- (i) they allow the transfer of the credit risk of an asset as referred to in paragraph 1.1 above, independently from the other risks associated with that asset;
- (ii) they do not result in the delivery or in the transfer, including in the form of cash, of assets other than those referred to in Regulations 68(1) and (2) of the UCITS Regulations;
- (iii) they comply with the criteria for OTC FDI set out in paragraph 4 below; and
- (iv) their risks are adequately captured by the risk management process of the Fund, and by its internal control mechanisms in the case of risks of asymmetry of information between the Fund and the counterparty to the credit derivative resulting from potential access of the counterparty to non-public information on firms the assets of which are used as underlyings by credit derivatives. The Fund must undertake the risk assessment with the highest care when the counterparty to the FDI is a related party of the Fund or the credit risk issuer.

3. FDI must be dealt in on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State. Restrictions in respect of individual stock exchanges and markets may be imposed by the Central Bank on a case by case basis.

4. Notwithstanding paragraph 3, a Fund may invest in FDI dealt in over-the-counter ("OTC FDI") provided that:

- 4.1 the counterparty is: (a) a credit institution that is within any of the categories set out in Regulation 7(a) – (c) of the Central Bank Regulations; (b) an investment firm authorised in accordance with the Markets in Financial Instruments Directive; or (c) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve;
- 4.2 where a counterparty within sub-paragraphs (b) or (c) of paragraph 4.1: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the responsible person in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) of this paragraph 4.2 this shall result in a new credit assessment being conducted of the counterparty by the responsible person without delay;
- 4.3 where an OTC FDI referred to in paragraph 4.1 above is subject to a novation, the counterparty after the novation must be: (i) an entity that is within any of the categories set out in paragraph 4.1 above; or (ii) a central counterparty ("CCP") authorised, or recognised by ESMA, under EMIR or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP);
- 4.4 risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations. In this regard, the Fund shall calculate the counterparty exposure using the positive mark-to-market

value of the OTC FDI with that counterparty. The Fund may net FDI positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC FDI with the same counterparty and not in relation to any other exposures the Fund may have with the same counterparty. The Fund may take account of collateral received by the Fund in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations; and

- 4.5 the OTC FDI are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.
5. Risk exposure to an OTC FDI counterparty may be reduced where the counterparty will provide the Fund with collateral. The Fund may disregard the counterparty risk on condition that the value of the collateral, valued at market price and taking into account appropriate discounts, exceeds the value of the amount exposed to risk at any given time.
6. Collateral received must at all times meet with the requirements set out in paragraphs 26 to 33 below.
7. Collateral passed to an OTC FDI counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.
8. A Fund using the commitment approach must ensure that its global exposure does not exceed its total Net Asset Value. The Fund may not therefore be leveraged in excess of 100 % of its Net Asset Value. A Fund using the VaR approach must employ back testing and stress testing and comply with other regulatory requirements regarding the use of VaR. The VaR method is detailed in the relevant Fund's risk management procedures for FDI, which are described below under "Risk Management Process and Reporting".

Each Fund must calculate issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach.

9. The risk exposures to a counterparty arising from OTC FDI transactions and EPM techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.
10. A Fund must calculate exposure arising from initial margin posted to, and variation margin receivable from, a broker relating to an exchange-traded or OTC FDI, which is not protected by client money rules or other similar arrangements to protect the Fund in the event of the insolvency of the broker, within the OTC FDI counterparty limit referred to in Regulation 70(1)(c) of the UCITS Regulations.
11. The calculation of issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations must take account of any net exposure to a counterparty generated through a stocklending or repurchase agreement. Net exposure refers to the amount receivable by a Fund less any collateral provided by the Fund. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations.
12. When calculating exposures for the purposes of Regulation 70 of the UCITS Regulations, a Fund must establish whether its exposure is to an OTC counterparty, a broker, a central counterparty or a clearing house.
13. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments or collective investment schemes, when combined, where relevant, with positions resulting from direct investments, may not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations. When calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure and this position exposure must be taken into account in

the issuer concentration calculations. Issuer concentration must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer approach, whichever is greater. It must also be calculated by all Funds, regardless of whether they use VaR for global exposure purposes. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the UCITS Regulations.

14. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:
  - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - (c) it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
15. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

#### Cover requirements

16. A Fund must, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving FDI.
17. Monitoring of FDI transactions to ensure they are adequately covered must form part of the risk management process of the Fund.
18. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:
  - (i) in the case of FDI which automatically, or at the discretion of the Fund, are cash settled, a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure; and
  - (ii) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:
    - (A) the underlying assets consist of highly liquid fixed income securities; and/or
    - (B) the Fund considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the risk management process, which is described below, and details are provided in the Prospectus.

#### Risk Management Process and Reporting

19. A Fund must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity. The initial filing is required to include information in relation to:
  - permitted types of FDI, including embedded derivatives in transferable securities and money market

instruments;

- details of the underlying risks;
- relevant quantitative limits and how these will be monitored and enforced; and
- methods for estimating risks.

Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.

20. A Fund must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information which reflects a true and fair view of the types of FDI used by the Fund, the underlying risks, the quantitative units and the methods used to estimate those risks, must be submitted with the annual report of the Fund. The Fund must, at the request of the Central Bank, provide this report at any time.

#### **Techniques and Instruments, including Repurchase/Reverse Repurchase Agreements and Securities Lending, for the purposes of Efficient Portfolio Management**

21. A Fund may employ techniques and instruments relating to transferable securities and money market instruments subject to the UCITS Regulations and to conditions imposed by the Central Bank. The use of these techniques and instruments should be in line with the best interests of the Fund.
22. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of EPM shall be understood as a reference to techniques and instruments which fulfil the following criteria:
  - (i) they are economically appropriate in that they are realised in a cost-effective way;
  - (ii) they are entered into for one or more of the following specific aims:
    - (a) reduction of risk;
    - (b) reduction of cost; or
    - (c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in Regulation 71 of the UCITS Regulations;
  - (iii) their risks are adequately captured by the risk management process of the Fund, and
  - (iv) they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.
23. FDI used for EPM, in accordance with paragraph 21, must also comply with the provisions of the UCITS Regulations and the Central Bank Regulations.

#### **Repurchase/Reverse Repurchase Agreements and Securities Lending**

24. Repurchase/reverse repurchase agreements and securities lending ("EPM techniques") may only be effected in accordance with normal market practice.
25. All assets received by a Fund in the context of EPM techniques should be considered as collateral and should comply with the criteria set down in paragraph 26 below.

26. Collateral must, at all times, meet with the following criteria:

- (i) **Liquidity:** collateral received, other than cash, should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations.
- (ii) **Valuation:** collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (iii) **Issuer credit quality:** collateral received should be of high quality. The Fund shall ensure that: (i) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the responsible person in the credit assessment process; and (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to at (i) this shall result in a new credit assessment being conducted of the issuer by the Fund without delay.
- (iv) **Correlation:** collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Fund to expect that it would not display a high correlation with the performance of the counterparty.
- (v) **Diversification (asset concentration):**
  - (a) subject to paragraph (b) below, collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20 % of the Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20 % limit of exposure to a single issuer; and
  - (b) It is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30 % of the Fund's Net Asset Value. The Member States, local authorities, third countries, or public international bodies issuing or guaranteeing securities which a Fund is able to accept as collateral for more than 20 % of its Net Asset Value shall be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, EU, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC; and.
- (vi) **Immediately available:** collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

27. Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

28. Collateral received on a title transfer basis should be held by the trustee. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
29. Non-cash collateral cannot be sold, pledged or re-invested.
30. Cash collateral may not be invested other than in the following:
  - (i) deposits with credit institutions referred to in Regulation 7 of the Central Bank Regulations (which are set out in paragraph 4.1 above);
  - (ii) high-quality government bonds;
  - (iii) reverse repurchase agreements provided the transactions are with a credit institution referred to in Regulation 7 of the Central Bank Regulations (which are set out in paragraph 4.1 above) and the Fund is able to recall at any time the full amount of cash on an accrued basis; or
  - (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).
31. Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.
32. A Fund receiving collateral for at least 30 % of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:
  - a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
  - b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
  - c) reporting frequency and limit/loss tolerance threshold/s; and
  - d) mitigation actions to reduce loss including haircut policy and gap risk protection.
33. A Fund should have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, a Fund should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with paragraph 32. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.
34. Where a counterparty to a repurchase or a securities lending agreement which has been entered into by a Fund:
  - (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the responsible person in the credit assessment process; and
  - (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in (a) this shall result in a new credit assessment being conducted of the counterparty by the Fund without delay.
35. A Fund should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
36. A Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the Fund.

37. A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.
38. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations respectively.
39. All the revenues arising from EPM techniques, net of direct and indirect operational costs, should be returned to the Fund.

## The Use of FDI by the Funds

Each Fund may, but is not obliged to, use a broad range of FDI as detailed below for hedging as well as investment purposes, provided that in each case the use of such instruments:

- (i) is in accordance with the limits and guidelines issued by the Central Bank from time to time;
- (ii) does not contravene pertinent EU and Irish regulations and law;
- (iii) will not result in an exposure to instruments other than transferable securities, financial indices, interest rates, foreign exchange rates or currencies;
- (iv) will not result in an exposure to underlying assets other than to assets in which a Fund may invest directly; and
- (v) the use of such instruments will not cause a Fund to diverge from its investment objective.

The types of FDI intended to be used by each Fund are specified in the “Investment Objective and Policies” section in the relevant schedules at the end of this Prospectus. An Investment Manager or Sub-Investment Manager may decide not to employ any of these strategies and there is no assurance that any derivatives strategy used by a Fund will succeed.

The use of FDI is subject to a suitable risk management process being submitted to and cleared by the Central Bank in advance. The Management Company has implemented a risk management process that allows it to continuously measure and monitor the risks of all Funds, including all FDI positions and in particular positions in OTC FDI held by each Fund.

FDI can be used in a Fund in three different ways as follows:

- (i) for hedging purposes with the aim to reduce the Fund’s level of risk or to hedge the currency exposure in a hedged currency class of Units; hedging may lead to correspondingly lower potential gains;
- (ii) as a replacement for direct investment in transferable securities in order to avail of cost or liquidity advantages of FDI over transferable securities; or
- (iii) for investment purposes to increase the level of investment above the level of investment of a fund that is fully invested in transferable securities, with the aim of increasing returns (“leverage”). Such a strategy typically leads to an increase in the level of risk of the Fund; if the Fund employs FDI to increase the level of investment, it will do so within the limits set by the Central Bank.

Engagement in FDI may include short transactions in FDI (creating negative positions) which can lead to gains in the Fund if the prices of certain securities, investment markets or currencies fall, or to losses in the Fund if underlying prices rise.

The ability to use strategies using FDI may be limited by market conditions and regulatory limits and there can be no assurance that the objective sought to be attained from the use of these strategies will be achieved. Participation in the options or futures markets and in swap contracts and in currency exchange transactions involves investment risks and transaction costs to which a Fund would not be subject if the Fund did not use these strategies. If the predictions of movements in the direction of the securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to a Fund may leave a Fund in a worse position than if such strategies were not used.



In addition, new investment techniques and FDI may be developed which may be suitable for use by a Fund in the future and the risk management process will be updated at that time to reflect the use of such instruments. A Fund may employ such techniques and FDI subject to any restrictions imposed by the UCITS Regulations and the Central Bank Regulations and after integration into the risk management process.

## Futures

Each Fund is permitted to buy or sell futures (contracts). Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Futures may also be used to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets. Using futures to achieve a particular strategy instead of using the underlying or related security or index frequently results in lower transaction costs being incurred. Furthermore, with futures the duration of a portfolio can be changed (e.g. by the use of financial futures).

## Options

Each Fund is permitted to buy or "write" (sell) put and call options, including but not limited to options on futures and straddles. An option is a contract whereby the contract buyer has the right, but not the obligation, to exercise a feature of the option, such as a specific quantity of a particular product, asset or financial instrument, on or before a future date (the exercise date). The "writer" (seller) has the obligation to honour the specified feature of the contract. Since the option gives the buyer a right and the seller an obligation, the buyer pays the seller a premium. Put options are contracts that give the option buyer the right to sell and call options are contracts that give the option buyer the right to buy from the seller of the option the underlying product or financial instrument at a specified price on, or before, the exercise date. Options may also be cash settled. A combination of one call option and one put option, both with the same underlying, direction (long or short), strike, and expiration date is called a straddle. Options are used to hedge against the movements of a particular market or financial instrument, including futures, or to gain exposure to a particular market or financial instrument instead of using a physical security. Options can also be used, if sold (written), to earn income in form of the option premium. The potential risk of the use of options is the exposure of the option relative to the movement in the underlying's price.

## Swaps

Each Fund is permitted to use swap agreements (swaps) of any kind, including such swaps where the swap counterparties agree to exchange the proceeds of deposits, financial securities, money market instruments, units/shares of collective investment schemes, FDI, financial indices or security or index baskets against the proceeds of other deposits, financial securities, money market instruments, units/shares of collective investment schemes, FDI, financial indices or security or index baskets, subject to the above conditions. A standard swap is an agreement between two counterparties in which the cash flows from two assets are exchanged as they are received for a fixed time period, with the terms initially set so that the present value of the swap is zero. Swaps may extend over substantial periods of time, and typically call for the making of payments on a periodic basis. Many different types of swaps exist, including equity swaps, interest rate swaps or currency swaps. Interest rate swaps involve the exchange by a Fund with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party are paid by one party to the other. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. These agreements are used to transform the currency denomination of assets and liabilities. Unlike interest rate swaps, currency swaps must include an exchange of principal at maturity. Moreover, there are the "quanto" or "differential" swaps. These combine both an interest rate and a currency transaction. Interest rate swaps can be used to hedge against or gain exposure to changes in certain segments of a yield curve, to change the duration of a portfolio or to benefit from anomalies in the make-up of yield curves. Likewise, other swap types can be used to transform the exposure to one product or parameter into that of another, for example exposure to one currency, financial instrument, collective investment scheme, index or basket to that of another.

## Swaptions

Each Fund is permitted to use swaptions. Swaptions are contracts whereby one party receives a fee in return for agreeing to enter into a swap at a predetermined fixed rate if some contingency event occurs (normally where future rates are set in relation to a fixed benchmark). Swaptions can be used for hedging and investment purposes or, if sold, as a source of additional income in form of a premium.

## Forwards

Each Fund is permitted to enter into forward contracts, including but not limited to forward foreign exchange contracts. A forward contract locks in the price an index or asset may be purchased or sold at on a future date. In currency forward contracts (forward foreign exchange contracts), the contract holders are obligated to buy or sell a specified amount of one currency at a specified price with another currency on a specified future date. An interest rate forward determines an interest rate to be paid or received on an obligation beginning at a start date sometime in the future. A forward rate agreement ("FRA") is a forward contract where the parties agree that a certain interest rate will apply to a certain notional loan or deposit during a specified future period of time. A FRA is similar to an FX forward contract where the exchange rate for a future date is set in advance. Forward contracts may be cash settled between the parties. These contracts cannot be transferred but they can be "closed out" by entering into a reverse contract. Forwards can be used to alter the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another. Forward foreign exchange contracts are specifically useful for the hedging in connection with hedged currency Classes of Units of a Fund. FRAs are usually used to protect the borrower against rising interest rates. The purpose of a FRA is to guarantee the future interest rate, and there is no direct link between the FRA and the underlying loan. Borrowers use FRAs to gain interest rate certainty on a portfolio of loans, while investors use them to protect asset portfolios from decreasing interest rates.

## Caps and Floors

Each Fund is permitted to use caps and floors. Caps and floors are agreements under which the seller agrees to compensate the buyer if interest rates rise above a pre-agreed strike rate on pre-agreed dates during the life of the agreement. In return the buyer pays the seller a premium up front. A floor is similar to a cap except that the seller compensates the buyer if interest rates fall below a pre-agreed strike rate on pre-agreed dates during the life of the agreement. As with a cap, the buyer pays the seller a premium up front. Caps and floors can be used to hedge against interest rate changes or, if sold, to earn additional income in form of the premium.

## Contracts for Differences

Each Fund is permitted to enter into contracts for difference ("CFD"). A CFD is an agreement to exchange the difference between the opening and closing price of the position under the contract on various financial instruments. CFD trading is an effective and convenient speculative instrument for trading shares, indices, futures and commodities. A CFD allows a direct exposure to a market, sector or security without buying into the underlying market, sector or security directly. The financial instrument underlying a CFD contract is not delivered to the purchaser. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement whereby the party which is in profit on the closing day receives cash from the other party on the difference between the starting share price and the share price on the closing date of the contract. CFDs enable profits to be made from falling values of the underlying as easily as from rising values without actually selling short any assets. Therefore, CFDs can be used for hedging purposes as well as for gaining positive exposure to the underlying without the need for full capital expenditure (only a margin of usually 5-10 % of the contract amount and a commission are payable).

## Credit Derivatives

Each Fund is permitted to use credit derivatives, which can be defined as arrangements that allow one party (protection buyer or originator) to transfer credit risk of a reference asset, which it may or may not own, to one or more other parties (the protection sellers). Credit derivatives include credit default swaps, total return swaps and credit linked notes.

A **credit default swap** is a refined form of a traditional financial guarantee, with the difference that a credit default swap need not be limited to compensation upon an actual default but might even cover events such as downgrading, apprehended default etc. In a credit default swap, the protection seller agrees, for an upfront or continuing premium or fee, to compensate the protection buyer upon the happening of a specified event, such as a default, downgrading of the obligor, apprehended default etc. If an event of default occurs, the seller must pay the buyer the “par value”, or some other amount based on a designated reference or strike price, of the reference obligation in exchange for the reference obligation. A credit default swap covers only the credit risk inherent in the asset, while risks on account of other factors, such as interest rate movements, remains with the originator. A Fund may buy or sell credit default swaps. If a Fund is a buyer and no event of default occurs, the Fund will lose its investment and recover nothing. However, if an event occurs, the Fund (if the buyer) will receive the full notional value of the reference obligation. As a seller, a Fund receives a fixed rate of income throughout the term of the contract, which typically is between six months and three years, provided that there is no default event. If an event of default occurs, the seller must pay the buyer the full notional value of the reference obligation.

As the name implies, a **total return swap** is a swap of the total return out of an asset against a contracted predefined return. The total return out of an asset can be affected by various factors, some of which may be quite extraneous to the asset in question, such as interest rate movements, exchange rate fluctuations etc. Nevertheless, the protection seller here guarantees a predefined return to the buyer, who, in turn, agrees to pass on the entire returns from the asset to the protection seller, i. e. the protection buyer swaps the total return from an asset for a predefined return.

**Credit linked notes** are a securitised form of credit derivatives and are regarded as transferable securities. The protection buyer issues notes whereas the investor who buys the notes has to suffer either a delay in repayment or has to forego interest if a specified credit event, such as default or bankruptcy, takes place. This device also transfers merely the credit risk and not other risks involved with the credit asset.

Credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. The reasons for using credit derivatives include the protection against the risk of deterioration of the creditworthiness of credit takers and, for the protection seller, earning income in form of premiums.

## Structured Products

Structured products usually have the legal form of transferable securities but contain economic characteristics of FDI. Each Fund is permitted to invest in structured products as transferable securities. Due to their characteristics or elements of FDI they are included in the Management Company's risk management process. Structured products can be defined as any financial instrument into which at least one FDI or derivative element is embedded, unless the embedded derivative (element) has no significant influence on the risk profile and pricing of the financial instrument, or it is absolutely clear that no inadmissible risk will be attached to a Fund through this financial instrument. Examples of securities which have a derivative element but are not regarded as structured products for the above-mentioned reasons are callable, puttable, perpetual, revenue, rating-linked and inflation-linked bonds. These are regarded as standard transferable securities. Many structured products are listed for trading on an exchange. Structured products may also be traded OTC. Structured products are often issued in the form of certificates or notes, which are commonly referred to as certificates and structured notes respectively. Examples of structured products include notes and certificates which are linked to fixed income indices, warrant-linked bonds, interest rate indices or equity indices; equity linked notes or certificates; convertible securities; exchangeable securities; asset or mortgage backed securities (synthetic) and credit linked notes (for the latter see under credit derivatives). Structured products can be used to tailor investments into a specific scenario, to eliminate certain risks that are undesired (FX, credit, interest rates) or to offer profit potential with a known downside. As such, they can be used for tailored hedging strategies as well as investment purposes in that they provide investors with an opportunity to take advantage of views not only about the direction of interest rates but also the volatility, the range, the shape of the term structure (i. e., long term rates vs. short term rates), and the direction of commodity and equity prices.

The main feature of **index certificates** and **index linked notes** on fixed income or interest rate indices is that the coupons and/or redemption amounts depend on the development of fixed income or interest rate indices. Similarly, the redemption amounts of index certificates and index linked notes on equity indices depend on the performance of an

equity index. The value of such certificates or notes normally corresponds to the underlying index, equity or equity basket which sometimes is adjusted by a subscription and/or foreign exchange factor.

**Convertible and exchangeable securities** are securities which contain the right to convert the securities into equities at a predefined price or conversion/exchange ratio. These equities can be stocks/shares of the issuer (convertibles) or of another company (exchangeable). The conversion right can be held by the investor or by the issuer (reverse convertible).

**Asset and mortgage backed securities** are securities which are covered by miscellaneous types of liabilities. These liabilities are not the property of the issuer. In a synthetic asset and mortgage backed structure the credit risk from these liabilities is transferred synthetically to the creditor of the securities by credit linked notes or credit default swaps.

### Hybrid Securities

Each Fund is permitted to use hybrid securities, which are securities that combine two or more financial instruments, for example a traditional stock or bond with an option or forward contract. Generally, the principal amount payable upon maturity or redemption, or interest rate of a hybrid security, is tied (positively or negatively) to the price of some currency or securities index or another interest rate or some other factor (each called a “benchmark”). The interest rate or (unlike most fixed income securities) the principal amount payable at maturity of a hybrid security may be increased or decreased, depending on the changes in the value of the benchmark. Hybrid securities combine the most advantageous features of debt and equity with the aim of reducing the issuing companies’ tax bills, reducing financing costs and bolstering their credit ratings. Reasons for a Fund to use hybrid securities include exploiting their hedging potential and earning additional income in the form of higher yields than standard securities.

## The Use of Repurchase Agreements, Reverse Repurchase Agreements and Stocklending Agreements by the Funds

Each Fund is permitted to enter into repurchase/reverse repurchase agreements (“repo contracts”) for the purpose of generating additional returns and within the limits and conditions set out above. In a repo contract, one party sells securities or money-market instruments to the other party and either:

- the parties agree to repurchase and resell, respectively, the securities or money-market instruments at a price fixed and within a period of time agreed to when the agreement was entered into; or
- one party has the right to resell to the other party or require the other party to resell the securities or money-market instruments at a price fixed and within a period of time agreed to when the agreement was entered into.

The securities and money-market instruments that are subject to a repo contracts may not be sold during the life of the agreement and the Fund holding such agreement must at all times be able to comply with its contractual obligations.

Each Fund is permitted to enter into stocklending (also referred to as “securities lending”) agreements for the purpose of generating additional returns and within the limits and conditions set out above. The borrower in a securities lending agreement borrows securities or money-market instruments for a period of time, for example to cover delivery obligations. The lender lends securities or money-market instruments it holds for the purpose of generating additional returns.

# Schedule IV

## Investment Restrictions

### 1 Permitted Investments

Investments of a UCITS are confined to:

- 1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or Non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or Non-Member State.
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money market instruments other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of alternative investment funds.
- 1.6 Deposits with credit institutions.
- 1.7 FDI.

### 2 Investment Restrictions

- 2.1 A UCITS may invest no more than 10 % of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.

#### 2.2 Recently Issued Transferable Securities

Subject to the paragraph below, a UCITS shall not invest any more than 10 % of its assets in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations applies.

The paragraph above does not apply to an investment by a UCITS in U.S. securities known as "Rule 144A securities" provided that:

(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and

(b) the securities are not illiquid securities, i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, which they are valued by the UCITS.

- 2.3 A UCITS may invest no more than 10 % of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5 % is less than 40 %.
- 2.4 With the prior approval of the Central Bank, the limit of 10 % (in 2.3) is raised to 25 % in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5 % of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80 % of the net asset value of the UCITS.

- 2.5 The limit of 10 % (in 2.3) is raised to 35 % if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a Non-Member State or public international body of which one or more Member States are members.
- 2.6 The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40 % referred to in 2.3.
- 2.7 Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank Regulations held as ancillary liquidity shall not exceed:
- (a) 10 % of the Net Asset Value of the UCITS; or
  - (b) where the deposit is made with the Trustee, 20 % of the Net Asset Value of the UCITS.
- 2.8 The risk exposure of a UCITS to a counterparty to an OTC FDI may not exceed 5 % of net assets.
- This limit is raised to 10 % in the case of credit institutions authorised in the EEA; credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; and credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20 % of net assets:
- investments in transferable securities or money market instruments;
  - deposits; and/or
  - counterparty risk exposures arising from OTC FDI transactions.
- 2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35 % of net assets.
- 2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20 % of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12 A UCITS may invest up to 100 % of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, Non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, EU, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC.

The UCITS must hold securities from at least six different issues, with securities from any one issue not exceeding 30 % of net assets.

### 3 Investment in Collective Investment Schemes ("CIS")

- 3.1 A UCITS may not invest more than 20 % of net assets in any one CIS.
- 3.2 Investment in alternative investment funds may not, in aggregate, exceed 30 % of net assets.
- 3.3 The CIS are prohibited from investing more than 10 % of net assets in other open-ended CIS.
- 3.4 When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
- 3.5 Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.

### 4 Index Tracking UCITS

- 4.1 A UCITS may invest up to 20 % of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank Regulations and is recognised by the Central Bank.
- 4.2 The limit in 4.1 may be raised to 35 %, and applied to a single issuer, where this is justified by exceptional market conditions.

### 5 General Provisions

- 5.1 An investment company, Irish collective asset-management vehicle ("ICAV") or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A UCITS may acquire no more than:
  - (i) 10 % of the non-voting shares of any single issuing body;
  - (ii) 10 % of the debt securities of any single issuing body;
  - (iii) 25 % of the units of any single CIS;
  - (iv) 10 % of the money market instruments of any single issuing body.

Note: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

#### 5.3 5.1 and 5.2 shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a Non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by a UCITS in the capital of a company incorporated in a Non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation

of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the Non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed; or

- (v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unitholders' request exclusively on their behalf.

5.4 UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

5.5 The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

5.6 If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.

5.7 Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:

- transferable securities;
- money market instruments;
- units of CIS; or
- FDI.

5.8 A UCITS may hold Ancillary Liquid Assets.

## 6 Financial Derivative Instruments ("FDI")

6.1 The UCITS global exposure relating to FDI must not exceed its total net asset value. (This provision does not apply to any UCITS which does not use the commitment approach to calculate its global exposure but instead uses the VaR approach as described in the relevant UCITS' investment policies.)

6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Regulations.)

6.3 UCITS may invest in FDI dealt in over-the-counter (OTC), provided that

The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

6.4 Investment in FDI are subject to the conditions and limits laid down by the Central Bank.



# Schedule V

## Classes of Units

Classes A, A2, C, P, N, R, S, I, I2, W and X are distributing Classes, whereas Classes AT, AT2, CT, PT, NT, RT, ST, IT, IT2, WT and XT are accumulating Classes. The distribution will generally be paid annually on the first Monday in March following the end of each Fund's accounting period. If the distribution date falls on a day which is not a Business Day, the distribution will be made on the next Business Day. The accumulation is usually booked at the end of each Fund's accounting period.

Classes may be issued in the following currencies: CHF, CZK, DKK, EUR, GBP, HUF, JPY, NOK, PLN, SEK, SGD and USD.

Units of Classes I, IT, I2, IT2, W, WT, X and XT can be acquired only by non-natural persons. Units of Classes X and XT require a separate contractual agreement.

Units of Classes R and RT may only be acquired with the consent of the Management Company by such Distributors or Intermediaries that, according to regulatory requirements (such as discretionary portfolio management and/or independent advice under MiFID II) or based on individual fee arrangements with their clients, are not allowed to accept or retain trail commissions. No trail commissions may be paid to any Distributors or Intermediaries in relation to Units of Classes R and RT.

Units of Classes that include "20" or "21" in the Class name are created within the meaning of Section 10 of GITA ("Tax-Free Unit Classes"), and may only be acquired and held by:

- (a) German corporations, associations of persons or asset pools which, 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 which do not hold the shares in a business operation;
- (b) German foundations under public law, which 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 paragraphs (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 Management Company with a valid certificate as specified in Section 9 (1) No. 1 or 2 of GITA. If the aforementioned conditions are no longer met by an investor, the investor is required to notify this to the Management Company within one month of the conditions no longer being met. Tax exemption amounts that the Management Company receives in connection with management of the relevant Fund and which are attributable to income from Tax-Free Unit Classes are generally payable to the investors in these Tax-Free Unit Classes. In derogation from this procedure, the Management Company is entitled to allocate the exemption amounts directly to the Fund, in favour of the investors in these Tax-Free Unit Classes; no new Units are issued as a result of this allocation.

Units in Tax-Free 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 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 Management Company that it is acquiring the relevant Units of the Tax-Free Unit Classes 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 this to the Management Company within one month of the conditions no longer being met. Tax exemption amounts that the Management Company receives in

connection with management of the relevant Fund and which are attributable to income from the Tax-Free Unit Classes are generally payable to the provider of the retirement provision or base pension agreement. The provider must reinvest the amounts in favour of the persons who are entitled under the respective retirement provision or base pension agreement. In derogation from this procedure, the Management Company is entitled to allocate the exemption amounts directly to the Fund, in favour of the investors in the Tax-Free Unit Classes; no new Units are issued as a result of this allocation.

Units of Classes C and CT may only be acquired by investors who are domiciled in or permanent residents of the Federal Republic of Germany, through the purchase of unit-linked insurance policies or through professional asset managers. Units of Unit Class IT2 (H2-EUR) may only be acquired by investors who are domiciled in Italy who have signed a discretionary investment management agreement with AllianzGI.

The minimum initial investment amounts for the investment in Units of Classes P, PT, N, NT, I, IT, I2, IT2, W and WT are as set out below:

Classes of Units	P/PT	N/NT	I/IT/I2/IT2	W/WT
Minimum investment	CHF 3,000,000	CHF 400,000	CHF 8,000,000	CHF 20,000,000
	CZK 90,000,000	CZK 6,000,000	CZK 120,000,000	CZK 300,000,000
	DKK 30,000,000	DKK 2,000,000	DKK 40,000,000	DKK 100,000,000
	EUR 3,000,000	EUR 200,000	EUR 4,000,000	EUR 10,000,000
	GBP 3,000,000	GBP 200,000	GBP 4,000,000	GBP 10,000,000
	HUF 750,000,000	HUF 50,000,000	HUF 1,000,000,000	HUF 2,500,000,000
	JPY 600,000,000	JPY 40,000,000	JPY 800,000,000	JPY 2,000,000,000
	NOK 24,000,000	NOK 1,600,000	NOK 32,000,000	NOK 80,000,000
	PLN 12,000,000	PLN 800,000	PLN 16,000,000	PLN 40,000,000
	SEK 30,000,000	SEK 2,000,000	SEK 40,000,000	SEK 100,000,000
	SGD 6,000,000	SGD 200,000	SGD 4,000,000	SGD 10,000,000
	USD 3,000,000	USD 200,000	USD 4,000,000	USD 10,000,000

The figures shown are minimum initial investment amounts. In individual cases, the Management Company may, at its discretion, permit a lower minimum initial investment.

The following Initial Prices shall apply for those Units of Classes which have the corresponding currency of denomination:

Classes of Units	A/AT/A2/AT2/C/CT/R/RT/S/ST	I/I2	IT/IT2/N/NT/P/PT/W/WT/X/XT
Initial Price	CHF 100	CHF 1,000	CHF 1,000
	CZK 3,000	CZK 30,000	CZK 30,000
	DKK 1,000	DKK 10,000	DKK 10,000
	EUR 100	EUR 100	EUR 1,000
	GBP 100	GBP 1,000	GBP 1,000
	HUF 25,000	HUF 250,000	HUF 250,000
	JPY 20,000	JPY 200,000	JPY 200,000
	NOK 1,000	NOK 10,000	NOK 10,000
	PLN 400	PLN 4,000	PLN 4,000
	SEK 1,000	SEK 10,000	SEK 10,000
	SGD 10	SGD 1,000	SGD 1,000
	USD 10	USD 1,000	USD 1,000

The Management Company has full discretion to decide whether a subscription will be accepted for a Class of Units for which no subscriptions have previously been accepted and processed. The annual and semi-annual reports will disclose the Classes of Units for which subscriptions have been accepted.

# Schedule VI

## Delegates of the Trustee

The Trustee 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, whom it has appointed as its global sub-custodian.

At the date of this Prospectus, State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below.

Albania	Raiffeisen Bank sh.a.
Argentina	Citibank N.A., Buenos Aires
Australia	Hongkong and Shanghai Banking Corporation Ltd.
Austria	UniCredit Bank Austria AG
	Deutsche Bank AG
Bahrain	HSBC Bank Middle East
Bangladesh	Standard Chartered Bank
Belgium	Deutsche Bank AG, Netherlands
Benin	Standard Chartered Bank Cote d'Ivoire
Bermuda	HSBC Bank Bermuda Limited
Federation of Bosnia and Herzegovina	UniCredit Bank d.d.
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank N.A. – São Paulo Branch
Bulgaria	Citibank Europe plc, Bulgaria Branch
	UniCredit Bulbank AD
Burkina Faso	Standard Chartered Bank Cote d'Ivoire
Canada	State Street Trust Company Canada
Chile	Itaú CorpBanca S.A.
China – A-Share Market	HSBC Bank (China) Company Limited
	China Construction Bank
China – B-Share Market	HSBC Bank (China) Company Limited
China - Shanghai -Hong Kong Stock Connect	Standard Chartered Bank (Hong Kong) Limited
	Hongkong and Shanghai Banking Corporation Limited
	Citibank N.A.
Colombia	Cititrust Colombia, S.A. <i>Sociedad Fiduciaria.</i>
Costa Rica	Banco BCT
Croatia	Privredna banka Zagreb dd
	Zagrebacka banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Athens
Czech Republic	Československá Obchodní Banka A.S.
	UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Skandinaviska Enskilda Banken AB (SEB)
	Nordea Bank Danmark A/S
Egypt	HSBC Bank Egypt S.A.E.
Estonia	AS SEB Pank
Eswatini (previously known as Swaziland)	Standard Bank Swaziland Limited
Finland	Skandinaviska Enskilda Banken AB (Publ) (SEB)
	Nordea Bank Finland Plc
France	Deutsche Bank AG, Netherlands
Republic of Georgia	JSC Bank of Georgia
Germany	Deutsche Bank AG
	State Street Bank GmbH
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	Standard Chartered Bank Cote d'Ivoire

Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Hungary	UniCredit Bank Hungary Zrt.
	Citibank Europe plc
Iceland	Landsbankinn hf
India	The Hongkong and Shanghai Banking Corporation Limited
	Deutsche Bank AG
Indonesia	Deutsche Bank A.G.
Ireland	State Street Bank and Trust Company
Israel	Bank Hapoalim B.M.
Italy	Deutsche Bank S.p.A.
	Intesa Sanpaolo S.p.A.
Ivory Coast	Standard Chartered Bank
Japan	The Hongkong and Shanghai Banking Corporation, Japan branch (HSBC)
	Mizuho Bank, Ltd
Jordan	Standard Chartered Bank Shmeissani Branch
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Limited
Republic of Korea	Hongkong and Shanghai Banking Corporation Limited
	Deutsche Bank AG Investor Services
Kuwait	HSBC Bank Middle East Limited
Latvia	AS SEB Banka
Lithuania	SEB Bankas
Luxembourg	Clearstream Banking S.A., Luxembourg
Malawi	Standard Bank Limited PLC
Malaysia	Standard Chartered Bank Malaysia Berhad
	Deutsche Bank (Malaysia) Berhad
Mali	Standard Chartered Bank Cote d'Ivoire
Mauritius	Hongkong and Shanghai Banking Corp. Ltd.
Mexico	Banco Nacional de México S.A. (Banamex)
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia
Netherlands	Deutsche Bank AG, Netherlands
New Zealand	The Hongkong and Shanghai Banking Corporation Ltd.
Niger	Standard Chartered Bank Cote d'Ivoire
Nigeria	Stanbic IBTC Bank Plc.
Norway	Skandinaviska Enskilda Banken
	Nordea Bank Norge ASA
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Deutsche Bank A.G.
Panama	Citibank, N.A.
Peru	Citibank del Perú S.A
Philippines	Deutsche Bank AG
Poland	Bank Handlowy w
	Bank Polska Kasa Opieki S.A.
Portugal	Deutsche Bank AG, Netherlands
Qatar	HSBC Bank Middle East Limited
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia Limited
Senegal	Standard Chartered Bank Cote d'Ivoire
Serbia	Unicredit Bank Serbia JSC
Singapore	United Overseas Bank Limited (UOB)
	Citibank, N.A.
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	Standard Bank of South Africa Limited
	FirstRand Bank Limited
Spain	Deutsche Bank SAE
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Republic of Srpska	UniCredit Bank d.d

Sweden	Skandinaviska Enskilda Banken
	Nordea Bank AB (publ)
Switzerland	UBS Switzerland AG
	Credit Suisse AG
Taiwan	Deutsche Bank AG
	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
Tunisia	Union Internationale de Banques (UIB)
Turkey	Citibank A.Ş.
	Deutsche Bank, A.Ş.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	PJSC Citibank
United Arab Emirates - Abu Dhabi Securities Exchange (ADX)	HSBC Bank Middle East Limited
United Arab Emirates - DFM	HSBC Bank Middle East Limited
United Arab Emirates - Dubai International Financial Center (DIFC)	HSBC Bank Middle East Limited
United Kingdom	State Street Bank and Trust Company
United States	State Street Bank and Trust Company
Uruguay	Banco Itau Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Limited
Zambia	Standard Chartered Bank Zambia Plc
Zimbabwe	Stanbic Bank Zimbabwe Limited

# Schedule VII

## Allianz Emerging Markets Bond Fund

### Investment Objective and Policies

The Fund's investment objective is to achieve returns in the long-term in line with the bond markets of Emerging Markets Countries.

The Fund can use FDI, including even those which are unrelated to Emerging Markets Countries, with the aim of realising additional gains.

Hedged Classes of Units will also enter into transactions to reduce their foreign exchange exposure.

To achieve the investment objective, the assets of the Fund will be invested in accordance with the principle of risk diversification as follows:

- (a) The Fund will invest in Debt Securities. The Fund is also permitted to invest in index certificates and other certificates whose risk profiles typically correlate with Debt Securities.

The Fund may acquire Equity Securities by exercising conversion rights, purchase rights or options attached to convertible bonds or option bonds. Equity Securities acquired in this way may include Russian equities, and investment in these shall be limited to 10 % of the Net Asset Value. All Equity Securities acquired in this way will be sold within six months from their acquisition.

- (b) The Fund will invest at least 80 % of its net assets in Debt Securities of issuers in Emerging Market Countries.
- (c) The Fund is permitted to invest up to 30 % of its net assets in Debt Securities of issuers which are corporates and incorporated in Emerging Market Countries or that generate a predominant share of their sales and/or profits in Emerging Market Countries. Excluded from this limit are quasi-sovereigns that are at least 50 % owned or guaranteed by the national government of an Emerging Market Country.
- (d) The Fund is permitted to invest up to 20 % of its net assets in Debt Securities of issuers which are corporates and incorporated in Developed Countries or that generate a predominant share of their sales and/or profits in Developed Countries, provided that the total investment by the Fund in securities of corporate issuers under (c) above and (d) shall be no greater than 30 % of its net assets.
- (e) The Fund is permitted to invest up to 10 % of its net assets in other collective investment schemes (also called "funds"), including UCITS and AIFs, provided that these collective investment schemes are Bond Funds or Money Market Funds.

Regarding investment in Bond Funds, such funds may be either broadly diversified funds or funds that invest in particular countries, regions, sectors, maturities or currencies depending on the Investment Manager or Sub-Investment Manager's assessment of the market situation.

Regarding investment in Money Market Funds, such funds may be either broadly diversified or concentrated on particular groups of issuers or currencies, depending on the Investment Manager or Sub-Investment Manager's assessment of the market situation.

In principle, the only units in Bond Funds and Money Market Funds that shall be acquired shall be those issued by funds that are managed directly or indirectly by the Investment Manager or Sub-Investment Manager itself or by a

member company of the Allianz group. Units in other collective investment schemes shall be acquired only by way of an exception and only if none of the aforementioned collective investment schemes pursue the investment policy that the Investment Manager or Sub-Investment Manager considers necessary in the particular circumstances or if they are units of a collective investment scheme designed to track the performance of a securities index of a Regulated Market referred to in Schedule II.

- (f) Furthermore, the Fund is permitted to place cash on deposit and to purchase money market instruments, i. e. instruments normally dealt in on a money market which are liquid and have a value which can be accurately determined at any time.
- (g) There are no restrictions regarding the currencies which the Fund's investments are denominated in.

However, the foreign exchange exposure of the Fund in terms of USD will be limited to a large extent, i. e. the portion of the Fund's net assets not denominated in USD may only exceed 20 % if the excess is hedged by the use of FDI. Assets and liabilities denominated in the same currency will be attributed to this limit at their net value. In this context, investment instruments that are not denominated in any currency are considered to be denominated in the currency of the country in which the registered office of the issuer is located, or, in the case of securities representing equities, where the company, and, in the case of certificates, where the underlying is located.

In addition, hedging transactions may be entered into at Class level for hedged Classes of Units with the aim of reducing their foreign exchange exposure.

- (h) The average duration of the Fund's aggregate holdings in Debt Securities, deposits and money market securities, including any interest amounts due to the Fund on the basis of its holdings, will be between three and nine years. In calculating the duration, FDI on Debt Securities, interest indices, bond indices and interest rates will be taken into account independent of the currency of denomination of their underlying assets.
- (i) In the context of and taking account of the above restrictions and those set out in Schedule IV, the assets of the Fund may, depending on the Investment Manager or Sub-Investment Manager's assessment of the market situation, be concentrated in:
  - particular types of assets; and/or
  - particular currencies; and/or
  - particular sectors; and/or
  - particular countries; and/or
  - securities of shorter or longer maturities and/or
  - securities of particular issuers or types of issuers (e.g. governments or corporate issuers);

or may be invested in a broadly diversified way.

The Fund can invest in High Yield Securities as well as securities which have received an investment grade rating from a recognised rating agency or securities which are unrated but in the opinion of the Investment Manager or Sub-Investment Manager would be rated investment grade if it were rated. The weighting between investments in High Yield Securities and securities with investment grade rating, including unrated securities deemed to be investment grade, will vary depending on the Investment Management's assessment of the market situation and the Fund might even be invested fully in either of the two categories.

- (j) The investment limits mentioned under (b), (c), (d), (e), (g) and (h) above may be exceeded for reasons beyond the control of the Fund, such as the appreciation or depreciation of investments of the Fund, the execution of entitlements from rights issues or options and the change of the value of the entire Fund, for example, due to subscriptions and redemptions. Such breaches will be rectified within a reasonable period of time.
- (k) The market exposure of FDI, measured in each case as the delta-weighted value of the underlying asset, will be taken

into account in measuring the investment limits under (b), (c) and (d) above.

- (l) The investment limits under (b) and (h) above are not required to be adhered to in the last two months before liquidation or merger of the Fund.
- (m) Subject to the investment restrictions per the Regulations as set out in Schedule IV, the Fund is permitted, but not required, to use FDI such as futures, options (including options on futures), swaps, swaptions, forwards, caps and floors, contracts for differences, credit derivatives, structured notes (including index certificates, index linked notes, convertible securities, exchangeable securities and mortgage backed securities), investment certificates and hybrid securities. Such FDI may be used for hedging and/or investment purposes. The Fund may, depending on the assessment of market conditions by the Investment Management, use FDI to a very large extent – relative to a similar fund that does not use FDI, with the effect of at times even very high additional level of opportunities and risks. In using FDI, the Investment Management applies a risk controlled approach. Investors' attention is drawn to Schedule III where the permitted use of FDI in the Fund is explained in detail. It is anticipated that up to 50 % of the assets of the Fund may be comprised of long positions achieved through direct investments and FDI and that up to 30 % of the assets of the Fund may be comprised of synthetic short positions achieved through FDI. Under the Central Bank's requirements, the VaR of a fund using the relative VaR approach is required to be no greater than twice the VaR of a reference portfolio. In the case of the Fund, the relevant reference portfolio is the JPMorgan Emerging Markets Bond Index Global Diversified. The VaR is currently calculated based on a 10 Business Day holding period, a one-tailed 99 % confidence interval and a 5 year historical observation period. The VaR is calculated at least daily. Details of these and other parameters applied to the calculation of VaR from time to time are set out in the risk management process applicable to the Fund. Since the VaR approach does not directly limit the level of leverage of the Fund, the level of leverage may vary significantly over time. The expected level of leverage of the Fund under normal market conditions lies between 0 and 300 % of the Net Asset Value of the Fund. Please note that the actual level of leverage may in certain circumstances exceed the expected level of leverage but is not expected to exceed 400 % of the Net Asset Value of the Fund in abnormal market conditions. FDI may be used for different purposes, including hedging and/or investment purposes. The leverage figure is not intended to be indicative of the risk profile of the Fund and, in this regard, investors are advised to read carefully the sections entitled "Risk Profile" and "Risk Factors in relation to the Funds".
- (n) In accordance with the Regulations as set out in paragraph 2.12 of Schedule IV, the Fund is permitted to invest up to 100 % of its net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, Non-Member States or public international body of which one or more Member States are members. The individual issuers may be drawn from the following list:
 

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, EU, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC.

The Fund must hold securities from at least 6 different issues, with securities from any issue not exceeding 30 % of net assets.

It is intended that such investments be made for temporary defensive purposes.
- (o) The Fund is permitted to effect repurchase agreements, reverse repurchase agreements and stocklending agreements in accordance with the Regulations as set out in Schedule III.



- (p) The Fund may not borrow money, grant loans or act as guarantor on behalf of third parties, except as follows: (i) foreign currency may be acquired by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103(1) provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding; and (ii) borrowings not exceeding 10 % of the net assets of the Fund may be made on a temporary basis.

## Investor Profile

The Fund is aimed at investors who pursue the objective of general capital formation/asset optimisation. It may not be suitable for investors who wish to withdraw their capital from the Fund within a short timeframe. The Fund 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, the Fund is assigned to a certain risk class on a scale of 1 (conservative; very low to low expectation of returns) to 7 (very tolerant of risk; highest expectation of returns) which is published on the website <https://regulatory.allianzgi.com>.

## Risk Profile

Considering the above-mentioned circumstances and risks, the Fund – compared with other fund types – contains the relatively highest risks and potential opportunities that are associated with investing in bonds and money market securities.

Bearing in mind the Fund's bond market orientation and its investment objective, it is very highly exposed in particular to investment risk, risk of interest rate changes, creditworthiness risk, general market risk, company-specific risk, counterparty risk, risk of insolvency, specific risks of investing in High Yield Securities, emerging markets risks, liquidity risk, country/transfer risks, political risks and custodial risk.

There is a significant currency risk for a non-USD-based investor and a partial currency risk for a USD-based investor if a particular Class of Units they invest in is not hedged for currency risks at the level of the Class of Units.

In addition, the Fund is exposed to concentration risk, risk of settlement default, the specific risks of investing in target funds, fund size risk, risk of dealing restrictions and compulsory actions, inflation risk, risk of general changes, risk of changes in constitutional documentation, investment objective and policies and general conditions, key person risk, dilution and swing pricing risk, the risk of taxation or other charges as a result of local provisions related to the assets held by the Fund and currency risk in connection with hedged currency Classes of Units.

Investors' attention is drawn to the section in the Prospectus entitled "Risk Factors in relation to the Funds" where the above risks are explained in detail. Concerning the specific risks in the use of FDI, please the section entitled "Risks Associated with the Use of Financial Derivative Instruments" in that section and in Schedule III.

**THE VALUE OF THE UNITS OF THE FUND MAY BE SUBJECT TO A VERY HIGH LEVEL OF FLUCTUATION.**

# Directory

## Board of Directors of the Management Company

Ms. Elizabeth Beazley  
Mr. Michael Bishop  
Mr. Neil Clifford  
Mr. Dennis Murray  
Mr. Kevin Nolan  
Mr. Teddy Otto

## Management Company

Carne Global Fund Managers  
(Ireland) Limited  
2nd Floor, Block E  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

## Legal Advisers

Arthur Cox  
Ten Earlsfort Terrace  
Dublin 2  
Ireland

## Auditors

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

## Investment Manager

Allianz Global Investors GmbH  
Bockenheimer Landstraße 42-44  
D-60323 Frankfurt/Main  
Germany

## Sub-Investment Managers

Allianz Global Investors U.S. LLC  
1633 Broadway  
43rd Floor  
New York  
NY 10019  
USA

600 West Broadway  
31st Floor  
San Diego  
California 92101  
USA

555 Mission Street  
Suite 1700  
San Francisco  
California 94105  
USA

2100 Ross Avenue, Suite 700  
Dallas  
Texas 75201  
USA

Allianz Global Investors Asia  
Pacific Limited  
27/F, ICBC Tower  
3 Garden Road  
Central  
Hong Kong

## Trustee

State Street Custodial Services  
(Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## Administration Company

State Street Fund Services  
(Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## Registrar and Transfer Agent

International Financial Data  
Services (Ireland) Limited  
Bishops Square  
Redmond's Hill  
Dublin 2  
Ireland

## Distributors, Paying Agents, Representatives, Facilities Agents and Information Agents <sup>1)</sup>

### Austria

#### Paying Agent and Representative Agent to the Tax Authorities

The following financial institution has been appointed paying agent and Austrian representative to the tax authorities for certification of distribution-like income as defined in Section 186 Paragraph 2 Line 2 of the Investment Funds Act:

Allianz Investmentbank AG  
Hietzinger Kai 101–105  
A-1130 Vienna  
Austria

### France

#### Paying and Information Agent

State Street Banque SA (from on or around 1 July 2019: State Street Bank International GmbH, Paris Branch)  
Défense Plaza  
23-25 rue Delarivière-Lefoullon

F-92064 Paris  
La Défense Cedex  
France

### Germany

#### Paying Agent

State Street Bank International  
GmbH  
Brienner Strasse 59  
D-80333 Munich  
Germany

## Distributor and Information Agent

Allianz Global Investors  
GmbH  
Bockenheimer Landstraße 42-44  
D-60323 Frankfurt/Main  
Germany

### Switzerland

BNP Paribas Securities Services,  
Paris, succursale de Zurich  
Selnaustrasse 16  
CH-8002 Zurich  
Switzerland

### United Kingdom

Allianz Global Investors GmbH UK  
Branch  
P.O. Box 191  
155 Bishopsgate  
London EC2M 3AD  
United Kingdom

Additional information and copies of the Prospectus, the latest annual and semi-annual reports may be obtained (free of charge) from:

Carne Global Fund Managers  
(Ireland) Limited  
2nd Floor, Block E  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

<sup>1)</sup> Different Funds may be available for sale to the public in different jurisdictions. For country specific information, please refer to the relevant section under "Registrations" for the jurisdiction where the Funds are registered.

**Allianz Global Investors GmbH**

Bockenheimer Landstraße 42-44  
D-60323 Frankfurt/Main  
Germany