

Allianz Global Investors

Fund VII

**Annual Report and Audited Financial Statements
for the Financial Year Ending 31 December 2018**

Carne Global Fund Managers (Ireland) Limited

The Board of Directors of the Management Company has assessed the measures included in the voluntary Corporate Governance Code for Collective Investments Schemes and Management Companies as published by Irish Funds (formerly the Irish Funds Industry Association), in December 2011 (the "Code"). The Board of Directors of the Management Company has adopted all corporate governance practices and procedures in the Code.

General Information

Allianz Global Investors Fund VII (the "Trust") is an open-ended Unit trust established under Irish law and constituted by a trust deed dated 29 January 1997, as amended, restated and replaced by a trust deed dated 16 September 2004, and subsequently amended, restated and replaced by a second trust deed dated 1 March 2018 (the "Trust Deed"). It is authorised by the Central Bank of Ireland (the "Central Bank") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") in accordance with the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank UCITS Regulations"). The Trust was established and authorised by the Central Bank on 30 January 1997. The Trust is organised in the form of an umbrella fund and may comprise of a number of sub-funds (each a "Fund", collectively the "Funds").

The following Fund was available for subscription on 31 December 2018:

- Allianz Emerging Markets Bond Fund (the "Fund")

The figures presented in this report relate to the year from 1 January 2018 to 31 December 2018. They should not be taken as an indication of the future development of the Fund.

This report does not constitute an offer or an invitation to purchase units of the Fund (the "Units", each a "Unit"). Subscriptions should only be made on the basis of the current prospectus of the Trust (the "Prospectus") and the current Key Investor Information Document of the Trust (the "KIID") supplemented by the latest available audited annual report (the "Annual Report") and the most recent semi-annual report (the "Semi-Annual Report"), if published thereafter.

A revised Prospectus of the Trust was issued on 1 March 2018, to reflect the change in Management Company from Allianz Global Investors Ireland Limited to Carne Global Fund Managers (Ireland) Limited.

A revised Prospectus was issued on 30 April 2018. The updates include a change in transfer agent to International Financial Data Services (Ireland) Limited; amended minimum investment levels for P/PT shares, change in auditor from KPMG to PricewaterhouseCoopers and the implementation of several housekeeping changes.

A revised Prospectus was issued on 22 March 2019. The updates included minor housekeeping changes, Investor Profile changes to align to market standards regarding MiFID II language, and added the UK to the list of recognized markets where necessary.

The Prospectus, the Annual Report, the Semi-Annual Report and the Unit's KIIDs can be obtained from Carne Global Fund Managers (Ireland) Limited (the "Management Company") and each paying and information agent without charge.

Carne Global Fund Managers (Ireland) Limited

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Performance

Name of the Fund	Unit Class	Launch date	1 year (31/12/2017- 31/12/2018) Performance in % ¹⁾
Allianz Emerging Markets Bond Fund	A (H2-EUR)	31/01/1997	-10.71
	AT (H2-EUR)	09/04/2014	-10.71
	I (H2-EUR)	24/03/2004	-10.15
	IT2 (H2-EUR)	05/10/2016	-10.13
	P (H2-EUR)	27/05/2014	-10.18
	R (H2-EUR)	27/04/2015	-10.13
	WT (H2-EUR)	21/09/2017	-9.97
	IT (USD)	15/02/2017	-7.61

¹⁾ The calculation is based on the net asset value per unit (excluding sales charge), assuming distributions, if any, were reinvested. The performance is calculated according to the method recommended by the German BVI (Bundesverband Investment und Asset Management e.V.). No calculation has been annualised.

Past performance is no indication of current or future performance.

The performance data does not take account of the commissions and costs incurred on the issue and redemption of units.

2 years (31/12/2016- 31/12/2018) Performance in % ⁽¹⁾	3 years (31/12/2015- 31/12/2018) Performance in % ⁽¹⁾	5 years (31/12/2013- 31/12/2018) Performance in % ⁽¹⁾	10 years (31/12/2008- 31/12/2018) Performance in % ⁽¹⁾	Launch date - 31/12/2018 Performance in % ⁽¹⁾
-4.11	5.50	1.64	67.77	220.76
-4.03	5.61	-	-	-2.80
-2.88	7.57	5.02	79.00	102.55
-2.67	-	-	-	-6.86
-2.93	7.52	-	-	100.01
-3.00	7.39	-	-	-0.83
-	-	-	-	-9.46
-	-	-	-	-1.11

Allianz Emerging Markets Bond Fund

The Fund invests mainly in emerging market bonds. Its investment objective is to attain above-average capital growth over the long term.

In the year under review to the end of December 2018, returns on high-quality bonds from developed countries fell noticeably worldwide. This trend was particularly identifiable in the US market. This was due to growing concerns over the global economy and doubts about the continuation of the interest rate increases in the US. Conversely, the returns on bonds from emerging markets rose significantly, meaning that this market segment showed significantly negative development. Concerns that the global economy may suffer a setback at the hands of a global trade conflict were primarily responsible.

The securities portfolio of the Fund continued to have a strong focus on Latin American bonds. However, the exposure in Argentina was reduced and the position in Mexico was sold completely. This was, amongst other things, in favour of the holdings in Brazil and Colombia, which appeared more attractive. The weighting of Russian bonds was somewhat strengthened. The position in Turkey was largely maintained. In the Asia-Pacific region, Chinese and Indonesian securities in particular were represented.

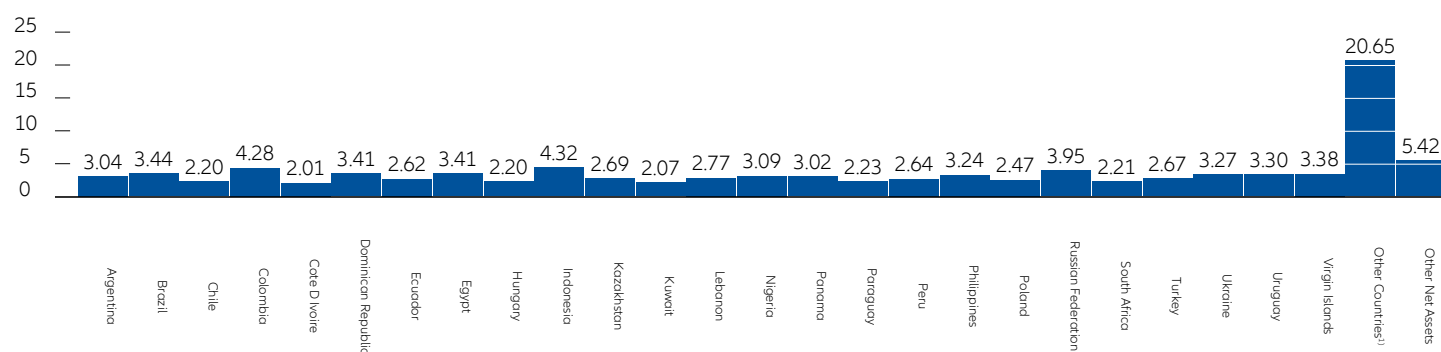
Most of the interest-bearing securities had a credit rating in the lower investment grade range. Securities with lower ratings

were also represented, but their prospects were assessed positively by the fund management. The Fund's securities positions had an average credit rating in the BB+ range. The duration (average maturity) of the portfolio was somewhat increased on balance and was most recently just under seven years. Derivatives were used to manage the effective exposure to the bond markets of each country. Apart from a few exceptions, all bond positions were denominated in US dollars.

With its investment policy, the Fund recorded a sharp decline in value. The exact result in the period under review is reported in the "Performance" table on pages 2 and 3.

Please refer to the Key Investor Information Document and the sales prospectus for additional information on the Fund.

Breakdown of Net Assets in %



¹⁾ Comprising of Angola, Azerbaijan, Belarus, El Salvador, Ghana, Guatemala, Honduras, Hong Kong, Iraq, Jamaica, Jordan, Kenya, Korea, Luxembourg, Malaysia, Mongolia, Namibia, Romania, Saudi Arabia, Venezuela and Vietnam.

The Fund in Figures

		31/12/2018	31/12/2017	31/12/2016 (as restated)
Net asset value per Unit in USD				
- A (H2-EUR) Units	ISIN: IE0032828273 ¹⁾ WKN: 986790 ²⁾	48.28	55.43	58.58
- I (H2-EUR) Units	ISIN: IE0034110852 ¹⁾ WKN: A0BMD0 ²⁾	89.00	105.08	111.50
- AT (H2-EUR) Units	ISIN: IE00BJ358T96 ¹⁾ WKN: A1XESM ²⁾	97.21	108.86	106.58
- P (H2-EUR) Units	ISIN: IE00BLT2JB74 ¹⁾ WKN: A113AM ²⁾	790.95	900.67	958.01
- R (H2-EUR) Units	ISIN: IE00BW0DJ725 ¹⁾ WKN: A14PPR ²⁾	87.39	97.85	104.06
- IT2 (H2-EUR) Units	ISIN: IE00BD1F4S06 ¹⁾ WKN: A2AP7W ²⁾	931.45	1,036.40	1,007.07 ⁴⁾
- IT (USD) Units	ISIN: IE00BDRVSM42 ¹⁾ WKN: A2DKRE ²⁾	988.91	1,070.36 ⁵⁾	-
- WT (H2-EUR) Units	ISIN: IE00BYXD1336 ¹⁾ WKN: A2DU9E ²⁾	905.36	1,005.60 ⁶⁾	-
Units in issue ³⁾		2,749,486	8,432,901	5,953,588
Net Assets in USD m.		238.7	861.7	442.1

¹⁾ ISIN is the International Security Identification Number for the Unit class of the Fund.

²⁾ WKN is the German reference number for the Unit class of the Fund.

³⁾ Accumulated figures for all classes of Units of the Fund.

⁴⁾ Launch date: 5 October 2016.

⁵⁾ Launch date: 15 February 2017.

⁶⁾ Launch date: 21 September 2017.

Allianz Emerging Markets Bond Fund

Investment Portfolio as at 31/12/2018

Transferable Securities	Currency	Acquisitions in 1,000	Disposals in 1,000	Holdings in 1,000 31/12/2018	Price	Market Value in USD	% of Fund net assets
Transferable securities listed on an official stock exchange (2017: 79.67%)						221,763,101.50	92.90
Bonds (2017: 79.67%)						221,763,101.50	92.90
Argentine Peso (2017: 1.18%)							
Euro (2017: 0.01%)						2,630,603.05	1.10
2.9490 % Gazprom OAO Via Gaz Capital SA 24.01.24	EUR	2,300		2,300	99.833	2,630,603.05	1.10
Peruvian Nuevo Sol (2017: Nil)						3,285,511.81	1.38
5.9400 % Peru Government Bond 12.02.29	PEN	10,900		10,900	101.562	3,285,511.81	1.38
United States Dollar (2017: 78.48%)						215,846,986.64	90.42
6.7500 % AES El Salvador Trust II 28.03.23	USD		1,750	250	89.875	224,687.50	0.09
9.5000 % Angolan Government International Bond 12.11.25	USD	1,850	8,000	850	105.403	895,926.61	0.38
9.3750 % Angolan Government International Bond 08.05.48	USD	3,250	2,250	1,000	94.138	941,375.00	0.39
8.2500 % Angolan Government International Bond 09.05.28	USD	2,100	1,400	700	94.738	663,168.31	0.28
7.5000 % Argentine Republic Government International Bond 22.04.26	USD	5,300		5,300	79.819	4,230,393.75	1.82
7.1250 % Argentine Republic Government International Bond 06.07.36	USD	2,600	2,000	4,100	70.913	2,907,412.50	1.22
5.6250 % Brazilian Government International Bond 21.02.47	USD	5,200	2,000	3,200	94.384	3,020,276.48	1.27
2.6250 % Brazilian Government International Bond 05.01.23	USD	6,000	4,000	5,500	94.159	5,178,765.90	2.17
3.1250 % Chile Government International Bond 27.03.25	USD	1,450		3,450	97.328	3,357,798.75	1.41
4.0000 % Chinalco Capital Holdings Ltd 25.08.21	USD	2,250		2,250	96.498	2,171,193.75	0.91
4.6250 % CNAC HK Finbridge Co Ltd 14.03.23	USD	2,900		2,900	100.694	2,920,130.35	1.22
5.0000 % Colombia Government International Bond 15.06.45	USD		1,500	2,000	95.484	1,909,687.60	0.80
3.8750 % Colombia Government International Bond 25.04.27	USD	2,000	6,000	5,000	95.698	4,784,910.00	2.00
2.6250 % Colombia Government International Bond 15.03.23	USD		4,000	3,750	94.417	3,540,618.75	1.48
3.6250 % Corp Nacional del Cobre de Chile 01.08.27	USD	2,000	1,600	2,000	94.246	1,884,920.00	0.79
5.9500 % Dominican Republic International Bond 25.01.27	USD	2,050	2,500	4,550	99.750	4,538,625.00	1.90
5.8750 % Dominican Republic International Bond 18.04.24	USD			1,600	101.488	1,623,800.00	0.68
5.5000 % Dominican Republic International Bond 27.01.25	USD		1,000	2,000	99.435	1,988,700.00	0.83
7.8750 % Ecuador Government International Bond 23.01.28	USD	6,400		6,400	81.813	5,236,045.44	2.19
7.8750 % Ecuador Government International Bond 23.01.28	USD	2,500	1,250	1,250	81.813	1,022,665.13	0.43
7.9030 % Egypt Government International Bond 21.02.48	USD	2,150		2,150	86.492	1,859,578.00	0.78
7.5000 % Egypt Government International Bond 31.01.27	USD	1,500		1,500	95.825	1,437,375.00	0.60
6.8750 % Egypt Government International Bond 30.04.40	USD	4,450	5,000	5,950	81.500	4,849,250.00	2.03
7.6250 % El Salvador Government International Bond 01.02.41	USD		1,950	550	94.150	517,825.00	0.22
6.3750 % El Salvador Government International Bond 18.01.27	USD	2,750	1,000	3,750	91.700	3,438,750.00	1.44
8.6270 % Ghana Government International Bond 16.06.49	USD	3,000	1,500	1,500	87.425	1,311,375.00	0.55
7.8750 % Ghana Government International Bond 07.08.23	USD		6,500	1,500	98.144	1,472,162.55	0.62
4.8750 % Guatemala Government Bond 13.02.28	USD			1,000	95.125	951,250.00	0.40
6.2500 % Honduras Government International Bond 19.01.27	USD			1,000	99.115	991,150.00	0.42
7.6250 % Hungary Government International Bond 29.03.41	USD		750	1,450	140.358	2,035,183.75	0.85
5.3750 % Hungary Government International Bond 25.03.24	USD	2,000	1,000	3,000	107.208	3,216,225.00	1.35
5.1250 % Indonesia Government International Bond 15.01.45	USD		600	900	98.398	885,582.00	0.37
4.6250 % Indonesia Government International Bond 15.04.43	USD	1,400		1,400	92.693	1,297,706.62	0.54
3.5000 % Indonesia Government International Bond 11.01.28	USD	4,100		4,100	92.626	3,797,651.24	1.59
5.8000 % Iraq International Bond 15.01.28	USD	3,900	5,100	1,750	89.815	1,571,762.50	0.66
6.3750 % Ivory Coast Government International Bond 03.03.28	USD	5,300		5,300	90.750	4,809,750.00	2.01
7.8750 % Jamaica Government International Bond 28.07.45	USD		2,500	500	114.155	570,775.00	0.24
7.6250 % Jamaica Government International Bond 09.07.25	USD		1,000	1,000	112.588	1,125,883.30	0.47
6.7500 % Jamaica Government International Bond 28.04.28	USD		1,000	1,500	106.998	1,604,974.95	0.67
7.3750 % Jordan Government International Bond 10.10.47	USD	4,000	7,250	750	89.375	670,312.50	0.28
5.7500 % Jordan Government International Bond 31.01.27	USD		7,850	1,150	92.688	1,065,906.25	0.45
5.1250 % Kazakhstan Government International Bond 21.07.25	USD	2,350		2,350	105.475	2,478,662.50	1.04
4.8750 % Kazakhstan Government International Bond 14.10.44	USD		1,000	2,500	100.037	2,500,916.75	1.05
5.7500 % KazMunayGas National Co JSC 19.04.47	USD		1,500	1,500	95.300	1,429,500.00	0.60
7.2500 % Kenya Government International Bond 28.02.28	USD	3,650	1,500	2,150	89.747	1,929,558.57	0.81
3.5000 % Kuwait International Government Bond 20.03.27	USD	4,950		4,950	99.794	4,939,819.34	2.07
6.2000 % Lebanon Government International Bond 26.02.25	USD	8,200		8,200	80.775	6,623,550.00	2.77
3.1790 % Malaysia Sukuk Global 27.04.26	USD	6,200	5,750	3,450	96.946	3,344,626.31	1.40
5.6250 % Mongolia Government International Bond 01.05.23	USD		2,150	1,000	95.000	950,000.00	0.40
5.1250 % Mongolia Government International Bond 05.12.22	USD		2,000	1,500	93.750	1,406,250.00	0.59
5.2500 % Namibia International Bonds 29.10.25	USD	2,500		2,500	90.000	2,250,000.00	0.94
7.6250 % Nigeria Government International Bond 21.11.25	USD	3,850		3,850	96.827	3,727,854.13	1.56
7.6250 % Nigeria Government International Bond 28.11.47	USD		750	1,650	84.507	1,394,360.06	0.58
6.5000 % Nigeria Government International Bond 28.11.27	USD		750	2,550	88.708	2,262,041.25	0.95
4.3000 % Panama Government International Bond 29.04.53	USD	500	2,000	2,500	93.220	2,330,500.00	0.98
3.7500 % Panama Government International Bond 16.03.25	USD	2,950	750	4,700	99.235	4,664,045.00	1.95
6.1000 % Paraguay Government International Bond 11.08.44	USD	3,150		3,900	104.240	4,065,360.00	1.70
5.0000 % Paraguay Government International Bond 15.04.26	USD			1,250	100.855	1,260,687.50	0.53
4.1250 % Perusahaan Listrik Negara 15.05.27	USD	2,200		4,700	92.604	4,352,405.86	1.82

The accompanying notes form an integral part of these financial statements.

Investment Portfolio as at 31/12/2018

Transferable Securities	Currency	Acquisitions in 1,000	Disposals in 1,000	Holdings in 1,000 31/12/2018	Price	Market Value in USD	% of Fund net assets
5.6250 % Peruvian Government International Bond 18.11.50	USD		1,750	1,250	117.410	1,467,620.88	0.61
4.1250 % Peruvian Government International Bond 25.08.27	USD		4,500	1,500	103.496	1,552,441.65	0.65
6.0000 % Petroleos de Venezuela 16.05.24	USD		3,000	9,000	15.000	1,350,000.00	0.57
3.9500 % Philippine Government International Bond 20.01.40	USD		3,000	5,000	97.821	4,891,039.50	2.05
3.0000 % Philippine Government International Bond 01.02.28	USD	4,000	1,000	3,000	94.677	2,840,300.10	1.19
4.7500 % Republic of Azerbaijan International Bond 18.03.24	USD		1,000	1,000	100.000	1,000,000.00	0.42
6.2000 % Republic of Belarus International Bond 28.02.30	USD	4,950	3,450	1,500	92.063	1,380,937.50	0.58
3.2500 % Poland Government International Bond 06.04.26	USD		2,500	3,000	98.213	2,946,375.00	1.23
3.0000 % Poland Government International Bond 17.03.23	USD		2,000	3,000	98.761	2,962,830.00	1.24
5.3750 % South Africa Government International Bond 24.07.44	USD		750	1,250	87.965	1,099,562.50	0.46
4.8500 % South Africa Government International Bond 27.09.27	USD		3,500	1,000	93.408	934,083.30	0.39
4.3000 % Republic of South Africa Government International Bond 12.10.28	USD	3,650		3,650	89.225	3,256,712.50	1.36
6.1250 % Romanian Government International Bond 22.01.44	USD		1,750	1,250	111.353	1,391,906.25	0.58
5.6250 % Russian Foreign Bond - Eurobond 04.04.42	USD	4,000		4,000	102.713	4,108,500.00	1.72
4.8750 % Russian Foreign Bond - Eurobond 16.09.23	USD	10,600	5,400	5,200	102.469	5,328,375.00	2.23
3.6250 % Saudi Government International Bond 04.03.28	USD	4,350	2,200	2,150	94.866	2,039,612.77	0.85
3.2500 % Sinopec Group Overseas Development 2015 28.04.25	USD	1,100		3,100	95.057	2,946,759.56	1.23
2.8750 % State Grid Overseas Investment 2016 18.05.26	USD	3,200	1,000	3,200	92.852	2,971,253.12	1.24
6.9500 % State Oil Co of the Azerbaijan Republic 18.03.30	USD			1,000	107.750	1,077,500.00	0.45
4.8750 % Turkey Government International Bond 16.04.43	USD	8,550	6,000	8,550	74.458	6,366,116.25	2.67
7.7500 % Ukraine Government International Bond 01.09.23	USD	2,800	3,500	5,800	90.438	5,245,375.00	2.20
7.7500 % Ukraine Government International Bond 01.09.21	USD	2,700		2,700	94.300	2,546,100.00	1.07
5.1000 % Uruguay Government International Bond 18.06.50	USD	1,500	5,750	2,250	98.485	2,215,912.50	0.92
4.3750 % Uruguay Government International Bond 27.10.27	USD	3,150	5,999	5,650	100.550	5,681,011.65	2.38
9.2500 % Venezuela Government International Bond 15.09.27	USD	3,200	4,000	3,200	23.343	746,979.20	0.31
9.0000 % Venezuela Government International Bond 07.05.23	USD			0	23.340	93.36	0.00
7.0000 % Venezuela Government International Bond 31.03.38	USD	3,000		3,000	23.147	694,422.30	0.29
4.8000 % Vietnam Government International Bond 19.11.24	USD	2,350	3,000	2,350	101.000	2,373,500.00	0.99
Transferable securities trading on another regulated market (2017: 12.54%)						2,315,887.71	0.97
Bonds (2017: 12.54%)						2,315,887.71	0.97
United States Dollar (2017: 12.54%)						2,315,887.71	0.97
3.6250 % Korea Expressway Corp 22.10.21	USD	2,300		2,300	100.691	2,315,887.71	0.97
Other transferable securities of the type referred to in Regulation 68(1)(a), (b) and (c) (2017: 3.58%)						1,685,030.00	0.71
Bonds (2017: 3.58%)						1,685,030.00	0.71
Argentine Peso (2017: 0.32%)							
Peruvian Nuevo Sol (2017: 0.81%)							
United States Dollar (2017: 2.45%)						1,685,030.00	0.71
3.5000 % Republic of Azerbaijan International Bond 01.09.32	USD		2,500	2,018	83.500	1,685,030.00	0.71
Investments in transferable securities (2017: 95.79%)						225,764,019.21	94.58
Investment Funds (2017: 1.45%)							
Money Market Instruments (2017: 0.02%)						0.11	0.00
Commercial Papers (2017: 0.02%)						0.11	0.00
0.0001 % Agrokor DD 16.08.18	EUR			1,000	0.000	0.11	0.00
Cash and cash equivalents including cash due to broker (2017: 0.50%)						8,409,811.28	3.52
State Street Bank GmbH	USD					8,409,811.28	3.52
Net current assets, except for amounts owing to Unitholders (2017: 2.24%)						4,537,893.00	1.90
Net Assets owing to Unitholders	USD					238,711,723.60	100.00

Net Asset Value per A (H2-EUR) Unit	USD	48.28
Net Asset Value per I (H2-EUR) Unit	USD	89.00
Net Asset Value per AT (H2-EUR) Unit	USD	97.21
Net Asset Value per P (H2-EUR) Unit	USD	790.95
Net Asset Value per R (H2-EUR) Unit	USD	87.39
Net Asset Value per IT2 (H2-EUR) Unit	USD	931.45
Net Asset Value per IT (USD) Unit	USD	988.91
Net Asset Value per WT (H2-EUR) Unit	USD	905.36
A (H2-EUR) Units	Shs	1,973,384
I (H2-EUR) Units	Shs	692,090
AT (H2-EUR) Units	Shs	29,216
P (H2-EUR) Units	Shs	167
R (H2-EUR) Units	Shs	145
IT2 (H2-EUR) Units	Shs	1
IT (USD) Units	Shs	20,192
WT (H2-EUR) Units	Shs	34,291

Assets and liabilities in foreign currencies have been converted into USD at the Exchange rates as stated below:

		31/12/2018	31/12/2017
Argentine Peso (ARS)	1 USD = ARS	-	19.230000
Brazilian Real (BRL)	1 USD = BRL	3.875612	3.317100
British Pound (GBP)	1 USD = GBP	-	0.740275
Euro (EUR)	1 USD = EUR	0.872867	0.835596
Indonesian Rupiah (IDR)	1 USD = IDR	14,592.115390	-
Peruvian Nuevo Sol (PEN)	1 USD = PEN	3.369400	3.240500
Polish Zloty (PLN)	1 USD = PLN	3.744115	-
Russian Ruble (RUB)	1 USD = RUB	69.604617	57.482550

Classifications	% of Total Assets	
	31/12/2018	31/12/2017
Transferable securities admitted to an official stock exchange listing	91.86	77.81
Other transferable securities of the type referred to in Regulation 68(1)(a), (b) and (c)	0.70	3.50
Transferable securities dealt in on another regulated market	0.96	12.23
Investment Funds	0.00	1.41
Money Market Instruments	0.00	0.02
Cash on deposit	3.48	0.49
Financial derivative instruments dealt in on a regulated market	0.00	0.09
OTC financial derivative instruments	1.56	1.09
Current Assets	1.44	3.36
	100.00	100.00

Derivative Contracts

The Fund had the following commitments under derivative contracts:

Futures Contracts as at 31/12/2018

The Fund held no Futures Contracts as at 31/12/2018.

Futures Contracts as at 31/12/2017

Description	Maturity date	Fair Value USD
627 of Euro-Bobl Short Future Contract	14/03/2018	772,873.50
120 of Euro Buxl 30Y Bond Long Future Contract	14/03/2018	-505,507.45

The counterparty for the open futures contracts is Goldman Sachs International.

OTC Forward Currency Contracts as at 31/12/2018

Forward Currency Contracts	Currency	Nominal		Currency	Nominal	Maturity Date	Unrealised Gain/Loss USD
Buy	BRL	9,740,000.00	Sell	USD	2,588,704.32	23/01/2019	-75,552.55
Buy	EUR	97,049,614.91	Sell	USD	109,845,412.50	31/12/2018	1,339,470.05
Buy	EUR	72,763,959.53	Sell	USD	82,357,742.07	31/12/2018	1,004,281.62
Buy	EUR	31,337,625.04	Sell	USD	35,469,428.23	31/12/2018	432,519.08
Buy	EUR	92,486,089.20	Sell	USD	105,842,930.20	31/01/2019	370,654.03
Buy	EUR	60,503,188.44	Sell	USD	69,241,058.92	31/01/2019	242,477.01
Buy	EUR	30,104,524.58	Sell	USD	34,452,220.02	31/01/2019	120,649.10
Buy	EUR	2,575,785.78	Sell	USD	2,915,397.98	31/12/2018	35,550.77
Buy	EUR	2,766,516.89	Sell	USD	3,166,057.26	31/01/2019	11,087.30
Buy	EUR	753,347.65	Sell	USD	862,125.02	31/01/2019	3,040.27
Buy	EUR	540,174.50	Sell	USD	618,171.38	31/01/2019	2,179.96
Buy	EUR	300,000.00	Sell	USD	342,609.00	30/01/2019	1,890.65
Buy	EUR	133,369.66	Sell	USD	150,954.18	31/12/2018	1,840.76
Buy	EUR	244,026.78	Sell	USD	279,262.29	31/01/2019	984.82
Buy	EUR	55,061.64	Sell	USD	62,276.04	31/12/2018	805.32
Buy	EUR	116,000.00	Sell	USD	132,660.08	30/01/2019	546.45
Buy	EUR	128,107.34	Sell	USD	146,608.60	31/01/2019	513.41
Buy	EUR	36,732.68	Sell	USD	41,647.99	31/12/2018	434.80
Buy	EUR	33,312.24	Sell	USD	37,955.80	31/12/2018	208.36
Buy	EUR	32,680.13	Sell	USD	37,235.58	31/12/2018	204.41
Buy	EUR	11,703.76	Sell	USD	13,229.94	31/12/2018	178.47
Buy	EUR	15,480.88	Sell	USD	17,557.55	31/12/2018	178.12
Buy	EUR	12,796.13	Sell	USD	14,483.27	31/12/2018	176.62
Buy	EUR	28,941.21	Sell	USD	32,993.44	31/12/2018	163.05
Buy	EUR	32,226.13	Sell	USD	36,772.11	31/12/2018	147.75
Buy	EUR	11,326.19	Sell	USD	12,859.01	31/12/2018	116.84
Buy	EUR	16,592.70	Sell	USD	18,919.83	31/12/2018	89.60
Buy	EUR	21,033.38	Sell	USD	24,070.43	31/01/2019	84.89
Buy	EUR	6,825.70	Sell	USD	7,735.90	31/12/2018	83.96
Buy	EUR	17,299.16	Sell	USD	19,737.60	31/12/2018	81.18
Buy	EUR	10,416.21	Sell	USD	11,854.01	31/12/2018	79.32
Buy	EUR	7,432.99	Sell	USD	8,442.98	31/12/2018	72.62
Buy	EUR	30,520.91	Sell	USD	34,895.01	31/12/2018	71.27
Buy	EUR	8,389.18	Sell	USD	9,561.59	31/12/2018	49.47
Buy	EUR	12,290.03	Sell	USD	14,064.96	31/01/2019	49.25
Buy	EUR	9,526.26	Sell	USD	10,888.96	31/12/2018	24.80

OTC Forward Currency Contracts as at 31/12/2018

Buy	EUR	12,018.17	Sell	USD	13,752.99	31/12/2018	15.63
Buy	EUR	940.42	Sell	USD	1,064.41	31/12/2018	12.98
Buy	EUR	765.58	Sell	USD	867.67	31/12/2018	9.42
Buy	EUR	1,038.44	Sell	USD	1,188.38	31/01/2019	4.19
Buy	EUR	903.28	Sell	USD	1,033.73	31/01/2019	3.62
Buy	EUR	99.63	Sell	USD	114.02	31/01/2019	0.40
Buy	EUR	7.32	Sell	USD	8.38	31/01/2019	0.03
Buy	EUR	778,496.94	Sell	USD	895,845.08	30/01/2019	-1,872.01
Buy	IDR	39,382,990,000.00	Sell	USD	2,641,380.95	23/01/2019	57,541.65
Buy	PEN	8,860,000.00	Sell	USD	2,623,242.04	23/01/2019	4,566.46
Buy	PLN	9,920,000.00	Sell	USD	2,632,308.67	23/01/2019	17,182.87
Buy	RUB	174,510,000.00	Sell	USD	2,627,766.90	23/01/2019	-120,605.62
Buy	USD	1,058,243.68	Sell	EUR	919,971.90	30/01/2019	1,810.37
Buy	USD	214,421.97	Sell	EUR	186,608.20	30/01/2019	133.77
Buy	USD	40,392.05	Sell	EUR	35,166.59	30/01/2019	9.12
Buy	USD	8.35	Sell	EUR	7.32	31/12/2018	-0.04
Buy	USD	10.16	Sell	EUR	8.98	31/12/2018	-0.13
Buy	USD	20.52	Sell	EUR	18.13	31/12/2018	-0.25
Buy	USD	113.68	Sell	EUR	99.63	31/12/2018	-0.46
Buy	USD	138.14	Sell	EUR	122.05	31/12/2018	-1.69
Buy	USD	280.17	Sell	EUR	247.58	31/12/2018	-3.47
Buy	USD	1,033.73	Sell	EUR	905.99	31/12/2018	-4.22
Buy	USD	1,184.88	Sell	EUR	1,038.44	31/12/2018	-4.81
Buy	USD	9,418.48	Sell	EUR	8,230.42	31/12/2018	-10.70
Buy	USD	1,434.00	Sell	EUR	1,267.02	31/12/2018	-17.56
Buy	USD	2,911.58	Sell	EUR	2,572.88	31/12/2018	-36.04
Buy	USD	17,811.88	Sell	EUR	15,582.81	31/12/2018	-40.56
Buy	USD	14,064.96	Sell	EUR	12,326.87	31/12/2018	-57.32
Buy	USD	68,411.89	Sell	EUR	59,782.31	31/12/2018	-77.71
Buy	USD	16,214.94	Sell	EUR	14,226.71	31/12/2018	-83.89
Buy	USD	16,439.96	Sell	EUR	14,431.51	31/12/2018	-93.50
Buy	USD	23,999.53	Sell	EUR	21,033.38	31/12/2018	-97.36
Buy	USD	25,461.37	Sell	EUR	22,313.69	31/12/2018	-102.31
Buy	USD	56,566.50	Sell	EUR	49,475.87	31/12/2018	-115.53
Buy	USD	28,603.34	Sell	EUR	25,085.15	31/12/2018	-135.46
Buy	USD	17,126.82	Sell	EUR	15,085.27	31/12/2018	-155.62
Buy	USD	51,670.55	Sell	EUR	45,287.03	31/12/2018	-212.53
Buy	USD	37,378.11	Sell	EUR	32,811.68	31/12/2018	-212.59
Buy	USD	39,256.61	Sell	EUR	34,456.18	31/12/2018	-218.11
Buy	USD	24,204.37	Sell	EUR	21,341.53	31/12/2018	-245.55
Buy	USD	53,434.94	Sell	EUR	46,872.10	31/12/2018	-264.08
Buy	USD	27,214.74	Sell	EUR	24,045.73	31/12/2018	-333.25
Buy	USD	62,024.82	Sell	EUR	54,440.21	31/12/2018	-344.60
Buy	USD	29,503.96	Sell	EUR	26,086.06	31/12/2018	-381.53
Buy	USD	31,241.33	Sell	EUR	27,637.39	31/12/2018	-421.44
Buy	USD	84,309.68	Sell	EUR	74,000.00	31/12/2018	-468.41
Buy	USD	44,082.20	Sell	EUR	38,895.52	31/12/2018	-478.45

The accompanying notes form an integral part of these financial statements.

OTC Forward Currency Contracts as at 31/12/2018

Buy	USD	65,534.99	Sell	EUR	57,695.35	31/12/2018	-563.68
Buy	USD	146,608.60	Sell	EUR	128,491.32	31/12/2018	-597.47
Buy	USD	89,309.48	Sell	EUR	78,476.92	31/12/2018	-597.60
Buy	USD	56,789.94	Sell	EUR	50,183.71	31/12/2018	-703.02
Buy	USD	77,199.07	Sell	EUR	68,088.01	31/12/2018	-805.95
Buy	USD	278,439.68	Sell	EUR	244,026.78	31/12/2018	-1,129.58
Buy	USD	616,350.45	Sell	EUR	540,174.50	31/12/2018	-2,500.42
Buy	USD	1,115,396.69	Sell	EUR	975,810.00	31/12/2018	-2,539.95
Buy	USD	1,556,994.95	Sell	EUR	1,361,825.00	31/12/2018	-3,179.74
Buy	USD	859,585.49	Sell	EUR	753,347.65	31/12/2018	-3,487.18
Buy	USD	338,391.92	Sell	EUR	298,987.99	31/12/2018	-4,143.64
Buy	USD	1,037,007.90	Sell	EUR	909,456.61	31/12/2018	-4,910.98
Buy	USD	982,436.98	Sell	EUR	859,855.92	30/01/2019	-4,963.22
Buy	USD	1,583,627.06	Sell	EUR	1,387,850.00	31/12/2018	-6,363.17
Buy	USD	1,117,766.60	Sell	EUR	982,190.00	31/12/2018	-7,479.29
Buy	USD	678,816.29	Sell	EUR	599,851.27	31/12/2018	-8,403.26
Buy	USD	934,720.48	Sell	EUR	823,300.00	31/12/2018	-8,493.09
Buy	USD	801,254.83	Sell	EUR	707,953.00	31/12/2018	-9,811.46
Buy	USD	1,105,820.12	Sell	EUR	975,310.85	31/12/2018	-11,544.67
Buy	USD	985,235.01	Sell	EUR	871,100.00	31/12/2018	-12,740.63
Buy	USD	1,050,053.72	Sell	EUR	927,780.59	31/12/2018	-12,858.03
Buy	USD	3,166,057.26	Sell	EUR	2,774,809.17	31/12/2018	-12,902.62
Buy	USD	1,109,149.46	Sell	EUR	981,200.00	31/12/2018	-14,962.23
Buy	USD	1,676,849.56	Sell	EUR	1,481,785.80	31/12/2018	-20,758.21
Buy	USD	2,632,815.68	Sell	EUR	2,311,279.69	30/01/2019	-21,301.10
Buy	USD	2,194,603.85	Sell	EUR	1,939,311.01	31/12/2018	-27,167.63
Buy	USD	34,452,220.02	Sell	EUR	30,194,759.00	31/12/2018	-140,402.91
Buy	USD	69,241,058.92	Sell	EUR	60,684,538.93	31/12/2018	-282,177.64
Buy	USD	105,842,930.20	Sell	EUR	92,763,304.29	31/12/2018	-431,341.01
Buy	USD	2,632,737.87	Sell	RUB	176,117,000.00	23/01/2019	102,489.04

The counterparty for the open forward foreign currency exchange contracts is State Street Bank and Trust Company

OTC Forward Currency Contracts as at 31/12/2017

Forward Currency Contracts	Currency	Nominal		Currency	Nominal	Maturity Date	Unrealised Gain/Loss
							USD
Buy	EUR	403,191,553.27	Sell	USD	477,981,570.44	31/01/2018	5,307,933.83
Buy	EUR	235,021,766.49	Sell	USD	278,617,129.06	31/01/2018	3,094,012.66
Buy	EUR	60,264,319.43	Sell	USD	71,443,049.36	31/01/2018	793,367.23
Buy	EUR	12,786,828.68	Sell	USD	15,158,721.47	31/01/2018	168,335.93
Buy	EUR	7,456,671.71	Sell	USD	8,836,581.01	31/01/2018	101,431.55
Buy	EUR	4,996,878.81	Sell	USD	5,958,827.95	31/01/2018	30,729.76
Buy	EUR	3,250,493.14	Sell	USD	3,852,019.65	31/01/2018	44,215.78
Buy	EUR	2,127,620.00	Sell	USD	2,543,576.09	31/01/2018	6,716.46

The counterparty for the open forward foreign currency exchange contracts is State Street Bank and Trust Company.

OTC Forward Currency Contracts as at 31/12/2017

Buy	EUR	1,903,567.12	Sell	USD	2,262,772.14	31/01/2018	18,957.23
Buy	EUR	1,680,447.81	Sell	USD	1,992,693.50	31/01/2018	21,591.72
Buy	EUR	1,660,477.73	Sell	USD	1,969,012.76	31/01/2018	21,335.13
Buy	EUR	1,472,481.00	Sell	USD	1,755,948.32	31/01/2018	9,055.45
Buy	EUR	662,649.15	Sell	USD	785,567.25	31/01/2018	8,723.64
Buy	EUR	627,052.99	Sell	USD	743,368.18	31/01/2018	8,255.03
Buy	EUR	545,104.60	Sell	USD	648,456.43	31/01/2018	4,938.54
Buy	EUR	490,456.78	Sell	USD	581,589.04	31/01/2018	6,301.78
Buy	EUR	437,517.79	Sell	USD	523,053.83	31/01/2018	1,381.15
Buy	EUR	294,213.06	Sell	USD	349,731.36	31/01/2018	2,930.01
Buy	EUR	172,551.61	Sell	USD	204,613.60	31/01/2018	2,217.08
Buy	EUR	160,036.58	Sell	USD	190,235.64	31/01/2018	1,593.77
Buy	EUR	14,188.25	Sell	USD	16,962.10	31/01/2018	44.78
Buy	EUR	13,746.18	Sell	USD	16,300.37	31/01/2018	176.62
Buy	EUR	5,404.86	Sell	USD	6,461.53	31/01/2018	17.06
Buy	EUR	4,908.17	Sell	USD	5,820.16	31/01/2018	63.07
Buy	EUR	3,597.29	Sell	USD	4,262.99	31/01/2018	48.94
Buy	EUR	1,684.38	Sell	USD	2,003.74	31/01/2018	15.26
Buy	EUR	1,061.34	Sell	USD	1,262.57	31/01/2018	9.62
Buy	EUR	981.86	Sell	USD	1,163.99	31/01/2018	12.93
Buy	EUR	175.02	Sell	USD	209.24	31/01/2018	0.55
Buy	EUR	7.33	Sell	USD	8.69	31/01/2018	0.10
Buy	USD	11,284,417.72	Sell	EUR	9,485,892.50	31/01/2018	-85,940.21
Buy	USD	5,064,621.95	Sell	EUR	4,273,228.57	31/01/2018	-57,525.32
Buy	USD	2,971,446.27	Sell	EUR	2,507,130.68	31/01/2018	-33,750.47
Buy	USD	1,668,459.68	Sell	EUR	1,403,599.12	31/01/2018	-13,978.15
Buy	USD	786,057.71	Sell	EUR	663,229.02	31/01/2018	-8,928.25
Buy	USD	615,842.66	Sell	EUR	517,688.85	31/01/2018	-4,690.15
Buy	USD	464,009.32	Sell	EUR	390,349.90	31/01/2018	-3,887.41
Buy	USD	382,354.89	Sell	EUR	321,657.75	31/01/2018	-3,203.32
Buy	USD	312,094.65	Sell	EUR	261,057.19	31/01/2018	-824.11
Buy	USD	291,735.98	Sell	EUR	246,149.57	31/01/2018	-3,313.61
Buy	USD	162,761.90	Sell	EUR	136,486.82	31/01/2018	-839.36
Buy	USD	160,474.27	Sell	EUR	134,231.59	31/01/2018	-423.74
Buy	USD	76,085.33	Sell	EUR	64,203.94	31/01/2018	-873.35
Buy	USD	29,546.70	Sell	EUR	24,929.76	31/01/2018	-335.60
Buy	USD	8,022.82	Sell	EUR	6,769.18	31/01/2018	-91.12
Buy	USD	6,281.77	Sell	EUR	5,254.50	31/01/2018	-16.59
Buy	USD	4,523.43	Sell	EUR	3,793.20	31/01/2018	-23.33
Buy	USD	1,310.57	Sell	EUR	1,102.52	31/01/2018	-10.98
Buy	USD	307.12	Sell	EUR	258.17	31/01/2018	-2.34
Buy	USD	12.50	Sell	EUR	10.55	31/01/2018	-0.15
Buy	USD	16,998,612.40	Sell	EUR	14,410,000.00	14/03/2018	-317,271.89
Buy	USD	5,688,659.17	Sell	EUR	4,801,703.00	14/03/2018	-81,343.16

The counterparty for the open forward foreign currency exchange contracts is State Street Bank and Trust Company.

The accompanying notes form an integral part of these financial statements.

Acquisitions and disposals of transferable securities (classification as per reporting date) no longer held in the investment portfolio at the end of the reporting period (Unaudited)

Transferable securities	Currency	Acquisitions	Disposals
Transferable securities listed on an official stock exchange			
Bonds			
Argentine Peso			
57.2690 % Argentina POM Politica Monetaria 21.06.20	ARS	16,000	16,000
17.5000 % Banco Macro SA 08.05.22	ARS		52,200
48.6250 % Banco Hipotecario SA 07.11.22	ARS		48,300
51.1990 % Provincia de Buenos Aires 31.05.22	ARS		69,000
49.4900 % Provincia de Buenos Aires 12.04.25		40,000	40,000
51.2620 % Provincia de Mendoza Argentina 09.06.21	ARS		24,100
Brazilian Real			
10.0000 % Brazil Notas do Tesouro Nacional Serie F 01.01.21	BRL	24,000	24,000
Euro			
3.8750 % Argentine Republic Government International Bond 15.01.22	EUR	100	150
India Rupee			
8.5000 % Dewan Housing Finance Corp Ltd 18.04.23	INR	130,000	130,000
Mexican Peso			
10.0000 % Mexican Bonos 05.12.24	MXN	100,000	100,000
Polish Zloty			
2.0000 % Republic of Poland Government Bond 25.04.21	PLN	13,900	13,900
Ukrainian Hryvnia			
16.5000 % Ukreximbank Via Biz Finance PLC 02.03.21	UAH	88,000	88,000
United States Dollar			
7.1250 % ABM Investama Tbk PT 01.08.22	USD	1,350	1,350
3.5000 % Adani Ports & Special Economic Zone 29.07.20	USD		2,270
4.0000 % ADCB Finance Cayman Ltd 29.03.23	USD	1,200	1,200
4.1250 % African Export-Import Bank 20.06.24	USD		1,000
6.7970 % Akbank Turk AS 27.04.28	USD	1,000	1,000
3.2500 % Amber Circle Funding Ltd 04.12.2022	USD		2,000
9.7500 % Anton Oilfield Services Group 05.12.20	USD	1,100	1,100
2.5000 % Argentine Republic Government International Bond 31.12.38	USD		4,000
5.8750 % Argentine Republic Government International Bond 11.01.28	USD	2,900	2,900
6.8750 % Argentine Republic Government International Bond 11.01.48	USD	11,350	11,350
6.0000 % Armenia International Bond 30.09.20	USD		400
7.1500 % Armenia International Bond 26.03.25	USD		500
6.7500 % Bahrain Government International Bond 20.09.29	USD		3,400
7.5000 % Bahrain Government International Bond 20.09.47	USD	4,900	4,900
5.5000 % Banco BTG Pactual 31.01.23	USD		900
3.8750 % Banco del Estado de Chile 08.02.22	USD		2,500
4.6250 % Banco do Brasil 15.01.25	USD		3,500
5.7500 % Banque Centrale de Tunisie International Bond 30.01.25	USD		4,300
6.6250 % Baoxin Auto Finance I Ltd 02.04.19	USD	600	600
8.7500 % Baoxin Auto Finance I 29.12.49	USD		1,350
4.7500 % Bermuda Government International Bond 15.02.29	USD	950	950
4.8750 % Bolivian Government International Bond 29.10.22	USD		800
4.6250 % Brazilian Government International Bond 13.01.28	USD		7,000
5.6250 % Brazilian Government International Bond 07.01.41	USD	2,500	7,000
3.6250 % Chile Government International Bond 30.10.42	USD		2,000
4.7500 % China Cinda Finance 2017 I Ltd 08.02.28	USD	300	300
3.3750 % China Development Bank 24.01.27	USD		2,000
8.7500 % China Evergrande Group 28.06.25	USD		2,700
3.3750 % China Reinsurance Finance Corp 09.03.22	USD		2,400
7.4500 % China SCE Property Holdings Ltd 17.04.21	USD	600	600
4.0000 % Chinalco Capital Holding 25.08.21	USD		2,400
6.8750 % CIFI Holdings Group Co Ltd 23.04.21	USD	500	500
4.5000 % CNOOC Curtis Funding No 1 Pty 03.10.23	USD		1,250
4.3750 % Colombia Government International Bond 12.07.21	USD		3,500
4.8750 % Comision Federal de Electricidad 26.05.21	USD		2,000
6.1250 % Comision Federal de Electricidad 16.06.45	USD		2,000
5.2500 % Corp Financiera de Desarrollo SA 15.07.29	USD		2,000
4.2500 % Corp Nacional del Cobre de Chile 17.07.42	USD		1,500
4.5000 % Corp Nacional del Cobre de Chile 01.08.47	USD		1,600
4.5000 % Corp Nacional del Cobre de Chile 16.09.25	USD		2,500
4.2500 % Costa Rica Government International Bond 26.01.23	USD		5,500

Acquisitions and disposals of transferable securities (classification as per reporting date) no longer held in the investment portfolio at the end of the reporting period (Unaudited)

Transferable securities	Currency	Acquisitions	Disposals
7.0000 % Costa Rica Government International Bond 04.04.44	USD		3,000
5.1250 % Country Garden Holdings Co Ltd 17.01.25	USD	1,400	1,400
5.5500 % Credit Bank of Moscow Via CBOM Finance PLC 14.02.23	USD	1,200	1,200
8.8750 % Credit Bank of Moscow Via CBOM Finance 31.12.99	USD		700
9.1250 % Credito Real SAB de CV SOFOM ER 31.12.99	USD		2,200
5.5000 % Croatia Government International Bond 04.04.23	USD		1,000
6.0000 % Croatia Government International Bond 26.01.24	USD		6,500
6.3750 % Croatia Government International Bond 24.03.21	USD		2,000
7.4500 % Dominican Republic International Bond 30.04.44	USD		5,000
7.5000 % Dominican Republic International Bond 06.05.2021	USD		2,000
5.3750 % Eastern and Southern African Trade and Development Bank 14.03.22	USD		1,500
7.9500 % Ecuador Government International Bond 20.06.24	USD		5,000
8.8750 % Ecuador Government International Bond 23.10.27	USD		6,000
10.7500 % Ecuador Government International Bond 28.03.22	USD		8,000
5.8750 % Egypt Government International Bond 11.06.25	USD		8,000
6.1250 % Egypt Government International Bond 31.01.22	USD		5,000
8.5000 % Egypt Government International Bond 31.01.47	USD		4,000
5.8750 % El Salvador Government International Bond 30.01.25	USD		7,000
4.3750 % Empresa Nacional del Petroleo 30.10.24	USD		3,000
6.6250 % Ethiopia International Bond 11.12.24	USD		1,000
5.3750 % Evraz Group 20.03.23	USD		1,000
4.2500 % Export Credit Bank of Turkey 18.09.22	USD		4,500
3.6250 % Export-Import Bank of China 31.07.24	USD		3,250
3.8750 % Export-Import Bank of India 01.02.28	USD	3,800	3,800
4.0000 % Export-Import Bank of India 14.01.23	USD		1,750
7.2500 % Fantasia Holdings Group Co Ltd 13.02.19	USD	850	850
6.9500 % Gabon Government International Bond 16.06.25	USD		5,000
4.3750 % Gazprom Neft OAO Via GPN Capital 19.09.22	USD		1,900
4.9500 % Gazprom OAO Via Gaz Capital 23.03.27	USD		500
7.1000 % GCL New Energy Holdings Ltd 30.01.21	USD	800	800
6.8750 % Georgia Government International Bond 12.04.21	USD		1,500
8.1250 % Global Liman Isletmeleri 14.11.21	USD		1,800
4.2500 % Gohl Capital 24.01.27	USD		2,400
4.5000 % Guatemala Government Bond 03.05.26	USD		3,000
5.0750 % Hacienda Investments Ltd Via DME Airport DAC 15.02.23	USD	1,650	1,650
7.2500 % Health and Happiness H&H International Holdings Ltd 21.06.21	USD	200	200
7.5000 % Honduras Government International Bond 15.03.24	USD		1,000
5.3750 % Hungary Government International Bond 21.02.23	USD		2,000
6.3750 % Hungary Government International Bond 29.03.21	USD		1,000
9.5000 % IHS Netherlands Holdco BV 27.10.21	USD	1,000	2,000
3.8350 % Indian Railway Finance Corp Ltd 13.12.27	USD		1,400
3.3750 % Indonesia Government International Bond 15.04.23	USD	2,500	2,500
3.7500 % Indonesia Government International Bond 25.04.22	USD		2,000
4.1250 % Indonesia Government International Bond 15.01.25	USD		5,000
6.7520 % Iraq International Bond 09.03.23	USD		6,900
5.3750 % Ivory Coast Government International Bond 23.07.24	USD		2,000
6.1250 % Ivory Coast Government International Bond 15.06.33	USD		4,000
4.6250 % KazAgro National Management Holding JSC 24.05.23	USD		3,000
3.8750 % Kazakhstan Government International Bond 14.10.24	USD		3,500
3.8750 % KazMunayGas National Co JSC 19.04.22	USD		1,000
4.7500 % KazMunayGas National Co JSC 19.04.27	USD		1,900
6.3750 % KazMunayGas National Co JSC 09.04.21	USD		2,000
5.8750 % Kenya Government International Bond 24.06.19	USD		1,000
6.8750 % Kenya Government International Bond 24.06.2024	USD		2,000
8.2500 % Kenya Government International Bond 28.02.2048	USD	1,400	1,400
5.2500 % KOC Holding 15.03.23	USD		500
9.5000 % Kuwait Energy PLC 04.08.19	USD	300	300
3.9500 % Kyobo Life Insurance Co 24.07.47	USD		1,350
6.0000 % Lebanon Government International Bond 27.01.23	USD		4,000
6.2000 % Lebanon Government International Bond 26.02.25	USD		2,500
6.3750 % Lebanon Government International Bond 09.03.20	USD		3,000
6.6500 % Lebanon Government International Bond 22.04.24	USD		3,000
6.6500 % Lebanon Government International Bond 26.02.30	USD		5,500
6.7500 % Lebanon Government International Bond 29.11.27	USD	3,000	6,000
8.5000 % Liquid Telecommunications Financing 13.07.22	USD		900
6.8750 % Logan Property Holdings Co Ltd 24.04.21	USD	300	300
4.5000 % Longfor Group Holdings Ltd 16.01.28	USD	550	550

The accompanying notes form an integral part of these financial statements.

Acquisitions and disposals of transferable securities (classification as per reporting date) no longer held in the investment portfolio at the end of the reporting period (Unaudited)

Transferable securities	Currency	Acquisitions	Disposals
4.7500 % Lukoil International Finance BV 02.11.26	USD		4,000
5.5000 % MAF Global Securities 31.12.99	USD		1,000
4.0000 % Magyar Export-Import Bank 30.01.20	USD		2,750
4.0800 % Malaysia Sukuk Global Bhd 27.04.46	USD		3,000
6.7500 % Medco Platinum Road Pte Ltd 30.01.25	USD	400	400
8.5000 % Medco Straits Services Pte Ltd 17.08.22	USD		1,350
7.7500 % Metinvest BV 23.04.23	USD	700	700
5.5000 % Mexico City Airport Trust 31.07.2047	USD		4,350
3.6000 % Mexico Government International Bond 30.01.25	USD	10,650	12,650
3.6250 % Mexico Government International Bond 15.03.22	USD		1,000
4.1500 % Mexico Government International Bond 28.03.27	USD		7,000
4.6000 % Mexico Government International Bond 23.01.46	USD	6,500	9,750
6.9500 % MHP Lux SA 03.04.26	USD	1,200	1,200
4.6250 % Minejesa Capital 10.08.30	USD		2,400
4.1000 % MMC Norilsk Nickel OJSC Via MMC Finance DAC 11.04.23	USD		2,500
6.8750 % Modern Land China Co 20.10.19	USD		1,350
8.7500 % Mongolia Government International Bond 09.03.24	USD		1,500
10.8750 % Mongolia Government International Bond 06.04.21	USD		3,000
4.8500 % Myriad International Holdings 06.07.27	USD		3,000
6.5000 % New Metro Global Ltd 23.04.21	USD	450	450
6.7500 % Nigeria Government International Bond 28.01.21	USD		1,000
7.6960 % Nigeria Government International Bond 23.02.38	USD	2,250	2,250
7.8750 % Nigeria Government International Bond 16.02.32	USD		3,000
7.0000 % Nostrum Oil & Gas Finance BV 16.02.25	USD	1,500	1,500
8.0000 % Nostrum Oil & Gas Finance 25.07.22	USD		500
4.0000 % Novolipetsk Steel Via Steel Funding DAC 21.09.24	USD		500
5.6250 % OCP 25.04.24	USD		2,000
3.6250 % Oman Government International Bond 15.06.21	USD		3,000
4.7500 % Oman Government International Bond 15.06.26	USD		5,500
5.3750 % Oman Government International Bond 08.03.27	USD		3,000
6.5000 % Oman Government International Bond 08.03.47	USD		1,100
5.6250 % Orazul Energy Egenor S en C por A 28.04.27	USD		3,700
4.3000 % Overseas Chinese Town Asia Holdings 31.12.99	USD		2,400
6.6250 % Oztel Holdings SPC Ltd 24.04.28	USD	1,400	1,400
6.8750 % Pakistan Government International Bond 05.12.27	USD	4,600	4,600
3.8750 % Panama Government International Bond 17.03.28	USD		2,000
4.0000 % Panama Government International Bond 22.09.24	USD		2,000
4.5000 % Panama Government International Bond 15.05.47	USD		3,000
4.6250 % Paraguay Government International Bond 25.01.23	USD		1,000
4.2500 % Parkway Pantai 31.12.99	USD		2,400
7.6250 % PB International 26.01.22	USD		700
5.7500 % PCCW Capital No 4 17.04.22	USD		2,200
4.2500 % Pelabuhan Indonesia II PT 05.05.25	USD		1,000
4.8750 % Pelabuhan Indonesia III 01.10.24	USD		850
4.3000 % Pertamina Persero 20.05.23	USD		1,250
5.6250 % Pertamina Persero PT 20.05.43	USD		2,250
5.2500 % Perusahaan Listrik Negara PT 15.05.47	USD		2,000
5.5000 % Perusahaan Listrik Negara 22.11.21	USD		2,000
4.1500 % Perusahaan Penerbit SBSN Indonesia III 29.03.27	USD		10,000
5.8750 % Petkim Petrokimya Holding AS 26.01.23	USD	600	600
7.3750 % Petrobras Global Finance BV 17.01.27	USD		4,700
4.7500 % Petroleos del Peru 19.06.32	USD		2,500
5.6250 % Petroleos del Peru SA 19.06.47	USD		2,500
4.8750 % Petroleos Mexicanos 18.01.24	USD		5,000
9.7500 % Petroleum Co of Trinidad & Tobago 14.08.19	USD		1,500
7.8750 % Petronas Capital 22.05.22	USD		1,500
4.2000 % Philippine Government International Bond 21.01.24	USD		8,750
3.9490 % Phosagro OAO Via Phosagro Bond Funding DAC 24.04.23	USD	2,500	2,500
4.5000 % Postal Savings Bank of China Co 31.12.99	USD		1,350
7.3900 % Power Sector Assets & Liabilities Management 02.12.24	USD		1,000
6.9500 % Powerlong Real Estate Holdings Ltd 17.04.21	USD	1,500	1,500
9.7500 % Provincia de la Rioja 24.02.25	USD		900
7.7500 % Provincia de Rio Negro 07.12.25	USD		2,000
4.6650 % Republic of South Africa Government International Bond 17.01.24	USD		2,500
5.6500 % Republic of South Africa Government International Bond 27.09.47	USD		2,300
5.8750 % Republic of South Africa Government International Bond 16.09.25	USD		1,500
7.1250 % Republic of Tajikistan International Bond 14.09.27	USD		1,400

Acquisitions and disposals of transferable securities (classification as per reporting date) no longer held in the investment portfolio at the end of the reporting period (Unaudited)

Transferable securities	Currency	Acquisitions	Disposals
6.6250 % Rock International Investment 27.03.20	USD		1,350
4.3750 % Romanian Government International Bond 22.08.23	USD		2,000
6.7500 % Romanian Government International Bond 07.02.22	USD		2,000
4.2500 % Russian Foreign Bond - Eurobond 23.06.27	USD	1,000	11,000
4.8750 % Russian Foreign Bond - Eurobond 16.09.23	USD		4,000
5.0000 % Russian Foreign Bond - Eurobond 29.04.20	USD		3,000
5.2500 % Russian Foreign Bond - Eurobond 23.06.47	USD		5,000
6.2500 % Senegal Government International Bond 23.05.33	USD		3,900
6.2500 % Senegal Government International Bond 30.07.24	USD		2,500
9.2500 % SEPLAT Petroleum Development Co Plc 01.04.23	USD	500	500
4.8750 % Serbia International Bond 25.02.20	USD		1,500
7.2500 % Serbia International Bond 28.09.21	USD		3,500
4.5000 % Sinochem Overseas Capital 12.11.20	USD		2,000
3.9000 % Sinopec Group Overseas Development 2012 17.05.22	USD		2,000
3.2500 % Sinopec Group Overseas Development 2017 Ltd 13.09.27	USD		2,500
5.8750 % Sri Lanka Government International Bond 25.07.22	USD		4,500
6.2000 % Sri Lanka Government International Bond 11.05.27	USD	1,550	8,550
6.2500 % Sri Lanka Government International Bond 04.10.20	USD		1,500
6.7500 % Sri Lanka Government International Bond 18.04.28	USD	1,500	1,500
6.8500 % Sri Lanka Government International Bond 03.11.25	USD		1,250
3.1250 % State Grid Overseas Investment 2013 22.05.23	USD		1,000
4.7500 % State Oil Co of the Azerbaijan Republic 13.03.23	USD		3,750
3.7500 % Sunny Optical Technology Group Co Ltd 23.01.23	USD	300	300
7.0000 % TBLA International Pte Ltd 24.01.23	USD	550	550
3.9250 % Tencent Holdings Ltd 19.01.38	USD	400	400
5.5000 % Third Pakistan International Sukuk 13.10.21	USD		3,050
3.7000 % Three Gorges Finance I Cayman Islands 10.06.25	USD		2,000
6.2500 % Times China Holdings Ltd 17.01.21	USD	2,100	2,100
7.8500 % Times China Holdings Ltd 04.06.21	USD	400	400
4.0000 % Transnet SOC 26.07.22	USD		2,000
6.7500 % Transportadora de Gas del Sur SA 02.05.25	USD	1,500	1,500
4.5000 % Trinidad & Tobago Government International Bond 04.08.26	USD		1,500
4.5000 % Tupras Turkiye Petrol Rafinerileri 18.10.24	USD		1,400
3.2500 % Turkey Government International Bond 23.03.23	USD		1,500
4.2500 % Turkey Government International Bond 14.04.26	USD		5,000
5.1250 % Turkey Government International Bond 17.02.28	USD	9,000	9,000
5.7500 % Turkey Government International Bond 11.05.47	USD		2,000
6.2500 % Turkey Government International Bond 26.09.22	USD		4,000
5.5000 % Turkiye Sinai Kalkinma Bankasi AS 16.01.23	USD	1,350	1,350
7.3750 % Ukraine Government International Bond 25.09.32	USD		5,500
7.7500 % Ukraine Government International Bond 01.09.26	USD		6,000
7.7500 % Ukraine Government International Bond 01.09.21	USD		3,000
9.7500 % Ukraine Government International Bond 01.11.28	USD	3,600	3,600
7.7500 % United Bank for Africa 08.06.22	USD		1,000
7.0000 % Venezuela Government International Bond 01.12.18	USD		3,500
5.7500 % Yapi ve Kredi Bankasi 24.02.22	USD		1,500
6.9500 % YPF SA 21.07.27	USD	3,000	3,000
5.3750 % Zambia Government International Bond 20.09.22	USD		1,500
8.5000 % Zambia Government International Bond 14.04.24	USD		2,000
8.9700 % Zambia Government International Bond 30.07.27	USD		2,500
South African Rand			
6.7500 % Republic of South Africa Government Bond 31.03.21	ZAR	49,000	49,000
Transferable securities trading on a regulated market			
United States Dollar			
4.4000 % 1MDB Global Investments 09.03.23	USD		4,500
4.5000 % BTG Investments 17.04.18	USD		3,750
4.0000 % CK Hutchison Capital Securities 17 31.12.99	USD		2,400
6.8750 % CSN Islands XI Corp 21.09.19	USD	3,000	3,000
3.3750 % Export-Import Bank of India 05.08.2026	USD		3,000
8.0000 % First Bank of Nigeria Ltd Via FBN Finance Co BV 23.07.21	USD		1,300
6.1250 % Itau Unibanco Holding SA 04.11.20	USD		2,000
4.3750 % KazTransGas JSC 26.09.2027	USD		5,000
12.0000 % Lodha Developers International Ltd 13.03.20	USD		1,200
7.2500 % Petra Diamonds US Treasury 01.05.22	USD		850
8.5000 % Petroleos de Venezuela SA 27.10.20	USD		5,550
5.3750 % Petroleos Mexicanos 13.03.22	USD		4,000
6.5000 % Petroleos Mexicanos 02.06.2041	USD		4,000

The accompanying notes form an integral part of these financial statements.

Acquisitions and disposals of transferable securities (classification as per reporting date) no longer held in the investment portfolio at the end of the reporting period (Unaudited)

Transferable securities	Currency	Acquisitions	Disposals
6.5000 % Petroleos Mexicanos 23.01.2029	USD	3,600	3,600
6.8750 % Petroleos Mexicanos 04.08.26	USD		6,000
3.5000 % Petronas Capital Ltd 18.03.25	USD		2,000
4.5000 % Petronas Capital Ltd 18.03.2045	USD		1,100
4.9500 % Rede D'or Finance Sarl 17.01.28	USD	2,125	2,125
6.8750 % Rio Energy SA 01.02.25	USD	2,250	2,250
5.8750 % Rumo Luxembourg Sarl 18.01.25	USD	2,300	2,300
6.0000 % Tullow Oil 01.11.20	USD		500
7.0000 % Tullow Oil PLC 01.03.25	USD	1,000	1,000
8.8750 % Unifin Financiera SAB de CV SOFOM ENR 31.12.99	USD	1,500	1,500
6.2500 % Yingde Gases Investment Ltd 19.01.23	USD	1,250	1,250
Investment Funds			
Allianz Emerging Markets Local Currency Bond	USD	3	9
Allianz Global Investors Fund	USD		6
Other transferable securities of the type referred to in Regulation 68(1)(a), (b) and (c)			
Argentine Peso			
56.6250 % Banco Supervielle SA 09.08.20	ARS		50,999
Peruvian Nuevo Sol			
6.9500 % Peruvian Government International Bond 12.08.31	PEN		20,000
United States Dollar			
5.6250 % Argentine Republic Government International Bond 26.01.22	USD		3,500
6.6250 % Argentine Republic Government International Bond 06.07.28	USD		5,000
6.8750 % Argentine Republic Government International Bond 22.04.21	USD		1,100
7.1250 % Argentine Republic Government International Bond 28.06.21	USD	3,000	3,000
7.6250 % Argentine Republic Government International Bond 22.04.46	USD		2,000
8.2800 % Argentine Republic Government International Bond 31.12.33	USD		4,206
7.8750 % Provincia de Buenos Aires 15.06.27	USD		2,750

**Statement of Comprehensive Income
for the year ended 31/12/2018**

	Notes	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017
		USD	USD
Income			
Dividend Income	1 (iii)	0.00	265,352.64
Interest income	1 (iii)	23,516,986.67	37,659,522.65
Realised and unrealised losses/gains		-72,079,452.40	86,948,864.49
		-48,562,465.73	124,873,739.78
Expenses			
All-in-Fee ¹⁾	2	4,300,334.45	7,101,004.95
		4,300,334.45	7,101,004.95
Net loss/income from operations before finance costs		-52,862,800.18	117,772,734.83
Finance Costs:			
Interest paid		-152,012.12	-35,244.03
Net loss/income before Tax		-53,014,812.30	117,737,490.80
Taxation			
Withholding Tax		44,245.92	-87,901.23
Decrease/Increase in amounts owing to Unitholders due to investment activities		-52,970,566.38	117,649,589.57

The Statement of Comprehensive Income reflects all gains and losses recognised in these Financial Statements and all activity arising from continuing operations.

¹⁾ Please refer to page 23 for further information on the Fee Structure.

Statement of Financial Position

as at 31/12/2018

	Notes	31/12/2018 USD	31/12/2017 USD
Assets			
Investments in transferable securities (Historical Cost: 31/12/2018: USD 236,667,721.83)	9	225,764,019.21	825,486,238.54
Investment funds (Historical Cost: 31/12/2018: USD 0.00)	9	0.00	12,457,098.06
Money Market Instruments (Historical Cost: 31/12/2018: USD 1,001,660.87)	9	0.11	197,463.85
Cash at bank and on deposit		8,410,828.97	4,098,740.12
Cash held with brokers and counterparties for open derivative positions		0.00	214,237.62
Accrued interest income		3,464,263.96	12,500,762.52
Amounts receivable on sale of investments		0.00	14,107,686.72
Amounts receivable on Units issued		1,943.75	3,085,213.38
Unrealised gain on derivative contracts	7	3,754,764.93	10,427,286.16
Total assets		241,395,820.93	882,574,726.97
Liabilities			
Bank overdraft		0.00	18,491,342.12
Cash due to brokers and counterparties for open derivative positions		1,017.69	0.00
Amounts payable on Units redeemed		1,225,158.68	478,068.27
Unrealised loss on derivative contracts	7	1,261,478.73	1,122,780.06
Expenses payable		196,442.23	734,681.57
Total liabilities (excluding net assets owing to Unitholders)		2,684,097.33	20,826,872.02
Net assets owing to Unitholders		238,711,723.60	861,747,854.95

	01/01/2018-31/12/2018					
	A (H2-EUR) Units	I (H2-EUR) Units	AT (H2-EUR) Units	P (H2-EUR) Units	R (H2-EUR) Units	IT2 (H2-EUR) Units
Number of units in issue at the start of the period	4,449,568	3,791,013	131,714	700	155	1
Number of units issued	207,058	287,351	118,030	26	0	0
Number of units redeemed	-2,683,242	-3,386,274	-220,528	-559	-10	0
Number of units in issue at the end of the period	1,973,384	692,090	29,216	167	145	1

	01/01/2018-31/12/2018	
	IT (USD) Units	WT (H2-EUR) Units
Number of units in issue at the start of the period	1	59,749
Number of units issued	20,191	36,158
Number of units redeemed	0	-61,616
Number of units in issue at the end of the period	20,192	34,291

	01/01/2017-31/12/2017					
	A (H2-EUR) Units	I (H2-EUR) Units	AT (H2-EUR) Units	P (H2-EUR) Units	R (H2-EUR) Units	IT2 (H2-EUR) Units
Number of units in issue at the start of the period	4,198,656	1,745,224	9,098	545	64	1
Number of units issued	2,089,794	3,011,300	634,346	233	149	1,934
Number of units redeemed	-1,838,882	-965,511	-511,730	-78	-58	-1,934
Number of units in issue at the end of the period	4,449,568	3,791,013	131,714	700	155	1

	01/01/2017-31/12/2017	
	IT (USD) Units	WT (H2-EUR) Units
Number of units in issue at the start of the period	0	0
Number of units issued	1	69,432
Number of units redeemed	0	-9,683
Number of units in issue at the end of the period	1	59,749

The accompanying notes form an integral part of these financial statements.

Statement of Movement in Net Assets

for the period from 01/01/2018 - 31/12/2018

	Notes	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017
		USD	USD
Opening net assets owing to Unitholders		861,747,854.95	442,055,847.93
Subscriptions		123,007,883.90	629,978,784.10
Redemptions		-654,230,539.40	-294,047,776.37
Equalisation		-16,420,788.39	16,786,679.32
Distributions paid to Unitholders	4	-22,422,121.08	-50,675,269.60
Decrease/Increase in amounts owing to Unitholders due to investment activities		-52,970,566.38	117,649,589.57
Closing net assets owing to Unitholders		238,711,723.60	861,747,854.95

Notes to the Financial Statements

1. Accounting Policies

(i) Basis of preparation

This reporting period began on 1 January 2018.

The functional and presentational currency of the Trust and the Fund is the US Dollar (USD) (the "Base Currency").

Statement of compliance

These Financial Statements have been prepared in accordance with the Financial Reporting Standard 102; the FRS applicable in the UK and Republic of Ireland ("FRS 102"), UCITS Regulations and the Central Bank UCITS Regulations.

Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and Irish law.

The Trust has continued to avail of the exemption available to open-ended investment funds under FRS 102 and is not presenting a cash flow statement.

(ii) Valuation of Investments

All of the Fund's investments are categorised as being within the "fair value through profit or loss" category. The category of financial assets and liabilities at fair value through profit or loss comprises financial instruments held for trading, which means that realised and unrealised gains and losses on investments are included in the Statement of Comprehensive Income. The acquisition and disposal of investments is recognised on their trade date and the associated transaction costs are expensed. Investments are initially accounted for at cost and thereafter valued at the last traded market prices.

Financial assets that are not at fair value through profit or loss are classified as receivables and shown at amortised cost and include deposits, and accounts receivable.

Financial liabilities that are not at fair value through profit or loss include accounts payable and financial liabilities arising on redeemable Units.

Investments in open-ended investment funds are valued at fair value at the latest available unaudited net asset value for the Units obtained from the relevant administrator, where there are frequent and regular redemptions of these schemes. The changes in the daily net asset value of these Units are recognised as unrealised gains and losses on investment activities in the Statement of Comprehensive Income.

The Fund recognises a financial asset or financial liability when it becomes party to a contract. The Fund derecognises financial assets or financial liabilities when its rights or obligations cease.

(iii) Investment income

All income is accounted for on an accruals basis. Interest income includes the amortisation of any premium or discount on securities. Income is stated before deduction of withholding taxes which are shown separately, if any, on the Statement of Comprehensive Income.

Interest income on debt instruments at fair value through profit or loss is accrued using the original effective interest rate and classified to the interest income line item within the Statement of Comprehensive Income.

(iv) Foreign currencies

Investment activities denominated in foreign currencies are translated into the Fund's functional and presentational currency at the rate of exchange ruling at the date of the transaction.

Assets and liabilities are reported at the rates of exchange prevailing at the period-end date. Any gain or loss arising from a change in exchange rates is included in the Statement of Comprehensive Income in the line "Realised and unrealised gains/losses".

(v) Units in Issue

All redeemable Units issued by the Fund provide the investors with the right to require redemption for cash at the value proportionate to the investor's Units in the Fund's net assets at each daily redemption date and also in the event of the Fund's liquidation.

All of the Units of the Trust are classified as liability in accordance with “Financial Instruments: Disclosures and Presentation”. The standard requires entities to classify puttable financial instruments, or components of instruments that impose on the entity an obligation to deliver to another party, a pro rata share of the net assets of the entity only on termination, as equity, provided the financial instruments have particular features and meet specific conditions. The Units of the Trust do not meet these specific conditions and accordingly have been classified as liability.

(vi) Forward Currency Contracts

Allianz Emerging Markets Bond Fund utilises forward currency contracts for Unit class currency hedging and for portfolio purposes. The unrealised appreciation or depreciation on forward currency contracts is calculated by reference to the difference between the contracted rate and the forward rate to close out the contract as at the period end. Realised and unrealised gains and losses on forward currency contracts are included in the Statements of Comprehensive Income.

(vii) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or liability is recognised initially, an entity shall measure it at its fair value through profit or loss with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income.

Transaction costs on the purchase and sale of open futures contracts and investment funds are included in realised and unrealised gains/losses in the Statement of Comprehensive Income. These costs are included within the transaction costs disclosure on page 26.

Transaction costs on the purchase and sale of bonds and forward currency contracts and money market instruments are included in the purchase and sale price of the investment. These costs cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed.

(viii) Equalisation

An equalisation account is operated in connection with the issue and redemption of Units. The income element is recognised in the financial statements in the Statement of Movement in Net Assets.

(ix) Fair Valuation Hierarchy

FRS 102 ‘Fair Value’ sets out the application of the fair value hierarchy in which fair value measurements are categorised for its financial assets and liabilities. The hierarchy seeks to categorise financial assets and liabilities into levels 1, 2 and 3 based on the definitions for each level as set out in FRS 102.

Please see further disclosure on page 36.

2. Fee Structure

The All-in-Fee is a flat fee, which covers all the external costs as defined in the Prospectus.

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

Fund name	Unit class & currency	All-in-Fee in % p.a.
Allianz Emerging Markets Bond Fund	A (H2-EUR)	1.45
	AT (H2-USD)	1.45
	I (H2-EUR)	0.78
	IT (USD)	0.78
	IT2 (H2-EUR)	0.78
	P (H2-EUR)	0.78
	R (H2-EUR)	0.79
	WT (H2-EUR)	0.57

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.

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

- management fees
- distribution fees
- Depositary 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)
- paying and information agent fees and expenses (which must be charged at normal commercial rates)
- 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
- all other fees and expenses incurred in connection with the operation of the Funds.

The remuneration for all work carried out by KPMG in respect of the financial year ended 31 December 2017 was EUR 14,420.

For further information regarding the All-in-Fee please refer to the Prospectus.

The remuneration for work carried out by the statutory audit firm in respect of the statutory audit of the Trust's financial statements for the year ended 31 December 2018 is EUR 16,000 excl. VAT.

3. Ongoing Charges

Ongoing charges are the costs incurred in the management of the Sub-fund and charged to the Sub-funds (or the respective share class) during the preceding financial year (excluding transaction costs) and are expressed as a percentage of the average volume of the Fund (or of the respective share class) ("ongoing charges"). The following tables below show the ongoing charges incurred by the Fund during the financial period ended 31 December 2018 and financial period ended 31 December 2017.

Name of the Fund	Unit class	Ongoing Charges excluding performance-related fee in % 31/12/2018	Ongoing Charges excluding performance-related fee in % 31/12/2017	Performance -related fee in % p.a. 31/12/2018	Performance -related fee in % p.a. 31/12/2017	Ongoing Charges in % p.a. 31/12/2018	Ongoing Charges in % p.a. 31/12/2017
Allianz Emerging Markets Bond Fund	A (H2-EUR)	1.45	1.45	-	-	1.45	1.45
	AT (H2-EUR)	1.45	1.44	-	-	1.45	1.44
	I (H2-EUR)	0.78	0.78	-	-	0.78	0.78
	IT2 (H2-EUR)	0.75	0.77	-	-	0.75	0.77
	P (H2-EUR)	0.78	0.78	-	-	0.78	0.78
	R (H2-EUR)	0.78	0.78	-	-	0.78	0.78
	IT (USD) ¹⁾	0.78	0.80 ³⁾	-	-	0.78	0.80 ³⁾
	WT (H2-EUR) ²⁾	0.57	0.56 ³⁾	-	-	0.57	0.56 ³⁾

¹⁾ Launch date 15/02/2017.

²⁾ Launch date 21/09/2017.

³⁾ Ongoing charges for IT2 (EUR) Unit class, IT (USD) Unit class and WT (EUR) Unit class have been annualised as the classes launched during the year.

4. Distribution Policy

The present distribution policy for distributing Units consists of distributing the net income accruing in the respective period, including income equalisation in the relevant period. Income equalisation is applied to the Fund on a daily basis based on subscriptions and redemptions. Income equalisation is recognised in the financial statements in the Statement of Movement in Net Assets. The distributions shown below were made for the period under review and comparative period. Please refer to the Prospectus for further information.

1 January 2018 – 31 December 2018	Ex day	Unit class	in USD per Unit
Allianz Emerging Markets Bond Fund	05/03/2018	A (H2-EUR)	1.07467
	05/03/2018	I (H2-EUR)	4.76414
	05/03/2018	P (H2-EUR)	15.91958
	05/03/2018	R (H2-EUR)	0.48046

1 January 2017 – 31 December 2017	Ex day	Unit class	in USD per Unit
Allianz Emerging Markets Bond Fund	19/12/2017	A (H2-EUR)	2.13186
	19/12/2017	I (H2-EUR)	4.75331
	19/12/2017	P (H2-EUR)	40.74418
	19/12/2017	R (H2-EUR)	4.36619

5. Transaction costs

As already disclosed, transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of the financial asset or financial liability.

For the years ended 31 December 2018 and 31 December 2017, the Fund incurred transaction costs as follows:

	Transaction costs 31/12/2018 in USD	Transaction costs 31/12/2017 in USD
Allianz Emerging Markets Bond Fund	-	3,775.98

6. Swing Pricing

The Fund may suffer a reduction in the Net Asset Value per Unit 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 to accommodate cash inflows or outflows. As at 31 December 2018 and 31 December 2017 no swing pricing was applied to the Fund.

7. Derivative Accounting Policies

Forward Currency Contracts

The unrealised appreciation or depreciation on open forward currency contracts is calculated by reference to the difference between the contracted rate and the forward rate to close out the contract as at the year end. Realised and unrealised gains and losses on forward currency contracts are included in the Statement of Comprehensive Income.

8. Irish Taxation

The Trust is an investment undertaking under Section 739B of the Taxes Consolidation Act, 1997. Therefore, the Trust is not liable to Irish tax on its relevant income or relevant gains other than on the occurrence of a chargeable event. A chargeable event includes any distribution payments to Unitholders or any encashment, redemption, transfer or cancellation of units at the end of each eight year period for which the investment was held.

A gain on a chargeable event does not arise in respect of:

- a) a Unitholder who is not Irish resident and not ordinarily resident in Ireland at the time of a chargeable event, provided the necessary signed statutory declarations are held by the Trust;
- b) certain exempted Irish resident investors who have provided the Trust with the necessary signed statutory declarations;
- c) the exchange by a unitholder of Units in the undertaking for other Units in the investment undertaking;

- d) Units held in a recognised clearing system as designated by order of the Irish Revenue Commissioners; and or
- e) certain exchanges of Units between spouses and former spouses.

In the absence of an appropriate signed declaration, the Trust will be liable to Irish tax on the occurrence of a chargeable event, and the Trust reserves its right to withhold such taxes from the relevant Unitholders.

No stamp, transfer or registration tax is payable in Ireland on the issue, redemption or transfer of Units in the Trust. Distributions and interest on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Trust may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreement in operation between Ireland and the other countries. The Trust may not therefore be able to reclaim withholding tax suffered by it in particular countries. To the extent that a chargeable event arises in respect of a Unitholder, the Trust may be required to deduct tax in connection with that chargeable event and pay the tax to the Irish Revenue Commissioners.

9. Risk Factors in relation to the Fund

Investors should understand that any investment involves risks. A risk profile for the 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 the Fund. The Management Company draws attention to the following specific risks which do not purport to be an exhaustive list of risk factors.

Investment Risk

The price of the Units may fall as well as rise. There can be no assurance that the Fund will achieve its investment objective or that a Unitholder will recover the full amount invested in the Fund. The capital return and income of the Fund are based on the capital appreciation and income on the securities held, less expenses incurred. Therefore the 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 the 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. initial charge for the purchase of Units), incur additional costs, such as sales charges for the purchase of those other Units. These events and circumstances could result in Unitholder losses.

Political Risks

The value of the 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.

General Market Risk

By investing directly or indirectly in securities and other assets, the 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 the 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 the Fund or the debtor of the 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 the Fund's investments are not dealt on a stock exchange or a regulated market, 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 financial derivative instruments.

Country/Transfer Risk

Economic or political instability in countries in which the 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 the 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 the Fund takes positions in currencies other than the currency or currencies its assets are denominated in, the Fund's performance might be strongly influenced by movements in FX rates. The 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 the Fund are denominated. In such cases up to 105 % of the relevant currency of the Unit Class may be hedged from time to time provided that if this limit is exceeded the Fund shall adopt as a priority objective the managing back of the hedge to within the limit taking due account of the interests of the Unitholder and provided further that the hedge must be re-weighted at least on a monthly basis and over or under hedged positions must not be carried forward. 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 the 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, the 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

The 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 Depositary or its sub-depositary.

Risks Associated with the Use of Financial Derivative Instruments

The Fund may use financial derivative instruments ("FDI") for hedging and investment purposes. The Fund may seek to protect or enhance its returns by using financial derivative instruments as set out in the investment objective and policies section within the relevant schedule and in Schedule III – Investment Techniques and Financial Derivative Instruments of the Prospectus. 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 financial derivative instruments involves investment risks and transaction costs to which the Fund would not be subject if the 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 the Fund may leave the Fund in a worse position than if such strategies were not used.

Risks inherent in the use of financial derivative 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 financial derivative instruments 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 the Fund to purchase or sell a security at a time that otherwise would be favourable for it to do so, or the possible need for the Fund to sell a security at a disadvantageous time;

- f. the potential loss arising from the use of financial derivative instruments may not be predictable and may even exceed the margins paid;
- g. the risk of insolvency or default of a counterparty; and
- h. the risk, in particular in the case of over-the-counter derivatives, that the FDI 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 the emerging markets are less liquid and more volatile than the world's leading stock markets and this may result in fluctuations in the prices of the Units in the 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 Unitholder 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 the 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 Depositary 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, the 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 Depository 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 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.

Fund Size Risk

Given the risks to which the Fund is exposed, its capital may decrease due to a fall in asset values. Similarly, the size of the Fund may decline due to a high level of redemptions of the

Fund's Units or the payment of distributions. A reduction in the size of the 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 the Fund may be subject to restrictions. If the redemption of Units in the Fund is temporarily suspended or if the directors of the Management Company decide to exercise their discretion to restrict the number of Units redeemed to 10 % of the Net Asset Value in the 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 the Fund is terminated by the compulsory repurchase of Units or if the Trust exercises the right to compel the redemption of Units in the Fund, Unitholders will no longer have the opportunity to remain invested in the Fund. The same applies if the 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. initial charge for the purchase of Units), incur additional costs, such as 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 the 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 Changes in Constitutional Documentation, Investment Objective and Policies and General Conditions

The constitutional documentation of the 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 the 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.

Risk of Transaction Costs due to Subscriptions and Redemptions Affecting the Entire Fund as well as the Individual Class

As a result of subscriptions for and redemptions of Units, investment transactions in the form of purchases (investment of subscription proceeds) and sales (generation of liquidity for redemptions) take place. These transactions give rise to costs, which, especially if there are significant net subscriptions or net redemptions on a dealing day, can have a negative impact on the Net Asset Value of the Fund including the Class of Units which had significant net subscriptions or redemptions.

Risk of Interest Rate Changes

To the extent the 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.

Creditworthiness Risk

The creditworthiness (solvency and willingness to pay) of the issuer of a security or money-market instrument held directly or indirectly by the 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 the Fund uses other investment funds (“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 the fund size risk, the risk of 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, the 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, the 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 the 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), depositary 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 Securities¹⁾ are subject to the same general risks as investments in other Debt Securities²⁾, 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.

Collateral Management

The Management Company has implemented collateral management processes to mitigate counterparty risks with OTC-counterparties. OTC-transactions are effected on the basis of standardised contracts that also provide for respective requirements in relation to accepted type of eligible collateral and discounts for collateral valuation (“haircuts”). The collateral management is performed by collateral managers, normally the respective Investment Manager of the Fund.

General Risk Management Process

Carne Global Fund Managers (Ireland) Limited, in its capacity as management company of the Trust, is responsible for the maintenance of an adequate risk management system to monitor the risks of the Fund. The Management Company has appointed the Investment Manager as investment manager of the Fund. The Investment Manager employs a risk management process that allows it to measure and monitor on a daily basis market risk, credit risk and liquidity risk associated with the Fund, including such risks arising from all derivatives positions held by the Fund. Oversight of these functions is carried out by the board of directors of the Management Company.

For a description of the risk factors in relation to the Fund, please refer to the section “Risk Factors in relation to the Fund”.

Fund Specific Risk Management Process

The Fund is required to adhere to investment and borrowing limits laid down by the “UCITS Regulations”. Compliance with these restrictions is monitored by the Investment Manager, the Management Company and by the Depositary. In addition to the UCITS restrictions, the investment policies of the Fund contain specific selfimposed restrictions. The Investment Manager manages the Fund on a daily basis in accordance

¹⁾ 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 of the Trust, Allianz Global Investors GmbH (the “Investment Manager”) would be rated noninvestment grade if they were rated.

²⁾ 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.

with its investment objective and policies. Please find hereafter a summary of the Fund's investment policies (please refer to the Prospectus for the full investment policies):

"The Fund's investment objective is to achieve returns in the long-term in line with the bond markets of Emerging Markets Countries adjusted for the effect of a hedging policy. The Fund can use financial derivative instruments, 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."

Market Risk**(currency risk, interest rate risk and other price risk)**

As part of the risk management procedure, the Fund's market risk is measured and limited either using the commitment approach or the value-at-risk ("VaR") approach (relative or absolute VaR) in accordance with the risk management process as approved by the Central Bank of Ireland. In calculating the Fund's market risk, the commitment approach takes into account the additional risk that is generated

through the use of derivative financial instruments. The VaR approach represents a statistical method for calculating the loss potential on the basis of value changes in the entire Fund. The VaR calculation is generally based on the delta-normal method (99 % confidence level, assumed holding period of 10 days, data history used of 250 days). The calculation method is shown in the following table.

As at the end of the financial year, the following approach applied to the Fund for calculating the market risk:

Name of the Fund	Approach	Reference assets
Allianz Emerging Markets Bond Fund	relative VaR	JP MORGAN EMERGING MARKETS BOND EMBI GLOBAL DIVERSIFIED COMPOSITE RETURN IN USD

The following table shows the minimum, maximum, average and year end risk budget utilisation (RBU) of the Funds for the financial years ended 31 December 2018 and 31 December 2017. For funds using the relative VaR approach, the utilisation is reported in relation to the limit stipulated by the regulatory

authorities (i.e. 2 times the VaR of the defined benchmark). The table also shows the average leverage effect of the Funds in the year under review and 31 December 2017. The average leverage effect is calculated as the average sum of notionals of derivatives.

31/12/2018

Name of the Fund	Average leverage in %	Minimum RBU in %	Maximum RBU in %	Average RBU in %	VaR RBU in %
Allianz Emerging Markets Bond Fund	5.60	85.00	133.91	108.46	98.60

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Name of the Fund	Average leverage in %	Minimum RBU in %	Maximum RBU in %	Average RBU in %	VaR RBU in %
Allianz Emerging Markets Bond Fund	7.93	70.16	119.44	91.68	111.91

Techniques for efficient portfolio management

In accordance with the UCITS Regulations, the Trust may employ techniques and instruments relating to transferable securities for efficient portfolio management purposes including repurchase / reverse repurchase agreements and security lending arrangements. During the years ended 31 December 2018 and 31 December 2017, the Trust did not use any of these techniques for efficient portfolio management purposes.

Currency Risk

The Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Fund is exposed to the risk that the exchange rate of its functional currency relative to other currencies may change in a way that has an adverse effect on that portion of the Fund's assets and liabilities denominated in currencies other than the Fund's functional currency. Hedged Classes of Units will also enter into transactions to reduce their foreign exchange exposure.

Allianz Emerging Markets Bond Fund

The following table details the Fund's currency exposures as a percentage of Net Assets as at the reporting date:

Currency	31 December 2018		31 December 2017	
	%	USD	%	USD
ARS	0.00	0.00	1.58	13,606,610.00
BRL	1.05	2,513,151.77	0.00	4,785.22
EUR	89.82	215,434,575.94	1.77	15,289,432.99
GBP	0.00	0.00	0.00	-835.49
IDR	1.13	2,698,922.60	0.00	0.00
PEN	2.47	5,925,560.07	0.82	7,108,470.52
PLN	1.10	2,649,491.54	0.00	0.00
RUB	-0.01	-23,087.55	0.03	231,197.28

Had the US Dollar strengthened by 5 % in relation to all currencies, with all other variables held constant, net assets owing to Unitholders and the change in net assets attributable to holders of redeemable Units per the Statement of Comprehensive Income would have increased/decreased by the amounts shown below.

US Dollar Strengthening by 5%

Currency	31 December 2018	31 December 2017
	USD	USD
ARS	0.00	-680,330.50
BRL	-125,657.59	-239.26
EUR	-10,771,728.80	-764,471.65
GBP	0.00	41.77
IDR	-134,946.13	0.00
PEN	-296,278.00	-355,423.53
PLN	-132,474.58	0.00
RUB	1,154.38	-11,559.86

A weakening of the US Dollar by 5 % against the other currencies would have resulted in an equal but opposite effect on the Financial Statement amounts to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is exposed to both fair value and cash flow interest rate risk through its investments in bonds. Cash flow interest rate risk also arises on the cash balances held with Depository.

Value at Risk figures are disclosed on page 34 and accordingly a sensitivity analysis has not been prepared.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. The Fund is exposed to market price risk arising from its investments in securities. By diversifying the portfolio, the risk that a price change of a particular investment will have a material impact on the Fund is minimized. The Investment Manager manages the Fund's market risk on a daily basis in accordance with the Fund's investment objectives and policies and based on the political, economic and real estate fundamental factors associated with investing in a specific region, country or sector. At a Trust level, credit and

operational risk are analysed in terms of leverage, strength of balance sheet and the management's ability to execute strategy. Risk premiums are added to the Fund operating in emerging markets and with significant development components.

Fair Value hierarchy

The fair value hierarchy as required under FRS 102 is based on the valuation inputs used to fair value the financial assets and liabilities and consideration of the market activity for each individual financial asset and liability. The definition for levels 1, 2 and 3 are set out below.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Trust. The Trust considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. The Trust does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment-grade corporate bonds and over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or nontransferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. The Level 3 instrument is a commercial paper which is in default as at 31 December 2018, a recent trade has been used to derive the fair value of this instrument.

The following tables are a summary of the fair value hierarchy applied under FRS 102 in valuing the Trust's financial assets and liabilities measured at fair value at 31 December 2018 and 31 December 2017.

31 December 2018	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial Assets				
Financial Assets at Fair Value Through Profit or Loss				
Debt Securities	-	225,764,019.21	-	225,764,019.21
Money Market Instruments	-	-	0.11	0.11
	-	225,764,019.21	0.11	225,764,019.32
Derivative Contracts				
Forward Foreign Exchange Contracts	-	3,754,764.93	-	3,754,764.93
	-	3,754,764.93	-	3,754,764.93
	-	229,518,784.14	0.11	229,518,784.25
Financial Liabilities				
Financial Liabilities at Fair Value Through Profit or Loss				
Forward Foreign Exchange Contracts	-	-1,261,478.73	-	-1,261,478.73
	-	-1,261,478.73	-	-1,261,478.73
	-	228,257,305.41	0.11	228,257,305.52

31 December 2017	Level 1 USD	Level 2 USD	Level 3 USD	Total Fair Value USD
Financial Assets				
Financial Assets at Fair Value Through Profit or Loss				
Investment Funds	-	12,457,098.06	-	12,457,098.06
Debt Securities	-	825,486,238.54	-	825,486,238.54
Money Market Instruments	-	-	197,463.85	197,463.85
	-	837,943,336.60	197,463.85	838,140,800.45
Derivative Contracts				
Futures Contracts	772,873.50	-	-	772,873.50
Forward Foreign Exchange Contracts	-	9,654,412.66	-	9,654,412.66
	772,873.50	9,654,412.66	-	10,427,286.16
	772,873.50	847,597,749.26	197,463.85	848,568,086.61
Financial Liabilities				
Financial Liabilities at Fair Value Through Profit or Loss				
Futures Contracts	-505,507.45	-	-	-505,507.45
Forward Foreign Exchange Contracts	-	-617,272.61	-	-617,272.61
	-505,507.45	-617,272.61	-	-1,122,780.06
	267,366.05	846,980,476.65	197,463.85	847,445,306.55

Credit Risk

Credit risk is the risk that a counterparty to, or issuer of, a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

As a UCITS, the Fund is required to adhere to investment and borrowing limits laid down by the UCITS Regulations. Among other restrictions, the Fund has to adhere to credit risk limits, i.e. issuer and counterparty risk limits. The issuer limits outlined in the UCITS Regulations are designed to limit the exposure to any particular issuer. Compliance with these restrictions is monitored ex-ante (on a pre-trade basis) by the Investment Manager and ex-post (on a post-trade basis) by the Depositary and the Investment Manager.

The Fund may furthermore be exposed to a credit risk on the counterparties with whom it trades derivatives over the counter ("OTC") that these counterparties may not perform their obligations and/or that settlement of transactions may not occur.

OTC counterparties must meet inter alia the following criteria as set out in the UCITS Regulations:

(I) they must be a credit institution in accordance with sub – paragraphs 1.4 (i), (ii) and (iii) of the Central Bank UCITS Regulations, (as amended), or an investment firm authorised in accordance with the Markets in Financial Instruments Directive in an EEA member state, or an entity subject to regulation as a Consolidated Supervised Entity ("CSE") by the US Securities and Exchange Commission; or

(II) in the case of a counterparty which is not a credit institution, the counterparty must have a minimum credit rating of A-2 or equivalent, or in the opinion of the Investment Manager, an implied minimum credit rating of A-2 or equivalent.

Alternatively, an unrated counterparty will be acceptable where the UCITS is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty by an entity which has and maintains a rating of A-2.

Exposures to individual counterparties are limited to 10 % of Net Asset Value in the case of the credit institutions referred to in the criteria outlined above and 5 % of Net Asset Value in the case of other counterparties.

The Board of Directors of the Management Company receives information on the activity of the Investment Manager and the adherence to credit limits on a regular basis. The Investment Manager employs counterparty approval standards and procedures which seek to ensure that counterparties used by the Fund meet regulatory requirements.

Substantially all of the cash and securities held by the Trust are held by the Depositary. State Street Bank and Trust Company act as the global sub-custodian for the Depositary. Bankruptcy or insolvency by the Depositary may cause the Trust's rights with respect to the cash and securities held by the Depositary to be delayed or limited. The counterparty for the open forward currency exchange contracts is State Street Bank and Trust Company.

The Trust's securities are always separately identified on the books and records of State Street Bank and Trust Company, therefore the rights, with respect to those securities, are preserved. Thus in the event of insolvency or bankruptcy of the Depositary, the Trust's assets are segregated and protected. Cash, unlike securities, is fungible and cannot be registered in the name of, or identified as beneficially owned by a client, nor can it practically be held in physical segregation. However, for all major currencies, the cash at the sub-custodian is maintained in correspondent accounts of State Street Bank and Trust Company.

The long term credit rating of the parent company of the Depositary and sub-custodian, State Street Corporation, as at 31 December 2018 is A1 (31 December 2017: A1) (Moody's rating).

The credit rating of the counterparties for the Derivative instruments held as at 31 December 2018 was: State Street Bank and Trust Company: Aa2 (31 December 2017: Aa1) (Moody's rating).

Cash held with brokers and counterparties for open derivative positions have an exposure to counterparty risk such that the counterparty may become incapable of meeting its obligations under a financial derivative instrument contract. This includes the legal risk arising from a contract being enforceable.

At year-end, the Fund was invested in debt securities. The table below details the Schedule of Investments by rating category for the Fund.

	31 December 2018	31 December 2017
A3	6.40%	5.81%
AA3	0.00%	0.81%
A2	2.62%	1.30%
AA2	2.19%	0.00%
A1	5.02%	2.95%
BAA3	13.47%	14.32%
BAA2	19.14%	11.18%
BAA1	0.00%	1.76%
BA3	9.61%	5.58%
BA2	4.81%	5.10%
BA1	3.78%	5.33%
B3	15.08%	8.24%
B2	5.70%	7.58%
B1	3.71%	5.58%
BBB-	0.00%	1.84%
BBB	0.00%	0.51%
BB+	0.00%	0.12%
BB	0.00%	0.44%
BB-	0.00%	1.35%
B+	0.00%	3.38%
B-	0.00%	5.28%
B	0.00%	0.92%
C	1.24%	0.00%
Ca	0.00%	0.55%
Caa1	3.45%	2.28%
Caa2	0.00%	2.06%
Caa3	0.00%	0.26%
CCC	0.00%	0.15%
D	0.00%	0.33%
Not Rated	3.78%	4.99%
Total Net Assets	100.00%	100.00%

At the reporting date, the financial assets that were exposed to credit risk are summarised in the Statement of Financial Position.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with its financial liabilities.

The Investment Manager manages the Fund's liquidity positions on a daily basis.

The following table details the Fund's liquidity analysis for its financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the financial liabilities that settle on a net basis and the undiscounted gross cash outflows on those financial liabilities that require gross settlement.

31/12/2018

	Less than 1 year	1 - 5 years	over 5 years	Total Fair Value
	USD	USD	USD	USD
Cash due to brokers and counterparties for open derivative positions	-1,017.69	-	-	-1,017.69
Financial Derivative Instruments	-1,261,478.73	-	-	-1,261,478.73
Amounts payable on Units redeemed	-1,225,158.68	-	-	-1,225,158.68
Other liabilities	-196,442.23	-	-	-196,442.23
Net assets owing to Unitholders	-238,711,723.60	-	-	-238,711,723.60
Total liabilities	-241,395,820.93	-	-	-241,395,820.93

31/12/2017

	Less than 1 year	1 - 5 years	over 5 years	Total Fair Value
	USD	USD	USD	USD
Bank overdraft	-18,491,342.12	-	-	-18,491,342.12
Financial Derivative Instruments	-1,122,780.06	-	-	-1,122,780.06
Amounts payable on Units redeemed	-478,068.27	-	-	-478,068.27
Other liabilities	-734,681.57	-	-	-734,681.57
Net assets owing to Unitholders	-861,747,854.95	-	-	-861,747,854.95
Total liabilities	-882,574,726.97	-	-	-882,574,726.97

10. Related Party Disclosures

FRS 102 "Related Party Disclosures" requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Up until 1 March 2018, the Management Company of the Trust was Allianz Global Investors Ireland Limited (the "outgoing Management Company"), the Management Company by virtue of the Trust Deed. With effect from 1 March 2018, Carne Global Fund Managers (Ireland) Limited (the "incoming Management Company") replaced Allianz Global Investors Ireland Limited as Management Company of the Trust. Both outgoing and incoming Management Companies are related parties for the purposes of the Related Party Disclosures.

The Investment Manager, Allianz Global Investors GmbH, by virtue of its investment management agreement with Allianz Global Investors Ireland Limited, acting on behalf of the Trust, is a related party for the purposes of the Related Party Disclosures. The Distributor is also a related party for the purposes of the Related Party Disclosures. The Investment Manager and Distributor fees for the period ended 31 December 2018 are borne by the Investment Manager. The Investment Manager and Distributor fees for the year ended 31 December 2017 were borne by the outgoing Management Company.

The All-in-Fee for the period from 1 January 2018 until 31 December 2018 was USD 4,300,334.45 (period ended 31 December 2017: USD 7,101,004.95) of which USD 196,442.23 was payable as at 31 December 2018 (31 December 2017: 734,681.57). Please refer to Note 2 Fee Structure for a detailed explanation of the All-in-Fee.

The Investment Manager paid the Directors' fees and company secretary fees for the period ended 31 December 2018. The outgoing Management Company paid the Directors' fees and company secretary fees for the year ended 31 December 2017.

Teddy Otto, director of the outgoing Management Company and the incoming Management Company, is an employee of Carne Global Financial Services Limited which provided fund governance services and acts as company secretary to the outgoing Management Company and acts as company secretary to the incoming Management Company.

Michael Hartmann, director of the outgoing Management Company, is also Managing Director and Head of Operations Europe of Allianz Global Investors GmbH.

Markus Nilles, director of the outgoing Management Company, was also a member of the board of management of Allianz Global Investors Luxembourg S.A. until it became a branch and is a Director and Head of Product Administration of Allianz Global investors GmbH.

Jim Cleary, Markus Nilles, Teddy Otto and Michael Hartmann did not hold any Units in the Fund during the financial year ended 31 December 2018 and financial year ended 31 December 2017.

A full list of the Directors of Carne Global Fund Managers (Ireland) Limited is disclosed in the Directory.

All disclosures required by FRS 102 "Related Party Disclosures" have been made in the Financial Statements.

11. Soft Commissions and Directed Brokerage

The Investment Manager uses certain goods and services, which assist in the management of the Fund's investments and which are paid for certain brokers. These services may include, for example, research and analysis of the relevant merits of individual issuers or markets or use of the computer and other information facilities. In return, the Investment Manager places business with those brokers, including transactions relating to the Fund's investments. The Investment Manager has satisfied itself that it obtains best execution on behalf of the Fund and that these arrangements are to benefit of the Fund. The Fund did not enter into any soft commission arrangements or directed brokerage arrangements during the period under review or prior period.

12. Significant Events during the period

A revised Prospectus was issued on 1 March 2018 to reflect the change in Management Company from Allianz Global Investors Ireland Limited to Carne Global Fund Managers (Ireland) Limited.

A revised Prospectus was issued on 30 April 2018. The updates include a change in transfer agent to International Financial Data Services (Ireland) Limited; amended minimum investment levels for P/PT shares, change in auditor from KPMG to PricewaterhouseCoopers, change of pricing methodology from BID to MID and the implementation of several housekeeping changes.

Mr. Dennis Murray was appointed to the Board of Directors of the incoming Management Company on 25 April 2018 and Ms. Yvonne Connolly resigned from the Board of Directors of the incoming Management Company on 31 May 2018.

Mr William Blackwell resigned as a director of the incoming Management Company effective 31 July 2018. Mr. Kevin Nolan was appointed to the Board of Directors of the incoming Management Company on 29 August 2018.

There have been no other significant events affecting the Trust during the period ended 31 December 2018.

13. Subsequent Events

A revised Prospectus was issued on 22 March 2019. The updates included minor housekeeping changes, Investor Profile changes to align to market standards regarding MiFID II language, and added the UK to the list of recognized markets where necessary.

There have been no other significant events affecting the Trust since 31 December 2018.

14. Approval of Financial Statements

The Financial Statements were approved by the Directors of the Management Company on 26 April 2019.

Report of the Management Company

Report in the name of Carne Global Fund Managers (Ireland) Limited, as Management Company in place at 26 April 2019

Statement of Management Company's responsibilities

The Management Company is responsible for preparing the financial statements of the Sub-Funds of the Trust, in accordance with the Unit Trusts Act 1990, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank UCITS Regulations").

Irish law requires the Management Company of the Trust to prepare financial statements for each sub-fund for each financial year. The Management Company has elected to prepare the financial statements in accordance with applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements of each of the sub-funds of the Trust are required to give a true and fair view of the assets, liabilities and financial position of each sub-fund of the Trust and of their change in net assets attributable to holders of redeemable participating units for that period. In preparing these financial statements, the Management Company:

- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable Accounting Standards have been followed; and
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that each of the subfunds of the Trust will continue in business.

The Management Company is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of each of the sub-funds of the Trust and enable it to ensure that the financial statements comply with the UCITS Regulations and the Central Bank UCITS Regulations. It has general responsibility for taking such steps as are reasonably open to it to prevent and detect fraud and other irregularities.

Connected Persons

Regulation 41 of the Central Bank UCITS Regulations "Restrictions of transactions with connected persons" states that "A responsible person shall ensure that any transaction between a UCITS and a connected person is conducted a) at arm's length; and b) in the best interest of the Unitholders of the UCITS". As required under Central Bank UCITS Regulations 78.4, the Directors of the Management Company, as responsible persons are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 41(1) are applied to all transactions with a connected person; and all transactions with a connected persons that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 41(1).

Auditors

The independent auditors, PricewaterhouseCoopers have been appointed as statutory auditors of the Trust for the financial year ended 31 December 2018.

Significant Events during the period

A revised Prospectus of the Trust was issued on 1 March 2018, to reflect the change in Management Company from Allianz Global Investors Ireland Limited to Carne Global Fund Managers (Ireland) Limited.

A revised Prospectus was issued on 30 April 2018. The updates include a change in transfer agent to International Financial Data Services (Ireland) Limited; amended minimum investment levels for P/PT shares, change in auditor from KPMG to PricewaterhouseCoopers and the implementation of several housekeeping changes.

Mr. Dennis Murray was appointed to the Board of Directors of the incoming Management Company on 25 April 2018 and Ms. Yvonne Connolly resigned from the Board of Directors of the incoming Management Company on 31 May 2018. Mr William Blackwell resigned as a director of the incoming Management Company effective 31 July 2018. Mr. Kevin Nolan was appointed to the Board of Directors of the incoming Management Company on 29 August 2018.

There were no other significant events affecting the Trust during the year.

Subsequent Events

A revised Prospectus was issued on 22 March 2019. The updates included minor housekeeping changes, Investor Profile changes to align to market standards regarding MiFID II language, and added the UK to the list of recognized markets where necessary.

There were no other significant events affecting the Trust since 31 December 2018.

Carne Global Fund Managers (Ireland) Limited

26 April 2019

Depository's Report to the Unitholders

Report of the Depository to the Unitholders

We have enquired into the conduct of the Management Company in respect of the Trust for the year ended 31 December 2018, in our capacity as Depository to the Trust.

This report including the opinion has been prepared for and solely for the Unitholders in the Trust, in accordance with Regulation 34, (1), (3) and (4) in Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ('the UCITS Regulations'), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depository

Our duties and responsibilities are outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Trust in each annual accounting period and report thereon to the Unitholders.

Our report shall state whether, in our opinion, the Trust has been managed in that period in accordance with the provisions of the Trust Deed and the UCITS Regulations. It is the overall responsibility of the Management Company to comply with these provisions. If the Management Company has not so complied, we, as Depository, must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depository Opinion

The Depository conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Trust has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Trust's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Trust has been managed during the year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Management Company and the Depository by the Trust Deed, by the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 ('the Central Bank UCITS Regulations'); and

(ii) otherwise in accordance with the provisions of the Trust Deed and the UCITS Regulations and the Central Bank UCITS Regulations.

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

26 April 2019

Independent Auditor's Report to the Unitholders of Allianz Global Investors Fund VII

Report on the audit of the financial statements

Opinion

In our opinion, Allianz Global Investors Fund VII's financial statements:

- give a true and fair view of the Trust's assets, liabilities and financial position as at 31 December 2018 and of its results for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Irish law); and
- have been properly prepared in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 31 December 2018;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Movement in Net Assets for the year then ended;
- the Investment Portfolio as at 31 December 2018; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the manager for the financial statements

As explained more fully in the Statement of Management Company's responsibilities set out on page 43, the manager is responsible for the preparation of the financial statements in accordance with the applicable framework giving a true and fair view.

The manager is also responsible for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the manager intends to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the unitholders as a body in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

29 April 2019

Note for Investors in Switzerland (Unaudited)

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 KIID, 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 at 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 at 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 an 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 investment funds; 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 investment funds 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 investment fund 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 investment fund.

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 Switzerland is at the registered office of the Representative in Switzerland.

Note for Investors in the Republic of Austria (Unaudited)

In relation to Allianz Emerging Markets Bond Fund, the Management Company has notified the Finanzmarktaufsichtsbehörde in Austria according to Section 140 of the Investment Funds Act. Allianz Investment Bank AG will act as paying and representation agent in Austria according to Section 186 Paragraph 2 line 2 of the Investment Funds Act.

Requests for the redemption of Units can be submitted to the Austrian paying and representation agent at the following address:

Allianz Investment Bank AG
Hietzinger Kai 101 105
1130 Vienna
Austria.

The Prospectus, the Key Investor Information Document, the Trust Deed, the annual and semi-annual reports of the Fund and the Subscription Prices and Redemption Prices of the Units as well as other information and documents relating to the Funds can be obtained from the Austrian paying and representation agent free of charge. Before acquiring Units of the Fund(s), investors are recommended to check that the required fiscal data for the relevant Class(es) of Units are published via Oesterreichische Kontrollbank.

Note for Investors in the Federal Republic of Germany (Unaudited)

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 <https://de.allianzgi.com>.

Any announcements to Unitholders are published in the Börsen- Zeitung (published in Frankfurt/Main) and on the website <https://de.allianzgi.com>. 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 the following website: <https://regulatory.allianzgi.com>. 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 Company or a Fund or the liquidation of the Company 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 Central Bank UCITS 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: <https://de.allianzgi.com>. 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 the following website: <https://regulatory.allianzgi.com>.

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.

Neither the Management Company, the Administration Company, the Registrar and Transfer Agent nor the Distributors or paying or information agents shall be liable for any errors or omissions in the published prices.

Note for Investors in the United Kingdom (Unaudited)

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 or converted may also apply in writing to the UK Distributor and Facilities Agent and should include the duly completed application or redemption or conversion request form as appropriate or such other written notification specified by the UK Distributor and Facilities Agent.

Furthermore, the Subscription and Redemption Prices 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 unit classes 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.

Directory

Board of Directors of the Management Company

Management Company

Allianz Global Investors Ireland Limited
(until 28 February 2018)

2nd Floor, Block E
Iveagh Court
Harcourt Road
Dublin 2
Ireland

Mr. Teddy Otto

Mr. Jim Cleary*

Mr. Michael Hartmann

Mr. Markus Nilles (Chairman)

* Independent Director

Carne Global Fund Managers (Ireland)
Limited (since 1 March 2018)

2nd Floor, Block E
Iveagh Court
Harcourt Road
Dublin 2
Ireland

Ms. Elizabeth Beazley

Mr. Michael Bishop*

Mr. William Blackwell (resigned 31 July
2018)

Mr. Neil Clifford (Chairman)

Ms. Yvonne Connolly (resigned 31 May
2018)

Mr. Teddy Otto

Mr. Dennis Murray (appointed 25 April
2018)

Mr. Kevin Nolan (appointed 29 August
2018)

* Independent Director

Legal Advisor

Arthur Cox
10 Earlsfort Terrace
Dublin 2
Ireland

Chartered Accountants and Statutory Audit Firm

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Investment Managers

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

Sub-Investment Managers

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

2100 Ross Avenue, Suite 700
Dallas
Texas 75201
USA

600 West Broadway, 31st Floor
San Diego
California 92101
USA

555 Mission Street, Suite 1700
San Francisco
California 94105
USA

Allianz Global Investors Asia Pacific Limited

27/F, ICBC Tower
3 Garden Road, Central
Hong Kong

Depository

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

RBC Investor Services Ireland Limited
(until 27 April 2018)
George's Quay House
43 Townsend Street
Dublin 2
Ireland

International Financial Data Services
(Ireland) Limited (since 28 April 2018)
Bishops Square
Redmond's Hill
Dublin 2
Ireland

Distributors, Paying Agents, Representatives, Facilities Agents and Information Agents¹

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
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 GmbH¹
Bockenheimer Landstraße 42–44
60323 Frankfurt/Main
Germany

Hungary

Facilities Agent

European Investment Centre, o.c.p., a.s.
Tomasikova 64 SK-831 04 Bratislava
Slovak Republic
SK-831 04 Bratislava
Slovak Republic

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

¹ 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.

The Management Company notified the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) of its intention to market Units of the Funds in Germany.

The rights resulting from the notification have not lapsed.

Appendix 1: UCITS V Remuneration Policy (Unaudited)

The European Union Directive 2014/91/EU as implemented in Ireland by S.I. No. 143/2016 - European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016, requires management

companies to establish and apply remuneration policies and practices that promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the UCITS.

Disclosures relating to employee remuneration (all figures in EUR) of Allianz Global Investors GmbH for the financial year from 01/01/2018 to 31/12/2018

The following table shows the total amount of remuneration paid in the past financial year, divided into fixed and variable components. It is also broken down by members of management, risk takers, employees in controlling positions

and employees whose total remuneration puts them into the same remuneration category as members of management and risk takers.

Number of employees 1,718

		thereof Risk Taker	thereof Board Member	thereof Other Risk Taker	thereof Employees with Control Function	thereof Employees with Comparable Compensation
Fixed remuneration	152,084,831	8,487,988	1,962,234	405,616	1,226,734	4,893,404
Variable remuneration	119,079,444	28,858,193	12,335,788	323,424	4,789,449	11,409,531
Total remuneration	271,164,275	37,346,181	14,298,022	729,040	6,016,183	16,302,935

Setting the remuneration

Allianz Global Investors GmbH is subject to the supervisory requirements applicable to investment management companies with regard to structuring the remuneration system. Company management is usually responsible for decision-making about employee remuneration. Decisions about the remuneration of the management itself are taken by the shareholder.

The company has set up a remuneration committee to perform the duties required by law. This committee consists of two members of the company's Supervisory Board, each of whom is appointed by the Supervisory Board.

Working in close cooperation with the Risk Management and the Legal & Compliance departments as well as with external advisors and in conjunction with the management, the Human Resources department has developed the company's remuneration policy. This remuneration policy applies to the company domiciled in Germany and to its European branches.

Risk takers

The following groups of employees were identified as risk takers: members of management, risk takers and employees in controlling positions (as identified in current organisation charts and job profiles and as assessed in terms of the influence on the risk profile) as well as all employees whose total remuneration puts them into the same remuneration category as members of management and risk takers and whose activities have a significant effect on the risk profiles of the company and the investment funds managed by it.

Remuneration structure

The deferred portions increase in line with the level of the variable remuneration. Half of the deferral is tied to the performance of the company, and the other half is invested in the funds we manage. The amounts ultimately distributed depend on the company's business performance or the performance of certain investment funds over several years.

In addition, the deferred remuneration elements may be withheld under the terms of the plan.

The primary components of monetary remuneration are the base salary, which typically reflects the scope, responsibilities and experience required in a particular role, and an annual variable remuneration.

The size of the company-wide pool for variable remuneration will depend on the company's business performance and risk position and will, therefore, vary every year. The distribution of specific sums to individual employees will depend on the performance of the employees and their teams during the relevant period under review.

Variable remuneration includes an annual cash bonus that pays out following the end of the financial year. In the case of members of staff whose variable remuneration exceeds a certain threshold, a substantial portion of the annual variable remuneration is deferred for a period of three years.

Performance evaluation

The level of pay awarded to employees is linked to both qualitative and quantitative performance indicators.

In the case of investment managers, whose decisions make a real difference to achieving our clients' investment goals, quantitative indicators are aligned around sustainable investment performance. In particular for portfolio managers, the quantitative element is aligned with the benchmarks of the client portfolios they manage or with the client's stated return expectations, measured over one-year and three-year time periods.

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

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

Risk avoidance

Allianz Global Investors GmbH has comprehensive risk reporting in place, which covers both current and future risks of our business activities. Risks which exceed the organisation's risk appetite are presented to our Global Remuneration Committee, which will decide, if necessary, on adjustments to the total remuneration pool.

Individual variable remuneration may be reduced or withheld in full if employees violate our compliance policies or take excessive risks on behalf of the company.

Annual review and material changes to the remuneration system

The Remuneration Committee did not find any irregularities during the annual review of the remuneration system, including a review of the existing remuneration structures as well as implementation of the regulatory requirements and compliance with them. In the course of this centralised and independent review, it was also found that the remuneration policy had been implemented in accordance with the remuneration regulations stipulated by the Supervisory Board. Furthermore, there were no material changes made to the remuneration policy in the past financial year.

Disclosures relating to Carne Global Fund Managers (Ireland) Limited remuneration policy

To that effect, Carne Global Fund Managers (Ireland) Limited ("the Manager"), has implemented a remuneration policy that applies to all UCITS for which the Manager acts as manager (the "Remuneration Policy") and covers all staff whose professional activities have a material impact on the risk profile of the Manager or the UCITS it manages ("Identified Staff"). The Remuneration Policy also applies to all alternative investment funds for which the Manager acts as alternative investment fund manager. In accordance with the Remuneration Policy, all remuneration paid to Identified Staff can be divided into:

- Fixed remuneration (payments or benefits without consideration of any performance criteria); and
- Variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria) which is not based on the performance of the UCITS.

The Manager has designated the following persons as Identified Staff:

1. The Designated Persons;
2. Each of the Directors;
3. Compliance Officer;
4. Risk Officer; and
5. Chief Operating Officer.

The Manager has a business model, policies and procedures which by their nature do not promote excessive risk taking and take account of the nature, scale and complexity of the Manager and the UCITS. The Remuneration Policy is designed to discourage risk taking that is inconsistent with the risk profile of the UCITS and the Manager is not incentivised or rewarded for taking excessive risk.

The Manager has established a remuneration committee to oversee the implementation of the remuneration arrangements and to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk (the "Remuneration Committee"). The Remuneration Committee consists of at least two directors, the compliance officer, internal legal counsel and such other individuals as the Board may appoint from time to time.

The Manager's parent company is Carne Global Financial Services Limited ("Carne"). Carne operates through a shared services organisational model which provides that Carne employs all staff and enters into inter-group agreements with other Carne Group entities within the group to ensure such entities are resourced appropriately. Each of the Identified Staff, other than one non-executive independent director, are employed and paid directly by Carne and remunerated based on their contribution to the Carne Group as a whole. In return for the services of each of the Carne Identified Staff, the Manager pays an annual staff recharge to Carne (the "Staff Recharge").

The non-executive independent director is paid a fixed remuneration and each other Identified Staff member's remuneration is linked to their overall individual contribution to the Carne Group, with reference to both financial and non-financial criteria and not directly linked to the performance of specific business units or targets reached or the performance of the UCITS.

The aggregate of the total Staff Recharge and the remuneration of the independent non-executive director is EUR1,331,000 paid to 12 individuals for the year ended 31 December 2018. The Manager has also determined that, on the basis of number of sub-funds / net asset value of the UCITS relative to the number of sub-funds / assets under management, the portion of this figure attributable to the UCITS is EUR9,760.

There have been no material changes made to the Remuneration Policy or the Manager's remuneration practices and procedures during the financial year.

Appendix 2: Securities Financing Transactions Regulations (Unaudited)

Annex according to Regulation (EU) 2015/2365 with regards to Securities Financing Transactions and Total Return Swaps

This Fund did not invest in any securities financing transactions pursuant to Regulation (EU) 2015/2365 during the reporting period, therefore there is no information on this type of transaction.

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