

COMMON TERMS OF THE PROPOSED MERGER OF

Rogge Selective Global High Yield Bond Fund

(a sub-fund of Rogge Funds plc)

INTO

Allianz Selective Global High Yield

(a sub-fund of Allianz Global Investors Fund)

20 March 2019

DEFINITIONS

AGIF Depositary means State Street Bank Luxembourg S.C.A.;

AGIF Registrar and Transfer Agent means State Street Bank Luxembourg S.C.A.;

AGIF Shareholder means a holder of New Shares in the Receiving Fund;

Central Bank means the Central Bank of Ireland and any successor thereto;

Constitutional Document means the memorandum and articles of association of Rogge Funds plc or the articles of incorporation of Allianz Global Investors Fund, as appropriate;

CSSF means the Commission de Surveillance du Secteur Financier and any successor thereto;

Directors means the directors of Rogge Funds plc unless otherwise stated;

Effective Date is 4 June 2019 or such later date as may be notified to Rogge Shareholders at the time of the notification of the outcome of the Meeting;

Exchange Ratio means the number of New Shares which a Rogge Shareholder participating in the Merger will receive in the Receiving Fund in exchange for and having an equivalent value to their holding of Existing Shares;

Existing Shares means shares in the Merging Fund held by an Rogge Shareholder;

Independent Auditor means an auditor approved in accordance with Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts;

Luxembourg Law means the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended from time to time;

Meeting means the extraordinary general meeting of the Merging Fund to be held on 12 April 2019;

Merger means the proposed merger of the Merging Fund with the Receiving Fund, pursuant to a scheme of reconstruction, as more particularly described in the Rogge Circular;

Merging Fund means the Rogge Selective Global High Yield Bond Fund, a sub-fund of **Rogge Funds plc** which is to merge with the Receiving Fund;

New Shares means shares in the Receiving Fund to be issued to an Rogge Shareholder under the Merger in exchange for their holding of Existing Shares;

Prospectus means the prospectus of Rogge Funds plc or Allianz Global Investors Fund, as appropriate;

Receiving Fund means Allianz Selective Global High Yield, a sub-fund of Allianz Global Investors Fund, which is to receive the Merging Fund;

Regulations means the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations 2011, as amended and includes any relevant notices and guidelines issued by the Central Bank pursuant to the Regulations;

Resolution means the special resolution to approve and adopt the Merger to be considered at the Meeting;

Rogge means Rogge Funds plc;

Rogge Administrator means State Street Fund Services (Ireland) Limited;

Rogge Circular means the circular to be issued to Rogge Shareholders in relation to the Merger;

Rogge Depositary means State Street Custodial Services (Ireland) Limited;

Rogge Shareholder means a holder of Existing Shares in the Merging Fund;

UCITS mean an undertaking for collective investment in transferable securities authorised pursuant to the Regulations;

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

Valuation Point means 10:00am (UK time) on the Effective Date.

1. THE TYPE OF MERGER AND THE FUNDS INVOLVED

1.1. Type of merger

The type of merger proposed is that set out in sub-section (c) of the definition of "merger" in Part 1, section 3(1) of the Regulations (corresponding to article 2(1)(p)(iii) of the UCITS Directive), being a merger whereby one or more UCITS or sub-funds thereof, which continue to exist until their liabilities have been discharged, transfer their net assets to another sub-fund of the same UCITS, to a UCITS which they form or to another existing UCITS or sub-fund thereof.

1.2. Funds involved

The Merging Fund is a sub-fund of Rogge Funds plc which is established as an open-ended umbrella investment company with segregated liability between sub-funds and is authorised in Ireland by the Central Bank as a UCITS pursuant to the Regulations.

The Receiving Fund is a sub-fund of Allianz Global Investors Fund which is established in the form of a *société anonyme* qualifying as a *société d'investissement à capital variable* (SICAV) and is authorised in Luxembourg by the CSSF as a UCITS pursuant to the Luxembourg Law.

1.3. Verification

In accordance with regulation 59 of the Regulations (corresponding to article 41 of the UCITS Directive), the Rogge Depositary and AGIF Depositary will each, in respect of the Merging Fund and the Receiving Fund respectively, provide written verification of the type of merger referred to at 1.1 above, to the Central Bank.

2. BACKGROUND TO AND RATIONALE FOR THE MERGER

The Board of Directors of both the Company and the SICAV have approved the proposal of Allianz Global Investors GmbH, the investment manager of the Merging Fund and Receiving Fund (the "Investment Manager"), to merge the Merging Fund and the Receiving Fund. This will streamline the product offering in the fixed income space and offer investors the opportunity to keep invested in an attractive strategy within the product category.

The Scheme will also result in better economies of scale in the long term and greater levels of operational efficiency. Moreover, higher levels of operational efficiency will likely be realised as a consequence of reduced operational and administrative burden. It is also expected that the Scheme will result in a greater number of distribution opportunities for the Receiving Fund, which would increase subscriptions and ensure economies of scale and greater shareholder diversification.

3. EXPECTED IMPACT OF THE MERGER ON ROGGE SHAREHOLDERS AND AGIF SHAREHOLDERS

3.1. In the event that the Merger is approved by the Rogge Shareholders, the Rogge Shareholders will receive New Shares in accordance with the terms set out herein.

3.2. Allianz Global Investors Fund is domiciled in Luxembourg and is regulated by the CSSF pursuant to Part I of the Luxembourg Law. Rogge Funds plc is domiciled in Ireland and is regulated by the Central Bank pursuant to the Regulations. Rogge Funds plc is established as an investment company with variable capital. Allianz Global Investors Fund is established in the form of a *société anonyme* qualifying as a *société d'investissement à capital variable* (SICAV). Allianz Global Investors Fund has appointed the AGIF Depositary and (through its management company, Allianz Global Investors GmbH.) the AGIF Registrar and Transfer Agent as its depositary and administrator respectively and Rogge Funds plc has appointed the Rogge Depositary and (through its management company, Carne Global Fund Managers (Ireland) Limited) the Rogge Administrator as its depositary and administrator respectively. Allianz Global Investors Fund has an accounting year end of 30 September and

Rogge Funds plc has an accounting year end of 31 December. Each of the Merging Fund and the Receiving Fund has the same investment manager. Allianz Global Investors Fund and Rogge Funds plc each has a different board of directors and have appointed auditors in Luxembourg and Ireland, respectively. The synthetic risk and reward indicator (“**SRRI**”) which is set out in the key investor information document for a UCITS is a measure of a fund’s volatility. The SRRI for the Merging Fund and the Receiving Fund is 3. Both the Merging Fund and the Receiving Fund are suitable for investors seeking capital growth.

3.3. **Merging Fund**

3.3.1. **Impact on assets of the Merging Fund**

The Merger will involve the delivery and/or transfer of the net assets of the Merging Fund to the AGIF Depository to be held on behalf of the Receiving Fund in exchange for the issue of New Shares in the Receiving Fund to Rogge Shareholders on the Effective Date.

3.3.2. **Impact on holding**

Under the terms of the Merger, Rogge Shareholders will receive New Shares having an equivalent value to their holding of Existing Shares on the Effective Date. Rogge Shareholders holding fractions of Existing Shares will receive fractions of New Shares in the Receiving Fund. Appendix I contains a table setting out the proposed New Share classes to be issued in respect of each Existing Share class.

The net asset value of the Merging Fund on the Effective Date will be calculated in accordance with the valuation methodology of Rogge Funds plc as set out in its Prospectus and Constitutional Document. The net asset value of the Receiving Fund on the Effective Date and following the delivery and/or transfer of the net assets of the Merging Fund to the Receiving Fund will be calculated in accordance with the valuation methodology of Allianz Global Investors Fund as set out in its Prospectus and Constitutional Document. The net asset value of the Merging Fund and the Receiving Fund will not be known until after the Effective Date.

3.3.3. **Impact on performance of Merging Fund**

On the basis that the investment objective and policies of the Merging Fund and the Receiving Fund are similar, the Merger should not alter the performance experienced by Rogge Shareholders. The Merging Fund will not bear the legal, advisory or administrative costs of the Merger and these will be borne by the Investment Manager. As the investment objective and policies of the Merging Fund and the Receiving Fund are similar, and the portfolio of assets of the Merging Fund comprises eligible assets for the purposes of the portfolio of assets which can be held by the Receiving Fund, it is not expected that any repositioning of the portfolio of the Merging Fund will be required before the Merger can become effective.

3.3.4. **Impact on rights of Rogge Shareholders**

The Merging Fund is an existing sub-fund in an Irish UCITS authorised by the Central Bank and the Receiving Fund is an existing sub-fund in a Luxembourg UCITS authorised by the CSSF. A table setting out the shares to be received by holders of Existing Shares is contained in Appendix I. The New Shares will operate in a similar way as the Existing Shares as regards subscriptions, redemptions, conversions and payment of distributions, however the Merging Fund has a shorter settlement cycle for subscriptions and redemptions. The Rogge Circular seeking Rogge Shareholders' approval of the Merger, will include details of the principal differences and principal similarities between the Merging Fund and the Receiving Fund. Rogge Shareholders will be advised to consult their own professional advisers as to the tax implications of the Merger.

It is not expected that there will be any material difference in the rights of Rogge Shareholders before

and after the Merger takes effect.

3.3.5. Impact on tax status of Merging Fund and tax treatment for Rogge Shareholders

If the Merger is approved by the Rogge Shareholders, the exchange and cancellation of the Existing Shares in return for the issue of New Shares shall not give rise to an Irish tax liability for the Rogge Shareholders. In the event that New Shares are subsequently disposed of by the Rogge Shareholders, Irish tax legislation would deem such New Shares to have been acquired at the date and at the price that the Existing Shares were originally acquired. If the Rogge Shareholders request the repurchase of their Existing Shares, this would constitute a taxable event for Irish tax purposes and would be subject to the same tax consequences as any disposal of shares in Rogge Funds plc.

Following the Merger, no Irish tax should arise for the Rogge Shareholders which are non-Irish tax resident in respect of their New Shares and Irish tax declarations will no longer be required.

The substantive Irish tax treatment for Rogge Shareholders who are Irish tax resident or ordinarily resident will remain the same, following the Merger. Rogge Shareholders who are Irish tax resident or ordinarily resident (and not exempt investors) will continue to be subject to Irish tax at the rate of 41% where the Rogge Shareholder is not a company or 25% where the Rogge Shareholder is a company (and the income is not taken into account as a receipt of a trade carried on by that Rogge Shareholder). However, there are some key differences:

- The Rogge Shareholders will be required to self-account for the Irish tax on distributions and redemptions in their own Irish tax returns each year. Historically, the Merging Fund would have deducted the Irish tax as exit tax and paid it to the Irish Revenue Commissioners on the Rogge Shareholders' behalf. This will no longer be the case.
- The 8 year deemed disposal rule will continue to apply and the Rogge Shareholders will be required to self-account for Irish tax every eight years. The 8 year period is calculated by reference to the original date of acquisition of the Existing Shares by the Rogge Shareholders.
- The Rogge Shareholders will be obliged to deliver a tax return to the Irish Revenue Commissioners in the year in which they acquire the New Shares. The return will need to include the name and address of the Receiving Fund and a description of the New Shares acquired (including the cost to the Rogge Shareholder).

Rogge Shareholders who are Irish tax resident or ordinarily resident should obtain tax advice in relation to holding the New Shares to ensure that they submit their tax returns correctly each year.

No stamp duty, documentary, transfer or registration tax would be payable in Ireland by the Rogge Shareholders on the disposal of their Existing Shares or on the issuance of New Shares.

3.3.6. General

Neither the Existing Shares nor the New Shares are or will be listed on a stock exchange.

The Receiving Fund is registered for sale in in each EU member state in which the Merging Fund is registered for sale.

In addition to this document containing details of the common terms of merger, the Rogge Shareholders will receive the Rogge Circular containing details of the Merger and details of the extraordinary general

meeting to be held to allow Rogge Shareholders to vote on the Merger. The Rogge Circular will also contain details of the rights of Rogge Shareholders to request a repurchase of their shares in the Merging Fund, as the case may be, at no cost (other than those retained to cover disinvestment costs), such right to be exercisable from the date of issue of the Rogge Circular up to 10.00am (Irish time) on 23 May 2019.

Rogge Shareholders must satisfy all anti-money laundering requirements pursuant to relevant anti-money laundering legislation in order to participate in the Merger.

3.3.7. After the Effective Date

If the Resolution to approve the Merger is passed, the Merger will be binding on all Rogge Shareholders on the register of members of the Merging Fund on the Effective Date. Consequently Rogge Shareholders will be issued New Shares without any further action on their part, whether or not they voted in favour of the Merger or voted at all.

Rogge Shareholders who do not wish to take part in the Merger must submit a redemption request by the final redemption date prior to the Effective Date in order to have their shares in the Merging Fund redeemed.

On implementation of the Merger, the Merging Fund shall cease operations on the first business day following the Effective Date. Following this date, Rogge Funds plc will fully wind-up all the affairs of the Merging Fund in accordance with the terms of its Constitutional Document and the requirements of the Central Bank.

3.4. Receiving Fund

3.4.1. Impact on assets of Receiving Fund

The Merger will involve the delivery and/or transfer of the net assets of the Merging Fund to the AGIF Depository to be held on behalf of the Receiving Fund. The Receiving Fund will not bear the legal, advisory or administrative costs of the Merger and these will be borne by the Investment Manager.

3.4.2. Impact on shareholding of AGIF Shareholders

The merger does not cause any significant economic changes for investors in the Receiving Fund. Shareholders in the Receiving Fund have received a circular detailing the Merger.

3.4.3. After the Effective Date

See details set out at 3.3.7 above.

4. THE CRITERIA TO BE ADOPTED FOR THE VALUATION OF THE ASSETS ON THE DATE FOR CALCULATING THE EXCHANGE RATIO

As provided above, the net asset value of the Merging Fund on the Effective Date will be calculated on the Valuation Point in accordance with the valuation methodology of Rogge Funds plc as set out in its Prospectus and Constitutional Document. The net asset value of the Receiving Fund following the delivery and/or transfer of the net assets of the Merging Fund to the Receiving Fund will be calculated in accordance with the valuation methodology of Allianz Global Investors Fund as set out in its Prospectus and Constitutional Document. The valuation methodology for the assets of the Merging Fund is substantially similar to that of the Receiving Fund. The net asset value of the Merging Fund will not be known until after the Effective Date.

For the avoidance of doubt, the New Shares to be issued to Shareholders will be calculated in accordance with the exchange ratio outlined below.

5. THE CALCULATION METHOD FOR THE EXCHANGE RATIO

The number of New Shares to be issued to each Shareholder will be calculated using the exchange ratio below. Once the New Shares have been issued, the relevant Shares in the Merging Fund will then be cancelled.

$$S = \frac{R \times NAV}{SP}$$

where:-

S = the number of New Shares in the Receiving Fund that will be issued;

R = the number of Shares held by the Shareholder in the Merging Fund on the Effective Date;

NAV= the last net asset value per Share of the relevant Share Class in the Merging Fund calculated as at the Valuation Point on the Effective Date, calculated in accordance with the Constitutional Document of Rogge Funds plc;

SP= the initial issue price per New Share of the relevant New Share Class in the Receiving Fund. In accordance with the above provisions, Shareholders in the Receiving Fund will receive such number of New Shares as calculated in accordance with the exchange ratio above.

In accordance with Regulation 60 of the Regulations (corresponding to article 42 of the UCITS Directive), the Independent Auditor of the Merging Fund, PricewaterhouseCoopers, will validate the following: (a) the criteria adopted for the valuation on the assets and where applicable, the liabilities of the Merging Fund on the date for calculating the exchange ratio and; (b) the calculation method of the exchange ratio as well as the actual exchange ratio determined at that date for calculating that ratio. Following the Effective Date, the Independent Auditor of the Merging Fund, PricewaterhouseCoopers, will prepare a report with details of its findings in relation to the above which will be available on request and free of charge to both Rogge Shareholders and AGIF Shareholders. A copy of this report will also be available to the Central Bank.

No cash payment shall be made to the Rogge Shareholders in exchange for the assets.

6. THE EFFECTIVE DATE OF THE MERGER

Subject to the approval of the Central Bank, the Effective Date of the Merger is to be 00.01 am (Irish time) on 4 June 2019 or such later date as may be determined by the Directors and notified to the Rogge Shareholders in advance. Rogge Shareholders shall receive advance notification of any proposed change in the Effective Date. Such notification will be made in any manner which is described in the Rogge Circular or by any established communication method which Rogge Shareholders usually receive information in relation to Rogge Funds plc, as appropriate, including via regulatory announcements or electronic communication.

In accordance with Regulation 59 of the Regulations (corresponding to article 41 of the UCITS Directive), the Rogge Depositary and AGIF Depositary will each, in respect of Rogge Funds plc and Allianz Global Investors Fund respectively, provide written verification of the Effective Date to the Central Bank.

7. THE RULES APPLICABLE, RESPECTIVELY, TO THE TRANSFER OF ASSETS AND THE EXCHANGE OF EXISTING SHARES FOR NEW SHARES

All the net assets of the Merging Fund will be transferred to the Receiving Fund on the Effective Date in exchange for the issue of New Shares. Rogge Shareholders participating in the Merger will receive New Shares directly in exchange for their Existing Shares in accordance with the exchange ratio as set out above.

Rogge Shareholders participating in the Merger will receive written notification from the AGIF Registrar and Transfer Agent confirming their holding of New Shares within five (5) days of the Effective Date.

On the Effective Date, the Rogge Depositary will arrange to record the delivery and/or transfer of the net assets of the Merging Fund to the Receiving Fund by noting that, as and from the Effective Date, it holds all of such net assets (to include any cash or securities accounts) on behalf of the Receiving Fund.

Any taxes and duties, including transfer taxes and stamp duty, payable upon the acquisition by Allianz Global Investors Fund of the property of the Merging Fund, as a result of the implementation of the Merger, will be paid by the Receiving Fund. However, the transfer of the property of the Merging Fund pursuant to the Merger should not give rise to any charge to Irish stamp duty.

8. CONSTITUTIONAL DOCUMENT

In accordance with article 39 of the UCITS Directive, each of the Rogge Depositary and AGIF Depositary will provide written verification to the Central Bank that the provisions outlined above are in accordance with the provisions of the Constitutional Document of Rogge Funds plc and Allianz Global Investors Fund respectively, and the UCITS Directive.

SIGNED on behalf of
Rogge Funds plc

Vincent
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Signature

SIGNED on behalf of
Allianz Global Investors Fund

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Signature

**SIGNED on behalf of
Rogge Funds plc**

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Signature

**SIGNED on behalf of
Allianz Global Investors Fund**



Markus Nilles
Director
Signature Date: 11 March 2019



Dirk Raab
Director
Signature Date: 11 March 2019

APPENDIX I

List of New Share classes to be received in exchange for Existing Share classes

| Merging Fund | Receiving Fund |
|---|--|
| Rogge Selective Global High Yield Fund | Allianz Global Investors Fund - Allianz Selective Global High Yield |
| Share Class | Share Class |
| USD | PT9 (USD) |
| USD Zero management fee | PT3 (USD) |
| GBP Zero management fee Hedged | PT3 (H2-GBP) |
| Euro Hedged | PT9 (H2-EUR) |
| EUR Hedged Reporting | PT9 (H2-EUR) |