

**ANNOUNCEMENT**

of

Allianz Global Investors GmbH

**Important communication and further information for the shareholders**

of the UCITS funds

**Allianz Flexi Rentenfonds**

**Allianz Global Equity Dividend**

In its capacity as Management Company of the above UCITS fund, Allianz Global Investors GmbH has applied to the competent Federal Financial Supervisory Authority (BaFin) for a change to the “General Investment Terms and Conditions” and an amendment to the respective “Special Investment Terms and Conditions” of the above UCITS funds, which are to be explained below.

**1. The material amendments to the “General Investment Terms and Conditions”, which take effect from 31 December 2021, can be described as follows:**

The aforementioned amendments to the “General Investment Terms and Conditions” are based on the template agreed by the BVI and BaFin, which includes the adjustments to the German Investment Code (KAGB) in the version of the Fondsstandortgesetz (Fund Location Act, FoStoG) of 3 June 2021, the introduction of the liquidity management tools (LMT) as well as the adjustment to the Gesetz zur Einführung von elektronischen Wertpapieren (Electronic Securities Act, eWpG) of 3 June 2021)) for the above UCITS funds. In particular, the possibility of restricting redemption requests from unitholders, which has its legal basis in Section 98 KAGB, was newly introduced. In accordance with Section 98 Para. 1 b KAGB, a capital management company (CMC) may agree in the “General Investment Terms and Conditions” with the investor of the relevant fund that the fund’s right, anchored in Section 98 Para. 1 KAGB, to redeem units at least twice a month (the units of the UCITS funds named above by Allianz Global Investors may, in principle, be redeemed every trading day) may be restricted at short notice.

A prerequisite for this is that the redemption requirements of the investors in the fund in question exceed a pre-defined threshold above which the redemption requests can no longer be executed in the interests of all investors due to the liquidity situation of the assets of the fund in question. This measure may then not last for more than 15 consecutive working days.

The investment conditions of the relevant fund must therefore provide that, if a threshold value is exceeded, the CMC is only entitled to redeem the units on a pro rata basis at the redemption price applicable on the settlement date; otherwise, the redemption obligation no longer applies. This means that each redemption order in this case will only be executed pro rata basis on the basis of a ratio to be determined by the CMC.

The remaining part of the order that has not been executed will not be executed by Allianz Global Investors at a later date either, but will be cancelled completely.

In the event that CMC makes use of such a redemption restriction pursuant to Section 17 Para. 4 of the “General Investment Terms and Conditions”, it must also inform BaFin immediately of the activation and repeal of the restriction and also publish this on its website in the case of mutual funds.

It should also be noted that the redemption restriction described above is always used in the interest of the unitholders of the relevant fund. The restriction on redemption – which, as described above, is limited to 15 working days – puts the CMC in a position to maintain the possible redemption of shares on each exchange trading day for the time being and not to “close” the fund completely at the time of the redemptions due to the specific liquidity situation. A “complete closure” of the fund is always associated with a complete suspension of the redemption of units, which would make it no longer possible for any unitholder to redeem their units in the fund in question.

The amendments made in this context to the “General Investment Terms and Conditions” can be found in particular in Section 17 Para. 4 of the “General Investment Terms and Conditions” shown below.

The threshold value of all redemption requirements to be exceeded accordingly is specified in the respective “Special Investment Terms and Conditions” of the relevant UCITS fund.

Finally, numerous further editorial changes have been inserted in the “General Investment Terms and Conditions”, which do not, however, have any impact on the content of the contractual relationship between the Management Company and the respective unitholder. One such change in this context, see Sections 1 No. 2, 16 No. 1 “General Investment Terms and Conditions” - as part of the amendment to the Electronic Securities Act of 3 June 2021, is that it is now clarified that the units in the fund are made out to the bearer and either securitised in unit certificates or issued as electronic unit certificates. The securitised unit certificates must always be securitised in a collective certificate; no individual certificates will be issued.

## **2. The amendments to the respective “Special Investment Terms and Conditions”, which take effect from 31 December 2021, are described as follows:**

As defined in Section 17 Para. 4 of the amended “General Investment Terms and Conditions” of the above-mentioned UCITS funds, the “Special Investment Terms and Conditions” of those UCITS investment funds that are specifically to make use of the possibility of utilising redemption restrictions pursuant to Section 98 Para. (1b) KAGB are also to be supplemented. This new section “Redemption restrictions” clarifies that the Company has the option of restricting redemptions if the redemption requests from investors in the relevant fund should reach 10% of the net asset value of that fund on any one day.

The changes to the “Special Investment Terms and Conditions” of the UCITS funds named below are shown below:

- a) In the “Special Investment Terms and Conditions”, the following UCITS funds
  - Allianz Flexi Rentenfonds

will be added in Section 11 (Redemption requests), after Section 10 (Financial year), with the following wording:

**Section 10 Financial year**

[.....]

**Section 11 Redemption restrictions**

The Company may restrict the redemption of units if the investors' redemption requests reach at least 10% of the net asset value of the UCITS fund (threshold value).

b) In the “Special Investment Terms and Conditions”, the following UCITS funds

- Allianz Global Equity Dividend

will be added in Section 13 (Redemption requests), after Section 12 (Financial year), with the following wording:

**Section 12 Financial year**

[.....]

**Section 13 Redemption restrictions**

The Company may restrict the redemption of units if the investors' redemption requests reach at least 10% of the net asset value of the UCITS fund (threshold value).

Both the amended “General Investment Terms and Conditions” and the amended “Special Investment Terms and Conditions” of the above UCITS funds come into force with effect from **31 December 2021**.

The Federal Financial Supervisory Authority (BaFin) issued the approval to amend the “General Investment Terms and Conditions” and the “Special Investment Conditions” in a letter dated **7 October 2021**.

When the amended “General Investment Terms and Conditions” and “Special Investment Terms and Conditions” of the aforementioned UCITS funds go into effect on **31 December 2021**, an updated edition of the sales prospectus for the fund concerned shall also be published and shall be available online at <http://www.allianzglobalinvestors.de> or free of charge from the Company.

The Management Company

The full “General Investment Terms and Conditions” of the aforementioned UCITS funds, which are valid with effect from **31 December 2021** are shown below:

**General Investment Terms and Conditions**

for regulating the legal relationship between investors and

**Allianz Global Investors GmbH**, Frankfurt am Main

(“the Company”)

for the funds managed by the Company as defined in the UCITS Directive,

which only apply in connection

with the “Special Investment Terms and Conditions”

prepared for the respective UCITS fund special investment fund

**Section 1 General information**

1. The Company is a UCITS capital management company subject to the provisions of the Investment Code (Kapitalanlagegesetzbuch, KAGB).
2. The Company invests the money deposited with it in its own name for the joint account of the investors pursuant to the principle of risk diversification in assets permitted under the KAGB separately from its own assets, in the form of a UCITS fund. The resulting rights of investors are vested in global certificates. The purpose of the UCITS fund is limited to investing the monies entrusted to it in the context of collective asset management in accordance with a defined investment strategy; it is not permitted to perform an operational role or carry out active entrepreneurial management of the assets that it holds.
3. The legal relationship between the Company and the investors is governed by the General Investment Terms and Conditions (GITC) and Special Investment Terms and Conditions (SITC) of the UCITS fund (GITC and SITC are jointly referred to as the “Investment Terms and Conditions”) and the KAGB.

## **Section 2 Custodial office**

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

## **Section 3 Fund management**

1. The Company purchases and manages assets in its own name for the joint account of the investors with due and proper skill, probity, care and diligence. In performing its functions, the Company shall act independently of the custodial office and exclusively in the interests of investors.
2. The Company shall be entitled to use the funds invested by the investors to acquire assets, dispose of such assets, and reinvest the proceeds; the Company shall also be authorised to perform any other legal actions resulting from the management of the assets.

3. The Company may neither grant money loans nor enter into any obligations in connection with a contract of surety or guarantee for the joint account of the investors; it may not sell assets in accordance with sections 193, 194 and 196 KAGB which, at the time of conclusion of the transaction, are not held by the UCITS fund. Section 197 KAGB shall remain unaffected.

#### **Section 4 Investment principles**

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

#### **Section 5 Securities**

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

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

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<sup>1</sup> The "List of admitted stock exchanges and other organised markets pursuant to Section 193 Para. 1 Nos. 2 and 4 KAGB" is published on the BaFin website (<https://www.bafin.de>).

- d) their admission to official trading on a stock exchange or their admission to or inclusion in the organised market of a state outside the European Union or outside the signatory states to the Agreement on the European Economic Area has to be applied for under their terms of issuance, provided that the selection of this stock exchange or organised market has been permitted by BaFin and the admission or inclusion takes place within one year after their issuance,
- e) they are equities to which the UCITS fund is entitled within the framework of a capital increase from company reserves,
- f) they are acquired through the exercise of subscription rights belonging to the UCITS fund,
- g) they are units of closed-end funds which meet the requirements set out in section 193 (1) sentence 1 no. 7 KAGB,
- h) they are financial instruments which meet the requirements set out in section 193 sub-section 1 sentence 1 no. 8 KAGB.

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

### **Section 6 Money market instruments**

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

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

- a) are admitted to official trading on a stock exchange in a member state of the European Union, or in another signatory state to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states,
- b) are exclusively admitted to trading on a stock exchange outside the member states of the European Union or outside the other signatory states to the Agreement on the European Economic Area, or admitted to or included in another organised market in one of these states, provided that the selection

of this stock exchange or organised market has been permitted by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)<sup>2</sup>,

- c) are issued or guaranteed by the European Union, the German Federal Government, a Federal Government fund, a Federal State or Land of the Federal Republic of Germany, another member state or another central, regional or local authority or the central bank of a member state of the European Union, the European Central Bank or the European Investment Bank, a third state or, if such state is a federal state, a member state of this federal state or an international public-law institution of which at least one member state of the European Union is a member,
  - d) are issued by a company whose securities are traded on the markets described in paragraphs a) and b),
  - e) are issued or guaranteed by a credit institution which is supervised pursuant to criteria set by European Union law or by a credit institution which is subject to supervisory provisions which, in the opinion of the BaFin, are equivalent to those of European Union law and complies with these provisions, or
  - f) are issued by other issuers and these meet the requirements set out in section 194 Para. 1 sentence 1 No. 6 KAGB.
2. Money-market instruments within the meaning of sub-section 1 may only be acquired if they meet the requirements of section 194 (2) and (3) KAGB.

### **Section 7 Bank deposits**

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

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<sup>2</sup>See footnote 1



### **Section 8 Investment units**

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

### **Section 9 Derivatives**

1. Unless otherwise provided for in the SITC, the Company may, within the framework of the UCITS fund management, use derivatives within the meaning of Section 197 Para. 1 sentence 1 KAGB and financial instruments with a derivative element within the meaning of Section 197 Para. 1 sentence 2 KAGB. Depending on the type and volume of the derivatives and financial instruments with derivative elements it has used, it may use the simple or the qualified method according to the German Ordinance on Risk Management and Risk Assessment when Using Derivatives, Securities Lending and Repurchase Agreements in Investment funds under the Investment Code (KAGB) (Derivateverordnung, DerivateV) issued pursuant to Section 197 Para. 3 KAGB to calculate the degree to which the market risk limit for the use of derivatives under Section 197 Para. 2 KAGB has been exploited; details can be found in the Prospectus.
2. If the Company applies the simplified method, it may in general use for the UCITS fund the following basic types of derivatives, financial instruments with a derivative component or combinations of such derivatives and financial instruments with a derivative component which are admissible pursuant to Section 197 Para. 1 sentence 1 KAGB. Complex derivatives based on underlying securities which are permissible under Section 197 Para. 1 sentence 1 KAGB may only be used to a negligible extent. In this connection, the allocable value relating to the market risk for the UCITS fund, calculated in

accordance with section 16 of the Derivative Ordinance must at no time exceed the fund's net asset value.

Basic forms of derivatives are:

- a) Futures on the underlyings set out in section 197 (1) KAGB, apart from investment fund units pursuant to section 196 KAGB;
  - b) options or warrants on the underlyings set out in section 197 (1) KAGB, apart from investment fund units pursuant to section 196 KAGB and futures pursuant to a) above, provided that they have the following characteristics:
    - aa) they may be exercised either at any time during their term or at the end of their term;  
and
    - bb) the value of the option at the time of its exercise depends linearly on the positive or negative difference between the exercise price and the market price of the underlying and will be zero if the difference has the opposite sign;
  - c) interest rate swaps, currency swaps or cross-currency interest rate swaps;
  - d) options on swaps as described in c), provided that these options have the characteristics described in b) aa) and bb) (swaptions);
  - e) credit default swaps referring to a single underlying (single name credit default swaps).
3. If the Company uses the qualified method, it may – subject to an appropriate risk management system – invest in any financial instruments with a derivative element or any derivatives which are based on an underlying that is permissible under Section 197 Para. 1 sentence 1 KAGB.

In this connection, the potential market risk amount attributable to the UCITS fund may at no time exceed twice the potential amount of the market risk of the comparable fictitious benchmark fund pursuant to section 9 of the Derivative Ordinance. Alternatively, the risk amount must at no time exceed 20% of the UCITS fund's net asset value.

4. Under no circumstances may the Company deviate from the investment principles and limits set out in the Investment Terms and Conditions or in the prospectus in undertaking these transactions.

5. The Company will use derivatives and financial instruments with a derivative element for hedging purposes, for efficient portfolio management and for generating additional returns if and to the extent that it deems this to be advisable with respect to the interests of investors.
6. In calculating the market risk limit for the use of derivatives and financial instruments with a derivative component, the Company may at any time switch between the simplified method and the qualified method according to section 6 sentence 3 of the Derivative Ordinance. The changeover need not be approved by BaFin; however, the Company shall inform BaFin immediately of the changeover and shall publish it in the next semi-annual or annual report.
7. In employing derivatives and financial instruments with a derivative element, the Company shall observe the German Derivative Ordinance (DerivateV).

#### **Section 10 Other investment instruments**

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

#### **Section 11 Limitations relating to issuers and investment limits**

1. As far as the management of the fund is concerned, the Company shall observe the limits and restrictions pursuant to the KAGB, the German Derivative Ordinance (DerivateV) and the Investment Terms and Conditions.
2. Securities and money market instruments, including securities purchased under agreements to resell and money market instruments of the same issuer, may be acquired up to 5% of the UCITS fund's value; up to 10% of the UCITS fund's value may be invested in these securities, however, if this is provided for in the SITC and the total value of securities and money market instruments of such issuers does not exceed 40% of the UCITS fund's value. The issuers of securities and money market instruments must also be taken into account in the limits indicated in sentence 1 if the securities and money market instruments they issued are acquired indirectly through other securities held in the UCITS that are linked to their performance.
3. The Company may invest up to 35% of the value of the UCITS fund in bonds, borrower's note loans and money market instruments which are issued or for which the payment of interest and the

repayment of principal is guaranteed by the German Federal Government, a German Federal State, the European Union, a member state of the European Union or its regional or local authorities, another signatory state to the Agreement on the European Economic Area, a third state or an international organisation of which at least one member state of the European Union is a member.

4. The Company may invest up to 25% of the UCITS fund's value in mortgage bonds (Pfandbriefe), municipal bonds and bonds which have been issued by financial institutions domiciled in a member state of the European Union or another signatory state to the Agreement on the European Economic Area if the financial institutions are subject to special regulatory supervision on the basis of statutory provisions that serve to protect holders of such bonds and the monies raised from the bond issue are invested under statutory rules in assets which during the entire term of the bonds cover any liabilities arising therefrom and with respect to which any claims relating to repayments of principal and interest payments shall be accorded priority if the issuer defaults. If the Company invests more than 5% of the UCITS fund's value in bonds of the same issuer under sentence 1, the total value of these bonds must not exceed 80% of the UCITS fund's value.
5. Pursuant to Section 206 Para. 2 KAGB, the restrictions under paragraph 3 may be exceeded with respect to the securities and money market instruments of the same issuer, where this is provided for in the SITC with reference to such issuers. In such cases, the securities and money market instruments held for account of the UCITS fund must stem from at least six different issues, and no more than 30% of the UCITS fund's value may be invested in any one issue.
6. The Company may only invest up to 20% of the value of the UCITS fund in bank deposits, as described in section 195 KAGB, at any single financial institution.
7. The Company shall ensure that a combination of
  - a) securities or money market instruments issued by the same institution,
  - b) deposits with this institution, and
  - c) capital requirements for the counterparty risk of transactions conducted with this institution

does not exceed 20% of the UCITS fund's value. Sentence 1 applies to the issuers and guarantors listed in sub-sections 3 and 4 insofar that the Company must ensure that a combination of the assets and counterparty risks listed in sentence 1 does not exceed 35% of the UCITS fund's value. The respective individual limits shall remain unaffected in either case.

8. The bonds, borrower's note loans and money market instruments listed in sub-sections 3 and 4 are not included in the 40% limit described in sub-section 2. In derogation of sub-section 7, the limits set forth in sub-sections 2 to 4 and sub-sections 6 to 7 may not be aggregated.
9. The Company may invest no more than 20% of the UCITS fund's value in the units of a single investment fund as defined in Section 196 Para. 1 KAGB. The Company may, in total, invest no more than 30% of the UCITS fund's value in units of an investment fund as defined in section 196 (1) no. 2 KAGB. The Company may not purchase for the UCITS fund's account more than 25% of the issued and outstanding units of another open-ended German, EU or foreign investment fund which, subject to the principle of risk diversification, is invested in assets as defined in sections 192 to 198 KAGB.

### **Section 12 Merger**

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

### **Section 13 Securities lending**

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

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

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

### **Section 14 Repurchase transactions**

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

### **Section 15 Borrowing**

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

### **Section 16 Units**

1. The units in the fund are held in the name of the bearer and are securitised in unit certificates or issued as electronic unit certificates.
2. Securitised unit certificates are securitised in a collective certificate; no individual certificates will be issued. The units may have different characteristics, in particular with regard to income allocation, the issue premium, redemption fee, the currency of the unit value, management fee, minimum investment or a combination of these features (unit classes). Details are laid down in the SITC.

**Section 17 Issue and redemption of units,  
restriction and suspension of redemptions**

1. In principle, there is no limit of the number of units issued. However, the Company reserves the right to suspend the issue of units either temporarily or permanently.
2. Units can be purchased from the Company, the custodial office, or through the intermediation of third parties. The SITC may provide that units may only be acquired and held by certain investors.
3. Investors shall be entitled to demand the redemption of their units from the Company. The SITC may provide for redemption periods. The Company is obliged to redeem the units at the current redemption price for the account of the UCITS fund. The redemption agent is the custodial office.
4. Unless otherwise provided for in the SITC, the Company reserves the right to restrict the redemption of shares for up to 15 working days if the investors' redemption requests reach a threshold value above which redemption requests can no longer be executed in the interests of all investors due to the liquidity situation of the fund's assets. The threshold value is defined in the SITC. It describes the redemption request as a percentage of the net asset value of the fund.

In this case, the Company shall only proportionally comply with the redemption request for each investor, otherwise the redemption obligation shall no longer apply. This means that every redemption order is only executed on a pro rata basis. The non-executed part of the order (residual order) will not be executed by the Company at a later date, but rather shall lapse (pro-rata approach with expiry of the residual order).

Further details on the procedure for the redemption restriction can be found in the prospectus. The Company must publish the restriction on the redemption of units and the repeal of such a restriction on its website without delay.

5. The Company also reserves the right to suspend the redemption of units pursuant to Section 98 Para. 2 KAGB in extraordinary circumstances where, in the interest of the investors, such suspension is deemed to be necessary.
6. The Company must inform the investors about the suspension referred to in paragraph 5 and resumption of redemptions by means of an announcement in the Federal Gazette and by publication in a business or daily newspaper with adequate circulation or via electronic information media specified



in the prospectus. The investors shall be notified of the suspension and resumption of redemption of the units promptly after announcement in the Federal Gazette by means of a durable medium.

### **Section 18 Issue and redemption prices**

1. Unless otherwise specified in the SITC, for the purpose of calculating the issue and redemption price of the units, the market value of the assets belonging to the UCITS fund less the loans taken out and other liabilities (net asset value) shall be determined and shall be divided by the total number of units in circulation (value per unit). If, pursuant to section 16 (2), different unit classes of the UCITS fund are introduced, the value per unit as well as the issue and redemption price shall be calculated separately for each unit class.

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

2. The subscription price corresponds to the unit value of the UCITS fund, if applicable, plus a front-end load specified in the SITC pursuant to Section 165 Para. 2 No. 8 KAGB. The redemption price corresponds to the unit value of the UCITS fund, if applicable, less a redemption fee specified in the SITC pursuant to section 165 (2) no. 8 KAGB.
3. The pricing date for unit subscriptions and redemption orders shall be at the latest the valuation date following the receipt of the respective unit subscription or redemption order, unless otherwise provided for in the SITC.
4. The subscription and redemption prices shall be calculated every trading day. Unless otherwise provided for in the SITC, neither the Company nor the custodial office is obliged to determine such prices on public holidays falling on trading days or on 24 and 31 December of each year; more details can be found in the prospectus.

### **Section 19 Charges**

The expenses and the compensation payable to the Company, the custodial office and third parties which may be charged to the UCITS fund are set out in the SITC. The SITC should provide details of the payment method, payment level and calculation method as regards the fees specified in sentence 1.

## **Section 20 Accounting**

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

## **Section 21 Termination and liquidation of the UCITS fund**

1. Giving at least six months' notice, the Company may terminate its management of the UCITS fund by announcement in the Federal Gazette and in the annual or semi-annual report. The investors shall be notified promptly of any termination announced in accordance with sentence 1, by means of a durable medium.
2. When the termination becomes effective, the Company's right to manage the UCITS fund expires. In this case the UCITS fund or the right of disposition over the UCITS fund, as the case may be, shall pass on to the custodial office which must wind up the fund and distribute the proceeds to the investors. During the period of winding-up, the custodial office is entitled to a fee for its liquidation activities as well as to compensation for its expenses incurred in the winding-up. With the approval of BaFin, the

custodial office may, instead of conducting such liquidation and distribution activities, transfer management of the UCITS fund to another capital management company, in accordance with the existing Investment Terms and Conditions.

3. On the date that its right to manage the fund expires in accordance with section 99 KAGB, the Company must prepare a liquidation report that meets the requirements of an annual report as defined in section 20 sub-section 1.

### **Section 22 Change of investment management company and custodial office**

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

### **Section 23 Amendments to the Investment Terms and Conditions**

1. The Company is entitled to amend the Investment Terms and Conditions.
2. Amendments to the Investment Terms and Conditions shall require the prior approval of the Federal Financial Supervisory Authority (BaFin).
3. All planned amendments shall be announced in the Federal Gazette and by publication in a business or daily newspaper with adequate circulation or via electronic information media specified in the prospectus. Details of the planned amendments and their entry into force shall be published no later than at the time of the announcement set out under sentence 1 above. If there are any amendments to charges within the meaning of Section 162 sub-section 2 no. 11 KAGB that are detrimental to investors, changes to material investor rights that are detrimental to investors, or amendments to the

UCITS fund's investment principles within the meaning of Section 163 sub-section 3 KAGB, the investors must be sent the key content of the proposed amendments to the Investment Terms and their background in a comprehensible way by means of a durable medium at the same time as the announcement in accordance with sentence 1. In the case of amendments to the existing investment principles, investors must also be informed of their rights under Section 163 sub-section 3 KAGB.

4. The amendments shall become effective no earlier than on the day after their announcement in the Federal Gazette, although in the case of changes to charges and investment principles, no earlier than four weeks after the relevant announcement.

### **Section 24 Place of performance**

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

### **Section 25 Dispute resolution proceedings**

1. The Company has committed to taking part in dispute resolution proceedings before a consumer arbitration service<sup>3</sup>. In the event of disputes, consumers may contact the Ombudsman for Investment Funds at BVI Bundesverband Investment and Asset Management as the competent consumer arbitration service. The Company takes part in dispute resolution proceedings before this arbitration service<sup>4</sup>.

Contact information:

Office of the Ombudsman at BVI  
Bundesverband Investment and Asset Management e.V.  
Unter den Linden 42  
10117 Berlin  
[www.ombudsstelle-investmentfonds.de](http://www.ombudsstelle-investmentfonds.de)

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<sup>3</sup> Section 36 sub-section 1 no. 1 of the German Consumer Dispute Resolution Act (Verbraucherstreitbeilegungsgesetz – VSBG)

<sup>4</sup> Section 36 sub-section 1 no. 2 VSBG

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

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<sup>5</sup> Article 14 of Regulation (EU) 524/2013