

ORDER EXECUTION POLICY (PUBLIC)

As of 19 March 2018

1. Policy Statement

This document shall outline the principles that apply to the execution of orders in financial instruments on behalf of the funds and discretionary mandates (the “Clients”) for which the Allianz Global Investors entities listed below (herein referred to as “Allianz Global Investors”) act as appointed investment manager:

- Allianz Global Investors GmbH and its branches
- Allianz Global Investors (Schweiz) AG

The jurisdiction of this policy is extended to Tokyo Marine Rogge Asset Management Limited.

In particular, this Policy outlines Allianz Global Investors’ approach to, inter-alia, its regulatory obligations and highest industry standards resulting from applicable rules, regulations and applicable global regulatory principles related to order handling and execution across such markets and jurisdictions in which Allianz Global Investors operate.

2. Introduction

As an investment management company, we are primarily concerned with our Clients’ interests. For this reason, Allianz Global Investors has implemented a Policy to ensure that all execution of orders performed on behalf of Clients (“Client Orders”) complies with applicable best execution regulatory and legal requirements, and in particular achieves the most favourable outcome reasonably available at the time of the transaction given the characteristics of the orders. This document is designed to inform our Clients of the principles and methods governing the execution of Client Orders on the best possible terms, and to serve as a basis for our clients’ consent to our Order Execution principles.

Client interests are our priority

Any action taken by the professionals involved in this process must be performed in each client’s interest. Potential conflicts of interest with Allianz Global Investors or between Clients, or between Clients and Counterparties, shall be the subject of specific attention and handling, as specified under relevant policies related to the prevention or mitigation of such conflicts of interests.

Fair and equitable treatment of clients

Professionals working under the responsibility of Allianz Global Investors, or on its behalf, are required to treat each Client order in a fair and equitable manner with respect to the satisfaction of such client, as well as the quality of service provided, regardless of the relative importance of each Client Order in terms of Allianz Global Investors’ business volumes.

Respecting market integrity

As professionals with specialised knowledge and, in certain cases, non-public information regarding a security, the issuer of a security or specific market circumstances, it is essential that Allianz Global Investors employees refrain from any action or decision likely to breach the operating rules for regulated markets, or to affect the market or general public’s perception of the value of a security traded on those markets.

Compliance with client instructions and investment restrictions

It is the responsibility of the initiating office to ensure all accounts for which they intend to route instructions to execution desks have all necessary documentation in place to trade products with counterparties. In order to help avoid any trade delay, the initiating office should provide execution offices with after-hours contact details of all Portfolio Managers who may be entering trading decisions so timely communication and clarification can be made. The instructions, ratios, or other investment restrictions provided by Allianz Global Investors' clients and by applicable regulations shall be considered as strictly binding obligations by the professionals assigned to the investment process.

In addition, the Policy summarises Allianz Global Investors' process for taking all sufficient steps when (i) executing Client Orders or (ii) placing Client Orders with other entities or brokers for execution, in order to obtain the best possible result for its Clients, including the following information:

- Approach to order execution
- Critical factors affecting the approach to order execution and the weighting methods applied to such factors
- Execution venues and brokers, which Allianz Global Investors generally intends to use to enable it to obtain on a consistent basis the best possible result for the execution of Client Orders
- Overview of the procedures adopted by Allianz Global Investors to monitor its execution arrangements and this execution Policy

Investment in Funds - The acquisition and sale of fund units or shares, with the exception of ETFs shares, do not fall under the scope of application of this Best Execution Policy. Nevertheless, we would like to inform you that, as a general rule, we process fund unit transactions via the issuer and under such terms provided in the relevant fund prospectus.

Deviation from standard processes as a result of Client instructions - Allianz Global Investors may, from time to time, accept individual Client instructions to execute orders in accordance with such instructions. In such cases, Allianz Global Investors may deviate from its standards processes but will nevertheless be deemed to have met its best execution obligations.

Delegation of duties - In certain circumstances, Allianz Global Investors may delegate all or part of the negotiation and execution of Client Orders to an affiliate or a non-affiliate. In all such cases, Allianz Global Investors will take sufficient steps to ensure that the service provided to its Clients is performed in accordance with the best interest of Clients and using equivalent processes designed to ensure that the delegates comply with best execution obligations. Any such delegation shall be performed under a specific agreement entered into between Allianz Global Investors and the delegate, by virtue of which the delegate will be responsible and liable to Allianz Global Investors for the performance of its obligations.

3. Order Management and Handling

Where Allianz Global Investors handles orders on behalf of Clients or as part of its portfolio management activities, we ensure that orders are:

- executed promptly and fairly
- accurately recorded
- pre allocated prior to negotiation or being sent for execution
- allocated fairly; and
- executed sequentially unless the characteristics of the order or prevailing market conditions make this impracticable or the interests of the client require otherwise.

Allianz Global Investors retains comprehensive records of its trading activities and order audit trails for a minimum of 5 years in accordance with applicable rules and regulations.

4. Counterparties and Brokers Selection and Review

Allianz Global Investors maintains an approved list of financial intermediaries or counterparties that it may use to execute Client Orders or place Client Orders with for execution. The decision to add a new counterparty or intermediary, such as a broker, is based on the evaluation of specific qualitative and quantitative factors to assess whether these brokers have their own appropriate best execution processes and controls in place and select such brokers and are related purely on their ability to effectively deliver the best possible results for our Clients. The factors may vary depending on asset class, but the overall approval process, in principal, is applied in the same manner across all asset classes and involves multiple stakeholders at Allianz Global Investors including Risk as a control function.

These factors may include:

- Quality of execution and services, both historical and current
- Access to markets, alternative markets and trading venues
- Promptness/speed/latency of execution
- Credit-worthiness and risk profile
- Clearance and settlement efficiency and capabilities
- Competitiveness of commission rates or spreads provided
- Provision of delegated regulatory reporting
- Staff experience, stability, expertise and reputation
- Willingness to commit capital.

A counterparty/broker review is conducted periodically but no less frequently than twice a year.

We have given our consent to certain brokers executing our Client Orders outside of regulated markets, OTFs or MTFs. However we select all intermediaries on the basis of their ability to deliver best execution for the orders we place with them, regardless of the execution venue they use.

5. Execution Venues

Allianz Global Investors and the brokers with whom it may place Client Orders utilise the execution venue and method of trading most appropriate to achieving the best result for the Client Order, taking into account execution factors such as available prices, costs, and likelihood of execution on an execution venue and having regard to Allianz Global Investors' contractual and regulatory obligations to Clients, and the different market scenarios, liquidity issues or fund requirements, In meeting our regulatory obligation to take all sufficient steps to obtain the best possible result, we may use broker to access one or more of the following execution venues:

- Regulated Markets
- Multilateral Trading Facilities (MTFs)
- Systematic Internalisers (SI)
- Electronic Communication Networks (ECNs)
- Organised Trading Facility (OTF)
- Other liquidity providers (which include non EEA entities that perform a similar function to the ones listed above).

In instances where orders exceed the volumes typically available on regulated markets or in cases where other considerations (such as to avoid possible signalling) render it a more beneficial way of execution, such orders may be traded in over-the-counter markets, through private bilateral negotiation, or through "principal-to-principal" trade execution venues

Allianz Global Investors' traders or selected intermediaries may use one or more trading methods or execution venues to fill a single Client Order.

6. Execution Strategies and Factors

Allianz Global Investors runs a large variety of different investment strategies which often require different execution strategies to best serve the Clients interest. When taking all sufficient steps to obtain the best possible results for its Clients, Allianz Global Investors can apply different execution methodologies depending on the relevant asset class, taking into consideration instrument as well as market specific information such as liquidity that are relevant to the execution process. In all trading activities Allianz Global Investors will try to balance the need for price discovery and the risk of signalling to achieve the best possible execution for our clients whilst maintaining market integrity.

When executing orders, Allianz Global Investors will take all sufficient steps to achieve the best possible result subject to and taking into account a range of different factors in deciding how to execute the order.

These can include:

- Price
- Transaction costs
- Speed and type of execution
- Likelihood of full execution
- Size of the order
- Creditworthiness and financial stability of the counterparty
- Settlement considerations
- In certain circumstances the brokers willingness to commit capital
- The technical access to the broker and the markets involved
- Any other consideration that is key to order execution.

Explicit transaction costs such as commission rates paid across Client Orders are dependent on several factors including the asset class, execution venue, individual markets and transaction type. Counterparties for fixed income and foreign exchange transactions are generally not paid a commission. Equity trades are typically executed within a range of commission rates while futures contracts are traded and cleared using a flat charge per contract. Certain liquidity platforms for different asset classes may also charge a fee for their services

Although price is generally a key factor in determining how to execute an order and in measuring if the best possible result has been achieved, in certain circumstances, generally linked to such criteria as the type of client, the type of financial instrument, the characteristics of the order, the Client's investment strategy, Client Instructions, and the Market Conditions and characteristics of the execution venues on which the order can be executed, other factors can take precedence in deciding the execution strategy and measuring if the best possible result has been achieved.

Overview of specific asset classes

Equities and Equity-like Instruments

Equity transactions are placed by Allianz Global Investors with brokers who have access to the relevant exchanges and venues for execution, and have the expertise and the required understanding of Allianz Global Investors' trading objectives. Equity transactions are either placed with a sales trader or through electronic channels provided by the intermediary, such as through direct market access, algorithms and direct capital access.

Additionally, Allianz Global Investors can use buy-side to buy-side as well as all-to-all block trading tools to search for natural liquidity that matches our trades.

Unless stated otherwise, across all equity products, including equity-like instruments, such as exchange traded funds (ETFs), the ranking of the execution factors is typically as follows:

- Investment objective of the underlying strategy
- Price
- Likelihood of full execution
- Speed

The remaining Execution Factors – cost (including implicit cost such as impact on the market), order size, current liquidity conditions and any other consideration relevant to the efficient execution of a Client order – are generally given equal ranking unless the investment strategy requires a different weighting.

In instances where orders exceed the volumes typically available on regulated markets, large orders (or “block trades”) may be traded in over-the-counter markets, through private bilateral negotiation, or through “principal-to-principal” trade execution venues.

Transactions received by the trading desk in a defined order window may be aggregated and communicated to the executing broker, dealer or counterparty as a single order in accordance with formalized internal aggregation and allocation procedures, designed to ensure that all portfolios be treated fairly and equitably over time.

Fixed Income

For liquid bonds, electronic (MTF) platforms such as Bloomberg, MarketAxess or TradeWeb are generally available and provide the opportunity for simultaneous, competitive bid /offer quotes as well as request for quote (RFQ) type price discovery. Such platforms typically are the preferred venues on which to effectively execute certain types of fixed income transactions.

In general, they help to perform the price discovery function and seek best price by initiating competition among multiple independent third parties.

However, such platforms are not necessarily appropriate for transactions above a certain size or in less liquid instruments because the leakage of trade interests to the market can adversely affect the relevant pricing and inadvertently compromise the ability to obtain the best result available for the transaction.

Unless stated otherwise, across all fixed income trades the ranking of the execution factors is typically as follows:

- Investment objective of the underlying strategy
- Price
- Likelihood of full execution
- Speed

For transactions, which are not executed using an order book or RFQ based trading venue, Allianz Global Investors will use reasonably available and relevant sources of price discovery, including, but not limited to, market transaction prices (TRACE, etc.) on historical or comparable financial instruments; quotes for, or yields on, historical or a comparable financial instrument; price runs and dealer quotes. Quotes generally should be obtained from more than one counterparty as part of the price discovery process; however that is not always possible nor necessarily helpful in the process. Alternatively, there may be only one potential counterparty and therefore, obtaining multiple quotes is not possible.

Allianz Global Investors will consider on a trade by trade basis whether obtaining multiple quotes can be or should be attempted based on the security type, liquidity, size of the transaction and prevailing market conditions. For those less liquid or larger in size transactions the trading desk will use broker contacts as well as electronic platforms to search for natural, matching liquidity or alternatively ask for capital commitment

Exchange-traded Derivatives (ETDs)

ETDs are traded similarly to equities; transactions are placed in the exchange order book or with the intermediary's execution desk through electronic channels provided by the broker.

Depending on the size, complexity, liquidity and prevailing market conditions Allianz Global Investors will consider on a trade by trade basis whether obtaining multiple quotes can be or should be attempted as an alternative to trading on the exchange CLOB. For those less liquid or larger in size transactions the trading desk will use broker contacts as well as electronic tools such as RFQ platforms to search for matching liquidity or alternatively ask for capital commitment.

Unless stated otherwise, across all ETDs the ranking of the execution factors is typically as follows:

- Investment objective of the underlying strategy
- Price
- Likelihood of full execution
- Speed

The remaining Execution Factors – cost (including implicit cost such as impact on the market), order size, current liquidity conditions, available counterparties and any other consideration relevant to the efficient execution of the order – are generally given equal ranking unless the investment strategy requires a different weighting.

Over-the-Counter (OTC) Derivatives, excluding FX

All OTC derivatives must be traded under industry legal documentation. This means our choice of counterparty for trading certain instruments such as interest rate swaps, credit default swaps, swaptions, inflation swaps, asset swaps, currency options and other more bespoke instruments can be limited to those banks where the required documentation is in place.

Similar to fixed income trading electronic (MTF) platforms such as Bloomberg or TradeWeb are generally available for several derivatives instruments, providing the opportunity for simultaneous, competitive bid /offer quotes as well as request for quotes (RFQ) type price discovery.

For instruments where those platforms are not liquid enough or the trade specifics require a different approach the trading desk will follow a similar path as described for illiquid fixed income instruments, using a sufficient number of quotes to achieve price discovery without risking information leakage to the market which could adversely impact pricing.

Foreign Exchange (FX)

Foreign Exchange transactions are either actively conducted through the appointed custodian bank or third party brokers. All OTC FX derivatives must be traded under industry legal documentation with the required collateral agreements in place. Where possible a settlement using CLS is put in place.

The nature of the trade and its underlying investment strategy are significant factors in the choice of the appropriate execution strategy.

In such cases that the financial instrument to be traded and/or the relevant Client arrangements allow this, the trader will undertake an active negotiation process for FX Client transactions, by selecting the brokers or counterparties and execution strategy most suitable to achieve the best possible results for the relevant Client.

FX Execution will typically and preferably take place via electronic multibank platforms or ECN liquidity, using streaming quotes. Transactions are passed to those platforms or an execution desk through electronic channels where possible. Voice execution or order placement will be kept to a minimum for exceptional cases. Depending on the size, complexity, liquidity and prevailing market conditions Allianz Global Investors will consider on a trade by trade basis obtaining multiple quotes via electronic price streaming platforms or manually priced RFQs.

For less liquid or larger in size transactions the trading desk will use broker contacts as well as electronic tools such as RFQ platforms to search for matching liquidity or alternatively ask for capital commitment.

Unless stated otherwise, across all FX Trading the ranking of the execution factors is typically as follows:

- Investment objective of the underlying strategy
- Price
- Likelihood of full execution
- Speed
- Settlement considerations.

The remaining Execution Factors – cost (including implicit cost such as impact on the market), order size, current liquidity conditions, available counterparties and any other consideration relevant to the efficient execution of the order – are generally given equal ranking unless the investment strategy requires a different weighting.

Exceptions

Due to system failures or extraordinary market conditions it may be necessary to execute an order in a manner deviating from these order execution principles. Nevertheless, even in such cases we endeavour to achieve the best possible result for our investors.

In the case of limited counterparties available to execute with, Trading will use best efforts to achieve best execution in accordance with the standards of this policy and include those executions in our post trade monitoring process for further analyses.

7. Cross Trades

Portfolio-to-portfolio transactions (or “Cross Trades”) are defined as transactions initiated by one portfolio manager (or several portfolio managers acting in concert) or one trader on behalf of two or more Clients Orders to sell the assets of one Client to another Client. A Cross Trade exists only when there is an arrangement to sell one clients assets to another client. In other words, if two orders for the same security (one buy and one sell) are placed into the market independently, either with the same or different broker, and without any arrangement to specifically cross the shares at a specific price determined by Allianz Global Investors, the orders will not be considered as part of a Cross Trade for purposes of this Policy.

Cross-Trades may be executed if they minimise market impact, if they can be determined that it is in the best interest of all Clients involved, if they are permitted under the terms of contracts with the participating Clients and all applicable regulations. Furthermore, Cross Trades shall be executed only via a financial services provider or platform authorised to do so, subject to applicable regulations as well as internal controls. Lower or no brokerage commission, fee or other remuneration shall be paid in connection with the transaction and the price of the transaction will be determined independently.

8. Preventing Conflicts of Interests

Prohibited Practices

With respect to the selection of counterparties and brokers, the following practices are prohibited:

- Trades directed as an incentive by Allianz Global Investors to receive or benefit from (a) preferential allocation in new security offerings or placements, (b) gifts or entertainment, (c) a preferential referral of Allianz Global Investors' products within such counterparties or brokers fund or other distribution network, (c) discounted or preferential access to research.
- Directed brokerage arrangements, other than, exceptionally, at the request of a client for its own orders and for the exclusive benefit of such client.
- Favouring certain Client over others, without exceptions.

Aggregation and Allocation

In order to ensure that all portfolios receive fair and equitable access to executions, Client Orders received by the Allianz Global Investors trading desk in a defined order window may be aggregated and communicated to the executing broker, dealer or counterparty as a single order. Internal allocation procedures are designed to ensure that all portfolios be treated fairly and equitably over time. To avoid giving any Client 'unfair preference' in allocating orders, allocations should be made in a manner which is fair amongst our customers, is timely, is reasonable in the interests of all Clients, and does not conflict with any relevant Client instructions or the provisions of its contract. Allocations are not based on account performance, fee structure or portfolio preference. Any deviations from this Policy must receive approval from Compliance before being executed.

9. Best Execution Governance

Allianz Global Investors monitors the effectiveness of this Policy and best execution arrangements in various ways. When market data is considered reasonable and relevant, it is generally used to monitor execution quality for transactions on a quantitative basis. Additionally, the trading desks and Compliance utilise various monitoring systems, including external service providers to provide transaction cost analysis in order to monitor execution quality on a regular basis.

In particular, Allianz Global Investors has implemented a 3-tiered best execution governance for best execution to ensure that we take all sufficient steps to obtain the best possible result for our Clients.

As a 1st level of controls, the day-to-day fulfilment of best execution lies with the Allianz Global Investors trading staff, which apply firm-wide execution standards and policies for all trading and related activities. Execution occurs primarily via the centralised trading desks and only in limited cases is conducted by portfolio managers subject to a full risk assessment and control framework regularly reviewed and approved by Allianz Global Investors global executive management. All authorised trading staff evaluate and where possible measure their trading performance and quality of execution using analytics such as third-party trade cost analysis (TCA) services or internally developed methods including votes and an evaluation of the execution factors previously described in this Policy.

As a 2nd level of controls, control functions such as Compliance and Risk perform an independent review process of execution venues and quality of execution and ensure that all exceptions are reported and resolved.

As a 3rd level of controls, the Best Execution Committee (“BEC”) was established to ensure governance of the best execution arrangements and commitments to our Clients. The BEC has been assigned duties and responsibilities and convenes periodically, at a minimum twice annually. The BEC, comprised of representatives from Business Management, Compliance, Risk Management, Asset Class CIOs and Authorised Trading Staff, participate in a process designed to monitor execution quality, including reviews of the execution venues and brokers used as well as reports on whether all transactions have been executed in line with the Best Execution factors set forth in this Policy. The BEC is authorised to review and investigate any matters of relevance to trading and execution of transactions generally:

- Reviewing adherence and relevance of execution standards, procedures and systems.
- Reviewing the outcome of transaction quality assessments performed by stakeholders, including, but not limited to, Trading, Investment Operations, Compliance and Risk to ensure a comprehensive and adequate control framework.
- Receiving project updates impacting best execution obligations or processes.
- Maintaining accurate and complete records documenting the efforts of Allianz Global Investors to achieve best execution for transactions executed on behalf of its clients.
- Formalizing the feedback loop into the execution desks for all relevant evaluations by Compliance, Middle Office, Risk and any other stakeholders in relation to the performance of counterparties and brokers or any matter of relevance.

10. Policy Updates and Maintenance

This Policy, including required regulatory reporting on Top 5 execution venues per class of financial instrument, will be available for consultation by the public on Allianz Global Investors website:

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

Allianz Global Investors reviews its execution arrangements and this Policy at least annually or more frequently if a material change to the regulatory or market environment occurs that may affect its ability to obtain the best possible result for the execution of Client Orders. Material events can be defined as any change in systems, processes or relationships which will impact our ability to achieve best execution. If a material event occurs, the execution Policy and internal desk procedures will be reviewed by the Best Execution Committee at the earliest opportunity to ensure that they remain effective in ensuring Allianz Global Investors is still able to offer best execution. Clients will be notified of material Policy updates in accordance with our contractual and regulatory obligations.