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Form ADV Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Allianz Global Investors Asia Pacific Limited (“AllianzGI AP”). If you have any questions about the contents of this brochure, please contact us at Tel: +852 2238 8888. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Allianz Global Investors Asia Pacific Limited also is available on the SEC’s website at www.adviserinfo.sec.gov.

Allianz Global Investors Asia Pacific Limited is registered as an investment adviser under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training.

ITEM 2: SUMMARY OF MATERIAL CHANGE

Since the last update of this brochure on 22 Dec 2023, please find below a summary of material changes:

- Update of AllianzGI AP's assets under management ("AUM") in item 4.
- Methods of analysis are enhanced for equity and multi asset in item 8.
- Investment strategies for multi asset account management are updated in item 8.
- Details regarding executive offices for trade aggregation and allocation are updated in item 12.
- Details about proxy voting practices are updated in item 17.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

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ITEM 4. ADVISORY BUSINESS

Allianz Global Investors Asia Pacific Limited (“AllianzGI AP”) is a wholly owned subsidiary of Allianz Global Investors GmbH (“AllianzGI GmbH”) and a member company of Allianz Global Investors, a global investment advisory organization, consisting of separate affiliated firms which operate under the brand name AllianzGI. AllianzGI GmbH is a subsidiary of Allianz Asset Management GmbH (“AAM”). AAM acts as a holding company for the asset management business of Allianz SE, and in turn, is owned by Allianz SE. Allianz SE’s principal offices are located in Munich, Germany, and it acts as a holding company for the Allianz Group. The Allianz Group is one of the world’s leading financial service providers, offering insurance and asset management products and services through property-casualty insurance, life and health insurance, and financial services business segments.

AllianzGI AP has been providing specialist expertise in Asia Pacific asset management to both retail and institutional investors since its predecessor established its Hong Kong office in 1983. The Hong Kong office has been the Asia Pacific regional management office and the centre for investment, client services and operations in the region.

This brochure discusses AllianzGI AP’s advisory services, which are currently provided to non-U.S. clients. At present, we do not have U.S. clients.

As of 31 December 2023, AllianzGI AP had USD 15.2 billion of regulatory assets under management - USD 14.8 billion in discretionary assets under management, and USD 367.4 million in non-discretionary assets under management.

One of AllianzGI AP’s primary businesses is providing investment management and investment advisory services to institutions and collective investment vehicles (including mutual funds). The funds are distributed through most of the major financial institutions, including retail and private banks, and insurance companies. The elements of such services may include one or more of the following:

1. Assisting the client in the development and subsequent modification of appropriate investment objectives, guidelines, and restrictions;
2. Determining an appropriate investment strategy, consistent with the investment objectives, guidelines, and restrictions established by the client, and reviewing and modifying such strategy through meetings and consultations with the client or its agents from time to time;
3. Implementing the investment strategy through purchase and sale of securities and/or other financial instruments, the exercise of options, warrants, and subscription rights, and the investment and re-investment of cash balances for the client’s account;
4. Providing information and instructions to the custodian (or trustee) of the client’s account so that transactions for the account are settled in an accurate and timely manner, and reconciling its records with those of the custodian (or trustee) on a periodic basis;
5. Monitoring the individual instruments held in the account so that the individual instruments and the overall portfolio remain consistent with the investment strategy for the account as well as the client’s investment objectives, guidelines, and restrictions;
6. Furnishing reports to the client on a periodic basis concerning account activity and performance;
7. Providing non-discretionary investment advisory services; and
8. Retail and institutional fund distribution business.

AllianzGI AP does not provide all of the services listed above to all clients. AllianzGI AP offers investment management and investment advisory services for equity, fixed income, and multi-assets accounts. In most instances, client accounts are managed on a fully discretionary basis, subject to that client’s investment objectives, guidelines and restrictions.

AllianzGI AP also provides investment advisory and/or administration services to certain affiliates.

AllianzGI AP cannot guarantee or assure you that your investment objective(s) will be achieved. AllianzGI AP does not guarantee the future performance of any client's account or any specific level of performance, the success of any investment decision or strategy that AllianzGI AP may use, or the success of its overall management of any account. The investment decisions AllianzGI AP makes for client accounts are subject to various market, currency, economic, political and business risks, and the risk that investment decisions will not always be profitable. Many of these risks are discussed in Item 8 below, which you should review carefully before deciding to engage our services.

ITEM 5. FEES AND COMPENSATION

AllianzGI AP's fees ordinarily are calculated based upon the custodian's valuation of the assets in the client's portfolio.

AllianzGI AP currently does not have any U.S. clients. To the extent that AllianzGI AP commences offering investment advisory services to U.S. clients, we will update this brochure to reflect the changes, including fee schedules for investment strategies/mandates offered to U.S. clients.

The indicative fee schedule that applies to AllianzGI AP's current non-U.S. institutional clients is as follows:

Asia Regional Equity Core accounts

First USD \$50 million	0.70% annually
Next USD \$50 million	0.60% annually
Next USD \$100 million	0.55% annually
Balance above USD \$200 million	0.50% annually

Asia Single Country (non-Japan) Equity accounts

First USD \$50 million	0.80% annually
Next USD \$50 million	0.70% annually
Balance above USD \$100 million	0.65% annually

The above fee schedule is for indicative only, this is subject to negotiation, and fees may be modified for particular clients. The reasons for such modifications may include, without limitation, the type of product provided, the complexity and level of service provided, the number of different accounts and the total assets under management for that client and related clients, the particular type of client, constraints imposed by substantial potential capital gains, required attendance at client meetings, other services provided by the adviser, other administrative services provided, or other circumstances or factors that AllianzGI AP deems relevant. A different fee schedule may apply if an account receives services that are more limited than full discretionary investment management, or if an account has specialized investment objectives, guidelines and restrictions. Certain accounts of persons affiliated with AllianzGI AP may be managed without fees or at reduced fees. AllianzGI AP may amend its fee schedule at any time.

When AllianzGI AP and/or certain of its affiliates manage multiple accounts for a particular client, or for a related group of clients, fee calculation may be based on the total assets under management, or a relationship fee discount may be available. Assets invested in investment companies generally are not considered for these purposes, although consideration of such assets in fee calculations may occur in special circumstances deemed appropriate by AllianzGI AP.

In addition, and to the extent permitted by law, AllianzGI AP may enter into performance-related fee arrangements, provided that all applicable regulatory requirements are met, including those relating to the qualification of clients to pay performance-related fees. See Item 6 for a discussion of how we manage potential conflicts of interest arising from performance-related fees.

Besides AllianzGI AP's fees, a client will also pay fees and expenses of other service providers, including custodians, brokers, and other third parties. For example, to the extent that a client's assets are invested

in a cash investment fund of the client's trustee or custodian, the client should be aware that the trustee or custodian may also charge management or transactional fees with respect to such assets. Fees and expenses also include custodial fees, sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions, including commissions. If a client is invested in a pooled investment vehicle, that vehicle or fund will charge internal management fees and other expenses, as disclosed in the fund's prospectus or offering memorandum. Although these charges, fees and commissions are in addition to AllianzGI AP's fee, they are paid to other parties, and we do not receive any portion of these amounts, except when invested in an investment company or collective investment vehicle managed/advised by AllianzGI AP. In this latter case, AllianzGI AP will waive such fees so as not to incur two fees on the same amount of invested assets.

Before providing services to clients, AllianzGI AP generally will enter into a written client agreement with the client. The client agreement sets forth the specific manner for charging advisory fees. AllianzGI AP typically receives advisory fees on a monthly or quarterly or semi-annual basis, but the term may vary by client. Investment management and investment advisory contracts between AllianzGI AP and its clients generally are terminable at any time by either party by written notice, which ordinarily is deemed to be effective upon receipt or at the time specified in the notice. In the event of termination, advisory fees will be pro-rated over the period during which investment management or investment advisory services were provided. Upon termination of any account, any earned, unpaid fees will be due and payable.

Clients may choose to be billed directly for fees, or may authorize AllianzGI AP to directly deduct fees from their account. If AllianzGI AP can deduct fees directly from the client's account, the client's custodian should send a quarterly statement directly to the client, showing transactions in the account, including AllianzGI AP fees. AllianzGI AP will receive paper or electronic copies of the custodian's statements.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As noted in Item 5, to the extent permitted by law, AllianzGI AP may enter into performance-related fee arrangements, provided that all applicable regulatory requirements are met. AllianzGI AP may manage accounts that pay a performance-related fee alongside accounts that pay asset-based fees. Performance-related fee arrangements vary depending on the particular client's needs and individual circumstances.

AllianzGI AP has written compliance policies and procedures designed to mitigate or manage these conflicts of interest, including policies and procedures to seek fair and equitable allocation of investment opportunities (including IPOs) and trades (see Item 12 below) among all client accounts.

ITEM 7. TYPES OF CLIENTS

AllianzGI AP may provide investment management and investment advisory services to, among others, pooled investment vehicles, pension and profit-sharing plans, financial institutions, foundations, corporations, insurance companies, partnerships, other business entities and advisers, trusts, collective investment vehicles, estates, managed accounts, quasi-governmental entities, and supranational entities. Some of these entities receive AllianzGI AP's services on a sub-advisory basis.

Although exceptions may be made if circumstances warrant on a case-by-case basis. Accounts also may be opened at smaller asset levels if growth is expected within a reasonable time frame, if a relationship exists between that account and an existing account, if an account will be invested solely in a collective investment scheme, if the account is one of several accounts referred to AllianzGI AP by the same person or entity, or for other reasons AllianzGI AP deems appropriate.

In addition, clients are generally required to enter into a written investment management or investment advisory agreement prior to the establishment of the client's account.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

AllianzGI AP provides investment management and investment advisory services relating to a broad range of investment strategies and financial instruments. While we offer investment management and investment advisory services concerning other types of strategies based outside the United States, our most significant investment strategy offered to US-based accounts involves investing in the equity securities and equity-related instruments of companies in Asia Pacific.

METHODS OF ANALYSIS

Equities

Global Equity Research

The portfolio management draws on the extensive in-house resources of the integrated Allianz Global Investors investment platform by utilizing the knowledge and opinions of the large group of investment professionals.

Research is carried out in the portfolio management teams. Every investment professional maintains and is accountable for a conviction list, which signals their views on stocks they cover. There are three ratings for each stock – high, medium and low – reflecting their stock preferences. Sorting stocks by levels of conviction, a low conviction rating still means there is some degree of conviction and a low-rated stock is still a potential candidate for inclusion in a portfolio. Stocks which attract a negative view can be vetoed to indicate they should not be included in portfolios.

Conviction lists are shared globally. An advantage of this approach is that we fully capture the stock preferences of the whole investment platform, making previously hidden research and investment ideas more widely available. Conviction lists also highlight where opinions differ which also helps to promote debate and discussion of ideas.

Fundamental research activities are supported and complemented by the proprietary Grassroots Research® network.

Fixed Income

Research plays a pivotal role in the investment process and most of the investment team's research is conducted internally. The team uses a proprietary financial and economic database alongside external data sources. International organizations such as the OECD, IMF and World Bank are good sources of primary data; central banks and national statistics agencies are also generally reliable sources. Consensus Economics is a good source of economic growth / inflation expectations data. In many cases the data is accessed electronically through Refinitiv and Bloomberg.

To support their research effort, credit analysts have access to rating agencies and also to third party data providers. At the heart of the process is the formulation of independent credit evaluations and investment recommendations by our credit analysts; however, these kinds of external data sources fulfill an important supporting role in giving them the fullest possible information base to work from.

Multi Asset

Our investment approach in multi asset solutions aims to benefit from several unique components such as an active approach to asset allocation which combines trends and fundamental assessments and offers risk management to mitigate downside risk in times of market stress. Optional modules like the addition of further asset classes to capture thematic trends or selection strategies for equities and bonds complete our fully integrated solution.

INVESTMENT STRATEGIES

Equity Account Management

AllianzGI AP emphasizes a team approach to portfolio management. The investment team takes advantage of all the global resources within Allianz Global Investors to select securities. The objective is to develop for each client a diversified, yet concentrated portfolio of high quality growth companies selling at reasonable prices. AllianzGI AP may also, from time to time, invest in cyclical and semi-cyclical companies.

New purchase ideas are primarily generated by the fundamental research department, Grassroots®, and the portfolio management teams (domestic and international). External research is also used to generate ideas.

Before purchase, all companies are evaluated for their growth, quality and valuation characteristics. AllianzGI AP seeks to invest in companies that offer long-term sustainable growth in earnings, revenues, and/or cash flow, have strong management and financial statements, and offer good relative and absolute risk-adjusted return characteristics.

Companies are sold if AllianzGI AP believes that their growth or quality has been impaired, or when it believes that the risk-adjusted return characteristics are no longer attractive.

The portfolio management team constructs the portfolios in line with specific client investment objectives, guidelines and restrictions. The portfolio managers make stock selection and industry decisions with significant input from the analyst team. The resulting portfolios are diversified, yet concentrated, and are composed of issuers that AllianzGI AP believes are high quality growth companies offering above average risk-adjusted return prospects.

Fixed Income Account Management

Fixed income portfolio managers consistently utilize a well-defined investment process to construct client portfolios. The quarterly Asset Allocation meeting is responsible for all major asset allocation decisions. It is a forum where the investment team discusses four key areas in order to determine the allocation of portfolio assets among four alpha streams: Developed Markets, Investment Grade Credit, High Yield Debt and Emerging Markets. The four key inputs to the Asset Allocation decision are: Global Growth, Inflation, Interest Rates and Event Risk. A twice-weekly Investment Committee is responsible for decisions on a more frequent basis and discusses positioning reviews, thesis testing and dynamic risk management. Continuous interaction between the investment teams ensures consistent and successful implementation of philosophy and process across portfolios. Sovereign research from portfolio managers, and analysis from the Global Credit Research team, bring insights and specialist fixed income knowledge to the team meetings.

Multi Asset Account Management

The investment team uses an active approach to asset allocation which sits at the core of the investment process. It aims to identify the most attractive asset classes while taking into account each portfolio's investment objectives, constraints and risk appetite. The Multi Asset active asset allocation process has two core components to form short-to-medium term views: a systematic (Market Cycle) analysis and a fundamental assessment. In our systematic Market Cycle analysis, we use a proprietary rule-based, disciplined asset allocation approach to capture medium-term trends across asset classes. By combining both pro-cyclical and anti-cyclical elements, we aim to invest in the best performing asset classes over time and provide both excess returns and downside risk mitigation. In our fundamental analysis, we consider forward-looking fundamental assessments, based on both quantitative and qualitative input factors, to better identify turning points in markets. This allows us to tactically adjust the portfolio's asset allocation with the aim of enhancing returns. Firm-wide resources and specialties such as Global Investment Council and Global Economic and Strategy team are also leveraged for macro trends and broad asset class views over a long term horizon.

Types of Investments

AllianzGI AP offers investment management and investment advisory services with respect to a broad range of equity instruments and a more limited range of fixed-income instruments.

AllianzGI AP may also buy or sell, among other things, interest rate futures contracts, options on interest rate futures contracts, and options on fixed income securities for the purpose of hedging against changes in the value of securities positions due to anticipated changes in interest rates. AllianzGI AP may engage in foreign currency exchange transactions by means of buying or selling foreign currencies on a spot basis, entering into foreign currency forward contracts, and buying and selling foreign currency options, foreign currency futures, and AllianzGI AP may enter into foreign currency exchange transactions, for the purpose of hedging against foreign currency exchange risk. AllianzGI AP may enter into foreign currency forward contracts and buy and sell foreign currency forward contracts, and buy and sell foreign currencies or foreign currency options for purposes of increasing exposure to a particular foreign currency or to shift exposure to foreign currency fluctuations from one country to another. AllianzGI AP may enter into swap agreements for purposes of attempting to obtain a particular investment return at a lower cost than a direct investment in an instrument. Further, AllianzGI AP may purchase and sell securities on a when-issued or delayed delivery basis, sell securities short, enter into forward commitments to purchase securities and lend securities to brokers, dealers and other financial institutions to earn income.

INVESTING IN SECURITIES INVOLVES RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR

General The value of a client account changes with the value of its investments. Many factors can affect those values. A client's account may be subject to additional risks other than those described below because the types of investments in your account can change over time. There is no guarantee that AllianzGI AP will be able to achieve your investment objective. It is possible to lose money by investing.

Common Stocks and Other Equity Securities Common stock represents an ownership interest in a company. Common stock may take the form of shares in a corporation, membership interests in a limited liability company, limited partnership interests, or other forms of ownership interests. The value of a company's stock may fall as a result of factors directly relating to that company, such as decisions made by its management or lower demand for the company's products or services. A stock's value may also fall because of factors affecting not just the company, but also companies in the same industry or sector, or in a number of different industries or sectors, such as increases in production costs. The value of a company's stock may also be affected by changes in financial markets that are relatively unrelated to the company or its industry, such as changes in interest rates or currency exchange rates or adverse circumstances involving the credit markets. In addition, a company's stock generally pays dividends only after the company invests in its own business and makes required payments to holders of its bonds, other debt and preferred stock. For this reason, the value of a company's stock will usually react more strongly than its bonds, other debt and preferred stock to actual or perceived changes in the company's financial condition or prospects.

Stocks of smaller companies may be more vulnerable to adverse developments than those of larger companies. Stocks of companies that we believe are fast-growing may trade at a higher multiple of current earnings than other stocks. The value of these stocks may be more sensitive to changes in current or expected earnings than the values of other stocks. Seeking earnings growth may result in significant investments in sectors that may be subject to greater volatility than other sectors of the economy.

Companies that we believe are undergoing positive change and whose stock we believe is undervalued by the market may have experienced adverse business developments or may be subject to special risks that have caused their stocks to be out of favor. If our assessment of a company's earnings growth or other prospects is wrong, or if our judgment of how other investors will value the company is wrong, then the price of the company's stock may fall or may not approach the value that we have placed on it.

Different types of equity securities provide different voting and dividend rights and priority in the event of the bankruptcy and/ or insolvency of the issuer. In addition to common stocks, equity securities include, without limitation, preferred stocks, convertible securities and warrants. Equity securities other than common stocks are subject to many of the same risks as common stocks, although possibly to different degrees. We may invest in, and gain exposure to, common stocks and other equity securities through purchasing depositary receipts.

Equity-related instruments are securities and other instruments, including derivatives such as equity-linked securities, whose investment results are intended to correspond generally to the performance of one or more specified equity securities or of a specified equity index or analogous “basket” of equity securities. To the extent that an account invests in equity-related instruments whose return corresponds to the performance of a non-U.S. securities index or one or more non-U.S. equity securities, investing in these equity-related instruments will involve risks similar to the risks of investing in non-U.S. securities. In addition, a client’s account bears the risk that the issuer of an equity-related instrument may default on its obligations under the instrument. Equity-related instruments are often used for many of the same purposes as, and share many of the same risks with, other derivative instruments such as swap agreements, participation notes and zero-strike warrants and options, as discussed below. Equity-related instruments may be considered illiquid.

Risk of Interest Rate Changes To the extent that a client’s account invests in interest-bearing securities, it is exposed to interest-rate risk. If market interest rates rise, the value of the interest-bearing assets held by the client’s account may decline substantially. This applies to an even greater degree if a client’s account also holds interest-bearing securities with a longer time to maturity and a lower nominal interest rate.

Currency Risk If a client’s account holds assets denominated in foreign currencies, it is exposed to a currency risk if foreign currency positions have not been hedged or if there is any change in the relevant exchange control regulations. Any devaluation of the foreign currency against the base currency of the client’s account would cause the value of the assets denominated in the foreign currency to fall.

Creditworthiness Risk The creditworthiness (solvency and willingness to pay) of the issuer of a security or money-market instrument held by a client’s account may subsequently fall. This usually leads to drops in the price of the security which surpass those caused by general market fluctuations.

Custodial Risk Custodial risk is the risk arising from the possibility that a client’s account could be denied access, in whole or in part, to investments held in custody in the event of bankruptcy, negligence, willful misconduct or fraudulent activity on the part of the custodian or sub-custodian. In certain circumstances, a client’s account may take a longer time or may even be unable to recover some of its assets (in extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title), which may lead to significant losses for the client’s account and consequently adversely affect an investor’s investment in the Client’s account. In addition, sub-custodians may be appointed in local markets for purpose of safekeeping assets in those markets. Where a client’s account invests in markets where custodial and/or settlement systems are not fully developed, the assets may be exposed to custodial risk.

Company-Specific Risk The price development of the securities and money-market instruments held by a client’s account is also dependent on company-specific factors, for example, the issuer’s business situation. If the company-specific factors deteriorate, the price of the respective security may drop significantly and for an extended period of time, possibly even without regard to an otherwise generally positive market trend.

Risk of Settlement Default The issuer of a security held by a client’s account or the debtor of a claim belonging to a client’s account may become insolvent. This could cause those assets of the client’s account becoming economically worthless.

Counterparty Risk A client’s account may enter into transactions on over-the-counter (OTC) markets, which will expose the client’s account to the credit of its counterparty. In the event of a bankruptcy or

insolvency of a counterparty, the client's account could experience delays in liquidating the position which may result in significant losses. There is also a possibility that the above agreements are terminated due, for instance, to bankruptcy, supervening illegality or change in the relevant tax or accounting laws.

Country and Region Risk If a client's account focuses its investments on certain countries or regions, this also reduces the effect of risk diversification. Consequently, the client's account is particularly dependent on the development of individual or interdependent countries and regions, or of companies based and/or operating in those countries or regions.

Concentration Risk If a client's account focuses its investments on certain markets (in terms of geographical location (e.g., Asian markets), or level of development (e.g., emerging markets) or types of investment, such concentration does not allow the same scope of diversification of risks as investments made across different markets as would be possible if investments were not as concentrated. Consequently, the performance of a client's account is particularly dependent on the development of individual or related markets or of companies included in those markets.

General Market Risk To the extent that a client's account invests in securities or other assets, it is exposed to various general trends and tendencies in the markets, especially in the securities markets, which are partially attributable to irrational factors. Such factors could lead to substantial and longer-lasting drops in prices that affect the entire market. Securities from top-rated issuers are subject to essentially the same general market risk as other securities and assets.

Political and social risks Political changes, social instability and unfavourable diplomatic developments, such as war, could, in some countries, result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or the nationalisation of investments.

Liquidity Risk Even relatively small orders for purchases or sales of illiquid securities (securities that cannot be sold readily) in particular can lead to significant price changes. If an asset is not liquid, there is the risk that the asset cannot be sold or can only be sold at a significant discount to the purchase price. The lack of liquidity of an asset may cause its purchase price to decrease significantly.

Custodial Risk Custodial risk is the risk arising from the possibility that, to the detriment of the client's account, the client's account, could be denied access, in whole or in part, to investments held in custody in case of bankruptcy, negligence, wilful misconduct or fraudulent activity on the part of the custodian or sub-custodian.

Emerging Markets Risks Investing in emerging markets means investing in countries not classified by the World Bank as "high gross national income per capita" (i.e. not "developed"). Investments in these countries are subject to greater liquidity risk and general market risk. Additionally, increased risks may arise in connection with the settlement of transactions in securities in these countries, as it may not be possible to deliver securities directly when payment is made in such countries. In addition, the legal and regulatory environment, as well as the accounting, auditing and reporting standards in these countries may offer less protection for investors than that afforded by developed countries. Differing disposal methods for acquired assets in such countries may also result in increased custodial risk. Political risk may also be more pronounced as emerging markets tend to face more political uncertainties than developed markets.

European Country Risk The European financial markets have experienced volatility and adverse trends in recent years and these events have adversely affected the exchange rate of the Euro and may continue to significantly affect European countries. To the extent that a client account is denominated in Euro or which invests in European countries, in light of the ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the Client account's investments in the region may be subject to higher volatility, liquidity, currency and default risks. There is the possibility that economic and financial difficulties in Europe may continue to get worse or spread within and outside the Europe, and may lead to one or several European Union members exiting the Eurozone, credit downgrading or default of a sovereign within the Eurozone. While the governments of many European countries, the European Commission, the European Central Bank, the International Monetary Fund and other authorities are taking measures (such as undertaking economic reforms and imposing austerity measures on citizens) to address the current

fiscal conditions and concerns, these austerity measures and reforms may not have the desired effect, and the future stability and growth of Europe is therefore uncertain. The effect of such potential events on the client account's which are denominated in Euro or which invest in instruments predominantly tied to Europe is impossible to predict. Any adverse events such as the above events may have a negative impact on the NAV of the client accounts which are denominated in Euro or which invest in instruments predominantly tied to Europe. In June 2016, the United Kingdom voted to leave the European Union following a referendum referred to as "Brexit", and has officially withdrawn from the European Union on 31 January 2020. Brexit may result in increased market volatility and cause additional market disruption on a global basis. The effects of Brexit remain uncertain at this time and could negatively impact the value of a client account's investments.

Japanese Concentration Risk An account that holds or obtains exposure to Japanese securities or indices of securities may be affected significantly by economic, regulatory or political developments affecting Japanese issuers. The Japanese economy, after achieving high growth in the 1980s, faltered dramatically in the 1990s. While Japan's recent economic performance has shown improvements with positive GDP growth, the Japanese government continues to deal with high tax and unemployment rates, unstable banking and financial service sectors, and low consumer spending. Should any or all of these problems persist or worsen, an account invested in such securities could be adversely affected. A small number of industries, including the electronic machinery industry, comprise a large portion of the Japanese market, and therefore weakness in any of these industries could have profound negative impact on the entire market. In addition, Japan has few natural resources; its economy is heavily dependent on foreign trade and so it is vulnerable to trade sanctions or other protectionist measures taken by its trading partners.

Far Eastern (excluding Japan) Concentration Risk An account that holds or obtains exposure to Far Eastern (excluding Japanese) securities or indices of securities may be affected significantly by economic, regulatory or political developments affecting Far Eastern issuers. The economies and financial markets of some Far Eastern countries have been erratic in recent years, and several countries' currencies have fluctuated in value relative to the U.S. dollar. The trading volume on some Far Eastern stock exchanges is much lower than in the United States, making the securities of issuers traded thereon less liquid and more volatile than similar U.S. securities. Politically, several Far Eastern countries are still developing and could de-stabilize. In addition, it is possible that governments in the region could take action adverse to Far Eastern issuers, such as nationalizing industries or restricting the flow of money in and out of their countries.

ETFs Risk Investments in ETFs will include fees and expenses associated with the ETFs. The cost of investing in ETFs may be higher than investing in individual stocks and bonds. An account is also subject to the risks associated with the securities or other investments in which the ETFs invest, and its ability to meet its investment objective will directly depend on the ability of the ETFs to meet their investment objectives. An index-based ETF's performance may not match that of the index it seeks to track. An actively managed ETF's performance will reflect its adviser's ability to make investment decisions that are suited to achieving the ETF's investment objective. It is also possible that an active trading market for an ETF may not develop or be maintained, in which case the liquidity and value of investments in the ETF could be substantially and adversely affected. The extent to which the investment performance and risks associated with an account correlate to those of a particular ETF will depend upon the extent to which the portfolio's assets are allocated from time to time for investment in the ETF, which will vary.

Chinese Renminbi Currency Risk RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded either onshore in the People's Republic of China (PRC) (CNY) or offshore in Hong Kong and other markets outside the PRC (CNH). RMB is currently not freely convertible and is subject to exchange control policies and restrictions imposed by the PRC authorities. In general, the daily exchange rate of the RMB against other currencies is allowed to float within a range above or below the central parity rates published by the People's Bank of China each day. Its exchange rate against other currencies, including for example US dollars or Hong Kong dollars, are therefore susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely. The relevant client's accounts may be adversely affected by movements in the exchange rates between RMB and other currencies.

Risk of limited pool of Investments/Lack of Diversification for RMB Money Market A client's account focusing on RMB Money Market is also subject to the risk of limited pool of RMB instruments available for investment. In the absence of suitable securities available for investment, the client's account may have to allocate a significant portion of the portfolio's RMB assets in RMB negotiated term deposits until suitable securities are available in the market. This may adversely affect the client's account return and performance.

Liquidity Risk – RMB Investment Some of the RMB denominated fixed income securities are not listed and there may not be a liquid or active market for trading. The bid and offer spread of the price of these securities may be large. Therefore, the Client's account may incur significant trading and realization costs in trading these investments

Credit Risk – RMB Investment RMB denominated fixed income securities are typically unsecured debt obligations and are not supported by any collateral. Investments in these securities will expose the client's account to the credit/insolvency risk of its counterparties as an unsecured creditor. The issuers of money market instruments held by the Client's account may default on its obligation and the Client's account will not recover its investment. In addition, the client's account may not get the interest payment it is entitled to.

Downgrading Risk Investment grade securities invested by a client's account may be subject to the risk of being downgraded to below investment grade securities. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, investment value in such security may be adversely affected.

Performance Risk It cannot be guaranteed that the investment objectives of a client's account or the investment performance desired by the client will be achieved. The net asset value of the client account may also fluctuate, and in particular, may fall, causing a client to incur losses. Clients assume the risk of receiving a lesser amount than they originally invested. No guarantees are issued regarding the investment outcome for a client's account.

Investment Strategy Risk /Asset Allocation Risk The performance of the client's account is partially dependent on the success of the investment strategy (such as the asset allocation strategy) employed by the client account. There is no assurance that the strategy employed by the client account will be successful in achieving the desired results under all circumstances and market conditions and therefore the investment objective of the client account may not be achieved. The investments of the client's account may be periodically rebalanced and therefore the client's account may incur greater transaction costs than a client's account with static allocation strategy.

Inflation Risk Inflation risk is the risk that assets will lose value because of a decrease in the value of money. Inflation can reduce the purchasing power of income made on an investment in a client's account as well as the intrinsic value of the investment. Different currencies are subject to different levels of inflation risk. High inflation rate would erode any currency gain.

Risk of Changes in Underlying Conditions

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

Key Personnel Risk A client account that achieve very positive results in a certain period of time owe this success to the aptitude of the traders and thus to the correct decisions of its management. However, the staffing at a Client's account may change. New decision makers may have less success in managing assets.

Cyber Security Risk With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, investment companies and their service providers may be prone to operational and information security risks resulting from cyber-attacks and/or other technological malfunctions. In general, cyberattacks are deliberate, but unintentional events may

have similar effects. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, a custodian, transfer agent, or other affiliated or third-party service provider may adversely affect the Firm or its affiliates. While AllianzGI AP has established business continuity plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified.

Derivative risk

A client's account may use derivatives, in particular financial futures contracts, financial option contracts warrants and/or currency forward contracts for hedging or investment purposes. Derivatives are financial contracts whose value is derived from, the value of an underlying asset, reference rate or index. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks associated with more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives:

(i) **General Risk**

Derivatives are highly specialized instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the increased risk and the ability to forecast correctly the relative price, interest rate or currency rate movements correctly.

(ii) **Risk Associated with Margin Requirement**

Investments in derivatives may require the deposit of an initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the client's account investments, as the case may be, may be liquidated with a resulting loss.

(iii) **Loss of Potential Positive Return of Hedged Asset**

While the use of derivative instruments to hedge a client's assets reduces the economic risk inherent in its asset to the greatest extent possible, there is a possible risk that a client account will no longer be able to participate in a positive development of the hedged asset.

(iv) **Leveraging risk**

Because many derivatives have a leveraging component, adverse change in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. When an account uses derivatives for leverage, investments will tend to be more volatile, resulting in larger or losses in response to market changes. Leveraging risk may be especially applicable to accounts that may write uncovered (or "naked") options.

(v) **Basis risk**

Basis risk is the risk that the value of a derivative instrument does not react in parallel with the value of the underlying security.

(vi) **Other Risks**

Another risk in using derivatives includes the risk of differing valuations of the derivatives arising out of different permitted valuation methods. Many derivatives, in particular OTC derivatives, are

complex and often valued subjectively. The valuation may only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value of the client's portfolio.

Furthermore, derivatives do not always perfectly or even closely track the value of the securities, interest rates, exchange rates or indices they are designed to track. Consequently, a client account's use of derivative techniques may not always be an effective means to achieve the client account's investment objective.

Index Risk Investments in derivatives that are linked to the performance of an index, will be subject to the risks associated with changes in the applicable index. If the applicable index changes, such an investment could receive lower interest payments (in the case of a debt-related derivative) or experience a reduction in the value of the derivative to below what the investor paid. Certain indexed securities may create leverage to the extent that they increase or decrease in value at a rate that is a multiple of the changes in the applicable index.

Country and Transfer Risks Economic or political instability in countries in which a client account is invested may lead to a situation in which a client account does not receive part or all of the monies owed to it in spite of the solvency of the issuer of the respective security or other assets. Currency or transfer restrictions or other legal changes, for example, may be significant in this regard.

Industry Risk If a client account focuses its investments on certain industries, this may reduce risk diversification. Consequently, the client account is particularly dependent both on the general development and the development of corporate profits of individual industries or industries that influence each other.

Focused Investment Risk Focusing an account's investments in a small number of issuers, industries, foreign currencies or regions increases risk. If an account invests a significant portion of its assets in a relatively small number of issuers, it may have more risk because changes in the value of a single security or the impact of a single economic, political or regulatory occurrence may have a greater adverse impact on the account's value. Some of those issuers also may present substantial credit or other risks. In addition, the account may be subject to increased risk to the extent it focuses its investments in securities denominated in a particular foreign currency or in a narrowly-defined geographic area outside the United States. Similarly, if the account focuses its investments in a certain type of issuer, it will be particularly vulnerable to events affecting that type of issuer. Also, the account may have greater risk to the extent it invests a substantial portion of its assets in a group of related industries (or "sectors"). The industries comprising any particular sector and investments in a particular foreign currency or in a narrowly-defined geographic area outside the United States may share common characteristics, are often subject to similar business risks and regulatory burdens, and react similarly to economic, market, political or other developments. An account may from time to time invest a substantial portion of its assets in certain sectors, and during these periods will be subject to a greater extent to the risks associated with these sectors.

- **Consumer-Related Companies Risk**

Client Accounts that invest in the consumer and consumer-related sectors, which include the consumer staples, consumer discretionary and healthcare industries, will be associated with the risks particular to those sectors, including demographic and product trends, performance of the overall economy, competition, marketing campaigns, environmental factors, government regulation, interest rates, consumer confidence and disposable household income and consumer spending.

- **Health Sciences-Related Risk**

Accounts that focus their investments in the health sciences-related sector will be subject to risks particular to that sector, including rapid obsolescence of products and services, the potential and actual performance of a limited number of products and services, technological change, patent expirations, risks associated with new regulations and changes to existing regulations, changes in government subsidy and reimbursement levels, risks associated with the governmental approval process, and chances of lawsuits versus health sciences-related companies due to product or service liability issues.

- **Natural Resources-Related Companies Risk.**

Accounts that make significant investments in the natural resources industries will be subject to the risk factors particular to each such industry. Natural resources industries can be significantly affected by events relating to international political and economic developments (e.g., regime changes and changes in economic activity levels), expropriation, or other confiscation, population growth and changing demographics, energy conservation, the success of exploration projects, global commodity prices, adverse international monetary policies, tax and other government regulations, and natural phenomena around the world, such as drought, floods and other adverse weather conditions and livestock disease. Specifically, cyclical industries can be significantly affected by general economic trends, including employment, economic growth, interest rates, changes in consumer sentiment and spending, global commodity prices, legislation, government regulation and spending, import controls and worldwide competition and companies engaged in such industries can be subject to liability for, among other things, environmental damage, depletion of resources, and mandated expenditures for safety and pollution control. Furthermore, the natural resources industries and funds that focus their investments in such industries can also be significantly affected by the level and volatility of commodity prices, which have historically been among the most volatile of international prices, often exceeding the volatility of exchange rates and interest rates. Finally, investments in natural resources industries are subject to the risk that the performance of such industries may not correlate with broader equity market returns or with returns on natural resources investments to the extent expected by portfolio manager(s).

- **Technology-Related Risk.**

Accounts that make significant investments in the technology sectors will be subject to risks particularly affecting technology or technology-related companies, such as the risks of short product cycles and rapid obsolescence of products and services, competition from new and existing companies, significant losses and/or limited earnings, security price volatility, limited operating histories and management experience, and patent and other intellectual property considerations.

Specific Risks of Market Neutral Long/Short Equity Strategy A market neutral long/short equity strategy involves entering into long positions on equity-oriented securities while simultaneously reducing or entirely eliminating market risk via opposing short positions. This is normally done by opening long and short positions to an approximately equal extent.

The success of a market neutral long/short equity strategy depends primarily on the selection of equity-oriented securities as well as on the degree of accuracy in forecasting the future performance of the equity markets. If the prices of the securities held as long positions in the portfolio rise, the client account participates in this performance, while it takes a loss if these prices fall. If the prices of the securities held as short positions in the portfolio fall, the client account participates in this performance, while it takes a loss if these prices rise; the risk of loss is essentially unlimited.

The fact that in a pure market neutral long/short equity strategy, long and short positions are entered into to an approximately equal extent is intended to limit the overall potential for losses on investments made using a market neutral long/short equity strategy. However, depending on how the market does, the prices of the long and short positions could perform differently and losses in both positions could result. If one of the two positions is larger than the other, the larger position is subject to the risk described in the previous paragraph without the potential of the risk being mitigated by an offsetting position.

IPO Risk Client accounts may purchase securities in initial public offerings ("IPOs"). These securities are subject to many of the same risks as investing in companies with smaller market capitalizations and often to a heightened degree. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in IPOs may be highly volatile. At any particular time or from time to time, an account may not be able to invest in securities issued in IPOs, or invest to the extent desired, because, for example, only a small portion (if any) of the securities being offered in an IPO may be made available to the account. See Item 12 below for a discussion of our policies concerning IPOs and secondary offerings. In addition, under certain market conditions, a relatively small number of companies may issue securities in IPOs. Similarly, as the number of portfolios to which IPO securities are allocated increases, the number of securities issued to the account may decrease. The investment performance of an account during periods when it is unable to invest

significantly or at all in IPOs may be lower than during periods when the account is able to do so. In addition, as an account increases in size, the impact of IPOs on its performance will generally decrease.

Management Risk Client accounts may be subject to management risk because they are actively managed investment portfolios. We will apply investment techniques and risk analyses in making investment decisions for an account, but there can be no guarantee that these will produce the desired results. An account is also subject to the risk that deficiencies in our internal systems or controls or those of another service provider will cause losses for the account or hinder operations. For example, trading delays or errors (both human and systemic) could prevent the account from purchasing a security expected to appreciate in value. Additionally, legislative, regulatory, or tax developments may affect the investment techniques available to us in connection with managing the account and may also adversely affect the ability of an account to achieve its investment objective.

Non-U.S. Investment Risk Where an account invests primarily in foreign (non-U.S.) securities, it may experience more rapid and extreme changes in value than portfolios that invest exclusively in securities of U.S. issuers or securities that trade exclusively in U.S. markets. The securities markets of many non-U.S. countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of non-U.S. securities are often not subject to the same degree of regulation as U.S. issuers. Reporting, accounting and auditing standards of non-U.S. countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or confiscatory taxation, currency blockage, market disruption, political changes, security suspensions or diplomatic developments could adversely affect an account's investments in a non-U.S. country. In the event of nationalization, expropriation or other confiscation, an account could lose its entire investment in non-U.S. securities. To the extent that an account invests a significant portion of its assets in a particular currency or geographic area, the account will generally have more exposure to regional economic risks, including weather emergencies and natural disasters, associated with non-U.S. investments. For example, if an account invests a substantial amount in particular countries, the account may be subject to increased risks due to political, economic, social or regulatory events in those countries. Adverse developments in certain regions can also adversely affect securities of other countries whose economies appear to be unrelated. In addition, an account's investments in non-U.S. securities may be subject to withholding and other taxes imposed by countries outside the U.S., which could reduce the return on an investment.

Other Fund Risks To the extent a client account invests primarily in mutual funds or other investment vehicles, the risks associated with the account will be closely related to the risks associated with the securities and other investments held by the mutual fund or investment vehicle, which will be described in the fund's or vehicle's prospectus or offering document. The ability of a client account to achieve its investment objective will depend upon the ability of the funds or other vehicles to achieve their investment objectives. The value of a client's account, when investing in funds or vehicles, will fluctuate in response to changes in the net asset values of the funds or vehicles in which it invests. The extent to which the investment performance and risks associated with a client account correlate to those of a particular fund or vehicle will depend upon the extent to which the account's assets are allocated from time to time for investment in a fund or vehicle, which will vary.

Smaller Company Risk The general risks associated with investing in equity securities and liquidity risk are particularly pronounced for securities of companies with smaller market capitalizations. These companies may have limited product lines, markets or financial resources or they may depend on a few key employees. Securities of smaller companies may trade less frequently and in lesser volume than more widely held securities and their values may fluctuate more sharply than other securities. They may also trade in the over-the-counter market or on a regional exchange, or may otherwise have limited liquidity. Companies with medium-sized market capitalizations also have substantial exposure to these risks.

Turnover Risk As mentioned above, AllianzGI AP seeks to invest in companies that offer long-term sustainable growth in earnings, revenues, and/or cash flow, have strong management and financial statements, and offer good relative and absolute risk-adjusted return characteristics, therefore it is not AllianzGI AP's general practice to engage in frequent trading for a client's portfolio. Nonetheless a client should be aware that higher portfolio turnover involves correspondingly greater expenses to the account, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities

and reinvestments in other securities. These sales may also result in realization of taxable capital gains, including short-term capital gains, and may adversely impact the account's after-tax returns. The trading costs and tax effects associated with portfolio turnover may adversely affect an account's performance.

China Market Risk Investing in the China market is subject to the risks of investing in emerging markets (such as stock connect and bond connect) generally and the risks specific to the China market. Any significant change in the People's Republic of China's political, social or economic policies may have a negative impact on investments in the China Market.

Regulatory Risks Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing linked program developed to achieve mutual stock market access between Mainland China (Shanghai Stock Exchange ("**SSE**") and Shenzhen Stock Exchange ("**SZSE**") respectively) and Hong Kong (Hong Kong Stock Exchange). The client's account and other overseas investors may have direct access to certain eligible China A shares under the Northbound Trading Link by routing orders to the Shanghai Stock Exchange and the Shenzhen Stock Exchange under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect respectively. However, the Stock Connect is novel in nature and is subject to regulations promulgated by regulatory authorities in Mainland China and Hong Kong and implementation rules made by the involved stock exchanges. Regulations are untested and there is no certainty as to how they will be applied. The current regulations are also subject to change which may have potential retrospective effect, and there can be no assurance that the Stock Connect will not be abolished. Investors should note that the Client's account, which may invest in the Mainland Chinese markets through Stock Connect, may be adversely affected as a result of such changes.

Recalling of eligible stocks and suspension risks

In respect of the Shanghai-Hong Kong Stock Connect, eligible universe includes all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the China A shares listed on Shanghai Stock Exchange that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on Hong Kong Stock Exchange, except those not traded in RMB or are included in the "risk alert board". In respect of the Shenzhen-Hong Kong Stock Connect, eligible universe includes any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB6 billion and all SZSE-listed China A-Shares which have corresponding H Shares listed on Hong Kong Stock Exchange, except those not traded in RMB or are included in the "risk alert board". When a stock is recalled from the scope of eligible stocks for trading via Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Client's account, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks. In addition, the investors should be aware of the risk that both the stock exchanges in Mainland China and Hong Kong reserve the right to suspend the trading link upon consent from relevant regulator if necessary for ensuring an orderly and fair market and that risks are managed prudently. Where a suspension in the trading via Stock Connect is effected, a client's account's ability to invest in China A-shares or access the PRC market via Stock Connect will be adversely affected. In such event, the Client's account's ability to achieve its investment objective could be negatively affected.

Differences in trading day, quota and foreign shareholding limitations

Stock Connect will only operate on days when both the Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. Trading is also subject to a daily **quota ("Daily Quota")**. The Daily Quota limits the maximum net buy value of cross-boundary trades under Stock Connect each day. Once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders may be rejected. The Daily Quota may only be utilized on a first-come-first-served basis and therefore the relevant Client's account may not be able to make its intended investments. There are also limitations on the aggregate foreign investors' shareholding by all Hong Kong and overseas investors and on single foreign investors' shareholding. Investors should be aware that the differences in trading day and certain restrictions imposed on the quota and shareholding may restrict the Client's account's ability to make timely investments and pursue its investment strategies effectively. Day trading is not allowed on the Shanghai Stock Exchange and Shenzhen Stock Exchange. Under the Stock Connect, Hong Kong and foreign investors would be subject to the same prohibition. Therefore, Hong Kong and foreign investors

buying shares via Stock Connect may only sell those shares one day after the initial trading day (T), on which the shares were bought, ie T+1. The Client's account may also be exposed to a risk of price fluctuations in China A shares during the time when Stock Connect is not trading.

Settlement and custody

The Hong Kong Securities Clearing Company Limited ("**HKSCC**"), a wholly-owned subsidiary of the Hong Kong Stock Exchange, will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. The HKSCC and ChinaClear will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Client's account may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear. On the other hand, a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect securities and/or monies in connection with them and the Client's account and its investors may suffer losses as a result.

Beneficial owner of the Stock Connect shares and Corporate actions

The China A shares traded through Stock Connect are issued in scripless form, so the respective Client's account will not hold any physical China A shares and should maintain the shares via or with the brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on Hong Kong Stock Exchange). HKSCC in turn holds Stock Connect Shares of all its participants through a "single nominee omnibus securities account" in its name registered with ChinaClear, the central securities depository in Mainland China. HKSCC is only a nominee holder and the Client's account remain the beneficial owner of the Stock Connect Shares. The Client's account's title or interests in, and entitlements to Stock Connect securities (whether legal, equitable or otherwise) will therefore be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. However, it is uncertain whether the Chinese courts would recognise the ownership interest of the Stock Connect investors to allow them standing to take legal action against the Chinese entities in case disputes arise.

ChinaClear as the share registrar for Shanghai Stock Exchange listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such securities. The Client's account need to comply with the arrangement and deadline specified by respective brokers or custodians. However, the time to take actions for some types of corporate actions of Stock Connect Securities may be very short and the Client's account may not be able to participate in some corporate actions in a timely manner. Also, due to the lack of multiple proxies in mainland practice, the Client's account may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the Stock Connect Securities. In any event, the HKSCC is only a nominee holder and therefore it has no obligation to take any legal action or court proceedings to enforce any rights on behalf of investors and therefore, although the relevant Client's account' ownership interest may be recognized, the relevant Client's account may suffer difficulties or delays in enforcing the associated rights.

Local market rules and disclosure obligations

Under Stock Connect, China A shares listed companies and trading of China A shares are subject to market rules and disclosure requirements of the China A shares market. In this respect, the Client's account is required to disclose any change in its shareholding and comply with related trading restrictions in accordance with the Mainland China rules. Investors should be aware that any changes in laws, regulations and policies of the China A shares market or rules in relation to Stock Connect may affect share prices and the Client's account.

Taxation

The investments through the Stock Connect are subject to the tax regime in the mainland. Pursuant to the Notices jointly issued by the Ministry of Finance, the State Administration of Taxation and CSRC dated 14 November 2014 (Caishui [2014] No. 18) (effective from 17 November 2014) and dated 5 November 2016 (Caishui [2016] No. 127) (effective from 5 December 2016) respectively, the PRC State Administration of

Taxation have reaffirmed the application of a normal Chinese stamp duty and a 10% dividend withholding tax. Further, Hong Kong and foreign investors investing in China A-shares via Stock Connect are temporarily exempt from business tax and income tax on capital gains derived from the sale of A-shares until further notice. Dividends may be received, if any, net of tax. The tax regime may change from time to time and the Client's account are subject to uncertainties in its Mainland China tax liabilities.

RMB currency risk

China A shares are priced in RMB and the Client's account will need to use RMB to trade and settle Stock Connect Securities. There may be associated trading costs involved in dealing with Stock Connect Securities. Mainland Chinese government controls future movements in exchange rates and currency conversion. The exchange rate floats against a basket of foreign currencies, therefore such exchange rate could fluctuate widely against the USD and HKD or other foreign currencies in the future. In particular any depreciation of RMB will decrease the value of any dividends and other proceeds an investor may receive from its investments. In addition, investors should note that RMB which is traded within the onshore Renminbi currency market (i.e. the "CNY") may trade at a different rate compared to RMB which is traded within the offshore Renminbi currency market (i.e. the CNH). A Client's account' investments may be exposed to both the CNY and the CNH, and the client accounts may consequently be exposed to greater exchange risks and/or higher costs of investment. The Chinese government's policies on exchange control are subject to change, and the Client's account may be adversely affected.

Risks associated with the Small and Medium Enterprise Board and/or ChiNext Board

A Client's account may invest in the Small and Medium Enterprise Board of the SZSE ("**SME Board**") and/or the ChiNext Board of the SZSE ("**ChiNext Board**"). Investments in the SME Board and/ or ChiNext Board may result in significant losses for the relevant Client's account and its investors. The following additional risks apply:

– Higher Fluctuation on Stock Prices

Listed companies on the SME Board and/or ChiNext Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE ("Main Board").

– Valuation/Over-Valuation Risk

Stocks listed on the SME Board and/or ChiNext Board may be difficult to value and/or overvalued. Exceptionally high valuation resulting from over-valuation may not be sustainable. Also, stock price may be more susceptible to manipulation due to fewer circulating shares.

– Differences in Regulations

The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board and SME Board.

– Delisting Risk

It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on the relevant Client's account if the companies that it invests in are delisted.

– Risk associated with Small-Capitalisation/Mid-Capitalisation Companies

The stocks of small-capitalisation/mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

Fixed Income Risk Investing in fixed income instruments (if applicable) may expose investors to various risks, including but not limited to creditworthiness, interest rate, liquidity and restricted flexibility risks. Changes to the economic environment and market conditions may affect these risks, resulting in an adverse effect to the value of the investment. During periods of rising nominal interest rates, the values of fixed income instruments (including short positions with respect to fixed income instruments) are generally expected to decline. Conversely, during periods of declining interest rates, the values are generally expected to rise. Liquidity risk may possibly delay or prevent account withdrawals or redemptions.

Credit Risk An account could lose money if the issuer or guarantor of a fixed income security (including a security purchased with securities lending cash collateral) is unable or unwilling, or is perceived (whether by market participants, ratings agencies, pricing services or otherwise) as unable or unwilling, to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in their credit ratings and an account holding a fixed income security is subject to the risk that the security's credit rating will be downgraded. Securities issued by the U.S. Treasury historically have presented However, recent events have led to a downgrade in the long-term U.S. credit rating by at least one major rating agency in 2011 due to the rising public debt burden and perception of greater policymaking uncertainty in the U.S. and have introduced greater uncertainty about the ability of the U.S. to repay its obligations. A further credit rating downgrade or a U.S. credit default could decrease the value and increase the volatility of an account's investments, to the extent that the account has exposure to securities issued by the U.S. Treasury. Credit risk is particularly pronounced for below investment grade securities.

Bankruptcy Risk Many events in a bankruptcy are the product of contested matters and adversarial proceedings and are beyond the control of the creditors. There can be no assurance that a bankruptcy court in the exercise of its broad powers would not approve actions that would be contrary to the interests of the clients. The effect of a bankruptcy filing on a company may adversely and permanently affect the company, including the loss of its market position, key employees and otherwise becoming incapable of restoring itself as a viable entity. If for this or any other reason the proceeding is converted to a liquidation, the liquidation value of the company may not equal the liquidation value that was believed to exist at the time of the investment. The duration of a bankruptcy proceeding is difficult to predict and a creditor's return on investment can be adversely affected by delays while the plan of reorganization is being negotiated and confirmed by the bankruptcy court and until it ultimately becomes effective. Bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization. Because the standard for classification is vague, there exists the risk that a client's influence with respect to the class of securities it owns can be lost by increases in the number and amount of claims in that class or by different classification and treatment. In the early stages of the bankruptcy process it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made. Additionally, certain claims that have priority by law (for example, claims for taxes) may be quite significant.

Call Risk An issuer may redeem a fixed-income security before maturity ("call") at a price below its current market price. An increase in the likelihood of a call may reduce the security's price. If a fixed-income security is called, the adviser may have to reinvest the proceeds in other fixed-income securities with lower interest rates, higher credit risks, or other less favorable characteristics.

Loss-absorption Features Risk A client's account that invests in instruments with loss-absorption features, are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of a pre-defined trigger event (e.g. when the issuer is near or at the point of non viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.

In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

A client's account that invests in contingent convertible bonds, commonly known as CoCos, are highly complex and are of high risk. Upon the occurrence of the trigger event, contingent convertible bonds may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on contingent convertible bonds are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. Please also refer to the risk factor "Contingent Convertible Bonds Risk".

A client's account may invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

Contingent Convertible Bonds Risk A Client's account may invest in contingent convertible bonds. Under the terms of a contingent convertible bond, certain triggering events, including events under the control of the management of the contingent convertible bond's issuer, could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. Investment in contingent convertible bonds may entail the following risks (non-exhaustive list):

Capital structure inversion risk: contrary to classical capital hierarchy, contingent convertible bonds' investors may suffer a loss of capital when equity shareholders do not.

Trigger level risk: trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Investment Manager of the relevant Client's account to anticipate the triggering events that would require the debt to convert into equity.

Conversion risk: it might be difficult for the Investment Manager of the relevant Client's account to assess how the securities will behave upon conversion. In case of conversion into equity, the Investment Manager might be forced to sell these new equity shares because the investment objective of the relevant Client's account does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.

Coupon cancellation risk: for some contingent convertible bonds, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.

Call extension risk: some contingent convertible bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

Industry concentration risk: investment in contingent convertible bonds may lead to an increased industry concentration risk as such securities are currently issued by banking institutions.

Yield/valuation risk: contingent convertible bonds often offer an attractive yield which may, however, also represent a premium to their price in light of the complexity of how they are structured.

Liquidity risk: in certain circumstances finding a ready buyer for contingent convertible bonds may be difficult and the relevant Client's account may have to accept a significant discount to the expected value of the bond in order to sell it.

Unknown risk: the structure of contingent convertible bonds is innovative yet untested.

Subordinated instruments: contingent convertible bonds may be issued in the form of subordinated debt instruments. In the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the contingent convertible bonds, such as the Client's account, against the issuer in respect of or arising under the terms of the contingent convertible bonds shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.

The foregoing is only a summary of certain risks of investing in the securities and instruments that AllianzGI AP uses. Specialized mandates may have particular risks not described above and a client should have a full understanding of the risks applicable to its account before engaging AllianzGI AP's services.

Political, United Kingdom and European Union Market and Regulatory Related Risks Portfolios that have significant exposure to certain countries can be expected to be impacted by the political and economic conditions within such countries. There is continuing uncertainty around the future of the euro and the European Union (EU) following the United Kingdom's vote to exit the EU in June 2016. It is expected that the United Kingdom's exit from the EU will take place within two years after the United Kingdom formally notifies the European Council of its intention to withdraw. However, there is a significant degree of uncertainty about how negotiations relating to the United Kingdom's exit will be conducted, including the outcome of negotiations for a new relationship between the United Kingdom and EU. While it is not possible to determine the precise impact these events may have on a portfolio,

during this period and beyond, the impact on the United Kingdom, EU countries, other countries or parties that transact with the United Kingdom and EU and the broader global economy could be significant and could adversely affect the value and liquidity of a portfolio's investments. In addition, if one or more countries were to exit the EU or abandon the use of the euro as a currency, the value of investments tied to those countries or the euro could decline significantly and unpredictably.

The European Union's Markets in Financial Instruments Directive (Directive 2014/65/EU) along with its accompanying regulation, the Markets in Financial Instruments Regulation ("MiFIR") (Regulation 600/2014/EU) (which are collectively known as "MiFID II") took effect on January 3, 2018. MiFID II is a wide ranging piece of legislation that will affect financial market structure, trading and clearing obligations, product governance and investors protections. While MiFIR and a majority of the so-called "Level 2" measures are directly applicable across the EU as EU regulations, the revised MiFID directive must be "transposed" into national law by Member States. The transposition process can open the door to the act of so-called "gold-plating", where individual Member States and their national competent authorities ("NCAs") introduce requirements over and above those of the European text and apply MiFID II provisions to market participants that would not otherwise be caught by MiFID II, including U.S. asset managers. NCAs in certain jurisdictions may propose a number of regulatory measures and/or regulatory positions that may be unclear in scope and application (absent ESMA guidance) resulting in confusion and uncertainty. It is impossible to predict how these regulatory positions or additional governmental restrictions may be imposed on market participants (including AllianzGI AP) and/or the effect of such restrictions on AllianzGI AP's ability to implement a client's investment objective. It is also impossible to predict the unintended consequences of MiFID II on the operation and performance of AllianzGI AP or an account, which may be indirectly impacted by changes in market structure and/or regulatory interpretation.

ITEM 9. DISCIPLINARY INFORMATION

To the best of AllianzGI AP's knowledge, there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of or the integrity of AllianzGI AP.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

AllianzGI AP is part of Allianz Global Investors. Allianz Global Investors is the marketing name for a global asset management business that operates through affiliated entities throughout the world.

AllianzGI AP is related, through common ownership or otherwise, including (but not limited to): Allianz Global Investors GmbH, Allianz Global Investors Japan Co. Ltd., Allianz Global Investors Singapore Ltd., Allianz Global Investors Taiwan Ltd., Allianz Global Investors Overseas Asset Management (Shanghai) Limited, PT Allianz Global Investors Asset Management Indonesia and Allianz Capital Partners GmbH.

Allianz and all of its direct and indirect subsidiaries (other than AllianzGI AP), including those listed above, are referred to herein as the "Allianz Affiliates." The Allianz Affiliates may be registered as investment advisers with the SEC or other foreign regulatory authorities. AllianzGI AP may act as investment adviser to one or more Allianz Affiliates on either a discretionary or non-discretionary basis, and may serve as a sub-adviser for accounts or clients for which one or more Allianz Affiliates serve as investment manager or investment adviser. AllianzGI AP also may share employees with or provide other services to the Allianz Affiliates. Similarly, AllianzGI AP may receive services, including but not limited to investment advisory services, from certain Allianz Affiliates. AllianzGI AP coordinates its activities with certain other Allianz investment management businesses. These businesses include Allianz Global Investors GmbH, which is indirectly a wholly-owned subsidiary of Allianz SE.

In addition, AllianzGI AP acquires investment information and research services from broker-dealers, including information used in reports prepared by Grassroots Research® group. (See response to Item 12 below.) One or more of the Allianz Affiliates also may acquire similar research information from broker-dealers. AllianzGI AP and the Allianz Affiliates expect to share such research, and will use any such shared research for the benefit of their clients.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

CODE OF ETHICS

AllianzGI AP has adopted a Code of Ethics ("Code") which is embedded in the Allianz Global Investors Asia Pacific Regional Compliance Manual. AllianzGI AP's officers, employees, and associated persons (collectively, "Employees") are required to follow the Code, which sets out standards of conduct and helps AllianzGI AP detect and prevent potential conflicts of interest. The Code covers personal securities transactions of all Employees and their closely connected persons (as defined in the Code). Although the Code permits employees to trade in securities for their own accounts, Employees are required to follow the Code, which contains pre-clearance procedures, reporting requirements, and other provisions that restrict trading by Employees. In some circumstances, Employees may trade in securities for their own accounts or accounts of their closely connected persons that are recommended to and/or purchased by our clients. In these circumstances, there is a possibility that the Employee may benefit from market activity within a client account.

Employee trading is monitored for compliance with the Code including the Global Personal Account Dealing Policy ("PAD Policy"). We take the Code and the PAD Policy very seriously. Any Employee who violates the Code may be subject to remedial actions, including, but not limited to: disgorgement of profits, suspension of trading privileges, termination of officer title, and / or suspension or termination of employment, as permissible by law. Employees are also required to promptly report any violation of the Code of which they become aware. The Code and the PAD Policy are available to all staff on the firm's intranet site. Employees are required to annually certify compliance with the Code and the PAD Policy.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Consistent with its duty to seek best execution, AllianzGI AP may from time to time effect securities transactions for its client accounts through an Allianz Affiliate acting as broker or agent. (See also response to Item 12.)

AllianzGI AP provides services to a number of different clients and accounts. We may give advice and take action with respect to any client or accounts that may differ from action taken on behalf of other clients or accounts. AllianzGI AP is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling, any security that our employees may buy or sell for their own account or for the accounts of any other client. AllianzGI AP manages conflicts with our employees investing for their accounts by requiring that any transaction be made in compliance with our Code of Ethics, as discussed above.

Because AllianzGI AP manages more than one account, potential conflicts of interest may arise related to the amount of time individuals devote to managing particular accounts. AllianzGI AP may also have an incentive to favor accounts in the allocation of investment opportunities or otherwise treat preferentially those accounts that pay us a performance-related fee, or a higher fee level or greater fees overall. AllianzGI AP has adopted procedures for allocation of portfolio transactions and investment opportunities across multiple client accounts on a fair and equitable basis over time. See Item 6 above and Item 12 below.

Potential conflicts of interest may also arise in connection with an employee's knowledge and the timing of transactions, investment opportunities, broker selection, portfolio holdings and investments. Some employees who have access to the size and timing of transactions may have information concerning the market impact of transactions. Employees may be in a position to use this information to their possible advantage or to the possible detriment of our other client accounts. An investment opportunity may also be suitable for multiple accounts we manage, but not in sufficient quantities for all accounts to participate fully. Similarly, there may be limited opportunity to sell an investment held by multiple accounts. We manage these potential conflicts with employee transactions by requiring that any transaction be made in

compliance with our Code of Ethics, and potential conflicts between client accounts through our procedures for aggregating and allocating portfolio transactions and investment opportunities discussed in Item 12 below.

The Allianz Affiliates provide a variety of investment brokerage and other services to a broad range of clients, including issuers of securities that AllianzGI AP may recommend for purchase or sale by clients. In the course of providing these services, the Allianz Affiliates may come into possession of material, non-public information. However, such material, non-public information ordinarily will not be disclosed to AllianzGI AP or its employees. The Allianz Affiliates have installed procedures intended to prevent the sharing of confidential information concerning issuers by its investment brokerage, investment management and other operations. Such confidential information, if obtained, will not be used as a factor in making investment decisions for the portfolios of clients.

AllianzGI AP believes that the nature and range of clients to whom the Allianz Affiliates render investment banking, commercial banking, brokerage and other services is such that it would be inadvisable to exclude these companies from a client's portfolio solely on the basis of their relationship with the Allianz Affiliates. Accordingly, except to the extent prohibited by law, AllianzGI AP will not, as a matter of policy, refrain from initiating purchases or sales of any security as to which the Allianz Affiliates provide investment banking, commercial banking, brokerage or other services, or as to which the Allianz Affiliates possess material, non-public information. As a result, subject to each client's investment objectives, guidelines and restrictions, it is likely that client holdings will, from time to time, include the securities of issuers for whom the Allianz Affiliates provide investment banking, commercial banking, brokerage and other services. AllianzGI AP also may purchase or sell for one or more client portfolios the securities of companies in which an Allianz Affiliate makes a market, or in which AllianzGI AP, the Allianz Affiliates, or any of their employees have positions.

To meet applicable regulatory requirements or internal policies, there may be periods during which AllianzGI AP may not be permitted to recommend or effect certain types of transactions in the securities of companies for which an Allianz Affiliate is performing investment banking, commercial banking, brokerage or other services. This may result in AllianzGI AP being unable to recommend or effect transactions at a time when it might otherwise be advisable to do so.

All of the transactions described above involve the potential for conflict of interest between AllianzGI AP or the Allianz Affiliates and clients of AllianzGI AP. In some cases, transactions may be permitted subject to fulfillment of certain conditions. In other cases, transactions may be prohibited. AllianzGI AP seeks to ensure that potential or actual conflicts of interest are appropriately resolved, taking into consideration the overriding best interests of the client.

AllianzGI AP may, from time to time, buy or sell securities for its own investment account, and AllianzGI AP's employees may do so. Likewise, the Allianz Affiliates may buy and sell securities for their own accounts, may underwrite securities, and may act as a market maker with respect to certain securities. AllianzGI AP does not prohibit any of its employees from purchasing or selling for their own accounts securities that may be recommended to or held by AllianzGI AP's clients, and AllianzGI AP's employees may in fact own, purchase, and sell securities that are recommended to or held by AllianzGI AP's clients, subject to the requirements in the Code of Ethics. Similarly, the Allianz Affiliates may purchase, hold, or sell securities that are recommended for purchase or sale in AllianzGI AP client accounts. Not all the Allianz Affiliates are subject to requirements similar to the AllianzGI AP Code of Ethics, and therefore may be purchasing or selling a security at the same time that AllianzGI AP is purchasing or selling that security on behalf of one or more clients.

ITEM 12. BROKERAGE PRACTICES

Most clients give AllianzGI AP full discretionary authority over assets under management, subject to any limitations or prohibitions that may be imposed by each client in its investment objectives, guidelines, and restrictions, or in instructions otherwise provided to AllianzGI AP by the client or, in the case of sub-advisory accounts, the client's principal advisor. For accounts over which AllianzGI AP has full discretionary authority, AllianzGI AP has the power to determine (without consultation with the client) which securities are bought and sold, when such purchases and sales are made, and the total amount of such

purchases and sales. Except in those instances where a client wishes to retain discretion over broker selection and commission rate, AllianzGI AP accepts full discretionary authority to determine the broker to be used and the commission paid, with the objective of attaining the best available price and most favorable execution ("best execution") for each transaction. Some trades are made on a net basis where the client buys securities directly from a dealer, or sells them directly to a dealer. This is typical for certain equity securities traded in the over-the-counter market, and for most debt securities. In these transactions, there is no direct commission charged, but the dealer receives a "spread" which is the equivalent of a commission for engaging in the transaction.

AllianzGI AP performs investment management and investment advisory services for various clients, many of whom may have differing investment objectives, guidelines, and restrictions. As a result, AllianzGI AP may give advice and take action in the performance of its duties for a particular client that may differ from the advice given, or the timing or nature of action taken, with respect to other clients. Frequently, a particular security may be bought or sold for only one or a small number of clients, or in different amounts and at different times for more than one but less than all clients. In some cases, AllianzGI AP may cause one or more accounts to buy or sell a security from or to a broker-dealer, and soon thereafter may engage in the opposite transaction for one or more other accounts from that or another broker-dealer. This practice may result in certain accounts receiving less favorable prices. AllianzGI AP has adopted procedures that it believes are reasonably designed to obtain the most favorable price and execution for the transactions by each account.

From time to time, AllianzGI AP may accept accounts for which it does not have full discretionary authority. For example, AllianzGI AP may recommend purchases and sales of securities for such accounts, subject to the client's approval, or AllianzGI AP may provide only reporting and performance measurement services. In such cases, a suitable fee arrangement is agreed upon. (See response to Items 4 and 5 above). If only non-advisory services are provided, and if the account is related to other accounts, AllianzGI AP may perform the services as an accommodation. If AllianzGI AP makes a recommendation that is accepted by a non-discretionary client, that client may choose to execute the transaction itself, without AllianzGI AP's assistance.

In selecting a broker or dealer for each specific transaction, AllianzGI AP uses its best judgment to choose the broker or dealer most capable of providing the services necessary to obtain the best execution of that transaction. In seeking the best execution of each transaction, AllianzGI AP evaluates a wide range of criteria, including any or all of the following:

- the broker's commission rate
- promptness, reliability and quality of executions
- trading expertise
- positioning and distribution capabilities
- back office efficiency
- ability to handle difficult trades
- knowledge of other buyers and sellers
- ability to provide us with market-related information
- confidentiality
- capital strength and financial stability
- prior performance and responsiveness in serving us and our clients

AllianzGI AP may also consider other factors affecting the overall benefit received by the client(s) in the transaction. AllianzGI AP does not adhere to any rigid formula in seeking best execution. When circumstances relating to a proposed transaction indicate, in AllianzGI AP's judgment, that a particular broker-dealer is in a position to obtain the best execution, the order is placed with that broker-dealer. This may or may not be a broker-dealer that has provided investment information and research services to AllianzGI AP.

Use of Soft Dollars

Subject to the requirement of seeking best execution, AllianzGI AP may, in circumstances in which two or more broker-dealers are in a position to offer comparable price and execution, give preference to a broker-

dealer that has provided investment information and research services to AllianzGI AP. In so doing, subject to applicable laws and regulations, AllianzGI AP may effect securities transactions which cause a client to pay an amount of commission in excess of the amount of commission another broker-dealer would have charged. In effecting trades through such broker-dealers, AllianzGI AP may generate credits ("Commission Credits") which may be used by AllianzGI AP to pay for brokerage and research services provided or paid for by such brokers or dealers. In selecting such broker-dealer, AllianzGI AP will make a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage services and research and investment information received, viewed in terms of either the specific transaction or AllianzGI AP's overall responsibility to the accounts for which it exercises investment discretion. AllianzGI AP regularly evaluates all commissions paid in order to ensure that the commission represents reasonable compensation for the brokerage and research services provided by such brokers.

Receiving research and brokerage services in exchange for soft dollars creates potential conflicts of interest for AllianzGI AP, since AllianzGI AP would otherwise have to produce the services, or pay for them from its own resources, allowing AllianzGI AP to potentially reduce its costs. AllianzGI AP may have an incentive to direct client trades to broker-dealers who provide these services. Sometimes, broker-dealers require a specific level of client commissions to provide research or brokerage services that AllianzGI AP wants, and AllianzGI AP may have an incentive to execute more trades through them, rather than through other broker-dealers that do not provide the services but who would otherwise provide comparable execution for a given trade. The services benefit AllianzGI AP by allowing it, at no additional cost, (1) to supplement its own research, analysis and execution activities, (2) to receive the views and information of individuals and research staffs of other securities firms; (3) to gain access to persons having special expertise on certain companies, industries, areas of the economy and market factors; and (4) to gain access to execution services of third-parties.

Under a safe harbor from the Securities Exchange Act of 1934, an investment adviser may cause clients to pay more than the lowest available commission rate in order to acquire certain research and brokerage services with the Commission Credits generated by its client account transactions. Under the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission in Hong Kong ("SFC Code of Conduct"), an investment manager may receive goods or services (i.e. soft dollars) from a broker in consideration of directing transaction business on behalf of the client under certain conditions, and the types of goods and services may include: research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications.

AllianzGI AP does enter into arrangements with broker-dealers to acquire proprietary research, and the execution services of such broker-dealers. AllianzGI AP also has commission sharing arrangements to acquire the research and other services of third-party brokers and service providers. The above arrangements are sometimes referred to as soft dollar agreements or arrangements, and are always subject to AllianzGI AP's fiduciary duty to act in its clients' best interest and to its obligation to achieve best execution of client transactions.

Any product and service AllianzGI AP receives with soft dollars must, as required, fall within the safe harbor of the Securities Exchange Act or the requirements in the SFC Code of Conduct, and must provide lawful and appropriate assistance in carrying out its investment decision-making responsibilities. In some cases, AllianzGI AP's affiliates have also entered into commission sharing arrangements whereby they have arrangements with a broker-dealer and the broker-dealer has arrangements with another party to provide them research, which (as noted above) is typically shared with AllianzGI AP, effectively allowing AllianzGI AP, subject to its best execution responsibilities, to obtain research from other parties.

AllianzGI AP uses investment information and research services that it receives from broker-dealers to evaluate securities and to formulate investment recommendations for both discretionary and non-discretionary clients. Such information and services are used by AllianzGI AP as part of its investment process to enhance portfolio return and to reduce trading costs, and are helpful to AllianzGI AP in serving its clients. Among other things, AllianzGI AP may receive research reports, oral advice, and data from broker-dealers regarding particular companies, industries, or general market or economic conditions. Such investment information and research services also may include, among other things, information

concerning regulatory developments and other developments that could affect the value of companies in which AllianzGI AP has invested or may consider investing; attendance at meetings with corporate management personnel, industry experts, economists, government personnel, academicians and other financial analysts and journalists; consultation with scientific and technical experts concerning the viability and market potential of an issuer's products and services; accounting and tax law interpretations; comparative issuer performance and evaluation and technical measurement services; subscription to publications that provide investment-related information; economic advice; execution or research measurement services; and software to assist AllianzGI AP initiate and execute orders; market-related and survey data concerning the products and services of an issuer and its competitors or concerning a particular industry that are used in reports prepared by Grassroots® Research group to enhance AllianzGI AP's ability to analyze an issuer's financial condition and prospects; and other services provided by recognized experts on investment matters of particular interest to AllianzGI AP. In addition, services may include the use of or be delivered by computer systems whose hardware and/or software components may be provided to AllianzGI AP as part of the services. In any case in which information and other services can be used for acceptable goods and services to be paid for by soft dollars and other goods/services, AllianzGI AP makes an appropriate good faith allocation of those uses and pays directly for that portion of the services to be used for the latter purposes. This allocation can create a potential conflict of interest.

The investment information and research services that AllianzGI AP receives from broker-dealers is used by AllianzGI AP's research analysts and portfolio managers to formulate recommendations for the purchase or sale of securities. These recommendations, as well as AllianzGI AP's analysis and the investment information and research services used to formulate recommendations, may be made available to the Allianz Affiliates and all of AllianzGI AP's clients (including non-US clients of AllianzGI AP and the Allianz Affiliates) and is used by AllianzGI AP in servicing all of its clients, and it is recognized that a particular account may be charged a commission paid to a broker or dealer who supplied research services not utilized by such account. In addition, non-discretionary clients for whom AllianzGI AP does not place brokerage orders ordinarily will benefit from such investment information, even though such information was generated through commissions paid by other clients. This may also be true for clients who require AllianzGI AP to direct all or a significant portion of their trades to one of a small number of broker-dealers. Private clients for whom a broker-dealer acts as custodian also will benefit from such research information, even though AllianzGI AP may not receive research services in connection with transactions executed for such private clients through that broker-dealer. However, AllianzGI AP expects that each account will be benefited overall by such practice because each is receiving the benefit of research services and the execution of such transactions not otherwise available to it.

AllianzGI AP has not made and will not make commitments to place orders with any particular broker-dealer or group of brokers or dealers, other than pursuant to client direction. Semi-annually, AllianzGI AP projects the target percentage of commission dollars it expects to allocate to the brokers it uses over the course of the next period, pursuant to an internal allocation procedure that entails the vote of all portfolio managers, analysts and traders as to the quality of research and investment information received from various broker-dealers as well as quality of trade execution. No absolute dollar amounts are required to be met, and in no case will an order be placed if the broker-dealer is not able to provide best execution of a particular transaction. However, AllianzGI AP does endeavor to direct sufficient orders to such brokers or dealers to ensure the continued receipt of research services that AllianzGI AP believes are useful. A substantial portion of brokerage commissions are paid to brokers and dealers who supply investment information and research services to AllianzGI AP.

MiFID II

The European Union's Markets in Financial Instruments Directive (Directive 2014/65/EU) along with its accompanying regulation, the Markets in Financial Instruments Regulation ("MiFIR") (Regulation 600/2014/EU) (which are collectively known as "MiFID II") took effect on January 3, 2018. MiFID II restricts EU firms providing portfolio management services from receiving and retaining "inducements" from third parties. An EU investment firm may only receive "research" (which is considered an inducement) if: (i) the "research" is paid for directly out of its own resources; or (ii) if "research" is paid from a separate research payment account ("RPA") controlled by the investment manager and funded by a specific research charge to the client, provided that the conditions under MiFID II relating to the operation of such an RPA are met.

While AllianzGI AP is not directly subject to MiFID II or the “research payment rules” noted above, the AllianzGI AP may be required to substantively comply with the “research payment rules” to the extent that the AllianzGI AP provides sub-advisory services to a MiFID-licensed investment firm (including an affiliate of AllianzGI AP) or otherwise commercially by an EU client. As a result, AllianzGI AP may be restricted for certain accounts from utilizing soft dollar credits to purchase brokerage and research services to be used by AllianzGI AP for the benefit of such clients.

If AllianzGI AP acts as a sub-adviser to non-U.S. funds or accounts, AllianzGI AP may only engage in soft dollar practices in compliance with an approved policy on soft dollars and the laws of the jurisdiction of the fund, the account and/or the investment manager to such portfolio. Research products or services provided by brokers may be used by AllianzGI AP for the benefit of clients other than the client(s) that paid commissions to the broker providing such products or services.

AllianzGI AP may be required by contract acting as a sub-adviser to an EU MiFID investment form to: (i) set a budget for the maximum research costs that the Portfolio will incur; and (ii) fully account for the research AllianzGI AP receives in relation to the portfolio and the value of any research the AllianzGI AP receives in relation to the portfolio.

In accordance with applicable guidance from the SEC staff and the firm’s soft dollar policy, AllianzGI AP may aggregate client orders under the firm’s trade allocation and aggregation policy where some clients may pay different amounts for research because of requirements under MiFID II. While it is the AllianzGI AP’s policy not to favor or disfavor consistently or consciously any clients or class of clients, there may be certain instances where some clients of AllianzGI AP benefit from the research services utilized or purchased through soft dollar credits for the benefit of other clients.

Trade Aggregation and Allocation

It is AllianzGI AP’s policy to inform all of its clients that it performs investment advisory and investment management services for various clients and may give advice and take action with respect to one client that differs from advice given or the timing or nature of action taken with respect to another client. It is, however, AllianzGI AP’s policy not to favor or disfavor consistently or consciously any clients or class of clients in the allocation of investment opportunities, with the result that, to the extent practicable, all investment opportunities will be allocated among clients over a period of time on a fair and equitable basis.

The general principles on which AllianzGI AP’s trade allocation procedures are based are: (a) fairness to advisory clients, both in priority of order execution and in the allocation of aggregated orders or trades; (b) timeliness and efficiency in the execution of orders; and (c) accuracy of the investment adviser’s records both as to trade orders and maintenance of client account positions.

AllianzGI AP may restrict, limit or reduce the amount of a portfolio’s investment in a security where holdings in such a security by a portfolio, or across portfolios in the aggregate, exceed a certain ownership threshold or would otherwise result in significant cost to, or administrative burden on AllianzGI AP. In these situations, AllianzGI AP may also determine not to engage in an investment for an account, even where such investment would be beneficial to the account. For example, such limitations exist if a position or transaction could require a filing or a license or other regulatory or corporate consent, which could, among other things, result in additional cost and disclosure obligations for, or impose regulatory restrictions on, AllianzGI AP or on other account, or may result in regulatory or other restrictions, including those under the recast European Union’s Markets in Financial Instruments Directive (Directive 2014/65/EU) along with its accompanying regulation, the Markets in Financial Instruments Regulation (“MiFIR”) (Regulation 600/2014/EU), which are collectively known as “MiFID II”.

When AllianzGI AP allocates investment opportunities, it takes into account the factors noted above, as applicable, and as a result, some or all of the eligible accounts may not receive a pro rata allocation, or any allocation.

In many cases, portfolio transactions may be executed in an aggregated transaction that includes concurrent authorizations to purchase or sell the same security for numerous accounts served by AllianzGI AP, some of which accounts may have similar investment objectives. In addition, AllianzGI AP will aggregate trades for certain proprietary accounts with trades for AllianzGI AP clients, and AllianzGI AP may coordinate the execution of transactions for its clients with execution for transactions for the clients of the Allianz Affiliates, as more fully described below.

AllianzGI AP believes that, aggregation of transactions may enable it, on average and over time, to obtain enhanced execution and lower brokerage commissions (although there is no certainty that such objectives will be achieved). Coordination of transactions among the clients of AllianzGI AP and the Allianz Affiliates may have similar results.

As a result, AllianzGI AP coordinates transactions for its clients on a regional basis with certain Allianz Affiliates and through an Allianz Affiliate Executing Office ("Executing Office"). This practice helps to minimize the possibility that clients of AllianzGI AP and those of Allianz Affiliates (with whom research is shared) would compete in the marketplace by executing transactions in the same security during the same day.

Trading centers for some of the Allianz Affiliates, including AllianzGI AP, have been established as follows:

<u>Executing Offices</u>	<u>Trading Region</u>
Hong Kong	Asia (including Japan)
Frankfurt	Europe (including the U.K.)
New York	North and South America

When AllianzGI AP or an Allianz Affiliate executes an order for a security that trades in a Trading Region noted above, the order is routed to the applicable Executing Office. The Executing Office generally will aggregate that order for execution along with any other order(s) it may have received for the same security from another Allianz Affiliate or any other AllianzGI affiliate on behalf of which an Allianz Affiliate provides trading services.

One of AllianzGI AP's objectives in aggregating trades for its clients with each other and with clients of the Allianz Affiliates is to attempt to ensure that all clients are treated in a fair and equitable manner over time. To help achieve this objective, AllianzGI AP has adopted written procedures for the aggregation of orders of advisory clients (the "Aggregation Procedures"). The Aggregation Procedures are designed to comply with all applicable legal and regulatory requirements. The Aggregation Procedures provide the procedures under which orders for one client account may be aggregated with other client accounts, including accounts that may be partially or entirely proprietary. In general, the Aggregation Procedures require all aggregated orders to be allocated to client accounts prior to the execution of the order. In certain circumstances, deviations from the original allocation instructions may occur after a trade has been executed to the extent that one or more clients are not advantaged or disadvantaged systematically. Although AllianzGI AP uses its best efforts to ensure that all clients are treated fairly and equitably over time, there can be no assurance (and the Aggregation Procedures do not require) that any particular investment will be proportionally allocated among clients, or that the allocation process will achieve the same results for each client. Aggregated orders generally will be averaged as to price, with transaction costs shared *pro rata* based on each client's participation in the transaction.

No order may be aggregated unless an authorized trader has determined that such aggregation is in the best interest of the participating accounts or clients and is consistent with the duty to seek best execution. AllianzGI AP may aggregate brokerage orders for clients to obtain lower average commission costs. When AllianzGI AP gives the brokers instructions to execute orders representing multiple portfolios, orders that are fully executed will be allocated according to the current trade order instructions. Aggregated orders

that remain only partially filled at the end of the trading day shall generally be allocated pro rata based on the size of the current order, subject to some minimum ticket or minimum trade sizes and adjustments for partially filled orders as described below. In addition, when executing sell orders, AllianzGI AP will seek to avoid leaving small positions in a client account. Therefore, AllianzGI AP may allocate a greater than pro rata share of a sell order for a security to an account if AllianzGI AP intends to sell the account's entire position in such security.

AllianzGI AP's general policy of allocating partially filled orders is pro rata, based on the size of the current order, but adjusted for, among other things, (a) available cash, (b) round lots, minimum trade size or certain minimum basis points holding as determined by an authorized trader, (c) the size of the account, (d) the necessity to obtain a certain level of holdings according to the specific benchmark of the client, or (e) compliance with the laws of a foreign jurisdiction, including MiFID II.

In accordance with applicable guidance from the SEC staff and the firm's soft dollar policy, AllianzGI AP may aggregate client orders under the principles noted above where some clients may pay different amounts for research because of requirements under MiFID II. Each client in such an aggregated order shall, however, pay or receive the same average price for the purchase or sale of the underlying security and pay the same amount for execution. Notwithstanding the foregoing, there may be circumstances where the AllianzGI AP may be required by MiFID II to execute transactions on a "step-out" or "trade away" basis to the extent necessary to achieve best execution in compliance with applicable law.

Although executing portfolio transactions in an aggregated transaction potentially could be either advantageous or detrimental to any one or more particular account, aggregated transactions will be effected only when AllianzGI AP believes that to do so will be in the best interest of the affected accounts, and AllianzGI AP has no obligation to aggregate orders into larger transactions.

In addition to the Aggregation Procedures, AllianzGI AP has also adopted procedures intended to ensure that the allocation of shares received in an initial public offering ("IPO") is done in a manner that is fair and equitable to all clients over time. Under these procedures, which apply to IPOs and secondary placement allocations, all clients whose investment profiles permit the holding of the stock must be offered the opportunity to participate. Where there is interest from multiple clients, AllianzGI AP will pre-allocate orders based on the interest from portfolio managers of eligible accounts, and its procedures are designed to ensure that all relevant portfolio managers have been consulted concerning the potential opportunity. If AllianzGI AP does not receive the full amount of its order in an IPO or secondary offering (known as a partial fill), orders will be allocated *pro rata* relative to the initial application, but rounding may apply in some instances. Clients that would not have received a material holding may not participate in the final allocation. A non-material holding may be determined in accordance with its "small lots" policies. Under these policies, if AllianzGI AP receives an allocation in an IPO or secondary offering that has been significantly scaled back (generally 10% or 20% or less of its aggregate subscription, or the portfolio position would be less than 10 basis points, depending on where the account is managed), a client may not participate in that allocation. Any allocation not taken up by a client will be re-allocated to other participating clients. Depending on the circumstances, where a number of portfolios remain eligible to participate, selection of remaining accounts to participate will be based on either rotational or *pro rata* or random principles. Compliance personnel will when necessary review allocations, and the application of the "small lots" policies to ensure proper allocations in accordance with these policies. Exceptions to these policies must be fully documented.

Other Brokerage Practices

Because each client has its own investment guidelines, objectives, and restrictions, a particular security may be bought for one or more clients at a time when one or more clients are selling the same security. In such cases, when AllianzGI AP believes it is appropriate and in accordance with applicable law and regulations, AllianzGI AP may effect third party agency cross transactions between two or more accounts. AllianzGI AP believes that such transactions may benefit both accounts by effecting a transfer of securities from one account to another at a greatly reduced cost.

AllianzGI AP regularly purchases securities for client accounts that are not listed on a securities exchange but that are traded in the over-the-counter market, and may also purchase listed securities in the third market (over-the-counter trades of exchange-listed securities) or fourth market (direct trades of securities between institutional investors without intermediation of a broker-dealer). Where transactions are executed in the over-the-counter market or third market, AllianzGI AP will seek to deal with the primary market-makers; but when necessary in order to obtain the best price and execution, it will utilize the services of others. In all cases, AllianzGI AP will attempt to secure best execution.

Client Directed Brokerage

In general, AllianzGI AP will not place orders with brokerage firms pursuant to direction received from investment management or investment advisory clients.

Handling of Errors

Should a trading error occur in a client account that was caused by AllianzGI AP, AllianzGI AP will seek to place the client in the same position that it would have been in had the error not occurred. In resolving any possible trading error, AllianzGI AP's fundamental policy is that our clients' interests always come first. Errors may occur either in the investment decision making process (e.g., a decision may be to purchase a security or an amount of a security that violates the client's investment restrictions), in the trading process (e.g., a buy order may be executed as a sell, or a security other than that which the portfolio manager ordered may be purchased or sold) or in the processing of a trade (e.g., in settling or booking a trade).

AllianzGI AP will not use Commission Credits to correct a trading error.

ITEM 13. REVIEW OF ACCOUNTS

AllianzGI AP's review of client accounts is an integral component of our investment management process. Portfolio managers review each of their accounts on a regular basis and select investments for clients in accordance with each client's investment objectives and consistent with the investment philosophy of AllianzGI AP. AllianzGI AP maintains systems for guideline surveillance (collectively, the "Portfolio Compliance Systems") that check both pre-trade security transactions and post-trade account holdings against client account guidelines.

A dedicated team of AllianzGI AP compliance analysts review pre-trade activity and post-trade portfolio compliance results in the Portfolio Compliance Systems for all client accounts on a daily basis. The compliance analyst runs compliance testing of post-trade holdings via an overnight scheduler and reviews the results daily. The compliance analyst will bring any potential violation that is detected to the attention of the Senior Compliance Manager.

REPORTS TO CLIENTS

AllianzGI AP provides advisory clients who have separately managed accounts with written reports on a quarterly basis or more frequently upon agreement between AllianzGI AP and the client. These reports generally include, among other things, all purchases and sales of securities made during the reporting period (market price, total cost/proceeds, original unit cost and realized gain/loss on sales) and include a summary of investments in the portfolio (unit cost, total cost, market price, total market value, yield and percentage of portfolio). In addition, through telephone calls and in-person meetings, client service representatives strive to keep clients regularly informed of the investment policy and strategy AllianzGI AP is pursuing to achieve clients' investment objectives. In addition, AllianzGI AP also provides compliance and other reports upon request by the clients.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

AllianzGI AP would not receive economic benefits from a non-client, such as a broker-dealer. Although AllianzGI AP has entered into commission sharing arrangements with several brokerage firms that allow for part of the commission paid to the executing broker to accrue and then be used as credit to pay for goods and/or services provided by another third party service provider (“Credits”) as permitted by the Hong Kong Securities and Futures Commission (“SFC”) Code of Conduct for Persons Licensed by or Registered with the SFC. Where the client has consented in writing to such arrangements, those accounts will be included in AllianzGI AP’s commission sharing arrangement and will be eligible to accrue Credits. Currently AllianzGI AP does not have any US client account which is included in AllianzGI AP’s commission sharing arrangement and the entire commission paid to brokers for the trades executed on behalf of the accounts will be retained by the brokers. Meanwhile, AllianzGI AP may also, from time to time, enter into arrangements with certain affiliates. See response to Item 10 above.

AllianzGI AP may, from time to time, compensate solicitors with respect to solicitation activities in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940 (the “Advisers Act”). Consequently, persons introducing new client accounts to AllianzGI AP may receive a portion of the management fee generated by the account. The portion of the fee paid and the length of time for which such fee is paid will vary on a case-by-case basis. Such compensation arrangements will be disclosed to AllianzGI AP clients at the time of solicitation or referral as required by applicable law and regulations.

ITEM 15. CUSTODY

AllianzGI AP does not take physical possession of client funds or securities. AllianzGI AP would not custody US client assets or conduct any custodial related activities.

ITEM 16. INVESTMENT DISCRETION

Most clients give AllianzGI AP full discretionary authority over assets under management. Such may be subject to any limitations or prohibitions imposed by a client in its investment objectives, guidelines, and restrictions, or in instructions otherwise provided to us by the client or, for subadvisory accounts, by the client’s principal advisor. Before AllianzGI AP exercises discretionary authority or invest for an account, clients generally enter into a written client agreement with AllianzGI AP. See also Item 4 above.

Certain clients, however, may retain AllianzGI AP on a non-discretionary basis. When AllianzGI AP is retained on a non-discretionary basis, it makes recommendations for the client’s account but all investment decisions are made by the client and account transactions are executed only in accordance with the applicable investment management agreement.

ITEM 17. VOTING CLIENT SECURITIES

AllianzGI AP has implemented policies and procedures that it believes are reasonably designed to ensure AllianzGI AP satisfies its fiduciary obligation to vote proxies in the best interests of its clients. Based on that fiduciary obligation, AllianzGI AP has adopted the Allianz Global Investors Global Corporate Governance Guidelines (“Guidelines”). The Guidelines provide a general framework for our proxy voting analysis and are intended to address the most significant and frequent voting issues that arise at our investee companies’ shareholder meetings.

AllianzGI AP invests time and resources evaluating corporate governance and proxy voting issues on a case-by-case basis. These decisions take into account companies’ explanations of their governance structures and practices, variances across markets in regulatory and legal frameworks, best practices, and disclosure regimes. Our votes are cast in the long-term interest of the company and its investors, following analysis of the impact each issue will have on long-term investment value.

AllianzGI AP is committed to and actively encourages open dialogue with investee companies on corporate governance, proxy voting and broader sustainability issues in advance of shareholder meetings. Our approach to proxy voting and company engagement is set out in Allianz Global Investors Stewardship Statement, which also explains how we manage conflicts of interests that may arise in relation to our stewardship activities.

ITEM 18. FINANCIAL INFORMATION

AllianzGI AP does not require or solicit prepayment of any fees in advance. AllianzGI AP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy petition in the past.

ITEM 19. PRIVACY NOTICE

Allianz Global Investors
Personal Information Collection Statement – Privacy notice for Clients

For Allianz Global Investors Asia Pacific Limited, registered at 32/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong (“AllianzGI”, “we”, “us” or “our”), the protection of privacy and personal information (i.e. any information relating to an identified or identifiable individual person, “Personal Data”) is an important concern to which we pay special attention within all our business processes. We believe in transparency and are committed to being upfront about our privacy practices, including how we treat your Personal Data.

This Personal Information Collection Statement (“**PICS**”) describes how we process Personal Data of legal representatives/agents/contact persons/employees of customers and business partners (“**Clients**”, “**you**” or “**your**”) who have entered or will enter into a contractual arrangement with AllianzGI to obtain our services. It sets out how and which kind of Personal Data AllianzGI may obtain, how AllianzGI uses, shares and protects such data, the rights of Clients with respect to the Personal Data, and how to contact AllianzGI about our data privacy practices.

Information about the processing of Personal Data collected when visiting our websites can separately be found in the Privacy Statement on our websites.

1. Who we are

Allianz Global Investors Asia Pacific Limited is responsible for the processing of Personal Data of Clients for its own purposes as set forth in this privacy notice.

Moreover, other entities of AllianzGI could become responsible for the processing of Personal Data of Clients, for example, for the purpose of marketing their own offerings. A list of all AllianzGI entities with respective contact details is available under [<https://www.allianzgi.com/affiliates>]. In addition, the Global version of this Privacy Notice is accessible at [<https://www.allianzgi.com/en/privacy-principles/client-representative-privacy-notice>].

To the extent two or more AllianzGI entities process your Personal Data in a joint manner, we kindly ask you to address any queries you may have directly to the Data Privacy Officer whose details are set out in Section 11. The Data Privacy Officer will then forward your query to the AllianzGI entity that is primarily responsible, if necessary.

2. Personal data obtained about you

AllianzGI will obtain your Personal Data when it enters into contracts with Clients and in connection with maintaining AllianzGI’s Client relationships and providing services to Clients. If Clients provide us with Personal Data of their employees or agents, they have a legal obligation to inform them about this and obtain their consent, where legally required.

AllianzGI will also obtain your Personal Data from publicly available sources (for example from Client's websites in anticipation of a prospective client relationship).

3. The types of Personal Data we may process

We will process Personal Data related to you and to your accounts provided or otherwise known to us and/or the trustee/custodian of the relevant funds including but not limited to your names, postal or e-mail addresses, fax numbers, and phone numbers, employment information (e.g., job titles), gender, age, nationality, date and place of birth, your communication preferences (e.g. postal, by phone or email), your dealings with the funds and any other Personal Data in relation with your holdings.

As a matter of practice, we will not collect any sensitive Personal Data (for example data concerning health, racial or ethnic origin) relating to you. If there is a need for AllianzGI to process such sensitive Personal Data, AllianzGI will only process such data in compliance with applicable data protection laws and regulations.

4. For what purposes we use the Personal Data obtained

AllianzGI will use your Personal Data:

- To offer and provide products and/or services to you from time to time and administer, maintain, manage and operate such products and/or services which may include, without limitation, investments products and services including but not limited to derivatives, alternatives, securities, trading, commodity and equity sales;
- To process, assess, determine and approve any application or request made by you for our products and/or services;
- To introduce and/or cross-refer you to any of the divisions, affiliated companies and/or other business units within the Allianz group of companies, wherever situated, for which we may or may not be remunerated;
- For any purposes in connection with any claims made by or against or otherwise involving you in respect of any products and/or services providing by us including, without limitation, to make, defend, analyse, investigate, process, assess, determine or respond to such claims;
- To perform any functions and activities related to the products and/or services provided by us or by any external service providers of AllianzGI in relation to the provision of our products and/or services including, without limitation, to audit, report (including analyses, materials and information generally in relation to investments and markets), conduct data analytics and market research using artificial intelligence technologies (e.g. machine learning) and profiling, operate our administration and support functions and carry out general servicing and maintenance of online and other services;
- To perform any internal AllianzGI administration, support, information technology, regulatory or other internal AllianzGI functions or by any external service providers of AllianzGI in furtherance of the above which may or may not be directly related to the products and/or services provided by us to you;
- To design products and/or services for you and to promote, improve and further the provision of products and/or services by us and our agents;
- To match and verify any data held by us relating to you from time to time for any of the purposes listed in this privacy notice;

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- To comply, where reasonably necessary, with any court orders, law, rules, any discovery procedures, regulations, code of practise, guidelines or requests binding on us, including but not limited to make disclosures of your Personal Data to regulators, governmental bodies, tax authorities or industry recognised bodies such as stock or futures exchanges, fiscal and financial authorities, securities and asset management associations, all of which may be within or outside the Hong Kong Special Administrative Region (“HKSAR”);
 - To comply, where reasonably necessary, with any obligations, requirements or arrangements that we have or may have in the future with local or foreign regulatory or tax authorities, whether imposed by law or assumed by us for the protection of our business, financial and other legitimate interests in or related to such jurisdictions, including but not limited to:
 - compliance with obligations binding on us and our affiliates pursuant to arrangements in relation to Chapter 4 of Subtitle A of the United States Internal Revenue Code of 1986 as amended or supplemented from time to time (“FACTA”)
 - establishing whether you are a citizen of the United States, resident in the United States for its federal income tax purposes or otherwise subject to tax in the United States and/or to substantiate whether your account has a US status for the purposes of FACTA; or
 - compliance with obligations binding on us and our affiliates in establishing identity of you and your beneficial owners;
 - To exercise any rights we have in connection with the provision to you of products and/or services;
 - To conduct identity, financial, money laundering and conflicts checks to prevent and detect fraud and crime including consideration of information related to political affiliations and criminal offences committed or alleged to have been committed;
 - For any purposes relating to the above or any purposes in accordance with this privacy notice and other policies and procedures in relation to financial and investment services as set out in our statements, circulars, notices or other terms and conditions made available by us to Clients from time to time.

To the extent this is required by applicable data protection laws and regulations, we will separately ask you for your consent and provide information as to what would happen if you do not give consent.

5. With and to whom we may share and transfer your Personal Data

AllianzGI shares the Personal Data with:

- Entities within the AllianzGI Group (please find an overview under <https://www.allianzgi.com/affiliates>) where this is reasonably necessary or desirable (for instance for purposes of fraud prevention or marketing, where legally permitted);
- Service providers and their employees, officers, directors or agents, that AllianzGI has retained to perform services on its behalf, including but not limited to outsourcing service providers, IT and cloud service providers; these service providers are not permitted to use the Personal Data for their own purposes but are required to solely process the Personal Data upon instructions received from AllianzGI;
- Any custodian, agent, broker, investment adviser, investment manager or external service provider to whom we delegate any of our duties, functions or obligations under any of our agreements with you or as permitted under any of our agreements;
- Any person with whom we enter into any transaction in connection with the purchase or sale of any insurance or any other contractual protection or hedging with respect to your obligations under any of the products and/or services we provide or propose to you;

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- Any person with or through whom we may enter into any transaction as counter party, who is the issuer, vendor, purchaser or any agent of any of them;
 - Any person in connection with any claims made by or against or otherwise involving you in respect of any products and/or services provided by us;
 - Legal advisers and auditors including their employees, officers, directors or agents;
 - Fund services providers including their employees, officers, directors or agents;
 - Any person to whom we are under an obligation for disclosure under the requirements of any applicable laws, rules, regulations, codes of practices, guidelines or voluntary arrangements binding us including but not limited to any applicable regulators, governmental bodies or industry recognised bodies such as stock and futures exchanges, fiscal and financial authorities, securities and financial associations, (all of which may be within or outside the HKSAR) and where otherwise required by law, including but not limited to any tax authority of any jurisdiction including but not limited to the United States Internal Revenue Service for the purposes specified above including but not limited to FACTA, or where we have reason to believe you may be a resident for tax purposes, citizen or otherwise subject to tax;
 - Any actual or proposed assignee, transferee, participants or sub-participants of our rights or business;
 - Other parties in the event of any contemplated or actual reorganization, merger, sale, joint venture, assignment, transfer or other disposition of all or any portion of Allianz group of companies' business, assets or stock (including in any insolvency or similar proceedings), if applicable.
 - Subject to your consent, any agent, contractor or third party service provider who provides marketing or other related services to us in connection with the development and promotion of our business.

In doing so it goes without saying that AllianzGI complies with all applicable data protection laws and regulations.

6. Where we process Personal Data

The Personal Data of Representatives will be processed both inside the HKSAR and outside the HKSAR by the parties specified in Section 5 above, subject always to contractual restrictions regarding confidentiality and security in line with applicable data protection laws and regulations. We will not disclose such Personal Data to parties who are not authorized to process them.

Please note that other countries may have different laws regarding the protection of Personal Data. When your Personal Data is transferred from your own country to another country, the laws and rules that protect your Personal Data in the country to which your information is transferred to can be different (or less protective) from those in the country in which you reside. For example, the circumstances in which law enforcement can access Personal Data may vary from country to country.

When transferring Personal Data internationally we make sure that we comply with applicable data protection laws and regulations, for example, by entering into agreements which will ensure that the recipients of your Personal Data maintain an adequate level of data protection.

7. How we protect Personal Data

AllianzGI maintains appropriate technical and organizational security measures and safeguards designed to protect Representatives' Personal Data against accidental, unlawful or unauthorized destruction, loss, alteration, access, disclosure, or use.

All our employees and services providers are bound by confidentiality. Only authorised persons may process your Personal Data based on the "need-to-know" principle.

8. How long we retain Personal Data

AllianzGI stores Clients' Personal Data for as long as necessary to fulfil the purposes for which the Personal Data was collected or to fulfil legal obligations and as set forth in this privacy notice. Afterwards, AllianzGI will delete the Personal Data in compliance with all applicable laws and regulations.

Personal Data will only be used for the purposes for which it was collected unless your consent is obtained for its use for a non-related purpose.

9. Clients' Rights

To the extent permissible by applicable laws and regulations, Clients' rights may include access to the Personal Data AllianzGI processes about you, the right to have such Personal Data corrected, erased or blocked, the right to restrict the processing of Personal Data, the right to withdraw consent at any time where your Personal Data is processed with your consent (without affecting the lawfulness of processing based on consent before its withdrawal), and the right to lodge a complaint with the respective AllianzGI entity. Where applicable under the relevant laws and regulations, Clients may exercise such rights by making a request (in written or electronic form) using the contact details set out in section 11 below.

Clients also have the right to object to the processing of their Personal Data for direct marketing (for example in relation to the receipt of newsletters) at any time with effect for the future by using the contact details set out in section 11 below.

10. Updates to this Client Representative Privacy Notice

AllianzGI may update this privacy notice from time to time. We will notify Clients of any significant changes to this privacy notice on the relevant AllianzGI websites or through other appropriate communication channels, such as emails to Clients. All changes shall be effective from the date indicated on the updated privacy notice, unless otherwise provided in the notification.

11. How to contact us

Comments or inquiries about this privacy notice, requests to update information we have about you, or requests to exercise your rights as granted by applicable laws and regulations shall be sent to our Data Privacy Officer by e-mail to the following email address: privacy@allianzgi.com. Requests can also be sent by postal mail to Allianz Global Investors Asia Pacific Limited, attention: Data Privacy Officer, 32/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong.