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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 29 March 2019, please find below a summary of material changes:

Under Item 4, AllianzGI AP's assets under management ("AUM") was updated.
Under Item 10, affiliate information was updated.

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 reinsurance company and 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 2019 AllianzGI AP had USD 13.1 billion of regulatory assets under management - USD 12.8 billion in discretionary assets under management, and USD 312 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. Evaluating proxy statements and proposed corporate actions, providing advice related to proxy voting and voting proxies;
7. Furnishing reports to the client on a periodic basis concerning account activity and performance
8. Providing non-discretionary investment advisory services ; and;
9. 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, balanced 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 by AllianzGI AP, based on AllianzGI AP's valuation of the assets in the client's portfolio. AllianzGI AP and the client may agree that fees should be 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 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

It is AllianzGI AP's general policy to charge fees to clients in accordance with the fee schedule in effect at the time the client first entered into an investment management or investment advisory relationship with AllianzGI AP. However, in certain circumstances, fees may be 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 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. Performance-related fees may create an incentive for AllianzGI AP to make investments that are riskier or more speculative than would be the case in the absence of a performance-related fee arrangement. They may also create an incentive for us to favor certain accounts over others. In addition, under certain circumstances, AllianzGI AP may receive compensation under a performance-related fee arrangement that is larger than it otherwise might receive under asset-based fee arrangements.

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. During weekly meetings, the regional CIO and portfolio managers review the performance on all of AllianzGI AP's client accounts, which would include, those that pay performance related fees, where applicable, and those that do not, and review the report for, among other things, potential performance differences between these accounts. The reviews would be part of the way AllianzGI AP would manage potential conflicts that could create incentives for its investment personnel to favor one account over another. There is no guarantee that any such policies or procedures will cover every situation in which a conflict of interest arises.

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.

AllianzGI AP generally requires a USD 10 million minimum in assets for the establishment of an institutional investment management or investment advisory account, 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

AllianzGI AP together with the Allianz Advisory Affiliates (see Item 10 below) maintain research staff (the "Research Department") that monitor a broad universe of stocks for comparative purposes. They make use of contacts at several levels within companies, and, where appropriate, with a company's competitors, end-users and suppliers. The Research Department's analysts follow a global universe of companies to determine whether they are good candidates for investment, and communicate recommendations to the portfolio management team. AllianzGI AP may also receive proprietary research from, and provide proprietary research (including Grassroots® Research Reports described below) to its investment management affiliates (see response to Item 10 below).

Substantial emphasis is placed on the Research Department's own fundamental research. However, AllianzGI AP and the Allianz Advisory Affiliates also uses outside research in two ways. First, the opinions of a broad group of industry and company specialists are considered to supplement the analysis of our research staff. As described in Item 12, this research information may be provided by brokers who execute portfolio transactions for AllianzGI AP's clients. Second, "street" opinions and estimates on stocks, groups and economic data are monitored.

In addition to its fundamental traditional research activities, AllianzGI AP and the Allianz Advisory Affiliates utilize research produced by Grassroots® Research, a division within the Allianz Global Investors group of companies. Grassroots® Research augments our own traditional research methods by seeking to verify (or disprove) market information pertaining to various companies and/or industries and by identifying and analyzing marketplace trends. AllianzGI AP believes that Grassroots® Research provides a valuable complement to its traditional research methodology.

AllianzGI AP maintains staff in its Grassroots® Research unit, as do the Allianz Advisory Affiliates. There are also freelance journalists and field force personnel located throughout the world, including Eastern and Western Europe, Asia, Australia, Latin America, as well as the United States who collect data and other information through interviews conducted with consumers, suppliers, service providers,

trade sources, polls, government agencies, etc. The journalists prepare research reports which the Grassroots® employees then edit and finalize.

AllianzGI AP also maintains a quantitative analytics department who contributes to the overall investment efforts of the firm. Their main focus is to provide risk and performance analyses of portfolios to assist in future investment decisions.

Investment decisions for equity, fixed income and balanced accounts are made both on the basis of a “bottom up” and a “top down” analysis. Top down analysis draws on the assessments of the Portfolio Management Teams concerning such areas as the political climate, economic conditions and forecasts, popularity and business cycle analysis in order to develop strategy. Bottom up, security oriented analysis draws on our research valuation screens to determine which sectors, industries, stocks or bonds offer the most attractive risk-adjusted returns.

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^{®SM}, 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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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, to Allianz Global Investors U.S. LLC, an SEC-registered adviser.

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 Nominee Services Ltd., Allianz Global Investors Singapore Ltd., Allianz Global Investors Taiwan Ltd., Allianz Global Investors U.S. LLC, , Meiji Yasuda Asset Management Co. Ltd., , Allianz Global Investors

Asset Management (Shanghai) Ltd., Allianz Global Investors Overseas Asset Management (Shanghai) Limited and Allianz Capital Partners GmbH, Singapore branch 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, and Allianz Global Investors U.S. LLC (collectively, the “Allianz Advisory Affiliates”). Each of the Allianz Advisory Affiliates 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 Advisory Affiliates also may acquire similar research information from broker-dealers. AllianzGI AP and the Allianz Advisory Affiliates expect to share such research, and will use any such shared research for the benefit of their clients.

In rendering investment advisory services to its clients, including U.S. registered investment companies, AllianzGI AP may use the resources of some of the Allianz Affiliates (“Participating Affiliates”) to provide portfolio management, proxy voting, research and trading services to clients. Under Collaboration Agreements, each of the Participating Affiliates and any of their employees who provide services to clients of AllianzGI AP are considered “associated persons” of AllianzGI AP as that term is defined in the Investment Advisers Act of 1940, as amended (“Advisers Act”). The Participating Affiliates have agreed to submit to the jurisdiction of the SEC and to the jurisdiction of the U.S. courts for actions arising under the U.S. securities laws in connection with the investment services they provide for any 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”). 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. Any Employee who violates the Code may be subject to remedial actions, including, but not limited to: profit disgorgement, censure, demotion, suspension, or dismissal. Employees are also required to promptly report any violation of

the Code of which they become aware. The Code is available to all staff on the firm's intranet site. Employees are required to annually certify compliance with the Code.

AllianzGI AP will provide clients and prospective clients with a copy of the Code upon request.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

If permitted by a particular client's investment objectives, guidelines, and restrictions, and applicable law and regulations, AllianzGI AP may recommend that a client purchase, or use its discretion to effect a client purchase of securities offered in either a public or private underwriting where an Allianz Affiliate is acting in the capacity of a manager, underwriter, or placement agent.

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 Advisory Affiliates and all of AllianzGI AP's clients (including non-US clients of AllianzGI AP and the Allianz Advisory 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 Advisory 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 Advisory Affiliates may have similar results.

As a result, AllianzGI AP coordinates transactions for its clients on a regional basis with certain Allianz Advisory Affiliates and through an Allianz Advisory Affiliate Executing Office ("Executing Office"). This practice helps to minimize the possibility that clients of AllianzGI AP and those of Allianz Advisory 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 Advisory 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.)
San Francisco, New York, San Diego, Dallas	North and South America

When AllianzGI AP or an Allianz Advisory 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 Advisory Affiliate or any other AllianzGI affiliate on behalf of which an Allianz Advisory 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 Advisory 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

AllianzGI AP will also place orders with brokerage firms pursuant to direction received from investment management or investment advisory clients (“directed brokerage”). Directed brokerage is typically arranged by a client as a method whereby the brokerage commissions serve as compensation to the broker for goods and services provided directly to the client in an agreement negotiated between the client and the broker. Alternatively, the client may seek to negotiate a particular commission rate with that broker, or may use the direction of brokerage to accomplish unrelated objectives (e.g., the direction of brokerage to minority-owned brokerage firms, or to brokerage firms located in the same geographic area as the client). Clients that direct brokerage may ask AllianzGI AP to ensure that they continue to receive best execution of each transaction, or they may negotiate commission rates themselves. In addition, with respect to clients that are ERISA plans, by law, any direction by the plan sponsor must be in the best interests of, and for the exclusive benefit of, the plan participants, in order to procure goods and services on behalf of the plan for which the plan otherwise would be obligated to pay.

When a client asks AllianzGI AP to direct trades to a particular broker-dealer, AllianzGI AP ordinarily will seek to fulfill that request, subject to seeking best execution of each transaction. However, AllianzGI AP may not be in a position to negotiate commission rates or spreads, or to select brokers or dealers on the basis of best price and execution. Moreover, the client may lose the possible advantage which non-designating clients can derive from the aggregation of orders for several clients in a single transaction. In this regard, orders for clients who direct trades may be executed after the orders for other AllianzGI AP clients have been completed. As a result, directed brokerage transactions may result in higher commissions, greater spreads, or less favorable net prices than would be the case if AllianzGI AP were authorized to choose the brokers or dealers through which to execute transactions for the client's account. In addition, accounts that direct brokerage may not be able to participate in certain allocations of IPOs.

AllianzGI AP ordinarily limits the amount of brokerage that any client may direct to a percentage of the total brokerage generated by that client, except as described above. AllianzGI AP uses two methods to satisfy client requests for directed brokerage. First, AllianzGI AP may execute the trade on behalf of that client with the broker-dealer selected by the client, which may or may not be the broker-dealer used by AllianzGI AP for other trades in the same security during that period. Alternatively, AllianzGI AP may use a “step-out” trade mechanism. A “step-out” trade occurs when the executing broker-dealer agrees to “step-out” a portion of a bunched execution, and that “stepped-out” portion is cleared through the client directed broker-dealer. The client is assessed a commission only by the broker-dealer who clears the transaction. The executing broker-dealer receives compensation in the form of commission from the portion of the bunched execution that was not “stepped-out” to other brokers. “Step-out” trades will be executed so as to conform to the rules of the applicable exchange on which the trade occurs.

The use of “step-out” trades can, in some circumstances, help ensure that clients that seek to direct brokerage are not disadvantaged by the inability to participate in aggregated executions. However, “step-out” trades are an accommodation by the executing broker-dealer, and “step-out” trades will not be available in all circumstances to satisfy requests for directed brokerage.

AllianzGI AP does not enter into agreements with, or make commitments to, broker-dealers that would bind AllianzGI AP to compensate broker-dealers directly or indirectly for client referrals. However, subject to applicable laws, regulations and any particular client restriction, when one or more broker-dealer is considered by AllianzGI AP to be capable of providing best execution with respect to a particular portfolio transaction, AllianzGI AP may select a broker-dealer in recognition of the broker-dealer's past referral of the particular client for whom the transaction is being executed, or of other clients, or in recognition of possible future referrals from the broker-dealer. This may create a conflict of interest. In doing so, unless otherwise specifically disclosed to the client, AllianzGI AP will not pay

higher commissions, concessions, or mark-ups than would otherwise be obtainable from broker-dealers that do not provide client referrals to AllianzGI AP.

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 uses a team approach to investment management. The investment team has overall responsibility for economic overview, sector allocation, investment strategy, portfolio structure, and security selection for our client portfolios.

The team is responsible for the establishment and implementation of investment strategies for their respective clients, subject to client investment objectives, guidelines and restrictions. Portfolio managers are assigned to every account at AllianzGI AP.

The portfolio managers make individual stock selections for their respective portfolios in consultation with other members of the investment team and the research analyst who covers the stock. The investment team implements the placement of securities into individual portfolios. They direct the voting and the re-voting (at appropriate intervals) on securities held in the portfolios, a process which includes the team members and the research analyst following the particular security.

In the event a buy or sell decision by one team is different than another team's decision, the situation is flagged for discussion in order to enable the portfolio managers to evaluate the results of their investment strategies and to benefit from peer group contribution. Several reports analyzing differences in the composition of each portfolio under management are prepared on a daily basis, and are analyzed on a monthly basis, by equity investment management personnel.

Each account is reviewed on a regular basis. In addition, all securities held in client portfolios are monitored continuously in order to determine whether changes are warranted. (See response to Item 8 above.)

For a more detailed discussion of AllianzGI AP's methods of security analysis and investment strategies, see responses to Item 8 above.

The Compliance Department is responsible for the monitoring and policing of personal dealing including the misuse of insider information for the benefit of individual employees or to the detriment of individual funds/clients. It monitors employees' transactions according to internal rules. In addition, it takes measures to prevent money-laundering. The Compliance Department is also responsible for monitoring adherence to client guidelines and contractual or regulatory constraints. A portfolio administration system monitors client portfolios.

REPORTS TO CLIENTS

Confirmations of transactions are issued if requested by the client on the day following execution to the broker and the client's custodian bank. These advices contain a complete breakdown of each transaction including principal amount, commission, taxes, etc. Transactions, cash positions, and market values are reconciled with the records of the client's custodian or trustee, as the case may be, on at least a monthly basis. Any significant differences are reported to management and resolved in an appropriate manner. Reports which detail reconciling items are made available, upon request, to the client and the custodian.

AllianzGI AP issues comprehensive quarterly reports along with computerized appraisals, transaction summaries and performance data. Appraisals, transaction summaries and performance data are also available monthly, at the client's request.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

AllianzGI AP has arrangements where it receives some economic benefit from a non-client, such as a broker-dealer, in connection with giving advice to clients. 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 may be seen to have custody of some client's accounts solely because the client authorizes us to deduct our fees directly from its accounts otherwise held by a qualified custodian. Clients who request or permit the direct deduction of our fees from their accounts should receive statements, at least quarterly, directly from the broker-dealer, bank or other qualified custodian that holds or maintains the client's investment assets. In these cases, AllianzGI AP urges clients to carefully review those statements, where applicable, and compare those official custodial records to the account statements AllianzGI AP may send to clients.

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

Proxy Voting Policies and Procedures

AllianzGI AP typically votes proxies as part of its discretionary authority to manage accounts, unless our client has explicitly reserved the authority for itself. In cases where we have voting authority, we intend to vote such proxies in a manner consistent with the best interest of our clients. Proxy voting proposals are voted with regard to enhancing shareholder wealth and voting power.

AllianzGI AP has adopted written Global Corporate Governance Guidelines and Proxy Voting Policy (the “Proxy Guidelines”) that are reasonably designed to ensure that voting and consent rights are exercised in the best interest of our clients. For the purpose of voting proxies for all accounts of AllianzGI AP, AllianzGI AP uses the services of its affiliate, Allianz Global Investors GmbH (“AllianzGI GmbH”). The employees of AllianzGI GmbH who provide proxy voting services to AllianzGI AP are considered “associated persons” of AllianzGI AP as that term is defined in the Advisers Act. See Item 10 for additional information on the use of affiliates of AllianzGI AP to provide investment advisory services, including proxy voting, to AllianzGI AP.

In accordance with the Proxy Guidelines, AllianzGI AP may review various criteria associated with voting proxies and evaluate the expected benefit to our clients when making an overall determination on how or whether to vote a proxy. In addition, AllianzGI AP may refrain from voting a proxy under certain circumstances. These circumstances may include, but are not limited to: 1) proxy statements and ballots being written in a foreign language, 2) untimely notice of a shareholder meeting, 3) requirements to vote proxies in person, 4) restrictions on foreigner’s ability to exercise votes, 5) requirements to provide local agents with power of attorney to facilitate the voting instructions. Such proxies are voted on a best-efforts basis.

Proxy voting in certain countries requires “share blocking.” To vote proxies in such countries, shareholders must deposit their shares shortly before the date of the meeting with a designated depository and the shares are then restricted from being sold until the meeting has taken place and the shares are returned to the shareholders’ custodian banks. Absent compelling reasons, AllianzGI AP believes the benefit to its clients of exercising voting rights does not outweigh the effects of not being able to sell the shares. Therefore, if share blocking is required AllianzGI AP generally abstains from voting.

AllianzGI AP will not be able to vote securities on loan under securities lending arrangements into which AllianzGI AP’s clients have entered. However, under rare circumstances, for voting issues that may have a significant impact on the investment, and if the client holds a sufficient number of shares to have a material impact on the vote, we may request that clients recall securities that are on loan if we determine that the benefit of voting outweighs the costs and lost revenue to the client and the administrative burden of retrieving the securities.

Conflicts of Interest

AllianzGI AP may have conflicts of interest that can affect how we vote our clients’ proxies. For example, AllianzGI AP or an affiliate may manage a pension plan whose management is sponsoring a proxy proposal. In the example, failure to vote in favor of management may harm our or our affiliate’s relationship with the company. Given the value of the relationship to us or our affiliate a material conflict of interest may exist in this example even in the absence of efforts by management to persuade us how to vote. The Proxy Guidelines are designed to prevent material conflicts of interest from affecting the manner in which we vote our clients’ proxies.

In order to ensure that all material conflicts of interest are addressed appropriately while carrying out our obligation to vote proxies, the Proxy Committee is responsible for addressing how AllianzGI AP resolves such material conflicts of interest with our clients.

To obtain a copy of the Proxy Guidelines or to obtain information on how your account’s securities were voted, please contact your relationship manager.

Class Action Policy

AllianzGI AP generally does not advise or take any action on behalf of its clients in any legal proceedings, including class actions. A client's decision whether to participate in a securities class action lawsuit may involve facts and legal judgments that are beyond the scope of AllianzGI AP's management of the account and expertise as an investment adviser. AllianzGI AP therefore encourages clients to rely on legal counsel for advice on whether or not to participate in class actions. AllianzGI AP does not file proof of claim forms for its clients. However, upon request, AllianzGI AP will provide relevant records and information in its possession that may be necessary or useful to the client or its custodian to file claim forms or other legal documents. In such cases it is the client's responsibility to (i) ensure that the custodian is capable of filing, and has the proper authorization to file, proofs of claim on the client's behalf and (ii) determine whether to file a request for exclusion from a particular class action settlement and take the necessary steps to do so. AllianzGI AP is not responsible for a client's or custodian's failure to file claim forms or to request exclusion.

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 Asia Pacific Limited Privacy Notice

To Our Customers:

We value our customers and appreciate the trust you have placed in us. We understand that as our customers, you provide us with certain personal information, the privacy of which you entrust us with protecting. This notice describes how we handle your personal information and the important steps we take to protect your privacy.

Information We Collect About You:

In order to provide you with the highest quality of service, we may collect and maintain certain personal information about you. The types and categories of information we may collect about you includes: Information we receive from you to open an account or provide investment advice to you (such as your name, address, telephone number, taxpayer identification number and certain financial information); Information about your transactions with us; Information that we generate to service your account (such as trade tickets and account statements).

Our Privacy Policies and Practices:

We do not disclose non-public personal information to non-affiliated third parties, except as allowed by applicable law or regulation. However, as is common in the industry in order for us to effect transactions that you request or authorize or to make you aware of related financial products and services that we offer, we may disclose the information we collect, as described above, to non-affiliated companies that perform certain services, such as settlement, accounting, performance measurement, transfer agency, custody, brokerage, administrative and or marketing. These companies will use this information only for the services for which we hired them, and are not permitted to use or share this information for any other purpose.

We do reserve the right to disclose or report personal information to non-affiliated third parties in limited circumstances where we believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect our rights or property, or upon reasonable request by any mutual fund in which you have chosen to invest. In addition, we may disclose information about you or your accounts to a non-affiliated third party at your request or if you consent in writing to the disclosure.

Access to your non-public personal information is restricted to those persons who need access to that information to provide products or services to you. We maintain strict physical, electronic and procedural safeguards to protect unauthorized use of this information. We take seriously our

commitment to protect your privacy and adhere to the policies and practices outlined above to both current and former customers.

To guard your non-public personal information we have implemented confidentiality agreements for employees and consultants and information technology firewalls which protect the information that exists on AllianzGI AP's databases from being improperly accessed by non-affiliated third parties.