Allianz Rentenfonds

Prospectus/Investment Terms and Conditions
29 November 2023

Allianz Global Investors GmbH

Warning notice

The current prospectus, the basic information sheet and the "General Investment Terms and Conditions" in conjunction with the "Special Investment Terms and Conditions" shall form the legal basis for purchasing and selling units in Allianz Rentenfonds ("Fund"). The General Investment Terms and Conditions and the Special Investment Terms and Conditions are included in this prospectus.

No information or formal statements that diverge from the content of this prospectus may be given out. The buyer shall bear sole responsibility for any purchase or sale of Fund units that is made on the basis of information or formal statements not contained in this prospectus. The information contained in this prospectus is supplemented by the most recent annual report and the semi-annual report, if published after the annual report.

Investment restrictions applying to US Persons

The Fund is not and will not be registered in the United States of America (the "United States") under the Investment Company Act of 1940 as amended. The United States includes its territories and possessions, any state of the United States, and the District of Columbia. Fund units have not been and will not be registered in the United States under the US Securities Act of 1933 as amended (the "United States Securities Act") or under the securities laws of any state of the United States of America. The units made available under this offer must not be directly or indirectly offered or sold in the United States or to or for the benefit of any US Person (as defined in Rule 902 of Regulation S under the Securities Act). Potential investors may be required to declare that they are not US persons and that they are neither acquiring units on behalf of US persons nor acquiring units with the intent to sell them to US persons. Should a unit-holder become a US person, they may be subject to US withholding taxes and tax reporting.

US Person

Any person who is a United States Person within the meaning of Rule 902 of Regulation S under the United States Securities Act of 1933 (the "Securities Act"), whereby the definition of such term may be changed from time to time by legislation, regulations or judicial or administrative agency interpretations.

A US person includes but is not limited to: i. any natural person resident in the United States; ii. any partnership or corporation organised or incorporated under the laws of the United States; iii. any estate of which any executor or administrator is a US person; iv. any trust of which any trustee is a US person; v. any agency or branch of a foreign entity located in the US; vi. any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US person; vii. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and viii. any partnership or corporation if: (1) organised or incorporated under the laws of any foreign jurisdiction; and (2) formed by a US person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by authorised investors who are not natural persons, estates or trusts.

Most important legal implications of the contractual relationship

Investors become co-owners of the assets held by the Fund in the fractional ratio of their investments. They are not entitled to dispose of the assets. Allianz Global Investors GmbH ("Company") acquires title to the assets belonging to the Fund. Upon entering into the Investment Terms and Conditions, investors become trustors with legal claims against the Company. No voting rights are associated with the units.

The contractual and the pre-contractual relations between Company and investor shall be based on German law. The registered office of the Company shall be the place of jurisdiction for any legal action brought by the investor against the Company arising from the contractual relationship. Investors who are consumers and who reside in another EU Member State may also bring legal action before a competent court at their place of residence. All publications and promotional literature shall be drawn up in German or provided with a German translation. Furthermore, the Company shall communicate with its investors in German.

Allianz Global Investors GmbH has committed to taking part in dispute resolution proceedings before a consumer arbitration service.

In the event of disputes, consumers may contact the Ombudsman for Investment Funds at BVI Bundesverband Investment und Asset Management e.V. as the competent consumer arbitration service. This does not affect the right to take legal action.

Contact information:

Office of the Ombudsman at BVI
Unter den Linden 42
10117 Berlin, Germany
Tel.: +49 30 6449046-0
Fax: +49 30 6449046-29
Email: info@ombudsstelle-investmentfonds.de
www.ombudsstelle-investmentfonds.de

In the event of disputes arising from the application of the provisions of the German Civil Code (Bürgerliches Gesetzbuch) concerning the distance selling contracts for financial services, the parties concerned may also contact the conciliation body of Deutsche Bundesbank. This does not affect the right to take legal action.

Contact information:

Deutsche Bundesbank
Conciliation Body (Schlichtungsstelle)
Postfach 11 12 32
60047 Frankfurt am Main, Germany
Email: schlichtung@bundesbank.de
www.bundesbank.de

In the event of disputes arising from purchase agreements or service agreements that were concluded online, consumers may also contact the EU's online dispute resolution platform (www.ec.europa.eu/consumers/odr). The Company's contact address is the following email address: info@allianzgi.de. The platform itself is not a dispute resolution body; instead, it only provides the parties with the contact details for a competent national conciliation body.

Allianz Global Investors GmbH
Bockenheimer Landstraße 42-44
60323 Frankfurt am Main, Germany

Commercial register: HRB 9340
District court: Frankfurt am Main

Supervisory Authority in charge:
German Federal Financial Supervisory Authority (BaFin)
Marie-Curie-Str. 24-28
60439 Frankfurt am Main, Germany

This document is a translation of the original document. In the event of discrepancies or ambiguities in interpreting the translation, the original German-language version shall prevail insofar as this does not infringe the local legislation of the relevant jurisdiction.

Contents

Prospectus

General information

The Fund is an investment fund as defined in Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) ("UCITS Directive") within the meaning of the Investment Code (Kapitalanlagegesetzbuch, KAGB). It is managed by Allianz Global Investors GmbH with its registered office in Frankfurt am Main (the "Company").

The management of the Fund consists primarily in investing the capital deposited with the Company by investors in assets subject to the principle of risk diversification and separately from the Company's own assets. The Fund shall not be part of the Company's insolvency estate.

The business purpose of the Fund is limited to investment in accordance with a defined investment strategy within the framework of collective asset management via the funds deposited with it; operating activities and active entrepreneurial management of the assets held are excluded. The assets in which the Company may invest on behalf of the Fund and the provisions with which it must comply in doing so are determined by the KAGB and related regulations as well as the Investment Tax Act ("InvStG") and the Investment Terms and Conditions governing the legal relationship between the investors and the Company. The Investment Terms and Conditions contain both a general and a specific section ("General Investment Terms and Conditions" and "Special Investment Terms and Conditions"). The application of the Investment Terms and Conditions to a fund is subject to the approval of BaFin.

Facts and figures for Allianz Rentenfonds

Unit class [1]:	A (EUR)	P (EUR)	P2 (EUR)	R (EUR) [2]	IT2 (EUR) [3]
ISIN code:	DE0008471400	DE0009797415	DE0009797654	DE000A2DU1G9	DE000A2AMPP5
Securities Identification Number:	847140	979741	979765	A2DU1G	A2AMPP
Legal structure:	pursuant to German law (KAGB)	pursuant to German law (KAGB)	pursuant to German law (KAGB)	pursuant to German law (KAGB)	pursuant to German law (KAGB)
Launch:	16 April 1982	03 December 2010	30 January 2015	16 November 2017	10 October 2016
Investment management company:	Allianz Global Investors GmbH Frankfurt am Main	Allianz Global Investors GmbH Frankfurt am Main	Allianz Global Investors GmbH Frankfurt am Main	Allianz Global Investors GmbH Frankfurt am Main	Allianz Global Investors GmbH Frankfurt am Main
Depositary:	State Street Bank International GmbH Munich	State Street Bank International GmbH Munich	State Street Bank International GmbH Munich	State Street Bank International GmbH Munich	State Street Bank International GmbH Munich
Auditor:	Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungs-gesellschaft Frankfurt am Main	Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungs-gesellschaft Frankfurt am Main	Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungs-gesellschaft Frankfurt am Main	Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungs-gesellschaft Frankfurt am Main	Pricewaterhouse-Coopers GmbH Wirtschaftsprüfungs-gesellschaft Frankfurt am Main
Financial groups initiating the Fund:	Allianz Group	Allianz Group	Allianz Group	Allianz Group	Allianz Group
Supervisory Authority in charge:	BaFin Frankfurt am Main	BaFin Frankfurt am Main	BaFin Frankfurt am Main	BaFin Frankfurt am Main	BaFin Frankfurt am Main
Minimum investment:	2.50%	-	-	-	-
Maximum front-end load:	2.50%	-	-	-	-
Current front-end load:	1.00% p.a.	0.61% p.a.	0.61% p.a.	1.00% p.a.	0.61% p.a.
Maximum all-in fee:	0.70% p.a.	0.34% p.a.	0.34% p.a.	0.41% p.a.	0.37% p.a.
Current all-in fee:	distributing	distributing	distributing	distributing	accumulating

[1] The Company may decide at any time to launch additional unit classes for the Fund. In this case, the prospectus will be amended with regard to the new unit classes.
[2] Units of these unit class types may only be acquired with the consent of the Company and, in addition, only by such distributors that are not permitted to accept or retain ongoing distribution fees (portfolio commissions) due to statutory provisions or based on special remuneration agreements with the clients involved.
[3] Units of these unit classes may only be acquired by natural persons.

Unit class [4]:	A (EUR)	P (EUR)	P2 (EUR)	R (EUR) [5]	IT2 (EUR) [6]
Allocation of income:	unlimited	unlimited	unlimited	unlimited	unlimited
Maturity:	unlimited	unlimited	unlimited	unlimited	unlimited

Sales literature

The prospectus, the basic information sheet, the Investment Terms and Conditions as well as the latest annual and semi-annual reports are available free-of-charge from the Company, the Depositary, and from the agents operating for the Company.

Additional information on the Fund's investment restrictions imposed by the risk management, the risk management methods, and the latest developments of risks and returns of the major asset categories, can be obtained from the Company in a written version on request.

If the Company sends particular investors further information about the composition of the Fund portfolio or its performance, it will post this information on its website at the same time.

Investment Terms and Conditions

The Investment Terms and Conditions are included in this prospectus. The Company is entitled to amend the Investment Terms and Conditions. Changes to the Investment Terms and Conditions shall be subject to the approval of BaFin. Changes in the Fund's investment principles shall additionally require approval from the Company's supervisory board. Changes to the previous investment principles of the Fund shall only be permitted on the condition that the Company either makes an offer to investors to redeem their units without charging a redemption fee before the change becomes effective, or offers investors to swap their units for units in funds with comparable investment principles free of charge if the Company or another company from the same group manages such funds. The Company is free to define the investment strategy and/or policy within the limits imposed by the Investment Terms and Conditions.

Planned changes shall be published in the Federal Gazette (Bundesanzeiger) and on the Company's website at https://de.allianzgi.com. If the changes affect fees and reimbursements of expenses that may be charged to the Fund, or a change in the Fund's investment principles or material rights of investors, the custodian institutions are obliged to inform the investors using a durable medium, such as in hard copy or electronic format, that is suitable for storing such information for an appropriate length of time, and making it accessible but not editable. The information shall contain the key content of the proposed amendments, their background, the rights of investors related to such change and a note on where and how further information can be obtained.

Changes shall come into effect on the day after publication at the earliest. Changes in provisions concerning fees and reimbursement of expenses shall come into effect three months after publication at the earliest. BaFin may determine an earlier point in time for the effective date. Changes that are not compatible with the previous investment principles of the Fund shall also come into force three months after publication at the earliest and shall only be permitted on the condition that the Company offers investors the opportunity to swap their units for units in funds with comparable investment principles free of charge if the Company or another company from the same group manages such funds or makes an offer to them to redeem their units without charging a redemption fee before the change becomes effective.

[4] The Company may decide at any time to launch additional unit classes for the Fund. In this case, the prospectus will be amended with regard to the new unit classes.
[5] Units of these unit class types may only be acquired with the consent of the Company and, in addition, only by such distributors that are not permitted to accept or retain ongoing distribution fees (portfolio commissions) due to statutory provisions or based on special remuneration agreements with the clients involved.
[6] Units of these unit classes may only be acquired by natural persons.

Management Company

The Fund is managed by Allianz Global Investors GmbH, which was established in December 1955 and is domiciled in Frankfurt am Main. The Company is an investment management company within the meaning of the German Investment Code (KAGB).

The Company is permitted to manage investment funds as defined in the UCITS Directive, mixed investment funds, other investment funds and open-ended domestic special AIF with fixed investment terms and conditions, as well as comparable open-ended and closed-end EU investment funds. The value of the Fund and the value of the units are determined by the Company.

In accordance with the KAGB, the Company is licenced as both a UCITS investment management company and an AIF investment management company.

Management, supervisory board, shareholder structure, capital and additional capital

More information about the management, the composition of the supervisory board and the shareholder structure, as well as the Company's subscribed and paid-in capital can be found at the end of this prospectus.

The Company has provided the following capital to hedge the professional liability risks associated with the management of funds that do not comply with the UCITS Directive, i.e. alternative investment funds ("AIF"), and that are attributable to the professional negligence of its executive bodies or employees: Capital amounting to at least 0.01% of the value of the portfolios of all managed AIFs. This amount is reviewed and adjusted at least once a year. This capital is covered by the paid-in capital.

Company announcements

In the following, the website https://de.allianzgi.com is considered an electronic information medium of the Company within the meaning of the Investment Code (KAGB). Unless otherwise provided for by law or in this prospectus, all announcements by the Company concerning the Fund and notices to investors will be published on the website.

Depositary

Identity of the depositary

The depositary for the Fund is State Street Bank International GmbH with registered office at Brienner Strasse 59, 80333 Munich, Germany. The depositary is a credit institution under German law. Its principal activity is to conduct deposit and account business.

Its shareholders' equity as at 31 December 2021 totalled EUR 109 million.

Depositary's functions

The KAGB requires the separation of Fund Management from the safe-keeping of the investment company's own assets.

The depositary shall keep the assets in blocked custody accounts or blocked accounts. In the case of assets that cannot be held in custody, the depositary shall check whether the Management Company has acquired title to these assets. It shall monitor whether the Company's disposal over the assets complies with the provisions of the KAGB and the Investment Terms and Conditions. Investment of assets in bank deposits with another financial institution is only permitted with the approval of the depositary. The depositary must grant its approval if the investment is consistent with the Investment Terms and Conditions and the provisions of the KAGB.

In addition, the depositary has the following duties in particular:

- Subscription and redemption of Fund units,
- Ensuring that units are issued and redeemed and that unit value is determined in compliance with the provisions of the KAGB and the Fund's Investment Terms and Conditions,
- Ensuring that it receives the consideration for transactions concluded for the joint account of the investors within the customary periods of time,
- Ensuring that income accruing to the Fund is appropriated in compliance with the provisions of the KAGB and the Investment Terms and Conditions,
- Monitoring any borrowing entered into by the Company for account of the Fund and, if applicable, approval of any borrowing,
- Ensuring that collateral for securities lending is provided with legally binding effect and is available at all times.

Engagement of sub-depositaries

The depositary has full authority to transfer its duties in connection with safekeeping, in full or in part. Its liability nevertheless remains unaffected by the fact that it has entrusted to a third party some or all of the assets that it had accepted for safekeeping. The depositary's liability remains unaffected by any delegation of its safekeeping functions under the Depositary Agreement.

The depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, which it has appointed as its global sub-depositary. As the global sub-depositary, State Street Bank and Trust Company has appointed local sub-depositaries within the State Street global depositary network.

The sub-depositary has entrusted the following companies with local sub-depositary services:

Egypt	Citibank N.A.
Albania	Raiffeisen Bank sh.a.
Argentina	Citibank N.A.
Australia	The Hongkong and Shanghai Banking Corporation Ltd.
Bahrain	First Abu Dhabi Bank P.J.S.C.
Bangladesh	Standard Chartered Bank
Belgium	BNP Paribas S.A., France (acting through its branch office in Paris with support from its branch office in Brussels)
Benin	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Bermuda	HSBC Bank Bermuda Limited
Bosnia and Herzegovina	UniCredit Bank d.d.
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank N.A.
Bulgaria	Citibank Europe plc, Bulgaria branch
	UniCredit Bulbank AD
Burkina Faso	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Chile	Banco de Chile
China – Connect	Standard Chartered Bank (Hong Kong) Limited
Costa Rica	Banco BCT S.A.

Denmark	Skandinaviska Enskilda Banken AB (publ), Sweden (acting through its branch office in Copenhagen)
Germany	Deutsche Bank AG State Street Bank International GmbH
Ivory Coast	Standard Chartered Bank Cote d'Ivoire S.A.
Estonia	AS SEB Pank
Finland	Skandinaviska Enskilda Banken AB (publ), Sweden (acting through its branch office in Helsinki)
France	BNP Paribas S.A.
Ghana	Standard Chartered Bank Ghana PLC
Greece	BNP Paribas S.A.
United Kingdom	State Street Bank and Trust Company, UK branch
Guinea-Bissau	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited
India	Deutsche Bank AG Citibank N.A.
	The Hongkong and Shanghai Banking Corporation Limited
Indonesia	Deutsche Bank AG
	Standard Chartered Bank
Iceland	Landsbankinn hf.
Israel	Bank Hapoalim B.M.
Italy	Intesa Sanpaolo S.p.A.
Japan	The Hongkong and Shanghai Banking Corporation Limited Mizuho Bank, Limited
Jordan	Standard Chartered Bank, Shmeissani branch
Canada	State Street Trust Company Canada
Kazakhstan	JSC Citibank Kazakhstan
Qatar	HSBC Bank Middle East Limited
Kenya	Standard Chartered Bank Kenya Limited
Colombia	Cititrust Colombia, S.A. Sociedad Fiduciaria
Croatia	Privredna Banka Zagreb d.d. Zagrebacka Banka d.d.
Kuwait	First Abu Dhabi Bank P.J.S.C.
Latvia	AS SEB Banka
Lithuania	AB SEB Bankas
Malawi	Standard Bank PLC
Malaysia	Standard Chartered Bank (Malaysia) Berhad
Mali	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Morocco	Citibank Maghreb S.A.
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México S.A.
Namibia	Standard Bank Namibia Limited
New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Netherlands	BNP Paribas S.A. (acting through its branch office in Paris with support from its branch office in Amsterdam)
Niger	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Nigeria	Stanbic IBTC Bank Plc.
Norway	Skandinaviska Enskilda Banken AB (publ), Sweden (acting through its branch office in Oslo)
Oman	First Abu Dhabi Bank P.J.S.C.
Austria	UniCredit Bank Austria AG
Pakistan	Deutsche Bank AG
	Citibank, N.A.
Panama	Citibank N.A.
Peru	Citibank del Perú S.A.
Philippines	Standard Chartered Bank
Poland	Bank Handlowy w Warszawie S.A.
Portugal	Citibank Europe plc, Dublin, Ireland

Republic of Georgia	JSC Bank of Georgia
South Korea	The Hongkong and Shanghai Banking Corporation Limited Deutsche Bank AG
Republika Srpska	UniCredit Bank d.d.
Romania	Citibank Europe plc, Dublin, Romania branch
Russia	AO Citibank
Zambia	Standard Chartered Bank Zambia Plc
Saudi Arabia	FAB Capital J.S.C. as delegate of First Abu Dhabi Bank P.J.S.C.Saudi British BankFirst Abu Dhabi Capital Financial Company J.S.C. (FAB Capital)
	First Abu Dhabi Bank P.J.S.C.
Sweden	Skandinaviska Enskilda Banken AB (publ)
Switzerland	UBS Switzerland AG
Senegal	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Serbia	UniCredit Bank Serbia JSC
Zimbabwe	Stanbic Bank Zimbabwe Limited
Singapore	Citibank N.A.
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
Spain	Citibank Europe plc, Dublin, Ireland
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
South Africa	Standard Chartered Bank FirstRand Bank Limited
Taiwan – R.O.C.	Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Tanzania) Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Togo	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Czech Republic	Československá obchodnì banka, a.s. UniCredit Bank Czech Republic and Slovakia, a.s.
Tunisia	Union Internationale de Banques
Turkey	Citibank A.Ş.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	JSC Citibank
Hungary	UniCredit Bank Hungary Zrt. Citibank Europe plc Magyarországi Fióktelepe
Uruguay	Banco Itaú Uruguay S.A.
United Arab Emirates – Abu Dhabi	First Abu Dhabi Bank P.J.S.C.
United Arab Emirates – DFM	First Abu Dhabi Bank P.J.S.C.
United Arab Emirates – Dubai International Financial Center (DIFC)	First Abu Dhabi Bank P.J.S.C.
United Arab Emirates – Abu Dhabi	First Abu Dhabi Bank P.J.S.C.
United States	State Street Bank and Trust Company
Vietnam	HSBC Bank (Vietnam) Limited
People's Republic of China	HSBC Bank (China) Company Limited
	China Construction Bank Corporation
Cyprus	BNP Paribas S.A., Greece (acting through its branch office in Athens)

Conflicts of interest

In relation to State Street Bank & Trust Company, our Global Depositary, possible conflicts of interest at the first sub-depositary level have been eliminated in compliance with legal requirements. In this respect, we refer to the following comments.

In summary, the organisational precautions taken by State Street Bank International GmbH for handling conflicts of interest – specifically from the viewpoint of the German Investment Code (KAGB) – are as follows:

- The Compliance department is entrusted with the function of the "independent body" required under Section 70 (2) sentence 4 KAGB and/or Section 85 (2) sentence 4 KAGB.

- The schedule of responsibilities and organisational structure of State Street Bank International GmbH comply with statutory and regulatory requirements, taking into particular account the requirement to avoid conflicts of interest. As a result, the functions "back office/supervision of lending business and trading" are kept separate from the functions "settlement/supervision of lending business and trading" and naturally from the "trading market sector" and from the "lending business market sector" right through to senior management level. In addition, operational depositary bank or depositary business is completely separate from the "collateral management services" and "investment management company back office insourcing" sections. The segregation solution as defined in BaFin Circular 08/2015 (WA)/ Depositary Circular and BaFin Circular 01/2017 (WA)/German Minimum Requirements on Risk Management for Investment Companies (KAMaRisk)) has been implemented in relation to physical, personnel, functional and hierarchical separation.

- The "Conflicts of Interest Policy" of State Street Bank International GmbH covers the topics relating to conflicts of interest, both from the viewpoint of the German Securities Trading Act (WpHG) and from the perspective of the depositary bank or depositary. It also provides for the use of a range of methods to avoid conflicts of interest, which are presented below in note form:

(a) Controlling the flow of information:

  (i) Requirements for confidentiality zones (Chinese walls) and for using them.

    – Passing on information within the Company in strict compliance with the "need to know" principle

    – Access rights to information and physical access rights to areas of the Company. For example, the services relating to "investment management company back office insourcing" are currently provided completely separately from the depositary bank or depositary business within the system.

  (ii) Requirements for "wall crossing".

(b) Independent monitoring of relevant persons.

(c) No detrimental dependencies in the remuneration system.

(d) Avoidance of the corruptive influence of one employee on other employees.

(e) Avoidance of a situation where the responsibilities of an employee for several activities could give rise to conflicts of interest if they are performed simultaneously.

(f) As a last resort, there is provision for notifying the relevant client of any conflicts of interest that cannot be sufficiently avoided or controlled.

Depositary's liability
The depositary is basically responsible for all assets that are held in safe-keeping by itself or by another office with its approval. In the event that an asset is lost, the depositary shall be liable to the Fund and its investors, unless the loss is due to events beyond the depositary's control. The depositary shall generally only be liable for damages that do not involve the loss of an asset if it has not fulfilled its obligations pursuant to the provisions of the KAGB, with simple negligence as the minimum criterion. No agreement on exemption from liability pursuant to Section 77 (4) KAGB has been concluded with the depositary.

Additional information
On request, the Company will send up-to-date information to investors on the depositary and its duties, the sub-depositaries and possible conflicts of interest in connection with the role of the depositary or sub-depositary.

Fund

The Fund was launched on 16 April 1982 for an unlimited period of time. As co-owners or creditors, the investors hold an interest in the assets of the Fund proportionate to the number of units held.

Investment objective

The investment policy aims to generate a market-oriented return in relation to the euro bond markets within the framework of the investment principles by investing in securities that take into account certain environmental, social and governance (ESG) criteria.

Management approach of the Fund
The Company pursues an active management approach for the Fund. This means that, on the basis of the investment process and in line with the Sustainable and Responsible Investment Strategy described below, the Fund Management decides autonomously and independently on the selection and weighting of the individual assets permitted under the KAGB and the investment terms and conditions of the Fund.

The Fund and/or one or more of the Fund's unit classes are managed in relation to a reference value (the "benchmark" or the "benchmark index") in accordance with Article 7 (1) (d) of Commission Regulation (EU) No 583/2010.

The benchmark for the Fund is the BLOOMBERG Euro Aggregate Total Return Index. This benchmark index is administered by Bloomberg Index Services Limited. Bloomberg Index Services Limited is registered with the European Securities and Markets Authority, ESMA, in a public register for benchmark administrators and for benchmarks.

The Company has established robust written plans, in which it sets out the measures that will be taken if the benchmark significantly changes or is no longer appropriate. These written plans may be requested free of charge from the registered office of the Company or from the Management Company.

Investment funds that are managed in relation to a benchmark index are funds in which a benchmark index either plays a role in (i) the explicit or implicit definition of the portfolio composition of the Fund and/or in (ii) the performance objectives and measures of this Fund. In both cases, the Company follows an active management approach in managing the Fund, i.e. the benchmark index is neither tracked nor replicated. In doing so, the Fund Management aims to outperform the benchmark index. The Fund Management bases its asset selection and weighting decisions on the investment process, with assets being potentially over- or underweighted compared to corresponding securities included in the benchmark index. The Fund Management may also decide not to purchase certain benchmark index securities for the Fund, or to purchase completely different securities for the Fund than those included in the benchmark index. The composition and weighting of the Fund's assets and the performance of the Fund may therefore differ substantially and even completely – whether positive or negative – from the composition and weighting of the corresponding securities included in the benchmark index. The composition and weighting of the Fund's assets is not based on the benchmark index or on any other benchmark. As a result of the active management approach, the performance of the Fund may differ from the performance of the benchmark index.

When selecting and weighting the Fund's assets, the Fund Management will significantly deviate from the securities included in the Fund's benchmark index, as well as their corresponding weightings. The above-mentioned flexibility granted to the Fund Management thus defines the extent to which the Fund's performance may significantly exceed or fall short of the performance of the benchmark index.

When selecting and weighting the Fund's assets, the Fund Management may deviate materially from the securities included in the benchmark index, as well as their corresponding weightings. Generally, the majority of the securities included in the Fund are also included in the benchmark index. The Fund Manager has the flexibility to also invest in securities that are not included in the benchmark index.

If a unit class of the Fund is hedged against a specific currency, the respective benchmark index of the Fund and/or the unit class in question is also hedged against this currency. If the Fund's benchmark index and/or the unit class in question is an interest rate, a hedged unit class of this Fund may use a suitable alternative interest rate for the hedged currency, with a suitable term.

The Fund Management considers as part of the due diligence process all relevant financial risks, including all relevant sustainability risks that could have a significant negative impact on the return on an investment, in the investment decision and evaluates them on an ongoing basis. The sustainability risk assessment does not cover cash and deposits, derivatives and non-rated investments. Sustainability risks are summarised as follows:

- Sustainability macro risks with global relevance (for example global warming and climate change).
- Sustainability sector risks with relevance for funds exposed to specific sectors (for example stranded asset risks for the oil & gas sector).
- Sustainability idiosyncratic risks on the level of individual corporate and sovereign issuers with relevance for funds exposed to these issuers (for example climate transition risk).
- Sustainability investment risks at portfolio level arising from portfolio exposure to macro sustainability risk, sustainability sector risks and, in particular, the sustainability issuers invested.

Sustainability risks are assessed using external sustainability research data and/or internal research and analysis. The aim of both external and internal investigations is to identify potential financial risks relating to sustainability associated with investing in an issuer's securities. Issuers can be corporate issuers, governmental issuers or sub-sovereign entity issuers. Details can be found in the Risk Management Policy Statement available at https://www.allianzgi.com/en/our-firm/esg.

In addition, Fund Management takes into account PAI indicators regarding sustainability factors in a similar manner as described above in all investment decisions to be made for the Fund. Further details are given in the Management Company's statement on the material adverse effects, which is available at www.allianzglobalinvestors.com.

PAI indicator(s) are a number of indicators designed to identify the material or likely material impact of investment decisions on sustainability factors. PAI indicators include, inter alia, greenhouse gas emissions, biological diversity, water, waste, and social and labour concerns for corporate issuers and, where applicable, an indicator for investments in government-issued securities. PAI indicators are used to measure how issuers have a negative impact on sustainability factors.

All assets acquired in the context of investment decisions taken by the Fund Management correspond to the process described above. In addition, in accordance with Article 8 of the Sustainable Finance Disclosure Regulation, the SRI strategy has characteristics that could, to a certain extent, limit certain risks, in particular reputational risks, e.g. the exclusion of certain industries or the issuers with the worst rating.

Since the SRI strategy is applied in accordance with Article 8 of the Sustainable Finance Disclosure Regulation, all relevant information to be disclosed under Article 6 of the Taxonomy Regulation is in the chapter entitled 'Management of a Fund in line with the Sustainable Finance Disclosure Regulation, and specific information to be disclosed in line with the Taxonomy Regulation'. A Fund is managed in accordance with Article 8 (1) of the Sustainable Finance Disclosure Regulation if it promotes, among other characteristics, environmental or social characteristics or a combination of those characteristics, provided that the companies in which the Fund invests apply good corporate governance practices.

Further information (including additional details) is given in the Management Company's Global Corporate Governance Guidelines and can be found on the website at https://allianzglobalinvestors.com.

As the Fund Management of the UCITS fund applies an individual investment strategy (as outlined above), it takes into account so-called 'PAI indicators' (as outlined above) relating to greenhouse gas emissions, biodiversity, water, waste and social and labour concerns for corporate issuers and, where applicable, indicators that apply to investments in government bonds alongside the exclusion criteria described for the individual investment strategy (as outlined below), which also apply in relation to the acquisition of internal SFDR target funds. The PAI indicators are taken into account by means of exclusion criteria as part of the Fund Manager's investment process as set out in the specific investment strategy.

Data coverage of the data required for PAI indicators is heterogeneous. Due to a lack of data, the Fund Manager cannot as yet assess the unadjusted gender pay gap for the companies in which investments are made. In addition, data coverage for biodiversity, water and waste is low, and the corresponding PAI indicators are considered to be excluded from serious controversial issues as part of the UN Global Compact. The Fund Manager will thus endeavour to increase data coverage for those PAI indicators with low data coverage. The Fund Manager will periodically check whether data availability has increased sufficiently to potentially incorporate the evaluation of such data into the investment process.

Investment principles and investment restrictions

The Company may acquire the following assets for the UCITS Fund:

1. Securities as specified in Section 5 of the "General Investment Terms and Conditions", albeit only those of the following classes:

    a) Interest-bearing securities, in particular government bonds, mortgage bonds (Pfandbriefe) and similar foreign bonds issued by financial institutions and secured by a land charge, municipal bonds, zero-coupon bonds, variable rate bonds, convertible bonds and warrant bonds, corporate bonds, certificated asset-backed securities and mortgage-backed securities, as well as other bonds linked to an asset pool. Depending on its assessment of the market situation, the Company can opt to focus on one or several of these types of security or to take a diversified investment approach.

b) Equities and equity equivalent securities, but only if these are acquired by exercising conversion, subscription and option rights from convertible bonds and warrant bonds. Equities or equity equivalent securities acquired in this manner must, however, be sold within a period of six months.

c) Index certificates and other certificates with a risk profile that correlates with the assets listed under a) or with the investment markets to which these assets are attributable.

2. Money market instruments within the meaning of Section 6 of the "General Investment Terms and Conditions" that may also be denominated in foreign currencies. Depending on its assessment of the market situation, the Company can opt to focus on one or several currencies or to take a diversified investment approach.

3. Bank deposits within the meaning of Section 7 of the "General Investment Terms and Conditions" that may also be denominated in foreign currencies. Depending on its assessment of the market situation, the Company can opt to focus on one or several currencies or to take a diversified investment approach.

4. Investment units as specified in Section 8 of the "General Investment Terms and Conditions", albeit only units in investment funds with a risk profile that typically correlates with the investment markets to which the assets set out in Nos 1 to 3 are attributable. These funds can be either domestic or foreign investment funds in accordance with Section 8 of the "General Investment Terms and Conditions". Depending on its assessment of the market situation, the Company can opt to focus on one or more investment funds. These may include investment funds that pursue an investment policy focused on a single investment market, or investment funds that take a diversified investment approach.

   As a general rule, the Company shall only purchase units in investment funds managed directly or indirectly by the Company itself or by other companies with which the Company is affiliated, either by way of a significant direct or indirect holding. Units in other investment funds shall be purchased only in exceptional cases where none of the investment funds set out in sentence 4 follow the investment policy that the Company deems to be necessary in that particular case, or if the units in question are units in an investment fund that replicates a securities index and are admitted to trading on one of the exchanges or organised markets set out in Section 5 a) and b) of the "General Investment Terms and Conditions".

5. Derivatives as specified in Section 9 of the "General Investment Terms and Conditions".

6. Other investment instruments pursuant to Section 10 of the "General Investment Terms and Conditions", although in the case of equities, and equity equivalent securities, only those acquired by exercising conversion, subscription and option rights. Equities and equity equivalent securities acquired in this manner must, however, be sold within a period of six months.

Here, the following investment restrictions and minimum exclusion criteria shall apply:

(1) The total proportion of interest-bearing securities within the meaning of nos. 1a) and 6 above must not fall below 51% of the value of the UCITS Fund's assets. Bonds with warrants and convertible bonds are not counted towards this limit. The Company may invest more than 35% of the UCITS Fund's assets in fixed-income securities issued or guaranteed by the Federal Republic of Germany, a Federal State (Land) of the Federal Republic of Germany, the European Union, a member state of the European Union or its regional or local authorities, another signatory state to the Agreement on the European Economic Area, a member of the OECD or an international organisation of which at least one member state of the European Union is a member.

(2) The average cash-weighted residual term to maturity (duration) of the portion of the UCITS Fund's assets invested in interest-bearing securities, bank deposits and money market instruments in accordance with nos. 1a), 2 and 3 above,

including any interest receivables attached to the aforementioned assets, must be between three and ten years. Derivatives on interest-bearing securities, interest and bond indices and interest rates shall be included in the calculation irrespective of the currency of the respective underlying.

(3) The total proportion of investment units within the meaning of no. 4 above must not exceed 10% of the UCITS Fund's assets.

(4) The total proportion of assets denominated in euro must not fall below 51% of the UCITS Fund's assets. The proportion of non-euro denominated assets and liabilities may only exceed 5% of the UCITS Fund's assets, if the portion exceeding this figure is hedged by exchange rate or currency derivatives. To the extent that assets and liabilities are denominated in the same currency, they shall not be included in the calculation of this limit.

(5) The Company may only acquire interest-bearing securities within the meaning of nos. 1a) and 6 above if they have an investment grade rating by at least one recognised rating agency, or, where they do not have a rating, would, in the Company's opinion, obtain such a rating. If a security loses the prerequisites stated in sentence 1 after its acquisition, the Company shall aim to sell it within one year. The total proportion of securities according to sentence 2 must not exceed 10% of the UCITS Fund's assets, subject to the conditions set out in Sub-section 9.

(6) The total proportion of interest-bearing securities within the meaning of nos. 1a) and 6 above, the issuers of which have their registered office in a country not classified by the World Bank as "high GDP per capita", i.e. not classified as "developed", must not exceed 10% of the UCITS Fund's assets, subject to the conditions set out in Sub-section 9.

(7) Securities and money market instruments purchased under agreements to resell shall be included in calculations for the issuer limits set out in Section 206 (1) to 3 KAGB, while investment units purchased under agreements to resell shall be included in the investment limits set out in Sections 207 and 210 (3) KAGB.

(8) The limits set out in Sub-sections 1 to 6 may be exceeded/undershot if this occurs due to changes in the value or in the maturity of the assets in the UCITS Fund as a result of the exercise of conversion, subscription and option rights, or due to a change in the value of the entire UCITS Fund, e.g. where unit certificates are issued or redeemed. In such cases, the Company's foremost objective shall be to revert to compliance with the aforementioned restrictions while protecting the interests of the investors.

(9) The limits set out in Sub-section 5 sentence 3 and Sub-section 6 may be exceeded – with due regard to the limits set out in Sub-section 1 – as a result of the purchase of the assets in question, if derivatives are used at the same time in order to ensure that the market risk potential on the whole is kept within the limits. Derivatives used for these purposes are applied at the delta-weighted value of the respective underlying assets in keeping with the respective arithmetic sign.

(10) No more than 10% of the value of the UCITS Fund may be used to acquire securities and money market instruments of the same issuer and the total value of the securities and money market instruments of these issuers must not exceed 40% of the value of the UCITS Fund.

(11) When selecting the assets for the UCITS Fund, the Fund Management also applies the Sustainable and Responsible Investment Strategy (the "SRI Strategy"), which identifies investments that take into account certain environmental, social and corporate governance criteria.

(12) The UCITS fund applies minimum exclusion criteria and does not invest directly in securities of:

- Companies that, as a result of following problematic practices in the areas of human rights, labour rights, the environment and corruption, seriously violate principles and guidelines such as the principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles for Economic Affairs and Human Rights.

- Companies involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus and nuclear weapons).

- Companies that generate more than 10% of their revenue from weapons, military equipment and services.

- Companies that generate more than 10% of their revenue from coal for power stations.

- Utility companies that generate more than 20% of their revenue from coal.

- Companies involved in the production of tobacco and companies that generate more than 5% of their revenue from the sale of tobacco.

Direct investments in government issuers with an inadequate Freedom House Index are excluded. An insufficient Freedom House Index exists if the jurisdiction in question is rated as “not free” in the Freedom House Index (Global Freedom Scores).

The minimum exclusion criteria are based on information from an external data provider and are coded in the context of pre- and post-trade compliance. The review shall be carried out at six month intervals, at least.

IMPORTANT INFORMATION FOR INVESTORS

With this Fund the Company promotes, among other things, environmental or social characteristics or a combination of these characteristics, provided that the issuers of the securities in which the Fund invests practise good corporate governance within the meaning of Article 8 of Regulation (EU) 2019/2088 (“Regulation on sustainability-related disclosures in the financial services sector”).

This Fund is not marketed as expressly sustainable within the meaning of BaFin’s administrative practice.

In addition to financial and economic criteria such as the performance, liquidity, risk and financial and economic success of an issuer, other criteria are evaluated and taken into account when managing the Fund, such as an issuer’s performance with regard to the environment, social affairs and corporate governance. This notwithstanding, there is no pursuit of investment in sustainable assets or a sustainable investment strategy within the meaning of BaFin’s administrative practice. For detailed information about sustainability, please refer to the pre-contractual information in the annex to this prospectus.

Investor profile

Allianz Rentenfonds is intended for investors pursuing the objective of specific retirement pension planning and/or general capital formation/asset optimisation. It may not be suitable for investors who wish to withdraw their capital from the Fund within a period of three years. Allianz Rentenfonds is intended for investors with basic knowledge and/or experience of financial products. Prospective investors should be capable of bearing a financial loss and should not attach any importance to capital protection. In terms of risk assessment, Allianz Rentenfonds is assigned to risk class 2 on a scale of 1 (conservative; very low to low expectation of returns) to 7 (very tolerant of risk; highest expectation of returns) (as at: 15 November 2023).

The following selection principles and exclusion criteria of the UCITS Fund are observed by the Fund Management in addition to the requirements to be observed in accordance with the KAGB and the investment conditions of the UCITS Fund when selecting the Fund assets:

- The Fund Management will invest the assets of the UCITS Fund in securities, target funds and other permissible assets following a detailed analysis of all of the information available and with careful consideration of the opportunities and risks. The performance of fund units, however, remains dependent on price changes on the markets. Therefore, no warranty can be given that the objectives of the investment policy will be achieved.

  Investors assume the risk of receiving a lesser amount than they originally invested.

  The Fund Management orients the composition of the Mixed Fund depending on its assessment of the market situation and taking into account the investment objective and the investment principles, which may result in the complete or partial reorientation of the composition of the Fund. For this reason, such adjustments may be made, and frequently if appropriate.

(1)

- Within the scope of and subject to the above limitations, the UCITS Fund may, depending on the assessment of market conditions by the portfolio management team, be focused on

  - individual types of assets, and/or
  - individual currencies, and/or
  - individual sectors, and/or
  - individual countries, and/or
  - assets with shorter or longer (residual) maturities, and/or
  - assets from specific issuers/debtors (e.g. countries or companies),

or have a broad investment focus.

No provision has been made for a restriction on the average, cash-weighted residual maturity (duration) of the bond and money-market element of the UCITS Fund.

Investment management may invest indirectly, particularly in the corresponding securities issued by companies of any size. Depending on the market situation, investment management may focus either on companies of a certain size or individually determined sizes, or have a broad investment focus. In particular where very small cap stocks are acquired, these may be specialist stocks, some of which operate in niche markets.

Investment management may also in particular invest indirectly in securities that it considers to be undervalued in terms of their fundamentals in comparison with the industry (value stocks) as well as in equities that it considers to have growth potential that is not factored into the current price (growth stocks). Depending on the market situation, investment management may either concentrate on value or growth stocks, or have a broad investment focus.

Depending on the specific investment approach of a Target Fund Manager, the above criteria may also not be taken into consideration in making investment decisions, with the result that the Fund may have either a narrow or a broad investment focus.

Definitions

SFDR or Sustainable Finance Disclosure Regulation

means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

SFDR target fund

means a target fund whose objective is to promote environmental or social characteristics or sustainable investments in accordance with Article 8 or Article 9 of the Sustainable Finance Disclosure Regulation. External SFDR target funds may apply additional or other sustainability characteristics and/or exclusion criteria that differ from those applicable to internal SFDR target funds as described in this prospectus.

Taxonomy Regulation

means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

Target fund

means any UCITS and/or UCI managed either directly or indirectly by the Management Company itself or by another company linked to the Management Company by a significant direct or indirect investment (internal target fund) or by another third party (external target fund).

Management of the UCITS fund in line with the Regulation on the disclosure of sustainability information, and specific information to be disclosed in line with the Taxonomy Regulation

The investments of the UCITS fund (and any respective restrictions) basically consist of assets and/or instruments set out in the Fund's investment principles.

This UCITS fund promotes environmental or social characteristics and is thus disclosed in accordance with Article 8 (1) of the Regulation on the disclosure of sustainability information. A fund that commits to a minimum percentage of investments that take account of the EU criteria for environmentally sustainable activities (i.e. are aligned with taxonomy) contributes to the following environmental objectives through its investments: (i) mitigation of climate change and/or (ii) adaptation to climate change.

The technical screening criteria ("TSC") for environmentally sustainable economic activities are as yet not fully developed (especially for the other four environmental objectives set out in the Taxonomy Regulation). These detailed criteria require the availability of several specific data items in terms of each investment, primarily based on data reported by the company. At present, only limited reliable, up-to-date and verifiable data is available to evaluate investments against the TSC. Against this backdrop and in its capacity as the Fund's Management Company, Allianz Global Investors GmbH uses an external data and research provider in order to determine linked taxonomy shares. The external provider evaluates corporate disclosures in order to assess whether the companies' business activities are in line with the criteria defined by the EU Commission. An additional "Do No Significant Harm" assessment of the issuer will be conducted by the Management Company to assess the suitability of the taxonomy shares.

The "do no significant harm" principle only applies to those investments underlying the financial product that take the EU criteria for environmentally sustainable economic activities into account for all other sustainable investments. The investments underlying the remainder of this financial product do not take the EU criteria for environmentally sustainable economic activities into account.

Sustainable investment is an investment in an economic activity that contributes to environmental and/or social objectives (investments in business activities that contribute positively to sustainable objectives), provided that such investments do not significantly harm any of these objectives and that the companies in which investments are made apply good corporate governance practices, in particular regarding sound management structures, employee relations, staff remuneration and tax compliance. Environmental and social contributions can be defined using the UN Sustainable Development Goals and the taxonomy objectives, for example. Calculation of the positive contribution for the sub-fund is based on a quantitative framework, complemented by qualitative contributions from Sustainability Research. The methodology used first breaks down a company into its business activities to assess whether these activities make a positive contribution to environmental and/or social goals. Once the business activities have been allocated, an asset-weighted aggregation is performed at portfolio level to calculate the percentage of positive contribution made per portfolio.

Economic activities may be measured, for example, by key indicators for resource efficiency in relation to the use of energy, renewable energy, raw materials, water and land, waste generation and greenhouse gas emissions or the impact on biological diversity and the circular economy, or an investment in economic activity that contributes to a social objective, in particular an investment that helps to fight inequality or to promote social cohesion, promotes social integration and labour relations, or an investment in human capital or in economically or socially disadvantaged communities, provided that such investments do not significantly harm any of these objectives and that the companies in which investments are made apply good corporate governance practices, in particular regarding sound management structures, employee relations, staff remuneration and tax compliance.

Environmental and social contributions can be defined using the UN Sustainable Development Goals and the Taxonomy Objectives. Calculation of the positive contribution is based on a quantitative framework, complemented by qualitative contributions from Sustainability Research. The methodology used first breaks down a company into its business activities to assess whether these activities make a positive contribution to environmental and/or social goals. Once the business activities have been allocated, an asset-weighted aggregation is performed at portfolio level to calculate the percentage of positive contribution made per portfolio.

The minimum share of the UCITS Fund's sustainable investments amounts to 3% of the net assets of the UCITS Fund.

The minimum share of the UCITS Fund's investments aligned with Taxonomy amounts to 0.01% of the net assets of the UCITS Fund.

The scope, details and relevant requirements (including, but not limited to, the exclusion criteria applied as described above) of the investment strategy applied by the Fund Management, which is implemented in accordance with Article 8 of the Sustainable Finance Disclosure Regulation, are described in the pre-contractual information, which can be found in the annex to this prospectus.

In addition, the pre-contractual information for the Fund shall describe in detail the content of the information required under the SFDR, including any taxonomy-relevant information required for products under Articles 8 and 9 of the SFDR.

As regards the use of derivatives, the statements made in the chapter "The use of techniques and instruments and special risks associated with such use" shall apply in full. This includes derivative transactions for efficient portfolio management (including hedging) and/or investment purposes. Where possible, the Fund Management shall give preference to transactions with derivatives that serve to fulfil the announced environmental or social characteristics of a Fund that is managed in accordance with the relevant investment strategy.

Investment instruments in detail

Securities

The Company may purchase securities for account of the Fund, subject to the restrictions laid out in the section "Investment principles and investment restrictions",

- if they are admitted to trading on a stock exchange in a member state of the European Union ("EU") or in another signatory state to the Agreement on the European Economic Area ("EEA") or admitted to or included in another organised market in one of these states,

- if they are admitted to trading on a stock exchange or admitted to or included in another organised market in one of these states outside the EEA, provided that BaFin has approved the stock exchange or market.

Securities from new issues may be acquired under the Special Investment Terms and Conditions if – according to their terms of issue – their admission to or inclusion in one of the stock exchanges or organised markets mentioned above must be applied for and their admission or inclusion takes place within one year of issue. Moreover, the preconditions set out in Section 193 (1) sentence 2 KAGB must be met.

The following are also regarded as securities within this meaning:

- Units in closed-end funds in contractual or corporate form that are subject to control by the shareholders ("corporate control"), i.e. the shareholders must have voting rights on key decisions, as well as the right to control the investment policy by means of appropriate mechanisms. The Fund must also be managed by a legal entity that is subject to provisions relating to investor protection, unless the Fund is established in corporate form and the asset management function is not performed by another legal entity.

- Financial instruments that are secured by other assets or are linked to the performance of other assets. Insofar as components of derivatives are embedded in financial instruments of this type, additional requirements shall apply in order that the Company may acquire them as securities.

The securities may only be acquired under the following conditions:

- The potential loss that the Fund could incur must not exceed the purchase price of the security. Investors must not have any obligation to pay more than the invested amount.

- A lack of liquidity of the security acquired by the Fund must not result in the Fund being unable to comply with statutory requirements in relation to the redemption of units. This shall apply while taking into account the statutory option of being able to suspend redemption of units in special circumstances (see the section "Suspension of redemptions").

- A reliable valuation of the security through exact, reliable and up-to-date prices must be available; these must be either market prices or provided by a valuation system that is independent of the security's issuer.

- Appropriate information is available in relation to the security through regular, exact and comprehensive market information about the security or, if applicable, an associated portfolio, i.e. one that is evidenced by the security.

- The security is tradeable.

- Acquisition of the security is consistent with the Fund's investment objectives and/or investment strategy.

- The risks associated with the security are appropriately assessed by the Fund's risk management system.

Securities may also be acquired in the following form:

- Equities to which the Fund is entitled in the framework of a capital increase from company reserves.

- Securities that are acquired through the exercising of subscription rights held by the Fund.

Subscription rights may also be acquired for the Fund as securities within this meaning, provided the securities from which the subscription rights arise could be included in the Fund's assets.

Money market instruments

The Company may invest in money market instruments for account of the Fund that are customarily traded in the money market, as well as interest-bearing securities that, alternatively,

- at the time of purchase for the Fund have a maximum (residual) maturity of 397 days,

- at the time of purchase for the Fund have a maturity longer than 397 days, but whose interest must be adjusted in line with market rates at regular intervals or at least once within 397 days,

- whose risk profile corresponds to the risk profile of securities that meet the criterion of residual maturity or the criterion of interest adjustment.

The Company may purchase money market instruments of the following issuers for account of the Fund, subject to the restrictions laid out in the section "Investment principles and investment restrictions":

1. if they are admitted to trading on a stock exchange in a member state of the European Union ("EU") or in another signatory state to the Agreement on the European Economic Area ("EEA") or admitted to or included in another organised market in one of these states,

2. if they are admitted to trading on a stock exchange or admitted to or included in another organised market outside the EEA, provided that BaFin has approved the stock exchange or market,

3. if they are issued or guaranteed by the EU, the German Federal Government, a fund of the Federal Government, a Federal State or Land of the Federal Republic of Germany, another member state or another central, regional or local authority or the central bank of a member state of the EU, the European Central Bank or the European Investment Bank, a third state or, if such state is a federal state, a member state of this federal state or an international public-law institution of which at least one member state of the EU is a member,

4. if they are issued by an enterprise whose securities are traded on the markets designated in paragraphs 1 and 2,

5. if they are issued or guaranteed by a financial institution that is subject to supervision pursuant to the criteria set out under Community law or to supervision that is, in the view of BaFin, equivalent to that existing under Community law, or

6. if they are issued by other issuers, provided that these issuers are one of the following:

   a) an enterprise with equity amounting to at least EUR 10 million that prepares and releases its annual accounts pursuant to the provisions of the Fourth Council Directive 78/660/EEC of 25 July 1978 on the annual accounts of certain types of companies, as amended most recently by Article 49 of the Directive 2006/43/EC of the European Parliament and the Council of 17 May 2006, or

   b) a legal entity that is responsible for the financing of a company group that consists of one or more listed companies, or

   c) a legal entity that finances the securitisation of liabilities by using a credit line provided by a bank. Article 7 of Directive 2007/16/EC shall apply to the securitisation and the credit line provided by a bank.

All the above-mentioned money market instruments may only be acquired if they are liquid and their value can be determined precisely at any time. Money market instruments are liquid if they can be sold at limited cost within a sufficiently short period of time. In this respect it is necessary to take into account the Company's obligation to redeem units in the Fund at the request of investors. In order to do so, the Company must be in a position to sell the relevant money market instruments as required within a short period of time. An exact and reliable valuation system must also exist for the money market instruments. This system must make it possible to determine the net present value of the money market instrument and it must be based on market data or valuation models (including systems based on amortised costs). The criterion of liquidity is considered to be met for money market instruments if they are admitted to trading on an organised market within the EEA or are included in such a market, are admitted to trading on an organised market outside the EEA or are included in such a market, provided that BaFin has approved the choice of this market. This shall not apply if the Company obtains information indicating that the liquidity of the money market instruments is not sufficient.

In the case of money market instruments that are not listed on a stock exchange or admitted to trading on an organised market (see above under nos. 3 to 6), the issue or issuer of these instruments must also be subject to regulations concerning deposit and investor protection. Consequently, appropriate information must be available for these money market instruments, enabling investors to make a reasonable assessment of the credit risks associated with the instruments. The money market instruments must also be freely transferable. The credit risks could be assessed by means of a credit check by a rating agency, for example.

The following requirements continue to apply to these money market instruments:

- If they are issued or guaranteed by the following institutions (indicated in no. 3 above, inter alia):

  – the EU

  – the German Federal Government

  – a Federal Government fund

  – a Federal State ("Land") of the Federal Republic of Germany

  – another member state

- another central authority
- the European Investment Bank
- a third state or, if such state is a federal state, a member state of this federal state
- an international public-law institution of which at least one member state of the EU is a member

appropriate information must be available about the issue or the issue programme, or about the legal and financial situation of the issuer prior to the issue of the money market instrument.

- If they are issued or guaranteed by a financial institution that is regulated within the EEA (see above under no. 5), appropriate information must be available about the issue or the issue programme, or about the legal and financial situation of the issuer prior to the issue of the money market instrument. Such information must be updated at regular intervals and in significant circumstances. Data (e.g. statistics) must also be available about the issue or the issue programme, enabling investors to make a reasonable assessment of the credit risks associated with the investment.

- If they are issued by a financial institution that is subject to regulatory requirements outside the EEA that, in the view of BaFin, are equivalent to the requirements to be met by a financial institution within the EEA, one of the following requirements must be met:
  - The financial institution maintains a registered office in an OECD country that is a member of the G10 (group of the ten most important industrial countries);
  - The financial institution has at least a rating qualifying it as “investment grade”;
  - a thorough analysis of the issuer demonstrates that the supervisory provisions to which the institution is subject are at least equivalent to requirements under Community law.

- In the case of other money market instruments that are not listed on a stock exchange or admitted to trading on an organised market (see above nos. 4 and 6 and no. 3, unless mentioned previously), appropriate information must be available about the issue or the issue programme, and about the legal and financial situation of the issuer prior to the issue of the money market instrument. Such information must be updated at regular intervals and in significant circumstances. It must also be checked by qualified third parties who are independent of the issuer’s instructions. Data (e.g. statistics) must also be available about the issue or the issue programme, enabling investors to make a reasonable assessment of the credit risks associated with the investment.

- In the case of money market instruments that are issued or guaranteed by the European Central Bank or by the central bank of a member state of the EU, there are no further requirements.

Bank deposits

The Company may also invest in bank deposits for account of the Fund, subject to the restrictions laid out in the section “Investment principles and investment restrictions”. Their term must not exceed twelve months. These deposits must be maintained in blocked accounts with a financial institution domiciled in a member state of the EU or a signatory state to the Agreement on the European Economic Area. They may also be maintained at a financial institution domiciled in a third state if the supervisory regulations of this third country are equivalent to those of the Community law in the view of BaFin.

Investment restrictions for securities, money market instruments and bank deposits, including the use of derivatives

The Company may invest up to 10% of the Fund's value in securities and money market instruments listed above of the same issuer. However, the aggregate value of the securities and money market instruments of those issuers whose proportion exceeds 5% of the value of the Fund must not exceed 40% of the Fund's value. Securities purchased under agreements to resell are included in the calculation of these investment restrictions. The Company may invest only up to 10% of the Fund's value in equities from new issues whose planned admission has not yet taken place.

The Company may invest only up to 20% of the Fund's value in bank deposits with any given financial institution.

The Company may invest up to 25% of the Fund's value in mortgage bonds (Pfandbriefe), municipal bonds and bonds issued by a financial institution domiciled in the EU or EEA. It is a requirement that the monies raised from the bond issue are invested such that, during the entire term of the bonds, they cover any liabilities arising therefrom. Furthermore, any claims relating to repayments of principal and interest payments shall be accorded priority if the bond issuer defaults. If more than 5% of the Fund's value is invested in bonds of the same issuer, the aggregate value of such bonds must not exceed 80% of the Fund's value. Securities purchased under agreements to resell are included in the calculation of these investment restrictions.

The Company may invest up to 35% of the Fund's value in bonds, borrower's note loans and money market instruments of particular national and supranational public-sector issuers. These public-sector issuers include the German Federal Government, German Federal States, member states of the EU or their regional or local authorities, third states and supranational public institutions to which at least one EU member state belongs.

The Company may invest more than 35% of the Fund's assets in bonds, borrower's note loans and money market instruments that are issued or guaranteed by the German Federal Government, a German Federal State, the EU, a member state of the EU or its regional or local authorities, another signatory state to the EEA, a third state or an international organisation of which at least one member state of the EU is a member. The bonds, borrower's note loans and money market instruments must stem from at least six different issues, and no more than 30% of the Fund's assets may be invested in any one issue. The Fund's entire assets may also be invested in bonds issued by one of the issuers listed.

The Company may, on behalf of the Fund, invest up to 20% of the Fund's value in a combination of the following assets:

- securities or money market instruments issued by the same institution,
- deposits with this institution,
- attributable amounts for counterparty risk for transactions with this institution in derivatives, securities lending and securities repurchase agreements.

In the case of particular public-sector issuers (the German Federal Government, German Federal States, member states of the EU or their regional or local authorities, third states and supranational public institutions to which at least one EU member state belongs), a combination of the assets listed in the preceding sentence must not exceed 35% of the Fund's value.

The respective individual limits shall remain unaffected in either case.

The amounts accounted for by securities and money market instruments of a single issuer that are included in the above restrictions may be reduced by short transactions in derivatives whose underlying assets are the securities or money market instruments of the same issuer. This means that, for account of the Fund, securities or money market instruments of the same issuer may also be purchased or invested with the same institution beyond the above limits, if the issuer risk increased thereby is reduced by hedging transactions.

The Company may invest up to 10% of the Fund's assets in

1. Securities that are not admitted to trading on a stock exchange or admitted to or traded on an organised market but meet the criteria for securities. Apart from the traded or admitted securities, a reliable valuation must be available for these securities in the form of a valuation conducted at regular intervals. This valuation must be obtained from information provided by the issuer or from a competent financial analysis. Appropriate information about the security or the related (i.e. securitised) portfolio that is not admitted to trading or is not traded must be available to the Fund in the form of regular and exact information.

2. Money market instruments of issuers who do not satisfy the above requirements, if they are liquid and their value can be determined precisely at any time. Money market instruments are liquid if they can be sold at limited cost within a sufficiently short period of time. In this respect it is necessary to take into account the Company's obligation to redeem units in the Fund at the request of investors. In order to do so, the Company must be in a position to sell the relevant money market instruments as required within a short period of time. An exact and reliable valuation system must also exist for the money market instruments. This system must make it possible to determine the net present value of the money market instrument or it must be based on market data or valuation models (including systems based on amortised acquisition costs). The criterion of liquidity is considered to be met for money market instruments if they are admitted to trading on an organised market within the EEA or are included in such a market, are admitted to trading on an organised market outside the EEA or are included in such a market, provided that BaFin has approved the choice of this market.

3. Equities from new issues whose terms and conditions of issue require admission to official trading on a stock exchange in a member state of the EU or in another signatory state to the Agreement on the EEA or inclusion in the organised market of a member state of the EU or of another signatory state to the Agreement on the EEA, provided that the admission or inclusion takes place within one year after issuance, and equities from new issues whose admission to trading on a stock exchange or admission to or inclusion in the organised market outside the member states of the EU or outside the other signatory states to the Agreement on the EEA has to be applied for under its issuance conditions, provided that the relevant stock exchange or organised market is permitted by BaFin rules and the admission or inclusion takes place within one year after issuance.

4. Borrower's note loans that may be assigned at least twice after their purchase for the Fund and were granted to:

   a) the German Federal Government, a Federal Government Fund, a Federal State (Land), the EU or a state that is a member of the Organisation for Economic Co-operation and Development,

   b) another central, regional or local authority within Germany or a regional government or local authority of another member state of the EU or of another signatory state to the Agreement on the EEA, provided that in accordance with the regulation concerning supervisory requirements to be met by financial institutions and securities firms, the claim can be treated in the same way as a claim on the central state in whose territory the regional government or local authority is based,

   c) other public corporations or agencies incorporated under public law and domiciled in Germany or in another member state of the EU, or another signatory state to the Agreement on the EEA,

d) companies that have issued securities that are admitted to trading on an organised market within the EEA or on another organised market that meets the main requirements on organised markets within the meaning of Directive 2004/39/EC, as amended, or

e) other borrowers, provided interest payments and principal repayment is guaranteed by one of the entities listed under letters a) through c).

Investment fund units

The Company may invest for account of the Fund in units of other open-ended German and foreign investment funds ("target funds"), e.g. shares in investment corporations with variable capital, subject to the restrictions laid out in the section "Investment principles and investment restrictions". The Company may, for account of the Fund, acquire target funds without any restriction on the domicile of the target fund.

The target funds may, according to their investment terms and conditions, invest up to 10% in units of other open-ended investment funds. The following requirements furthermore apply to units in non-UCITS, referred to as alternative investment funds ("AIF"):

1. The target fund must have been admitted pursuant to laws and regulations that effectively protect investors and there are adequate guarantees for a satisfactory cooperation between BaFin and the government agencies responsible for overseeing the target fund.

2. The level of protection for investors must be equivalent to the level of protection for an investor in a domestic UCITS-compliant fund, especially with regard to separation of the function of fund management from that of safe-keeping assets, for borrowing, lending and short selling of securities and money market instruments.

3. The business operations of the target fund must be the subject of annual and semi-annual reports, and must make it possible to form a judgement concerning the assets and liabilities, income and transactions in the reporting period.

4. The target fund must be a retail fund in which the number of units is not limited and investors are entitled to redeem their units.

The Company must not purchase for the Fund's account more than 25% of the issued units of a target fund.

It is possible that investment funds in which the Fund acquires units will occasionally suspend redemptions. At such times, the Company is prevented from selling units in the other fund by redeeming them in return for payment of the redemption price by the management company or depositary of the other fund. If the Fund holds more than 5% of the Fund's assets in units of other investment funds that have currently suspended redemptions, the Company's homepage at https://de.allianzgi.com will show to what extent the Fund holds units in such investment funds.

Derivatives

A derivative is an instrument whose price depends on the price fluctuations or price expectations of other investments ("underlying asset"). The statements refer both to derivatives and to financial instruments with a derivative component (collectively referred to as "derivatives" below).

The use of derivatives must not more than double the market risk ("market risk limit"). Market risk is the risk of loss resulting from fluctuations in the market value of assets held in the Fund. These fluctuations are due to changes in variable market prices or rates, such as interest rates, exchange rates, equity and commodity prices, or to changes in the credit rating of an issuer. The Company must keep within the market risk limit at all times. It must determine the extent to which the market risk limit has been utilised on a daily basis in line with statutory requirements; these requirements are defined in the Ordinance on Risk Management and Risk Assessment when Using Derivatives, Securities Lending and Repurchase Agreements in Investment Funds (Derivatives Ordinance – Derivateverordnung, DerivateV).

The Company may – subject to an appropriate risk management system – acquire any derivatives or financial instruments with a derivative element that are based on those assets that may be purchased for the Fund. These include in particular futures, options, financial futures and swaps as well as combinations thereof, including equivalent instruments settled in cash, which are traded on a stock exchange or regulated market, and/or derivative financial instruments that are not traded on such markets ("OTC derivatives"), if the underlying securities are assets that may be acquired for the Fund or are financial indices within the meaning of Article 9 (1) of Directive 2007/16/EC, interest rates, exchange rates or currencies in which the Fund may invest in accordance with its investment objectives. Financial indices for this purpose include, specifically, currency, exchange-rate, interest-rate, price and overall interest-rate return indices, as well as, in particular, bond, equity, commodity futures, precious metal and commodity indices and indices that represent the other assets listed above that may be acquired for the Fund. For the avoidance of doubt, no derivative transaction will be entered into which provides for physical delivery of any component of the commodity futures, precious metal and commodity indices acting as underlying securities.

In addition, the following conditions must also be fulfilled for OTC derivatives:

- The counterparties must be top-rated financial institutions specialised in such transactions, and additionally must hold a rating from a recognised rating agency (such as Moody's, S&P or Fitch) of at least Baa3 (Moody's), BBB- (S&P or Fitch). They must be subject to prudential supervision. There are no further restrictions relating to legal status or country of origin.

- the OTC derivatives must be subject to a reliable and verifiable evaluation on a daily basis and may be sold, liquidated or closed out by an offsetting transaction at any time at the proper market value.

- The transactions must be effected on the basis of standardised contracts.

- Transactions are subject to the Company's policy as described in the following section entitled "Collateral strategy".

- The Company must deem the purchase or sale of such instruments, instead of instruments traded on a stock exchange or in a regulated market, to be advantageous to investors. The use of OTC derivatives is particularly advantageous if it facilitates the hedging of assets at matching maturities, thus being less expensive.

The Company may under no circumstances deviate from the investment objectives laid out in the "General Investment Terms and Conditions", "Special Investment Terms and Conditions" or in the prospectus.

The Company may employ these derivatives for the Fund with the goal of:

- hedging the Fund against losses incurred by assets in the Fund,

- carrying out efficient portfolio management, in particular,

- complying with the investment limits and principles by using derivatives or financial instruments with a derivative element as, e.g., a substitute for a direct securities investment or to manage the duration of the interest-related part of the Fund,

- increasing or minimising the potential market risk of one, several or all of the permissible assets within the Fund,

- achieving additional returns by assuming additional risks, and
- increasing the market risk potential of the Fund above the market risk potential of a fund fully invested in securities ("leveraging").

In doing this, the Company may also employ short transactions in derivatives or financial instruments with a derivative element that can lead to gains in the Fund if the prices of certain securities, investment markets or currencies fall, or to losses in the Fund if their prices rise.

The Company's use of derivatives for hedging purposes may lead to correspondingly lower risks and opportunities in the general risk profile of the Fund.

The Company's use of derivatives for speculative purposes with the goal of reflecting the investment restrictions and principles or of achieving additional returns by assuming additional risks, serves to adjust or reshape the general risk profile of the Fund, thus normally having virtually no effect on the general risk profile of the Fund.

To the extent that the Company uses derivatives for speculative purposes with the goal of increasing the potential market risk of the Fund, this may lead to, relatively speaking, very high opportunities and risks for the general risk profile of the Fund.

Investment management follows a risk-controlled approach in the use of derivatives.

When calculating the potential market risk for the use of derivatives, the Company shall use the qualified approach as defined in the German Derivatives Ordinance (Derivate-Verordnung). For this purpose, the Company compares the market risk of the Fund with the market risk of a virtual reference portfolio that does not include any derivatives. The potential amount at risk due to market circumstances attributable to the Fund shall at no time exceed twice the potential market risk amount attributable to the comparable fictitious reference portfolio pursuant to Section 9 DerivateV. The derivative-free reference portfolio is a virtual portfolio whose value always corresponds exactly to the current value of the Fund, but which does not contain any increases or hedging of the market risk through derivatives. The composition of the reference portfolio must correspond in all other respects to the investment objectives and investment policy that apply to the Fund. The derivative-free reference portfolio consists of a bond portfolio corresponding to the composition of the BLOOMBERG Euro Aggregate Total Return.

The market risk of the Fund and reference portfolio is determined in each case with the aid of a suitable risk model (value-at-risk method). The Company uses variance-covariance analysis as a modelling procedure. This modelling procedure is based on a covariance matrix, which is estimated from the balanced returns over a one-year history. The portfolio risk is then calculated across the sensitivities of the individual instruments with reference to the risk factors that are taken into account. This enables the Company to assess the market price risks from all transactions. Using the risk model, it quantifies the change in the value of the assets held in the Fund over the course of time. The value-at-risk indicates a limit for potential losses in a portfolio between two pre-defined points in time, expressed in monetary units. This change in value is determined by random events, namely the future performance of market prices. As a result, it is not predictable with certainty. The market risk can only be estimated with a sufficiently high probability.

Examples of how selected derivatives work

Options

Within the investment principles, the Company may participate in options trading for account of the Fund. Options consist of granting a third party, for a fee (the options premium), the right to demand the delivery or receipt of assets or the payment of a balancing adjustment for a specific period of time or at the end of a specific time period at a price determined in advance (strike price), or to acquire the corresponding option rights.

Futures

Within the scope of the investment principles, the Company may, to the extent permissible, buy and sell futures contracts (futures and/or forwards) for account of the Fund. Futures are mutually binding agreements between two counterparties to buy or sell, at a specified date, the maturity date, or within a specified period, a specific quantity of a specific underlying security at a price agreed upon in advance.

Contracts for difference

A contract for difference is an agreement between the Company and a counterparty. The parties are typically described as "buyer" and "seller". The contract stipulates that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time. (If the difference is negative, then instead the buyer pays the difference to the seller.) Contracts for difference may be used to take advantage of prices moving up (long positions) or prices moving down (short positions) on the underlying financial instruments in the fund and are often used to speculate on those markets. For example, when applied to equities, such a contract is an equity derivative that allows the portfolio manager to speculate on share price movements without holding ownership of the underlying shares.

Swaps

Swaps such as interest rate, currency or equity swaps are exchange contracts in which the assets or risks underlying the transaction are exchanged between the counterparties.

Swaptions

Swaptions are options on swaps. A swaption is the right, but not the obligation, to enter into swaps specified under certain conditions either on a specific date or within a specific period of time.

Credit default swaps

Credit default swaps are credit derivatives that permit potential credit default amounts to be transferred to third parties. In return for assuming the credit default risk, the seller of the risk pays a premium to the counterparty. In other respects, the details for swaps apply correspondingly.

Securitised derivatives

The Company may also acquire the derivatives described above if they are securitised. The derivatives transactions may be combined with other assets in one single security. The statements on opportunities and risks apply to such securitised derivatives correspondingly, except for the fact that the risk of loss on securitised derivatives is limited to the value of the security.

OTC derivative transactions

The Company may enter into both derivatives contracts that are admitted for trading on an exchange or in another organised market and so-called over-the-counter (OTC) trades.

The Company may only enter into derivatives contracts that are not admitted for trading on an exchange or in another organised market with suitable financial institutions or financial services institutions on the basis of standardised framework agreements. For derivatives traded elsewhere than on an exchange, the counterparty risk of a contract party is limited to 5% of the value of the Fund. If the counterparty is a financial institution that is domiciled in the EU, the EEA or a third state that is not a member of either of those organisations but in the view of BaFin has comparable levels of governmental supervision, the counterparty risk may total 10% of the value of the Fund. Derivatives contracts purchased elsewhere than on an exchange, where the counterparty is the central clearing house of an exchange or another regulated market, are not included when determining counterparty limits if the derivatives are valued daily at market prices with a daily margin settlement. Claims of the Fund against an intermediary trader are, however, included even if the derivative is traded on an exchange or another organised market.

Securities lending

Securities lending transactions must meet the requirements of Regulation 2015/2365 of the European Parliament and the Council dated 25 November 2015 on the transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 Securities Financing Regulation (Wertpapierfinanzierungsverordnung). The securities held by the Fund may be transferred to third parties by way of loans against payment of a consideration in line with prevailing market rates. The Company may cancel the securities lending agreement at any time. It shall be agreed by contract that securities of the same kind, quality and amount must be retransferred to the Fund after termination of the lending period. It is, however, a prerequisite for the transfer of securities by way of a loan that the Fund should be provided with adequate collateral. This may involve the granting of cash payments, assigning or pledging of cash deposits or the assigning or pledging of securities or money market instruments. Any income generated by the investment of collateral must be credited to the Fund.

The borrower is also obliged to pay to the depositary for the account of the Fund, when due, the interest accrued on the securities received by way of a loan. All of the securities transferred to a single borrower must not exceed 10% of the Fund's value.

The Company may make use of an organised system for the brokerage and settlement of securities loans. No collateral is required when securities loans are brokered and settled via the organised system as the conditions of this system safeguard maintenance of the investors interests. The securities transferred to a borrower may exceed 10% of the value of the Fund when securities loans are settled via organised systems.

In the event that the Fund enters into securities lending transactions as a lender, it will only lend assets that may be acquired for the Fund in line with the investment policy.

The lending transactions described here are made in order to generate additional income for the Fund in the form of lending fees.

Securities repurchase agreements

Securities repurchase agreements must meet the requirements of Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (securities financing regulation). Under the conditions set out in the "Special Investment Terms and Conditions", the Company may, for account of the Fund, enter into securities repurchase agreements (repos) of a maximum term of twelve months with financial institutions and financial services providers. The aforementioned credit institutions and financial services institutions must be top-rated financial institutions that specialise in such transactions, and additionally must hold a rating from a recognised rating agency (such as Moody's, S&P or Fitch) of at least Baa3 (Moody's), BBB- (S&P or Fitch). There are no further restrictions relating to legal status or country of origin. It may both transfer securities held by the Fund to a lender for a fee (simple securities repurchase agreement), and purchase securities under an agreement to resell within the scope of the applicable investment limits (reverse securities repurchase agreement).

The Company may cancel the securities repurchase agreement at any time; this does not apply to securities repurchase agreements with a term of up to one week. If the Company cancels a simple securities repurchase agreement, it is entitled to demand back the securities sold under the repurchase agreement. Cancellation of a reverse securities repurchase agreement can result either in a refund of the full sum of money or the accrued sum of money in the amount of the current market value. Lent securities and money market instruments may only be sold during the term of the repurchase agreement if the Fund has other means of hedging. With regard to lent securities and money market instruments, the Fund must be in a position to comply with its repurchase commitments at the end of the repurchase agreement term. Repurchase agreements are permitted only in the form of so-called true repurchase agreements. In such transactions, the repo lender pledges to return the securities taken over by him at a specific time or at a time to be determined by the repo borrower or to repay the sum of money together with interest.

Buy/sell-back transactions / sell/buy-back transactions / Lombard transactions

Buy/sell-back agreements and/or sell/buy-back agreements are not concluded for the Fund. No Lombard transactions are concluded for the Fund.

Total return swaps (TRS) and financial instruments with similar characteristics

The Fund may enter into total return swaps ("TRS") in accordance with the requirements as set out in the Securities Financing Transactions Regulation. Total return swaps are derivatives that transfer the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another party. One contracting partner, the collateral protection buyer, transfers the entire credit and market risk arising from the underlying asset to the other contracting partner, the collateral protection seller. In return, the collateral protection buyer pays a premium to the collateral protection seller.

Total return swaps may be used, among other things, to exchange the performance of two different portfolios, e.g. the performance of certain assets of the Fund towards the performance of an index or an external portfolio which may be managed pursuant to a particular strategy as more detailed described in the Fund's investment restrictions. If Total Return Swaps are used, the contracting partners have no influence on the composition or administration of the respective underlying. The selected counterparties comply with the requirements of Article 3 of the Securities Financing Transactions Regulation.

In addition, the Fund may enter into financial instruments with similar characteristics to a total return swap (so-called "contract for differences" or "CFD"). CFDs are derivatives that allow traders to take advantage of prices moving up (long positions) or prices moving down (short positions) on all underlying financial instruments. A CFD is a tool of leverage with its own potential profits and losses. By using CFDs the Fund may enter the global markets without directly dealing with shares, indices, commodities or currency pairs.

Securities financing regulation

The Fund may enter into the following transactions:

(i) Securities repurchase agreements and securities lending transactions as a lender or borrower, as specified in the sections "Securities lending" and "Securities repurchase agreements" (hereinafter referred to as "securities financing transactions"); and

(ii) Total return swaps/CFDs as specified in the section "Total return swaps (TRS) and financial instruments with similar characteristics".

The Fund may enter into TRS/CFDs for investment purposes and for efficient portfolio management. It may only conduct Securities Financing Transaction s for efficient portfolio management.

In this context, efficient portfolio management purposes include: the reduction of risk, the reduction of costs and the generation of additional capital or income for the Fund with a level of risk that is consistent with the risk profile of the Fund.

If the Fund invests in TRS and/or CFDs and/or securities financing transactions, the corresponding asset or index may comprise equities or fixed-interest securities, money market instruments or other permitted investments that comply with the investment objective and the investment principles of the Fund.

Share of the net asset value of the Fund attributable to securities financing transactions

Both, the maximum and the expected proportion of the net asset value of the Fund can be subject to TRS/CFDs and or Securities Financing Transactions as set out below.

TRS and CFDs (summarised)	Securities lending	Securities pension transactions/reverse securities pension transactions
	Expected/maximum share of NAV (%)	
0/30	40/50	0/30

In accordance with the requirements of the Securities Financing Ordinance, the specified expected share **does not** constitute a limit value, and the actual percentage share may fluctuate over time, depending on different factors, including market conditions, among other things. The maximum figure specified is a limit.

The Fund shall only enter into TRS/CFDs and Securities Financing Transactions with counterparties that satisfy the criteria (including those relating to legal status, country of origin and minimum credit rating) as set out in this section.

The underlying securities of TRS/CFDs are assets that may be acquired for the Fund or are financial indices within the meaning of Article 9 (1) of Directive 2007/16/EC, interest rates, exchange rates or currencies in which the Fund may invest in accordance with its investment objectives.

The categories of collateral that may be received by the Fund are set out in the section "**Collateral strategy**" and include cash and non-cash assets such as equities, interest-bearing securities and money market instruments. Collateral received for the Fund is assessed in accordance with the valuation method set out in the section "**Special rules for the valuation of individual assets**".

In the event that the Fund enters into securities lending operations as a borrower, only assets that may be acquired under the investment policy for the Fund will be borrowed.

Where the Fund receives collateral as a result of entering into TRS/CFDs or Securities Financing Transactions, there is a risk that the collateral held by the Fund may decline in value or become illiquid. It is also not possible to ensure that the liquidation of any collateral provided to a Fund to secure a counterparty's obligations under a total return swap or Securities Financing Transaction would satisfy the counterparty's obligations in the event of a default by the counterparty. Where a Fund provides collateral as a result of entering into TRS/CFDs or Securities Financing Transactions, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

For a summary of certain other risks linked to total return swaps/CFDs and securities financing transactions, see the section above.

The Fund may provide certain of its assets as collateral to counterparties in connection with TRS/CFDs and Securities Financing Transactions. If the Fund has over-collateralised (i.e. provided excess collateral to the counterparty) in respect of such transactions, it may be an unsecured creditor in respect of such excess collateral in the event of the counterparty's insolvency. If the depositary or its sub-depositary or a third party holds collateral on behalf of the Fund, the Fund's Management Company may be an unsecured creditor in the event of the insolvency of such entity.

There are legal risks involved in entering into TRS/CFDs or Securities Financing Transaction s which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Subject to the restrictions laid down in the section entitled “Collateral strategy”, the Fund may re-invest cash collateral that it receives. If cash collateral received by the Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund.

Collateral strategy

When conducting transactions involving derivatives, securities lending and securities repurchase agreements, the Company receives collateral for account of the Fund. The purpose of the collateral is to reduce, in whole or in part, the risk of default on the part of the counterparty to these transactions.

All assets that are received as collateral must fulfil the following criteria:

1. Liquidity: All non-cash collateral should be highly liquid and be traded at a transparent price on a regulated market or within a multilateral trading system, in order that it can be sold at short notice at a price that is close to the valuation that was determined prior to the sale. The collateral that is received should furthermore comply with the provisions of Article 56 of the UCITS Directive.

2. Valuation: Collateral that is received should be valued on each exchange trading day as a minimum. Assets with high volatility in their price should only be accepted as collateral if appropriate conservative valuation discounts (haircuts) are applied.

3. Credit rating of the issuer: The issuer of the collateral received must have a high credit rating.

4. Maturity: The maturity of the collateral that may be received must be comparable with that of the interest-bearing securities that may be acquired for the Fund in line with the investment policy.

5. Correlation: Collateral received should be issued by a legal entity that is independent of the counterparty and whose performance is not highly correlated to the performance of the counterparty.

6. Diversification of the collateral (investment concentration): It must be ensured that the collateral is appropriately diversified with regard to countries, markets and issuers. The criterion of adequate diversification with regard to concentration of issuers is considered to be fulfilled if the Fund receives from a counterparty, in the case of efficient portfolio management or transactions involving OTC derivatives, a collateral basket for which the maximum exposure to any particular issuer is equivalent to 20% of the Fund’s value. If the Fund has different counterparties, the various collateral baskets should be aggregated in order to calculate the 20% limit for exposure to any single issuer.

7. The Fund should have the option of liquidating the collateral it has received, at any time, without referring to the counterparty or obtaining approval from the counterparty.

8. Non-cash collateral should not be sold, re-invested or pledged.

9. Cash collateral received may only

   a) be held as collateral at a financial institution domiciled in a member state of the EU or EEA, or at a financial institution domiciled in a third state if the supervisory regulations of this other country are equivalent to those of Community law in the view of BaFin,

   b) be invested in high-quality government bonds,

   c) be used for reverse repo agreements, provided the transactions are conducted with financial institutions that are subject to supervision, and the Fund can demand back the full accrued sum of money at any time, or

   d) be invested in money market funds with a short maturity structure as defined in the CESR's "Guidelines on a Common Definition of European Money Market Funds".

Risks related to collateral management, e.g. operational and legal risks, must be calculated, controlled and reduced through risk management.

In the event of transfers of rights, the relevant collateral should be held in safekeeping by the Fund's depositary. In other types of collateral agreements, the collateral may be held by a third party who is subject to supervision and is not connected with the provider of the collateral.

If the Fund receives collateral of at least 30% of the Fund's value, an appropriate stress test strategy is applied. This is intended to ensure that stress tests are carried out on a regular basis, both under normal and under exceptional liquidity conditions in order that the Fund can assess the liquidity risk associated with the collateral. The strategy for liquidity stress tests should include requirements relating to the following aspects as a minimum:

(a) concept for the stress test scenario analysis, including calibration, certification and sensitivity analysis;

(b) empirical approach to the impact assessment, including back-testing of liquidity risk assessments;

(c) reporting frequency and reporting thresholds/loss tolerance threshold(s);

(d) measures to curb losses, including haircut strategy and gap-risk protection.

The Fund has a clearly defined haircut strategy, which is aligned with all types of assets received as collateral. The "haircut" is a percentage by which the market value of the collateral is reduced. Normally, the Management Company deducts the haircut from the collateral's market value in order to protect itself against credit, interest rate, currency and liquidity risks in the time between collateral calls. The haircut generally depends on factors such as the price volatility of the respective asset class, the probable time for the liquidation of the asset, the maturity of the asset and the creditworthiness of the issuer. The following minimum haircut rates apply for the respective assets:

Cash (no haircut); bonds issued by governments, central banks and/or supranational institutions with investment-grade ratings (haircut of at least 0.5% of the market value); other bonds issued by companies with investment-grade ratings (haircut of at least 2% of the market value); bonds in the form of high-yield investments (haircut of at least 10% of the market value); equities (haircut of at least 6% of the market value).

A more volatile (due to a longer duration or other factors), less liquid asset typically has a higher haircut. Haircuts are defined with the approval of the risk management function and may vary according to changing market conditions. Haircuts may differ depending on the underlying transaction type, e.g. the haircuts used for OTC derivatives may differ from those used for securities lending transactions. Equities are usually only accepted as collateral if they are included in leading equity indices. Additive haircuts apply to bonds with a residual maturity of more than 10 years. Additive haircuts apply to cash and securities received as collateral that are denominated in a currency other than the base currency of the Fund.

Scope of collateralisation

Securities lending transactions are fully secured. The price of the securities transferred as the loan, together with the related income, constitutes the sum secured. The provision of collateral by the borrower must not be less than the sum secured plus a standard market mark-up.

In other respects, transactions involving derivatives, securities lending and securities repurchase agreements must be secured to an extent which ensures that the default risk of the counterparty does not exceed 5% of the Fund's value. If the counterparty is a financial institution that is domiciled in a member state of the EU or in a signatory state to the EEA or in a third state that has comparable levels of governmental supervision, the default risk may total 10% of the Fund's value.

Safe-keeping of securities as collateral

The Company may receive securities as collateral for account of the Fund when conducting transactions involving derivatives, securities lending and securities repurchase agreements. If these securities are transferred as collateral, they must be held in safekeeping at the depositary. If the Company receives securities in pledge as collateral in the context of derivative transactions, they may also be held in safekeeping at another institution that is subject to effective public supervision and is independent of the collateral protection provider. Any re-use of the securities is not permitted.

Borrowing

The raising of short-term loans up to the value of 10% of the Fund's assets for joint account of the investors is permitted, provided that the terms of the loan are customary for the industry and the depositary gives its consent.

Leverage

Leverage refers to the ratio between the risk of the Fund and its net asset value. Leverage is affected by any steps taken by the Company to raise the Fund's exposure. Such steps may include, in particular, securities loans, securities repurchase agreements, borrowing, leverage finance embedded in derivatives or other methods. The Company may use methods of this type for the Fund, to the extent described in this prospectus. The possibility of using derivatives, entering into securities lending transactions, repurchase transactions and borrowing has already been presented in the description of the Fund's investment policy. The use of derivatives must not more than double the market risk.

The Fund's leverage is calculated using a gross method. It describes the aggregate absolute values of all assets held by the Fund with the exception of bank deposits in the portfolio currency, measured as specified by law. Offsetting individual derivative transactions or securities against each other is not permissible (i.e. netting or hedging agreements are not considered). Any effects arising from the re-investment of securities in securities loans or securities repurchase agreements are taken into consideration. The Company expects the Fund's leverage (calculated using the gross method) to exceed the Fund's net asset value by no more than eight times. Depending on market conditions, however, leverage may fluctuate with the result that the stated target may be exceeded despite constant monitoring by the Company.

General exclusion of certain issuers

The Fund does not invest directly in the securities of issuers that, in the opinion of the Company, engage in undesirable business activities. The undesirable business activities include in particular the following:

- Certain controversial weapons: The type of controversial weapons that fall within the scope of the exclusion may be updated from time to time and can be viewed on the website https://regulatory.allianzgi.com/ESG/Exclusion_Policy.

- Coal: Issuers engaged in business activities related to coal only fall within the scope of the exclusion if they meet certain quantitative criteria. These criteria may be updated from time to time and are available on the website https://regulatory. allianzgi.com/ESG/Exclusion_Policy.

The exclusion applies only to companies as issuers. The Fund may invest in securities baskets such as indices that may contain securities that fall under the above exclusion criteria. To undertake this exclusion, various external data and research providers are used. Debt securities of issuers falling within the scope of the exclusion may be held until the earlier of the following two dates: Either until the maturity of the respective instrument or until 30 June 2022, provided that such instrument was acquired prior to the introduction of the general exclusion for the Fund.

Valuation

General rules for the valuation of individual assets

Assets admitted to trading on a stock exchange/traded in an organised market
Assets that have been admitted to trading on a stock exchange or are included in another organised market as well as subscription rights for the Fund are valued at the latest available tradeable price that ensures a reliable valuation, unless indicated otherwise under “Special rules for the valuation of individual assets”.

Assets not listed on stock exchanges or traded in organised markets or assets without tradeable price
Assets that are neither listed on stock exchanges nor included in another organised market or for which no tradeable price is available, are traded at the current market value that on careful assessment is adequate based on appropriate valuation models taking into account the current market conditions, unless indicated otherwise under “Special rules for the valuation of individual assets”.

Special rules for the valuation of individual assets

Unlisted bonds and borrower’s note loans
The valuation of bonds not admitted to trading or included in another organised market and of borrower’s note loans is based on the prices agreed for comparable bonds and comparable borrower’s note loans and, where applicable, based on the prices quoted for bonds of comparable issuers of matching maturity and coupon, if necessary less a discount for the lower fungibility.

Money market instruments
For the money market instruments held by the Fund, interest and income equivalent to interest as well as expenses (e.g. management fee, depositary fee, auditing costs, publishing costs, etc.) shall be taken into account up to and including the day of the unit value determination.

Derivatives

Option rights and futures contracts
The option rights held by the Fund and the option rights sold to third parties for the account of the Fund that are admitted to trading on a stock exchange or included in another organised market are valued at the latest available tradeable price that ensures a reliable valuation.

The same applies to receivables and liabilities from futures contracts sold for the account of the Fund. Margins deposited on derivatives on behalf of the Fund are counted towards the value of the Fund, including the valuation gains and valuation losses determined on the trading day.

Bank deposits, time deposits, investment fund units and securities lending
Bank deposits are stated at their nominal value plus accrued interest.

Time deposits are valued at the yield price, if the time deposits may be withdrawn at any time and their realisation value is equal to the yield price.

Investment units are generally valued at the latest redemption price that was determined or at the latest available tradeable price that ensures a reliable valuation. If these valuations are not available, the investment units are valued at the current market value that on careful assessment is adequate based on appropriate valuation models, taking into account the current market conditions.

For repayment claims arising from securities lending, valuation is based on the particular market value of the assets transferred by way of a securities loan.

Assets denominated in foreign currencies
Assets denominated in foreign currencies are converted to euros on the same day based on a procedure defined by the Company in its valuation guidelines.

Performance

		Allianz Rentenfonds A (EUR) (%)	Benchmark index* (%)
1 year	30/11/2020 – 30/11/2021	-1.95	-1.54
2 years	30/11/2019 – 30/11/2021	0.68	1.56
3 years	30/11/2018 – 30/11/2021	8.20	9.13
4 years	30/11/2017 – 30/11/2021	5.65	8.22
5 years	30/11/2016 – 30/11/2021	6.23	10.21
10 years	30/11/2011 – 30/11/2021	43.12	48.93

* Benchmark index: BLOOMBERG Euro Aggregate Total Return

Calculation basis: Net asset value per unit (front-end loads excluded), distributions – if any – reinvested. Calculation using the BVI method.

Important note: The Fund's or individual unit classes' performance in the past does not permit any forecast for the future.

		Allianz Rentenfonds P (EUR) (%)	Benchmark index* (%)
1 year	30/11/2020 – 30/11/2021	-1.59	-1.54
2 years	30/11/2019 – 30/11/2021	1.41	1.56
3 years	30/11/2018 – 30/11/2021	9.39	9.13
4 years	30/11/2017 – 30/11/2021	7.19	8.22

		Allianz Rentenfonds P (EUR) (%)	Benchmark index* (%)
5 years	30/11/2016 – 30/11/2021	8.17	10.21
10 years	30/11/2011 – 30/11/2021	48.58	48.93

* Benchmark index: BLOOMBERG Euro Aggregate Total Return

Calculation basis: Net asset value per unit (front-end loads excluded), distributions – if any – reinvested. Calculation using the BVI method.

Important note: The Fund's or individual unit classes' performance in the past does not permit any forecast for the future.

		Allianz Rentenfonds P2 (EUR) (%)	Benchmark index* (%)
1 year	30/11/2020 – 30/11/2021	-1.59	-1.54
2 years	30/11/2019 – 30/11/2021	1.41	1.56
3 years	30/11/2018 – 30/11/2021	9.38	9.13
4 years	30/11/2017 – 30/11/2021	7.19	8.22
5 years	30/11/2016 – 30/11/2021	8.17	10.21
Since launch	30/01/2015 – 30/11/2021	8.20	12.44

* Benchmark index: BLOOMBERG Euro Aggregate Total Return

Calculation basis: Net asset value per unit (front-end loads excluded), distributions – if any – reinvested. Calculation using the BVI method.

Important note: The Fund's or individual unit classes' performance in the past does not permit any forecast for the future.

		Allianz Rentenfonds R (EUR) (%)	Benchmark index* (%)
1 year	30/11/2020 – 30/11/2021	-1.65	-1.54
2 years	30/11/2019 – 30/11/2021	1.28	1.56
3 years	30/11/2018 – 30/11/2021	9.08	9.13
4 years	30/11/2017 – 30/11/2021	6.72	8.22
Since launch	16/11/2017 – 30/11/2021	6.92	8.50

* Benchmark index: BLOOMBERG Euro Aggregate Total Return

Calculation basis: Net asset value per unit (front-end loads excluded), distributions – if any – reinvested. Calculation using the BVI method.

Important note: The Fund's or individual unit classes' performance in the past does not permit any forecast for the future.

		Allianz Rentenfonds IT2 (EUR) (%)	Benchmark index* (%)
1 year	30/11/2020 – 30/11/2021	-1.61	-1.54
2 years	30/11/2019 – 30/11/2021	1.36	1.56
3 years	30/11/2018 – 30/11/2021	9.29	9.13
4 years	30/11/2017 – 30/11/2021	7.07	8.22
5 years	30/11/2016 – 30/11/2021	7.90	10.21
Since launch	10/10/2016 – 30/11/2021	5.70	7.98

* Benchmark index: BLOOMBERG Euro Aggregate Total Return

Calculation basis: Net asset value per unit (front-end loads excluded). Calculation using the BVI method.

Important note: The Fund's or individual unit classes' performance in the past does not permit any forecast for the future.

Risk factors

General information

An investment in the Fund is associated with the following risks. The occurrence of one or more of these risks may, in itself or in conjunction with other circumstances, adversely affect the performance of the Fund or the assets held in the Fund, with a negative impact also on the unit value. In addition to the risks and uncertainties described below or in another section of the prospectus, the performance of the Fund may be impaired due to various other risks and uncertainties that are unknown at present. The order in which the following risks are listed does not provide any indication of the probability that they will occur, nor of their extent or importance if particular risks do occur.

General risks of investing in funds

The risks listed below are typically associated with investment in a fund.

Settlement risk

Especially when investing in unlisted securities, there is a risk that settlement through a transfer system is not carried out as expected, because a counterparty does not pay or deliver on time or as agreed.

Settlement default risks of securities lending

If the Company grants a securities loan on account of the Fund, it must ensure that it receives adequate collateral as a safeguard against the default of the counterparty. The scope of the collateral shall be at least equivalent to the market value of the securities transferred as securities loans. The borrower must provide further collateral if the value of the securities granted as a loan should rise, the quality of the collateral declines, or the borrower's financial circumstances deteriorate and the collateral already provided is not adequate. If the borrower is unable to comply with this requirement to make an additional payment, there is the risk that the entitlement to retransfer securities would not be fully hedged in the event that the counterparty defaults. If the collateral is held by an institution other than the Fund's depositary, there is also the risk that, in the event of the borrower's default, this collateral could also not be realised immediately, or not in full.

Settlement default risks of securities repurchase agreements

If the Company sells securities under a repurchase agreement on behalf of the Fund, it must ensure that it receives adequate collateral as a safeguard against default of the counterparty. If the counterparty defaults during the term of the repurchase agreement, the Company has a right to realise the collateral provided. The Fund may be at risk of loss insofar as the collateral is no longer sufficient to cover in full the Company's entitlement to retransfer of securities, for example, due to deterioration in the issuer's credit rating in the meantime, or rising prices of the securities sold under the repurchase agreement.

Settlement default risk

The issuer of a security directly or indirectly held by the Fund or the debtor of a claim belonging to the Fund may become insolvent. This could result in the corresponding assets of the Fund becoming economically worthless.

General market risk

To the extent that the fund invests directly or indirectly in securities and other assets, it is exposed to general trends and tendencies on the markets, especially the securities markets which are based on manifold, sometimes irrational factors. These trends are in turn affected by the overall global economic situation and the economic and political framework in individual countries. There may be significant and longer-lasting declines in prices affecting the market. Securities from top-rated issuers are subject to essentially the same general market risk as other securities and assets.

Changes to general tax framework, tax risk

The overview of key tax regulations for investors as presented in this prospectus is based on current legislation. It is intended for persons with unlimited income tax or unlimited corporation tax liability in Germany. However, no assurance can be given that the tax implications will not change as a result of new legislation, court decisions or ordinances adopted by the tax authorities.

Liquidation or merger

The Company is entitled to terminate management of the Fund, particularly if the Fund's assets decline. Following termination of its management, the Company may liquidate the Fund in its entirety. The right to manage the Fund then passes to the depositary. The Company may also merge the Fund with another fund. In this case, investors may redeem their units, exchange them for units in a fund with a similar risk profile, or keep them such that they become investors in the merged fund. As a result, investors must make a new investment decision ahead of schedule in relation to the merger. This means that investors face the risk of not being able to hold their investment for the term they had planned. Taxes may become due when units are redeemed and on transfer of the management right for the Fund to the depositary. When the Fund units are taken out of the investor's securities account once the liquidation procedure has been completed, investors may be liable for income tax. If units are exchanged for units in a fund with a similar risk profile, investors may be liable for tax, for example if the value of the units received is greater than the old units at the time of acquisition.

Suspension of redemptions

The Company may temporarily suspend the redemption of units in extraordinary circumstances under which such suspension is deemed to be necessary in the interest of the investors. Extraordinary circumstances in this sense could be, for example, economic or political crises, an exceptionally high level of redemption requests, the closure of stock markets or markets, trading restrictions or other factors that hinder the sale of the assets belonging to the Fund or calculation of the unit value. BaFin may, moreover, order the Company to suspend the redemption of units if necessary in the interests of investors or the general public. This gives rise to the risk that it may not be possible to liquidate the units at the time desired by the investor due to restrictions on redemption. The unit value may also fall when redemption of units is suspended, e.g. if the Company is compelled to sell assets below market value during the suspension period. The Company reserves the right not to redeem the units until redemption has been resumed at the redemption price that is then applicable. This price may be lower than it was before redemption was suspended. Suspension may be followed directly by dissolution of the investment fund without redemption resuming beforehand, e.g. if the Company gives notice to terminate the management of the Fund in order to then liquidate it. For investors, there is the risk that they may not be able to hold their investment for the term they had planned and substantial portions of the invested capital may not be available to them for an indefinite period of time or may be lost entirely.

The influence of tax aspects on individual performance

Liability for capital gains tax depends on the individual circumstances of each investor and may be subject to changes in the future. Investors should contact their personal tax advisor if they have specific questions, especially regarding their individual tax situation. Investment decisions should also take account of an investor's non-tax-related situation.

Limitation of unit redemption

The Company may limit the redemption of the units for a total of up to 15 consecutive working days if the investors' redemption requests on a settlement date exceed a pre-determined threshold beyond which the redemption requests can no longer be executed in the interest of all investors due to the liquidity situation of the Fund. If the threshold value is reached or exceeded, the Company shall decide, at its sole discretion, whether it will limit the redemption on this settlement date. If it decides to limit redemption, it may continue for up to 14 consecutive working days on the basis of a daily discretionary decision. If the Company has decided to limit the redemption, it will only redeem units pro rata at the redemption price applicable on the settlement date; the redemption obligation will otherwise be waived. This means that each redemption request is only carried out pro rata on the basis of a quota determined by the Company. The unexecuted part of the order will not be executed at a later time either, and will expire. For the investor, there is therefore the risk that an order for the redemption of units will only be executed on a pro rata basis and that the remaining open order will have to be placed again.

Special risks in the use of derivatives

A position in the futures and options market and in swaps and currency trades is associated with the following investment risks and transaction costs:

1. Losses may arise from the use of derivative instruments, which are not predictable and may even exceed the amounts invested in the derivative transaction.

2. Price changes in the underlying asset may cause a decrease in the value of the option or futures contract, and even result in a total loss. The Fund may also suffer losses due to changes in value of the asset on which a swap is based.

3. A liquid secondary market for any particular instrument may be absent at any given time, with the result that a derivative position cannot be economically neutralised (closed), even though it would have been sound to do so from an investment perspective.

4. Any necessary back-to-back transactions (closing of position) incur costs.

5. The leverage effect of options may alter the value of the Fund's assets more strongly than would be the case if the underlying assets were acquired directly.

6. The purchase of options entails the risk that the option is not exercised because the prices of the underlying assets do not perform as expected, with the result that the Fund loses the option premium it paid. The sale of options entails the risk that the Fund may be obligated to accept assets at a price higher than the current market price or deliver assets at a price lower than the current market price. In that case, the Fund suffers a loss amounting to the price difference minus the option premium that had been received.

7. Futures contracts also entail the risk that the Fund suffers a loss on maturity due to unexpected performance of the market price.

8. The Company's forecasts of the future development of underlying assets, interest rates, securities prices and currency markets may turn out to be incorrect.

9. The prices of futures and options contracts on the one hand, and the movements in the prices of the assets or currencies being hedged on the other, may be imperfectly correlated, with the result that a complete hedging of risk is sometimes not possible.

10. It may not be possible to buy or sell the underlying assets of the derivatives at a time that would be favourable to do so, or they must be bought or sold at a disadvantageous time.

11. Potential losses may arise from the use of derivative instruments, which may not be predictable and may even exceed the margins paid.

The conclusion of over-the-counter (OTC) trades may involve the following risks:

- There may not be an organised market, making it difficult or impossible for the Company to sell financial instruments acquired on the OTC market for account of the Fund.

- The conclusion of a back-to-back transaction (closing of position) may be difficult, impossible and/or associated with significant costs due to the individual agreement.

Sustainable strategy investment risk

Funds that pursue a specific investment strategy, potentially including a sustainable investment strategy, either apply minimum exclusion criteria and/or specific (internal/external) rating assessments that may negatively impact a fund's investment performance. The investment performance of a fund can be impaired and/or influenced by a sustainability risk, because implementing a sustainability strategy may result in the avoidance of opportunities to purchase certain securities that might otherwise be beneficial; a sustainability strategy may also cause securities to be sold on the basis of their characteristics if these are deemed potentially detrimental. Funds that apply a sustainability strategy may use one or more third-party research data providers and/or internal analysis, which may lead to variations in the way in which funds apply certain criteria. When assessing the eligibility of an issuer based on research, there is a dependence on information and data gained from providers of third- party research data and internal analysis that may be subjective, incomplete, inaccurate or unavailable. As a result, there is a risk of incorrectly or subjectively assessing a security or issuer. There is also a risk that a fund's Fund Manager may not apply the relevant criteria resulting from the research correctly or that a fund that follows a sustainability strategy could have indirect exposure to issuers who do not meet the relevant criteria of the respective sustainable investment strategy.
There is no standardised taxonomy for sustainable investments.

In addition, funds that pursue a specific investment strategy, potentially including a sustainable investment strategy, focus on sustainable investments and have a limited/ reduced investment universe, which results in a limited diversification of risks compared to funds that diversify their investments extensively. The more specific the respective sector and/or topic in which a fund intends to invest (e.g. SDGs or other comparable social goals), the more limited the investment universe of the Fund can be and the narrower the risk diversification. Limited risk diversification may increase the impact of the performance of individual securities acquired for the Fund. Such a fund is likely to be more volatile than a fund with a more diversified investment strategy. It may be more susceptible to price fluctuations due to the impact of unfavourable conditions on these investments. In addition, funds that pursue a specific investment strategy, potentially including a sustainable investment strategy, may, subject to their respective strategy, acquire shares from companies that are also associated with other sectors and/or subject areas if said companies are active in multiple sectors and/or areas. This may include shares of companies that, at the time of acquisition, are only minimally involved with the respective SDG or comparable social objective, if, in the assessment by the portfolio manager, these companies are likely to significantly increase the importance of this segment of their business activities. This may result in the performance of the Fund deviating from the performance of financial indices which reflect the respective SDG or the respective comparable social objective. This could have a negative impact on the performance of the Fund and therefore adversely influence the investments of an investor in the Fund.

The securities held by the Fund may be exposed to a shift in investment style, meaning they no longer meet a fund's investment criteria after a fund has already invested in them. The Management Company or Investment Manager might need to dispose of such securities when it might be disadvantageous to do so. This can lead to a decrease in the net asset value of the Fund.

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"). In addition to the specific risks of the particular asset class, 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, especially as it may not be general practice or even 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 the emerging markets may vary, to the detriment of the investor, substantially from the levels and standards that are considered standard international practice. There may also be an increased custodial risk in such countries, which may, in particular, also result from differing procurement methods for acquired assets.

Performance risk

It cannot be guaranteed that the investment objectives of the Fund or the investment performance desired by the investor will be achieved. The net asset value per unit of the Fund may also fluctuate, and in particular, may fall, causing investors to incur losses especially with regard to risks that assets acquired by the Fund are generally subject to and the risks that are entered into in the selection of individual assets in particular. Investors assume the risk of receiving a lesser amount than they originally invested. Neither the Company nor any third parties offer guarantees as to a specific performance of the Fund.

Increased volatility

The occurrence of volatility in the Fund, i.e. especially large fluctuations in the unit price in a short period of time depends, to a significant extent, on general market conditions that cannot be estimated in advance. However, the risk of a high level of volatility increases when the investment instruments have a focus.

Risk of restricted flexibility

The redemption of Fund units may be subject to constraints. If the redemption of units is suspended or delayed, investors cannot redeem their units and may be compelled to remain invested in the Fund for a longer period of time than originally intended or desired, and their investments will continue to be subject to the general risks inherent to the Fund. If the Fund or a unit class is liquidated, investors can no longer remain invested. The same applies if the Fund or the unit class held by the investors merges with another fund, in which case the investors automatically become holders of units in the other fund. The sales charge levied when units are acquired could reduce or even eliminate any returns on an investment, especially if the period of investment is short. If units are redeemed in order to invest the proceeds in another type of investment, the investor may incur additional costs, such as front-end load for the purchase of other units in addition to the costs already incurred (e.g. front-end load for the purchase of units). These events and circumstances may result in investor losses.

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 the Fund returns and the investment in the Fund as such. Different currencies are subject to different levels of inflation risk.

Counterparty risks including credit and claims risks

These risks may adversely affect the performance of the fund, with a negative impact also on the unit value. If investors sell units of the fund at a time when a counterparty or central counterparty is in default, thus impairing the value of the fund, they may not recover some or all of the amount invested in the fund. As a result, investors could lose some of the capital invested in the fund, or even all of it.

Counterparty risk (except central counterparties)

Even if transactions are not effected via a stock exchange or a regulated market (OTC transactions), there is – in addition to the general counterparty default risk – the risk that the counterparty of the transaction will fail to, or not fully, meet its obligations. This applies in particular to transactions involving derivatives. Any default on the part of the counterparty may result in losses for the Fund. However, in particular with respect to OTC derivatives, this risk may be significantly reduced by the receipt of collateral from the counterparty in accordance with the principles described in the Collateral Management section.

Concentration risk

To the extent that the Fund focuses its investments on certain markets or types of investment, or certain countries or regions, this concentration does not by definition allow the same scope for diversifying risks across different markets, countries or regions as would be possible if investments were less concentrated. Consequently, the Fund is particularly dependent on the development of these investments or of individual or related markets or of companies, countries or regions included in those markets.

Country and transfer risk

Country or transfer risks exist when a foreign borrower, despite their ability to pay either cannot make payments at all or cannot pay on time, because of the inability or unwillingness of its country of domicile to execute transfers, in particular due to economic or political instability in the country of domicile. Consequently, for example, payments to which the Company is entitled on account of the Fund may remain unpaid, or may be made in a currency that is not or no longer convertible due to foreign exchange restrictions.

Sustainability risk

refers to an environmental, social or governance event or condition that, if it occurs, could have a material negative impact on the value of the investment or has potential to have a material negative impact on the value of the investment. Findings from systematic research show that sustainability risks can arise as a result of extreme issuer-related loss risks. The frequency and probability of such issuer-related sustainability risk events are generally low, but there can be a sizeable financial impact leading to significant financial losses. Sustainability risks could potentially have a negative effect on the investment performance of portfolios. Allianz Global Investors sees sustainability risks as potential drivers of financial risk factors associated with investments, such as price, credit, liquidity and operational risk.

Operational and other risks of the Fund

These risks may adversely affect the performance of the fund, with a negative impact also on the unit value. If investors sell units of the Fund at a time when the prices of the Fund’s assets are lower than at the time of purchase, they will not recover the (full) amount invested in the Fund. Investors could lose some of the capital invested in the Fund, or even all of it.

Legal and political risks of investment abroad

Investments may be made on behalf of the Fund in jurisdictions in which German law does not apply or, in the event of legal disputes, where the place of jurisdiction is outside Germany. The resulting rights and obligations of the Company for account of the Fund may diverge from those in Germany to the detriment of the Fund and/or investors. Political or legal developments, including changes to the legal framework in these jurisdictions, may not be identified by the Company, or may be identified too late, or such developments may result in restrictions on assets that may be acquired or had already been acquired.

Risks of investments in high-yield securities

High-yield investments in the interest-bearing segment are those which either do not have an investment grade rating from a recognised rating agency or are not rated at all, but for which it can be assumed that they would not have an investment grade rating if they were to be rated. Such investments are subject to the same general risks of these asset classes, but the level of risk is greater. In particular, such securities are associated with an increased risk of interest rate changes, general market risk, company-specific risk and liquidity risk.

Risks of securities lending

If the Company grants a securities loan on account of the Fund, it shall transfer the securities to a borrower. On termination of the transaction, the borrower shall retransfer securities of the same kind, quality and amount back to the Fund (securities lending). The Company does not have any opportunity to dispose of lent securities during the term of the transaction. If the security loses value during the term of the transaction and the Company wishes to sell the security, it must terminate the lending agreement and wait for the usual settlement cycle. This may give rise to a risk of loss for the Fund.

Risks of securities repurchase agreements

If the Company sells securities under an agreement to repurchase, this means that it sells the securities and undertakes to repurchase them at a premium on maturity. The repurchase price payable by the seller on maturity together with the premium is specified when the agreement is concluded. If the securities sold under the repurchase agreement lose value during the term of the agreement and the Company wishes to sell them in order to limit its losses, it can only do so by exercising a premature cancellation right. Premature cancellation of the agreement may be associated with financial losses for the Fund. It may also turn out that the premium payable on maturity is greater than the income generated by the Company through reinvesting the cash proceeds from the sale.

If the Company purchases securities under an agreement to resell, this means that it buys the securities and must sell them again on maturity. The buy-back price plus premium is defined when the agreement is concluded. The securities purchased under the agreement to resell are used as collateral for the provision of liquidity to the counterparty. Any rises in the value of the securities do not benefit the Fund.

Risks of investments in target funds

The risks entailed in investment units acquired for the Fund (target funds) are closely linked to the risks inherent in the assets contained in these funds and/or in the investment strategies that they pursue. These risks may be reduced, however, by diversifying investments within the target funds and by diversification within the particular fund. Since the managers of the individual target funds act independently of each other, it may happen though that several target funds pursue the same investment strategies, or contrary strategies. This may give rise to the accumulation of existing risks, and any opportunities may cancel each other out. It is generally not possible for the Company to control the management of the target funds. Their investment decisions do not necessarily have to concur with the Company's assumptions or expectations. It is often the case that the Company does not have up-to-date knowledge of the target funds' composition at any one time. If the composition does not match the Company's assumptions or expectations, it may not be able to react by returning units in target funds without a considerable delay. If the Fund invests in target funds, this usually involves expenses both at the level of the Fund and at the level of the target funds, such as (fixed and/or performance-related) management fees, depositary fees and other expenses. As a result, the expenses to be borne by investors in the investing fund will rise proportionately.

Risks associated with limited fund liquidity (liquidity risks)

These risks may adversely affect the liquidity of the fund. This could result in the fund being unable to meet its payment obligations, either temporarily or permanently, or in it being unable to fulfil investors' requests for redemption, either temporarily or permanently. Investors may therefore not be able to hold their investment for the term they had planned and the invested capital or some of it may not be available to them for an indefinite period of time. If the liquidity risks do materialise, the fund's net asset value and consequently the unit value may also fall. This could be the case, for example, if the Company is compelled to sell assets on behalf of the fund at below market value, insofar as this is permitted under the law. If the Company is not able to fulfil investors' redemption requests, this may also lead to the suspension of unit redemptions and, in extreme cases, to the subsequent liquidation of the fund.

Risks associated with the assets held by the fund (market risks)

These risks may adversely affect the performance of the Fund or the assets held in the Fund, with a negative impact also on the unit value. If investors sell units of the Fund at a time when the prices of the Fund's assets are lower than at the time of purchase, they will not recover the (full) amount invested in the Fund. Investors could lose the capital invested in the Fund.

Risks related to criminal actions, wrongdoings or natural disasters

The Fund may be the victim of fraud or other criminal actions. It may suffer losses through misunderstandings or errors by employees of the Company or third parties, or be damaged by external events, such as natural disasters.

Risks of asset-backed and mortgage-backed securities (ABS and MBS)

The income, performance and/or capital redemption of ABS and MBS depend on the income, performance, liquidity and creditworthiness of the related underlying (in economic or legal terms) or collateralising pool of assets (e.g. receivables, securities and/or credit derivatives) and of the individual assets included in the pool and the debtors of these assets. If the performance of the assets in the pool turns out unfavourably for investors, depending on the structure of the ABS or MBS, investors can suffer losses and even total loss.

ABS or MBS may be issued either by a company established for this purpose (special purpose company) or without such a special purpose company. Special-purpose companies used to issue ABS or MBS normally do not engage in any other business besides issuing ABS or MBS. The pool underlying the ABS or MBS, which often consists of non-fungible assets, normally represents the only assets of the special-purpose company or the only assets from which the ABS or MBS are to be serviced. When ABS or MBS are issued without a special-purpose company, there is the risk that the liability of the issuer is restricted to the assets included in the pool. The assets in the pool are above all subject to concentration risks, liquidity risks, interest-rate risks, company-specific risks, general market risks, risks of settlement default and counterparty risks.

Risk associated with investing in illiquid assets

Assets that are not admitted to trading on a stock exchange or traded on another organised market may also be acquired on behalf of the Fund. The acquisition of such assets runs the risk that problems may arise, particularly if the assets are sold on to third parties. It may not be possible, even, to sell assets admitted to trading on a stock exchange, or only to do so with high mark-downs in price, depending on the market situation, volume, time frame and budgeted costs. Although generally only assets that can be liquidated may be acquired for the Fund, the possibility cannot be ruled out that they may only be sold by realising losses, either during a temporary phase or on a permanent basis. When investments are made in target funds, there is also the risk that target funds must suspend the redemption of units due to limited liquidity of the assets acquired by the target fund, e.g. if there is a high level of unit redemptions at target fund level. In these circumstances, it may also be necessary to suspend redemption of units for this fund.

Risk arising from public holidays in certain regions/countries

In line with the investment strategy, investments on behalf of the Fund shall be made in certain regions/countries in particular. Local public holidays in these regions/countries may cause divergences between the trading days on stock exchanges in these regions/countries and the Fund's valuation days. It is possible that the Fund may not be able to react on the same day to market developments in the regions/countries on a day that is not a valuation day, or it may not be able to trade on those markets on a valuation day that is not a trading day in those regions/countries. This could prevent the Fund from selling assets within the required period of time. This could adversely affect the Fund's ability to comply with redemption requests or meet other payment obligations.

Risk of changes to the Investment Terms and Conditions, the investment policy and other general provisions of the Fund

The Company may only amend the Investment Terms and Conditions of the Fund with the approval of BaFin. These amendments may also affect investors' rights. The Company may also amend the investment policy and other general provisions of the Fund within the scope of what is permissible from a legal and contractual perspective, and thus may implement changes that do not require amendment of the Investment Terms and Conditions and are therefore not subject to approval by BaFin. The framework conditions, e.g. economic and tax aspects, may also change. In particular, a change in the investment policy within the investment universe permissible for UCITS-compliant funds may result in a change in the Fund risks.

Insofar as the Fund is an equity fund, a possible change in the Fund's investment conditions or investment policy may result in the tax requirements for an equity fund within the meaning of Section 2 (6) of the German Investment Tax Act (InvStG) ceasing to apply, and therefore a lower or no partial exemption rate may apply.

Risk of taxation or other charges arising from local regulations relating to assets held by the Fund

Due to local regulations, taxes, duties, fees and other deductions regarding assets held by the Fund may apply now or in the future. This is especially true with respect to proceeds or profits from the sale, repayment or restructuring of the Fund's assets, to the cash flow-free restructuring of the Fund's assets, to changes related to sub-depositary facilities, and to dividends, interest and other income received by the Fund. Certain taxes or charges, for example, all charges levied within the scope of FATCA (Foreign Account Tax Compliance Act, more details under "Taxation of the Fund"), may be levied in the form of a withholding tax or a deduction from the payment or transfer of payments.

Risk of incurring transaction costs due to flows of units

Issuing units may lead to the investment of the inflows and redeeming units may trigger sales of investments in order to obtain liquidity. Such transactions give rise to costs that could have a substantial negative effect on the performance of the Fund, particularly if units issued and redeemed on a single day do not approximately offset one another.

Risk of interest being charged on deposits

The Company invests the liquid assets of the Fund with the depositary or with other banks for the Fund's account. Depending on changes in the market, in particular how the interest rate policy of the European Central Bank develops, short-, medium- and long-term bank deposits may be subject to interest charges. Such interest charges may adversely impact the performance of the Fund.

Risk of transferring the Fund to another investment management company

The Company may transfer the Fund to another investment management company. Any such transfer does not affect the fund or the position of investors. However, each investor must decide whether he considers the new investment management company to be just as suitable as the previous one within the context of the transfer. If he does not wish to remain invested in the fund under new management, he must redeem his units. This may incur income taxes.

Risk arising from finance liquidity

The Company may take out loans for account of the Fund in accordance with the provisions laid down in the section entitled "Borrowing". There is a risk that the Company cannot take out an appropriate loan, or can only take it out on considerably more unfavourable conditions. Loans with a variable rate of interest may also have a negative effect on the net assets of the Fund due to rising interest rates. If the Company has to repay a loan and cannot refinance it or pay it from the liquid assets of the Fund, it may be forced to sell assets prematurely or on terms that are worse than had been planned.

Risk related to central counterparties

A central counterparty (CCP) acts as an intermediary institution for a fund in certain transactions, particularly those involving derivative financial instruments. For these, it acts as a buyer to the seller and a seller to the buyer. A CCP hedges itself against the risk of transaction partners proving incapable of agreed performance through a number of protective mechanisms that make it possible for it to compensate at all times for losses resulting from the transactions entered into, such as so-called margin deposits (e.g. collateral). Despite these protections, it cannot be ruled out that a CCP will become over-indebted and default, potentially affecting the Company's claims on behalf of the Fund. As a result, the Fund may suffer losses that are not hedged.

Key personnel risk

The success of a fund that performs very well over a certain period of time is partly due to the aptitude of the people handling the investments, i.e. be due to the good decisions of its management. Nonetheless, investment management personnel may change. New decision-makers may then be less successful.

Fluctuations in the net asset value of the Fund

Besides the opportunities for appreciation, the assets in which the Company invests for account of the Fund also entail risks. There may be losses of value due to the market value of the assets falling versus the purchase price. If investors sell units of the Fund at a time when the prices of the Fund's assets are lower than at the time of purchase, they will not recover the full amount invested in the Fund. Although each Fund strives for steady growth, such growth cannot be guaranteed. However, the investor's risk is limited to the loss of the amount invested. The investor has no obligation to pay more than the invested amount.

Tax risks from hedging transactions for major investors

It cannot be excluded that capital gains tax on German dividends and income from domestic equity-like profit participation rights that the investor originally obtains may not be creditable or refundable in whole or in part. The capital gains tax shall be fully credited or refunded if the investor (i) holds German equities and German equity-like profit-sharing rights for 45 days without interruption within a period of 45 days before and after the capital gain was payable (91 days in total) and (ii) bears at least 70% of the risk of a decline in value of the units or profit-participation rights without interruption throughout that entire 45-day period (so-called "45-day rule"). Furthermore, there may be no obligation to pay, directly or indirectly, the capital gain to another person (e.g. through swaps, securities lending transactions, repurchase agreements) for the purpose of offsetting capital gains tax. As a result, hedging or forward transactions that directly or indirectly hedge the risk arising from German equities or German equity-like profit participation rights may be detrimental. Hedging transactions on value and price indices are considered to be indirect hedges. To the extent that the Fund is to be considered a related party of the investor and enters into hedging transactions, such transactions may result in these being attributed to the investor, and the investor therefore failing to comply with the 45-day rule.

In the event of non-retention of capital gains tax on the corresponding income originally realised by the investor, hedging transactions of the Fund may result in being attributed to the investor and in the investor having to pay the capital gains tax to the tax office.

Company-specific risk

The price development of the securities and money-market instruments directly or indirectly held by the Fund also depends on company-specific factors, for example the issuer's business situation and its creditworthiness (solvency and willingness to pay). If the company-specific factors or creditworthiness deteriorate, the price of the respective security may drop significantly and enduringly, even if the general stock-market trend is positive.

Custodial risk

Custodial risk is the risk arising from the possibility that the Fund could be denied access, in whole or in part, to investments held in custody in the event of bankruptcy, negligence, wilful misconduct or fraudulent activity on the part of the depositary or a sub-depositary. The depositary's liability is not unlimited in the event of loss or disappearance of assets held abroad at other depositaries (see the section "Depositary").

Currency risk

If the Fund directly or indirectly holds securities that are denominated in a foreign currency, it is subject to currency risks to the extent that it has not hedged these risks. Any devaluation of the foreign currency against the base currency of the Fund would cause the value of the assets denominated in the foreign currency to fall.

Interest rate risk

Investing in fixed-rate securities is associated with the possibility that the level of market interest rates existing at the time a security is issued or acquired may change. If market interest rates rise in comparison with the interest rates at the time of issue, the prices for fixed-interest securities will fall as a rule. On the other hand, if market interest rates fall, prices for fixed-interest securities will rise. This price trend means that the current return on a fixed-interest security is roughly equivalent to the current market interest rate. These price fluctuations differ strongly, however, depending on the (residual) maturity of the fixed-interest securities. Fixed-interest securities with shorter maturities have lower price risks than fixed-interest securities with longer maturities.

In contrast, fixed-interest securities with shorter maturities generally generate lower returns than fixed-interest securities with longer maturities. Due to their short maturity of no more than 397 days, money market instruments tend to have lower price risks. The interest rates of different financial instruments linked to interest rates and denominated in the same currency with a comparable residual maturity may also perform differently.

Sub-fund

Allianz Rentenfonds is not a sub-fund under an umbrella construction.

Units

The rights of investors are vested exclusively in global certificates. These global certificates are deposited with a central securities depository. Investors do not have any claim on the issuing of individual units. Units may be acquired only if held in safe custody. The units are bearer certificates and represent unit-holders' claims against the Company.

Fractional units in the Fund are issued down to one thousandth of a unit, with smaller fractions being rounded. Fractional units entitle the unit-holder to proportional participation in any net income that may be distributed and in the liquidation proceeds of the respective Fund or unit class.

Obligation to surrender physical unit certificates

In the past, bearer units in the form of physical units ("physical unit certificates") were issued for the Fund. The provisions of the KAGB stipulate that these physical unit certificates should no longer remain in the possession of investors. Instead they should be transferred to collective safe-keeping at a central securities deposit bank, a licensed or recognised domestic or foreign central depositary, or another suitable foreign depositary, together with the profit participation certificates (coupons) that are not yet due. Moreover, the investors cannot demand that these physical unit certificates be returned to them. The Company is authorised to replace the surrendered physical certificates with securitisation of the relevant units in a global certificate.

Physical certificates that are not held in collective safe-keeping with one of the above-mentioned institutions by 31 December 2016 will be declared void by law after this date. This also applies to the profit participation certificates (coupons) that are not yet due. With effect from 1 January 2017, the rights of the relevant investors will instead be securitised in a global certificate. The investors will then become co-owners of this global certificate or the collective portfolio to which this certificate belongs, in accordance with their share in the Fund's assets. Investors may then continue to submit their voided bearer certificates to the Fund's depositary and request that they be credited with a corresponding co-ownership interest in the collective portfolio to a custody account to be designated by the relevant investors and maintained on their behalf.

Unit classes

Different unit classes within the meaning of Section 16 (2) of the "General Investment Terms and Conditions" may be created for the Fund. These unit classes differ in terms of the investors who may acquire and hold units, use of income, front-end load, redemption fee, the currency of the unit value including the use of currency hedging transactions, the all-in fee, minimum investment or any combination of the features mentioned. Unit classes may be created at any time at the discretion of the Company.

At the time of printing this prospectus the following unit classes have actually been launched: A (EUR), P (EUR), P2 (EUR), R (EUR) and IT2 (EUR).

Units of unit class R (EUR) may only be acquired with the consent of the Company and, in addition, only by such sales partners that are not permitted to accept or retain ongoing sales commissions (portfolio commissions) due to statutory provisions or based on special remuneration agreements with the clients involved. No version of the R or RT unit classes pays remuneration to the sales partners.

Units of unit class type IT2 (EUR) cannot be acquired by natural persons. nor may they be acquired in situations in which the subscriber of the units is not a natural person, but is acting as intermediary for a third-party ultimate beneficiary who is a natural person. Issuance of units of this unit class type may be subject to the submission of a prior written undertaking by the buyer to this effect.

It is permitted to enter into currency hedging transactions in favour of one currency unit class only. For a currency unit class with a currency hedge in favour of this unit class's currency (reference currency) the Company may, irrespective of Section 9 of the "General Investment Terms and Conditions" and Section 3 of the "Special Investment Terms and Conditions", use derivatives on exchange rates and currencies within the meaning of Section 197 (1) KAGB with the aim of avoiding losses in unit value resulting from exchange-rate-related losses in Fund assets that are not denominated in the unit class's reference currency. Equities and equity-equivalent securities are deemed to be subject to an exchange rate risk if the currency of the country in which the issuer (or, in the case of instruments representing equities, the corporation) is domiciled is different from the reference currency of the unit class. Other assets are deemed to be subject to a currency risk if they are denominated in a currency other than the reference currency of the unit class. For currency hedged unit classes, the value of the Fund assets that are subject to a currency risk and are not hedged must not exceed 10% of the unit class value. The use of derivatives in keeping with the provisions of this sub-section must not have any effect on unit classes that are not currency hedged, or that are hedged against another currency.

Due to the different characteristics, the return the investor achieves with his investment in the Fund may vary, depending on the unit class of the units purchased. This applies to the return before and after tax.

The purchase of assets shall only be permitted for the Fund as a whole and not for individual unit classes or groups of unit classes. An exception to this shall be currency hedging transactions, whose result is attributed to certain unit classes, but has no impact on the unit value development of the other unit classes.

Fair treatment of investors

The Company must treat the investors in the Fund fairly. When controlling its liquidity risk and redeeming units, it must not prioritise the interests of one investor or a group of investors over the interests of another investor or another investor group. The procedures used by the Company to ensure fair treatment of investors are described in the sections entitled "Pricing for subscription and redemption of units" and "Liquidity management".

The Management Company and/or the depositary may, for the purpose of compliance with the Foreign Account Tax Compliance provisions of the US Hiring Incentives to Restore Employment Act ("FATCA"), be required to disclose personal data relating to certain US persons and/or non-participant FFIs to the US Internal Revenue Service or local tax authorities.

Conflicts of interest

The Company, the depositary, distributors and companies to which the Company has outsourced certain duties, or service providers, may possibly be acting in the same or a similar capacity for other funds that pursue investment objectives similar to this fund, or otherwise be involved in such funds. As a result it is certainly possible for one of these entities, in the course of its business operations, to become involved in a potential conflict of interest in relation to the Fund. In a situation of this type, therefore, each of them must always ensure that they fulfil their duties in accordance with their contractual obligations, and must make every effort to find an appropriate solution to these conflicts of interest. The Company has set out principles to ensure that a reasonable attempt is made in all transactions to avoid conflicts of interest and, if they cannot be avoided, to regulate them such that the Fund and its investors are treated fairly.

Furthermore, the transactions indicated above may be executed with the Fund in the entity's own name or as an agent, provided these transactions are conducted under market conditions and in the best interest of the investors.

Transactions are deemed as executed under normal business conditions if:

1. a certified valuation of the transaction was obtained from a person recognised by the depositary as independent and competent,

2. the transaction was executed under the best conditions at an organised stock exchange in accordance with the rules applicable at that exchange, or

3. if 1. and 2. are not feasible, the transaction is executed under conditions that the depositary believes were negotiated under normal business conditions and are customary for the industry.

Conflicts of interest may arise as a result of transactions involving derivatives, OTC derivatives or techniques and instruments for efficient portfolio management. For example, counterparties of such transactions, or representatives, intermediaries or other institutions that provide services in relation to these transactions, may be affiliated with the Company, the depositary or an outsourced company or service provider. As a consequence, these institutions may generate profits, fees or other income, or they may avoid losses through these transactions. Conflicts of interest may also arise if the collateral provided by these institutions is subject to a valuation or haircut by an affiliated party.

The Company has laid down procedures to ensure that its outsourced companies and service providers act in the best interests of the Fund when implementing trading activities and placing trade orders on behalf of the Fund in the course of managing the Fund portfolio. For these purposes, all appropriate steps must be taken to achieve the best possible outcome for the Fund. The following must be taken into account in this respect: the price, the expenses, the probability of execution, the scope and nature of the order, the broker's research services for the Fund Manager or investment advisor, and all other factors that are relevant to execution of the order. Information on the Company's best execution policies and on all material changes to these policies is available to investors on request, without charge.

Issue and redemption of units

Subscription of units

There is no general restriction regarding the number of units issued. Units can be purchased from the Company, the depositary, State Street Bank International GmbH, Luxembourg branch, Fondsdepot Bank GmbH or from third parties. They are issued by the depositary at the subscription price, which is determined as the net asset value per unit plus a front-end load. However, the Company reserves the right to suspend the issue of units either temporarily or permanently.

Minimum investment

The minimum investment for each unit class (after deduction of any front-end load) is as follows:

A (EUR)	no minimum investment
P (EUR)	EUR 3,000,000
P2 (EUR)	EUR 3,000,000
R (EUR)	no minimum investment
IT2 (EUR)	EUR 1,000,000

The Company is entitled to accept lower minimum investments in individual cases. Additional investments at lesser amounts are allowed, if the total of the current value of the units of the same unit class already held by the investor at the time of the additional investment and the amount of the additional investment (after the deduction of any sales charge) corresponds to at least the minimum investment amount of the unit class in question. This calculation only considers holdings of the investor held at the same location at which the additional investment is to be made. In the event that the investor keeps the units as a trustee for third-party final beneficiaries, he may only buy units in the unit classes named above if every single third-party final beneficiary fulfils the conditions detailed above on their own. The subscription of units in these unit classes may be subject to the submission of a prior written undertaking by the buyer to this effect.

Redemption of units

Irrespective of any minimum investment amount, investors may in principle request the redemption of units on every valuation day by issuing a redemption order or upon presentation of the unit certificates to the depositary, State Street Bank International GmbH, Luxembourg branch, Fondsdepot Bank GmbH or the Company itself. The Company must redeem the units for the account of the Fund at the current redemption price, which represents the net asset value per unit.

Limitation of redemption

The Company may restrict the redemption of shares for a total of up to 15 consecutive working days if, on a settlement date, the investors' redemption requests amount to at least 10% of the net asset value (threshold value). If the threshold value is reached or exceeded, the Company shall decide, at its sole discretion, whether it will limit the redemption on this settlement date. If it decides to limit redemption, it may continue for up to 14 consecutive working days on the basis of a daily discretionary decision. The decision to restrict redemptions may be taken if redemption requests can no longer be executed in the interest of all investors due to the liquidity situation of the Fund. This may be the case, for example, if the liquidity of the assets of the Fund deteriorates due to political, economic or other events on the markets and is therefore no longer sufficient to fully service the redemption requests on the settlement date. In this case, restriction of redemptions can be considered a more moderate tool than total suspension of redemptions.

If the Company has decided to limit redemptions, it will only redeem units pro rata at the redemption price applicable on the settlement date. After this, the redemption obligation will not apply. This means that each redemption order is only carried out pro rata on the basis of a quota that will be determined by the Company. In the interests of the investors, the Company shall set the quota on the basis of the liquidity available and the total order volume for the respective settlement date. The amount of liquidity available largely depends on the current market environment. The quota is used to determine the percentage of redemptions that will be paid out on the settlement date. The unexecuted part of the order (remaining order) will not be executed by the Company at a later time, and will expire (pro rata approach with expiry of the remaining order).

The Company shall decide on every trading day whether and the basis upon which it will limit redemptions. The Company may restrict redemptions for a maximum of 15 consecutive working days. This does not affect the option to suspend redemptions.

The Company publishes information on restrictions on the redemption of units or the lifting of such restrictions on its website.

The redemption price corresponds to the unit value determined on that day, if applicable, less a redemption fee. The redemption may also be brokered by third parties (e.g. the institution maintaining the custody account), in which case the investor may incur additional costs.

Pricing for subscription and redemption of units

The pricing date for unit subscriptions and redemption orders shall be at the latest the valuation date following the receipt of the unit subscription or redemption order.

Orders for units received by the Company, the depositary, the Luxembourg branch of State Street Bank International GmbH, or Fondsdepot Bank GmbH by 7:00 a.m. Central European Time ("CET") or Central European Summer Time ("CEST") on a valuation day shall be priced at the subscription price that is fixed on the same valuation day, even though that price is not yet known at the time the unit order is received. Any unit orders that are received after this time shall be priced at the subscription price fixed on the following valuation day, even though that price is not yet known at the time when the unit order is received.

Redemption orders received by the Company, the depositary, the Luxembourg branch of State Street Bank International GmbH, or Fondsdepot Bank GmbH by 7:00 a.m. Central European Time ("CET") or Central European Summer Time ("CEST") on a valuation day shall be priced at the redemption price that is fixed on the same valuation day, even though that price is not yet known at the time when the redemption order is received. Any redemption orders that are received after this time shall be priced at the redemption price fixed on the following valuation day, even though that price is not yet known at the time when the redemption order is received.

In the case of investors who maintain their portfolio with the Company, the Depositary, the Luxembourg branch of State Street Bank International GmbH, or Fondsdepot Bank GmbH, the provisions in the respective custodian agreement with the Company, the Depositary, the Luxembourg branch of State Street Bank International GmbH, or Fondsdepot Bank GmbH shall apply additionally. These provisions may include supplementary rules on the subscription and redemption prices that are applicable.

Suspension of redemptions

The Company may temporarily suspend the redemption of units in extraordinary circumstances under which such suspension is deemed to be necessary in the interest of the investors. Extraordinary circumstances are in place if, for example, an exchange on which a significant portion of the Fund's securities is traded is closed irregularly or if the Fund's assets cannot be valued. BaFin may, moreover, order the Company to suspend the redemption of units if necessary in the interests of investors or the general public.

The Company reserves the right not to redeem the units at the prevailing price until it has sold assets of the Fund without undue delay, but while safeguarding the interests of all investors. Temporary suspension may be followed directly by dissolution of the Fund, without redemption resuming beforehand (see the section "Liquidation or merger of the Fund").

The Company shall inform investors in the Federal Gazette and at https://de.allianzgi.com about the suspension and resumption of redemptions. Furthermore, the custodian institutions are obliged to inform the investors by durable medium, such as in hard copy or electronic format.

Liquidity management

The Company has implemented a process for regular monitoring of the liquidity situation in the Fund in order to assess the quantitative and qualitative risks of assets that are significant to the liquidity profile of the assets in the Fund. In this process, the Company monitors the liquidity situation of the Fund based, among other factors, on an assessment of the fungibility of the assets in the Fund that takes their underlying obligations and investment structure into account. The Company monitors investments in target funds, their redemption policies and any resulting effects on the liquidity of the Fund.

The Company conducts regular stress tests that enable it to evaluate the liquidity risk of the Fund. The stress tests are conducted on the basis of reliable and current quantitative data, or qualitative information if the quantitative data is insufficient. Included in this are the investment strategy, redemption periods, payment obligations and time periods within which the assets are disposed of, as well as the investor structure of the Fund, if known. The stress tests simulate insufficient liquidity in the assets of the Fund where applicable, as well as possible atypical redemption requirements. They thus account for the sensitivity of valuations under stress conditions. Stress tests are conducted at least once a year with a frequency appropriate to the type of Fund, taking the investment strategy, liquidity profile and redemption policies of the Fund into consideration.

In accordance with Section 17 (3) of the General Investment Terms and Conditions, investors may request the redemption of their units from the Company at any time. The Company shall be obliged to redeem the units for the account of the Fund at the prevailing redemption price. The redemption agent is the depositary. The Company reserves the right, in accordance with Section 17 (4) of the General Investment Terms and Conditions, to suspend the redemption of units under extraordinary circumstances when it appears that suspension is necessary in the interest of the investors. The investors shall be notified of the suspension and resumption of redemption of the units promptly by means of a durable medium after announcement in the electronic version of the Federal Gazette and on the website https://de.allianzgi.com. The Company has made no redemption agreements with investors that deviate from existing provisions.

Exchanges and markets

The Company may have the Fund units listed on an exchange or have them traded in organised markets; so far the Company has not done so.

The Company is not aware that Fund units are traded on exchanges or markets at the initiative of third parties.

It cannot be excluded that this trading is suspended in the near future or that Fund units may be introduced on other markets, possibly at short notice, or are already being traded there.

The market price that forms the basis for exchange or market trading is not determined exclusively by the value of the Fund's assets, but also by supply and demand. For this reason, this market price may deviate from the calculated net asset value per unit of a unit class.

The Company is aware of the fact that – without its consent – units of the Fund were traded at the following exchanges at the time of printing of this prospectus:

A (EUR)	Berlin Stock Exchange Düsseldorf Stock Exchange Frankfurt Stock Exchange Hamburg-Hanover Stock Exchange Munich Stock Exchange Stuttgart Stock Exchange
P (EUR)	Berlin Stock Exchange Düsseldorf Stock Exchange Hamburg-Hanover Stock Exchange Munich Stock Exchange
P2 (EUR)	-
R (EUR)	-
IT2 (EUR)	-

Subscription and redemption prices

In order to determine the subscription and redemption prices of the units of a given unit class, the Company shall calculate on every valuation day the value of the assets held by the Fund less the Fund's liabilities (net asset value per unit).

The value of a unit class is the sum of the pro rata net change in the value of the Fund's assets attributable to the unit class from the preceding valuation day and of the value of the unit class at the preceding valuation day. The value of a single unit of the unit class shall then be calculated by dividing the value of the unit class by the number of the units issued in this unit class.

The unit value shall be calculated separately for each unit class, with any expenses related to the issue of new unit classes, any distributions (including any taxes to be paid from the Fund's assets), any all-in fees and any results of exchange-rate hedgings attributable to a certain unit class (including any income equalisation) being attributed exclusively to this unit class.

All trading days shall be valuation days for the Fund units. Neither the Company nor the depositary is obliged to determine the unit value on public holidays that are trading days within the jurisdiction of the KAGB, or on 24 or 31 December. No unit price is currently determined on New Year's Day, Good Friday, Easter, Easter Monday, May Day, Ascension Day, Pentecost, Pentecost Monday, Corpus Christi, German Unification Day, Christmas Eve, Christmas Day, Boxing Day and New Year's Eve.

Suspension of the calculation of subscription and redemption prices

The Company may temporarily suspend the calculation of subscription and redemption prices under the same circumstances which allow a suspension of the redemption. For more detailed information, see the section "Suspension of redemptions".

Front-end load

The subscription price includes a front-end load, which is added to the net asset value of unit class A (EUR). The front-end load shall amount to 2.50% of the unit value for this unit class. The Company may, however, charge a lower front-end load.

There is no front-end load on unit classes P (EUR), P2 (EUR), R (EUR) and IT2 (EUR), i.e. the subscription price is equivalent in this respect to the net asset value per unit for the respective unit class.

Particularly in the case of a short investment horizon, a front-end load may impair the performance of the Fund or even lead to losses. The front-end load is in principle a commission for selling the Fund units. The Company may pass on the front-end load to any intermediaries in order to compensate them for their sales efforts.

Redemption fee

There shall be no redemption fee; hence, the redemption price is equivalent to the unit value of the relevant unit class.

Publication of subscription and redemption prices

The subscription and redemption prices shall be published online on each valuation day at https://de.allianzgi.com.

Subscription and redemption costs

If units are issued or redeemed via third parties, these third parties may charge additional costs of their own.

Charges

For the A (EUR) and R (EUR) unit classes, the Company shall receive a daily all-in fee of 1.00% p.a. of the pro rata value of the Fund's assets, calculated on the basis of the net asset value which is determined every trading day. For the P (EUR), P2 (EUR) and IT2 (EUR) unit classes, the daily all-in fee for managing the Fund shall be 0.61% p.a. of the pro rata value of the Fund, calculated on the basis of the net asset value, which is determined on each trading day. The Company may, however, charge a lower all-in fee for one or more unit classes.

In accordance with Sub-section 1, this all-in fee covers the following fees and expenses which are not charged separately to the Fund:

- fee for the management of the Fund (Fund management, administrative activities),
- fee for the distributors of the Fund,
- the depositary's fee,

- safe-custody and account fees in line with current banking practice, including any fees charged in line with current banking practices for the custody of foreign securities abroad,
- costs for printing and dispatching the statutory sales literature (e.g. annual and semi-annual reports, prospectus) intended for the investors,
- costs for the publication of the annual and semi-annual reports, the liquidation report, the subscription and redemption prices, and distributions or accumulated income,
- costs for having the Fund audited by the Company's auditors, including the costs for a certificate stating that all tax data complies with the regulations of German tax law,
- costs for providing information to investors in the Fund by means of a durable medium, with the exception of information about Fund mergers and with the exception of information about measures related to violations of investment limits or calculation errors when determining the unit value,
- fees and costs levied by government agencies in relation to the Fund,
- costs for having the success of the investments of the Fund analysed by third parties,
- costs for the redemption of coupons.

The all-in fee may be withdrawn from the Fund's assets at any time.

The Company shall receive a fee amounting to 30% of the gross income from these transactions for the purposes of initiating, preparing and executing securities lending and securities sale transactions for the account of the Fund. The Company may, however, charge a lower fee for one or more unit classes. The Company shall bear any costs incurred in connection with the preparation and execution of such transactions, including the fees to be paid to third parties.

In addition to the fees listed above, the following expenses shall be charged to the Fund:

- costs incurred in connection with the use of securities lending programmes in line with current banking practice, for which the Company shall not receive any fee pursuant to Sub-section 4 (fee for securities lending and securities sale transactions). In this case, the Company shall ensure that the costs of securities lending shall in no case exceed the income resulting from such transactions,
- costs for the assertion and enforcement of claims that are related to the Fund and seem to be justified, and costs for the defence of claims that are related to the Fund and do not seem to be justified,
- costs for the verification, assertion and enforcement of claims that appear to be justified for reducing, offsetting and/or reimbursing withholding taxes or other taxes and/or fiscal charges,
- taxes payable in connection with the fees payable to the Company, the depositary and third parties in connection with the expenses referred to in points 1 and 2 above in relation to administration and custody.

In addition to the aforementioned fees and expenses, the UCITS Fund is charged for the costs incurred in connection with the acquisition and disposal of assets.

The Company usually passes on part of its all-in fee to intermediaries; such compensation may also be in the form of non-monetary benefits. This is to pay for distribution and advisory services on a commission basis and to raise the quality of these services. At the same time, the Company may receive fees or non-monetary benefits from third parties. The Company will disclose details on demand to investors on the fees and benefits granted or received.

The Company shall not receive any refunds for the fees and expenses paid to the depositary or to any third parties and charged to the Fund.

The costs charged to the Fund in the financial year shall be disclosed and reported in relation to the average volume of the Fund ("total expense ratio", TER) in the annual report. The all-in fee and any additional costs incurred are taken into account, with the exclusion of transaction costs incurred in the Fund, interest on borrowing, the costs for the use of securities lending programmes and securities lending brokers, the fee for the Management Company to set up, prepare and execute securities lending and/or securities lending transactions and any performance fees. Costs incurred will not be subject to cost compensation. In addition, costs that may be incurred at the target fund level are not taken into account. The total of the expenses incurred in the period indicated is divided by the average Fund assets. The resulting percentage is the TER. Calculation complies with the method recommended in CESR Guideline 10-674 in conjunction with EU Regulation 583/2010.

While the Company does not expect any significant changes in the TER in the near term, the TER may be different in the future, for example, because of an increase in external costs outside the Company's influence.

Under MiFID II/the Securities Trading Act (WpHG), distributors must disclose to their clients the total expenses prior to providing a securities service. This total comprises the cost of the service and the Fund. MiFID II uses an extended definition of Fund costs as a basis. In particular, it includes transaction expenses in the overall cost. Some new elements, such as financing expenses or the costs of securities lending, are also added when determining ongoing expenses at Fund level. The extended definition of Fund costs also applies to ongoing client reports. The expected divergences in the cost quotation should be clarified in the prospectus. If the investor is advised by third parties when acquiring units or if such parties act as broker to the acquisition, they may quote costs or expense ratios that exceed the total expense ratio as described here. The reason for this may in particular be that the third party also takes into account the cost of its own brokerage or advice operations. In addition, the third party may also take into account non-recurring costs, such as front-end loads, and generally uses different calculation methods for the expenses incurred at Fund level, which include the Fund's transaction costs in particular. This also applies to regular cost information about the Fund investment held within a long-term advisory or other client relationship.

Particular features of the acquisition of investment fund units

In addition to the all-in fee as such, a management fee for the units in target funds held in the Fund shall be charged to the Fund. All management fees are taken into account for the calculation of the total expense ratio (see "Costs" section).

To the extent that the Fund invests in units of target funds, investors will have to bear not only directly the expenses and costs described in this prospectus, but also indirectly bear the pro rata expenses and costs charged to the target fund. The expenses and costs charged to the target fund are determined by their constituting documents (e.g. investment terms and conditions or articles) and are therefore impossible to forecast in an abstract way. Typically, however, it can be expected that the fees and costs charged to the Fund described in this Prospectus are similar to those charged to target funds.

In the annual report and semi-annual report, the Company is required to disclose the amount of the front-end load and the redemption fees charged to the Fund in the reporting period for the acquisition and redemption of units in target funds. If the Fund acquires units in target funds that are directly or indirectly managed either by the Company or by another company that is affiliated to the Company by way of significant direct or indirect participation, neither the Company nor the affiliated company may charge any fees for the subscription or redemption of the units. In the annual report and semi-annual report, the Company must disclose the remuneration that the fund has been charged by the

Company itself, by another (capital) management company or another company with which the Company is connected through a significant direct or indirect equity investment as a management fee for the units held in the fund.

Remuneration policy

The main components of monetary remuneration are the basic salary, which typically reflects the duties, responsibilities and experience that are required for a particular function, and an annual variable remuneration based on specific discretionary principles. The variable remuneration usually includes both an annual bonus payment in cash after the end of each performance year and a deferred component for all employees whose variable remuneration exceeds a specified threshold level.

The size of the company-wide pool for variable remuneration will depend on the company's business performance and risk position and will therefore vary every year. For this reason, it varies from year to year. In this respect the allocation of specific amounts to particular employees is based on the performance of the employee or his department during the period under review.

The level of pay awarded to employees is linked to both qualitative and quantitative performance indicators. Quantitative indicators are based on measurable targets. Qualitative indicators take into account actions reflecting the Management Company's core values of excellence, passion, integrity and respect. Such indicators also comprise the absence of significant regulatory breaches or deviations from compliance and risk standards including AllianzGI`s sustainability risk management policy.

For investment professionals, whose decisions make a real difference to delivering successful outcomes for our clients, quantitative indicators are aligned around sustainable investment performance. In particular for portfolio managers, the quantitative element is aligned with the benchmarks of the client portfolios they manage or with the client's stated investment outcome objective measured over a multi-year-framework.

For client-facing employees, goals also include client satisfaction, which is measured independently.

The amounts ultimately distributed in the framework of the long-term incentive awards depend on of the Management Company's business performance or the performance of certain investment funds over several years.

The remuneration of employees in controlling functions is not directly linked to the business performance of individual departments monitored by the controlling function.

In accordance with the applicable regulations, certain employees are included in the "identified employees" group. These include members of the Management, risk takers, employees with control functions, and all employees who, based on their overall compensation, are included in the same compensation category as members of management and risk takers whose activities have a significant impact on the risk profiles of the Management Company and the funds it manages.

Employees assigned to the "identified employees" group are subject to additional standards regarding performance management, the type of variable compensation, and the timing of payments.

Multi-year targets and deferred parts of the variable compensation ensure a long-term performance measuring. In particular, the performance of portfolio managers is measured to a large extent against quantitative return results over a multi-year-framework.

For identified employees, a significant portion of the annual variable compensation is deferred for a period of three years, starting at a defined variable compensation level. 50% of the variable compensation (deferred and not deferred) must consist of units of funds managed by the Management Company or similar instruments.

An ex-post risk adjustment allows explicit adjustments to the performance appraisal of previous years and the associated remuneration to prevent the transfer of part or all of the amount of deferred compensation (malus) or the return of ownership of a fee to the Management Company (recovery).

AllianzGI has a comprehensive risk reporting system that takes into account both current and future risks in the course of the Management Company's business activities. Risks which significantly exceed the organisation's risk appetite are presented to the Management Company's Global Remuneration Committee, which will decide, if necessary, on adjustments to the total remuneration pool.

Further details of the Company's current remuneration policy are published on the internet at https://regulatory.allianzgi.com. This includes a description of the calculation methods for remuneration and benefits awarded to certain groups of employees, as well as details of the persons responsible for allocation, including members of the remuneration committee. On request, the information will be made available by the Company in hard copy without charge.

Rules for the calculation and allocation of income

Use of income

For distributing unit classes the Company shall, as a general rule, distribute to the investors the interest, dividends and income from investment units as well as consideration from loans and repurchase agreements that have accrued for account of the Fund during the financial year and that have not been required to cover expenses, subject to the requisite equalisation of income. Realised disposal gains and other income after allowing for income equalisation may also be distributed.

For accumulating unit classes the Company shall, as a general rule, reinvest the interest, dividends, income from investment units, consideration from loans and repurchase agreements and other income and realised disposal gains that have accrued for account of the Fund during the financial year and that have not been required to cover expenses, subject to the requisite equalisation of income.

Income equalisation procedure

The Company shall use an "income equalisation procedure" for the unit classes of the Fund. This prevents fluctuation of the share of distributable income due to inflows and outflows. Otherwise any inflows during the course of a financial year would result in less income per unit being available for distribution on the distribution dates than would be the case if the number of units in circulation remained constant. By contrast, outflows would result in more income per unit being available for distribution than would be the case if the number of units in circulation remained constant.

In order to prevent this, the distributable income and/or capital gains/losses realised during the financial year, which purchasers of Fund units have to pay for as part of the subscription price and which sellers of unit certificates are refunded as part of the redemption price, are continuously calculated and set as distributable positions in the calculation of income. The expenses incurred are taken into account in calculating the income equalisation.

The equalisation procedure helps to smooth changes in the relation between income and realised capital gains/losses on the one hand and other assets on the other which may result from net liquidity inflows or outflows due to unit sales or redemptions. Otherwise, any net inflow of liquidity would reduce the share of income and/or realised capital gains/losses in the net asset value of the Fund, and every net outflow would increase it.

In the end, the equalisation procedure ensures that, in the case of accumulating unit classes, the amount to be reinvested per unit is not affected by the number of outstanding units and that, in the case of distributing unit classes, the distribution per unit is not affected by unpredictable Fund performance or the number of outstanding units. In this context it is accepted that investors who, for example, buy units shortly before the distribution date, get back that portion of the subscription price accounted for by income in the form of a distribution, even though the capital they invested played no part in generating that income.

Financial year and distributions

End of the Fund's financial year
The Fund's financial year ends on 30 November.

Distribution mechanism
For the unit classes A (EUR), P (EUR), P2 (EUR) and R (EUR), the Company shall in principle distribute annually within three months after the end of the financial year the interest, dividend payments and income from Fund units and from loan and repurchase transactions that has accrued to these unit classes during the financial year where this has not been used to defray expenses. Capital gains and other income may be eligible for distribution as well. The amount and the date of the distribution shall be determined by the Company at its own discretion within the framework outlined above.

The income accruing to the unit class with the designation IT2 (EUR) is not distributed, but reinvested in the Fund (accumulating fund).

In the past, bearer units in the form of physical unit certificates have been issued for the Fund. The provisions of the KAGB stipulate that these physical unit certificates must be transferred to collective safe-keeping at a central securities deposit bank. Physical bearer unit certificates that are not held in collective safe-keeping by 31 December 2016 will become void after this date, together with the profit participation certificates (coupons) that are not yet due.

Coupons that become due prior to 1 January 2017 may be presented for payment of the income accruing to them at any of the Fund's paying agents. However, the amount must not be paid in cash; instead, it must be credited to a domestic account held by the investor.

Crediting of distributions
If the units are deposited in a securities account with the depositary, the depositary's branches will credit any distributions to the account (depositary account) or cash the coupons free of charge. If the securities account is maintained at other banks or savings banks or if coupons are cashed there, additional expenses may be charged.

Liquidation, transfer and merger of the Fund

Preconditions for the liquidation or transfer of the Fund
The investors are not entitled to demand the liquidation of the Fund. However, the Company may terminate the management of the Fund by making an announcement to this effect in the Federal Gazette and also in the annual or semi-annual report at least six months in advance. Furthermore, the custodian institutions are obliged to inform the investors by durable medium, such as in hard copy or electronic format. The same procedure may be applied with regard to a unit class of the Fund.

Moreover, the Company's right to manage the Fund will lapse if bankruptcy proceedings have been opened against the Company's assets or if a petition for bankruptcy has been rejected for lack of assets pursuant to Section 26 of the German Insolvency Act (Insolvenzordnung).

When the Company's management right lapses, the right to manage the Fund is transferred to the depositary. This office shall then liquidate the Fund or, after having obtained approval from BaFin to this effect, shall transfer the management to another investment management company.

Investor rights on liquidation of a Fund

The subscription and redemption of units is discontinued. Any receipts from the sale of Fund assets less the expenses to be charged to the Fund and the liquidation-related expenses shall be distributed among the investors, with the latter being entitled to receive distributions from the liquidation revenues according to the number of units they have held in the Fund.

The depositary shall be entitled to deposit unclaimed liquidation proceeds at the local court responsible for the Company.

The Company shall draw up a liquidation report for the date on which its right to manage the Fund lapses. The liquidation report shall comply with all requirements for an annual report. No later than three months after the Fund liquidation date, the liquidation report shall be published in the Federal Gazette. As long as the depositary is administering the Fund, it shall prepare a report that meets the requirements of an annual report on an annual basis on the day on which its administration ceases. These reports also need to be published no later than three months after the reporting date in the Federal Gazette.

Transfer of the Fund

The Company may transfer the Fund to another investment management company. The transfer shall require the prior approval of BaFin. The approved transfer shall be published in the Federal Gazette (Bundesanzeiger) and additionally in the Fund's annual or semi-annual report. Furthermore, the custodian institutions shall inform the investors about the planned transfer by durable medium, such as hard copy or electronic format. The date on which the transfer becomes effective is determined by the contractual agreements between the Company and the receiving investment management company. However, the transfer shall come into effect three months after publication in the Federal Gazette (Bundesanzeiger) at the earliest. All the rights and obligations of the Company in relation to the Fund shall then pass to the receiving investment management company.

Requirements for merging all assets of the Fund

All assets of this Fund may, with the approval of BaFin, be transferred to another existing UCITS or one that is newly established through a merger. This UCITS must be issued in Germany or in another EU or EEA state. In addition, all the assets may be transferred to an existing German investment stock corporation with variable capital, or one that is newly established through a merger. The transfer is effective to the Fund's financial year-end, unless another transfer date is scheduled.

Investor rights on the merger of funds

At least 30 days before the redemption or conversion deadline for their shares, the Company shall provide investors in the Fund with information by durable medium, such as in hard copy or electronic format on the reasons for the merger, the potential effects on investors, their rights in connection with the merger and the main procedural aspects. The investors will also receive the basic information sheet for the Fund that either already exists or is newly established through the merger.

Up to five business days before the planned transfer date, investors will have the opportunity of either redeeming their units without being subject to a redemption fee or of exchanging their units for units in another fund or foreign investment fund that is also managed either by the Company or by a company in the same group and pursues a similar investment policy as this Fund.

At the transfer date, the value of the receiving and transferring fund or investment fund shall be calculated, the exchange ratio shall be fixed and the complete transaction shall be examined by the auditor. The exchange ratio shall be calculated on the basis of the net asset value of the transferring and of the receiving funds at the time of the transfer. Investors shall receive units in the new fund according to the value of the units they held in the transferred fund.

The Company will announce, in the Federal Gazette and furthermore on its website https://de.allianzgi.com, when this Fund has taken over another fund and the merger has become effective. If this Fund ceases to exist as a result of a merger, the company managing the absorbing fund or the newly established fund will be responsible for the announcement.

All assets of this fund may only be transferred to another fund or to another foreign investment fund with the approval of BaFin.

Overview of key tax regulations for investors

The following overview of tax regulations applies only to investors who are fully liable to tax in Germany. These are also referred to below as German residents. For foreign investors, we recommend consulting their tax advisors and informing themselves about any tax liabilities they may incur in their country of residence due to their investment in the Fund before purchasing units in this Fund. Foreign investors are investors who are not fully liable to German tax. They are referred to below as non-residents.

As a special-purpose fund, the Fund is generally exempt from corporation tax and trade tax. However, it is partially subject to corporation tax through its German income from investments and other German income within the context of limited income tax liability, with the exception of gains from the sale of units to corporate entities. The tax rate is 15%. If the taxable income is taxed by deducting capital gains tax, the tax rate of 15% already includes the solidarity surcharge.

However, investment income is regarded as capital income for income tax purposes at the level of private investors to the extent that this income, together with other capital gains, exceeds the tax-free amount for savers of currently EUR 801 (for single people or couples who file their tax returns individually) or EUR 1,602 (for couples who file their tax returns jointly). The draft 2022 Annual Tax Act plans for an increase to EUR 1,000 or EUR 2,000 from 2023 onwards.

In principle, capital income is subject to a withholding tax of 25% (plus a solidarity surcharge and church tax, if applicable). Capital income also includes any income from investment funds (investment income), i.e. distributions from the Fund, advance lump sums and gains from the sale of units.

In principle, the withheld tax is equivalent to the final tax debt (final withholding tax) for private investors, so capital income will no longer have to be included in the income tax return. In principle, when the tax is withheld by the custodian institution, offsetting losses and foreign withholding tax originating from direct investments are already taken into account.

However, the withheld tax will not be final if the personal tax rate of the investor is below the final withholding tax rate of 25%. In that case, investors can include their capital income in their income tax return. The financial authorities will then use the lower personal tax rate to calculate the tax debt and offset the withheld amount against the personal tax debt (assessment on the basis of the most favourable provision for the taxpayer).

If no tax has been withheld on capital income (for example because the income stems from the sale of Fund units held in a securities account abroad), the capital income shall be included in the tax return. The capital income shall then be taxable either at the final withholding rate of 25% or at the lower personal tax rate.

Where the units are held as part of a unit-holder’s business assets, the income is treated as business income for tax purposes.

Units held as personal assets (German residents)

Distributions

The Fund's distributions are generally subject to tax.

Since the Fund does not meet the tax criteria for either an equity fund or a balanced fund, no partial exemption is taken into account when withholding taxes.

The taxable distributions are generally subject to withholding tax of 25% (plus solidarity surcharge and, if applicable, church tax).

No tax is withheld if the investor is a German resident for tax purposes and an appropriate exemption application (Freistellungsauftrag) has been submitted, provided that the taxable portion of such income does not exceed EUR 801 in the case of individually filed tax returns, or EUR 1,602 in the case of jointly filed tax returns for married couples. The draft 2022 Annual Tax Act plans for an increase to EUR 1,000 or EUR 2,000 from 2023 onwards.

The same also applies if a non-assessment certificate is submitted for persons who are not expected to be subject to income tax.

If the German investor's units are held in a German securities account, the custodian institution maintaining the account will not withhold tax in its capacity as the paying agent if it is presented with an exemption application (completed using official forms) for a sufficient amount before the specified distribution date, or with a non-assessment certificate that has been issued by the tax authorities for a maximum period of three years. In this case, the investor will be credited the total amount of the distribution, with no tax being withheld.

Advance lump sums

The advance lump sum is the amount by which the distributions made by the Fund within a calendar year fall below the base income for that calendar year. The base income is calculated by multiplying the unit redemption price at the start of a calendar year by 70% of the base interest rate as derived from the return on public-sector bonds that can be obtained over the long term. The base income is limited to the excess amount. This is calculated as the redemption price between the first and last price established in the calendar year, plus distributions within the calendar year. In the year in which the units are acquired, the advance lump sum is reduced by one twelfth for each full month preceding the month of acquisition. The advance lump sum is considered to have been received on the first working day of the following calendar year.

Advance lump sums are generally subject to tax.

Since the Fund does not meet the tax criteria for either an equity fund or a balanced fund, no partial exemption is taken into account when withholding taxes.

Taxable advance lump sums are generally subject to withholding tax of 25% (plus a solidarity surcharge and, if applicable, church tax).

No tax is withheld if the investor is a German resident for tax purposes and an appropriate exemption application (Freistellungsauftrag) has been submitted, provided that the taxable portion of such income does not exceed EUR 801 in the case of individually filed tax returns, or EUR 1,602 in the case of jointly filed tax returns for married couples. The draft 2022 Annual Tax Act plans for an increase to EUR 1,000 or EUR 2,000 from 2023 onwards.

The same also applies if a non-assessment certificate is submitted for persons who are not expected to be subject to income tax.

If the German investor's units are held in a German securities account, the custodian institution maintaining the account will not withhold tax in its capacity as the paying agent if it is presented with an exemption application (completed using official forms) for a sufficient amount before the specified date of receipt, or with a non-assessment certificate that has been issued by the tax authorities for a maximum period of three years. Tax is not payable in this case. Otherwise, the investor must make the amount of tax payable available to the German custodian institution. In order to do so, the custodian institution may collect the amount of tax payable from an account that it maintains in the name of the investor without the investor's consent being required. Unless the investor raises an objection before receipt of the advance lump sum, the custodian institution may collect the amount of tax payable from an account held in the name of the investor, as an overdraft facility agreed with the investor was not used for this account. If an investor fails to comply with their obligation to make the amount of tax payable available to the German custodian institution, the custodian institution must notify the competent tax office in this respect. In these circumstances, investors must declare the advance lump sum in their income tax return.

Capital gains at investor level

If Fund units are sold, any capital gains will be subject to the withholding tax of 25%.

Since the Fund does not meet the tax criteria for either an equity fund or a balanced fund, no partial exemption is taken into account when withholding taxes.

If the units are held in a German securities account, the custodian institution maintaining the account will withhold the withholding tax, taking any partial exemptions into account. The withholding tax of 25% (plus solidarity surcharge and, if applicable, church tax) can be avoided by presenting an adequate exemption application or non-assessment note. If a private investor sells such units at a loss, the loss can be used to offset other positive capital income. If the units are held by a German custodian institution and positive capital income was generated at the same custodian institution in the same calendar year, the custodian institution shall offset the loss.

When calculating the amount of the capital gain, the advance lump sums applied during the investment period shall be deducted from the gain.

Units held as part of business assets (German residents)

Tax-exempt share class

A share class is tax-exempt insofar as the units in a share class may only be acquired or held by a tax-privileged investor if that investor is a domestic corporate entity, an association of persons or an estate that, in accordance with its articles of incorporation and by-laws, foundation deed of trust or other constitution instrument, solely and directly serves non-profit, charitable or religious purposes, and is actually administered accordingly, or if it is a legal entity under public law that solely and directly serves religious interests; this shall not apply if the units are held in a for-profit business operation. The same applies to comparable foreign investors with their registered office and management in a foreign state that provides official assistance and recovery services.

A share class is also tax-exempt insofar as the shares therein are held only or in addition to the above-mentioned tax-privileged investors, held in connection with pension provision agreements or basic pension agreements in accordance with the German Pension Contracts Certification Act (Altersvorsorgeverträge-Zertifizierungsgesetz).

The preconditions for the tax exemption of a share class are that investors provide the Fund with appropriate proof of their tax exemption, that the investment conditions only permit shares in such a class to be returned to the investment fund, and that the transfer of shares in such a class is excluded.

Furthermore, as regards the exemption from corporate income tax payable at fund level on German dividends and on income from German equity-related profit-sharing rights, the exemption essentially requires that German equities and German equity-related profit-sharing rights were held by the Fund as the beneficial owner for an uninterrupted period of 45 days within a period of 45 days before and after the capital gain has become due and payable and that the minimum risk of changes in value remains at a constant 70% throughout that entire 45-day period.

Tax exemption amounts (Section 12 (1) InvStG) that the Company receives in connection with management of the Fund and that are attributable to income from the aforementioned share classes are generally payable to the investors in these share classes. In derogation of this procedure, the Management Company is entitled to allocate the exemption amounts directly to the Fund, in favour of the investors in this share class; no new shares are issued as a result of this allocation.

Reimbursement of the Fund's corporation tax

The corporate income tax incurred at Fund level may be reimbursed to the Fund for forwarding to an investor if the investor is a domestic corporate entity, an association of persons or an estate that, in accordance with its articles of incorporation and by-laws, foundation deed of trust or other constitution instrument, solely and directly serves non-profit, charitable or religious purposes, and is actually administered accordingly, or if it is a legal entity under public law that solely and directly serves religious interests; no such refunding shall take place, however, if the units are held in a for-profit business operation. The same applies to comparable foreign investors with their registered office and management in a foreign state that provides official assistance and recovery services. The prerequisite for this is that such an investor submits a corresponding application and corporate income tax incurred is proportionally attributable to the investor's holding period. Additionally, the investor must be the legal and beneficial owner of the units for at least three months before receiving the proceeds of the Fund subject to corporate income tax without any obligation to transfer the units to any other person. Furthermore, with regard to the corporate income tax payable at the Fund level on German dividends and on income from German equity-related profit-sharing rights, the refund essentially requires that German equities and German equity-related profit-sharing rights were held by the Fund as the beneficial owner for an uninterrupted period of 45 days within a period of 45 days before and after the capital gain has become due and payable and that the minimum risk of changes in value remains at a constant 70% throughout that entire 45-day period (so-called "45-day rule").

The refund application must be accompanied by proof of tax-exempt status and a statement on the investment units held issued by the institution maintaining the custody account. The statement of investment fund unit holdings is an official certificate drawn up on the number of shares held by the investor throughout the calendar year as well as the timing and extent of any purchases and sales of units during the calendar year.

The corporate income tax incurred at the Fund level may also be refunded to the Fund for forwarding to an investor provided the units in the Fund are held within the framework of individual retirement arrangements or basic pensions that have been certified in accordance with the German Pension Contracts Certification Act (Altersvorsorgeverträge-Zertifizierungsgesetz). This requires the provider of an individual retirement arrangement or basic pension contract to notify the Fund at least one month before the end of the Fund's financial year about the dates and amounts of units that were acquired or sold. In addition, the above-mentioned 45-day rule must be taken into account.

There is no obligation on the part of the Fund or the Company to have the corresponding corporation tax refunded for forwarding to the investor. In particular, the Fund or the Company is free to make the application for such a refund subject to a minimum investor-related amount of the expected refund amount and/or to the agreement of a processing fee.

Due to the high degree of complexity of the regulation, it is advisable to consult a tax adviser.

Distributions

The Fund's distributions are generally subject to income tax and/or corporation and trade tax. The distributions are generally subject to withholding tax of 25% (plus solidarity surcharge).

Since the Fund does not meet the tax criteria for either an equity fund or a balanced fund, no partial exemption is taken into account when withholding taxes.

Advance lump sums

The advance lump sum is the amount by which the distributions made by the Fund within a calendar year fall below the base income for that calendar year. The base income is calculated by multiplying the unit redemption price at the start of a calendar year by 70% of the base interest rate as derived from the return on public-sector bonds that can be obtained over the long term. The base income is limited to the excess amount. This is calculated as the redemption price between the first and last price established in the calendar year, plus distributions within the calendar year. In the year in which the units are acquired, the advance lump sum is reduced by one twelfth for each full month preceding the month of acquisition. The advance lump sum is considered to have been received on the first working day of the following calendar year.

Advance lump sums are generally subject to income tax and/or corporation and trade tax. The advance lump sums are generally subject to withholding tax of 25% (plus solidarity surcharge).

Since the Fund does not meet the tax criteria for either an equity fund or a balanced fund, no partial exemption is taken into account when withholding taxes.

Capital gains at investor level

Gains from the sale of units are generally subject to income tax and/or corporation and trade tax. When calculating the amount of the capital gain, the advance lump sums applied during the investment period shall be deducted from the gain.

Gains from the sale of units are generally not subject to withholding tax.

Negative tax income

Negative tax income from the Fund cannot be directly allocated to the investor.

Taxation during the winding-up process

During the liquidation of the Fund, distributions in a calendar year are regarded as tax-free capital repayments only to the extent that the last redemption price fixed in the calendar year is lower than the amortised cost.

Summary for taxation of typical business investor groups

<table>
<tr><th></th><th>Distributions</th><th>Advance lump sums</th><th>Capital gains</th></tr>
<tr><td>German investors</td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">Individual entrepreneurs</td><td colspan="2">Capital gains tax:
25% (the partial exemption for equity funds in the amount of 30% or for balanced funds in the amount of 15% will be considered if necessary)</td><td>Capital gains tax: Exemption</td></tr>
<tr><td colspan="3">Material taxation:
Income tax and trade tax, if applicable taking partial exemptions into account (equity funds 60% for income tax/30% for trade tax; balanced funds 30% for income tax/15% for trade tax)</td></tr>
<tr><td>Corporations subject to standard taxation (typically industrial companies; banks, unless units are held in the</td><td colspan="2">Capital gains tax:
Withdrawal from banks, otherwise 25% (partial exemption for equity funds in the amount of 30% or for balanced funds in the amount of 15% will be considered if necessary)</td><td>Capital gains tax:
Exemption</td></tr>
</table>

	Distributions	Advance lump sums	Capital gains
German investors			
trading portfolio; property insurance companies)	Material taxation: Corporation tax and trade tax, if applicable taking partial exemptions into account (equity funds 80% for corporation tax/40% for trade tax; balanced funds 40% for corporation tax/20% for trade tax)		
Life and health insurance companies and pension funds in which the Fund units belong to the investment scheme	Capital gains tax: Exemption		
	Material taxation: Corporation tax and trade tax, unless a reserve for premium refunds is included on the commercial balance sheet and must also be recognised for tax purposes, if applicable taking partial exemptions into account (equity funds 30% for corporation tax/15% for trade tax; balanced funds 15% for corporation tax/7.5% for trade tax)		
Banks holding the Fund units in the trading portfolio	Capital gains tax: Exemption		
	Material taxation: Corporation tax and trade tax, if applicable taking partial exemptions into account (equity funds 30% for corporation tax/15% for trade tax; balanced funds 15% for corporation tax/7.5% for trade tax)		
Tax-exempt non-profit, charitable or church investors (in particular, churches, not-for-profit foundations)	Capital gains tax: Exemption		
	Material taxation: Tax-free – additionally, the corporation tax incurred at Fund level may be refunded upon request, subject to particular conditions		
Other tax-exempt investors (in particular pension funds, funeral expense funds and relief funds, provided the requirements stipulated in the German Corporation Tax Act (Körperschaftsteuergesetz) have been met)	Capital gains tax: Exemption		
	Material taxation: Tax-free		

German safe custody is assumed. A solidarity surcharge is levied as a supplementary tax on the capital gains tax, income tax and corporation tax. For the exemption from capital gains tax, it may be required that certificates be submitted to the custodian institution in good time.

Non-residents

If a non-resident taxpayer holds Fund units at a German custodian institution, no tax is deducted from distributions, advance lump sums or gains from the sale of units, provided investors can present evidence of their non-residency. If the investor's non-resident status is not brought to the attention of the custodian institution maintaining the securities account, or if proof of such status is not supplied in time, the foreign investor will have to apply for a refund of the withholding tax pursuant to the German Fiscal Code (Abgabenordnung, AO) (Section 37 (2) AO). Such proof must be sent to the tax office responsible for the custodian institution maintaining the securities account.

Solidarity surcharge

A solidarity surcharge of 5.5% is tax deducted from the distributions, advance lump sums and gains from the sale of units. The solidarity surcharge can be offset against the income tax and corporate tax liability.

Church tax

If the income tax debt is paid by the withholding tax deducted by the German custodian institution that maintains the securities amount, the applicable church tax is normally levied in addition to the withholding tax and pursuant to the church tax rate for the religious community to which the church taxpayer belongs. Church tax is taken into account as a special expense at the time of deduction of the withholding tax.

Foreign withholding tax

Withholding tax may be deducted from the income of a Fund generated abroad. Investors must not take this withholding tax into account to reduce their tax liability.

Consequences of the merger of funds

If a German fund is merged with another German fund, hidden reserves are revealed neither at the level of the investors nor at the level of the participating funds; i.e., the merger is tax-neutral. The same applies to the transfer of all the assets of a German fund to a German investment stock corporation with variable capital or a sub-fund of a German investment stock corporation with variable capital. If investors of the fund being transferred receive a cash payment as provided for in the merger plan (Section 190 (2) no. 2 KAGB), this should be treated as a distribution.

If the applicable partial exemption rate of the transferring investment fund differs from that of the acquiring investment fund, the investment unit of the transferring investment fund shall be deemed to have been sold and the investment unit of the acquiring investment fund shall be deemed to have been acquired. The profit from the notional sale shall only be deemed as accrued once the investment unit of the acquiring investment fund has actually been sold.

Automatic exchange of information in tax matters

The significance of automatic exchange of information in combatting cross-border tax fraud and cross-border tax evasion has increased considerably on an international level in recent years. As a result, among other measures, the OECD published a global standard for the automatic exchange of information on financial accounts in tax matters (Common Reporting Standard, "CRS" below). The CRS was also incorporated into Directive 2011/16/EU on administrative cooperation in the field of taxation (automatic exchange of information) at the end of 2014, through Directive 2014/107/EU of the Council dated 9 December 2014. The participating states (all EU member states and quite a few other third states) now apply the CRS. Only a few states (e.g. Austria and Switzerland) will be permitted to apply the CRS one year later. Germany has transposed the CRS into German law through the Financial Accounts – Exchange of Information Act (Finanzkonten-Informationsaustauschgesetz) of 21 December 2015.

The CRS requires the relevant financial institutions (mainly credit institutions) to obtain certain information about their clients. If the clients (natural persons or legal entities) are persons subject to reporting requirements who are domiciled in other participating states (this does not include listed companies or financial institutions, for example), their accounts and securities accounts are classified as being subject to mandatory reporting. The reporting financial institutions will then transfer certain specified information to their home tax authority for each account that is subject to reporting requirements. The tax authority then transfers the information to the client's home tax authority.

The main items in the transferred information are the personal data of the client who is subject to mandatory reporting (name; address; tax identification number; date and place of birth (for natural persons); country of domicile) and information about accounts and securities accounts (e.g. account number; account balance or account value; total gross amount of income such as interest, dividends or distributions from investment funds); total gross income from the sale or redemption of financial assets (including fund units)).

This therefore specifically affects investors who are subject to mandatory reporting and who hold an account and/or securities account at a credit institution domiciled in a participating state. As a result, German credit institutions will report information about investors domiciled in other participating states to the Federal Central Tax Office (Bundeszentralamt für Steuern), which will forward the information to the respective tax authorities in investors' countries of domicile. In the same way, credit institutions in other participating states will report information about investors domiciled in Germany to their respective home tax authority, which will forward the information to the Federal Central Tax Office. Lastly, it is possible that credit institutions domiciled in other participating states will report information to their respective home tax authority about investors who are in turn domiciled in other participating states. The home tax authority would then forward information to the respective tax authorities in the investors' country of domicile.

General note

The tax information presented here is based on current legislation. It is intended for persons with unlimited income tax or unlimited corporation tax liability in Germany. However, no assurance can be given that the tax implications will not change as a result of new legislation, court decisions or ordinances adopted by the tax authorities.

Auditor

PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany has been entrusted with auditing the Fund and examining the annual report as well as the liquidation report, should the case arise. The Auditor audits the annual report of the Fund. In doing so, the Auditor must also ascertain whether the Fund has been managed in compliance with the provisions of the KAGB and of the Investment Terms and Conditions. The Auditor shall summarise its findings in a separate opinion which must be reproduced in full in the annual report. The Auditor shall submit the findings of its audit of the Fund to BaFin on request.

Outsourcing of activities

The Company has outsourced the following material tasks to other companies [7]:

Trading in US equities	Allianz Capital Partners of America LLC [8], US
Trading in Asian equities	Allianz Global Investors Asia Pacific Limited [9] (Hong Kong), Hong Kong
Securities lending (only for investment funds not mentioned in this prospectus)	Deutsche Bank AG
	Frankfurt am Main, Germany
	State Street Bank and Trust Company [10] London, United Kingdom
	BNP Paribas Securities Services [10] London, United Kingdom
Management of loan receivables	The Bank of New York Mellon [10] London, United Kingdom
Management of collateral for securities lending transactions (collateral management)	State Street Bank International GmbH, Frankfurt am Main, Germany
	The Bank of New York Mellon, London branch, London, United Kingdom
	The Bank of New York Mellon SA/NV, Frankfurt am Main branch, Frankfurt am Main, Germany
	Euroclear Bank SA/NV, Brussels, Belgium
Management of collateral for derivatives transactions (collateral management)	The Bank of New York Mellon SA/NV, Frankfurt am Main, Germany
	State Street Bank and Trust Company, Boston, USA
Fund accounting and fund administration	State Street Bank International GmbH [11] Munich, Germany
	State Street Bank International GmbH, Luxembourg branch [12] Luxembourg, Luxembourg
	Société Générale S.A. [13] Paris, France
	State Street Bank International GmbH, Paris branch [14] Paris, France
	State Street Bank International GmbH Succursale Italia [15] Milan, Italy
	State Street Bank and Trust Company [16] London, United Kingdom
Middle office	State Street Bank and Trust Company, Boston, USA
Internal auditing	Allianz Asset Management GmbH [13] Munich, Germany
Anti-money laundering services	Fondsdepotbank GmbH Hof, Germany
Portfolio analysis (incl. fee calculation)	IDS GmbH [13]
	Munich, Germany

7 If, during the period when this prospectus is valid, the Company should make any changes to the outsourcing of material tasks, the Company shall provide information in this respect in the Fund's annual or semi-annual report.
8 The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company had not had close ties with the Management Company under company law or in relation to personnel.
9 The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company had not had close ties with the Management Company under company law or in relation to personnel.
10 Only for investment funds other than those mentioned in this prospectus.
11 Only for investment funds issued under German law.
12 Only for investment funds issued under Luxembourg law.
13 The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company had not had close ties with the Management Company under company law or in relation to personnel.
14 Only for investment funds issued under French law.
15 Only for investment funds issued under Italian law.
16 Only for investment funds issued under British law.

Information technology (IT)	Allianz Technology SE Munich, Germany Allianz Technology SpA [15] Milan, Italy BNOVA S.R.L. Massa, Italy
Portfolio management (only for investment funds other than those mentioned in this prospectus)/investment advisory services	Allianz Banque Société Anonyme [13] Puteaux, France
	Allianz Global Investors Asia Pacific Limited [13] (Hong Kong), Hong Kong Allianz Global Investors Japan Co., Ltd. [13] Tokyo, Japan Allianz Global Investors Singapore Limited [13] Singapore, Singapore Allianz Global Investors UK Limited, London, UK PIMCO Deutschland GmbH [13] Munich, Germany Voya Investment Management Co. LLC New York, USA
Value at risk calculation	RiskMetrics Solutions, LLC New York, USA
Parts of the electronic financial accounting of Allianz Global Investors GmbH	Infosys Limited, Bangalore, India
IT services	Cognizant Technology Solutions GmbH, Frankfurt am Main, Germany Allianz Technology SE [13] Munich, Germany BNOVA S.R.L. Massa, Italy
Anti-money laundering services for the Milan branch	Allianz Bank Financial Advisors SpA [13] Milan, Italy
Management services within the context of anti-money laundering for certain AIFs	YouLend ApS, Copenhagen, Denmark

Service providers

Companies that perform functions outsourced by the Company are shown in the section "Outsourcing of activities". In addition, the Company has not engaged any consulting firms, investment advisors or other service providers in relation to management of the Fund.

Annual, semi-annual and liquidation reports

The annual and semi-annual reports as well as the liquidation report can be obtained from the Company and from the depositary. They can be requested free-of-charge at any time. Moreover, these documents shall be published at https://de.allianzgi.com.

Payments to investors/distribution of reports and other information

The appointment of the depositary ensures that the investors receive distributions, that units are redeemed and redemption prices are paid. The basic information sheet mentioned in this prospectus may be obtained as described in the "Sales literature" section. These documents are also available from the depositary. Further information can be obtained from the Company itself.

[15] Only for investment funds issued under Italian law.

[13] The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company had not had close ties with the Management Company under company law or in relation to personnel.

Funds managed by Allianz Global Investors GmbH

1. Funds as defined in the UCITS Directive

Name of the fund	Name of the fund
Allianz Adifonds	Allianz Strategie 2031 Plus
Allianz Adiverba	Allianz Strategiefonds Balance
Allianz Biotechnologie	Allianz Strategiefonds Stabilität
Allianz Euro Rentenfonds	Allianz Strategiefonds Wachstum
Allianz Europazins	Allianz Strategiefonds Wachstum Plus
Allianz Flexi Rentenfonds	Allianz Thesaurus
Allianz Fonds Japan	Allianz US Large Cap Growth
Allianz Fonds Schweiz	Allianz Vermögensbildung Deutschland
Allianz Fondsvorsorge 1947–1951	Allianz Vermögensbildung Europa
Allianz Fondsvorsorge 1952–1956	Allianz Wachstum Euroland
Allianz Fondsvorsorge 1957–1966	Allianz Wachstum Europa
Allianz Fondsvorsorge 1967–1976	Concentra
Allianz Fondsvorsorge 1977–1996	CONVEST 21 VL
Allianz Global Equity Dividend	Fondak
Allianz Informationstechnologie Allianz	Fondis
Interglobal	Fondra
Allianz Internationaler Rentenfonds	Industria
Allianz Mobil-Fonds	Kapital Plus
Allianz Multi Manager Global Balanced	NÜRNBERGER Euroland A
Allianz Nebenwerte Deutschland Allianz	Plusfonds
Rentenfonds	PremiumMandat Konservativ
Allianz Rohstofffonds	PremiumStars Chance
Allianz SGB Renten	PremiumStars Wachstum

2. Alternative retail fund

a) Mixed fund

Name of the fund
VermögensManagement Stabilität

b) Other funds

Name of the fund
VermögensManagement Stars of Multi Asset

Allianz Global Investors GmbH also manages “Undertakings for Collective Investment in Transferable Securities” (UCITS) under French law, UCITS under Italian law, UCITS under Luxembourg law, UCITS under the laws of the UK as well as special AIF under German law and AIF under French and Luxembourg law.

The purchaser's right of revocation pursuant to Section 305 KAGB (door-to-door sales)

Notice pursuant to Section 305 KAGB

1. If the purchaser of units or shares in an open investment fund has been induced by oral negotiations outside the permanent business premises of the party selling the units or shares or brokering their sale to submit a declaration of intent directed at the sale, the purchaser is bound to this declaration unless he revokes it in a written statement directed to the management company or a representative within the meaning of Section 319 of the German Capital Investment Code (KAGB) within a period of two weeks; this also applies if the party selling the units or shares or brokering their sale has no permanent business premises. In the case of distance sales transactions, Section 312g (2) no. 8 of the German Civil Code (Bürgerliches Gesetzbuch, BGB) shall apply accordingly.

2. The deadline is deemed to have been met if the declaration of revocation is mailed within the time allowed. The revocation period does not commence until the buyer has been provided with a copy of the application form or has been sent a contract note and the copy or the contract note contains instructions on the buyer's right of revocation in a form that complies with Section 246 (3) sentences 2 and 3 of the Introductory Act to the German Civil Code. If there is a dispute over the start of the period referred to in sentence 2, the burden of proof is on the seller.

3. The purchaser has no right of revocation if the seller proves that

   a) the purchaser is not a consumer as defined in Section 13 BGB, or

   b) they visited the purchaser for the negotiations which resulted in the sale of the units or shares based on a prior appointment (Section 55 (1) of the German Trade Code (Gewerbeordnung)).

4. If the sale has been revoked and the purchaser has already made payments, the investment management company, the EU management company or the foreign AIF management company is required to repay to the purchaser (simultaneously with the retransfer of the purchased units or shares, if applicable) the expenses paid plus an amount equivalent to the value of the paid units or shares on the day after receipt of the letter of revocation.

5. The right to revocation must not be waived.

6. The provision applies accordingly to the sale of units or shares by the investor.

7. The right of revocation in relation to units and shares of a closed investment fund is based on the German Civil Code (BGB).

8. Investors who, prior to the publication of a supplement to the prospectus, submitted a declaration of intent directed at the purchase of a unit or share of a closed public AIF can revoke it within a period of two working days after the publication of the supplement provided performance has not yet occurred. Such revocation does not require a reason to be given and must be declared in writing to the management company or person referred to in the supplement as the recipient of the revocation; timely mailing is sufficient for adhering to the deadline. Section 357a of the German Civil Code applies accordingly to the legal consequences of the revocation.

Information for investors in the Republic of Austria

The public sale of units of this Fund in the Republic of Austria has been registered with the Austrian Financial Market Authority (Finanzmarktaufsicht) pursuant to Section 140 InvFG.

Prior to acquiring units of the Fund, investors are recommended to ascertain whether the income data on the respective unit class that is required for tax purposes is published by the Oesterreichische Kontrollbank AG.

Investment Terms and Conditions

General Investment Terms and Conditions

to regulate the legal relationship between the investors and Allianz Global Investors GmbH, Frankfurt am Main (the "Company") with regard to the investment funds as defined in the UCITS Directive managed by the Company. These "General Investment Terms and Conditions" are only applicable in conjunction with the "Special Investment Terms and Conditions" set out for the respective UCITS Fund.

§1 General information

1. The Company is a UCITS investment management company subject to the provisions of the German Investment Code (Kapitalanlagegesetzbuch – KAGB).

2. The Company invests the money deposited with it in its own name for the joint account of the investors pursuant to the principle of risk diversification in assets permitted under the KAGB separately from its own assets, in the form of a UCITS Fund. The resulting rights of investors are vested in collective certificates. The business purpose of the UCITS Fund is limited to investment in accordance with a defined investment strategy within the framework of collective asset management via the funds deposited with it; operating activities and active entrepreneurial management of the assets held are excluded.

3. The legal relationship between the Company and the investors is governed by the General Investment Terms and Conditions (GITC) and Special Investment Terms and Conditions (SITC) of the UCITS Fund and the KAGB (the GITC and SITC are referred to together as the "Investment Terms and Conditions").

§2 Depositary

1. The Company will appoint a credit institution as depositary for the UCITS Fund; the depositary shall act independently of the Company and exclusively in the interests of the investors.

2. The responsibilities and duties of the depositary shall be based on the Depositary Agreement concluded with the Company, and on the KAGB and the Investment Terms and Conditions.

3. The custodian may outsource custodial responsibilities to another company (sub-custodian) pursuant to Section 73 KAGB. The prospectus contains further details.

4. The depositary shall be liable to the UCITS Fund or the investors in the event that it loses a financial instrument as defined in Section 72 (1) no. 1 KAGB or that a financial instrument is lost by the depositary or sub-depositary entrusted with the safe-keeping of financial instruments pursuant to Section 73 (1) KAGB. The depositary shall not be liable if it can prove that the loss was due to influences beyond its control and the consequences of which proved unavoidable, in spite of all reasonable countermeasures being taken. The aforementioned shall be without prejudice to any further claims derived from German Civil Code provisions on the grounds of contractual agreements or impermissible actions. The depositary shall also be liable to the UCITS Fund or the investors for all other losses suffered as a result of the depositary negligently or intentionally failing to fulfil its obligations pursuant to the provisions of the KAGB. The liability of the Depositary shall not be affected in the event that the custodial duties are transferred elsewhere pursuant to Sub-section 3 sentence 1.

§3 Fund Management

1. The Company purchases and manages assets in its own name for the joint account of the investors with due and proper skill, probity, care and diligence. In performing its functions, the Company shall act independently of the depositary and exclusively in the interests of investors.

2. The Company shall be entitled to use the funds invested by the investors to acquire assets, dispose of such assets, and reinvest the proceeds; the Company shall also be authorised to perform any other legal actions resulting from the management of the assets.

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

§4 Investment principles

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

§5 Securities

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

(a) they are admitted to official trading on a stock exchange in a member state of the European Union or in another signatory state to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states,

(b) they are exclusively admitted to trading on a stock exchange outside the member states of the European Union or outside the other signatory states to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states, provided that the selection of this stock exchange or organised market has been permitted by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) [1],

(c) their admission to official trading on a stock exchange in a member state of the European Union or in another signatory state to the Agreement on the European Economic Area or their admission to or inclusion in an organised market of a member state of the European Union or of another signatory state to the Agreement on the European Economic Area must be applied for under their terms of issuance, provided that the admission or inclusion takes place within one year after their issuance,

(d) their admission to official trading on a stock exchange or their admission to or inclusion in the organised market of a state outside the European Union or outside the signatory states to the Agreement on the European Economic Area has to be applied for under their terms of issuance, provided that the selection of this stock exchange or organised market has been permitted by BaFin and the admission or inclusion takes place within one year after their issuance,

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1 The "List of permitted exchanges and other organised markets in accordance with Section 193 (1) nos. 2 and 4 KAGB" is published on the BaFin website (https://www.bafin.de).

(e) they are equities to which the UCITS Fund is entitled within the framework of a capital increase from company reserves,

(f) they are acquired through the exercise of subscription rights belonging to the UCITS Fund,

(g) they are units of closed-end funds that meet the requirements set out in Section 193 (1) sentence 1 no. 7 KAGB,

(h) they are financial instruments that meet the requirements set out in Section 193 (1) sentence 1 no. 8 KAGB.

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

§6 Money market instruments

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

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

   a) are admitted to official trading on a stock exchange in a member state of the European Union, or in another signatory state to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states,

   b) are exclusively admitted to trading on a stock exchange outside the member states of the European Union or outside the other signatory states to the Agreement on the European Economic Area, or admitted to or included in another organised market in one of these states, provided that the selection of this stock exchange or organised market has been permitted by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) [2],

   c) are issued or guaranteed by the European Union, the German Federal Government, a Federal Government Fund, a Federal State or Land of the Federal Republic of Germany, another member state or another central, regional or local authority or the central bank of a member state of the European Union, the European Central Bank or the European Investment Bank, a third state or, if such state is a federal state, a member state of this federal state or an international public-law institution of which at least one member state of the European Union is a member,

   d) are issued by a company whose securities are traded on the markets described in paragraphs a) and b),

   e) are issued or guaranteed by a credit institution that is supervised pursuant to criteria set by European Union law or by a credit institution that is subject to supervisory provisions that, in the opinion of the BaFin, are equivalent to those of European Union law and complies with these provisions, or

   f) are issued by other issuers and these meet the requirements set out in Section 194 (1) sentence 1 no. 6 KAGB.

[2] See footnote 1

2. Money-market instruments within the meaning of Sub-section 1 may only be acquired if they meet the requirements of Section 194 (2) and (3) KAGB.

§7 Bank deposits

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

§8 Investment fund units

1. Unless otherwise provided for in the SITC, the Company may acquire units in investment funds pursuant to Directive 2009/65/EC (UCITS) for account of the UCITS Fund. Units in other German funds and investment stock corporations with variable capital as well as units in open-ended EU AIFs and foreign open-ended AIFs may be acquired if they meet the requirements set out in Section 196 (1) sentence 2 KAGB.

2. The Company may only acquire units in German funds, investment stock corporations with variable capital, EU UCITSs, open-ended EU AIFs and foreign open-ended AIFs if, under the Investment Terms and Conditions or the articles/ memorandum of association of the investment management company, investment stock corporation with variable capital, EU investment fund, EU management company, foreign AIFs or a foreign AIF management company, no more than 10% of the value of its assets may be invested in units of other German funds, investment stock corporations with variable capital, open-ended EU investment funds or foreign open-ended AIFs.

§9 Derivatives

1. Unless otherwise provided for in the SITC, the Company may, within the framework of the UCITS Fund management, use derivatives within the meaning of Section 197 (1) sentence 1 KAGB and financial instruments with a derivative element within the meaning of Section 197 (1) sentence 2 KAGB. Depending on the type and volume of the derivatives and financial instruments with derivative elements it has used, it may use the simple or the qualified method according to the German Ordinance on Risk Management and Risk Assessment when Using Derivatives, Securities Lending and Repurchase Agreements in Investment Funds under the Investment Code (KAGB) (Derivateverordnung, DerivateV) issued pursuant to Section 197 (3) KAGB to calculate the degree to which the market risk limit for the use of derivatives under Section 197 (2) KAGB has been exploited; details can be found in the Prospectus.

2. If the Company applies the simplified method, it may in general use for the UCITS Fund only the following basic types of derivatives, financial instruments with a derivative component or combinations of these derivatives, financial instruments with a derivative component and underlying assets that are admissible pursuant to Section 197 (1) sentence 1 KAGB. Complex derivatives based on underlying assets that are permissible under Section 197 (1) sentence 1 KAGB may only be used to a negligible extent. In this connection, the allocable value relating to the market risk for the UCITS Fund, calculated in accordance with Section 16 of the Derivative Ordinance must at no time exceed the Fund's net asset value.

   Basic forms of derivatives are:

   a) futures on the underlying assets set out in Section 197 (1) KAGB, apart from investment fund units pursuant to Section 196 KAGB;

b) options or warrants on the underlying assets set out in Section 197 (1) KAGB, apart from investment fund units pursuant to Section 196 KAGB and futures pursuant to a) above, provided that they have the following characteristics:

   i) they can be exercised either during their whole lifetime or at the end of the lifetime and

   ii) the value of the option at the time of exercise is linearly dependent on the positive or negative difference between the strike price and the market price of the underlying asset and will be zero if the difference is negative;

c) interest rate swaps, currency swaps or cross-currency interest rate swaps;

d) options in respect of swaps described in c), provided they have the features described in b) under i) and ii) (swaptions);

e) credit default swaps referring to a single underlying asset (single name credit default swaps).

3. If the Company uses the qualified method, it may – subject to an appropriate risk management system – invest in any financial instruments with a derivative element or any derivatives that are based on an underlying asset permissible under Section 197 (1) sentence 1 KAGB.

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

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

5. The Company will use derivatives and financial instruments with a derivative element for hedging purposes, for efficient portfolio management and for generating additional returns if and to the extent that it deems this to be advisable with respect to the interests of investors.

6. In calculating the market risk limit for the use of derivatives and financial instruments with a derivative component, the Company may at any time switch between the simplified method and the qualified method according to Section 6 sentence 3 of the Derivative Ordinance. The changeover need not be approved by BaFin; however, the Company shall inform BaFin immediately of the changeover and shall publish it in the next semi-annual or annual report.

7. In employing derivatives and financial instruments with a derivative element, the Company shall observe the German Derivative Ordinance (DerivateV).

§10 Other investment instruments

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

§11 Issuer and investment limits

1. As far as the management of the Fund is concerned, the Company shall observe the limits and restrictions pursuant to the KAGB, the German Derivative Ordinance (DerivateV) and the Investment Terms and Conditions.

2. Securities and money market instruments, including securities purchased under agreements to resell and money market instruments of the same issuer, may be acquired up to 5% of the UCITS Fund's value; up to 10% of the UCITS Fund's value may be invested in these securities, however, if this is provided for in the SITC and the total value of securities and money market instruments of such issuers does not exceed 40% of the UCITS Fund's value. The issuers of securities and money market instruments must also be taken into account in the limits indicated in sentence 1 if the securities and money market instruments they issued are acquired indirectly through other securities held in the UCITS that are linked to their performance.

3. The Company may invest up to 35% of the value of the UCITS Fund in bonds, borrower's note loans and money market instruments that are issued or for which the payment of interest and the repayment of principal is guaranteed by the German Federal Government, a German Federal State, the European Union, a member state of the European Union or its regional or local authorities, another signatory state to the Agreement on the European Economic Area, a third state or an international organisation of which at least one member state of the European Union is a member.

4. The Company may invest up to 25% of the UCITS Fund's value in mortgage bonds (Pfandbriefe), municipal bonds and bonds that have been issued by financial institutions domiciled in a member state of the European Union or another signatory state to the Agreement on the European Economic Area if the financial institutions are subject to special regulatory supervision on the basis of statutory provisions that serve to protect holders of such bonds and the monies raised from the bond issue are invested under statutory rules in assets that during the entire term of the bonds cover any liabilities arising therefrom and with respect to which any claims relating to repayments of principal and interest payments shall be accorded priority if the issuer defaults. If the Company invests more than 5% of the UCITS Fund's value in bonds of the same issuer under sentence 1, the total value of these bonds must not exceed 80% of the UCITS Fund's value.

5. Pursuant to Section 206 (2) KAGB, the restrictions under Sub-section 3 may be exceeded with respect to the securities and money market instruments of the same issuer, where this is provided for in the SITC with reference to such issuers. In such cases, the securities and money market instruments held for account of the UCITS Fund must stem from at least six different issues, and no more than 30% of the UCITS Fund's value may be invested in any one issue.

6. The Company may only invest up to 20% of the value of the UCITS Fund in bank deposits, as described in Section 195 KAGB, at any single financial institution.

7. The Company shall ensure that a combination of

   a) securities or money market instruments issued by the same institution,

   b) deposits at these entities, and

   c) attributable amounts for the counterparty risk of transactions conducted with this institution,

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

8. The bonds, borrower's note loans and money market instruments listed in Sub-sections 3 and 4 are not included in the 40% limit described in Sub-section 2. In derogation of Sub-section 7, the limits set forth in Sub-sections 2 to 4 and Sub-sections 6 to 7 must not be aggregated.

9. The Company may invest no more than 20% of the UCITS Fund's value in the units of a single investment fund as defined in Section 196 (1) KAGB. The Company may, in total, invest no more than 30% of the UCITS Fund's value in units of an investment fund as defined in Section 196 (1) no. 2 KAGB. The Company must not purchase for the UCITS Fund's account more than 25% of the issued and outstanding units of another open-ended German, EU or foreign investment fund which, subject to the principle of risk diversification, is invested in assets as defined in Sections 192 to 198 KAGB.

§12 Mergers

1. Subject to Sections 181 to 191 KAGB, the Company may

   a) transfer all the assets and liabilities of this UCITS Fund to another existing UCITS Fund or to a new fund established thereby, or an EU UCITS or a UCITS investment stock corporation with variable capital;

   b) absorb all the assets and liabilities of another open-ended retail investment fund into this UCITS Fund.

2. The merger requires the approval of the relevant supervisory authority. Sections 182 to 191 KAGB regulate the details of the procedure.

3. The UCITS Fund may only be merged with a retail investment fund that is not a UCITS if the absorbing or newly established investment fund remains a UCITS. An EU UCITS may also be merged into the UCITS Fund in accordance with the stipulations of Article 2 (1) p (iii) of Council Directive 2009/65/EC.

§13 Securities lending

1. The Company may, for account of the UCITS Fund, grant securities loans that are callable at any time to a securities borrower against payment of a consideration in line with prevailing market rates and on provision of sufficient collateral pursuant to Section 200 (2) KAGB. The price of the securities to be lent for account of the UCITS Fund, combined with the price of those securities already lent to the same securities borrower, including group companies as defined in Section 290 of the German Commercial Code (HGB), must not exceed 10% of the UCITS Fund's value.

2. If the securities borrower provides collateral for the securities transferred in the form of cash deposits, these deposits must be held in blocked accounts pursuant to Section 200 (2) sentence 3 no. 1 KAGB. Alternatively, the Company may make use of the option to invest such deposits in the following assets in the currency of the deposits:

   a) in bonds of high quality that are issued by the German Federal Government, a German Federal State, the European Union, a member state of the European Union or its regional or local authorities, another signatory state to the Agreement on the European Economic Area, or another state,

   b) in money market funds with short maturity structures in line with the guidelines issued by BaFin on the basis of Section 4 (2) KAGB, or

   c) by way of a reverse repurchase agreement with a financial institution that guarantees that the accrued cash deposit can be recalled at any time.

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

3. The Company may also make use of a system for the brokerage and settlement of securities loans deviating from the requirements contained in Section 200 (1) sentence 3 KAGB and being organised by a central securities deposit bank provided there is no deviation from the right to cancel at any time pursuant to Sub-section 1.

4. Unless otherwise provided for in the SITC, the Company may grant securities loans on the basis of money market instruments and investment fund units, provided that these assets may be acquired for the UCITS Fund. In this regard, the provisions contained in Sub-sections 1 to 3 apply accordingly.

§14 Repurchase agreements

1. The Company may, for the account of the UCITS Fund, enter into securities repurchase agreements callable at any time within the meaning of Section 340b (2) of the German Commercial Code (HGB) with credit institutions or financial services institutions against consideration, on the basis of standardised framework agreements.

2. Such repurchase transactions must involve securities that may be acquired on behalf of the UCITS Fund in accordance with the Investment Terms and Conditions.

3. The term for these repurchase agreements must not exceed 12 months.

4. Unless otherwise provided for in the SITC, the Company may enter into securities repurchase agreements on the basis of money market instruments and investment fund units, provided that these assets may be acquired for the UCITS Fund. In this regard, the provisions contained in Sub-sections 1 to 3 apply accordingly.

§15 Borrowing

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

§16 Units

1. The units in the Fund are held in the name of the bearer and are securitised in unit certificates or issued as electronic unit certificates.

2. The securitised unit certificates are securitised in a collective certificate; no individual certificates will be issued. In acquiring a unit in the Fund, the investor acquires a co-ownership share in the collective certificate. This is transferable, unless otherwise provided for in the SITC.

3. The units may carry different characteristics, in particular as regards the use of income, front-end load, redemption fee, currency of the unit value, management fee, minimum investment or any combination of these (unit classes). Details are laid down in the SITC.

§17 Issue and redemption of units, and restriction and suspension of redemption

1. There is no general restriction regarding the number of units issued. However, the Company reserves the right to suspend the issue of units either temporarily or permanently.

2. Units can be purchased from the Company, the depositary, or through the intermediation of third parties. The SITC may stipulate that units may only be acquired and held by specific investors.

3. Investors shall be entitled to demand the redemption of their units from the Company. The SITC may stipulate redemption periods. The Company is obliged to redeem the units at the current redemption price for the account of the UCITS Fund. The redemption agent is the depositary.

4. Unless there is a provision to the contrary in the SITC, however, the Company reserves the right to restrict the redemption of units for up to 15 working days if the investor's redemption requests reach a threshold from which the redemption requests can no longer be executed in the interest of all investors due to the liquidity situation vis-à-vis the Fund's assets. The threshold value is specified in the SITC. It describes the redemption request as a percentage of the net asset value of the Fund.

   In this case, the Company will only meet the redemption request pro rata for each investor; after this, the redemption obligation will not apply. This means that each redemption order is only carried out on a pro rata basis. The unexecuted part of the order (remaining order) will not be executed by the Company at a later time, and will expire (pro rata approach with expiry of the remaining order).

   Further details on the procedures governing redemption restrictions can be found in the sales prospectus. In the event of restrictions on the redemption of units or the lifting of such restrictions, the Company shall publish a timely notice on its website.

5. In addition, the Company reserves the right to suspend the redemption of units in accordance with Section 98 (2) KAGB in the event of extraordinary circumstances under which such suspension is deemed to be necessary in the interests of the investors.

6. The Company must inform the investors about the suspension referred to in Sub-section 5 and resumption of redemptions by means of an announcement in the Federal Gazette and by publication in a business or daily newspaper with adequate circulation or via electronic information media specified in the prospectus. The investors shall be notified of the suspension and resumption of redemption of the units promptly after announcement in the Federal Gazette by means of a durable medium.

§18 Subscription and redemption prices

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

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

2. The subscription price corresponds to the unit value of the UCITS Fund, if applicable, plus a front-end load specified in the SITC pursuant to Section 165 (2) no. 8 KAGB. The redemption price corresponds to the unit value of the UCITS Fund, if applicable, less a redemption fee specified in the SITC pursuant to Section 165 (2) no. 8 KAGB.

3. The pricing date for unit subscriptions and redemption orders shall at the latest be the valuation date following receipt of the respective unit subscription or redemption order, unless otherwise provided for in the SITC.

4. The subscription and redemption prices shall be calculated every trading day. Unless otherwise provided for in the SITC, neither the Company nor the depositary is obliged to determine such prices on public holidays falling on trading days or on 24 and 31 December of each year; more details can be found in the prospectus.

§19 Charges

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

§20 Accounting

1. No later than four months after the end of the UCITS Fund's financial year, the Company shall publish an annual report including a statement of income and expenditure, in accordance with Section 101 (1), (2) and (4) KAGB.

2. No later than two months after the end of the first half-year, the Company shall publish a semi-annual report in accordance with Section 103 KAGB.

3. If the right to manage the UCITS Fund is transferred to another investment management company during the financial year, or the UCITS Fund is merged during the financial year into another UCITS Fund, UCITS investment stock corporation with variable capital or EU UCITS, then the Company must draw up an interim report as per the transfer date that complies with the requirements applying to annual reports pursuant to Sub-section 1.

4. If the UCITS Fund is liquidated, the depositary must prepare a liquidation report that meets the requirements of an annual report within the meaning of Sub-section 1. Such reports must be prepared each year and on the date on which liquidation ends.

5. The reports can be obtained from the Company, from the Depositary and from other agencies listed in the prospectus and the basic information sheet; in addition, they will be published in the Federal Gazette.

§21 Termination and liquidation of the UCITS Fund

1. Giving at least six months' notice, the Company may terminate its management of the UCITS Fund by announcement in the Federal Gazette and in the annual or semi-annual report. The investors shall be notified promptly of any termination announced in accordance with sentence 1, by means of a durable medium.

2. When the termination becomes effective, the Company's right to manage the UCITS Fund expires. In this case the UCITS Fund or the right of disposition over the UCITS Fund, as the case may be, shall pass on to the depositary which must liquidate the Fund and distribute the proceeds to the investors. During the period of liquidation, the depositary is entitled to a fee for its liquidation activities as well as to compensation for its expenses incurred in the liquidation. With the approval of BaFin, the depositary may, instead of conducting such liquidation and distribution activities, transfer management of the UCITS Fund to another investment management company, in accordance with the existing Investment Terms and Conditions.

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

§22 Change of investment management company and depositary

1. The Company may transfer the right of management and disposal of the UCITS Fund to another investment management company. The transfer shall require the prior approval of BaFin.

2. The approved transfer shall be announced in the Federal Gazette, the annual or semi-annual report and the electronic information media specified in the sales prospectus. The transfer shall come into effect three months after publication in the Federal Gazette at the earliest.

3. The Company may change the depositary for the UCITS Fund. Any change shall require the approval of BaFin.

§23 Amendments to the Investment Terms and Conditions

1. The Company is entitled to amend the Investment Terms and Conditions.

2. Amendments to the Investment Terms and Conditions shall require the prior approval of the Federal Financial Supervisory Authority (BaFin).

3. All planned amendments shall be announced in the Federal Gazette and by publication in a business or daily newspaper with adequate circulation or via electronic information media specified in the prospectus. Details of the planned amendments and their entry into force shall be published no later than at the time of the announcement set out under sentence 1 above. If there are any amendments to charges within the meaning of Section 162 (2) no. 11 KAGB that are detrimental to investors, changes to material investor rights that are detrimental to investors, or amendments to the UCITS Fund's investment principles within the meaning of Section 163 (3) KAGB, the investors must be sent the key content of the proposed amendments to the Investment Terms and Conditions and their background in a comprehensible way by means of a durable medium at the same time as the announcement in accordance with sentence 1. In the case of amendments to the existing investment principles, investors must also be informed of their rights under Section 163 (3) KAGB.

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

§24 Place of performance

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

§25 Dispute resolution proceedings

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

   Contact information:

[3] Section 36 (1) no. 1 of the Verbraucherstreitbeilegungsgesetz (German Consumer Dispute Resolution Act, VSBG)
[4] Section 36 (1) no. 2 of the Verbraucherstreitbeilegungsgesetz (German Consumer Dispute Resolution Act, VSBG)

Office of the Ombudsman at BVI
Bundesverband Investment und Asset Management e.V. Unter den Linden 42
10117 Berlin, Germany
www.ombudsstelle-investmentfonds.de

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

[5] Article 14 of Regulation (EU) 524/2013

Special Investment Terms and Conditions

to regulate the legal relationship between the investors and Allianz Global Investors GmbH, Frankfurt am Main, Germany (the "Company") with regard to the Fund managed by the Company in accordance with the UCITS Directive

Allianz Rentenfonds,

These "Special Investment Terms and Conditions" are only applicable in conjunction with the "General Investment Terms and Conditions" set out by the Company for this Fund.

Investment principles and investment restrictions

§1 Assets

The Company may acquire the following assets for the UCITS Fund:

1. Securities as specified in Section 5 of the "General Investment Terms and Conditions", albeit only those of the following classes:

    a) Interest-bearing securities, in particular government bonds, mortgage bonds (Pfandbriefe) and similar foreign bonds issued by financial institutions and secured by a land charge, municipal bonds, zero-coupon bonds, variable rate bonds, convertible bonds and warrant bonds, corporate bonds, certificated asset-backed securities and mortgage-backed securities, as well as other bonds linked to an asset pool. Depending on its assessment of the market situation, the Company can opt to focus on one or several of these types of security or to take a diversified investment approach.

    b) Equities and equity equivalent securities, but only if these are acquired by exercising conversion, subscription and option rights from convertible bonds and warrant bonds. Equities or equity equivalent securities acquired in this manner must, however, be sold within a period of six months.

    c) Index certificates and other certificates with a risk profile that correlates with the assets listed under a) or with the investment markets to which these assets are attributable.

2. Money market instruments within the meaning of Section 6 of the "General Investment Terms and Conditions" that may also be denominated in foreign currencies. Depending on its assessment of the market situation, the Company can opt to focus on one or several currencies or to take a diversified investment approach.

3. Bank deposits within the meaning of Section 7 of the "General Investment Terms and Conditions" that may also be denominated in foreign currencies. Depending on its assessment of the market situation, the Company can opt to focus on one or several currencies or to take a diversified investment approach.

4. Investment units as specified in Section 8 of the "General Investment Terms and Conditions", albeit only units in investment funds with a risk profile that typically correlates with the investment markets to which the assets set out in Nos 1 to 3 are attributable. These funds can be either domestic or foreign investment funds in accordance with Section 8 of the "General Investment Terms and Conditions". Depending on its assessment of the market situation, the Company can opt to focus on one or more investment funds. These may include investment funds that pursue an

investment policy focused on a single investment market, or investment funds that take a diversified investment approach.

As a general rule, the Company shall only purchase units in investment funds managed directly or indirectly by the Company itself or by other companies with which the Company is affiliated, either by way of a significant direct or indirect holding. Units in other investment funds shall be purchased only in exceptional cases where none of the investment funds set out in sentence 4 follow the investment policy that the Company deems to be necessary in that particular case, or if the units in question are units in an investment fund that replicates a securities index and are admitted to trading on one of the exchanges or organised markets set out in Section 5 a) and b) of the "General Investment Terms and Conditions".

5. Derivatives as specified in Section 9 of the "General Investment Terms and Conditions".

6. Other investment instruments pursuant to Section 10 of the "General Investment Terms and Conditions", although in the case of equities, and equity equivalent securities, only those acquired by exercising conversion, subscription and option rights. Equities and equity equivalent securities acquired in this manner must, however, be sold within a period of six months.

§2 Investment limits

(1) The total proportion of interest-bearing securities within the meaning of Section 1 nos. 1 a) and 6 must not fall below 51% of the UCITS Fund's assets. Bonds with warrants and convertible bonds are not counted towards this limit. The Company may invest more than 35% of the UCITS Fund's assets in fixed-income securities issued or guaranteed by the Federal Republic of Germany, a Federal State (Land) of the Federal Republic of Germany, the European Union, a member state of the European Union or its regional or local authorities, another Signatory State to the Agreement on the European Economic Area, a member of the OECD or an international organisation of which at least one Member State of the European Union is a member.

(2) The average present value-weighted duration of the part of the UCITS Fund invested in interest-bearing securities, bank deposits and money market instruments in accordance with Section 1 nos. 1a), 2 and 3, including any interest claims connected to the aforementioned assets, must be between three and ten years. Derivatives on interest-bearing securities, interest and bond indices and interest rates shall be included in the calculation irrespective of the currency of the respective underlying.

(3) The total proportion of investment units within the meaning of Section 1 no. 4 must not exceed 10% of the UCITS Fund's value.

(4) The total proportion of assets denominated in euro must not fall below 51% of the UCITS Fund's assets. The proportion of non-euro denominated assets and liabilities may only exceed 5% of the UCITS Fund's assets, if the portion exceeding this figure is hedged by exchange rate or currency derivatives. To the extent that assets and liabilities are denominated in the same currency, they shall not be included in the calculation of this limit.

(5) The Company may only acquire interest-bearing securities within the meaning of Section 1 nos. 1 a) and 6 if they have an investment grade rating by at least one recognised rating agency, or, where they do not have a rating, would, in the Company's opinion, obtain such a rating. If a security loses the prerequisites stated in sentence 1 after its acquisition, the Company shall aim to sell it within one year. The total proportion of securities according to sentence 2 must not exceed 10% of the UCITS Fund's assets, subject to the conditions set out in Sub-section 9.

(6) The total proportion of interest-bearing securities within the meaning of Section 1 nos. 1 a) and 6 whose issuers are domiciled in a country that, according to the World Bank classification, does not fall under the category "high GDP per

capita", i.e. is not considered "developed", must not exceed 10% of the UCITS Fund's value, subject to the conditions set out in Sub-section 9.

(7) Securities and money market instruments purchased under agreements to resell shall be included in calculations for the issuer limits set out in Section 206 (1) to 3 KAGB, while investment units purchased under agreements to resell shall be included in the investment limits set out in Sections 207 and 210 (3) KAGB.

(8) The limits set out in Sub-sections 1 through 6 may be exceeded/undershot if this occurs due to changes in the value or in the maturity of the assets in the UCITS Fund as a result of the exercise of conversion, subscription and option rights, or due to a change in the value of the entire fund, e.g. where unit certificates are issued or redeemed. In such cases, the Company's foremost objective shall be to revert to compliance with the aforementioned restrictions while protecting the interests of the investors.

(9) The limits set out in Sub-section 5 sentence 3 and Sub-section 6 may be exceeded – with due regard to the limits set out in Sub-section 1 – as a result of the purchase of the assets in question, if derivatives are used at the same time in order to ensure that the market risk potential on the whole is kept within the limits.

Derivatives used for these purposes are applied at the delta-weighted value of the respective underlying assets in keeping with the respective arithmetic sign.

(10) No more than 10% of the value of the UCITS Fund may be used to acquire securities and money market instruments of the same issuer and the total value of the securities and money market instruments of these issuers must not exceed 40% of the value of the UCITS Fund.

§3 Derivatives

The Company may use the derivatives and financial instruments with a derivative element set out in Section 9 (1) of the "General Investment Terms and Conditions" for the following purposes:

– hedging the UCITS Fund against losses incurred by assets in the UCITS Fund,

– carrying out efficient portfolio management, in particular,

– complying with the investment limits and principles by using derivatives or financial instruments with a derivative element as, e.g., a substitute for a direct securities investment or to manage the duration of the interest-related part of the UCITS Fund,

– increasing or minimising the potential market risk of one, several or all permissible assets within the UCITS Fund,

– achieving additional returns by assuming additional risks, and

– increasing the market risk potential of the UCITS Fund above the market risk potential of a UCITS Fund fully invested in securities ("leveraging").

In doing this, the Company may also employ short transactions in derivatives or in financial instruments with a derivative element which can lead to gains in the UCITS Fund if the prices of certain securities, investment markets or currencies fall, or lead to losses in the UCITS Fund if their prices rise.

Unit classes

§4 Unit classes

(1) Different unit classes within the meaning of Section 16 (2) of the "General Investment Terms and Conditions" may be created for the UCITS Fund. These unit classes differ in terms of the investors who may acquire and hold units, the use of income, the front-end load, the redemption fee, the currency of the unit value including the use of currency hedging transactions, the all-in fee or the minimum investment or any combination of the features mentioned. Unit classes may be created at any time at the discretion of the Company.

(2) It is permitted to enter into currency hedging transactions in favour of one currency unit class only. For a currency unit class with a currency hedge in favour of this unit class's currency (reference currency) the Company may, irrespective of Section 9 of the "General Investment Terms and Conditions" and Section 3, use derivatives on exchange rates and currencies within the meaning of Section 197 (1) KAGB with the aim of avoiding losses in unit value resulting from exchange-rate-related losses in UCITS Fund assets that are not denominated in the unit class's reference currency. Equities and equity-equivalent securities are deemed to be subject to an exchange rate risk if the currency of the country in which the issuer (or, in the case of instruments representing equities, the corporation) is domiciled is different from the reference currency of the unit class. Other assets are deemed to be subject to a currency risk if they are denominated in a currency other than the reference currency of the unit class. For currency hedged unit classes, the value of the UCITS Fund assets that are subject to a currency risk and are not hedged must not exceed 10% of the unit class value. The use of derivatives in keeping with the provisions of this sub-section must not have any effect on unit classes that are not currency hedged, or that are hedged against another currency.

(3) The unit value shall be calculated separately for each unit class, with any expenses related to the issue of new unit classes, any distributions (including any taxes to be paid from the Fund's assets), any all-in fees and any results of exchange-rate hedgings attributable to a certain unit class (including any income equalisation) being attributed exclusively to this unit class.

(4) The existing unit classes shall be listed in the prospectus and in the annual and semi-annual reports. The characteristics of the unit classes as indicated in Sub-section 1 are described in detail in the prospectus and in the annual and semi-annual reports. Moreover, the Company may determine in the prospectus and in the annual and semi-annual reports that a special agreement on the all-in fee between the investor and the Company is a precondition for the acquisition of certain unit classes.

Units, subscription price, redemption price, unit redemption and charges

§5 Units, co-ownership

(1) As co-owners, the investors hold an interest in the assets of the UCITS Fund proportionate to the number of units held.

(2) The rights of unit-holders in the UCITS Fund are represented solely in global certificates that are held in safe-keeping at a central securities deposit bank. Investors do not have any claim on issues of individual units.

§6 Subscription and redemption prices

– The front-end load is 2.50% of the unit value and serves to cover the Company's issuing costs. The Company may, however, charge a lower front-end load or no front-end load for one or more unit classes, or may refrain from charging a front-end load. The Company shall disclose the front-end load in the prospectus as stipulated in Section 165 (3) KAGB.

– A redemption fee shall not be levied.

§7 Costs (fees and expenses)

(1) Fees payable to the Company are:

1. All-in fee

For all unit classes for which no minimum investment is required either in the prospectus or in the annual or semi-annual reports, the daily all-in fee for the UCITS Fund shall amount to 1.00% p.a. of the pro rata value of the UCITS Fund, calculated on the basis of the net asset value, which is determined every trading day. For the remaining unit classes, the daily all-in fee for the management of the UCITS Fund calculated on the basis of the net asset value, which is determined every trading day, shall amount to 0.61% p.a. of the pro rata value of the UCITS Fund. The Company may, however, charge a lower all-in fee for one or more unit classes. For unit classes for which the prospectus and the annual and semi-annual reports require a special agreement between the investor and the Company as a precondition for the acquisition, the all-in fee is not charged to the UCITS Fund but directly to the investor. In accordance with Sub-section 1 no. 1, this all-in fee covers the following fees and expenses that are not charged separately to the UCITS Fund:

a) fee for the management of the UCITS Fund (Fund Management, administrative activities),

b) fee for the distributors of the UCITS Fund,

c) the depositary's fee,

d) safe-custody and account fees in line with current banking practice, including any fees charged in line with current banking practices for the custody of foreign securities abroad,

e) costs for printing and dispatching the statutory sales literature (e.g. annual and semi-annual reports, prospectus) intended for the investors,

f) costs for the publication of the annual and semi-annual reports, the liquidation report, the subscription and redemption prices, and distributions or accumulated income,

g) costs for having the UCITS Fund audited by the Company's auditors, including the costs for a certificate stating that all tax data complies with the regulations of German tax law,

h) costs for providing information to investors in the UCITS Fund by means of a durable medium, with the exception of information about fund mergers and with the exception of information about measures related to violations of investment limits or calculation errors when determining the unit value,

i) fees and costs levied by government agencies in relation to the UCITS Fund,

j) costs for having the success of the investment of the UCITS Fund analysed by third parties,

k) costs for the redemption of coupons.

The all-in fee may be withdrawn from the UCITS Fund's assets at any time.

2. Fee for securities lending and securities sale transactions

   The Company shall receive a fee amounting to 30% of the gross income from these transactions for the purposes of initiating, preparing and executing securities lending and securities sale transactions for the account of the UCITS Fund. The Company may, however, charge a lower fee for one or more unit classes. The Company shall bear any costs incurred in connection with the preparation and execution of such transactions, including the fees to be paid to third parties.

(2) In addition to the fees listed in Sub-section 1, the following expenses shall be charged to the UCITS Fund:

1. costs incurred in connection with the use of securities lending programmes in line with current banking practice, for which the Company shall not receive any fee pursuant to Sub-section 1 no. 2 (fee for securities lending and securities sale transactions). In this case, the Company shall ensure that the costs of securities lending shall in no case exceed the income resulting from such transactions.

2. a) costs for the assertion and enforcement of claims attributable to the UCITS Fund that are deemed to be justified, as well as for defence against unjustified claims brought against the UCITS Fund,

   b) costs for the verification, assertion and enforcement of claims that appear to be justified for reducing, offsetting and/or reimbursing withholding taxes or other taxes and/or fiscal charges,

   c) Taxes payable in connection with the fees payable to the Company, the depositary and third parties, in connection with the expenses referred to in Sub-section 2 no. 2 a) and b) and in relation to administration and custody.

(3) In addition to the aforementioned fees and expenses, the UCITS Fund is charged for the costs incurred in connection with the acquisition and disposal of assets.

(4) The Company must disclose in the annual and semi-annual reports the amount of the front-end loads and redemption fees that have been charged to the UCITS Fund in the reporting period for the subscription and redemption of units within the meaning of Section 196 KAGB. If the Fund acquires units in other investment funds that are directly or indirectly managed by the Company or another company affiliated to the Company by way of significant direct or indirect participation, neither the Company nor the affiliated company may charge any fees for the subscription or redemption of the units. In the annual report and semi-annual report, the Company must disclose the remuneration that the Fund has been charged by the Company itself, by another (capital) management company or another company with which the Company is connected through a significant direct or indirect equity investment as a management fee for the units held in the Fund.

Use of income and financial year

§8 Distribution

(1) For distributing unit classes the Company shall, as a general rule, make a pro rata distribution of the interest, dividends and income from investment units as well as consideration from loans and repurchase agreements that have accrued for the UCITS Fund's account during the financial year and that have not been required to cover expenses, subject to the requisite equalisation of income.

Realised disposal gains and other income – after allowing for income equalisation – may also be distributed on a pro rata basis.

(2) Pro rata income available for distribution under Sub-section 1 above may be carried over to future financial years for distribution purposes, provided that the total income carried over does not exceed 15% of the value of the UCITS Fund's assets by the end of the financial year. Income from abridged financial years may be carried forward in full.

(3) In the interest of maintaining the Fund's assets, pro rata income may be partially or, in special cases, completely reinvested in the UCITS Fund.

(4) Distribution shall be performed annually within three months following the end of each financial year.

(5) Interim distributions are permissible in exceptional circumstances where the UCITS Fund is to be merged with another UCITS Fund in accordance with Sections 182 et seq. KAGB, or where another UCITS Fund is to be merged with the UCITS Fund in question.

§9 Accumulation

(1) For accumulating unit classes the Company shall, as a general rule, make a pro rata reinvestment of the dividends, interest, income from investment units, consideration from loans and repurchase agreements and other income and realised disposal gains in the Fund that have accrued for account of the UCITS Fund during the financial year and that have not been required to cover expenses, subject to the requisite equalisation of income.

(2) Interim distributions are permissible in exceptional circumstances where the UCITS Fund is to be merged with another UCITS Fund in accordance with Sections 182 et seq. KAGB, or where another UCITS Fund is to be merged with the UCITS Fund in question.

§10 Financial year

The UCITS Fund's financial year shall begin on 1 December and end on 30 November.

§11 Redemption restrictions

The Company may restrict the redemption of units if the investor's redemption requests amount to at least 10% of the net asset value of the UCITS Fund (threshold value).

Your partners

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Subscribed and paid up capital: EUR 49.9 million
As at 31 December 2021

Shareholder

Allianz Asset Management GmbH
Munich, Germany

Supervisory Board

Tobias C. Pross
CEO Allianz Global Investors GmbH
Munich, Germany

Giacomo Campora
CEO Allianz Bank
Financial Advisers S.p.A.
Milan, Italy

Klaus-Dieter Herberg
Allianz Networks Germany
Allianz Global Investors GmbH,
Munich, Germany

Prof. Michael Hüther
Director and Member of the Board
Institut der deutschen Wirtschaft
Cologne, Germany

Dr Kay Müller
Member of the Board
Allianz Asset Management GmbH
Munich, Germany

Laure Poussin
Head of Enterprise Project
Management Office
Allianz Global Investors France Branch
Paris, France

Board of Management

Alexandra Auer (Chair)
Ludovic Lombard
Ingo Mainert
Dr Robert Schmidt
Petra Trautschold
Birte Trenkner

Depositary

State Street Bank International GmbH
Brienner Straße 59
80333 Munich, Germany
Equity capital of State Street Bank International GmbH: EUR 109 million
As at 31 December 2021

Special Order Placement Offices

Fondsdepot Bank GmbH
Windmühlenweg 12
95030 Hof, Germany

State Street Bank International GmbH,
Luxembourg Branch
49, Avenue J.F. Kennedy
L-1855 Luxembourg

Paying and Information Agent(s) within the European Union (EU wide)
Details of the measures and/or activities to be carried out as described in Article 92 of the UCITS Directive, along with all other relevant information, can be found at https://regulatory.allianzgi.com/en/facilities-services. State Street Bank International GmbH is responsible for processing unit purchase and unit redemption orders as well as for executing the corresponding payments to/from unitholders, including the proceeds of purchases and redemptions. Information and payments can be requested via the following address:

State Street Bank International GmbH
Brienner Strasse 59
80333 Munich, Germany

The net asset value of the units and the subscription and redemption prices of the units are available at https://regulatory.allianzgi.com/en/facilities-services and from any other source that the Management Company deems suitable for such a purpose.

Appointment of Austrian representative to the tax authorities in the Republic of Austria

The following financial institution has been appointed the Austrian representative to the tax authorities for certification of income equivalent to distributions as defined in Section

186 (2) line 2 InvFG:

Deloitte Tax Wirtschaftsprüfungs GmbH

Renngasse 1/Freyung
A-1010 Vienna, Austria

Auditor

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft
Friedrich-Ebert-Anlage 35–37
60327 Frankfurt am Main, Germany

Note:

In recurring reports, important information is updated as required. As of: 15 November 2023

Visit our website at https://de.allianzgi.com

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Template – Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and Article 6, paragraph 1 of Regulation (EU) 2020/852

Product name:

Allianz Rentenfonds

Legal entity identifier: 549300E951GZT57Y7C57

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that this investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **3.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**.

What environmental and/or social characteristics are promoted by this financial product?

Allianz Rentenfonds (the "Fund") promotes environmental, social, human rights, governance and business conduct factors (this area does not apply to sovereign bonds issued by a government entity) through the integration of a best-in-class approach in the Fund's investment process. This includes assessing companies or government issuers on the basis of an SRI rating used to build the portfolio.

In addition, minimum exclusion criteria apply.

No reference benchmark for measuring the attainment of the environmental and/or social characteristics promoted by the Fund has been defined.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following sustainability indicators are used to measure the attainment of the environmental and/or social characteristics, which are reported on at the end of the financial year:

- The actual percentage of the Fund portfolio (the portfolio does not include derivatives without a rating in this respect or instruments that do not by their very nature have a rating, for example cash and deposits) that was invested in best-in-class issuers (issuers with an SRI rating of at least 2 on a scale from 0 to 4, with 0 being the worst rating and 4 being the best rating) is compared with the actual percentage of the best-in-class issuers of the benchmark.
- Confirmation that principal adverse impacts (PAIs) of investment decisions on sustainability factors are taken into account by applying exclusion criteria.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Sustainable investments contribute to environmental and/or social objectives, for which the Investment Manager uses, among others, the following objectives for sustainable development of the UN Sustainable Development Goals (SDGs), as well as the objectives of the EU Taxonomy as reference frameworks:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

The assessment of the positive contribution to the environmental or social objectives was based on a proprietary framework that combines quantitative elements with qualitative inputs from internal research. The methodology first applies a quantitative breakdown of a security issuer into its business units. The qualitative element of the framework is an assessment as to whether business activities make a positive contribution to an environmental or a social objective.

To calculate the positive contribution on the Fund level, the turnover share of each issuer attributable to business activities that contributes to environmental and/or social objectives is considered, provided that the issuer satisfies the Do No Significant Harm ("DNSH") and Good Governance principles, and an asset-weighted aggregation is performed as a second step. Moreover, for certain types of securities that finance specific projects that contribute to environmental or social objectives, the overall investment is considered to contribute to environmental and/or social objectives, but also for these a DNSH as well as a Good Governance check for issuers are performed.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that sustainable investments do not significantly harm any other environmental and/or social objectives, the Investment Manager leverages the PAI indicators, whereby significance thresholds have been defined to identify significantly harmful issuers. Issuers not meeting the significance threshold can be engaged for a limited time period to remediate the adverse impacts. Otherwise, if the issuer does not meet the defined significance thresholds twice subsequently or in case of a failed engagement, it does not pass the DNSH assessment. Investments in securities of issuers that do not pass the DNSH assessment are not counted as sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

All mandatory PAI indicators are considered either as part of the application of the exclusion criteria or through thresholds on a sectoral or absolute basis. Significance thresholds were defined that refer to qualitative or quantitative criteria.

In the absence of data for some PAI indicators, the DNSH assessment for the following indicators for companies may use equivalent data points to assess the PAI indicators: Share of consumption and production of non-renewable energy, activities that adversely affect biodiversity, emissions to water and lack of procedures and mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises; for government issuers: GHG intensity and investee countries subject to social violations. In the case of securities financing specific projects contributing to environmental or social objectives, appropriate data can be used at project level to ensure that sustainable investments do not materially negatively affect other environmental and/or social objectives. The Investment Manager will endeavour to increase data coverage for PAI indicators with low data coverage by communicating with issuers and data providers. The Investment Manager will regularly check whether the availability of data has increased to such an extent that the assessment of such data can be included in the investment process.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Investment Manager's minimum exclusion list screens out companies based on their involvement in controversial practices that violate international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN

Guiding Principles for Business and Human Rights. Securities issued by companies that severely violate these frameworks are removed from the investment universe.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes

☐ No

The Management Company has joined the Net Zero Asset Managers Initiative and takes PAI indicators into account through responsible action and specific commitment. Both factors contribute to minimising potential negative effects of business activities.

In line with its commitment to the Net Zero Asset Managers Initiative, the Management Company, in cooperation with investors, seeks to reduce greenhouse gas emissions and work towards decarbonisation. The objective is to achieve net zero emissions for all assets under management by 2050 at the latest. Within the framework of this objective, the Management Company will set an interim target for the proportion of assets to be managed in accordance with the objective of achieving net zero emissions by 2050 at the latest.

For corporate issuers, the Fund's Investment Manager considers PAI indicators in terms of greenhouse gas emissions, biodiversity, water and waste management, and social and labour law-related issues. Where relevant, the Freedom House Index is applied to investments in government issuers. PAI indicators are included in the Investment Manager's investment process in the form of exclusions, as described in the Fund's Binding Elements section.

Data on PAI indicators is inconsistent. There is limited data available on the factors of biodiversity, water protection and waste management. The PAI indicators are applied by excluding securities whose issuers are in severe breach of principles and guidelines such as the principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights due to problematic practices in the areas of human rights, employment rights, the environment and corruption. Therefore, the Investment Manager is committed to increasing data coverage for PAI indicators with insufficient data. The Investment Manager will regularly check whether the availability of data has increased to such an extent that the assessment of such data can be included in the investment process.

Among other sustainability factors, PAI indicators are also used to derive the SRI rating. The SRI rating is used for portfolio construction.

The following PAI indicators are taken into account:

Applicable to corporate issuers

- GHG emissions
- CO2 balance
- GHG intensity of investment companies
- Investments in companies operating in the fossil fuels sector
- Activities that have a negative impact on biodiversity-sensitive areas
- Emissions to water
- Percentage of hazardous waste
- Violation of the principles of the UN Global Compact
- Lack of processes and compliance mechanisms to monitor compliance with the UN Global Compact principles
- Gender diversity in corporate governance
- Exposure to controversial weapons

Applicable to sovereign and supranational issuers

- Investment countries where social rights are violated

Information on PAI indicators is included in the Fund's annual report.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The investment objective of Allianz Rentenfonds is to generate market-oriented returns through exposure to euro bond markets. Securities are selected that take into account certain environmental, social and corporate governance criteria in accordance with the SRI strategy.

Under the SRI best-in-class approach, the Fund takes into account environmental, social, human rights, corporate governance and business conduct factors as follows:

- The aforementioned sustainability factors are analysed by means of SRI research by the Investment Manager in order to assess how sustainable development and long-term matters are taken into account in issuers' strategies. SRI research refers to the overall process of identifying potential risks and opportunities of investment in securities of an issuer related to the analysis of sustainability factors. SRI research combines (possibly limited) external research data with internal analyses.
- Based on the combined results of external and/or internal analyses of sustainability factors, an internal rating (SRI rating) is given monthly for the relevant government issuers or corporate issuers. An SRI rating is therefore an internal rating assigned to a private or government issuer. Each SRI rating is based on the analysis of criteria that take into account human rights, social and environmental aspects, business practices and governance. SRI ratings may be used to apply negative or positive ratings to the Fund's investment universe in accordance with the objective of the SRI strategy. While most of the Fund's positions will have a corresponding SRI rating, some investments cannot be valued using the SRI research methodology. Examples of instruments that do not have an SRI rating include cash, deposits and investments without ratings.

This internal SRI rating is used to classify and select or weight securities for portfolio construction.

The Fund's general investment approach is described in the prospectus.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements are:

- Minimum rating coverage: At least 90% of the Fund's portfolio must have an SRI rating (the portfolio in this sense does not include derivatives without a rating and instruments that do not by their nature have a rating, for example cash and deposits). Although most of the Funds' positions have an equivalent SRI rating, some investments cannot be evaluated using the SRI research method. Examples of instruments that cannot receive an SRI rating include cash, deposits, target funds and assets that do not have a rating.
- 90% of the instruments evaluated must have an SRI rating of at least 2. 10% must have a rating of 1.5 to 2. The evaluation is based on a scale of 0 to 4, with 0 being the worst rating and 4 the best.
- Application of the following minimum exclusion criteria for direct investments, i.e. the Fund does not invest directly in:
- Securities issued by companies that, as a result of following problematic practices in the areas of human rights, labour rights, the environment and corruption, seriously violate principles and guidelines such as the principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights;
- Securities issued by companies that are involved with controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus and nuclear weapons);
- Securities issued by companies that generate more than 10% of their turnover from weapons and military equipment and services;
- Securities issued by companies that generate more than 10% of their turnover from the extraction of thermal coal;
- Securities issued by utility companies that generate more than 20% of their turnover from coal;

- Securities issued by companies involved in tobacco production and securities issued by companies involved in the distribution of tobacco, amounting to more than 5% of their turnover.

Direct investments in government issuers with an inadequate Freedom House Index rating are excluded.

The minimum exclusion criteria are based on information from an external data provider and are coded in the context of pre- and post-trade compliance. The review is carried out at six month intervals, at least.

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Fund does not undertake to reduce the volume of investment concerned by a certain minimum rate.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**

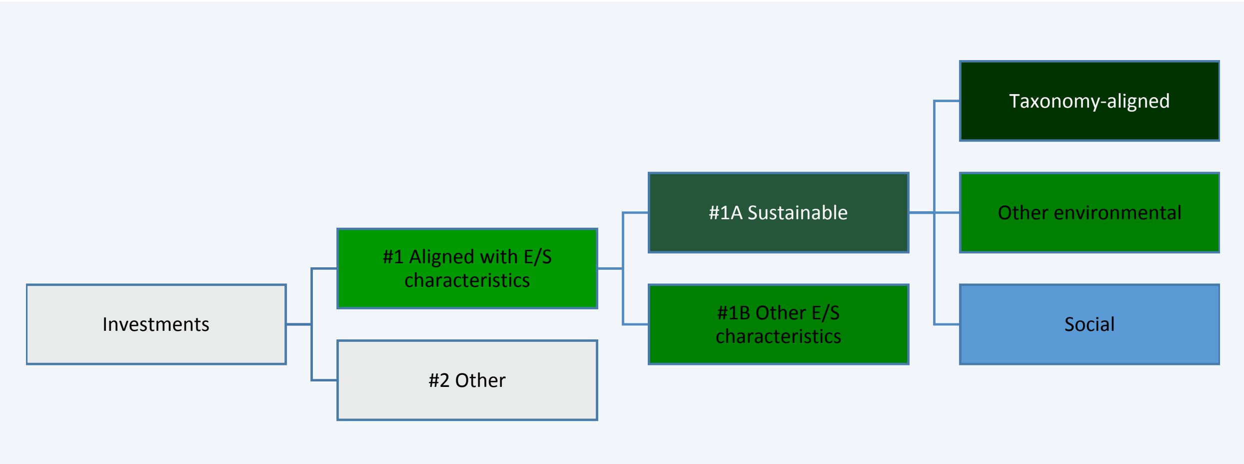
Principles of good corporate governance are taken into account by filtering out companies based on their involvement in controversies relating to international standards consistent with the four good governance practices: sound management structures, employee relations, remuneration of staff and tax compliance. Companies with significant deficiencies in one of these areas are not eligible for investment. In certain cases, issuers identified as in doubt are included in a watchlist. These companies appear on the watchlist when the Investment Manager believes that a commitment from the Fund can lead to improvements or when they find that the company is taking corrective action. The companies on the watchlist remain eligible for investment unless the Investment Manager believes that the commitment or corrective action of the company does not result in the intended solution to the problem.

In addition, the Fund's Investment Manager has committed to maintaining an open dialogue on corporate governance, voting rights and general sustainability issues with the companies in which they invest prior to shareholder meetings (on a regular basis in the case of direct investments in shares). The Fund's Investment Manager's approach to voting rights and corporate commitment is set out in the Management Company's stewardship statement.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

At least 90% of the Fund's assets (other than cash and derivatives without a rating) are used to achieve the environmental or social characteristics promoted by that Fund. A low portion of the Fund contain assets that do not promote environmental or social characteristics. Examples of such instruments include derivatives, cash and cash deposits, certain target funds and investments with temporarily divergent or absent environmental, social, or good governance qualifications. At least 3.00% of the Fund's assets may be invested in sustainable investments. The minimum percentage of investments aligned with the EU Taxonomy is 0.01%. The Investment Manager does not commit to a minimum of environmentally sustainable investments that are not aligned with the EU Taxonomy. The Investment Manager does not commit to a minimum of socially sustainable investments. Although the Fund does not commit to a minimum of environmentally or socially sustainable investments, such investments can be freely allocated under the total public commitment of the Sustainable Investment Fund (min. 3.00%).



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:
- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Taxonomy-aligned investments include debt and/or equity in environmentally sustainable economic activities aligned with the EU Taxonomy. The minimum percentage of investments aligned with the EU Taxonomy is 0.01%. Taxonomy-aligned data was provided by an external data provider. The Investment Manager has assessed the quality of such data. The data will not be subject to an assurance provided by auditors or a review by third parties. The data will not reflect data in sovereign bonds. There is currently no recognised method of determining the proportion of Taxonomy-aligned activities in sovereign bond investments.

The Taxonomy-aligned activities in this disclosure are based on the share of revenue. Pre-contractual figures use turnover as a financial measure in line with regulatory

requirements and are based on complete, verifiable or up-to-date data for CapEx and/or OpEx being even less available as a financial measure.

Taxonomy-aligned data is only in rare cases data reported by companies in accordance with the EU Taxonomy. The data provider has derived Taxonomy-aligned data from other available equivalent public data.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy
- **operating expenditure** (OpEx) reflecting green operational activities of investee companies

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy [1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

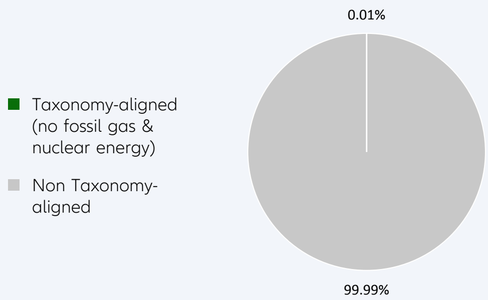
☑ No

The Fund does not seek Taxonomy-aligned investments in fossil gas and/or nuclear energy. Nevertheless, it may happen that, as part of the investment strategy, it also invests in companies that are also active in these areas. Further information on such investments are disclosed in the annual report, where relevant.

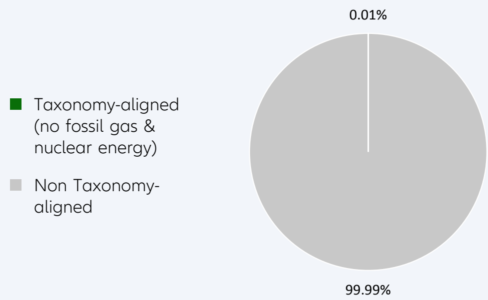
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments.

It should be noted that this Fund does not have a mandatory minimum quota for investments in sovereign bonds. As such, this Fund may (but is not required to) have a sovereign bonds exposure. As there is no mandatory minimum quota for investments in sovereign bonds, this graph does not generate any additional added value compared to the graph on the left.

** For the purpose of these graphs, “sovereign bonds” include all sovereign exposures.*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

The Fund’s Investment Manager does not undertake to split the minimum Taxonomy orientation into transitional and enabling activities and its own performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

Taxonomy-aligned investments are considered to be a subcategory of sustainable investments. If an investment is not Taxonomy-aligned because the activity does not or is not yet covered by the EU Taxonomy or the positive contribution is not substantial enough to meet the screening criteria of the Taxonomy, such an investment can still be considered an environmentally sustainable investment if all the criteria are met. The Investment Manager does not commit to a minimum of environmentally sustainable investments that are not aligned with the EU Taxonomy. The overall share of sustainable investments may also include investments with an environmental objective in economic activities that are not considered environmentally sustainable under the EU Taxonomy and, while the Fund is unable to commit to a minimum share of environmentally or socially sustainable investments, such investments may be freely allocated to the total public commitment of the Sustainable Investment Fund (min. 3.00%).

What is the minimum share of socially sustainable investments?

The Investment Manager defines sustainable investments based on internal research, which uses, among others, the UN Sustainable Development Goals (SDGs), as well as the objectives of the EU Taxonomy as reference frameworks. The Investment Manager does not commit to a minimum of socially sustainable investments, as the SDGs include both environmental and social objectives. The overall share of sustainable investments may also include investments with a social objective and, while the Fund does not commit to a minimum share of environmentally or socially sustainable investments, such investments may be freely allocated to the total public commitment of the Sustainable Investment Fund (min. 3.00%).

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments in cash, target funds or derivatives can be included under “#2 Other”. Derivatives can be used for efficient portfolio management (including risk hedging) and/or investment purposes, and target funds to benefit from a specific strategy. There are no minimum environmental or social requirements for these investments.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark for measuring the attainment of the environmental and/or social characteristics promoted by the Fund has been defined.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

  Not applicable

- How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

  Not applicable

- How does the designated index differ from a relevant broad market index?

  Not applicable

- Where can the methodology used for the calculation of the designated index be found?

  Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website: More product-specific information can be found on the website: https://regulatory.allianzgi.com/de-de/sfdr/funds/mutual-funds