

Prospectus including Terms and Conditions  
30 March 2012

# Allianz Vermögensbildung Deutschland

Allianz Global Investors Kapitalanlagegesellschaft mbH

The current prospectus and the “General Terms and Conditions” in conjunction with the “Special Terms and Conditions” shall form the legal basis for purchasing investment fund units. No formal statement or information that diverges from the content of this prospectus may be given. The buyer shall bear sole responsibility for any purchase 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. In the event that the reporting date of the annual report is more than eight months in the past, the semi-annual report shall also be made available to the purchaser before conclusion of a contract.

The contractual and the pre-contractual relations between investment company and investor shall be based on German law. Pursuant to section 23 sub-section 2 of the “General Terms and Conditions” the seat of the investment company shall be the place of jurisdiction for any disputes arising from the contractual relationship, unless the investor has a general place of jurisdiction in Germany. Pursuant to section 123 Investmentgesetz (InvG – Investment Act) all publications and promotional literature shall be drawn up in German or provided with a German translation. Furthermore, the investment company shall communicate with its investors in German.

In the event of disputes relating to the provisions of the Investment Act, users may call the Ombudsman for Investment Funds at BVI Bundesverband Investment und Asset Management e.V. This does not affect the right to take legal action.

Contact information:

Office of the Ombudsman at BVI  
Bundesverband Investment und Asset Management e.V.  
Unter den Linden 42  
10117 Berlin  
Telephone: +49 30 6449046-0  
Fax: +49 30 6449046-29  
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[www.ombudsstelle-investmentfonds.de](http://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 of financial services, the parties concerned may also contact the conciliation board of Deutsche Bundesbank, Post Box 11 12 32 in 60047 Frankfurt, telephone +49 69 2388-1907 or -1906, fax +49 69 2388-1919, [schlichtung@bundesbank.de](mailto:schlichtung@bundesbank.de). This does not affect the right to take legal action.

### Investment restrictions applying to US persons

The Company and/or the fund has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the “Investment Company Act”). The units of the fund have not been and will not be registered under the United States Securities Act of 1933 as amended (the “Securities Act”) or under the securities laws of any state of the United States of America and such units may be offered, sold or otherwise transferred only in compliance with the Securities Act of 1933 and such state or other securities laws. The units of the fund may not be offered or sold within the United States or to or for the account of any US Person as defined in Rule 902 of Regulation S under the Securities Act. Applicants 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.

**Allianz Global Investors  
Kapitalanlagegesellschaft mbH  
Mainzer Landstraße 11–13  
60329 Frankfurt/Main**

**Register of Companies: HRB 9340  
Local Court: Frankfurt/Main**

**Supervisory Authority in charge:  
Bundesanstalt für Finanzdienstleistungsaufsicht  
Lurgiallee 12  
60439 Frankfurt/Main**

This document is a translation of the original German prospectus. In the event of any inconsistency or ambiguity in the meaning of any word or phrase in this translation, the German text shall prevail and all disputes as to the terms thereof shall be governed by and construed in accordance with German law.

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# Prospectus

## General information

Allianz Vermögensbildung Deutschland is a UCITS-compliant fund in terms of the Investmentgesetz (InvG – Investment Act). It is managed by Allianz Global Investors Kapitalanlagegesellschaft mbH domiciled in Frankfurt/Main (hereinafter “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 bankruptcy estate.

The InvG and the terms and conditions governing the legal relationship between the investors and the Company also determine the assets in which the Company may invest and the provisions it must respect in doing so. The terms and conditions contain both a general and a specific section (“General Terms and Conditions” and “Special Terms and Conditions”). The application of the terms and conditions to a fund is subject to the approval of BaFin.

## Facts and figures Allianz Vermögensbildung Deutschland

Unit class <sup>1)</sup> :	A EUR
ISIN Code:	DE0008475062
Securities Identification Number:	847 506
Legal structure:	pursuant to German law (InvG)
Launch:	1 July 1970
Investment company:	Allianz Global Investors Kapitalanlagegesellschaft mbH domiciled in Frankfurt/Main
Custodian:	Commerzbank AG, Kaiserplatz, 60311 Frankfurt/Main
Auditor:	KPMG AG Wirtschaftsprüfungsgesellschaft Frankfurt/Main
Financial groups promoting the fund:	Allianz Group
Supervisory authority in charge:	Bundesanstalt für Finanzdienstleistungsaufsicht, Lurgiallee 12, 60439 Frankfurt/Main
Minimum investment:	None
Maximum front-end load:	6.00%
Current front-end load:	5.00%
Allocation of income:	distributing
Maximum management fee per day:	2.00% p.a. plus performance fee
Current management fee per day:	1.50% p.a. plus performance fee
Maximum administration fee per day:	0.50% p.a.
Current administration fee per day:	0.30% p.a.
Maximum sales commission per day:	0.75% p.a.
Current sales commission per day:	0.00% p.a.
Life:	unlimited

<sup>1)</sup> The investment company may decide at any time to launch further unit classes for the fund. In this case the prospectus will be amended with regard to the new unit classes.

## Offering documents

The prospectus, the key investor information, the terms and conditions as well as the latest annual and semi-annual reports are available free of charge from the Company, the Custodian, 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.

## Terms and Conditions

The terms and conditions are included in this prospectus. The Company is entitled to amend the terms and conditions. Changes of the terms and conditions shall be subject to approval of BaFin. Changes in the fund's investment principles shall additionally require approval from the Company's supervisory board.

Planned changes shall be published in the electronic version of the Federal Gazette (Bundesanzeiger) and at [www.allianzglobalinvestors.de](http://www.allianzglobalinvestors.de). If the changes affect fees and reimbursements of expenses that may be charged to the fund, or the investment principles or material rights of investors, the custodian institutions are obliged to inform the investors in written or electronic form. 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 coming into force. Changes which 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 investment company offers investors to swap their units for units in funds with comparable investment principles free of charge, if the investment 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.

## Management company

The fund described is managed by Allianz Global Investors Kapitalanlagegesellschaft mbH (Allianz Global

Investors KAG), which is domiciled in Frankfurt/Main and was established in December 1955.

Allianz Global Investors KAG is an investment company in the meaning of the InvG in the legal form of a Gesellschaft mit beschränkter Haftung (GmbH – limited liability company).

Allianz Global Investors KAG has been authorised to manage securities funds since 1955, in addition money market funds since 1994 as well as fund-of-funds, mixed investment and real estate funds and old age provision funds since 1998. After adjustment to the InvG the Company has been authorised to manage UCITS-compliant funds as well as mixed and old age provision funds since March 2005 and other funds since 25 July 2008.

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

## Company announcements

In the following, the website [www.allianzglobalinvestors.de](http://www.allianzglobalinvestors.de) is considered an electronic information medium of the Company within the meaning of the Investment Act. Unless otherwise provided for by law or in this prospectus, all announcements by the Company concerning the investment fund and notices to unitholders will be published on the website.

## Custodian

The InvG requires the separation of the function of fund management from that of fund safe-keeping. For the safe-keeping of the fund's assets the Company has authorised a financial institution as Custodian.

The Custodian shall keep the assets in blocked custody accounts or blocked accounts. In particular it shall provide for the subscription and redemption of units and the determination of the unit's value to correspond to the provisions of the InvG and the terms and conditions. Furthermore, it shall ensure that it receives the value of the transactions effected for the fund within the customary periods of time and the use of the fund's income is in line with the provisions of the InvG and the terms and conditions. In addition, the Custodian is required to verify if deposits to blocked accounts or in custody accounts at other financial institutions, investment companies or another custodian comply with the InvG and the terms and conditions. If this is the case, it must consent to the monies being placed in this manner.

The Custodian is, in principle, responsible for all assets in its safekeeping or, with its approval, in the safekeeping of another agent, and is liable in the event of loss. If, however, the securities are held abroad and the holder there is not Clearstream Banking AG or a foreign company belonging to the Custodian, the Custodian's liability is limited to the careful selection, regular monitoring and instruction of the foreign holder.

The Custodian shall determine, in collaboration with the Company, the value of both the fund and the units.

The Custodian for the fund described in this prospectus is Commerzbank AG, which has its registered office at Kaiserplatz, Frankfurt/Main. The Custodian is a financial institution under German law in the legal form of an Aktiengesellschaft (AG – stock corporation). Its main activities are the clearing, deposit and lending businesses as well as securities operations.

## Fund

The investment fund Allianz Vermögensbildung Deutschland was launched on 1 July 1970 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.

## Unit classes

Different unit classes within the meaning of section 16 sub-section 2 of the "General Terms and Conditions" may be created for the fund. These unit classes differ in terms of allocation of income, front-end load, redemption fee, the currency of the unit value including the use of currency hedging transactions, the management fee, the 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 class has actually been launched: A EUR.

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 Terms and Conditions" and section 3, of the "Special Terms and Conditions", use derivatives on exchange rates and currencies within the meaning of section 51 sub-section 1 InvG with the aim of avoiding losses in unit value resulting from exchange-rate-related losses in fund assets which 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 corporation as far as instruments representing equities are concerned) 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 which 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 may not have any effect on unit classes which are not currency hedged, or which 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.

## Investment objective

The investment policy aims to generate capital growth in the long term by mainly investing in the German equity markets within the investment principles.

## Investment Principles and Investment Restrictions

The following assets may be purchased for the fund:

1. Securities as specified in section 47 of the Investment Act (*Investmentgesetz – InvG*), albeit only those of the following classes:
  - a) Equities, equity equivalent securities and participation certificates, if the issuer (or, in the case of instruments representing equities, the corporation) is domiciled in Germany. The Company shall purchase equities, equity equivalent securities, and participation certificates which in combination with all such investment vehicles prevailing in the fund form a portfolio geared to value stocks. Value stocks in this meaning shall be companies which seem undervalued relative to the respective sector in the Company's view. Equities may be acquired in companies of any size. Depending on its assessment of the market situation, the Company may focus on

companies of a certain size segment or several selected size segments, or it may opt for a diversified approach. If equities are acquired in very small companies, these, in particular, may be specialty shares, some of which operate in niche markets.

- b) Equities, equity equivalent securities and participation certificates of issuers domiciled in other countries.
  - c) Index certificates and equity certificates with a risk profile correlating with the assets listed under a) and b) or with the investment markets to which these assets are attributable.
  - d) Convertible bonds and warrant bonds relating to the assets set out in a) and b).
2. Money market instruments as specified in section 48 InvG, if these are denominated in the currency of an OECD member state.
  3. Bank deposits as specified in section 49 InvG, if these are denominated in the currency of an OECD member state.
  4. Investment units as specified in section 50 InvG, 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 50 InvG. Depending on its assessment of the market situation, the Company can opt to focus on one or several investment funds. These may include investment funds which pursue an investment policy focused on a single investment market, or investment funds which 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 which the Company deems to be necessary in that particular case, or if the units in question are units in an investment fund which 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 Terms and Conditions".
  5. Derivatives as specified in section 51 InvG.
  6. Other investment instruments as specified in section 52 InvG, albeit only equities, equity equivalent securities or participation certificates.

Here, the following investment restrictions shall apply:

- (1) The total proportion of equities and equity equivalent securities within the meaning of no. 1a) above may not fall below 51% of the fund's assets.
- (2) The total proportion of equities and other assets within the meaning of no. 1a) above and subject to sub-section (8) below may not fall below 70% of the fund's assets.
- (3) The total proportion of equities and other assets within the meaning of no. 1b) above and subject to sub-section (8) may not exceed 20% of the fund's assets.
- (4) The total proportion of money market instruments within the meaning of no. 2 above and of bank deposits within the meaning of no. 3 above and subject to sub-section (8) below may not exceed 15% of the fund's assets.
- (5) The total proportion of investment units within the meaning of no. 4 above may not exceed 10% of the fund's assets. Investment units with a risk profile correlating with the assets set out in sub-sections (3) or (4) shall be included in the calculation for the respective limit.
- (6) Securities and money market instruments purchased under agreements to resell shall be included in calculations for the issuer limits set out in section 60 sub-sections 1 and 2 InvG, while investment units purchased under agreements to resell shall be included in the investment limits set out in sections 61 and 64 sub-section 3 InvG.
- (7) The limits set out in sub-sections (1) through (5) may be exceeded/undershot if this occurs due to changes in the value of the assets in the fund, as a result of the exercise of conversion, subscription or 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.
- (8) The limits set out in sub-sections (2) through (4) may be exceeded/undershot, with due regard to the limits set out in sub-section (1), as a result of the purchase/sale 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 this purpose are applied at the delta-weighted value of the respective underlying in keeping with the respective arithmetic sign. Short transactions in derivatives are applied as risk-reducing factors even if their underlyings do not correspond fully to the assets in the fund.

The benchmark for the fund is the S&P BMI Germany Value Net Total Return. In managing the fund, the Company may deviate from the benchmark.

## 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 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,
- if they are admitted to trading on a stock exchange or admitted to or included in another organised market admitted by the Bundesanstalt für Finanzdienstleistungsaufsicht.

Securities from new issues may be acquired under the Special 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 47 sub-section 1 sentence 2 InvG must be met.

Securities in the form of equities may be acquired in particular if they accrue to the fund from a capital increase out of corporate funds. Securities may also be acquired from the exercising of subscription rights held by the fund.

Subscription rights may also be considered as securities if the securities from which the subscription rights arise may be included in the fund's assets.

### Money market instruments

Money market instruments are instruments which are customarily traded in the money market as well as interest-bearing securities which at the time of purchase for the fund have a maximum (residual) maturity of 397 days. Should the maturity exceed 397 days, interest must be adjusted in line with market rates at regular intervals or at least once within 397 days. Money-market instruments include instruments whose risk profile is equivalent to that of such securities.

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 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,
2. if they are admitted to trading on a stock exchange or admitted to or included in another organised market admitted by the Bundesanstalt für Finanzdienstleistungsaufsicht,

3. if they are issued or guaranteed by the European Communities, the German Federal Government, a Special 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 European Union, the European Central Bank or the European Investment Bank, another 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,
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 which is subject to supervision pursuant to the criteria set out under Community law or to supervision which 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, which 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/EG of the European Parliament and the Council of 17 May 2006, or
  - b) a legal entity which is responsible for the financing of a company group that consists of one or more listed companies, or
  - c) a legal entity which is to finance the securitisation of liabilities by using a credit line provided by a bank. Article 7 of the Commission Directive 2007/16/EC shall apply to the securitisation and the credit line provided by a bank.

All money market instruments listed above may be acquired only if they meet the preconditions of Article 4(1) and (2) of the Commission Directive 2007/16/EC. Article 4(3) of the Directive 2007/16/EC shall apply to money market instruments within the meaning of paragraphs 1 and 2.

The money market instruments listed in paragraphs 3 through 6 must benefit from sufficient deposit and investor protection, e.g. in the form of an investment-grade rating, and they must meet the criteria set out in Article 5 of the Directive 2007/16/EC. Investment grade is defined as a rating of "BBB" or "Baa" or better resulting from a rating agency's credit assessment.

The acquisition of money market instruments within the meaning of paragraph 3 which are issued by a regional or



local authority of a member state of the European Union or by an international public-law institution, but not guaranteed by the member state or, if that member state is a federal state, by a member state of this federal state, and the acquisition of money market instruments within the meaning of paragraphs 4 and 6 are subject to Article 5(2) of the Directive 2007/16/EC; the acquisition of all other money market instruments within the meaning of paragraph 3 apart from money market instruments which are issued or guaranteed by the European Central Bank or by the central bank of a member state of the European Union is subject to Article 5(4) of the Directive 2007/16/EC. The acquisition of money market instruments within the meaning of paragraph 5 is subject to Article 5(3) of the Directive 2007/16/EC, and the acquisition of money market instruments which are issued or guaranteed by a financial institution which is subject to and complies with supervisory rules which are, in the view of BaFin, equivalent to those existing under Community law is governed by Article 6 of that Directive.

### Investment restrictions for securities and money market instruments

The Company may invest up to 10% of the fund in securities and money market instruments listed above of the same issuer (debtor). However, the aggregate value of those securities and money market instruments of the issuers (debtors) which exceed 5% of the value of the fund must not exceed 40% of the fund's value.

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

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

In the case of particular public-sector issuers within the meaning of section 60 sub-section 2 sentence 1 InvG 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 securities and money market instruments purchased under agreements to resell are included in the calculation of these investment restrictions.

The amounts accounted for by securities and money market instruments of a single issuer which are included

in the above restrictions may be reduced by short transactions in derivatives whose underlyings 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 thus increased issuer risk is reduced by hedging transactions.

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

- securities which are not admitted to trading on a stock exchange or admitted to or traded on an organised market but meet the criteria of section 52 sub-section 1 no. 1 InvG; only equities, equity equivalent securities or profit participation certificates may be purchased,
- 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 European Union or in another signatory state to the Agreement on the European Economic Area or inclusion in the organised market of a member state of the European Union or of another signatory state to the Agreement on the European Economic Area, 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 European Union or outside the other signatory states to the Agreement on the European Economic Area has to be applied for under its issuance conditions, provided that the relevant stock exchange or organised market is permitted by the BaFin rules and the admission or inclusion takes place within one year after issuance.

### 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 may not exceed twelve months. These deposits must be maintained in blocked accounts with a financial institution domiciled in a member state of the European Union 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 country, if the supervisory regulations of this third country are equivalent to those of the Community law in the view of BaFin.

Taking into account the provisions in the "Special Terms and Conditions", the Company may invest only up to 20%

of the fund's assets in bank deposits with any given financial institution.

### Investment fund units

The Company may, for account of the fund, invest in units of other investment funds subject to the restrictions laid out in the section "Investment principles and investment restrictions", if these other funds, under their terms and conditions or articles of association, may only invest up to 10% of their assets in units of further investment funds. Units in domestic UCITS-compliant funds and UCITS-compliant EU investment units may be purchased. Units in non-UCITS-compliant domestic funds, foreign investment units other than EU investment units and units in investment stock corporations may be acquired if these entities were admitted pursuant to laws and regulations which effectively protect investors and there are adequate guarantees for a satisfactory co-operation between the government agencies, the level of protection for the investor is the equivalent of the level of protection for an investor in a domestic UCITS-compliant fund and, more specifically, the provisions concerning the segregation of assets, borrowing, lending and short selling of securities and money market instruments match the requirements of Directive 85/611/EEC, the business is the subject matter of annual and semi-annual reports, which permit an assessment to be made about the assets and liabilities, the income and the transactions during the reporting period and they offer an unlimited number of units to the public and their unitholders have the right to redeem their units.

The Company may not purchase for a fund's account more than 25% of the issued and outstanding units of another fund or foreign investment fund.

The securities purchased under agreements to resell are included in the calculation of these investment restrictions.

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 custodian 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 [www.allianzglobalinvestors.de](http://www.allianzglobalinvestors.de) will show to what extent the fund holds units in such investment funds.

### Derivatives

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 which may be purchased for the fund or on financial indices within the meaning of Article 9(1) of the Directive 2007/16/EC, on interest rates, exchange rates or currencies. These include in particular options, financial futures and swaps as well as combinations thereof.

The Company may under no circumstances deviate from the investment objectives laid out in the "General Terms and Conditions", "Special 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,
- increasing or minimising the potential market risk of one, several or all 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 which 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.

In calculating the potential market risk for the use of derivatives, the Company shall use the qualified approach as defined in the Derivateverordnung (DerivateV – Derivatives Ordinance). The potential amount at risk due to market circumstances ("potential market risk amount") attributable to the fund shall at no time exceed twice the potential market risk amount attributable to the comparable fictitious benchmark fund pursuant to section 9 DerivateV. The derivative-free benchmark consists of an equity portfolio corresponding to the composition of the S&P Germany BMI Value Return Net.

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

In this connection, the fund management follows a risk-controlled approach.

The expected leverage effect of the derivatives is calculated as the expected total sum of the nominal values of the derivatives, taking fundamental offsetting effects into account. The actual total sum of the nominal values of the derivatives may occasionally exceed the expected total sum of the nominal values of the derivatives or change in future. Derivatives may be employed by the Company with different objectives in mind, including hedging or speculative purposes. In calculating the total sum of the nominal values of the derivatives, no distinction is made between the different objectives being pursued in employing the derivatives. For this reason, the expected total sum of the nominal values of the derivatives does not give any indication of the level of risk in the fund. The expected total sum of the nominal values of the derivatives amounts to 0–25%.

## 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 investment principles, the Company may, to the extent permissible, buy and sell futures contracts (futures and/or forwards). Futures are mutually binding agreements between two parties 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 on in advance.

### 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 contractual partners.

### Swaptions

Swaptions are options on swaps. A swaption is the right, but not the obligation, to enter into swaps specified under certain conditions 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 contracting partner.

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 derivatives

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) transactions.

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 other 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 European Union, the European Economic Area or a state that is not a member of either of those organisations but has comparable levels of governmental supervision in the view of BaFin, the counterparty risk may total 10% of the value of the fund. Derivatives contracts purchased other 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.

## Special risks in the use of derivatives

A position in the futures and options market and in swaps and currency trades is associated with investment risks and transaction costs that the fund would not be subject to if these strategies had not been employed. These risks include:

1. the risk that the fund's predictions about the future developments of interest rates, securities prices and currency markets turn out to be incorrect,
2. the imperfect correlation between the prices of futures and options contracts and the movements in the prices of the assets or currencies being hedged, with the result that a complete hedging of risk is sometimes not possible,
3. the possible absence of a liquid secondary market for any particular instrument at any 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. the risk of not being able to buy or sell the underlying assets of the derivative instruments at a time that would be favourable to do so, or the possible need to buy or sell the underlying securities at a disadvantageous time,
5. the potential loss arising from the use of derivative instruments, which may not be predictable and may even exceed the margins paid,
6. the risk of insolvency or default of a counterparty.

## Securities lending operations

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. If the assets are transferred for an unlimited period of time, the Company shall have the right to call them in at any time. It shall be agreed by contract that assets of the same kind, quality and amount have to 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 furnished 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 Custodian for the account of the fund, when due, the interest accrued on the securities received by way of a loan. Securities loans granted for a limited time may not exceed 15% of the value of the fund's assets. All securities transferred to a single borrower may not exceed 10% of the fund's value.

The Company must not grant cash loans to third parties for account of the fund.

## Repurchase agreements

Under the conditions set out in the "Special 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. Repurchase agreements are permitted only in the form of so-called true repurchase agreements. In such transactions the repo lender pledges to return the assets taken over by him at a specific time or at a time to be determined by the repo borrower.

## Borrowing

The raising of short-term loans 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 Custodian gives its consent.

## Ottawa and Oslo convention

The fund refrains from investing in securities of issuers which, in the opinion of the Company, engage in business activities prohibited by the Ottawa convention on anti-personnel mines and the Oslo convention on cluster munition. In determining whether a company engages in such business activities, the Company may rely on assessments that are based on

- (a) research analysis from institutions specialized in screening compliance with said conventions,
- (b) responses received from the Company in the course of shareholder engagement activities, as well as
- (c) publicly available information.

Such assessments may either be made by the Company itself or obtained from third parties, including other Allianz Group companies.

## Valuation

### Assets admitted to trading on a stock exchange/ traded in an organised market

Assets which 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 current market price.

## Assets not listed on stock exchanges or traded in organised markets or assets without tradeable price

Assets which 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, which on careful assessment is adequate according to suitable valuation models taking into account the current market conditions.

## Unlisted bonds

The valuation of bonds not admitted to trading or included in another organised market is based on the prices agreed for comparable bonds and, where applicable, 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, custodian 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, which are admitted to trading on a stock exchange or included in another organised market, are valued at the most recent prices at which at least part of the purchasing or selling orders was executed.

Receivables and liabilities from futures contracts sold for the account of the fund are valued at their current price. 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.

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.

Fund units are stated at their redemption price.

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

## Assets denominated in foreign currencies

Assets denominated in foreign currencies are converted to euro on the same day based on the morning fixing of Reuters AG at 10 a.m. at the exchange rate determined for the currency.

## Performance

	Allianz Vermögensbildung Deutschland A EUR in %	Benchmark* in %
1-Year (31/12/2009 – 31/12/2010)	22.28	20.63
2-Years (31/12/2008 – 31/12/2010)	55.62	50.36
3-Years (31/12/2007 – 31/12/2010)	- 11.60	- 12.37
4-Years (31/12/2006 – 31/12/2010)	2.33	1.89
5-Years (31/12/2005 – 31/12/2010)	29.92	28.20
10-Years (31/12/2000 – 31/12/2010)	19.34	19.68

\* Benchmark: S&P Germany BMI Value Return Net  
Until 31 July 2008, the benchmark was S&P/Citigroup BMI Germany Value Total Return.  
Until 31 December 2002, the benchmark was the DAX 100.

Benchmark: Index considered representative for the relevant investment segment, which is also the basis for the calculation of the performance fee – if any.

Calculation basis: Net asset value per unit (front-end loads excluded), distributions – if any – reinvested. Calculation according to BVI method (German Investment and Asset Management Association).

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

## Risk factors

### General

Besides the chances 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 every fund aims to achieve steady appreciation, this cannot be guaranteed. However, the investor's risk is limited to the amount invested. The investor has no obligation to pay more than the invested amount.

### Risk profile

Taking into account the circumstances and risks mentioned above, the fund – as compared to other types of funds – is subject to such opportunities and risks which investment in stocks entails.



In particular, the stock-market-oriented investment approach of the fund generates significant general market risks, company-specific risks, country/regional risks, credit risks, counterparty risks and risks of settlement default as well as, to a certain extent, emerging markets risks, liquidity risks, country/transfer risks and custodial risks. Among other things, the stock-market-oriented investment approach of the fund means that – possibly prolonged – price declines across the market may have a negative effect on the value of the fund's assets.

Concerning money-market and deposited assets, there is a possibility that interest-rate risks, credit risks, general market risks, company-specific risks, country/regional risks, counterparty risks and risks of settlement default as well as, to a certain extent, emerging markets risks, liquidity risks, country/transfer risks and custodial risks may arise in addition to the risks mentioned in the following paragraphs.

There is a significant currency risk for non-Euro-investors if a particular unit class is not hedged for currency risks for a particular currency at the level of the unit class, while this risk applies only in parts to Euro-investors. Even if unit classes are hedged for certain currency risks, investors run significant currency risks if the currency hedged for the unit class they have invested in is not their domestic currency; if it is their domestic currency, investors incur lower currency risks.

In addition, there is a possibility of concentration risks, settlement risks, the specific risks of investments in target funds, fund capital risks, risks of flexibility constraints, inflation risks, risks of changes in underlying conditions, risks of changes to the terms and conditions, to the investment policy and other general provisions of the fund, risks of a change in key staff, risks of a change in announced or published tax bases for investors who are liable to tax in Germany, risks of incurring transaction costs due to flows of units at the level of the fund and, in particular, elevated performance risks.

Concerning the specific risks in the use of derivatives please see the sections "Special risks in the use of derivatives" and "Derivatives".

**The value of the fund units relating to the unit classes denominated in the base currency may be subject to highly elevated volatility. The volatility of other unit classes may be different.**

## General risk factors

An investment in the fund may be associated with the following risk factors in particular.

### Interest rate risk

To the extent that the fund directly or indirectly holds interest-bearing securities it is subject to the risk of a change in interest rates. If the market interest rate increases, the value of the interest-bearing securities included in the fund may drop significantly. This applies to an even greater degree if the fund also holds interest-bearing securities with a longer time to maturity and a lower nominal interest return.

### Credit risk

The creditworthiness (solvency and willingness to pay) of the issuer of a security or money-market instrument held directly or indirectly by the fund may subsequently fall. This usually leads to drops in the price of the security, which surpass those caused by the general market fluctuations.

### 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, and overall economic trends which are based on manifold, sometimes irrational factors. There may be significant and prolonged price declines across the market. Securities from top-rated issuers are subject to essentially the same general market risk as other securities and assets.

### 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. If the company-specific factors deteriorate, the price of the respective security may drop significantly and enduringly, even if the general stock-market trend is positive.

### Risk of settlement default

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.

### Counterparty risk

If transactions for the fund are not handled through a stock exchange or a regulated market (OTC trades), there is the risk – in addition to the general risk of settlement default – that the counterparty of the trade may in full or in part default on its obligations. This applies in particular to trades involving derivatives.

### 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 depreciation of the foreign currency

against the base currency of the fund will cause the value of the securities denominated in the foreign currency to decline.

#### Country/regional risk

If the fund focuses its investments on certain countries or regions, this also reduces risk diversification. Consequently, the fund is particularly dependent on the development of individual or related countries and regions, or of companies based and operating in those countries or regions.

#### Concentration risk

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

#### Country/transfer risk

Economic or political instability in countries in which the fund is invested may result in the fund not receiving the full amount or any of the monies to which it is entitled regardless of the solvency of the issuer of the respective security or other assets. Currency or transfer limitations or other legal changes, for example, may be of significance in this regard.

#### Liquidity risk

Even relatively small orders for sales or purchases of illiquid securities (securities that cannot be sold readily) can lead to significant price changes. If an asset is not liquid, there is a risk that the asset cannot be sold or can only be sold at a significant discount to the purchase price. The illiquidity of an asset may result in a considerably higher purchasing price if it is to be bought.

#### 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 case of bankruptcy, negligence, wilful misconduct or fraudulent activity on the part of the Custodian or Sub-Custodian. The Custodian's liability is not unlimited in the event of loss or disappearance of assets held abroad at other custodial offices (see the section "Custodian").

#### Emerging markets risks

Investing in emerging markets means investing in countries not classified by the World Bank as "high gross national income per capita" (i.e. not "developed"). In addition to the specific risks of the particular

investment 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 deviate, to the detriment of the investor, substantially from the levels and standards that are considered standard international practice. There may also arise 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 as well as 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 in consideration of risks that assets acquired by the fund are subject to in general and the risks that are entered into in the selection of individual assets in particular. Investors run the risk of getting back less than they have initially paid in. Neither the Company nor any third parties offer guarantees as to a specific performance of the fund.

#### Fund capital risk

Due to the risks described here to which the valuation of the assets held in the fund or a unit class is subject, there is a risk that the fund capital or the capital attributable to a unit class will decrease. Excessive redemption of fund units or an excessive distribution of returns on investments could have the same effect. A reduction in the capital of the fund or a unit class could make the management of the fund or a unit class unprofitable, which could lead to the liquidation of the fund or a unit class and to investor losses.

#### Risk of flexibility constraints

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 unit class held by the investors merges with another fund, in which case the investors automatically become holders of units in another fund. The front-end load levied when units are acquired could reduce or even erode any returns on an



investment 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, in addition to the costs already incurred (e.g. front-end load for the purchase of units), incur additional costs, such as front-end load for the purchase of other units. These events and circumstances could 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.

#### **Risk of changes in underlying conditions**

Over time, the framework conditions (e.g. economic, legal or tax conditions) for an investment may change. This could have a negative effect on the investment and on the treatment of the investment at the level of the investor.

#### **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 in time or as agreed.

#### **Risk of changes to the terms and conditions, the investment policy and other general provisions of the fund**

Unitholders are advised that the investment policy of the fund, as well as the other general provisions of the fund, may be changed in so far as it is permissible to do so. 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.

#### **Risk of a change in key staff**

The success of a fund which performs very well over a certain period of time is partly due to the aptitude of the people handling the investments, i.e. to the good decisions of its management. Nonetheless, the people making up the fund management may change. New decision-makers may then possibly act with less success.

#### **Risk of a change in announced or published tax bases for investors who are liable to tax in Germany**

A change in incorrectly announced or published tax bases for the fund for former financial years may result in a correction which is detrimental to investors in terms of their tax debt in that they may have to bear the tax burden resulting from the change for former financial years even though they may not have held units in the relevant fund in these years. In return, it may be the case that an investor does not benefit from a correction for the current or former financial years in which the investor held units in the fund and which would in principle be

beneficial for him because he redeems or sells his units before the correction is implemented. Moreover, taxable returns or tax advantages may be assessed in another period of assessment than that in which they occur due to such a correction, and this may have a negative effect for the individual investor. Changes in announced or published tax bases may occur in particular if German tax authorities or financial courts interpret the relevant tax laws differently.

#### **Risk of incurring transaction costs due to flows of units at the level of the fund**

Issuing units may lead to investment of the inflows, redemption of units may trigger sales of investments in order to obtain liquidity. Such transactions cause expenses, which may impair the Fund's performance appreciably, particularly if subscriptions and redemptions of units made on one specific day do not roughly balance each other out.

#### **Specific risks of investments in target funds**

If a fund uses other funds (target funds) as investment vehicle for its assets by buying units of these funds, it incurs the general, investment policy-related risks of these funds and the risks specific to fund investments. In this respect the fund itself is subject to fund capital risks, settlement risks, risks of flexibility constraints, risks of changes in underlying conditions, risks of changes to the terms and conditions, the investment policy or other general provisions of the target fund, risks of changes in key staff, risks of a change in announced or published tax bases for investors who are liable to tax in Germany, risks of incurring transaction costs due to flows of units at the level of the fund and general performance risks.

The fund managers of different target funds act independently of each other. A number of target funds may therefore assume opportunities and risks which are eventually based on the same or on mutually related markets or securities so that the fund which is invested in target funds may experience a concentration on the same or on mutually related markets and securities. However, the opportunities and risks incurred by different target funds may also offset each other.

If a fund invests in target funds, this involves regular expenses both at the level of the investing fund and at the level of the target funds such as fixed and/or performance-related management fees, custodian fees and other expenses. As a result, the expenses to be borne by investors in the investing fund will rise proportionately.

**No assurance can be given that the investment objectives will be achieved.**

## Profile of a typical investor

The fund is directed at investors who expect returns above the prevailing interest rate level. The higher performance opportunities in the long term mean that stronger price fluctuations have to be accepted. The acquisition of unit classes denominated in the base currency requires an at least long-term investment horizon. The same applies to unit classes hedged against the reference currency and for investors who make their transactions in the reference currency. The investment horizon for these unit classes may be different for investors who conduct their transactions in another currency than the reference currency.

## Units

The rights of investors are vested in both unit certificates (physical certificates in denominations of one, ten, hundred or thousand units) and global certificates, which are deposited with a central securities depository. Both the unit certificates and the global certificates are bearer certificates and represent unitholders' claims against the Company.

## Subscription and redemption of units

### Subscription of units

Generally, there is no restriction on the number of units that may be issued. Units can be purchased from the Company, the Custodian, RBC Dexia Investor Services Bank S.A. or from third parties. They are issued by the Custodian at the subscription price, which is determined as the net asset value per unit plus a front-end load. The Company reserves the right to temporarily or permanently discontinue the subscription of units.

### Redemption of units

Irrespective of a minimum investment, if any, unitholders 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 Custodian or the Company. 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.

### 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 Custodian or RBC Dexia Investor Services Bank S.A. 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 that valuation day, even though that price is not yet known at the time when the unit order is received. Any unit orders which are received after 7:00 a.m. 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 Custodian or RBC Dexia Investor Services Bank S.A. 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 fixed on that valuation day, even though that price is not yet known at the time when the redemption order is received. Any redemption orders which are received after 7:00 a.m. 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 unitholders who maintain their portfolio with the Company, the Custodian or RBC Dexia Investor Services Bank S.A., the provisions in the respective custodian agreement with the Company, the Custodian or RBC Dexia Investor Services Bank S.A. 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, in the interest of the investors, such suspension is deemed to be necessary. 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 assets cannot be valued.

The Company reserves the right not to redeem the units at the prevailing price until it has sold assets of the fund without any delay, but while taking into account the interest of all investors.

The Company shall inform investors in the electronic version of the Federal Gazette and at [www.allianzglobalinvestors.de](http://www.allianzglobalinvestors.de) about the suspension and resumption of redemptions. Furthermore, the custodian institutions are obliged to inform the investors in written or electronic form.

## 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 aware of the fact that – without its agreement – units of the fund were traded at the following exchanges at the time of printing of this prospectus:

- Berlin Stock Exchange
- Düsseldorf Stock Exchange
- Fondsbörse Deutschland (Hamburg-Hanover Stock Exchanges)
- Frankfurt Stock Exchange
- Munich Stock Exchange
- Stuttgart Stock Exchange

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 which forms the basis for exchange or market trading is not determined exclusively by the value of the fund assets, but also by supply and demand. As a result the market price may deviate from the calculated price for one unit of a given unit class.

## Subscription and redemption prices

In order to determine the subscription and redemption prices of the units of a given unit class, the Custodian in co-operation with 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 management 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 Custodian nor the Company is obliged to

determine the unit value on public holidays that are trading days within the jurisdiction of the Investment Act 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 or 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 6% of the unit value for this unit class. The Company may, however, charge a lower front-end load.

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 the sale of 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 on each valuation day at [www.allianzglobalinvestors.de](http://www.allianzglobalinvestors.de).

## Subscription and redemption costs

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

## Management fees and other charges

The daily fee for the management of the fund shall amount to 2.0% p.a. of the pro rata value of the fund for the unit class A EUR. This is calculated on the basis of the

net asset value, which is determined every trading day. The Company may, however, charge a lower fee.

In addition, the daily administration fee paid to the Company shall amount to 0.5% p.a. of the value of the fund's assets. This is calculated on the basis of the net asset value, which is determined every trading day. The Company may, however, charge a lower administration fee. This administration fee covers the following fees and expenses which are not charged separately to the fund:

- the custodian fee,
- safe-custody 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 the printing and dispatch of annual and semi-annual reports 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,
- any costs for having the success of the investment analysed by third parties,
- any costs for the cashing of coupons,
- any costs for the re-issue of coupons.

In addition to the fees described above, the Company shall receive an additional daily fee. The fee shall amount to 0.75% p.a. of the pro rata value of the fund, calculated on the basis of the net asset value, which is determined every trading day. The Company may also forward this fee to distributors as a sales commission. The Company may, however, charge a lower fee.

The Company is currently not charging the full fees, but is levying only the fees shown in the table "Facts and figures Allianz Vermögensbildung Deutschland" until further notice.

The fees mentioned above may be withdrawn from the fund's assets at any time.

In the past three years the Company waived – without prejudice to future decisions – part of its fee, so the effective charges were as follows:

In 2009

- until 31.07.2009: effectively charged management fee for the unit class A (EUR): 1.75% p.a.
- from 01.08.2009: effectively charged management fee for the unit class A (EUR): 1.50% p.a.

In 2010

- effectively charged management fee for the unit class A (EUR): 1.50% p.a.

In 2011

- effectively charged management fee for the unit class A (EUR): 1.50% p.a.

In addition, further expenses are charged to the fund:

- costs that arise in connection with the acquisition and sale of assets (including any associated research and analysis services in line with market practices) and with the use of securities lending programmes in line with current banking practice,
- taxes which may be incurred in connection with the costs of management and custody,
- costs for the assertion and enforcement of claims attributable to the fund which are deemed to be justified, as well as for defence against unjustified claims brought against the fund,
- costs for the verification, assertion and enforcement of any possible claims for reducing, offsetting and/or reimbursing withholding taxes or other taxes and/or fiscal charges.

The Company may, in the context of transactions, obtain research and analyses from brokers which are used for investment decisions in the best interest of investors. Moreover, the Company may enter into agreements with selected brokers under which the brokers may directly or with some delay transfer part of the fees the Company pays for the purchase or sale of assets to third parties which provide the Company with research or analyses that the Company uses for investment decisions in the best interest of investors (so-called "Commission Sharing Agreements").

The Company shall also be entitled to an additional performance fee for the management of the fund, chargeable to the fund. This fee shall be equivalent to 20 percent of the fund's outperformance against the S&P Germany BMI Value Net Total Return (index for German value stocks), after deduction of the fees charged to the fund mentioned above. The Company may, however, charge a lower fee.

The Company shall base the valuation of the fund, which is required for the calculation of the investment result, on prices that are temporally as close as possible to the prices on which the index calculation is based. This may cause this valuation of the fund to differ from the valuation for the purpose of determining the net asset value per unit on the same day. The performance fee shall be calculated semi-annually, beginning on 1 October and 1 April of every

calendar year, on every valuation date and shall be based on the current value of the fund, and the total amount shall be calculated on a cumulative basis. Provisions for the accumulated total shall be made, and shall be deducted from the fund on 31 March and 30 September of each calendar year. On valuation dates when the investment result of the fund underperforms the benchmark specified above, the accumulated total, for which provisions have been made decreases in accordance with the method described above. A negative total shall be accumulated during the calculation period, but shall not be carried forward to subsequent calculation periods. Should the reference index cease to exist, the Company shall specify another comparable index to replace the index set out above. The total accumulated from 1 October 2008 through 30 September 2009 shall be withdrawn from the fund on 30 September 2009.

Investors are advised that a performance fee may also be paid if the absolute performance of the fund is negative but the net asset value per unit of the fund outperforms the benchmark.

The Company regularly passes on part of its management fee to intermediaries; such compensation may also be in the form of non-monetary benefits. This is to reimburse and improve the quality of distribution and advisory services on a commission basis. This may involve a considerable part of the management fee. 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 Custodian 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 following costs are considered: the management fee, administration fee and, if applicable, additional costs incurred, except for the transaction costs incurred in the fund, interest on borrowing and any performance-related 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 of external costs outside the Company's influence.

### Particular features of the acquisition of investment fund units

In addition to the management fee for the fund as such, a management fee for the units held in the fund shall be charged to the fund.

If units in other investment funds are acquired, the company managing the other fund may not charge front-end loads or redemption fees for acquisition or redemption.

The Company has disclosed, in the annual and semi-annual report, the fee charged to the fund by the company managing the other fund as a management fee for the units held in the fund.

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

### Sub-fund

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

### Rules for the calculation and allocation of income

#### Calculation of income

For distributing unit classes the income to be distributed shall be calculated by subtracting the pro rata costs (management and custodian fees and other expenses) from the sum of pro rata dividend income, interest income, income from investment units and income from lending and repurchase agreements which has accrued during the past financial year. Capital gains and other income may be used for distribution purposes as well.

For retaining unit classes the income to be reinvested shall be calculated by subtracting the pro rata costs (management and custodian fees and other expenses)



from the sum of pro rata dividend income, interest income, income from investment units and income from lending and repurchase agreements, other income and capital gains, which has accrued during the past financial year.

### Income equalisation

The Company shall use a so-called procedure for income equalisation for the unit classes of the fund. This means that the pro rata 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, are continuously offset against the income and/or gains/losses which sellers of unit certificates are refunded as part of the redemption price. Incurred expenses 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 retaining 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 unitholders 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

The fund's financial year ends on 31 December.

### Distribution mechanism

For the unit class A the Company shall regularly distribute the income from interest and dividend payments, from fund units and from loans and repurchase transactions, which has accrued to this unit class during the financial year and has not been used to cover expenses, annually within three months after the end of the financial year. 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.

### Crediting of distributions

If the units are deposited in a securities account with the Custodian, the Custodian's branches will credit any distributions to the account (safe custody 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 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 electronic version of 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 about the termination in written or electronic form. The same may be done 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). In these cases the right to manage the fund is transferred to the Custodian who shall then liquidate the fund or, after having obtained an approval by BaFin to this effect, transfer the management to another investment company.

### Procedure for the liquidation of a fund

The subscription and redemption of units is discontinued. Any receipts from the sale of the assets of the fund 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 Custodian 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 at which its right to manage the fund lapses. The liquidation report shall comply with all requirements on an annual report. No later than three months after the liquidation date the liquidation report shall be published in the electronic version of the Federal Gazette. As long as the Custodian is administering the fund, it shall prepare annually, and on the day on which its administration ceases, a report that meets the requirements of an annual report. These reports also have to be published no

later than three months after the reporting date in the electronic version of the Federal Gazette.

### Transfer of all assets of the fund

All assets of the fund described in this prospectus may be transferred at the end of the financial year (transfer date) to another existing fund or to a new fund established by virtue of the merger. The fund described in this prospectus may also be merged with an investment fund that was launched in another member state of the EU or EEA and also conforming to the provisions of Directive 2009/65/EC. With the approval of BaFin, another transfer date may be fixed. All the assets of another fund or another foreign UCITS-compliant investment fund may also be transferred to the fund described in this prospectus at the end of the financial year or on another transfer date. Finally, it is also possible for only the assets of a UCITS-compliant fund and not its liabilities to be transferred to the fund described in this prospectus.

### Procedure for the transfer of funds

The investors' custodian institutions will provide the former no later than 35 working days before the planned transfer date in written or electronic form with information 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 key investor information for the fund or the investment fund that either already exists or is newly established by virtue of the merger.

Up to five working 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 against units in another fund or foreign investment fund which is also managed by the Company or a company in the same group and pursues a similar investment policy as the fund described in this prospectus.

At the transfer date the value of the receiving and of the 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. It is also possible for up to 10% of the value of investors' units in the fund being transferred to be paid out to them in cash. If the transfer takes place

in the course of the financial year of the fund being transferred, the company managing it must prepare a report as at the transfer date that meets the requirements of an annual report.

The Company will announce, in the electronic version of the Federal Gazette and furthermore on its website [www.allianzglobalinvestors.de](http://www.allianzglobalinvestors.de), when the fund described in this prospectus has taken over another fund and the merger has become effective. If the fund described in this prospectus ceases to exist by virtue of a merger, the company managing the absorbing fund or the newly established fund will be responsible for the announcement.

The transfer of all the assets of this fund to another fund or to another foreign investment fund is only permitted with the approval of BaFin.

### Overview of key tax regulations for investors

The following overview over tax regulations applies only to investors who are fully liable to tax in Germany. 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 the fund described in this prospectus.

As a special-purpose fund, the fund is exempt from corporation tax and trade tax. However, taxable income from the fund 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 income, exceeds the tax-free amount for savers of currently EUR 801 (for singles or couples who file their tax returns individually) or EUR 1,602 (for couples who file their tax returns jointly).

In principle, capital income is subject to a withholding tax of 25% (plus solidarity surcharge and church tax, if applicable). Capital income includes any income from distributions, deemed distribution income and interim profit from the fund and gains from the purchase or sale of fund units, provided the purchase took place after 31 December 2008.<sup>2)</sup>

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

<sup>2)</sup> Income arising from the sale of fund units acquired before 1 January 2009 is tax-free for private investors.



income tax return. In principle, when the tax is withheld by the custodian institution, offsetting losses and foreign withholding tax 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 returns. 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.

In spite of the withholding tax and a higher personal tax rate, investors may be required to include information on capital income in their income tax returns if they claim extraordinary expenses or special expenses (e.g. donations).

To the extent that the units are held as part of a unitholder's business assets, the income is treated as business income for tax purposes. German tax legislation requires certain distinctions to be made among the individual types of income when determining taxable income and income subject to capital yield tax.

## Units held as personal assets (German residents)

### Income from sales of securities, income from futures and gains as an option writer

Income from sales of equities, participation rights that are similar to share capital and investment units, income from futures and gains as an option writer realised at the level of the fund will not be taxed at investor level as long as it is not distributed. In addition, gains from the sale of capital assets listed in section 1 sub-section 3 sentence 3 no. 1a) to 1f) of the Investment Tax Act (*Investmentsteuergesetz – InvStG*) are not taxed at the investor level if they are not distributed.

This includes the following capital assets:

- a) Capital assets that have an issue yield,
- b) "normal" bonds and unsecuritised receivables with fixed coupons as well as down-rating bonds, floaters and reverse floaters,
- c) risk certificates that replicate the price of an equity or a published index for multiple equities at a ratio of 1:1,

- d) equity-linked bonds, exchange bonds and convertible bonds,
- e) without separate income bonds that are traded "flat" and private equity participation rights and
- f) bonds with warrants.

If income from sales of the above-described securities/capital assets, futures and gains as an option writer are distributed, they are, in principle, taxable and are subject to the withholding rate of 25% (plus solidarity surcharge and church tax, if applicable) if the units are held in a securities account with a domestic institution. However, distributed income from sales of securities and from futures is tax-exempt if the securities were acquired or the futures contract entered into at fund level before 01.01.2009.

Gains from the sale of capital assets that are not listed above are treated like interest payments for tax purposes (see below).

### Interest and similar income and foreign dividends

As a general rule, investors must pay tax on interest and similar income. This applies regardless of whether the income is accumulated or distributed.

Distributed or reinvested interest and similar income and foreign dividends of the fund will usually be subject to the tax rate of 25% (plus solidarity surcharge and church tax, if applicable).

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.

The same also applies if a non-assessment note is submitted, or, in the case of foreign investors, if evidence of non-residency is presented.

If the German investor's units of a fund that distributes dividends in accordance with tax law are held in a German securities account with the investment company or with another financial institution (safe custody scenario), the custodian institution maintaining the account will not, in its capacity as the paying agent, withhold tax if it is presented, before the specified distribution date, with an exemption application (completed using official forms) for a sufficient amount, or with a non-assessment note 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.

For a fund that accumulates dividends in accordance with tax law prior to 01.01.2012, the withholding tax of 25% (plus solidarity surcharge) on reinvested interest and similar income and foreign dividends of the fund will be withheld and transferred to the tax office by the investment company. The withholding tax due at the end of the financial year shall be taken into account when determining the subscription and redemption prices of the fund units. Since the investment company is usually not familiar with the investors, church tax cannot be withheld, so investors subject to church tax will have to make the relevant entries in their income tax returns.

For accumulations after 31.12.2011, the fund will provide the custodian institutions with the capital yield tax together with the maximum amounts of additional taxes (solidarity surcharge and church tax). The custodian institutions will deduct tax, as with distributions, taking the personal circumstances of investors into account, particularly so that, if appropriate, church tax can be paid. If the fund has provided the custodian institutions with amounts that do not need to be deducted, they will be reimbursed.

If the investor's units are held in a securities account with a domestic custodian institution or with a domestic investment company, the withholding tax (or, from 2012, the amount made available to the custodian institutions) will be credited to the investor's account upon presentation, before the end of the financial year of the fund, of an exemption application for a sufficient amount or a non-assessment note to the custodian institution.

If the exemption application or the non-assessment note is not submitted or is not submitted on time, the investor will, upon request, receive a tax certificate from the agent maintaining the custody account, confirming the amount of withholding tax withheld and deducted plus the solidarity surcharge. The investor then has the opportunity to have the withholding tax credited against his income tax liability in the personal income tax assessment.

In the event that units of a distributing fund are not held in a securities account and coupons for these units are presented to a domestic financial institution (own custody), the 25% withholding tax and the solidarity surcharge will be withheld.

#### Domestic dividends

As a general rule, domestic dividends distributed or reinvested by the fund are taxable at the investor level.

A withholding tax of 25% (plus solidarity surcharge) will be withheld from amount distributed or accumulated by the investment company prior to 01.01.2012.

For distributions, the custodian institution also takes into account any applicable church tax. The investor receives an immediate refund of the withholding tax of 25% (plus solidarity surcharge), provided that the units are held with the investment company or another domestic financial institution and an exemption application for a sufficient amount or a non-assessment note has been submitted. Otherwise, the withholding tax of 25% and the solidarity surcharge can be offset against the investor's personal income tax liability by submitting the tax certificate issued by the agent maintaining the custody account.

For distributions and accumulations after 31.12.2011, the fund will provide the custodian institutions with the capital yield tax together with the maximum amounts of additional taxes (solidarity surcharge and church tax). The custodian institutions will deduct tax, taking the personal circumstances of investors into account, particularly so that, if appropriate, church tax can be paid. If the fund has provided the custodian institutions with amounts that do not need to be deducted, they will be reimbursed.

#### Negative tax income

Negative income is offset with equivalent positive income at the level of the fund. Any remaining negative income will be carried forward at the level of the fund for tax purposes. It may then be offset against future, equivalent positive taxable income in later financial years. Negative tax income cannot be directly allocated to the investor. This means that these negative amounts do not have an effect on the investor's income tax until the period of assessment (tax year) in which the financial year of the fund ends, or in which the distribution is made for the financial year of the fund in which the negative tax income is offset at the level of the fund. The unitholder may not make any claims against his income tax prior to this period of assessment.

#### Distribution of capital

Distributions of capital are not subject to tax.

Capital distributions received by the investor during his period of ownership are added to the taxable results from the sale of fund units, i.e. they increase taxable gains.

#### Capital gains at investor level

If a private investor sells fund units which he acquired after 31.12.2008, any capital gains will be subject to the withholding tax of 25%. If the units are held in a securities account with a domestic financial institution, the financial institution will withhold the withholding tax. The withholding tax of 25% (plus solidarity surcharge and church tax, if applicable) can be avoided by presenting a sufficient exemption application or non-assessment note.

The gains on sales of units acquired before 01.01.2009 are tax-free for private investors.

When calculating the income from sales any interim profits at the time of purchase or sale have to be deducted from the purchase or sales price so that interim profits are not taxed twice (see below). Moreover, any reinvested income which has already been taxed must be deducted from the sales price so that there is no double taxation in this respect either.

Income from the sale of fund units acquired after 31.12. 2008 is tax exempt provided the gain arose during the period of ownership in the fund and cannot yet be attributed to tax-exempt income pursuant to double taxation agreements recognised at the investor level (so-called pro rata real estate profit).

The investment company publishes the real estate profit on every valuation day as a percentage of the net asset value of the unit.

### Units held as part of business assets (German residents)

#### Income from sales of securities, income from futures and gains as an option writer

Income from sales of equities, participation rights that are similar to share capital and investment units, income from futures and gains as an option writer realised at the level of the fund will not be taxed at investor level as long as it is not distributed. In addition, gains from the sale of capital assets listed in section 1 sub-section 3 sentence 3 no. 1a) to 1f) InvStG are not taxed at the investor level if they are not distributed.

This includes the following capital assets:

- a) Capital assets that have an issue yield,
- b) "normal" bonds and unsecuritised receivables with fixed coupons as well as down-rating bonds, floaters and reverse floaters,
- c) risk certificates that replicate the price of an equity or a published index for multiple equities at a ratio of 1:1,
- d) equity-linked bonds, exchange bonds and convertible bonds,
- e) without separate income bonds that are traded "flat" and private equity participation rights and
- f) bonds with warrants.

If the income is distributed, it will be taxed at the level of the investor. Income from the disposal of equities is completely tax-free<sup>3)</sup> for corporations; in the case of other business investors such as individual entrepreneurs, only 40% of this income will be taxed (partial-income procedure). In contrast, tax has to be paid on income from the disposal of bonds/capital assets, from futures and gains from option writing.

Gains from the sale of capital assets that are not listed above are treated like interest payments for tax purposes (see below).

Distributed income from the sale of securities and futures and distributed gains as an option writer is, in principle, subject to withholding tax (capital yield tax 25% plus solidarity surcharge). This does not apply to income from the sale of securities acquired before 01.01.2009 or income from futures entered into before 01.01.2009. The paying agent makes no withholding in particular when the investor is a corporation with unlimited tax liability or the capital gains represent business income from a domestic company and the holder of the capital gains has made an official declaration to the paying agent in this regard.

#### Interest and similar income

As a general rule, investors must pay tax on interest and similar income<sup>4)</sup>. This applies regardless of whether the income is reinvested or distributed.

The withholding tax may only be waived or refunded if an appropriate non-assessment note is submitted. Otherwise, the investor is provided with a certificate for the withholding tax deducted.

#### Domestic and foreign dividends

Dividends distributed or capitalised by domestic or foreign corporations on units held as business assets are generally not taxable for corporations, with the exception of dividends for corporations under the German REIT Act (REIT-Gesetz - REITG)<sup>5)</sup>. Individual entrepreneurs are required to pay tax on 60% of such income (partial-income procedure).

Domestic dividends are subject to the withholding tax (capital yield tax 25% plus solidarity surcharge).

Foreign dividends are, in principle, subject to the withholding tax (capital yield tax 25% plus solidarity

<sup>3)</sup> 5% of capital gains on equities is regarded as non-deductible operating expenses for corporations and is therefore ultimately taxable.

<sup>4)</sup> In accordance with section 2 sub-section 2a InvStG, the taxable interest income is taken into account in the interest ceiling rule under section 4h of the German Income Tax Act (Einkommensteuergesetz – EStG).

<sup>5)</sup> 5% of the dividend income is regarded as non-deductible operating expenses for corporations and is therefore ultimately taxable.

surcharge). The paying agent makes no withholding in particular when the investor is a corporation with unlimited tax liability (whereby corporations as defined in section 1 sub-section 1 nos. 4 and 5 of the German Corporation Tax Act (Körperschaftsteuergesetz – KStG) are required to present a certificate from the competent tax office to the paying agent) or the foreign dividends represent business income from a domestic company and the holder of the capital gains has made an official declaration to the paying agent in this regard.

For investors liable to trade tax, the partially income/corporation tax-free dividend income has to be added back for the purpose of calculating the trade tax due but may not then be subtracted again.

### Negative tax income

Negative income is offset with equivalent positive income at the level of the fund for tax purposes. Any remaining negative income will be carried forward at the level of the fund. It may then be offset against future, equivalent positive taxable income in later financial years. Negative tax income cannot be directly allocated to the investor. This means that these negative amounts do not have an effect on the investor's income or corporation tax until the period of assessment (tax year) in which the financial year of the fund ends, or in which the distribution is made for the financial year of the fund in which the negative tax income is offset at the level of the fund. The unitholder may not make any claims against his income or corporation tax prior to this period of assessment.

### Distribution of capital

Distributions of capital are not subject to tax. This means that investors preparing a balance sheet have to include distributions of capital as income in their financial statements and include a passive offsetting item as expense in their tax balance. This technically reduces the historical acquisition costs in a tax-neutral way. Alternatively, the amortised acquisition costs may be reduced by the pro rata amount of the capital distribution.

### Capital gains at investor level

In principle, income from the disposal of units held as business assets is tax-free<sup>6)</sup> for corporations provided that this income relates to dividends not yet paid out or not considered to have been paid out and to realised or unrealised income of the fund from domestic or foreign equity investments (equity income). Individual entrepreneurs are liable to pay tax on 60% of this income.

The investment company publishes the equity profit on every valuation day as a percentage of the net asset value of the unit.

Income from the sale of fund units is tax exempt provided the gain arose during the period of ownership in the fund and cannot yet be attributed to tax-exempt income pursuant to double taxation agreements recognised at the investor level (so-called pro rata real estate profit).

The investment company publishes the real estate profit on every valuation day as a percentage of the net asset value of the unit.

### Non-Residents

If a non-resident holds units in a distributing fund at a German custodian institution, no withholding tax is deducted from interest or similar income, income from the disposal of securities, income from futures or foreign dividends provided the investor can present evidence of his 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 section 37 sub-section 2 of the German Tax Code (AO). This application has to be sent to the tax office responsible for the custodian institution which maintains the securities account.

If a non-resident investor has deposited units of an accumulating fund with a domestic custodian institution, he will have the withholding tax of 25% (excluding taxes on domestic dividends), plus solidarity surcharge, refunded once he gives proof of his non-resident status. If the refund application is not submitted in time, a refund pursuant to section 37 sub-section 2 AO may be applied for even after the accumulation date (as with distributing funds when proof of non-resident status is not submitted in time).

The question as to whether or not foreign investors can offset withholding tax on German dividends against their income tax assessments or have it refunded depends on the double taxation agreement between the investor's country of domicile and the Federal Republic of Germany. Capital yield tax on domestic dividends is reimbursed under double taxation treaties via the German Federal Ministry of Finance (BZSt) in Bonn.

### Solidarity surcharge

The withholding tax to be paid on distributed or reinvested income will be subject to a solidarity surcharge of 5.5%.

<sup>6)</sup> 5% of the tax-exempt capital gains is regarded as non-deductible operating expenses for corporations and is therefore ultimately taxable.

The solidarity surcharge can be offset against the income tax and corporate tax liability.

If there is no withholding tax or if the withholding tax is refunded in the case of retaining funds (for example due to an appropriate exemption application, the presentation of a non-assessment note or proof of non-resident status), no solidarity surcharge will be deducted or the deducted solidarity surcharge will be refunded in the case of retaining funds.

### Church tax

If the income tax debt is paid by the withholding tax deducted by the domestic custodian institution which maintains the securities amount the applicable church tax will be levied in addition to the withholding tax and pursuant to the church tax rate for the religious community to which the church tax payer belongs. For this purpose the church tax payer may inform the financial institution in writing about his religious affiliation. Moreover, married couples will have to declare the relationship between the capital income of each spouse and the total capital income of the couple so that church taxes can be broken down, withheld and deducted in line with this relationship. If no indication is made in this regard, the tax will be split evenly.

The church tax is taken into account as a special expense at the time of the deduction of the withholding tax.

### Foreign withholding tax

Withholding tax may be deducted from the income of a fund generated abroad.

The investment company can deduct creditable foreign withholding taxes as income-related expenses from its tax liabilities at the level of the fund. In this case investors can have foreign withholding tax neither offset against nor deducted from their income tax liabilities.

If the investment company does not exercise its right to have foreign withholding taxes deducted at the fund level, the withholding tax that may be offset will be taken into account at the time of the deduction of the withholding tax.

### Separate determination, external audit

The tax base must be determined separately at the level of the fund. The investment company must submit an assessment return ("Feststellungserklärung") to this effect to the tax office in charge. Changes to the assessment returns, for example in the course of an external audit (section 11 sub-section 3 InvStG) by the tax authorities, will take effect in the financial year in

which the new assessment becomes final. The new assessment is then allocated to the investor for tax purposes at the end of this financial year or on the day on which distributions are made for this financial year.

This means that any corrections of mistakes will have an impact on the investors who have invested in the fund at the time at which the mistakes are corrected. The effect this has on taxes may be positive or negative.

### Taxation of interim profits

Interim profits are considerations contained in the acquisition or redemption price for not yet received or accrued interest as well as income from the sale of capital assets not listed in section 1 sub-section 3 sentence 3 no. 1a) to 1f) InvStG, which the fund has not yet distributed or accumulated and which are therefore not taxed at the level of the investor (roughly comparable to accrued interest on fixed-income securities). Interim profits earned by the fund are subject to income taxes if residents redeem or sell their units. The withholding tax on interim profits is 25% (plus solidarity surcharge and church tax, if applicable).

Interim profit paid by the private investor at the time of the purchase of units can be deducted from income tax as negative income in the year of payment, if there has been an income equalisation and a note has been made of this both upon publication of the interim profit and as part of the tax data to be professionally certified. It will be taken into account in the amount which is withheld. If the interim profit is not published, each year 6% of the consideration for the redemption or sale of the investment unit is recognised as interim profit. With business investors, the interim profit paid is an inseparable part of the acquisition costs that may not be adjusted. Upon redemption or sale of the investment unit, the interim profit received is an inseparable part of the capital gain and may not be adjusted.

In addition, interim profits are declared regularly in the settlement confirmations and income statements provided by the banks.

### Consequences of the merger of funds

If a domestic fund is merged with another domestic 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 domestic fund to a domestic investment stock corporation or a sub-fund of a domestic investment stock corporation. If investors of the fund being transferred receive a cash payment within the



meaning of section 40 InvG, this should be treated as a distribution of other income. Income generated but not yet distributed by the fund being transferred is allocated for tax purposes to investors as at the transfer date as so-called deemed distribution income.

### Transparent, semitransparent and intransparent taxation

The tax regulations described above (so-called transparent taxation) apply only if all tax bases defined in section 5 sub-section 1 InvStG are publicly disclosed (disclosure duty). This is also true if the fund purchases units in other German funds and investment stock companies, EU investment fund units and units in foreign investment vehicles which are no EU fund units (target funds as defined by section 10 InvStG) and these funds disclose their tax bases.

The investment company will make every effort to disclose any tax base available to it.

However, this disclosure cannot be guaranteed in particular if the fund has bought target funds which do not perform their disclosure duties. In this case distributions and interim profits on the target fund and 70% of the value the target fund have gained over the past calendar year (but at least 6% of the redemption price) are determined to be taxable income at the level of the fund.

The investment company will make every effort to disclose any tax base available to it outside of section 5 sub-section 1 InvStG (in particular, equity profit, real estate profit and interim profits).

### EU Savings Directive/Interest Information Ordinance

The German Information Ordinance (Zinsinformationsverordnung – ZIV), which transposes Directive 2003/48/EC of the European Council of 3 June 2003, ABL. EU No. L 157/38, is intended to provide the effective cross-border taxation of the interest income of natural persons within the territory of the EU. The EU has entered into agreements with some non-member states (in particular Switzerland, Liechtenstein, Channel Islands, Monaco and Andorra) that largely correspond to the EU Savings Directive.

To this end, a German bank will notify the German Federal Ministry of Finance of interest income paid by that German bank (which is accordingly acting as paying agent) to a natural person who is resident in another European country or in certain non-member countries

and the Ministry in turn will then notify the respective local tax offices.

Interest income received by a natural person in Germany from a foreign financial institution in Europe or in certain non-member countries is correspondingly reported to the local German tax office by the bank. Alternatively, some foreign countries deduct the withholding taxes that are due in Germany.

Specifically affected are all private investors resident in the European Union or in the participating non-member states, who hold their securities or bank account in another EU country and earn cross-border income.

Luxembourg and Switzerland are among the countries that have committed to deducting a 20% withholding tax on interest income (from 01.07.2011: 35%) The investor receives a certificate documenting the withholding which he can use to deduct this tax on his income tax return.

The private investor also has the option of gaining exemption from the foreign tax deduction by submitting an authorisation for the voluntary disclosure of his interest income to the foreign bank that allows that institution not to make the tax deduction and instead to report the income to the prescribed tax authorities.

Under ZIV, investment companies have to declare for each domestic or foreign fund whether they are “in scope” or “out of scope” for ZIV purposes.

The ZIV contains two essential investment limits for this assessment.

If no more than 15% of a fund’s assets consist of receivables within the meaning of ZIV, paying agents who ultimately have to rely on the data reported to them by the investment company do not have to make any returns to the German Federal Ministry of Finance. Otherwise, exceeding the 15% limit triggers a requirement for the paying agent to report the interest portion of distributions to the German Federal Ministry of Finance.

If the 40% limit is exceeded (or 25% for financial years ending after 31 December 2010), the interest portion contained in the proceeds of the redemption or sale of fund units must be reported. If it is a distributing fund, the interest portion in any distribution must also be reported to the German Federal Ministry of Finance. If it is an accumulating fund, a report logically only needs to be made in the event of a redemption or sale of fund units.

**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 by the tax authorities.

## Outsourcing of activities

The Company has outsourced the following tasks to other companies:

- trade in US and Asian equities
- product development
- settlement of securities lending activities
- fund administration (incl. fund accounting and, where applicable, services relating to the collateralisation of derivative transactions)
- internal auditing
- portfolio analysis (incl. fee calculation)
- information technology (in part)
- investment account keeping
- portfolio management (only for funds not mentioned in this prospectus)

## Annual, semi-annual and liquidation reports/auditors

The annual and semi-annual reports as well as the liquidation report can be obtained from the Company and from the Custodian. They can be requested free of charge at any time. Moreover, they will be published at [www.allianzglobalinvestors.de](http://www.allianzglobalinvestors.de).

KPMG AG has been entrusted with auditing the fund and examining the annual report as well as the liquidation report, should the case arise.

## Payments to unitholders/distribution of reports and other information

The appointment of the Custodian ensures that the investors receive distributions, that units are redeemed and that redemption prices are paid. The investor information mentioned in this prospectus may be obtained as described in the “Offering documents” section. These documents are also available from the Custodian. Further information can be obtained from the Company itself.



# Funds managed by Allianz Global Investors KAG

## 1. UCITS-compliant funds

Name of fund	Unit class	WKN *	ISIN	Launch date
ABS-Cofonds		795727	DE0007957276	23.06.2003
Adirenta	P EUR	A0NJ2M	DE000A0NJ2M0	09.04.2010
Adirenta	A EUR	847107	DE0008471079	17.03.1969
Adirenta	P2 EUR	A0NJ2J	DE000A0NJ2J6	19.12.2008
Adireth	AT EUR	976955	DE0009769554	04.01.1994
Allianz Adifonds	A EUR	847103	DE0008471038	15.10.1958
Allianz Adiverba	A EUR	847106	DE0008471061	24.06.1963
Allianz Aktien Europa	A EUR	847148	DE0008471483	01.09.1997
Allianz Biotechnologie	A EUR	848186	DE0008481862	09.01.1998
Allianz Deep Value Europe	A EUR	847954	DE0008479544	17.07.2001
Allianz Energy	A EUR	848185	DE0008481854	15.09.1997
Allianz Energy	P EUR	979746	DE0009797464	13.05.2011
Allianz Energy	W EUR	979747	DE0009797472	13.05.2011
Allianz Euroaktien	A EUR	848190	DE0008481904	15.01.1999
Allianz EuropaVision	A EUR	976967	DE0009769679	27.01.1997
Allianz Flexi Euro Balance	A EUR	978986	DE0009789867	05.07.1999
Allianz Flexi Euro Dynamik	A EUR	978983	DE0009789834	05.07.1999
Allianz Flexi Rentenfonds	A EUR	847192	DE0008471921	05.06.1991
Allianz Fonds Japan	A EUR	847511	DE0008475112	25.07.1983
Allianz Fonds Schweiz	A EUR	847601	DE0008476011	05.05.1988
Allianz Fonds Schweiz	A CHF	979751	DE0009797514	20.10.2011
Allianz Fondsvorsorge 1947–1951	AT EUR	979720	DE0009797209	02.04.2002
Allianz Fondsvorsorge 1952–1956	AT EUR	979721	DE0009797217	02.04.2002
Allianz Fondsvorsorge 1957–1966	AT EUR	979722	DE0009797225	02.04.2002
Allianz Fondsvorsorge 1967–1976	AT EUR	979723	DE0009797233	02.04.2002
Allianz Fondsvorsorge 1977–1996	AT EUR	979724	DE0009797241	02.04.2002
Allianz Global Equity Dividend	A EUR	847146	DE0008471467	03.06.1996
Allianz Informationstechnologie	A EUR	847512	DE0008475120	25.07.1983
Allianz Interglobal	A EUR	847507	DE0008475070	15.02.1971
Allianz Multi Manager Global Balanced	P EUR	637250	DE0006372501	23.12.2003
Allianz Nebenwerte Deutschland	A EUR	848176	DE0008481763	16.09.1996
Allianz PIMCO Convertible Bonds	P EUR	629236	DE0006292360	08.03.2002
Allianz PIMCO Convertible Bonds	A EUR	A0ND6L	DE000A0ND6L9	31.10.2009
Allianz PIMCO Corps-Corent	P EUR	531628	DE0005316285	02.07.2001
Allianz PIMCO Euro Rentenfonds	A EUR	847504	DE0008475047	24.01.1966
Allianz PIMCO Euro Rentenfonds	P EUR	979748	DE0009797480	22.06.2011
Allianz PIMCO Euro Rentenfonds »K«	A EUR	847518	DE0008475187	16.05.1986
Allianz PIMCO Euro Rentenfonds »K«	P EUR	979750	DE0009797506	27.05.2011
Allianz PIMCO Europazins	A EUR	847603	DE0008476037	20.06.1988
Allianz PIMCO Fondirent	A EUR	847111	DE0008471111	29.11.1984
Allianz PIMCO Geldmarktfonds	A EUR	847144	DE0008471442	17.11.1994
Allianz PIMCO Geldmarktfonds Spezial	A EUR	847627	DE0008476276	02.12.1994
Allianz PIMCO Geldmarktfonds Spezial	I EUR	979730	DE0009797308	15.05.2007
Allianz PIMCO Genusssscheinfonds	I EUR	A0HGZ7	DE000A0HGZ75	09.05.2006
Allianz PIMCO Genusssscheinfonds	P EUR	978691	DE0009786913	16.07.2001
Allianz PIMCO Internationaler Rentenfonds	A EUR	847505	DE0008475054	17.02.1969
Allianz PIMCO Internationaler Rentenfonds »K«	A EUR	847519	DE0008475195	16.05.1986
Allianz PIMCO Mobil-Fonds	A EUR	847191	DE0008471913	05.06.1991
Allianz PIMCO Rentenfonds	A EUR	847140	DE0008471400	16.04.1982
Allianz PIMCO Rentenfonds	P EUR	979741	DE0009797415	03.12.2010
Allianz PIMCO SGB Renten	P EUR	976443	DE0009764431	28.06.1995
Allianz PIMCO Staatsanleihen 2013	A EUR	979736	DE0009797365	16.10.2008
Allianz PIMCO Staatsanleihen 2013	I EUR	979737	DE0009797373	16.10.2008
Allianz Rohstofffonds	A EUR	847509	DE0008475096	25.07.1983
Allianz Rohstofffonds	P EUR	979749	DE0009797498	13.05.2011

\* WKN = Securities Identification Code

Name of fund	Unit class	WKN *	ISIN	Launch date
Allianz Strategie 2016 Plus	AT EUR	637245	DE0006372451	02.04.2002
Allianz Strategie 2021 Plus	AT EUR	637246	DE0006372469	02.04.2002
Allianz Strategie 2021 Plus	I EUR	979745	DE0009797456	08.11.2010
Allianz Strategie 2031 Plus		637247	DE0006372477	02.04.2002
Allianz Strategiefonds Balance	A EUR	979725	DE0009797258	02.12.2002
Allianz Strategiefonds Stabilität	A EUR	979728	DE0009797282	24.06.2005
Allianz Strategiefonds Wachstum	A EUR	979726	DE0009797266	02.12.2002
Allianz Strategiefonds Wachstum Plus	A EUR	979727	DE0009797274	02.12.2002
Allianz Strategiefonds Wachstum Plus	I EUR	979731	DE0009797316	13.06.2007
Allianz Strategiefonds Wachstum Plus	XT EUR	979739	DE0009797399	26.10.2010
Allianz Telemedia	A EUR	848178	DE0008481789	02.01.1997
Allianz Thesaurus	AT EUR	847501	DE0008475013	08.11.1958
Allianz US Large Cap Growth	A EUR	847503	DE0008475039	11.01.1960
Allianz Vermögensbildung Deutschland	A EUR	847506	DE0008475062	01.07.1970
Allianz Vermögensbildung Europa	A EUR	848181	DE0008481813	13.01.1997
Allianz Vermögensbildung Global	A EUR	848184	DE0008481847	15.09.1997
Allianz Wachstum Euroland	A EUR	978984	DE0009789842	05.07.1999
Allianz Wachstum Europa	A EUR	848182	DE0008481821	13.01.1997
Best-in-One Europe Balanced	AT EUR	637256	DE0006372568	14.01.2002
Best-in-One World	AT EUR	978700	DE0009787002	02.01.2001
Concentra	A EUR	847500	DE0008475005	26.03.1956
CONVEST 21 VL	A EUR	976963	DE0009769638	15.02.1996
Fondak	P EUR	A0MJRL	DE000A0MJRL5	26.02.2007
Fondak	A EUR	847101	DE0008471012	30.10.1950
Fondak	I EUR	A0MJRM	DE000A0MJRM3	04.09.2007
Fondis	A EUR	847102	DE0008471020	26.01.1955
Fondra	A EUR	847100	DE0008471004	18.08.1950
Fonds Assecura I	AT EUR	849385	DE0008493859	24.01.1977
Industria	A EUR	847502	DE0008475021	19.01.1959
Industria	P EUR	979742	DE0009797423	10.12.2010
Kapital Plus	A EUR	847625	DE0008476250	02.05.1994
NÜRNBERGER Euroland A		847122	DE0008471228	08.02.1990
OKWLCO-Fonds		849481	DE0008494816	30.09.1985
Plusfonds	A EUR	847108	DE0008471087	01.04.1971
PremiumStars Chance	AT EUR	978707	DE0009787077	15.11.2001
PremiumStars Wachstum	AT EUR	978706	DE0009787069	15.11.2001
SGB VARIOZINS		848803	DE0008488032	19.11.1990

## 2. Retirement provision funds

Name of fund	Unit class	WKN *	ISIN	Launch date
AS-AktivDynamik	AT EUR	978696	DE0009786962	15.10.1998
AS-AktivPlus		978697	DE0009786970	15.10.1998

## 3. Mixed funds

Name of fund	Unit class	WKN *	ISIN	Launch date
Allianz Flexi Immo	A EUR	979733	DE0009797332	16.09.2008
Allianz Flexi Immo	C EUR	979734	DE0009797340	23.10.2008
Premium Management Immobilien-Anlagen	A EUR	A0ND6C	DE000A0ND6C8	19.05.2008
Premium Management Stabilität	A EUR	979738	DE0009797381	27.01.2010

## 4. Other funds

Name of fund	Unit class	WKN *	ISIN	Launch date
Allianz Reale Werte	A EUR	979740	DE0009797407	12.10.2010

402 specialty funds are managed in addition (as at 9 February 2012).

## Notice regarding the purchaser's right of revocation pursuant to section 126 InvG (door-to-door sales)

### Notice pursuant to section 126 InvG

1. Buyers of units who are induced, through oral negotiations outside the permanent business premises of the party who sold or arranged the sale of the units, to make a declaration indicating an intent to purchase will be bound by this declaration only if they do not revoke it by so advising the Company in writing within a period of two weeks; the foregoing will apply even if the party selling or arranging the sale of the units has no permanent business premises. If it is a distance sales transaction within the meaning of section 312b of the German Civil Code (Bürgerliches Gesetzbuch – BGB), revocation is not possible for acquisitions of financial services, the prices of which are subject to fluctuations (section 312d sub-section 4 No. 6 BGB).
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 been sent a contract note containing instruction on the buyer's right of revocation in a form that complies with section 355 sub-section 2 sentence 1 in conjunction with section 360 sub-section 1 BGB. If there is a dispute over the time when the buyer was provided with a copy of the application or was sent a contract note, the burden of proof is on the seller.
3. The purchaser has no right of revocation if the seller proves that
  - a) the purchaser acquired the units within the scope of his trade or business or
  - b) he visited the purchaser for the negotiations which resulted in the sale of the units by prior appointment (section 55 sub-section 1 of the Trade Code (Gewerbeordnung)).
4. If the sale has been revoked and the purchaser has already made payments, the investment company is required to repay to the purchaser (simultaneously with the retransfer of the purchased units if applicable) the expenses paid plus an amount equivalent to the value of the paid units on the day after receipt of the letter of revocation.
5. The right to revocation may not be waived.
6. The provisions of sub-sections 1 to 5 apply accordingly to any sale of the units by the investor.

# Terms and Conditions

## General Terms and Conditions

to regulate the legal relationship between the unitholders and Allianz Global Investors Kapitalanlagegesellschaft mbH domiciled in Frankfurt/Main (hereinafter, the "Company") with regard to the UCITS-compliant investment funds managed by the Company. These "General Terms and Conditions" are only applicable in conjunction with the "Special Terms and Conditions" set out for the fund.

### Section 1 General information

1. The Company is an investment company subject to the provisions of the Investment Act (Investmentgesetz – InvG).
2. The Company invests the capital deposited with it on its own behalf, for the joint account of the investors, in assets that are permissible under the InvG. These assets are subject to the principle of risk diversification and remain separate from the Company's own assets in the form of investment funds. The resulting rights of investors are vested in certificates (unit certificates) issued to the investors.
3. The legal relationship between the Company and the investors is governed by these Terms and Conditions and the InvG.

### Section 2 Custodian

1. The Company shall appoint a financial institution as Custodian (hereinafter, "Custodian"). The Custodian shall act independently of the Company and exclusively in the interest of the investors.
2. The Custodian is responsible for performing the tasks pursuant to the InvG and these Terms and Conditions.

### Section 3 Fund management

1. The Company shall exercise due diligence when acquiring and managing the assets on its own behalf and for joint account of the investors. When performing its duties, it shall act independently of the Custodian and exclusively in the interest of the investors and the integrity of the market.
2. The Company shall be entitled to use the funds invested by the investors to acquire assets, dispose of such assets, and invest the proceeds otherwise; the Company shall also be authorised to perform any other legal actions resulting from the management of the assets.
3. For the joint account of investors, the Company may neither grant monetary loans nor assume obligations arising from a contract of guarantee; furthermore, it may not sell any assets as defined in sections 47, 48 and 50 InvG that do not form part of the fund at the time of the respective transaction. Section 51 InvG shall remain unaffected.

### Section 4 Investment principles

The Company shall only acquire assets on behalf of the fund from which income and/or growth can be expected. The Company shall specify in the Terms and Conditions which assets may be acquired for the fund.

### Section 5 Securities

Provided the "Special Terms and Conditions" do not contain any further restrictions and subject to section 52 InvG, the Company may only acquire securities if

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

- b) they are exclusively admitted to trading on a stock exchange outside the member states of the European Union or outside the other signatory states to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states, provided that the selection of this stock exchange or organised market has been permitted by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)<sup>7)</sup>,
- c) their admission to official trading on a stock exchange in a member state of the European Union or in another signatory state to the Agreement on the European Economic Area or their admission to or inclusion in an organised market of a member state of the European Union or of another signatory state to the Agreement on the European Economic Area must be applied for under their terms of issuance, provided that the admission or inclusion takes place within one year after their issuance,
- d) their admission to official trading on a stock exchange or their admission to or inclusion in the organised market of a state outside the European Union or outside the signatory states to the Agreement on the European Economic Area has to be applied for under their terms of issuance, provided that the selection of this stock exchange or organised market has been permitted by BaFin and the admission or inclusion takes place within one year after their issuance,
- e) they are equities to which the fund is entitled in the framework of a capital increase from company reserves,
- f) they are acquired through the exercise of subscription rights pertaining to the fund,
- g) they are units of closed-end funds which meet the requirements set out in section 47 sub-section 1 sentence 1 no. 7 InvG,
- h) they are financial instruments which meet the requirements set out in section 47 sub-section 1 sentence 1 no. 8 InvG.

The securities described in sentence 1 a)–d) may only be acquired if the requirements set out in section 47 sub-section 1 sentence 2 InvG are met at the same time.

### Section 6 Money market instruments

1. Provided the "Special Terms and Conditions" do not contain any further restrictions and subject to section 52 of the InvG, the Company may acquire – for the account of the fund – financial instruments normally traded on the money markets as well as interest-bearing securities, which at the time of purchase 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 if they

- a) are admitted to official trading on a stock exchange in a member state of the European Union, or in another signatory state to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states,
- b) are exclusively admitted to trading on a stock exchange outside the member states of the European Union or outside the other signatory states to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states, provided that the selection of this stock exchange or organised market has been permitted by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)<sup>8)</sup>,
- c) are issued or guaranteed by the European Communities, the German Federal Government, a Special 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 European Union, the European Central Bank or the European Investment Bank, another state or, if such state is a federal state, a member state of this federal state or an international public-law institution of which at least one member state of the European Union is a member,

- d) are issued by a company whose securities are traded on the markets described in paragraphs a) and b),
  - e) are issued or guaranteed by a credit institution which is supervised pursuant to criteria set by European Community law or by a credit institution which is subject to supervisory provisions which, in the opinion of the BaFin, are equivalent to those of European Community law and complies with these provisions, or
  - f) are issued by other issuers and meet the requirements set out in section 48 sub-section 1 sentence 1 no. 6 InvG.
2. Money-market instruments within the meaning of sub-section 1 may only be acquired if they meet the requirements of section 48 sub-sections 2 and 3 InvG.

### Section 7 Bank deposits

For the account of the 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 non-EEA state, whose regulatory provisions, in the opinion of BaFin, are the equivalent of those under Community law. Unless otherwise provided for in the "Special Terms and Conditions", bank deposits may also be denominated in foreign currencies.

### Section 8 Investment units

1. Unless otherwise provided for in the "Special Terms and Conditions", the Company may acquire units, for the account of a fund, in German UCITS-compliant funds and investment stock corporations as well as EU investment fund units, within the meaning of the InvG. Units in other German funds and investment stock corporations and foreign investment fund units which are not EU investment fund units may be acquired if they meet the requirements set out in section 50 sub-section 1 sentence 2 InvG.
2. The Company may only acquire units in German funds, investment stock corporations, EU investment units and foreign investment units if under the Terms and Conditions or the articles/memorandum of association of the investment company, investment stock corporation or the foreign investment company, no more than 10 percent of the value of its assets may be invested in units of other German funds, investment stock corporations or foreign investment funds within the meaning of section 50 of the InvG.

### Section 9 Derivatives

1. Unless otherwise provided for in the "Special Terms and Conditions", the Company may, in the framework of the fund management, use derivatives within the meaning of section 51 sub-section 1 sentence 1 InvG and financial instruments with a derivative element within the meaning of section 51 sub-section 1 sentence 2 InvG. Depending on the type and volume of the derivatives and financial instruments with a derivative element it has used, it may use the simple or qualified approach according to the Ordinance

<sup>7)</sup> The list of permitted stock exchanges is published on the BaFin internet site, [www.bafin.de](http://www.bafin.de)

<sup>8)</sup> See footnote 7

on Risk Management and Risk Assessment in Investment Funds (Derivateverordnung – DerivateV) issued pursuant to section 51 sub-section 3 InvG; details can be found in the Prospectus.

2. If the Company uses the simple method, it may only regularly use the following basic types of derivatives, financial instruments with a derivative element or combinations of these derivatives and financial instruments with a derivative element or combinations of underlyings permitted pursuant to section 51 sub-section 1 sentence 1 InvG in the fund. Complex derivatives based on underlying securities that are permissible under section 51 sub-section 1 sentence 1 may only be used to a negligible extent. The potential market risk which has to be calculated pursuant to section 16 DerivateV may not exceed the fund's value at any time. Basic types of derivatives are:
  - a) Futures on the underlyings set out in section 51 sub-section 1 InvG, apart from investment fund units pursuant to section 50 InvG;
  - b) options or warrants on the underlyings set out in section 51 sub-section 1 InvG, apart from investment fund units pursuant to section 50 InvG and futures pursuant to a) above, provided that they have the following characteristics:
    - aa) they can be exercised either during their whole lifetime or at the end of the lifetime and
    - bb) the value of the option at the time of its exercise depends linearly on the positive or negative difference between the exercise price and the market price of the underlying and will be zero if the difference has the opposite sign;
  - c) interest swaps, currency swaps or interest-currency swaps;
  - d) options on swaps as described in c), provided that these options have the characteristics described in b) aa) and bb) (swaptions);
  - e) credit default swaps, provided that they serve exclusively and understandably to hedge the credit risks of clearly attributable assets of the fund.
3. If the Company uses the qualified method, it may – subject to an appropriate risk management system – invest in any financial instruments with a derivative element or any derivatives which are based on an underlying permissible under section 51 sub-section 1 sentence 1 InvG. The potential amount at risk due to market circumstances (“potential market risk amount”) attributable to an investment fund shall at no time exceed twice the potential market risk amount attributable to the comparable fictitious benchmark fund pursuant to section 9 of the DerivateV. Alternatively, the potential market risk amount may not exceed 20% of the value of the fund at any time.
4. Under no circumstances may the Company deviate from the investment principles and limits set out in the General and Special 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 unitholders.
6. In calculating the market risk limit for the use of derivatives and financial instruments with a derivative element the Company may switch from the simple to the qualified method within the meaning of section 7 DerivateV at any time. The changeover to the qualified method need not be approved by BaFin; however, the Company shall inform BaFin immediately of the changeover and 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 Ordinance on Risk Management and Risk Assessment in Investment Funds (DerivateV).

#### Section 10 Other investment instruments

Unless otherwise provided for in the “Special Terms and Conditions”, the Company may acquire for the account of a fund up to 10% of the fund's value in other investment instruments pursuant to section 52 InvG.

#### Section 11 Issuer limits and investment restrictions

1. As far as the management of the fund is concerned, the Company shall observe the limits and restrictions pursuant to the InvG and the DerivateV and stipulated in the Terms and Conditions.
2. In certain cases, securities, including securities purchased under agreements to resell and money market instruments of the same issuer (debtor), may be acquired in excess of 5% up to a maximum of 10% of the fund's assets, provided that the total value of securities and money market instruments of such issuers (debtors) does not exceed 40% of the fund's assets.
3. The Company may invest up to 35% of the value of the fund, respectively, in bonds, borrower's note loans and money market instruments which are issued or for which the payment of interest and the repayment of principal is guaranteed by the German Federal Government, a German Federal State, the European Communities, a member state of the European Union or its regional or local authorities, another signatory state to the Agreement on the European Economic Area, another state or an international organisation of which at least one member state of the European Union is a member. The Company may invest up to 25% of the fund's value in Pfandbriefe, municipal bonds and bonds, which have been issued by financial institutions domiciled in a member state of the European Union or another signatory state to the Agreement on the European Economic Area, if the financial institutions are subject to special regulatory supervision on the basis of statutory provisions that serve to protect holders of such bonds and the monies raised from the bond issue are invested under statutory rules in assets, which during the entire term of the bonds cover any liabilities arising therefrom and with respect to which any claims relating to repayments of principal and interest payments shall be accorded priority if the issuer defaults. If the Company invests more than 5% of the fund's value in bonds of the same issuer under sentence 2, the total value of these bonds must not exceed 80% of the fund's value.
4. Pursuant to section 60 sub-section 2 sentence 1 InvG, the restrictions under sub-section 3 sentence 1 above may be exceeded with respect to the securities and money market instruments of the same issuer, where this is provided for in the “Special Terms and Conditions” with reference to such issuers. In such cases, the securities and money market instruments held for account of the fund 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.
  5. The Company may only invest up to 20% of the value of the fund in bank deposits, as described in section 49 InvG, at any single financial institution.
  6. The Company shall make sure that the value of a combination of
    - a. securities or money market instruments issued by the same institution,
    - b. deposits with this institution,
    - c. counterparty risks for transactions with this institution which does not exceed 20% of the respective fund's value. Sentence 1 applies to the issuers and guarantors listed in sub-section 3 insofar that a combination of the assets and counterparty risks listed in sentence 1 does not exceed 35% of the respective fund's value. The respective individual limits shall remain unaffected in either case.
  7. The bonds, borrower's note loans and money market instruments listed in sub-section 3 above are not included in the 40% limit described in sub-section 2. In derogation of sub-section 6, the

limits set forth in sub-sections 2 and 3 and sub-sections 5 to 6 may not be aggregated.

8. The Company may invest no more than 20% of the fund's value in the units of a single investment fund as defined in section 8 sub-section 1. The Company may, in total, invest no more than 30% of the fund's value in units of an investment fund as defined in section 8 sub-section 1 sentence 2. The Company may not purchase for a fund's account more than 25% of the issued and outstanding units of another domestic or foreign investment fund.

#### Section 12 Merger

1. Subject to section 2 sub-section 25 InvG, the Company may
  - a) transfer all the assets and liabilities of this fund to another German investment fund or a new one established as a result;
  - b) absorb all the assets and liabilities of another German investment fund into this fund;
  - c) absorb all the assets and liabilities of another EU investment fund into this fund;
  - d) transfer all the assets and liabilities of this fund to another EU investment fund or a new one established as a result.
2. The merger requires the approval of the relevant supervisory authority. Sections 40 to 40h InvG regulate the details of the procedure.
3. An EU investment fund may also be merged into the fund in accordance with the stipulations of Article 2(1) letter p (iii) of Council Directive 2009/65/EC.

#### Section 13 Securities lending

1. The Company may, for account of the fund and for a fixed or indefinite period of time, grant securities loans to a securities borrower against payment of a consideration in line with prevailing market rates and on provision of sufficient collateral, provided that the price of the securities to be lent, combined with the price of those securities already lent to the same securities borrower for account of the fund, does not exceed 10% of the value of the fund's assets. The price of the securities to be lent for a fixed period of time, combined with the price of those securities already lent for account of the fund for a fixed period of time, may not exceed 15% of the value of the fund's assets.
2. In the event that the collateral for the transferred securities is provided by a securities borrower in the form of deposits, the Company may invest these deposits in money market instruments, within the meaning of section 48 InvG, in the currency of the deposits. Any income generated by the collateral must be credited to the fund. An investment in money market instruments in the currency of the deposit may also be made by means of a security repurchase agreement within the meaning of section 57 InvG. Any income generated by the collateral must be credited to the fund.
3. The Company may, for the brokerage and settlement of securities loans, use the clearing system organised by a central securities depository or by another of the companies mentioned in the “Special Terms and Conditions”, whose business activity comprises the settlement of cross-border securities transactions for third parties. Such a system may differ from the requirements set forth in sections 54 and 55 InvG, provided that the rules of the system are in the best interests of the investors.
4. Unless otherwise provided in the “Special Terms and Conditions”, 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 fund. The provisions of section 13 shall apply accordingly.

#### Section 14 Repurchase agreements

1. For account of the fund, and in return for a consideration, the Company may enter into securities repurchase agreements as defined by section 340b sub-section 2 of the German



Commercial Code (Handelsgesetzbuch – HGB), with banks or financial services institutions.

2. Such repurchase transactions shall only involve securities which may be acquired on behalf of the fund in accordance with the Terms and Conditions.
3. The term for these repurchase agreements may not exceed twelve months.
4. Unless otherwise provided in the “Special Terms and Conditions”, the Company may enter into repurchase agreements on the basis of money market instruments and investment fund units, provided that these assets may be acquired for the fund. The provisions of section 14 shall apply accordingly.

#### Section 15 Borrowing

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

#### Section 16 Unit certificates

1. The unit certificates shall be bearer certificates, each of them representing one or more investment units.
2. The units may have different characteristics, in particular as regards allocation 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 stated in the “Special Terms and Conditions”.
3. The unit certificates shall bear at least the handwritten or facsimile signatures of the Company and the Custodian. In addition, they shall bear the handwritten signature of a Custodian supervisor.
4. The units are transferable. The rights vested in each unit certificate are devolved upon transfer. In all cases, the Company shall regard the holder of the unit certificate as the person entitled to those rights.
5. Where the rights of investors when establishing the fund or the rights of the investors of a unit class when it is introduced are not to be vested exclusively in a global certificate, rather in individual unit certificates or multiple certificates, this shall be specified accordingly in the “Special Terms and Conditions”.

#### Section 17 Subscription and redemption of unit certificates, suspension of redemption

1. In principle, there shall be no restriction in the number of units and corresponding unit certificates issued. The Company reserves the right to temporarily or permanently discontinue the Subscription of units.
2. Units can be purchased from the Company, the Custodian, or through the intermediation of third parties.
3. Investors shall be entitled to demand the redemption of their units from the Company. The Company shall be obliged to redeem the units for account of the fund at the prevailing redemption price. The redemption agent shall be the Custodian.
4. However, the Company reserves the right to suspend the redemption of units pursuant to section 37 InvG in extraordinary circumstances, where, in the interest of the investors, such suspension is deemed to be necessary.
5. The investment company must inform the investors about the suspension referred to in sub-section 4 and resumption of redemptions, by means of an announcement in the electronic version of 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 electronic version of the Federal Gazette by means of a durable medium.

#### Section 18 Subscription and redemption prices

1. For the calculation of the Subscription and redemption price of the units, the value of the assets comprising the fund (net asset value) shall be

determined at the times specified in sub-section 4 and shall be divided by the number of units in circulation (net asset value per unit). If, pursuant to section 16 sub-section 2, different unit classes are introduced for the fund, the unit value as well as the front-end load and redemption fee are to be determined separately for each unit class.

The assets shall be valued in accordance with the principles of price determination as specified in section 36 InvG and the Investment Accounting and Valuation Ordinance (Investment-Rechnungslegungs- und Bewertungsverordnung – InvRBV).

2. The subscription price equates to the unit value plus any front-end load specified in the “Special Terms and Conditions”. The redemption price equates to the unit value minus any redemption fee specified in the “Special Terms and Conditions”. Where costs other than the front-end load or redemption fee are to be paid, the amount and the calculation method shall be specified in the “Special Terms and Conditions”.
3. The pricing date for unit subscriptions and redemption orders shall be at the latest the valuation date following the receipt of the respective unit subscription or redemption order, unless otherwise provided for in the “Special Terms and Conditions”.
4. The subscription and redemption prices shall be calculated every trading day. Unless otherwise provided for in the “Special Terms and Conditions”, neither the Company nor the Custodian is obliged to determine such prices on public holidays that fall on trading days or on 24 and 31 December of each year; more details can be found in the Prospectus.

#### Section 19 Charges

The fees due to the Company, to the Custodian and to third parties, as well as other expenses chargeable to the fund are listed in the “Special Terms and Conditions”. As regards the fees specified in sentence 1, the “Special Terms and Conditions” should provide details of payment method, payment level and calculation method.

#### Section 20 Accounting

1. No later than four months after the end of the fund’s financial year, the Company shall publish an annual report including a statement of income and expenditure, in accordance with section 44 sub-section 1 InvG.
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 44 sub-section 2 InvG.
3. If the right to manage the fund has been transferred to another investment company during a financial year, or the fund is merged into another investment fund or EU investment fund during a financial year, then the Company must issue an interim report as of the transfer date, which meets the requirements of an annual report within the meaning of section 44 sub-section 1 InvG.
4. If a fund is liquidated, the Custodian 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 Custodian and from other agencies listed in the Prospectus and the key investor information; in addition, they will be published in the electronic version of the Federal Gazette.

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

1. Giving at least six months’ notice, the Company may terminate its management of the fund by announcement in the electronic version of 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. The Company’s right to manage the fund shall lapse when the termination becomes effective. In this case, the right of disposal over the fund shall

devolve to the Custodian, who shall liquidate it and distribute the proceeds to the investors. The Custodian shall be entitled to claim the fee due to the Company during the liquidation period. With the approval of BaFin, the Custodian may, instead of conducting such liquidation and distribution activities, transfer fund management to another investment company, according to the existing Terms and Conditions.

3. On the date that its right to manage the fund expires in accordance with section 38 InvG, the Company must prepare a liquidation report that meets the requirements of an annual report as defined in section 44 sub-section 1 InvG.

#### Section 22 Amendments to the Terms and Conditions

1. The company is entitled to amend the Terms and Conditions.
2. Amendments to the Terms and Conditions shall require the prior approval of the Federal Financial Supervisory Authority. Insofar as the amendments described in sentence 1 impact the investment principles of the fund, they shall be subject to prior approval by the Company’s supervisory board.
3. All planned amendments shall be announced in the electronic version of 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 changes to charges within the meaning of section 41 sub-section 1 sentence 1 InvG, amendments to the fund’s investment principles within the meaning of section 43 sub-section 3 InvG or changes in relation to material investor rights, the investors must be sent the key content of the proposed amendments to the Terms and Conditions and their background, as well as information about their rights under section 43 sub-section 3 InvG, in a comprehensible way by means of a durable medium in accordance with section 43 sub-section 5 InvG, at the same time as the announcement in accordance with sentence 1.
4. The amendments shall become effective no earlier than on the day after their announcement in the electronic version of the Federal Gazette, although in the case of changes to charges and investment principles, no earlier than three months after the relevant announcement.

#### Section 23 Place of performance/place of jurisdiction

1. The place of performance shall be the registered office of the Company.
2. If the investor has no general place of jurisdiction within Germany, then the registered office of the Company shall be the place of jurisdiction.



## Special Terms and Conditions

to regulate the legal relationship between the unitholders and Allianz Global Investors Kapitalanlagegesellschaft mbH, Frankfurt/Main, (hereinafter, "Company") with regard to the UCITS-compliant fund launched by the Company

### Allianz Vermögensbildung Deutschland,

These "Special Terms and Conditions" are only applicable in conjunction with the "General Terms and Conditions" set out by the Company for UCITS-compliant funds.

### Investment Principles and Investment Restrictions

#### Section 1 Assets

The Company may acquire the following assets for the fund:

1. Securities as specified in section 47 of the Investment Act (*Investmentgesetz* – InvG), albeit only those of the following classes:
  - a) Equities, equity equivalent securities and participation certificates, if the issuer (or, in the case of instruments representing equities, the corporation) is domiciled in Germany. The Company shall purchase equities, equity equivalent securities, and participation certificates which in combination with all such investment vehicles prevailing in the fund form a portfolio geared to value stocks. Value stocks in this meaning shall be companies which seem undervalued relative to the respective sector in the Company's view. Equities may be acquired in companies of any size. Depending on its assessment of the market situation, the Company may focus on companies of a certain size segment or several selected size segments, or it may opt for a diversified approach. If equities are acquired in very small companies, these, in particular, may be specialty shares, some of which operate in niche markets.
  - b) Equities, equity equivalent securities and participation certificates of issuers domiciled in other countries.
  - c) Index certificates and equity certificates with a risk profile correlating with the assets listed under a) and b) or with the investment markets to which these assets are attributable.
  - d) Convertible bonds and warrant bonds relating to the assets set out in a) and b).
2. Money market instruments as specified in section 48 InvG, if these are denominated in the currency of an OECD member state.
3. Bank deposits as specified in section 49 InvG, if these are denominated in the currency of an OECD member state.
4. Investment units as specified in section 50 InvG, 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 50 InvG. Depending on its assessment of the market situation, the Company can opt to focus on one or several investment funds. These may include investment funds which pursue an investment policy focused on a single investment market, or investment funds which 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 which the Company deems to be necessary in that particular case, or if the units in question are units in an investment fund which 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 Terms and Conditions".

5. Derivatives as specified in section 51 InvG.
6. Other investment instruments as specified in section 52 InvG, albeit only equities, equity equivalent securities or participation certificates.

#### Section 2 Investment restrictions

- (1) The total proportion of equities and equity equivalent securities within the meaning of section 1 no. 1a) above may not fall below 51% of the fund's assets.
- (2) The total proportion of equities and other assets within the meaning of section 1 no. 1a) may not fall below 70% of the fund's assets, subject to the conditions set out in sub-section 8.
- (3) The total proportion of equities and other assets within the meaning of section 1 no. 1b) may not exceed 20% of the fund's assets, subject to the conditions set out in sub-section 8.
- (4) The total proportion of money market instruments within the meaning of section 1 no. 2 and of bank deposits within the meaning of section 1 no. 3 may not exceed 15% of the fund's assets, subject to the conditions set out in sub-section 8.
- (5) The total proportion of investment units within the meaning of section 1 no. 4 may not exceed 10% of the fund's assets. Investment units with a risk profile that correlates with the assets set out in sub-sections 3 or 4 shall be included in the calculation for the respective limit.
- (6) Securities and money market instruments purchased under agreements to resell shall be included in calculations for the issuer limits set out in section 60 sub-sections 1 and 2 InvG, while investment units purchased under agreements to resell shall be included in the investment limits set out in sections 61 and 64 sub-section 3 InvG.
- (7) The limits set out in sub-sections 1 through 5 may be exceeded/undershot if this occurs due to changes in the value of the assets in the 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.
- (8) The limits set out in sub-sections 2 through 4 may be exceeded/undershot, with due regard to the limits set out in sub-section 1, as a result of the purchase/sale of the assets in question if derivatives are used at the same time in order to ensure that the market risk potential is kept within the limits on the whole. Derivatives used for this purpose are applied at the delta-weighted value of the respective underlying in keeping with the respective arithmetic sign. Short transactions in derivatives are applied as risk-reducing factors even if their underlyings do not correspond fully to the assets in the fund.

#### Section 3 Derivatives

The Company may use the derivatives and financial instruments with a derivative element set out in section 9 sub-section 1 of the "General Terms and Conditions" for the following purposes:

- hedging the fund against losses incurred by assets in the fund,
- carrying out efficient portfolio management, in particular,
- complying with the investment restrictions and principles by using derivatives or financial instruments with a derivative element as, e.g., a substitute for direct securities investments,
- increasing or minimising the potential market risk of one, several or all 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 which 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.

### Unit classes

#### Section 4 Unit classes

- (1) Different unit classes within the meaning of section 16 sub-section 2 of the "General Terms and Conditions" may be created for the fund. These unit classes differ in terms of profit allocation, front-end load, redemption fee, the currency of the unit value including the use of currency hedging transactions, the management fee, 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, independent of section 9 of the "General Terms and Conditions" and section 3, use derivatives on exchange rates and currencies within the meaning of section 51 sub-section 1 InvG with the aim of avoiding losses in unit value resulting from exchange-rate-related losses in fund assets which 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 corporation as far as instruments representing equities are concerned) 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 which 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 may not have any effect on unit classes which are not currency hedged, or which 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 management 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 (income allocation, front-end load, redemption fee, currency of the unit value including the use of currency hedging transactions, management fee, minimum investment or any combination of these features) will be 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 management fee between the investor and the Company is a precondition for the acquisition of certain unit classes.

### Co-ownership, subscription price, redemption price, unit redemption and charges

#### Section 5 Co-ownership

- (1) As co-owners, the investors hold an interest in the assets of the fund proportionate to the number of units held and in accordance with the unit classes launched.

- (2) The fund units are vested in individual unit certificates, multiple certificates or global certificates. Investors do not have a claim to delivery of certificates.
- (3) The rights of unitholders vested in the unit certificates with the original names "DIT-FONDS FÜR VERMÖGENSBILDUNG", "dit-Vermögensbildung Deutschland", "Allianz-dit Vermögensbildung Deutschland" and "Allianz RCM Vermögensbildung Deutschland" are unaffected. The rights of unitholders vested in unit certificates whose designated custodian is Dresdner Bank AG shall remain unaffected. These units remain valid.

#### Section 6 Subscription and redemption prices

- (1) The front-end load for all unit classes for which no minimum investment is required either in the prospectus or in the annual or semi-annual reports is 6% of the unit value. The Company may, however, charge a lower front-end load for one or more of these unit classes. No front-end load is levied on the other unit classes.
- (2) A redemption fee shall not be levied.

#### Section 7 Charges

- (1) 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 fee for the management of the fund shall amount to 2.0% p.a. of the pro rata value of the fund. This is calculated on the basis of the net asset value, which is determined every trading day. For the remaining unit classes the daily fee for the management of the fund shall be 1.0% p.a. of the pro rata value of the fund, calculated on the basis of the net asset value, which is determined every trading day. The Company may, however, charge a lower fee for one or more unit classes. In the case of the 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 management fee is not charged to the fund but directly to the investor.
- (2) In addition, the daily administration fee paid to the Company shall amount to 0.5% p.a. of the value of the fund's assets. This is calculated on the basis of the net asset value, which is determined every trading day. The Company may, however, charge a lower administration fee for one or more unit classes. This administration fee covers the following fees and expenses which are not charged separately to the fund:
- the custodian fee,
  - safe-custody 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 the printing and dispatch of annual and semi-annual reports 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,
  - any costs for having the success of the investment analysed by third parties,
  - any costs for the cashing of coupons,
  - any costs for the re-issue of coupons.
- (3) In addition to the fee set out in sub-sections 1 and 2, the Company shall receive an additional daily fee. This fee shall amount to 0.75% p.a. of the pro rata value of the fund, calculated on the basis of the net asset value, which is determined every trading day. The Company may also forward this fee to distributors as a sales commission. The Company may, however, charge a lower fee for one or more unit classes.

- (4) The fees set out in sub-sections 1 through 3 may be withdrawn from the fund's assets at any time.
- (5) The Company shall also be entitled to an additional performance fee for the management of the fund, chargeable to the fund. This fee shall be equivalent to 20 percent of the fund's outperformance against the S&P Germany BM Value Return Net (index for German value stocks), after deduction of the fees charged to the fund mentioned in sub-sections 1 and 2. Sub-section 1 sentences 3 and 4 apply accordingly.

The Company shall base the valuation of the fund, which is required for the calculation of the investment result, on prices that are temporarily as close as possible to the prices on which the index calculation is based. This may cause this valuation of the fund to differ from the valuation for the purpose of determining the net asset value per unit on the same day. The performance fee shall be calculated semi-annually, beginning on 1 October and 1 April of every calendar year, on every valuation date and shall be based on the current value of the fund, and the total amount shall be calculated on a cumulative basis. Provisions for the accumulated total shall be made, and shall be deducted from the fund on 31 March and 30 September of each calendar year. On valuation dates when the investment result of the fund underperforms the benchmark specified in sentence 1, the accumulated total, for which provisions have been made decreases in accordance with the method described above. A negative total shall be accumulated during the calculation period, but shall not be carried forward to subsequent calculation periods. Should the reference index cease to exist, the Company shall specify another comparable index to replace the index set out above. The total accumulated from 1 October 2008 through 30 September 2009 shall be withdrawn from the fund on 30 September 2009. Investors are advised that a performance fee may also be paid if the absolute performance of the fund is negative but the net asset value per unit of the fund outperforms the benchmark.

- (6) In addition, further expenses are charged to the fund:
- costs that arise in connection with the acquisition and sale of assets (including any associated research and analysis services in line with market practices) and with the use of securities lending programmes in line with current banking practice,
  - taxes which may be incurred in connection with the costs of management and custody,
  - costs for the assertion and enforcement of claims attributable to the fund which are deemed to be justified, as well as for defence against unjustified claims brought against the fund,
  - costs for the verification, assertion and enforcement of any possible claims for reducing, offsetting and/or reimbursing withholding taxes or other taxes and/or fiscal charges.
- (7) If units in other investment funds are acquired, the company managing the other fund may not charge front-end loads or redemption fees for acquisition or redemption. The Company must disclose, in the annual and semi-annual report, the fee charged to the fund by the company managing the other fund as a management fee for the units held in the fund.

#### Profit allocation and financial year

##### Section 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 considerations from loans and repurchase agreements which have accrued for account of the fund during the financial year and which have not been required to defray expenses, subject to the requisite equalisation of income.

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 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 fund.
- (4) Distribution shall be effected annually within three months after the end of each financial year.
- (5) Interim distributions are permissible in exceptional circumstances where, in accordance with section 40 InvG, the fund is to be merged with another fund, or where another fund is to be merged with the fund in question.

##### Section 9 Reinvestment

- (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, considerations from loans and repurchase agreements and other income and disposal gains which have accrued for account of the fund during the financial year and which have not been required to defray expenses, subject to the requisite equalisation of income.
- (2) Interim distributions are permissible in exceptional circumstances where, in accordance with section 40 InvG, the fund is to be merged with another fund, or where another fund is to be merged with the fund in question.

##### Section 10 Financial year

The financial year of the fund shall be the calendar year.

# Your Partners

Allianz Global Investors  
Kapitalanlagegesellschaft mbH  
Mainzer Landstraße 11–13  
60329 Frankfurt/Main  
Customer Service Centre Hof  
Telephone: +49 9281-72 20  
Fax: +49 9281-72 24 61 15  
+49 9281-72 24 61 16  
E-Mail: [info@allianzgi.de](mailto:info@allianzgi.de)

Subscribed and paid-in  
capital: EUR 37.0 million  
Liable capital:  
EUR 368.7 million  
As at 31 December 2010

## Shareholder

Allianz Global Investors  
Holding GmbH  
Frankfurt/Main

## Custodian

Commerzbank AG  
Kaiserplatz  
60311 Frankfurt/Main

Mailing address:  
Commerzbank AG  
60261 Frankfurt/Main  
Telephone: +49 69 1362–0

Subscribed and paid-in  
capital: EUR 21.1 billion  
Liable capital:  
EUR 33.1 billion  
As at 31 December 2010

## Special Order Placement Office

RBC Dexia Investor Services Bank S.A.  
14, Porte de France  
L-4360 Esch-sur-Alzette

## Supervisory Board

James D. Dilworth  
Chairman  
Managing Director of  
Allianz Global Investors Holding GmbH  
Frankfurt/Main

Stefan Baumjohann  
Member of the works council of  
Allianz Global Investors  
Kapitalanlagegesellschaft mbH  
Frankfurt/Main

Prof. Dr. Michael Hüther  
Director and member of the Board  
Institut der deutschen Wirtschaft  
Cologne

Dr. Andree Moschner  
Member of the Board of Management  
of Allianz Deutschland AG  
Chairman of the Board of Management  
of Allianz Beratungs- und Vertriebs-AG  
Munich

Maria-Rosa Vulcano  
Member of the works council of  
Allianz Global Investors  
Kapitalanlagegesellschaft mbH  
Frankfurt/Main

Dr. Wolfgang Röller  
Honorary Chairman  
Frankfurt/Main

Martin Zielke  
Member of the Board of Management  
of Commerzbank AG  
Frankfurt/Main

## Management

Tobias C. Pross  
Speaker

Michael Hartmann

Daniel Lehmann

Ingo Mainert

## Auditors

KPMG AG  
Wirtschaftsprüfungsgesellschaft  
Frankfurt/Main

## Note:

In recurring reports, important  
information is updated as required.

As at 1 February 2012

# Information for investors in the Republic of Austria

The sale of units in Allianz Vermögensbildung Deutschland in the Republic of Austria has been registered with the Finanzmarktaufsicht (Vienna) pursuant to section 140 InvFG.

## Paying and information agent in Austria

Allianz Investmentbank AG  
Hietzinger Kai 101–105  
A-1130 Vienna

Redemption requests for fund units can be submitted to the Austrian paying and information agent and the redemption proceeds, possible distributions and any other payments can be paid out to the unitholders by the Austrian paying and information agent, at their request, in euro cash.

All necessary information for investors is available at the Austrian paying and information agent free of charge, as there are for example

- the prospectus including the terms and conditions
- the key investor information
- the annual and semi-annual reports
- the subscription and redemption prices.

## Appointment of a local representative for purposes relating to the tax authorities.

The following financial institution is appointed, within the meaning of section 186 sub-section 2 item 2 InvFG, as local representative for tax purposes to provide proof of deemed distribution income:

Allianz Investmentbank AG  
Hietzinger Kai 101–105  
A-1130 Vienna

Allianz Global Investors  
Kapitalanlagegesellschaft mbH  
Mainzer Landstraße 11–13  
60329 Frankfurt/Main  
[info@allianzgi.de](mailto:info@allianzgi.de)  
[www.allianzglobalinvestors.de](http://www.allianzglobalinvestors.de)

