

VermögensManagement

Stars of Multi Asset

Prospectus/Investment Terms and Conditions
Allianz Global Investors GmbH

10 March 2021

Warning notice

The current prospectus, the key investor information and the “General Investment Terms and Conditions” in conjunction with the “Special Investment Terms and Conditions” shall form the legal basis for purchasing and selling units in the VermögensManagement Stars of Multi Asset fund (“fund”). The General Investment Terms and Conditions and the Special Investment Terms and Conditions are included in this prospectus.

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

Investment restrictions applying to US persons

The fund has not been and will not be registered in the United States of America (the “United States”) under the US Investment Company Act of 1940 as amended (the “Investment Company Act”). The United States includes the United States of America, its territories and possessions, any state of the United States of America, and the District of Columbia. The units of the fund have not been and will not be registered in the United States 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. The units made available under this offer may not be directly or indirectly offered or sold in the United States or to or for the benefit of any US person (as defined in Provision 902 of Regulation S under the Securities Act). Potential investors may be required to declare that they are not US persons and that they are neither acquiring units on behalf of US persons nor acquiring units with the intent to sell them to US persons. Unitholders who become a US person may be subject to US withholding taxes and tax reporting.

US person

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

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

Most important legal implications of the contractual relationship

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

The contractual and the pre-contractual relations between Company and investor shall be based on German law. The registered office of the Company shall be the place of jurisdiction for any legal action brought by the investor against the Company arising from the contractual relationship. Investors who are consumers and who reside in another EU Member State may also bring legal action before a

competent court at their place of residence. All publications and promotional literature shall be drawn up in German or provided with a German translation. Furthermore, the Company shall communicate with its investors in German.

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

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

Contact information:

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

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

Contact information:

Deutsche Bundesbank
Conciliation Board
P.O. Box 11 12 32
60047 Frankfurt am Main
E-mail: schlichtung@bundesbank.de
www.bundesbank.de

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

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

Commercial register: HRB 9340
Local Court: Frankfurt am Main

Supervisory Authority in charge:
Bundesanstalt für Finanzdienstleistungsaufsicht
Marie-Curie-Str. 24-28
60439 Frankfurt am Main

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

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Prospectus

General information

VermögensManagement Stars of Multi Asset is a Miscellaneous Fund within the meaning of the Investment Code (Kapitalanlagegesetzbuch – KAGB). Miscellaneous Funds are alternative investment funds (“AIF”) as defined in the KAGB. The fund is managed by Allianz Global Investors GmbH, which is domiciled in Frankfurt am Main.

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

The purpose of the fund is limited to investing the monies entrusted to it in the context of collective asset management in accordance with a defined investment strategy; it is not permitted to perform an operational role or carry out active entrepreneurial management of the assets that it holds. The KAGB, the related regulations, the German Investment Tax Act (Investmentsteuergesetz – InvStG) and the Investment Terms and Conditions governing the legal relationship between the investors and the Company determine the assets in which the Company may invest on behalf of the Feeder Fund and the provisions it must comply with in doing so. The Investment Terms and Conditions contain both a general and a specific section (“General Investment Terms and Conditions” and “Special Investment Terms and Conditions”). The application of the Investment Terms and Conditions to the fund is subject to the approval of the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

Facts and figures VermögensManagement Stars of Multi Asset

Unit class ¹⁾ :	A (EUR)	P (EUR)	MeinPlan A (EUR)
ISIN code:	DE0009797548	DE000A2AMPR1	DE000SPAR017
Securities Identification Number:	979754	A2AMPR	SPAR01
Legal structure:	pursuant to German law (KAGB)	pursuant to German law (KAGB)	pursuant to German law (KAGB)
Launch:	24 June 2013	1 December 2016	1 October 2018
Investment management company:	Allianz Global Investors GmbH Frankfurt am Main	Allianz Global Investors GmbH Frankfurt am Main	Allianz Global Investors GmbH Frankfurt am Main
Depository:	State Street Bank International GmbH Munich	State Street Bank International GmbH Munich	State Street Bank International GmbH Munich
Auditor:	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft Frankfurt am Main	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft Frankfurt am Main	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft Frankfurt am Main
Financial groups initiating the fund:	Allianz Group	Allianz Group	Allianz Group
Supervisory Authority in charge:	BaFin Frankfurt am Main	BaFin Frankfurt am Main	BaFin Frankfurt am Main
Minimum investment:	-	EUR 50,000	-
Maximum front-end load:	4.00%	4.00%	4.00%
Current front-end load:	2.50%	1.50%	2.50%
Maximum all-in fee:	1.50% p.a.	1.25% p.a.	1.50% p.a.
Current all-in fee:	1.50% p.a.	1.25% p.a.	1.50% p.a.
Allocation of income:	distributing	distributing	distributing
Life:	unlimited	unlimited	unlimited

¹⁾ The 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 Investment Terms and Conditions as well as the latest annual and semi-annual reports are available free of charge from the Company, the depositary, and from the agents operating for the Company.

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

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

Investment Terms and Conditions

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

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

Changes shall come into effect on the day after publication at the earliest. Changes in provisions concerning fees and reimbursement of expenses shall come into effect three months after publication at the earliest. BaFin may determine an earlier point in time for the effective date. Changes 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 Company offers investors to swap their units for units in funds with comparable investment principles free of charge, if the Company or another company from the same group manages such funds or makes an offer to them to redeem their units without charging a redemption fee before the changes become effective.

Management Company

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

The Company is permitted to manage investment funds as defined in the UCITS Directive, mixed investment funds, other investment funds and open-ended domestic special AIF with fixed investment terms and conditions, as well as comparable open-ended and closed-end EU investment funds. Mixed Funds and Miscellaneous Funds that are not UCITS are collectively referred to as AIF below. The value of the fund and the value of the units are determined by the Company.

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

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

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

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

Company announcements

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

Investment committee

When managing the fund, the Company shall be supported by an advisory investment committee, comprising representatives of Commerzbank AG and the Allianz Global Investors Group.

The investment committee monitors the securities markets, analyses the composition of the securities holdings and other investments held in the fund and makes recommendations to the Company for investing the fund while observing the principles of the investment policy and investment limits specified for the fund.

Depositary

Identity of the depositary

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

As at 31 December 2019 its liable equity capital amounted to EUR 109.3 million.

Duties of the depositary

The KAGB requires the separation of fund management from fund safe-keeping.

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

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

- Subscription and redemption of fund units,

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

Engagement of sub-depositaries

The depositary has full authority to transfer all or some of its duties in connection with safekeeping. Its liability shall nevertheless remain unaffected should it entrust to a third party some or all of the assets that it has accepted for safekeeping. The depositary's liability shall remain unaffected by any transfer of its safekeeping-related duties as defined in the depositary agreement.

The depositary has transferred these safekeeping-related duties, as laid down in Article 22(5)(a) of the UCITS Directive, to State Street Bank and Trust Company with registered office at Copley Place, 100 Huntington Avenue, Boston, Massachusetts 02116, USA, which it has appointed as its worldwide sub-depositary. As worldwide sub-depositary, State Street Bank and Trust Company has appointed local sub-depositaries within the State Street Global Custody Network.

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

Albania	Raiffeisen Bank sh.a.
Argentina	Citibank N.A.
Australia	The Hongkong and Shanghai Banking Corporation Ltd.
Austria	UniCredit Bank Austria AG Deutsche Bank AG
Bahrain	HSBC Bank Middle East Limited
Bangladesh	Standard Chartered Bank
Belgium	Deutsche Bank AG, Netherlands
Benin	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Bermuda	HSBC Bank Bermuda Limited
Bosnia and Herzegovina	UniCredit Bank d.d.
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank N.A.
Bulgaria	Citibank Europe plc, Bulgaria branch UniCredit Bulbank AD
Burkina Faso	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Canada	State Street Trust Company Canada
Chile	Banco de Chile
China – A-Shares Market	HSBC Bank (China) Company Limited China Construction Bank Corporation
China – B-Shares Market	HSBC Bank (China) Company Limited

China - Shanghai - Hong Kong Stock Connect	Standard Chartered Bank (Hong Kong) Limited The Hongkong and Shanghai Banking Corporation Ltd. Citibank N.A.
Colombia	Cititrust Colombia, S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.
Croatia	Privredna Banka Zagreb d.d. Zagrebacka Banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece
Czech Republic	Československá obchodní banka a.s. UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
Egypt	Citibank N.A.
Estonia	AS SEB Pank
Eswatini	Standard Bank Eswatini Limited
Finland	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
France	Deutsche Bank AG, Netherlands
Germany	Deutsche Bank AG State Street Bank International GmbH
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services S.C.A.
Guinea-Bissau	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited
Hungary	UniCredit Bank Hungary Zrt. Citibank Europe plc Magyarországi Fióktelepe
Iceland	Landsbankinn hf.
India	Deutsche Bank AG Citibank N.A.
Indonesia	Deutsche Bank AG
Ireland	State Street Bank and Trust Company, United Kingdom Branch
Israel	Bank Hapoalim B.M.
Italy	Deutsche Bank AG Intesa Sanpaolo S.p.A.
Ivory Coast	Standard Chartered Bank Cote d'Ivoire S.A.
Japan	The Hongkong and Shanghai Banking Corporation Limited Mizuho Bank, Ltd
Jordan	Standard Chartered Bank, Shmeissani branch
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Limited
Kuwait	HSBC Bank Middle East Limited
Latvia	AS SEB banka
Lithuania	AB SEB bankas
Malawi	Standard Bank PLC
Malaysia	Standard Chartered Bank (Malaysia) Berhad Deutsche Bank (Malaysia) Berhad
Mali	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México S.A.
Morocco	Citibank Maghreb S.A.
Namibia	Standard Bank Namibia Limited
Netherlands	Deutsche Bank AG
New Zealand	The Hongkong and Shanghai Banking Corporation Limited

Niger	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Nigeria	Stanbic IBTC Bank Plc.
Norway	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Deutsche Bank AG
Panama	Citibank N.A.
Peru	Citibank del Perú S.A.
Philippines	Deutsche Bank AG
Poland	Bank Handlowy w Warszawie S.A.
Portugal	Deutsche Bank AG, Netherlands
Qatar	HSBC Bank Middle East Limited
Republic of Georgia	JSC Bank of Georgia
Republic of Korea	The Hongkong and Shanghai Banking Corporation Limited Deutsche Bank AG
Republika Srpska	UniCredit Bank d.d.
Romania	Citibank Europe plc, Dublin, Romania branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia Saudi British Bank
Senegal	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Serbia	UniCredit Bank Serbia JSC
Singapore	Citibank N.A.
Slovakia	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	Standard Bank of South Africa Limited FirstRand Bank Limited
Spain	Deutsche Bank S.A.E.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Sweden	Skandinaviska Enskilda Banken (publ)
Switzerland	UBS Switzerland AG Credit Suisse (Switzerland) AG
Taiwan - R.O.C.	Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Tanzania) Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Togo	Standard Chartered Bank Cote d'Ivoire S.A., Abidjan, Ivory Coast
Tunisia	Union Internationale de Banques
Turkey	Citibank A.Ş. Deutsche Bank A.Ş.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	JSC Citibank
United Arab Emirates – Abu Dhabi Securities Exchange (ADX)	HSBC Bank Middle East Limited
United Arab Emirates – DFM	HSBC Bank Middle East Limited
United Arab Emirates – Dubai International Financial Center (DIFC)	HSBC Bank Middle East Limited
United Kingdom	State Street Bank and Trust Company, UK branch
United States	State Street Bank and Trust Company
Uruguay	Banco Itaú Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Limited
Zambia	Standard Chartered Bank Zambia Plc.

Zimbabwe

Stanbic Bank Zimbabwe Limited

Conflicts of interest

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

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

- The Compliance department is entrusted with the function of the “independent body” required under section 70 sub-section 2 sentence 4 KAGB and/or section 85 sub-section 2 sentence 4 KAGB.
- The schedule of responsibilities and organisational structure of State Street Bank International GmbH comply with statutory and regulatory requirements, taking into particular account the requirement to avoid conflicts of interest. As a result, the functions “back office/supervision of lending business and trading” are kept separate from the functions “settlement/supervision of lending business and trading” and naturally from the “trading market sector” and from the “lending business market sector” right through to senior management level. In addition, the operational custodian bank or depository business is completely separate from the “collateral management services” and “investment management company back office insourcing” sections. The segregation solution as defined in BaFin Circular 08/2015 (WA)/Depository Circular and BaFin Circular 01/2017 (WA)/Minimum Requirements on Risk Management for Investment Companies (KAMaRisk) has been implemented in relation to physical, personnel, functional and hierarchical separation.
- The “Conflicts of Interest Policy” of State Street Bank International GmbH covers the topics relating to conflicts of interest, both from the viewpoint of the Securities Trading Act (WpHG) and from the perspective of the custodian bank or depository. It also provides for the use of a range of methods to avoid conflicts of interest, which are presented below in note form:
 - a. Controlling the flow of information:
 - i. Requirements for confidentiality zones (Chinese walls) and for using them.
 - Passing on information within the Company in strict compliance with the “need to know” principle
 - Access rights to information and physical access rights to areas of the Company. For example, the services relating to “investment management company back office insourcing” are currently provided completely separately from the custodian bank or depository business within the system.
 - ii. Requirements for “wall crossing”.
 - b. Independent monitoring of relevant persons.
 - c. No detrimental dependencies in the remuneration system.
 - d. Avoidance of the corruptive influence of one employee on other employees.
 - e. Avoidance of a situation where the responsibilities of an employee for several activities could give rise to conflicts of interest if they are performed simultaneously.

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

Liability of the Depositary

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

Additional information

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

Fund

The fund was launched on 24 June 2013 for an unlimited period of time. As co-owners or creditors, the investors hold an interest in the assets of the fund proportionate to the number of units held.

Investment objective

The investment policy aims to generate a combination of returns and long-term capital growth. For this purpose, the Miscellaneous Fund invests in various asset classes (e.g. equities, bonds or precious metals). The weighting of the individual asset classes may vary and has a flexible orientation. It is tailored to a balanced portfolio in the medium to long term.

Management approach of the Fund

The Company takes an active approach to fund management. This means that, based on the investment process, the Fund Management independently decides on the selection and weighting of the individual assets permitted under the German Investment Code (KAGB) and the investment conditions of the Fund, using the strategy for sustainable and responsible investments described below.

The company pursues an active management approach for the fund. This means that fund management decides autonomously and independently, on the basis of the investment process, on the selection and weighting of the individual assets permitted under the KAGB and the investment terms and conditions of the fund.

Funds in which a benchmark index either plays a role in (i) the explicit or implicit definition of the portfolio composition of the fund and/or in (ii) the performance objectives and measures of this fund are referred to as funds that are managed in relation to a benchmark index.

The fund does not have a benchmark index and is therefore not managed in relation to a benchmark index on the part of fund management.

As a result of this, the fund management is not based on a benchmark scale (e.g. a benchmark index) in the context of the discretionary management of the Fund's assets when selecting and weighting the assets.

Investment Principles and Investment Restrictions

The Company may acquire the following assets for the fund:

1. Securities as specified in section 5 of the "General Investment Terms and Conditions",
2. Money market instruments within the meaning of section 6 of the "General Investment Terms and Conditions",
3. Bank deposits within the meaning of section 7 of the "General Investment Terms and Conditions",
4. Units and shares in investment funds within the meaning of section 8 of the "General Investment Terms and Conditions",
5. Derivatives within the meaning of section 9 of the "General Investment Terms and Conditions", without any requirement to observe the restrictions on acquisition as specified in section 197 sub-section 1 KAGB,
6. Other investment instruments as specified in section 10 of the "General Investment Terms and Conditions",
7. Precious metals, specifically and exclusively gold, silver, platinum and palladium.

Derivatives on borrower's note loans as specified in section 198 no. 4 KAGB may not be entered into.

Here, the following investment restrictions shall apply:

- (1) The fund may invest flexibly in all of the above-named permitted assets while observing the investment limits below.
- (2) Up to 49% of the fund's value may be invested in foreign and domestic equities as defined in paragraph 1 above.
- (3) Up to 49% of the fund's value may be invested in foreign and domestic bonds as defined in paragraph 1 above.
- (4) Up to 49% of the fund's assets may be invested in money market instruments as defined in section 6 of the "General Investment Terms and Conditions".
- (5) Securities and money market instruments purchased under agreements to resell shall be included in calculations for the issuer limits set out in section 206 sub-section 1 to 3 KAGB.
- (6) Up to 49% of the fund's assets may be invested in bank deposits as defined in section 7 sentence 1 of the "General Investment Terms and Conditions". At least 5% of the fund's assets must be invested in money market instruments as defined in section 6 of the "General Investment Terms and Conditions" and/or bank deposits as defined in section 7 sentence 1 of the "General Investment Terms and Conditions" and/or other liquid assets.
- (7) Up to 100% of the fund's value may be invested in investment units or in equities of corresponding investment stock corporations with variable capital in accordance with sections 196, 218 and 220 KAGB.
- (8) The extent to which foreign investment fund units or shares in corresponding foreign investment stock corporations with variable capital may be acquired for the fund is not limited. However, the registered office and the management of foreign investment stock corporations or investment stock corporations with variable capital that are issuers of foreign open-ended investment funds must be located in a member state of the European Union or in another signatory state to the Agreement on the European Economic Area or in one of the following states or autonomous areas:
 - Japan
 - Switzerland
 - USA

- Canada
 - Jersey
 - Isle of Man
 - Guernsey
- (9) At least 51% of the value of the fund must be invested in investment units and shares in investment stock corporations with variable capital pursuant to paragraph 4 above which, based on their investment terms and conditions or their articles of association, have established an investment strategy that consists of at least two asset classes, or based on their last annual or semi-annual report, were demonstrably invested in at least two asset classes. An investment in at least two asset classes in the above sense exists when it is ensured that at least 10% must be demonstrably invested in each of the two asset classes. An asset class in the above sense represents the classification of the assets available in the capital market into different investment segments based on specific criteria. Asset classes in accordance with sentence 1 are in particular shares, fixed-income securities, real estate (e.g. REITs), precious metals and commodities (but exclusively industrial commodities and not agricultural commodities). The asset class of industrial commodities in the above sense includes energy commodities, chemical commodities, metal commodities and construction and ceramic commodities. Bank deposits within the meaning of paragraph 3 above and cash available to a Miscellaneous Fund/investment fund do not represent an investment class pursuant to sentence 1.
- (10) In the selection of investment units and shares in investment stock corporations with variable capital in accordance with sub-sections (7) to (9), investment units and shares in investment stock corporations with variable capital pursuant to paragraph 4 above that are dedicated to investing in a specific geographic area or economic sector will also be considered. In addition, in the selection of investment units and shares in investment stock corporations in accordance with sub-sections (7) to (9), preference is given to those that the Company considers to have higher yields than comparable investment units and shares in investment stock corporations with variable capital pursuant to paragraph 4 above after taking the risks into account. This is intended to ensure that the investment units and shares in investment stock corporations with variable capital in accordance with paragraph 4 above that are selected and compiled in a portfolio offer the best possible investment results, taking quantitative and qualitative aspects into account.
- (11) For the acquisition of units in accordance with sub-section (9), a requirement at the time of purchase is that the conditions set out in sub-section (9) sentence 1 have been complied with. If the published annual and semi-annual reports or prospectuses indicate that the acquisition conditions are no longer met after the date of purchase, the units or shares must be sold within a reasonable period of time, while taking the interests of the fund into account. The investment units purchased under agreements to resell shall be included in the calculation of the investment restrictions of sections 207 and 210, sub-section 3 KAGB.
- (12) Up to 30% of the fund's assets may be invested in Miscellaneous Funds and/or investment stock corporations with variable capital, whose terms and conditions or articles of association/investment terms and conditions correspond to sections 220 et seq. KAGB and/or open-ended foreign investment funds subject to requirements with respect to their investment policies which are comparable with German Miscellaneous Funds. The assets purchased in turn by these Miscellaneous Funds, investment stock corporations with variable capital and/or open-ended foreign investment funds must either be held in safekeeping by a depositary or the functions of the depositary must be performed by another comparable institution.

In addition, as part of their investment strategy to increase the level of investment, Miscellaneous Funds, investment stock corporations with variable capital and/or open-ended foreign investment funds pursuant to sentence 1 may not borrow more than 20% of the value of the fund, although they must not be subject to limits when carrying out short sales and may, in principle, make use of derivatives pursuant to section 197 KAGB.

The investment strategy of the Miscellaneous Fund, investment stock corporations with variable capital and/or open-ended foreign investment funds pursuant to sentence 1 should concentrate on the asset classes listed in sub-section (9), in particular shares, fixed-

income securities, real estate (e.g. REITs), precious metals and commodities (but exclusively industrial commodities and not agricultural commodities), or should replicate or combine these. The asset class of industrial commodities in the above sense includes energy commodities, chemical commodities, metal commodities and construction and ceramic commodities.

- (13) Up to 30% of the fund's assets may be held in physical precious metals pursuant to paragraph 7 above and in derivatives on these precious metals pursuant to paragraph 5 above.

Investor profile

VermögensManagement Stars of Multi Asset is aimed at investors who pursue the objective of specific retirement pension planning and/or general capital formation/asset optimisation. It may not be suitable for investors who wish to withdraw their capital from the fund within a short timeframe. VermögensManagement Stars of Multi Asset is aimed at investors with basic knowledge and/or experience of financial products. Prospective investors should be capable of bearing a financial loss and should not attach any importance to capital protection. In terms of risk assessment, VermögensManagement Stars of Multi Asset is assigned to risk class 3 on a scale of 1 (conservative; very low to low expectation of returns) to 7 (very tolerant of risk; highest expectation of returns) (as at 24 February 2021).

Investment instruments in detail

Securities

Provided the investment limits and principles do not contain any further restrictions and subject to section 198 KAGB, the Company may only acquire securities for account of the fund if

- a) they are admitted to official trading on a stock exchange in a member state of the European Union ("EU") or in another signatory state to the Agreement on the European Economic Area ("EEA") or admitted to or included in another organised market in one of these states,
- b) they are exclusively admitted to trading on a stock exchange outside the member states of the EU or outside the other signatory states to the Agreement on the EEA 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),
- c) their admission to official trading on a stock exchange in a member state of the EU or in another signatory state to the Agreement on the EEA or their admission to or inclusion in an organised market of a member state of the EU or of another signatory state to the Agreement on the EEA 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 EU or outside the signatory states to the Agreement on the EEA 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 193 sub-section 1 sentence 1 no. 7 KAGB,
- h) they are financial instruments which meet the requirements set out in section 193 sub-section 1 sentence 1 no. 8 KAGB.

The securities described in sentence 1 a) – d) may only be acquired if the requirements set out in section 193 sub-section 1 sentence 2 KAGB are met at the same time.

Money market instruments

Provided the investment limits and principles do not contain any further restrictions and subject to section 198 KAGB, 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 for the Miscellaneous Fund have a maximum residual maturity of 397 days or whose interest is adjusted in line with market rates at regular intervals or at least once within 397 days throughout their maturity pursuant to their terms of issue, or whose risk profile is similar to that of such securities (money market instruments).

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

- a) are admitted to official trading on a stock exchange in a member state of the EU, or in another signatory state to the Agreement on the EEA or 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 EU or outside the other signatory states to the Agreement on the EEA 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),
- c) are issued or guaranteed by the EU, 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 EU, 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 EU 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 EU law or by a credit institution which is subject to supervisory provisions which, in the opinion of the BaFin, are equivalent to those of EU law and complies with these provisions, or
- f) are issued by other issuers and meet the requirements set out in section 194 sub-section 1 sentence 1 no. 6 KAGB.

Money-market instruments within the meaning of the sub-section above may only be acquired if they meet the requirements of section 194 sub-sections 2 and 3 KAGB.

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 EU or another signatory state to the Agreement on the EEA. 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 EU law. Unless otherwise provided for in the investment principles and limits, bank deposits may also be denominated in foreign currencies.

Other investment instruments

The Company may invest in the following for the fund

- a) Equity holdings in companies, provided they were acquired permissibly prior to 22 July 2013 and the market value of the investments can be determined, and
- b) Other investment instruments in accordance with section 198 KAGB.

Furthermore, the Company may, on behalf of the fund, acquire precious metals pursuant to section 221 sub-section 1 no. 3 KAGB and unsecured loan receivables pursuant to section 221 sub-section 1 no. 4 KAGB.

Investment fund units

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

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

Unless otherwise provided for in the investment principles and limits, the Company may also acquire units in open-ended retail funds pursuant to section 218 KAGB (Mixed Funds) and section 220 of the KAGB (Miscellaneous Funds), shares in investment stock corporations with variable capital whose articles of association provide for a form of investment comparable with Mixed Funds or Miscellaneous Funds, as well as units or shares in corresponding EU investment funds or foreign AIF.

Units in Miscellaneous Funds and shares in investment stock corporations with variable capital whose articles of association provide for a form of investment comparable with Miscellaneous Funds, as well as units or shares in corresponding EU AIF or foreign AIF, may only be acquired if their assets are held in safekeeping by a depositary or the functions of the depositary are performed by another comparable institution. The Company is not permitted to invest in units of foreign open-ended investment funds from states that do not co-operate in combating money laundering within the meaning of international agreements.

The fund may also continue to hold units or shares in the following investment funds, provided they were acquired permissibly prior to 22 July 2013 in accordance with the rules indicated below:

- a) real estate funds as defined in section 66 of the German Investment Act (InvG) in the version valid until 21 July 2013 (also after the switch to the KAGB) and those EU or foreign investment funds that are comparable with these funds, and
- b) funds with additional risks pursuant to section 112 of the InvG and/or shares in investment stock corporations, the by-laws of which provide for a form of investment comparable with section 112 of the InvG (also after the switch to the KAGB) as well as those EU or foreign investment funds that are comparable with these investment funds.

The following requirements must be met with regard to these units:

The UCITS, the AIF or the manager of the AIF in which the units are acquired is, in its country of domicile, subject to supervision relating to funds for collective investment. The purpose of the respective investment fund is limited to investing the monies entrusted to it in the

context of collective asset management in accordance with a defined investment strategy; the fund is not permitted to perform an operational role or carry out active entrepreneurial management of the assets that it holds.

In principle, investors may exercise the right to redeem their units at any time.

The respective investment fund is invested, directly or indirectly, in accordance with the principle of risk diversification.

A total of at least 90% of the respective investment funds is invested in the following assets, insofar as they can be acquired for the respective investment fund in accordance with the KAGB:

- a) Securities,
- b) Money market instruments,
- c) Derivatives,
- d) Bank deposits,
- e) Land, land rights and other similar rights under the law in other countries,
- f) Investments in real estate companies within the meaning of section 1 sub-section 19 number 22 of the German Investment Code (Kapitalanlagegesetzbuch),
- g) Units or shares in German or foreign investment funds that meet the requirements of this sub-section 2 (i) or (ii) (“investment funds”),
- h) Investments in corporate entities, if the market value of such participations can be determined,
- i) Unsecuritised loan receivables (including borrower’s note loans), or
- j) Precious metals.

Within the framework of the investment limits to be observed contractually and under supervisory law for the respective investment fund, up to 20% of the value of the investment fund is invested in participations in corporations that are not admitted to trading on a stock exchange or admitted to or included in another organised market. If the investment terms and conditions of AIFs allow deposits to be invested in real estate, up to 100% of their value may be invested in real estate companies.

The level of investment of the respective investment fund in a corporation must be less than 10% of the capital of the respective company. This does not apply to AIF investments in real estate companies.

A loan may only be taken out in the short term and only up to 20% of the value of the respective investment fund. If the investment terms and conditions of AIFs allow deposits to be invested in real estate, AIFs may raise short-term loans up to 10% of the fund’s value and, in addition, raise loans up to 30% of the market value of the real estate held directly or indirectly in the AIF.

The investment terms and conditions of the respective investment fund must, in the case of AIF, reproduce the above requirements and, in the case of UCITS, the relevant requirements under supervisory law.

The respective investment fund is subject to grandfathering protection under investment tax law.

The Company may invest only up to 30% of the fund's assets in units or shares in different Miscellaneous Funds and the corresponding EU AIF or foreign AIF. Units or shares that the Miscellaneous Fund holds pursuant to section 8 sub-section 5 b) shall be counted towards this limit. The Company may not invest for account of the fund in more than two investment funds in the form of Miscellaneous Funds from the same issuer or fund manager. In addition, the Company may only acquire units or shares in different Miscellaneous Funds and in corresponding EU AIF or foreign AIF if the latter, for their part, do not invest their capital in units or shares in different Miscellaneous Funds and in corresponding EU AIF or foreign AIF. This does not affect the limits specified in sub-section 2.

The Company must ensure that the proportion of precious metals, derivatives and non-securitised loans receivable, including those that are acquirable as other investment instruments within the meaning of section 198 KAGB, held for account of the Miscellaneous Fund, does not exceed 30% of the fund's value. Derivatives within the meaning of section 197 sub-section 1 KAGB are not included in the calculation of this limit.

Derivatives

The Company may enter into derivative transactions for the fund as part of the investment strategy. This includes derivative transactions for efficient portfolio management and for generating additional returns, i.e. also for speculative purposes. This may increase the risk of loss for the fund, at least temporarily. A derivative is an instrument whose price depends on the price fluctuations or price expectations of other assets ("underlying asset"). The following statements refer both to derivatives and to financial instruments with a derivative component (collectively referred to as "derivatives" below).

The use of derivatives may no more than double the market risk ("market risk limit")²⁾. Market risk is the risk of loss resulting from fluctuations in the market value of assets held in the fund. These fluctuations are due to changes in variable market prices or rates, such as interest rates, exchange rates, equity and commodity prices, or to changes in the credit rating of an issuer. The Company must keep within the market risk limit at all times. It must determine the extent to which the market risk limit has been utilised, on a daily basis in line with statutory requirements; these requirements are defined in the Ordinance on Risk Management and Risk Assessment when Using Derivatives, Securities Lending and Repurchase Agreements in Investment Funds under the Investment Code (KAGB) (referred to below as Derivatives Ordinance – Derivateverordnung (DerivateV)).

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

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

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

²⁾ Section 197 sub-section 2 KAGB, section 5 sub-section 1 DerivateV.

- The OTC derivatives must be subject to a reliable and verifiable valuation on a daily basis and may be sold, liquidated or closed out by an offsetting transaction at any time at a reasonable price.
- The transactions must be effected on the basis of standardised contracts.
- Transactions are subject to the Company's policy as described in the following chapter entitled "Collateral strategy".
- The Company must deem the purchase or sale of such instruments, instead of instruments traded on a stock exchange or in a Regulated Market, to be advantageous to investors. The use of OTC derivatives is particularly advantageous if it facilitates a hedging of assets at matching maturities, thus being less expensive.

The potential amount at risk due to market circumstances ("risk amount") attributable to the Miscellaneous Fund shall at no time exceed twice the potential risk amount attributable to the comparable fictitious reference portfolio pursuant to section 9 DerivateV. Alternatively, the risk amount must at no time exceed 20% of the value of the Miscellaneous Fund.

Under no circumstances may the Company deviate from the investment principles and limits set out in the GITC and SITC or in the prospectus in undertaking these transactions.

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

In calculating the market risk limit for the use of derivatives and financial instruments with a derivative component, the Company may at any time switch from the simplified method to the qualified method according to section 6 sentence 3 of the DerivateV. 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.

In employing derivatives and financial instruments with a derivative element, the Company shall observe the Derivative Ordinance on Risk Management and Risk Assessment in Investment Funds (DerivateV).

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). For this purpose, the Company compares the market risk of the fund with the market risk of a virtual reference portfolio, which does not include any derivatives. The potential amount at risk due to market circumstances attributable to the fund shall at no time exceed twice the potential market risk amount attributable to the comparable fictitious reference portfolio pursuant to section 9 DerivateV. The derivative-free reference portfolio is a virtual portfolio whose value always corresponds exactly to the current value of the fund, but which does not contain any increases or hedging of the market risk through derivatives. The composition of the reference portfolio must correspond in all other respects to the investment objectives and investment policy that apply to the fund. The derivative-free reference portfolio consists of a portfolio composed of 25% MSCI WORLD EX EUROPE, 25% MSCI EUROPE, 40% Bloomberg BARCLAYS EURO AGGREGATE 1-10 YEARS, 10% Bloomberg BARCLAYS CAPITAL EURO AGGREGATE 1-3 YEARS UNHEDGED.

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

Examples of how selected derivatives work

Options

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

Futures

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

Contracts for difference

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

Swaps

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

Swaptions

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

Credit default swaps

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

Securitised derivatives

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

OTC 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 elsewhere than on an exchange, the counterparty risk of a contract party is limited to 5% of the value of the fund. If the counterparty

is a financial institution that is domiciled in the EU, the EEA or a 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 elsewhere than on an exchange, where the counterparty is the central clearing house of an exchange or another regulated market, are not included when determining counterparty limits if the derivatives are valued daily at market prices with a daily margin settlement. Claims of the fund against an intermediary trader are, however, included even if the derivative is traded on an exchange or another organised market.

Precious metals

The following precious metals may be purchased as additional assets for the fund:

- Gold
- Silver
- Platinum
- Palladium

The Company does not invest in participations in enterprises that are not admitted to trading on an exchange or included in an organised market or in non-securitised loan claims.

Securities lending

Securities lending transactions must meet the requirements of Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (“Securities Financing Transactions Regulation”). The securities held by the fund may be transferred to third parties by way of loans against payment of a consideration in line with prevailing market rates. The Company can cancel the securities lending agreement at any time. It shall be agreed by contract that securities 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 depositary 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.

The Company has engaged Deutsche Bank AG to process securities lending. Deutsche Bank AG receives a percentage share of the proceeds from the securities lending for providing these services. This share of the proceeds reduces the fund’s income from these transactions but does not exceed it under any circumstances. Deutsche Bank AG is not affiliated with either the Company or the depositary. The lent securities shall be held in safekeeping by Deutsche Bank AG such that the interests of investors are safeguarded and an assurance is given that securities of the same type, quality and quantity will be transferred back at the end of the term of the loan.

The Company may make use of an organised system for the brokerage and settlement of securities loans. No collateral is required when securities loans are brokered and settled via the organised system as the conditions of this system safeguard maintenance of the investors’

interests. The securities transferred to a borrower may exceed 10% of the value of the fund when securities loans are settled via organised systems.

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

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

Securities repurchase agreements

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

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

Buy-Sell Back Transactions / Sell-Buy Back Transactions, Marging Lending Transactions

Buy/sell-back agreements and/or sell/buy-back agreements are not concluded for the fund.

Lombard lending transactions are not concluded for the fund.

Total Return Swaps (TRS) and financial instruments with similar characteristics

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

Total return swaps may be used, among other things, to exchange the performance of two different portfolios, e.g. the performance of certain assets of the Fund towards the performance of an index or an external portfolio which may be managed pursuant to a particular strategy as more detailed described in the Fund’s investment restrictions. If Total Return Swaps are used, the counterparties have no

influence on the composition or administration of the respective underlying. The selected counterparties comply with the requirements of Article 3 of the Securities Financing Transactions Regulation.

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

Securities Financing Transactions Regulation

The Fund may enter into the following transactions:

- (i) Securities repurchase agreements and securities lending transactions as borrower or lender, as set out in the sections “Securities lending” and “Securities repurchase agreements” (hereinafter “Securities Financing Transactions”); and
- (ii) total return swaps/CFDs, as set out in the section “Total return swaps (TRS) and financial instruments with similar characteristics”.

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

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

If the Fund invests in TRS and/or CFDs and/or Securities Financing Transactions, the relevant asset or index may be comprised of Equity or Debt Securities, Money Market Instruments or other eligible investments which are consistent with the Fund’s specific Asset Class Principles, individual Investment Objective and Investment Restrictions.

Proportions of a Fund’s Net asset value subject to Securities Financing Transactions

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

TRS and CFDs (summed up)	Securities Lending	Repo/Reverse Repo
Expected/Maximum Proportion of NAV (%)		
0/30	0/0	0/0

According to the requirements of the Securities Financing Transaction Regulation the expected proportion as set out below is **not** a limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions. The maximum figure as set out below is a limit.

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

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

The categories of collateral which may be received by the Fund are set out in the chapter “Collateral strategy” and include cash and non-cash assets such as equities, debt securities and money market instruments. Collateral received by the Funds will be valued in accordance with the valuation methodology set out under the section entitled “Special rules for the valuation of individual assets”.

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

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

For a summary of certain other risks applicable to TRS/CFDs and Securities Financing Transactions, see the section above.

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

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

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

Collateral strategy

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

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

1. Liquidity: All non-cash collateral should be highly liquid and be traded at a transparent price on a regulated market or within a multilateral trading system, in order that it can be sold at short notice at a price that is close to the valuation that was determined prior to the sale. The collateral that is received should furthermore comply with the provisions of Article 56 of the UCITS Directive.
2. Valuation: Collateral that is received should be valued on each exchange trading day as a minimum. Assets with high volatility in their price should only be accepted as collateral if appropriate conservative valuation discounts (haircuts) are applied.
3. Credit rating of the issuer: The issuer of the collateral that is received should have a high credit rating.

4. Life: The term of the collateral that may be received must be comparable with that of the interest-bearing securities that may be acquired for the fund in line with the investment policy.
5. Correlation: Collateral that is received should be issued by a legal entity which is independent of the counterparty and does not have a high correlation with the performance of the counterparty.
6. Diversification of the collateral (concentration of investments): The collateral should be adequately diversified with regard to countries, markets and issuers. The criterion of adequate diversification with regard to concentration of issuers is considered to be fulfilled if the fund receives from a counterparty, in the case of efficient portfolio management or transactions involving OTC derivatives, a collateral basket for which the maximum exposure to any particular issuer is equivalent to 20% of the fund's value. If the fund has several different counterparties, the various collateral baskets should be aggregated in order to calculate the 20% limit for the exposure to a single issuer.
7. It should be possible for the fund to liquidate the relevant collateral at any time, without reference to the counterparty or approval from the counterparty.
8. Non-cash collateral should not be sold, re-invested or pledged.
9. Cash collateral should only
 - a) be held as collateral at a financial institution domiciled in a member state of the EU or EEA, or at a financial institution domiciled in another state, if the supervisory regulations of this other country are equivalent to those of Community law in the view of BaFin;
 - b) be invested in high-quality government bonds;
 - c) be used for reverse repo agreements, provided the transactions are conducted with financial institutions that are subject to supervision, and the fund can demand back the full accrued sum of money at any time; or
 - d) be invested in money market funds with a short maturities structure as defined in the CESR's Guidelines on a Common Definition of European Money Market Funds.

Risks in connection with collateral management, e.g. operational and legal risks, must be calculated, controlled and reduced through risk management.

In cases involving transfers of rights, the relevant collateral should be held in safe-keeping by the fund's depositary. In other types of collateral agreements, the collateral may be held by a third party who is subject to supervision and is not connected with the provider of the collateral.

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

- a) Concept for the stress test scenario analysis, including calibration, certification and sensitivity analysis;
- b) Empirical approach to the impact assessment, including back-testing of liquidity risk assessments;

- c) Reporting frequency and reporting thresholds/loss tolerance threshold(s);
- d) Measures for containing losses, including haircut strategy and gap-risk protection.

The fund has a clear haircut policy adapted for each class of assets received as collateral. The haircut is a percentage by which the market value of the collateral will be reduced. The Management Company typically deducts the haircuts from the market value in order to protect against credit, interest rate, foreign exchange and liquidity risk during the period between collateral calls. The haircut generally is contingent on factors such as price volatility of the relevant asset class, the prospective time to liquidate the asset, the maturity of the asset, and the creditworthiness of the issuer. The following minimum haircut levels are applied for the respective each asset class:

Cash (no haircut); Debt Securities issued by governments, central bank and/or supranationals with Investment Grade rating (minimum haircut of 0.5% of the market value); other Debt Securities issued by corporates with Investment Grade rating (minimum haircut of 2% of the market value); Debt Securities as High Yield Investment (minimum haircut of 10% of the market value); Equities (minimum haircut of 6% of the market value).

A more volatile (whether because of longer duration or other factors), less liquid asset typically carries a higher haircut. Haircuts are defined with the approval of the risk management function and may be subject to changes depending on changing market conditions. Haircuts may differ depending on the underlying transaction type, e.g. haircuts applied for OTC derivatives may differ from haircuts applied for securities lending transactions. Generally, Equities will only be accepted as collateral if they are included in major stock indices. Additional (additive) haircuts apply for Debt Securities with a remaining maturity of more than ten years. Additional (additive) haircuts apply for cash or securities received as collateral in which their currency differ from the base currency of the Fund.

Scope of collateralisation

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

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

Safekeeping of securities as collateral

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

Borrowing

In accordance with section 15 of the "General Investment Terms and Conditions", the Company may take up short-term loans up to a limit of 20% of the value of the fund for the joint account of the investors, if the terms of the loan are customary market terms and the depository gives its consent. Any amounts received by the Company in its capacity as borrower within the framework of the repurchase agreement shall be included in this figure.

Leverage

The AIFM directive defines leverage as any method by which the investment management company alters the risk profile of an AIF it manages, whether through borrowing, securities lending, leverage embedded in derivative positions or by any other means. In general, leverage can give rise to additional risks for the fund or provide a safeguard against existing risks. The investment management company calculates this key figure for the AIF that it manages in accordance with statutory provisions on the basis of the gross method and the commitment method. In the gross method, the AIF risk is considered to be the total of the absolute values of all positions. The commitment method takes into account hedging and offsetting effects which the AIF entered into. This figure does not constitute an investment limit.

It should be noted that derivative financial instruments may be used for a number of purposes. Furthermore, the calculation method for the expected value of the leverage effect using the gross method does not make a distinction between the various purposes for which derivative financial instruments are used. As a result, the expected value of the leverage using the gross method does not reflect the risk level of the AIF.

Leverage calculated according to the commitment method takes into account the offsetting of derivative contracts and hedging arrangements between securities and derivatives (short positions), if applicable. This means that not only the amount of the investment itself is taken into account, but also the purpose of the investment. For this reason, the numerical value for the leverage calculation using the commitment method is always equal to or smaller than the numerical value for the leverage calculation based on the gross method.

The investment management company expects that the fund's risk calculated according to the gross method will not exceed its net asset value by a factor of 2 and the fund's risk calculated according to the commitment method will not exceed its net asset value by a factor of 2. These figures do not constitute investment limits. Depending on market conditions, however, leverage may fluctuate, with the result that the stated maximums may be exceeded despite constant monitoring by the investment management company.

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 specialised 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

General rules for the valuation of individual assets

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 latest available tradeable price that ensures a reliable valuation, unless indicated otherwise under "Special rules for the valuation of individual assets".

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

Assets 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 based on appropriate valuation models, taking into account the current market conditions, unless indicated otherwise under “Special rules for the valuation of individual assets”.

Special rules for the valuation of individual assets

Unlisted bonds and borrower’s note loans

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

Money market instruments

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

Derivatives

Option rights and futures contracts

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

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

Bank deposits, time deposits, investment fund units and securities lending

Bank deposits are stated at their nominal value plus accrued interest.

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

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

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

Assets denominated in foreign currencies

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

Performance

VermögensManagement Stars of Multi Asset A (EUR) in %		
1 year	31/12/2018 - 31/12/2019	11.65
2 years	31/12/2017 - 31/12/2019	3.20
3 years	31/12/2016 - 31/12/2019	6.49
4 years	31/12/2015 - 31/12/2019	8.14
5 years	31/12/2014 - 31/12/2019	11.08
Since launch	24/06/2013 - 31/12/2019	23.41

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

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

VermögensManagement Stars of Multi Asset P (EUR) in %		
1 year	31/12/2018 - 31/12/2019	11.94
2 years	31/12/2017 - 31/12/2019	3.72
3 years	31/12/2016 - 31/12/2019	7.34
Since launch	01/12/2016 - 31/12/2019	8.79

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

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

VermögensManagement Stars of Multi Asset MeinPlan A (EUR) in %		
1 year	31/12/2018 - 31/12/2019	11.67
Since launch	01/10/2018 - 31/12/2019	4.98

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

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

Risk factors

General

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

General risks of investing in funds

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

Liquidation or merger

The Company is entitled to terminate management of the fund, particularly if the fund's assets decline. Following termination of its management, the Company may liquidate the fund in its entirety. The right to manage the fund then passes to the depositary. The Company may also merge the fund with another fund. In this case, investors may redeem their units, exchange them for units in a fund

with a similar risk profile, or keep them such that they become investors in the merged fund. As a result, investors must make a new investment decision ahead of schedule in relation to the merger. This means that investors face the risk of not being able to hold their investment for the term they had planned. Taxes may become due when units are redeemed and on transfer of the management right for the fund to the depositary. When the fund units are taken out of the investor's securities account once the liquidation procedure has been completed, investors may be liable for income tax. If units are exchanged for units in a fund with a similar risk profile, investors may be liable for tax, for example if the value of the units received is greater than the old units at the time of acquisition.

Suspension of redemptions

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

The influence of tax aspects on individual performance

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

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 assume the risk of receiving a lesser amount than they originally invested. Neither the Company nor any third parties offers guarantees as to a specific performance of the fund.

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 the unit class held by the investors merges with another fund, in which case the investors automatically become holders of units in the other fund. The 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.

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

The Company may only amend the Investment Terms and Conditions of the fund with the approval of BaFin. These amendments may also affect investors' rights. The Company may also amend the investment policy and other general provisions of the fund within the scope of what is permissible from a legal and contractual perspective, and thus may implement changes that do not require amendment of the

Investment Terms and Conditions and are therefore not subject to approval by BaFin. The framework conditions, e.g. economic and tax aspects, may also change. In particular, a change in the investment policy within the investment universe permissible for UCITS-compliant funds may result in a change in the fund risks.

Risk of change to announced or published bases of taxation for investors subject to taxes in Germany and risk of classification as an investment company for tax purposes

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 liability, 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 fund in these years. Conversely, it may be the case that an investor does not benefit from a correction for the current or previous 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 a period of assessment other 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.

Under the rules of the German Investment Tax Act (Investmentsteuergesetz – InvStG), the fund’s tax status may change due to the composition of its portfolio, such that the fund is no longer regarded as an investment fund from a tax viewpoint within the meaning of the InvStG. In these instances, the taxation of the fund is generally based on the principles applicable to investment companies as defined in the InvStG.

Risk of taxation or any other charges due to local regulations with regard to the assets held by the fund

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

Risk of incurring transaction costs due to flows of units

Issuing units may lead to investment of the inflows and redemption of units may trigger sales of investments in order to obtain liquidity. Such transactions incur costs, which may impair the fund’s performance appreciably, particularly if issues and redemptions of units made on one day do not roughly balance each other out.

Risk of transferring the fund to another investment management company

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

Fluctuations in the net asset value of the fund

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

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

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

General market risk

To the extent that the fund invests directly or indirectly in securities and other assets, it is exposed to general trends and tendencies on the markets, especially the securities markets, which are based on manifold, sometimes irrational factors. These trends are in turn affected by the overall global economic situation and the economic and political framework in individual countries. There may be significant and 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.

Special risks in the use of derivatives

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

1. Losses may arise from the use of derivative instruments, which are not predictable and may even exceed the amounts invested in the derivative transaction.
2. Price changes in the underlying asset can cause a decrease in the value of the option or futures contract, and even result in a total loss. The fund may also suffer losses due to changes in value of the asset on which a swap is based.
3. A liquid secondary market for any particular instrument may be absent at any given time, with the result that a derivative position cannot be economically neutralised (closed), even though it would have been sound to do so from an investment perspective.
4. Any necessary back-to-back transactions (closing of position) incur costs.
5. The leverage effect of options may alter the value of the fund's assets more strongly than would be the case if the underlying assets were acquired directly.
6. The purchase of options entails the risk that the option is not exercised because the prices of the underlying assets do not perform as expected, with the result that the fund loses the option premium it paid. The sale of options entails the risk that the fund may be obligated to accept assets at a price higher than the current market price or deliver assets at a price lower than the current market price. In that case, the fund suffers a loss amounting to the price difference minus the option premium which had been received.
7. Futures contracts also entail the risk that the fund suffers a loss on maturity due to unexpected performance of the market price.
8. The Company's forecasts of the future development of underlying assets, interest rates, securities prices and currency markets may turn out to be incorrect.
9. The prices of futures and options contracts on the one hand, and the movements in the prices of the assets or currencies being hedged on the other, may be imperfectly correlated, with the result that a complete hedging of risk is sometimes not possible.
10. It may not be possible to buy or sell the underlying assets of the derivatives at a time that would be favourable to do so, or they must be bought or sold at a disadvantageous time.

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

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

- There may not be an organised market, making it difficult or impossible for the Company to sell financial instruments acquired on the OTC market for account of the fund.
- The conclusion of a back-to-back transaction (closing of position) may be difficult, impossible and/or associated with significant costs due to the individual agreement.

The specific risks of investments in precious metals

The holding, buying or selling of the precious metals gold, silver, platinum and palladium (precious metals) that may be acquired for the fund may be restricted by the authorities in some jurisdictions or charged additional taxes, duties or charges. The physical transfer of precious metals and precious metal accounts may be limited by the order of local authorities or other institutions. In addition, there may be situations where the risk of such a transfer cannot be insured and freight forwarders consequently refuse to carry out the transfer or delivery. The price for the above-mentioned precious metals, especially gold, can fluctuate considerably within a short time and is affected by numerous uncontrollable and unpredictable factors such as sudden changes in government monetary policy or the expectations of investors in regard to future inflation rates and the development of global equity, financial and real estate markets. In particular, the price of gold is influenced by the global demand and supply for gold, which is affected by factors such as gold mine, production rate and forward sale transactions of gold producers, purchases and sales by central banks (gold reserves), jewellery demand and the supply of used jewellery, investor demand and industrial demand.

In the past, interest rates and exchange rates and investment and trading activities of hedge funds, commodity funds and other speculators and economic, political or other events, if such incidents have an impact on one of the major gold or precious metals producers, have had a significant impact on the price of gold and the prices of other precious metals. Market situations may also arise in which certain precious metals, such as gold, are not available in their physical form. In contrast to investment in bonds, overnight money or deposit accounts, an investment in precious metals generates no interest payments. As precious metals thus do not generate a continuous yield, any increase in value will be generated exclusively on the basis of the increase in value of the precious metals.

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.

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.

Concentration risk

To the extent that the fund focuses its investments on certain markets or types of investment, or certain countries or regions, by definition this concentration does not allow the same scope of diversification of risks across different markets, countries or regions as would be

possible if investments were less concentrated. Consequently, the fund is particularly dependent on the development of these investments or of individual or related markets or of companies, countries or regions included in those markets.

Risks of investments in high-yield securities

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

Risks of securities lending

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

Risks of securities repurchase agreements

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

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

Risks of investments in target funds

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

“Transparent taxation” for investment funds applies if the fund falls under the grandfathering protection pursuant to tax law. This is the case if the fund was launched prior to 24 December 2013 and complies with the investment requirements and borrowing limits stipulated by the former Investment Act. Alternatively, or upon expiration of the grandfathering protection, the fund must comply with the tax-related investment provisions. These are the principles under which the fund may invest in order to be treated as an investment fund from a tax viewpoint. If the fund holds units in target funds, the taxation principles only apply if the target fund either falls under the grandfathering provisions or fulfils the tax-related investment provisions. If target funds that are not (or are no longer) subject to grandfathering violate

tax-related investment provisions, the fund must sell them as soon as possible and reasonable in order to continue to be considered an investment fund, unless these target fund units do not exceed 10% of the value of the fund. If the fund does not make the required sale of the target funds, it is no longer an investment fund for tax purposes, but is taxed in accordance with the regulations governing capital investment companies. This can result in corporation tax and trade tax being imposed on income at the fund level. In addition, the distributions of capital investment companies are treated as taxable dividends at the investor level.

Risk of interest being charged on deposits

The Company invests the liquid assets of the fund at the depositary or other banks for account of the fund. Depending on changes in the market, in particular how the interest rate policy of the European Central Bank develops, short, medium and long-term bank deposits may be subject to interest-rate charges. These interest charges may have a negative impact on the performance of the fund.

Specific risks of (indirect) investment in commodity futures, precious metal and commodity indices

If investments are made in interest-bearing securities whose income, performance and/or capital redemption amounts are linked to the performance of commodity futures, precious metal or commodity indices, or by means of derivatives that are linked to commodity futures, precious metal or commodity indices, there also arise risks associated with investments in commodities, precious metals and commodity futures, in addition to the general risks of the respective investment vehicle. In this respect, general market risk exists in particular. The performance of commodities, precious metals and commodity futures also depends on the general supply situation of the respective goods, demand for them, the expected output, extraction and production as well as the expected demand, and can for this reason be especially volatile.

It is also possible that the composition of an index and the weighting of individual components may change during the time a position is held. It is furthermore possible that index levels are not current or are not based on current data, with a detrimental effect on the fund.

Company-specific risk

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

Currency risk

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

Interest-rate risk

Investing in fixed-rate securities is associated with the possibility that the level of market interest rates existing at the time a security is issued or acquired may change. If market interest rates rise in comparison with the interest rates at the time of issue, the prices for fixed-interest securities will fall as a rule. On the other hand, if market interest rates fall, prices for fixed-interest securities will rise. This price trend means that the current yield on a fixed-interest security is roughly equivalent to the current market interest rate. These price fluctuations differ strongly, however, depending on the (residual) maturity of the fixed-interest securities. Fixed-interest securities with shorter maturities have lower price risks than fixed-interest securities with longer maturities. In contrast, fixed-interest securities with shorter maturities generally have lower yields than fixed-interest securities with longer maturities. Due to their short maturity of not more than 397 days, money market instruments tend to have lower price risks. The interest rates of different financial instruments linked to interest rates and denominated in the same currency with a comparable residual maturity may also perform differently.

Risks associated with limited fund liquidity (liquidity risks)

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

Risk associated with investing in illiquid assets

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

Risk arising from public holidays in certain regions/countries

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

Risk arising from finance liquidity

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

Counterparty risks including credit and claims risks

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

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.

Settlement default risks of securities lending

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

Settlement default risks of securities repurchase agreements

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

Counterparty risk (except central counterparties)

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 default on its obligations, in full or in part. This applies in particular to trades involving derivatives. Any default by the counterparty may lead to losses for the fund. In particular with regard to OTC derivatives, however, this risk can be reduced considerably by receiving collateral from the counterparty, in line with the principles described in the section entitled "Collateral management".

Risk related to central counterparties

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

Operational and other risks of the fund

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

Settlement risk

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

Change to general tax framework, tax risk

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

The German Investment Tax Reform Act (InvStRefG) was published on 26 July 2016. Its provisions include amendments to the German Investment Tax Act (InvStG) and the German Income Tax Act (EStG). This legislation aims to prevent tax structuring for tax avoidance purposes (“cum/cum transactions”) by making a provision under which definitive capital yield tax is levied on dividends from German equities and income from German participation rights that are similar to share capital. Unlike the main part of this law, this provision entered retroactively into force with effect from 1 January 2016. It can be summarised as follows:

Unlike the previous legal situation, a definitive German capital yield tax at the rate of 15% will, under certain conditions, be levied on the gross dividend of German funds on the fund input side. This shall be the case if German equities and German participation rights that are similar to share capital are not held by the fund continuously for 45 days within a period ranging from 45 days before the maturity date for the capital yield income and 45 days after this date (= 91-day period) and, during these 45 days, there are no continuous risks of a change in minimum values of 70% (“45-day rule”). Any obligation to pay the capital yield income, either directly or indirectly, to another person (e.g. through swaps, securities lending agreements, securities repurchase agreements) also incurs capital yield income tax liability.

In this context, price hedging or forward transactions that directly or indirectly hedge the risk arising from German equities and German participation rights that are similar to share capital may be detrimental. Price hedging transactions using value and price indices are regarded as indirect hedging in this respect. If related parties hold an investment in the fund, their hedging transactions may also be detrimental.

This gives rise to a number of risks. The possibility cannot be ruled out that a fund unit price would decrease in relative terms if provisions are made for a possible tax liability incurred by the fund. Even if the tax liability does not arise and the provisions are consequently reversed, a relatively higher unit price may not benefit investors who held units in the fund at the time when the provisions were formed. Secondly, the new provisions relating to the dividend record date could result in the buy and sell prices for the units in question diverging even more than otherwise would be the case. Overall, this could lead to less favourable market conditions.

Increased volatility

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

Country and transfer risk

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

Sustainability risk

An environmental, social or governance event or condition that, if it occurs, could have a material negative impact on the value of the investment or has potential to have a material negative impact on the value of the investment. Findings from systematic research show that sustainability risks can arise as a result of extreme issuer-related loss risks. The frequency and probability of such issuer-related sustainability risk events are generally low, but there can be a sizeable financial impact leading to significant financial losses.

Legal and political risks of investment abroad

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

Risks related to criminal actions, wrongdoings or natural disasters

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

Key personnel risk

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, fund management personnel may change. New decision-makers may potentially be less successful.

Tax risks from hedging transactions for major investors

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

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

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 depositary or a sub-depositary. The depositary's liability is not unlimited in the event of loss or disappearance of assets held abroad at other depositaries (see the section “Depositary”).

Subfund

VermögensManagement Stars of Multi Asset is not a subfund under an umbrella construction.

Units

Investor rights shall be securitised exclusively in global certificates when the fund is established. These global certificates are deposited with a central securities depository. Investors do not have any claim on issue of individual unit certificates. Units may be acquired only if held in safe custody. The units are bearer certificates and represent unitholders' claims against the Company.

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

Unit classes

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

At the time of printing this prospectus the following unit classes have actually been launched: A (EUR), P (EUR) and MeinPlan 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 Investment Terms and Conditions” and section 3 of the “Special Investment Terms and Conditions”, use derivatives on exchange rates and currencies within the meaning of section 197 sub-section 1 KAGB 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, in the case of instruments representing equities, the corporation) is domiciled is different from the reference currency of the unit class. Other assets are deemed to be subject to a currency risk if they are denominated in a currency other than the reference currency of the unit class. For currency hedged unit classes, the value of the fund assets 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.

Fair treatment of investors

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

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

Conflicts of interest

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

In addition, the above-mentioned transactions may be conducted with the fund in its own name or on a representative basis, provided these transactions are conducted on standard market conditions and in the best interests of the investors.

Transactions are regarded as conducted under normal business conditions if:

1. a certified valuation of the transaction was obtained from a person recognised by the depositary as independent and competent,
2. the transaction was executed under the best conditions at an organised stock exchange in accordance with the rules applicable at that exchange, or
3. if 1. and 2. are not feasible, the transaction was executed under conditions that the depositary believes were negotiated under normal business conditions and are customary for the industry.

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

The Company has laid down procedures to ensure that its outsourced companies and service providers act in the best interests of the fund when implementing trading activities and placing trade orders on behalf of the fund in the course of managing the fund portfolio. In this respect, all reasonable measures must be taken in order that the best possible result is obtained for the fund. These must take into account the price, the costs, the probability of execution, the scope and type of the order, the research services provided by the broker to the fund manager or investment advisor, and any other aspects relevant to order execution. Information on the Company's best execution policies and on all material changes to these policies is available to investors on request, without charge.

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 depositary, State Street Bank International GmbH - Luxembourg Branch, Fondsdepot Bank GmbH or from third parties. They are issued by the depositary at the subscription price, which is determined as the net asset value per unit plus a front-end load. However, the Company reserves the right to suspend the issue of units either temporarily or permanently.

Minimum investment

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

A (EUR)	no minimum investment
P (EUR)	EUR 50,000
MeinPlan A (EUR)	no minimum investment

The Company is entitled to accept lower minimum investments in individual cases. Subsequent investments may be made at a lower amount if the total of the current value of the units in the same unit class held by the investor at the time of the subsequent investment and of the amount of the subsequent investment (after deducting any front-end load) is at least equal to the minimum investment amount in the relevant unit class. Only those unit holdings, which the buyer is allowing to be kept at the same location where he wishes to

make subsequent investments, are taken into account. In the event that the investor keeps the units as a trustee for third-party final beneficiaries, he may only buy units in the unit classes named above if every single third-party final beneficiary fulfils the conditions detailed above on its own. The subscription of units in these unit classes may be subject to the submission of a prior written undertaking by the buyer to this effect.

Redemption of units

Irrespective of a minimum investment, if any, investors may in principle request the redemption of units on every valuation day by issuing a redemption order or upon presentation of the unit certificates to the depositary, State Street Bank International GmbH - Luxembourg Branch, Fondsdepot Bank GmbH or the Company. 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 third valuation date following the receipt of the unit subscription or redemption order.

Orders for units received by the Company, the depositary, State Street Bank International GmbH - Luxembourg Branch or Fondsdepot Bank GmbH by 2.00 p.m. Central European Time ("CET") or Central European Summer Time ("CEST") on a valuation day shall be priced at the subscription price that is fixed on the next valuation day but one, even though that price is not yet known at the time when the order is received. Any orders which are received after this time shall be priced at the subscription price fixed on the third valuation day following receipt of the unit order, even though that price is not yet known at the time when the order is received.

Redemption requests for units received by the Company, the depositary, State Street Bank International GmbH - Luxembourg Branch or Fondsdepot Bank GmbH by 2:00 p.m. Central European Time ("CET") or Central European Summer Time ("CEST") on a valuation day shall be priced at the redemption price that is fixed on the next valuation day but one, even though that price is not yet known at the time when the redemption request is received. Any redemption orders which are received after this time shall be priced at the redemption price fixed on the third valuation day following receipt of the redemption order, 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 depositary, State Street Bank International GmbH - Luxembourg Branch or Fondsdepot Bank GmbH, the provisions in the respective custodian agreement with the Company, the depositary, State Street Bank International GmbH - Luxembourg Branch or Fondsdepot Bank GmbH shall apply additionally. These provisions may include supplementary rules on the subscription and redemption prices that are applicable.

Suspension of redemptions

The Company may temporarily suspend the redemption of units in extraordinary circumstances under which, 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's assets cannot be valued. BaFin may, moreover, order the Company to suspend the redemption of units if necessary in the interests of investors or the general public.

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

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

Liquidity management

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

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

The Company shall regularly determine, for the fund, the percentage share of fund assets that are potentially difficult to liquidate, apply any new regulations governing liquidity management and disclose the fund's latest risk profile and the risk management systems employed by the Company to control these risks, any changes to the maximum extent to which leverage may be employed by the Company for account of the AIF, and any rights governing the re-use of collateral or other guarantees associated with leverage transactions, and disclose the total leverage employed by the fund.

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

Exchanges and markets

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

The Company is not aware that fund units are traded on exchanges or markets at the initiative of third parties. The possibility can nevertheless not be ruled out that fund units are or will be traded in such a way even without the knowledge or consent of the Company, or that trading in fund units will be discontinued in the future.

The market price which forms the basis for exchange or market trading is not determined exclusively by the value of the fund's assets, but also by supply and demand. 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 Company shall calculate, on every valuation day, the value of the assets held by the fund less the fund's liabilities (net asset value per unit).

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

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

All trading days shall be valuation days for the fund units. The Company and the depositary are not obliged to determine the unit value on public holidays that are trading days within the jurisdiction of the KAGB, or on 24 or 31 December. No unit price is currently determined on New Year's Day, Good Friday, Easter, Easter Monday, May Day, Ascension Day, Pentecost, Pentecost Monday, Corpus Christi, German Unification Day, Christmas Eve, Christmas Day, Boxing Day 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 classes A (EUR), P (EUR) and MeinPlan A (EUR). The front-end load shall amount to 4.00% of the unit value for these unit classes. 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 online on each valuation day at <https://de.allianzgi.com>.

Subscription and redemption costs

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

Costs

For the unit classes A (EUR) and MeinPlan A (EUR), the Company shall receive a daily all-in fee of 1.50% p.a. in each case of the pro rata value of the fund's assets, calculated on the basis of the net asset value, which is determined every trading day. For the P (EUR) unit class, the fund's daily all-in fee amounts to 1.25% p.a. of the pro rata value of the fund's assets, calculated on the basis of the net asset value, which is determined every trading day. The Company may, however, charge a lower all-in fee for one or more unit classes.

This all-in fee covers the following fees and expenses which are not charged separately to the fund:

- fee for the management of the fund (fund management, administrative activities),
- fee for the distributors of the fund,
- the depositary 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 the statutory sales documents (annual and semi-annual reports, prospectus, key investor information) intended for the investors,
- costs for the publication of the annual and semi-annual reports, the liquidation report, the subscription and redemption prices, and distributions or accumulated income,
- costs for having the fund audited by the Company's auditors, including the costs for a certificate stating that all tax data complies with the regulations of German tax law,
- costs for providing information to investors in the fund by means of a durable medium, with the exception of information about fund mergers and with the exception of information about measures related to violations of investment limits or calculation errors when determining the unit value,
- fees, costs and taxes charged in relation to the fund by governmental authorities,
- any costs for having the success of the investment analysed by third parties,
- any costs for the storage, transport and insurance of precious metals.

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

In addition to the fee listed above, the following expenses shall be charged to the fund:

- costs that arise in connection with the acquisition and sale of assets and with the use of securities lending programmes in line with current banking practice. The Company shall ensure that the costs of securities lending shall in no case exceed the income resulting from such transactions,
- taxes which may be incurred in connection with the costs of management and custody,

- costs for the assertion and enforcement of claims which are related to the fund and seem to be justified, and costs for the defence of claims which are related to the fund and do not seem to be justified,
- costs for the verification, assertion and enforcement of claims that appear to be justified for reducing, offsetting and/or reimbursing withholding taxes or other taxes and/or fiscal charges.

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. The Company may enter into agreements with selected brokers under which part of the fees the Company pays for the purchase or sale of assets may directly or with some delay be transferred to third parties which provide the Company with research or analyses that the Company uses for investment decisions in the best interest of investors (“Commission Sharing Agreements”).

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

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

The costs charged to the fund in the financial year shall be disclosed and reported in relation to the average volume of the fund (“total expense ratio”, TER) in the annual report. The all-in fee is considered, along with any 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. Since the fund may invest more than 10% of its assets in other investment funds (“target funds”), additional costs are incurred in connection with the target funds. These costs are taken into account on a pro rata basis when calculating the TER. The total of the expenses incurred in the indicated time frame 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.

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

Particular features of the acquisition of investment fund units

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

All the management fees are taken into account when calculating the TER (see section entitled “Charges”).

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

The Company must disclose, in the annual and semi-annual reports, the amount of the front-end loads and redemption fees that has been charged to the fund in the reporting period for the subscription and redemption of units in target funds. If the fund acquires units of target funds which are directly or indirectly managed by the Company, or by another company which is affiliated to the Company by way of significant direct or indirect participation, neither the Company nor the affiliated company may charge any fees for the subscription or redemption of the units. The Company must disclose, in the annual and semi-annual reports, the fee charged to the fund by the Company itself, by another investment management company, investment stock corporation or another company with which the Company is affiliated by way of a significant direct or indirect participation, or a foreign investment company including its management company, for the management of the units held in the fund.

Remuneration policy

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

The total amount of the variable remuneration payable throughout the Company depends on the performance of the business and on the Company's risk position and fluctuates from year to year. For this reason it varies from year to year. In this respect the allocation of specific amounts to particular employees is based on the performance of the employee or his department during the period under review.

The level of pay awarded to employees is tied to both quantitative and qualitative performance indicators. Quantitative indicators are aligned around measurable goals. By contrast, qualitative indicators take into account employee actions reflecting the core values of excellence, passion, integrity and respect. Assessment in the form of 360 degree feedback is part of the qualitative appraisal for all employees.

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

For client-facing professionals, goals include independently measured client satisfaction.

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

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

In accordance with applicable regulations, certain employees are assigned to the "identified staff" group. These include members of management, risk bearers, employees with controlling functions and all employees who, based on their total remuneration, are allocated

to the same remuneration category as members of management and risk bearers, whose activities have a significant impact on the risk profiles of the Management Company and the funds under its management.

Employees who are assigned to the “identified staff” group are subject to additional standards in relation to performance management, the type of variable remuneration and the timing of payments.

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

In the case of identified staff, a substantial portion of the annual variable remuneration is deferred for three years, beginning from a defined variable remuneration level. 50% of the variable remuneration (deferred and non-deferred) must consist of units in the funds managed by the Management Company or comparable instruments.

An ex post risk adjustment enables explicit adjustments to be made to the performance assessment of previous years and the associated remuneration, with the aim of preventing the transfer of some or all of the amount of a deferred remuneration payment (malus), or preventing return of the ownership of a remuneration amount to the Management Company (recovery).

AllianzGI has a comprehensive risk reporting system in place, which covers both current and future risks of business activities conducted by the Management Company. Risks which significantly exceed the organisation’s risk appetite are presented to the Management Company’s Global Remuneration Committee which will decide, if necessary, on adjustments to the total remuneration pool.

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

Rules for the calculation and allocation of income

Allocation of income

For distributing unit classes the Company shall, as a general rule, distribute to the investors the interest, dividends and income from investment units as well as consideration from loans and repurchase agreements 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. Realised disposal gains and other income after allowing for income equalisation may also be distributed.

For accumulating unit classes the Company shall, as a general rule, reinvest the interest, dividends and income from investment units, consideration from loans and repurchase agreements and other income and realised 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.

Income equalisation

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

In order to prevent this, the distributable income and/or capital gains/losses realised during the financial year, which purchasers of fund units have to pay for as part of the subscription price and which sellers of unit certificates are refunded as part of the redemption price, are continuously calculated and set as distributable positions in the calculation of income. 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 accumulating unit classes, the amount to be reinvested per unit is not affected by the number of outstanding units and that, in the case of distributing unit classes, the distribution per unit is not affected by unpredictable fund performance or the number of outstanding units. In this context it is accepted that investors who, for example, buy units shortly before the distribution date, get back that portion of the subscription price accounted for by income in the form of a distribution, even though the capital they invested played no part in generating that income.

Financial year and distributions

End of the fund's financial year

The fund's financial year ends on 31 December.

Distribution mechanism

For the unit classes A (EUR), P (EUR) and MeinPlan A (EUR), 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 these unit classes 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 depositary, the depositary's branches will credit any distributions to the account (depository account) or cash the coupons free of charge. If the securities account is maintained at other banks or savings banks or if coupons are cashed there, additional expenses may be charged.

Liquidation, transfer and merger of the fund

Preconditions for the liquidation or transfer of the fund

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

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

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

Investor rights on liquidation of a fund

The subscription and redemption of units is discontinued. Any receipts from the sale of 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 depositary shall be entitled to deposit unclaimed liquidation proceeds at the local court responsible for the Company.

The Company shall draw up a liquidation report for the date at which its right to manage the fund lapses. The liquidation report shall comply with all requirements for an annual report. No later than three months after the fund liquidation date, the liquidation report shall be published in the Federal Gazette. As long as the depositary is administering the fund, it shall prepare 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 Federal Gazette.

Transfer of the fund

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

Requirements for merging all assets of the fund

All assets of this fund may, with the approval of BaFin, be transferred to another existing fund or one that is newly established by virtue of the merger. In addition, all the assets may be transferred to an existing German investment stock corporation with variable capital, or one that is newly established by virtue of a merger. The transfer is effective to the fund's financial year-end, unless another transfer date is scheduled. It is also possible, at the end of the financial year or on another transfer date, for all the assets of another fund to be transferred to the fund.

Investor rights on the merger of funds

At least 30 days before the redemption or conversion deadline for their shares, the Company shall provide investors in the fund with information on the reasons for the merger, the potential effects on investors, their rights in connection with the merger and the main procedural aspects, by durable medium, such as in written or electronic form. The investors will also receive the key investor information for the 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 this fund.

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 Federal Gazette and furthermore on its website <https://de.allianzgi.com>, when this fund has taken over another fund and the merger has become effective. If this fund ceases to exist 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 assets of this fund to another fund is subject to the approval of BaFin.

Overview of key tax regulations for investors

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

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

However, investment income is regarded as capital income for income tax purposes at the level of private investors to the extent that this income, together with other capital 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 also includes any income from investment funds (investment income), i.e. distributions from the fund, advance lump sums and gains from the sale of units. Under certain conditions, investors can receive a lump-sum portion of this investment income tax-free (also known as partial exemption).

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

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.

Units held as personal assets (German residents)

Distributions

The fund's distributions are generally subject to tax.

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

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

No tax is withheld if the investor is a German resident for tax purposes and an appropriate exemption application (Freistellungsauftrag) has been submitted, provided that the taxable portion of such income does not exceed EUR 801 in the case of individually filed tax returns, or EUR 1,602 in the case of jointly filed tax returns.

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

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

Advance lump sums

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

Advance lump sums are generally subject to tax.

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

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

No tax is withheld if the investor is a German resident for tax purposes and an appropriate exemption application (Freistellungsauftrag) has been submitted, provided that the taxable portion of such income does not exceed EUR 801 in the case of individually filed tax returns, or EUR 1,602 in the case of jointly filed tax returns.

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

If the German investor's units are held in a German securities account, the custodian institution maintaining the account, in its capacity as the paying agent, will not withhold tax if it is presented with an exemption application (completed using official forms) for a sufficient

amount before the specified date of receipt, or with a non-assessment certificate that has been issued by the tax authorities for a maximum period of three years. Tax is not payable in this case. Otherwise, the investor must make the amount of tax payable available to the German custodian institution. In order to do so, the custodian institution may collect the amount of tax payable from an account that it maintains in the name of the investor, without the investor's consent being required. Unless the investor raises an objection before receipt of the advance lump sum, the custodian institution may collect the amount of tax payable from an account held in the name of the investor, as an overdraft facility agreed with the investor was not used for this account. If investors fail to comply with their obligation to make the amount of tax payable available to the German custodian institution, the custodian institution must notify the competent tax office in this respect. In these circumstances, investors must declare the advance lump sum in their income tax return.

Capital gains at investor level

If an investor sells fund units after 31 December 2017, any capital gains will be subject to the withholding tax of 25%. This applies both to units that were acquired prior to 1 January 2018 and which are regarded as sold on 31 December 2017 and re-acquired on 1 January 2018, and to units acquired after 31 December 2017.

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

In the case of gains from the sale of units acquired prior to 1 January 2018 and regarded as sold on 31 December 2017 and re-acquired on 1 January 2018, it should be noted that, at the time of the actual sale, tax is payable on the gains from the notional sale on 31 December 2017 if the units were actually acquired after 31 December 2008. Changes in value of units acquired before 1 January 2009, which occurred between the acquisition date and 31 December 2017, are tax-exempt.

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

If fund units acquired prior to 1 January 2009 are sold after 31 December 2017, the gain accruing after 31 December 2017 is tax-free for private investors up to the amount of EUR 100,000. The investor may only use this tax-free allowance if the relevant gains are declared to the tax office handling the investor's tax matters.

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

Units held as part of business assets (German residents)

Reimbursement of the fund's corporation tax

The corporate income tax incurred at fund level may be reimbursed to the fund for forwarding to an investor if the investor is a domestic corporate entity, association of persons or estate that, in accordance with its articles of incorporation and by-laws, foundation deed of trust or other constitution instrument, solely and directly serves non-profit, charitable or religious purposes, and is actually administered accordingly, or if it is a legal entity under public law that solely and directly serves religious interests; no such refunding shall take place, however, if the units are held in a for-profit business operation. The same applies to comparable foreign investors with registered offices and management in a foreign state that provides official assistance and recovery services. The prerequisite for this is that such an investor submits a corresponding application and corporate income tax incurred is proportionally attributable to the investor's holding period. Additionally, the investor must be the legal and beneficial owner of the units for at least three months before receiving the proceeds of the fund subject to corporate income tax without any obligation to transfer the units to any other person. Furthermore, with regard to the

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

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

The corporate income tax incurred at the Fund level may also be refunded to the Fund for forwarding to an investor, if the units in the Fund are held within the framework of individual retirement arrangements or basic pensions that have been certified in accordance with the German Pension Contracts Certification Act. This requires the provider of an individual retirement arrangement or basic pension contract to notify the Fund at least one month before the end of the fund’s financial year at which times and in which amounts units were acquired or sold. In addition, the above-mentioned 45-day rule must be taken into account. There is no obligation on the part of the fund or the Company to have the corresponding corporation tax refunded for forwarding to the investor. In particular, the fund or the company is free to make the application for such a refund subject to a minimum investor-related amount of the expected refund amount and/or to the agreement of a processing fee.

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

Distributions

The fund’s distributions are generally subject to income tax and/or corporation and trade tax.

The distributions are generally subject to withholding tax of 25% (plus solidarity surcharge).

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

Advance lump sums

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

Advance lump sums are generally subject to income tax and/or corporation and trade tax.

The advance lump sums are generally subject to withholding tax of 25% (plus solidarity surcharge).

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

Capital gains at investor level

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

As the fund does not meet the tax conditions for an equity fund or a balanced fund, no partial exemption is taken into account for the tax deduction.

For gains on the sale of units acquired prior to 1 January 2018, which are deemed to have been sold as of 31 December 2017, and repurchased as of 1 January 2018, it should be noted that, at the time of the actual sale, the gains from the notional sale that took place as of 31 December 2017 are also taxable.

The gain on the notional sale shall be determined separately for units attributable to an investor's business assets.

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

Negative tax income

Negative tax income cannot be directly allocated to the investor.

Taxation during the winding-up process

During the winding-up of the fund, distributions are only regarded as income insofar as they include the increase in value over a calendar year.

Summary for taxation of typical business investor groups

	Distributions	Advance lump sums	Capital gains
German investors			
Individual entrepreneurs	Capital yield tax: 25 % (the partial exemption for equity funds in the amount of 30% for mixed funds in the amount of 15% will be considered if necessary) Material taxation: income tax and trade tax, if applicable taking partial exemptions into account (equity funds 60% in the case of income tax / 30% for business tax; mixed funds 30% in income tax / 15% trade tax)		Capital yield tax: Exemption
Corporations subject to standard taxation (typically industrial companies; banks, unless units are held in the trading portfolio; property insurance companies)	Capital yield tax: Exemption in the case of banks, otherwise 25% (partial exemption for equity funds in the amount of 30% for mixed funds in the amount of 15% will be considered if necessary) Material taxation: corporation tax and trade tax, if applicable taking partial exemptions into account (equity fund 80% for corporation tax / 40% for trade tax; mixed fund 40% for corporation tax / 20% for trade tax)		Capital yield tax: Exemption
Life and health insurance companies and pension funds in which the fund units belong to the investment scheme	Capital yield tax: Exemption Material taxation: Corporation tax and trade tax, unless a reserve for premium refunds is included on the commercial balance sheet and must also be recognised for tax purposes, if applicable taking partial exemptions into account (equity fund 30% for corporation tax / 15% for trade tax; mixed fund 15% for corporation tax / 7.5% for trade tax)		
Banks holding the fund units in the trading portfolio	Capital yield tax: Exemption Material taxation: Corporation tax and trade tax, if applicable taking partial exemptions into account (equity fund 30% for corporation tax / 15% for trade tax; mixed fund 15% for corporation tax / 7.5% for trade tax)		
Tax-exempt non-profit, charitable or -clerical investors (in particular churches, -not-for-profit foundations)	Capital yield tax: Exemption Material taxation: Tax-free – additionally, the corporation tax incurred at fund level may be refunded upon request		

	Distributions	Advance lump sums	Capital gains
Other tax-exempt investors (in particular pension funds, funeral expenses funds and relief funds, provided the requirements stipulated in the German Corporation Tax Act (Körperschaftsteuergesetz) have been met)	Capital yield tax:		
	Exemption		
	Material taxation:		
	Tax-free		

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

Non-residents

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

Solidarity surcharge

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

Church tax

If the income tax debt is paid by the withholding tax deducted by the German custodian institution which maintains the securities amount, the applicable church tax is normally levied in addition to the withholding tax and pursuant to the church tax rate for the religious community to which the church taxpayer belongs. 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. Investors may not take this withholding tax into account to reduce the tax liability.

Consequences of the merger of funds

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

Automatic exchange of information in tax matters

The significance of automatic exchange of information in combatting cross-border tax fraud and cross-border tax evasion has increased considerably on an international level in recent years. As a result, the OECD published a global standard for the automatic exchange of information on financial accounts in tax matters on behalf of the G20 in 2014 (Common Reporting Standard, “CRS” below). The CRS was approved by more than 90 countries (participating states) in a multilateral agreement. It was also incorporated into Directive 2011/16/EU on administrative cooperation in the field of taxation (automatic exchange of information) at the end of 2014, through Directive 2014/107/EU of the Council dated 9 December 2014. The participating states (all EU member states and several other countries) will apply the CRS from 2016 onwards, with the obligation to report information starting from 2017. Only a few countries (e.g. Austria and Switzerland) will be

permitted to apply the CRS one year later. Germany has transposed the CRS into German law through the Financial Accounts – Exchange of Information Act (Finanzkonten-Informationsaustauschgesetz) of 21 December 2015, applicable from 2016 onwards.

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

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

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

EU Savings Directive/Interest Information Ordinance

The directive on taxation of savings income in the form of interest payments (Council Directive 2003/48/EC of 3 June 2003, OJ EU No. L 157 p. 38), which is transposed into German law through the Interest Information Ordinance (Zinsinformationsverordnung, "ZIV" below), is intended to ensure 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 from a foreign financial institution in Europe or in certain non-member countries by a natural person in Germany, 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 EU or in the participating non-member states, who hold their securities or bank account in another EU country and earn cross-border income.

Switzerland is among the countries that have committed to deducting a 35% withholding tax on interest income. 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, the Company is required to declare for the fund whether it is “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 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 25% limit is exceeded, 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.

US Withholding Tax and Reporting under FATCA

The FATCA provisions generally impose a US federal reporting and withholding tax regime with respect to certain income earned from US sources (including, among other types of income, dividends and interest) and gross revenues from the sale or other disposal of property. The rules are designed to require certain US persons’ direct and indirect ownership of certain non-US accounts and non-US entities to be reported to the US Internal Revenue Service. The Company may be required to withhold tax in respect of non-compliant investors at the rate of 30%, if there is a failure to provide certain required information. These rules generally apply to certain payments made after 1 July 2014.

Germany has entered into an intergovernmental agreement with the United States of America (“IGA”) to facilitate FATCA compliance. Under the IGA, FATCA compliance will be enforced under new local German tax legislation and reporting rules and practices.

The Company will likely require additional information from investors in order to comply with these provisions. Prospective investors should consult their own tax advisors on the requirements applicable to them under FATCA. The Company may disclose the information, confirmations or other documentation that it receives from (or concerning) their investors to the US Internal Revenue Service, non-US taxing authorities, or other parties as necessary to comply with FATCA, related intergovernmental agreements or other applicable law or regulation. Each prospective investor is urged to consult their tax advisor regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor’s own situation.

Auditors

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

Outsourcing of activities

The Company has outsourced the following material tasks to other companies³⁾:

Trading in US equities	Allianz Global Investors US LLC ⁴⁾ San Francisco, U.S.A.
Trading in Asian equities	Allianz Global Investors Asia Pacific Limited ⁵⁾ (Hong Kong), Hong Kong
Securities Lending	Deutsche Bank AG Frankfurt/Main, Germany State Street Bank and Trust Company ⁶⁾ London, United Kingdom BNP Paribas Securities Services ⁷⁾ London, United Kingdom
Management of loan receivables	The Bank of New York Mellon ⁸⁾ London, United Kingdom
Management of collateral for securities lending transactions (collateral management)	State Street Bank International GmbH Frankfurt/Main, Germany The Bank of New York Mellon, London Branch London, United Kingdom The Bank of New York Mellon SA/NV, Frankfurt Branch Frankfurt/Main, Germany Euroclear Bank SA/NV Brussels, Belgium
Management of collateral for derivatives transactions (collateral management)	The Bank of New York Mellon SA/NV Frankfurt/Main, Germany State Street Bank and Trust Company Boston, U.S.A.
Fund accounting and fund administration	State Street Bank International GmbH ⁹⁾ Munich, Germany State Street Bank International GmbH, Luxembourg Branch ¹⁰⁾ Luxembourg, Luxembourg Société Générale S.A. ¹¹⁾ Paris, France State Street Bank International GmbH, Paris Branch ¹¹⁾ Paris, France State Street Bank International GmbH Succursale Italia ¹²⁾ Milan, Italy State Street Bank and Trust Company ¹³⁾ London, United Kingdom
Middle Office	State Street Bank and Trust Company Boston, U.S.A.

³⁾ If, during the period when this prospectus is valid, the Company should make any changes to the outsourcing of material tasks, the Company shall provide information in this respect in the fund's annual or semi-annual report.

⁴⁾ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company did not have close ties with the Management Company under company law or in relation to personnel.

⁵⁾ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company did not have close ties with the Management Company under company law or in relation to personnel.

⁶⁾ Only for investment funds not mentioned in this prospectus.

⁷⁾ Only for investment funds not mentioned in this prospectus.

⁸⁾ Only for investment funds not mentioned in this prospectus.

⁹⁾ Only for investment funds issued under German law.

¹⁰⁾ Only for investment funds issued under Luxembourg law.

¹¹⁾ Only for investment funds issued under French law.

¹²⁾ Only for investment funds issued under Italian law.

¹³⁾ Only for investment funds issued under UK law.

Internal auditing	Allianz Asset Management GmbH ¹⁴⁾ Munich, Germany
Anti Money Laundering Services	Fondsdepotbank GmbH Hof, Germany
Portfolio analysis (incl. fee calculation)	IDS GmbH ¹⁵⁾ Munich, Germany
Information technology (IT)	Allianz Technology SE ¹⁶⁾ Munich, Germany Allianz Technology SpA ¹⁷⁾ Milan, Italy BNOVA S.R.L. Massa, Italy
Portfolio management (only for investment funds not mentioned in this prospectus) / Investment Advisory Services	Allianz Banque Société Anonyme ¹⁸⁾ Puteaux, France Allianz Global Investors US LLC ¹⁹⁾ Boston, Dallas, New York, San Diego, San Francisco, U.S.A. Allianz Global Investors Asia Pacific Limited ²⁰⁾ (Hong Kong), Hong Kong Allianz Global Investors Japan Co., Ltd. ²¹⁾ Tokyo, Japan Allianz Global Investors Singapore Limited ²²⁾ Singapore, Singapore PIMCO Deutschland GmbH ²³⁾ Munich, Germany
Value at Risk Calculation	RiskMetrics Solutions, LLC New York, U.S.A.
Parts of the electronic financial accounting of the company Allianz Global Investors GmbH	Infosys Limited Bangalore, India
IT-Services	Cognizant Technology Solutions GmbH Frankfurt/Main, Germany Allianz Technology SE ¹⁶⁾ Munich, Germany BNOVA S.R.L. Massa, Italy
Anti Money Laundering services for Milan branch	Allianz Bank Financial Advisors SpA ²⁴⁾ Milan, Italy
Administrative services regarding Anti Money Laundering for certain AIF	YouLend ApS Copenhagen, Denmark

¹⁴⁾ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company did not have close ties with the Management Company under company law or in relation to personnel.

¹⁵⁾ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company did not have close ties with the Management Company under company law or in relation to personnel.

¹⁶⁾ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company did not have close ties with the Management Company under company law or in relation to personnel.

¹⁷⁾ Only for investment funds issued under Italian law.

¹⁸⁾ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company did not have close ties with the Management Company under company law or in relation to personnel.

¹⁹⁾ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company did not have close ties with the Management Company under company law or in relation to personnel.

²⁰⁾ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company did not have close ties with the Management Company under company law or in relation to personnel.

²¹⁾ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company did not have close ties with the Management Company under company law or in relation to personnel.

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²³⁾ Only for investment funds not mentioned in this prospectus.

²⁴⁾ The outsourcing company is an entity affiliated with the Management Company. As a result, the possibility cannot be excluded that the outsourcing agreement would have been concluded in a different form if the outsourcing company did not have close ties with the Management Company under company law or in relation to personnel.

Service providers

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

Annual, semi-annual and liquidation reports

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

Payments to investors/distribution of reports and other information

The appointment of the depositary ensures that the investors receive distributions, that units are redeemed and 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 depositary. Further information can be obtained from the Company itself.

Funds managed by Allianz Global Investors GmbH

1. Funds as defined in the UCITS Directive

Name of the fund	Name of the fund
Allianz Adifonds	Allianz Strategie 2031 Plus
Allianz Adiverba	Allianz Strategiefonds Balance
Allianz Biotechnologie	Allianz Strategiefonds Stabilität
Allianz Corps-Corent	Allianz Strategiefonds Wachstum
Allianz Euro Rentenfonds	Allianz Strategiefonds Wachstum Plus
Allianz Europazins	Allianz Thesaurus
Allianz Flexi Rentenfonds	Allianz US Large Cap Growth
Allianz Fonds Japan	Allianz Vermögensbildung Deutschland
Allianz Fonds Schweiz	Allianz Vermögensbildung Europa
Allianz Fondsvorsorge 1947-1951	Allianz Wachstum Euroland
Allianz Fondsvorsorge 1952-1956	Allianz Wachstum Europa
Allianz Fondsvorsorge 1957-1966	Concentra
Allianz Fondsvorsorge 1967-1976	CONVEST 21 VL
Allianz Fondsvorsorge 1977-1996	Fondak
Allianz Geldmarktfonds Spezial	Fondis
Allianz Global Equity Dividend	Fondra
Allianz Informationstechnologie	Industria
Allianz Interglobal	Kapital Plus
Allianz Internationaler Rentenfonds	NÜRNBERGER Euroland A
Allianz Mobil-Fonds	OKWLCO-Fonds
Allianz Multi Manager Global Balanced	Plusfonds
Allianz Nebenwerte Deutschland	PremiumMandat Konservativ
Allianz Rentenfonds	PremiumStars Chance
Allianz Rohstofffonds	PremiumStars Wachstum
Allianz SGB Renten	SGB GELDMARKT
Allianz Strategie 2021 Plus	

2. Alternative retail funds

a) Mixed funds

Name of the fund
VermögensManagement Stabilität

b) Other funds

Name of the fund
VermögensManagement Stars of Multi Asset

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

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

Notice pursuant to section 305 KAGB

1. If the purchaser of units or shares of an open investment fund has been induced by oral negotiations outside the permanent business premises of the party selling the units or shares or brokering their sale to submit a declaration of intent directed at the sale, the purchaser is bound to this declaration unless he revokes it in a written statement directed to the management company or a representative within the meaning of section 319 of the German Capital Investment Code (KAGB) within a period of two weeks; this also applies if the party selling the units or shares or brokering their sale has no permanent business premises. In the case of distance sales transactions, section 312g sub-section 2 no. 8 of the German Civil Code (Bürgerliches Gesetzbuch – BGB) shall apply accordingly.
2. The deadline is deemed to have been met if the declaration of revocation is mailed within the time allowed. The revocation period does not commence until the buyer has been provided with a copy of the application form or has been sent a contract note and the copy or the contract note contains instructions on the buyer's right of revocation in a form that complies with section 246 sub-section 3 sentences 2 and 3 of the Introductory Act to the German Civil Code. If there is a dispute over the start of the period referred to in sentence 2, the burden of proof is on the seller.
3. The purchaser has no right of revocation if the seller proves that
 - a) the purchaser is not a consumer as defined in section 13 BGB, or
 - b) he visited the purchaser for the negotiations which resulted in the sale of the units or shares based on a prior appointment (section 55 sub-section 1 of the German Trade Code (Gewerbeordnung)).
4. If the sale has been revoked and the purchaser has already made payments, the investment management company, the EU management company or the foreign AIF management company is required to repay to the purchaser (simultaneously with the retransfer of the purchased units or shares, if applicable) the expenses paid plus an amount equivalent to the value of the paid units or shares on the day after receipt of the letter of revocation.
5. The right to revocation may not be waived.
6. The provision applies accordingly to the sale of units or shares by the investor.
7. The right of revocation in relation to units and shares of a closed investment fund is based on the German Civil Code (BGB).
8. Investors who, prior to the publication of a supplement to the prospectus, submitted a declaration of intent directed at the purchase of a unit or share of a closed public AIF can revoke it within a period of two working days after the publication of the supplement provided performance has not yet occurred. Such revocation does not require a reason to be given and must be declared in writing to the management company or person referred to in the supplement as the recipient of the revocation; timely mailing is sufficient for adhering to the deadline. Section 357a of the German Civil Code applies accordingly to the legal consequences of the revocation.

Investment Terms and Conditions

General Investment Terms and Conditions

governing the legal relationship between the investors and Allianz Global Investors GmbH, Frankfurt (hereinafter the “Company”) for the Miscellaneous Fund managed by the Company, which apply only in conjunction with the “Special Investment Terms and Conditions” laid down for the respective Miscellaneous Fund.

Section 1 General information

1. The Company is an AIF investment management company subject to the provisions of the Investment Code (Kapitalanlagegesetzbuch – KAGB).
2. The Company will invest the money deposited with it in its own name for the joint account of the investors pursuant to the principle of risk diversification in assets permitted under the KAGB, separately from its own assets, in the form of an investment fund. The resulting rights of investors are vested in certificates (unit certificates).
3. The Miscellaneous Fund is subject to supervision by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) relating to funds for collective investment under the KAGB. The purpose of the Miscellaneous Fund is limited to investing the monies entrusted to it in the context of collective asset management in accordance with a defined investment strategy; it is not permitted to perform an operational role or carry out active entrepreneurial management of the assets that it holds.
4. The legal relationship between the Company and the investors is governed by the General Investment Terms and Conditions (GITC) and Special Investment Terms and Conditions (SITC) of the Miscellaneous Fund and the KAGB.

Section 2 Depositary

1. The Company will appoint an institution within the meaning of section 80 sub-section 2 KAGB as depositary for the Miscellaneous Fund; the depositary shall act independently of the Company and exclusively in the interests of the investors.
2. The responsibilities and duties of the depositary shall be based on the depositary agreement concluded with the Company, and on the KAGB, GITC and SITC.
3. The depositary may outsource custodial responsibilities to another company (sub-depositary) pursuant to section 82 KAGB. The prospectus has further details.
4. The depositary shall be liable to the Miscellaneous Fund or the investors in the event that it loses a financial instrument or that a financial instrument is lost by a sub-depositary entrusted with the safe-keeping of financial instruments pursuant to section 82 sub-section 1 KAGB. The depositary shall not be liable if it can prove that the loss was due to influences beyond its control and whose consequences proved unavoidable, in spite of reasonable countermeasures being taken. The aforementioned shall be without prejudice to any further claims derived from German Civil Code provisions on the grounds of contractual agreements or impermissible actions. The depositary shall also be liable to the Miscellaneous Fund or the investors for all other losses suffered as a result of the depositary negligently or intentionally failing to fulfil its obligations pursuant to the provisions of the KAGB. The liability of the depositary shall not be affected in the event that the custodial duties are transferred elsewhere pursuant to sub-section 3 sentence 1.

Section 3 Fund management

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

2. The Company shall be entitled to use the funds invested by the investors to acquire assets, dispose of such assets, and reinvest the proceeds; the Company shall also be authorised to perform any other legal actions resulting from the management of the assets.
3. The Company may neither grant money loans nor enter into any obligations in connection with a contract of surety or guarantee for the joint account of the investors; it may not sell assets in accordance with sections 193, 194 and 196 KAGB which, at the time of conclusion of the transaction, are not held by the Miscellaneous Fund. Section 197 KAGB shall remain unaffected.

Section 4 Investment principles

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

Section 5 Securities

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

- a) they are admitted to official trading on a stock exchange in a member state of the European Union or in another signatory state to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states,
- b) they are exclusively admitted to trading on a stock exchange outside the member states of the European Union or outside the other signatory states to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states, provided that the selection of this stock exchange or organised market has been permitted by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)¹⁾,
- c) their admission to official trading on a stock exchange in a member state of the European Union or in another signatory state to the Agreement on the European Economic Area or their admission to or inclusion in an organised market of a member state of the European Union or of another signatory state to the Agreement on the European Economic Area must be applied for under their terms of issuance, provided that the admission or inclusion takes place within one year after their issuance¹⁾,
- 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 Miscellaneous 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 Miscellaneous Fund,
- g) they are units of closed-end funds which meet the requirements set out in section 193 sub-section 1 sentence 1 no. 7 KAGB,
- h) they are financial instruments which meet the requirements set out in section 193 sub-section 1 sentence 1 no. 8 KAGB.

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

¹⁾ The list of permitted stock exchanges is published on the BaFin internet site, www.bafin.de

Section 6 Money market instruments

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

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

- a) are admitted to official trading on a stock exchange in a member state of the European Union, or in another signatory state to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states,
 - b) are exclusively admitted to trading on a stock exchange outside the member states of the European Union or outside the other signatory states to the Agreement on the European Economic Area or admitted to or included in another organised market in one of these states, provided that the selection of this stock exchange or organised market has been permitted by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin),²⁾
 - c) are issued or guaranteed by the European Union, the German Federal Government, a 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 Union 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 Union law and complies with these provisions, or
 - f) are issued by other issuers and these meet the requirements set out in section 194 sub-section 1 sentence 1 no. 6 KAGB.
2. Money-market instruments within the meaning of sub-section 1 may only be acquired if they meet the requirements of section 194 sub-sections 2 and 3 KAGB.

Section 7 Bank deposits

For the account of the Miscellaneous 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 EU law. Unless otherwise provided for in the SITC, bank deposits may also be denominated in foreign currencies.

Section 8 Investment units

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

²⁾ See footnote 1)

2. The Company may only acquire units in German funds, investment stock corporations with variable capital, EU UCITS, open-ended EU AIF and foreign open-ended AIF if, under the Investment Terms and Conditions or the articles/memorandum of association of the investment management company, investment stock corporation with variable capital, EU investment fund, EU management company, foreign AIF or foreign AIF management company, no more than 10% of the value of its assets may be invested in units of other German funds, investment stock corporations with variable capital, open-ended EU investment funds or foreign open-ended AIF.
3. Unless otherwise provided for in the SITC, the Company may also acquire units in retail funds pursuant to section 218 of the KAGB (Mixed Funds) and section 220 of the KAGB (Miscellaneous Fund), shares in investment stock corporations with variable capital whose articles of association provide for a form of investment comparable with Mixed Funds or Miscellaneous Funds, as well as units or shares in corresponding EU investment funds or foreign AIF.
4. Units in Miscellaneous Funds and shares in investment stock corporations with variable capital whose articles of association provide for a form of investment comparable with Miscellaneous Funds, as well as units or shares in corresponding EU AIF or foreign AIF, may only be acquired if their assets are held in safekeeping by a depositary or the functions of the depositary are performed by another comparable institution. The Company is not permitted to invest in units of foreign open-ended investment funds from states that do not co-operate in combating money laundering within the meaning of international agreements.
5. The Miscellaneous Fund may also continue to hold units or shares in the following investment funds, provided they were acquired permissibly prior to 22 July 2013 in accordance with the rules indicated below:
 - a) Real estate funds as defined in section 66 of the Investment Act (InvG) in the version valid until 21 July 2013 (also after the switch to the KAGB) and those EU or foreign investment funds that are comparable with these funds, and
 - b) Funds with additional risks pursuant to section 112 of the InvG and/or shares in investment stock corporations, the articles of association of which provide for a form of investment comparable with section 112 of the InvG (also after the switch to the KAGB) as well as those EU or foreign investment funds that are comparable with these investment funds.

Section 9 Derivatives

1. Unless otherwise provided for in the SITC, the Company may, in the framework of the Miscellaneous Fund management, use derivatives within the meaning of section 197 sub-section 1 sentence 1 KAGB and financial instruments with a derivative element. Depending on the type and volume of the derivatives and financial instruments with derivative elements it has used, it may use the simple or the qualified method according to the Ordinance on Risk Management and Risk Assessment when Using Derivatives, Securities Lending and Repurchase Agreements in Investment Funds under the Investment Code (KAGB) (Derivateverordnung – DerivateV) issued pursuant to section 197 sub-section 3 KAGB to calculate the degree to which the market risk limit for the use of derivatives under section 197 sub-section 2 KAGB has been exploited; explanatory notes can be found in the Prospectus.
2. If the Company applies the simplified method, it may in general use for the Miscellaneous Fund only basic types of derivatives, financial instruments with a derivative component or combinations of such derivatives, financial instruments with a derivative component, or combinations of the underlyings which are admissible pursuant to section 197 sub-section 1 sentence 1 KAGB. Complex derivatives based on underlying securities that are permissible under section 197 sub-section 1 sentence 1 KAGB may only be used to a negligible extent. In this connection, the allocable value relating to the market risk, calculated in accordance with section 16 of the Derivative Regulation must at no time exceed the investment fund's net asset value.

Basic forms of derivatives are:

- a) futures on the underlyings set out in section 197 sub-section 1 KAGB, apart from investment fund units pursuant to section 196 KAGB;

- b) options or warrants on the underlyings set out in section 197 sub-section 1 KAGB, apart from investment fund units pursuant to section 196 KAGB and futures pursuant to a) above, provided that they have the following characteristics:
 - aa) they may be exercised either at any time during their term or at the end of their term; 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 in respect of swaps described in c), provided they have the features described in b) under aa) and bb) (swaptions);
 - e) credit default swaps referring to a single underlying (single name credit default swaps).
- 3. If the Company applies the qualified method, it may – subject to the establishment of an adequate risk management system – invest in any types of financial instruments with a derivative component or derivatives.
The potential amount at risk due to market circumstances (“risk amount”) attributable to the Miscellaneous Fund shall at no time exceed twice the potential risk amount attributable to the comparable fictitious reference portfolio pursuant to section 9 DerivateV. Alternatively the potential amount at risk shall at no time exceed 20% of the value of the Miscellaneous Fund.
- 4. Under no circumstances may the Company deviate from the investment principles and limits set out in the GITC and SITC or in the prospectus in undertaking these transactions.
- 5. The Company will use derivatives and financial instruments with a derivative element for hedging purposes, for efficient portfolio management and for generating additional returns if and to the extent that it deems this to be advisable with respect to the interests of investors.
- 6. In calculating the market risk limit for the use of derivatives and financial instruments with a derivative component, the Company may at any time switch between the simplified method and the qualified method according to section 6 sentence 3 of the Derivative Ordinance. The changeover need not be approved by BaFin; however, the Company shall inform BaFin immediately of the changeover and 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 Derivative Ordinance on Risk Management and Risk Assessment in Investment Funds (DerivateV).

Section 10 Other investment instruments

- 1. The Company may invest in the following for the Miscellaneous Fund
 - a) Equity holdings in companies, provided they were acquired permissibly prior to 22/07/2013 and the market value of the investments can be determined, and
 - b) Other investment instruments in accordance with section 198 KAGB.
- 2. The Company may, on behalf of the Miscellaneous Fund, acquire precious metals pursuant to section 221 sub-section 1 no. 3 KAGB and unsecured loan receivables pursuant to section 221 sub-section 1 no. 4 KAGB.

Section 11 Investment restrictions

1. As far as the management of the fund is concerned, the Company shall observe the limits and restrictions pursuant to the KAGB, the Derivative Ordinance (DerivateV) and the GITC and SITC.

2. The Company may only invest up to 10% of the Miscellaneous Fund's value in units of investment funds as defined in section 8, unless

(i) the following requirements are met with regard to these units:

The UCITS, the AIF or the manager of the AIF in which the units are acquired is, in its country of domicile, subject to supervision relating to funds for collective investment. The purpose of the respective investment fund is limited to investing the monies entrusted to it in the context of collective asset management in accordance with a defined investment strategy; the fund is not permitted to perform an operational role or carry out active entrepreneurial management of the assets that it holds.

In principle, investors may exercise the right to redeem their units at any time.

The respective investment fund is invested, directly or indirectly, in accordance with the principle of risk diversification.

A total of at least 90% of the respective investment funds is invested in the following assets, insofar as they can be acquired for the respective investment fund in accordance with the KAGB:

- a) Securities,
- b) Money market instruments,
- c) Derivatives,
- d) Bank deposits,
- e) Land, land rights and other similar rights under the law of other countries,
- f) Investments in real estate companies within the meaning of section 1 sub-section 19 number 22 of the German Investment Code (Kapitalanlagegesetzbuch),
- g) Units or shares in German or foreign investment funds that meet the requirements of this sub-section 2 (i) or (ii) ("investment funds"),
- h) Investments in corporate entities, if the market value of such participations can be determined,
- i) Unsecuritised loan receivables (including borrower's note loans), or
- j) Precious metals.

the context of the investment limits to which the respective investment fund must adhere in accordance with supervisory and contractual requirements, up to 20% of the value of the respective investment fund may be used for investments in corporate entities that are not admitted to trading on a stock exchange or admitted to or traded on an organised market. If the investment terms and conditions of AIFs allow deposits to be invested in real estate, up to 100% of their value may be invested in real estate companies.

The amount of the investment by the respective investment fund in a corporate entity must be less than 10% of the capital of the relevant company. This does not apply to AIF investments in real estate companies.

A loan may only be taken out for the short term only and only up to 20% of the value of the respective investment fund. If the investment terms and conditions of AIFs allow deposits to be invested in real estate, AIFs may raise short-term loans up to 10% of the fund's value and, in addition, raise loans up to 30% of the market value of the real estate held directly or indirectly in the AIF.

The investment terms and conditions of the respective investment fund must, in the case of AIF, reproduce the above requirements and, in the case of UCITS, the relevant requirements under supervisory law;

or

(ii) the respective investment fund is subject to grandfathering protection under investment tax law.

3. The Company may invest only up to 30% of the fund's assets in units or shares in different Miscellaneous Funds and the corresponding EU AIF or foreign AIF. Units or shares that the Miscellaneous Fund holds pursuant to section 8 sub-section 5 b) shall be counted towards this limit. The Company may not invest for account of the fund in more than two investment funds in the form of Miscellaneous Funds from the same issuer or fund manager. In addition, the Company may only acquire units or shares in different Miscellaneous Funds and in corresponding EU AIF or foreign AIF if the latter, for their part, do not invest their capital in units or shares in different Miscellaneous Funds and in corresponding EU AIF or foreign AIF. This does not affect the limits specified in sub-section 2.
4. The Company must ensure that the proportion of precious metals, derivatives and non-securitised loans receivable, including those that are acquirable as other investment instruments within the meaning of section 198 KAGB, held for account of the Miscellaneous Fund, does not exceed 30% of the fund's value. Derivatives within the meaning of section 197 sub-section 1 KAGB are not included in the calculation of this limit.
5. Investments as defined in section 10 sub-section 1 may not exceed 20% of the fund's value.
6. The amount of the investment acquired in the form of securities and equity interests in a corporate entity by the Miscellaneous Fund must be less than 10% of the capital of the relevant company. This does not apply to investments in PPP project companies and companies whose corporate object is directed at the production of renewable energy within the meaning of section 3 no. 3 of the law giving priority to renewable energies.

Section 12 Merger

1. Subject to sections 181 to 191 KAGB, the Company may
 - a) transfer all the assets and liabilities of this Miscellaneous Fund to another existing fund or to a new fund established thereby, or an investment stock corporation with variable capital;
 - b) absorb all the assets and liabilities of another fund or an investment stock corporation with variable capital into this Miscellaneous Fund.
2. A merger shall require the approval of BaFin. Sections 182 to 191 KAGB govern the details of the procedure.
3. The Miscellaneous Fund may only be merged with an investment fund that is a UCITS if the absorbing or newly established investment fund remains a UCITS.

Section 13 Securities lending

1. The Company may, for account of the Miscellaneous 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

pursuant to section 200 sub-section 2 KAGB. The price of the securities to be lent for account of the Miscellaneous Fund, combined with the price of those securities already lent to the same securities borrower, including group companies as defined in section 290 German Commercial Code (HGB), may not exceed 10% of the fund's value. If a date is specified for refunding the securities loan, the refund must become due no later than 30 days after transfer of the securities. 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 Miscellaneous Fund for a fixed period of time, may not exceed 15% of the value of the Miscellaneous Fund's assets.

2. If the securities borrower provides collateral for the securities transferred in the form of cash deposits, the Company must hold these deposits in blocked accounts pursuant to section 200 sub-section 2 sentence 3 no. 1 KAGB. Alternatively, the Company may make use of the option to invest such deposits in the following assets in the currency of the deposits:
 - a. bonds of high quality which are issued by the German Federal Government, a German Federal State, the European Union, a member state of the European Union or its regional or local authorities, another signatory state to the Agreement on the European Economic Area, or another state,
 - b. money market funds with short maturity structures in line with the guidelines issued by BaFin on the basis of section 4 sub-section 2 KAGB, or
 - c. by way of a securities repurchase agreement with a financial institution that guarantees that the accrued cash deposit can be recalled at any time.

The Miscellaneous Fund is entitled to any income generated by the collateral.

3. The Company may, for the brokerage and settlement of securities loans, also use a system organised by a central securities depository, or by another company indicated in the SITC whose corporate object is the settlement of cross-border securities transactions for third parties, that does not satisfy the requirements set forth in sections 200 and 201 KAGB, provided that the rules of the system ensure that the best interests of the investors are safeguarded.
4. Unless otherwise provided in the SITC, the Company may grant securities loans on the basis of money market instruments and investment fund units, provided that these assets may be acquired for the Miscellaneous Fund. In this regard, the provisions contained in sub-sections 1 to 3 apply accordingly.

Section 14 Repurchase agreements

1. The Company may, for the account of the Miscellaneous Fund, enter into securities repurchase agreements within the meaning of section 340b sub-section 2 of the German Commercial Code (HGB) with credit institutions or financial services institutions against consideration, on the basis of standardised framework agreements.
2. The repurchase agreements must relate to securities which may be acquired for the Miscellaneous Fund pursuant to the SITC.
3. The term for these repurchase agreements may not exceed twelve months.
4. Unless otherwise provided in the SITC, the Company may enter into securities repurchase agreements on the basis of money market instruments and investment fund units, provided that these assets may be acquired for the Miscellaneous Fund. In this regard, the provisions contained in sub-sections 1 to 3 apply accordingly.

Section 15 Borrowing

The Company may, for joint account of the investors, raise short-term loans up to 20% of the Miscellaneous Fund's value, provided that the terms of the loan are customary for the industry and the depositary gives its consent.

Section 16 Unit certificates

1. The unit certificates shall be bearer certificates, each of them representing one or more units.
2. The units may carry 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 laid down in the SITC.
3. The unit certificates carry at least the handwritten or facsimile signatures of the Company and the depositary.
4. The units are transferable. The rights vested in each unit certificate are devolved upon transfer. The Company will in all cases consider the holder of the unit certificate as the holder of rights.
5. The rights of investors and the rights of investors in a unit class are represented exclusively in a global certificate. Investors shall not be entitled to claim individual certificates. If physical certificates were issued in the past for the Miscellaneous Fund and these are not held in collective safe-keeping at one of the institutions specified in section 97 sub-section 1 sentence 2 KAGB by 31 December 2016, these physical certificates will become void after 31 December 2016. Instead, the investors' units will be represented in a global certificate and credited to a separate custody account maintained by the depositary. By presenting a voided physical certificate to the depositary, investors may request that they be credited with a corresponding unit to a custody account to be designated by them and maintained on their behalf. Physical certificates that are held in collective safe-keeping at one of the institutions specified in section 97 sub-section 1 sentence 2 KAGB by 31 December 2016 may be transferred to a global certificate at any time.

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

1. In principle, there shall be no restriction of the number of units and corresponding unit certificates issued. However, the Company reserves the right to suspend the issue of units either temporarily or permanently.
2. Units can be purchased from the Company, the depositary, or through the intermediation of third parties.
3. Subject to deviating provisions in the SITC, the investors can request the redemption of the units from the Company at any time. The Company shall be obliged to redeem the units for account of the Miscellaneous Fund at the prevailing redemption price. The redemption agent is the depositary.
4. However, the Company reserves the right to suspend the redemption of units pursuant to section 98 sub-section 2 KAGB under extraordinary circumstances when it appears that suspension is necessary in the interest of the investors.
5. The 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 Federal Gazette and by publication in a business or daily newspaper with adequate circulation or via electronic information media specified in the Prospectus. The investors shall be notified of the suspension and resumption of redemption of the units promptly after announcement in the Federal Gazette by means of a durable medium.

Section 18 Subscription and redemption prices

1. For the purpose of calculating the issue and redemption price of the units, the market value of the assets belonging to the Miscellaneous Fund, less the loans taken out and other liabilities (net asset value), shall be determined and shall be divided by the total number of units in circulation (value per unit). If, pursuant to section 16 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.

2. The assets shall be valued in accordance with the principles of price determination as specified in sections 168 and 169 KAGB and the Capital Investment Accounting and Valuation Ordinance (Kapitalanlage-Rechnungslegungs- und Bewertungsverordnung (KARBV)).
3. The subscription price corresponds to the unit value of the Miscellaneous Fund, if applicable, plus a front-end load specified in the SITC pursuant to section 165 sub-section 2 no. 8 KAGB. The redemption price corresponds to the unit value of the Miscellaneous Fund, if applicable, less a redemption fee specified in the SITC pursuant to section 165 sub-section 2 no. 8 KAGB.
4. 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 SITC.
5. The subscription and redemption prices are determined on each subscription and redemption of units, although at least once a year. Unless otherwise provided for in the SITC, neither the Company nor the depositary 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 expenses and the compensation payable to the Company, the depositary and third parties, which may be charged to the Miscellaneous Fund, are set out in the SITC. As regards the fees specified in sentence 1, the SITC should provide details of the payment method, payment level and calculation method.

Section 20 Special disclosure obligations towards investors

The Company shall inform investors in accordance with sections 300, 308 sub-section 4 KAGB. Details are laid down in the SITC.

Section 21 Accounting

1. No later than six months after the end of the Miscellaneous Fund's financial year, the Company shall publish an annual report including a statement of income and expenditure, in accordance with section 101 sub-sections 1 to 3 KAGB.
2. No later than two months after the end of the first half-year, the Company shall publish a semi-annual report in accordance with section 103 KAGB.
3. If the right to manage the Miscellaneous Fund is delegated to another investment management company during the financial year or the Miscellaneous Fund is merged into another fund during the fiscal year, then the Company must issue an interim report as of the transfer date, which must meet the requirements of an annual report pursuant to sub-section 1.
4. If the Miscellaneous Fund is liquidated, the depositary must prepare a liquidation report that meets the requirements of an annual report within the meaning of sub-section 1. Such reports must be prepared each year and on the date on which liquidation ends.
5. The reports can be obtained from the Company, from the depositary and from other agencies listed in the Prospectus and the key investor information; in addition, they will be published in the Federal Gazette.

Section 22 Termination and liquidation of the Miscellaneous Fund

1. Giving at least six months' notice, the Company may terminate its management of the Miscellaneous Fund by announcement in the Federal Gazette and in the annual or semi-annual report. The investors shall be notified promptly of any termination announced in accordance with sentence 1, by means of a durable medium.
2. The Company's right to manage the Miscellaneous Fund shall lapse when the termination becomes effective. In this case the Miscellaneous Fund or the right of disposition over the Miscellaneous Fund, as the case may be, shall pass on to the depositary, which has to wind up the fund and distribute the proceeds to the investors. During the period of winding-up, the depositary is entitled to a fee

for its liquidation activities and to compensation for its expenses incurred in the winding-up. With the approval of BaFin, the depositary may, instead of conducting such liquidation and distribution activities, transfer management of the Miscellaneous Fund to another investment management company, in accordance with the existing Investment Terms and Conditions.

3. On the date that its right to manage the fund expires in accordance with section 99 KAGB, the Company must prepare a liquidation report that meets the requirements of an annual report as defined in section 21 sub-section 1.

Section 23 Change of investment management company and depositary

1. The Company may transfer the right of management and disposal of the investment fund to another investment management company. The transfer shall require the prior approval of BaFin.
2. The approved transfer shall be published in the Federal Gazette (Bundesanzeiger) and additionally in the annual or semi-annual report. The investors shall be notified promptly of any transfer announced in accordance with sentence 1, by means of a durable medium. The transfer shall come into effect three months after publication in the Federal Gazette (Bundesanzeiger) at the earliest.
3. The Company may change the depositary for the fund. Any change shall require the approval of BaFin.

Section 24 Amendments to the Investment Terms and Conditions

1. The Company is entitled to amend the Investment Terms and Conditions.
2. Amendments to the Investment Terms and Conditions shall require the prior approval of the Federal Financial Supervisory Authority (BaFin). Insofar as the amendments described in sentence 1 impact the investment principles of the Miscellaneous Fund, they shall be subject to prior approval by the Company's supervisory board.
3. All planned amendments shall be announced in the Federal Gazette and by publication in a business or daily newspaper with adequate circulation or via electronic information media specified in the prospectus. Details of the planned amendments and their entry into force shall be published no later than at the time of the announcement set out under sentence 1 above. If there are any changes to charges within the meaning of section 162 sub-section 2 no. 11 KAGB, amendments to the Miscellaneous Fund's investment principles within the meaning of section 163 sub-section 3 sentence 1 KAGB or changes in relation to material investor rights, the investors must be sent the key content of the proposed amendments to the Investment Terms and Conditions and their background, as well as information about their rights under section 163 sub-section 3 KAGB, in a comprehensible way by means of a durable medium in accordance with section 163 sub-section 4 KAGB, 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 Federal Gazette, although in the case of changes to charges and investment principles, no earlier than three months after the relevant announcement.

Section 25 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 non-exclusive place of jurisdiction.

Special Investment Terms and Conditions

to regulate the legal relationship between the investors and Allianz Global Investors GmbH, Frankfurt am Main (the “Company”) with regard to the other funds managed by the Company

VermögensManagement Stars of Multi Asset.

These “Special Investment Terms and Conditions” are only applicable in conjunction with the “General Investment Terms and Conditions” set out for this fund.

INVESTMENT PRINCIPLES AND INVESTMENT RESTRICTIONS

Section 1 Assets

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

1. Securities as specified in section 5 of the “General Investment Terms and Conditions”,
2. Money market instruments within the meaning of section 6 of the “General Investment Terms and Conditions”,
3. Bank deposits within the meaning of section 7 of the “General Investment Terms and Conditions”,
4. Units and shares in investment funds within the meaning of section 8 of the “General Investment Terms and Conditions”,
5. Derivatives within the meaning of section 9 of the “General Investment Terms and Conditions”, without any requirement to observe the restrictions on acquisition as specified in section 197 sub-section 1 KAGB,
6. Other investment instruments as specified in section 10 of the “General Investment Terms and Conditions”,
7. Precious metals, specifically and exclusively gold, silver, platinum and palladium.

Derivatives on borrower’s note loans as specified in section 198 no. 4 KAGB may not be entered into.

Section 2 Investment restrictions

- (1) The Miscellaneous Fund may invest flexibly in all permitted assets while observing the investment limits described in section 1.
- (2) Up to 49% of the Miscellaneous Fund’s value may be invested in foreign and domestic equities as defined in section 1 no. 1.
- (3) Up to 49% of the Miscellaneous Fund’s value may be invested in foreign and domestic bonds as defined in section 1 no. 1.
- (4) Up to 49% of the Miscellaneous Fund’s value may be invested in money market instruments as defined in section 6 of the “General Investment Terms and Conditions”.
- (5) Securities and money market instruments purchased under agreements to resell shall be included in calculations for the issuer limits set out in section 206 sub-section 1 to 3 KAGB.
- (6) Up to 49% of the Miscellaneous Fund’s value may be invested in bank deposits as defined in section 7 sentence 1 of the “General Investment Terms and Conditions”. At least 5% of the Miscellaneous Fund’s assets must be invested in money market instruments

as defined in section 6 of the “General Investment Terms and Conditions” and/or bank deposits as defined in section 7 sentence 1 of the “General Investment Terms and Conditions” and/or other liquid assets.

- (7) Up to 100% of the Miscellaneous Fund’s value may be invested in investment units or in equities of corresponding investment stock corporations with variable capital in accordance with sections 196, 218 and 220 KAGB.
- (8) The extent to which foreign investment fund units or shares in corresponding foreign investment stock corporations with variable capital may be acquired for the Miscellaneous Fund is not limited. However, the registered office and the management of foreign investment stock corporations or investment stock corporations with variable capital that are issuers of foreign open-ended investment funds must be located in a member state of the European Union or in another signatory state to the Agreement on the European Economic Area or in one of the following states or autonomous areas:
 - Japan
 - Switzerland
 - USA
 - Canada
 - Jersey
 - Isle of Man
 - Guernsey
- (9) At least 51% of the value of the Miscellaneous Fund must be invested in investment units and shares in investment stock corporations with variable capital pursuant to section 1 no. 4 which, based on their investment terms and conditions or their articles of association, have established an investment strategy that consists of at least two asset classes, or based on their last annual or semi-annual report were demonstrably invested in at least two asset classes. An investment in at least two asset classes in the above sense exists when it is ensured that at least 10% must be demonstrably invested in each of the two asset classes. An asset class in the above sense represents the classification of the assets available in the capital market into different investment segments based on specific criteria. Asset classes in accordance with sentence 1 are in particular shares, fixed-income securities, real estate (e.g. REITs), precious metals and commodities (but exclusively industrial commodities and not agricultural commodities). The asset class of industrial commodities in the above sense includes energy commodities, chemical commodities, metal commodities and construction and ceramic commodities. Bank deposits within the meaning of section 1 no. 3 and cash available to a Miscellaneous Fund/Investment Fund do not represent an investment class pursuant to sentence 1.
- (10) In the selection of investment units and shares in investment stock corporations with variable capital in accordance with sub-sections 7 to 9, investment units and shares in investment stock corporations with variable capital in accordance with section 1 no. 4 will also be considered that are dedicated to investing in a specific geographic area or economic sector. In addition, in the selection of investment units and shares in investment stock corporations with variable capital in accordance with sub-sections 7 to 9, preference is given to those that the Company considers to have higher yields than comparable investment units and shares in investment stock corporations with variable capital in accordance with section 1 no. 4 after taking the risks into account. This is intended to ensure that the investment units and shares in investment stock corporations with variable capital in accordance with section 1 no. 4 that are selected and compiled in a portfolio offer the best possible investment results, taking quantitative and qualitative aspects into account.

- (11) For the acquisition of units in accordance with sub-section (9), a requirement at the time of purchase is that the conditions set out in sub-section (9) sentence 1 have been complied with. If the published annual and semi-annual reports or prospectuses indicate that the acquisition conditions are no longer met after the date of purchase, the units or shares must be sold within a reasonable period of time, while taking the interests of the fund into account. The investment units purchased under agreements to resell shall be included in the calculation of the investment restrictions of sections 207 and 210, sub-section 3 KAGB.
- (12) Up to 30% of the Miscellaneous Fund's assets may be invested in Miscellaneous Funds and/or investment stock corporations with variable capital, whose investment terms and conditions or articles of association correspond to sections 220 et seq. KAGB and/or open-ended foreign investment funds subject to requirements with respect to their investment policies which are comparable with German Miscellaneous Funds. The assets purchased in turn by these Miscellaneous Funds, investment stock corporations with variable capital and/or foreign open-ended investment funds must either be held in safekeeping by a depositary or the functions of the depositary must be performed by another comparable institution.
- In addition, as part of their investment strategy to increase the level of investment, Miscellaneous Funds, investment stock corporations with variable capital and/or foreign open-ended investment funds pursuant to sentence 1 may not borrow more than 20% of the value of their fund assets, although they must not be subject to limits when carrying out short sales and may, in principle, make use of derivatives pursuant to section 197 KAGB.
- The investment strategy of the Miscellaneous Fund, investment stock corporations with variable capital and/or open-ended foreign investment funds pursuant to sentence 1 should concentrate on the asset classes listed in sub-section 9, in particular shares, fixed-income securities, real estate (e.g. REITs), precious metals and commodities (but exclusively industrial commodities and not agricultural commodities), or should replicate or combine these. The asset class of industrial commodities in the above sense includes energy commodities, chemical commodities, metal commodities and construction and ceramic commodities.
- (13) Up to 30% of the Miscellaneous Fund's assets may be held in physical precious metals pursuant to section 1 no. 7 and in derivatives on these precious metals pursuant to section 1 no. 5.

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 Investment Terms and Conditions" for the following purposes:

- hedging the Miscellaneous Fund against losses incurred by assets in the Miscellaneous Fund,
- carrying out efficient portfolio management, in particular,
- increasing or minimising the potential market risk of one, several or all permissible assets within the Miscellaneous Fund,
- achieving additional returns by assuming additional risks, and
- increasing the market risk potential of the Miscellaneous Fund above the market risk potential of a Miscellaneous 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 Miscellaneous Fund if the prices of certain securities, investment markets or currencies fall, or to losses in the Miscellaneous 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 Investment Terms and Conditions” may be created for the Miscellaneous Fund. These unit classes differ particularly in terms of the investors who may acquire and hold units, income allocation, front-end load, the currency of the unit value including the use of currency hedging transactions, the all-in fee, minimum investment or any combination of the features mentioned. Unit classes may be created at any time at the discretion of the Company.
- (2) It is permitted to enter into currency hedging transactions in favour of one currency unit class only. For a currency unit class with a currency hedge in favour of this unit class’s currency (reference currency), the Company may, irrespective of section 9 of the “General Investment Terms and Conditions” and section 3, use derivatives on exchange rates and currencies within the meaning of section 197 sub-section 1 KAGB with the aim of avoiding losses in unit value resulting from exchange rate-related losses in the Miscellaneous Fund’s 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, in the case of instruments representing equities, the corporation) is domiciled is different from the reference currency of the unit class. Other assets are deemed to be subject to a currency risk if they are denominated in a currency other than the reference currency of the unit class. For currency hedged unit classes, the value of the Miscellaneous Fund’s 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), the all-in fee 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 detailed prospectus and in the annual and semi-annual reports. The characteristics of the unit classes as specified in sub-section 1 will be described in detail in the detailed prospectus and in the annual and semi-annual reports. Moreover, the Company may determine in the detailed prospectus and in the annual and semi-annual reports that a special agreement on the all-in fee between the investor and the Company is a precondition for the acquisition of certain unit classes.

UNITS, SUBSCRIPTION PRICE, REDEMPTION PRICE, UNIT REDEMPTION AND CHARGES

Section 5 Units, co-ownership

- (1) As co-owners, the investors hold an interest in the assets of the Miscellaneous Fund proportionate to the number of units held.
- (2) The rights of unitholders in the Miscellaneous Fund are represented solely in global certificates that are held in safe-keeping at a central securities deposit bank. Investors do not have any claim on issues of individual units.

Section 6 Subscription and redemption prices

- (1) The front-end load is 4.00% of the unit value and serves to cover the Company’s issuing costs. The Company may, however, charge a lower front-end load or no front-end load for one or more of these unit classes, or refrain from charging a front-end load. The Company shall disclose the front-end load in the prospectus as stipulated in section 165 sub-section 3 KAGB.
- (2) A redemption fee shall not be levied.

- (3) In derogation of section 18 sub-section 3 of the “General Investment Terms and Conditions”, the pricing date for unit subscriptions and redemption orders shall be at the latest the third valuation date following the receipt of the unit subscription or redemption order.

Section 7 Costs (Fees and Expenses)

- (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 all-in fee for the Miscellaneous Fund shall amount to 1.50% p.a. of the pro rata value of the Miscellaneous Fund, calculated on the basis of the net asset value, which is determined every trading day. For the remaining unit classes, the daily all-in fee for the management of the Miscellaneous Fund shall be 1.25% p.a. of the pro rata value of the Miscellaneous Fund, calculated on the basis of the net asset value, which is determined every trading day. The Company may, however, charge a lower all-in 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 all-in fee is not charged to the Miscellaneous Fund but directly to the investor. This all-in fee covers the following fees and expenses, which are not charged separately to the Miscellaneous Fund:
- a) fee for the management of the Miscellaneous Fund (fund management, administrative activities),
 - b) fee for the distributors of the Miscellaneous Fund,
 - c) the depositary fee,
 - d) 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,
 - e) costs for the printing and dispatch of the statutory sales documents (annual and semi-annual reports, prospectus, key investor information) intended for the investors,
 - f) costs for the publication of the annual and semi-annual reports, the liquidation report, the subscription and redemption prices, and distributions or accumulated income,
 - g) costs for having the Miscellaneous Fund audited by the Company’s auditors, including the costs for a certificate stating that all tax data complies with the regulations of German tax law,
 - h) costs for providing information to investors in the Miscellaneous Fund by means of a durable medium, with the exception of information about fund mergers and with the exception of information about measures related to violations of investment limits or calculation errors when determining the unit value.
 - i) fees, costs and taxes charged in relation to the Miscellaneous Fund by governmental authorities,
 - j) any costs for having the success of the investment analysed by third parties,
 - k) any costs for the storage, transport and insurance of precious metals;

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

- (2) In addition to the fee listed in sub-section 1, the following expenses shall be charged to the Miscellaneous Fund:

1. costs that arise in connection with the acquisition and sale of assets and with the use of securities lending programmes in line with current banking practice. The Company shall ensure that the costs of securities lending shall in no case exceed the income resulting from such transactions.
2. a) taxes which may be incurred in connection with the costs of management and custody,
 - b) costs for the assertion and enforcement of claims attributable to the Miscellaneous Fund which are deemed to be justified, as well as for defence against unjustified claims brought against the Miscellaneous Fund,
 - c) costs for the verification, assertion and enforcement of claims that appear to be justified for reducing, offsetting and/or reimbursing withholding taxes or other taxes and/or fiscal charges.
- (3) The Company must disclose, in the annual and semi-annual reports, the amount of the front-end loads and redemption fees that the Miscellaneous Fund has been charged in the reporting period for the subscription and redemption of units within the meaning of sections 196, 218 and 220 KAGB. If the fund acquires units of other investment funds which are directly or indirectly managed by the Company, or by another company which is affiliated to the Company by way of significant direct or indirect participation, neither the Company nor the affiliated company may charge any fees for the subscription or redemption of the units. The Company must disclose, in the annual and semi-annual reports, the fee charged to the Miscellaneous Fund by the Company itself, by another investment management company, investment stock corporation with variable capital or another company with which the Company is affiliated by way of a significant direct or indirect participation, or a foreign management company including its foreign open-ended investment funds, for the management of the units held in the Miscellaneous Fund.

Special disclosure obligations towards investors

Section 8 Special disclosure obligations towards investors

The information required under section 300 sub-sections 1 and 2 KAGB is included in the appendix to the annual report. The information required under section 300 sub-section 4 and section 308 sub-section 4 KAGB shall be sent to the investors by durable medium. The information required under section 300 sub-section 4 KAGB shall also be published on another information medium to be specified in the prospectus.

Allocation of income and financial year

Section 9 Distribution

- (1) For distributing unit classes, the Company shall, as a general rule, make a pro rata distribution of the interest, dividends and income from investment units as well as consideration from loans and repurchase agreements which have accrued for the account of the Miscellaneous Fund during the financial year and which have not been required to defray expenses, subject to the requisite equalisation of income. Realised disposal gains and other income – after allowing for income equalisation – may also be distributed on a pro rata basis.
- (2) Pro rata income available for distribution under sub-section 1 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 Miscellaneous 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 Miscellaneous Fund.
- (4) Distribution shall be effected annually within three months after the end of each financial year.

- (5) Interim distributions are permissible.

Section 10 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, consideration from loans and repurchase agreements and other income and realised disposal gains which have accrued for account of the Miscellaneous 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 sections 182 et seq. KAGB, the Miscellaneous Fund is to be merged with a different Miscellaneous Fund, or where a different Miscellaneous Fund is to be merged with the Miscellaneous Fund in question.

Section 11 Financial year

The financial year of the Miscellaneous Fund begins on 1 January and ends on 31 December of the year.

Your Partners

Allianz Global Investors GmbH

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Subscribed and paid-in
capital: EUR 49.9 million
Date: 31/12/2019

Shareholder

Allianz Asset Management GmbH
Munich

Supervisory Board

Tobias C. Pross
CEO Allianz Global Investors GmbH
Munich

Giacomo Campora

CEO Allianz Bank
Financial Advisers S.p.A.
Milan

Prof. Dr. Michael Hüther

Director and Member of the Board
Institut der deutschen Wirtschaft
Cologne

David Newman

CIO Global High Yield
Allianz Global Investors GmbH,
UK Branch
London

Redwan Talbi

Senior Portfolio Manager
Allianz Global Investors GmbH,
Munich

Isaline Marcel

Member of the Board
and Head of HR
Allianz Asset Management GmbH
Munich

Board of Management

Alexandra Auer (Chairperson)

Ingo Mainert

Dr. Thomas Schindler

Petra Trautschold

Birte Trenkner

Depository

State Street Bank International GmbH

Brienner Straße 59
80333 Munich
Liable equity capital of State Street Bank
International GmbH: EUR 109.3 million
As at: 31/12/2019

Special Order Placement Offices

Fondsdepot Bank GmbH

Windmühlenweg 12
95030 Hof

State Street Bank International GmbH,

Luxembourg Branch

49, Avenue J.F. Kennedy
L-1855 Luxembourg

Auditors

PricewaterhouseCoopers GmbH

Wirtschaftsprüfungsgesellschaft
Friedrich-Ebert-Anlage 35-37
60327 Frankfurt am Main

Note:

In recurring reports, important information is updated as required.

Date: 24 February 2021

Visit our website at <https://de.allianzgi.com>

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