

Announcement

30 MAY 2022

On 17 May 2022 (New York time), Allianz Global Investors U.S. LLC (“**AllianzGI US**”) entered into a guilty plea (“**Plea**”) with the Department of Justice of the United States of America (“**US**”) in respect of the investigation on the Structured Alpha incident (“**Incident**”). Please refer to the link below for further information about the Incident:-

https://www.allianz.com/en/investor_relations/announcements/ir_announcements/220517.html

The Plea will have no material adverse impact on the Securities and Futures Commission (“SFC”) authorized funds¹ because:

- Allianz Global Investors GmbH (“**AllianzGI GmbH**”), Allianz Global Investors Asia Pacific Limited (“**AllianzGI AP**”) and other Allianz Global Investors entities which act as the investment managers or investment advisors of SFC-authorized funds¹ are not affected by the Plea.
- The individual portfolio managers that were involved in the Incident were not and are not managing any SFC-authorized funds¹.
- AllianzGI US proposes to transfer the investment management function of the relevant portfolios currently managed by it to one or more investment companies, subject to obtaining relevant regulatory approvals.
- The appointment of any new investment management companies to manage the SFC-authorized funds¹ requires prior approval from the SFC.
- There will be no material change to the investment strategies of the SFC-authorized funds¹ as a result of the aforesaid transfer of the investment management function of the relevant portfolios.

In addition, the investigation of the Department of Justice of the US found no evidence of control failures in other parts of Allianz Global Investors. The misconduct occurred only within the Structured Alpha team and no one outside this team had knowledge of nor was involved in it. Although the Incident were found by the US authorities to be an isolated matter, we accept corporate responsibility for it.

The consequence of the Plea is that AllianzGI US and its affiliates are now prohibited from acting as investment advisor or sub-investment advisor to retail funds in the US. AllianzGI US has been granted a transitional waiver of this prohibition, which will extend for ten weeks for open-end US retail funds and four months with respect to the closed-end US retail fund.

As such, subject to obtaining the relevant regulatory approvals, AllianzGI US proposes to transfer the investment management function of a number of the portfolios currently being managed by it as a sub-investment manager via a delegation arrangement with AllianzGI GmbH and AllianzGI AP, as the case may be, to one or more investment management companies in the US that are not implicated in the Incident or to other Allianz Global Investors entities.

The individual portfolio managers with responsibility for managing the local strategies in the US also manage funds authorized by the SFC¹ which are set out in the Appendix. Notwithstanding that the Plea

¹ SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

does not impact the ability of AllianzGI US to manage non-US retail funds which include the SFC-authorized funds¹ (which include UCITS funds and locally domiciled funds), in order to mitigate potential regulatory concerns of non-US regulators, AllianzGI US proposes to transfer the investment management function of a number of the portfolios including the SFC-authorized funds¹ to such new investment management companies in the US or to other Allianz Global Investors entities, subject to obtaining relevant regulatory approvals.

Further information in connection with the matters discussed above will be provided to investors in due course. In the meantime, if you have any questions relating to the matters discussed above, please contact:

Angie Tang, Email: angie.tang@allianzgi.com

Appendix

Allianz Global Investors Fund - Allianz Income and Growth
Allianz Global Investors Fund - Allianz Global Artificial Intelligence
Allianz Global Investors Fund - Allianz US High Yield
Allianz Global Investors Fund - Allianz US Short Duration High Income Bond
Allianz Global Investors Fund - Allianz American Income
Allianz Global Investors Fund - Allianz Cyber Security
Allianz Global Investors Fund - Allianz Emerging Markets Select Bond
Allianz Global Investors Fund - Allianz Emerging Markets Short Duration Bond
Allianz Global Investors Fund - Allianz Emerging Markets SRI Bond
Allianz Global Investors Fund - Allianz Emerging Markets SRI Corporate Bond
Allianz Global Investors Fund - Allianz Enhanced All China Equity
Allianz Global Investors Fund - Allianz Food Security
Allianz Global Investors Fund - Allianz GEM Equity High Dividend
Allianz Global Investors Fund - Allianz Global Credit SRI
Allianz Global Investors Fund - Allianz Global Floating Rate Notes Plus
Allianz Global Investors Fund - Allianz Global Hi-Tech Growth
Allianz Global Investors Fund - Allianz Global Income
Allianz Global Investors Fund - Allianz Global Intelligent Cities
Allianz Global Investors Fund - Allianz Global Small Cap Equity
Allianz Global Investors Fund - Allianz Positive Change
Allianz Global Investors Fund - Allianz US Equity Fund
Allianz Global Investors Fund - Allianz US Equity Plus
Allianz Global Investors Choice Fund - Allianz Choice "Best Styles" US Fund
Allianz Global Investors Asia Fund - Allianz Selection Income and Growth
Allianz Global Investors Asia Fund - Allianz Core Plus