Allianz Global Investors Asia Fund

Prospectus – February 2023

Allianz Global Investors

IMPORTANT INFORMATION FOR INVESTORS

<u>Important</u> – If you are in any doubt about the contents of this Prospectus, you should seek independent professional financial advice.

This Prospectus, together with the Product Key Facts Statement issued in respect of each Sub-Fund ("**KFS**"), comprise information relating to Allianz Global Investors Asia Fund (the "**Trust**") and its sub-funds (the "**Sub-Funds**"). The Trust is an umbrella unit trust constituted under the laws of Hong Kong, by a trust deed dated 10 September 2014 (the "**Trust Deed**") entered into between Allianz Global Investors Asia Pacific Limited as Manager (the "**Manager**") and HSBC Institutional Trust Services (Asia) Limited （滙豐機構信託服務（亞洲）有限公司） as Trustee (the "**Trustee**").

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus, as at the date of publication, and confirms, having made all reasonable enquiries that, to the best of its knowledge and belief, there are no other facts, the omission of which, would make any statement misleading. However, neither the delivery of this Prospectus nor the offer or issue of Units of the Trust shall, under any circumstances, constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to such date. This Prospectus may, from time to time, be updated. Prospective applicants for Units should ask the Manager if any supplements to this Prospectus or any later prospectus have been issued.

All decisions to subscribe for Units are deemed to be made on the basis of the information contained in this Prospectus and supplementary documentation (including the KFS of each Sub-Fund), and in the latest annual and interim reports of the Trust, which are available from the Manager. Investors may contact the Manager (below) with any queries or complaints in relation to any Sub-Fund. The Manager will respond to any enquiry or complaint in writing.

Manager:

Allianz Global Investors Asia Pacific Limited
32/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong
Tel: +852 2238 8000 Fax: +852 2877 2566
hk.allianzgi.com

No person is authorised to give any information or to make any representations concerning the Trust other than as contained in this Prospectus and (where applicable) in the annual and interim reports of the Trust referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Prospectus shall be solely at the risk of the investor.

The value of, and income from, Units in a Sub-Fund may go up as well as down, and investors may not receive on redemption the amount originally invested in the Sub-Fund. Before investing in a Sub-Fund, investors should consider the risks involved in such investment (see Section VIII, headed "RISK CONSIDERATIONS").

The Trust and the Sub-Funds listed in this Prospectus are authorised by the SFC pursuant to Section 104 of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("**SFO**"). SFC authorisation is not a recommendation or endorsement of the Trust or the Sub-Funds, nor does it guarantee their commercial merits or their performance. Neither does it mean the Trust or any Sub-Fund is suitable for all investors, nor is it an endorsement of its suitability for any particular investor or class of investors. This Prospectus is published in English and Chinese.

Prospective investors should inform themselves as to: (a) the possible tax consequences; (b) the legal requirements; and (c) any foreign exchange restrictions or exchange control regulations or requirements (which they might encounter) under the laws of the countries of their respective citizenship, incorporation, residence or domicile and which might be relevant to the subscription, holding or disposal of Units.

This Prospectus does not constitute (and may not be used for the purpose of) an offer or solicitation by any person in any jurisdiction in which such offer or solicitation is not authorised or lawful or in which the person making the offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The Units of the Sub-Funds or Trust have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "**1933 Act**") or under the securities laws of any state of the United States of America. The Units may not be directly or indirectly offered or sold in the United States of America or otherwise sold or transferred to or for the account, interest or benefit of any U.S. Person, as defined in Regulation S of the 1933 Act. The Units must also not be offered, sold to or transferred to or for the account of or benefit of any U.S. Taxpayer (as defined).

Applicants may be required to declare that they are neither U.S. Persons nor U.S. Taxpayers and that they are neither acquiring Units on behalf of U.S. Persons or U.S. Taxpayers nor acquiring Units with the intent to sell them to U.S. Persons or U.S. Taxpayers. The Trust Deed and this Prospectus list the conditions under which the Trust may compulsorily redeem Units of Restricted Persons, which includes U.S. Persons and U.S. Taxpayers.

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I. DIRECTORY

REGISTERED OFFICES OF THE RELEVANT PARTIES

Manager/Registrar
Allianz Global Investors Asia Pacific Limited, 32/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong

Directors of the Manager
Raymond C.K. CHAN
Wun Wun LUNG
Desmond NG
Khalil SOUBRA
Tze Ling YU

Investment Manager
Voya Investment Management Co. LLC, 230 Park Avenue, New York, NY 10169, United States

Trustee
HSBC Institutional Trust Services (Asia) Limited （滙豐機構信託服務（亞洲）有限公司）, 1 Queen's Road Central, Hong Kong

Independent Auditor
PricewaterhouseCoopers, Certified Public Accountants, 21/F, Edinburgh Tower, 15 Queen's Road Central, Hong Kong

Legal Counsel to the Manager (as to matters of Hong Kong law)
Deacons
5th Floor, Alexandra House
18 Chater Road
Central, Hong Kong

II. GLOSSARY

The defined terms used in this Prospectus have the following meanings:

Accumulation Unit(s) Unit(s) in relation to which the income earned and realised capital gains thereon is generally not paid out to the relevant Unitholders but, instead, remains in the relevant Sub-Fund or in the respective Class of Units and is reflected in the value of the relevant Accumulation Units.

AUD Australian dollar, the lawful currency of Australia.

Base Currency The currency of denomination of each Sub-Fund, as specified in the relevant Appendix relating to such Sub-Fund.

Business Day Unless otherwise specified for a Sub-Fund in the relevant Appendix relating to such Sub-Fund, a day (other than a Saturday, Sunday or a public holiday) on which banks and exchanges in Hong Kong are open for normal banking business provided that where, as a result of a typhoon number 8 signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open for normal banking business on any day is reduced, such day shall not be a Business Day unless the Trustee and the Manager determine otherwise and/or such other day or days as the Trustee and the Manager may determine from time to time in their absolute discretion subject to giving Unitholders at least one month's prior notice and obtaining the SFC's prior approval (where necessary).

CAD Canadian dollar, the lawful currency of Canada.

CHF Swiss Franc, the lawful currency of Switzerland.

Class Any one of the Classes of Units which may be issued in respect of a particular Sub-Fund, as further described under Section 4.1, headed "Classes of Units".

Code The Overarching Principles Section and Section II – Code on Unit Trusts and Mutual Funds of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products or any handbook, guideline and code issued by the SFC, as amended or replaced, from time to time.

Connected Person Has the meaning as set out in the Code which (at the date of this Prospectus) means, in relation to a company:

(a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; or

(b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a) above; or

(c) any member of the group of which that company forms part; or

(d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c) above.

Dealing Day	In relation to a Sub-Fund, means each Business Day and/or such other day or days, as the Manager and the Trustee may determine from time to time for the processing of applications for subscription, redemption or conversion of Units in the Sub-Fund. For the avoidance of doubt, different Dealing Days may be determined in relation to the issue, redemption or conversion of Units of a Sub-Fund and also in relation to different Classes of Units of a Sub-Fund, as more particularly described in the Appendix to this Prospectus which relates to the relevant Sub-Fund.
Dealing Deadline	On or before 5:00 p.m. (Hong Kong time) on a Dealing Day, in order for a request for subscriptions, redemptions or conversions of Units to be effected on the relevant Dealing Day, as further described under Section 4.3, headed "Dealing Day, Dealing Deadline and Dealing Instructions", or such other time or Business Day as the Manager may from time to time determine.
Distribution Unit(s)	Unit(s) which generally distribute net income, or, if applicable, income from disposals, capital or other components.
EU	The European Union.
EUR/Euro	The lawful currency of those member states of the EU from time to time participating in the European economic and monetary union as contemplated by the Treaty of Rome.
GBP	Pound Sterling, the lawful currency of the United Kingdom.
HKD/HK$	The lawful currency of Hong Kong.
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China.
Interest Bearing Securities	Any security which bears interest including, but not limited to, government bonds, mortgage bonds and similar asset-backed securities issued by financial institutions, public-sector bonds, floating-rate notes, convertible bonds and bonds with warrants, corporate bonds, mortgage-backed securities and asset-backed securities, as well as other collateralised bonds.
Investment Manager	In respect of each Sub-Fund, the investment manager appointed by the Manager to act as investment manager of such Sub-Fund, its successors and permitted assignors.
JPY	Japanese Yen, the lawful currency of Japan.
Manager	Allianz Global Investors Asia Pacific Limited.
Net Asset Value/NAV	In respect of a Sub-Fund, the net asset value of a Sub-Fund or, as the context may require, in respect of a Class, the net asset value of a Class or the net asset value of a Unit of a Class calculated pursuant to the provisions of the Trust Deed.
Net Asset Value per Unit/ NAV per Unit	The Net Asset Value per Unit as further described under Section 4.9, headed "NAV per Unit".
NZD	New Zealand dollar, the lawful currency of New Zealand.

PRC The People's Republic of China.

Rating A rating of the relevant investment by Standard and Poor's or any other internationally recognized rating agency at the time of its acquisition and, in the case that no rating is given to the relevant investment, but, in the opinion of the Manager or the Investment Manager (as applicable), if such investment was to be rated, it would likely have carried such rating at the time of its acquisition.

Redemption Price per Unit In respect of each Class of Units of a Sub-Fund, the redemption price per Unit at which Units of such Class shall be redeemed, exclusive of the redemption fee (if any), as specified in the relevant Appendix relating to such Sub-Fund.

Register The register of Unitholders maintained in accordance with the provisions of the Trust Deed.

Registrar Allianz Global Investors Asia Pacific Limited, in its capacity as registrar in respect of a Sub-Fund; its successors and permitted assignors, or such other person as may from time to time be appointed by the Trustee to keep the Register on behalf of the Trustee and as otherwise specified in the relevant Appendix.

Restricted Person Includes a person, firm or corporate body whose ownership of Units is considered by the Manager, in its absolute discretion, to be contrary to the interests of the Trust, the Trustee and/or the Manager, if such ownership is in violation of the law or contrary to any requirements or regulations of any country, regulator or government authority, if, as a result of such ownership, the Trust, any Sub-Fund, the Trustee and/or the Manager might incur any liability to taxation or suffer any other pecuniary disadvantage that it might not otherwise incur or suffer, if such ownership may result in the Trust, any Sub-Fund, the Trustee and/or the Manager becoming subject to additional regulation in any country, or if such ownership is by any person in breach of any applicable anti-money laundering legislation or related requirements. For the avoidance of doubt, a Restricted Person includes a U.S. Person and a U.S. Taxpayer.

RMB/Chinese Renminbi The lawful currency of the PRC. Unless the context otherwise requires, the term "RMB" refers to offshore Chinese Renminbi ("**CNH**") (and not to onshore Chinese Renminbi ("**CNY**")) that is traded offshore in Hong Kong and other markets outside the PRC.

Securities and Futures Ordinance/SFO The Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong), as amended or supplemented from time to time.

SFC The Securities and Futures Commission of Hong Kong.

SGD Singapore dollar, the lawful currency of Singapore.

Sub-Fund Any one of the investment funds into which the Trust Fund is divided pursuant to the Trust Deed, as more particularly described in the relevant Appendix relating to such Sub-Fund.

Subscription Fee The fee which may be imposed by the Manager upon the issue of Units as further described in Section 5.1, headed "Fees and Charges Payable by Investors".

Subscription Price per Unit	In respect of each Class of Units of a Sub-Fund, the subscription price per Unit at which Units of such Class shall be subscribed for, after the Initial Subscription Period, exclusive of the Subscription Fee (if any), as further described in Section 4.4.3, headed "Subscription Price per Unit".
Trust	Allianz Global Investors Asia Fund, an umbrella unit trust constituted in Hong Kong.
Trust Deed	A trust deed dated 10 September 2014 constituting the Trust, entered into between Allianz Global Investors Asia Pacific Limited (successor of RCM Asia Pacific Limited) as Manager and HSBC Institutional Trust Services (Asia) Limited (滙豐機構信託服務(亞洲)有限公司) as Trustee, as amended from time to time.
Trust Fund	All the property for the time being held or deemed to be held on trust by the Trustee on account of the Trust and the Sub-Funds and subject to the terms and provisions of the Trust Deed, except for any amounts which have been declared for distribution.
Trustee	HSBC Institutional Trust Services (Asia) Limited (滙豐機構信託服務(亞洲)有限公司), in its capacity as trustee of the Trust; its successors and permitted assignors, or such other trustee of the Trust.
Unit	A unit in a Class representing a certain number or fraction of undivided shares in the Sub-Fund to which the relevant Class relates which number shall be capable of variation (as between Classes in the same Sub-Fund) in accordance with the Trust Deed.
Unitholder	The person for the time being entered on the Register of Unitholders as the holder of one or more Units (including fractions of Units) including, where the context so admits, persons jointly so registered.
U.S./United States	The United States of America (including its states and the District of Columbia) as well as its territories, possessions and all other areas within its jurisdiction.
U.S. Person	The term "U.S. person" as defined under the U.S. Securities Act of 1933 (as amended or supplemented from time to time).
U.S. Taxpayer	In accordance with the U.S. Internal Revenue Code (as amended or supplemented from time to time), a U.S. citizen or resident individual, a partnership or corporation organized in the U.S. or under the laws of the U.S. or any state of the U.S., a trust if (i) a court within the U.S. would have authority under applicable law to render orders or judgments concerning substantially all issues regarding the administration of the trust, and (ii) one or more U.S. Taxpayers have the authority to control all substantial decisions of the trust, or an estate the income of which is subject to U.S. federal income taxation regardless of source, and may include persons who have lost their U.S. citizenship and who live outside the U.S.
USD/US Dollar/US$	The lawful currency of the United States of America.
Valuation Day	Subject to the Trust Deed and unless otherwise specified for a Sub-Fund in the relevant Appendix relating to such Sub-Fund, each Business Day and/or such other day or days as may from time to time be determined by the Trustee and the Manager to be a valuation day for that Sub-Fund.

Unless otherwise stated herein, other terms used in this Prospectus shall bear the meanings given to them in the Trust Deed. References in this Prospectus to any statute, regulation or guideline or part thereof shall be deemed to be references to that statute, regulation or guideline as from time to time amended, replace or re-enacted. References to the singular shall include the plural and vice-versa, as the context requires.

III. MANAGEMENT OF THE TRUST

3.1. The Manager and the Investment Managers

Manager

The Manager is Allianz Global Investors Asia Pacific Limited, a limited liability company incorporated under the laws of Hong Kong on 14 August 2006. The Manager is licensed by the SFC to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on future contracts) and Type 9 (asset management) regulated activities in Hong Kong.

The Manager is part of the Allianz Group. The Allianz Group has a long history and strong tradition in the financial services industry. Founded in 1890 in Germany, the Allianz Group provides its 85 million clients worldwide with a comprehensive range of insurance and financial services through an international network of subsidiaries in 70 countries. The Allianz Group's four core business areas are property and casualty, life and health, banking and asset management.

Allianz Global Investors ("**AllianzGI**") is a diversified active investment manager with total assets under management over EUR 637 billion as of 31 March 2022. With over 700 investment professionals and an integrated investment platform, AllianzGI provide global investment and research capabilities with consultative local delivery.

The Manager may, from time to time, delegate its managerial and administrative duties in relation to any Sub-Fund to specialist service providers (including but not limited to the Investment Managers), subject to the SFC's prior approval, as required by any applicable Hong Kong laws, rules or regulations. The details of any such service providers will be disclosed in the Appendix relating the relevant Sub-Fund.

Investment Managers

The Manager is responsible for the investment management of the Trust Fund on the terms of the Trust Deed. In that context, the Manager may, from time to time and at its sole discretion, delegate all or part of its investment management functions to one or more Investment Managers of a Sub-Fund. Details of such Investment Manager are set out in the relevant Appendix relating to such Sub-Fund.

Allianz Global Investors entered into a long-term strategic partnership with Voya Investment Management LLC under which Voya Investment Management Co. LLC will act as the Investment Manager of certain Sub-Fund(s) of the Trust. Voya Investment Management Co. LLC is a limited liability company, which is registered as an investment adviser under the U.S. Investment Advisers Act of 1940 and is authorized to provide investment management services, regulated by the United States Securities and Exchange Commission.

3.2. Trustee

The Trustee of the Trust is HSBC Institutional Trust Services (Asia) Limited （滙豐機構信託服務（亞洲）有限公司）.

The Trustee was incorporated with limited liability in Hong Kong in 1974 and is registered as a trust company under Part VIII of the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong) and approved by the Mandatory Provident Funds Scheme Authority as trustee of registered MPF Schemes under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). HSBC Institutional Trust Services (Asia) Limited is an indirectly wholly-owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales.

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Trust Fund and shall take into custody or under its control all monies and other property forming part of the Trust Fund of each Sub-Fund and hold them in trust for the Unitholders of the relevant Sub-Fund, subject to the provisions of the Trust Deed and, to the extent permitted by law, such monies and other property shall be dealt with as the Trustee may think proper for the purpose of providing for the safekeeping thereof, subject to the provisions of the Trust Deed.

The Trustee may from time to time appoint or agree in writing in the case of a local custodian (where required by the applicable laws and regulations of the relevant jurisdiction) to the appointment by the Manager of such person or persons as it thinks fit (including, without limitation, the successor trustee (as defined in the Trust Deed) or any of its Connected Person) to hold, as custodian, nominee or agent, all or any of the investments, assets or other property comprised in the Trust Fund or any of the relevant Sub-Funds and may empower any such person to appoint, with the prior consent in writing of the Trustee, co-custodian and/or sub-custodians (each such custodian, nominee, agent, co-custodian, sub-custodian and delegate a "**Correspondent**") provided that no such Correspondent shall be appointed in respect of a market or markets which the Trustee has determined by notice to the Manager to be emerging markets (which shall not include Hong Kong or the PRC).

All the assets of the Trust Fund are held independently from the property of:

(a) the Manager, the Investment Managers and their respective Connected Persons;

(b) the Trustee and any Correspondents throughout the custody chain; and

(c) other clients of the Trustee or Correspondents throughout the custody chain, unless held in an omnibus account with adequate safeguards in line with international standards and best practices to ensure that the property of the Trust is properly recorded with frequent and appropriate reconciliations being performed.

The Trustee has put in place appropriate measures to verify ownership of the assets of the Trust Fund.

The Trustee is required to:

(a) take reasonable care to ensure that the cash flows of the Trust are properly monitored;

(b) fulfill such other duties and requirements imposed on the Trustee as set out in the Code, and exercise due skill, care and diligence in discharging its obligations and duties appropriate to the nature, scale and complexity of the Trust; and

(c) establish clear and comprehensive escalation mechanisms to deal with potential breaches detected in the course of discharging its obligations and report material breaches to the SFC in a timely manner.

The Trustee is also required to (a) exercise reasonable care, skill and diligence in the selection, appointment and on-going monitoring of any Correspondent that is appointed for the custody and/or safekeeping of the Trust Fund's assets and (b) be satisfied that the Correspondents retained remain suitably qualified and competent on an on-going basis to provide the relevant services. The Trustee shall be liable for the acts and omissions of any Correspondent which is a Connected Person of the Trustee as if the same were the acts or omissions of the Trustee but provided that the Trustee has discharged its obligations set out in (a) and (b) as set out in this paragraph, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent which is not a Connected Person of the Trustee.

The Trustee shall not in any circumstances be responsible or liable for any act, omission, insolvency, liquidation or bankruptcy of Euroclear Bank S.A./N.V., Clearstream Banking S.A. or any other recognised depositary or clearing system in relation to any investment of the Trust deposited with such depositary or clearing system.

Subject as provided in the Trust Deed, the Trustee is entitled to be indemnified from the assets of the Trust from and against any and all actions, proceedings, liabilities, costs, claims, damages, expenses, including all reasonable legal, professional and other similar expenses (other than any liability to Unitholders imposed under Hong Kong law or for breach of trust through fraud or negligence on the part of the Trustee or any of its directors, officers, employees, delegates or agents for which the Trustee would be liable under the Trust Deed), which may be reasonably incurred by or asserted against the Trustee in performing its obligations or duties in connection with the Trust. Subject to applicable law, the requirements under the Code and the provisions of the Trust Deed, the Trustee shall not be liable for any losses, costs or damage to the Trust or any Unitholder.

The Trustee in no way acts as guarantor or offeror of the Units or any underlying investment.

The Trustee will not participate in transactions and activities, or make any payments denominated in U.S. dollars, which, if carried out by a U.S. person, would be subject to sanctions by The Office of Foreign Assets Control (the "**OFAC**") of the US Department of the Treasury. The OFAC administers and enforces economic sanction programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers by using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals. In enforcing economic sanctions, OFAC acts to prevent "prohibited transactions," which are described by OFAC as trade or financial transactions and other dealings in which U.S. persons may not engage unless authorised by OFAC or expressly exempted by statute. OFAC has the authority to grant exemptions to prohibitions on such transactions, either by issuing a general licence for certain categories of transactions, or by specific licences issued on a case-by-case basis. HSBC group of companies has adopted a policy of compliance with the sanctions issued by OFAC. As part of its policy, the Trustee may request for additional information if deemed necessary.

The appointment of the Trustee may be terminated in the circumstances set out in the Trust Deed.

The Trustee is entitled to the fees set out under Section 5.2.1, headed "Trustee Fee" and to be reimbursed for all costs and expenses in accordance with the provisions of the Trust Deed.

The Manager has sole responsibility for making investment decisions in relation to the Trust and the Sub-Funds and the Trustee has no responsibility or authority to make investment decisions, or render investment advice with respect to the Trust or any Sub-Fund. For so long as the Trust or a Sub-Fund is authorized pursuant to section 104 of the SFO, the Trustee shall take reasonable care to ensure that the investment and borrowing limitations set out in Section VII, headed "INVESTMENT POWERS, RESTRICTIONS AND PROHIBITIONS" and the relevant Appendix relating to such Sub-Fund, in the Trust Deed and the conditions under which the Trust or such Sub-Fund has been authorized, are complied with. Except as provided in the Trust Deed or expressly stated in this Prospectus and/or required by the Code, neither the Trustee nor any of its employees, service providers or agents are or will be involved in the business affairs, organisation, sponsorship or investment management of the Trust, and they are not responsible for the preparation or issue of this Prospectus.

3.3. Registrar

Allianz Global Investors Asia Pacific Limited has been appointed by the Trustee to act as the registrar of the Trust in Hong Kong, and, in particular, to maintain the Register of Unitholders.

IV. INVESTMENT IN THE SUB-FUNDS

Prospective investors should also refer to the Appendices relating to specific Sub-Funds for further details regarding investment into the relevant Sub-Funds.

4.1. Classes of Units

Each Sub-Fund may issue one or more Classes of Units.

Classes A, P and I are Distribution Units which will have an annual distribution frequency unless otherwise indicated by the relevant distribution frequency indicators shown in the table below:

Indicator	Distribution Frequency
"M"	Monthly distribution
"Q"	Quarterly distribution
"S"	Semi-annual distribution
"T"	None. This indicates Accumulation Units.

Class I Units may only be subscribed for by institutional investors. Class P Units may only be subscribed for by institutional investors and high net worth individuals.

Classes of Units with a reference currency (the "**Reference Currency**") different from the Base Currency of the Sub-Fund may be issued. The Reference Currency of a Class of Units is indicated in the name of the Class (e.g. Class A (USD) indicates Class A Units with USD as the Reference Currency). The Manager may enter into currency hedging transactions in relation to one or more Classes of Units and all profits, losses and expenses associated with such transactions (including any hedging fees) will be allocated solely to the relevant Class of Units. The Manager may seek to hedge to a large extent (i) currency exposure of the underlying investments of the relevant Sub-Fund against the Reference Currency in respect of certain Classes of Units (in which case a "H" will be placed in front of the Reference Currency (e.g. for Class A Units of a Sub-Fund with Reference Currency RMB: Class A (H-RMB)); or (ii) the Base Currency against the Reference Currency in respect of certain Classes of Units (in which case a "H2" will be placed in front of the Reference Currency (e.g. for Class A Units of a Sub-Fund with Base Currency USD that hedges against the Reference Currency RMB: Class A (H2-RMB)).

The latest available Unit prices are normally calculated and published daily on hk.allianzgi.com. The contents of this website have not been reviewed by the SFC. Investors are advised that such price publication is for information purposes only. Neither the Trustee nor the Manager accepts any responsibility for any error in publication.

4.2. Subscription, Redemption, Conversion and Transfer of Units

4.2.1. Minimum Initial Subscription, Minimum Subsequent Subscription and Minimum Holding Amounts

Details of the minimum initial subscription, minimum subsequent subscription and minimum holding amounts applicable to each Class of Units in each Sub-Fund are set out in the following table:

Class of Units	Minimum Initial Subscription	Minimum Subsequent Subscription	Minimum Holding Amount
Class A Units	HKD50,000*	HKD10,000*	HKD30,000*
Class P Units	HKD5,000,000*	HKD5,000,000*	HKD5,000,000*
Class I Units	HKD20,000,000*	HKD5,000,000*	HKD10,000,000*

* Or an equivalent amount in any other available currency that is accepted by the Manager.

The Manager may refuse to accept redemption, conversion or transfer requests if such requests will result in a holding in the relevant Class of Units which has a value which is less than, or if to do so would result in a holding of less than, the relevant minimum holding amount set out in the table above. Redemption requests having the effect of reducing the value of a Unitholder's holding of Units below the minimum holding amounts may be treated by the Manager as a request to redeem the Unitholder's entire holding of Units of the relevant Class. The Manager may, in its absolute discretion, waive or vary the minimum amounts as stated above in the table, for any particular case or distributor or generally.

4.3. Dealing Day, Dealing Deadline and Dealing Instructions

Dealing in the Units of a Sub-Fund can normally be effected on a daily basis on any Dealing Day of the Sub-Fund.

Unless determined otherwise by the Manager, in order for requests for subscriptions, redemptions or conversions to be effected on a Dealing Day, such requests must be received by the Manager before the relevant Dealing Deadline. **Any dealing instructions received after the Dealing Deadline will be effected on the next relevant Dealing Day.**

4.3.1. Dealing Instructions

For initial applications for the subscription of Units, the investment account opening and application form (the "**Application Form**") (which may be obtained from the Manager) should be completed, executed and submitted to the Manager, in person. Subsequent applications for subscription of Units may be made by using the subscription form (the "**Subscription Form**") (which may be obtained from the Manager) and may be submitted in person or by facsimile or by post.

Each Unitholder may, at any time, submit a completed redemption form ("**Redemption Form**") or a conversion form or a transfer form (as applicable; each of which may be obtained from the Manager) to the Manager to redeem, convert or transfer any or all of the Units held by such Unitholder in any Class of Units in any of the Sub-Funds, subject to (i) any minimum amounts set out in Section 4.2.1 above, headed "Minimum Initial Subscription, Minimum Subsequent Subscription and Minimum Holding Amounts"; and (ii) (save for the transfer of Units) the suspension of calculation of the NAV per Unit, further details of which are described in Section 4.9.2 below, headed "Temporary Suspension of Calculation of NAV and Unit Issue, Redemption and Conversion". Applications for conversions will also be subject to any additional requirements connected with the issue of new Units, including any minimum initial subscription amount of the converted Class of the relevant Sub-Fund.

Neither the Trustee nor the Manager shall be responsible for any loss arising from the non-receipt or illegibility of any applications or forms sent by facsimile or for any loss caused in respect of any action taken as a consequence of such facsimile instructions believed in good faith to have originated from properly authorized persons.

Dealing instructions are irrevocable except in the case of the suspension of the calculation of the NAV of the respective Units during such suspension. Additionally, redemption and conversion applications are irrevocable in the case of deferral of redemption requests as provided for in Section 4.8 below, headed "Deferral of Redemption and Conversion Requests". If no notice withdrawing any such application has been received by the Manager before termination of such suspension, the Manager may proceed to deal with such application by reference to the NAV of the relevant Class on the first Valuation Day following the termination of such suspension. For conversion applications, if the calculation of the NAV per Unit of Units to be subscribed for is suspended after the Units to be converted have already been redeemed, only the subscription part of the conversion application may be revoked during such suspension.

The procedures for subscription, redemption and conversion may vary depending upon the distributor(s) through whom an investor chooses to deal in Units. Investors should consult their relevant distributors before placing orders in any Sub-Fund.

4.4. Subscriptions of Units

4.4.1. Initial Subscriptions

Units will be available for subscription for an initial period (the "**Initial Subscription Period**"), to be determined by the Manager, after consultation with the Trustee. During the Initial Subscription Period, Units will be offered at a fixed subscription price per Unit (the "**Initial Subscription Price per Unit**") (exclusive of any Subscription Fee).

Subscriptions of Units are subject to the minimum aggregated amount of subscriptions (as determined by the Manager in its absolute discretion) being received prior to the last day of the Initial Subscription Period. If this condition is not satisfied, or if the Manager is of the opinion that it is not in the interests of investors or commercially viable to proceed with the launch of the relevant Sub-Fund, the Manager may exercise its discretion not to accept any subscription applications received during the Initial Subscription Period, whereupon all application monies received by the Trustee will be returned (without interest and subject to deduction of bank and/or other related charges) to the applicants after the expiry of the Initial Subscription Period.

Subject to acceptance of subscription applications by the Manager, Units in a Sub-Fund will be issued on the last day of the Initial Subscription Period.

4.4.2. Issue of Units

Units of each Sub-Fund may be issued on each Dealing Day (except during the Initial Subscription Period, which Units will be issued on the last day of the Initial Subscription Period). In the event that payment in cleared funds (in accordance with Section 4.4.4 below, headed "Method of Payment") is not received, the Manager may, after consultation with the Trustee, accept the application for subscription of Units, and instruct the Trustee to issue provisional Units pending receipt of payment of subscription monies. No Units of any Class of Units in any Sub-Fund will be issued when the calculation of the NAV per Unit in such Sub-Fund has been suspended. The subscription monies of the newly issued Units shall form part of the assets of the relevant Sub-Fund and become subject to the provisions of the Trust Deed only upon receipt of cleared funds of the same by the Trustee.

Fractions of Units will be issued, rounded to the nearest 3 decimal places.

No certificates for Units will be issued. Confirmation/contract notes will be issued to the Unitholders confirming their investment.

Either the Trustee or the Manager may, each in its absolute discretion, reject any applications for subscription, in whole or in part, for any or no reason, without being liable to the investors for any direct or indirect loss or consequence and shall not be obliged to disclose any such reason to the applicant. In such circumstances, any subscription monies paid, or the balance thereof, will normally be returned to the applicant without interest, less any administrative fee.

4.4.3. Subscription Price per Unit

During the Initial Subscription Period, Units of each Class of Units of a Sub-Fund will be offered at the Initial Subscription Price per Unit (exclusive of any Subscription Fee) applicable to that Class.

After the Initial Subscription Period, Units of each Class of Units of a Sub-Fund will be offered at the prevailing Subscription Price per Unit (exclusive of any Subscription Fee). The Subscription Price per Unit on any Dealing Day will be an amount equal to the NAV per Unit of the relevant Class on such Valuation Day, such amount to be rounded to the nearest 2 decimal places or such decimal places as determined by the Manager, and any rounding benefits shall be retained for the account of the relevant Sub-Fund.

4.4.4. Method of Payment

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 (dealing in securities) regulated activity under Part V of the SFO or who does not fall within the statutory exemption from the requirement to be licensed or registered to carry on Type 1 regulated activity under Part V of the SFO.

Payment of subscription monies may be made by telegraphic transfer net of all bank charges to the bank account (shown on the Application Form/Subscription Form) no later than three Business Days following the relevant Dealing Day, in the currency of subscription of the respective Class of Units. Units may be subscribed in AUD, CAD, CHF, EUR, GBP, HKD, JPY, NZD, RMB, SGD or USD. Prospective investors will be responsible for all bank charges which may be payable, and bank charges may be deducted by the remitting bank.

Any payment of subscription monies made by investors in a currency different to the Reference Currency of the relevant Class of Units will be converted into the Reference Currency (at a rate determined by the Manager) before being applied to subscribe for the Units. Prospective investors who choose to make payment in a currency of subscription other than the Reference Currency will be responsible for the cost of currency conversion and other related expenses.

During the Initial Subscription Period, payment of subscription monies in cleared funds (net of any bank charges) for Units subscribed for will fall due, unless the Manager otherwise determines, no later than the end of the Initial Subscription Period. After the Initial Subscription Period, payment of subscription monies in cleared funds (net of any bank charges) will fall due, unless the Manager otherwise determines after consultation with the Trustee, no later than three Business Days from the Dealing Day on which the completed Application Form/Subscription Form was received by the Manager.

If subscription monies are overdue (including where provisional Units have been issued), interest may be levied on the amount due from the investor on a daily basis until payment in full is received. The Manager reserves the right (and shall do so if the Trustee so requires) to cancel any provisional allotment of Units, in which case, the Manager shall be entitled to claim from the investor the aggregate amount due from the investor in respect of the subscription (comprising the Subscription Price per Unit, the Subscription Fee or all interest payable thereon) which exceeds the aggregate Redemption Price per Unit (less any Redemption Fee) of the relevant Units.

If a provisional allotment of Units is cancelled due to the late payment of subscription monies, the Manager may also, at its discretion, charge the investor and retain for its own account a cancellation fee of not more than HKD500 (or its equivalent) as may be determined by the Manager, in its discretion, from time to time. Cash payments and any third party payments (whether by cheque or telegraphic or bank transfer) will not be accepted. All such costs/charges may, at the discretion of the Manager, be deducted against any existing holding (if any) of an investor in the Trust and the Manager may, at its discretion, withhold any money returnable to the investor without payment of interest pending receipt of the overdue subscription monies.

4.4.5. Anti-Money Laundering

The Manager, the Trustee and/or the transfer agent (if any) may reasonably require any investor who wishes to subscribe for Units to provide all necessary information to verify the identity of such investor and the source of funds, in accordance with applicable Hong Kong legislation and regulations on the prevention of money laundering and terrorist financing. The failure or delay by an investor in providing such information may result in the Manager, the Trustee or the transfer agent (if any) rejecting the subscription application and refusing to pay any redemption proceeds until such time as the required information is received.

4.4.6. Excessive Trading and Market Timing

Investors may not subscribe for Units for the purposes of market timing or similar practices. The Manager expressly reserves the right to take necessary measures to protect other investors from market timing or similar malpractices.

4.5. Redemption of Units

4.5.1. Payment of Redemption Proceeds

Each Unit will be redeemed at the Redemption Price per Unit (exclusive of any Redemption Fee). The Redemption Price per Unit on any Dealing Day will be an amount equal to the NAV per Unit of the relevant Class on such Valuation Day, such amount to be rounded to the nearest 2 decimal places or such decimal places as determined by the Manager, and any rounding benefits shall be retained for the account of the relevant Sub-Fund.

Subject to any suspension of the calculation of the NAV per Unit or any suspension of redemptions, redemption proceeds will normally be remitted by telegraphic transfer within six Business Days after the later of the relevant Dealing Day on which the Redemption Form is effected or the receipt of the duly completed Redemption Form (and all relevant supporting documentation) by the Manager. If such day is not a Business Day, the Manager may arrange for redemption proceeds to be remitted to the investor on the next Business Day. In any event, pursuant to the Code, the maximum period between the receipt of a valid redemption request and the payment of redemption proceeds must not exceed one calendar month unless otherwise permitted under the Code.

Unitholders should specify settlement instructions when making their request for redemption. The redemption proceeds will generally be paid in the Reference Currency of the relevant Class of Units. Unitholders may request to receive payment in currencies other than the Reference Currency and such Unitholders will be responsible for any currency conversion costs and other related administrative expenses, including bank charges.

No person, for the time being entitled to Units or the receipt of any redemption proceeds, shall be entitled to claim such proceeds or any part of such proceeds more than three years after such proceeds or any part of such proceeds has fallen due if the reason for the non-payment of such proceeds or part thereof within the period of three years was:–

a) the failure of that person to claim the proceeds or any part of proceeds; or

b) the lack of knowledge by the Registrar and/or the Manager of the existence or whereabouts of that person or that such person had or claimed to have a right thereto,

provided that the Manager shall have taken reasonable steps to ascertain the existence or whereabouts of such person but the Trustee, on the instructions of the Manager, may pay such proceeds or part of proceeds to the Unitholder's personal representative, if known. After the expiry of such three-year period, the Manager may instruct the Trustee to credit such proceeds or any part of proceeds to the account of the relevant Sub-Fund to which such redeemed Units relates or (where such Sub-Fund may have been terminated or merged) the Trust, to form part of the Trust Fund.

4.5.2. Compulsory Redemption of Units

If any Units are owned directly or beneficially by any Restricted Person in contravention of the restrictions of Trust Deed, the Manager may, at its absolute discretion, give notice to such person requiring him to transfer such Units to a person who would not be in contravention of any such restrictions (the "**Instruction to Sell**") or may give a written request for the compulsory redemption of such Units in accordance with the provisions of the Trust Deed (the "**Notice to Compulsorily Redeem**"). If any person upon whom such Instruction to Sell is served does not, within thirty days after receiving such Instruction to Sell, transfer such Units as or establish to the satisfaction of the Manager (whose judgment will be final and binding) that such Units are not held in contravention of any such restrictions, he will be deemed upon the expiration of thirty days to have given a request in writing for the redemption of all such Units pursuant to the provisions of the Trust Deed and his name will be removed from the Register of Unitholders.

A person who becomes aware that he is holding or owning Units in contravention of any such restrictions, must immediately (unless he has already received a Notice to Compulsorily Redeem) either transfer all such Units to a person who would not be in contravention of any such restrictions or give a request in writing for the redemption of all such Units pursuant to the provisions of the Trust Deed.

4.6. Conversion of Units

Currently, Classes of Units of a Sub-Fund may be converted (in whole or in part) into (i) Units of another Class of Units of the same Sub-Fund; or (ii) Units of the same or a different Class of Units of another Sub-Fund. A conversion shall be treated as a redemption of Units followed by the subscription of new Units, in accordance with the subscription and redemption procedures set out in this Prospectus. Conversions shall be subject to a conversion fee (as described in Section V, headed "FEES AND CHARGES").

4.7. Transfer of Units

Subject to the approval of the Manager, each Unitholder is entitled to transfer any part of the holding of Units registered in his name by an instrument in writing (which need not be a deed) signed by the transferor and the transferee and the transferor's signature must be verified by a person acceptable to the Manager. Transfers will not be accepted if, as a result, the Units are held by a Restricted Person or the holdings are less than the minimum holding amounts set out in Section 4.2.1 above, headed "Minimum Initial Subscription, Minimum Subsequent Subscription and Minimum Holding Amounts".

4.8. Deferral of Redemption and Conversion Requests

Redemption and conversion requests on any Dealing Day which exceed 10% of the total number of Units in issue of a particular Sub-Fund on that Dealing Day, may be deferred (on a pro-rata basis in respect of all Unitholders who have submitted valid redemptions requests) to the next succeeding Dealing Day, provided that redemption and conversion requests which have been deferred from an earlier Dealing Day shall (subject always to the foregoing limits) be dealt with in priority to later requests.

4.9. NAV per Unit

4.9.1. Calculation of NAV Per Unit

The NAV of each Sub-Fund will be calculated as at the close of business in the last market to close of all relevant markets in which the relevant Sub-Fund is invested (or at such other times as the Manager and the Trustee may from time to time select) on each Valuation Day ("**Valuation Time**") by valuing the assets of the relevant Sub-Fund, and deducting the liabilities of the relevant Sub-Fund, in accordance with the terms of the Trust Deed.

The NAV of each class of Units of each Sub-Fund will be calculated by (i) calculating the NAV of each Class (prior to accrual of the fees referred to in (ii) below) by apportioning the NAV of the Sub-Fund among its Classes according to the NAV of the relevant Class in proportion to the NAV of the Sub-Fund immediately preceding the Valuation Time; and (ii) deducting therefrom the fees, costs, expenses or liabilities attributable to the relevant Class. The NAV per Unit of each Class will be calculated by taking the actual NAV of the relevant Class derived as described above and dividing that figure by the number of Units in issue in such relevant Class.

The Manager in consultation with the Trustee may adjust the value of any asset of the Trust if, having regard to currency, applicable rate of interest, maturity, marketability or any other considerations it considers relevant, it determines that such adjustment is required to reflect more fairly the value thereof.

4.9.2. Temporary Suspension of Calculation of NAV and Unit Issue, Redemption and Conversion

The Manager may, in consultation with the Trustee and having regard to the best interests of the Unitholders, suspend the calculation of the NAV of each Sub-Fund as well as the issue, redemption and the conversion of Units in each individual Sub-Fund thereof in any of the following circumstances:

a) there exists any state of affairs prohibiting the normal disposal of the relevant Sub-Fund's investments; or

b) there is a closure (with the exception of regular bank or exchange holidays) of, or the suspension or restriction of trading on, any market on which a substantial part of the relevant Sub-Fund's investments is normally traded; or

c) there is a breakdown in any of the means normally employed by the Manager or the Trustee (as the case may be) in ascertaining the value of any security or other asset in the Trust or the NAV of the relevant Sub-Fund or the NAV per Unit, or when or any other reason the value of any security or other asset in the Trust or the NAV of the relevant Sub-Fund or the NAV per Unit, in the opinion of the Manager or the Trustee (as the case may be), cannot be ascertained promptly or accurately; or

d) for any other reason the prices of investments in the relevant Sub-Fund or which the Manager has agreed to acquire for the account of the relevant Sub-Fund cannot, in the opinion of the Manager, be ascertained promptly and accurately; or

e) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realize normally or without prejudicing the interests of the relevant Unitholders a substantial part of the investments comprised in the relevant Sub-Fund or which the Manager has agreed to acquire for the account of the relevant Sub-Fund; or

f) the remittance of funds which will or may be involved in the realization of, or in the payment for, a substantial part of the investments of the relevant Sub-Fund or the subscription or redemption of Units in that Sub-Fund cannot, in the opinion of the Manager or the Trustee (as the case may be), be carried out promptly at normal rates of exchange; or

g) from the time of the announcement of a call by investors for Meeting of Unitholders for the purpose of considering a termination of the Trust, a Sub-Fund or a Class of Units, or for the purpose of carrying out a merger/amalgamation of the Trust, a Sub-Fund or a Class of Units, or for the purpose of informing investors of the decision by the Manager to terminate any Sub-Fund or Class of Units or for the purpose of merging any Sub-Fund or Class of Units; or

h) the business operations of the Manager or the Trustee or any of their delegates in relation to the operations of the Trust are substantially interrupted or closed as a result of, or arising from, any event due to any cause beyond the control of the relevant party including, but not limited to, restrictions on convertibility or transferability, requisitions, involuntary transfers, unavailability of any system, third party electronic transmission or other electronic systems disruption or failure, sabotage, storm, tempest, typhoon, earthquake, accident, fire, flood, explosion, toxicity, radioactivity, acts of God, act of any government or other competent authority, hostilities (whether war be declared or not), act of terrorism, riot, civil commotion, strikes or industrial action of any kind, insurrection, rebellion or other cause, whether similar or not, which is beyond the control of the relevant party.

No Units in the relevant Sub-Fund may be issued, converted or redeemed during a period of suspension. In the case of a suspension of calculation of the NAV per Unit and, therefore, dealings in Units, any subscription, redemption or conversion requests which have been received will be dealt with on the first Dealing Day following the end of such suspension period.

Any such suspension shall be publicised, if appropriate, by the Manager and may be notified to Unitholders who have made an application for the subscription, redemption or conversion of Units in respect of which the calculation of the NAV per Unit has been suspended. The Manager must regularly review any prolonged suspension of dealings and take all necessary steps to resume normal operations as soon as practicable.

V. FEES AND CHARGES

The following sections, read together with the relevant Appendix relating to each Sub-Fund, summarise the fees and charges applicable to the Sub-Funds and the respective Classes of Units:

5.1. Fees and Charges Payable by Investors

In respect of each Class, the Manager may levy a Subscription Fee or a conversion fee of up to 5% of the Subscription Price per Unit. No redemption fee is currently levied.

5.2. Fees Payable Out of Assets of the Sub-Funds

5.2.1. Trustee Fee

The Trustee, in its capacity as the trustee of the Trust and each Sub-Fund, is entitled to receive out of the assets of each Sub-Fund, a trustee fee (the "**Trustee Fee**") which will accrue daily and is payable monthly in arrears. The Trustee Fee is calculated as at the relevant Valuation Day as follows:

– 0.07% p.a. on the first USD50 million of the NAV of the Sub-Fund
– 0.05% p.a. on the next USD50 million of the NAV of the Sub-Fund
– 0.04% p.a. on the next USD200 million of the NAV of the Sub-Fund
– 0.035% p.a. on the remaining balance of the NAV of the Sub-Fund

The Trustee is also entitled to receive various transaction, processing, safekeeping, valuation fees and other applicable fees as agreed with the Manager from time to time and to be reimbursed by the relevant Sub-Fund for all out-of-pocket expenses (including sub-custody fees and expenses) properly incurred by it in the performance of its duties.

5.2.2. Management Fee

The Manager, in its capacity as Manager, is entitled to receive out of the assets of each Sub-Fund, a management fee (the "**Management Fee**") which will accrue daily and is payable monthly in arrears. The Management Fee is calculated based on the daily NAV of the relevant Class of Units of the relevant Sub-Fund. Details of the Management Fee payable are set out in the Appendix relating to each Sub-Fund. The fees of the Investment Managers are paid out of the Management Fee.

The Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company.

5.2.3. Registrar Fee

The Registrar, in its capacity as Registrar, is entitled to receive out of the assets of each Sub-Fund, such fees as may be agreed between the Registrar and the Trustee from time to time. An annual fee of up to HKD20,000 per Sub-Fund may be levied by the Registrar. In addition, transaction charges, as may from time to time be agreed between the Registrar and the Trustee, may be imposed. As at the date of this Prospectus, these transaction charges (which are payable out of the assets of the relevant Sub-Fund) include HKD60 per Unitholder for creating records; HKD25 per Unitholder per year for maintaining records; HKD40 per subsequent subscription by an existing Unitholder; and HKD40 per redemption.

5.2.4. Fee Increases

The current fees payable may be increased up to the maximum level stated in this Prospectus and the Trust Deed by giving Unitholders at least one month's prior notice. Any increase of fees above such specified maximum levels will require the approval of the affected Unitholders at a meeting of Unitholders and of the SFC.

5.2.5. General

The Trust shall pay, out of the assets of the relevant Sub-Fund, all expenses payable by such Sub-Fund. Where such expenses are not directly attributable to a Sub-Fund or a Class, such expenses will be allocated amongst all the Sub-Funds in proportion to the respective NAV of each Sub-Fund. Expenses include, but are not limited to, the costs of investing and realising investments of the Sub-Fund(s), the fees and expenses of any sub-custodians of the assets of the Sub-Fund(s), the fees and expenses of auditors, the costs and expenses of any other service provider of the Trust, the costs of obtaining insurance, valuation costs, legal charges and fees, the costs incurred in connection with any listing or regulatory approval, the costs of holding meetings of Unitholders and the costs incurred in the preparation and printing of any prospectus, audited report and interim unaudited report.

The establishment and registration costs of the Trust and the Sub-Funds (including the costs in connection with the preparation and execution of the Trust Deed, the preparation of this Prospectus together with the Appendices and all dealing forms and all initial legal and printing costs) are estimated to be approximately HKD1.4 million and will be payable out of the assets of the Trust and the Sub-Funds. Such expenses will be amortised over the first five Accounting Periods of the Trust (or such other period as may be determined by the Manager after consultation with the auditors (if necessary) and the Trustee).

For so long as the Trust and any Sub-Fund are authorised by the SFC pursuant to Section 104 of the SFO, expenses arising out of any advertising or promotional activities in connection with such Sub-Fund will not be paid out of the assets attributable to that Sub-Fund. SFC authorisation is not a recommendation or endorsement of the Trust or the Sub-Funds, nor does it guarantee their commercial merits or their performance. Neither does it mean the Trust or any Sub-Fund is suitable for all investors, nor is it an endorsement of its suitability for any particular investor or class of investors.

VI. CONFLICTS OF INTEREST

6.1. Transactions with Connected Persons

In the event that arrangements for borrowing or making deposits by any Sub-Fund are made with the Manager, the Investment Manager, the Trustee, or any of their respective Connected Persons (being an institution licensed to accept deposits), such person will be entitled to retain for its own use and benefit any profits which may be derived from such an arrangement. However, the terms for such transactions must be negotiated at arm's length. In addition:

– such deposits shall be maintained in a manner that is in the best interests of the Unitholders, having regard to prevailing commercial rate for a deposit of similar type, size and term negotiated at arm's length in accordance with ordinary and normal course of business; and

– the interest charges on borrowing arrangements with such persons and the fees for arranging or terminating such loans shall not be at a higher rate than is in accordance with normal banking practice, the commercial rate for a loan of that size and nature.

The Manager, the Investment Manager, the Trustee and their respective Connected Persons may deal in Units of any Sub-Fund and in any securities, commodities or other investments of any Sub-Fund upon their respective individual accounts and shall not be liable to account either to each other or to the Unitholders for any profits or benefits made or derived from such transactions.

Any transactions carried out by or on behalf of a Sub-Fund must be on an arm's length basis, executed on the best available terms, and in the best interests of the Unitholders. Any such arrangement or dealings between a Sub-Fund and the Manager, the Investment Manager or any of their respective Connected Persons as principal is subject to the prior written consent of the Trustee. All such transactions must be disclosed in the Trust's annual report.

The Manager may from time to time on behalf of a Sub-Fund enter into underwriting or sub-underwriting contracts in relation to the subscription or purchase of investments upon such terms in all respects as it shall think fit, with the prior consent of the Trustee and subject always to the provisions of the Trust Deed and provided that no such contract for the account of a Sub-Fund shall relate to an investment which if acquired would constitute a holding for the account of such Sub-Fund in excess of the permitted limits. All commissions and fees payable to the Manager for such contracts, and all investments acquired pursuant to such contracts, will form part of the Sub-Fund's assets.

Any transactions with a Connected Person will be conducted in compliance with the requirements under the Code.

6.2. Soft Commissions

None of the Manager, the Investment Manager or any of their respective Connected Persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions in the Trust Fund to the broker or dealer save that the Manager, the Investment Manager and/or their respective Connected Persons may receive investment research and information and related services provided that:

– the Manager, the Investment Manager and/or their respective Connected Persons (as the case may be), act at all times in the best interests of the Trust and the Unitholders;

– the goods and services relate directly to the activities of the Manager, the Investment Manager and/or their respective Connected Persons (as the case may be) and such activities are of demonstrable benefit to the Unitholders;

– transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates;

– the availability of soft commissions is not the sole or primary purpose to perform or arrange transaction with such broker or dealer; and

– such brokers/dealers are corporate entities and not individuals.

Goods and services described above may include, but not limited to: research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications. Such soft commissions do not include costs relating to travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payment, which are to be paid by the Manager, the Investment Manager and/or their respective Connected Persons, as the case may be.

Periodic disclosure in the form of a statement describing such soft dollar practices (including a description of the soft dollar policies and practices of the Manager or the Investment Managers and/or their respective Connected Persons, including a description of the goods and services received by them) will be made in the Trust's annual report.

Notwithstanding the above, in transacting with brokers or dealers connected to the Manager, the Investment Manager, the Trustee or any of their Connected Persons, the Manager must ensure that it complies with the following obligations:

– such transactions should be on arm's length terms;

– it must use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;

– transaction execution must be consistent with applicable best execution standards;

– the fee or commission paid to any such broker or dealer in respect of a transaction must not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;

– the Manager must monitor such transactions to ensure compliance with its obligations; and

– the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the Trust's annual report.

6.3. Commission Sharing Arrangements

To facilitate and/or administer such soft commissions referred to above, the Manager, the Investment Manager and/or their respective Connected Persons, as the case may be, may enter into commission sharing arrangements with brokers/dealers in respect of the brokerage commissions paid on portfolio transactions for the Trust and make use of the soft commissions to pay for research and/or research related services provided that the Manager, the Investment Manager and/or their respective Connected Persons, as the case may be, are satisfied that such transactions are made in good faith, in strict compliance with applicable regulatory requirements and are in the best interests of the Trust and the Unitholders and that such arrangements are commensurate with best market practice.

VII. INVESTMENT POWERS, RESTRICTIONS AND PROHIBITIONS

The Trust and each of the Sub-Funds are subject to the investment limitations and prohibitions set out in the Code. If any of these investment limitations or prohibitions are breached, the Manager will make it a priority objective to take all necessary steps within a reasonable period of time to remedy such breach, taking due account of the interests of the Unitholders.

It is not the Manager's current intention to engage in securities lending, repurchase transactions (including reverse repurchase agreements) or similar over-the-counter transactions for the account of any of the Sub-Funds.

Unless otherwise specified in the Appendix relating to such Sub-Fund, a Sub-Fund may, in aggregate, directly or indirectly invest up to 10% of its total NAV in China A shares and B shares.

A Sub-Fund may invest up to 10% if its total NAV in securities issued by or guaranteed by any single sovereign issuer (including its government, a public or local authority of that country) with a credit rating below investment grade or with no credit ratings being assigned, unless otherwise specified in the Appendix relating to such Sub-Fund.

All Sub-Funds refrain from directly investing in securities of issuers which, in the opinion of the Manager, engage in undesirable business activities. Undesirable business activities comprise particularly of the following:

– Certain controversial weapons: The type of controversial weapons which are in the scope of the exclusion policy may be updated from time to time and can be consulted on the website https://regulatory.allianzgi.com/ESG/Exclusion_Policy. The contents of the website have not been reviewed by the SFC which may contain information of funds not authorised by the SFC.

– Coal: Issuers engaged in business activities related to coal will only be in scope of the exclusion policy if they meet certain quantitative criteria. Such criteria may be updated from time to time and can be consulted on the website https://regulatory.allianzgi.com/ESG/Exclusion_Policy. The contents of the website have not been reviewed by the SFC which may contain information of funds not authorised by the SFC.

The exclusion policy applies to corporate issuers only. The Sub-Funds might invest in securities baskets such as indices which can contain securities falling under aforementioned exclusion criteria. To undertake this exclusion, various external data and research providers are used. Debt securities of issuers which are in scope of the exclusion policy may be kept until the earlier of either maturity of the respective instrument or 30 June 2022 provided such instrument has been acquired on behalf of the respective Sub-Fund prior the enforcement of the exclusion policy.

Full details of the investment restrictions and prohibitions are set out in the Trust Deed. The following is a summary of the investment restrictions and prohibitions applicable to each Sub-Fund individually (unless otherwise specified):

1. The aggregate value of a Sub-Fund's investments in, or exposure to, any single entity through the following may not exceed 10% of its total NAV:

   (a) investments in securities issued by that entity;

   (b) exposure to that entity through underlying assets of financial derivative instruments; and

   (c) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.

2. Subject to paragraph 1 above and paragraph 20(c) below, the aggregate value of a Sub-Fund's investments in, or exposure to, entities within the same group (within the meaning of the Code) through the following may not exceed 20% of its total NAV:

   (a) investments in securities issued by those entities;

   (b) exposure to those entities through underlying assets of financial derivative instruments; and

   (c) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.

3. Subject to the available exceptions in the Code, no more than 20% of the total NAV of a Sub-Fund may be made as cash deposits (within the meaning of the Code) with the same entity or entities within the same group.

4. A Sub-Fund (together with all other Sub-Fund's holdings of such security) may not hold more than 10% of any ordinary shares issued by any single entity.

5. No more than 15% of the total NAV of a Sub-Fund may be invested in securities and other financial products or instruments that are neither listed, quoted nor dealt in on a market (a market means any stock exchange, over-the-counter market or other organised securities market that is open to the international public and on which such securities are regularly traded).

6. Notwithstanding paragraphs 1, 2 and 4 above, no more than 30% of the total NAV of a Sub-Fund may be invested in government and other public securities of the same issue. Subject to the foregoing, a Sub-Fund may invest all of its assets in government and other public securities in at least six different issues. For the avoidance of doubt, government and other public securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise.

7. A Sub-Fund may not invest in physical commodities unless otherwise approved by the SFC on a case-by-case basis taking into account the liquidity of the physical commodities concerned and availability of sufficient and appropriate additional safeguards where necessary.

8. In respect of investment in other collective investment schemes ("**underlying schemes**"):

   (a) no more than 10% of the total NAV of a Sub-Fund may, in aggregate, be invested in units or shares in the underlying schemes which are non-eligible schemes and not authorised by the SFC;

   (b) no more than 30% of the total NAV of a Sub-Fund may be invested in units or shares in one or more underlying schemes, which are either authorised by the SFC or eligible schemes (as defined in the Code), unless the underlying scheme is authorised by the SFC, and the name and key investment information of the underlying scheme are disclosed in this Prospectus;

   (c) each underlying scheme's objective may not be to invest primarily in any investment prohibited by the Code, and where such underlying scheme's objective is to invest primarily in investments restricted by the Code, such investments may not be in contravention of the relevant limitation;

   (d) where any underlying scheme(s) is managed by the Manager or its Connected Persons, all initial charges and redemption charges on the underlying scheme(s) must be waived;

   (e) the Manager or any person acting on behalf of the Trust or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme; and

   (f) 90% or more of a Sub-Fund's total NAV may be invested in a single collective investment scheme and will be authorised as a feeder fund, if:

      (i) the underlying scheme ("**master fund**") is authorised by the SFC;

      (ii) this Prospectus states that:

         – the Sub-Fund is a feeder fund into the master fund;

         – for the purpose of complying with the investment restrictions, the feeder fund and its master fund is deemed a single entity;

– the feeder fund's annual report includes the investment portfolio of the master fund as at the financial year end date; and

– the aggregate amount of all the fees and charges of the feeder fund and its master fund is clearly disclosed;

(iii) there is no increase in the overall total of initial charges, redemption charges, the Manager's annual fee, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Unitholders or by the feeder fund, if the master fund in which the feeder fund invests in is managed by the Manager or by any of its Connected Persons; and

(iv) the master fund may invest in other collective investment schemes subject to the investment restrictions as set out in (a), (b) and (c) above.

9. No Sub-Fund may invest in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in real estate investment trusts (REITs)). For the avoidance of doubt, where investments are made in listed REITs, the requirements under paragraphs 1, 2 and 4 above apply and where investments are made in unlisted REITs, which are either companies or collective investment schemes, then the requirements under paragraphs 5 and 8 apply respectively.

10. No short sale may be made which will result in the Sub-Fund's liability to deliver securities exceeding 10% of its total NAV; and the security which is to be sold short must be actively traded on a market where short selling activity is permitted and the short sales are carried out in accordance with all applicable laws and regulations.

11. Subject to paragraph 5 above, no Sub-Fund may lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

12. No Sub-Fund may acquire any asset or engage in any transaction which involves the assumption of any liability which is unlimited.

13. The liability of Unitholders must be limited to their investments in a Sub-Fund.

14. No Sub-Fund may invest in any security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class, or, collectively the directors and officers of the Manager own more than 5% of those securities.

15. The portfolio of a Sub-Fund may not include any security where a call is to be made for any sum unpaid on that security unless that call could be met in full out of cash or near cash by the Sub-Fund's portfolio whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transaction in financial derivative instruments for the purpose of paragraphs 21 and 22 below.

16. The maximum borrowing (excluding back-to-back loans) of a Sub-Fund may not exceed 10% of its total NAV.

17. A Sub-Fund may acquire financial derivative instruments for hedging purposes. For the purposes of this paragraph, financial derivative instruments are generally considered as being acquired for hedging purposes if they meet all the following criteria:

(a) they are not aimed at generating any investment return;

(b) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss or risks arising from the investments being hedged;

(c) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and

(d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

The Manager, where it deems necessary, shall cause hedging arrangement to be adjusted or re-positioned, with due consideration on the fees, expenses and costs, to enable the relevant Sub-Fund to meet its hedging objective in stressed or extreme market conditions.

18. A Sub-Fund may also acquire financial derivative instruments for non-hedging purposes ("**investment purposes**") subject to the limit that the Sub-Fund's net exposure relating to these financial derivative instruments ("**net derivative exposure**") does not exceed 50% of its total NAV. For the avoidance of doubt, financial derivative instruments acquired for hedging purposes will not be counted towards the 50% limit referred to in this paragraph so long as there is no residual derivative exposure arising from such hedging arrangement.

19. Subject to paragraphs 18 above and 20 below, a Sub-Fund may invest in financial derivative instruments provided that the exposure to the underlying assets of the financial derivative instruments, together with the other investments of the Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in paragraphs 1, 2, 3, 6, 8(a), 8(b), 8(c) and 9 above.

20. The financial derivative instruments invested by a Sub-Fund should be either listed/quoted on a stock exchange or dealt in over-the-counter market and comply with the following provisions:

(a) the underlying assets consist solely of shares in companies, debt securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, government and other public securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates, currencies, or other asset classes acceptable to the SFC, in which the Sub-Fund may invest according to its investment objectives and policies;

(b) the counterparties to transactions of over-the-counter financial derivative instruments or their guarantors are substantial financial institutions or such other entity acceptable to the SFC;

(c) subject to paragraphs 1 and 2 above, a Sub-Fund's net counterparty exposure to a single entity arising from transactions of over-the-counter financial derivative instruments may not exceed 10% of the net asset value of the Sub-Fund; and

(d) the valuation of the financial derivative instruments is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager or the Trustee or their nominee(s), agent(s) or delegate(s) independent of the issuer of the financial derivative instruments through measures such as the establishment of a valuation committee or engagement of third party services. The financial derivative instruments can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Sub-Fund's initiative. Further, calculation agent/fund administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the financial derivative instruments on a regular basis.

21. A Sub-Fund should at all times be capable of meeting all its payment and delivery obligations incurred under transactions in financial derivative instruments (whether for hedging or for investment purposes). The Manager should, as part of its risk management process, monitor to ensure that the transactions in financial derivative instruments are adequately covered on an ongoing basis. For the purposes of this paragraph, assets that are used to cover the Sub-Fund's payment and delivery obligations incurred under transactions in financial derivative instruments shall be free from any liens and encumbrances, exclude any cash or near cash for the purpose of meeting a call on any sum unpaid on a security, and cannot be applied for any other purposes.

22. Subject to paragraph 21 above, a transaction in financial derivative instruments which gives rise to a future commitment or contingent commitment of a Sub-Fund should be covered as follows:

    (a) in the case of financial derivative instruments transactions which will, or may at the Sub-Fund's discretion, be cash settled, the Sub-Fund should at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

    (b) in the case of financial derivative instruments transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Sub-Fund should hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation; provided further that the Sub-Fund shall apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

23. Where a financial instrument embeds a financial derivative, paragraphs 17 to 22 above will also apply to the embedded financial derivative (within the meaning of the Code).

24. For the avoidance of doubt, restrictions and limitations on counterparty as set out in paragraphs 1, 2 and 20(c) above will not apply to financial derivative instruments that are:

    (a) transacted on an exchange where the clearing house performs a central counterparty role; and

    (b) marked-to-market daily in the valuation of their financial derivative instrument positions and subject to margining requirements at least on a daily basis.

25. If the name of a Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund should, under normal market circumstances, invest at least 70% of its total NAV in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Sub-Fund represents.

VIII. RISK CONSIDERATIONS

8.1.1. Concentration Risk. If a Sub-Fund focuses its investments on certain markets or types of investment, by definition, such concentration does not allow the same scope of diversification of risks across different markets as would be possible if investments were not as concentrated. Such Sub-Fund is particularly dependent on the growth of such investments or of individual or related markets or of companies included in those markets. As such, the Sub-Fund is likely to be more volatile than a fund that has a more diversified investment strategy. It may be more susceptible to fluctuations in value resulting from a limited number of holdings or the impact of adverse conditions on a particular investment or market. This may have an adverse impact on the performance of the Sub-Fund and consequently adversely affect an investor's investment in the Sub-Fund.

8.1.2. Counterparty Risk. To the extent that transactions are not handled through an exchange (OTC trades), there is a risk that a counterparty may default or not completely fulfil its obligations in addition to the general risk of settlement default. This is particularly true of OTC financial derivative instruments and other transactions based on techniques and instruments. A default of the counterparty might result in losses for the relevant Sub-Fund and may consequently negatively impact an investor's investment in the Sub-Fund.

8.1.3. Creditworthiness Risk/Credit Rating Risk/Downgrading Risk. The creditworthiness (solvency and willingness to pay) of the issuer of an asset (in particular of a security or money-market instrument directly or indirectly held by the Sub-Fund) may subsequently fall. This usually leads to a decrease in the price of the asset greater than that caused by general market fluctuations. Further, there is a risk that the credit rating of certain debt securities, or the issuers of debt securities, may be downgraded due to adverse market conditions. This may lead to a fall in the NAV of the Sub-Fund and the performance of the Sub-Fund will be adversely affected. The Investment Manager may or may not be able to dispose of the securities that are being downgraded.

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

8.1.4. Currency Risk. If a Sub-Fund directly or indirectly (via underlying collective investment schemes and/or derivatives) holds assets denominated in currencies other than the Base Currency (each a "**foreign currency**"), it is exposed to a currency risk if foreign currency positions have not been hedged. Any devaluation of the foreign currency against the Base Currency of the Sub-Fund would cause the value of the assets denominated in the foreign currency to fall which may have an adverse impact on the Sub-Fund and/or the investors.

Further, Units in a Class may be issued with a Reference Currency different to the Base Currency of the Sub-Fund. The Manager may seek to hedge to a large extent currency exposure of the underlying investments of the relevant Sub-Fund against the Reference Currency in respect of certain Classes of Units. All profits, losses and expenses associated with such a currency hedging transaction entered into in relation to one or more Classes of Units will be allocated solely to the applicable Class or Classes of Units. There is no guarantee that attempts to hedge currency risk will be successful or that any hedging strategy will eliminate currency risk entirely.

Unitholders subscribing in a Sub-Fund in a currency other than the Reference Currency should be aware that exchange rate fluctuations could cause the value of their investments to increase or decrease, relative to the Reference Currency. This may have an adverse effect on the value of their investments.

8.1.5. *Custodial Risk.* Custodial risk is the risk arising from the possibility that a Sub-Fund could be denied access, in whole or in part, to investments held in custody in the event of bankruptcy, negligence, wilful misconduct or fraudulent activity on the part of the custodian or sub-custodian. In certain circumstances, a Sub-Fund may take a longer time or may even be unable to recover some of its assets (in extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title), which may lead to significant losses for the Sub-Fund and consequently adversely affect an investor's investment in the Sub-Fund. In addition, sub-custodians may be appointed in local markets for purpose of safekeeping assets in those markets. Where a Sub-Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of such Sub-Fund may be exposed to custodial risk.

8.1.6. *Derivatives Risk.* A Sub-Fund may invest in derivatives, which may expose the Sub-Fund to higher leverage, counterparty, liquidity, valuation, volatility, market and over the counter transaction risks, all of which may adversely impact the NAV of the Sub-Fund. The leverage component of the financial derivatives instruments can result in a loss significantly greater than the amount invested in the financial derivatives instruments by the Sub-Fund. These losses to the Sub-Fund will have an adverse effect on the investor's investment in the Sub-Fund. A Sub-Fund's use of financial derivative instruments in hedging and/or for investment purposes may become ineffective and/or cause the Sub-Fund to suffer significant losses.

8.1.7. *Early Termination Risk.* As may be determined by the Manager, a Sub-Fund may be terminated as set out under Section 11.10 below, headed "Termination, Merger or Division of the Trust or any Sub-Fund". In the event of termination of a Sub-Fund, such Sub-Fund would have to distribute to Unitholders their pro rata interest in the assets of the Sub-Fund. It is possible that, at the time of such sale or distribution, certain investments held by the relevant Sub-Fund might be worth less than the initial cost of such investments, resulting in a loss to Unitholders and establishment costs which have yet to be fully amortised may be debited against the Sub-Fund in the event of termination.

8.1.8. *General Market Risk.* To the extent that a Sub-Fund invests in securities or other assets, it is exposed to various general trends and tendencies in the economic situation as well as in the markets, especially in the securities markets, which are partially attributable to irrational factors. Such factors could lead to substantial and longer-lasting drops in prices affecting the entire market and the value of a Sub-Fund's investments may be negatively affected. Securities from top-rated issuers are subject to essentially the same general market risk as other securities and assets.

8.1.9. *Inflation Risk.* Inflation risk is the risk that assets will lose value because of a decrease in the value of money. Inflation can reduce the purchasing power of income made on an investment in a Sub-Fund as well as the intrinsic value of the investment. This could have a negative effect on an investor's investment. Different currencies are subject to different levels of inflation risk.

8.1.10. *Key Personnel Risk.* Sub-Funds that achieve very positive results in a certain period of time owe their success to the aptitude of the relevant portfolio managers and traders. However, the staffing in the management of a Sub-Fund may change and new decision makers may have less success in managing assets which may have a negative impact on the performance of such Sub-Fund.

8.1.11. *Liquidity Risk.* Even relatively small orders for purchases or sales of illiquid securities (securities that cannot be sold readily) in particular can lead to significant price changes. If an asset is not liquid, there is the risk that the asset cannot be sold or can only be sold at a significant discount to the purchase price. The lack of liquidity of an asset may cause its purchase price to increase significantly. Such price changes may lead to a fall in the NAV of a Sub-Fund.

8.1.12. Performance Risk. It cannot be guaranteed that the investment objectives of a Sub-Fund or the investment performance desired by the investor will be achieved. The NAV per Unit of any Class of Units may fluctuate, and in particular, may fall, causing investors to incur losses, especially in consideration of risks that individual assets acquired at the Sub-Fund level are subject to in general and the risks that are entered into in the selection of individual assets. Investors assume the risk of receiving a lesser amount than they originally invested. No guarantees are issued by the Trustee or the Manager regarding a certain investment outcome for an investment in any of the Sub-Funds.

8.1.13. Risk of Changes to the Investment Policy and to the other Basic Aspects of a Sub-Fund. The attention of Unitholders is drawn to the fact that the investment policy of a Sub-Fund and the other basic aspects of a Sub-Fund may be changed whenever permitted. In particular, a change to the investment policy within the permitted range of investments may change the risk profile associated with such a Sub-Fund. Such changes may have a negative impact on the performance of the Sub-Fund.

8.1.14. Risk of Changes in Underlying Conditions. Over time, the underlying conditions (e.g. economic, legal or tax) within which an investment is made may change. This could have a negative effect on the investment and on the treatment of the investment by the investor.

8.1.15. Risk of Settlement Default. The issuer of a security directly or indirectly held by a Sub-Fund or the debtor of a claim belonging to a Sub-Fund may become insolvent. This could cause those assets of the Sub-Fund to become economically worthless and investors' investments will be adversely affected.

8.1.16. Risk relating to Distribution out of Capital/Distribution effectively out of Capital. The Trust may launch Classes of Units whose distribution policy deviates from the regular distribution policy and which may provide for distributions out of capital/distributions effectively out of capital. The payment of distributions out of capital/distributions effectively out of capital represents a return or withdrawal of part of the amount the investors originally invested and/or capital gains attributable to the original investment. Investors should be aware that any distributions involving payment of distributions out of the Sub-Fund's capital/distributions effectively out of the Sub-Fund's capital may result in an immediate decrease in the NAV per Unit and may reduce the capital available for the Sub-Fund for future investment and capital growth. As a result, such investor's investment in the Sub-Fund will be adversely affected.

The distribution amount and NAV of any hedged unit classes of the Sub-Fund may be adversely affected by differences in the interests rates of the reference currency of the hedged unit classes and the base currency of the Sub-Fund, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged unit classes.

8.1.17. Risk of Restricted Flexibility. The redemption of Units may be subject to restrictions. If the redemption of Units is suspended or delayed, investors cannot redeem their Units and are compelled to remain invested in the Sub-Fund for a longer period of time than originally intended or desired, and their investments continue to be subject to the risks inherent to the Sub-Fund. If a Sub-Fund or a Class of Units is dissolved or if the Manager exercises the right to compulsorily redeem Units, investors no longer have the opportunity to remain invested. The same applies if the Sub-Fund or Class of Units merges with another fund, sub-fund or class of units, in which case the investors may automatically become holders of units in another fund, sub-fund or class of units. The Subscription Fee levied when Units are acquired could reduce or even eliminate any gains on an investment, particularly if the investment is held for only a short period of time. If Units are redeemed in order to invest the proceeds in another type of investment, investors may, in addition to the costs already incurred (e.g. the Subscription Fee for the purchase of Units), incur other costs, such as a redemption fee for the Sub-Fund held or extra subscription fees for the purchase of other units. These events and circumstances could result in investor losses.

8.1.18. Risk of the liabilities of individual Classes of Units affecting other Classes of Units. Classes of Units of a Sub-Fund are not treated as separate entities for purposes of liability law. In relation to third parties, the assets allocated to a certain Class of Units are not liable for just the debts and liabilities that can be allocated to that Class of Units. If the assets of a certain Class of Units should not be sufficient to cover the liabilities that can be allocated to this Class of Units, those liabilities may have the effect of reducing the value of other Classes of Units of the same Sub-Fund. Any such reduction in value, will have a negative impact on the relevant investor's investment.

8.1.19.Risk of Transaction Costs at the Sub-Fund Level. The issue of Units may lead, at a Sub-Fund level, to the investment of the cash inflow; redemptions of Units may lead, at a Sub-Fund level, to the disposal of investments to achieve liquidity. Such transactions give rise to costs that could have a negative effect on the performance of the Sub-Fund if Units issued and redeemed on a single day do not approximately offset one another.

8.1.20. Settlement Risk. Particularly when investing in unlisted securities, there is the risk that the settlement will not be executed as expected by a transfer system owing to a delayed payment or delivery or payment not being made in accordance with the agreement. This may lead to a consequent fall in the NAV of the Sub-Fund.

8.1.21. Sub-Fund Capital Risk. Because of the risks to which the valuation of the assets held in a Sub-Fund/Class of Units is subject, there is the risk that an investment in any of the capital of a Sub-Fund or the capital that can be allocated to a Class of Units will decrease. Excessive redemption of Units of the Sub-Fund or an excessive distribution of returns on investments could have the same effect. A reduction in the capital of the Sub-Fund or the capital that can be allocated to a Class of Units could make the management of the Trust, a Sub-Fund or a Class of Units unprofitable, which could lead to the termination of the Trust, a Sub-Fund or a Class of Units and to investor losses.

8.1.22. Company-Specific Risk. The value of the assets of a Sub-Fund (in particular of securities and money-market instruments directly or indirectly held by such Sub-Fund) may be affected by company-specific factors (e.g. the issuer's business situation). If a company-specific factor deteriorates, the price of the respective asset may drop significantly and for an extended period of time, possibly even without regard to an otherwise generally positive market trend. This may have an adverse impact on the Sub-Fund and/or the investor.

8.1.23. Country and Region Risk. If a Sub-Fund focuses its investments on particular countries or regions, this may increase the concentration risk. Consequently, such Sub-Fund is particularly susceptible to the adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events and risks of individual or interdependent countries and regions, or of companies based and/or operating in those countries or regions. This may adversely impact the performance of the Sub-Fund and/or the value of Units held by investors.

Furthermore, economic or political instability in countries in which a Sub-Fund is invested may lead to a situation in which such Sub-Fund does not receive part or all of the monies owed to it in spite of the solvency of the issuer of the respective security or other assets. Currency or transfer restrictions or other legal changes, for example, may be of significance in this regard.

8.1.24. *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 increased risk and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax, legal, economic, foreign exchange/control, liquidity, regulatory risk and the likelihood of a high degree of volatility. 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 may not even be possible to deliver securities directly when payment is made in such countries. In addition, the legal and regulatory environment, as well as the accounting, auditing and reporting standards in these countries may deviate substantially to the detriment of the investors from the levels and standards that are considered standard international practice. Increased custodial risk in these countries may also arise, which may, in particular, also result from differing disposal methods for acquired assets. Such increased risks may have an adverse impact on the relevant Sub-Fund and/or the investors.

8.1.25. *European Country Risk.* In light of the fiscal conditions and concerns on sovereign debt of certain European countries, certain of a Sub-Fund's investments in Europe may be subject to a number of risks arising from a potential crisis in Europe. The economic and financial difficulties in Europe may continue to get worse or spread within and outside the Europe, and may lead to one or several countries exiting the Eurozone or the default of a sovereign within the Eurozone. This may potentially lead to the breakup of the Eurozone and potentially the Euro.

While the governments of many European countries, the European Commission, the European Central Bank, the International Monetary Fund and other authorities are taking measures (such as undertaking economic reforms and imposing austerity measures on their citizens) to address the current fiscal conditions and concerns, in Europe, these measures may not have the desired effect, and the future stability and growth of Europe is therefore uncertain. The effect of such potential events on the relevant Sub-Fund, which invests in instruments predominantly tied to Europe, is impossible to predict. The impact of the above events may be significant and may adversely affect the value of the Sub-Fund (such as increased volatility, liquidity and currency risk associated with investments in Europe).

8.1.26. *Risk of Investing in the PRC.* A Sub-Fund may invest in China A shares and China B shares which may subject such Sub-Fund to various risks of investing in the PRC market, such as greater political, social, economic, tax, foreign exchange, regulatory and liquidity risks. In adverse situations, the NAV of such Sub-Funds may fall and investors may suffer substantial losses as a result. Further, investors should note that changes to the PRC taxation laws could affect the amount of income which may be derived, and the amount of capital returned, from investments of the relevant Sub-Fund. The Trust has not made any capital gain tax provision and the Sub-Fund(s) may be adversely affected if such tax liability is imposed.

8.1.27. *RMB Risks.* Investors should be aware of the fact that the RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded either onshore in the PRC ("**CNY**") or offshore in Hong Kong and other markets outside the PRC ("**CNH**"). RMB traded onshore in the PRC, CNY, is currently not freely convertible and is subject to exchange control policies and restrictions imposed by the PRC authorities. On the other hand, the RMB traded offshore in Hong Kong and other markets outside the PRC, CNH, is freely tradeable but still subject to controls, limits and availability. In general, the daily exchange rate of the RMB against other currencies is allowed to float within a range above or below the central parity rates published by the People's Bank of China each day. Its exchange rate against other currencies, including e.g. USD or HKD, is therefore susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely. The relevant Class of Units denominated in RMB and its investors may be adversely affected by movements in the exchange rates between RMB and other currencies.

The exchange rate used for a Class of Units denominated in RMB or to calculate the value of RMB-denominated assets is the rate applicable to the CNH. While CNH and CNY represent the same currency, they are traded on different and separate markets which operate independently. As such, the value of CNH could differ, perhaps significantly, from that of CNY and the exchange rate of CNH and CNY may not move in the same direction due to a number of factors including, without limitation, the foreign exchange control policies and repatriation restrictions pursued by the PRC government from time-to-time, as well as other external market forces. Any divergence between CNH and CNY may adversely impact investors.

For Classes of Units denominated in RMB on an unhedged basis, even if the prices of underlying investments and/or value of the Base Currency has risen or remains stable, investors may still incur losses if (i) the RMB appreciates against the currencies of the underlying investments and/or the Base Currency more than the increase in the value of the underlying investments and/or the Base Currency; and (ii) the relevant Sub-Fund holds limited RMB-denominated underlying investments. Furthermore, in the event the RMB appreciates against the currencies of the underlying investments and/or the Base Currency, and the value of the underlying investments decreased, the value of investors' investments in RMB-denominated Classes may suffer additional losses.

For hedged Classes of Units denominated in RMB, the hedging strategy may protect investors of the RMB hedged Classes against a decline in the value of the Base Currency and/or the currencies of the underlying investments relative to the RMB. However, investors will not benefit from any potential gain in the value of the hedged RMB Class if the Base Currency and/or the currencies of the underlying investments rises against the RMB. The costs relating to such hedging transactions of the RMB hedged Class (which may be significant depending on prevailing market conditions) shall be borne by the relevant Class only. If the counterparties of the instruments used for hedging purpose default, investors of the RMB hedged Classes may be exposed to RMB currency exchange risk on an unhedged basis and may therefore suffer further losses. There is no guarantee that the hedging strategy will be effective and investors may still be subject to the RMB currency exchange risk for non-hedged RMB Classes, as mentioned above.

The possibility that the appreciation of the RMB will continue to accelerate cannot be ruled out although, at the same time, there can be no assurance that the RMB will not be subject to devaluation. If investors convert HKD or any other currency into RMB so as to invest in the Sub-Fund and subsequently convert the RMB redemption proceeds back into HKD or any other currency, they may incur currency conversion costs and may suffer a loss if the RMB depreciates against the HKD or such other currency. Further, all or part of the subscription monies in a RMB-denominated Class of Units may be converted into a currency other than RMB for investment in underlying securities, while redemption proceeds may be converted into RMB for payment of redemption proceeds. There is also the risk that, in respect of a RMB-denominated Class of Units, payment of redemption proceeds and/or distributions in RMB (if any) may be delayed when there is insufficient amounts of RMB for the purpose of currency conversion for the settlement of redemption proceeds or payment of distributions (if any) in a timely manner due to the exchange controls and restrictions applicable to RMB. In any event, the redemption proceeds will be paid no later than one calendar month after the relevant Dealing Day and upon receipt of a valid redemption request.

8.1.28. *Currency Hedging Risk.* There is no guarantee that attempts to hedge currency risk or to hedge the Base Currency against the Reference Currency in respect of certain currency hedged Classes of Units will be successful or that any hedging strategy will entirely eliminate currency risk entirely. In such circumstances, investors of the currency hedged Class may still be subject to the currency exchange risk on an unhedged basis. Further, if the counterparties of the instruments used for hedging default, investors of the currency hedged Classes may be exposed to the currency exchange risk on an unhedged basis and may therefore suffer further losses. All profits, losses and expenses arising from hedging transactions will be reflected in the NAV of Units of the relevant Class. The costs relating to such hedging transactions (which may be significant depending on prevailing market conditions) shall be borne by the relevant Class only. Given that there is no segregation of liabilities between Classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to one Class could result in liabilities which may affect the NAV of another Class of the same Sub-Fund.

The hedging strategy may protect investors of the currency hedged Classes against a decline in the value of the Base Currency relative to the currency of denomination of that currency hedged Class. However, investors should note that the hedging strategy may also substantially limit the benefits of any potential increase in the value of a currency hedged Class expressed in the Reference Currency, if the currency of denomination of the currency hedged Class falls against the Base Currency.

8.1.29. *Risk of Interest Rate Changes.* To the extent that a Sub-Fund invests directly or indirectly in Interest Bearing Securities, it is exposed to interest rate risk. If market interest rates rise, the value of the interest-bearing assets held by such Sub-Fund may decline substantially and negatively affect the performance of such Sub-Fund. This applies to an even greater degree if the relevant Sub-Fund also holds Interest Bearing Securities with a longer time to maturity and a lower nominal interest rate.

8.1.30. *Convertible Bond Risk.* Convertible bonds are subject to risks which typically apply to bonds and equity securities. Convertible bonds are subject to interest rate risk and credit risk. The value of convertible bonds tends to decline as interest rates increase, and tends to increase as interest rates decline. If the credit quality of the convertible bonds deteriorates or the issuer of the convertible bonds defaults, the performance of the Sub-Fund will be adversely affected. The prices of convertible bonds will be affected by the changes in the price of the underlying equity securities which, in turn, may have an unfavourable impact on the NAV of the Sub-Fund. Further, convertible bonds may have call provisions and other features which may give rise to the risk of a call and, consequently, the value and performance of the Sub-Fund may also be affected as a result.

8.1.31. *Specific Risks of asset-backed securities ("ABS") and mortgage-backed securities ("MBS").* A Sub-Fund may invest in ABS and MBS which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater general market risk, concentration risk, credit and counterparty default risk, liquidity risk and interest rate risk compared to other debt securities. They are often exposed to risks that the payment obligations are met prematurely (prepayment risk) or delayed (extension risk) and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities and timing and size of the cash flows paid by such securities.

The income, performance, and/or capital repayment amounts of ABS and MBS are linked to the income, performance, liquidity and credit rating of the respective economically or legally underlying or covering pool of reference assets (e.g. receivables, securities and/or credit derivatives), as well as the individual assets included in the pool or their issuers. If the performance of the assets in the pool turns out unfavourably for investors, depending on the form of the ABS or MBS, those investors may suffer losses up to and including total loss of invested capital.

ABS and MBS may be issued either by a company formed for this purpose (a special-purpose vehicle) or without the use of such a special-purpose vehicle. Special-purpose vehicles used to issue ABS or MBS normally do not engage in any other business aside from issuing ABS or MBS; the pool underlying the ABS or MBS, which also often consists of non-fungible assets, normally represents the only assets of the special-purpose vehicle or the only assets from which the ABS and MBS are to be serviced. If ABS or MBS are issued with the use of a special-purpose vehicle, there is the risk that the liability of the issuer will be limited to the assets included in the pool.

Whether issued with or without the use of a special-purpose vehicle, the ABS and MBS investment instrument further entails the general risks of an investment in bonds and derivatives, in particular interest-rate risk, creditworthiness risk, company-specific risk, general market risk, risk of default, counterparty risk and liquidity risk.

8.1.32. ***Specific Risks of Investing in High-Yield Investments.*** "High-yield investments" are Interest Bearing Securities that are either rated non-investment grade by a recognised rating agency or are not rated at all, but that would presumably receive a rating of non-investment grade if they were rated. Such investments are subject to the same general risks of Interest Bearing Securities, but the level of risk is greater. In particular, such investments are normally associated with higher volatility, greater risk of loss of principal and interest, increased creditworthiness risk, risk of interest rate changes, general market risk, company-specific risk and liquidity risk than higher rated, lower yielding securities. Such increased risks may have an adverse impact on the Sub-Fund and/or the investors.

8.1.33. ***Specific Risks of Investing in Non-investment Grade Sovereign Debt Securities.*** Certain Sub-Funds may invest in Interest Bearing Securities and zero-coupon bonds issued or guaranteed by a non-investment grade sovereign issuer and is therefore subject to higher credit/default risk and concentration risk as well as to greater volatility. In addition, there are no bankruptcy proceedings for such securities on which money to pay the obligations of the securities may be collected in whole or in part. Unitholders may be requested to participate in the rescheduling of such securities and to extend further loans to the issuers. In the event of default of the sovereign issuer, a Sub-Fund may suffer significant losses.

8.1.34. ***Taxation Risk.*** Each of the Sub-Funds may invest in securities that produce income that is subject to withholding and/or income tax. Such tax may have an adverse effect on the Sub-Funds. Unitholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of subscribing, holding, selling, conversion or otherwise disposing of Units in the Sub-Funds. A summary of some of the tax consequences potentially applicable to the Trust (including the implications of the United States Foreign Account Tax Compliance Act) is set out in Section X headed "TAXATION" of this Prospectus. However, Unitholders and potential investors should note that the information contained in that section does not purport to deal with all of the tax consequences applicable to the Trust or all categories of investors, some of whom may be subject to special rules.

8.1.35. ***Specific risks relating to the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively, "Stock Connect").*** The Sub-Funds may invest into the China A shares market via Stock Connect. In addition to the general investment and equity related risks of investments including in particular the emerging markets risks, the following risks should be emphasised:

Regulatory Risks

Each of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing linked program developed to achieve mutual stock market access between Mainland China (Shanghai Stock Exchange ("**SSE**") and Shenzhen Stock Exchange ("**SZSE**") respectively) and Hong Kong (Hong Kong Stock Exchange). The Sub-Funds and other overseas investors may have direct access to certain eligible securities under the Northbound Trading Link by routing orders to the Shanghai Stock Exchange and the Shenzhen Stock Exchange under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect respectively. However, the Stock Connect is novel in nature and is subject to regulations promulgated by regulatory authorities in Mainland China and Hong Kong and implementation rules made by the involved stock exchanges. Regulations are untested and there is no certainty as to how they will be applied. The current regulations are also subject to change which may have potential retrospective effect, and there can be no assurance that the Stock Connect will not be abolished. Investors should note that the Sub-Funds, which may invest in the Mainland Chinese markets through Stock Connect, may be adversely affected as a result of such changes.

Recalling of eligible securities and suspension risks

Among the different types of SSE and SZSE-listed securities, only China A shares and exchange traded funds ("ETFs") are currently permitted for Northbound trading under the Stock Connect. Currently, Hong Kong and overseas investors are allowed to trade certain securities listed on the SSE market ("SSE Securities") and the SZSE market (the "SZSE Securities"). In respect of the Shanghai-Hong Kong Stock Connect, eligible universe includes all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the China A shares listed on Shanghai Stock Exchange that are not included as constituent stocks of the relevant indices but which have corresponding H shares listed on Hong Kong Stock Exchange, except those not traded in RMB or are included in the "risk alert board". In respect of the Shenzhen-Hong Kong Stock Connect, eligible universe includes any constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which have a market capitalisation of not less than RMB6 billion and all SZSE-listed China A shares which have corresponding H shares listed on Hong Kong Stock Exchange, except those not traded in RMB or are included in the "risk alert board".

In addition, Hong Kong and overseas investors are able to trade eligible SSE-listed and SZSE-listed ETFs that satisfy the relevant criteria at a regular review and are accepted as eligible ETFs for Northbound trading in Stock Connect. Regular reviews will be performed to determine the eligible ETFs for Northbound trading every six months.

When a security is recalled from the scope of eligible securities for trading via Stock Connect, the security can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Sub-Fund, for example, when the Investment Manager wishes to purchase a security which is recalled from the scope of eligible securities. In addition, the investors should be aware of the risk that both the stock exchanges in Mainland China and Hong Kong reserve the right to suspend the trading link upon consent from relevant regulator if necessary for ensuring an orderly and fair market and that risks are managed prudently. Where a suspension in the trading via Stock Connect is effected, a Sub-Fund's ability to invest in SSE Securities and SZSE Securities or access the PRC market via Stock Connect will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.

Differences in trading day, quota and foreign shareholding limitations

Stock Connect will only operate on days when both the Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. Trading is also subject to a daily quota ("**Daily Quota**"). The Daily Quota limits the maximum net buy value of cross-boundary trades under Stock Connect each day. Once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders may be rejected. The Daily Quota may only be utilized on a first-come-first-served basis and therefore the relevant Sub-Funds may not be able to make their intended investments. There are also limitations on the aggregate foreign investors' shareholding by all Hong Kong and overseas investors and on single foreign investors' shareholding. Investors should be aware that the differences in trading day and certain restrictions imposed on the quota and shareholding may restrict the Sub-Funds' ability to make timely investments and pursue their investment strategies effectively. Day trading is not allowed on the SSE and SZSE. Under the Stock Connect, Hong Kong and foreign investors would be subject to the same prohibition. Therefore, Hong Kong and foreign investors buying SSE Securities and SZSE Securities via Stock Connect may only sell those shares one day after the initial trading day (T), on which the relevant securities were bought, ie T+1. The Sub-Funds may also be exposed to a risk of price fluctuations in the relevant securities during the time when Stock Connect is not trading.

Settlement and custody

The Hong Kong Securities Clearing Company Limited ("**HKSCC**"), a wholly-owned subsidiary of the Hong Kong Stock Exchange, will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors. The HKSCC and ChinaClear will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Sub-Funds may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear. On the other hand, a failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Sock Connect securities and/or monies in connection with them and the Sub-Funds and its investors may suffer losses as a result.

Beneficial owner of the Stock Connect securities and Corporate actions

Securities traded through Stock Connect are issued in scripless form, so the respective Sub-Funds will not hold any physical shares and should maintain the shares via or with the brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on Hong Kong Stock Exchange). HKSCC in turn holds Stock Connect securities of all its participants through a "single nominee omnibus securities account" in its name registered with ChinaClear, the central securities depositary in Mainland China. HKSCC is only a nominee holder and the Sub-Funds remain the beneficial owner of the Stock Connect securities. The Sub-Fund's title or interests in, and entitlements to Stock Connect securities (whether legal, equitable or otherwise) will therefore be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. However, it is uncertain whether the Chinese courts would recognise the ownership interest of the Stock Connect investors to allow them standing to take legal action against the Chinese entities in case disputes arise.

ChinaClear as the share registrar for SSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such securities. The Sub-Funds need to comply with the arrangement and deadline specified by respective brokers or custodians. However, the time to take actions for some types of corporate actions of Stock Connect securities may be very short and the Sub-Funds may not be able to participate in some corporate actions in a timely manner. Also, due to the lack of multiple proxies in mainland practice, the Sub-Funds may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the Stock Connect securities. In any event, the HKSCC is only a nominee holder and therefore it has no obligation to take any legal action or court proceedings to enforce any rights on behalf of investors and therefore, although the relevant Sub-Funds' ownership interest may be recognized, the relevant Sub-Fund may suffer difficulties or delays in enforcing the associated rights.

Local market rules and disclosure obligations

The Stock Connect securities and trading of Stock Connect securities are subject to market rules and disclosure requirements, in that the Sub-Fund is required to disclose any change in its shareholding and comply with related trading restrictions in accordance with the Mainland China rules. Investors should be aware that any changes in laws, regulations and policies of the China A shares market or rules in relation to Stock Connect may affect share prices and the Sub-Funds.

Investor compensation

Investment through the Stock Connect is conducted through broker(s) and is subject to the risk of default of such brokers in their obligations. Since the Sub-Funds are carrying out Northbound trading through securities brokers in Hong Kong but not brokers in Mainland China, it is not protected by the China Securities Investor Protection Fund in Mainland China.

Taxation

The investments through the Stock Connect are subject to the tax regime in Mainland China. Pursuant to the Notices jointly issued by the Ministry of Finance, the State Administration of Taxation and CSRC dated 14 November 2014 (Caishui [2014] No. 18) (effective from 17 November 2014) and dated 5 November 2016 (Caishui [2016] No. 127) (effective from 5 December 2016) respectively, the PRC State Administration of Taxation have reaffirmed the application of a normal Chinese stamp duty and a 10% dividend withholding tax. Further, Hong Kong and foreign investors investing in eligible securities via Stock Connect are temporarily exempt from business tax and income tax on capital gains derived from the sale of eligible securities until further notice. Dividends may be received, if any, net of tax. The tax regime may change from time to time and the Sub-Funds are subject to uncertainties in its Mainland China tax liabilities.

RMB currency risk

The Sub-Funds will need to use RMB to trade and settle Stock Connect securities. There may be associated trading costs involved in dealing with Stock Connect securities. Mainland Chinese government controls future movements in exchange rates and currency conversion. The exchange rate floats against a basket of foreign currencies, therefore such exchange rate could fluctuate widely against the USD and HKD or other foreign currencies in the future. In particular any depreciation of RMB will decrease the value of any dividends and other proceeds an investor may receive from its investments. In addition, investors should note that RMB which is traded within the onshore Renminbi currency market (i.e. the “CNY”) may trade at a different rate compared to RMB which is traded within the offshore Renminbi currency market (i.e. the CNH). A Sub-Fund’s investments may be exposed to both the CNY and the CNH, and the Sub-Fund may consequently be exposed to greater exchange risks and/or higher costs of investment. The Chinese government’s policies on exchange control are subject to change, and the Sub-Fund may be adversely affected.

Risks associated with the ChiNext Board

A Sub-Fund may invest in the ChiNext Board of the SZSE (“**ChiNext Board**”). Investments in the ChiNext Board may result in significant losses for the relevant Sub-Fund and its investors. The following additional risks apply:

– *Higher Fluctuation on Stock Prices*

  Listed companies on the ChiNext Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE (“**Main Board**”).

– *Valuation/Over-Valuation Risk*

Stocks listed on the ChiNext Board may be difficult to value and/or overvalued. Exceptionally high valuation resulting from over-valuation may not be sustainable. Also, stock price may be more susceptible to manipulation due to fewer circulating shares.

– *Differences in Regulations*

The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board.

– *Delisting Risk*

It may be more common and faster for companies listed on the ChiNext Board to delist. This may have an adverse impact on the relevant Sub-Fund if the companies that it invests in are delisted.

– *Risk associated with Small-Capitalisation/Mid-Capitalisation Companies*

The stocks of small-capitalisation/mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

8.1.36. Asset Allocation Risk. The performance of the Sub-Fund is partially dependent on the success of the asset allocation strategy employed by the Sub-Fund. There is no assurance that the strategy employed by the Sub-Fund will be successful and therefore the investment objective of the Sub-Fund may not be achieved. The investments of the Sub-Fund may be periodically rebalanced and therefore the Sub-Fund may incur greater transaction costs than a Sub-Fund with static allocation strategy."

8.1.37. Risks of Interest being Charged on Deposits. The Trust invests the liquid assets of the Sub-Fund at the Trustee or other banks for account of the Sub-Fund. In some cases an interest rate is agreed for these bank deposits which correspond to certain interbank interest rates (the "**Reference Rate**") such as the European Interbank Offered Rate (Euribor), less a certain margin. If the Reference Rate falls below the agreed margin, this may lead to a situation where interest may be charged by the relevant banks on the Sub-Fund's deposits held in the corresponding account. Depending on how the Reference Rate changes, short-, medium- and long-term bank deposits may be subject to interest charges. Such interest charges may adversely impact the NAV of the Sub-Fund.

8.1.38. Risk related to Instruments with Loss-absorption Features. A Sub-Fund may invest in instruments with loss-absorption features which are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of a pre-defined trigger event (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.

In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

A Sub-Fund may invest in contingent convertible bonds, commonly known as CoCos, which are highly complex and are of high risk. Upon the occurrence of the trigger event, contingent convertible bonds may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on contingent convertible bonds are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. Please also refer to the risk factor “Risk related to Contingent Convertible Bonds”.

A Sub-Fund may invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

8.1.39. Risk related to Contingent Convertible Bonds. A Sub-Fund may invest in contingent convertible bonds. Under the terms of a contingent convertible bond, certain triggering events, including events under the control of the management of the contingent convertible bond’s issuer, could cause the permanent write-down to zero of principal investment and/or accrued interest, or a conversion to equity. Investment in contingent convertible bonds may entail the following risks (non-exhaustive list):

Capital structure inversion risk: contrary to classical capital hierarchy, contingent convertible bonds’ investors may suffer a loss of capital when equity shareholders do not.

Trigger level risk: trigger levels differ and determine exposure to conversion risk depending on the distance of the capital ratio to the trigger level. It might be difficult for the Investment Manager of the relevant Sub-Fund to anticipate the triggering events that would require the debt to convert into equity.

Conversion risk: it might be difficult for the Investment Manager of the relevant Sub-Fund to assess how the securities will behave upon conversion. In case of conversion into equity, the Investment Manager might be forced to sell these new equity shares because the investment objective of the relevant Sub-Fund does not allow equity in its portfolio. This forced sale may itself lead to liquidity issue for these shares.

Coupon cancellation risk: for some contingent convertible bonds, coupon payments are entirely discretionary and may be cancelled by the issuer at any point, for any reason and for any length of time.

Call extension risk: some contingent convertible bonds are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority.

Industry concentration risk: investment in contingent convertible bonds may lead to an increased industry concentration risk as such securities are currently issued by banking institutions.

Yield/valuation risk: contingent convertible bonds often offer an attractive yield which may, however, also represent a premium to their price in light of the complexity of how they are structured.

Liquidity risk: in certain circumstances finding a ready buyer for contingent convertible bonds may be difficult and the relevant Sub-Fund may have to accept a significant discount to the expected value of the bond in order to sell it.

Unknown risk: the structure of contingent convertible bonds is innovative yet untested.

Subordinated instruments: contingent convertible bonds may be issued in the form of subordinated debt instruments. In the event of liquidation, dissolution or winding-up of an issuer prior to a conversion having occurred, the rights and claims of the holders of the contingent convertible bonds, such as the Sub-Fund, against the issuer in respect of or arising under the terms of the contingent convertible bonds shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.

8.1.40. Volatility and Liquidity Risk. The debt securities in emerging markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and a Sub-Fund investing in emerging markets may incur significant trading costs.

8.1.41. Valuation Risk. Valuation of the Sub-Fund assets may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the Sub-Fund.

8.1.42. Equity Market Risk. A Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

8.1.43. Geographical Concentration Risk. If a Sub-Fund invests globally with no prescribed concentration on specific countries or regions but may be concentrated in a specific country or region from time to time, this may increase the concentration risk. During such circumstances, the value of the Sub-Fund may be more volatile than that of a fund having at the relevant times a more diverse portfolio of investments, and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant countries or regions.

8.1.44. Risk of thematic-based investment strategy. Investments in specific themes may not achieve the desired results under all circumstances and market conditions. The investments of the Sub-Fund may be adjusted among different themes from time to time depending on the market conditions of the respective themes and therefore the Sub-Fund may incur greater transaction costs than a Sub-Fund with static allocation strategy.

8.1.45. Thematic Concentration risk. Where a Sub-Fund may focus its investments in specific themes, such investments may increase the concentration risk. Consequently, the Sub-Fund is particularly susceptible to adverse development and risks in these themes that influence companies of such themes. The value of the Sub-Fund may be more volatile than that of a fund having a diverse portfolio of investments.

8.1.46. Default risk. A Sub-Fund is exposed to the credit and default risk of issuers of the debt securities that the Sub-Fund may invest in.

8.1.47. Sovereign debt risk. A Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

IX. DISTRIBUTIONS

The Manager has the discretion as to whether or not to make any distribution and as to the frequency and amount of distributions. Distribution Units and Accumulation Units may be issued in each Class of Units.

9.1. Distribution Units

There are two main types of distribution policies of Distribution Units, one of which the distribution is calculated according to the net distribution policy and another of which the distribution is calculated according to the gross distribution policy.

For Classes of Distribution Units using net distribution policy (Net Distribution Policy), the Manager may, at its own discretion, pay distribution out of (1) net realised capital gains and other income, net of expenses; and/or (2) capital (including any unrealised capital gains).

For Classes of Distribution Units using gross distribution policy (Gross Distribution Policy or GDP), the Manager may, at its own discretion, pay distribution out of (1) the entire available income including net realised capital gains (i.e. the gross income such that fees and expenses will be deducted from the capital), and/or (2) capital (including any unrealised capital gains). Classes of Distribution Units which distribute income according to the Gross Distribution Policy are named with the additional letter “g”. Paying dividends out of gross income while charging/paying all or part of the fund’s fees and expenses to/out of the capital of the fund, resulting in an increase in distributable income for the payment of dividends by the fund and therefore, the fund may effectively pay dividend out of capital and resulting in an immediate decrease in the NAV per Unit. Investors should refer to Section 8.1.16, headed “Risk relating to Distribution out of Capital/Distribution effectively out of Capital” of this Prospectus.

Class of Units AMg2 is intended to be a Class of Units with a lower distribution rate as compared with Classes of Units AM/AMg (if any) in respect of a Sub-Fund.

The compositions of the distributions (i.e. the relative amounts paid out of (i) net distributable income (i.e. net income and including any net realised capital gains), and (ii) capital (including any net unrealised capital gains and capital as describe above) for the last 12 months are available from the Manager upon request and also on the website (hk.allianzgi.com). The contents of this website have not been reviewed by the SFC.

The Manager may, at any time amend the dividend policy relating to any Sub-Funds, subject to the SFC’s prior approval and by giving not less than one month’s prior notice to the relevant Unitholders.

In respect of each Class of Distribution Units, distributions may (as determined by the Manager, and after consultation with the Trustee) be declared at the following times:

Distribution Frequency	
Monthly	15th day of each calendar month
Quarterly	15 March, 15 June, 15 September and 15 December
Semi-annual	15 June and 15 December
Annual	15 July

If any of the above dates do not fall on a Business Day of the relevant Sub-Fund, such date will be deemed to fall on the next Business Day of the relevant Sub-Fund.

Distribution proceeds which are unclaimed for three years after the relevant date on which distributions may be made, as determined by the Manager, and after consultation with the Trustee, will revert to their respective Class of Units. No interest accrues on declared distributions.

9.2. Accumulation Units

No distributions are expected to be paid to holders of Accumulation Units.

X. TAXATION

Each prospective investor should inform himself of and consult his own independent professional advisors on the possible tax consequences applicable to the subscription, holding and redemption of Units by him under the laws of the places of his citizenship, residence and domicile.

The summary is set out below for information purposes only.

10.1. Hong Kong Taxation of the Trust

Under the existing Hong Kong law and practice, for so long as the Trust and such Sub-Funds are authorised by the SFC pursuant to Section 104 of the SFO, the Trust and the Sub-Funds are exempt from Hong Kong profits tax on dividends received, on interest from any source and on profits derived on the sale of securities.

10.2. Taxation of the Unitholders

Unitholders who are residents in Hong Kong would generally not be subject to tax in Hong Kong in respect of their subscription, holding, redemption or disposal of Units or on the income from such Units. Where transactions in the Units form part of a trade, profession or business carried on in Hong Kong, Hong Kong profits tax may be payable on the gains received.

10.3. Stamp Duty

Subscription of new Units is not subject to stamp duty in Hong Kong. No Hong Kong stamp duty is payable on the redemption of Units provided that the Units would be extinguished immediately upon redemption. Hong Kong stamp duty is also not payable if the sale or transfer of the Units is effected by selling the Units back to the Manager, who then re-sells the Units to another person within 2 months thereof.

The above information relating to taxation is based on the enacted laws and current practice of Hong Kong. It is not comprehensive and is subject to change.

10.4. United States Foreign Account Tax Compliance Act

Under the U.S. Foreign Account Tax Compliance Act ("**FATCA**"), the Trust (and/or each Sub-Fund separately) will be subject to U.S. federal withholding taxes (at a 30% rate) on payments of certain amounts made to the Trust (and/or Sub-Fund) after 30 June 2014 ("**Withholdable Payments**"), unless the Trust (and/or each Sub-Fund) complies (or is deemed compliant) with extensive reporting and withholding requirements. Withholdable Payments generally will include interest (including original issue discount), dividends, rents, annuities, and other fixed or determinable annual or periodical gains, profits or income, if such payments are derived from U.S. sources, as well as gross proceeds from dispositions of securities that could produce U.S. source interest or dividends. Income which is effectively connected with the conduct of a U.S. trade or business is not, however, included in this definition. To avoid the withholding tax, unless deemed compliant, the Trust (and/or each Sub-Fund separately) will be required to enter into an agreement with the United States to identify and disclose identifying and financial information about each U.S. Taxpayer (or foreign entity with substantial U.S. ownership) which invests in the Trust (and/or Sub-Fund), and to withhold tax (at a 30% rate) on Withholdable Payments and (to the extent provided in future regulations which may be subject to further changes, but in no event before 1 January 2017) certain “foreign passthru payments” made to any investor who fails to furnish information requested by the Trust (and/or Sub-Fund) to satisfy its obligations under the agreement. Pursuant to an intergovernmental agreement concluded between the United States and Hong Kong, the Trust (and/or each Sub-Fund) is a “Reporting HKSAR Financial Institution”, and therefore not subject to the withholding tax and generally not required to withhold on investors, if it identifies and reports U.S. ownership information directly to the government of the United States in the manner provided by the agreement.

Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on the Trust’s (and/or each Sub-Fund’s) future operations.

Unitholders may be requested to provide additional information to the Trust (and/or a Sub-Fund) to enable the Trust (and/or Sub-Fund) to satisfy any FATCA obligations. In the event that a Unitholder fails to provide such information or, in the case of a Unitholder that is a non-U.S. entity, fails to satisfy its own FATCA obligations, the Manager, on behalf of the Trust may take all actions necessary to ensure that such failure does not subject the Trust (and/or Sub-Fund) to liability or, in the event that such failure does result in the Trust (and/or Sub-Fund) being subject to liability, to bring action against the Unitholder for such loss, provided that such actions are taken by the Manager, on behalf of the Trust, acting on reasonable grounds and in good faith and permitted by laws and regulations. Such actions may include, without limitation, (i) reporting tax information to the U.S. authorities in respect of the Unitholder, (ii) withholding from the Unitholder’s account and/or (iii) terminating the Unitholder’s account. It is possible that the administrative costs of the Trust could increase as a result of complying with FATCA.

Although the Manager, on behalf of the Trust will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that it will be able to satisfy these obligations. In the event that the Trust (and/or a Sub-Fund) is unable to satisfy these obligations, the imposition of any withholding tax may result in material losses to the Trust (and/or Sub-Fund) and a decrease in the value of the Units held by Unitholders, if it has a significant exposure to U.S.-source income or gains that could give rise to Withholdable Payments. Such tax may have an adverse effect on the Trust (and/or Sub-Fund).

Investors should be reminded to check if their intermediaries will comply with FATCA. Investors should inform themselves of, and where appropriate consult their professional advisors on, the possible implication of FATCA and tax consequences of subscribing for, buying, holding, redeeming, switching, transferring or otherwise disposing of Units under the laws of their country of citizenship, residence, or domicile or incorporation and the possible implications of FATCA on the Trust (and/or the Sub-Funds).

10.5. Automatic Exchange of Financial Account Information/The OECD Common Reporting Standard

The Inland Revenue (Amendment) (No.3) Ordinance (the “**Ordinance**”) came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information (“**AEOI**”). The AEOI requires financial institutions (“**FIs**”) in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with FIs, and to file such information with the Hong Kong Inland Revenue Department (“**IRD**”) who in turn will exchange such information with the jurisdiction(s) in which that account holder is resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has a Competent Authority Agreement (“**CAA**”); however, FIs may further collect information relating to residents of other jurisdictions.

By investing in the Sub-Funds and/or continuing to invest in the Sub-Funds through FIs in Hong Kong, investors acknowledge that they may be required to provide additional information to the relevant FI in order for the relevant FI to comply with AEOI. The investor’s information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such unitholders that are not natural persons), may be communicated by the IRD to authorities in other jurisdictions.

Each unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Sub-Funds through FIs in Hong Kong.

XI. GENERAL INFORMATION

11.1. Trust Deed

The Trust was constituted under the laws of Hong Kong by the Trust Deed entered into between Allianz Global Investors Asia Pacific Limited (successor of RCM Asia Pacific Limited) as Manager and HSBC Institutional Trust Services (Asia) Limited （滙豐機構信託服務（亞洲）有限公司） as Trustee.

The Trust Deed contains provisions relating to the indemnification of the parties and the limitations on liability in certain circumstances. All Unitholders are entitled to the benefit of, are bound by, and are deemed to have notice of the provisions of the Trust Deed. Unitholders and prospective investors are advised to refer to the Trust Deed, a copy of which is available for inspection at the office of the Manager.

11.2. The Trust and the Sub-Funds

The subscription monies paid upon the allotment of the Units shall be applied in the books and records of the Trust for the account of the Sub-Fund established for the relevant Class, and thereafter, the assets and liabilities, income and expenses attributable to each Class will be applied accordingly to the relevant Sub-Fund. Each Unit when allotted and issued must be designated by reference to a Sub-Fund.

The assets of each Sub-Fund shall (i) belong exclusively to that Sub-Fund; (ii) be segregated (insofar as is permitted by the laws of Hong Kong) from the assets of the other Sub-Funds; (iii) not be used to discharge directly or indirectly the liabilities of or claims against any other Sub-Fund; and (iv) not be available for any such purpose, subject to the Manager's absolute discretion, to determine the basis upon which any liability shall be allotted as between or among Sub-Funds and the Manager's power at any time and from time to time to vary such basis, provided that the Manager shall have consulted with the auditors and obtained the approval of the Trustee to such allotment if a liability is allotted other than to the Sub-Fund or Sub-Funds to which, in the Manager's opinion it relates or, if in the Manager's opinion it does not relate to any particular Sub-Fund or Sub-Funds, between or among all the Sub-Funds pro rata to the NAV of the respective Sub-Funds. Investors and Unitholders should be aware that there is no similar ring-fencing of assets and liabilities between the different Classes of a Sub-Fund.

11.3. Meetings

Meetings of all Unitholders, or of Unitholders of a specific Sub-Fund or of a Class, may be convened by the Manager or the Trustee. In the case of a Meeting of all Unitholders, the Unitholders of not less than one-tenth in value of all the Units in issue may require such a Meeting to be convened. In the case of a Meeting of Unitholders of Units in a Class or a Sub-Fund, the Unitholders of not less than one-tenth or more in value of all the Units in issue in the relevant Class or Sub-Fund may require such a Meeting to be convened.

Unitholders will be given not less than 21 days' notice of any general meeting at which an extraordinary resolution is to be proposed and not less than 14 days' notice of any general meeting at which an ordinary resolution is to be proposed. Meetings of Unitholders will be held at such times and places as are indicated in the notices to Unitholders of such meetings. Such notices will be sent to registered Unitholders and published (where legally required) in newspapers, as decided by the Manager.

The quorum for the transaction of business, except for the purpose of passing an extraordinary resolution, shall be Unitholders present in person or by proxy registered as holding one-tenth of the Units in the Class, the Sub-Fund or the Trust (as the case may be), for the time being in issue. The quorum for passing an extraordinary resolution shall be Unitholders present in person or by proxy registered as holding not less than one-quarter of the Units in the Class, the Sub-Fund or the Trust (as the case may be), for the time being in issue.

11.4. Voting Rights

Meetings of Unitholders may be used to modify the provisions of the Trust Deed, to increase the maximum fees payable to the service providers, to impose any type of fees not otherwise already authorized to be paid out of the Trust Fund pursuant to the Trust Deed or to terminate the Trust or any Sub-Fund or to approve a scheme of amalgamation in respect of the Trust of any Sub-Fund at any time.

Every Unitholder (being an individual) who is present in person or (being a corporation) is present by a duly authorized representative has one vote for every Unit represented by the Units held by such Unitholder. In the case of joint Unitholders, the senior of those who tenders a vote (in person or by proxy) shall be accepted to the exclusion of the other joint Unitholders and seniority is determined by the order in which the names appear on the Register. On a poll every Unitholder who is present in person or by representative as aforesaid or by proxy shall have one vote for every undivided share represented by the Units of which he is the Unitholder.

Ordinary resolutions shall be passed by a simple majority of the total number of votes cast and extraordinary resolutions shall be passed by a majority of 75% of the total number of votes cast.

11.5. Restrictions of Unitholders

If it comes to the notice of the Manager that any Units are so held by a Restricted Person, the Manager may give notice to such person requiring the redemption or transfer of such Units in accordance with the provisions of the Trust Deed. A person who becomes aware that he is holding or owning Units in breach of any such restriction is required either to deliver to the Manager a written request for redemption of his Units in accordance with the Trust Deed or to transfer his Units to a person who would not thereby be a Restricted Person.

11.6. Reports and Accounts

The financial year of the Trust commences on 1 July of each year and terminates on 30 June of the next year.

A detailed audited report and interim unaudited report relating to the Sub-Fund(s) are published each financial year. The annual reports must be prepared in compliance with internationally recognized accounting standards and the interim reports must apply the same accounting policies and method of computation as are applied in the annual reports of the Trust and disclose a statement to such effect or include a description of the nature and effect of any change in these policies and methods. The reports will be made available to Unitholders in the English language only and by publishing on the website, currently hk.allianzgi.com, within four months of the end of the Trust's financial year end date for annual reports and within two months of the end of the period they cover for interim reports. Copies of the financial reports may be obtained free of charge by any person from the Manager or the relevant distributors of the Trust. Once the reports are issued, Unitholders will be notified of where such reports, in printed or electronic form, can be obtained. Such notices will be sent to Unitholders at or around the time of issuance of such reports. The contents of the website hk.allianzgi.com have not been reviewed by the SFC.

11.7. Collection and Use of Personal Data

The Trustee or the Manager may collect, use and disclose information or personal data in relation to the Unitholder (whether or not the relevant Unitholder is an individual), so that the Trustee or the Manager can carry out its respective obligations in respect of the Trust and for other purposes, as described in the Trust Deed and/or the Subscription Form. The Trustee or the Manager may also transfer such information or personal data in relation to any Unitholder to any country or to the other party or to any custodian or joint custodian, prime broker (if any), the auditors, any investment delegate, any other service provider, including their respective employees, officers, directors and agents and/or their affiliates, whether in Hong Kong or any part of the world, to process information on the Trustee's or the Manager's behalf for any of the above purposes. For the avoidance of doubt, each of the Trustee and the Manager (as applicable) shall observe and comply with the applicable laws and regulations in relation to the use of personal data and the privacy issues, including but not limited to, the Personal Data (Privacy) Ordinance (Cap. 486, Laws of Hong Kong) (as amended from time to time) and all other applicable regulations and rules governing personal data use in Hong Kong from time to time.

11.8. Modification to the Trust Deed

The Trustee and the Manager may, in relation to any material changes, modify, alter or add to the Trust Deed from time to time with the prior approval of the SFC and sanction of extraordinary resolutions as described in the Trust Deed, unless such amendments, as certified in writing by the Trustee:

(i) do not materially prejudice the interests of the Unitholders in any Class, do not operate to release to any material extent the Trustee, the Manager or any other person from any liability to the Unitholders in any Class, and will not result in any increase in the amount of costs and charges payable from any Class (other than the costs, charges, fees and expenses incurred in connection with the supplemental deed);

(ii) are necessary in order to make possible compliance with any fiscal, statutory, regulatory or official requirement (whether or not having the force of law); or

(iii) are necessary to correct a manifest error.

Not less than one month's prior notice shall be given to the Unitholders of any modification, alteration or addition to the provisions of the Trust Deed, in respect of which the Trustee has certified in accordance with (i), (ii) or (iii) above, unless in the opinion of the Trustee, such modification, alteration or addition is not of material significance or is made to correct a manifest error.

11.9. Liquidity Risk Management

The Manager has established a liquidity risk management policy with the aim to enable it to identify, monitor, manage and mitigate the liquidity risks of a Sub-Fund and to ensure that the liquidity profile of the investments of a Sub-Fund will facilitate compliance with a Sub-Fund's obligation to meet redemption requests. Such policy, combined with the governance framework in place and the liquidity management tools of the Manager, also seeks to ensure fair treatment of Unitholders and safeguard the interests of remaining or existing Unitholders in case of sizeable redemptions or subscriptions.

The Manager's liquidity risk management policy takes into account the investment strategy; the dealing frequency; the redemption policy, the underlying assets' liquidity (and whether they are priced at fair value).

The liquidity risk management policy involves monitoring the profile of investments held by a Sub-Fund on an ongoing basis with the aim to ensure that such investments are appropriate for the redemption policy as stated in the Section 4.5, headed “Redemption of Units”, and will facilitate compliance with a Sub-Fund’s obligation to meet redemption requests. Furthermore, the liquidity risk management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of a Sub-Fund in times of exceptional market conditions.

The following tools may be employed by the Manager to manage liquidity risks:

- Redemption and conversion requests on any Dealing Day which exceed 10% of the total number of Units in issue of a particular Sub-Fund on that Dealing Day, may be deferred to the next succeeding Dealing Day. For details, please refer to Section 4.8, headed “**Deferral of Redemption and Conversion Requests**”. If such limitation is imposed, this would restrict the ability of a Unitholder to redeem in full the Units the Unitholder intends to redeem or convert on a particular Dealing Day.

- Calculation of the NAV of each Sub-Fund as well as the issue, redemption and conversion of Units may be suspended in certain circumstances. For details, please refer to Section 4.9.2, headed “**Temporary Suspension of Calculation of NAV and Unit Issue, Redemption and Conversion**”. During such period of suspension, Unitholders would not be able to subscribe for, redeem or convert their Units in the relevant Sub-Fund.

The Manager will consult the Trustee before the use of the above liquidity risk management tools.

11.10. Termination, Merger or Division of the Trust or any Sub-Fund

The Trust may be terminated by the Trustee after giving not less than one month’s notice to Unitholders if:–

(a) the Manager commences to be wound up or goes into liquidation or has a receiver appointed over its assets and is not discharged within 60 days;

(b) in the reasonable opinion of the Trustee, the Manager has failed to perform its duties under the Trust Deed satisfactorily or the Manager shall do any other thing which is calculated to bring the Trust into disrepute or to be harmful to the interests of the Unitholders or the Trustee forms the opinion for any other good and sufficient reason that a change in the manager of the Trust is desirable in the interests of the Unitholders;

(c) any law is passed which renders it illegal or, in the opinion of the Trustee, impracticable or inadvisable, in consultation with the relevant regulators (including, but not limited to, the SFC), to continue the Trust;

(d) the Trustee is unable to find an acceptable person to act as the new manager within such time as the Trustee considers to be reasonable after the removal of the Manager for the time being; or

(e) the Trustee shall have decided to retire but the Manager shall be unable to find a suitable person who is willing to act as trustee of the Trust within 60 days (or as the case may be, 30 days as prescribed under the Trust Deed) from the date the Trustee notifies the Manager of such desire.

The Manager may terminate the Trust and/or any Sub-Fund giving not less than one month’s notice to Unitholders and the Trustee if:

(a) in relation to the Trust, the aggregate NAV of Units outstanding in the Trust is less than HKD500,000,000;

(b) in relation to any Sub-Fund, if the NAV of such Sub-Fund is less than HKD100,000,000;

(c) in the opinion of the Manager, it becomes impracticable or inadvisable to continue any Sub-Fund and/or Class (including without limitation, a situation where it is no longer economically viable to operate the Sub-Fund); or

(d) if any law shall be passed which renders it illegal or, in the opinion of the Manager, impracticable or inadvisable, in consultation with the relevant regulators (including, but not limited to, the SFC), to continue the Trust and/or any Sub-Fund.

Upon the Trust or any Sub-Fund being terminated, subject to authorizations or directions (if any) given to the Trustee by the Unitholders by extraordinary resolution, any unclaimed proceeds or other monies held by the Trustee may at the expiration of 12 months from the date upon which the same became payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

The Manager may, in the event that legislation is enacted, and comes into effect, in Hong Kong which permits the establishment of open-ended investment fund companies (each a "**OEIF**") in Hong Kong, after consultation with the Trustee, determine that it is in the best interests of the Unitholders as a whole to cease being Unitholders in the Trust and to become shareholders in such a OEIF instead subject to the SFC's prior approval and applicable laws and regulations. The Manager may procure the incorporation in Hong Kong of such a OEIF, which will be constituted with such sub-funds and classes of shares which correspond with the Sub-Funds and Classes then in issue. The Manager and the Trustee will then effect the transfer of the assets comprised in each Sub-Fund to the corresponding sub-fund of the OEIF. Unitholders will become entitled to shares in such OEIF, pro rata to their respective holdings of Units in the relevant Sub-Fund or Class, and on such other terms as determined by the Trustee and the Manager.

Unitholders may, by way of an extraordinary resolution, approve and adopt a scheme of amalgamation proposed by the Manager. Such Scheme of Amalgamation may provide for assets comprised in the relevant Sub-Fund to be transferred to such one or more other Collective Investment Schemes and Unitholders may become entitled to units or shares or other interests in such other Collective Investment Schemes, pro rata to their respective interests in the assets of the Sub-Fund transferred.

The Trust and/or any Sub-Fund may also be terminated by extraordinary resolution passed at a duly convened meeting of all Unitholders or of the Unitholders of the relevant Sub-Fund, as the case may be.

11.11. Available Documents

Copies of the following documents may be inspected free of charge at the offices of the Manager or obtained on payment of a reasonable charge from the Manager during usual business hours:

(i) the Prospectus and the KFS of each Sub-Fund;

(ii) the Trust Deed;

(iii) any material contracts; and

(iv) the latest reports and accounts (if any) of the Sub-Fund(s).

Appendix 1
Allianz Thematic Income

1. Investment Objective

The investment objective is to seek to achieve income and long-term capital appreciation by investing in global Interest Bearing Securities and global equities with a focus on theme and stock selection.

2. Investment Strategy and Restrictions

At least 70% of the Sub-Fund's NAV are invested in global equities and Interest Bearing Securities with a focus on theme and stock selection. The Sub-Fund may invest up to 85% of its NAV in equities, and up to 85% of its NAV in Interest Bearing Securities. The Sub-Fund aims to invest in a range of 5 to 10 themes with medium to long term trends (e.g. health tech, safety and security, digital life, etc. depending on market conditions). The themes may change over time. The investment process is based on an approach which combines a top-down active theme investment process and a bottom-up stock selection process.

The Sub-Fund may invest up to 100% of its NAV in emerging markets securities, and may invest up to 20% of its NAV in aggregate in (i) China A-Shares, (ii) China B-Shares, and (iii) PRC bond markets.

The Sub-Fund may invest less than 30% of its NAV in Interest Bearing Securities which are unrated or have a Rating of BB+ or below.

The Sub-Fund may invest less than 30% of its NAV in instruments with loss-absorption features (including contingent convertible bonds, senior non-preferred debt securities, instruments issued under the resolution regime for financial institutions and other capital instruments issued by banks or other financial institutions).

Investment in mortgage-backed securities and asset-backed securities may not exceed 20% of the Sub-Fund's NAV.

The Sub-Fund may invest in derivatives such as options, warrants and futures for hedging and investment purposes.

The asset allocation of the Sub-Fund will change according to the Manager's views of fundamental economic and market conditions and investment trends across the globe, taking into consideration factors such as liquidity, costs, timing of execution, relative attractiveness of individual securities and issuers available in the market.

3. Business Day

A Business Day has the meaning set out in "II. GLOSSARY" of this Prospectus.

4. Base Currency

The Base Currency of the Sub-Fund is the USD.

5. Management Fee

Class of Units	Management Fee (as a % p.a. of the NAV of the Sub-Fund)
Class A	Maximum: 2.00%
Class P	Maximum: 1.50%
Class I	Maximum: 1.25%

Appendix 2
Allianz Selection Income and Growth

1. Investment Objective

The investment objective is to seek to achieve long term-capital appreciation and income by investing primarily in a combination of U.S. or Canadian equity securities, debt securities and convertible securities.

2. Investment Strategy and Restrictions

The Sub-Fund may invest in multi-asset classes.

The Sub-Fund may invest up to 100% of its NAV in Interest Bearing Securities with a minimum Rating of CCC.

The Sub-Fund may invest up to 70% of its NAV in any one of the following asset classes: equities, convertible securities (which may be unrated and may include convertible bonds and convertible preferred shares) and/or high-yield bonds which may be unrated or have a Rating of BB+ or below. Investment in mortgage-backed securities and asset-backed securities may not exceed 20% of the Sub-Fund's NAV.

At least 80% of the Sub-Fund's investments as referred to above shall be invested in assets whose issuers are companies that have their registered office in the United States or in Canada, or whose repayment is guaranteed by a company that has its registered office in the United States or in Canada. The Sub-Fund is not required to adhere to this limit during (i) the first two months after the date of its launch; and (ii) two months prior to the date of its termination or merger.

The Sub-Fund may invest less than 30% of its NAV in instruments with loss-absorption features (including contingent convertible bonds, senior non-preferred debt securities, instruments issued under the resolution regime for financial institutions and other capital instruments issued by banks or other financial institutions).

The allocation of the Sub-Fund's investments across asset classes will vary substantially from time to time. The Sub-Fund's investments in each asset class are based upon the Investment Manager's assessment of economic conditions and market factors, including equity price levels, interest rate levels and their anticipated direction.

The Sub-Fund may invest in derivatives such as options, warrants and futures for hedging and investment purposes.

3. Business Day

A Business Day shall include a day on which banks and exchanges in Hong Kong and the United States are open for normal business.

4. Base Currency

The Base Currency of the Sub-Fund is the USD.

5. Investment Manager

The Investment Manager of the Sub-Fund is Voya Investment Management Co. LLC.

6. Management Fee

Class of Units	Management Fee (as a % p.a. of the NAV of the Sub-Fund)
Class A	Maximum: 2.00%
Class P	Maximum: 1.50%
Class I	Maximum: 1.25%

Allianz Global Investors Asia Pacific Limited
32/F, Two Pacific Place
88 Queensway, Admiralty
Hong Kong
hk.allianzgi.com