

# Allianz Global Investors U.S. LLC

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## Form ADV Part 2A Brochure March 28, 2014

This brochure provides information about the qualifications and business practices of Allianz Global Investors U.S. LLC (“AllianzGI US”). If you have any questions about the contents of this brochure, please contact us at (800) 656-6226 and/or [info@allianzgi.com](mailto:info@allianzgi.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Additional information about AllianzGI US is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). AllianzGI US is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

**ITEM 2. SUMMARY OF MATERIAL CHANGES**

Since the last update of this brochure on August 1, 2013, there have been no material changes.

AllianzGI US's assets under management ("AUM") and product information have been updated.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

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#### ITEM 4. ADVISORY BUSINESS

##### Our Firm

AllianzGI US, a Delaware limited liability company, is a registered investment adviser with offices in New York, New York and San Diego, California and San Francisco, California. AllianzGI US is a direct, wholly-owned subsidiary of Allianz Global Investors U.S. Holdings LLC, which in turn is owned indirectly by Allianz SE, a diversified global financial institution. AllianzGI US began furnishing discretionary and non-discretionary investment management services on May 1, 2010 following the combination of two registered investment advisory affiliates, Nicholas-Applegate Capital Management LLC and Oppenheimer Capital LLC. On April 1, 2013, AllianzGI US merged with RCM Capital Management LLC (“RCM”) and RCM’s wholly-owned subsidiary, Caywood-Scholl Capital Management LLC. RCM had been in operation since 1970, either directly or through its predecessors. The day-to-day portfolio management and investment operations of AllianzGI US conducted by its officers, employees and other associated persons, are overseen by the Executive Committee of its sole and managing member, Allianz Global Investors U.S. Holdings LLC.

##### Our Services

AllianzGI US provides discretionary and non-discretionary investment management services throughout the world. AllianzGI US manages client portfolios (either directly or through model delivery and wrap fee programs) applying traditional and systematic processes across a variety of investment strategies, including domestic equity, global equity, international equity, income and growth, high yield bond, balanced strategies, multi-asset allocation, risk overlay, futures and options, convertibles, collateralized loans and other securities and derivative instruments. AllianzGI US also acts as a sub-adviser to wrap fee programs, investment companies and other pooled products. AllianzGI US may also provide consulting and research services in connection with asset allocation and portfolio structure analytics. To assist existing or new clients who seek to liquidate portfolios not under AllianzGI US’s management, AllianzGI US may liquidate the portfolio for such clients as an accommodation or for a negotiated fee.

In addition to the advisory-related services noted above, AllianzGI US also provides administration and legal and compliance oversight services, back office operations, trading support, as well as global client service, marketing and sales support to NFJ Investment Group LLC (“NFJ”) and certain administration, back office operations and trading

support to Pallas Investment Partners, L.P. (“Pallas”). (See Item 10 below.) From time to time, AllianzGI US may engage in other business activities, including licensing of intellectual property.

##### Tailoring Services to Client Needs

AllianzGI US employs a broad range of portfolio management tools in seeking to control risk, hedge exposures and seek returns consistent with the client’s guidelines and restrictions. AllianzGI US considers reasonable restrictions to include 1) a restriction on the purchase of a particular security or types of securities, or 2) a restriction on the purchase of a group of securities that are classified by the client to be in a particular industry (for example, tobacco), as long as AllianzGI US has agreed with the client on the industry classification. Other proposed restrictions are analyzed on a case-by-case basis.

AllianzGI US generally has the responsibility to monitor investment restrictions. Clients should be aware that their restrictions can limit AllianzGI US’s ability to act and as a result, their performance may differ from and may be less successful than that of other accounts which do not impose any restrictions. AllianzGI US shall not be bound by any amendment to the investment restrictions unless and until the client and AllianzGI US have agreed in writing on such amendment.

AllianzGI US may take up to ten business days (or longer depending on the complexity of the product mandate) from the time an account is approved to fully invest an account funded in cash or ten business days from the time AllianzGI US has received instructions to terminate an account to fully liquidate the account. If the client intends to fund the account by transferring in-kind securities, AllianzGI US will need to receive from the client, prior to the effective date of its management duties, a list of such securities to allow AllianzGI US to determine which securities to retain and which to replace. The client will be responsible for all tax liabilities that result from sales of contributed securities.

AllianzGI US also offers discretionary and non-discretionary investment advisory services through wrap fee programs (“Wrap Programs”) that are generally sponsored by banks, broker-dealers or other investment advisers (each a “Sponsor”). Generally, in a Wrap Program, the client enters into an agreement with the Sponsor, who furnishes for a single “wrap” fee a variety of services.

The relevant agreements between or among the client, the Sponsor and AllianzGI US will generally outline the services that will be performed by the Sponsor, AllianzGI US, and others in the Wrap Programs. Typically, the Wrap Program Sponsor is responsible for determining whether a specific AllianzGI US strategy is suitable or advisable for a particular investor. For discretionary Wrap Programs, AllianzGI US is responsible for implementing securities transactions for each investor that are appropriate for the selected investment strategy (and, if relevant, in accordance with reasonable investment restrictions imposed by an investor and accepted by AllianzGI US). For non-discretionary Wrap Programs, AllianzGI US will provide a model portfolio and any subsequent changes to the Sponsor to be analyzed and implemented at the Sponsor's discretion. Clients and prospective clients in Wrap Programs should carefully review the terms of the Wrap Program disclosure documents to understand the services, minimum account size, and expenses, and other terms and conditions of such Wrap Program.

AllianzGI US cannot guarantee or assure you that your investment objectives will be achieved. AllianzGI US does not guarantee the future performance of any client's account or any specific level of performance, the success of any investment decision or strategy, or the success of AllianzGI US's overall management of any account. The investment decisions AllianzGI US makes for client accounts are subject to various market, currency, economic, political and business risks, and the risk that investment decisions will not always be profitable. Many of these risks are discussed in Item 8 below, which you should review carefully before deciding to engage AllianzGI US's services.

#### **Assets Under Management**

As of December 31, 2013, AllianzGI US managed \$69 billion (USD) in client assets, including \$58.8 billion on a discretionary basis and \$10.2 billion on a non-discretionary basis.

#### **ITEM 5. FEES AND COMPENSATION**

AllianzGI US furnishes investment advice pursuant to a written investment advisory agreement (the "Agreement"). In general, AllianzGI US bases its fees on its standard fee schedule that is in effect at the time the Agreement is entered into. Advisory fees may also be negotiated with clients and therefore may vary from the standard fee schedule. Generally, either party may terminate the Agreement upon 30 day's prior written notice. Upon termination, clients pay the pro-rata portion

of fees through the termination date. In the event a client has paid fees in advance for the quarter and terminates prior to the end of such quarter, AllianzGI US will refund the client the portion of fees paid from the date of termination to the end of such quarter.

AllianzGI US generally calculates its fixed advisory fees as a percentage of assets under management. AllianzGI US also may enter into a performance fee arrangement with a client pursuant to individualized negotiations, provided that all applicable regulatory requirements are met. Other investment advisers may charge higher or lower fees than those charged by AllianzGI US for comparable services.

AllianzGI US generally charges advisory fees quarterly in arrears based on the average ending market value at the last business day of each month in the calendar quarter. AllianzGI US may also charge advisory fees quarterly in advance based on the market value at the beginning of the quarter, or more or less frequently than quarterly. For fixed fee arrangements, AllianzGI US will charge advisory fees in an account that is opened on a date other than the first date of a calendar quarter on a pro-rata basis from the date of inception of the account to the last day of the quarter. Unless otherwise agreed to with a client, AllianzGI US will adjust account values for purposes of calculating fees for each contribution and withdrawal of \$100,000 or more during a billing period only if the net total of all such contributions and withdrawals exceed 5% of the account's value at the end of the billing period.

AllianzGI US has preferred minimum account sizes, based on the character of the account. Preferred minimum account sizes vary, and are listed, by strategy or character, herein. In its sole discretion, AllianzGI US may accept accounts with amounts of assets lower than the indicated preferred minimum. In such cases, the fees charged for investment advisory services may be higher than those fees indicated herein. AllianzGI US may terminate client accounts with assets that fall below the minimum indicated.

It is AllianzGI US's general policy to charge fees to clients in accordance with the fee schedule in effect at the time the client first entered into an investment management or investment advisory relationship with AllianzGI US. However, in certain circumstances, fees may be subject to negotiation, and fees may be modified for particular clients. The reasons for such modifications may include, without limitation, the type of product provided, the complexity and level of service provided, the number of different accounts and the total assets

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under management for that client and related clients, the particular type of client, constraints imposed by substantial potential capital gains, required attendance at client meetings, other services provided by AllianzGI US, other administrative services provided, or other circumstances or factors that AllianzGI US deems relevant. A different fee schedule may apply if an account receives services that are more limited than full discretionary investment management, or if an account has specialized investment objectives, guidelines and restrictions. Certain accounts of persons affiliated with AllianzGI US may be managed without fees or at reduced fees.

When AllianzGI US and/or certain of its affiliates manage multiple accounts for a particular client, or for a related group of clients, fee calculation may be based on the total assets under management or a relationship fee discount may be available. Assets invested in investment companies generally are not considered for these purposes, although consideration of such assets in fee calculations may occur in special circumstances deemed appropriate by AllianzGI US. If only non-advisory services are provided, and if the account is related to other accounts, AllianzGI US may perform the non-advisory services as an accommodation.

To the extent that a client's assets are invested in a cash investment fund of the client's trustee or custodian, the client should be aware that the trustee or custodian may also charge management or transactional fees with respect to such assets.

You may choose to be billed directly for fees, or may authorize AllianzGI US to directly deduct fees from your account. If AllianzGI US can deduct fees directly from your account, your custodian should send a quarterly statement directly to you, showing transactions in the account, including AllianzGI US's fees. AllianzGI US will receive paper or electronic copies of the custodian's statements. AllianzGI US urges you to carefully review these statements, where applicable, and compare the official custodial records to any account statements AllianzGI US may send to you.

### Separate Accounts Fees (Excluding Wrap Fee Programs)

The Agreement will specify AllianzGI US's advisory fees for separate accounts. In certain circumstances, AllianzGI US will negotiate variances in the fees and account minimums. Unless otherwise agreed to with a client, subsequent modifications to the standard fee schedule will not apply to existing clients, and therefore a client's fee schedule may be different from the standard fee schedule for new separate

accounts. Separate account fees are as follows as of the date of this brochure:

Unless otherwise indicated, fees and account minimums are shown in U.S. Dollars.

#### U.S. Large Cap Equity

0.650% on the first \$20 Million  
0.550% on the next \$50 Million  
0.500% on the next \$100 Million  
0.450% on the next \$250 Million  
Negotiable thereafter  
Minimum Separate Account: \$25 Million

#### Mid Cap Equity

0.750% on the first \$20 Million  
0.700% on the next \$50 Million  
0.650% on the next \$100 Million  
0.520% on the next \$250 Million  
Negotiable thereafter  
Minimum Separate Account: \$25 Million

#### U.S. Small Cap Equity

0.850% on the first \$20 Million  
0.800% on the next \$50 Million  
0.750% on the next \$100 Million  
0.650% on the next \$250 Million  
Negotiable thereafter  
Minimum Separate Account: \$10 Million

#### Global/International Small Cap Equity

0.950% on the first \$20 Million  
0.900% on the next \$50 Million  
0.850% on the next \$100 Million  
0.700% on the next \$250 Million  
Negotiable thereafter  
Minimum Separate Account: \$10 Million

#### Global Equity Sector Mandate

(Technology, Global Agricultural Trends, Global Resources, Global Water, Global Commodity Equity, Biotechnology, Wellness)

1.000% on the first \$170 Million  
0.750% on the next \$250 Million  
Negotiable thereafter  
Minimum Separate Account: \$25 Million

#### Private Client Group accounts

1.000% on the first \$10 Million  
0.700% on the next \$10 Million  
0.500% on the next \$20 Million  
0.350% on the next \$20 Million  
0.300% on the next \$40 Million  
0.250% on the balance of assets  
Minimum Separate Account: \$3 Million

#### U.S. Balanced

0.650% on the first \$10 Million  
0.500% on the next \$10 Million  
0.450% on the next \$20 Million  
0.400% on the next \$20 Million

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|---|--|
| 0.300% on the next \$40 Million<br>0.250% on the balance of assets<br>Minimum Separate Account: \$10 Million  | US Small Cap<br>0.900% on the first \$25 Million<br>0.800% on the next \$25 Million<br>0.700% thereafter<br>Minimum Separate Account: \$20 Million   |
| <b>China Equity/Korean Equity</b><br>0.750% on the first \$50 Million<br>0.650% on the next \$50 Million<br>0.550% on the balance of assets<br>Minimum Separate Account: \$50 Million                               | <b>High Yield Bond</b><br>0.550% on the first \$50 Million<br>0.400% on the next \$50 Million<br>Negotiable thereafter<br>Minimum Separate Account: \$50 Million   |
| <b>Taiwan Equity</b><br>As negotiated based on size of the account  | <b>Short Duration High Yield</b><br>0.500% on the first \$50 Million<br>0.450% on the next \$50 Million<br>Negotiable thereafter<br>Minimum Separate Account: \$50 Million   |
| <b>Little Dragons</b><br>0.900% on all assets<br>Minimum Separate Account: \$50 Million   | <b>US Micro Cap</b><br>1.250% on the first \$25 Million<br>1.150% thereafter<br>Minimum Separate Account: \$10 Million   |
| <b>Global EcoTrends</b><br>0.750% on the first \$50 Million<br>0.650% on the next \$50 Million<br>0.550% on the next \$100 Million<br>0.700% on the balance of assets<br>Minimum Separate Account: \$30 Million     | <b>US Ultra Micro Cap</b><br>1.750% of Asset Value below \$25 Million<br>1.500% on \$25 Million and above<br>Minimum Separate Account: \$10 Million  |
| <b>Europe Equity Growth</b><br>0.500% on the first \$35 Million<br>0.400% on the next \$50 Million<br>0.300% on the next \$100 Million<br>0.300% on the balance of assets<br>Minimum Separate Account: \$30 Million | <b>US Small-Mid Cap Growth</b><br>0.850% on the first \$25 Million<br>0.750% on the next \$25 Million<br>0.700% thereafter<br>Minimum Separate Account: \$20 Million   |
| <b>Multi-Asset</b><br>0.750% on the first \$50 Million<br>0.650% on the next \$50 Million<br>0.550% on the next \$100 Million<br>0.700% on the balance of assets<br>Minimum Separate Account: \$30 Million          | <b>US Systematic Mid Cap Growth</b><br>0.750% on the first \$25 Million<br>0.625% on the next \$75 Million<br>0.500% thereafter<br>Minimum Separate Account: \$20 Million, \$10 Million  |
| <b>Emerging Markets Systematic / Emerging Markets Consumer</b><br>1.000% on the first \$25 Million<br>0.800% on the next \$25 Million<br>0.750% thereafter<br>Minimum Separate Account: \$25 Million                | <b>US Systematic Small Cap Growth / US Systematic Small Cap</b><br>0.850% on the first \$25 Million<br>0.800% on the next \$15 Million<br>0.750% on the next \$25 Million<br>0.700% thereafter<br>Minimum Separate Account: \$10 Million |
| <b>Global Small Cap Opportunities</b><br>0.950% on the first \$50 Million<br>0.750% on the next \$50 Million<br>0.650% thereafter<br>Minimum Separate Account: \$25 Million   | <b>Global Managed Volatility</b><br>0.450% on the first \$20 Million<br>0.350% on the next \$80 Million<br>0.250% thereafter<br>Minimum Separate Account: \$10 Million   |
| <b>Convertibles</b><br>0.750% on the first \$50 Million<br>0.625% on the next \$50 Million<br>0.500% thereafter<br>Minimum Separate Account: \$50 Million   | <b>International Managed Volatility</b><br>0.500% on the first \$20 Million  |

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0.400% on the next \$80 Million  
0.300% thereafter  
Minimum Separate Account: \$10 Million

### US Large Cap Managed Volatility

0.400% on the first \$20 Million  
0.300% on the next \$80 Million  
0.200% thereafter  
Minimum Separate Account: \$10 Million

### CLO

0.550% on the first \$50 Million  
0.400% on the next \$50 Million  
Negotiable thereafter  
Minimum Separate Account: \$50 Million

### Asset Allocation

0.850% on the first \$50 Million  
0.750% on the next \$50 Million  
0.600% thereafter  
Minimum Separate Account: \$5 Million

### Structured Products

#### Structured Alpha 500

30% of quarterly performance over 90-Day T-Bill  
Minimum Separate Account Size: \$50 Million

#### Structured Alpha 1000

30% of quarterly performance over 90-Day T-Bill  
Minimum Separate Account Size: \$50 Million

#### Structured Alpha U.S. Equity 500

30% of quarterly performance over S&P 500 Index  
Minimum Separate Account Size: \$50 Million

#### Structured Alpha 10 Year Treasury 500

30% of quarterly performance over BofA Merrill Lynch 10 Year US Treasury Index  
Minimum Separate Account Size: \$50 Million

#### Structured Alpha 1000 Plus

30% of quarterly performance over 90-Day T-Bill  
Minimum Separate Account Size: \$50 Million

#### Structured Alpha U.S. Equity 250

30% of quarterly performance over S&P 500 Index  
Minimum Separate Account Size: \$50 Million

### Hedged Equity

0.500% of Asset Value  
Minimum Separate Account Size: \$50 Million

### Enhanced Equity

0.350% of Asset Value  
Minimum Separate Account Size: \$50 Million

### Long Volatility

1.000% of Asset Value  
20% of quarterly performance over 0%  
Minimum Separate Account Size: \$5 Million

### Commingled Funds

#### Mutual Funds, Funds of Funds and Closed-End Funds

In addition to the separate account services described above, AllianzGI US provides advisory or sub-advisory services to registered investment companies (“Funds”) managed by AllianzGI US, its affiliates or unaffiliated advisers. Additional information concerning a Funds’ investment management fees, and other expenses, is contained in the prospectus and statement of additional information. Investors are advised to review prospectus and statement of information prior to investing in a Fund.

AllianzGI US compensation for acting as a sub-adviser to Funds is typically calculated as a percentage of a Fund’s average net assets, and may vary depending on a number of factors including the investment strategy employed, the type of Fund, and the amount of assets under management. The market value of a Fund’s portfolio for purposes of calculating fees will be based on the Fund custodian’s valuation. An investment in a Fund will typically be reduced by the management fees and fund expenses.

#### Unregistered Commingled Funds

AllianzGI US may also provide advisory or sub-advisory services to Unregistered Commingled Funds and may act as managing member of Unregistered Commingled Funds. These funds may be established by AllianzGI US, its affiliates, or third parties. AllianzGI US, its affiliates and/or their personnel may have an ownership or management interest in an Unregistered Commingled Fund. A minimum account size may be applicable for participation in an Unregistered Commingled Fund. Additional information concerning these funds, including advisory fees, is typically included in the relevant fund’s offering documents.

Advisory fees for Unregistered Commingled Funds are typically assessed by the funds’ administrator, although in certain cases, investors in these funds may pay advisory fees directly to AllianzGI US. The

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Unregistered Commingled Funds may enter into agreements with certain investors which in some cases may result in lower management fees and incentive allocations than disclosed in AllianzGI US's standard fee schedule. AllianzGI US's current standard fee schedule for new investments in Unregistered Commingled Funds, if different from separate account fees disclosed above, are as follows:

### Large Cap Select Fund

0.600% on the first \$25 Million  
0.500% on the next \$50 Million  
0.450% on the next \$100 Million  
0.400% on the next \$250 Million  
Negotiable thereafter  
Minimum Account Size: \$100,000

### Large Cap Growth Fund

0.600% on the first \$25 Million  
0.500% on the next \$50 Million  
0.450% on the next \$100 Million  
0.400% on the next \$250 Million  
Negotiable thereafter  
Minimum Account Size: \$100,000

### Little Dragons Fund

0.850% on all assets  
Minimum Account Size: Negotiable

### China Fund

0.700 on all assets  
Minimum Account Size: Negotiable

### NFJ International Value

0.850% on the first \$25 Million  
0.750% on the next \$25 Million  
0.600% on the next \$50 Million  
0.450% thereafter  
Minimum Account Size: \$1 Million

### Allianz Global Investors Total Return

0.450% of Asset Value  
Minimum Account Size: \$1 Million

### Managed Account and Wrap Fee Programs

AllianzGI US also receives fees for providing discretionary advisory services to Wrap Program Sponsors. AllianzGI US does not maintain a standard fee schedule for discretionary advisory services to Wrap Programs. The advisory fees are typically negotiated with, and paid by, the Sponsor pursuant to an agreement between the parties. The advisory fees may vary by Sponsor and strategy, but are generally between .25% and .75% of total assets under management. Clients are advised to review the Wrap Program Sponsor's brochure for fees applicable to the program.

In most cases, because the Sponsor does not charge an additional commission for brokerage transactions, it will usually be more cost effective to the client for AllianzGI US to execute transactions through the Sponsor instead of through other broker-dealers. However, if AllianzGI US determines that the Sponsor may not provide best execution, AllianzGI US may select another broker-dealer to effect transactions which may cause the client to incur additional overall costs. Additional information on AllianzGI US's brokerage practices is set forth below under Item 12 Brokerage Practices.

### Target Date Strategies

AllianzGI US does not maintain a standard fee schedule for Target Date Strategies. Actual fees are individually negotiated and may vary depending on a number of factors, including the size of the portfolios, the portfolio's asset allocation, additional services or differing levels of servicing or as otherwise agreed with the client.

### Investment Model Delivery to Third Parties

AllianzGI US provides investment models to unaffiliated broker-dealers and investment advisers and in return receives a portion of the advisory fee received by these unaffiliated parties from their clients. Generally, these entities will pay a portion of the fee they receive from their respective clients to AllianzGI US. The advisory fees may vary by strategy, but are generally between .25% and .40% of total assets under management. Fees may be payable in arrears or in advance, typically on a quarterly basis.

### Compensation from the Sale of Securities

AllianzGI US's supervised persons and related sales personnel typically market AllianzGI US and NFJ investment capabilities to various prospects and intermediaries. AllianzGI US or NFJ investment capabilities may be available directly through provision of investment advisory services (through separate accounts and Wrap Programs), or indirectly by investment in Funds advised or sub-advised by AllianzGI US and NFJ.

Certain of AllianzGI US's supervised persons and related sales personnel also may be associated with an affiliated broker-dealer, and in that capacity may engage in marketing or selling activities with respect to shares or interests in Funds and Unregistered Commingled Funds advised or sub-advised by AllianzGI US or NFJ. (See Item 10 for more information about other financial industry activities and affiliations.) AllianzGI US supervised persons and related sales personnel may be internally compensated for successful marketing or selling activities with respect to shares or interests in Mutual Funds and

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Unregistered Commingled Funds advised or sub-advised by AllianzGI US and NFJ.

Clients may purchase certain of the investment products recommended by AllianzGI US directly or through broker-dealers that are not affiliated with AllianzGI US. Doing so may result in fee and execution charges that are lower (or higher) than those charged by AllianzGI US or its affiliates.

### **Client Service and Sales**

AllianzGI US may be compensated directly with respect to services that it provides to one or more of its affiliated advisers. In other cases, affiliated advisers may fund the shared costs of AllianzGI US, including the compensation paid to sales and clients service personnel.

### **Other Fees and Expenses**

In addition to the advisory fees described above, clients will be subject to other fees and expenses in connection with AllianzGI US's advisory services.

### **Transaction Charges**

Clients, except those who participate in a Wrap Program where the Sponsor executes securities transactions, will pay brokerage commissions, mark-ups, mark-downs, other commission equivalents and/or transaction costs related to transactions effected for their accounts to executing broker-dealers. As described in Item 12 Brokerage Practices, AllianzGI US will effect these transactions subject to its obligation to seek best overall execution. The different types of execution charges include:

- Commissions: the amount charged by a broker for purchasing or selling securities or other investments as an agent for the client and is disclosed on client's trade confirmations or otherwise.
- Commission equivalents: an amount charged by a dealer for purchasing or selling securities or other investments in certain riskless principal transactions. Riskless principal transactions refers to transactions in which a dealer, after having received an order to buy from a client, purchases the security from another person to offset a contemporaneous sale to the client or, after having received an order to sell from a client, sells the security to another person to offset a contemporaneous purchase from the client.
- Markups: the price charged to a client, less the prevailing market price and is included in the price of the security.

- Mark-downs: the prevailing market price, less the amount a dealer pays to purchase the security from the client and is included in the price of the security.
- Spreads: the difference between the current purchase or bid price (that is, the price someone is willing to pay) and the current or offer price (that is the price at which someone is willing to sell) and is included in the price of the security. The difference or spread narrows or widens in response to the supply and demand levels of the security.

### **Custody and Other Fees**

AllianzGI US does not select account custodians on behalf of clients or serve as the custodian of client account assets. The custodian appointed by the client will charge custody and other fees that are in addition to the advisory fees payable to AllianzGI US.

## **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

### **Performance-Based Fees**

AllianzGI US may enter into performance fee arrangements with qualified clients pursuant to individualized negotiations. Performance-based fee arrangements may create an incentive for an Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

### **Side-by-Side Management**

AllianzGI US may manage accounts with fixed management fees ("fixed fee accounts") alongside other accounts with performance-based fees ("performance fee accounts"). There are potential conflicts of interest that arise due to the side-by-side management of fixed fee accounts with performance fee accounts as there may be an incentive to favor the performance fee accounts over the fixed fee accounts in the allocation of investment opportunities. AllianzGI US has implemented side-by-side policies and procedures to address this conflict so that all clients are treated fairly and equitably.

## **ITEM 7. TYPES OF CLIENTS**

AllianzGI US provides portfolio management services to a variety of clients including:

- high net worth individuals

- corporations
- public pension and profit-sharing plans
- Taft-Hartley plans
- charitable institutions, foundations, endowments
- investment companies and other commingled funds
- trusts
- governmental entities
- Wrap Fee Programs

Certain Wrap Fee Program investors, shareholders in investment companies and investors in other pooled products will not be deemed advisory clients of AllianzGI US.

#### **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The following are broad descriptions of the methods of analysis and investment strategies employed by AllianzGI US. It should be noted that investing in securities involves risk of loss that clients should be prepared to bear.

##### **METHODS OF ANALYSIS**

###### **Equity Research**

AllianzGI US maintains a research staff that monitors a broad universe of stocks for comparative purposes (the "Research Department"). It makes use of contacts at several levels within companies, and, where appropriate, with a company's competitors, end-users and suppliers. The Research Department's analysts follow a global universe of companies to determine whether they are good candidates for investment, and communicate recommendations to the appropriate portfolio management team. AllianzGI US may also receive proprietary research from, and provide proprietary research (including Grassroots<sup>sm</sup> Research Reports) to certain investment management affiliates. (See response to Item 10 below.)

Substantial emphasis is placed on the Research Department's own fundamental research. However, AllianzGI US also uses outside research in two ways. First, the opinions of a broad group of industry and company specialists are considered to supplement the analysis of AllianzGI US's research staff. As described in Item 12, this research information may be provided by brokers who execute portfolio transactions for AllianzGI US's clients. Second, "street" opinions and estimates on stocks, groups and economic data are monitored.

In addition to its fundamental traditional research activities, AllianzGI US uses research produced by Grassroots<sup>sm</sup> Research, a division within the Allianz Global Investors group of companies. Grassroots<sup>sm</sup> Research augments AllianzGI US's own traditional research methods by seeking to verify (or disprove) market information pertaining to various companies or industries and by identifying and analyzing marketplace trends. AllianzGI US believes that Grassroots<sup>sm</sup> Research provides a valuable complement to its traditional research methodology.

AllianzGI US maintains staff in its Grassroots<sup>sm</sup> Research unit. There are also freelance journalists and field force personnel located throughout the world, including Eastern and Western Europe, Asia, Australia, Latin America, as well as the United States who collect data and other information through interviews conducted with various sources, including consumers, suppliers, service providers, trade sources, polls and government agencies. The journalists prepare research reports that the Grassroots<sup>sm</sup> employees then edit and finalize. The freelance journalist and field force personnel typically work as independent contractors and are compensated by broker-dealers who provide research services to AllianzGI US in exchange for commissions generated by AllianzGI US's clients. (See response to Item 12 below.)

AllianzGI US also may utilize from time to time the research services of doctors representing medical specialties likely to be affected by medical, technological and economic developments in medicine, health care and related areas. These doctors may serve as independent contractors and be compensated by broker-dealers who provide research services to AllianzGI US in exchange for commissions generated by AllianzGI US clients. (See response to Item 12 below.)

AllianzGI US may also employ quantitative analysts who contribute to the overall investment efforts of the firm. Such analysts' main focus is to provide risk and performance analyses of portfolios to assist in future investment decisions.

###### **Fundamental Growth Equity Strategies**

AllianzGI US's primary equity products emphasize a team approach to asset management. The teams take advantage of all the global resources of Allianz Global Investors to select securities. The objective is to develop for each client a diversified, yet concentrated portfolio of high quality growth companies selling at reasonable prices. AllianzGI US may also, from time to time, invest in cyclical and semi-cyclical companies.

New purchase ideas are primarily generated by AllianzGI US's fundamental research department, Grassroots<sup>SM</sup>, and the portfolio management teams (domestic and international). External research is also used to generate ideas.

Before purchase, all companies are evaluated for their growth and quality characteristics. All stocks are evaluated on their valuation characteristics. AllianzGI US seeks to invest in companies that offer long-term sustainable growth in earnings, revenues, or cash flow, have strong management and financial statements, and offer good relative and absolute risk-adjusted return characteristics.

Companies are sold if AllianzGI US believes that their growth or quality has been impaired, or when it believes that the risk-adjusted return characteristics are no longer attractive.

The portfolio management teams construct the portfolios in line with specific client investment objectives, guidelines and restrictions. The portfolio managers make stock selection and industry decisions with significant input from the analyst teams. The resulting portfolios are diversified, yet concentrated, and are composed of issuers that AllianzGI US believes are high quality growth companies offering above average risk-adjusted return prospects.

For those clients who choose to be fully invested at all times, cash positions generally will average between 2% to 5% or less, except when additional cash is necessary for transaction settlement or until reinvestment decisions are made. For other clients, whose investment objectives, guidelines, and restrictions permit higher cash levels, AllianzGI US may, from time to time, increase the cash levels in the account to the extent that market conditions warrant. Cash levels also may be increased in anticipation of expected client withdrawals. The percentage of each type of investment in a particular account is likely to vary, based on a number of factors, including, but not limited to, market conditions, relative investment opportunities, and each client's particular investment objectives, guidelines, and restrictions.

In some instances quantitative methods may be utilized in the fundamental-based strategies. Quantitative methods may include proprietary modeling for options overlay strategies.

#### Disciplined Equity Strategies

The Disciplined Equities Group manages the Disciplined U.S. Core Equity and Disciplined U.S. Value Equity products using an investment management process that combines quantitative screening with fundamental company research

(including Grassroots<sup>SM</sup> Research). It is a four-step bottom-up stock selection investment process which includes: (1) initial idea generation using a screening strategy, (2) valuation and stock selection using in-depth company research, (3) portfolio construction and risk control that builds a diversified portfolio that generates performance mainly from bottom-up stock selection, and (4) monitoring and review that aims to improve the overall investment process.

#### Systematic Strategies

For its Systematic strategies, AllianzGI US applies a quantitative stock-selection approach to identify companies undergoing positive change with sustainable growth characteristics and timely market recognition. The team's philosophy is predicated on behavioral finance, and its proprietary investment models optimize the tradeoff between reward and risk. Individual stock alphas are estimated through the team's multi-factor models and constructed in a risk-aware framework. The team is engaged in ongoing research to continually enhance its quantitative investment process. The integrated relationship between research and portfolio management combines the latest research from the academic and investment management communities with real world asset management experience in an effort to maximize long-term capital appreciation.

#### Structured Products Strategies

For its Structured Products strategies, AllianzGI US analyzes the statistical behavior of one or more indices to develop proprietary expected probabilities of the magnitude of future index movements. From this analysis, AllianzGI US constructs option spreads using puts and calls on the indices in order to optimize the strike and time-to-expiration of each option position, as well as the probability-adjusted size of the profit zones.

#### Asset Allocation & Target Date Strategies

The Asset Allocation portfolio structuring process is based on underlying account investment objectives, and translating those objectives into specific measurable expected risk-return profiles. The general portfolio strategy utilizes (1) a portfolio of defensive assets intended to help to preserve principal, provide current income and hedge inflation ("Defensive Assets"); (2) a portfolio of return-generating assets that emphasize after-inflation capital growth ("Return-Generating Assets"); (3) strategy-specific objectives that define the percent to invest in Defensive and Return-Generating Assets, respectively; and (4) risk-budgeted and risk-managed portfolios that are measured by total portfolio volatility, portfolio income, and portfolio tracking error. Defensive Assets typically belong to

the fixed-income asset class. Return-Generating Assets typically belong to the fixed-income, equity, real estate, commodity and alternative asset classes. The resulting strategy is a combination of Defensive and Return-Generating Assets that matches the expected risk-return profile.

#### **US Short Duration Strategies**

The Short Duration team utilizes a proprietary credit scoring system that scores and tallies approximately sixty different credit metrics within three qualitative and three quantitative categories. This analytical tool helps the portfolio management team to identify a company's strengths and weaknesses, and to reveal potential risk factors. In addition to the company reports and the credit scoring system the analysts perform a relative value assessment where relevant. The Short Duration team also subscribes to major broker/dealer systems that provide specific security credit and pricing information.

The following describes the methods of analysis for each of AllianzGI US's investment strategies:

#### **Investment Process – US Large Cap Growth Strategies (US Large Cap Select, US Large Cap Core and US Focused Growth)**

The investment process for domestic large-cap equity accounts is coordinated through the Large Cap Portfolio Management Team (the "Large Cap PMT"). The Large Cap PMT draws upon the expertise of senior portfolio managers, portfolio managers, assistant portfolio managers, senior portfolio associates, portfolio associates and assistants, economists, product specialists and quantitative specialists. The Large Cap PMT meets daily and has frequent interactions with AllianzGI US's research analysts, Grassroots<sup>sm</sup> analysts, and the equity traders.

The Large Cap PMT makes investment decisions through a disciplined voting procedure. Votes are recorded and securities are re-voted at frequent intervals. While the portfolio manager for each account retains the ultimate authority over individual buy and sell decisions for that account, buy and sell decisions by individual portfolio managers that differ from the Large Cap PMT's conclusions are discussed at the Large Cap PMT portfolio construction meeting. Dispersion is also controlled using quantitative methods.

#### **Investment Process – US Mid Cap Strategies**

The investment process for mid-cap products involves teams of portfolio managers, assistant portfolio managers and portfolio associates, and certain research analysts who manage smaller sector portfolios in some mid-cap accounts.

The Mid Cap Portfolio Management Team meets daily and, as a group, interacts frequently with research analysts, Grassroots<sup>sm</sup> analysts and the equity traders. The mid cap investment processes utilize a bottom-up approach to investing. Individual stock holdings, and to a certain extent industry weightings, will differ among mid capitalization accounts. Variances are reviewed regularly for appropriateness. As part of this process, and subject to the supervision of the portfolio managers, the assistant portfolio managers play an active role in originating investment ideas and in initiating transactions in the portfolio management teams.

#### **Investment Process – US Small Cap Growth Strategies (US Micro Cap, US Ultra Micro Cap, US Small Cap, Small Cap Blend, and US Small-Mid Cap Growth)**

The US Small Cap Growth team believes that investing in companies undergoing positive fundamental change, with sustainable growth characteristics and timely market recognition will result in outstanding investment performance. The team implements a bottom-up approach to security selection and research.

#### **Investment Process – Disciplined Equity Strategies (Disciplined US Core, Disciplined US Value)**

The Disciplined Equity team believes in investing in under-valued companies undergoing positive change. The team believes investor sentiment fluctuates more widely than underlying fundamentals and that low expectation/valuation provides more downside risk protection and more upside potential. The team believes this results in mispriced opportunities. The team seeks to identify these opportunities through their disciplined investment process, which is built upon stock screening and fundamental research

#### **Investment Process – Private Client Group (Targeted Growth (Tax Managed), Targeted Core Growth (Tax Managed), Balanced)**

The Private Client Group employs a team approach to investment management. The Private Client Group interacts daily with the Large Cap PMT, research analysts, and Grassroots<sup>sm</sup> Research, and regularly with the Small/Mid Cap PMT. The equity investment approach is to seek to identify companies with above average earnings growth prospects that can be held for a considerable period of time in order to defer payment of capital gains taxes. Tax consequences can be critical to an investor's overall return and, as appropriate, investment performance is evaluated on both a before-tax and after-tax basis.

Investment Process – Sector/Thematic Strategies  
(*Technology, Global Agricultural Trends, Global Water, Global EcoTrends, Global Resources, Global Commodity Equity, Wellness, Biotechnology*)

#### *Technology*

The Technology team seeks long-term capital appreciation by investing in both domestic and international companies that use technology in an innovative way to gain a competitive edge. The Technology team selects stocks by identifying major growth trends within technology; especially discontinuities offering order-of-magnitude of improvements. The team seeks companies possessing superior management, strong balance sheets, differentiated products or services, substantial unit growth, strong commitments to research and development, and a steady stream of new products or services. The team also considers country and sector/industry selection, as well as capitalization range decisions, are primarily the result of identifying superior securities, although benchmark allocations are monitored to ensure maintenance of an appropriately diversified portfolio.

#### *Global Agricultural Trends*

The Global Agricultural Trends investment team believes global population growth and rising incomes, particularly in Emerging Markets, has led to changes in how much, what, and how the world eats. The team seeks investment opportunities along the entire food supply chain, from companies that offer solutions to increase output per acre, to companies that process and distribute food to end consumers. The strategy invests globally, focusing on companies that stand to benefit from:

- (1) Increasing and changing agricultural raw materials production (upstream)
- (2) Rising food demand and changing preferences, including food processing & distribution (downstream).

The team targets companies that possess superior management, strong balance sheets, differentiated products or services, substantial unit growth, strong commitments to research and development, and a steady stream of new products or services, and that meet rigorous growth, quality, and valuation criteria.

#### *Global Water*

The Global Water team seeks to invest in companies that fall within the broadly defined and rapidly growing eco-sector of clean water. Water related activities are those that influence the quality, availability or demand of water including: water production; water conditioning; sewage treatment; engineering services. Stocks are

selected on a fundamental bottom-up basis with no ethical or sustainability screening applied. The Global Water strategy philosophy recognizes that the environment has a significant and increasing impact on businesses and financial markets. Working in a team-oriented meritocracy, our investment professionals focus on constructing portfolios offering attractive risk-adjusted returns.

#### *Global EcoTrends*

The Global EcoTrends strategy is based on the premise that with an increasing global focus on environmental protection in the 21st century, companies that provide solutions to environmental problems and those that utilize environmental solutions stand to benefit. The Global EcoTrends team seeks to invest in companies falling within the following three eco-sectors which are broadly defined and are seen to be growing rapidly: (1) EcoEnergy, (2) Pollution Control, and (3) Clean Water. The primary focus is to construct a portfolio representing the best investment opportunities within the three EcoTrends themes. Idea generation begins with our EcoTrends specialists who in turn draw on the input of the global research platform, regional portfolio managers, single country managers and global sector managers.

#### *Global Resources*

The Global Resources investment strategy seeks long-term capital appreciation by investing in a broad range of domestic and international companies within the Natural Resources sector, including Integrated Oil, Exploration and Production, Oil Services, Refining, Coal, Metals and Mining, Chemicals, Paper, and Alternative Energy. The team seeks to identify major trends within the Natural Resources sector, companies possessing superior management, strong balance sheets, differentiated products or services, substantial unit growth, strong commitments to research and development, and a steady stream of new products or services focus on quality names helps to reduce risk of binary outcomes and severe stock disappointments

#### *Global Commodity Equity*

The Global Commodity Equity investment team seeks to achieve its investment objective by normally investing in equity securities of companies principally engaged in the research, development, manufacturing, extraction, distribution or sale of materials, energy or goods related to the Agriculture, Energy, Materials or Commodity-Related Industrials sectors. The teams considers (i) the Agriculture sector to include products such as grain, vegetable oils, livestock and agricultural-type products such as coffee; (ii) the Energy sector to include products such as coal,

natural gas, oil, alternative energy and electricity; (iii) the Materials sector to include products such as chemicals & fertilizers, constructions materials, industrial metal, precious metal, steel, minerals and paper products; and (iv) the Commodity-Related Industrials sector to include industrial firms that manufacture tools, equipment and goods used in the development and production of commodities or that maintain infrastructure used in their transportation.

#### *Wellness*

The investment team seeks to identify long-term trends emerging from changes in the healthcare system, such as early diagnosis, disease management and personalized medicine. The team creates a portfolio investing in wellness-related companies, addressing themes such as preventative healthcare, wellness therapies and healthy lifestyle. The team also utilizes the AllianzGI US bottom-up, on-the-ground research to spot healthcare trends earlier than the broader marketplace.

#### *Biotechnology*

The investment team seeks to achieve its investment objective by investing in equity securities of companies in the biotechnology industry. Biotechnology companies engage in the research, development, provision and/or manufacture of biotechnological products, services and processes. In analyzing specific companies for possible investment, the portfolio managers ordinarily look for several of the following characteristics: higher than average growth and strong potential for capital appreciation; substantial capacity for growth in revenue through either an expanding market or expanding market share; a strong balance sheet; superior management; strong commitment to research and product development; and differentiated or superior products and services and a steady stream of new products and services.

#### *Investment Process – Asia/Europe Strategies*

##### *China Equity*

The China Equity team aims to provide investors with long term capital appreciation through investment in the shares of companies listed in China and companies located elsewhere which have significant interest in China. The team's philosophy and process aims to add value in three key areas, namely stock selection, portfolio construction, and implementation. Research coverage is shared between the country specialists and the regional sector analysts. Country specialists tend to cover those companies that relate to local factors more than any regional (or global) factor. Sector specialists cover the larger capitalized names that could be recommended for

regional or global portfolios. The team's goal is to build integrated portfolios on a bottom-up basis, comprising the best companies in the region. Working in a team-oriented meritocracy, our investment professionals focus on constructing portfolios offering attractive risk-adjusted returns.

##### *Little Dragons*

The Little Dragons investment team aims to achieve long term capital growth principally through investment in small to medium sized companies listed in Asian stock markets ex Japan with an emphasis on the smaller and emerging markets of the region. To achieve this objective the strategy consists of diversified portfolios of (i) companies that are expected to re-rate as a result of the market not fully recognizing the growth potential of the business, and (ii) companies that will benefit from share price appreciation resulting from an earnings surprise. Through dedicated country specialists we have the ability to study under-researched and underowned small and mid-cap stocks to exploit market inefficiencies of higher volatility stocks.

##### *Korean Equity*

The investment objective of the strategy is to seek long-term capital appreciation through investment in securities, primarily equity securities, of Korean companies. The investment team may invest in a broad spectrum of Korean industries, including, as conditions warrant from time to time, automobiles, cement, chemicals, construction, electrical equipment, electronics, finance, food and beverage, international trading, machinery, shipbuilding, steel and textiles. In selecting industries and companies for investment, the team considers overall growth prospects, competitive position in export markets, technology, research and development, productivity, labor costs, raw material costs and sources, profit margins, return on investment, capital resources, government regulation, management and other factors.

##### *Taiwan Equity*

The investment objective of the strategy is to seek long-term capital appreciation through investment primarily in equity securities listed on the Taiwan Stock Exchange (the "TSE") in the Republic of China (the "ROC"). This includes, as conditions warrant from time to time, cement, chemicals and plastics, construction, electrical/electronics, finance, banking, food, textiles, glass, rubber, pulp and paper, metal products and machinery, retailing and tourism. In selecting companies for investment, the investment team will consider overall growth prospects, competitive position in the respective industry technology, research and development,

productivity, labor costs, raw material costs and sources, profit margins, return on investment, capital resources, government regulation, management and other factors.

#### *Europe Equity Growth*

The Equity Europe Growth approach is to invest in an integrated portfolio, comprising the best growth stocks in Europe selected on a bottom-up basis. The focus of this product is on structural growth not yet reflected in the company's stock price. The team seeks to identify stocks with structurally above average earnings and cash flow growth which the market has not yet fully anticipated. These companies are characterized by secular growth drivers, technological leadership and a superior business model.

#### Investment Process – Multi-Asset

##### *Dynamic Multi-Asset Plus*

The investment team applies a disciplined and tactical investment process across a range of asset classes that the portfolio managers believe exhibit strong growth characteristics. The team targets a mix of asset classes and select individual investments that they believe offer efficient exposure to each such asset class. The first step of the investment process is to determine the asset classes best positioned to take advantage of growth trends in emerging markets, such as emerging market equities, emerging market, fixed income and commodities. In the second step of the process, the portfolio managers analyze market cycles, economic cycles, and valuations, of each asset class and their components to develop a tactical asset view across asset classes, which may ultimately lead to dynamic shifts in exposure to individual holdings and asset classes. The portfolio managers employ a risk management strategy which may cause them to adjust this allocation in an effort to mitigate certain downside risks such as severe downward price movements or other market stresses. Having arrived at a final asset allocation across asset classes, the portfolio managers conduct an active selection process for acquired funds and/ or direct investments to gain the intended exposure to the relevant asset classes.

##### *Multi Asset-Real Return*

The investment team seeks long-term capital appreciation emphasizing inflation-adjusted returns. In seeking to achieve this objective, the team focuses on asset classes that are highly correlated to inflation. The portfolio managers believe that the following selected asset classes can provide attractive returns in inflationary environments: (1) Commodities investments can track inflation because commodity prices drive

input costs, which in turn influence Consumer Price Index (CPI) changes. (2) Real Estate Investment Trusts (REITs) can provide a link to inflation if property owners are able to raise rents to offset rising input costs. (3) Global resource equities are linked to inflation because resource related businesses typically provide productivity-enhancing inputs and generally are able to benefit from rising raw material prices and by including any cost increases associated with inflation to the final costs charged to customers. (4) Treasury Inflation Protected Securities (TIPS) are debt securities with notional amounts that are directly linked to the development of CPI measures. As such, TIPS can be used directly to hedge against inflation.

#### Investment Process – Global Fundamental

The investment decisions of the portfolio managers are based on a fundamental management approach. The portfolio generally consists of a core portion and an opportunistic portion which are managed as part of a single portfolio or strategy. The portion of assets that comprise the core portion serves as a foundation for the overall portfolio, as it seeks to generate stable returns over the market cycle. The opportunistic portion is designed to capture shorter term investment opportunities and could be considered as riskier relative to the core portion of the Fund. Typically, the opportunistic portion will target investments that can provide capital gains over a relatively short time horizon, and is expected exhibit higher turnover than the core portion. The allocation between the core and opportunistic components will vary, reflecting market circumstances and the manager's ability to locate suitable investments for the two components.

#### Investment Process – Best Styles Global

The investment team seeks long-term capital appreciation by creating a diversified portfolio of global equities. The portfolio managers begin with an investment universe of approximately 8,000 equity securities and then assess individual securities using a disciplined investment process that integrates top-down investment style research and proprietary fundamental bottom-up company specific research with a quantitative risk-management process. The portfolio managers combine a range of investment style orientations, such as Value, Earnings Change, Price Momentum, Growth, and Quality (each described below), in seeking positive relative returns versus the benchmark index and in managing the overall portfolio's sensitivity to broader market movements (or "beta"). The final portfolio is

constructed through a portfolio optimization process that seeks to maximize exposure to equity securities with attractive investment style characteristics, subject to region, sector, capitalization, security and other constraints. The Value investment style orientation selects equity securities that the portfolio managers believe have attractive valuations based on metrics including dividend yield and price-to-earnings, price-to-cash flow and price-to-book ratios, as compared to other equity securities in the investable universe. The Earnings Change investment style orientation is designed to capture shorter-term, trend-following investment opportunities and generally selects equity securities with positive earnings revisions, announcements or surprises. The Price Momentum investment orientation is also trend-following and generally selects equity securities with positive price momentum and relative strength within the investable universe. The Growth investment style orientation generally selects equity securities with expected and historical earnings and dividend growth. The Quality investment style orientation generally emphasizes equity securities with strong profitability and historical earnings stability, and considers additional factors, such as whether a company has improving margins, positive net income, positive operating capital, decreasing long-term debt and high-quality earnings, among others.

#### Investment Process – Systematic Strategies

(*US Systematic Large Cap Growth, US Systematic Mid Cap Growth, US Systematic Mid Cap, US Systematic Small Cap Growth, US Systematic Small Cap, Global Small Cap Opportunities, Emerging Markets Systematic, Emerging Markets Consumer, and International Systematic*).

The Systematic investment team believes that investing in companies undergoing positive change with sustainable growth characteristics and timely market recognition will result in outstanding investment performance. AllianzGI US's Systematic strategies seek to capitalize on change by quantitatively identifying the best investment opportunities in their investment universe. The firm's systematic investment approach combines a bottom-up stock-selection process with predictable risk characteristics to deliver consistent performance relative to the benchmark over time.

#### Investment Process – Managed Volatility Strategies

(*Global Managed Volatility, US Large Cap Managed Volatility, Long Volatility, and International Managed Volatility*)

The Systematic investment team believes that over time, investors are inadequately rewarding for taking on higher levels of risk. The Global Managed

Volatility strategies use a disciplined process designed to capture market anomalies in an effort to construct a more efficient portfolio with favorable risk and return tradeoffs. By building a diversified portfolio with a proprietary investment process and emphasizing low risk stocks with low correlations to one another, the strategies seek lower levels of volatility than their benchmarks with the potential for attractive risk-adjusted performance.

#### Investment Process – Income & Growth Strategies

##### *Convertibles*

The Income and Growth team believes that investing in the convertible securities of successful, growing companies that manage change advantageously and are poised to exceed expectations will result in outperformance as well as diversification from other asset classes. The Income and Growth team invests in convertible securities that it expects will exhibit an asymmetrical risk/return profile, i.e., participate in approximately 60-80% of the upside performance and 40-50% of the downside performance of the underlying equity.

##### *High Yield Bond*

The Income and Growth team believes that investing in the high yield bonds of successful, growing, creditworthy companies - ones that manage change advantageously and are poised to exceed expectations - will result in superior total returns that are diversified from other asset class returns. In implementing its investment philosophy, the investment team constructs portfolios that minimize the primary risk associated with high yield bonds – credit risk. The management team follows a fundamental, bottom-up research process which facilitates the early identification of high yield issuers demonstrating an ability to improve their fundamental characteristics. The High Yield Bond strategy excludes asset classes such as convertibles, non-dollar bonds, derivatives and investment grade bonds.

##### *Option Overlay*

The Income and Growth team may also employ a strategy of writing (selling) call options on the stocks held in equity portfolios of closed-end and open-end funds advised by AllianzGI US (the “Option Overlay Strategy”). The extent of the use of the Option Overlay Strategy may vary from time to time, depending on market conditions and other factors.

#### *Bank Loans*

The CLO strategy, managed by the Income and Growth team, is comprised of investments in bank loans, which in general are senior secured loans extended to companies with credit ratings below investment grade. The Income and Growth team follows a fundamental bottom-up research process, which facilitates the early identification of issuers demonstrating their ability to improve their fundamental characteristics. The issues selected for the portfolio exceed minimum credit statistics and exhibit the highest visibility of future expected operating performance.

#### *Short Duration High Yield*

The Short Duration High Yield product includes those portfolios with investment guidelines mandating weighted average portfolio durations of 3 years or less. Portfolio holdings will be comprised of highly liquid bonds or bank loans. Portfolio construction emphasizes BB and single B issuers whose debt has a high likelihood of being called or maturing within 2 years. Issuer concentration is typically higher than in the High Yield (BB) Corporate Bond product and typically ranges between 1% to 3%, but may be as high as 10%. Portfolios may include convertible bonds, zero coupons and Yankees. All short duration high yield portfolio are measured against client specific benchmarks.

#### **Investment Process – Structured Products Strategies**

Various equity index option strategies are designed to provide return enhancement, tail-risk protection, risk reduction and/or volatility smoothing. Based on analysis of historical movements of broad-based US equity indices, as well as rigorous scenario testing, the investment team utilizes combinations of index put and/or call options in pursuit of targeted investment objectives.

#### **Investment Process – Asset Allocation & Target Date Strategies**

The investment team determines the risk profile and target allocation over time between Defensive and Return-Generating Assets, through a combination of quantitative analysis and judgment based on experience. For target-date strategies and age-based portfolios, this target allocation is time-varying, typically with a high percentage of Return-Generating Assets in the early years of investing and a low percentage of Return-Generating Assets near the target-date. For target-risk and static-risk strategies, the target allocation between Return-Generating and Defensive Assets is fixed across time.

The investment team identifies and assigns specific asset classes to the Defensive Asset portfolio and Return-Generating Asset portfolio, respectively, depending on the risk profile and target allocation. The asset class composition of these two portfolios will vary across strategies, depending on the investment objective for the specific strategy. A benchmark for the strategy will be selected based on the assigned risk profile, which determines the initial starting weights for the selected asset classes in the two portfolios.

The investment team formulates views on specific asset classes, based on analysis of market data, experience and judgment that may result in asset classes receiving more or less weight in the portfolio compared to the portfolio's benchmark. The investment team tracks and evaluates the alpha capability exhibited by underlying mutual fund and ETF portfolio managers and portfolio management teams.

In addition to the stock selection processes described above, AllianzGI US's portfolio management teams receive macroeconomic input from the firm's Global Policy Council ("GPC"). The GPC is comprised of senior investment professionals and analysts located around the globe at the offices of certain Allianz Advisory Affiliates (See Item 10 for a description of Allianz Advisory Affiliates). The GPC reviews macroeconomic scenarios for all the major regions of the world and presents analyses of the dynamic processes that drive stocks, bonds and other markets. Based on these analyses, the GPC forecasts the short, intermediate and long-term outlooks for all the major markets and their respective submarkets. The GPC develops investment strategies to determine allocations across broad asset classes and global markets and reflect sector, theme and style priorities.

#### **Investment Process – Wrap Fee Programs**

AllianzGI US contracts with its investment advisory affiliates, NFJ and Pacific Investment Management Company LLC ("PIMCO") to provide sub-advisory services in connection with the management of AllianzGI US Wrap Fee Programs (collectively "Sub-Advisers"). The Sub-Advisers investment model recommendations are based on their individual investment processes, which are described briefly below. The models are used in stand-alone equity, balanced and multi-disciplinary strategy styles. The multi-disciplinary strategies may combine separate affiliated and non-affiliated sub-advisers equity strategies and/or a fixed income strategy into one portfolio with an allocation among the strategies based on established target asset allocation parameters. For additional information relating to each affiliated

or non-affiliated Sub-Adviser, please refer to their respective Form ADVs posted at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

NFJ – All Cap Value, Concentrated Value, Dividend Value, International Value, Large Cap Value, Mid Cap Value, and Small Cap Value :

#### *All-Cap Value*

The All-Cap Value Strategy seeks long-term capital appreciation through investment in the undervalued stocks of companies across all market capitalizations that pay or are expected to pay dividends. The strategy may also invest a portion of its assets in American Depository Receipts, including emerging market securities.

#### *Concentrated Value*

The Concentrated Value Strategy seeks long-term capital appreciation through investment in a concentrated portfolio of undervalued stocks of companies across all market capitalizations that pay or are expected to pay dividends. Under normal conditions, the strategy will generally hold between 5 and 15 securities and the portfolio may invest a significant percentage of its assets in cash and cash equivalents.

#### *Dividend Value*

The Dividend Value Strategy seeks long-term capital appreciation through investment in the undervalued stocks of companies that pay or are expected to pay dividends. The strategy may also invest a portion of its assets in American Depository Receipts, including emerging market securities.

#### *International Value*

The International Value Strategy seeks long term capital appreciation through investment in undervalued stocks of mid- and large-capitalization non-U.S. companies. The strategy invests in American Depository Receipts and may invest up to 50% of its assets in emerging market securities.

#### *Large Cap Value*

The Large Cap Value Strategy seeks long-term capital appreciation through investment in undervalued stocks of large-capitalization companies that pay or are expected to pay dividends. The strategy may also invest a portion of its assets in American Depository Receipts, including emerging market securities.

#### *Mid Cap Value*

The Mid Cap Value Strategy seeks long-term capital appreciation through investment in the undervalued stocks of mid-capitalization

companies that pay or are expected to pay dividends. The strategy may also invest a portion of its assets in American Depository Receipts, including emerging market securities.

#### *Small Cap Value*

The Small Cap Value Strategy seeks long-term capital appreciation through investment in the undervalued stocks of small-capitalization companies that pay or are expected to pay dividends. The strategy may also invest a portion of its assets in American Depository Receipts, including emerging market securities.

#### **NFJ Investment Process**

NFJ portfolio managers use a value investing style focusing on companies with low valuations. The portfolio managers use quantitative factors to screen the initial selection universe. To further narrow the universe, the portfolio managers apply negative screens such as price momentum (i.e., changes in stock price relative to changes in overall market prices), earnings estimate revisions (i.e., changes in analysts' earnings-per-share estimates) and insider trading. The portfolio managers also classify the selection universe by industry and then identify what they believe to be the most undervalued stocks in each industry to determine potential holdings for the strategies representing a broad range of industry groups. The portfolio managers further narrow the universe through a combination of qualitative analysis and fundamental research. The portfolio managers seek to identify attractive securities within each market capitalization range. The research process is continually repeated to identify new buy and sell candidates.

#### **PIMCO – Total Return**

##### *Total Return*

The Total Return Strategy seeks to maximize total return with index-like volatility.

#### **PIMCO Investment Process**

PIMCO utilizes a top-down bottom-up investment approach. The top-down investment process begins with PIMCO's annual secular forum where it develops a 3- to 5-year outlook for the global economy and interest rates. Quarterly meetings are then held to discuss how the outlook applies to upcoming 3- to 12-month periods and to forecast specific influencing factors, including interest rate volatility, yield curve movements and credit trends. Taken together, these sessions set basic portfolio parameters, including duration, yield-curve positioning, sector weightings and credit quality. PIMCO's bottom-up process, which includes credit analysis, quantitative research and

individual issue selection, is then combined with the top-down approach to add value.

Approximately 60% of the client's assets are generally invested in a combination of individual U.S. Treasury, U.S. agency, municipal, corporate and mortgage securities. The remaining assets will be invested in a combination of the Allianz Global Investors Managed Accounts Trust (a registered investment company, the "Trust"), FISH: Series C and FISH: Series M shares. FISH: Series C invests in a wide variety of U.S. and foreign fixed income securities, including corporate and mortgage-backed securities, high yield securities, and derivative instruments. FISH: Series M invests in a portfolio of fixed income securities comprised of mortgage and other asset backed securities and derivative instruments. Assets invested in one of the FISH Portfolios will be managed in accordance with the FISH Portfolio's prospectus, and client restrictions will not apply to such assets. Clients should read the prospectus for the FISH portfolios for more complete information regarding the principal investments and risks of investing in the portfolios.

The Total Return strategy is managed pursuant to an investment model. A portion of the model may be composed of buckets of securities with common characteristics. Therefore, individual client accounts invested in the same product may hold different securities with substantially similar characteristics.

**Investing in securities involves risk of loss that clients should be prepared to bear.**

#### **General**

The value of your account changes with the value of its investments. Many factors can affect those values. Your account may be subject to additional risks other than those described below because the types of investments in your account can change over time. There is no guarantee that we will be able to achieve your investment objective. It is possible to lose money by investing.

#### ***China-Related Risk***

The Chinese economy is generally considered an emerging and volatile market. A small number of companies represent a large portion of the Chinese market as a whole, and prices for securities of these companies may be very sensitive to adverse political, economic, or regulatory developments in China and other Asian countries, and may experience significant losses in such conditions. The value of Chinese currencies may also vary significantly relative to the U.S. dollar, affecting a client account's investments, to the extent the Client account invests in China-

related investments. Historically, China's central government has exercised substantial control over the Chinese economy through administrative regulation, state ownership, the allocation, expropriation or nationalization of resources, by controlling payment of foreign currency-denominated obligations, by setting monetary policy and by providing preferential treatment to particular industries or companies. The emergence of domestic economic demand is still at an early stage, making China's economic health largely dependent upon exports. China's growing trade surplus with the U.S. has increased the risk of trade disputes, which could potentially have adverse effects on China's management strategy of its currency, as well as on some export-dependent sectors. Despite economic reforms that have resulted in less direct central and local government control over Chinese businesses, actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China. These activities, which may include central planning, partial state ownership of or government actions designed to substantially influence certain Chinese industries, market sectors or particular Chinese companies, may adversely affect the public and private sector companies in which a Client account invests. Government actions may also affect the economic prospects for, and the market prices and liquidity of, the securities of Chinese companies and the payments of dividends and interest by Chinese companies. In addition, currency fluctuations, monetary policies, competition, social instability or political unrest may adversely affect economic growth in China. The Chinese economy and Chinese companies may also be adversely affected by regional security threats, as well as adverse developments in Chinese trade policies, or in trade policies toward China by countries that are trading partners with China. The greater China region includes mainland China, Hong Kong, Macau and Taiwan, and a Client account's investments in the region are particularly susceptible to risks in that region. Events in any one country within the region may impact the other countries in the region or the Asia region as a whole. As a result, events in the region will generally have a greater effect on a Client account to the extent that it focuses its investments in the greater China region than if the Client account were more geographically diversified, which could result in greater volatility and losses. Markets in the greater China region can experience significant volatility due to social, regulatory and political uncertainties.

*Concentration Risk*

Focusing investments in a small number of issuers, industries, foreign currencies or regions increases risk because changes in the value of a single security or the impact of a single economic, political or regulatory occurrence may have a greater adverse impact on a client's account. In addition, certain accounts may be subject to increased risk to the extent they focus their investments in securities denominated in a particular foreign currency or in a narrowly defined geographic area outside the United States. Similarly, investments which are focused on a certain type of issuer can be particularly vulnerable to events affecting such type of issuer. Also, certain accounts may have greater risk to the extent they invest a substantial portion of their assets in a group of related industries (or "sectors"). The industries comprising any particular sector and investments in a particular foreign currency or in a narrowly defined geographic area outside the United States may share common characteristics, are often subject to similar business risks and regulatory burdens, and react similarly to economic, market, political or other developments. Furthermore, certain issuers, industries and regions may be adversely affected by the impacts of climate change on the demand for and the development of goods and services and related production costs, and the impacts of legislation, regulation and international accords related to climate change, as well as any indirect consequences of regulation or business trends driven by climate change.

*Convertible Securities Risk*

Convertible securities are fixed income securities, preferred stocks or other securities that normally pay interest or dividends and are convertible into or exercisable for common stock of the issuer (or cash or securities of equivalent value) at either a stated price or a stated rate (the "conversion price"). To the extent the market price of the underlying stock approaches or is greater than the conversion price, the convertible security's market value tends to correlate with the market price of the underlying stock and will be subject to the risks affecting equity securities in general. To the extent the market price of the underlying stock declines below the conversion price, the value of the convertible security tends to be influenced by the yield of the convertible security. Convertible securities generally offer lower interest or dividend yields than non-convertible fixed income or other securities of similar quality. An account may be forced to convert a security before it would otherwise choose which may decrease the account's return.

*Commodity Risk*

Investments in commodity-linked derivative instruments may be subject to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

*Credit Risk*

An account could lose money if the issuer or guarantor of a fixed income security (including a security purchased with securities lending cash collateral) is unable or unwilling, or is perceived (whether by market participants, ratings agencies, pricing services or otherwise) as unable or unwilling, to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in their credit ratings.

*Counterparty Risk*

Accounts may be exposed to the credit risk of counterparties with which, or the brokers- dealers, custodians and exchanges through which, it deals in connection with the investment of its assets, whether engaged in exchange-traded or off-exchange transactions. For example, accounts may be subject to the risk that a counterparty to a derivatives contract, repurchase agreement, a loan of portfolio securities or an unsettled transaction may be unable or unwilling to honor its obligations to an account.

*Currency Risk*

Accounts that invest directly in foreign (non-U.S.) currencies, or in securities that trade in, or receive revenues in, foreign currencies, or in derivatives that provide exposure to foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates may fluctuate significantly over short periods of time for a number of reasons. As a result, a client's exposure to foreign currencies, including investments in foreign currency-denominated securities, may reduce the returns of the investment.

*Derivatives Risk*

Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. We discuss below some of the types of derivatives that

client accounts may use. Client accounts may (but are not required to) use derivatives as part of a strategy designed to reduce exposure to other risks, such as risks associated with changes in interest rates or currency risk. Client accounts may also use derivatives for leverage, which increases opportunities for gain but also involves greater risk of loss due to leveraging risk, and to gain exposure to issuers, indices, sectors, currencies and/or geographic regions. A client account's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments, and the use of certain derivatives may subject an account to the potential for unlimited loss. To the extent an account writes call options on individual securities that it does not hold in its portfolio ("naked" call options), it is subject to the risk that a liquid market for the underlying security may not exist at the time an option is exercised or when the account otherwise seeks to close out an option position; naked call options have speculative characteristics and the potential for unlimited loss. Derivatives also involve the risk of mispricing or improper valuation, the risk of ambiguous documentation, and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. In addition, an account's use of derivatives may increase or accelerate the amount of taxes payable by the account holder. By investing in a derivative instrument, an account could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that we will engage in these transactions to reduce exposure to other risks when that would be beneficial or that, if used, these strategies will be successful.

Finally, federal legislation has been recently enacted in the U.S. that provides for new clearing, margin, reporting and registration requirements for participants in the derivatives market. While the ultimate impact is not yet clear, these changes could restrict or impose significant costs or other burdens upon an account's participation in derivatives transactions.

Examples of derivative instruments that we may buy, sell or otherwise utilize include, among others, option contracts, futures contracts, options on futures contracts, forward contracts, warrants and swap agreements, including swap agreements with respect to securities indexes. An account may purchase and sell (write) call and put options on securities, securities indexes and foreign currencies. An account may purchase and sell futures contracts and options thereon with respect

to securities, securities indexes, interest rates and foreign currencies.

The following provides further discussion of risks relating to derivative instruments that we may use, subject to any restrictions applicable to a particular account.

- **Management Risk.** Derivative products are highly specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.
- **Counterparty Credit Risk.** The use of a derivative instrument involves the risk that a loss may be sustained as a result of the failure of another party to the contract (usually referred to as a "counterparty") to make required payments or otherwise comply with the contract's terms.
- **Liquidity Risk.** Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.
- **Leveraging Risk.** Because many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, reference rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss, regardless of the size of the initial investment. When an account uses derivatives for leverage, investments will tend to be more volatile, resulting in larger gains or losses in response to market changes. Leveraging risk may be especially applicable to accounts that may write uncovered (or "naked") options.
- **Basis Risk.** Basis risk is the risk that the value of a derivative instrument does not

- react in parallel with the value of the underlying security.
- **Lack of Availability.** Because the markets for certain derivative instruments (including markets located in non-U.S. countries) are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes. Upon the expiration of a particular contract, we may wish to retain an account's position in the derivative instrument by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that we will engage in derivatives transactions at any time or from time to time. An account's ability to use derivatives may also be limited by certain regulatory and tax considerations.
- **Market and Other Risks.** Like most other investments, derivative instruments are subject to the risk that the market value of the instrument will change in a way detrimental to the account's interest. If we incorrectly forecast the values of securities, currencies or interest rates or other economic factors in using derivatives, the account might have been in a better position if we had not entered into the transaction at all. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or result in losses by offsetting favorable price movements in other investments. The account may also have to buy or sell a security at a disadvantageous time or price.

Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives. Many derivatives, in particular privately negotiated derivatives, are complex and illiquid and thus often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the account. Also, the value of derivatives may not correlate perfectly, or at all, with the value of the assets, reference rates or indexes they are designed to closely track. In addition, our use of derivatives may accelerate and/or increase the amount of taxes payable. Derivative instruments are also subject to the risk of ambiguous documentation.

There are significant differences between the securities and derivatives markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve the intended result. A decision as to whether, when and how to use derivatives involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. In addition, derivatives strategies that are successful under certain market conditions may be less successful or unsuccessful under other market conditions.

#### ***Emerging-Markets Risk***

Investments in non-U.S. securities may experience more rapid and extreme changes in value than investments exclusively in securities of U.S. issuers or securities that trade exclusively in U.S. markets. See "Non-U.S. Investment Risk" in this Item. Non-U.S. investment risk may be particularly high to the extent that an account or fund invests in securities of issuers tied economically to countries with developing economies. These securities may present market, credit, currency, liquidity, legal, political, technical and other risks different from, or greater than, the risks of investing in developed countries. In addition, the risks associated with investing in a narrowly-defined geographic area are generally more pronounced with respect to investments in emerging market countries.

#### ***Equity Securities Risk***

The value of a company's equity securities may fall as a result of factors directly relating to that company, such as decisions made by its management or lower demand for the company's products or services. The value of an equity security may also fall because of factors affecting not just the company, but also companies in the same industry or in a number of different industries, such as increases in production costs. The value of a company's equity securities may also be affected by changes in financial markets that are relatively unrelated to the company or its industry, such as changes in interest rates or currency exchange rates or adverse circumstances involving the credit markets. In addition, because a company's equity securities rank junior in priority to the interests of bond holders and other creditors, a company's equity securities will usually react more strongly than its bonds and other debt to actual or perceived changes in the company's financial condition or prospects.

**Fixed Income Risk**

Client accounts that invest in fixed income instruments are subject to interest rate risk. Changes in the market values of fixed income instruments are largely a function of changes in the current level of interest rates. The value of a client account's investments in fixed income instruments will typically change as the level of interest rates fluctuate. During periods of declining interest rates, the value of fixed income instruments generally rise. Conversely, during periods of rising interest rates, the value of fixed income instruments generally decline. "Duration" is one measure of the expected life of a fixed income instrument that is used to determine the sensitivity of a security's price to changes in interest rates. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Accordingly, client accounts with longer average portfolio durations will generally be more sensitive to changes in interest rates than client accounts with shorter average portfolio durations. Inflation-indexed securities, including Treasury Inflation Protected Securities (TIPs), decline in value when interest rates rise. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, inflation-indexed securities may experience greater losses than other fixed income instruments with similar durations. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Also, some portfolios (e.g., portfolios with mortgage-backed and other prepayable securities) have changing durations and may have increasing durations precisely when that is least advantageous (i.e., when interest rates are rising). Certain client accounts may invest in securities that are particularly sensitive to fluctuations in prevailing interest rates and have relatively high levels of interest rate risk. These include various mortgage-related securities (e.g., the interest-only or "IO" class of a stripped mortgage-backed security) and "zero coupon" securities (fixed income instruments, including certain U.S. Government securities, that do not make periodic interest payments and are purchased at a discount from their value at maturity). Client accounts that may invest in securities issued by U.S. Government agencies or government enterprises. Although some of these securities may be guaranteed as to the payment of principal or interest by the relevant enterprise or agency,

**Focused Investment Risk**

Focusing an account's investments in a small number of issuers, industries, foreign currencies or regions increases risk. If an account invests a

significant portion of its assets in a relatively small number of issuers, it may have more risk because changes in the value of a single security or the impact of a single economic, political or regulatory occurrence may have a greater adverse impact on the account's value. Some of those issuers also may present substantial credit or other risks. In addition, the account may be subject to increased risk to the extent it focuses its investments in securities denominated in a particular foreign currency or in a narrowly-defined geographic area outside the United States. Similarly, if the account focuses its investments in a certain type of issuer, it will be particularly vulnerable to events affecting that type of issuer. Also, the account may have greater risk to the extent it invests a substantial portion of its assets in a group of related industries (or "sectors"). The industries comprising any particular sector and investments in a particular foreign currency or in a narrowly-defined geographic area outside the United States may share common characteristics, are often subject to similar business risks and regulatory burdens, and react similarly to economic, market, political or other developments. An account may from time to time invest a substantial portion of its assets in certain sectors, and during these periods will be subject to a greater extent to the risks associated with these sectors.

**Growth Investing Risk**

Strategies that invest in growth-oriented securities may be subject to greater price volatility than other types of investments. Growth-oriented securities may react differently to issuer, political, market, and economic developments than the market as a whole and other types of securities. They also may be more sensitive to changes in current or expected earnings than the prices of other securities. As a result, growth-oriented securities may involve larger price swings and greater potential for loss than other types of investments. In addition, the prices of growth-oriented securities may decline in price or fail to appreciate as anticipated by the portfolio managers.

**High Yield Risk**

Investments in high yield securities and unrated securities of similar credit quality (sometimes referred to as "high yield securities" or "junk bonds") may be subject to greater levels of credit and liquidity risk than investments in such securities. These securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the ability to sell these securities (liquidity risk). If

the issuer of a security is in default with respect to interest or principal payments, a client may lose its entire investment.

*Index Risk*

Investments in derivatives that are linked to the performance of an index, will be subject to the risks associated with changes in the applicable index. If the applicable index changes, such an investment could receive lower interest payments (in the case of a debt-related derivative) or experience a reduction in the value of the derivative to below what the investor paid. Certain indexed securities may create leverage to the extent that they increase or decrease in value at a rate that is a multiple of the changes in the applicable index.

*Industry Concentration*

Market conditions, interest rates, and economic, regulatory or financial developments could significantly affect a single industry or a group of related industries, and the securities of companies in that industry or group of industries could react similarly to these or other developments. See "Focused Investment Risk" above.

- **Eco-Sectors Related Risk.** To the extent an account focuses its investments in companies that have exposure, directly or indirectly, to one or more of the EcoEnergy, Pollution Control and Clean Water sectors that comprise the Eco-Sectors, events or factors affecting companies in the Eco-Sectors will have a greater effect on, and may more adversely affect, the account than they would with respect to an account that is more diversified among a number of unrelated sectors and industries. Companies in the Eco-Sectors may be particularly susceptible to factors such as environmental protection regulatory actions, other international political and economic developments, changes in government subsidy levels, environmental conservation practices, changes in taxation and other government regulations, and increased costs associated with compliance with environmental or other regulations. There are substantial differences between the environmental and other regulatory practices and policies in various jurisdictions, and any given regulatory agency may make major shifts in policy from time to time. Other economic and market developments that may significantly affect companies in the Eco-Sectors include, without limitation,

inflation, rising interest rates, fluctuations in commodity prices, raw material costs and other operating costs, and competition from new entrants into the Eco-Sectors. The Eco-Sectors, on the whole, are newly developing and strongly influenced by technological changes. The Eco-Sectors can be significantly affected by the level and volatility of technological change in industries focusing on energy, pollution and environmental control. In particular, technological advances can render an existing product, which may account for a substantial portion of a company's revenue, obsolete. Product development efforts in the Eco-Sectors may not result in viable commercial products, and companies in the Eco-Sectors typically bear high research and development costs, which can limit their ability to maintain operations during periods of organizational growth or instability. Many companies in the Eco-Sectors are in the early stages of operation and may have limited operating histories and smaller market capitalizations on average than companies in other sectors. As a result of these and other factors, the value of investments in companies in the Eco-Sectors tends to be considerably more volatile than that of companies in more established sectors and industries. Each of the sectors that comprise the Eco-Sectors is susceptible to particular risks. Companies in the EcoEnergy sector may be adversely affected by substantial and/or abrupt variations in the use or prices of oil and other fossil fuels. Changes in energy conservation practices and the demand for renewable energy may also significantly impact the EcoEnergy sector. Companies in the Pollution Control sector are particularly susceptible to changes in regulatory controls on, and international treaties with respect to, the production or containment of pollutants. Changes in market practices and regulatory conditions surrounding recycling and other waste management techniques may significantly affect the demand for products and services of companies in the Pollution Control sector. Scientific developments, such as breakthroughs in the remediation of global warming or changing sentiments about the deleterious effects of pollution, may also affect practices with respect to pollution control, which could in turn impact

companies in the Pollution Control sector. Companies in the Clean Water sector are susceptible to changes in investment in water purification technology globally, and a slackening in the pace of new infrastructure projects in developing or developed countries may constrain such companies' abilities to grow in global markets. Other reductions in demand for clean water, such as significant decreases in world population or increased availability of potable water in arid regions, may reduce demand for products and services provided by companies in the Clean Water sector. To the extent an account invests in companies that may share common characteristics, are often subject to similar business risks and regulatory burdens, and whose securities may react similarly to various events and other factors, the account may be subject to focused investment risk. See "Focused Investment Risk" above. See also "Non-U.S. Investment Risk" and "Emerging Markets Risk."

- **Natural Resources.** Client accounts that concentrate their investments in companies in the natural resources industries (including, but not limited to, the industry sub-sectors involving cyclical commodities, energy, paper and forest products, precious metals and utilities) will be subject to the risks particularly affecting natural resources companies. The natural resources industries can be significantly affected by events relating to international political and economic developments, energy conservation, the success of exploration projects, commodity prices, and tax and other government regulations. The cyclical industries can be significantly affected by general economic trends, including employment, economic growth, interest rates, changes in consumer sentiment and spending, commodity prices, legislation, government regulation and spending, import controls and worldwide competition. For example, commodity price declines and unit volume reductions resulting from an over-supply of materials used in cyclical industries can adversely affect those industries. Furthermore, a company in the cyclical industries can be subject to liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control. The energy industry can be significantly affected by fluctuations in energy prices and supply and demand of energy fuels caused by events relating to international politics, energy conservation, the success of exploration projects, and tax and other government regulations. The paper and forest products industry can be significantly affected by the health of the economy, worldwide production capacity and interest rates, which can affect product pricing, costs and operating margins. These variables can also affect the level of industry and consumer capital spending for paper and forest products. The utilities industry can be significantly affected by government regulation, financing difficulties, supply and demand of services or fuel, and natural resource conservation. The precious metals industry can be significantly affected by unpredictable monetary and political policies such as currency devaluations or revaluations, economic and social conditions within a country, trade imbalances, or trade or currency restrictions between countries. These factors may cause substantial price fluctuations for precious metals over short periods of time. The prices of precious metals, however, are less subject to local and company-specific factors than securities of individual companies. As a result, precious metals may be more or less volatile in price than securities of companies engaged in precious-metals related businesses.
- **Technology Sector.** Client accounts that concentrate their investments in the technology sector will be subject to risks particular to that sector such as the risks of short product cycles of equipment, products and services, accelerated rates of product change and development, competition from new and existing companies, significant losses and/or limited earnings, security price volatility, limited operating histories and management experience, patent and other intellectual property considerations. Technology companies are also affected by the risk that new equipment, products and services will not be commercially successful, or will become rapidly obsolete.
- **Water-Related Risk.** To the extent an account focuses its investments in

companies that are substantially engaged in water-related activities, events or factors affecting the sector consisting of companies engaged in such activities (the “water-related resource sector”) will have a greater effect on, and may more adversely affect, the account than they would with respect to an account that is more diversified among a number of unrelated sectors and industries. Companies in the water-related resource sector may be significantly affected by events relating to international political and economic developments, water conservation, the success of exploration projects, commodity prices and tax and other government regulations. There are substantial differences between the water-related, environmental and other regulatory practices and policies in various jurisdictions, and any given regulatory agency may make major shifts in policy from time to time. Other economic and market developments that may significantly affect companies in the water-related resource sector include, without limitation, inflation, rising interest rates, fluctuations in commodity prices, raw material costs and other operating costs, and competition from new entrants into the sector. Companies in the water-related resource sector are susceptible to changes in investment in water purification technology globally, and a slackening in the pace of new infrastructure projects in developing or developed countries may constrain such companies’ ability to grow in global markets. Other reductions in demand for clean water, such as significant decreases in world population or increased availability of potable water in arid regions, may reduce demand for certain products and services provided by companies in the water-related resource sector. While the water-related resource sector includes established and mature companies, portions of the sector are newly developing and strongly influenced by technological changes. The sector can be significantly affected by the level and volatility of technological change in industries focusing on the quality or availability of or demand for potable and non-potable water. In particular, technological advances can render an existing product, which may account for a substantial portion of a company’s revenue, obsolete. Product

development efforts by companies in the sector that are focused on developing newer technologies may not result in viable commercial products, and such companies in the sector typically bear high research and development costs, which can limit their ability to maintain operations during periods of organizational growth or instability. Many companies in the sector are in the early stages of operation and may have limited operating histories and smaller market capitalizations on average than companies in other sectors. As a result of these and other factors, the value of investments in companies in the water-related resource sector tends to be considerably more volatile than that of companies in more established sectors and industries. To the extent an account invests in companies that may share common characteristics, are often subject to similar business risks and regulatory burdens, and whose securities may react similarly to various events and other factors, the account may be subject to focused investment risk. See “Focused Investment Risk” above. See also “Non-U.S. Investment Risk” and “Emerging Markets Risk.”

- **Wellness-Related Sector.** Client accounts that concentrate their investments in the wellness-related sector will be subject to risks particular to that sector, including those of the following related industries. The healthcare industry can be significantly affected by government regulation and reimbursement levels, changes in government subsidies, government approval of products and services that could have a significant effect on price and availability and rising costs of medical products and services. Changes in government and private payment systems, such as increased use of managed-care arrangements also affect the volatility of the industry. A healthcare company’s valuation is often based largely on potential and actual performance of a limited number of products. The biotechnology industry can be significantly affected by rapid obsolescence of products, intense competition, patent expirations, risks associated with new regulations and changes to existing regulations. Other risks include dramatic fluctuation of economic prospects and share prices of biotechnology companies due to changes

in the regulatory or competitive environments and lengthy application processes and testing procedures for products. The medical equipment, systems and delivery industry is significantly affected by patent considerations, rapid technological change and obsolescence, extensive government regulation and government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure and an emphasis on outpatient services. The healthy-lifestyle industry can be significantly affected by the potential and actual performance of a limited number of products and services.

#### *Interest Rate Risk*

Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. The values of equity and other non-fixed income securities may also decline due to fluctuations in interest rates.

#### *IPO Risk*

Client accounts may purchase securities in initial public offerings ("IPOs"). These securities are subject to many of the same risks as investing in companies with smaller market capitalizations and often to a heightened degree. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in IPOs may be highly volatile. At any particular time or from time to time, an account may not be able to invest in securities issued in IPOs, or invest to the extent desired, because, for example, only a small portion (if any) of the securities being offered in an IPO may be made available to the account. See Item 12 below for a discussion of our policies concerning IPOs and secondary offerings. In addition, under certain market conditions, a relatively small number of companies may issue securities in IPOs. Similarly, as the number of portfolios to which IPO securities are allocated increases, the number of securities issued to the account may decrease. The investment performance of an account during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when the account is able to do so. In addition, as

an account increases in size, the impact of IPOs on its performance will generally decrease.

#### *Issuer Risk*

The value of a security may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services, as well as the historical and prospective earnings of the issuer and the values of its assets.

#### *Korea-Related Risk*

Investing in South Korean securities has special risks, including political, economic and social instability, and the potential for increasing militarization in North Korea. The market capitalization and trading volume of issuers in South Korean securities markets are concentrated in a small number of issuers, which results in potentially fewer investment. South Korea's financial sector has shown certain signs of systemic weakness and illiquidity, which, if exacerbated, could prove to be a material risk for any investments in South Korea. South Korea is dependent on foreign sources for its energy needs. A significant increase in energy prices could have an adverse impact on South Korea's economy.

The South Korean government has historically exercised and continues to exercise substantial influence over many aspects of the private sector. The South Korean government from time to time has informally influenced the prices of certain products, encouraged companies to invest or to concentrate in particular industries and induced mergers between companies in industries experiencing excess capacity.

#### *Leveraging Risk*

Leverage, through either borrowing or the use of derivatives, will cause the value of an account to be more volatile than if the account did not use leverage. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of an account's portfolio securities. Certain strategies may engage in transactions or purchase instruments that give rise to forms of leverage. Such transactions and instruments may include, among others, the use of reverse repurchase agreements and other borrowings, the investment of collateral from loans of portfolio securities, or the use of when issued, delayed-delivery or forward commitment transactions. The use of derivatives and short sales may also involve leverage. The use of leverage may cause an account to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet segregation requirements.

#### *Liquidity Risk*

Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the sale of such illiquid securities at an advantageous time or price, or possibly requiring an account to dispose of other investments at unfavorable times or prices in order to satisfy its obligations. Investment strategies that involve securities of companies with smaller market capitalizations, non-U.S. securities, Rule 144A securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. In such cases, an account, due to limitations on investments in illiquid securities and the difficulty in purchasing and selling such securities or instruments, may be unable to achieve its desired level of exposure to a certain issuer or sector.

#### *Management Risk*

Each strategy is subject to management risk because it is an actively managed investment portfolio. AllianzGI US will apply investment techniques and risk analyses in making investment decisions for the strategies, but there can be no guarantee that these will produce the desired results. The strategies are also subject to the risk that deficiencies in the internal systems or controls of the Adviser or another service provider will cause losses for the strategies or hinder operations. For example, trading delays or errors (both human and systemic) could prevent a strategy from purchasing a security expected to appreciate in value. Additionally, legislative, regulatory, or tax developments may affect the investment techniques available to AllianzGI US in connection with managing the strategies and may also adversely affect the ability of the strategies to achieve their investment objectives.

#### *Market Risk*

The market price of securities in a client account may go up or down, sometimes rapidly or unpredictably. Substantial investments in common stocks and/or other equity securities may decline in value due to factors affecting securities markets generally or particular industries or sectors represented in those markets. The values of securities may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, adverse changes to

credit markets or adverse investor sentiment generally. They may also decline due to factors that disproportionately affect a particular industry, group of related industries or sector, such as labor shortages or increased production costs and competitive conditions within an industry or sector. Equity securities generally have greater price volatility than fixed income securities. During a general downturn in securities markets, multiple asset classes may decline in value simultaneously.

#### *Non-U.S. Investment Risk*

Investments in non-U.S. securities may experience more rapid and extreme changes in value than investments in securities of U.S. issuers or securities that trade exclusively in U.S. markets. The securities markets of many non-U.S. countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of non-U.S. securities are often not subject to the same degree of regulation as U.S. issuers. Reporting, accounting and auditing standards of non-U.S. countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or confiscatory taxation, currency blockage, market disruption, political changes, security suspensions or diplomatic developments could adversely affect investments in a non-U.S. country. In the event of nationalization, expropriation or other confiscation, an account or fund could lose its entire investment in non-U.S. securities. Significant investments in a particular currency or geographic area may have more exposure to regional economic risks, including weather emergencies and natural disasters, associated with non-U.S. investments. Adverse developments in certain regions can also adversely affect securities of other countries whose economies appear to be unrelated. Investments in non-U.S. securities may be subject to withholding and other taxes imposed by countries outside the U.S., which could reduce the return on an investment.

#### *Other Risks*

To the extent a client account invests primarily in mutual funds or other investment vehicles, the risks associated with the account will be closely related to the risks associated with the securities and other investments held by the mutual fund or investment vehicle, which will be described in the fund's or vehicle's prospectus or offering document. The ability of a client account to achieve its investment objective will depend upon the ability of the funds or other vehicles to achieve their investment objectives. The value of a client's account, when investing in funds or vehicles, will fluctuate in response to changes in the net asset values of the funds or vehicles in which it invests.

The extent to which the investment performance and risks associated with a client account correlate to those of a particular fund or vehicle will depend upon the extent to which the account's assets are allocated from time to time for investment in a fund or vehicle, which will vary.

*REIT or Real Estate-Linked Derivatives Risk*

To the extent that a Client Account invests in real estate investment trusts (REITs) or real estate derivatives instruments, it will be subject to the risks associated with owning real estate and with the real estate industry generally. These include difficulties in valuing and disposing of real estate, the possibility of declines in the value of real estate, risks related to general and local economic conditions, the possibility of adverse changes in the climate for real estate, environmental liability risks, the risk of increases in property taxes and operating expenses, possible adverse changes in zoning laws, the risk of casualty or condemnation losses, limitations on rents, the possibility of adverse changes in interest rates and in the credit markets and the possibility of borrowers paying off mortgages sooner than expected, which may lead to reinvestment of assets at lower prevailing interest rates. To the extent a client account invests in REITs, it will also be subject to the risk that a REIT will default on its obligations or go bankrupt. By investing in REITs indirectly through a client account, a shareholder will bear not only his or her proportionate share of the expenses of the client account, but also, indirectly, similar expenses of the REITs. A client account's investments in REITs could cause the client account to recognize income in excess of cash received from those securities and, as a result, the client account may be required to sell portfolio securities, including when it is not advantageous to do so, in order to make required distributions.

*Short Selling Risk*

Short sales may be used by a certain client accounts for investment and risk management purposes, including when AllianzGI US may anticipate that the market price of securities will decline or will underperform relative to other securities held in a client account, or as part of an overall portfolio strategy to minimize the effects of market volatility (i.e., a "market neutral" strategy). Short sales are transactions in which the client account sells a security or other instrument (such as an option forward, futures or other derivative contract) that it does not own. Short exposure with respect to securities or market segments may also be achieved through the use of derivatives, such as futures on indices or swaps on individual securities. When a client account engages in a short sale on a security, it must borrow the

security sold short and deliver it to the counterparty. The client account will ordinarily have to pay a fee or premium to borrow particular securities and be obligated to repay the lender of the security any dividends or interest that accrue on the security during the period of the loan. The amount of any gain from a short sale will be decreased, and the amount of any loss increased, by the amount of the premium, dividends, interest or expenses the client account pays in connection with the short sale. Short sales expose a client account to the risk that it will be required to cover its short position at a time when the securities have appreciated in value, thus resulting in a loss to the client account. A client account may, to the extent permitted by law, engage in short sales where it does not own or have the right to acquire the security (or basket of securities) sold short at no additional cost. A client account's loss on a short sale could theoretically be unlimited in a case where the client account is unable, for whatever reason, to close out its short position. The use by a client account of short sales in combination with long positions in its portfolio in an attempt to improve performance may not be successful and may result in greater losses or lower positive returns than if the client account held only long positions. It is possible that a client account's long equity positions will decline in value at the same time that the value of the securities underlying its short positions increase, thereby increasing potential losses to the client account. If the client account is required to return a borrowed security at a time when other short sellers are also required to return the same security, a "short squeeze" can occur, and the client account may be forced to purchase the security at a disadvantageous price. In addition, a client account's short selling strategies may limit its ability to fully benefit from increases in the equity markets. Short selling also involves a form of financial leverage that may exaggerate any losses realized by a client account that utilizes short sales. See "Leveraging Risk." Also, there is the risk that the counterparty to a short sale may fail to honor its contractual terms, causing a loss to a client account. To the extent a client account seeks to obtain some or all of its short exposure by using derivative instruments instead of engaging directly in short sales on individual securities, it will be subject to many of the foregoing risks, as well as to those described under "Derivatives Risk" above.

*Smaller Company Risk*

The general risks associated with investing in equity securities risk and liquidity risks are particularly pronounced for securities of companies with smaller market capitalizations. These companies may have limited product lines,

markets or financial resources or they may depend on a few key employees. Securities of smaller companies may trade less frequently and in lesser volume than more widely held securities, and their values may fluctuate more sharply than other securities. They may also trade in the over-the-counter market or on a regional exchange, or may otherwise have limited liquidity. Companies with medium-sized market capitalizations also have substantial exposure to these risks.

#### *Taiwan-Related Risk*

Investing in securities of Republic of China (ROC) companies and of the ROC government involves certain risks not typically associated with investing in securities of U.S. companies or the U.S. government, including (1) volatility of the Taiwan securities market, (2) restrictions on repatriation of capital invested in Taiwan, (3) fluctuations in the rate of exchange between the Taiwan Dollar and the U.S. Dollar, and (4) political and economic risks. In addition, ROC accounting, auditing, financial and other reporting standards are not equivalent to U.S. standards and, therefore, certain material disclosures may not be made, and less information may be available to investors investing in Taiwan than in the United States. There is also generally less regulation by governmental agencies and self-regulatory organizations with respect to the securities industry in Taiwan than there is in the United States.

#### *Turnover Risk*

A change in the securities held in an account or fund is known as “portfolio turnover.” Higher portfolio turnover involves correspondingly greater expenses to a client, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are taxed as ordinary income when distributed to individual shareholders), and may adversely impact a client’s after-tax returns. The trading costs and tax effects associated with portfolio turnover may adversely affect performance.

The foregoing is only a summary of certain risks of investing in the securities and instruments that AllianzGI US uses. Specialized mandates may have particular risks not described above, and you should have a full understanding of the risks applicable to your account before engaging AllianzGI US’s services. Clients are encouraged to consult their own financial advisors and legal and tax professionals both initially and periodically thereafter in connection with selecting and engaging the services of an investment manager

for a particular investment strategy. In addition, due to the dynamic nature of investments and markets, strategies may be subject to additional and different risks over time.

#### **Other Investment-Related Information**

##### *Tax Information (for tax-paying entities)*

Clients should also understand that AllianzGI US may sell all or a portion of the securities in a client’s account, either initially or during the course of the client’s participation in any wrap fee program. Clients are responsible for all tax liabilities arising from these transactions. In addition, if the client is not a resident of the United States, the adverse tax consequences and other risks involved in investing in U.S. securities will be assumed by the client. Furthermore, the client acknowledges that ordinary income dividends, including distributions of short-term capital gain, paid by certain Mutual Funds to the client who are shareholders may be subject to a United States withholding tax under existing provisions of the Internal Revenue Service Code of 1986 applicable to non-U.S. individuals and entities, unless a withholding exemption is provided under applicable treaty law.

Clients should understand that AllianzGI US does not, and will not, offer tax advice to clients on any such issues and clients are strongly encouraged to seek the advice of a qualified tax professional. Clients should also understand that AllianzGI US is not responsible for making any tax credit or similar claim or any legal filing (including but not limited to proofs of claim) on a client’s behalf.

##### *Other Sources of Information*

AllianzGI US may use other sources of information in its investment process not listed in this Item, such as services that provide historical data on individual securities, companies or industry data that is gathered from external sources.

##### *Additional Disclosure – Derivatives*

AllianzGI US invests from time to time in securities that derive their value from some underlying asset. From a technical point of view, these securities could meet the definition of the term “derivative”. AllianzGI US accepts investment mandates from its clients that restrict investments in “derivatives” or that otherwise reference the use of “derivatives.” While there may be little ambiguity about the categorization of some instruments or transactions as “derivatives,” certain other instruments or transactions are less generally considered to be “derivatives.” Accordingly, and unless otherwise specifically agreed to in writing

with individual clients, AllianzGI US generally intends to construe the term "derivatives" for these purposes as an instrument or transaction that both (1) contractually obligates the relevant clients' account to make some payment or to fulfill some contractual obligation at a future date; and (2) results in the net exposure of the client account to the relevant class in an amount that could not have been achieved through direct investment in that asset class. Thus, for example, the purchase of a convertible security would not constitute, for these purposes, an investment in a derivative security, even though the instrument may include an "embedded" call option that gives the account the right to obtain another instrument (e.g., common stock) upon the exercise of the conversion right. Similarly, if an account includes cash or cash equivalents and AllianzGI US believes it would be appropriate for that portion of the account to be invested in an asset class (e.g., large capitalization growth stocks), AllianzGI US may cause the account to enter into a long futures or swap position on an appropriate index (e.g., the S&P 500) during the period that AllianzGI US seeks to identify individual securities for the account. The foregoing means, for example, but not by way of limitation, that AllianzGI US would generally not construe mandate restrictions on the use of derivatives to apply to repurchase agreements, securities lending, the purchase of call and put options, the writing of covered call options, the use of futures or foreign exchange contracts for hedging, including so-called "anticipatory hedging," and certain other risk management strategies, or to the investment instruments (e.g., ADRs, equity linked products) that AllianzGI US expects, as a result of investment restrictions or adverse tax consequences in non-U.S. jurisdictions, to have more desirable investment characteristics (e.g., greater liquidity, greater tax efficiency) than securities that may be traded in non-U.S. jurisdictions.

Certain non-U.S. markets are closed, partially closed or severely limited to direct investments by non-residents. Such partially closed markets may lead to price distortions where "foreign" shares and ADRs trade at prohibitive premiums to the local underlying shares. In order to achieve the liquidity and economic performance of the local shares without subjecting the investor to the requirements/restrictions associated with purchases of local shares, and when ADRs are not available or exhibit similar limitations, AllianzGI US may invest client accounts in equity linked products, also known as "equity linked notes", "participation notes," "zero-strike warrants" or "low-exercise warrants." Created by brokers-dealers to facilitate trading in non-U.S. markets, these instruments (derivatives by technical

definition) are U.S. dollar denominated, trade over-the-counter and on recognized exchanges and may settle Euroclear. The purchase price typically represents the underlying equity price translated into U.S. dollars plus an up-front fee. The sale price typically represents the underlying equity price translated into U.S. dollars minus any taxes. Therefore, AllianzGI US believes these instruments are equivalent to holding the local shares and provide significant cost advantages to purchasing ADRs in those markets.

AllianzGI US may, in certain market conditions, invest eligible client accounts with international exposure in forward currency contracts or currency options to protect the accounts against currency movements. Forward currency contracts are obligations to purchase or sell a specific quantity of a foreign currency at the current "spot" price, with delivery and settlement at some specified future date, individually negotiated and privately traded by traders and their customers. For example, an account may do a "transaction hedge" where it enters into a forward currency contract in order to "lock in" the U.S. dollar price of the security when it buys or sells a foreign-denominated security. Or, an account may enter into a "position hedge" if AllianzGI US believes that a particular foreign currency or group of currencies may suffer a substantial decline against the U.S. dollar by entering into a forward exchange contract or currency option to sell an amount of each foreign currency approximating the value of some or all of the accounts portfolio securities denominated in such foreign currency. Alternatively, if the portfolio manager believes that the U.S. dollar may suffer a substantial decline against a foreign currency, the account may enter into a forward exchange contract or currency option to buy that foreign currency for a fixed dollar amount. Alternatively, AllianzGI US may choose to maintain foreign currency cash balances in client accounts marked-to-market daily and, if possible, invested overnight to earn interest, to facilitate foreign security settlements.

#### ***Additional Disclosure – "Foreign" Securities***

AllianzGI US accepts investment mandates from its clients that either require, to varying degrees, investment in "foreign" securities or that restrict such investments. Sometimes different geographical terms are used for these purposes (e.g., "non-U.S. securities", "European" securities, "emerging markets," etc.). The globalization and integration of the world economic system and related financial markets have made it increasingly difficult to define issuers geographically. Accordingly, and unless otherwise specifically agreed to in writing with individual clients, AllianzGI US intends to construe

geographic terms such as “foreign,” “non-U.S.,” “European” and “emerging markets” in the manner that affords to AllianzGI US the greatest flexibility in seeking to achieve the investment objective(s) of its investment advisory clients. Specifically, in circumstances where the investment advisory mandate is to invest (a) exclusively in “foreign securities,” “non-U.S. securities” “international securities,” “European securities,” “emerging markets” (or similar directions) or (b) at least some percentage of the client’s assets in foreign securities, etc., AllianzGI US will take the view that a security meets this description so long as the issuer of a security is tied economically to the particular country or geographic region indicated by words of the relevant investment mandate (the “Relevant Language”). For these purposes the issuer of a security is deemed to have that tie if:

- (i) the issuer is organized under the laws of the country or a country within the geographic region suggested by the Relevant Language or maintains its principal place of business in that country or region; or
- (ii) the securities are traded principally in the country or region suggested by the Relevant Language; or
- (iii) the issuer, during its most recent fiscal year, derived at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in the country or region suggested by the Relevant Language or has at least 50% of its assets in that country or region.

In addition, AllianzGI US intends to look through private and registered investment companies for these purposes and to treat derivative securities (e.g., equity linked notes) by reference to the underlying security. Conversely, if the investment advisory mandate limits the percentage of assets that may be invested in “foreign securities,” etc. or prohibits such investments altogether, AllianzGI US may categorize securities as “foreign,” etc. only if the security possesses all of the attributes described above in clauses (i), (ii) and (iii).

#### ITEM 9. DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of or the integrity of AllianzGI US.

#### ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

AllianzGI US is registered with the Commodity Futures Trading Commission (“CFTC”) as a commodity pool operator and a commodity trading advisor. In this regard, certain employees of AllianzGI US are registered as associated persons with the National Futures Association to the extent necessary or appropriate to perform their responsibilities.

AllianzGI US is part of Allianz Global Investors. Allianz Global Investors is the marketing name for a global asset management business that operates through affiliated entities throughout the world. Those affiliated entities include Allianz Global Investors Distributors LLC (“AGID”), an SEC-registered broker-dealer and the following SEC-registered investment advisers: Allianz Global Investors Fund Management LLC, and NFJ.

AGID is a limited-purpose broker-dealer which serves as the distributor and principal underwriter to certain funds affiliated with AllianzGI US and funds for which AllianzGI US provides advisory or sub-advisory services. AllianzGI US makes payments to AGID pursuant to a service level agreement for sales and administrative services. AGID may also serve as the placement agent for certain Unregistered Commingled Funds managed by AllianzGI US. Certain of AllianzGI US’s officers and portfolio managers are registered representatives of AGID to the extent necessary or appropriate to perform their responsibilities.

AllianzGI US is also related, through common ownership or otherwise, to PIMCO Investments LLC, an SEC-registered broker-dealer; and Pacific Investment Management Company LLC (“PIMCO”) and Pallas Investment Partners, L.P., each an SEC-registered investment adviser.

AllianzGI US is related, through common ownership or otherwise, to a number of non-U.S. investment advisers, including (but not limited to) Allianz Global Investors Europe GmbH, Allianz Global Investors France S.A., Allianz Global Investors Hong Kong Ltd., Allianz Global Investors Ireland Ltd., Allianz Global Investors Japan Co. Ltd., Allianz Global Investors Luxembourg S.A., risklab GmbH, Allianz Global Investors Korea Limited, Allianz Global Investors Luxembourg S.A., Allianz Global Investors Singapore Limited, Allianz Global

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Investors Taiwan Ltd, and RCM Asia Pacific Limited.

Allianz and all of its direct and indirect subsidiaries (other than AllianzGI US), including those listed above, are referred to herein as the "Allianz Affiliates." The Allianz Affiliates may be registered as investment advisers and/or broker-dealers with the SEC or other foreign regulatory authorities. AllianzGI US may act as investment adviser to one or more Allianz Affiliates on either a discretionary or non-discretionary basis, and may serve as a sub-adviser for accounts or clients for which one or more Allianz Affiliates serve as investment manager or investment adviser. AllianzGI US also may share employees with or provide other services to the Allianz Affiliates. Similarly, AllianzGI US may receive services, including but not limited to investment advisory services, from certain Allianz Affiliates. For example, in the areas of legal and compliance, risk management, human resources, finance, information technology, trade support and sales and marketing, services are provided or received and employees are shared between AllianzGI US and various Allianz Affiliates. AllianzGI US coordinates its activities with certain other Allianz investment management businesses. These businesses include Allianz Global Investors Europe GmbH, Pallas Investment Partners, L.P., Allianz Global Investors Japan Co. Ltd., Allianz Global Investors Singapore Limited and RCM Asia Pacific Limited. (collectively, the "Allianz Advisory Affiliates"). Aside from Pallas, each of the Allianz Advisory Affiliates is directly or indirectly a wholly-owned subsidiary of Allianz SE.

AllianzGI US is also related to the following entities:

### Allianz Funds ("Allianz Funds")

AllianzGI US is the portfolio manager of certain series of Allianz Funds, an open-end management investment company. Allianz Global Investors Fund Management LLC ("AGIFM") (See response to Item 11 below.) serves as investment adviser and administrator to the Allianz Funds. AGIFM is a direct subsidiary of AllianzGI US's owner, Allianz Global Investors U.S. Holdings LLC.

### Allianz Funds Multi-Strategy Trust ("Allianz Trust")

AllianzGI US is the portfolio manager of certain series of the Allianz Funds Multi-Strategy Trust, an open-end management company. AGIFM serves as investment adviser and administrator to the Allianz Trust.

### Allianz Global Investors Commingled Funds LLC

AllianzGI US is the investment manager and managing member of AllianzGI Commingled Funds LLC ("AllianzGI Commingled Funds"), a Delaware limited liability company. AllianzGI US provides or arranges for the provision of certain financial and administrative services and oversees fund accounting for AllianzGI Commingled Funds. AllianzGI Commingled Funds currently consists of the following series: Large Cap Select Fund, Large Cap Growth Fund, Little Dragons Fund and China Fund. These series are privately offered and are exempt from registration under the Securities Act of 1933 and the Investment Company Act of 1940.

### Pallas Investment Partners, L.P. ("Pallas") and Related Entities

Pallas is an investment adviser registered with the SEC. Pallas is owned by Walter Price and Huachen Chen. Mr. Price and Mr. Chen are dually employed by Pallas and by AllianzGI US.

Pallas serves as investment manager to unregistered investment companies (the "Pallas Hedge Funds") -- Pallas Global Technology Hedge Fund, L.P., Pallas Investments II, L.P., and CP21, L.P., each a Delaware limited partnership. The general partner of Pallas Investments II, L.P. Pallas Global Technology Hedge Fund, L.P. and CP21, L.P. is Pallas Investments, LLC, a Delaware limited liability company (the "General Partner"). Mr. Price and Mr. Chen own a majority of the interests in the General Partner.

Each of the Pallas Hedge Funds pays a management fee and an incentive fee (based on a percentage of profits) to either Pallas or the General Partner. The management fee is 1.25% for Pallas Investments II, L.P. and 1.5 % for Pallas Global Technology Hedge Fund, L.P. and CP21 L.P.

Mr. Price and Mr. Chen act as portfolio managers for certain AllianzGI US client accounts including, among others, the AllianzGI Technology Fund.

AllianzGI US and Pallas share common employees, facilities, and systems. Pallas may act as investment adviser to one or more of AllianzGI US's affiliates, and may serve as sub-adviser for accounts or clients for which AllianzGI US or one of its affiliates serves as investment manager or investment adviser. AllianzGI US also may provide other services, including but not limited to investment advisory services or administrative services, to Pallas.

AllianzGI US, Pallas, and the Allianz Advisory Affiliates all engage in proprietary research and all acquire investment information and research services from broker-dealers. AllianzGI US and the

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Allianz Advisory Affiliates share such research and investment information.

In addition, trades entered into by Pallas on behalf of Pallas' clients are executed through AllianzGI US's equity trading desk, and trades by Pallas on behalf of Pallas' clients (including the Pallas Hedge Funds) are aggregated with trades by AllianzGI US on behalf of AllianzGI US's clients. All trades on behalf of Pallas' clients that are executed through AllianzGI US's equity trading desk will be executed pursuant to procedures designed to ensure that all clients of both AllianzGI US and Pallas (including the Pallas Hedge Funds) are treated fairly and equitably over time. (See response to Item 12 below.)

The General Partner and/or Pallas receive a participation in the profits of the Pallas Hedge Funds. Mr. Price and Mr. Chen also invested personally in one or more of the Pallas Hedge Funds. As a result, Mr. Price and Mr. Chen have a conflict of interest with respect to the management of the Pallas Hedge Funds and the other accounts that they manage, and they may have an incentive to favor the Pallas Hedge Funds over other accounts that they manage. AllianzGI US has adopted procedures reasonably designed to ensure that Mr. Price and Mr. Chen meet their fiduciary obligations to all clients for whom they act as portfolio managers and treats all such clients fairly and equitably over time.

### risklab GmbH ("risklab")

risklab is an affiliate of AllianzGI US. risklab is not an SEC-registered investment adviser, but is registered with Bundesanstalt für Finanzdienstleistungsaufsicht (www.bafin.de) as a provider of financial services in Germany. risklab may provide risk management and strategic and dynamic asset allocation solutions to support the investment advisory activities of AllianzGI US in the U.S. In such cases, risklab will operate as a Participating AllianzGI Affiliate (as defined below).

risklab may act as investment adviser to one or more of AllianzGI US's affiliates, and may provide advice for the benefit of accounts or clients for which AllianzGI US or one of its affiliates serves as investment manager or investment adviser. Further, risklab may recommend to its clients securities that are the subject of recommendations to, or discretionary trading on behalf of, AllianzGI US's clients.

The Allianz Advisory Affiliates share proprietary research and information developed by each of those entities. AllianzGI US and the Allianz

Advisory Affiliates may attempt to make a good faith allocation of the costs incurred in creating such research, and to apportion such costs among the offices receiving access to such research. Alternatively, some or all of the cost of such research may be borne exclusively by the affiliate creating the research.

AllianzGI US also may provide research services to unaffiliated investment advisers.

In addition, AllianzGI US acquires investment information and research services from broker-dealers, including information used in reports prepared by AllianzGI US's Grassroots<sup>sm</sup> Research group. (See response to Item 12 below.) One or more of the Allianz Advisory Affiliates also may acquire similar research information from broker-dealers. AllianzGI US and the Allianz Advisory Affiliates expect to share such research, and will use any such shared research for the benefit of their clients.

To the extent permissible under all appropriate laws, including federal securities and banking laws, AllianzGI US may, from time to time, execute brokerage transactions through, or have investment advisory relationships with, any of the Allianz Affiliates. AllianzGI US will not execute brokerage transactions through any of the Allianz Affiliates without the consent of the clients involved in such transactions. In addition, AllianzGI US and the Allianz Affiliates do not act as principal in connection with transactions for AllianzGI US clients. The Allianz Affiliates also may provide custodial services to certain of AllianzGI US's clients.

AllianzGI US has also entered into referral agreements with certain of its affiliates, including Allianz Global Investors Distributors LLC and NEJ, pursuant to which AllianzGI US has agreed to compensate such affiliates with respect to client solicitation activities on behalf of AllianzGI US in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940. As compensation for introducing new client accounts to AllianzGI US, such affiliates may receive a portion of the management fee generated by the accounts.

In rendering investment advisory services to its clients, including U.S. registered investment companies, AllianzGI US may use the resources of some of the Allianz Advisory Affiliates ("Participating AllianzGI Affiliates") to provide portfolio management, research and trading services to AllianzGI US clients. Under collaboration agreements, each of the Participating AllianzGI Affiliates and any of their employees who provide services to clients of

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AllianzGI US are considered "associated persons" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act"). The Participating AllianzGI Affiliates have agreed to submit to the jurisdiction of the SEC and to the jurisdiction of the U.S. courts for actions arising under the U.S. securities laws in connection with the investment advisory services they provide for any AllianzGI US clients.

### Selection of Other Investment Advisers

AllianzGI US selects the Sub-Advisers to provide model portfolios for Wrap Programs. For discretionary Wrap Programs, AllianzGI US typically selects Sub-Advisers that are affiliated with AllianzGI US. AllianzGI US may also work with a Sponsor to select non-affiliated sub-advisers where the Sponsor seeks to provide the strategies of multiple sub-advisers as part of a multi-disciplinary strategy that also includes affiliated Sub-Advisers. In such cases, AllianzGI US acts as the non-discretionary overlay manager to the Sponsor.

Selection of affiliated Sub-Advisers may pose a conflict of interest in that AllianzGI US and its affiliated Sub-Advisers may retain a greater portion of the wrap fee than if AllianzGI US had used unaffiliated sub-advisers. AllianzGI US manages this conflict through disclosure to clients in this brochure.

As set forth in Item 4 Advisory Business, AllianzGI US delegates discretionary management authority for the Allianz Global Investors Capital Total Return Trust and the NEJ International Value Trust, to PIMCO and NEJ, respectively.

### ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

#### Code of Ethics

AllianzGI US has adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 under the Advisers Act. AllianzGI US's partners, officers, directors, employees, interns and temporary employees (collectively, "Covered Persons") are required to follow the Code, which sets out rules regarding personal securities transactions that are designed to address or mitigate potential conflicts of interest and to minimize any potential appearance of impropriety. The Code covers personal securities transactions of all Covered Persons and their immediate family members (as defined in the Code), which includes most persons sharing the same household as the Covered Person and other individuals for whom the Covered Person provides significant economic support.

Although the Code permits Covered Persons to trade in securities for their own accounts, Covered Persons are subject to preclearance procedures, reporting requirements, and other provisions that restrict personal trading as Covered Persons may trade in securities for their own accounts that are recommended to and/or purchased by clients. In these circumstances, there is a possibility that the Covered Person may benefit from market activity within a client account.

Personal securities transactions by Covered Persons are monitored for compliance with the Code and any Covered Person who violates the Code may be subject to remedial actions, including, but not limited to: a letter of caution, warning or censure, recertification of the Code, disgorgement of profits, suspension of trading privileges, termination of officer title, and/or suspension or termination of employment. Covered Persons are required to annually certify compliance with the Code.

AllianzGI US will provide clients and prospective clients with a copy of the Code upon request.

#### Participation or Interest in Client Transactions

If permitted by a particular client's investment objectives, guidelines, and restrictions, and applicable law and regulations, AllianzGI US may recommend that a client purchase, or use its discretion to effect a client purchase of securities offered in either a public or private underwriting where an Allianz Affiliate is acting in the capacity of a manager, underwriter, or placement agent.

Consistent with its duty to seek best execution, AllianzGI US may from time to time effect securities transactions for its client accounts through an Allianz Affiliate acting as broker or agent. (See also response to Item 12.)

AllianzGI US clients may purchase shares of one or more series of the Allianz Funds or Allianz Trust for which AllianzGI US serves as sub-adviser. (See response to Item 10 above.) Each of the funds pays a management fee to its administrator and investment adviser, AGIFM. In turn, AllianzGI US, pursuant to a sub-advisory agreement between AGIFM and AllianzGI US, receives fees for each fund it sub-advises. These fees are paid exclusively by AGIFM and not directly by the shareholders of the funds. Fees under the agreements are payable at annual rates expressed as a percentage of the average daily net asset value of each fund. The distributor for the Allianz Funds and Allianz Multi-Strategy Trust is AGID.

Under AllianzGI US's procedures, if a client holds shares of one or more of the Allianz Funds or series of the Allianz Trust in an account managed or advised by AllianzGI US, the assets managed by AllianzGI US are reduced by the value of their investment in shares of the Allianz Funds or Allianz Trust prior to calculation of their individual investment management fee. It should be noted that the management fee paid by the Allianz Funds or Allianz Trust may exceed the standard fee normally charged by AllianzGI US to its individual clients. Potential participants should review closely each fund's prospectus. Specific written authorization designed to comply with the Employee Retirement Income Security Act Prohibited Transaction Exemption 77-4 is required from a separate non-affiliated fiduciary of employee benefit plans participating in any series of the Allianz Funds or Allianz Trust.

As described above, AllianzGI US also recommends and offers to clients membership interests in certain Unregistered Commingled Funds, including membership interests in Allianz Global Investors Commingled Funds LLC. AllianzGI US typically does not use its investment discretion to place separate account client assets in affiliated Unregistered Commingled Funds. Clients are required to complete subscription agreements and qualify for such investments. Please refer also to Item 5 Fees and Compensation for information pertaining to investment in or recommendation to invest in shares or other interests in certain funds to which AllianzGI US or its related persons provide investment advice or other services, and from which AllianzGI US and its affiliates receive advisory, administrative and/or distribution fees.

AllianzGI US provides investment management services to certain investment companies, as described above. AllianzGI US may have authority to invest some or all of a client's assets in one or more of such investment companies, to the extent consistent with applicable law. Because the fees received by AllianzGI US from these investment companies may, in some cases, be greater than the fees otherwise paid by clients, AllianzGI US may have an incentive to advise clients to invest in such investment companies. As a result, AllianzGI US may have a conflict of interest with respect to such recommendations.

AllianzGI US provide services to a number of different clients and accounts. We may give advice and take action with respect to any client or accounts that may differ from action taken on behalf of other clients or accounts. AllianzGI US is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling, any security that our employees may buy or sell for

their own account or for the accounts of any other client. AllianzGI US manages conflicts with our employees investing for their accounts by requiring that any transaction be made in compliance with our Code of Ethics, as discussed above.

Because AllianzGI US manages more than one account, potential conflicts of interest may arise related to the amount of time individuals devote to managing particular accounts. AllianzGI US may also have an incentive to favor accounts in the allocation of investment opportunities or otherwise treat preferentially those accounts that pay us a performance-related fee, or a higher fee level or greater fees overall. AllianzGI US has adopted procedures for allocation of portfolio transactions and investment opportunities across multiple client accounts on a fair and equitable basis over time. See Item 6 above and Item 12 below.

Potential conflicts of interest may also arise in connection with an employee's knowledge and the timing of transactions, investment opportunities, broker selection, portfolio holdings and investments. Some employees who have access to the size and timing of transactions may have information concerning the market impact of transactions. Employees may be in a position to use this information to their possible advantage or to the possible detriment of our other client accounts. An investment opportunity may also be suitable for multiple accounts we manage, but not in sufficient quantities for all accounts to participate fully. Similarly, there may be limited opportunity to sell an investment held by multiple accounts. We manage these potential conflicts with employee transactions by requiring that any transaction be made in compliance with our Code of Ethics, and potential conflicts between client accounts through our procedures for aggregating and allocating portfolio transactions and investment opportunities discussed in Item 12 below.

While some of our accounts, including those that pay performance-related fees, may short securities held long by our US-based accounts or obtain similar exposures through the use of derivatives, the particular portfolio managers responsible for the US-based accounts generally do not manage accounts that would enter into short positions in securities held long by our US-based accounts. Nevertheless, there may be instances where a client of ours enters into short positions for a security, or obtains exposures to the security, held long by another client, which could impact the price of the security. See Item 6 above.

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AllianzGI US may also have a conflict of interest with respect to advisory client's investment in certain third party private investment funds. (See Item 10 above.)

The Allianz Affiliates provide a variety of investment banking, commercial banking, brokerage and other services to a broad range of clients, including issuers of securities that AllianzGI US may recommend for purchase or sale by clients. In the course of providing these services, the Allianz Affiliates may come into possession of material, non-public information. However, such material, non-public information ordinarily will not be disclosed to AllianzGI US or its employees. The Allianz Affiliates have installed procedures intended to prevent the sharing of confidential information concerning issuers by its investment banking, commercial banking, brokerage, investment management and other operations. Such confidential information, if obtained, will not be used as a factor in making investment decisions for the portfolios of AllianzGI US's clients.

AllianzGI US believes that the nature and range of clients to whom the Allianz Affiliates render investment banking, commercial banking, brokerage and other services is such that it would be inadvisable to exclude these companies from a client's portfolio solely on the basis of their relationship with the Allianz Affiliates. Accordingly, except to the extent prohibited by law, AllianzGI US will not, as a matter of policy, refrain from initiating purchases or sales of any security as to which the Allianz Affiliates provide investment banking, commercial banking, brokerage or other services, or as to which the Allianz Affiliates possess material, non-public information. As a result, subject to each client's investment objectives, guidelines and restrictions, it is likely that client holdings will, from time to time, include the securities of issuers for whom the Allianz Affiliates provide investment banking, commercial banking, brokerage and other services. AllianzGI US also may purchase or sell for one or more client portfolios the securities of companies in which an Allianz Affiliate makes a market, or in which AllianzGI US, the Allianz Affiliates, or any of their employees have positions.

To meet applicable regulatory requirements, there may be periods during which AllianzGI US may not be permitted to recommend or effect certain types of transactions in the securities of companies for which an Allianz Affiliate is performing investment banking, commercial banking, brokerage or other services. This may result in AllianzGI US being unable to recommend or effect transactions at a time when it might otherwise be advisable to do so.

All of the transactions described above involve the potential for conflict of interest between AllianzGI US or the Allianz Affiliates and clients of AllianzGI US. The Investment Advisers Act of 1940, the Investment Company Act of 1940 and ERISA impose certain requirements designed to decrease the possibility of conflict of interest between an investment adviser and its clients. In some cases, transactions may be permitted subject to fulfillment of certain conditions. In other cases, transactions may be prohibited. AllianzGI US seeks to ensure that potential or actual conflicts of interest are appropriately resolved, taking into consideration the overriding best interests of the client.

### Participation or Interest in Personal Trading – Client Recommendations

AllianzGI US and its Covered Persons may invest in securities for their personal accounts that are also recommended to AllianzGI US clients. Potential conflicts may arise in this situation because AllianzGI US or its Covered Person may have a material interest in or relationship with the issuer of a security or may use knowledge about pending or currently considered securities transactions for clients to profit personally. To address these potential conflicts, Covered Persons deemed to be "Access Persons" under the Code are required to report brokerage and trading accounts to AllianzGI US upon hire, upon a change from Non-Access Person to Access Person, at the time a new account is opened and annually. In addition, personal securities transactions are subject to limitations regarding the type and timing of transactions, including certain trading prohibitions, and pre-approval and monitoring by the AllianzGI US Code of Ethics Office. To the extent AllianzGI US determines that there is no conflict of interest, certain Covered Persons of AllianzGI US from time to time may engage in outside business activities.

AllianzGI US, its Covered Persons and its affiliates may give advice and take action in the performance of their duties for some clients that may differ from advice given, or the timing or nature of actions taken, for other clients or for their seed capital or personal accounts.

Subject to the restrictions described above, AllianzGI US and its Covered Persons may at any time hold, acquire, increase, decrease, dispose of or otherwise deal with positions in investments in which a client account may have an interest from time to time. AllianzGI US has no obligation to acquire for a client account a position in any security which it acquires on behalf of another client, or which a Covered Person acquires for his or her own account. Likewise, client accounts shall

not have first refusal, co-investment or other rights in respect of any such investment.

**Participation or Interest in Personal Trading – Client Trading**

AllianzGI US permits its Covered Persons to engage in personal securities transactions, and to purchase and sell securities that may be held by or may be suitable for investment by client accounts. Personal securities transactions may raise potential conflicts of interest with the interests of AllianzGI US clients. Accordingly, AllianzGI US has adopted a Code of Ethics which is designed to mitigate conflicts of interest and the potential appearance of impropriety in a Covered Person's personal actions. The Code of Ethics requires, among other things, advance approval of certain purchases or sales of securities by its Covered Persons. The Code of Ethics does not require advance approval for investment in certain highly liquid securities issued by the U.S. Government or certain foreign governments, bankers' acceptances, bank certificates of deposit, commercial paper, shares of registered open-end investment companies, and certain other types of investment vehicles.

To ensure compliance with the pre-trading authorization requirement, each AllianzGI US Covered Person deemed an "Access Person" is required to instruct each broker-dealer with whom he or she maintains an account to send directly to AllianzGI US a duplicate copy of all transaction confirmations generated by that broker-dealer for that Covered Person's account. These confirmations or other relevant records are then cross-checked against the pre-trading authorization forms submitted by that Covered Person.

AllianzGI US's Code of Ethics restricts the purchase and sale by its Covered Persons (and certain entities in which such Covered Person may have a beneficial interest) for their own accounts of securities which have been or are being considered for purchase for client accounts. Except under certain limited circumstances, Covered Persons are not to engage in a transaction in the same security while an order for a client's account is pending or within a certain period of time before and after execution of the transaction in that security on behalf of the client. The applicable time period will vary, depending on the Covered Person's job responsibilities.

AllianzGI US performs investment management and investment advisory services for various clients, many of whom may have differing investment objectives, guidelines, and restrictions. As a result, AllianzGI US may give advice and take

action in the performance of its duties for a particular client that may differ from the advice given, or the timing or nature of action taken, with respect to other clients. Frequently, a particular security may be bought or sold for only one or a small number of clients, or in different amounts and at different times for more than one but less than all clients. In some cases, AllianzGI US may cause one or more accounts to buy or sell a security from or to a broker-dealer, and soon thereafter may engage in the opposite transaction for one or more other accounts from that or another broker-dealer. This practice may result in certain accounts receiving less favorable prices. AllianzGI US has adopted procedures that it believes are reasonably designed to obtain the most favorable price and execution for the transactions by each account.

AllianzGI US may, from time to time, buy or sell securities for its own investment account, and AllianzGI US's Covered Persons may do so, either individually or as a group (such as through an investment partnership). Likewise, the Allianz Affiliates may buy and sell securities for their own accounts, may underwrite securities, and may act as a market maker with respect to certain securities. AllianzGI US does not prohibit any of its Covered Persons from purchasing or selling for their own accounts securities that may be recommended to or held by AllianzGI US's clients, and many of AllianzGI US's Covered Persons do in fact own, purchase, and sell securities that are recommended to or held by AllianzGI US' clients, subject to the requirements in the Code of Ethics. Similarly, the Allianz Affiliates may purchase, hold, or sell securities that are recommended for purchase or sale in AllianzGI US client accounts. The Allianz Affiliates, with the exception of Pallas and its employees, are not subject to the AllianzGI US Code of Ethics, and therefore may be purchasing or selling a security at the same time that AllianzGI US is purchasing or selling that security on behalf of one or more clients.

The Allianz Affiliates also have adopted procedures designed to mitigate conflicts of interest and the potential appearance of impropriety in employee personal trading. The nature and timing of actions taken by one or more of AllianzGI US's Covered Persons or by one or more of the Allianz Affiliates, either for their own accounts or for the accounts of clients, may differ from the nature and timing of actions taken by AllianzGI US for client accounts. Because the Code of Ethics places restrictions on when Covered Persons can trade certain securities, the price received by AllianzGI US's clients in a securities transaction will most likely be different than the price received by AllianzGI US's Covered Persons.

Covered Persons of AllianzGI US participate in the Allianz Asset Management of America L.P. 401(k) Savings Retirement Plan (the “Plan”). The Plan may invest in certain vehicles for which AllianzGI US acts as investment manager. Such investment vehicles also may be recommended to or held by AllianzGI US clients. Furthermore, AllianzGI US’s officers, senior managers and other highly compensated employees may be eligible to defer receipt of cash compensation and bonuses they may become entitled to pursuant to certain deferred compensation plans, and participation in such plans elect to have deferred amounts invested in securities that may be recommended to or held by AllianzGI US clients.

#### ITEM 12. BROKERAGE PRACTICES

Most clients give AllianzGI US full discretionary authority over assets under management, subject to any limitations or prohibitions that may be imposed by each client in its investment objectives, guidelines, and restrictions, or in instructions otherwise provided to AllianzGI US by the client. For accounts over which AllianzGI US has full discretionary authority, AllianzGI US has the power to determine (without consultation with the client) which securities are bought and sold, when such purchases and sales are made, and the total amount of such purchases and sales. Except in those instances where a client wishes to retain discretion over broker selection and commission rate, AllianzGI US accepts full discretionary authority to determine the broker to be used and the commission paid, with the objective of attaining the best available price and most favorable execution (“best execution”) for each transaction. Some trades are made on a net basis where the client buys securities directly from a dealer, or sells them directly to a dealer. This is typical for certain equity securities traded in the over-the-counter market, and for most debt securities. In such transactions, there is no direct commission charged, but the dealer receives a “spread” which is the equivalent of a commission for engaging in the transaction.

From time to time, AllianzGI US accepts accounts for which it does not have full discretionary authority. For example, AllianzGI US may recommend purchases and sales of securities for such accounts, subject to the client’s approval, or AllianzGI US may provide only reporting and performance measurement services. In such cases, a suitable fee arrangement is agreed upon. (See response to Items 4 and 5 above.) If only non-advisory services are provided, and if the account

is related to other accounts, AllianzGI US may perform the services as an accommodation.

If AllianzGI US makes a recommendation that is accepted by a non-discretionary client, that client may choose to execute the transaction itself, without AllianzGI US’s assistance. In that event, the non-discretionary client may seek to purchase or sell securities at the same time as discretionary clients, to the potential disadvantage of both. Alternatively, the client may request AllianzGI US as an accommodation to place orders for the purchase or sale of the securities recommended and AllianzGI US may either be given the right to determine the executing broker-dealer or the client may direct that such transactions be effected through specified broker-dealers. As a result, the timing of the non-discretionary client’s transaction and price received may differ from that of other AllianzGI US clients because their transactions are typically executed after the transactions for fully discretionary accounts.

In addition, from time to time, AllianzGI US may accept private client accounts for which a broker-dealer serves as custodian. In such cases, the client may agree with the broker-dealer that some or all transactions for that account must be executed through that broker-dealer. In such circumstances, even though AllianzGI US has discretionary authority over the account, AllianzGI US’s authority to select the broker-dealer through whom transactions will be executed may be limited. As a result, AllianzGI US may not be in a position to ensure best execution of transactions for that client.

In selecting a broker or dealer for each specific transaction, AllianzGI US uses its best judgment to choose the broker or dealer most capable of providing the services necessary to obtain the best execution of that transaction. In seeking the best execution of each transaction, AllianzGI US evaluates a wide range of criteria, including any or all of the following: the broker’s commission rate, promptness, reliability and quality of executions, trading expertise, positioning and distribution capabilities, back office efficiency, ability to handle difficult trades, knowledge of other buyers and sellers, ability to provide AllianzGI US with market-related information, confidentiality, capital strength and financial stability, prior performance and responsiveness in serving AllianzGI US and its clients, and other factors affecting the overall benefit received by the client(s) in the transaction. When circumstances relating to a proposed transaction indicate that a particular broker or dealer is in a position to obtain the best execution, the order is placed with that broker or dealer. This may or may not be a broker or dealer that has

provided investment information and research services to AllianzGI US.

Subject to the requirement of seeking best execution, AllianzGI US may, in circumstances in which two or more brokers or dealers are in a position to offer comparable price and execution, give preference to a broker or dealer that has provided brokerage or research services to AllianzGI US. In so doing, AllianzGI US may effect securities transactions which cause a client to pay an amount of commission in excess of the amount of commission another broker would have charged. In effecting trades through such brokers or dealers, AllianzGI US may generate credits ("Commission Credits") which may be used by AllianzGI US to pay for brokerage and research services provided or paid for by such brokers or dealers. In selecting such broker or dealer, AllianzGI US will make a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage services and research and investment information received, viewed in terms of either the specific transaction or AllianzGI US's overall responsibility to the accounts for which it exercises investment discretion. AllianzGI US regularly evaluates all commissions paid in order to ensure that the commission represents reasonable compensation for the brokerage and research services provided by such brokers.

Receiving research and brokerage services in exchange for soft dollars creates potential conflicts of interest for AllianzGI US, since AllianzGI US would not otherwise have to produce the services, or pay for them from our own resources, allowing us to potentially reduce our costs. AllianzGI US may have an incentive to direct client trades to broker-dealers who provide these services to us. Sometimes, broker-dealers require a specific level of client commissions to provide research or brokerage services that AllianzGI US may want, and AllianzGI US may have an incentive to execute more trades through them, rather than through other broker-dealers that do not provide the services but who would otherwise provide comparable execution for a given trade. The services benefit us by allowing us, at no additional cost to us, (1) to supplement our own research, analysis and execution activities, (2) to receive the views and information of individuals and research staffs of other securities firms; (3) to gain access to persons having special expertise on certain companies, industries, areas of the economy and market factors; and (4) to gain access to execution services of third-parties.

Under a safe harbor from the Securities Exchange Act of 1934, an investment adviser may cause

clients to pay more than the lowest available commission rate in order to acquire certain research and brokerage services with the Commission Credits generated by its client account transactions. Any product and service we receive with Commission Credits must fall within the safe harbor. In some cases, our affiliates have entered into commission sharing arrangements whereby they have arrangements with a broker and the broker has arrangements with another party to provide them research, which (as noted above) is typically shared with us, effectively allowing us, subject to our best execution responsibilities, to obtain research from other parties.

AllianzGI US uses research and brokerage services that it receives from broker-dealers to evaluate securities and to formulate investment recommendations for both discretionary and non-discretionary clients. Such services are used by AllianzGI US as part of its investment process to enhance portfolio return and to reduce trading costs, and are helpful to AllianzGI US in serving its clients. Among other things, AllianzGI US may receive research reports, oral advice, or data from the brokers or dealers regarding particular companies, industries, or general market or economic conditions. Such services also may include, among other things, information concerning pertinent federal and state legislative and regulatory developments and other developments that could affect the value of companies in which AllianzGI US has invested or may consider investing; attendance at meetings with corporate management personnel, industry experts, economists, government personnel, academicians, and other financial analysts and journalists; consultation with scientific and technical experts concerning the viability and market potential of an issuer's products and services; comparative issuer performance and evaluation and technical measurement services; subscription to publications that provide investment-related information; accounting and tax law interpretations; economic advice; quotation equipment and services; execution or research measurement services; and software to assist AllianzGI US initiate and execute orders; market-related and survey data concerning the products and services of an issuer and its competitors or concerning a particular industry that are used in reports prepared by AllianzGI US's Grassroots<sup>sm</sup> Research group to enhance AllianzGI US's ability to analyze an issuer's financial condition and prospects; information from doctors concerning medical, technological and economic developments in medicine, health care, and related areas; and other services provided by recognized experts on investment matters of

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particular interest to AllianzGI US. In addition, services may include the use of or be delivered by computer systems whose hardware and/or software components may be provided to AllianzGI US as part of the services.

In any case in which information and other services can be used for both brokerage or research and non-research or non-brokerage purposes, AllianzGI US makes an appropriate good faith allocation of those uses and pays directly for that portion of the services to be used for non-research or non-brokerage purposes. This allocation can create a potential conflict of interest.

The brokerage and research services that AllianzGI US receives from brokers or dealers are used by AllianzGI US's research analysts and portfolio managers to formulate recommendations for the purchase or sale of securities. These recommendations, as well as AllianzGI US's analysis and the research used to formulate recommendations, may be made available to the Allianz Advisory Affiliates and all of AllianzGI US's clients (including foreign clients of AllianzGI US and the Allianz Advisory Affiliates) and is used by AllianzGI US in servicing all of its clients, and it is recognized that a particular account may be charged a commission paid to a broker or dealer who supplied research or brokerage services not utilized by such account. In addition, non-discretionary clients for whom AllianzGI US does not place brokerage orders ordinarily will benefit from such investment information, even though such information was generated through commissions paid by other clients. This may also be true for clients who require AllianzGI US to direct all or a significant portion of their trades to one of a small number of broker-dealers. Private clients for whom a broker-dealer acts as custodian also will benefit from such research information, even though AllianzGI US may not receive research services in connection with transactions executed for such private clients through that broker-dealer. In addition, some groups of accounts that do not generate Commission Credits (i.e., fixed income) may obtain certain brokerage and research services acquired with Commission Credits generated by a different group of accounts (e.g., equity and balanced). However, AllianzGI US believes that each account will be benefited overall by such practice because each is receiving the benefit of research services and recommendations not otherwise available to it.

AllianzGI US has not made and will not make commitments to place orders with any particular broker or dealer or group of brokers or dealers, other than pursuant to client direction. Annually,

AllianzGI US projects the amount of commission dollars it expects to generate in the course of a year, and pursuant to an internal allocation procedure that entails the vote of all portfolio managers and analysts as to the quality of research and investment information received from various brokers or dealers, establishes a budget of commission dollars to be directed to brokers providing the most useful investment information. No absolute dollar amounts are required to be met, and in no case will an order be placed if the broker or dealer is not able to provide best execution of a particular transaction. However, AllianzGI US does endeavor to direct sufficient orders to such brokers or dealers to ensure the continued receipt of research services that AllianzGI US believes are useful. A substantial portion of brokerage commissions are paid to brokers and dealers who supply research and brokerage services to AllianzGI US.

Certain clients may instruct AllianzGI US to not use their commissions to generate Commission Credits to pay for third party research; however, as a matter of policy AllianzGI US seeks to limit these requests because it believes such arrangements may result in additional costs to the client and may adversely affect the performance of the client's account. AllianzGI US believes that the potential benefits derived from any directed brokerage, expense reimbursement or commission recapture program may be offset by 1) clients unable to participate in certain block purchases or sales of securities, 2) the investment management team receiving less research, 3) the broker's unwillingness to commit capital and 4) AllianzGI US's potential inability to achieve best execution.

AllianzGI US provides "Commission Credit" reports to clients upon request which typically only include commissions which were designated as a Commission Credit for payment of third party brokerage and research services. Such reports generally do not include commissions paid to a broker-dealer in connection with proprietary or bundled research.

### *Commission Sharing Arrangements*

AllianzGI US may also request brokers effecting transactions on behalf of its clients to allocate a portion of the commission to a pool of Commission Credits maintained by the executing broker or commission management provider from which the executing broker or commission management provider, at AllianzGI US's direction, pays independent research providers (which may or may not be other brokers) for Research Products and Services ("Commission Sharing Arrangements"). Commission Sharing

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Arrangements may be used to pay for both proprietary and third party Research Products and Services. Commission Sharing Arrangements help enable an investment manager to select the most appropriate broker for trade execution regardless of whether or not the broker prepares or develops the Research Products and Services used by the investment manager. Accordingly, instead of paying a broker for its research by trading with it directly, the investment manager directs the executing broker or commission management provider to pay the research provider from the pool of Commission Credits accumulated.

In many cases, portfolio transactions may be executed in an aggregated transaction as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by AllianzGI US, some of which accounts may have similar investment objectives. In addition, AllianzGI US will aggregate trades for certain proprietary accounts with trades for AllianzGI US clients, and AllianzGI US may coordinate the execution of transactions for its clients with execution for transactions for the clients of the Allianz Advisory Affiliates, as more fully described below.

AllianzGI US believes that aggregation of transactions may enable it, on average and over time, to obtain enhanced execution and lower brokerage commissions (although there is no certainty that such objectives will be achieved). Coordination of transactions among the clients of AllianzGI US and the Allianz Advisory Affiliates may have similar results.

As a result, many of AllianzGI US's equity transactions are coordinated for its clients on a regional basis with certain Allianz Advisory Affiliates and through an Allianz Advisory Affiliate Executing Office ("Executing Office"). This practice helps to minimize the possibility that clients of AllianzGI US and those of Allianz Advisory Affiliates (with whom research is shared) would compete in the marketplace by executing transactions in the same security during the same day.

Trading centers for some of the Allianz Advisory Affiliates, including AllianzGI US, have been established as follows:

### Executing Offices Trading Region

|               |                         |
|---------------|-------------------------|
| Hong Kong     | Asia (including Japan)  |
| Frankfurt     | Europe (including U.K.) |
| San Francisco | North and South America |
| San Diego     | North and South America |

When AllianzGI US or an Allianz Advisory Affiliate executes an order for a security that trades in a Trading Region noted above, the order is routed to the applicable Executing Office. The Executing Office generally will aggregate that order for execution along with any other order(s) it may have received for the same security from another Allianz Advisory Affiliate or any other AllianzGI US affiliate on behalf of which an Allianz Advisory Affiliate provides trading services.

AllianzGI US also operates regional trading desks in San Diego and New York (together with San Francisco, the "U.S. Regional Trading Desks"), but currently only the San Francisco and San Diego trading desks coordinate their orders with the Hong Kong and Frankfurt trading desks.

For accounts with a Taiwan equity mandate, trades are executed using the trading desk of Allianz Global Investors Taiwan Limited operating as a Participating AllianzGI Affiliate.

One of AllianzGI US's objectives in aggregating trades for clients of AllianzGI US with each other and with clients of the Allianz Advisory Affiliates is to attempt to ensure that all clients are treated in a fair and equitable manner over time. To help achieve this objective, AllianzGI US has adopted written procedures for the aggregation of orders of advisory clients (the "Aggregation Procedures"). The Aggregation Procedures are designed to comply with all applicable legal and regulatory requirements. The Aggregation Procedures provide the procedures under which orders for one client account may be aggregated with other client accounts, including accounts that may be partially or entirely proprietary. In general, the Aggregation Procedures require all aggregated orders to be allocated to client accounts prior to the execution of such order. In certain circumstances, and if approved in advance by AllianzGI US's compliance officer or his or her designee, certain deviations from the original allocation instructions may occur after a trade has been executed. Although AllianzGI US uses its best efforts to ensure that all clients are treated fairly and equitably over time, there can be no assurance (and the Aggregation Procedures do not require) that any particular investment will be proportionally allocated among clients, or that the allocation process will achieve the same results for each client. Aggregated orders generally will be averaged as to price, with transaction costs shared pro rata based on each client's participation in the transaction.

Although AllianzGI US generally believes that aggregation of transactions may be consistent with its duty to seek best execution, AllianzGI US is

not obligated to aggregate orders into larger transactions.

Currently, while transactions executed through each of the U.S. Regional Trading Desks may be aggregated with other transactions executed through that same trading desk in accordance with AllianzGI US's Aggregation Procedures, AllianzGI US does not aggregate the transactions executed through one U.S. Regional Trading Desk with transactions executed through one of its other U.S. Regional Trading Desks. Rather, each U.S. Regional Trading Desk operates independently and AllianzGI US's Aggregation Procedures are applied separately to each trading desk. Because each of the U.S. Regional Trading Desks operates independently, AllianzGI US may under some circumstances, subject to the requirement to seek best execution, execute separate transactions in the same security with different brokers, which may result in different net prices, commissions or spreads.

In addition to the Aggregation Procedures, AllianzGI US also has adopted procedures intended to ensure that the allocation of shares received in an initial public offering ("IPO") is done in a manner that is fair and equitable to all clients over time. These procedures establish an allocation methodology for each product group managed by AllianzGI US (e.g., Large Cap, Mid-Cap, Technology, etc.) and a target allocation for each client within each product group. Shares received in IPOs are first allocated to each product group consistent with AllianzGI US's procedures, and then to each client within that group based on specific target allocations.

Because each client has its own investment guidelines, objectives, and restrictions, a particular security may be bought for one or more clients at a time when one or more clients are selling the same security. In such cases, when AllianzGI US believes it is appropriate and in accordance with applicable law and regulations, AllianzGI US may effect third party agency cross transactions between two or more accounts. AllianzGI US believes that such transactions can benefit both accounts by effecting a transfer of securities from one account to another at a greatly reduced cost.

AllianzGI US regularly purchases securities for client accounts that are not listed on a national securities exchange but that are traded in the over-the-counter market, and may also purchase listed securities in the third market (over-the-counter trades of exchange-listed securities) or fourth market (direct trades of securities between institutional investors without intermediation of a

broker-dealer). Where transactions are executed in the over-the-counter market or third market, AllianzGI US will seek to deal with the primary market-makers; but when necessary in order to obtain the best price and execution, it will utilize the services of others. In all cases, AllianzGI US will attempt to secure best execution.

AllianzGI US will also place orders with brokerage firms pursuant to direction received from investment management or investment advisory clients ("directed brokerage"). Directed brokerage is typically arranged by a client as a method whereby the brokerage commissions serve as compensation to the broker for goods and services provided directly to the client in an agreement negotiated between the client and the broker. Alternatively, the client may seek to negotiate a particular commission rate with that broker, or may use the direction of brokerage to accomplish unrelated objectives (e.g., the direction of brokerage to minority-owned brokerage firms, or to brokerage firms located in the same geographic area as the client). Clients that direct brokerage may ask AllianzGI US to ensure that they continue to receive best execution of each transaction, or they may negotiate commission rates themselves. In addition, with respect to clients that are ERISA plans, by law, any direction by the plan sponsor must be in the best interests of, and for the exclusive benefit of, the plan participants, in order to procure goods and services on behalf of the plan for which the plan otherwise would be obligated to pay.

When a client asks AllianzGI US to direct trades to a particular broker-dealer, AllianzGI US ordinarily will seek to fulfill that request, subject to seeking best execution of each transaction. However, AllianzGI US may not be in a position to negotiate commission rates or spreads, or to select brokers or dealers on the basis of best price and execution. Moreover, the client may lose the possible advantage which non-designating clients can derive from the aggregation of orders for several clients in a single transaction. In this regard, orders for clients, including wrap clients, who direct trades may be executed after the orders in the same security for other AllianzGI US clients have been completed. As a result, directed brokerage transactions may result in higher commissions, greater spreads, or less favorable net prices than would be the case if AllianzGI US were authorized to choose the brokers or dealers through which to execute transactions for the client's account. In addition, accounts that direct brokerage may not be able to participate in certain allocations of IPOs.

## Allianz Global Investors U.S. LLC

AllianzGI US ordinarily limits the amount of brokerage that any client may direct to a percentage of the total brokerage generated by that client, except as described above. AllianzGI US uses two methods to satisfy client requests for directed brokerage. First, AllianzGI US may execute the trade on behalf of that client with the broker-dealer selected by the client, which may or may not be the broker-dealer used by AllianzGI US for other trades in the same security during that period. Alternatively, AllianzGI US may use a "step-out" trade mechanism. A "step-out" trade occurs when the executing broker-dealer agrees to "step out" a portion of a bunched execution, and that "stepped-out" portion is cleared through the client directed broker-dealer. The client is assessed a commission only by the broker-dealer who clears the transaction. The executing broker-dealer receives compensation in the form of commission from the portion of the bunched execution that was not "stepped-out" to other brokers. "Step-out" trades will be executed so as to conform to the rules of the applicable exchange on which the trade occurs.

The use of "step-out" trades can, in some circumstances, help ensure that clients that seek to direct brokerage are not disadvantaged by the inability to participate in aggregated executions. However, "step-out" trades are an accommodation by the executing broker-dealer, and "step-out" trades will not be available in all circumstances to satisfy requests for directed brokerage.

AllianzGI US does not enter into agreements with, or make commitments to, broker-dealers that would bind AllianzGI US to compensate broker-dealers directly or indirectly for client referrals. However, subject to applicable laws, regulations and any particular client restriction, when one or more broker-dealer is considered by AllianzGI US to be capable of providing best execution with respect to a particular portfolio transaction, AllianzGI US may select a broker-dealer in recognition of the broker-dealer's past referral of the particular client for whom the transaction is being executed, or of other clients, or in recognition of possible future referrals from the broker-dealer. This may create a conflict of interest. In doing so, unless otherwise specifically disclosed to the client, AllianzGI US will not pay higher commissions, concessions, or mark-ups than would otherwise be obtainable from broker-dealers that do not provide client referrals to AllianzGI US.

With respect to Wrap Programs, the Sponsor includes commissions and other trading costs in the Wrap Program fee and accordingly trading through the Sponsor is typically more cost

effective to the a Wrap Program client. If AllianzGI US determines that the Sponsor is not able to provide best execution, AllianzGI US may step out trades to an alternate broker-dealer which may result in additional trading costs.

Upon client request, AllianzGI US can arrange for the Northern Trust Capital Markets Group ("Northern Trust") to execute FX transactions for the settlement of foreign securities transactions. In this arrangement, Northern Trust will net the currencies in each of our client accounts and will execute any outstanding values within a prescribed or fixed time of the trading day. FX transactions by Northern Trust includes a set service fee that is added to the market bid/offer. Northern Trust is capable of executing up to 38 freely traded securities. All restricted currencies will continue to be executed by the client's custodian. Northern Trust will not execute FX transactions involving repatriations or corporate actions.

## ITEM 13. REVIEW OF ACCOUNTS

### Review of Accounts

AllianzGI US's review of client accounts is an integral component of AllianzGI US's investment management process. Portfolio managers review each of their accounts on a regular basis and select investments for clients in accordance with each client's investment objectives and consistent with the investment philosophy of AllianzGI US. AllianzGI US maintains systems for guideline surveillance (collectively, the "Portfolio Compliance Systems") that check both pre-trade security transactions and post-trade account holdings against client account guidelines.

A dedicated team of AllianzGI US compliance analysts review pre-trade activity and post-trade portfolio compliance results in the Portfolio Compliance Systems for all client accounts on a daily basis. The compliance analyst runs compliance testing of post-trade holdings via an overnight scheduler and reviews the results daily. The compliance analyst will bring any potential violation that is detected to the attention of the Chief Compliance Officer.

### Reports to Clients

AllianzGI US provides advisory clients who have separately managed accounts with written reports on a quarterly basis or more frequently upon agreement between AllianzGI US and the client. These reports generally include, among other things, all purchases and sales of securities made during the reporting period (market price, total

cost/proceeds, original unit cost and realized gain/loss on sales) and include a summary of investments in the portfolio (unit cost, total cost, market price, total market value, yield and percentage of portfolio). In addition, through telephone calls and in-person meetings, client service representatives strive to keep clients regularly informed of the investment policy and strategy AllianzGI US is pursuing to achieve clients' investment objectives.

**CLIENTS INVESTED IN MUTUAL FUNDS AND/OR UNREGISTERED COMMINGLED FUNDS RECEIVE REPORTS FROM THE FUNDS' TRANSFER AGENT, ADMINISTRATOR OR CUSTODIAN BANK. CLIENTS IN WRAP FEE PROGRAMS RECEIVE REPORTS FROM THE WRAP FEE PROGRAM SPONSOR.**

#### **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

##### **Compensation from Non-Clients**

AllianzGI US or its affiliates may pay fees to broker-dealers or other third parties in exchange for continuing due diligence, analysis, office access, training, operations and systems support, and marketing assistance. These fees may be deducted from the management fees remitted to AllianzGI US or billed separately. In lieu of making such payments, AllianzGI US or its affiliate may agree to pay a lump sum payment and/or payments related to specific events such as sponsorship of conferences, seminars, informational meetings, or payment for attendance by persons associated with conferences, seminars or informational meetings. In some cases, these payments may be based on assets under management or new assets. In addition, AllianzGI US may pay for shareholder sub-administrative services. These fees are typically assessed on a per account basis for those accounts maintained by the broker-dealer or other third party and/or may be assessed to offset the transfer agency costs of maintaining those accounts that would otherwise be incurred. The broker-dealers or third parties may, in the ordinary course of business, recommend that a client select AllianzGI US as an asset manager in their respective Wrap Programs.

##### **Referral Arrangements**

AllianzGI US may, from time to time, pay compensation for client referrals. To the extent required by law, AllianzGI US requires that the person referring a client to them (the "Referral Agent") enter into a written agreement in accordance with the requirements of Rule 206(4)-3 of the Advisers Act. Under this written agreement, the Referral Agent would be obligated to provide a prospective client with a separate

disclosure document before AllianzGI US opens an account for the prospective client. The separate disclosure document provides the prospective client with information regarding the nature of AllianzGI US's relationship with the Referral Agent and any referral fees AllianzGI US pays to the Referral Agent. Referral fees are paid entirely by AllianzGI US and not by AllianzGI US's clients.

AllianzGI US's employees and employees of affiliates of AllianzGI US may serve as Referral Agents and may be compensated for referral activities. However in those cases, neither AllianzGI US nor its affiliated Referral Agent will provide the separate disclosure document noted above. AllianzGI US's affiliate, AGID, employs a team of internal and external wholesalers who market AllianzGI US's Wrap Program products. These marketing professionals receive fees for assets brought into an AllianzGI US Wrap Program product. In addition, there are circumstances where AllianzGI US may refer a client to an affiliated Sub-Adviser or other affiliated investment manager depending on the size and particulars of the account. In these cases, AllianzGI US may receive a fee from the relevant Sub-Adviser or affiliated investment manager for the client referral.

#### **ITEM 15. CUSTODY**

AllianzGI US does not maintain physical custody of client assets. Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client investment assets. AllianzGI US urges clients to carefully review such statements and compare such official custodial records to the account statements that AllianzGI US provides to clients. Account statements produced by AllianzGI US may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **ITEM 16. INVESTMENT DISCRETION**

AllianzGI US typically receives discretionary authority from the client at the outset of an advisory relationship, pursuant to an investment advisory agreement, to select the identity and amount of securities to be bought or sold, subject to the stated investment objectives for the particular client account.

When selecting securities and determining amounts, AllianzGI US observes the investment policies, limitations and restrictions of the clients for which it advises. For Mutual Funds, AllianzGI

US's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to AllianzGI US in writing. For additional information about AllianzGI US's investment advisory services and restrictions, please see Item 4 Advisory Business.

#### **ITEM 17. VOTING CLIENT SECURITIES**

AllianzGI US typically votes proxies as part of its discretionary authority to manage accounts, unless the client has explicitly reserved the authority for itself. To ensure that the proxies are voted in the best interests of its clients, AllianzGI US has adopted proxy voting procedures and guidelines for voting proxies on specific types of issues. When voting proxies, AllianzGI US seeks to make voting decisions solely in the best interests of its clients and to enhance the economic value of the underlying portfolio securities held in its clients' accounts. AllianzGI US will not be responsible for voting of proxies that AllianzGI US has not been notified of on a timely basis by the client's custodian.

AllianzGI US has adopted written Proxy Policy Guidelines and Procedures (the "Proxy Guidelines") that are reasonably designed to ensure that the firm is voting in the best interest of its clients. The Proxy Guidelines reflect AllianzGI US's general voting positions on specific corporate governance issues and corporate actions. AllianzGI US has retained two independent third party service providers (the "Proxy Providers"), to support two different groups of portfolio management teams, to assist in the proxy voting process by implementing the votes in accordance with the Proxy Guidelines as well as assisting in the administrative process. The services provided offer a variety of proxy-related services to assist in AllianzGI US's handling of proxy voting responsibilities. Although both Proxy Providers have been instructed to follow the Proxy Guidelines, it is possible that in certain circumstances the Proxy Providers may interpret the Proxy Guidelines in different ways, and as a result AllianzGI US may cast votes on behalf of one client account that are different than votes cast for the same shares held by another client account.

In certain circumstances, a client may request in writing that AllianzGI US vote proxies for its account in accordance with a set of guidelines which differs from the Proxy Guidelines. For example, a client may wish to have proxies voted

for its account in accordance with the Taft-Hartley proxy voting guidelines. In that case, AllianzGI US will vote the shares held by such client accounts in accordance with their direction, which may be different from the vote cast for shares held on behalf of other client accounts that vote in accordance with the Proxy Guidelines.

AllianzGI US will generally refrain from voting proxies on non-U.S. securities that are subject to share blocking restrictions. Certain countries require the freezing of shares for trading purposes at the custodian/sub-custodian bank level in order to vote proxies to ensure that shareholders voting at meetings continue to hold the shares through the actual shareholder meeting. However, because AllianzGI US cannot anticipate every proxy proposal that may arise (including a proxy proposal that an analyst and/or portfolio manager believes has the potential to significantly affect the economic value of the underlying security, such as proxies relating to mergers and acquisitions), AllianzGI US may, from time to time, instruct the Proxy Providers to cast a vote for a proxy proposal in a share blocked country.

The Proxy Guidelines also provide for oversight of the proxy voting process by a Proxy Committee. The Proxy Guidelines summarize AllianzGI US's position on various issues, including issues of corporate governance and corporate actions, and give general indication as to how we will vote shares on such issues. Occasionally, there may be instances when AllianzGI US may not vote proxies in strict adherence to the Proxy Guidelines. To the extent that the Proxy Guidelines do not cover potential voting issues or a case arises of a potential material conflict between AllianzGI US's interest and those of a client with respect to proxy voting, the Proxy Committee will convene to discuss the issues. In evaluating issues, the Proxy Committee may consider information from many sources, including the portfolio management team, the analyst responsible for monitoring the stock of the company at issue, management of a company presenting a proposal, shareholder groups and independent proxy research services. In situations in which the Proxy Guidelines do not give clear guidance on an issue, an analyst or portfolio manager and/or the Proxy Committee will review the issue. In the event that either the analyst or portfolio manager wishes to override the Proxy Guidelines, the proposal will be presented to the Proxy Committee for a final decision. Any deviations from the Proxy Guidelines will be documented and maintained in accordance with Rule 204-2 under the Advisers Act.

In accordance with the Proxy Guidelines, AllianzGI US may review additional criteria associated with voting proxies and evaluate the expected benefit to its clients when making an overall determination on how or whether to vote a proxy. Upon receipt of a client's written request, AllianzGI US may also vote proxies for that client's account in a particular manner that may differ from the Proxy Guidelines. In addition, AllianzGI US may refrain from voting a proxy on behalf of its clients' accounts due to de-minimis holdings, immaterial impact on the portfolio, items relating to non-U.S. issuers (such as those described below), non-discretionary holdings not covered by AllianzGI US, timing issues related to the opening/closing of accounts, securities lending issues (see below), contractual arrangements with clients and/or their authorized delegate, the timing of receipt of information, or where circumstances beyond its control prevent it from voting. For example, AllianzGI US may refrain from voting a proxy of a non-U.S. issuer due to logistical considerations that may impair AllianzGI US's ability to vote the proxy. These issues may include, but are not limited to: (i) proxy statements and ballots being written in a language other than English, (ii) untimely notice of a shareholder meeting, (iii) requirements to vote proxies in person, (iv) restrictions on non-U.S. person's ability to exercise votes, (v) restrictions on the sale of securities for a period of time in proximity to the shareholder meeting, or (vi) requirements to provide local agents with power of attorney to facilitate the voting instructions. Such proxies are voted on a best-efforts basis.

AllianzGI US may instead vote in accordance with the proxy guidelines of its affiliate advisers when voting in connection with Wrap Programs. The affiliated adviser's guidelines may differ and in fact be in conflict with AllianzGI US's voting guidelines.

If a client has decided to participate in a securities lending program, AllianzGI US will defer to the client's determination and not attempt to recall securities on loan solely for the purpose of voting routine proxies as this could impact the returns received from securities lending and make the client a less desirable lender in the marketplace. If the participating client requests, AllianzGI US will use reasonable efforts to notify the client of proxy measures that AllianzGI US deems material.

The ability to timely identify material events and recommend recall of shares for proxy voting purposes is not within the control of AllianzGI US and requires the cooperation of the client and its other service providers. Efforts to recall loaned securities are not always effective and there can be

no guarantee that any such securities can be retrieved in a timely manner for purposes of voting the securities.

Clients may obtain a copy of the Proxy Guidelines upon request. To obtain a copy of the Proxy Guidelines or to obtain information on how an account's securities were voted, clients should contact their account representative.

#### **Class Actions and Similar Matters**

AllianzGI US generally does not advise or take any action on behalf of its clients in any legal proceedings, including class actions. A client's decision whether to participate in a securities class action lawsuit may involve facts and legal judgments that are beyond the scope of AllianzGI US's management of the account and expertise as an investment adviser. AllianzGI US therefore encourages its clients to rely on their legal counsel for advice on whether or not to participate in class actions. AllianzGI US does not file proof of claim forms for its separate account clients. However, upon request and as a courtesy, AllianzGI US may provide relevant records and information in its possession that may be necessary or useful to the client or its custodian to file claim forms or other legal documents. In such cases it is the client's responsibility to (i) ensure that the custodian is capable of filing, and has the proper authorization to file, proofs of claim on the client's behalf and (ii) determine whether to file a request for exclusion from a particular class action settlement and take the necessary steps to do so. AllianzGI US is not responsible for a client's or custodian's failure to file claim forms or to request exclusion.

With respect to bankruptcies involving issuers of securities held in separate accounts, AllianzGI US as investment adviser may in its discretion participate in bankruptcy proceedings, make investment-related elections and join creditors committees on behalf of some or all of its clients. Although AllianzGI US may participate in such proceedings and join such committees on behalf of its separate account clients' in its discretion, it is not obligated to do so.

#### **ITEM 18. FINANCIAL INFORMATION**

AllianzGI US does not require or solicit prepayment of its fees. AllianzGI US is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has AllianzGI US been the subject of a bankruptcy petition at any time during the past ten years.

#### **ITEM 19. PRIVACY NOTICE**

##### **Privacy Notice**

###### **To Our Customers:**

We value our customers and appreciate the trust you have placed in us. We understand that as our customers, you provide us with certain non-public personal information in the course of doing business with us and entrust us to protect its privacy. "Non-public personal information" is generally identifiable financial information about you. For example, it includes information regarding your social security number, account balance, bank account information and account transaction history. This notice describes how we handle your personal information and the important steps we take to protect your privacy. We have sent this notice to comply with the privacy regulations of the Securities and Exchange Commission.

###### **Information We Collect About You:**

To provide you with the highest quality of service, we collect and maintain certain non-public personal information about you. This information includes information we receive from you to open an account and provide you with investment advice, including information you provide on applications or other forms (such information may include your name, address, telephone number, taxpayer identification number and certain financial information); information about your transactions; and information we generate to service your account (such as trade tickets and account statements).

###### **Our Privacy Policies and Practices:**

We do not disclose non-public personal information to non-affiliated third parties, except for our everyday business purposes, such as processing transactions for your account, or as allowed by applicable law or regulation. As is common in the industry, non-affiliated companies may from time to time be used to provide certain services, such as settlement and accounting, performance measurement, transfer agency, custody, brokerage or administration. These companies may have access to your non-public personal information, but are permitted to use the information solely to provide the specific service or as otherwise permitted by law. We may also provide your non-public personal information to your brokerage or financial advisory firm or consultant.

We do reserve the right to disclose or report personal information to non-affiliated third parties in limited circumstances where we believe in good faith that disclosure is required under law, to cooperate with regulators or law enforcement

authorities, to protect our rights or property, or upon reasonable request by any mutual fund in which you have chosen to invest. In addition, we may disclose information about you or your accounts to a non-affiliated third party at your request or if you consent in writing to the disclosure.

We may share your information with our affiliates in connection with their everyday business purposes, such as servicing your account, but our affiliates may not use this information to market products or services to you except in conformance with applicable laws or regulations. The information we share includes information about our experiences and transactions with you and may include, for example, your participation in our investment funds, your ownership of certain types of accounts (such as IRAs), or other data about your transactions or accounts. Our affiliates, in turn, are not permitted to share client information with non-affiliated entities, except as required or permitted by law.

Access to your non-public personal information is restricted to those persons who need access to that information to provide products or services to you. We maintain strict physical, electronic and procedural safeguards to protect unauthorized use of this information. We take seriously our commitment to protect your privacy and adhere to the policies and practices outlined above for both current and former customers.

# Allianz Global Investors U.S. LLC

1633 Broadway  
New York, NY 10019  
(212) 739-3000

## Form ADV Part 2B Brochure Supplement March 28, 2014

This brochure supplement provides information about Supervised Persons of Allianz Global Investors U.S. LLC ("AllianzGI US") that supplements the AllianzGI US brochure. You should have received a copy of that brochure. Please contact your client service representative if you did not receive AllianzGI US's brochure or if you have any questions about the contents of this supplement.



## EQUITY

### **Andreas Utermann**

Allianz Global Investors GmbH, UK Branch,  
199 Bishopsgate, London, EC2M 3TY, United  
Kingdom, +44 (0) 20 7859 9000

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Andreas Utermann, ASIP (1966)**

*Global Chief Investment Officer*

Mr. Utermann is the Global Chief Investment Officer of Allianz Global Investors, which he joined in 2002. He is an Allianz Global Investors board member and has 24 years of investment-industry experience. Mr. Utermann was previously Global Head and CIO, Equities at Merrill Lynch Investment Managers (formerly Mercury Asset Management). Before that, he worked at Deutsche Bank AG. Mr. Utermann has a B.Sc. in economics from the London School of Economics and an M.A. in economics from Katholieke Universiteit Leuven. Mr. Utermann is on the board of the CFA Society of the UK and the AMIC Council of the ICMA, and is fluent in English, German, French and Dutch.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Andreas Utermann is employed by Allianz Global Investors GmbH, UK Branch, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Utermann to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Utermann is considered an "associated person" of AllianzGI US as that

term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising investment advisory activities is Ingo Mainert, Head of Balanced Management, +49-69-13900.

### **Scott T. Migliori**

555 Mission Street, Suite 1700, San Francisco,  
CA 94105, (415) 954-5400

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Scott T. Migliori, CFA (1967)**

*Managing Director, Chief Investment Officer,  
Equity US*

Mr. Migliori is a portfolio manager, a managing director and CIO Equity US with AllianzGI US, which he joined in 2003 via a predecessor affiliate. He is responsible for the firm's US Large Cap Select Growth and Focused Growth strategies. Mr. Migliori has 18 years of investment-industry experience and was previously with Provident Investment Counsel, Inc. where he co-managed more than \$2 billion in large-cap growth portfolios; before that, he was a portfolio manager and analyst on mid- and small-cap growth funds. Before beginning his investment career, Mr. Migliori was a business-litigation attorney. He has a B.S. in accounting from the University of Southern California, a J.D. from the Boalt Hall School of Law at the University of California, Berkeley, and an M.B.A. from the Anderson School at

the University of California, Los Angeles. Mr. Migliori is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Migliori's investment advisory activities is Andreas Utermann, Member, Management Board of Allianz Global Investors GmbH and Global Chief Investment Officer for Allianz Global Investors, +44 (0)20 7859 9000.

## **Jeffrey D. Parker**

1633 Broadway, New York, NY 10019, (212) 739-3300

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Jeffrey D. Parker, CFA (1968)  
*Managing Director, Chief Investment Officer, San Diego Equity*

As a Managing Director and Chief Investment Officer, San Diego Equity, Mr. Parker is responsible for overseeing the Small Cap Equity and Systematic teams in San Diego and trading functions within San Diego and

New York. Mr. Parker has over 22 years of investment industry experience. Mr. Parker's previous responsibilities at AllianzGI US include portfolio management and research oversight responsibilities for the Large and Mid Cap Growth teams. Prior to joining AllianzGI US via a predecessor affiliate in 1999, he was an assistant portfolio manager at Eagle Asset Management and a senior consultant at Andersen Consulting. Mr. Parker earned his M.B.A. from Vanderbilt University and B.B.A. from the University of Miami. Mr. Parker holds FINRA Series 7, 63, and 65 licenses.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

Investment adviser representative of AllianzGI US.

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Parker's investment advisory activities is Scott Migliori, Chief Investment Officer, Equity US, (415) 954-5400.

## Steven J. Berexa

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Steven J. Berexa, CFA (1963)

*Managing Director, Global Head of Research*

Mr. Berexa is a senior portfolio manager and managing director with AllianzGI US, which he joined in 1997 via a predecessor affiliate. He is the global head of research, encompassing equity, credit, Grassroots<sup>SM</sup>, and environment, sustainability and governance research. Mr. Berexa is responsible for a number of investment systems, including Chatter implementation for investment collaboration. He also lead-manages a number of thematic fund offerings. Previously, Mr. Berexa was US director of research and head of the US technology team. He has 26 years of investment-industry experience. Before joining the firm, Mr. Berexa worked at Prudential in a private placement unit, with responsibilities for the subordinated debt of renewable energy projects as well as credit and LBOs. Before that, he was a tech analyst at Chancellor/LGT Asset Management. Mr. Berexa has a B.S.E.E. and an M.B.A. from Duke University, where he studied electrical engineering and computer science and was awarded an Angier B. Duke scholarship. He is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

There is no information to report under this item.

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this item.

### ITEM 6. SUPERVISION

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the persons primarily responsible for supervising Mr. Berexa's investment advisory activities are Scott Migliori, Chief Investment Officer, Equity US, (415) 954-5400, and Andreas Utermann, Member, Management Board of Allianz Global Investors GmbH and Global Chief Investment Officer for Allianz Global Investors, +44 (0)20 7859 9000.

## Huachen Chen

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Huachen Chen, CFA (1957)

*Managing Director, Senior Portfolio Manager*

Mr. Chen is a senior portfolio manager and managing director with AllianzGI US, which he joined in 1984 via a predecessor affiliate. He is co-lead portfolio manager of the Global Technology strategy. Mr. Chen has 29 years of investment-industry experience. He previously worked for IBM and Intel Corporation, where he had responsibilities for semiconductor process engineering. Mr. Chen has a B.S. in materials science and engineering from Cornell University, an M.S. in materials science and engineering from Northwestern University and an M.B.A. from the University of California, Berkeley. He is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Huachen Chen and Walter Price own Pallas Investment Partners, L.P. ("Pallas"), an investment adviser registered with the SEC. Mr. Chen is dually employed by Pallas and by AllianzGI US.

Pallas serves as investment manager to unregistered investment companies (the "Pallas Hedge Funds") -- Pallas Global Technology Hedge Fund, L.P., Pallas Investments II, L.P., and CP21 L.P., each a Delaware limited partnership. The general partner of Pallas Investments II, L.P., Pallas Global Technology Hedge Fund, L.P. and CP21 L.P. is Pallas Investments, LLC, a Delaware limited liability company (the "General Partner"). Mr. Chen and Walter Price own a majority of the interests in the General Partner.

The General Partner and/or Pallas receive a participation in the profits of the Pallas Hedge Funds. Mr. Chen also invested personally in one or more of the Pallas Hedge Funds. As a result, Mr. Chen has a conflict of interest with respect to the management of the Pallas Hedge Funds and the other accounts that he manages, and he may have an incentive to favor the Pallas Hedge Funds over other accounts that he manages. AllianzGI US has adopted procedures reasonably designed to ensure that Mr. Chen meets his fiduciary obligations to all clients for whom he acts as portfolio manager and treats all such clients fairly and equitably over time.

#### **ITEM 5. ADDITIONAL COMPENSATION**

Each of the Pallas Hedge Funds pays a management fee and an incentive fee (based on a percentage of profits) to either Pallas or the General Partner. The General Partner and/or Pallas receive a participation in the profits of the Pallas Hedge Funds.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client

trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Chen's investment advisory activities is Scott Migliori, Chief Investment Officer, Equity US, (415) 954-5400.

#### **Joanne L. Howard**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Joanne L. Howard, CFA (1942)

*Managing Director, Senior Portfolio Manager, Chief Investment Officer, Private Client Group*

Ms. Howard is a senior portfolio manager and managing director with AllianzGI US, which she joined in 1992 via a predecessor affiliate. She has portfolio-management responsibilities with the US Large Cap Core Equity team and is the chief investment officer of the Private Client Group in San Francisco. Ms. Howard has 49 years of investment-industry experience. Before joining the firm, she was a managing director at Scudder, Stevens & Clark, where she was a senior member of the Scudder quality growth equity management team. Before that, she was a manager of equity mutual funds at American Express Investment Management Co.; the director of research at ISI Corporation; a junior security analyst with First National Bank of Chicago; and an industry analyst with CNA Financial. She has been president of the CFA Society of San Francisco and the Financial Women's Association of San Francisco. Ms. Howard has a B.B.A., *phi beta kappa*, from the University of Wisconsin and an M.B.A. in finance from the University of Wisconsin. She is a CFA charterholder, a member of the CFA Society of San Francisco and a member of the Financial Women's Association of San Francisco.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

**ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Ms. Howard's investment advisory activities is Scott Migliori, Chief Investment Officer, Equity US, (415) 954-5400.

**Robert S. Marren**

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

**ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Robert S. Marren (1964)**

*Managing Director, Portfolio Manager*

Mr. Marren has over 23 years of investment industry experience and has portfolio management and research responsibilities for the US Small Cap Growth team based in San Diego. Prior to joining AllianzGI US via a predecessor affiliate in 2007, he was Director of Research and Portfolio Manager for micro-cap growth equities for Duncan-Hurst Capital Management, and was with Duncan-Hurst for over fourteen years. Earlier, he was assistant manager of corporate finance for Hughes Aircraft Company focusing on debt financing and mergers and acquisitions. Mr. Marren earned his M.B.A. at Duke University, Fuqua

School of Business, and his B.A. at the University of California, San Diego, where he is also a Trustee for the UC San Diego Foundation, and currently serves as chair of their Investment Committee.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this Item.

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

**ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Marren's investment advisory activities is John McCraw, Managing Director and Portfolio Manager, (619) 687-8000.

**John C. McCraw**

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

**ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**John C. McCraw (1964)**

*Managing Director, Portfolio Manager*

Mr. McCraw has over 22 years of investment industry experience and oversees portfolio management and research responsibilities for the US Small Cap Growth team based in San Diego. Prior to joining AllianzGI US via a predecessor affiliate in 1992, he was branch

manager/loan officer with the Citizens & Southern National Bank. Mr. McCraw earned his M.B.A. from the Paul Merage School of Business, University of California, Irvine, and his B.A. from Flagler College. Mr. McCraw holds FINRA Series 2, 63, and 65 licenses.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Investment adviser representative of AllianzGI US.

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. McCraw's investment advisory activities is Jeffrey Parker, Managing Director and Chief Investment Officer, San Diego Equity, (212) 739-3300.

## **Walter C. Price**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Walter Price, CFA (1948)  
*Managing Director, Senior Portfolio Manager*

Mr. Price is a senior portfolio manager and managing director with AllianzGI US, which he joined in 1974 via a predecessor affiliate. He has 42 years of investment-industry experience and is co-lead portfolio manager of the Global Technology strategy. Mr. Price previously worked for Colonial Management, an investment advisory firm in Boston, where he became a senior analyst responsible for the chemical industry and the technology area. He is a current director and past president of the MIT Club of Northern California. He also heads the Educational Council for MIT in the Bay Area and is a past chairman of the AIMR Committee on Corporate Reporting for the computer and electronics industries. Mr. Price has a B.S. with honors in electrical engineering from MIT, and a B.S. and M.S. in management from the Sloan School at MIT. He is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Walter Price and Huachen Chen own Pallas Investment Partners, L.P. ("Pallas"), an investment adviser registered with the SEC. Mr. Price is dually employed by Pallas and by AllianzGI US.

Pallas serves as investment manager to unregistered investment companies (the "Pallas Hedge Funds") -- Pallas Global Technology Hedge Fund, L.P., Pallas Investments II, L.P., and CP21 L.P., each a Delaware limited partnership. The general partner of Pallas Investments II, L.P., Pallas Global Technology Hedge Fund, L.P. and CP21 L.P. is Pallas Investments, LLC, a Delaware limited liability company (the "General Partner"). Mr. Price and Huachen Chen own a majority of the interests in the General Partner.

The General Partner and/or Pallas receive a participation in the profits of the Pallas Hedge Funds. Mr. Price also invested personally in

one or more of the Pallas Hedge Funds. As a result, Mr. Price has a conflict of interest with respect to the management of the Pallas Hedge Funds and the other accounts that he manages, and he may have an incentive to favor the Pallas Hedge Funds over other accounts that he manages. AllianzGI US has adopted procedures reasonably designed to ensure that Mr. Price meets his fiduciary obligations to all clients for whom he acts as portfolio manager and treats all such clients fairly and equitably over time.

#### **ITEM 5. ADDITIONAL COMPENSATION**

Each of the Pallas Hedge Funds pays a management fee and an incentive fee (based on a percentage of profits) to either Pallas or the General Partner. The General Partner and/or Pallas receive a participation in the profits of the Pallas Hedge Funds.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Price's investment advisory activities is Scott Migliori, Chief Investment Officer, Equity US, (415) 954-5400.

### **Bryan Z. Agbabian**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Bryan Z. Agbabian, CFA (1961)**  
*Director, Senior Portfolio Manager*

Mr. Agbabian is a senior portfolio manager and director who first joined AllianzGI US in 1994 and then rejoined in 2005 via a predecessor affiliate. Since 2008, Mr. Agbabian has been the lead portfolio manager of the Global Agricultural Trends strategy and has had primary research coverage of companies along the agricultural

value chain. From 2005 through 2009, he covered telecom services and media as well as US Alternative Energy companies. He has 19 years of investment-industry experience. With prior experience in many industries including energy, commodities, materials and technology, Bryan is one of the firm's most seasoned Analysts and occasionally provides research coverage for new ideas in uncovered areas. Prior to rejoining in 2005, he was as an analyst covering the energy, materials, industrials, and semiconductor sectors with McMorgan & Company. Bryan received his MBA and MSBA, Finance, from the University of Southern California and a BA in Economics from the University of California, Los Angeles.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Agbabian's investment advisory activities is W. Doug Penn, Director and Head of Research US, (415) 954-5400.

### **K. Mathew Axline**

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

**ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

K. Mathew Axline, CFA (1975)  
*Director, Portfolio Manager*

Mr. Axline has over 14 years of investment industry experience and has portfolio management and research responsibilities for the US Small Cap Growth team based in San Diego. Prior to joining AllianzGI US via a predecessor affiliate in 2004, he was an associate with Pescadero Ventures, LLC; a business development manager for Icarian, Inc.; and a financial advisor with Merrill Lynch, Pierce, Fenner & Smith. Mr. Axline earned his M.B.A. from Indiana University's Kelley School of Business and his B.S. from The Ohio State University.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

Investment adviser representative of AllianzGI US.

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

**ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Axline's investment advisory activities is John

McCraw, Managing Director and Portfolio Manager, (619) 687-8000.

**Michael G. Dauchot**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

**ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Michael G. Dauchot, CFA (1963)  
*Director, Senior Analyst*

Dr. Dauchot is a portfolio manager, a senior research analyst and a director with AllianzGI US, which he first joined in 1999 and then rejoined in 2005 via a predecessor affiliate. He is part of the Health Care team, focusing on medical technology and emerging pharmaceuticals. Dr. Dauchot has 18 years of investment-industry experience. He previously worked in the hedge-fund industry as a principal and health-care analyst at Pequot Capital Management. Dr. Dauchot was also a junior research analyst in the health-care industry at BancBoston Robertson Stephens, where he specialized in medical technology and diagnostic companies. He has a degree in chemistry, Phi Beta Kappa and magna cum laude, from Case Western Reserve University, an M.B.A. from the Kellogg School of Management at Northwestern University and an M.D. from the University of Cincinnati College of Medicine. He is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Dauchot's investment advisory activities is W. Doug Penn, Director and Head of Research US, (415) 954-5400.

#### **Raphael L. Edelman**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Raphael L. Edelman (1960)

*Director, Senior Portfolio Manager, Chief Investment Officer, U.S. Large Cap Core Growth Equity*

Mr. Edelman is a portfolio manager, a director and CIO US Large Cap Core Growth Equity for AllianzGI US, which he joined in 2004 via a predecessor affiliate. He has 29 years of investment-industry experience. Mr. Edelman previously worked at Alliance Capital Management, where he developed a large-cap equity product and managed institutional portfolios; before that, he was a research analyst specializing in the consumer products and services sector. He has a B.A. in history from Columbia College and an M.B.A. in finance from New York University.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Edelman's investment advisory activities is Scott Migliori, Chief Investment Officer, Equity US, (415) 954-5400.

#### **Kunal Ghosh**

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Kunal Ghosh (1971)

*Director, Portfolio Manager*

Mr. Ghosh has over 10 years of investment industry experience and is head of the Systematic team. Prior to joining AllianzGI US via a predecessor affiliate in 2006, he was a research associate and then portfolio manager for Barclays Global Investors, where his experience included building and implementing models for portfolio management. Previously he was a quantitative analyst for the Cayuga Hedge Fund. Mr. Ghosh earned his M.B.A. from Cornell University, his M.S. in Material Engineering from the University of British Columbia, and his B.Tech from the Indian Institute of Technology.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this Item.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Ghosh's investment advisory activities is Jeffrey Parker, Managing Director and Chief Investment Officer, San Diego Equity, (212) 739-3300.

#### **Karen B. Hiatt**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Karen B. Hiatt, CFA (1970)

*Director, Senior Portfolio Manager*

Ms. Hiatt is a senior portfolio manager and director with AllianzGI US. She has portfolio-management responsibilities for the firm's US Large Cap Select Growth and Focused Growth strategies, and previously led US equity research efforts and the consumer-sector team. Ms. Hiatt has 19 years of investment-industry experience. Prior to joining the firm in 1998 via a predecessor affiliate, she was a vice president at Bioscience Securities, a boutique research and investment-banking firm, where she covered food and agricultural biotech companies and constructed merger and acquisition valuation models. Ms. Hiatt has a B.S. in finance, cum laude, from Santa Clara University. She is a CFA charterholder and a member of the CFA Society of San Francisco.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Ms. Hiatt's investment advisory activities is Scott Migliori, Chief Investment Officer, Equity US, (415) 954-5400.

#### **Steven Klopukh**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Steven Klopukh, CFA (1970)

*Director, Senior Portfolio Manager*

Mr. Klopukh is a senior portfolio manager and director with AllianzGI US, which he joined in 2002 via a predecessor affiliate. He co-manages US mid-cap growth and core equity portfolios. Mr. Klopukh has 17 years of investment-industry experience. He was previously a vice president and fundamental equity analyst at CDC Investment Management Corp., where he managed quantitatively enhanced, risk-targeted large-cap core and market-neutral equity

strategies. Before that, he was in the investment-banking associate program at Morgan Stanley, Dean Witter, where he was involved in M&A, debt and equity capital-raising, and consumer-products corporate finance. He began his career as a sell-side equity research associate analyst at Ryan, Beck and Co., where he covered small- and mid-sized banks and thrifts. He has a B.S., magna cum laude, from Fairleigh Dickinson University and an M.B.A. with honors from the University of Chicago. He is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Klopukh's investment advisory activities is Louise Laufersweiler, Chief Investment Officer, Mid-Cap Equity, (415) 954-5400.

**Stephen W. Lyford**  
600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Stephen W. Lyford (1973)**

*Director, Portfolio Manager*

Mr. Lyford has over 12 years of investment industry experience and has research responsibilities for the US Small Cap Growth team based in San Diego, CA. Prior to joining AllianzGI US via a predecessor affiliate in 2005, he was a co-analyst for Duncan-Hurst Capital Management for their small- and micro-cap portfolios and with Trammel Crow in Texas. Mr. Lyford earned his M.B.A. from the UCLA Anderson School of Management and his B.B.A. and B.S. from Southern Methodist University.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Lyford's investment advisory activities is John McCraw, Managing Director and Portfolio Manager, (619) 687-8000.

#### **W. Doug Penn**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

**ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

W. Doug Penn, CFA (1964)

*Director, Director of Research US*

Mr. Penn is a director and Director of Research US. Doug first joined AllianzGI US in 2008 via a predecessor affiliate as sector head for US financial institutions equity research. Doug began his institutional equity research career in 1993 and has 20 years of investment-industry experience. Doug was previously a senior equity research analyst at Segall Bryant, and prior to that he was an equity research analyst and portfolio manager with Lincoln Capital Management's large cap growth equity group and an equity research analyst with American Express Financial Advisors. Doug has an MBA in Finance from the University of Michigan at Ann Arbor, and a BA in Economics from DePauw University in Indiana. Doug is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

**ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Penn's investment advisory activities is

Steven Berexa, Managing Director and Global Head of Research, (415) 954-5400.

**Mark P. Roemer**

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

**ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Mark P. Roemer (1964)

*Director, Portfolio Manager*

Mr. Roemer has over 18 years of investment industry experience and has portfolio management and research responsibilities for the Systematic team. Prior to joining AllianzGI US via a predecessor affiliate in 2001, he was a principal and U.S. equity product manager with Barclays Global Investors. Previously he was with Kleinwort Benson Investment Management of London. Mr. Roemer earned his Master's degree in finance from the London Business School, his M.S. from Stanford University in their joint master's program between the College of Engineering and Stanford Business School, and his B.S. from Virginia Tech. Mr. Roemer holds FINRA Series 3, 7, and 63 licenses.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

Associated person of CPO/CTA, AllianzGI US.

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Roemer's investment advisory activities is Kunal Ghosh, Director and Portfolio Manager, (619) 687-8000.

#### **John Schroer**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

John Schroer, CFA (1965)

*Director, Portfolio Manager, Sector Head, Healthcare*

Mr. Schroer is a portfolio manager and a director with Allianz Global Investors, which he joined in 2014. He is a portfolio manager and the sector head of the Health Care team. Mr. Schroer has more than 20 years of investment-industry experience. He was previously the president of Schroer Capital, L.P., a private investment firm. Before that, Mr. Schroer was an equity analyst with HealthCor Management, L.P.; a managing member and portfolio manager for ITROS Capital Management, LLC; a global partner, senior vice president, and portfolio manager for the INVESCO Funds Group Global Health and Life Sciences funds; and an analyst for Trust Company of the West. Mr. Schroer has a B.S. in history and international relations and an M.B.A. in finance from the University of Wisconsin. He is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Schroer's investment advisory activities is W. Doug Penn, Director and Head of Research US, (415) 954-5400.

#### **Paul Strand**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Paul Strand, CFA (1964)

*Director, Senior Research Analyst*

Mr. Strand is a portfolio manager, a senior research analyst and a director with AllianzGI US, which he joined in 2003 via a predecessor affiliate. He is sector head of the US Resources team and is responsible for analytical coverage of integrated oil, oil and gas production, refiners and oil services within the energy sector. Mr. Strand has 17 years of investment-industry experience. He was previously a portfolio analyst at Dain Rauscher and a senior equity analyst at Advantus Capital Management, where he covered the energy and consumer-staples sectors. Prior to joining the investment industry, Mr. Strand was an officer and aviator in the US Navy. He has a B.S. in aerospace engineering from the University of

Minnesota and an M.B.A. from National University. He is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Strand's investment advisory activities is W. Doug Penn, Director and Head of Research US, (415) 954-5400.

## **Sebastian Thomas**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Sebastian Thomas (1972)

*Director, Senior Research Analyst*

Mr. Thomas is a portfolio manager, a senior research analyst and a director with AllianzGI US, which he joined in 2003 via a predecessor affiliate, and is responsible for Large and Midcap Software and Internet technology companies. Mr. Thomas heads the Technology/Telecom research effort. He has over 17 years of experience in research including positions at Roger Engemann &

Associates, a Phoenix Investment Partners company, Fidelity Management and Research, Morgan Stanley, and the Federal Reserve Board of Governors. In addition, he has several years' experience designing, developing, and managing software applications. He received his MBA in Finance and Strategy from the University of Chicago, and his BA in economics from Pomona College.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Thomas's investment advisory activities is W. Doug Penn, Director and Head of Research US, (415) 954-5400.

## **Paul A. Wagner**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Paul A. Wagner, CFA (1970)

*Director, Senior Research Analyst, US Health Care*

Mr. Wagner is a portfolio manager, a senior research analyst and a director with AllianzGI US, which he joined in 2006 via a predecessor affiliate. He has biotechnology

responsibilities for the US Health Care team and has 14 years of investment-industry experience. Mr. Wagner previously worked at PDL BioPharma in corporate and business development, and was a vice president and senior equity-research analyst in the biotechnology sector at Lehman Brothers. He has a B.S. in chemistry from the University of Wisconsin and a Ph.D. in chemistry from the California Institute of Technology. Mr. Wagner is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Wagner's investment advisory activities is Michael Dauchot, Director and Senior Analyst, US Health Care, (415) 954-5400.

#### **Lu Yu**

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Lu Yu, CFA, CIPM (1975)  
*Director, Portfolio Manager*

Ms. Yu has over 11 years of investment industry experience and has portfolio management and research responsibilities for the Systematic team. Prior to joining AllianzGI US via a predecessor affiliate in 2003, she was a risk analyst for Provident Advisors LLC. Ms. Yu earned her M.S. degree from the University of Southern California, as well as from the National University of Singapore, and her B.S. from Nanjing University, China. Ms. Yu is also fluent in Chinese.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Ms. Yu's investment advisory activities is Kunal Ghosh, Director and Portfolio Manager, (619) 687-8000.

#### **David D. Jedlicka**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

**ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

David D. Jedlicka, CFA (1971)

*Vice President, Portfolio Manager*

Mr. Jedlicka is a portfolio manager and vice president with AllianzGI US. He is a member of the Redwood/US Buy-Write and US Large Cap Equity teams and has 18 years of investment-industry experience. Before joining the firm in 2000 via a predecessor affiliate, he was a senior portfolio analyst at Merrill Lynch Asset Management. Mr. Jedlicka has a B.S. in agricultural and resource economics from the University of California, Davis. He is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

**ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Jedlicka's investment advisory activities is Scott Migliori, Chief Investment Officer, Equity US, (415) 954-5400.

**Timothy M. McCarthy**

555 Mission Street, Suite 1700, San Francisco, CA 94105, (415) 954-5400

**ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Timothy M. McCarthy, CFA (1976)

*Vice President, Portfolio Manager*

Mr. McCarthy is a portfolio manager and a vice president with Allianz Global Investors, which he joined in 2003. He is a member of the US Mid Cap team. Mr. McCarthy was previously a portfolio manager and analyst on the Small Cap team, and a member of the Quantitative Analytics & Risk Strategy group. Mr. McCarthy has 14 years of investment-industry experience. He was previously a portfolio product specialist at FactSet Research Systems, where he had responsibilities for portfolio construction, risk analysis and performance. Mr. McCarthy has a B.S. in business administration with a concentration in finance from the University of Vermont. He is a CFA charterholder and a member of the CFA Society of San Francisco.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

**ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. McCarthy's investment advisory activities is Louise Laufersweiler, Chief Investment Officer, Mid-Cap Equity, (415) 954-5400.

## Steven A. Tael

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Steven A. Tael, Ph.D., CFA (1962)

*Vice President, Portfolio Manager*

Mr. Tael has over 17 years of investment industry experience and has portfolio management and research responsibilities for the Systematic team. Prior to joining AllianzGI US via a predecessor affiliate in 2005, he was a research analyst at Mellon Capital Management, where his experience included quantitative model building, model product and portfolio management. Earlier he co-developed a global portfolio risk reporting system for Advisory Systems Engineer for Bank of America and was Director of Information Technologies at AffiniCorp USA. Mr. Tael has a Ph.D. from State University of New York, Stony Brook, and a M.A. and B.S. from the University of California, Santa Barbara.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

There is no information to report under this Item.

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

### ITEM 6. SUPERVISION

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Tael's investment advisory activities is Kunal Ghosh, Director and Portfolio Manager, (619) 687-8000.

## Vipin Ahuja

Allianz Global Investors Europe GmbH, UK Branch, 155 Bishopsgate, London, EC2M 3AD, United Kingdom, +44 (0) 20 7859 9000

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Vipin Ahuja, CFA (1965)

*Portfolio Manager and Senior Analyst*

Mr. Ahuja is a portfolio manager and senior analyst in clean technology, within the Special Situations and Theme Funds team and the lead portfolio manager of the Global Ecotrends strategy. Based in London, he is responsible for stock picking and portfolio construction of all Ecotrends portfolios. Vipin joined Allianz Global Investors via a predecessor affiliate in November 2009. He has 17 years of investment-industry experience. Mr. Ahuja was previously a portfolio manager at Credit Suisse Asset Management, where he ran their Future Energy Fund, Global Energy Fund and was co-manager of the Global Resources Fund. Prior to this, he was an energy specialist and energy analyst at HSBC, Dresdner Kleinwort (with postings in London, New York and Singapore), Deutsche Morgan Grenfell & DSP Merrill Lynch Ltd. India. He started his career at GEA Wiegand in New Delhi in chemical equipment design and manufacturing. Mr. Ahuja holds an MBA from the Indian Institute of Management and a Bachelors of Technology in Chemical Engineering from the Indian Institute of Technology.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Vipin Ahuja is employed by Allianz Global Investors Europe GmbH, UK Branch, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Global Ecotrends and Global Water strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Ahuja to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Ahuja is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Ahuja's investment advisory activities is Gunnar Millar, Head of European Research, +49-69-13900.

## **Andrew Neville**

Allianz Global Investors Europe GmbH, UK Branch, 155 Bishopsgate, London, EC2M 3AD, United Kingdom, +44 (0) 20 7859 9000

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Andrew Neville, CFA (1972)

### ***UK Equity Portfolio Manager***

Andrew Neville joined Allianz Global Investors via a predecessor affiliate in July 2004 as a portfolio manager specializing in UK small and mid-cap company portfolios. Andrew also has responsibility for analyzing the mid-cap universe and provides input into the Growth High Alpha, UK Core portfolios and the Pan-European small cap portfolios. Mr. Neville has 15 years of investment-industry experience. Previously, Andrew worked at Baring Asset Management where he managed the Baring UK Smaller Companies Trust as well as a number of UK smaller companies institutional mandates. Prior to joining Barings, Andrew trained as a portfolio manager at AIB Govett Asset Management. Andrew is a qualified chartered accountant and has also previously worked as an audit manager for Deloitte & Touche.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Andrew Neville is employed by Allianz Global Investors Europe GmbH, UK Branch, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Global and International Small Cap strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources Mr. Neville to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Neville is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Neville's investment advisory activities is Frank Hansen, Chief Investment Officer, European and German Mid/Small Cap Equity, +49-69-13900.

## Raymond Chan

RCM Asia Pacific Limited, 27<sup>th</sup> Floor, ICBC Tower, 3 Garden Road, Central, Hong Kong, +852 2238 8888

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Raymond Chan, CFA (1965)

*Chief Investment Officer, Asia Pacific*

Raymond Chan is responsible for all investment professionals in Asia ex-Japan, reporting to the Global CIO in London, and is the Chairman of the Global Balanced Investment Committee and the Regional Portfolio Management Group (RPMG) in Hong Kong. Mr. Chan has overall responsibility for the investment process and performance and is a full member of the Global Equity Team. He has 23 years of portfolio management experience in the region and is the lead manager for the Core Regional (Asia Pacific ex-Japan equity) products. Prior to joining the Group, Mr. Chan was Associate Director and Head of Greater China team with Barclays Global Investors in Hong Kong, where he specialized in Hong Kong, China and Taiwan stock markets and managed single country and regional portfolios. Mr. Chan's Hong Kong Fund at Barclays was ranked no. 1 offshore fund in 1997. Mr. Chan is a CFA charterholder and holds an M.A. in Finance and Investment from the University of Exeter and a B.A. (Hons.) in Economics from the University of Durham, UK.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

Raymond Chan is employed by RCM Asia Pacific Limited, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the China Equity strategy to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Chan to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Chan is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this item.

### ITEM 6. SUPERVISION

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Chan's investment advisory activities is Andreas Utermann, Member, Management Board of Allianz Global Investors GmbH and Global Chief Investment Officer for Allianz Global Investors, +44 (0)20 7859 9000.

## Christina Chung

RCM Asia Pacific Limited, 27<sup>th</sup> Floor, ICBC Tower, 3 Garden Road, Central, Hong Kong, +852 2238 8888

## ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Christina Chung, CFA (1962)

*Managing Director, Senior Portfolio Manager*

Christina Chung joined RCM Asia Pacific Limited in 1998 and has been a managing director since January 2010. She is head of the Greater China Team and lead manager of the Hong Kong, China, China A-shares and Greater China equity mandates. She has 23 years of experience in managing Asian regional and single country portfolios for both institutional and retail accounts. Before joining the Group, she was a senior portfolio manager with Royal Bank of Canada Investment Management. Prior to that, she was a portfolio manager with Search International and an economist with HSBC Asset Management. Ms. Chung was educated in Canada. She attained a Bachelor of Administration from Brock University, followed by an M.A. in Economics from the University of Alberta. She became a Certified Management Accountant in 1992 and qualified as a chartered financial analyst in 1995.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

## ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this item.

## ITEM 4. OTHER BUSINESS ACTIVITIES

Christina Chung is employed by RCM Asia Pacific Limited, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the China Equity strategy to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Ms. Chung to provide portfolio management services to AllianzGI US clients. In providing such services, Ms. Chung is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

## ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this item.

## ITEM 6. SUPERVISION

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Ms. Chung's investment advisory activities is Raymond Chan, Chief Investment Officer, Asia Pacific, +852 2238 8888.

## Weimin Chang

Allianz Global Investors Taiwan Limited, 5F, No 378, Fu Hsing N.Road, Taipei, Taiwan 104, +886-2-8770-9598

## ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Weimin Chang (1965)

*Chief Investment Officer Taiwan*

Mr. Chang is CIO Taiwan with Allianz Global Investors, which he joined in 2012.. Mr. Chang has 17 years of investment-industry experience. Before joining the firm, he was CIO China with Franklin Templeton and CIO of BNP Paribas' joint venture in Shanghai, where he managed the firm's flagship China fund. Before that, Mr. Chang was head of research at ING Barings and Merrill Lynch in Taiwan, and an analyst and portfolio manager with Martin Currie Investment Management in Edinburgh. He began his career as a financial journalist at one of the largest local press agencies in Taiwan. Mr. Chang has a B.A. in journalism from National Chengchi University, an M.A. in communication policy from City University, London, and an M.B.A from the London Business School. Mr. Chang holds a License of Senior Securities Specialist certified by Taiwan Securities Association, R.O.C.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Weimin Chang is employed by Allianz Global Investors Taiwan Limited, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Taiwan Equity strategy to its clients, including U.S. registered investment companies. AllianzGI US uses the resources of Mr. Chang to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Chang is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Chang's investment advisory activities is Raymond Chan, Chief Investment Officer, Asia Pacific, +852 2238 8888

## **Helena Pi**

Allianz Global Investors Taiwan Limited, 5F, No 378, Fu Hsing N.Road  
Taipei, Taiwan 104,+886-2-8770-9568

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Helena Pi (1972)  
*Vice President, Portfolio Manager*

Ms. Pi joined Allianz Global Investors Taiwan in 2012 as the Head of Discretionary Business as well as a senior portfolio manager. She has more than 15 years of experience in investment management and research. Prior to AllianzGI, she worked for PineBridge Asset Management Taiwan as the Head of Discretionary for a years and Fuhwa Asset Management as fund manager/analyst for 13 years. She demonstrates consistent records in beating benchmarks for portfolios she managed and was awarded the Best Fund of the Year in 2006, granted by Taipei Foundation of Finance and Bloomberg, for both three and five-year's excellence in performances. Helena holds a master's degree in Finance from University of Wisconsin at Madison and a bachelor's degree in Business Administration from National Taiwan University, Taiwan. Ms. Pi holds a License of Senior Securities Specialist certified by Taiwan Securities Association, R.O.C.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Helena Pi is employed by Allianz Global Investors Taiwan Limited, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Taiwan Equity strategy to its clients, including U.S. registered investment companies. AllianzGI US uses the resources of Ms. Pi to provide portfolio management services to AllianzGI US clients. In providing such services, Ms. Pi is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Ms. Pi's investment advisory activities is Weimin Chan, Chief Investment Officer, AllianzGI Taiwan, +886-2-8770-9598

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Dennis Lai is employed by RCM Asia Pacific Ltd., an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Global Small Cap, International Small Cap and Little Dragons strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Lai to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Lai is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **Dennis Lai**

RCM Asia Pacific Limited, 27<sup>th</sup> Floor, ICBC Tower, 3 Garden Road, Central, Hong Kong, +852 2238 8888

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

##### **Dennis Lai (1962)**

*Director, Senior Portfolio Manager*

Dennis Lai, born in 1962, joined RCM Asia Pacific Limited as a portfolio manager in 2003, and has been a director since 2009. Dennis has been the lead manager of RCM Asia Pacific's Emerging Frontier Asia strategies since 2010 and non-Japan Asia Small and Mid Cap strategies since 2003. He has 18 years of investment-industry experience. He was previously Head of Asia ex-Japan Mid and Small Cap Research with Cazenove in 2001 and 2002. From 1994, Mr. Lai spent seven years as an investment manager with Special Assets Ltd. From 1991 to 1993 he was Chief Financial Officer for Bridestowe Estates Pty Ltd. in Queensland, Australia. Before that period, Dennis was in Hong Kong from 1986 to 1991 working in the accounting and corporate finance areas for Anglo Chinese Corporate Finance Ltd., Citicorp and Price Waterhouse. Dennis attained a Masters of Commerce degree, majoring in finance, in 1986 at the University of New South Wales in Sydney. He has been a member of CPA Australia since 1989 and a member of Financial Institute of Australasia since 1994.

#### **ITEM 3. DISCIPLINARY INFORMATION**

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Lai's investment advisory activities is Raymond Chan, Chief Investment Officer, Asia Pacific, +852 2238 8888.

#### **Chris Leung**

RCM Asia Pacific Limited, 27<sup>th</sup> Floor, ICBC Tower, 3 Garden Road, Central, Hong Kong, +852 2238 8888

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

##### **Chris Leung, CFA (1971)**

*Senior Portfolio Manager*

Mr. Leung, CFA, is a senior portfolio manager with Allianz Global Investors, which he rejoined in 2014 after previously working with the firm from 2001 to 2006. He is the

country specialist for Korea and has primary responsibility for managing the firm's Korea strategies. In his previous role, Mr. Leung managed Korean equity mandates and pan-regional strategies, and provided support to the regional portfolio-management team. He has 19 years of investment-industry experience. Mr. Leung previously worked at LAPP Capital, where he specialized in long-short equity investments in Korea and Hong Kong/China. He also previously worked at AXA Investment Managers in Hong Kong as an investment analyst and portfolio manager, managing Korean country funds. Mr. Leung has a B.A.P.S.C. in civil engineering and an M.B.A. from the University of British Columbia in Canada. He is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Chris Leung is employed by RCM Asia Pacific Limited, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Korean Equity strategy to its clients, including U.S. registered investment companies. AllianzGI US uses the resources of Mr. Leung to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Leung is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client

investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Leung's investment advisory activities is Raymond Chan, Chief Investment Officer, Asia Pacific, +852 2238 8888.

### **Koji Nakatsuka**

Allianz Global Investors Japan Co. Ltd., Izumi Garden Tower 14F, 6-1, Roppongi 1-chome, Minato-ku, Tokyo 106-6014, Japan, +81 3 6229 0200

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Koji Nakatsuka (1974)**

*Senior Portfolio Manager*

Koji Nakatsuka is a Senior Portfolio Manager at Allianz Global Investors Japan Co., Ltd., based in Tokyo. Mr. Nakatsuka joined AGI Japan in 2005 and specializes in Japanese small and mid-cap company portfolios. He provides input regarding Japan stock selection for the Global Small-Cap strategy. He has 14 years of investment-industry experience. Mr. Nakatsuka previously managed a Mid/Small Cap Investment Trust (called "Issun Boushi") for Goldman Sachs Asset Management for two years. At Schroder Investment Management Japan, he worked as Equity Analyst for Mid/Small Caps for 2 years. He earned his BA in Law at Sophia University.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Koji Nakatsuka is employed by Allianz Global Investors Japan Co., Ltd. ("AGI JP"), an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Global and International Small Cap strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Nakatsuka to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Nakatsuka is considered an "associated person" of AllianzGI US as that

term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Nakatsuka's investment advisory activities is Kazuyuki Terao, Chief Investment Officer, Japan, +81 3 6229 0200

### **Joerg de Vries-Hippen**

Allianz Global Investors Europe GmbH, Mainzer Landstrasse 11-13, 60329 Frankfurt am Main, Germany, +49-69-13900

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Joerg de Vries-Hippen (1966)  
*Chief Investment Officer, European Equity*

Joerg de Vries-Hippen, CIO European Equity, is Investment Style Leader, European Core and is portfolio manager of European Equity Core products. He covers the Swiss Equity Market and runs the Swiss-Equity funds since 1995. Joerg joined the Company in 1992. He has 21 years of investment-industry experience. Before he joined the European Equity Team in 1994 he was Junior Fund Manager for Japanese Equities. Between 1994 and 2001 Joerg was responsible for Italy, Spain and Switzerland, before he built up the Euroland franchise. From 2003 on he took over the Team Head of the European Large Caps in Frankfurt. Since 2007 he is the Co-CIO European Equities, since 2010 CIO European Equities, the joined European Equities Fund Management group in London and Frankfurt. He graduated with a master's degree in business administration, specialized in banking/financial system and accountancy

from the University of Mannheim in 1993. Joerg also holds the DVFA/CIIA designation.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Joerg de Vries-Hippen is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the European Equity strategy to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. de Vries-Hippen to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. de Vries-Hippen is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. de Vries-Hippen's investment advisory activities is Neil Dwane, Chief Investment Officer, Europe, +49-69-13900.

### **Frank Hansen**

Allianz Global Investors Europe GmbH, Mainzer Landstrasse 11-13, 60329 Frankfurt am Main, Germany, +49-69-13900

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Frank Hansen, CFA (1958)

*Chief Investment Officer, European and German Mid/Small Cap Equity*

Frank Hansen is the CIO of the European & German Mid/Small Cap Team and Investment Style Leader for European Mid/Small Cap Equities, overseeing more than EUR 2 bn assets under management. He has continuously expanded the team, which now also includes a UK Midcap Portfolio Manager in London. In his capacity as a Senior Portfolio Manager, Frank is the lead manager for the Allianz Small Cap Europe, which he has successfully managed since 1999. The same holds for the Allianz Nebenwerte Deutschland, which he has been managing since 2001. Additionally, he manages institutional mandates. He has 25 years of investment-industry experience. Prior to joining the firm in 1997, Frank worked as Portfolio Manager at UBS for ten years, focusing on German Equities and European Small Cap Equities. He obtained a master's degree in business administration from the University of Hamburg in 1986. Frank has been a CFA charterholder since 1992.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

Frank Hansen is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Global and International Small Cap strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Hansen to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Hansen is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

**ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Hansen's investment advisory activities is Joerg de Vries-Hippen, CIO European Equity, +49-69-13900.

**Karl Happe**

Allianz Global Investors Europe GmbH,  
Mainzer Landstrasse 11-13, 60329 Frankfurt  
am Main, Germany, +49-69-13900

**ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Karl Happe (1969)**

*Portfolio Manager, Chief Investment Officer,  
Insurance Related Strategies*

Mr. Happe is a portfolio manager with Allianz Global Investors, which he joined in 2013. As CIO Insurance Related Strategies, he leads a team that manages equity and fixed-income portfolios for Allianz and other insurers. Mr. Happe was previously the head of the global fixed-income strategy team, responsible for managing global fixed-income portfolios for Allianz. He has 18 years of investment experience. Before joining Allianz in 2004, Mr. Happe worked at McKinsey & Co. in Munich; at Bank Boston as the head of non-USD fixed income derivatives trading; and at Morgan Stanley in private equity and fixed income derivatives structuring and trading in New York, Frankfurt and London. He has a B.S.E in civil engineering and operations research, *summa cum laude*, from Princeton University and studied at the University of Stuttgart on a Fulbright scholarship. Mr. Happe also has an M.B.A. with distinction from INSEAD.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Karl Happe is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to certain strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Happe to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Happe is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Happe's investment advisory activities is Andreas Utermann, Member, Management Board of Allianz Global Investors GmbH and Global Chief Investment Officer for Allianz Global Investors, +44 (0)20 7859 9000.

### **Klaus Teloeken**

Allianz Global Investors Europe GmbH,  
Bockenheimer Landstrasse 42-44, 60323  
Frankfurt am Main, Germany, +49-69- 2443 1  
4315

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Dr. Klaus Teloeken (1966)  
*Portfolio Manager, Chief Investment Officer,  
Systematic Equity*

Dr. Klaus Teloeken is the CIO of the Systematic Equity team, overseeing USD 24 bn AuM. Mr. Teloeken is responsible for the development and the management of active systematic investment strategies for equities. In this role, Klaus has developed the team's Best Styles and High Dividend product line. He is also responsible for the management of the Best Styles Global and High Dividend Global product. In 2001, he assumed the role as a head of Systematic Equity. He has 17 years of investment-industry experience. Mr. Teloeken studied mathematics and computer science in Dortmund, Germany. He is the author of several publications on probability theory and statistics as well as performance measurement and investing. He received a master's and a doctorate degree from the University of Dortmund, Germany.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Dr. Klaus Teloeken is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to certain strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Teloeken to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Teloeken is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr.

Teloeken's investment advisory activities is Neil Dwane, Chief Investment Officer Europe for Allianz Global Investors, +49-69- 2443 1 4113.

## Matthias Born

Allianz Global Investors Europe GmbH, Mainzer Landstrasse 11-13, 60329 Frankfurt am Main, Germany, +49-69-13900

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Matthias Born (1974)  
*Senior Portfolio Manager*

Matthias Born is a Senior Portfolio Manager for European equities. He manages growth style portfolios and country funds for German equities. In October 2009, Matthias has been appointed Investment Style Co-Leader Growth and took over responsibility for the Euroland Growth funds. Matthias Born took up managing the flagship fund Concentra in 2007. As a member of the European & German Mid/Small Cap Team from 2001-2009, Matthias had successfully managed the Allianz Wachstum Deutschland Fund since 2002, as well as institutional mandates that are invested in European Small Caps. He is also the co-manager for Allianz Nebenwerte Deutschland since 2002. He has 12 years of investment-industry experience. He previously also worked for the Middle Market Group (Global Corporate Finance) at Dresdner Bank. Matthias holds a master's degree in Business Administration from the University of Wuerzburg.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

Matthias Born is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the European Equity strategy to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Born to provide portfolio management

services to AllianzGI US clients. In providing such services, Mr. Born is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this item.

### ITEM 6. SUPERVISION

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Born's investment advisory activities is Joerg de Vries-Hippen, CIO European Equity, +49-69-13900.

## Andreas Fruschki

Allianz Global Investors Europe GmbH, Mainzer Landstrasse 11-13, 60329 Frankfurt am Main, Germany, +49-69-13900

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Andreas Fruschki, CFA (1976)  
*Clean Tech Analyst, Portfolio Manager*

Andreas Fruschki is an analyst in the Special Situations and Theme Funds Team and is the lead portfolio manager for the Global Water strategy and the deputy fund manager for EcoTrends. Andreas is also responsible for analysis of water stocks. He has 8 years of investment-industry experience. Andreas joined the European Research department in 2007 after completing the RCM global graduate program. Prior to this, Andreas worked as a legal trainee with positions at the Berlin Court of Appeal, PriceWaterhouseCoopers, the German Chamber of Commerce and Berlin's City Development Department, passing the Judicial Bar Exam in 2004. Additionally, he also worked as a consultant in the corporate finance practice at PriceWaterhouseCoopers

in Hamburg. Andreas graduated with distinction from the MBA program at the University of Western Sydney and holds a law degree from Humboldt University in Berlin. He is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Andreas Fruschki is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Global Water and Global Ecotrends strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Fruschki to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Fruschki is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Fruschki's investment advisory activities is Gunnar Millar, Head of European Research, +49-69-13900.

## **Bjoern Mehrmann**

Allianz Global Investors Europe GmbH, Mainzer Landstrasse 11-13, 60329 Frankfurt am Main, Germany, +49-69-13900

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Bjoern Mehrmann (1975)**  
*Senior Portfolio Manager*

Bjoern Mehrmann is a Portfolio Manager in the European & German Mid/Small Cap Team and focuses on Southern European stocks at Allianz Global Investors Europe GmbH based in Frankfurt, Germany. Prior to joining the team in 2004, Bjoern was a Portfolio Manager in the European Large Cap Team and the Balanced/Multi Asset Team. He has 11 years of investment-industry experience. His other work experience includes internships at PricewaterhouseCoopers (Frankfurt), American Heritage Funds (New York) and Deutsche Bank (London). Bjoern graduated in 2001 with a master's degree in business administration from EBS International University Schloss Reichartshausen in Oestrich-Winkel and holds a BSc from James Madison University in Harrisonburg, VA.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Bjoern Mehrmann is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Global and International Small Cap strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Mehrmann to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Mehrmann is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Mehrmann's investment advisory activities is Joerg de Vries-Hippen, +49-69-13900.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **Rainer Tafelmayer**

Allianz Global Investors Europe GmbH, Bockenheimer Landstrasse 42-44, 60323 Frankfurt am Main, Germany, +49-69- 2443 1 5863

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Dr. Rainer Tafelmayer (1961)**

*Senior Portfolio Manager, Systematic Equity*

Dr. Rainer Tafelmayer is a portfolio manager in the Systematic Equity team. He manages Best Styles Global as well as equity enhanced mandates with more than USD 4bn assets under management. Before that he had been in charge for development and implementation of statistical arbitrage strategies like equity pairs trading. He has 18 years of investment-industry experience. Mr. Tafelmayer joined the company in 2002, having previously worked as a business consultant in the area of finance and risk management since 1995. Prior to that he worked as a researcher on operations research at the Technical University of Chemnitz, Germany. He holds a master's degree in physics from the University of Heidelberg, Germany, and received a doctorate degree in 1993. Rainer has been a Certified Financial Risk Manager (FRM) since 2005.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Dr. Rainer Tafelmayer is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to certain strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Tafelmayer to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Tafelmayer is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the persons primarily responsible for supervising Mr. Tafelmayer's investment advisory activities are Dr. Klaus Teloeken and Dr. Benedikt Henne, CIOs Systematic Equity of Allianz Global Investors, +49-69- 2443 1 4315 and +49-69- 2443 1 5810.

#### **Thorsten Winkelmann**

Allianz Global Investors Europe GmbH, Mainzer Landstrasse 11-13, 60329 Frankfurt am Main, Germany, +49-69-13900

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Thorsten Winkelmann (1973)**

*Senior Portfolio Manager*

Thorsten Winkelmann is Senior Portfolio Manager European equities and Co-Leader of the Investment Style Team Growth. He

manages the funds of the Europe Equity Growth strategy as lead portfolio manager since October 2009. Special areas of stock markets covered are the UK and Ireland. Prior to his function as responsible of the Europe Equity Growth strategy, Thorsten Winkelmann was member of the European Equity Core team from 2006 on, where he managed the satellite fund Allianz New Stars Europe and the equity portion of the balanced portfolio Kapital Plus. Thorsten joined the company in 2001. He started as a Junior Portfolio Manager in the Multi Asset team where he was responsible for managing the equity portions of European Balanced products. He has 12 years of investment-industry experience. He graduated with a master's degree in economics from the University of Bonn in 2001.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Thorsten Winkelmann is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the European Equity strategy to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Winkelmann to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Winkelmann is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person

primarily responsible for supervising Mr. Winkelmann's investment advisory activities is Joerg de Vries-Hippen, CIO European Equity, +49-69-13900.

## **Andreas Hildebrand**

Allianz Global Investors Europe GmbH,  
Mainzer Landstrasse 11-13, 60329 Frankfurt  
am Main, Germany, +49-69-13900

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Andreas Hildebrand, CFA (1982)

*Portfolio Manager*

Andreas Hildebrand is a Portfolio Manager in the European Large Cap Team. He is member of the Growth Investment Style Team and focuses on the Southern European Equity market. He joined the firm in 2007. He joined the European Growth Team in 2011. He was previously Research Associate in the European Healthcare Team. He has 6 years of investment-industry experience. He obtained a master in Economics from Ludwig Maximilians University in Munich, with additional studies at University Libre des Bruxelles and Solvay Business School.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Andreas Hildebrand is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the European Equity strategy to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Hildebrand to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Hildebrand is considered an "associated person" of AllianzGI US as that term is defined in the

Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Hildebrand's investment advisory activities is Joerg de Vries-Hippen, CIO European Equity, +49-69-13900.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **Robert Hofmann**

Allianz Global Investors Europe GmbH, Mainzer Landstrasse 11-13, 60329 Frankfurt am Main, Germany, +49-69-13900

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Robert Hofman, CFA (1977)

*Portfolio Manager*

Robert Hofmann is a Portfolio Manager of the European Large Cap Team in Frankfurt. He is member of the investment style team Growth. In particular, he covers the Scandinavian Equity Market. Robert joined the Company in 2005. He has 8 years of investment-industry experience. He graduated with a master's degree in business administration, specialized in Finance and Accounting from the University of Frankfurt am Main in 2004.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Robert Hofmann is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the European Equity strategy to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Hofmann to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Hofmann is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Hofmann's investment advisory activities is Joerg de Vries-Hippen, CIO European Equity, +49-69-13900.

### **FIXED INCOME**

#### **Douglas G. Forsyth**

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Douglas G. Forsyth, CFA (1969)

*Managing Director, Chief Investment Officer, Fixed Income US*

As a Managing Director and Chief Investment Officer, Mr. Forsyth is the head of the Income and Growth Strategies investment team. Mr. Forsyth has over 21 years of investment-industry experience. Prior to joining AllianzGI US via a predecessor affiliate in 1994, he was a securities analyst at AEGON USA. Mr. Forsyth earned his B.B.A. from the University of Iowa. Mr. Forsyth holds FINRA Series 2 and 65 licenses.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Investment adviser representative of AllianzGI US.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for Mr. Forsyth's investment advisory activities is Andreas Utermann, Member, Management Board of Allianz Global Investors GmbH and Global Chief Investment Officer for Allianz Global Investors, +44 (0)20 7859 9000.

#### **Justin M. Kass**

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Justin M. Kass, CFA (1974)**

*Managing Director, Portfolio Manager*

Mr. Kass has over 15 years of investment-industry experience and has portfolio management and research responsibilities for the Income and Growth Strategies team. Mr. Kass joined AllianzGI US via a predecessor affiliate in 2000. Other experience includes Universal Studios; Ocean Realty; and the Center for Cooperatives. Mr. Kass earned his M.B.A. from the UCLA Anderson School of Management and his B.S. from the University of California, Davis. Mr. Kass holds a FINRA Series 65 license.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Investment adviser representative of AllianzGI US.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Kass's investment advisory activities is Douglas Forsyth, Chief Investment Officer, Fixed Income US, (619) 687-8000.

## Eric K. Scholl

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Eric K. Scholl (1955)

*Managing Director, Portfolio Manager*

Mr. Scholl is a portfolio manager and managing director with AllianzGI US which he joined via a predecessor affiliate. He is a member of the Short Duration High Income team and has 35 years of investment-industry experience. Mr. Scholl has worked in the high-yield bond market since 1980 on both the buy and sell sides, including underwriting, sales, trading, research and portfolio management. Before joining Allianz Global Investors, he was a senior vice president in the high-yield department of Donaldson, Lufkin & Jenrette, managing director of high-yield securities at PaineWebber Incorporated and managing director of high-yield securities at L.F. Rothschild & Co. Mr. Scholl also worked on the corporate-bond trading desk at Merrill Lynch. He has a B.A. from Princeton University.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

There is no information to report under this item.

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this item.

### ITEM 6. SUPERVISION

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name

and contact information for the person primarily responsible for supervising Mr. Scholl's investment advisory activities is Douglas Forsyth, Chief Investment Officer, Fixed Income US, (619) 687-8000.

## William (Brit) L. Stickney

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

William (Brit) L. Stickney (1966)

*Managing Director, Portfolio Manager*

Mr. Stickney has over 24 years of investment industry experience and has portfolio management and research responsibilities for the Income and Growth Strategies team. Prior to joining AllianzGI US via a predecessor affiliate in 1999, he was a Vice President of Institutional Fixed Income Sales with ABN AMRO, Inc., where his primary focus was on high yield corporate securities; other experience includes Cowen & Company and Wayne Hummer & Company. Mr. Stickney earned his M.B.A. from the Kellogg School of Management, Northwestern University, and his B.S. from Miami University, Ohio. Mr. Stickney holds FINRA Series 7 and 63 licenses.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

Investment adviser representative of AllianzGI US.

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Stickney's investment advisory activities is Douglas Forsyth, Chief Investment Officer, Fixed Income US, (619) 687-8000.

#### **Michael E. Yee**

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Michael E. Yee (1971)  
*Director, Portfolio Manager*

Mr. Yee has over 19 years of investment-industry experience and has portfolio management and research responsibilities for the Income and Growth Strategies team. Before joining the team in 1999, Mr. Yee had been an analyst for the Global and Systematic teams, and previously held positions in global and domestic portfolio administration, as well as in client service. Prior to joining AllianzGI US via a predecessor affiliate in 1995, he had been a financial consultant for Priority One Financial/Liberty Foundation. Mr. Yee earned his M.B.A. from San Diego State University and his B.S. from the University of California, San Diego. Mr. Yee holds FINRA Series 6, 7, 63, and 65 licenses.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

Investment adviser representative of AllianzGI US.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Yee's investment advisory activities is Douglas Forsyth, Chief Investment Officer, Fixed Income US, (619) 687-8000.

### **MULTI-ASSET**

#### **Herold C. Rohweder**

1633 Broadway, New York, NY 10019, (212) 739-3300

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Herold C. Rohweder, Ph.D. (1960)  
*Managing Director, Global Chief Investment Officer, Multi Asset*

Mr. Rohweder is a managing director and Global Chief Investment Officer Multi Asset with AllianzGI US, which he joined in 1989 via a predecessor affiliate. He initiated the systematic asset-management effort for the firm's equity and multi-asset investments, and was previously a portfolio manager for

the firm's global balanced, European equity and European fixed-income strategies. Mr. Rohweder has 24 years of investment-industry experience. He has an M.A. in economics from Wayne State University and a Ph.D. in economics from the University of Kiel, Germany.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this item.

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

**ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Rohweder's investment advisory activities is Andreas Utermann, Member, Management Board of Allianz Global Investors GmbH and Global Chief Investment Officer for Allianz Global Investors, +44 (0)20 7859 9000.

**Stephen C. Sexauer**

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA 92101, (619) 687-8000

**ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Stephen C. Sexauer (1954)

*Managing Director, Chief Investment Officer, Multi-Asset US*

Mr. Sexauer is a Managing Director and Chief Investment Officer for Multi-Asset US at AllianzGI US (previously the Chief Investment Officer of Allianz Global Investors Solutions

LLC, which merged into AllianzGI US in January 2013). Mr. Sexauer has more than 29 years of investment-industry experience. Prior to AllianzGI US, Mr. Sexauer was a portfolio manager at Morgan Stanley Investment Management from July 1989-March 2002. Mr. Sexauer worked at Salomon Brothers from November 1986-June 1989. Mr. Sexauer previously worked in Economic Consulting at Merrill Lynch Economics and at Wharton Econometrics. Mr. Sexauer holds an MBA from the University of Chicago with concentrations in economics and statistics and a BS from the University of Illinois in economics. Mr. Sexauer holds FINRA Series 7 and 63 licenses.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

**ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Sexauer's investment advisory activities is Herold Rohweder, Global CIO Multi Asset, (619) 687-8000.

## Giorgio Carlino

1633 Broadway, New York, NY 10019, (212) 739-3300

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Giorgio Carlino (1973)

*Director, Senior Portfolio Manager*

Mr. Carlino is a portfolio manager at AllianzGI US, which he joined in 2004 via a predecessor affiliate. He is on the Multi Asset-Multi Strategy team which he joined in 2008 and was previously a private-client portfolio manager, responsible for multi-manager selection. Mr. Carlino has 13 years of investment-industry experience. Before joining the firm, he was in fund management at Commerzbank AM. Mr. Carlino has a degree in economics and finance from La Sapienza University in Rome, and a master's degree in portfolio management and asset allocation from the Department of Statistics at the University of Bologna.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

There is no information to report under this item.

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this item.

### ITEM 6. SUPERVISION

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Carlino's investment advisory activities is Stephen Sexauer, Chief Investment Officer, Multi-Asset US, (619) 687-8000.

## Claudio Marsala

1633 Broadway, New York, NY 10019, (212) 739-3300

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Claudio Marsala (1976)

*Director, Senior Portfolio Manager*

Mr. Marsala is a portfolio manager and director with AllianzGI US, which he joined in 2001. As a member of the Multi Asset US team, he manages multi-asset mandates primarily for institutional clients. Mr. Marsala previously led the quantitative efforts of the firm's Multi Asset team in Italy, focusing on systematic multi-asset products; before that, he worked in risk management. Mr. Marsala has 12 years of investment-industry experience. He has a laurea degree in economics and financial markets from the University of Pisa in Italy, and a master's degree in quantitative finance from the University of Turin.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

There is no information to report under this item.

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this item.

### ITEM 6. SUPERVISION

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Marsala's investment advisory activities is

Stephen Sexauer, Chief Investment Officer,  
Multi-Asset US, (619) 687-8000.

## Paul Pietranico

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA  
92101, (619) 687-8000

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Paul Pietranico, CFA (1970)  
*Director, Portfolio Manager & Director of Research*

Mr. Pietranico, is a Portfolio Manager at AllianzGI US (previously a portfolio manager of Allianz Global Investors Solutions LLC, which merged into AllianzGI US in January 2013). As a member of the Multi Asset US team, he has direct responsibility for target-date and target-risk portfolio risk profiles, asset allocation and fund selection. Mr. Pietranico also participates in research and analysis for the team's 529 programs and portfolios. He has more than 17 years of investment-industry experience. Prior to AllianzGI US, Mr. Pietranico worked at the Center for Investment Research at Charles Schwab & Co. from 1996-2005, where most recently he was a director of quantitative research. He worked on research and modeling for Schwab's proprietary rating system for open-ended mutual funds. He also spent several years working on research projects relating to Schwab's investment advice offerings including software tools for retirement planning, portfolio simulation, risk analysis, asset allocation and portfolio construction. He started his career at Schwab as a mutual fund due diligence analyst. Mr. Pietranico holds a BS in physics, an MA in philosophy of science and an MS in Engineering Economic Systems and Operations Research from Stanford University.

Please refer to the descriptions of the professional designations listed at the end of this document.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

There is no information to report under this Item.

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

### ITEM 6. SUPERVISION

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Pietranico's investment advisory activities is Stephen Sexauer, Chief Investment Officer, Multi-Asset US, (619) 687-8000.

## Heather Bergman

600 West Broadway, 29<sup>th</sup> Floor, San Diego, CA  
92101, (619) 687-8000

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Heather Bergman (1979)  
*Vice President, Portfolio Manager*

Heather Bergman, Ph.D., joined Allianz Global Investors U.S. LLC in July 2011. She is a Vice President and Portfolio Manager in the Multi Asset US team. Ms. Bergman is responsible for providing macroeconomic analysis and strategy support for asset allocation decisions. Ms. Bergman also helps manage the investment and business functions around the 529 portfolios, including monitoring the portfolios and the underlying managers, and driving the portfolio-update process. She has 5 years of investment-industry experience. Ms. Bergman received

her doctorate in political economy from University of California Los Angeles and a holds an MA from Columbia University. Her dissertation focus was on economic policies in emerging-market countries and international capital flows. Ms. Bergman taught for two years at New York University and University of California Los Angeles. Prior to that Ms. Bergman spent four years as a macroeconomic analyst at hedge fund, covering both developed and emerging markets.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this Item.

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

**ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Ms. Bergman's investment advisory activities is Stephen Sexauer, Chief Investment Officer, Multi-Asset US, (619) 687-8000.

**James Macey**

1633 Broadway, New York, NY 10019, (212) 739-3300

**ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

James Macey, CFA, CAIA (1978)  
*Vice President, Portfolio Manager*

James Macey, is a Portfolio Manager at AllianzGI US (previously a portfolio manager of Allianz Global Investors Solutions LLC which merged into AllianzGI US in January 2013). Mr. Macey joined AGI Solutions in June 2009, and has been a portfolio manager since January, 2011. As a member of the Multi Asset US team, he has responsibilities for asset allocation and fund selection, portfolio implementation and trading, and the coordination of the target-date, target-risk and 529 investment team's due-diligence research on underlying managers. Mr. Macey has more than 13 years of investment-industry experience. He joined Allianz Global Investors of America L.P. in July 2006 as an analyst on the investment manager due diligence and portfolio risk analysis team. Prior to that, he worked as an equity research analyst at Lehman Brothers where he conducted quantitative and fundamental equity research including relative valuation, pair trading and statistical modeling. From 2000-2005, Mr. Macey worked at Bloomberg Financial Markets. Mr. Macey holds an M.Sc. (Hons.) in Astrophysics from University College London. Mr. Macey holds FINRA Series 7 and 63 licenses.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

**ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

**ITEM 4. OTHER BUSINESS ACTIVITIES**

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

**ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

**ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Macey's investment advisory activities is Stephen Sexauer, Chief Investment Officer, Multi-Asset US, (619) 687-8000.

## Rahul Malhotra

1633 Broadway, New York, NY 10019, (212) 739-3300

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Rahul Malhotra (1975)

*Vice President, Portfolio Manager*

Dr. Malhotra is a portfolio manager and a vice president with Allianz Global Investors, which he joined in 2012. As a member of the Multi Asset US team, he is responsible for quantitative research and development. Dr. Malhotra has 6 years of investment-industry experience. Before joining the firm, he worked at Nomura Securities International in New York, where he led their equity-analytics effort and developed strategies for proprietary trading. While at Nomura, he built the firm's suites of equity risk models for US and global markets; developed techniques for scenario analysis, performance attribution and tail risk modeling; and researched and ran quantitative trading strategies for the equity and options markets. Dr. Malhotra previously worked at Lehman Brothers and GE Global Research, where he developed options-market-making strategies and methodologies for risk modeling. He has a B.S. in physics from the California Institute of Technology and a Ph.D. in theoretical particle physics from the University of Texas at Austin. Mr. Malhotra holds FINRA Series 7 and 63 licenses.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

### ITEM 6. SUPERVISION

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Malhotra's investment advisory activities is Stephen Sexauer, Chief Investment Officer, Multi-Asset US, (619) 687-8000.

## Matthias Mueller

Allianz Global Investors Europe GmbH, Mainzer Landstrasse 11-13, 60329 Frankfurt am Main, Germany, +49-69-13900

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Matthias Mueller (1962)

*Chief Investment Officer, Active Allocation Strategies, Portfolio Manager*

Dr. Matthias Mueller has been Head of the Multi Asset Multi Strategy team since 2005. The team was formed in 2005 and since then grew its assets under management strongly. The experienced team is specializes in dynamic asset allocation strategies,

predominantly for large institutional investors. Before joining the Multi Asset Multi Strategy team, Matthias was responsible for asset allocation and risk management on the balanced team since 2002 and worked as senior investment strategist at Allianz Asset Management since 1998 when he joined the firm from his position as an European equity portfolio manager for Allianz Sachversicherungs-AG. He has 18 years of investment-industry experience. He works in the industry since 1995. Matthias holds a doctorate in monetary economics from J. W. Goethe University in Frankfurt.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Matthias Mueller is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Dynamic Strategy Portfolios and Dynamic Multi-Asset Plus strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Dr. Mueller to provide portfolio management services to AllianzGI US clients. In providing such services, Dr. Mueller is considered an "associated person" of AGU US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Mueller's investment advisory activities is Herold Rohweder, Global CIO Multi Asset, (212) 739-3300.

#### **Eric Boess, CFA**

Allianz Global Investors Europe GmbH,  
Mainzer Landstrasse 11-13, 60329 Frankfurt  
am Main, Germany, +49-69-13900

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Eric Boess (1971)

*Director and Global Head of Derivatives,  
Portfolio Manager*

Director and Global Head of Derivatives at Allianz Global Investors. He runs the European Equity Derivatives Team. He started his career in 1994 covering reporting tasks for derivatives and since 1996 he has been trading fixed income, equity and commodity derivatives. In 2007, he was promoted to Global Head of Derivatives. Most recent activities include the development and implementation of overlay and absolute return strategies and the integration of derivatives in investment processes. Mr. Boess has 19 years of investment-industry experience and previously worked at Dresdner Bank. Mr. Boess is a CFA charterholder.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Eric Boess is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to Multi-Asset strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Boess to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Boess is considered an "associated person" of AllianzGI US as that term is defined in the

Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Boess's investment advisory activities is Christoph Mast, Global Head of Trading, +49-69-13900.

### **Armin Kayser**

Allianz Global Investors Europe GmbH,  
Mainzer Landstrasse 11-13, 60329 Frankfurt  
am Main, Germany, +49-69-13900

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Armin Kayser (1954)  
*Senior Portfolio Manager*

Mr. Kayser is a senior portfolio manager with Allianz Global Investors, which he joined in 1998. He is a member of the Multi-Asset team and manages retail and institutional strategies with a European and global focus. Mr. Kayser has also managed emerging-market bond funds with the firm's fixed-income team. He has 25 years of investment-industry experience and previously worked at Swiss Bank Corporation. Mr. Kayser has a master's degree in economics from the University of Mannheim.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Armin Kayser is employed by Allianz Global Investors Europe GmbH, an advisory affiliate

of AllianzGI US. In rendering investment advisory services with respect to Multi-Asset strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Kayser to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Kayser is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Kayser's investment advisory activities is Marcus Stahlhache, Analyst, +49-69-13900.

### **Stefan Nixel**

Allianz Global Investors Europe GmbH,  
Mainzer Landstrasse 11-13, 60329 Frankfurt  
am Main, Germany, +49-69-13900

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Stefan Nixel, CFA, CAIA (1976)  
*Director, Portfolio Manager*

Mr. Nixel is a portfolio manager and director for the Multi Asset – Multi Strategy team which he joined in 2004. He manages portfolios, institutional mandates and retirement-provision funds. Mr. Nixel is responsible for research and development of investment strategies and new product developments. He has 12 years of investment-industry experience and previously worked on the quantitative portfolio-management team at Deka. He has a B.S. in international financial management from the University of Nuertingen and an M.S. in quantitative

finance from the Frankfurt School of Finance & Management. He has been a CFA charterholder since 2007 and a CAIA charterholder since 2012.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Stefan Nixel is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Dynamic Emerging Multi-Asset strategy to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Mr. Nixel to provide portfolio management services to AllianzGI US clients. In providing such services, Mr. Nixel is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Nixel's investment advisory activities is Matthias Mueller, CIO Active Allocation Strategies, +49-69-13900.

## **Michael Stamos**

Allianz Global Investors Europe GmbH,  
Mainzer Landstrasse 11-13, 60329 Frankfurt  
am Main, Germany, +49-69-13900

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Michael Stamos, CFA (1977)**  
*Portfolio Manager*

Dr. Michael Stamos, CFA is a portfolio manager in the Multi Asset – Multi Strategy team since 2007. He oversees various balanced mandates for institutional and retail clients. He has nine years of investment-industry experience. Prior to joining the company, Michael worked over 4 years as a researcher at the Institute of Investment, Portfolio Management and Pension Finance at the University of Frankfurt, where he obtained his Doctoral Degree with specialization in Finance. He was also a member of joint research collaborations with the Wharton School (Philadelphia). Michael has published and refereed various articles in international renowned scientific journals on fields as finance, economics, and insurance and he presented his work at several international conferences.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Dr. Michael Stamos is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Multi-Asset Real Return and Dynamic Multi-Asset Plus strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Dr. Stamos to provide portfolio management services to AllianzGI US clients. In providing such services, Dr. Stamos is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Dr. Stamos's investment advisory activities is Matthias Mueller, CIO Active Allocation Strategies, +49-69-13900.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **Zijian Yang**

Allianz Global Investors Europe GmbH,  
Mainzer Landstrasse 11-13, 60329 Frankfurt  
am Main, Germany, +49-69-13900

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

*Zijian Yang (1980)  
Portfolio Manager*

Mr. Yang, Ph.D., is a portfolio manager on the Multi-Asset, Multi-Strategy team, which he joined in 2008. He manages multi-asset portfolios for several institutional mandates and is involved with the research and development of investment strategies on the Multi Asset-Multi Strategy team. He has 6 years of investment-industry experience. Mr. Zijian was previously in academic research at the University of Essex, UK, specializing in portfolio optimization. He has a Ph.D. in computational finance from the University of Essex.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Dr. Zijian Yang is employed by Allianz Global Investors Europe GmbH, an advisory affiliate of AllianzGI US. In rendering investment advisory services with respect to the Dynamic Strategy Portfolios, Dynamic Multi-Asset Plus, Dynamic Emerging Multi-Asset and Multi-Asset Real Return strategies to its clients, including U.S. registered investment companies, AllianzGI US uses the resources of Dr. Yang to provide portfolio management services to AllianzGI US clients. In providing such services, Dr. Yang is considered an "associated person" of AllianzGI US as that term is defined in the Investment Advisers Act of 1940, as amended ("Advisers Act").

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Dr. Yang's investment advisory activities is Matthias Mueller, CIO Active Allocation Strategies, +49-69-13900.

## **STRUCTURED PRODUCTS**

#### **Greg P. Tournant**

1633 Broadway, New York, NY 10019, (212) 739-3300

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

*Greg P. Tournant (1966)  
Managing Director, Chief Investment Officer, US Structured Products*

As a Managing Director and Chief Investment Officer, Mr. Tournant heads the firm's Structured Products team. Mr. Tournant has over 18 years of investment industry

experience. He joined AllianzGI US via a predecessor affiliate in 2008. His prior experience includes Co-Chief Investment Officer of Innovative Options Management, and while at a former affiliate, he managed an equity index option-based hedge fund, option programs on several open-end mutual funds, as well as an open-end large-cap growth equity mutual fund. He also served as a senior research analyst at Eagle Asset Management, was a strategy consultant for McKinsey & Co., and a research analyst for Raymond James. Mr. Tournant earned his M.B.A. from the Kellogg School of Business at Northwestern University and his B.S. from Trinity University. Mr. Tournant holds FINRA Series 3 and 7 licenses.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

Associated person of CPO/CTA, AllianzGI US.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Tournant's investment advisory activities is Andreas Utermann, Member, Management

Board of Allianz Global Investors GmbH and Global Chief Investment Officer for Allianz Global Investors, +44 (0)20 7859 9000.

#### **Stephen G. Bond-Nelson**

1633 Broadway, New York, NY 10019, (212) 739-3300

#### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Stephen G. Bond-Nelson (1970)

*Director, Portfolio Manager*

Mr. Bond-Nelson has over 21 years of investment industry experience and has portfolio management and research responsibilities for the Structured Products team. He has been with the team since its inception in 2005. Prior to joining AllianzGI US via a predecessor affiliate in 1999, he was a research analyst/associate with Prudential Mutual Funds. Mr. Bond-Nelson earned his M.B.A. from Rutgers University and his B.S. from Lehigh University. Mr. Bond-Nelson holds FINRA Series 7 and 63 licenses.

Please refer to the descriptions of the licenses and professional designations listed at the end of this document.

#### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

#### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

#### **ITEM 5. ADDITIONAL COMPENSATION**

There is no information to report under this Item.

#### **ITEM 6. SUPERVISION**

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client

trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Bond Nelson's investment advisory activities is Greg Tournant, Chief Investment Officer, US Structured Products, (212) 739-3300.

## Trevor L. Taylor

1633 Broadway, New York, NY 10019, (212) 739-3300

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Trevor L. Taylor (1972)  
*Director, Portfolio Manager*

Mr. Taylor has over 15 years of investment industry experience and has portfolio management and research responsibilities for the Structured Products team. Prior to joining AllianzGI US via a predecessor affiliate in 2008, he was Co-Chief Investment Officer at Innovative Options Management and Chief Investment Officer at TLT Atlantic Asset Management and TLT Corp. Mr. Taylor earned his B.A. from the University of Florida.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

There is no information to report under this Item.

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

### ITEM 6. SUPERVISION

AllianzGI US supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and AllianzGI US's internal policies and procedures. The name and contact information for the person primarily responsible for supervising Mr. Taylor's investment advisory activities is Greg Tournant, Chief Investment Officer, US Structured Products, (212) 739-3300.

## Description of Licenses and Professional Designations

### **CHARTERED FINANCIAL ANALYST (CFA)**

The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience. The CFA Institute determines the passing score of the exams each year.

### **CHARTERED ALTERNATIVE INVESTMENT ANALYST (CAIA)**

The CAIA is a professional designation offered by the CAIA Association to investment professionals who complete two examinations in succession. The CAIA curriculum is designed to provide finance professionals with a broad base of knowledge in alternative investments with a focus on hedge funds, managed futures, and private equity.

### **CERTIFICATE IN INVESTMENT PERFORMANCE MEASUREMENT (CIPM)**

The CIPM program is a specialist study and exam program for investment performance professionals. The candidate body of knowledge includes professional ethics; performance measurement, attribution, and appraisal; and the Global Investment Performance Standards (GIPS). CIPM candidates' mastery of the pertinent body of knowledge is tested in two three-hour exams.

### **LICENSE OF SENIOR SECURITIES SPECIALIST**

The Securities & Futures Institute (SFI) Testing Center offers qualification exams for professionals in securities and futures markets and assists the regulatory authorities and relevant trade associations in administering market professionals and maintaining their quality. The SFI conducts qualification exams for market professionals in a fair and prudent manner with the efforts to enhance the self-regulation and professional image of the overall market. The SFI also consistently endeavors with the spirit of service and innovation to improve the testing system and roll out exam framework and contents that keep abreast with current market.

### **ASSOCIATES OF THE CFA SOCIETY OF THE UK (ASIP)**

The ASIP is a professional designation offered by the CFA Society of the UK for those investment professionals that have completed its associate examinations that contains six parts: Economics & Applied Statistical Analysis, Securities & Investments, Interpretation of Accounts & Corporate Finance, Investment Regulation & Practice, Portfolio Management and Case Study.

### **SERIES 2 – SECO/NASD NONMEMBER GENERAL SECURITIES EXAMINATION**

This examination qualifies individuals for a waiver of the qualification requirements as an investment adviser representative if they passed the examination before January 1, 1998 without substantial interruption (two or more years since passing the exam. This exam was discontinued 6/30/97.

### **SERIES 3 - NATIONAL COMMODITY FUTURES EXAMINATION**

This examination is required for registration by the National Futures Association.

**SERIES 6 - INVESTMENT COMPANY PRODUCTS/VARIABLE CONTRACTS LIMITED REPRESENTATIVE**

This examination qualifies an individual for the solicitation, purchase, and/or sale of redeemable securities of companies registered pursuant to the Investment Company Act of 1940; securities of closed-end companies registered pursuant to the Investment Company Act of 1940 during the period of original distribution only; and variable contracts and insurance premium funding programs and other contracts issued by an insurance company.

**SERIES 7 - GENERAL SECURITIES REPRESENTATIVE**

This registration qualifies a candidate for the solicitation, purchase, and/or sale of all securities products, including corporate securities, municipal securities, municipal fund securities, options, direct participation programs, investment company products, and variable contracts.

**SERIES 16 - NYSE SUPERVISORY ANALYST**

The Series 16, a non-principal examination, qualifies a candidate to supervise the preparation and content of research reports that analyze debt and equity securities and/or companies and industry sectors to ensure these reports are accurate and comply with industry rules and regulations.

**SERIES 24 - GENERAL SECURITIES PRINCIPAL**

This examination qualifies individuals required to register as general securities principals in order to manage or supervise the member's investment banking or securities business for corporate securities, direct participation programs, and investment company products/variable contracts.

**SERIES 26 - INVESTMENT COMPANY PRODUCTS/VARIABLE CONTRACTS LIMITED PRINCIPAL**

This examination qualifies an individual who will function as a principal for the solicitation, purchase, and/or sale of redeemable securities of companies registered pursuant to the Investment Company Act of 1940; securities of closed-end companies registered pursuant to the Investment Company Act of 1940 during the period of original distribution only; and variable contracts and insurance premium funding programs and other contracts issued by an insurance company.

**SERIES 63 (NASAA) - UNIFORM SECURITIES AGENT STATE LAW EXAMINATION**

The Series 63 is designed to qualify candidates as securities agents. The examination covers the principles of state securities regulation reflected in the Uniform Securities Act.

**SERIES 65 (NASAA) - UNIFORM INVESTMENT ADVISER LAW EXAMINATION**

The Series 65 is designed to qualify candidates as investment adviser representatives.

**SERIES 66 (NASAA) - UNIFORM COMBINED STATE LAW EXAMINATION**

The Series 66 is designed to qualify candidates as both securities agents and investment adviser representatives. The Series 7 is a corequisite exam that needs to be successfully completed in addition to the Series 66 exam before a candidate can register with a state.

## **Allianz Global Investors U.S. LLC (the “Adviser”) Disclosure for Investment Advisory Services**

As you may know, the U.S. Department of Labor (“DOL”) issued a regulation under section 408(b)(2) of the Employee Benefit Income Security Act of 1974, as amended (“ERISA”), that requires service providers to certain employee benefit plans subject to ERISA to disclose certain information (referred to as “408(b)(2) Information”), including information about direct and indirect compensation the service providers reasonably expect to receive in connection with their services to plans.

The Adviser provides investment advisory services to your investment manager (“Investment Manager”) in connection with your account with the Investment Manager (the “Account”). The disclosure in this letter is intended to provide information required by the disclosure requirements of the DOL’s 408(b)(2) Regulation even though the Adviser is not a covered service provider with respect to the Account under that regulation. This disclosure does not cover any other contracts or arrangements with our affiliates, subcontractors or third parties. If you have contracted directly with any of those entities as a “covered service provider” under the DOL’s 408(b)(2) Regulation, they will provide you with applicable disclosures that relate to those contracts.

### **Services**

The Adviser provides investment advisory services to the Account as described generally in our agreement with the Investment Manager (including any amendments, supplemental agreements or side letters to such agreement).

### **Status**

In providing the services described above, the Adviser acts as a fiduciary under ERISA, but only with respect to discretionary advisory services it provides to the Account. Where the Adviser provides model portfolios to the Investment Manager, the model portfolios are analyzed and executed on by the Investment Manager or another manager which generally acts as a fiduciary under ERISA with respect to the Account. The Adviser is also a registered investment adviser under the Investment Advisers Act of 1940, as amended, and its services are also governed by that law.

## **Direct Compensation**

The Adviser does not receive direct compensation in connection with services it provides to the Account. Rather, the Investment Manager pays a fee to the Adviser for those services.

## **Indirect Compensation**

The Investment Manager pays a fee to the Adviser for the services provided to the Account as set forth in our agreement with the Investment Manager.

The Adviser may receive research services (soft dollar research) in accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended. Brokers may provide the Adviser with research services in connection with the Adviser's trading for many of its accounts in certain securities and strategies and the value of the services cannot reasonably be allocated to any particular account. These types of research services generally do not have a readily identifiable monetary value and the eligibility conditions for these research services (other than using the broker's services) are not shared with Adviser. Therefore, to the extent that any broker provides research services, the Adviser is unable to place a value on those services, particularly on a prospective basis. For more information, please see Item 12 of the Adviser's Form ADV, Part 2A.

From time to time, employees of the Adviser may receive gifts (other than cash or cash equivalents), entertainment or meals from third parties, or attend educational conferences hosted by third parties. Any such gifts, entertainment, or conferences that the employees of the Adviser may receive or attend occur in the context of a general business relationship. There is no agreement or arrangement between Adviser and any third party regarding the provision of gifts, entertainment, meals and conferences to Adviser's employees that is based on Adviser's service contract or arrangement with any particular plan, and no gifts, entertainment, meals, or gratuities are received by the Adviser's employees by reason of their services to any particular plan. Employees of the Adviser are subject to firm-wide policies on gifts and entertainment that include terms consistent with regulatory requirements, including ERISA where applicable. The Adviser has determined that, under any reasonable method of allocation, any gifts and entertainment attributable to the

Account are of insubstantial value and, therefore, the Adviser does not reasonably anticipate receiving non-monetary compensation associated with the Account in excess of \$250 and, accordingly, does not expect to have reportable non-monetary compensation for purposes of the DOL's 408(b)(2) Regulation.

### **Compensation Paid Among Related Parties**

To the extent that Adviser receives other services from its affiliates or subcontractors, it may share its fees with those affiliates and subcontractors but shared amounts relating to those other services, if any, are not paid on a transaction basis and are not reflected in the net value of the Account.

### **Compensation for Termination of Contract**

The Adviser does not impose a fee in the event of termination. Our agreement with the Investment Manager provides that, in the event of termination or withdrawal of assets from the Account, the Adviser shall refund a pro rata portion of fees received from the Investment Manager attributable to the amount withdrawn from the Account.

### **Investment Disclosure**

If the Account invests in an unregistered investment fund or trust managed or maintained by the Adviser or an affiliate, you or the Investment Manager will receive separate 408(b)(2) Information with respect to that investment.

### **Confidentiality; Questions; Additional Information**

This 408(b)(2) Information is being provided to you on a confidential basis to assist in satisfying the disclosure requirements of the DOL's 408(b)(2) Regulation with respect to the Account. The provision of this information is not intended to affect the availability of any other statutory or regulatory exemption under ERISA. This disclosure is not a part of our agreement with the Investment Manager; that agreement controls in the event of any dispute or discrepancy. This information is not for public distribution and is not intended as an offer or solicitation with respect to the purchase or sale of any of the products or services described or referred to herein.

If you have questions about this disclosure, please call your Relationship Manager or email us at [agi-uscompliance@allianzgi.com](mailto:agi-uscompliance@allianzgi.com) using “408b2” in the subject line to make sure that your questions are promptly addressed. Thank you for your continued confidence in us.

***Allianz Global Investors U.S. LLC***

*(Rev. March 2014)*

# NFJ Investment Group LLC

2100 Ross Avenue, Suite 700  
Dallas, TX 75201

## Form ADV Part 2A Brochure March 31, 2014

This brochure provides information about the qualifications and business practices of NFJ Investment Group LLC (“NFJ Investment Group”). If you have any questions about the contents of this brochure, please contact us at (800) 768-3219 and/or [nfj-general-office@nfjinv.com](mailto:nfj-general-office@nfjinv.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Additional information about NFJ Investment Group is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). NFJ Investment Group is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.



**ITEM 2. SUMMARY OF MATERIAL CHANGES**

Since the last update of this brochure on August 8, 2013, there have been no material changes.

NFJ's assets under management ("AUM") and product information have been updated.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

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#### **ITEM 4. ADVISORY BUSINESS**

NFJ Investment Group LLC (“NFJ Investment Group”) is a Dallas, Texas based investment management company, which is a wholly owned subsidiary of Allianz Global Investors U.S. LLC (“AllianzGI US”), a wholly owned subsidiary of Allianz Global Investors U.S. Holdings LLC. NFJ Investment Group commenced discretionary investment management services on February 1, 1989.

NFJ Investment Group provides investment management services across a broad range of primarily equity assets including domestic and non-U.S. securities. NFJ Investment Group provides discretionary and non-discretionary investment management or sub-advisory services to institutional clients and non-institutional clients principally through separate accounts and a variety of commingled funds (including SEC registered open-end investment companies (“Mutual Funds”) and SEC registered closed-end investment companies (“Closed-End Funds”), other commingled funds which are not registered with the SEC (“Non-Registered Commingled Funds”), and non-U.S. funds such as SICAVs or others that are marketed in multiple jurisdictions under the UCITS directive), which may be sponsored or established by affiliates of NFJ Investment Group or by unaffiliated third parties.

The following are the primary elements of the investment management services typically provided by NFJ Investment Group. Such services may vary depending on the nature of the investment advisory relationship as described herein.

- (i) Formulation with the client of appropriate investment objectives and restrictions;
- (ii) Application of stock screening process to determine the relative attractiveness of individual stocks within certain quality constraints;
- (iii) Construction of client portfolios utilizing stocks which are determined to be most attractive by the screening process which concentrates on low valuations and/or dividend yields. A specific sell discipline is in place;
- (iv) If authorized, implementation of the investment strategy by execution of portfolio transactions as needed;
- (v) The continual monitoring of the account for the purpose of reviewing its performance and controlling its adherence to strategy and objectives; and
- (vi) Furnishing reports to the client concerning account activity, strategy and performance.

In addition, NFJ Investment Group may from time to time determine to tailor its advisory services to the individual needs of its clients. Clients may submit reasonable guidelines or restrictions on investments in certain securities or security types to be adhered to by NFJ Investment Group. When selecting securities and determining amounts, NFJ Investment Group observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to NFJ Investment Group in writing.

#### **Separate Accounts**

For separate account clients, NFJ Investment Group provides investment management services for the assets placed under its supervision. Investment advice is furnished on either a discretionary basis, where the client authorizes NFJ Investment Group to make all investment decisions for the account, or on a non-discretionary basis, where NFJ Investment Group makes recommendations to the client but all investment decisions are made by the client and may or may not be implemented by the client.

### **Managed Account/Wrap-Fee Programs**

NFJ Investment Group also provides non-discretionary sub-advisory services in the form of investment models and recommendations AllianzGI US, which participates as an investment adviser in managed account/wrap-fee programs (i.e., programs in which a client pays a program sponsor or broker a single “wrap-fee” for advisory services, certain brokerage services, monitoring of the investment adviser’s performance and custodial services or some combination of these or other services; (the “Programs”) sponsored by unaffiliated broker-dealers (the “Program Sponsors”). As the investment adviser to the Program Sponsor or Direct Client (as defined below), AllianzGI US is responsible for providing investment management services directly to the Programs and has ultimate decision making and discretionary authority with respect to the securities to be purchased or sold for a Program client’s or Direct Client’s account.

AllianzGI US offers the investment expertise of its affiliated asset managers (including NFJ Investment Group) and certain unaffiliated asset managers, which act as sub-advisers with respect to certain investment styles, to selected Program Sponsors and a limited number of clients who do not participate in a Program (“Direct Clients”). Under the Programs, the Program Sponsor permits its clients to take part in a Program by choosing an investment adviser from a list of participating investment advisers that are screened by the Program Sponsor. The wrap client accounts are typically subject to a minimum investment of \$100,000 (or more, depending on the investment strategy) and are administered and serviced primarily by the Program Sponsor, which, in most cases is also registered as an investment adviser.

AllianzGI US typically enters into a wrap program investment management agreement with the Program Sponsors (or in the case of a Direct Client, an Agreement with such Direct Client). As a sub-adviser to AllianzGI US, NFJ Investment Group has entered into an investment sub-advisory agreement with AllianzGI US, (the “NFJ Sub-advisory Agreement”).

Wrap fee clients invested in products for which AllianzGI US is providing investment management services should also refer to the AllianzGI US Form ADV Part 2 for further information. NFJ Investment Group does not act as a sponsor of any Program.

### **Investment Model Delivery to Unaffiliated Third Parties**

NFJ Investment Group may also act as a non-discretionary sub-adviser by providing an investment model to unaffiliated third parties (each a “Model Receiver”) which may manage accounts participating in, or sponsor, Programs.

In this case, NFJ Investment Group would typically enter into an investment sub-advisory agreement with the Model Receiver. The Model Receiver would normally have entered into an investment management or sub-advisory agreement with the Program Sponsor.

Pursuant to the investment sub-advisory agreement entered into by NFJ Investment Group and the Model Receiver, NFJ Investment Group would provide investment recommendations to the Model Receiver for one or more of its investment strategies. The Model Receiver has the ultimate decision making authority and discretionary responsibility for determining which securities are to be purchased and sold for the clients participating in the Programs.

As noted above, wrap-fee clients should consult the Program Sponsor’s brochure for the specific fees and features applicable to their program as well as the Form ADV of the primary, discretionary investment manager.

### **Registered Investment Companies**

NFJ Investment Group also serves as sub-adviser to certain Mutual Funds and Closed-End Funds sponsored or advised by its affiliates and unaffiliated advisers. In particular, NFJ Investment Group acts as a sub-adviser to certain funds of the Allianz Funds ("Allianz Funds"), an open-end registered investment company (advised by an affiliate, Allianz Global Investors Fund Management LLC), and certain unaffiliated funds (collectively, with Allianz Funds, "Funds"). NFJ Investment Group may also act as a non-discretionary sub-adviser to Mutual Funds by providing investment recommendations to the Mutual Fund's adviser which may or may not implement such investment recommendations in its discretion.

### **Non-Registered Commingled Funds**

NFJ Investment Group may also provide investment management or sub-advisory services to commingled funds, that are established by affiliates or unaffiliated third parties, which are not registered under the Securities Act of 1933 or the Investment Company Act of 1940, as amended (the "Investment Company Act"). A minimum account size may be applicable for participation in a Non-Registered Commingled Fund. Additional information concerning these funds is included in the relevant fund's offering documents. Please see Item 10 for additional information.

As of December 31, 2012, NFJ Investment Group managed \$43,433,765,394 (USD) in client assets, including \$32,804,274,716 on a discretionary basis and \$10,629,490,678 on a non-discretionary basis.

## **ITEM 5. FEES AND COMPENSATION**

### **Separate Accounts**

NFJ Investment Group's investment management fees for separate accounts are set forth in the client's investment management agreement (the "Agreement"). Agreements generally provide that either NFJ Investment Group or the client may terminate the Agreement by giving advance written notice to the other party. In certain cases, the client may terminate the Agreement at any time, for any reason without penalty, upon written notice, and in particular, the client may terminate the Agreement within 5 business days after entering into the Agreement without penalty. However, generally, the client has the right to cancel NFJ Investment Group's services upon 30 days' written notice during which period NFJ Investment Group's investment management fees are earned and retained. Except as otherwise agreed, upon termination, clients are responsible for payment of the pro-rata portion of fees through the termination date. In the event a client has paid fees in advance for the quarter and terminates prior to the end of such quarter, NFJ Investment Group will refund the client the portion of fees paid from the date of termination to the end of such quarter.

In general, NFJ Investment Group's fees are based on its standard fee schedule that is in effect at the time the Agreement is entered into. Investment management fees may also be negotiated with clients and therefore may vary from the standard fee schedule. For comparable services, other investment advisers may charge higher or lower fees than those charged by NFJ Investment Group. The standard fee schedule may be modified from time to time and existing client relationships may have a different fee schedule; however some of the Agreements entered into by NFJ Investment Group with institutional clients allow NFJ Investment Group to apply a revised fee schedule to such clients' accounts after giving written notice of such fee schedule revisions.

## NFJ Investment Group LLC

Investment management fees under NFJ Investment Group's current standard fee schedule are calculated as a percentage of assets under management and may be subject to a specified minimum annual fee and/or a specified minimum account size.

Fees are generally charged quarterly in arrears based on the ending market value of the account (including, without limitation, cash and cash equivalents and accrued dividends and interest) as of the last business day of the quarter. As a result, clients may pay investment management fees with respect to cash and cash equivalents both to NFJ Investment Group as well as to the adviser of any cash management vehicle utilized by the client in connection with the client's account. Fees may also be charged quarterly in advance based on the market value of the account at the beginning of the quarter. In the event that an account is opened on a date other than the first day of a calendar quarter, the client will be charged fees for the first quarter on a pro-rata basis from the date of inception of the account to the last day of the quarter. Unless otherwise specifically agreed to with a client, the ending market value of an account for purposes of calculating fees will be determined by NFJ Investment Group applying the same valuation procedures and methods which it uniformly uses in its quarterly appraisals of investment management accounts. For certain accounts, a portion of NFJ Investment Group's fee may be paid to an affiliate for client servicing activities. Clients are typically billed for fees incurred.

NFJ Investment Group's current standard fee schedules for new separate accounts are as follows:

Unless otherwise indicated, fees and minimums are shown in U.S. Dollars.

### Mid-Cap Value, Mid-Cap Value 100, Dividend Value, Large-Cap Value, and All-Cap Value

0.85% - first \$25,000,000  
0.55% - next \$25,000,000  
0.40% - next \$50,000,000  
0.35% - excess over \$100,000,000  
Minimum annual fee - \$212,500

### Small-Cap Value

1.00% of assets under management  
Minimum annual fee - \$250,000

### International Value and Global Dividend Value

0.85% - first \$25,000,000  
0.75% - next \$25,000,000  
0.60% - next \$50,000,000  
0.45% - excess over \$100,000,000  
Minimum annual fee \$212,500

### International Small Cap Value

1.00% - first \$50,000,000  
0.85% - next \$50,000,000  
0.70% - excess over \$100,000  
Minimum annual fee \$250,000

#### **Emerging Markets Value**

0.95% - first \$50,000,000  
0.90% - next \$50,000,000  
0.85% - excess over \$100,000  
Minimum annual fee \$237,500

#### **Managed Account/Wrap-Fee Programs Sub-Advisory Fees**

Generally, the Program Sponsor will pay a portion of the wrap-fee received from the Program client to AllianzGI US for investment management services provided to the Program Sponsor/wrap client. Direct Clients pay AllianzGI US a fee in accordance with their Agreements with AllianzGI US. When NFJ Investment Group acts as a sub-adviser to AGI Managed Accounts with respect to managed/wrap accounts or Direct Client accounts, NFJ Investment Group will be compensated for the investment management services it provides by AllianzGI US out of the fees it receives. NFJ Investment Group's and AllianzGI US' compensation from the Program Sponsors and Direct Clients vary, but it is generally between 0.15% and 0.50% of assets under management in the respective Program or Direct Client account. Generally, fees are payable quarterly in advance.

Wrap-fee clients typically receive a brochure detailing the wrap-fee program from the Program Sponsor prior to their selection of NFJ Investment Group as sub-adviser. Fees and features of each program offered by the various Program Sponsors vary and therefore, wrap-fee clients should consult the Program Sponsor's brochure for the specific fees and features applicable to their program.

#### **Investment Model Delivery to Unaffiliated Third Parties Fees**

Generally, the Model Receiver will pay a portion of the fee it receives from the Program Sponsor to NFJ Investment Group. NFJ Investment Group would normally expect such fees to be generally within the same range as fees described under "Managed Account/Wrap-Fee Programs-Investment Sub-advisory Fees" although such fees may be higher or lower. Fees may be payable quarterly in arrears or in advance.

#### **Registered Investment Companies Sub-Advisory Fees**

The fees NFJ Investment Group receives for sub-advisory services provided to Funds are separately negotiated between NFJ Investment Group and the unaffiliated or affiliated investment adviser and/or Fund. Fees may be performance-based, but typically are based on a percentage of assets under management. Clients invested in a Fund sub-advised by NFJ Investment Group should refer to the Fund's Prospectus for a listing of the applicable advisory and sub-advisory fees.

#### **Non-Registered Commingled Funds – Fees**

The fees NFJ Investment Group receives for investment management or sub-advisory services provided to commingled funds are separately negotiated between NFJ Investment Group and the unaffiliated third party manager and/or the commingled fund. Clients invested in a commingled fund should refer to the fund's offering documents for additional information about the fees and expenses of the fund.

#### **Other Fees and Expenses**

On behalf of its separate account clients and Fund clients, NFJ Investment Group may invest in Funds, exchange-traded funds ("ETFs"), and other pooled investment vehicles. When NFJ

## **NFJ Investment Group LLC**

Investment Group invests client assets in these investment vehicles, unless otherwise agreed and where permitted by applicable law, the client will bear its proportionate share of fees and expenses as an investor in the investment vehicle in addition to NFJ Investment Group's investment advisory or sub-advisory fees. The investment vehicle's prospectus, offering documents or other disclosure document contains a description of its fees and expenses.

In addition, NFJ Investment Group may invest client assets or recommend that clients invest in shares or other interests in certain funds to which NFJ Investment Group or its related persons provide investment advice or other services, and from which NFJ Investment Group and its affiliates receive advisory, administrative and/or distribution fees. To the extent that NFJ Investment Group invests client assets in an affiliated fund, NFJ Investment Group may, depending on the arrangement with the Program Sponsor or separate account client and any legal requirements, waive investment advisory fees on the assets invested in such investment company, credit the account for the fees paid by the Fund to NFJ Investment Group's related persons, avoid or limit the payment of duplicative fees to NFJ Investment Group and its related persons through other means, or charge fees both at the investment company level and separate account level. To the extent that fees and expenses incurred by any Fund purchased for the client's account are in addition to certain of the expenses covered by the managed account/wrap account fee, NFJ Investment Group and its affiliates may receive additional economic benefit when a client account is invested in such fund, and a conflict of interest may exist.

Investors in Funds advised or sub-advised by NFJ Investment Group will not be advisory clients of NFJ Investment Group (with respect to their investment in the fund), and NFJ Investment Group will not provide investment advice or recommendations with respect to the merits and suitability of the particular investment and investment decision for the particular investor. Investors in such Funds are encouraged to consult their own financial, tax and legal advisors regarding such decisions.

NFJ Investment Group's clients generally will incur brokerage and other transaction costs. Program clients should review all materials available from a third party sponsor concerning the program, sponsor and the program's terms, conditions and fees. Additional information about NFJ Investment Group's brokerage practices and brokerage costs can be found under Item 12.

## **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

### **Performance-Based Fees**

Although NFJ Investment Group generally calculates its fixed advisory fees as a percentage of assets under management, NFJ Investment Group may also enter into a performance fee arrangement with a client pursuant to individualized negotiations with such client. NFJ Investment Group will structure performance fee arrangements in accordance with applicable law, including Rule 205-3 under the Advisers Act. Performance-based fee arrangements may create an incentive for an Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

### **Side-By-Side Management**

NFJ Investment Group may manage funds registered under the Investment Company Act and other accounts with fixed management fees ("fixed fee accounts") along side other clients, including hedge funds, with performance based fees ("performance fee accounts"). There are potential conflicts of interest that arise due to the side-by-side management of fixed fee accounts with

performance fee accounts as there may be an incentive to favor the performance fee accounts over the fixed fee accounts in the allocation of investment opportunities. NFJ Investment Group has designed and implemented side-by-side policies and procedures to ensure that all clients are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among clients. In addition, pursuant to NFJ Investment Group's trade allocation policy, accounts are treated in a non-preferential manner, such that allocations are not based upon account performance, fee structure or portfolio manager preference.

#### **ITEM 7. TYPES OF CLIENTS**

NFJ Investment Group may generally provide portfolio management services to individuals, high net worth individuals, corporations, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, non-U.S. funds, affiliated or non-affiliated registered investment advisers, insurance companies, foreign, state and local governments, supranational organizations, religious organizations, variable annuity plans, variable insurance trusts, collective investment trusts, other trusts and pooled vehicles, retirement plans, and other U.S. and international institutions.

#### **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The following are broad descriptions of NFJ Investment Group's significant investment strategies including methods of analysis for each strategy. NFJ Investment Group reserves the right to limit the availability of any particular strategy at any given time based on factors including asset class capacity, pre-existing relationships, minimum account sizes, fees and distribution channels. In addition, NFJ Investment Group may develop other investment strategies from time to time and manage portfolios according to a client's specific investment guidelines, thus, strategies may vary by client account. Certain strategies may be available only in certain channels or through a purchase of shares of Funds. The descriptions of the investment strategies and risks below are qualified in their entirety by the information provided by NFJ Investment Group or the investment advisers for a given Fund or Program to their advisory clients, included in a Fund's prospectus and Statement of Additional Information or other official offering documentation, or included in or provided with any Program disclosure statement. Prior to investing in any Fund, please review the relevant prospectus or offering memorandum for important information. It should be noted that investing in securities involves risk of loss that clients should be prepared to bear.

For each investment strategy listed, NFJ Investment Group applies a fundamental research process which may include financial analysis of a company's balance sheet, cash flow statement, historical earnings and dividends, as well as other fundamental metrics.

#### **NFJ All-Cap Value**

This strategy seeks long-term growth of capital and income. The portfolio managers use a value investing style focusing on companies with low valuations across a broad range of industry groups. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers expect will generate income (for example, by paying dividends). This strategy will normally have some exposure to small, medium and large capitalization companies, although the portfolio manager reserves the flexibility to vary this strategy's relative weightings to each

capitalization range based on a number of factors. This strategy will normally seek to maintain approximately 35-50 stocks.

#### **NFJ Dividend Value**

This strategy seeks long-term growth of capital and income. The portfolio managers use a value investing style focusing on companies with low valuations across a broad range of industry groups. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers expect will generate income (for example, by paying dividends). This strategy will also invest a significant portion of its assets in common stocks of companies with market capitalizations greater than \$2 billion (USD). This strategy will normally seek to maintain approximately 40-60 stocks. Investable universe includes ADRs.

#### **NFJ International Value**

This strategy seeks long-term growth of capital and income. The portfolio managers use a value investing style focusing on companies with low valuations across a broad range of industry groups. This strategy seeks to achieve its investment objective by investing in approximately 40-60 stocks of non-U.S. companies (up to 50% of which may constitute emerging markets securities), a significant portion of which the portfolio managers expect will generate income (for example, by paying dividends). Investable universe includes ADRs and foreign ordinaries with an associated ADR.

#### **NFJ Large-Cap Value**

This strategy seeks long-term growth of capital and income. This strategy seeks to achieve its investment objective by normally investing in approximately 40-80 of the 400 largest publicly traded companies (in terms of market capitalization) in the United States. The portfolio managers use a value investing style focusing on companies with low valuations across a broad range of industry groups. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers expect will generate income (for example, by paying dividends).

#### **NFJ Mid-Cap Value**

This strategy seeks long-term growth of capital and income. This strategy primarily invests in common stocks of companies with medium market capitalizations. This strategy currently defines the medium market capitalization companies as those companies in the bottom 800 of the 1,000 largest North American companies (in terms of market capitalization) that are publicly traded on U.S. securities markets. Investable universe includes ADRs. The portfolio managers use a value investing style focusing on companies with low valuations across a broad range of industry groups. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers expect will generate income (for example, by paying dividends). This strategy normally holds approximately 35 to 50 stocks.

#### **NFJ Small-Cap Value**

This strategy seeks long-term growth of capital and income. This strategy invests primarily in common stocks of companies with market capitalizations between approximately \$100 million and \$4.0 billion (USD). The portfolio managers use a value investing style focusing on companies with low valuations across a broad range of industries. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers expect will generate income (for example, by paying dividends). Accounts invested in the Small Cap Value strategy normally hold approximately 100 stocks. NFJ Investment Group also manages a similar Small Cap Broad strategy.

## **NFJ Investment Group LLC**

Accounts invested in the Small Cap Broad strategy normally hold approximately 100 to 150 stocks. The Small Cap Value investable universe includes ADRs, whereas the Small Cap Broad investable universe includes ADRs and foreign ordinaries. NFJ Investment Group also manages a Small Cap Concentrated strategy, which follows a process similar to the Small Cap Broad strategy, but typically holds approximately 30 – 35 stocks. The holding sizes are targeted at 3% equally-weighted. The Small-Cap Concentrated strategy is currently offered only to managed account/wrap-fee program accounts managed by AllianzGI US.

### **NFJ Global Dividend Value**

This strategy seeks long-term growth of capital and income. This strategy seeks to achieve this objective by normally investing in common stocks of US and non-US companies with market capitalizations in excess of \$1 billion (USD). The portfolio managers use a value investing style focusing on companies with low valuations across a broad range of industries. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers expect will generate income (for example, by paying dividends). This strategy normally holds approximately 40-60 stocks. Investable universe includes ADRs and foreign ordinaries with an associated ADR.

### **NFJ Mid Cap Value 100**

This strategy seeks long-term growth of capital and income. This strategy primarily invests in common stocks and other equity securities of companies with small to medium market capitalizations (between at least \$3 billion and up to the largest company held in the Russell Midcap Index). The portfolio managers use a value investing style focusing on companies with low valuations across a broad range of industry groups. This strategy normally invests a significant portion of its assets in common stocks that the portfolio managers expect will generate income (for example, by paying dividends). This strategy may invest up to 25% of its assets in non-U.S. securities, without limit in ADRs.

### **NFJ International Small Cap Value**

This strategy seeks long-term growth of capital and income. This strategy invests primarily in common stocks of companies with market capitalizations between approximately \$500 million and \$5.0 billion (USD). The portfolio managers use a value investing style focusing on companies with low valuations across a broad range of industry groups. This strategy seeks to achieve its investment objective by investing in approximately 125-200 stocks of non-U.S. companies (up to 20% of which may constitute emerging markets securities), a significant portion of which the portfolio managers expect will generate income (for example, by paying dividends). Investable universe includes ADRs and foreign ordinaries.

In addition to the types of investments listed above, NFJ Investment Group may also recommend to its clients, or may invest its client assets in other types of investments including investment trusts including real estate investment trusts (“REITs”), and master limited partnerships.

Furthermore, NFJ Investment Group may invest in securities that trade on a U.S. exchange and also on a non-U.S. exchange (“Dually-Listed Securities”). Dually-Listed Securities may be purchased and/or sold by NFJ Investment Group on one or both of such exchanges (i.e., the non-U.S. exchange and the U.S. exchange) on which the Dually-Listed Security trades, but, in any case, the Dually-

Listed Security will be treated as a security traded on a U.S. exchange for purposes of client investment guidelines and restrictions (including prospectus requirements).

### **NFJ Emerging Markets Value**

This strategy seeks long-term capital appreciation. This strategy primarily invests in equity securities of companies that are domiciled in or tied economically to countries with emerging securities markets – that is, countries with securities markets which are, in the opinion of the portfolio managers, less sophisticated than more developed markets in terms of participation by investors, analyst coverage, liquidity and regulation. This may be achieved by investing in ADRs and other depositary receipts, in addition to direct investments in the securities of non-US issuers. This strategy may also invest in derivative instruments such as participatory notes.

The following important information pertaining to material risks should be considered when investing in these strategies:

#### **Equity Securities Risk**

Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Equity securities may take the form of shares of common stock of a corporation, membership interests in a limited liability company, limited partnership interests, or other forms of ownership interests. Equity securities also include, among other things, preferred stocks, convertible securities and warrants. The value of a company's equity securities may fall as a result of factors directly relating to that company, such as decisions made by its management or lower demand for the company's products or services. The value of an equity security may also fall because of factors affecting not just the company, but also companies in the same industry or in a number of different industries, such as increases in production costs. The value of a company's equity securities may also be affected by changes in financial markets that are relatively unrelated to the company or its industry, such as changes in interest rates or currency exchange rates or adverse circumstances involving the credit markets. In addition, because a company's equity securities rank junior in priority to the interests of bond holders and other creditors, a company's equity securities will usually be more vulnerable than its bonds and other debt to actual or perceived changes in the company's financial condition or prospects. To the extent a strategy invests in equity-related instruments it will also be subject to these risks.

#### **Value Investing Risk**

Certain of the strategies may invest in equity securities of companies that NFJ Investment Group's portfolio managers believe are selling at a price lower than their true value (value securities). Companies that issue value securities may have experienced adverse business developments or may be subject to special risks that have caused their securities to be out of favor. If a portfolio manager's assessment of a company's prospects is wrong, or if the market does not recognize the value of the company, the price of its securities may decline or may not approach the value that the portfolio manager anticipates.

#### **Smaller Company Risk**

The general risks associated with investing in equity securities and liquidity risk are particularly pronounced for securities of companies with smaller market capitalizations. These companies may have limited product lines, markets or financial resources or they may depend on a few key employees. Securities of smaller companies may trade less frequently and in lesser volume than

more widely held securities, and their values may fluctuate more sharply than other securities. They may also trade in the over-the-counter market or on a regional exchange, or may otherwise have limited liquidity. Companies with medium-sized market capitalizations also have substantial exposure to these risks.

### **Market Risk**

The market price of securities owned in a strategy may go up or down, sometimes rapidly or unpredictably. To the extent a strategy invests substantially in equity securities, a principal risk of investing in the strategy is that the investments in its portfolio will decline in value due to factors affecting securities markets generally or particular industries or sectors represented in those markets. The values of securities may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, adverse changes to credit markets or adverse investor sentiment generally. They may also decline due to factors that disproportionately affect a particular industry, group of related industries or sector, such as labor shortages or increased production costs and competitive conditions within an industry or sector. The market price of fixed income securities, as well as equity securities and other types of investments, may decline due to changes in interest rates or other factors affecting the applicable markets generally. Equity securities generally have greater price volatility than fixed income securities. During a general downturn in securities markets, multiple asset classes may decline in value simultaneously.

### **Non-U.S. Investment Risk**

A strategy that invests in non-U.S. securities may experience more rapid and extreme changes in value than strategies that invest exclusively in securities of U.S. issuers or securities that trade exclusively in U.S. markets. The securities markets of many non-U.S. countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of non-U.S. securities are often not subject to the same degree of regulation as U.S. issuers. Reporting, accounting and auditing standards of non-U.S. countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or confiscatory taxation, currency blockage, market disruption, political changes, security suspensions or diplomatic developments could adversely affect a strategy's investments in a non-U.S. country. In the event of nationalization, expropriation or other confiscation, a strategy could lose its entire investment in non-U.S. securities. To the extent that a strategy invests a significant portion of its assets in a particular currency or geographic area, the strategy will generally have more exposure to regional economic risks, including weather emergencies and natural disasters, associated with non-U.S. investments. For example, because certain of the strategies may invest more than 25% of their assets in particular countries, these strategies may be subject to increased risks due to political, economic, social or regulatory events in those countries. Adverse developments in certain regions can also adversely affect securities of other countries whose economies appear to be unrelated. In addition, a strategy's investments in non-U.S. securities may be subject to withholding and other taxes imposed by countries outside the U.S., which could reduce the return on an investment.

### **Management Risk**

Each strategy is subject to management risk because it is an actively managed investment portfolio. NFJ Investment Group will apply investment techniques and risk analyses in making investment decisions for the strategies, but there can be no guarantee that these will produce the desired results. The strategies are also subject to the risk that deficiencies in the internal systems or controls

of a service provider will cause losses for the strategies or hinder operations. For example, trading delays or errors (both human and systemic) could prevent a strategy from purchasing a security expected to appreciate in value. Additionally, legislative, regulatory, or tax developments may affect the investment techniques available to NFJ Investment Group in connection with managing the strategies and may also adversely affect the ability of the strategies to achieve their investment objectives.

### **Concentration Risk**

Focusing investments in a small number of issuers, industries, foreign currencies or regions increases risk. This may be due to changes in the value of a single security or the impact of a single economic, political or regulatory occurrence. Some of those issuers also may present substantial credit or other risks. Certain strategies may be subject to increased risk to the extent they focus their investments in securities denominated in a particular foreign currency or in a narrowly defined geographic area outside the United States. Similarly, a strategy that focuses its investments in a certain type of issuer is particularly vulnerable to events affecting such type of issuer. Also, a strategy may have greater risk to the extent it invests a substantial portion of their assets in a group of related industries (or “sectors”). The industries comprising any particular sector and investments in a particular foreign currency or in a narrowly defined geographic area outside the United States may share common characteristics, are often subject to similar business risks and regulatory burdens, and react similarly to economic, market, political or other developments.

### **Emerging Markets Risk**

Strategies that invest in non-U.S. securities may experience more rapid and extreme changes in value than strategies that invest exclusively in securities of U.S. issuers or securities that trade exclusively in U.S. markets. See “Non-U.S. Investment Risk.” Non-U.S. investment risk may be particularly high to the extent that a strategy invests in emerging market securities, that is, securities of issuers tied economically to countries with developing economies. These securities may present market, credit, currency, liquidity, legal, political, technical and other risks different from, or greater than, the risks of investing in developed countries. In addition, the risks associated with investing in a narrowly defined geographic area (discussed under “Non-U.S. Investment Risk” and “Concentration Risk”) are generally more pronounced with respect to investments in emerging market countries. A strategy may also be subject to this risk if it invests in derivatives or other securities or instruments whose value or returns are related to the value or returns of emerging market securities.

### **Currency Risk**

Strategies that invest directly in foreign (non-U.S.) currencies, or in securities that trade in, or receive revenues in, foreign currencies, or in derivatives that provide exposure to foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or non-U.S. governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, an account’s exposure to foreign currencies, including investments in foreign currency-denominated securities, may reduce the returns of the account.

### **Liquidity Risk**

Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing a sale of such illiquid securities at an advantageous time or price, or possibly requiring the disposition of other investments at unfavorable times or prices in order to satisfy a strategy's obligations. Investment strategies that involve securities of companies with smaller market capitalizations, non-U.S. securities, Rule 144A securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. In such cases, a strategy, due to limitations on investments in illiquid securities and the difficulty in purchasing and selling such securities or instruments, may be unable to achieve its desired level of exposure to a certain issuer or sector.

### **REIT Risk**

To the extent that a strategy invests in real estate investment trusts (REITs), it will be subject to the risks associated with owning real estate and with the real estate industry generally. These include difficulties in valuing and disposing of real estate, the possibility of declines in the value of real estate, risks related to general and local economic conditions, the possibility of adverse changes in the climate for real estate, environmental liability risks, the risk of increases in property taxes and operating expenses, possible adverse changes in zoning laws, the risk of casualty or condemnation losses, limitations on rents, the possibility of adverse changes in interest rates and in the credit markets and the possibility of borrowers paying off mortgages sooner than expected, which may lead to reinvestment of assets at lower prevailing interest rates. To the extent a strategy invests in REITs, it will also be subject to the risk that a REIT will default on its obligations or go bankrupt. Investments in REITs could cause a strategy to recognize income in excess of cash received from those securities and, as a result, a strategy may be required to sell portfolio securities, including when it is not advantageous to do so, in order to make required distributions.

### **Turnover Risk**

A change in the securities held by in an account is known as "portfolio turnover." Higher portfolio turnover involves correspondingly greater expenses to an account, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may also result in realization of taxable capital gains, including short-term capital gains (which are taxed as ordinary income when distributed to individual clients), and may adversely impact an account's after-tax returns. The trading costs and tax effects associated with portfolio turnover may adversely affect an account's performance.

### **Depository Receipt Risk**

Certain strategies may invest in securities of non-U.S. companies in the form of ADRs. ADRs are negotiable certificates issued by a U.S. financial institution that represent a specified number of shares in a foreign stock and trade on a U.S. national securities exchange, such as the New York Stock Exchange. The securities underlying an ADR are usually denominated or quoted in currencies other than the U.S. Dollar. As a result, changes in foreign currency exchange rates may affect the value of a portfolio's investment. Generally, when the U.S. Dollar rises in value against a foreign currency, a security denominated in that currency loses value because the currency is worth fewer U.S. Dollars. In addition, because the underlying securities of ADRs trade on foreign exchanges at times when the U.S. markets are not open for trading, the value of the securities underlying the ADRs may change materially at times when the U.S. markets are not open for trading.

**Additional Disclosure – “Foreign” Securities:**

From time to time, NFJ Investment Group accepts investment mandates from its clients that either require, to varying degrees, investment in “foreign” securities or that restrict such investments. Sometimes different geographical terms are used for these purposes (e.g., “non-U.S. securities”, “European” securities, “emerging markets,” etc.). The globalization and integration of the world economic system and related financial markets have made it increasingly difficult to define issuers geographically. Accordingly, and unless otherwise specifically agreed to in writing with individual clients, NFJ Investment Group intends to construe geographic terms such as “foreign,” “non-U.S.,” “European” and “emerging markets” in the manner that affords to NFJ Investment Group the greatest flexibility in seeking to achieve the investment objective(s) of its investment advisory clients. Specifically, in circumstances where the investment advisory mandate is to invest (a) exclusively in “foreign securities,” “non-U.S. securities,” “international securities,” “European securities,” “emerging markets” (or similar directions) or (b) at least some percentage of the client’s assets in foreign securities, etc., NFJ Investment Group will take the view that a security meets this description so long as the issuer of a security is tied economically to the particular country or geographic region indicated by words of the relevant investment mandate (the “Relevant Language”). For these purposes the issuer of a security is deemed to have that tie if:

- (i) the issuer is organized under the laws of the country or a country within the geographic region suggested by the Relevant Language or maintains its principal place of business in that country or region; or
- (ii) the securities are traded principally in the country or region suggested by the Relevant Language; or
- (iii) the issuer, during its most recent fiscal year, derived at least 50% of its revenues or profits from goods produced or sold, investments made, or services performed in the country or region suggested by the Relevant Language or has at least 50% of its assets in that country or region.

In addition, NFJ Investment Group intends to look through private and registered investment companies for these purposes and to treat derivative securities (e.g., equity linked notes) by reference to the underlying security. Conversely, if the investment advisory mandate limits the percentage of assets that may be invested in “foreign securities,” etc. or prohibits such investments altogether, NFJ Investment Group may categorize securities as “foreign,” etc. only if the security possesses all of the attributes described above in clauses (i), (ii) and (iii).

**ITEM 9. DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of or the integrity of NFJ Investment Group.

**ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Certain of NFJ Investment Group’s officers and portfolio managers are registered representatives of NFJ Investment Group’s affiliated broker-dealer, Allianz Global Investors Distributors LLC.

## **NFJ Investment Group LLC**

NFJ Investment Group is a wholly owned subsidiary of AllianzGI US and direct subsidiary of Allianz Global Investors U.S. Holdings LLC, each a Delaware limited liability company, the parent company of five assets managers in the U.S. Allianz Global Investors U.S. Holdings LLC is a wholly owned subsidiary of Allianz Asset Management of America L.P., a Delaware limited liability company. Allianz Asset Management of is indirectly owned by Allianz SE, a diversified global financial institution. Through this ownership structure and through other entities owned by NFJ Investment Group's direct and indirect owners, NFJ Investment Group has various financial industry affiliations, some of which are described below. As a result of NFJ Investment Group's investment management activities and the investment management and other business activities of the firms' affiliates and its and their officers and employees in the financial markets, NFJ Investment Group may, from time to time, be precluded under applicable law from buying a particular security for client accounts or selling all or a portion of a security position held in client accounts. While NFJ Investment Group believes that the inability to buy or sell a particular security is unlikely to occur, it could have a detrimental effect on client accounts.

NFJ Investment Group is directly or indirectly related to a number of SEC-registered broker-dealers, including Allianz Global Investors Distributors LLC and Allianz Life Financial Services, LLC. Allianz Global Investors Distributors LLC is a limited-purpose broker-dealer which serves as the distributor and principal underwriter to certain funds affiliated with NFJ Investment Group and funds for which NFJ Investment Group provides advisory or subadvisory services. See below for additional information regarding Allianz Global Investors Distributors LLC.

NFJ Investment Group is related to a number of SEC-registered investment advisers through common ownership or otherwise, including but not limited to Allianz Global Investors Fund Management LLC, Allianz Global Investors US LLC, and Pacific Investment Management Company LLC. NFJ Investment Group is also related to a number of non-U.S. investment advisers, through common ownership or otherwise, including (but not limited to) Allianz Global Investors Allianz Global Investors Singapore Limited, Allianz Global Investors Europe GmbH, , Allianz Global Investors Luxembourg S.A., and Allianz Global Investors France S.A. NFJ Investment Group may act as sub-adviser to accounts advised by certain of the related non-U.S. advisers. Clients' fees are allocated between the NFJ Investment Group and the non-U.S. affiliate with reference to relevant U.S. and non-U.S. tax laws and considerations based upon the types of services provided in the relevant jurisdiction.

### **Arrangements with Affiliates**

NFJ Investment Group may enter into relationships with affiliated investment advisers including investment management or sub-advisory arrangements which may be on a discretionary or non-discretionary basis whereby NFJ Investment Group acts as the sub-adviser. The affiliated investment adviser may act as the investment adviser for: (a) affiliated Mutual Funds or Closed-End Funds, (b) an unaffiliated client or (c) in connection with managed accounts/wrap programs or similar programs that are sponsored by various financial intermediaries and, in particular, as described in Item 4, as a sub-adviser to AGI Managed Accounts in connection with Programs and other accounts it manages or sub-advises.

NFJ Investment Group may, from time to time, manage assets for Allianz SE and other direct and indirect equity holders in Allianz Asset Management of America L.P. NFJ Investment Group may also provide investment management services to affiliated insurance companies, including insurance companies owned or controlled by Allianz SE. These amounts may from time to time be material to NFJ Investment Group's investment advisory business.

NFJ Investment Group acts as the sub-adviser to an affiliated family of Mutual Funds called the Allianz Funds. The Allianz Funds are open-ended management investment companies whose shares are registered under the Securities Act of 1933, as amended, and which are registered themselves under the Investment Company Act. The Allianz Funds are advised by Allianz Global Investors Fund Management LLC, a wholly owned subsidiary of Allianz Global Investors U.S. Holdings LLC. Please see Item 4 for additional information.

Certain employees of the NFJ Investment Group are associated with Allianz Global Investors Distributors LLC. These employees, who may be involved with sales, marketing and investment management of the Allianz Funds, are registered representatives of Allianz Global Investors Distributors LLC. The Allianz Funds may pay an investment management or administrative fee to NFJ Investment Group in addition to Allianz Global Investors Distributors LLC receiving sales commissions or distribution fees from NFJ Investment Group or an affiliate, including 12b-1 fees, loads or contingent deferred sales charges.

NFJ Investment Group acts as the sub-adviser to affiliated Closed-End Funds including the equity portion of the NFJ Dividend, Interest & Premium Strategy Fund, which is an investment company whose shares are registered under the Securities Act of 1933 and which is itself registered under the Investment Company Act. This Closed-End Fund is advised by Allianz Global Investors Fund Management LLC. NFJ Investment Group and its affiliates may advise various other independent (non-affiliated) mutual funds.

Certain clients may have established custodial or sub-custodial arrangements with non-U.S. banks or other financial institutions that are affiliated or related to NFJ Investment Group or its affiliates. However, there are no such relationships that would provide advisory personnel with possession of or access to client assets such as would make NFJ Investment Group a custodian of its client assets.

NFJ Investment Group may delegate investment management-related responsibilities (such as client servicing activities) to its affiliates and may pay a portion of its investment management fee to such affiliates.

Certain corporate services such as information technology, business systems, human resources, legal and finance are provided to NFJ Investment Group by Allianz Asset Management of America L.P. and/or AllianzGI US LLC. In certain instances, NFJ Investment Group may utilize the trading desk(s) of AllianzGI US LLC to facilitate transactions for its clients. This activity is described in greater detail in Item 12 below.

### **Additional Compensation**

#### **Amounts Received by NFJ Investment Group**

As noted above, NFJ Investment Group acts as a sub-adviser to its affiliate, AllianzGI US, in connection with AllianzGI US' management of managed accounts/wrap fee clients. NFJ Investment Group receives a fee from AllianzGI US (rather than the Program Sponsors or managed accounts/wrap program accounts). Similarly, when NFJ Investment Group provides investment management services to a registered investment company or other entity pursuant to a sub-advisory agreement, NFJ Investment Group receives its investment management fees from the primary adviser for the entity in many instances.

### **Amounts Paid by NFJ Investment Group**

NFJ Investment Group and its affiliates have compensated, and may continue to compensate affiliated and unrelated third parties for client referrals in accordance with Rule 206(4)-3 under the Advisers Act. The compensation paid to any such third party will typically consist of a cash payment stated as a percentage of the NFJ Investment Group investment advisory fee or the referred amount of assets under management, but may also include cash payments determined by other methods. In addition, for certain accounts, a portion of NFJ Investment Group's fee may be paid to an affiliate for client servicing activities.

## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

NFJ Investment Group has adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 under the Advisers Act. NFJ Investment Group's officers, employees, and associated persons (collectively, "Employees") are required to follow the Code, which sets out standards of conduct and helps NFJ Investment Group detect and prevent potential conflicts of interest. The Code covers personal securities transactions of all Employees and their family members (as defined in the Code), which includes most persons sharing the same household as the Employee. Although the Code permits Employees to trade in securities for their own accounts, Employees are required to follow the Code, which contains preclearance procedures, reporting requirements, and other provisions that restrict trading by Employees. In some circumstances, Employees may trade in securities for their own accounts that are recommended to and/or purchased by our clients. In these circumstances, there is a possibility that the Employee may benefit from market activity within a client account. Employee trading is monitored for compliance with the Code. Any Employee who violates the Code may be subject to penalties, including, but not limited to: a letter of caution, warning, recertification of the Code, disgorgement of profits, suspension of trading privileges, or suspension, and under certain circumstances termination of employment and/or referral to governmental authorities. Employees are required to annually certify compliance with the Code. NFJ Investment Group will provide clients and prospective clients with a copy of the Code upon request.

### **Participation or Interest in Client Transactions**

NFJ Investment Group itself does not, in its capacity as a principal, knowingly or intentionally buy securities for itself from, or sell securities it owns to, any of its clients. NFJ Investment Group generally limits transactions on behalf of its clients with or through any affiliated company. Affiliated transactions include executing client transactions through a broker-dealer or counterparty that is affiliated, directly or indirectly, with NFJ Investment Group. Affiliated investments include an investment by NFJ Investment Group on behalf of clients in the securities of Allianz SE or one of its affiliates. In addition, the Employee Retirement Income Security Act of 1974 ("ERISA") and the Investment Company Act impose limitations on NFJ Investment Group's ability to purchase securities in an underwriting if an affiliated broker-dealer is the manager or member of the underwriting or selling syndicate. NFJ Investment Group has a general policy to avoid transactions executed through affiliated brokers-dealers. However, if consistent with fiduciary obligation, applicable law, and client guidelines, NFJ Investment Group may use affiliated broker-dealers to effect transactions in client accounts. NFJ Investment Group generally prohibits investments in securities issued by Allianz SE and its affiliates.

### **Interests in Issuers or Recommended Securities**

NFJ Investment Group may recommend that its clients purchase or sell, or use its discretion to effect a buy or sell for its clients, securities for which NFJ Investment Group or its affiliates may be a sponsor, adviser or sub-adviser with respect to the issuer of such securities. In addition, NFJ Investment Group may also recommend that its clients effect or use its discretion to effect a transaction in securities in which NFJ Investment Group, its affiliates or their personnel may have an ownership or management interest and may receive a direct or indirect benefit, as a selling shareholder, return of capital or otherwise, from the purchase by NFJ Investment Group's clients in such offerings. In connection with these relationships, NFJ Investment Group may receive an investment management fee in its capacity as investment adviser or sub-adviser. In addition, Allianz Global Investors Distributors LLC and/or other affiliated broker-dealers may receive certain amounts associated with administrative fees, 12b-1 fees, loads or contingent deferred sales charges. Please see Item 10 for additional information.

NFJ Investment Group and its affiliates also may invest client assets in securities of companies that compensate NFJ Investment Group's affiliated broker-dealers for investment banking and other services. NFJ Investment Group's portfolio managers will not take any such compensation into consideration when determining whether to purchase or sell such a security. In addition, client portfolios may include the securities of companies in which its affiliated broker-dealers make a market or in which NFJ Investment Group or its affiliates, its officers and Employees and its affiliated broker-dealers or other related persons and their officers or employees have positions. In the course of providing the services discussed herein, NFJ Investment Group, its Employees or its affiliates may come into possession of material, nonpublic information that might affect its ability to buy, sell, or hold a security for a client account. Information barrier policies and insider trading policies address such situations. NFJ Investment Group and its Employees will be prohibited from using such information to buy or sell securities until such information has been disclosed to the public or is no longer material.

### **Other Conflicts of Interest Matters**

NFJ Investment Group or one of its related persons may, for its own account, buy or sell securities or other instruments that NFJ Investment Group has purchased or sold for its clients. Additionally, NFJ Investment Group may purchase or sell for clients securities in which it or related persons have a financial interest. NFJ Investment Group's related persons may issue recommendations on securities held by NFJ Investment Group's client portfolios that may be contrary to the investment activities of NFJ Investment Group. Please refer to the description of NFJ Investment Group's Code of Ethics above. In the ordinary course of business, NFJ Investment Group or related persons may establish "seeded" funds for the purpose of developing new investment strategies and products. These "seeded" funds may be in the form of registered investment companies, private funds such as partnerships or limited liability companies or separate accounts established by NFJ Investment Group or an affiliate and may initially be funded ("seeded") by NFJ Investment Group, Employees of NFJ Investment Group or an affiliate of NFJ Investment Group. These "seeded" funds may invest in the same securities as client accounts. NFJ Investment Group or a related person may, from time to time, make a proprietary investment in pooled investment vehicles that may also include client assets managed by NFJ Investment Group or another unaffiliated entity. NFJ Investment Group will receive proportional returns associated with its investment. In addition, NFJ may receive direct or indirect fees.

### **Participation or Interest in Personal Trading – Client Trading**

NFJ Investment Group permits its Employees to engage in personal securities transactions, and to purchase and sell securities that may be suitable for investment by client accounts. Personal securities transactions may raise potential conflicts of interest with the interests of NFJ Investment Group's clients. Accordingly, NFJ Investment Group's Employees and persons associated with NFJ Investment Group are required to follow the Code and the policies and procedures of NFJ Investment Group (the "Policies"). The Code and the Policies are designed to ensure that the personal securities transactions, activities and interests of the Employees of NFJ Investment Group will not interfere with making decisions in the best interest of advisory clients while, at the same time, allowing Employees to invest for their own accounts.

Employees deemed to be "Access Persons" under the Code are subject to certain blackout periods, whereby they may not purchase or sell securities (except for securities considered to be exempted or otherwise permitted under the Code) if, at the time of pre-clearance (i) there is a pending buy or sell order on the relevant trading desk for a client in the same security or an equivalent security; or (ii) the same security or an equivalent security has been purchased or sold by a client during the blackout period set forth under the Code.

Certain employees who make or participate in making recommendations on securities, as well as certain employees in a control relationship with NFJ Investment Group or its affiliates and who may obtain information concerning securities recommendations are considered "Investment Persons" under the Code. Investment Persons are subject to more restrictive trading prohibitions than those described above. In addition, certain related persons of NFJ Investment Group may be subject to greater restrictions than those applicable to Investment Persons under the Code.

## **ITEM 12. BROKERAGE PRACTICES**

### **Brokerage Discretion**

Generally, NFJ Investment Group receives full discretion from its clients to choose broker-dealers through whom transactions may be executed. Some clients may, however, direct NFJ Investment Group to only use a designated broker-dealer(s), while other clients suggest that NFJ Investment Group use a designated broker-dealer(s) subject to NFJ Investment Group's ability to obtain best execution when executing a transaction with such designated broker-dealer(s).

When exercising its brokerage discretion, NFJ Investment Group maintains an Approved Broker List from which it selects broker-dealers to execute brokerage transactions. The Approved Brokers are generally evaluated annually by the portfolio managers and analysts to identify the research services provided by, or to be provided by, the Approved Brokers. Approved Brokers are also evaluated by NFJ traders for quality of execution. In addition, Compliance performs certain compliance reviews of each broker-dealer proposed for addition to the Approved Broker List and continues to monitor each broker-dealer on the Approved Broker List periodically.

When selecting a broker-dealer from the NFJ Approved Broker List, it is NFJ Investment Group's policy, consistent with investment considerations, to seek the most favorable net results under the circumstances based on the information available at the time. Such considerations take into account factors such as price, size of order (including the broker-dealer's ability to effect the transaction where a large block is involved)/market impact and commission. NFJ Investment Group will also take into account a broker-dealer's ability to discover and access markets that will yield the

best price and execution. NFJ Investment Group will also consider, among others, factors such as the broker-dealer's trading and execution, clearing and settlement capabilities, past history of prompt and reliable execution of client trades, financial stability, reputation, operational efficiency, maintenance of client confidentiality, depth of services (including research and coverage), access to markets and access to capital to accommodate trades.

Negotiated commissions take into account the difficulty involved in execution, the time taken to conclude the transaction, the extent of the broker-dealer's commitment, if any, of its own capital and the amount involved in the transaction. As more fully described below, negotiated commissions may also take into account whether or not soft dollars are generated or research services are provided by a broker-dealer.

In the selection of broker or dealers, NFJ Investment Group does not adhere to any rigid formulas but weighs a combination of the factors described above based on the information available at the time of the trade under the current circumstances. The overriding objective in the selection of broker-dealers is their ability to secure the best possible execution of orders taking into account all of the foregoing factors. "Best execution" is not synonymous with the lowest brokerage commission. Consequently, in a particular transaction a client may pay a brokerage commission in excess of that which another broker-dealer might have charged for executing the same transaction.

### **Soft Dollars - Research Products and Services**

NFJ Investment Group may place securities transactions on behalf of its clients through broker-dealers that provide NFJ Investment Group with investment research services. Such services provide assistance to NFJ Investment Group in the investment decision-making process (collectively, "Research Products and Services"). Research Products and Services include, but are not limited to, advice as to the value of securities, the advisability of investing in, purchasing or selling securities, financial publications, services providing information regarding the availability of securities and potential buyers or sellers of securities and furnishing analysis and reports concerning issuers, industries, securities, economic and political factors and trends, portfolio strategy, asset allocation, market analysis, portfolio structure, meetings with management representatives of issuers and other analysts. Research Products and Services may also include quotation services, exchange feeds, news feeds, quantitative analytical software and other research-oriented software, communications services related to the execution, clearing and settlement of securities transactions, electronic communications of allocation instructions to broker-dealers and post-trade matching. In recognition of the value of such Research Products and Services that are provided to NFJ Investment Group by a particular broker-dealer, NFJ Investment Group may, consistent with its duty to seek best execution, effect securities transactions which may cause a client to pay such broker-dealer an amount of commission in excess of the amount of commission another broker-dealer would have charged. With respect to these arrangements, NFJ Investment Group intends to comply with the "safe harbor" provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, which permits the use of commissions or "soft dollars" to obtain "brokerage and research" services. Conduct outside of the safe harbor that is afforded by Section 28(e) is subject to applicable standards of fiduciary duty under applicable law and the Advisers Act.

### **Soft Dollars - Soft Dollar Credits**

In exchange for the direction of commissions to certain broker-dealers, NFJ Investment Group may generate credits ("Soft Dollar Credits") which may be used by NFJ Investment Group to pay for the Research Products and Services provided by or paid for by such broker-dealers. This may create an incentive for NFJ Investment Group to allocate more commission business to broker-dealers who

provide Research Products and Services than to broker-dealers who only effect securities transactions. Soft Dollar Credits may be (i) used to obtain Research Products and Services that are proprietary to, and prepared by, the broker-dealer selected to effect a particular transaction generating the Soft Dollar Credits or third party Research Products and Services prepared or developed by an independent research provider or (ii) allocated to a pool of “credits” as part of a commission sharing arrangement.

### **Proprietary Research Products and Services**

A limited number of broker-dealers included on NFJ’s Approved Broker List provide proprietary research services and, when all other factors are generally considered equal, may be selected to effect transactions primarily as a result of such research services. For those broker-dealers only, NFJ Investment Group periodically projects the amount of commission dollars that represents a fair valuation for the proprietary research services NFJ Investment Group expects to receive and the traders use that amount as a minimum target for trading with such broker-dealers. NFJ Investment Group will determine the value of such proprietary Research Products and Services by taking into account the cost of similar services it uses or that are available to the industry.

### **Third Party Research Products and Services**

As noted above, NFJ Investment Group may generate Soft Dollar Credits by trading with a particular broker-dealer and use such Soft Dollar Credits to pay for Research Products and Services that are prepared or developed by independent research providers. NFJ Investment Group monitors the payments requested to be made for third party Research Products and Services relative to the trading commissions paid to the broker-dealer generating such Soft Dollar Credits.

### **Commission Sharing Arrangements**

NFJ Investment Group may, from time to time, request broker-dealers effecting transactions on behalf of its clients to allocate a portion of the commission to a pool of “credits” maintained by the introducing or executing broker-dealer from which the introducing or executing broker-dealer, at NFJ Investment Group’s direction, pays independent research providers (which may include other broker-dealers) for Research Products and Services (“Commission Sharing Arrangements”).

Commission Sharing Arrangements may be used to pay for both proprietary and third party Research Products and Services. Unlike other soft dollar arrangements, the introducing or executing broker-dealer is not required to have the prior legal obligation to pay for the Research Products and Services. Commission Sharing Arrangements help enable an investment manager to select an appropriate broker-dealer for trade execution regardless of whether or not the broker-dealer prepares or develops the Research Products and Services used by the investment manager. For example, an introducing broker-dealer may offer access to a network of many executing broker-dealers through which an investment manager can trade. Accordingly, instead of paying a broker-dealer for its research by trading with it directly, the investment manager directs the introducing or executing broker-dealer to pay the research provider from the pool of “credits” accumulated.

Because Commission Sharing Arrangements help separate the execution decision from the research decision, NFJ Investment Group believes that Commission Sharing Arrangements are another tool that can assist it in seeking to achieve best execution for clients. NFJ Investment Group will determine the value of the Research Products and Services paid for through Commission Sharing Arrangements by taking into account the cost of similar services it uses or that are available to the industry.

### **Soft Dollars - Step-Out Transactions for Research**

NFJ Investment Group may, from time to time, request broker-dealers effecting transactions on behalf of its clients to "step-out" transactions to certain other broker-dealers in order to generate Soft Dollar Credits to pay for Research Products and Services provided by or paid for by such other broker-dealers. Under a "step out" transaction, NFJ Investment Group would instruct the executing broker-dealer to arrange for the designated broker-dealer to handle clearance and settlement of the transaction for a portion of an aggregated trade. The affected clients are assessed a commission only by the broker-dealer who clears the transaction. The executing broker-dealer receives compensation in the form of commission with respect to the portion of the aggregated trade that was not "stepped out" to the designated broker-dealer.

### **Soft Dollars - Conflicts of Interest**

To the extent that NFJ Investment Group uses Soft Dollar Credits (including Commission Sharing Arrangements) to obtain Research Products and Services, NFJ Investment Group will be receiving a benefit by reason of the direction of commissions. Any such benefit may offset or reduce certain expenses for which NFJ Investment Group would otherwise be responsible for payment. NFJ Investment Group believes, however, that the acquisition of Research Products and Services provides its clients with benefits by supplementing the research and brokerage services otherwise available to NFJ Investment Group and its clients. The investment research that is provided to NFJ Investment Group by broker-dealers in connection with securities transactions is in addition to and not in lieu of the services required to be performed by NFJ Investment Group itself, and the investment management fee payable by its clients is not reduced as a result of the receipt of such supplemental information. NFJ Investment Group believes that such information is only supplemental to NFJ Investment Group's own research efforts, because the information must still be analyzed, weighed and reviewed by NFJ Investment Group.

Where NFJ Investment Group receives a Research Product or Service that may also have a non-research use, a potential conflict of interest may arise, since such Research Product or Service may directly benefit NFJ Investment Group even though it arises in connection with the Soft Dollar Credits of NFJ Investment Group's clients. In such situations, NFJ Investment Group will, on an annual basis, make a reasonable allocation of the cost of any such mixed-use Research Product or Service according to its use. The portion of the Research Product or Service that provides assistance to NFJ Investment Group in the investment decision-making process will be paid for with Soft Dollar Credits while the portion that provides administrative or other non-research assistance will be paid for by NFJ Investment Group.

The research received for a particular client's brokerage commissions may be used for the benefit of all clients whether or not such clients' commissions are used to obtain research services. For example, clients which (i) do not permit their brokerage commissions to be used to generate Soft Dollar Credits, (ii) are non-discretionary clients of NFJ Investment Group for which NFJ Investment Group does not have authority to effect transactions or (iii) have instructed NFJ Investment Group to direct all or a portion of their brokerage transactions to a designated broker-dealer may benefit from Research Products and Services even though such clients' commissions were not used to obtain Research Products and Services. Research Products and Services may also be used by NFJ Investment Group for the benefit of all or a segment of its advisory clients and not specifically for the benefit of the client account or accounts whose transactions generated the allocated commissions that were used for payment of such products or services.

### **Soft Dollars - Clients Who Prohibit Soft Dollars**

It is important to note that the commission rates paid by client accounts which prohibit the generation of Soft Dollar Credits (“Execution Only Accounts”) are not reduced below the rates paid by client accounts which generate Soft Dollar Credits. Typically, Execution Only Accounts are included in “bunched” trades effected on behalf of all client accounts buying the same security on the same day. Accordingly, notwithstanding the fact that Soft Dollar Credits are not generated from the trades effected for Execution Only Accounts, clients prohibiting Soft Dollar Credits will be paying the same commission rate paid by other clients included in the bunched trade which, as explained above, may be a higher commission rate than another broker-dealer would have charged.

In addition, any client directed prohibition against generating Soft Dollar Credits from transactions effected for such client’s account will apply to third party Research Products and Services only. Research Products and Services that are proprietary to a broker-dealer and bundled with other brokerage services (“Bundled Services”) are usually obtained by effecting transactions directly through the particular broker-dealer providing the Bundled Services and not as a result of paying a specified fee (or effecting a minimum volume of trades) as is typical in third party soft dollar arrangements. Therefore, in the case of Bundled Services, there is no practical way to prevent the Execution Only Accounts in a bunched trade from generating Soft Dollar Credits which help NFJ Investment Group gain access to Bundled Services without removing such Execution Only Accounts from the applicable bunched trades. As noted under “Trade Allocations; Aggregation of Orders” below, NFJ Investment Group will normally seek to bunch trades since it believes that bunched trades generally benefit its clients as a whole over time.

### **Soft Dollars - Soft Dollar Reports**

NFJ Investment Group provides soft dollar reports to clients upon request which typically only include the percent of trades or commissions which generate Soft Dollar Credits for the payment of third party Research Products and Services provided through a soft dollar arrangement with a broker-dealer. Such reports generally do not include commissions paid to a broker-dealer in connection with Bundled Services.

### **Soft Dollars – Annual Review of Soft Dollars and Soft Dollar Brokers**

New Research Products and Services are approved by the Compliance Department and reported to the Best Execution Committee at its next meeting. Any new mixed-use service is approved by the Compliance Department and also reported to the Best Execution Committee. The Best Execution Committee normally conducts an annual review of soft dollars including a review of the allocation between hard and soft dollars for mixed-use Research Products and Services (which allocation is determined for each mixed-use Research Product and Service only on an annual basis). If a broker-dealer provides NFJ Investment Group Research Products and Services as well as execution, then at least annually, the portfolio managers and analysts will identify the research services provided by (or to be provided by) such broker-dealer. In addition, at least annually, the trading team evaluates the quality of the execution services provided by such broker-dealers. In addition, a limited number of broker-dealers may be selected to effect transactions for clients primarily as a result of proprietary research services provided by them (when all other factors are generally considered equal). For those broker-dealers only, a minimum target for the amount of commission dollars that are appropriate for the proprietary research services expected to be received will be determined by NFJ Investment Group. This minimum target and each service paid through a Commission Sharing Arrangement will be valued taking into account the cost of similar services NFJ Investment Group uses or that are available to the industry and, on an annual basis, reviewed by the Best Execution

Committee. Please also see “Brokerage- Soft Dollars- Soft Dollar Credits and Conflicts of Interest” above.

### **Client Directed Brokerage**

In certain relationships, a client may wish to retain discretion over the broker-dealer selection and perhaps the commission rate for purposes of executing either a portion of the transactions or all of the transactions to be effected by NFJ Investment Group for such client account(s). When a client instructs NFJ Investment Group to direct a portion of the securities transactions for its account to a designated broker-dealer, the client has made a decision to retain some control over broker-dealer selection and services. In particular, NFJ Investment Group treats the direction as a decision by the client to retain, to the extent of the direction, the discretion that NFJ Investment Group otherwise would be given by the client to select broker-dealers to effect transactions and the other terms of the trade for the client’s account. In such cases, the directing client, not NFJ Investment Group, has negotiated the selection of the designated broker-dealer(s), execution quality, and services or other benefits to be received, and it is solely the client’s responsibility to satisfy itself concerning the adequacy of all of those arrangements. In some cases, the client may have also negotiated the commissions charged by the designated broker-dealer. A client that is considering a directed brokerage arrangement should consider carefully whether the designated broker-dealer’s commissions, execution, clearance and settlement capabilities, and whether any fees or service or other benefits to be paid or provided by the broker-dealer to the client, will be comparable to the terms that NFJ Investment Group or the client could obtain without directed brokerage.

Although NFJ Investment Group understands that clients may have a desire to use brokerage commissions to pay consultants and/or vendors which provide services to the client, as a matter of general policy, NFJ Investment Group seeks to limit the amount of client directed brokerage arrangements because there are potential adverse trading effects in any client-directed brokerage arrangement, including additional costs to the client and adverse effect on account performance.

NFJ Investment Group may wish to take advantage of opportunities to obtain favorable execution from a non-designated broker-dealer for the benefit of accounts that are not restricted from using such a broker-dealer and aggregate such clients' orders. For this and other reasons, NFJ Investment Group may execute trade orders for clients that direct the use of a particular broker-dealer after the completion of trades for other accounts that do not impose such restrictions. This could have potential adverse effects on such later-executed trades because of changes that may occur in the market price for affected securities or other changes, particularly in volatile markets.

Clients have the obligation to comply with any laws and regulations regarding their directed brokerage arrangements, and to disclose any directed brokerage arrangements to any and all other affected persons as appropriate. NFJ Investment Group cannot accept responsibility for any liabilities that a client or any other party may incur as a result of participating in a directed brokerage arrangement initiated by the client.

There are two different types of directed brokerage: client fully directed brokerage and client suggested brokerage.

### **Client Fully Directed Brokerage**

For clients that provide instructions whereby the client fully retains trading authority that NFJ Investment Group would otherwise have to select broker-dealers and negotiate commissions with such broker-dealers on such client’s behalf, NFJ Investment Group will follow the client’s direction

to use the designated broker-dealer even when it might be able to obtain a more favorable price and execution from another broker-dealer for a transaction on behalf of such client's account. Those clients who direct brokerage should consider the following:

NFJ Investment Group will not negotiate brokerage commissions with respect to transactions executed by the designated broker-dealer for the client's account. Orders for clients that direct brokerage may be placed separately from and after the completion of orders for non-directed account. To the extent that orders for such client accounts are placed after the orders for other investment management clients, the price of the securities purchased or sold for such client accounts may be adversely affected.

A client that directs brokerage may forego any benefit from savings on execution costs that NFJ Investment Group could obtain for its clients through negotiating volume commission discounts on aggregated transactions. As a result of the foregoing, a client that directs brokerage may not receive best execution on transactions effected through the designated broker-dealer. As a result of these considerations, directed brokerage accounts may not generate returns equal to those of non-directed accounts. In addition, conflicts may arise between the client's interest in receiving best execution on transactions effected for the client's account and NFJ Investment Group's interest in receiving client referrals from the specific broker-dealer.

In general, fully directed client brokerage must be 100% directed to one broker-dealer. NFJ Investment Group requires clients to notify NFJ Investment Group in writing if the client wants to change its designated broker-dealer. In agreeing to follow a client's directed brokerage instruction, NFJ Investment Group understands and is relying on the fact that it is the client's responsibility to ensure that (i) all services provided by the designated broker-dealer will solely benefit the client's account and using the designated broker-dealer is in the best interest of the account taking into consideration the services provided and (ii) the brokerage direction will not conflict with any fiduciary obligations of the persons acting for the client's account and if the account is subject to the provisions of ERISA, such direction will not cause the plan to engage in a prohibited transaction under ERISA.

NFJ Investment Group requires clients who direct brokerage to acknowledge in writing the considerations described above.

### **Client Suggested Brokerage**

For clients that provide NFJ Investment Group with "suggested" brokerage instructions (subject to NFJ Investment Group's obligation to seek best execution), NFJ Investment Group will treat the client's direction to use the designated broker-dealer for their account's securities transactions as a suggestion for the selection of the broker-dealers that NFJ Investment Group would otherwise have the discretion to select and with which NFJ Investment Group would normally negotiate commissions pursuant to the discretionary authority granted to NFJ Investment Group under the investment management agreement with the client. If a client suggests NFJ Investment Group direct a portion of its securities transactions to a designated broker-dealer in return for the broker-dealer providing services directly to the client or paying certain expenses of the client (including any zero cent commission arrangements), NFJ Investment Group will generally limit the suggested brokerage to approximately 30% of total shares executed for the client's account on an annual basis to protect trade execution quality for the directing client as well as other clients (the "NFJ Suggested Brokerage Target") if (i) no specific brokerage allocation targets are set by the client or (ii) the client designates a specific target. The Suggested Brokerage Target is approximately the maximum

amount of suggested brokerage that NFJ Investment Group believes it can achieve in most situations while also seeking best execution assuming the brokerage direction is in place for the entire calendar year. NFJ Investment Group will periodically review the NFJ Suggested Brokerage Target to see if circumstances in the market warrant raising or lowering the threshold.

In situations where NFJ Investment Group believes that the designated broker-dealer can provide best execution on a particular securities transaction, NFJ Investment Group will use its best efforts to meet the client's brokerage selection criteria, up to the NFJ Suggested Brokerage Target. If a client specifies a suggested brokerage target that is greater than the NFJ Suggested Brokerage Target, NFJ Investment Group will use its best efforts to meet the Suggested Brokerage Target and to also accommodate the client's higher suggested direction as feasible. The ability to do so is affected by various factors, including but not limited to cash flow in the account. NFJ Investment Group, however, may not be able to meet the NFJ Suggested Brokerage Target or the client directed suggestion in all cases. If the broker-dealer is an entity with whom NFJ Investment Group typically executes large volumes of securities transactions for its clients, there is an increased likelihood that the client's target may be met.

In the case of both client "directed" and client "suggested" brokerage, NFJ Investment Group may use "step out" transactions in certain circumstances to seek to meet the client's brokerage criteria. As also noted under "Brokerage – Step-Out Transactions for Research" above, in a step-out, NFJ Investment Group would instruct the executing broker-dealer to arrange for the designated broker-dealer to handle clearance and settlement of the transaction for a portion of an aggregated trade. The affected clients are assessed a commission only by the broker-dealer who clears the transaction. The executing broker-dealer receives compensation in the form of commission with respect to the portion of the aggregated trade that was not "stepped out" to the designated broker-dealer. The use of step-out trades can, in some instances, help ensure that clients that seek to direct brokerage are not disadvantaged by the inability to participate in aggregated transactions. However, step-out trades are an accommodation by the executing broker-dealer and therefore, step-out trades will not be available in all circumstances to satisfy requests for directed brokerage.

### **Trade Allocations; Aggregation of Orders**

NFJ Investment Group's trade allocation policy is designed to ensure fair and equitable allocation of investment opportunities among accounts over time. Accounts are treated in a non-preferential manner, such that allocations are not based upon account performance, fee structure or portfolio manager preference.

Transactions for client accounts may be completed independently of one another or when possible, client orders for the same security may be combined or "bunched" to facilitate best execution, to reduce any instances of competing against any of NFJ Investment Group's orders for other client accounts and to reduce brokerage commissions and other costs. While NFJ Investment Group believes that the ability to bunch trades will in general benefit its clients as a whole over time, in any particular instance, such bunching may result in a less favorable price or execution than might have been obtained if a particular transaction had been effected on an unaggregated basis. NFJ Investment Group generally effects bunched transactions in a manner designed to ensure that no participating client is favored over any other client. Specifically, each client that participates in a bunched transaction will participate at the average share price for all of the transactions in that bunched order. Securities that are purchased or sold in a bunched transaction are generally allocated, when possible, on a pro-rata basis to the participating client accounts in proportion to the size of the order placed for each account. However, NFJ Investment Group may allow a de minimis

order to participate in a bunched transaction on a priority, non-pro rata basis if NFJ Investment Group believes that such order, if traded prior to the bunched order, would have been unlikely to affect the market price of the security being traded. NFJ Investment Group may also, prior to or at the same time as effecting a bunched order for a security, trade de minimis orders for that security if NFJ Investment Group believes that such trades are unlikely to affect the market price of the security. This may happen, for example, in the case of rebalancing orders or orders attributable to contributions to an account, but is not limited to such reasons. A de minimis order traded at the same time as a bunched order may be adversely affected by the bunched order transaction. In addition, in connection with a trade resulting from a client mandated withdrawal, NFJ Investment Group may either allow such trade to participate in a bunched transaction for the sale of a security on a priority, non-pro-rata basis or effect such trade prior to or at the same time as effecting a bunched order for that security. Such a trade which is effected prior to a bunched order or participates in a bunched order on a priority basis could adversely affect the trades implemented or allocated afterwards and such a trade which is effected at the same time as a bunched order could be adversely affected by the bunched order transaction.

Furthermore, NFJ Investment Group may increase or decrease the amount of shares allocated to each account if necessary to avoid purchasing odd-lot or small numbers of shares for particular clients. Additionally, if NFJ Investment Group is unable to fully execute a bunched transaction and therefore determines that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a pro-rata basis, NFJ Investment Group may allocate such securities in a manner determined in good faith to be a fair allocation.

### **Allocation of Secondary Offerings**

NFJ Investment Group does not currently purchase securities in IPOs for its clients. However, NFJ Investment Group may invest in securities in secondary offerings. NFJ Investment Group typically allocates shares in secondary offerings on a pro-rata basis across the participating accounts in proportion to the size of the order placed for each participating account. However, in certain circumstances, where there is a limited number of shares available in a secondary offering, NFJ Investment Group may not acquire sufficient shares to prudently allocate a secondary offering across all accounts. In such case, NFJ Investment Group may attempt to obtain additional shares in the open market on the same day to fill its order. If NFJ Investment Group is able to do so, it will aggregate the secondary offering order and the open market trade for purposes of allocating shares on a pro rata basis across the participating accounts and each participating account will be charged the average price of the security and pay for its pro rata share of expenses. Alternatively, in the event NFJ Investment Group has not obtained sufficient shares to prudently allocate a secondary offering across all accounts, NFJ Investment Group may allocate such shares in a manner reasonably designed to ensure that accounts are treated in a fair and equitable manner over time such as the random assignment of such shares to one or more accounts. In addition, certain client accounts, such as the accounts of AGI Managed Accounts' wrap-fee clients and Direct Clients, may be restricted from participating in a secondary offering based on client mandates (i.e., a client which restricts investments in new issues or a client who directs all of the account's securities transactions to a designated broker-dealer). This may also factor into the allocation process.

### **Trade Execution – Discretionary vs. Non-Discretionary**

NFJ may provide non-discretionary investment recommendations to other advisers, including affiliated advisers, who may or may not utilize such recommendations in connection with its management. These advisers may initiate trading based on NFJ's recommendations at the same time NFJ is also trading for its discretionary client accounts. This could result in NFJ's discretionary

clients receiving prices that are less favorable than might otherwise have been obtained absent an adviser's trading activity. Because NFJ does not control an adviser's execution of transactions for the adviser's client accounts, NFJ cannot control the market impact of such transactions to the same extent that it would for its discretionary client accounts. There are some instances, however, when NFJ Trading may aggregate certain orders in an effort to lessen market impact.

### **Managed Accounts/Wrap-Fee Programs**

As described in Item 4, NFJ Investment Group provides non-discretionary advisory services to AllianzGI US, an affiliated investment adviser, through the delivery of proprietary investment models based on investment style and the composition of the investment portfolios of its discretionary accounts. After receipt of the model, AllianzGI US has discretion how to apply the model to their discretionary and non-discretionary portfolios. When NFJ changes an investment model, this changes the composition of their discretionary accounts. NFJ Investment Group will deliver changes in investment models to AllianzGI US on or around the same time it makes changes to the composition of the investment portfolios of its discretionary accounts. This could result in NFJ Investment Group and AllianzGI US trying to fill orders on identical securities in the market place at the same time.

In the event that NFJ Investment Group acts as a sub-adviser to non-affiliated third parties in connection with managed account/wrap account programs, NFJ will typically agree in writing with the sponsor of such programs that notification of recommendations to such sponsor will be made after the execution of trades for all of NFJ Investment Group discretionary clients and AllianzGI US. It is also possible that NFJ Investment Group and such non-affiliated third parties may agree to a different rotation methodology for notification of recommendations.

### **Use of Affiliate Adviser Trading Desk**

As noted in Item 10, NFJ Investment Group's affiliate adviser AllianzGI US provides certain trading services to NFJ Investment Group. In instances where NFJ Investment Group determines it may be in the best interest of its clients to do so, NFJ Investment Group may send trade orders to AllianzGI US' trading desk(s) to facilitate such transactions. For example, to facilitate orders for securities which trade in the foreign markets, if NFJ Investment Group believes AllianzGI US' traders responsible for trading overnight in such markets may achieve better price and/or execution, NFJ Investment Group may send such orders to AllianzGI US for execution assistance. In such instances, the AllianzGI US traders would work the orders with local non-U.S. (NFJ Investment Group-approved) brokers for execution.

When NFJ Investment Group sends trade orders to AllianzGI US to facilitate on behalf of NFJ Investment Group's clients as described above, a conflict of interest may occur at AllianzGI US in limited instances where an order for AllianzGI US accounts and an order for NFJ Investment Group accounts are open concurrently on the same trading desk in the same name security. Such transactions are handled in accordance with AllianzGI US' trade allocation policies and procedures which are analogous to those of NFJ Investment Group and are designed to achieve fair and equitable allocation of investment opportunities among accounts over time. NFJ Investment Group monitors such trading activities of AllianzGI US to ensure NFJ Investment Group is meeting its obligations including those of best execution and to ensure its clients are being treated fairly and equitably. In addition, employees of AllianzGI US responsible for trading on behalf of NFJ client accounts are considered "Access Persons" under the Allianz Asset Management of America L.P. Code of Ethics, which covers both AllianzGI US and NFJ Investment Group and is described in detail above in Item 11.

## **ITEM 13. REVIEW OF ACCOUNTS**

### **Review of Accounts**

Portfolio managers are primarily responsible for reviewing each of their accounts on a continuous basis. If a client changes its investment objectives or its financial needs change, NFJ Investment Group will review the account to determine if the account's investment strategy needs modification and to review the impact or potential impact on the account. Any significant development affecting the portfolio structure or a security held for the account will also trigger a review. In addition, NFJ Investment Group will conduct a review of potentially affected client holdings when significant domestic or world events occur. In all such instances, accounts are reviewed to determine potential impact on an account's value and whether any modification of strategies is necessary. Please see NFJ Investment Group's Brochure Supplements for a list of NFJ Investment Group's portfolio managers who have primary responsibility for reviewing designated client accounts.

To assist portfolio managers with monitoring client investment guidelines and objectives, NFJ Investment Group has implemented a software package that is designed to automatically detect and prevent breaches of certain client, regulatory and management investment restrictions on a pre-trade (real time) and post-trade basis (daily). Through an interface with NFJ Investment Group's trading system, both pre-trade security transactions and post-trade account holdings are checked against the restrictions coded for its client accounts (including prospectus and statement of additional information requirements). The system also has the ability to automate testing of certain regulatory rules, including the Investment Company Act and the Internal Revenue Code/Subchapter M/Subchapter L. However, not all client or regulatory restrictions can be monitored by the system. Such restrictions are primarily monitored by the applicable portfolio manager.

The Compliance Department of NFJ Investment Group reviews the pre-trade activity and post-trade portfolio compliance results for all NFJ Investment Group client accounts on a daily basis. Compliance testing of post-trade holdings is run via an overnight scheduler and the results are reviewed daily by the Compliance Department and, where necessary, investment personnel. Any potential violation that is detected will be brought to the prompt attention of the portfolio manager (or designated back-up) and if applicable, the client.

### **Reports to Clients**

NFJ Investment Group's separate account clients are provided with quarterly transaction reports and performance summaries. The reports will show all purchases and sales of securities made during the reporting period (market price, total cost/proceeds, original unit cost and realized gain/loss on sales) and include a summary of investments in the portfolio (unit cost, total cost, market price and total market value). In addition, NFJ Investment Group provides certain clients with incremental oral or written reports as agreed upon at the outset of the client relationship. In addition, NFJ Investment Group provides compliance and other reports requested by the Board of Directors of the Mutual Funds and Closed-End Funds it sub-advises.

## **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

NFJ Investment Group may, from time to time, compensate third-party solicitors with respect to solicitation activities in accordance with Rule 206(4)-3 under the Advisers Act. Consequently, persons introducing new client accounts to NFJ Investment Group may receive a portion of the management fee generated by the account. The portion of the fee paid and the length of time for

which such fee is paid will vary on a case by case basis. Such compensation arrangements will be disclosed to NFJ Investment Group clients at the time of solicitation or referral as required by applicable law and regulations.

#### **ITEM 15. CUSTODY**

NFJ Investment Group does not maintain physical custody of client assets. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. NFJ Investment Group urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **ITEM 16. INVESTMENT DISCRETION**

NFJ Investment Group generally receives investment discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Such authority is typically documented in an advisory or sub-advisory agreement. In all cases, such discretion is exercised in a manner consistent with seeking best execution and the stated investment objectives for the client's account. NFJ Investment Group also generally will receive discretionary authority to determine the brokers used and the commissions paid. In all such relationships, NFJ Investment Group will make investment decisions and direct the execution of all transactions without prior consultation with the client. Investment guidelines and restrictions must be provided NFJ Investment Group in writing.

Certain clients, however, may retain NFJ Investment Group on a non-discretionary basis. When NFJ Investment Group is retained on a non-discretionary basis, it makes recommendations for the client's account but all investment decisions are made by the client and account transactions are executed only in accordance with the applicable investment management agreement.

#### **ITEM 17. VOTING CLIENT SECURITIES**

NFJ Investment Group may be granted by its clients the authority to vote proxies of the securities held in client accounts. To ensure that the proxies are voted in the best interests of its clients, NFJ Investment Group has adopted detailed proxy voting procedures and has guidelines for voting proxies on specific types of issues. NFJ Investment Group typically votes proxies as part of its discretionary authority to manage accounts, unless the client has explicitly reserved the authority for itself. When voting proxies, NFJ Investment Group's primary objective is to make voting decisions solely in the best interests of its clients by voting proxies in a manner intended to enhance the economic value of the underlying portfolio securities held in its clients' accounts.

NFJ Investment Group has adopted written Proxy Policy Guidelines and Procedures (the "Proxy Guidelines") that are reasonably designed to ensure that NFJ Investment Group is voting in the best interest of its clients. The Proxy Guidelines reflect NFJ Investment Group's general voting positions on specific corporate governance issues and corporate actions. NFJ Investment Group has retained an independent third party service provider (the "Proxy Provider") to assist in the proxy voting process (including the administrative process). The services provided offer a variety of proxy related services to assist in NFJ's handling of proxy voting responsibilities.

The Proxy Guidelines also provide for oversight of the proxy voting process by a Proxy Committee. The Proxy Committee meets at a minimum on a quarterly basis and when necessary to address potential conflicts of interest that can affect how it votes its clients' proxies. For example, NFJ Investment Group may manage a pension plan whose management is sponsoring a proxy proposal relating to a security held in its clients' accounts. In order to ensure that all material conflicts of interest are addressed appropriately while carrying out NFJ Investment Group's obligation to vote proxies, the Proxy Committee is responsible for overseeing a process to identify proxy voting issues that may raise conflicts of interest between NFJ Investment Group and its clients and to resolve such issues. Any deviations from the Proxy Guidelines will be documented and maintained in accordance with Rule 204-2 under the Advisers Act.

The Proxy Committee's duties also include monitoring the outsourcing of voting obligations to the Proxy Provider and NFJ Investment Group's proxy voting recordkeeping practices; developing a process for resolution of voting issues that require a case-by-case analysis; and, to the extent the Proxy Guidelines do not cover potential proxy voting issues, determining a process for voting such issues. The Proxy Committee will review, at least annually, the services provided by the Proxy Provider and all proxy voting processes and procedures and will update or revise them as necessary. To the extent the client instructs NFJ Investment Group to direct voting on a particular issue, the Proxy Committee shall evaluate such request on a case-by-case basis.

In accordance with the Proxy Guidelines, NFJ Investment Group may review additional criteria associated with voting proxies and evaluate the expected benefit to its clients when making an overall determination on how or whether to vote the proxy. NFJ Investment Group may vote proxies individually for an account or aggregate and record votes across a group of accounts, strategy or product. NFJ Investment Group may abstain or refrain from voting a client proxy on behalf of its clients' accounts under certain circumstances. These include when (i) the economic effect on shareholder's interests or the value of the portfolio holding is indeterminable or insignificant; (ii) voting the proxy would unduly impair the investment management process; or (iii) the cost of voting the proxies outweighs the benefits or is otherwise impractical. In addition, NFJ Investment Group may refrain from voting a proxy on behalf of its clients' accounts due to de minimis holdings, de minimis impact on the portfolio, items relating to non-U.S. issuers (such as those described below), timing issues related to the opening/closing of accounts or security lending issues (see below), contractual arrangements with clients and/or their authorized delegates or the failure of a proxy to provide sufficient information to allow for informed decision making. For example, NFJ Investment Group may refrain from voting a proxy of a non-U.S. issuer due to logistical considerations that may have a detrimental effect on the NFJ Investment Group's ability to vote the proxy. These issues may include, but are not limited to: (i) proxy statements and ballots being written in a foreign language, (ii) untimely notice of a shareholder meeting, (iii) requirements to vote proxies in person, (iv) restrictions on non-U.S. person's ability to exercise votes, (v) restrictions on the sale of securities for a period of time in proximity to the shareholder meeting (e.g. share blocking), or (vi) requirements to provide local agents with power of attorney to facilitate the voting instructions. Such proxies are voted on a best-efforts basis.

Registered investment companies that are advised or sub-advised by NFJ Investment Group as well as certain other advisory clients may participate in securities lending programs. Under most securities lending arrangements, securities on loan may not be voted by the lender unless the loan is recalled prior to the record date for the vote. NFJ Investment Group believes that each client has the right to determine whether participating in a securities lending program enhances returns, to contract with the securities lending agent of its choice and to structure a securities lending program

through its lending agent that balances any tension between loaning and voting securities in a manner that satisfies such client. NFJ Investment Group will request that clients notify NFJ Investment Group in writing if the client has decided to participate in a securities lending program. If a client has decided to participate in a securities lending program, NFJ Investment Group will defer to the client's determination and not attempt to seek recalls solely for the purpose of voting routine proxies as this could impact the returns received from securities lending and make the client a less desirable lender in the marketplace. If the client who participates in a securities lending program requests, NFJ Investment Group will use reasonable efforts to request the client recall the loaned securities for voting if NFJ has knowledge that the proxy involves a Material Event (as defined below) affecting the loaned securities.

Material Event for purposes of determining whether a recall of a security is warranted, means a proxy that relates to a merger, acquisition, spin-off or other similar corporate action. The Proxy Committee will review the standard for determination of a Material Event from time to time and will adjust the standard as it deems necessary. NFJ may utilize a Proxy Provider, in its sole discretion, to assist it in identifying and evaluating whether an event constitutes a Material Event.

The ability to timely recall shares for proxy voting purposes is not within the control of NFJ Investment Group and requires the cooperation of the client and its other service providers. Under certain circumstances, the recall of shares in time to be voted may not be possible due to applicable proxy voting record dates, the timing of receipt of information and administrative considerations. Efforts to recall loaned securities are not always effective and there can be no guarantee that any such securities can be retrieved in a timely manner for purposes of voting the securities.

To obtain a copy of the Policy Guidelines or to obtain information on how your account's securities were voted, please contact your account representative at NFJ Investment Group.

#### **ITEM 18. FINANCIAL INFORMATION**

NFJ Investment Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

#### **ITEM 19. PRIVACY POLICY**

NFJ Investment Group considers customer privacy to be a fundamental aspect of our relationship with clients. NFJ Investment Group is committed to maintaining the confidentiality, integrity, and security of our current, prospective and former clients' personal information. NFJ Investment Group has developed policies designed to protect this confidentiality, while allowing client needs to be served.

In the course of providing its clients with products and services, NFJ Investment Group may obtain non-public personal information about them. This information may come from sources such as account applications and other forms, from other written, electronic or verbal correspondence, from the client's transactions, from the client's brokerage or financial advisory firm, financial adviser or consultant, and/or from information captured on our internet web sites.

NFJ Investment Group does not disclose any personal or account information provided by its clients or gathered by it to non-affiliated third parties, except as required or permitted by law or as

otherwise described in this Form ADV. NFJ Investment Group may delegate investment management responsibilities to other of its non-investment management affiliates and share information with them to the extent necessary to accomplish these limited purposes. As is common in the industry, non-affiliated companies may from time to time be used to provide certain services, such as preparing and mailing prospectuses, reports, account statements and other information, conducting research on client satisfaction, and gathering shareholder proxies. NFJ Investment Group may also retain non-affiliated companies to market its products and enter into joint marketing agreements with other companies. These companies may have access to NFJ Investment Group clients' personal and account information, but are permitted to use the information solely to provide the specific service or as otherwise permitted by law. NFJ Investment Group may also provide clients' personal and account information to their brokerage or financial advisory firm and/or to their financial adviser or consultant.

NFJ Investment Group reserves the right to disclose or report personal information to non-affiliated third parties in limited circumstances where it believes in good faith that disclosure is required under law, to cooperate with regulators or law enforcement authorities, to protect its rights or property, or upon reasonable request by any mutual fund in which the client has chosen to invest. In addition, NFJ Investment Group may disclose information about its clients or their accounts to a non-affiliated third party at the client's request or if the client consents in writing to the disclosure.

NFJ Investment Group may share client information with its affiliates in connection with servicing client accounts or to provide clients with information about products and services that NFJ Investment Group believes may be of interest to them. The information we share may include, for example, client participation in our mutual funds or other investment programs, client ownership of certain types of accounts (such as IRAs), or other data about clients' accounts. NFJ Investment Group affiliates, in turn, are not permitted to share clients' information with non-affiliated entities, except as required or permitted by law.

NFJ Investment Group takes seriously the obligation to safeguard its clients' non-public personal information, and has implemented procedures designed to restrict access to their non-public personal information to its personnel who require that information to provide products or services to them. NFJ Investment Group has established physical, electronic, and procedural safeguards in order to protect its clients' non-public personal information.

# NFJ Investment Group LLC

2100 Ross Avenue, Suite 700  
Dallas, TX 75201  
(800) 768-3219

## Form ADV Part 2B Brochure Supplement March 31, 2013

This brochure supplement provides information about Supervised Persons of NFJ Investment Group LLC (“NFJ Investment Group”) that supplements the NFJ Investment Group brochure. You should have received a copy of that brochure. Please contact your client service representative if you did not receive NFJ Investment Group’s brochure or if you have any questions about the contents of this supplement.



## Ben J. Fischer

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Ben J. Fischer, CFA (1941)

*Managing Director, Portfolio Manager/Analyst*

Mr. Fischer is a founding partner of NFJ Investment Group. He has over 47 years experience in portfolio management, investment analysis and research. Mr. Fischer is a member of the Allianz Global Investors US LLC (“AGI US”) Executive Committee, NFJ Investment Group’s parent company, and is currently the style lead for the Dividend Value and International Value investment strategies and a style co-lead for the All Cap Value investment strategy. Prior to founding NFJ in 1989, he was Chief Investment Officer (institutional and fixed income), senior vice president and senior portfolio manager at NationsBank which he joined in 1971. Prior to joining NationsBank, Mr. Fischer was a securities analyst at Chase Manhattan Bank and Clark, Dodge. He received his BA degree in Economics and a JD degree from Oklahoma University, and an MBA from New York University.

Please refer to the descriptions of the professional designations listed at the end of this document.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

### ITEM 6. SUPERVISION

NFJ Investment Group supervises and monitors the advice its portfolio managers provide to clients through regular reviews of client trading and positions for adherence to client investment guidelines and NFJ Investment Group’s internal policies and procedures. This supervision and monitoring is accomplished in part through certain committees, compliance review, and through day-to-day oversight by the senior members of the NFJ investment team. In addition, Andreas Utermann, Global Chief Investment Officer of Allianz Global Investors, has certain oversight responsibilities for the NFJ Investment Group investment team.

## Paul A. Magnuson

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Paul A. Magnuson (1962)

*Managing Director, Portfolio Manager/Analyst*

Mr. Magnuson has over 28 years of experience in equity analysis and portfolio management. Mr. Magnuson is currently the style lead for the NFJ Small Cap Value and NFJ Mid Cap Value 100 investment strategies. Prior to joining NFJ Investment Group, an advisory affiliate of AGI US, in 1992, he was an assistant vice president at NationsBank which he joined in 1985. Mr. Magnuson earned his B.B.A. degree in Finance from the University of Nebraska.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

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## Thomas W. Oliver

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Thomas W. Oliver, CFA, CPA (1971)

*Managing Director, Portfolio Manager/Analyst*

Mr. Oliver has over 18 years of experience in accounting, reporting, and financial analysis.

Mr. Oliver is currently the style lead for the NFJ Large Cap Value and NFJ Mid Cap Value investment strategies and a style co-lead for the NFJ All Cap Value investment strategy. Prior to joining NFJ Investment Group, an advisory affiliate of AGI US, in 2005, Mr. Oliver was a manager of corporate reporting at Perot Systems Corporation which he joined in 1999. He began his career as an auditor with Deloitte & Touche in 1995. Mr. Oliver earned his B.B.A. and M.B.A. degrees from the University of Texas.

Please refer to the descriptions of the professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

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## R. Burns McKinney

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

R. Burns McKinney, CFA (1973)

*Managing Director, Portfolio Manager/Analyst*

Mr. McKinney has 16 years of experience in equity research, financial analysis, and investment banking. Mr. McKinney is currently the style lead for the NFJ Global Dividend Value investment strategy. Prior to joining NFJ Investment Group, an advisory affiliate of AGI US, in 2006, Mr. McKinney was an equity analyst covering the energy sector for Evergreen Investments in Boston. He began his career as an investment banking analyst at Alex. Brown & Sons in 1996. Prior to attending business school, he served as a Vice President in equity research at Merrill Lynch in New York, and also worked as an equity analyst at Morgan Stanley. Mr. McKinney earned his M.B.A. from the Wharton School of Business and his B.A. in Economics from Dartmouth College.

Please refer to the descriptions of the professional designations listed at the end of this document.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

Registered representative of affiliated broker-dealer, Allianz Global Investors Distributors LLC.

### ITEM 5. ADDITIONAL COMPENSATION

There is no information to report under this Item.

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## Morley D. Campbell

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Morley D. Campbell, CFA (1981)

*Managing Director, Portfolio Manager/Analyst*

Mr. Campbell has over nine years of experience in investment and financial analysis. Mr. Campbell is currently the style lead for the NFJ Emerging Market Value investment strategy and has portfolio management and research responsibilities for the NFJ Small Cap Value and NFJ Mid Cap Value 100 investment strategies. Prior to joining NFJ Investment Group, an advisory affiliate of AGI US, in 2007, he was an investment banking analyst for Lazard Frères and Merrill Lynch. Mr. Campbell earned his M.B.A. from Harvard Business School and his B.B.A. degree in Finance from the University of Texas

Please refer to the descriptions of the professional designations listed at the end of this document.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this Item.

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## L. Baxter Hines

### **ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

L. Baxter Hines, CFA (1980)

*Director, Portfolio Manager/Analyst*

Mr. Hines has over eight years of experience in equity research and investment consulting. Mr. Hines is currently the style team lead for the NFJ International Value II and NFJ International Small Cap Value investment strategies and has portfolio management and research responsibilities for the NFJ Dividend Value, NFJ Global Dividend Value and NFJ International Value investment strategies. Prior to joining NFJ Investment Group, an advisory affiliate of AGI US, in 2008, he was with the Teacher Retirement System of Texas and as a market data specialist for Reuters. Mr. Hines earned his M.B.A. from the University of Texas, McCombs School of Business and his B.A. degree in Economics from the University of Virginia.

### **ITEM 3. DISCIPLINARY INFORMATION**

There is no information to report under this Item.

### **ITEM 4. OTHER BUSINESS ACTIVITIES**

There is no information to report under this Item.

### **ITEM 5. ADDITIONAL COMPENSATION**

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## Jeff N. Reed

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

Jeff N. Reed, CFA (1980)  
*Director, Portfolio Manager/Analyst*

Mr. Reed has over nine years of experience in investment and financial analysis and has portfolio management and research responsibilities for the NFJ Large Cap Value, NFJ Dividend Value, NFJ All Cap Value, NFJ Mid Cap Value, and NFJ Mid Cap Value 100 investment strategies. Prior to joining NFJ Investment Group, an advisory affiliate of AGI US, in 2007, he was a credit analyst at Frost Bank. Mr. Reed earned his M.B.A. from the University of Texas and his B.B.A. degree in Finance from Texas Christian University.

Please refer to the descriptions of the professional designations listed at the end of this document.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

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## John R. Mowrey

### ITEM 2. EDUCATION BACKGROUND AND BUSINESS EXPERIENCE

John R. Mowrey, CFA (1983)

*Vice President, Portfolio Manager/Analyst*

Mr. Mowrey has over six years of experience in the investment industry and has portfolio management and research responsibilities for the NFJ International Value, NFJ Small Cap Value, NFJ Global Dividend Value, NFJ International Small Cap Value, NFJ Dividend Value and NFJ Emerging Market Value strategies. Mr. Mowrey joined NFJ Investment Group, an advisory affiliate of AGI US, in 2007, as a quantitative-research assistant and product specialist. Mr. Mowrey earned his M.B.A. from Southern Methodist University and has a B.A. in political science from Rhodes College.

Please refer to the descriptions of the professional designations listed at the end of this document.

### ITEM 3. DISCIPLINARY INFORMATION

There is no information to report under this Item.

### ITEM 4. OTHER BUSINESS ACTIVITIES

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## Description of Professional Designations

### **CHARTERED FINANCIAL ANALYST (CFA)**

The CFA designation is a professional certification offered by the CFA Institute to financial analysts who pass each of three six-hour exams, possess a bachelor's degree or equivalent, and have 48 months of qualified professional work experience. The CFA Institute determines the passing score of the exams each year.

### **CERTIFIED PUBLIC ACCOUNTANT (CPA)**

Requirements vary by state, but generally, in order to obtain the CPA designation applicants must pass the Uniform CPA Exam, gain relevant work experience and meet educational requirements including 24-30 semester hours in accounting, earned through a graduate or bachelor's degree in business. Many states also require a minimum number of one to two years accounting and/or auditing experience. Aside from the experience requirements, a CPA license usually takes about 18 months to complete beyond the educational requirements. The Uniform CPA Exam is a 14-hour computerized exam consisting of four sections including Auditing and attestation; financial accounting and reporting; regulation; and business environment and concepts.