ALLIANZ EURO HIGH YIELD

Prospectus

Date of authorisation: 9 March 1993
Publication date: 22 August 2022

Allianz Global Investors

Important Information

Investment Restrictions applicable to «US Person»

The Fund is not and will not be registered in the United States of America under the United States Investment Company Act of 1940 as amended. Units in the Fund have not been and will not be registered in the United States of America pursuant to the United States Securities Act of 1933 as amended (the "Securities Act") or pursuant to the securities laws of any state of the United States of America. Those units made available in connection with this offering may not be directly or indirectly offered or sold in the United States of America or to or for the benefit of any US Person as defined in Rule 902 of Regulation S applied pursuant to the Securities Act. Potential unitholders are required to declare that they are not a US Person and are not applying for units on behalf of any US Person nor acquiring units with the intent to sell them to a US Person. Should a unitholder become a US Person, they may be subject to US withholding taxes and tax reporting.

«US Person»

A US Person is defined as any person from the United States within the meaning of Rule 902 of Regulation S under the Securities Act of 1933 (the "Securities Act"), as the definition of such term may be changed by legislation, rules, regulations or by judicial or administrative agency interpretations.
A US Person from the United States denotes, without limitation: i. Any natural person resident in the United States; ii. Any partnership or corporation organised or incorporated under the laws of the United States; iii. Any estate of which any executor or administrator is a US Person; iv. Any trust of which the trustee is a US Person; v. Any agency or affiliate of a foreign entity located in the United States; vi. Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary administrator for the benefit or account of a US Person; vii. Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary administrator organised, incorporated, or, if an individual, resident in the United States; and viii. Any partnership or corporation if: (1) It is organised or incorporated under the laws of any foreign jurisdiction; and (2) Formed by a US person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts.

US Tax Withholding and Reporting under FATCA

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act ("FATCA") generally impose a US federal reporting and withholding tax regime with respect to certain US source income (including income, dividends and interest) and gross proceeds from the sale or other disposal of property. The rules are designed to require US persons' direct and indirect ownership of certain non-US accounts and non-US entities to be reported to the US Internal Revenue Service. The Fund may be required to withhold tax in respect of non-compliant unitholders at the rate of 30% if there is a failure to provide certain required information. These rules generally apply to certain payments made after 1 July 2014.
France has entered into an intergovernmental agreement ("IGA") with the United States of America. Under the IGA, FATCA compliance will be enforced under new tax legislation and reporting rules and practices applicable in France.
The Fund will probably require additional information from unitholders in order to comply with these provisions. Each prospective unitholder should consult their own tax adviser on the applicable requirements under FATCA. The Fund may disclose information, certifications or other documentation that it receives from (or concerning) its investors to the US Internal Revenue Service, non-US taxing authorities, or other parties as necessary to comply with FATCA, related intergovernmental agreements or other applicable law or regulation. Prospective investors are urged to consult their tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the investors' own situations.

In light of the provisions of EU Regulation No 833/2014, subscription to units/shares of this fund is prohibited to any Russian or Belarusian national, to any natural person who is resident in Russia or Belarus or to any legal person, or to any entity or body established in Russia or Belarus, except nationals of a Member State and natural persons holding a temporary or permanent residence permit in a Member State.

ALLIANZ EURO HIGH YIELD

PROSPECTUS

UCITS subject to European Directive 2009/65/EC

I - GENERAL CHARACTERISTICS

Name of the Fund

ALLIANZ EURO HIGH YIELD

Legal form and member state in which the UCI was incorporated

Mutual fund (Fonds Commun de Placement, FCP) under French law

Launch date and scheduled duration:

Launch date: 2 April 1993
Expected period of existence: 99 years

Summary of the management offer

Units	ISIN Code	Allocation of distributable sums	Base currency	Minimum subscription amount	Minimum amount of initial subscription	Target subscribers	Splitting of units	Initial Net Asset Value
RC	FR0010032326	Accumulation	EUR	None	1 unit	All subscribers	None	€ 15,244.90
RD	FR0007472691	Distribution	EUR	None	1 unit	All subscribers	None	15,244.90 Divided into 10 on 25/01/1996, in 10 on 21/10/1998
I C et/ou D	FR0010371609	Accumulation and/or Distribution	EUR	None	€ 150,000	Unit intended for Corporate and Institutional Investors	Thousandths	€ 1,000.00
ID	FR0010959916	Distribution	EUR	None	€ 150,000	Unit intended for Corporate and Institutional Investors	Thousandths	€ 992.10
I TD	FR0011530096	Quarterly distribution	EUR	None	€ 150,000	Unit intended for Corporate and Institutional Investors	Thousandths	€ 1,000.00
MC	FR0013285012	Accumulation	EUR	None	None	Authorized Distributors[1]	Thousandths	€ 100.00

[1] "M" units may only be subscribed with the approval of the Management Company and only by distributors who, in compliance with regulatory obligations or individual fee agreements with their clients, are not permitted to accept and retain retrocession fees. No retrocession fees can be paid to distributors holding "M" units.

Address from which the latest annual report and interim financial statement may be obtained

Investors will be sent the Fund's prospectus and latest annual and interim documents as well as the breakdown of assets within eight business days after requesting them in writing from:

Allianz Global Investors GmbH
Bockenheimer Landstrasse 42-44
D-60323 Frankfurt-am-Main, Germany

or from Allianz Global Investors, French Office

3 boulevard des Italiens, 75002 Paris, France
E-mail: asset@allianzgi.com
These documents can also be downloaded from the website: https://fr.allianzgi.com

Additional information may be obtained where required by sending a request to:
Allianz Global Investors GmbH
Bockenheimer Landstrasse 42-44
D-60323 Frankfurt-am-Main, Germany

or from Allianz Global Investors, French Office
Marketing/Communications Division
3 boulevard des Italiens, 75002 Paris, France
E-mail: asset@allianzgi.com

II - SERVICE PROVIDERS

Portfolio management company

Name:	Allianz Global Investors GmbH
Legal form:	Private Limited Liability Company (Gesellschaft mit beschränkter Haftung) under German law
Registered office:	Bockenheimer Landstrasse 42-44, D-60323 Frankfurt-am-Main, Germany
Activity:	Portfolio management company approved by the German Federal Financial Services Supervisory Authority Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Marie-Curie-Str. 24-28, D-60439 Frankfurt-am-Main, Germany

Custodian and depository

Name:	State Street Bank International GmbH – Paris Branch
Legal form:	French branch of a German limited liability company
Registered office:	Brienner Strasse 59, D-80333 Munich, Germany
Activity:	French branch of a German credit institution authorized in June 1994 by the predecessor of the German Federal Financial Supervisory Authority (BaFin) with ID number 108514, and which is directly supervised by the European Central Bank (ECB)

The Custodian performs the duties of custodian and depositary of the assets in the portfolio and is the registrar of the Fund's units.

The Custodian performs the duties for which it is responsible by virtue of applicable legal and regulatory provisions and those contractually entrusted to it by the Management Company. It performs the duties of depositary and custodian of the assets in the portfolio and is responsible, by delegation of the Fund represented by the Management Company, for centralising subscription and redemption orders and is the registrar of the Fund's units; it ensures that the decisions taken by the Management Company are lawful. If necessary, it will take any protective measures it considers appropriate. It will inform the French Financial Markets Authority (AMF) of any disputes with the Management Company.

<u>Description of the responsibilities of the Custodian and potential conflicts of interest</u>

The Custodian exercises three types of responsibility: checks as to the regular nature of the Management Company's decisions, monitoring of the UCITS' cash flows and custody of the Fund's assets respectively.
The primary objective of the Custodian is to protect the interests of the Fund's shareholders/investors.

Potential conflicts of interest may be identified, specifically in the event that the Management Company also maintains commercial relations with State Street alongside its appointment as a Custodian.
To manage these situations, the Custodian has implemented and maintains a policy to manage conflicts of interest in order to:
- identify and analyze situations of potential conflicts of interest
- record the management and monitoring of situations of conflicts of interest by:
    (i) using as a basis the permanent measures in place to manage conflicts of interest, such as segregation of duties, separation of hierarchical and functional lines, monitoring of internal insider lists and dedicated IT environments;
    (ii) implementing on a case-by-case basis:
        a) appropriate preventive measures such as the drafting of an ad hoc monitoring list, new Chinese walls or by checking that transactions are processed appropriately and/or by informing the customers concerned;
        b) or by refusing to manage activities that may give rise to conflicts of interest.

<u>Descriptions of any custodial duties delegated by the Custodian, list of delegates and sub-delegates and identification of conflicts of interest that may arise from such delegation</u>

The Custodian is responsible for the custody of the assets (as set out in Article 22.5 of Directive 2009/65/EC and amended by Directive 2014/91/EU). In order to offer services related to the custody of assets in a large number of countries and to enable UCITS funds to achieve their investment objective, the Custodian has appointed sub-custodians in countries where the Custodian would not have a local presence directly. These entities are listed on the following website:
http://www.statestreet.com/about/subcustodians.html

In accordance with Article 22a (2) of the UCITS V Directive, the process of appointing and supervising sub-custodians follows the highest quality standards, including the management of potential conflicts of interest when such designations are made. The Custodian has established an effective policy for the identification, prevention and management of conflicts of interest in accordance with national and international regulations, as well as international standards.

The delegation of the Custodian's custody duties may give rise to conflicts of interest. These have been identified and are monitored. The policy implemented in respect of the Custodian consists of a system that prevents the occurrence of conflicts of interest and allows the Custodian to carry out its duties in a manner by way of which it always acts in the best interests of the UCITS. These preventive measures consist specifically of ensuring the confidentiality of information exchanged, physically separating the main activities likely to give rise to conflicts of interest.

Administrative and Accounting Manager by appointment

Name:	State Street Bank International GmbH – Paris Branch
Legal form:	French branch of a German limited liability company
Registered office:	Brienner Strasse 59, D-80333 Munich, Germany

Statutory Auditor

Name:	Société Fiduciaire Paul Brunier – SFPB Audit & Comptabilité
Registered office:	31, Rue Henri Rochefort, 75017 Paris, France
Signatory:	Stéphane DANKOWSKI

Distributor

Allianz Global Investors and/or Allianz Group companies

Advisers

None

Appointed clearing house of the Fund represented by the Management Company

Name:	State Street Bank International GmbH – Paris Branch
Legal form:	French branch of a German limited liability company
Registered office:	Brienner Strasse 59, D-80333 Munich, Germany

State Street Bank International GmbH – Paris Branch is in charge of liability accounting, specifically for receiving subscription and redemption orders.

III - OPERATING AND MANAGEMENT ARRANGEMENTS

III.1 GENERAL CHARACTERISTICS

Characteristics of units

Each unitholder has a right of co-ownership to the assets of the Fund proportional to the number of units held:
- The units are recorded in a register in the name of the subscribers' account-holding establishments on their behalf;
- No voting rights are attached to the units, and decisions are made by the management company;
- Units may be subscribed in bearer form;
- The unitholders' register is kept by Euroclear.

Financial year end

Financial year end:	Last net asset value of December
First financial year end:	31 December 1993

Information on the taxation system where appropriate

The UCI does not have a specific prevailing tax regime.
The UCI is not subject to corporation tax. However, capital gains or losses are taxable when remitted to unitholders.

Nevertheless, the transfer from one class of shares to another is considered as an assignment by the tax administration followed by a subscription and is therefore subject to the tax regime for capital gains on securities.

The tax regime applicable to these realised or unrealised capital gains or losses depends on the tax provisions applicable to the investor's financial position and/or the jurisdiction in which the Fund is invested; if investors are unsure of their tax position, they should contact an adviser or other professional.

III.2 SPECIAL PROVISIONS

Classification

Bonds and other international debt securities

Management objective

The objective of the UCI is to outperform the ICE BOFAML Euro High Yield BB-B Rated Constrained (HEC4) index over the recommended investment horizon.

Benchmark index

The performance of the UCI should be compared to the market index: ICE BOFAML Euro High Yield BB-B Rated Constrained (HEC4).

We take an active management approach, and the composition of the UCI may therefore differ significantly from the allocation of the index.
The Management Company has written plans on file, defining the measures to be taken if an index, or a reference index, changes drastically or is no longer supplied. These written plans are available upon request, free of charge, at the registered office of the Company, or that of the Management Company.

Investment strategy

The UCI will primarily be invested in instruments that enable the credit risk to be managed actively and that are financed (bonds or securities) or forward financial instruments (CDS, CDS indices).

This risk-taking is reflected in allocation choices, between high-yield and cash bonds, between economic sectors or levels of seniority, and positioning on credit curves, which determine the architecture of the portfolio in terms of its investment components.

All the components established in this way are invested in instruments (securities or credit derivatives) selected by the manager, within a universe covered, from a credit analysis perspective, by the management team.

The manager prioritises diversification of the portfolio across a broad class of credit assets in order to reduce the specific risk of the Fund.

1 - Directional strategy: Ancillary

This involves taking directional positions on actual and nominal rates depending on the trend observed on the bond market. This strategy is reflected in greater or lesser exposure to the real-rate market. The aim is thus to make the most of any rise in the market and to shelter profits in the event of a downturn.

The trend on the actual rates market is specifically assessed by using monetary and budgetary policies and via expectations in terms of growth and inflation.

Inflation is obviously an important factor when assessing inflation-linked bonds, since it influences prices through the coupons paid and the capital paid at maturity. Inflation also influences porting, i.e. the difference between the real rate plus inflation realised and the repo rate.

2 - Positioning on the curve: Ancillary

Four real yield curve “patterns” can be distinguished: bull flattening, bull steepening, bear flattening and bear steepening. These yield curve distortions may be assessed primarily by using monetary and budgetary policies and expectations in terms of growth and inflation:

	Bull	Bear	Steepening	Flattening
Monetary policy	Accommodating policy/Start of a rate reduction cycle	End of a monetary easing cycle/ Restrictive policy	Stable policy/Increasingly accommodating policy	Restrictive policy
Budgetary policy	Neutral/Surplus	Deficit	Debt duration extension	Debt duration reduction
Growth forecast	Below potential	Strong	Rising	Falling
Inflation forecast	Falling	Rising	Falling	Rising

"bull": rise of the bond market, i.e. rates on a downward trend.
"bear": fall of the bond market, i.e. rates on an upward trend.
"flattening": the yield curve becomes less steep, or even inverted.
"steepening": the yield curve becomes steeper, or the curve "de-inverts".

The yield curve positioning strategy allows us to take advantage of any distortion. For example, the transactions initiated by the manager are, depending on the state of the yield curve:

State of the curve	Action taken by the manager
"Steepening" of the curve	The short parts of the yield curve are favoured over the longer parts
"Flattening" of the curve	The long parts of the yield curve are favoured over the shorter parts
"Barbell" curve	Purchase of positions at either end of the yield curve and sale of positions in the centre
"Butterfly" curve	Sale of positions at either end of the yield curve and purchase of positions in the centre

It should be noted that these strategies may also be applied on the real yield curve with similar principles.

3 - Currency: Ancillary

This relates to exposure to all currencies other than the euro.

4 - Volatility: Ancillary

This strategy allows exposure to volatility to be dynamically managed. This strategy is implemented through options on futures contracts on regulated markets.

5 - High-yield strategy: Important

1. Top-down family of strategies: important

Allocation between cash and government bonds on the one hand and high-yield credit on the other, i.e. level of exposure to the high-yield credit market. The portfolio may vary its exposure to the credit market to express a macroeconomic view on the anticipated performance of high-yield credit, particularly against government bonds.
Allocation between economic sectors within the component invested in private-sector bonds.

The UCI manager's macroeconomic scenario has different impacts on different economic sectors, which will sometimes lead to differences in performance. The portfolio may benefit from this by, for example, prioritising those sectors that are favoured by the cycle.
Allocation between rating categories: a lower rating generally indicates a higher sensitivity to the environment or an expectation of lower rates of recovery in the event of a default. Prioritising the weakest rating categories is therefore a way to apply leverage to a relatively optimistic credit perspective. Conversely, the purpose of prioritising the best ratings will be to protect the portfolio in case of underperformance of the market as a whole or macroeconomic deterioration.
Allocation between seniority levels. The probability of default is the same for instruments with different seniorities, but the recovery rate in the event of default is very different. This is another way to express a perspective and to make full use of the leverage on the credit.

Relative value strategies between economic sectors based on CDS or CDS indices: these strategies make it possible to take a macroeconomic view of the performance of one sector relative to another, to finance a long position with a short position on another sector, i.e. to bank on a convergence or divergence in the behaviour of the two sectors.

This family of strategies allows for a macroeconomic view of the portfolio in absolute terms and in relation to its benchmark index, and to express views on the impact of the macroeconomic environment on the performance of the various sectors, ratings or seniority levels.

2. Bottom-up family of strategies (choice of securities): important

These strategies make it possible to identify the most attractive names, securities or instruments within the investment universe.

Within the bond universe of each sector, the choice of securities will be based on: the issuer, the level of subordination, the rating of the issue, the maturity, the liquidity of the issue, the coupon (fixed, variable, indexed) and other characteristics (attached options, issue currencies, dated or undated maturity etc.). Within the universe of issuers on which the manager may work using so-called synthetic instruments, the choice of exposures will be based on the underlying credit risk, the level of subordination, the issuer's rating, the maturity, the liquidity, the number of contributing maturities on an issuer's curve, the number of contributors and the counterparties for off-balance-sheet transactions. Credit derivatives allow relative value strategies to be implemented at zero or reduced cost, such as:

Relative value strategies between issuers or between seniorities: these strategies make it possible to take a microeconomic view of the performance of one issuer relative to another, to finance a long position with a short position on another issuer, i.e. to bank on a convergence or divergence in the behaviour of the two issuers. Alternatively, they allow a view to be taken on the relative value between two levels of seniority on a single signature.

Relative value strategies between issuers and indices: these strategies make it possible to take a microeconomic view of the value of an issuer while hedging against the risk of spread variation associated with the credit market in general or its sector. In fact, this involves generating alpha on one position by hedging against its beta, and retaining only the specific risk by hedging against part of the systemic risk.

Relative value strategies between instruments: these strategies make it possible to harness the yield gap between two instruments from the same issuer, which may result from different degrees of liquidity, a certain optionality etc.

3. Choice of spread duration: important

This involves selecting the parts of the credit curve that offer more value for the investor, i.e. taking a view on the flattening or steepening of the credit curves or taking a view on the direction of spread and varying the lever on this position by investing in maturities that are closer or further away on the credit curves. This means that investors with very optimistic views on an issuer's spread will choose to extend the duration of spread as much as possible. Investors who consider an issuer to have passed smoothly through a period of liquidity stress and who need to address a very flat curve will choose to prioritise the short parts in order to benefit from a steepening of the curve.

The Climate Engagement Strategy with Outcome approach ("Climate Engagement Strategy") aims to promote responsible investments by including in its analysis extra-financial environmental and climate criteria, a climate engagement programme and the exercising of voting rights. A fund managed according to this approach promotes environmental characteristics, in particular by engaging with the portfolio's 10 largest carbon emitters with the goal of encouraging their transition to a lower carbon economy. This engagement is based on the definition of objectives associated with the various sectors of the economy. The fund applies the Allianz Global Investors minimum exclusions list available on our website at: https://regulatory.allianzgi.com/ESG/Exclusion_Specific_Sustainable.

When applying its investment strategy, the Management Company considers in its auditing process any relevant financial risks, including all of the relevant sustainability-related risks which could significantly impact the yield of an investment, in deciding whether or not to invest. These risks are continually assessed.

The Fund is subject to a sustainability risk under the terms of the EU's Disclosure Regulation (EU) 2019/2088, as defined in the risk profile in the prospectus.

The Fund applies the Allianz Global Investors Global Exclusion Policy in areas such as controversial weapons and coal for directly held securities. Details of the exclusion criteria applied are available on our website: https://regulatory.allianzgi.com/ESG/Exclusion_Policy

\In addition, the Fund also applies the Allianz Global Investors minimum exclusion list for funds that take into account environmental and social characteristics for directly held securities. Details of the exclusion criteria are available on our website: https://regulatory.allianzgi.com/en/esg/sri-exclusions.

The Fund promotes environmental and social characteristics and therefore discloses relevant information in accordance with Article 8(1) of the European Sustainable Finance Disclosure Regulation (EU) 2019/2088 (SFDR). A fund committing to a minimum percentage of Investments that take into account EU criteria for environmentally sustainable economic activities (i.e. Taxonomy-aligned) contributes through its investments to the following environmental objectives: (i) mitigation of climate change, and/or (ii) adaptation to climate change.

The Technical Screening Criteria ("TSC") for environmentally sustainable economic activities have not yet been fully developed (in particular for the other four environmental objectives determined by the Taxonomy Regulation). These detailed criteria will require the availability of multiple, specific data regarding each investment, mainly relying on Company-reported data. There is currently only limited reliable, timely and verifiable data available to be able to assess investments using the TSC.

Global Investors GmbH, in its capacity as the Fund's Management Company, has selected an external data provider to determine the proportion of investments that are aligned with the European Taxonomy. The external data provider assesses the information provided by companies to evaluate whether their business activities meet the criteria defined by the European Commission. The Management Company conducts an additional assessment of the issuer based on the Do No Significant Harm principle to assess compliance with the EU Taxonomy Regulation.

The Do No Significant Harm principle applies only to investments underlying the financial product which take account of the EU's criteria for environmentally sustainable economic activities.
The investments underlying the remaining portion of this financial product do not take account of the EU's criteria for environmentally sustainable economic activities. Any other Sustainable Investments must also not significantly harm any environmental or social objectives.

Sustainable investment means an investment in an economic activity that, as measured, contributes to an environmental and/or social objective (investing in business activities that foster a positive contribution to sustainable objectives). Sustainable Investment must involve an economic activity that contributes to an environmental objective, measured, for example, through key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and

greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.
Environmental and social contributions can be defined in terms of the UN Sustainable Development Goals, as well as the objectives of the EU Taxonomy Regulation. The computation of the positive contribution is based on a quantitative framework, complemented by qualitative inputs by Sustainability Research. The methodology applied first breaks down a company into its business activities to assess whether these activities are providing a positive contribution to environmental and/or social objectives. Following the mapping of business activities, an asset-weighted aggregation at portfolio level is conducted to calculate a percentage share of positive contribution per portfolio.

The minimum proportion of sustainable investments in the Fund is 5% of the Fund's net assets.
The Fund aims to invest at least 0.1% of its net assets in activities that are aligned with the European Taxonomy.

The Fund's Management Company has joined the Net Zero Asset Managers initiative and takes the so-called "PAI" (Principal Adverse Impact) indicators into account through its engagement, thereby mitigating potential negative impacts as a company. PAIs are a set of indicators relating to the negative effects that are taken into account when managing the Fund. PAI indicators include greenhouse gas emissions, biodiversity, water and waste, as well as social issues and those related to working conditions for private sector issuers and, where applicable, the securities of sovereign issuers. The Fund Manager takes the PAI indicators into account as part of its investment process by applying direct exclusions (minimum exclusion criteria).

As part of the Net Zero Asset Managers initiative, the Fund's Management Company is committed to reducing greenhouse gas emissions, in partnership with its clients, with a view to achieving a rate of decarbonisation consistent with the net zero emissions objective for all assets under management by 2050 at the latest. In order to meet this commitment, the Management Company will set an interim deadline for the portion of assets to be managed to achieve the net zero emissions objective by 2050.

In implementing its strategy, the Manager will take into account the PAI indicators (referred to above) relating to greenhouse gas emissions, biodiversity, water and waste as well as social issues and those related to working conditions for private sector issuers and, where applicable, when these indicators apply, to government bonds, and the exclusion criteria, which apply to internal sustainable funds. PAI indicators are taken into account through the exclusion criteria.

Uniform data coverage is required for these indicators. Due to the lack of certain data, the Fund Manager is not yet in a position to assess the unadjusted gender remuneration gap for the companies in which it invests. In addition, data coverage for biodiversity, water and waste is low and the corresponding PAI indicators are reviewed with the exclusion of serious controversies under the UN Global Compact. The Fund Manager will therefore endeavour to increase data coverage for those PAI indicators that suffer from a lack of data. The Fund Manager will regularly review whether data availability has increased sufficiently to include the assessment of these criteria in the investment process.

The Fund does not have an SRI label.

Assets used

The UCI does not invest in financial securities from companies which, according to the Management Company, are engaged in activities prohibited by the Ottawa Convention on anti-personnel mines or the Oslo Convention on cluster munitions. In order to assess whether or not a company is engaged in such activities, the Management Company considers (a) analysis from bodies specialising in compliance with such conventions, (b) responses received by companies during the analysis of their activity, and (c) information in the public domain. These assessments may be conducted by the Management Company itself or by a third-party company, specifically companies in the Allianz Group.

Debt securities and money market instruments (up to 100% of its net assets, including 100% maximum in securities held directly)

☑ private debt
☑ public debt

Criteria related to the rating:

limited to long-term rating purchase (Standard & Poor's rating or equivalent): C a maximum of 100% of which below BBB-.

Legal types of instruments used:

Debt instruments of all types including:
- Treasury bills
- Fixed-rate treasury bills
- Euro Commercial Papers
- Convertible bonds
- French bonds
- Inflation-indexed bonds
- Negotiable debt securities
- Contingent Convertible Bonds (maximum 10%)

The UCI may be invested in debt securities and international money market instruments, of which a maximum of 100% may be issued in OECD countries and a maximum of 10% may be issued in emerging markets denominated in all currencies.

Specific remarks:

- Investment of up to 20% of net assets in unrated securities

The UCI may be exposed to currency risk across its entire "Debt securities" portfolio.

Mutual funds and investment funds (from 0% to 10% of net assets)

- ☑ Holding of all types of mutual funds
- ☑ Cash funds
- ☑ French-law UCITS funds
- ☑ European-law UCITS funds
- ☐ British-law AIFs
- ☑ French-law AIFs complying with the criteria set out in the French Monetary and Financial Code
- ☐ Foreign-law AIFs complying with the criteria set out in the French Monetary and Financial Code
- ☐ Foreign-law investment funds complying with the criteria set out in the French Monetary and Financial Code
- ☐ Trackers/ETF

The manager may invest in mutual funds managed by the Management Company and/or by Allianz Group entities.

Derivatives (up to 100% of its net assets)

Types of markets in which investments are made:

- ☑ Regulated Markets
- ☑ Organized markets
- ☑ Over-the-counter (OTC) markets

Types of instruments used:

- Forward currency contracts
- Forward interest rate contracts
- Equity volatility futures
- Credit derivatives
- Interest rate options
- Interest rate swaps
- Equity index options
- Equity index futures

Nature and investment:

Risks	Hedging	Exposure	Arbitrage
Equity risk	☑	☑	☑
Currency risk	☑	☑	☑
Interest rate risk	☑	☑	☑
Credit risk	☑	☑	☑
Other risks	☑	☑	☑

Maximum leverage:

2

Strategy of using derivatives to achieve the management objective:

- Manage equity risk
- Hedge currency risk
- Manage interest rate risk

The Fund will not engage in total return swaps.

Investment policy regarding financial guarantees

When the Fund trades in OTC financial derivatives or the lending/borrowing of securities, or engages in securities financing and total return swaps, the Management Company has a duty to comply with this financial guarantees investment policy. As long as the pledges are not restrictive, the required level of financial guarantees remains at the discretion of the UCI's portfolio manager.

Financial guarantees received must comply with the Management Company's financial guarantees policy and must meet the following criteria at all times:

(i) liquidity: financial guarantees must be as liquid as possible so that wherever possible they can be sold quickly, at a price close to the valuation prior to sale;
(ii) Valuation: financial guarantees must be subject to daily valuation at the market price (mark-to-market) and traded on a market at least daily. Guarantees are settled daily;
(iii) credit quality of the counterparty: financial guarantees must be issued by a high-quality counterparty and, when presented, must have a minimum rating of A-, issued by a recognised rating agency, or equivalent ratings by other rating agencies;
(iv) correlation: financial guarantees received must be presented by an entity separate from the counterparty, and must not be highly correlated with the performance of the counterparty;
(v) diversification: financial guarantees must be sufficiently diversified in terms of countries, markets and issuers. Securities that may be received as collateral are government bonds issued by an OECD country rated AA- according to Moody's / Standard & Poor's / Fitch with a maturity of less than 10 years;
(vi) custody: financial guarantees received in the form of transferred ownership must be held by the UCI's Custodian, or its agent;
(vii) Implementation of guarantees: the Fund must be able to execute the financial guarantees received at any time, without the counterparty's consultation or approval, in the event of default of said counterparty;
(viii) financial guarantees other than cash should not be sold, reinvested or pledged as security.
(ix) financial guarantees received in cash should only be:
  - held in deposit pursuant to the eligibility rules governing UCIs;
  - invested in a diversified manner in high-quality government bonds that, when purchased, were awarded an investment grade rating issued by a recognised rating agency or any other equivalent ratings from another rating agency;
  - invested in short-term money market UCIs;
  - used for the purpose of repo transactions.
(x) haircut: financial guarantees received are assessed taking into account appropriate haircuts in order to provide protection against short-term credit risk, interest rate risk, risks related to foreign markets and liquidity risk. The amount of the haircuts depends on the volatility of the price of the underlying asset classes, the time required to liquidate these assets where applicable, the maturity of these assets and the creditworthiness of the issuer.

Securities with embedded derivatives: warrants, credit linked notes, EMTNs, subscription warrants, contingent convertible bonds etc. up to a maximum of 10% of its net assets

Types of markets in which investments are made:

- ☑ Regulated Markets
- ☑ Organized markets
- ☑ Over-the-counter (OTC) markets

Investments in securities with embedded derivatives may involve the acquisition of shares (equity interests) and other comparable rights when exercising subscription, conversion or option rights associated with those instruments.
However, they will be sold within a reasonable time frame, taking into account the interests of the unitholders.

Cash borrowings

The manager may borrow cash up to a maximum of 10% of the assets from:
State Street Bank GmbH.

Deposits

Limited to 100% of net assets.

Temporary acquisitions and disposals of securities

The Fund may commit up to 100% of its net assets to temporary acquisitions and disposals of securities.

Types of transactions used:

- ☑ Repo and reverse repo agreements with reference to the French Monetary and Financial Code
- ☑ Lending and borrowing of securities with reference to the French Monetary and Financial Code
- ☐ Other

Types of transactions (all transactions being carried out for the sole purpose of achieving the management objective):

- ☑ Cash management
- ☐ Optimisation of the Fund's income
- ☐ Possible contribution to the leverage effect of the Fund
- ☐ Other

Types of assets that may be involved in such transactions:

The eligible assets of these securities financing transactions and the total return swap contracts are the eligible securities of the fund as described and listed in this prospectus.

Maximum proportion of assets under management eligible for these transactions or contracts

The Management Company may enter into the foregoing transactions for a maximum percentage specified in this prospectus.

Expected proportion of assets under management that will be subject to such transactions or contracts:

The expected proportion of assets under management that will be used in these transactions may account for:
- 20% of assets for repo and reverse repo agreements

Authorized counterparties:

The authorized counterparties for these types of transactions are financial institutions domiciled in OECD countries with a minimum rating of A- (Standard & Poor's rating or equivalent).

The eligible assets of collateral for these transactions are:

(i) the cash in the Fund's currency;
(ii) the securities listed and described as eligible in this Prospectus;
(iii) the assets defined and detailed in the above mentioned "Investment policy regarding financial guarantees" section.

Valuation of collateral:

The valuation of the collateral relating to these operations is described and detailed in the above mentioned "Investment policy regarding financial guarantees" section.

Policy for re-use of financial guarantees held by the fund in respect of these transactions :

This policy is described and detailed in the above mentioned "Investment policy regarding financial guarantees" section.

Compensation:

Additional information is given in the "Charges and fees" section.

Risks related to securities financing transactions and total return swaps

The fund is also exposed to the following risks:

(i) Issuer risk on securities received in connection with these transactions in the event that the issuer of such securities is in default or bankruptcy.
(ii) Counterparty risk in the event that the counterparty of such transactions is in default or bankruptcy.
(iii) Liquidity risk: This risk applies to the collateral received only in the event of default by the counterparty of over-the-counter transactions, in which case the sale of securities held as collateral at a reasonable price in a context of market turbulence may occur. In the event of the above risks, the Fund may suffer losses which will have a negative impact on the net asset value of the fund.

Potential impact of the use of management techniques and financial instruments on the performance of each Fund

The use of management techniques and financial instruments may have a positive impact and a negative impact on the performance of the UCI.

The use of repo agreements and securities lending/borrowing will result in additional income for the UCI by way of loan interest paid by the counterparty. However, the use of such transactions also involves certain risks in respect of this UCI, which may generate losses (for instance, in the event of default by the counterparty).

Repo and securities lending/borrowing transactions allow cash to be either invested or obtained on behalf of the UCI, generally on a short-term basis. If the UCI is engaged in a repo and/or securities lending/borrowing transaction as the lender, it obtains additional cash, which can be fully invested in line with the UCI's investment policy. In such cases, the UCI must comply with its repo obligations, regardless of whether the use of the cash obtained following repo and/or securities lending/borrowing transactions resulted in losses or gains for the UCI. If the UCI is engaged in a repo transaction as borrower, this reduces its cash, which cannot be used in other investments.

Policy on direct and indirect operational costs and fees relating to the use of efficient portfolio management (EPM) techniques (i.e. repo and reverse repo agreements, securities lending and borrowing, and performance swaps or total return swaps)

Direct and indirect operational costs and fees arising from EPM techniques may be deducted from the income delivered to the Fund (for instance, as a result of income-sharing arrangements). These costs and fees should not include hidden income. All the revenues arising from such EPM techniques, net of direct and indirect operational costs, will be returned to the Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, brokers or financial intermediaries and may be related parties to the Management Company. The revenues arising from such EPM techniques for the relevant period, together with the direct and indirect operational costs and fees incurred and the identity of the counterparty(ies) to these EPM techniques, will be disclosed in the Fund's annual report.

Risk profile

"Your money shall be invested primarily in financial instruments selected by the Management Company. These instruments will be subject to market trends and fluctuations."

The Fund does not offer any guarantees and the capital invested may not be fully recouped due to market fluctuations.

The size of these fluctuations can be measured by a single indicator: volatility.

Volatility is an indicator allowing a Fund's average magnitude of performance to be quantified through observation of its past performance. As such, and as an example, the volatility of a Money Market Portfolio is less than that of a Bond Portfolio which in turn presents less volatility than an Equity Portfolio.

This concept of volatility reflects both the Fund's upward and downward performance potential. Thus, the higher its volatility, the greater its ability to generate performance, and conversely, the greater its risk of incurring higher losses.

This volatility can be broken down into risk factors. These factors are also sources of added value, in which the portfolio invests in order to generate performance. Among all the risk factors/added value at their disposal, our management teams endeavour to manage their risk budget at all times by prioritising sources that are subject to strong convictions. The main risk factors to which this Fund may be exposed are outlined below.

Interest rate risk

Fluctuations in the bond instruments held in the portfolio correlate to variations in interest rates. The magnitude of these fluctuations primarily depends on the maturity of each bond. The portfolio's exposure to the rates of different countries/currencies may therefore vary according to convictions/expectations. This could have an impact on the portfolio valuation. Interest rate risk is measured by an indicator known as sensitivity. The portfolio sensitivity varies over time, depending on the forecasts.

It should also be noted that for a given country or currency, interest rate movements may also vary for different maturities. The yield curve arbitrage strategy, which consists of positioning the portfolio on one maturity rather than another, is another component of interest rate risk. It is also actively managed by our management teams.

Finally, apart from its maturity, each bond has specific technical characteristics which are more complex in how they influence its value relative to interest rate movements. These aspects also determine the degree of volatility of the portfolio's performance relative to changes in interest rates.

Sensitivity to nominal interest rates: between 1 and 9

Interest rate sector risk

Interest rate markets represent a very broad universe of securities. Within this universe, the portfolio may focus to a greater or lesser extent on a particular segment of the market, either in relation to its universe/benchmark index, if applicable, or according to the expectations of our management teams. These segments may be linked to countries/geographical areas, to the type of issuer (government, agency, secured, private company etc.) or to the type of interest rate (nominal, real, variable) etc. Some segments are more volatile than others and therefore generate more volatility in the portfolio's performance, while others are more defensive.

Credit risk

As long as the portfolio can invest in bonds issued by a private company or be exposed to this signature through credit derivatives, it is subject to the specific fluctuations associated with each issuer's risk. This risk reflects the probability that the bond might not be refunded at maturity or that a credit event might occur. The higher the probability, the lower the bond pricing and the faster the deterioration of the CDS pricing (in the case of a protection sale). Inversely, when the risk linked to an issuer diminishes, its bond pricing increases and the CDS pricing goes up (always in the case of a protection sale). The level of credit risk varies as a function of anticipations, maturities and level of confidence in each issuer. To keep this risk under control, the rules require that we avoid concentrating an overly large proportion of the risk on a single issuer. The yield-curve arbitration strategy, which consists of positioning the portfolio on a specific maturity instead of another, represents another component of credit risk, which is also actively managed by our management teams. The Fund may hold securities that are not rated by a rating agency. However, before investing, these unrated issues must have an internal rating calculated by AllianzGI, given by the Credit Management Team and monitored by Risk Management.

Risk associated with the "high yield" investment universe

Securities classified as "high yield" present a greater risk of default and may experience more marked and/or more frequent changes in valuation, and are not always sufficiently liquid to be sold at any time at the best price. The value of the UCI's unit may therefore fall when the value of the high-yield securities in the portfolio falls.

Impact of derivative products

The portfolio's ability to invest in derivatives (e.g. futures, options, swaps etc.) exposes it to sources of risk and added value which cannot be achieved from directly held securities. For example, the portfolio may be exposed to changes in volatility of the market or of certain market segments. The portfolio may also invest more in certain market segments or in the market as a whole than its assets allow. In the event of overexposure combined with an adverse market trend, the Fund's net asset value could fall more significantly and more quickly. The use of derivatives offers increased exposure to different risk factors, depending on the expectations of our management teams, and can accentuate (or mitigate) fluctuations in value, without altering the composition of the portfolio.

Counterparty risk

This risk is associated with the conclusion of contracts involving forward financial instruments and occurs when a counterparty with which a contract has been concluded fails to honour its commitments (for example, payment or repayment), which may lead to a fall in the net asset value. A default by the counterparty may result in losses to the relevant UCI. However, particularly for over-the-counter transactions, such a risk may be significantly reduced by the handover of financial collateral by the counterparty, in accordance with the Management Company's financial guarantees investment policy.

Relative risk

As regards the various risk factors listed above, the portfolio may take chances compared to its universe/benchmark index, where applicable. These chances, which could enable it to outperform, also introduce a risk of underperformance compared to this universe/benchmark index, where applicable. Our management teams are committed to managing their risk budgets at all times by focusing on the factors that they fully expect to optimise the relationship between the likelihood of outperformance and the risk of underperformance.

Risk linked to negative interest rates

The UCI's cash and cash equivalents lodged with the Custodian or other banks may be subject to the application, by the Custodian or other banks, of negative interest rates according to market trends and, specifically, changes in the interest rate policy of the European Central Bank. These negative interest rates may then have a negative impact on the net asset value of the UCI.

The UCI is also exposed to the following ancillary risk(s):

Impact of inflation

The portfolio is invested in bond instruments, the performance of which depends on inflation. If inflation falls, the value of these instruments falls and the value of the UCI's unit is reduced.

Risks linked to hybrid products

A hybrid of bonds and equities, certain instruments (convertible bonds, subscription warrants, contingent convertible bonds etc.) are peculiar in that they introduce an equity risk, as well as exposure to equity volatility, into a bond portfolio. Contingent convertible bonds ("CoCos") may be converted into equities on the initiative of the regulator or in explicitly contractually defined cases (particularly when a solvency ratio falls below a threshold).

As the volatility of equity markets is higher than that of bond markets, holding these instruments results in an increase in portfolio risk. However, this risk is mitigated, more or less according to market configurations, by the bond component of these hybrid securities.

Investments in these hybrid securities may involve the acquisition of shares (equity interests) and other comparable rights when exercising subscription, conversion or option rights associated with those instruments. If the shares are converted, the UCITS will sell them to the extent permitted by market conditions. The holding period (of the shares) will be assessed by the UCITS manager in the best interests of the unitholders.

Risk linked to emerging countries

The UCI may invest in securities issued by emerging countries or by companies from emerging countries. The volatility of the UCI's performance may be increased by economic factors and by other types of disruptions (such as changes in taxation, political stability etc.).

Currency risk

Changes in the exchange rates on securities issued in foreign currencies generate valuation differences that are independent of the fluctuations specific to each security in its currency. Thus, a security whose valuation does not change in its own currency may, however, be affected by fluctuations of this currency against the euro. This exposure is taken into account in the choice of securities, and when the expectations for a given currency are unfavourable, its effects may be mitigated by the use of forward currency instruments among other things.

Up to 10% of the UCI's assets will be exposed to currency risk.

Liquidity risk (risk that a position cannot be liquidated in a timely manner at a reasonable price)

This risk essentially applies to securities for which the trading volume is low and for which it is therefore more difficult to find a buyer/seller at any time at a reasonable price. It features particularly at the time of significant subscription/redemptions in relation to the size of the portfolio.

Based on its management policy and the investment strategies used, the portfolio invests in this type of securities with low liquidity (shares of small and medium caps and/or unlisted shares (ancillary) and/or certain bonds issued by private companies, as well as products resulting from securitisation), which leads to exposure to this type of risk.

Risk of dilution and swing pricing

The actual cost associated with the purchase or sale of securities in the portfolio may differ from their book value at the time of valuation of the UCI. This difference may arise from transaction costs and other costs (such as taxes applicable to the UCI) and/or from any difference between the buying and selling price of the underlying securities. These dilution costs may have an adverse effect on the overall value of the UCI, and the net asset value may be adjusted as a result in order to avoid any disadvantage to the existing unitholders. The adjustment will be more or less significant depending on factors such as the volume of transactions, the buying or selling price of the underlying securities and the method used to calculate the value of these underlying securities of the UCI.

There is systematic research evidence that sustainability risks may materialize as issuer specific extreme loss-risks.
An event or situation in the environmental, social or governance domains that, if to occur, could have a high financial impact and result in significant financial losses.

Guarantee or protection

N/A

Subscribers concerned and standard investor profile

The UCI comprises three unit classes.

The "R" unit is intended for: All subscribers

The UCI's risk profile makes it suitable for subscription by unitholders seeking exposure to:
- Interest rate risk
- Credit + unrated securities risk
- Risk associated with the "high yield" investment universe

Minimum recommended investment term: 3 years

The "I" unit is intended for:
Unit intended for businesses and institutional investors

The UCI's risk profile makes it suitable for subscription by unitholders seeking exposure to:
- Interest rate risk
- Credit + unrated securities risk
- Risk associated with the "high yield" investment universe

Minimum recommended investment term: 3 years

The "M" unit is intended for:
Authorised distributors

"M" units may only be subscribed with the approval of the Management Company and only by distributors who, in compliance with regulatory obligations or individual fee agreements with their clients, are not permitted to accept and retain retrocession fees. No retrocession fees can be paid to distributors holding "M" units.

The UCI's risk profile makes it suitable for subscription by unitholders seeking exposure to:
- Interest rate risk
- Credit + unrated securities risk
- Risk associated with the "high yield" investment universe

Minimum recommended investment term: 3 years

ALLIANZ EURO HIGH YIELD is intended for investors aiming to accumulate capital/achieve capital growth. It may not be appropriate for investors who plan to withdraw their money in the short term. ALLIANZ EURO HIGH YIELD is intended for investors with basic knowledge and/or a little experience in financial products. Potential investors may incur financial losses and should not be aiming for their capital to be protected. In terms of risk assessment, the Fund is classified as falling into a certain category of risk on a scale ranging from 1 (cautious; expected yields very low to low) to 7 (high tolerance to risk; higher expected yields), which is published on the website https://regulatory.allianzgi.com and which will be included in the Key Investor Information Document published for the unit/share class in question (depending on the structure of the Fund/SICAV).

For individual investors, the amount that it is sensible to invest in this UCI depends on your personal circumstances. To determine this amount, you should consider your wealth/personal assets, your current and future needs and your willingness to take risks or, on the contrary, your preference for a cautious investment. We would also strongly recommend that you diversify your investments sufficiently to ensure that they are not exposed solely to the risks presented by this UCI.
Subscription to units of the Fund is only permitted for investors who do not have the status of "US Person" as defined in the US federal securities regulations.

The units have not been, nor will they be, registered under the US Securities Act of 1933 (hereafter "the Act of 1933"), or under any applicable law in a US state, and the units may not be directly or indirectly divested, offered or sold in the United States of America (including its territories and possessions) to any US national (hereafter "US Person"), as defined by the US Regulation S in the context of the Act of 1933 adopted by the US market regulatory authority ("Securities and Exchange Commission" or "SEC"), unless (i) a registration of the units were to take place or (ii) an exemption applied (with the prior consent of the Fund's Management Company).

The Fund is not, and will not be, registered under the US Investment Company Act of 1940. Any resale or divestiture of units in the United States of America or to a US Person may constitute a breach of US law and require the prior written consent of the Fund's Management Company. Those seeking to acquire or subscribe to units will have to certify in writing that they are not "US Persons".
The Fund's Management Company has the authority to impose restrictions (i) on the holding of units by a US Person and thus effect the mandatory redemption of the units held, and (ii) on the transfer of units to a US Person. This authority also extends to any person (a) who is deemed to be directly or indirectly in breach of the laws and regulations of any country or any government authority, or (b) who could, in the opinion of the Fund's Management Company, cause harm to the Fund that it would not otherwise have suffered or endured.
The offer of Units has not been authorised or rejected by the SEC, a specialist committee of a US state or any other US regulatory authority, nor have these authorities pronounced or sanctioned the merits of this offer, or the accuracy or adequacy of the documents pertaining to it. Any claims in this regard are against the law.
Any unitholder must immediately inform the Fund if they become a US Person. Any unitholder who becomes a US Person will no longer be authorised to acquire new units and may be asked to dispose of their units at any time to persons who do not have the status of a US Person. The Fund's Management Company reserves the right to carry out the mandatory redemption of any unit held directly or indirectly by a US Person, or if the holding of units by any person whatsoever is contrary to the law or the interests of the Fund.
The definition of "US Person(s)" as defined by Regulation S of the SEC (Part 230 - 17 CFR 230.903) is available at:
ht*tp://www.sec.gov/about/laws/secrulesregs.htm*

Determination and allocation of distributable income and frequency of distribution and/or accumulation

Unit/share class	Allocation of profits	Allocation of net realized capital gains	Frequency
RC	Accumulation	Accumulation	Annual accumulation
RD	Distribution	Distribution (in whole or in part) or retained earnings (in whole or in part) on decision of the Management Company	Annual distribution with possibility of interim dividends

Unit/share class	Allocation of profits	Allocation of net realized capital gains	Frequency
I C et/ou D	Accumulation and/or Distribution on decision of the Management Company	Accumulation and/or Distribution (in whole or in part) or retained earnings (in whole or in part) on decision of the Management Company	Annual accumulation Annual distribution with possibility of interim dividends
ID	Distribution	Distribution (in whole or in part) or retained earnings (in whole or in part) on decision of the Management Company	Annual distribution with possibility of interim dividends
I TD	Distribution	Distribution (in whole or in part) or retained earnings (in whole or in part) on decision of the Management Company	Quarterly distribution with possibility of interim dividends
MC	Accumulation	Accumulation	Annual accumulation

Characteristics of the units or shares

Units	ISIN Code	Allocation of distributable sums	Base currency	Minimum subscription amount	Minimum amount of initial subscription	Target subscribers	Splitting of units	Initial Net Asset Value
RC	FR0010032326	Accumulation	EUR	None	1 unit	All subscribers	None	€ 15,244.90
RD	FR0007472691	Distribution	EUR	None	1 unit	All subscribers	None	15,244.90 Divided into 10 on 25/01/1996, in 10 on 21/10/1998
I C et/ou D	FR0010371609	Accumulation and/or Distribution	EUR	None	€ 150,000	Unit intended for Corporate and Institutional Investors	Thousandths	€ 1,000.00
ID	FR0010959916	Distribution	EUR	None	€ 150,000	Unit intended for Corporate and Institutional Investors	Thousandths	€ 992.10
I TD	FR0011530096	Quarterly distribution	EUR	None	€ 150,000	Unit intended for Corporate and Institutional Investors	Thousandths	€ 1,000.00
MC	FR0013285012	Accumulation	EUR	None	None	Authorized Distributors[1]	Thousandths	€ 100.00

[1] "M" units may only be subscribed with the approval of the Management Company and only by distributors who, in compliance with regulatory obligations or individual fee agreements with their clients, are not permitted to accept and retain retrocession fees. No retrocession fees can be paid to distributors holding "M" units.

Subscription and redemption procedures

Subscriptions and redemptions are processed daily at 12.30 p.m. on the basis of the net asset value for that day. In the event the net asset value is suspended, orders are executed on the basis of the net asset value for the next business day. Settlements relating to subscriptions and redemptions are carried out on D+2.

Subscription and redemption orders are processed with the clearing house:
State Street Bank International GmbH – Paris Branch
Cœur Défense – Tour A; 100, Esplanade du Général de Gaulle – 92931 PARIS LA DEFENSE CEDEX – FRANCE

D	D	D: day the NAV is determined	D+1 working day	D+2 working days	D+2 working days
Clearing before 12.30 p.m. for subscription orders*	Clearing before 12.30 p.m. for redemption orders	Execution of the order at the latest on D	Publication of the net asset value	Subscription rules	Redemption rules

* Unless any specific deadlines have been agreed with your financial institution

Financial year end

Financial year end: Last net asset value of December
First financial year end: 31 December 1993

Date and frequency of calculation of the net asset value

The net asset value is calculated daily. The net asset value for the day is calculated on the following working day in accordance with the asset valuation method set out in the prospectus. The net asset value is published in Paris with the exception of non-trading days on the London and Paris stock exchanges and official public holidays in France

Place of publication or communication of the net asset value

The net asset value is published in Paris with the exception of non-trading days on the London and Paris stock exchanges and official public holidays in France.
It is published on the website of the French office: https://fr.allianzgi.com

Charges and fees

R units

Subscription and redemption fees:

Subscription and redemption fees are levied by increasing the subscription price paid by the investor or decreasing the redemption price. Fees paid to the Fund are used to compensate the Fund for the expenses incurred in the investment or divestment of the Fund's assets. Fees that are not paid are accrued by the Management Company, the distributor, etc.

Fees paid by the investor, charged at subscription and redemption	Basis	Maximum rate
Subscription fee : not accruing to the Fund	NAV x number of units	2%
Subscription fee : accruing to the Fund	NAV x number of units	None
Redemption fee : not accruing to the Fund	NAV x number of units	None
Redemption fee : accruing to the Fund	NAV × number of units	None

Exemption: Allianz Group UCIs

Fees invoiced to the Fund:

With the exception of intermediary costs, the fees cover all costs invoiced to the Fund:
- the financial management fees specific to the Management Company;
- the administrative costs external to the Management Company;
- the maximum indirect costs (commissions and management fees).

In addition to these fees, there may be:
- performance fees. These reward the Management Company when the Fund exceeds its objectives;
- transfer fees;
- fees linked to temporary purchases and sales of securities.

For more details on ongoing charges, please refer to KIID (if need be) or annual report.

	Fees charged to the UCI:	Basis	Rate scale
1	Financial Management fees and external administrative fees	Net assets	Maximum rate 0.9568% incl. tax
2	Maximum indirect fees (fees and management fees)	Net assets	Not material*
3	Service providers charging transfer fees : the depositary	Charge on each transaction	Maximum €300 including taxes
4	Performance fee	Net assets	None

*UCI invests less than 20% in other UCIs

May also be invoiced to the fund and added to the above fees:
- taxes, royalties and governmental fees (linked to the fund) exceptional and non-recurring;
- exceptional legal costs for recovery of claims;
- exceptional and non-recurring costs for the recovery of claims or proceedings for the enforcement of a right (example: class action procedure).

The procedures for calculating and distributing the remuneration from the temporary purchases and sales of securities, and total return swaps, shall be: 100% accruing to the Fund.

Income on securities lending transactions (and all equivalent foreign transactions):
Income generated from securities lending transactions are fully accrued by the Fund, minus 30% that is allocated to the management company, which incurs the direct and/or indirect operating costs generated by the transactions.
These paid fees are compensation for services provided in connection with securities lending transactions.
These transactions are made by the Allianz Global Investors Group.

Schedule of transaction fees applicable to the UCI

Purchase/sale of shares, bonds or negotiable debt securities/UCI subscriptions/redemptions
Fees (including correspondent fees, excluding out-of-pocket expenses) are between €1 and €250 excl. taxes (fixed per transaction), depending on the depository, and apply to bearer and registered securities.

OTC contracts and listed derivatives
Fees are between €8 and €37.50 excl. taxes (fixed per transaction), depending on the depository of the underlying asset or the type of contract.

The managers of the companies comprising the Allianz Global Investors entity are required to carry out their transactions on the financial markets with intermediaries or counterparties selected in accordance with a procedure that complies with the recommendations of the Association Française de la Gestion Financière (French Asset Management Association – AFG). This selection procedure is applied periodically under the supervision of the Management and Internal Control Department.
Compliance with the lists of intermediaries and eligible counterparties is verified by staff independent of the managers.

Brief description of the intermediary selection procedure

An intermediary selection and evaluation procedure has been set up within the Management Company and/or the delegated financial manager. This procedure takes into account objective criteria such as the quality of research, trade monitoring and execution.

This procedure is available on request at the following address: servclients@allianzgi.com

I units

Subscription and redemption fees:

Subscription and redemption fees are levied by increasing the subscription price paid by the investor or decreasing the redemption price. Fees paid to the Fund are used to compensate the Fund for the expenses incurred in the investment or divestment of the Fund's assets. Fees that are not paid are accrued by the Management Company, the distributor, etc.

Fees paid by the investor, charged at subscription and redemption	Basis	Maximum rate
Subscription fee : not accruing to the Fund	NAV x number of units	5%
Subscription fee : accruing to the Fund	NAV x number of units	None
Redemption fee : not accruing to the Fund	NAV x number of units	None
Redemption fee : accruing to the Fund	NAV × number of units	None

Exemption: Allianz Group UCIs

Fees invoiced to the Fund:

With the exception of intermediary costs, the fees cover all costs invoiced to the Fund:
- the financial management fees specific to the Management Company;
- the administrative costs external to the Management Company;
- the maximum indirect costs (commissions and management fees).

In addition to these fees, there may be:
- performance fees. These reward the Management Company when the Fund exceeds its objectives;
- transfer fees;
- fees linked to temporary purchases and sales of securities.

For more details on ongoing charges, please refer to KIID (if need be) or annual report.

	Fees charged to the UCI:	Basis	Rate scale
1	Financial Management fees and external administrative fees	Net assets	Maximum 0.5% including taxes
2	Maximum indirect fees (fees and management fees)	Net assets	Not material*
3	Service providers charging transfer fees : the depositary	Charge on each transaction	Maximum €300 including taxes
4	Performance fee	Net assets	None

*UCI invests less than 20% in other UCIs

May also be invoiced to the fund and added to the above fees:
- taxes, royalties and governmental fees (linked to the fund) exceptional and non-recurring;
- exceptional legal costs for recovery of claims;
- exceptional and non-recurring costs for the recovery of claims or proceedings for the enforcement of a right (example: class action procedure).

The procedures for calculating and distributing the remuneration from the temporary purchases and sales of securities, and total return swaps, shall be: 100% accruing to the Fund.

Income on securities lending transactions (and all equivalent foreign transactions):
Income generated from securities lending transactions are fully accrued by the Fund, minus 30% that is allocated to the management company, which incurs the direct and/or indirect operating costs generated by the transactions.
These paid fees are compensation for services provided in connection with securities lending transactions.

These transactions are made by the Allianz Global Investors Group.

Schedule of transaction fees applicable to the UCI

Purchase/sale of shares, bonds or negotiable debt securities/UCI subscriptions/redemptions
Fees (including correspondent fees, excluding out-of-pocket expenses) are between €1 and €250 excl. taxes (fixed per transaction), depending on the depository, and apply to bearer and registered securities.

OTC contracts and listed derivatives
Fees are between €8 and €37.50 excl. taxes (fixed per transaction), depending on the depository of the underlying asset or the type of contract.

The managers of the companies comprising the Allianz Global Investors entity are required to carry out their transactions on the financial markets with intermediaries or counterparties selected in accordance with a procedure that complies with the recommendations of the Association Française de la Gestion Financière (French Asset Management Association – AFG). This selection procedure is applied periodically under the supervision of the Management and Internal Control Department.
Compliance with the lists of intermediaries and eligible counterparties is verified by staff independent of the managers.

Brief description of the intermediary selection procedure

An intermediary selection and evaluation procedure has been set up within the Management Company and/or the delegated financial manager. This procedure takes into account objective criteria such as the quality of research, trade monitoring and execution.

This procedure is available on request at the following address: servclients@allianzgi.com

M units

Subscription and redemption fees:

Subscription and redemption fees are levied by increasing the subscription price paid by the investor or decreasing the redemption price. Fees paid to the Fund are used to compensate the Fund for the expenses incurred in the investment or divestment of the Fund's assets. Fees that are not paid are accrued by the Management Company, the distributor, etc.

Fees paid by the investor, charged at subscription and redemption	Basis	Maximum rate
Subscription fee : not accruing to the Fund	NAV x number of units	None
Subscription fee : accruing to the Fund	NAV x number of units	None
Redemption fee : not accruing to the Fund	NAV x number of units	None
Redemption fee : accruing to the Fund	NAV × number of units	None

Fees invoiced to the Fund:

With the exception of intermediary costs, the fees cover all costs invoiced to the Fund:
- the financial management fees specific to the Management Company;
- the administrative costs external to the Management Company;
- the maximum indirect costs (commissions and management fees).

In addition to these fees, there may be:
- performance fees. These reward the Management Company when the Fund exceeds its objectives;

- transfer fees;
- fees linked to temporary purchases and sales of securities.

For more details on ongoing charges, please refer to KIID (if need be) or annual report.

	Fees charged to the UCI:	Basis	Rate scale
1	Financial Management fees and external administrative fees	Net assets	Maximum rate 0.56% incl. tax
2	Maximum indirect fees (fees and management fees)	Net assets	Not material*
3	Service providers charging transfer fees : the depositary	Charge on each transaction	Maximum €300 including taxes
4	Performance fee	Net assets	None

*UCI invests less than 20% in other UCIs

May also be invoiced to the fund and added to the above fees:
- taxes, royalties and governmental fees (linked to the fund) exceptional and non-recurring;
- exceptional legal costs for recovery of claims;
- exceptional and non-recurring costs for the recovery of claims or proceedings for the enforcement of a right (example: class action procedure).

The procedures for calculating and distributing the remuneration from the temporary purchases and sales of securities, and total return swaps, shall be: 100% accruing to the Fund.

Income on securities lending transactions (and all equivalent foreign transactions):
Income generated from securities lending transactions are fully accrued by the Fund, minus 30% that is allocated to the management company, which incurs the direct and/or indirect operating costs generated by the transactions.
These paid fees are compensation for services provided in connection with securities lending transactions.
These transactions are made by the Allianz Global Investors Group.

<u>Schedule of transaction fees applicable to the UCI</u>

Purchase/sale of shares, bonds or negotiable debt securities/UCI subscriptions/redemptions
Fees (including correspondent fees, excluding out-of-pocket expenses) are between €1 and €250 excl. taxes (fixed per transaction), depending on the depository, and apply to bearer and registered securities.

OTC contracts and listed derivatives
Fees are between €8 and €37.50 excl. taxes (fixed per transaction), depending on the depository of the underlying asset or the type of contract.

The managers of the companies comprising the Allianz Global Investors entity are required to carry out their transactions on the financial markets with intermediaries or counterparties selected in accordance with a procedure that complies with the recommendations of the Association Française de la Gestion Financière (French Asset Management Association – AFG). This selection procedure is applied periodically under the supervision of the Management and Internal Control Department.
Compliance with the lists of intermediaries and eligible counterparties is verified by staff independent of the managers.

<u>Brief description of the intermediary selection procedure</u>

An intermediary selection and evaluation procedure has been set up within the Management Company and/or the delegated financial manager. This procedure takes into account objective criteria such as the quality of research, trade monitoring and execution.

This procedure is available on request at the following address: servclients@allianzgi.com

IV - COMMERCIAL INFORMATION

Address from which the latest annual report and interim financial statement may be obtained

Investors will be sent the Fund's prospectus and latest annual and interim documents within eight business days after requesting them in writing from:
Allianz Global Investors GmbH
Bockenheimer Landstrasse 42-44
D-60323 Frankfurt-am-Main, Germany

or from Allianz Global Investors, French Office
3 boulevard des Italiens, 75002 Paris, France
E-mail: asset@allianzgi.com
These documents can also be downloaded from the website: https://fr.allianzgi.com

Additional information may be obtained where required by sending a request to:
Allianz Global Investors GmbH
Bockenheimer Landstrasse 42-44
D-60323 Frankfurt-am-Main, Germany

or from Allianz Global Investors, French Office
Marketing/Communication Division
3 boulevard des Italiens, 75002 Paris, France
E-mail: asset@allianzgi.com

Information on the environmental, social and governance (ESG) criteria will be available on the management company website and in the annual report of the Fund.

V - INVESTMENT RULES

The Fund shall comply with the investment rules of common law set out in the French Monetary and Financial Code.

VI - GLOBAL RISK

The selected method for assessing exposure through forward financial instruments is the commitment calculation method.

VII - ASSET VALUATION RULES

VII.1 APPLIED TEXT

The Fund has complied with the accounting rules prescribed by the accounting regulations committee regulation no. 2014-01 of 14 January 2014 relating to the chart of accounts of the Fund.

VII.2 VALUATION AND ACCOUNTING METHODS

VALUATION METHODS

Net asset value is calculated taking into account the valuation methods set out below.

Financial instruments and forward financial instruments traded on a regulated market

Debt securities and money market instruments

Bonds and equivalent securities traded on a French or foreign regulated market are valued based on the last available trading price or on prices supplied daily by contributors actively trading on this market (e.g. brokers listings).

In the absence of significant transactions, an appropriate valuation technique will be applied. It will take into account the risk-free interest rate in the corresponding currency and a margin representing the risks linked to the security concerned (e.g. risk of issuer default) using an approach based on identical or similar securities.

Negotiable debt securities with an issue period of more than three months but with a residual term of less than three months or an issue period of three months or less are valued by averaging, on a straight-line basis over the residual term, the difference between the acquisition price and the redemption price. These valuations are adjusted for issuer risk, in accordance with the principle of prudence.

Fund units or investment funds

Fund units or investments funds traded on a regulated market are valued on the basis of the day's closing price or the last available trading price.

Forward financial instruments and derivative instruments

Futures contracts are valued at the day's settlement price.
Options contracts are valued at the day's average price.
Interest rate swaps, options and credit derivatives traded through a clearing house to a central counterparty are valued using the prices provided by the clearing house.

Financial instruments and forward financial instruments not traded on a regulated market

Debt securities and money market instruments

Bonds and equivalent securities which are neither traded on a French or foreign regulated market nor included on any other organised market, and for which no other price information is available, are valued using an appropriate fair value technique, taking into account all relevant risk factors of the issuer and other conditions of the relevant market.

Fund units or shares or investment funds

Fund units or shares or investment funds are valued on the basis of the last known net asset value.

Forward financial instruments and derivatives

All derivative contracts are guaranteed under collateral agreements with a daily margin call.

Interest rate and/or currency swaps

These swaps are valued at the average price using an appropriate valuation model taking into account the interest rate and currency curve applicable in the event of a discount that reflects the overnight interest rate (OIS discounting).

Dividend or performance swaps

These swaps are valued at the average price using an appropriate valuation technique in accordance with standard valuation techniques in the event of a discount that reflects the overnight interest rate (OIS discounting).

<u>Currency futures</u>

Receivables for the forward purchases of currencies and liabilities for the forward sales of currencies are valued at the forward rate on the valuation date based on the reference rate at 4:00 p.m. (London time) provided by WM/Reuters.

<u>Credit derivatives</u>

These derivatives are valued using an appropriate valuation model that takes into account the applicable CDS curve and in the event of a discount that reflects the overnight interest rate (OIS discounting).

Temporary acquisitions and sales of securities

<u>Securities lending</u>

Receivables representing the loaned securities are valued at the market value of the securities concerned, plus any loan fees calculated on a pro rata basis.

<u>Borrowed securities</u>

Borrowed securities, and the debt representing these borrowed securities, are valued at the market value of the securities concerned plus, in terms of the debt, any borrowing fees calculated on a pro rata basis.

<u>Reverse repurchase agreements delivered</u>

Receivables representing securities received under repurchase agreements are valued at their contractual amount, plus any payment receivable calculated on a pro rata basis.
Fixed-rate reverse repurchase agreements, not able to be cancelled at any time without cost or penalties for the Fund, with a maturity of more than three months, are valued at the current value of the contract.

<u>Repurchase agreements delivered</u>

Securities transferred under repurchase agreements are valued at their market value, and the debt representing these securities is valued based on their contractual amount, plus any fees payable calculated on a pro rata basis.
For fixed-rate repurchase agreements, not able to be cancelled at any time without cost or penalties for the Fund, with a maturity of more than three months, their representative debt is valued at the current value of the contract.

Deposits and Loans

<u>Term deposits</u>

Term deposits are valued at their contract value, calculated according to the conditions set out in the contract.

<u>Cash borrowings</u>

Cash borrowings are valued at their contractual value, calculated on the basis of the terms and conditions stated in the contract.

Assets and liabilities in foreign currencies

The reference currency for accounting purposes is the Euro.

Assets and liabilities denominated in a currency other than the accounting reference currency are valued at the exchange rate equal to the day's reference price at 4:00 p.m. (London time) provided by WM/Reuters.

Swing pricing

The UCI may experience a fall in its net asset value following subscription/redemption orders made by unitholders at a price that does not reflect the costs associated with the reorganisation of the portfolio initiated by the manager in order to deal with these cash inflows and outflows.
To reduce this "dilution" phenomenon, the UCI implements a swing pricing mechanism with a trigger threshold.
This mechanism, adopted by the Management Company as part of its valuation policy, allows all or part of the costs of reorganising the portfolio to be borne by outgoing and incoming unitholders while protecting the interests of unitholders remaining with the Fund.
If the net balance of subscription/redemption orders for the UCI on a given valuation day exceeds a threshold predetermined by the Management Company on the basis of objective criteria (i) as a percentage of the net assets of the UCI or (ii) as an absolute amount in the UCI's accounting currency, the net asset value may be adjusted upwards or downwards to take into account the costs of reorganisation attributable to net inflows and outflows. These are determined by the Management Company on the basis of the most recent available information at the time the net asset value is calculated.
The net asset value of each of the UCI's units is calculated separately but, in percentage terms, any adjustment has the same impact on the net asset value of each of the UCI's units. In general, such an adjustment has the effect of increasing the net asset value when there is a net inflow into the UCI, and of reducing it when there is a net outflow
The level of adjustment of the net asset value is reviewed regularly (at least every six months) by the Management Company to reflect the costs associated with the reorganisation of the portfolio as closely as possible. This adjustment will not exceed 3% of the net asset value.
To the extent that this adjustment is established on the basis of the net balance of subscriptions/redemptions within the UCI, it is not possible to predict with certainty whether swing pricing will be applied. As a result, it is also not possible to predict the exact frequency with which the Management Company will make such adjustments.
Unitholders are informed that the volatility of the net asset value of the UCI may not correspond to the actual performance of the portfolio owing to the application of swing pricing.
The adjusted net asset value is available on request from the Management Company at its registered office, or from the French branch of Allianz Global Investors.

ACCOUNTING METHODS

Accounting method for deposit products and fixed-income financial instruments: Recording in the income statement as and when these are acquired.

Recording of acquisition and disposal costs attached to financial instruments: portfolio transactions are recorded at the acquisition or sale price, excluding costs.

VIII – REMUNERATION

The main components of financial remuneration are the basic salary, which typically reflects the scope, responsibilities and experience required by a specific function, and a variable component, which is awarded in a discretionary manner on an annual basis. Generally speaking, the variable component includes both an annual bonus, paid in cash at the end of the year I question, and a deferred component for all employees whose variable component exceeds a given threshold.

The total amount of variable remuneration payable within the Management Company depends on the Company's performance and on the risk situation of the Management Company. Therefore it varies from one year to the next. In this respect the allocation of specific amounts to employees depends on the performance of the employee or their department during the relevant period.

The level of remuneration granted to employees is linked to both quantitative and qualitative performance indicators. Quantitative indicators are based on measurable objectives. For their part, qualitative indicators take account of actions that reflect the Management Company's fundamental values of excellence, passion, integrity and respect. Qualitative data specifically include a comprehensive review for all employees.

As regards investment professionals, whose decisions are critical to providing our customers with positive results, quantitative indicators are based on sustainable investment performance. For portfolio managers in particular, the quantitative component is aligned with the benchmark indices of the customer portfolios they manage, or with the customer's stated investment result objectives, measured over periods of several years.

In terms of employees who have a direct relationship with customers, their objectives include customer satisfaction, which is measured independently.

The amounts ultimately distributed in connection with long-term profit-sharing premiums depend on the Management Company's performance or that of certain funds over several years.

The remuneration of employees in managerial positions is not directly linked to the performance of the departments supervised by these employees.

In accordance with the rules in force, certain groups of employees are classified as "Identified Staff". These are members of the management board, risk-takers and employees with supervisory functions, as well as all employees whose overall remuneration places them in the same pay category as members of the management board and risk-takers and whose professional activities have a substantial impact on the risk profiles of the Management Company and of the Funds it manages.

Identified Staff are subject to additional standards in terms of performance management, the constitution of the variable component and the schedule of payments.

Multi-year objectives and deferred portions of the variable component enable performance to be measured over the long term. The performance of portfolio managers, in particular, is largely evaluated according to quantitative results associated with performance over several years.

For Identified Staff payment of a significant portion of the annual variable compnent, beyond a certain threshold, is deferred for three years. 50% of the variable compensation (deferred and non-deferred) must be made up of units or shares of funds managed by the Management Company or of similar instruments.

Ex-post risk adjustment means that explicit adjustments can be made to previous years' performance evaluation and to the related remuneration, in order to prevent the acquisition of all or part of a deferred remuneration amount (Malus), or the repayment of a remuneration amount to the Management Company (recovery).

AllianzGI has a full risk reporting system that covers the current and future risks of the Management Company's activities. The risks that significantly exceed the Company's appetite for risk are presented to the Management Company's Global Remuneration Committee which then decides, as necessary, whether to adjust the total remuneration reserve.

The Management Company's current remuneration policy is set out in greater detail at https://regulatory.allianzgi.com. This information includes a description of the methods used to calculate remuneration and the benefits granted to certain groups of employees, as well as details of the persons in charge of allocation, specifically the members of the Remuneration Committee. Anyone wishing to obtain this information on paper may do so free of charge from the Management Company on request.

ALLIANZ EURO HIGH YIELD

FUND REGULATIONS

I. ASSETS AND UNITS

Article 1 - Co-ownership units

The rights of co-owners are expressed as units, with each unit corresponding to the same fraction of the Fund's assets. Each unitholder has a shared ownership right in the assets of the Fund in proportion to the number of units held.
The term of the Fund is 99 years starting from 02/04/1993, unless the Fund is wound up early or its term is extended in accordance with these regulations.

Unit classes:
The features of the various unit classes and the conditions to access them are set out in the Fund's prospectus.
The various unit classes may:
- benefit from different income allocation rules (distribution or accumulation);
- be denominated in different currencies;
- incur different management fees;
- incur different subscription and redemption fees;
- have a different par value;
- carry a partial or total systematic risk hedging, defined in the prospectus. This hedging is achieved using financial instruments that minimise the impact of the hedging transactions on the other unit classes of the UCI;
- be reserved for one or more marketing networks.

The Fund may combine or split the units.

The governing body of the Management Company may decide to split units into fractions of units.
The provisions of the regulations governing the issue and redemption of units shall apply to fractions of units, and their value shall always be proportional to that of the unit they represent. Unless stated otherwise, all other provisions of the regulations relating to units apply to fractions of units without the need to specifically state this.
Finally, the governing body of the Management Company may also decide, at its own discretion, to split the units by issuing new units, which are allocated to unitholders in exchange for their existing units.

Article 2 - Minimum assets

Units may not be redeemed if the assets of the Fund fall below €300,000. If the Fund's assets remain below this amount for 30 days, the portfolio Management Company will take the necessary measures to liquidate the Fund concerned, or execute one of the transactions stipulated in Article 411-16 of the General Regulations of the AMF (transferring the Fund).

Article 3 - Issue and redemption of units

Units may be issued at any time at the request of unitholders based on their net asset value, plus any subscription fees if applicable. Redemptions and subscriptions operate according to the terms and conditions stipulated in the prospectus.

Units of the Fund may be admitted for listing on a stock exchange in accordance with regulations in force.

Subscriptions must be fully paid up on the net asset value calculation date. Subscriptions may be paid for in cash and/or in transferable securities. The management company reserves the right to refuse the securities offered and, to this end, has a period of seven days from the date of their deposit to notify its decision. If accepted, the securities provided shall be valued in accordance with the rules specified in Article 4 and the subscription shall take place on the basis of the first net asset value following acceptance of the securities in question.

Redemptions are made exclusively in cash, unless if the Fund is liquidated and unitholders have agreed to be reimbursed in securities. The custodian shall settle any redemption within a maximum of five days following the unit valuation date.

However, if, in exceptional circumstances, the redemption requires prior sale of assets held in the fund, this deadline may be extended up to a maximum of 30 days.

Except in the case of inheritance or living gift, the sale or transfer of units between unitholders, or between unitholders and a third party, is akin to a redemption followed by a subscription. When involving a third party, the amount of the sale or transfer must, if necessary, be supplemented by the beneficiary to reach at least the minimum subscription stipulated in the prospectus.

Pursuant to Article L. 214-8-7 of the French Monetary and Financial Code, the management company may temporarily suspend the Fund's redemption of its units and the issuing of new units, when required by exceptional circumstances and if such an action is deemed to be in the best interest of unitholders.

Where the net assets of the Fund fall below the amount stipulated in the regulations, no units may be redeemed (in the sub-fund concerned, where applicable).

The Fund may apply minimum subscription requirements, in accordance with the terms and conditions set out in the prospectus.

The Fund may stop issuing units pursuant to paragraph three of Article L. 214-8-7 of the French Monetary and Financial Code, in the following cases:
- The Fund is aimed at a maximum of 20 unitholders;
- The Fund is aimed at a class of investors whose features are defined in the Fund's prospectus;
- In objective situations causing the Fund to be closed to new subscriptions such as: a maximum number of units or shares issued, a maximum asset value having been reached, or expiry of a determined subscription period. These objective situations are detailed in the Fund's prospectus.

The Fund's management company may limit or prevent any prohibited person or entity from holding units in the Fund (referred to hereinafter as a "Non-Eligible Person"). A Non-Eligible Person is a "U.S. Person" as defined by Regulation S of the SEC (Part 230 - 17 CFR 230.903) and specified in the Prospectus.

To this end, the Fund's management company may:
(i) Refuse to issue any units if it deems that as a result of such an issuance, these units would or could be held, directly or indirectly, by or on behalf of a Non-Eligible Person;
(ii) At any time, require a person or entity whose name appears on the register of the unitholders to provide any information required, accompanied by a declaration on oath, that the management company considers necessary to determine whether or not the actual beneficiary of the units or shares is a Non-Eligible Person; and
(iii) When it appears to the management company that a person or entity (i) is a non-Eligible Person and, (ii) alone or jointly, is the beneficial owner of the units, it may compulsorily redeem all of the units held by such a unitholder and, after a delay of 10 days during this time, the beneficial owner of unit may make any relevant representations. The compulsory redemption will be based on the last known net asset value plus, where appropriate, any fees and charges applicable, which shall remain payable by the Non-Eligible Person.

(The definitions of a “US Person” or a “beneficial owner” are available at the following address: http://www.sec.gov/about/laws/secrulesregs.htm)

Article 4 - Calculation of net asset value

The net asset value of the units is calculated in accordance with the valuation rules set out in the prospectus.
Contributions in kind may only comprise securities, stocks or contracts that are permitted to be part of the assets of the Fund; these are valued in accordance with the valuation rules applicable to the calculation of the net asset value.

II. FUND OPERATIONS

Article 5 - Management Company

The management company manages the Fund in accordance with the strategy defined for the Fund. The management company will at all times act on behalf of the unitholders and it alone is entitled to exercise the voting rights attached to the securities in the Fund.

Article 5 bis - Operating rules

The instruments and deposits eligible to be part of the assets of the Fund and the investment rules are described in the prospectus.

Article 5 ter - Admission to trading on a regulated market and/or multilateral trading facility

Units may be listed for trading on a regulated market and/or multilateral trading facility in accordance with prevailing regulations. In instances where the Fund has a management objective based on an index and its units are admitted to trading on a regulated market, the Fund is required to have a system in place to ensure that the price of its units does not deviate significantly from its net asset value.

Article 6 - The depositary

The depositary performs the duties for which it is responsible by virtue of applicable legal and regulatory provisions and those contractually entrusted to it by the portfolio management company. It must especially ensure that all decisions taken by the management company are lawful. If necessary, the depositary shall take any custodial measures considered appropriate. In the event of any disputes with the management company, the depositary shall inform the French Financial Markets Authority (AMF).

Article 7 - The Statutory Auditor

The governing body of the executive board of the management company of portfolio shall appoint a statutory auditor for a term of six financial years, after obtaining the agreement from the French Financial Markets Authority (AMF). The auditor certifies the accuracy and regularity of the accounts. The statutory auditor’s mandate may be renewed. The auditor must promptly notify AMF of any event or decision relating to Fund that it discovers while performing its duties that is liable to:
1.Constitute a material breach of any laws or regulations that apply to the Fund and that may have a significant impact on its financial position, profits or assets;
2.Adversely affect its operating conditions or continued operation;
3.Lead to the expression of reservations or refusal to certify the accounts.

Asset valuations and the determination of exchange rates used in currency conversions, mergers or demergers shall be audited by the statutory auditor. The auditor shall evaluate any contribution in kind for which it is responsible. The auditor certifies the accuracy and composition of the assets and other information before publication. The auditor’s fees are determined by mutual agreement between the auditor and the management company’s executive board or board of directors of portfolio on the basis of a work schedule indicating the duties deemed necessary.

The auditor certifies the financial statements used for interim dividends.

Article 8 – Financial statements and management report

At the end of each financial period, the management company compiles summary statements and a report on the management of the fund (and each compartment, where applicable) during the previous year.

The management company draws up an inventory of the collective investment undertaking's assets under the supervision of the depositary at least on a half-yearly basis.

The management company holds these documents at the disposal of unit-holders within four months of the end of the financial period and notifies the holders of the amount of income accruing to them. These documents are either mailed to unit-holders at their express request, or made available to them on the management company's premises.

III. ALLOCATION OF DISTRIBUTABLE SUMS

Article 9 – Allocation of distributable sums

The distributable sums consist of:

1. The net income plus any amounts carried forward and increased or decreased by the balance of income accruals.
Net income for the financial period is equal to the amount of interest, arrears, dividends, premiums, instalments and attendance fees and all income from the securities comprising the portfolio, plus income from the sums temporarily available and less management fees and borrowing costs.

2. Capital gains realized, net of costs, less any capital losses realized, net of costs, reported during the period, plus any capital gains of the same nature reported during previous periods and not distributed or accumulated and reduced or increased by the balance of capital gains accruals.
The amounts mentioned in 1 and 2 can be distributed, in whole or in part, independently one from the other.

For each unit class, if necessary, the Fund may opt for one of the following:
- Full accumulation: Distributable sums are fully capitalized;
- Pure distribution: Distributable amounts are partially or fully distributed within five monthsfollowing the closing of the annual accounts with an option to distribute interim dividends during the financial year;
- For Funds wishing to choose freely between accumulation and/or distribution, partly or fully: the management company shall determine each year the amounts to be distributed, with an option to distribute interim dividends during the financial year.

The allocation terms and conditions applicable to distributable amounts are set out in the prospectus.

IV. MERGERS - SPLITS - DISSOLUTION - LIQUIDATION

Article 10 - Merger - Splits

The management company may either contribute some or all the assets in the fund to another UCITS, or else split the fund into two or more other funds.

Unitholders must be given prior notice of such a merger or demerger. A new certificate will be issued to indicate the number of units held by each unitholder.

The provisions of this article apply to each compartment.

Article 11 - Dissolution - Extension

If the Fund's assets remain below the minimum amount set in Article 2 for thirty days, the management company shall notify the French Financial Markets Authority (AMF) and then either arrange a merger with another mutual fund or wind up the Fund.

The management company may wind up the fund early; it shall notify the unitholders of this decision and no subscription or redemption requests shall be accepted after this date.

The management company may also wind up the Fund: if it receives a request to redeem all of its units, if the depositary's term of office is terminated and no other depositary has been appointed, or on expiry of the fund's term, if it has not been extended.

The management company shall inform AMF by post of the date of the dissolution and the procedure adopted. It shall then send the auditor's report to AMF.

In agreement with the depositary, the management company may decide to extend the term of the Fund. This decision must be taken at least three months before the anticipated expiry of the Fund's term and must be communicated to unitholders and AMF.

Article 12 – Liquidation

If the fund is dissolved, the management company or the depositary shall be responsible for the liquidation proceedings; if this is not the case, the liquidator shall be appointed by the courts at the request of any interested party. To that end, they are vested with the widest powers to sell the fund's assets, pay any creditors and distribute the available balance among the unitholders in cash or securities. The statutory auditor and the depositary shall continue to carry out their duties until the liquidation proceedings have been completed.

V. DISPUTES

Article 13 - Jurisdiction - Election of domicile

Any disputes relating to the Fund that may arise during the period of its operation or during its liquidation, either between unitholders or between unitholders and the management company or the depositary, are subject to the jurisdiction of the competent courts.