



Terms of business

April 2010

Allianz 
Global Investors



Content

1. Definitions	3
2. Terms of business	4
3. Intermediary is agent of client	5
4. Payments	5
5. Commission	6
6. The prevention of fraud and financial crime	9
7. Documentation	9
8. Indemnity	10
9. Service of documents	11
10. Telephone recording	11
11. Complaints	11
12. Variation	12
13. Governing law and effect of regulations	12
14. Data Protection Act 1998	12
15. Rights of Third Parties	13
16. Commission schedule	13

1. Definitions.

As you will be aware all Intermediaries carrying on investment business, including dealing in or arranging deals in collective investment schemes must be appropriately authorised. We wish to record the terms upon which any business between us will be transacted.

- 1.1 “Act” means the Financial Services and Markets Act 2000 as from time to time amended or re-enacted and any successor to it.
- 1.2 “Allianz Global Investors” means either Allianz Global Investors (UK) Limited or RCM (UK) Limited whichever is the applicable Product Company. Both companies are subsidiaries of Allianz S.E.
- 1.3 “Authorised Intermediaries” see item 2.2 below.
- 1.4 “Business” means the business of engaging in one or more of the activities described in Part 1 of Schedule 2 to the Act in relation to Shares.
- 1.5 “CIF” means any Common Investment Fund established under The Charities Act 1993 managed by RCM (UK) Limited.
- 1.6 “Client Money Account” means a bank account which meets the requirements of the Client Money Rules.
- 1.7 “Client Money Rules” means the rules set out in Chapter 4 of the FSA’s Client Assets Sourcebook as from time to time amended and the term “Client Money” shall be construed accordingly.
- 1.8 “FSA” means the Financial Services Authority.
- 1.9 “Intermediary” means an Intermediary carrying on Business in relation to Shares, wrap or life products and authorised to do so pursuant to the Act.
- 1.10 “ISA” means an Individual Savings Account managed by Allianz Global Investors.
- 1.11 “Nominated Intermediary” means an Intermediary who has either (i) been expressly appointed by the client or (ii) is deemed to be so appointed as a result of the client

placing business with Allianz Global Investors through the Intermediary, and in either case, such appointment will cease upon written notice from the client to that effect.

- 1.12 “Product” means ISAs, Shares and/or CIFs, either collectively or as the context so requires.
- 1.13 “Product Company” means, in relation to unit trusts, the manager or operator of the scheme concerned; in relation to open ended investment companies, the authorised corporate director of the scheme concerned and the scheme itself and, in relation to ISAs, Allianz Global Investors.
- 1.14 “Rules of FSA” means the rules of the Financial Services Authority in the United Kingdom as from time to time amended.
- 1.15 “Settlement Day” means:
- (a) in the case of Allianz Global Investors, ISAs, CIFs, or Shares in a collective investment scheme or a sub-fund thereof (or other funds determined by Allianz Global Investors), the date of application or the date specified in the relevant product terms and conditions.
 - (b) in all other cases, the date stated on the contract note (or otherwise advised) as the time on which payment is due.
- 1.16 “Share” means a share in a regulated or unregulated collective investment scheme in the form of a unit trust or an open ended investment company managed or operated by Allianz Global Investors.

2. Terms of business.

- 2.1 Scope. This document sets out the terms on which Allianz Global Investors will arrange and effect transactions in any Product in accordance with instructions from Intermediaries. By placing an order with Allianz Global Investors an Intermediary will acknowledge that these terms of business apply to transaction(s) in the Product(s) concerned, and that it undertakes to Allianz Global Investors to perform the obligations set out below.

- 2.2 Allianz Global Investors will only accept Business from authorised UK or EU financial Intermediaries who are authorised under the Act to transact that class of Business (“Authorised Intermediaries”) and reserves the right to cease to accept Business from, or to refuse any particular Business proposed by an Intermediary which has ceased to be authorised or for such other reason as Allianz Global Investors deems appropriate.
- 2.3 Allianz Global Investors reserves the right to reject deals from investors or Intermediaries who have been identified or are suspected of participating in market timing, frequent trading, late trading or any other practise that Allianz Global Investors considers may be detrimental to the interests of investors. The Intermediary confirms it does not engage in market timing, frequent trading, late trading or any activities of a similar nature and that it has established procedures for monitoring its own trading activities and those of its clients to identify and deter any such activities. The Intermediary will notify Allianz Global Investors of any actual or suspected occurrences of frequent trading, market timing, late trading or any activity of a similar nature in relation to any Product of which it becomes aware.

3. Intermediary is agent of client.

- 3.1 The Intermediary shall be the agent of its client, save in respect of its obligations hereunder, and shall only give instruction on behalf of a client to the extent it has the client’s authority to do so.
- 3.2 The Intermediary may act as principal if so authorised pursuant to the Act.

4. Payments.

- 4.1 Payment in respect of any contract effected by or through the Intermediary must be received by Allianz Global Investors on the Settlement Day, whether or not the Intermediary has received payment from the client. Allianz Global Investors shall be entitled to cancel in whole or in part any contract or application in respect of which a payment is not made on or before the Settlement Day. This provision shall not be affected by any requirement to serve a cancellation notice in respect of the transaction in question, nor by the fact that such notice may have been served on previous occasions.

- 4.2 The Intermediary shall keep Allianz Global Investors indemnified from all loss incurred by reason of the Intermediary's failure to make due payment on the Settlement Day. Allianz Global Investors shall be entitled to charge interest in respect of delayed settlement at a rate of 4% above the base rate at the time. For the purpose of this provision, loss shall include any loss resulting from the cancellation of the contract or application other than cancellations pursuant to statutory rights and, without limitation by the foregoing, any other loss or expense caused to Allianz Global Investors directly or indirectly by a failure of the Intermediary to comply with 4.1 above.
- 4.3 Cheques in respect of repurchases or withdrawal of Shares will be drawn in favour of the Intermediary so long as the Intermediary is authorised to handle client money (account client) and despatched to the Intermediary, unless Allianz Global Investors is otherwise instructed and subject to any regulatory requirements or product terms and conditions to the contrary. The Intermediary is responsible for informing Allianz Global Investors if he is not authorised to handle client money. In this case payments will be made by a cheque drawn in favour of the first-named registered unitholder or shareholder and crossed "Account Payee".
- 4.4 If the Intermediary is not authorised to hold client money, proceeds will be despatched to the client.
- 4.5 If the Intermediary has undertaken to a client to pass monies to Allianz Global Investors, the Intermediary shall do so promptly. Where payment is made by Allianz Global Investors to the Intermediary on a client's behalf such payment will discharge Allianz Global Investors' obligations to the client and the Intermediary shall indemnify and keep Allianz Global Investors indemnified against all loss, costs, claims, expenses and demands arising from payment to the Intermediary as aforesaid.
- 4.6 Allianz Global Investors may refuse, without liability, to honour payment instructions if it believes that a transaction may be unlawful.

5. Commission.

- 5.1 All matters relating to the payment of commission by Allianz Global Investors in respect of any Product shall be governed by the Rules of the FSA to the extent

that such rules are applicable. Commission is payable only to Authorised Intermediaries.

- 5.2 The maximum rate of initial commission and/or trail commission or rebate normally payable by, or on behalf of, Product Companies in respect of investment in certain Products is set out with further details against the category or individual name of such Products in the Schedule to these terms. Allianz Global Investors reserve the right not to pay initial commission on certain sub-funds of open-ended investment companies.
- 5.3 Trail commission or rebate payable in respect of those Products set out in the Schedule is payable to an Authorised Intermediary eligible to receive initial commission, and who is, at the time of payment, a Nominated Intermediary in respect of the Product. A record identifying a Nominated Intermediary will be amended only on receipt by Allianz Global Investors of written notice from the client. Such amendment will apply to all future trail commission payments, in the absence of prior written notice from the client to the contrary. Where an independent agent previously eligible for trail commission becomes tied all payments or trail commission will cease. The trail commission for shares in an open ended investment company it is based on the mid value of holdings on the relevant date.
- 5.4 Without prejudice to the payment of commission already accrued, Allianz Global Investors reserves the right to reduce the rate or rates of commission otherwise due from it under paragraph 5.2 above forthwith on giving 28 days' notice of any such reduction to the Intermediary.
- 5.5 Allianz Global Investors reserves the right to reduce the rate or rates of commission otherwise due under paragraph 5.3 on giving 28 days' notice of any such reduction to the Intermediary.
- 5.6 The Intermediary shall not recommend any transaction in any Product unless the Intermediary has disclosed to its client that the Intermediary will receive commission in respect of the transaction and that Allianz Global Investors will be providing the client with information about the commission. The Intermediary shall disclose the actual commission payable to the client if so required by the Rules of FSA to which it is subject, or if so requested by the client.

- 5.7 If a client exercises a statutory right of cancellation, any commission (including VAT where applicable) paid by Allianz Global Investors in respect of the transaction shall forthwith be repaid by the Intermediary to the relevant Product Company. All or any amount of commission due to be repaid by the Intermediary (whether or not due to the exercise of a statutory right of cancellation) and any other amount owed by the Intermediary to Allianz Global Investors may be deducted from any other amount of commission due (either at that time or thereafter) from Allianz Global Investors or any other Product Company to the Intermediary.
- 5.8 Allianz Global Investors shall, at its discretion, cease payment of commission to the Intermediary:
- (a) if the Intermediary ceases to be authorised to carry on Business or the Intermediary's authorisation is suspended; or
 - (b) in respect of a person of whom the Intermediary has ceased to act as Intermediary; or
 - (c) if the Intermediary shall die, become bankrupt, compound with or assign his estate or effects for the benefit of creditors, have goods seized in execution or, where the Intermediary is a company, goes into liquidation or receivership or is subject to an administration order, or if the Intermediary is subject to an investigation under Section 66 of the Act or under the Rules of the FSA.
- 5.9 Any accrued commission payment which remains unclaimed by the Intermediary will be forfeited after 28 days written notice given in accordance with paragraph 9 below from Allianz Global Investors to the Intermediary. For the purposes of paragraph 12.1 below, this variation to the terms of business from 30 June 2008 shall affect contracts made prior to the time of the variation.
- 5.10 In the event of early termination by a client of any contract in respect of which commission is paid on indemnity terms, the Intermediary undertakes to return pro rata to Allianz Global Investors any commission paid to the Intermediary, but not actually earned, as at the date on which the early termination of such contract was notified, either to Allianz Global Investors or to the Intermediary, whichever is the earlier.

6. The prevention of fraud and financial crime.

- 6.1 The Intermediary acknowledges that any transaction involving client money will be covered by statutory and other requirements relating to the prevention of money laundering including the Proceeds of Crime Act 2002, the Money Laundering Regulations and the Joint Money Laundering Steering Group Guidance Notes, as amended from time to time (jointly “the Money Laundering Requirements”).
- 6.2 Where a customer agreement, terms of business letter or similar arrangement exists that constitute a business relationship between the Intermediary and his client, the Intermediary undertakes full responsibility for the identification procedures to comply with any other requirements necessary under the Money Laundering Requirements in respect of any transaction with the Product Company. The Intermediary will be required to furnish Allianz Global Investors with an identity verification certificate and copies of evidence as set out in the Money Laundering Requirements.
- 6.3 Allianz Global Investors may withhold any proceeds of sale or delay any transfer of investments to a customer until the necessary evidence of identity has been obtained.

7. Documentation.

- 7.1 The Intermediary acknowledges that the Rules of the FSA require that clients are provided with all contractual terms and conditions in good time before any transaction is effected in a Product on a client’s behalf. The Intermediary accepts that it is responsible for providing the relevant contractual terms and conditions to its clients in good time before effecting any transaction on behalf of a client. The Intermediary shall pass to a client immediately and without any amendment any documents supplied by Allianz Global Investors for the information of or completion by the client as described in more detail below. Allianz Global Investors will promptly supply to the Intermediary copies of such items as may be required to enable the Intermediary to carry out its obligations hereunder. The Intermediary shall pass Allianz Global Investors immediately any documents provided by the client for that purpose.
- (a) The Intermediary shall not effect any purchase of Shares until the Intermediary has ensured that the client has been provided with, free of charge, a copy of the

most recent annual report and the most recent half-year report (unless it has been superseded by an annual report) and a copy of the Simplified Prospectus, key features and current terms and conditions in relation to the relevant Shares, in good time before the purchase of such Shares.

- (b) In the case of ISAs, the Intermediary shall ensure that in good time before subscribing to an ISA, the client has received the current terms and conditions, Simplified Prospectus, application form and explanatory booklet, and undertakes to pass on promptly to the client such statements and other information supplied by Allianz Global Investors for that purpose.
- (c) The Intermediary undertakes to comply with the packaged product disclosure requirements in force at the time of recommending or effecting a purchase of shares.

7.2 Allianz Global Investors reserves the right to send documents direct to the client only where necessary to comply with applicable laws or regulations.

7.3 When placing an order for the purchase or sale of any Product or constituent part thereof that Intermediary shall provide Allianz Global Investors and its agents with a statement (in writing, unless the order was given verbally) of the Intermediary's authorisation reference number, and whether or not the Intermediary is authorised to handle client money. The Financial Services Authority Cancellation Rules will apply to the transaction unless Allianz Global Investors is instructed to the contrary by the Intermediary at the time the order is placed.

8. Indemnity.

8.1 Without prejudice to the indemnities contained above, the Intermediary shall indemnify and keep indemnified Allianz Global Investors in relation to the transaction concerned from all losses, costs, claims, expenses or demands incurred by Allianz Global Investors arising from:

- (a) any failure by the Intermediary to comply with the provisions of the Act, and regulations made thereunder and the Rules of the FSA; or

(b) any breach by the Intermediary of any of these terms of business including, without limiting the foregoing, any failure to provide promptly and accurately the information required pursuant to these terms of business.

8.2 The Intermediary shall indemnify and keep indemnified Allianz Global Investors in relation to the transaction concerned against any losses, costs, claims, expenses or demands in respect of any failure by the Intermediary to inform Allianz Global Investors that the Financial Services Authority's Cancellation Rules apply to a particular transaction and against any loss to Allianz Global Investors in respect of a shortfall on cancellation of the failure of the client to settle any contract.

9. Service of documents.

9.1 Any letter or other document shall be deemed to have been duly served upon the Intermediary if it is sent by post to or left at the address of the Intermediary last notified by the Intermediary to Allianz Global Investors in writing. Any letter or other document served by first-class post shall be deemed to have been served on the business day following that on which the envelope containing the same is posted and in proving such service it shall be sufficient to prove that such envelope was properly addressed, stamped and posted.

10. Telephone recording.

10.1 Calls are recorded for our mutual protection and randomly monitored for quality control or training purposes, however, Allianz Global Investors reserves the right to use such recordings in the event of dispute.

11. Complaints.

11.1 A copy of our leaflet, "Allianz Global Investors' Complaints Process", is available on request. Any eligible complainant having any complaint in respect of a Product should inform Allianz Global Investors in writing of the details of the complaint. This will then be investigated and a reply provided as soon as possible and any appropriate remedial action taken. In addition, eligible complainants will have a right of complaint directly to the Financial Ombudsman Service if he/she is not satisfied with the outcome of the investigation into the complaint. Details of the

Financial Services Compensation Scheme established under the Financial Services and Market Act 2000, under which an eligible complainant may be entitled to receive compensation if the Product Company is unable to meet any of its liabilities to the eligible complainant are available on written request from Allianz Global Investors.

12. Variation.

12.1 Allianz Global Investors reserves the right to vary these terms of business, but except in so far as required by the Act or any regulations made thereunder or any Rules the FSA or any other law or regulation to which Allianz Global Investors is subject:

- (a) no variation shall affect contracts made prior to the time of the variation except as otherwise stated herein; and
- (b) not less than 28 days' notice shall be given to the Intermediary of, and prior to, a variation.

12.2 The Intermediary shall not be entitled to subcontract or transfer any of his rights and obligations hereunder without the prior written consent of Allianz Global Investors.

13. Governing law and effect of regulations.

13.1 These terms of business shall be governed and construed in accordance with the law of England and Wales and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

13.2 If in any case the provisions of any law or regulation which applies to Allianz Global Investors, or the terms of the trust deed or other document constituting the scheme concerned, conflict with the obligations expressed to be assumed by Allianz Global Investors hereunder, such provisions or terms shall prevail.

14. Data Protection Act 1998.

14.1 Client and Intermediary information will be transferred and processed by computer systems outside the European economic area so that Allianz Global Investors can provide the services requested. Such information may be passed on to third party

service providers used by Allianz Global Investors. The use of personal information is covered by our registration under the Data Protection Act 1998 (“DPA”). Under the terms of the DPA, an Intermediary may obtain a copy of the information held on behalf of their clients upon the written authority of the client and the payment of the appropriate fee. Such requests should be made in writing and sent to Allianz Global Investors’ registered address. To assist in confirming identify Allianz Global Investors may make searches with credit reference agencies who will supply us with credit information, as well as information from the Electoral Register. The agencies may record details of this search. We may also pass information to law enforcement agencies.

15. Rights of Third Parties.

15.1 The parties do not intend that any term of this agreement will be enforceable by any third party by virtue of the Contracts (Rights of Third Parties) Act 1999.

16. Commission schedule.

Applicable for investments made directly with Allianz Global Investors excluding transactions made through platforms.

OEIC Sub-Funds* - Class A Shares

Product and transaction type:	Lump sum purchase of Shares in Allianz Global Investors’ range of sub-funds.
Initial Commission:	Up to 3% deducted from initial charge excluding Allianz RCM UK Index Fund. Commission paid out once £15 is accrued
Trail Commission:	0.5% payable in arrears as at 31/03, 30/06 30/09 and 31/12 on any new business into the ‘A’ shares of Allianz RCM BRIC Stars Fund, Allianz RCM Global EcoTrends Fund, Allianz RCM European Equity Income Fund and Allianz RCM Dynamic Growth Fund.

Product and transaction type:	Purchase of Shares in Allianz Global Investors' sub-fund regular savings.
Initial Commission:	Up to 3% deducted from initial charge excluding Allianz RCM UK Index Fund. Commission paid out once £15 is accrued
Trail Commission:	0.5% payable in arrears as at 31/03, 30/06, 30/09 and 31/12 on any new business into the 'A' shares of Allianz RCM BRIC Stars Fund, Allianz RCM Global EcoTrends Fund, Allianz RCM European Equity Income Fund and Allianz RCM Dynamic Growth Fund.

Product and transaction type:	ISA and ISA Transfer.
Initial Commission:	Up to 3% deducted from initial charge excluding Allianz RCM UK Index Fund. Commission paid out once £15 is accrued
Trail Commission:	0.5% payable in arrears as at 31/03, 30/06, 30/09 and 31/12 on all funds excluding Allianz RCM UK Index Fund and Allianz PIMCO Gilt Yield Fund. Commission paid out once £50 is accrued

*Please note that there is no trail commission for the Class C Shares or Class S Shares of any sub-funds of open-ended investment companies.

Allianz Global Investors represents the products and services of the Allianz Global Investors Marketing Group. The Allianz Global Investors Marketing Group includes Allianz Global Investors (UK) Limited and RCM (UK) Limited, both are authorised and regulated by the Financial Services Authority. Both companies have their registered office at 155 Bishopsgate, London, EC2M 3AD and are subsidiaries of Allianz S.E.

Allianz Global Investors (UK) Limited
and RCM (UK) Limited
1st Floor, 155 Bishopsgate
London, EC2M 3AD

Investor Services: 0800 317 573

J2010-10434