



Active is: Regaining trust in active management

Featuring the findings of the Allianz Global Investors
2019 Institutional Investor Survey

April 2019

Value. Shared.

Allianz 
Global Investors

Content

- 4** Foreword: meeting evolving investor expectations
- 5** Executive summary
- 6** A roadmap for managers
- 8** Navigating new cyclical and secular risks
- 10** ESG and alternative strategies: fast growth ahead
- 12** Elevating the client experience, adding value
- 14** The rewards of closer partnerships
- 15** Study methodology

Foreword: meeting evolving investor expectations

At the end of 2018, we canvassed nearly 500 institutional investors worldwide on a subject close to our heart: active asset management. We wanted to explore attitudes to active investment – and key areas of investor interest such as environmental, social and governance (ESG) investing and digital transformation – across a range of institutions and markets that reflect the global nature of our business. We wanted to test why today, when challenging market conditions argue in favour of an active asset-management approach, many investors seem sceptical about paying for it.

Our findings help us quantify key factors at work in the marketplace today. While a majority of investors recognise that active management is vital for navigating more volatile and uncorrelated markets – as well as the disruption wrought by technology – investors don't agree on the value for money that active represents.

For some active managers, our research should be a wake-up call – particularly for those who fail to meet today's evolving investor expectations. Those active managers tempted to bury their heads in the sand may struggle to survive. Yet others will find something more positive: a guide to helping clients discover the value active managers provide and building deeper, mutually rewarding relationships.

To get there, the active asset management industry must change in step with its clients. We must move the conversation from incurring costs to sharing value through a spirit of partnership. Instead of selling single-fund products, we must embrace our service-oriented roots to deliver tailored solutions that encompass multiple strategies and asset classes.

Because, while much has changed in the world, the path to success remains the same: understanding our clients, adapting to meet their needs and staying focused on securing their financial future. We believe that active management is critical to that mission – now more than ever.



Andreas Utermann
CEO, Allianz Global Investors

Executive summary

The case for active asset management always grows clearer towards the end of a market cycle. As price volatility increases, investors see that gains are harder to come by, and the discomfort of riding a turbulent index can add to uncertainty about the future. Active asset managers, for their part, warn that the biggest risk could be to take no risk: while investors may be tempted to play it safe in volatile times, doing so could jeopardise their financial goals.

New research commissioned by Allianz Global Investors suggests that, this time, building the case for active management may be even more urgent than in previous market turns. After more than a decade of accommodative interest rates and steadily rising asset values, many investors feel instinctively sceptical that active managers can bring much to the party, even over the long term. At the same time, though, they show a growing appetite for investment innovations: they recognise that the challenges ahead will require them to adopt new tools and approaches to help safeguard their financial ambitions.

Our research shows that investors want strategies to help manage emerging risks, knowing that, thanks to quantitative easing, market conditions since the global financial crisis have been unusual. They foresee alternative investment strategies playing a growing role in their portfolios in the future. And they are eager to incorporate ESG principles into their investment objectives. If investors' scepticism is a wake-up call for asset managers, their awareness of a changing environment and the need for new investing tools represents an unprecedented opportunity.

Wanted: an investment partner

During November and December 2018, we commissioned Oxford Economics to survey 490 institutional investors globally to explore their sentiments about the market environment, expected shifts in risk management and investing strategies, and attitudes towards their asset managers (see page 15 for study methodology). The responses show that, while investors prioritise performance when choosing a manager, other considerations carry nearly as much weight. Most organisations prefer working with managers on a long-term basis, and they consider a close understanding of their institution's challenges and goals nearly as important as performance. Put simply, they want an investment partner that shares their values and understands their ambitions.

At a minimum, they expect their asset managers to help them navigate a challenging market environment that is being recast by cyclical, structural and regulatory forces. Our results suggest that investors are also looking for asset managers to elevate the client experience in **five areas** in the year ahead:

- 1. Offer innovative risk management approaches** to help investors navigate the challenging market environment
- 2. Facilitate ESG investing** in ways that support investors' objectives and values
- 3. Inform investors on alternatives** by providing clarity and transparency
- 4. Adopt technology to enhance client outcomes** including emerging technologies, such as artificial intelligence (AI)
- 5. Champion innovative fee models** that align cost and performance

These steps can transform the manager/client relationship into a collaborative effort that yields benefits for both sides. With a deeper understanding of their clients' challenges and goals, managers can deliver tailored solutions rather than focusing on individual product sleeves. When investors can access up-to-date strategies and risk-management tools, performance potential can improve and investors grow more confident. Our survey findings indicate such relationships will last through the next market cycle and beyond.

A roadmap for managers

Investors appreciate that active asset management has advantages over passive. Yet many remain unconvinced that these benefits are worth the cost. That is, they recognise the strengths of active, but not necessarily its value (see Fig. 1).

Nearly three-quarters of survey respondents think active managers are better at managing market risks caused by digital transformation – for example, pruning the shares of disrupted businesses from a portfolio and identifying the successful disruptors. A majority of investors also say active management is the best option when markets are uncorrelated, and more effective at using Big Data and AI to capture market opportunities. More than three-fifths believe active managers are better stewards of

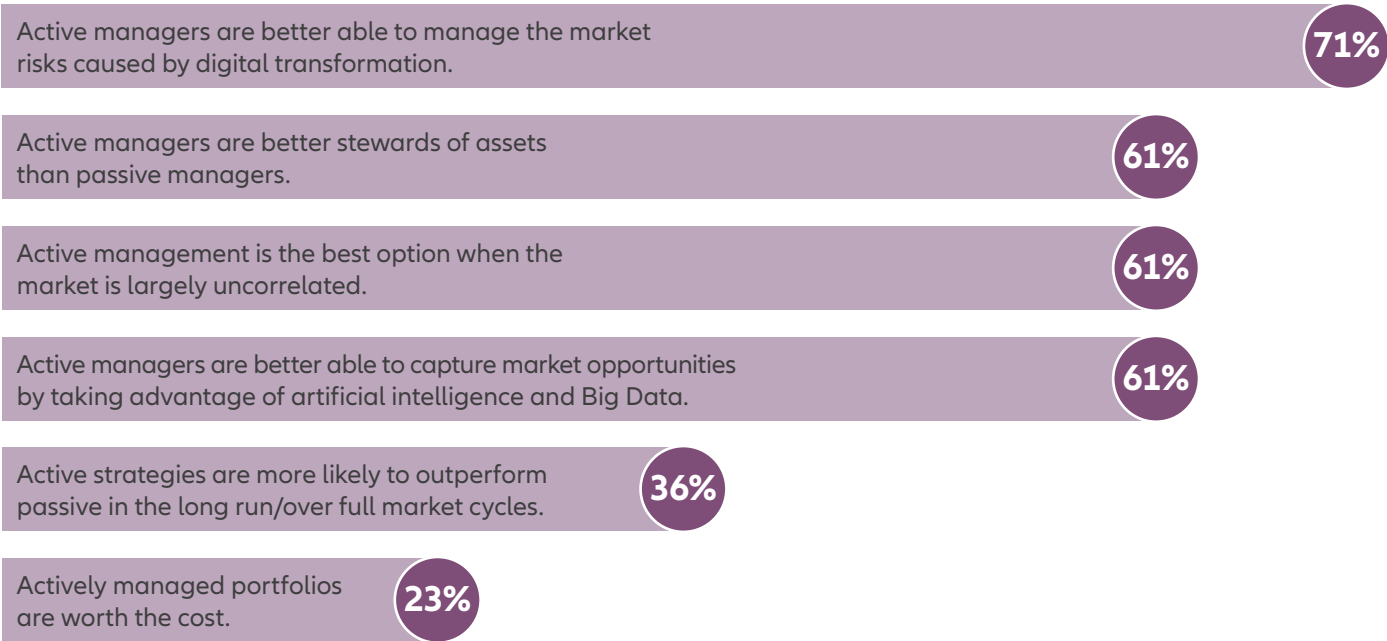
assets than passive managers. Nevertheless, only 36% think active strategies will outperform passive strategies in the long run, and fewer than a quarter believe actively managed portfolios are worth the cost.

These results represent global averages across many institution types and markets. Scepticism is most pointed in the UK, where a scant 18% of respondents think active management outperforms passive over full market cycles. By contrast, French and Italian respondents are more than twice as likely as UK investors to vote for active. And whereas, globally, 47% of public pension funds think active outperforms, just 24% of insurers agree.

The gap between recognising and valuing the rewards of active management is not the only disconnect our survey uncovered. We found another gap between what investors say and how they behave when it comes to manager relationships: 72% agree or strongly agree that they prefer to work with managers on a long-term basis, yet more than half say they will switch out their core equity and core fixed-income managers as soon as performance falters. Among banks, that percentage exceeds 70%.

Fig. 1: A disconnect between active’s advantage and perceived value

To what extent do you agree with the following statements? “Agree” and “Strongly agree” responses



Source: Allianz Global Investors 2019 Institutional Investor Survey

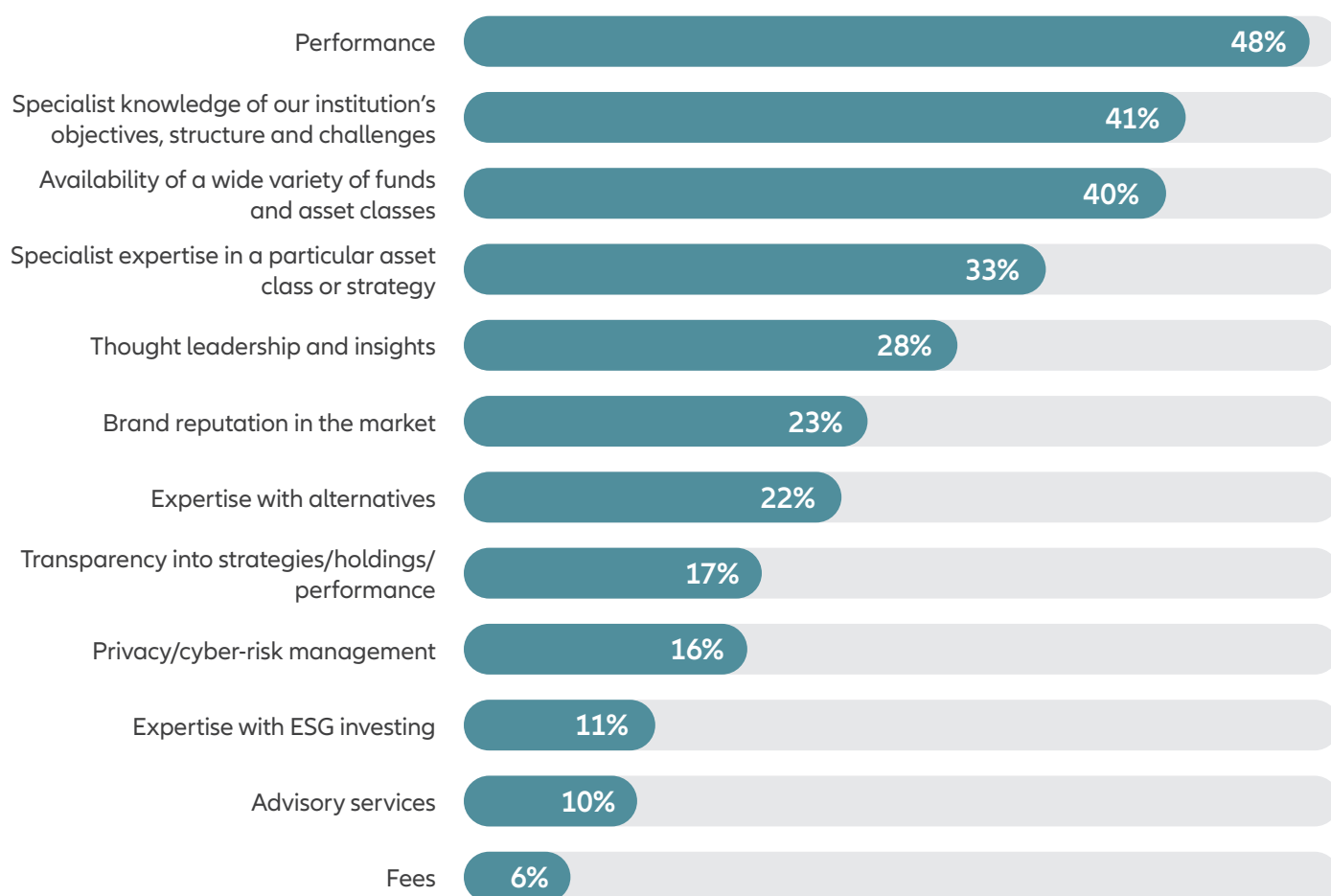
Active is: Regaining trust in active management

Indeed, when asked to rank their top three criteria when hiring an asset manager, survey respondents pick performance more than any other option (see Fig. 2). But the 48% response rate for portfolio performance is not very far ahead of the 41% of investors that prioritise specialist knowledge of their institutions' objectives, structure and challenges – a percentage that rises to 50% in the Middle East and to 53% among sovereign wealth funds. And 40% of respondents overall say access to a broad variety of funds and asset classes is a top reason to choose a manager.

What might explain these disconnects between investors' perceptions and actions vis-à-vis the asset-management industry? In some cases, pressure to deliver short-term results may override their preference for long-term manager mandates. In others, investors may like the idea of a long-term, active relationship – but think of it as an intangible good rather than a measurable outcome. Our study findings indicate that managers can bridge the gaps between client perception and behaviour by creating a collaborative relationship, building value through tailored service and concrete support.

Fig. 2: Performance comes out on top – but it's not the only factor

Percentage choosing each option as one of their top three priorities when selecting a manager.



Source: Allianz Global Investors 2019 Institutional Investor Survey

Navigating new cyclical and secular risks

The global financial crisis triggered shifts in monetary policy, corporate behaviour and investor attitudes that are now beginning to normalise. Our survey, which coincided with steep equity market drops at the end of 2018, shows most institutions believe the risk environment is at an inflection point. Three-quarters of respondents describe themselves as extremely concerned or very concerned about inflation, 79% feel that way about monetary policy and 80% are worried about market volatility. At the same time, nearly nine

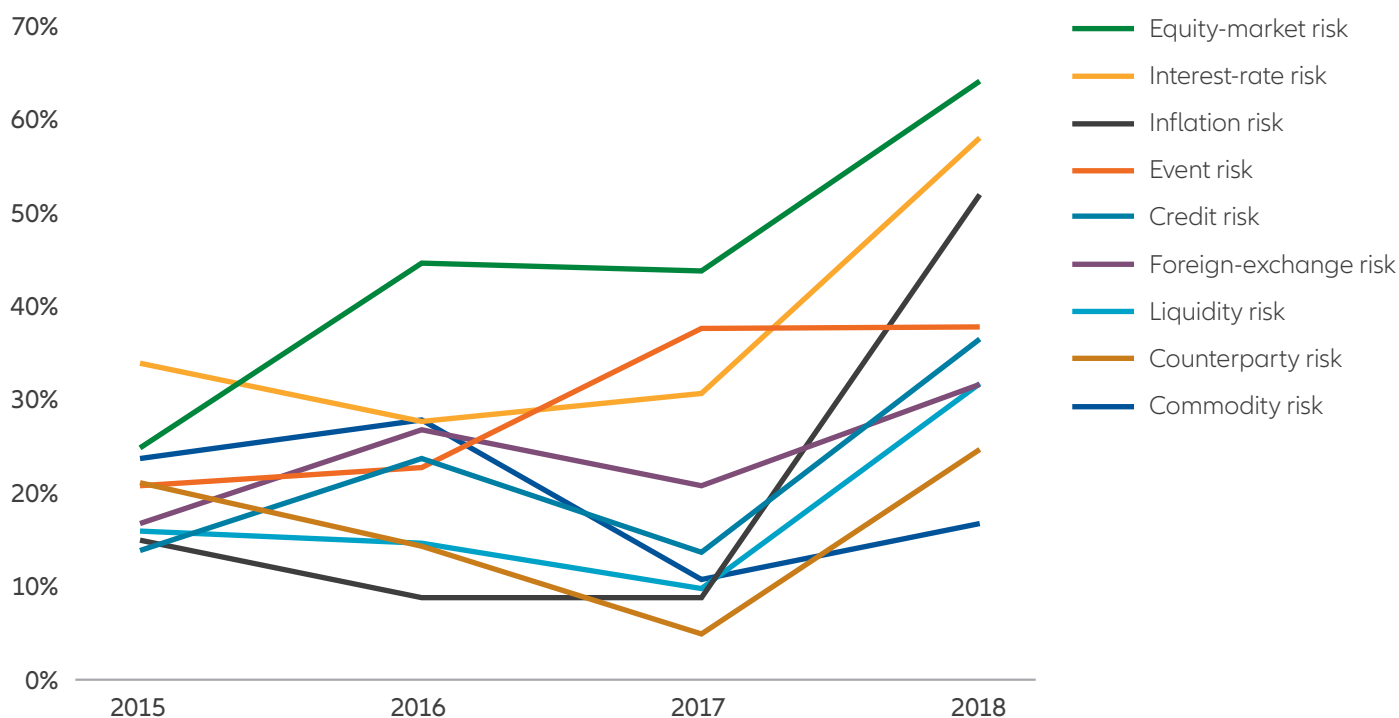
out of 10 respondents (87%) think investors generally have grown complacent about risk management in the decade since the crisis, and 59% say loose central-bank policy has introduced a new level of risk.

Besides these economic cycle-related risks, 76% of institutions expect risks from new regulations to threaten their success over the next five years, and 50% see privacy breaches or other cyber-security issues on the horizon. These fears reflect ongoing long-term

shifts in the business environment, including a continual rethinking of financial-industry oversight and the digitisation of more investment processes, both customer-facing and back-office. Hedging a portfolio against all such risks may not be technically possible, but regulation and cyber-security are both areas where an active manager closely familiar with an institution's structure, culture and practices can reduce uncertainty by helping to anticipate and protect against potential problems.

Fig. 3: Almost all market risks loom larger than a year ago

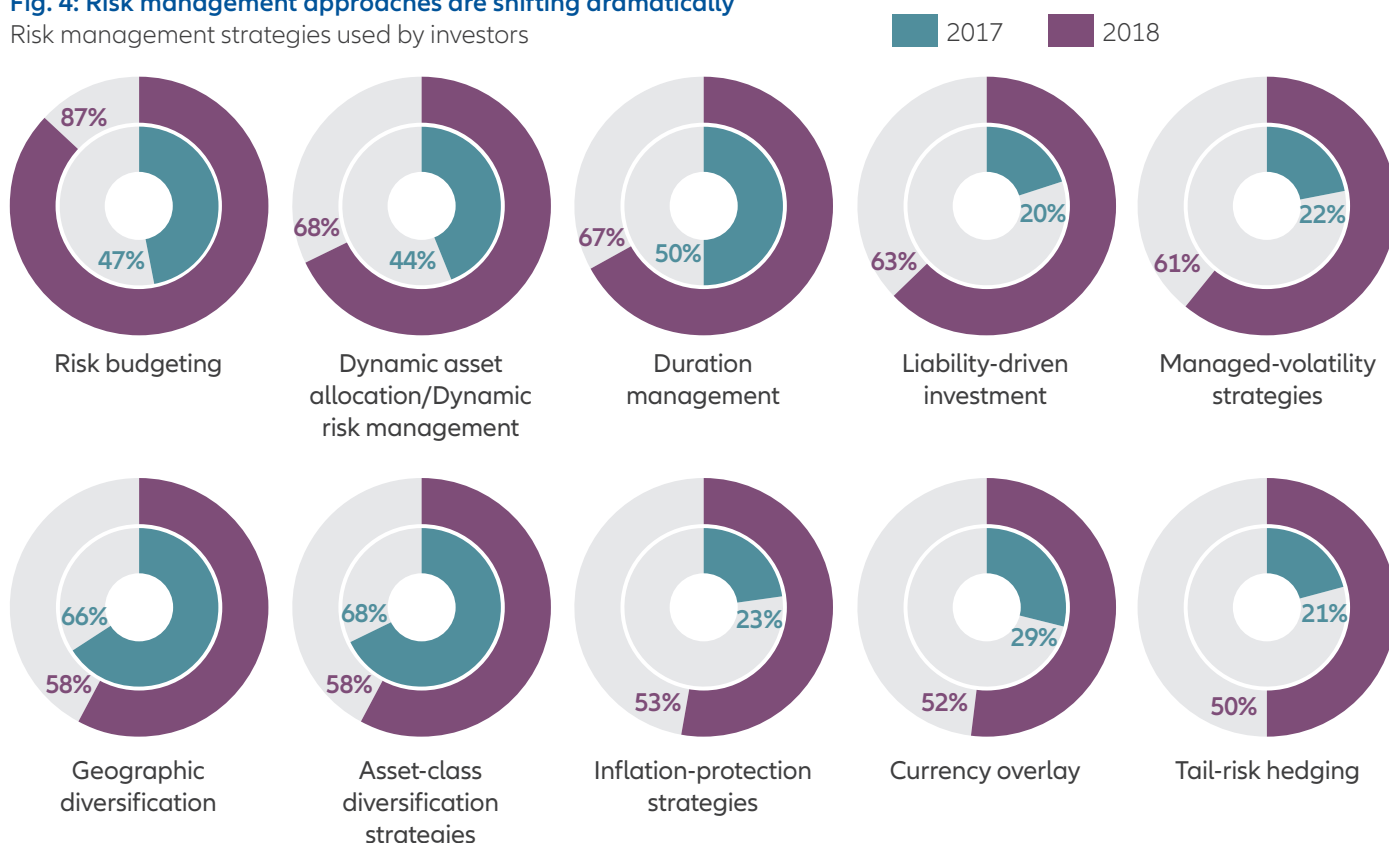
To what degree do you believe each of the following risks threaten your portfolio's performance over the next 12 months?
"Considerable threat" responses



Source: Allianz Global Investors 2019 Institutional Investor Survey; Allianz Global Investors Risk Monitor surveys, 2015-2017

Fig. 4: Risk management approaches are shifting dramatically

Risk management strategies used by investors



Source: Allianz Global Investors 2019 Institutional Investor Survey; Allianz Global Investors Risk Monitor survey 2017

In the shorter term, anxiety about market risks over the coming 12 months is far more prevalent than a year ago (see Fig. 3). Not surprisingly, the rise in “considerable threat” responses is sharpest for inflation and interest-rate risk. But fears about credit, counterparty and liquidity risk have also risen dramatically.

Perhaps not surprisingly, investors have put in place new risk-management strategies over the past year (see Fig. 4). In particular, liability-driven investment (LDI) and managed-volatility strategies have seen a significant spike in interest. Risk budgeting is now the most common risk-management strategy, nearly doubling in popularity over the past 12 months. Meanwhile, interest in diversification strategies has fallen slightly over the same period.

Our results suggest demand for individual strategies will be particularly strong among certain types of institutions. For example:

- 55% of sovereign-wealth fund respondents say they will be using inflation-protection strategies for the first time within three years, compared with 45% of respondents overall
- 44% of endowments and foundations plan to begin using managed-volatility strategies, compared with 38% of total respondents
- 43% of public pension plan respondents say they will be using dynamic asset allocation and dynamic risk-management strategies for the first time within three years, compared with 31% of respondents overall.

Yet despite such clear plans to implement new risk management strategies, many investors feel inadequately prepared for the volatility ahead. For example, just 49% say they have access to the appropriate tools or solutions to deal with tail risk. And, in one of the survey’s most startling findings, only 47% say their institution has changed its approach to risk management since the financial crisis to help protect against future tail risks. Active managers have an opportunity to address investors’ deepening concerns about inflation, interest rates, exchange rates and volatile equity markets through a range of potential solutions.

ESG and alternative strategies: fast growth ahead

Active managers can also wield their advantage with two types of investing strategies that have moved firmly into the mainstream: alternative investments, and investments incorporating ESG factors. Growing demand for these strategies plays to the strengths of active management. Although investors can certainly find alternatives-focused exchange-traded funds (ETFs) and sustainability index funds on the market, we believe the real purpose of alternative and ESG allocations is to position portfolios according to specific client objectives and constraints. A passive approach may miss the point. Take, for example, infrastructure investing – a type of alternative where it's critical to understand the underlying asset and actively manage the exposure. Another example: ESG approaches where active managers can engage with investee companies to drive positive change and seek to better reflect investors' values.

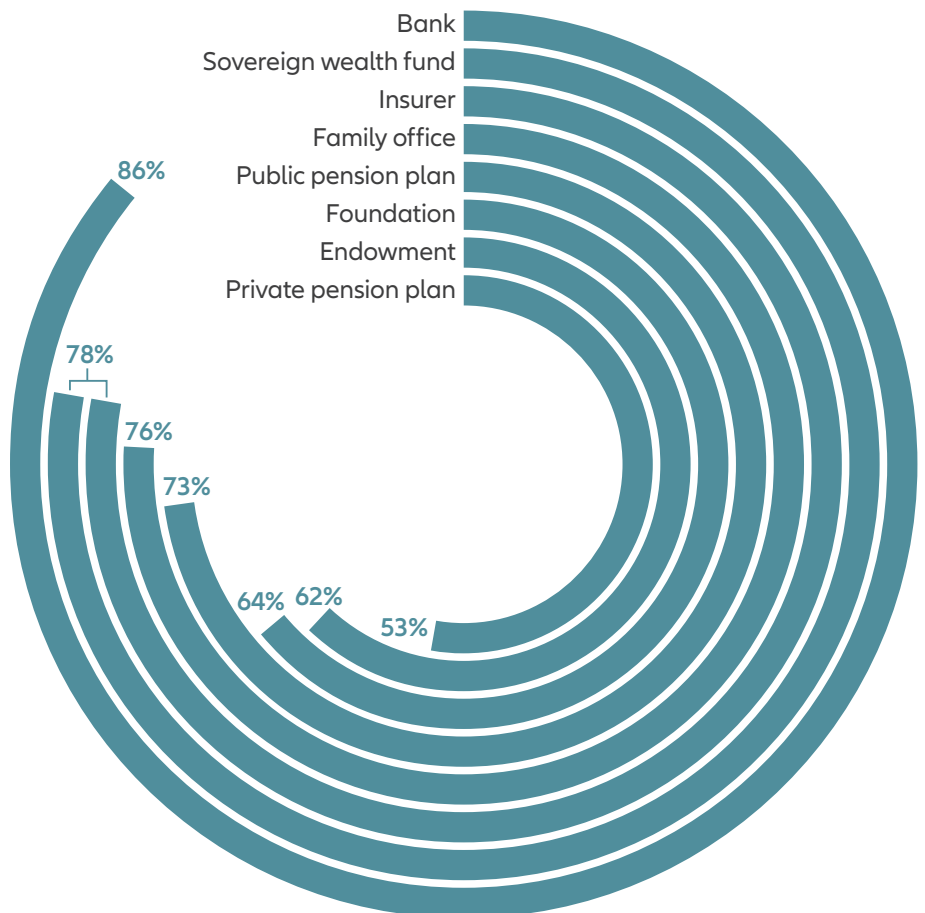
It's not surprising that 71% of our survey respondents overall expect ESG investing to grow dramatically more popular over the next three years. Enthusiasm varies by institution type (see Fig. 5): 53% of private pension managers anticipate strong growth, vs. 86% of banks. Regionally, 80% of US investors think ESG investing will grow much more widespread over the next three years, compared with 63% of Asia-Pacific investors. Among the major world economies, Japan and the UK seem least bullish, with only 54% and 58%, respectively, anticipating dramatic growth. While the variances may reflect a higher existing baseline for ESG in some markets, the overall trend is clear.

In a sign of how far ESG strategies – and the understanding of ESG – have come since the 1990s, only a fifth of survey respondents overall believe ESG investing means sacrificing returns. More than two-thirds think it exerts a positive influence on corporate behaviour and governance.

Underscoring this point, 71% say that by 2030, their institution will manage *all* of its portfolios in an ESG-conscious way – and some even sooner. Today, only 1% of respondents manage all their portfolios in this way.

Fig. 5: Most institutions expect ESG's popularity to soar

To what extent do you agree with the following statements about ESG investing generally? *ESG/SRI/impact investing will grow dramatically more popular among institutional investors in the next three years. "Agree" and "Strongly agree" responses*



Source: Allianz Global Investors 2019 Institutional Investor Survey

Yet our results indicate that as ESG choices proliferate, investors need guidance. More than half (56%) of survey respondents say they would allocate more to ESG if benchmarks were clearer and more consistent, and 60% say their allocations are limited by confusion about the different approaches to ESG investing and the general lack of standardised ratings. For example, although 92% of institutions say they are familiar with the concepts of impact investing and integrated ESG, and 88% feel familiar with sustainable and responsible investing (SRI)¹, only 59% say they are familiar with UN Sustainable Development Goals. Active managers should use their ESG expertise to help clients navigate strategies and frameworks, to find the solution that fits best with their investment objectives.

Managers should also learn to be better listeners. Only 61% of our survey respondents say their current investment managers have an ESG approach that aligns with their organisation's sustainability objectives and values. As with risk management, detailed understanding of a client's business model and philosophy is the best path to developing a suitable, effective ESG approach. We noted earlier that 61% of institutions believe active managers are better stewards of assets than passive managers. ESG may be an area where managers have a chance to persuade the remaining 39%.

Seeking alternatives

Alternative investments have also become a fixture in many portfolios. The rising demand has stemmed from the long, low-interest rate environment since the financial crisis, the boom in private markets and pressure on large institutions to embrace more financial innovation. Asked to rank the most important reasons their institution invests in alternative assets, 57% of survey respondents cite diversification, and 44% cite higher returns than conventional debt or equity investments.

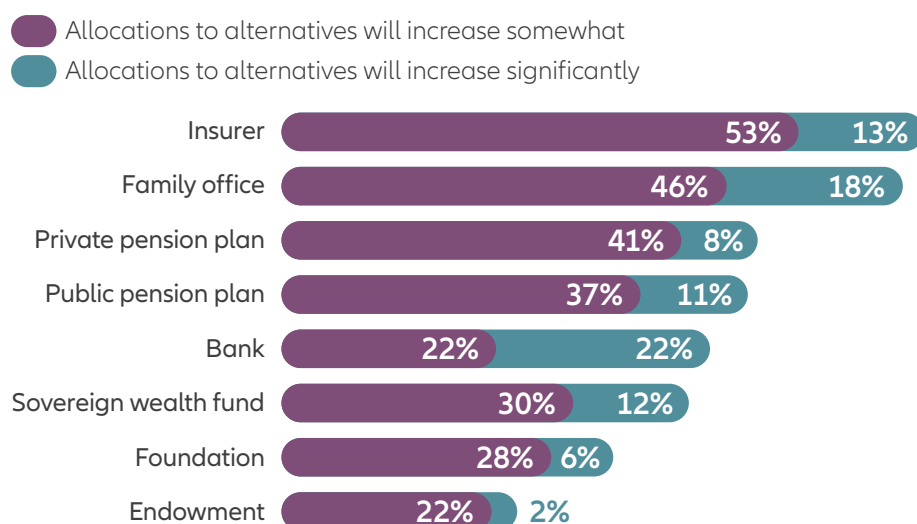
Among respondents overall, 48% plan to boost their alternatives allocations over the next three years, including 66% of insurers and 64% of family offices (see Fig. 6). And on a country basis, 60% of Japanese institutions say their alternatives allocations will rise – more than in any other major economy. In the US, by contrast, a below-average 44% of respondents expect to increase allocations to alternatives, perhaps because the strategies are already embraced by investors there.

By and large, global investors report feeling comfortable with alternatives: 86% say they understand these investments well, and 68% say they can measure the risks effectively. But almost the same proportion – 64% – would like better tools to manage the risks associated with investing in alternatives, and 61% would allocate more to alternatives if strategies were clearer and more transparent. In addition, changing regulations are a concern for nearly two-thirds of investors, when thinking about alternative investments.

The takeaway from the research is clear: as institutions increasingly look to alternatives to improve portfolio efficiency, active managers can shine by helping investors manage risks, prepare for regulatory shifts and understand how these often-complex strategies work. Such guidance will be particularly useful in markets and among institutions where alternatives allocations have traditionally been more modest – particularly since our research indicates those allocations will not stay small for long.

Fig. 6: A higher profile for alternatives

How do you expect your allocations to alternatives to change in the next three years?



Source: Allianz Global Investors 2019 Institutional Investor Survey

¹ **Impact investing** involves directing investment into activities that intentionally drive positive environmental or social change besides generating financial returns. **Integrated ESG** involves integrating ESG factors from a risk perspective into the investment decision-making process without constraining the investment universe. **SRI** combines fundamental and ESG analysis to better capture long-term returns for investors and to create a portfolio with an above-average ESG quality, often through the application of positive and/or negative filters.

Elevating the client experience, adding value

Technology is roiling financial services in many ways, but asset managers face a special challenge. Like other providers, they are expected to have up-to-date digital tools for improving financial outcomes and enhancing the end-customer's experience. Unlike other providers, managers are also implicitly expected to guide investors through the hype of digital transformation, backing companies likely to emerge as long-term winners and avoiding those doomed to obsolescence by more technologically advanced competitors. According to our survey, investors favour active over passive managers on both counts (see Fig. 7).

Nearly three-quarters (71%) of respondents say active management is better for managing market risks caused by digital transformation, and 61% think active managers are better at using artificial intelligence (AI) and Big Data to capture market opportunities. Since these capabilities can directly affect portfolio performance, managers would do well to hone them – and to emphasise them with clients. Almost universally, institutions themselves expect emerging technologies to play a growing role in their business. Globally, 87% of survey respondents say they plan to use AI and Big Data in the investment process within the next five years; that percentage swells to 94% among North American respondents and to 93% for global insurance companies.

Fig. 7: Tech-savvy investors need tech-savvy managers

Which innovations do you see yourself using within the next five years? "Extremely likely" and "Somewhat likely" responses

Artificial intelligence and Big Data in the investment process

87%

Digitally enabled customization for end beneficiaries

73%

Blockchain technology

73%

Please rate your level of agreement with the following statements about active and passive management. "Agree" and "Strongly agree" responses

Active managers are better able to manage the market risks caused by digital transformation.

71%

Active managers are better able to capture market opportunities by taking advantage of artificial intelligence and Big Data.

61%

Source: Allianz Global Investors 2019 Institutional Investor Survey

And investors clearly think the right technology can give them a competitive advantage with their clients. Nearly three-quarters of respondents overall (73%) expect to be using digital tools to tailor the service for their beneficiaries, and the same proportion see themselves using blockchain, the shared ledger technology that could transform the way financial transactions are implemented and registered. Investors are likely to expect the same progress on the part of their managers. At the same time, active managers can help mitigate the technology-related risks, such as data theft, that concern many institutions. Sharing technology expertise is one more way active managers have an opportunity to differentiate themselves and bring more value to the client relationship.

Active management: value for money?

As we have seen, a majority of institutional investors recognise the benefits of active management, yet only 23% believe active portfolios are worth the cost. Looking more closely at attitudes towards fees, we found that 68% of survey respondents think their institution would prefer fee structures that adjust when performance fluctuates (see Fig. 8). That said, a lower percentage (58%) say their institution would switch to managers who offer innovative and better-aligned fee structures. Almost half (49%) of investors report that current fee structures don't meet their objectives, and only 14% feel they are aligned.

It is important to note, however, that fees are considerably less important than other factors in the investor-manager relationship. Asked to list their priorities when choosing managers, just 6% of survey respondents cite fees among the top three, and only 3% say fees are their single most important criterion.

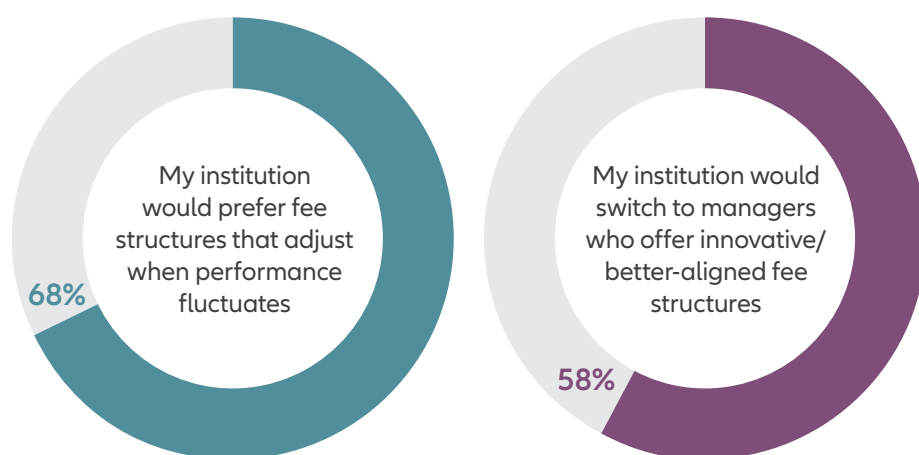
These results suggest that investors do not confuse value with cost, and are willing to pay for service that brings them clear benefits. For active managers, then, one way to gain client trust is by ensuring that fees fairly and consistently reflect their contributions. According to our research, there's clear investor appetite for new fee models that align cost with performance. Some offerings may "accrue" periods of underperformance, which means a performance fee is payable only when this underperformance has been made good. Such an approach can offer investors an incentive to buy into funds and strategies with potential for improved future returns, rather than favouring products that recently performed well. It's incumbent on the industry to make the case for new fee models and explain the full benefits to investors.

At the same time, managers need to showcase their strengths – in risk management, ESG investing, alternative strategies and technology. An uncertain economic environment provides an opportunity to underscore the advantages of active management – but also to persuade investors that these advantages add value in good markets as well as bad.

For a growing number of investors, portfolio alpha – while critical – is only one dimension of the relationship with their manager. The research findings show that investors are often looking to build a broader relationship where managers can add value through additional solutions and guidance – what we would term "client alpha". But managers need to earn that commitment, by demonstrating wide-ranging capabilities and a fundamental commitment to client service. Those that make the grade will increasingly find themselves at an advantage.

Fig. 8: How important are fees?

Please rate your level of agreement with the following statements about manager fees. "Agree" and "Strongly agree" responses



Source: Allianz Global Investors 2019 Institutional Investor Survey

The rewards of closer partnerships

We think the attributes we have outlined support a more interactive partnership, where managers support investors' evolving needs with a combination of careful listening and targeted expertise and solutions. To pinpoint the benefits of this new manager relationship – and learn more about those who have already formed one – we used two parameters to narrow down our survey respondent universe. Investors had to agree or strongly agree with the statements that:

- “My managers understand my organisation's business model, regulatory environment and challenges,” and
- “I give managers discretion to shift among asset classes and strategies in line with our institution's risk budgeting.”

Just under half (48%) of total respondents fulfil both these criteria, and they differ from the rest of the survey population on several fronts (see Fig. 9). We call these “partnership investors.” They are more confident in their managers' ability to weather market turns, more likely to stick with managers over the long term and more satisfied with fee structures. Crucially, 61% say alpha generation is a priority for their organisation, compared with just 39% of other respondents. And they are significantly more likely than other investors to see the value of active management.

Two critical success factors for a collaborative relationship – deep understanding of client institutions and a range of products and services that can be customised to client needs – lie within the managers' control. First, they

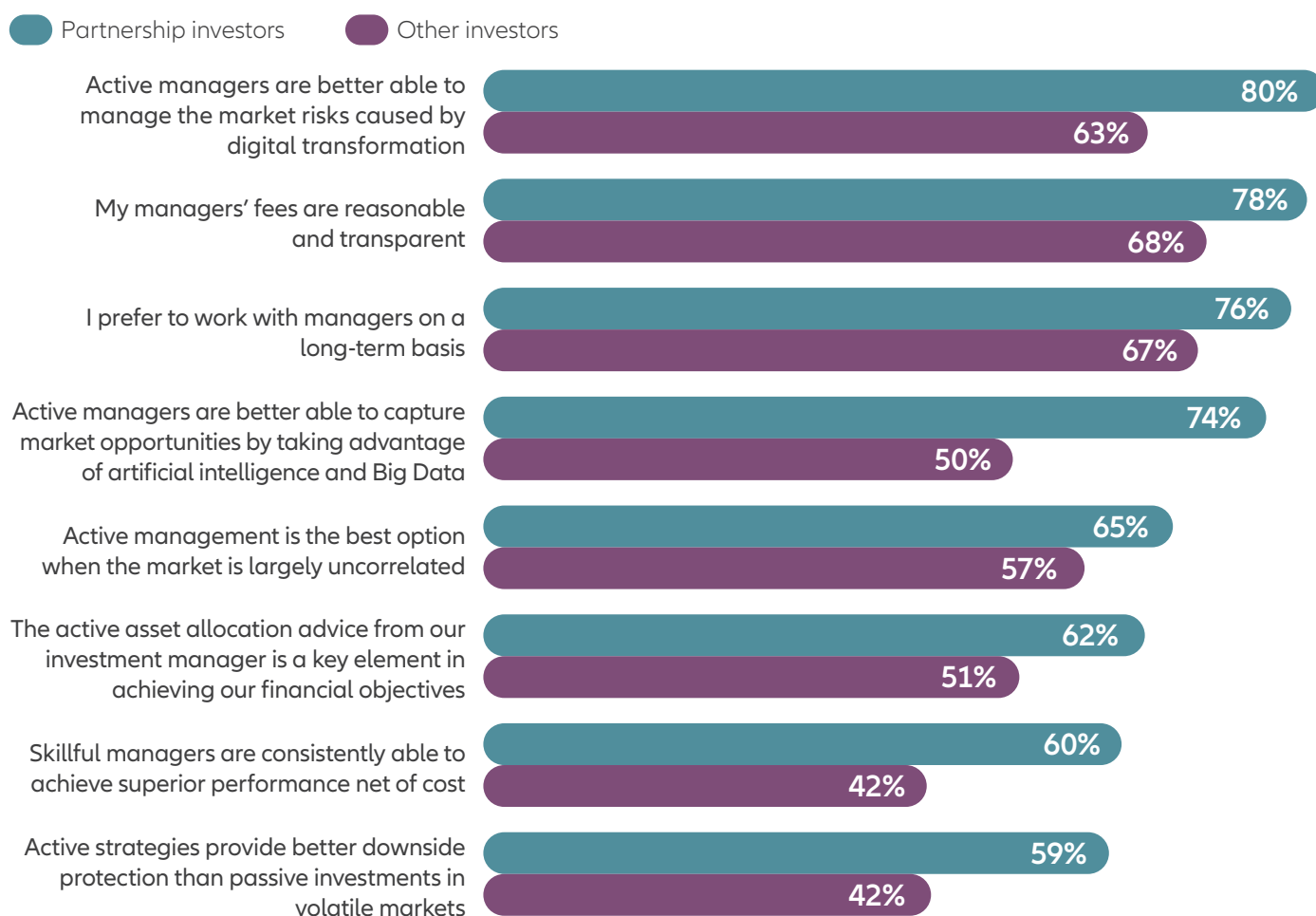
should work with each client as an individual, paying attention to their organisation's values, culture and environment as well as its investment targets. Second, they should bring a full arsenal of risk management and portfolio strategies to help clients meet their goals. The resulting partnership translates into benefits on both sides.

As we have seen, investors are keenly aware that the risk environment is on the cusp of change. They also expect to be using portfolio strategies to manage emerging risks and capture new market opportunities. Yet active managers cannot take for granted that they have an advantage. While they have the resources and expertise to restore investor trust, it is urgent that they hone and highlight their strengths. That way, they can win client loyalty in the years ahead.



Fig. 9: Snapshot of a new manager relationship

Please rate your level of agreement with the following statements about active and passive management.
Partnership investors vs. Other investors



Source: Allianz Global Investors 2019 Institutional Investor Survey

Study methodology

Allianz Global Investors commissioned Oxford Economics to conduct telephone surveys of 490 institutional investors, including insurers, public and private pension plans, sovereign wealth funds, family offices, foundations, endowments and banks, in 13 markets worldwide.

Oxford Economics selected respondents across markets and institution types that reflect our client base. Respondents represent total assets under management exceeding USD 15 trillion.

Respondents may include Allianz Global Investors clients, but clients were not specifically targeted so any such overlap would be coincidental.

The survey was fielded anonymously in November and December 2018. The 490 respondents were split as follows:

Region

| | |
|--------------|-----|
| Europe | 56% |
| Asia Pacific | 24% |
| US | 14% |
| Middle East | 6% |

AuM

| | |
|-----------------------------------|-----|
| USD 100 billion – USD 500 billion | 17% |
| USD 25 billion – USD 99.9 billion | 16% |
| USD 10 billion – USD 24.9 billion | 10% |
| USD 5 billion – USD 9.9 billion | 8% |
| USD 1 billion – USD 4.9 billion | 15% |
| USD 500 million – USD 999 million | 20% |
| < USD 500 million | 14% |

Allianz Global Investors is a leading active asset manager with over 730 investment professionals in 24 offices worldwide and managing more than EUR 500 billion in assets for individuals, families and institutions.

Active is the most important word in our vocabulary. Active is how we create and share value with clients. We believe in solving, not selling, and in adding value beyond pure economic gain. We invest for the long term, employing our innovative investment expertise and global resources. Our goal is to ensure a superior experience for our clients, wherever they are based and whatever their investment needs.

Active is: Allianz Global Investors

Data as at 31 December 2018

allianzgi.com/stayingactive

COMM-306 | 784663

Investing involves risk. The value of an investment and the income from it will fluctuate and investors may not get back the principal invested. Past performance is not indicative of future performance. This is a marketing communication. It is for informational purposes only. This document does not constitute investment advice or a recommendation to buy, sell or hold any security and shall not be deemed an offer to sell or a solicitation of an offer to buy any security.

The views and opinions expressed herein, which are subject to change without notice, are those of the issuer or its affiliated companies at the time of publication. Certain data used are derived from various sources believed to be reliable, but the accuracy or completeness of the data is not guaranteed and no liability is assumed for any direct or consequential losses arising from their use. The duplication, publication, extraction or transmission of the contents, irrespective of the form, is not permitted.

This material has not been reviewed by any regulatory authorities. In mainland China, it is used only as supporting material to the offshore investment products offered by commercial banks under the Qualified Domestic Institutional Investors scheme pursuant to applicable rules and regulations.

This document is being distributed by the following Allianz Global Investors companies: Allianz Global Investors U.S. LLC, an investment adviser registered with the U.S. Securities and Exchange Commission; Allianz Global Investors Distributors LLC, distributor registered with FINRA, is affiliated with Allianz Global Investors U.S. LLC; Allianz Global Investors GmbH, an investment company in Germany, authorized by the German Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin); Allianz Global Investors (Schweiz) AG, licensed by FINMA (www.finma.ch) for distribution and by OAKBV (Oberaufsichtskommission berufliche Vorsorge) for asset management related to occupational pensions in Switzerland; Allianz Global Investors Asia Pacific Ltd., licensed by the Hong Kong Securities and Futures Commission; Allianz Global Investors Singapore Ltd., regulated by the Monetary Authority of Singapore [Company Registration No. 199907169Z]; Allianz Global Investors Japan Co., Ltd., registered in Japan as a Financial Instruments Business Operator [Registered No. The Director of Kanto Local Finance Bureau (Financial Instruments Business Operator), No. 424, Member of Japan Investment Advisers Association and Investment Trust Association, Japan]; and Allianz Global Investors Taiwan Ltd., licensed by Financial Supervisory Commission in Taiwan.