

October 2017

**Allianz Volatility Strategy
Fund merger into Allianz Global Investors Fund – Allianz Volatility Strategy Fund**

Dear unitholders,

You hold units in the Allianz Volatility Strategy in your securities account.

The Management Company, Allianz Global Investors GmbH, has decided to merge Allianz Volatility Strategy into Allianz Global Investors Fund – Allianz Volatility Strategy Fund on 13 December 2017 ("Merger Date"), as shown in the table below:

Allianz Volatility Strategy		will be merged into	Allianz Global Investors Fund – Allianz Volatility Strategy Fund	
Unit Class	ISIN/German security no.		Share Class	ISIN/German security no.
I (EUR)	LU0417273579 / A0RGFH		I (EUR)	LU1586358795 / A2DNWT
IT (EUR)	LU0417273652 / A0RGFJ		IT (EUR)	LU1597245650 / A2DQAH
P (EUR)	LU0417273223 / A0RGFF		P (EUR)	LU1597244760 / A2DQAD
P2 (EUR)	LU0671146552 / A1JHRJ		P2 (EUR)	LU1597244927 / A2DQAE
P3 (EUR)	LU0417273496 / A0RGFG		P7 (EUR)	LU1597245494 / A2DQAG
PT2 (EUR)	LU0719861360 / A1JRA5		PT2 (EUR)	LU1597245148 / A2DQAF

The statutory disclosure of the fund merger to investors who are resident in Germany was published in the *Börsen-Zeitung* on 27 October 2017.

Why is the fund merger taking place?

The Allianz Volatility Strategy (the "Merging Fund") and the Allianz Global Investors Fund – Allianz Volatility Strategy Fund (the "Receiving Fund") share comparable strategies. The merger of the assets of the Merging Fund with the ones of the Receiving Fund will create a larger fund volume and concentrate the strategy in the broadly distributed SICAV Allianz

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Members of the Board of Management:
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Global Investors Fund. Following the anticipated inflows into the Receiving Fund the investment management gains more flexibility in searching attractive investment opportunities within the investment universe in the interest of the shareholders.

Comparison of investment policy and risk profile

	Allianz Volatility Strategy	Allianz Global Investors Fund – Allianz Volatility Strategy Fund
Investment characteristics	The objective of the investment policy is to generate long-term capital growth. To this end, fund management will enter into derivatives on variance in the equity markets using a quantitative approach and a core portfolio with a risk/return profile similar in all other respects to the Euro money market. Depending on market conditions, the above-mentioned derivatives may have different weightings, expressed in terms of the nominal value, in the overall orientation of the Fund. In general, the derivatives on variance that are used are variance swaps.	Long-term capital growth by exploiting return opportunities in the volatility space based on the volatility risk premium through investments in a broad range of asset classes. In addition, the Receiving Fund will use volatility related derivatives including, but not limited to, variance swaps, options and volatility swaps related to different asset classes. The Sub-Fund’s core strategy uses variance swaps on equity markets of the US and Europe as underlying.
Permissible asset classes	Interest-bearing securities including zero-coupon bonds, in particular government bonds, mortgage bonds and similar foreign asset-backed securities issued by financial institutions, public-sector bonds, floating-rate notes, convertible bonds, bonds with warrants, corporate bonds, mortgage-backed securities and asset-backed securities, as well as other collateralised bonds, index and other certificates, deposits, money-market instruments, UCITS and UCI, equities and equity comparable	Debt securities including convertible bonds and bonds with warrants, deposits, money market instruments, asset-backed securities, mortgage-backed securities, contingent convertible bonds, UCITS and/or UCI, equities and comparable rights (must be sold within twelve months from date of acquisition, up to 5 % of assets may be invested longer than twelve months if the investment manager considers it in the best interest of the Receiving Sub-Fund

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	securities	
Investment focus	Variance Swaps on equity markets of the United States of America, Europe, Germany and/or Japan	Variance Swaps on equity markets of the United States of America and Europe
Leverage	Not applicable	Not applicable
Risk management approach	Commitment Approach	Commitment Approach
Risk-earnings indicator (measure of how susceptible the fund price is to volatility)	3	3
Regional orientation	Global	Global
Emerging Markets	Not Permissible	Permissible
Foreign currencies	Permissible	Permissible
Target funds	Permissible	Permissible
Financial Derivates	Permissible	Permissible
Duration	0 – 18 months	0 – 24 months

Comparison of fees and other characteristics specific to each unit/share class

	Allianz Volatility Strategy	Allianz Global Investors Fund – Allianz Volatility Strategy Fund
Unit classes / Share Classes	I (EUR) IT (EUR) P (EUR) P2 (EUR) P3 (EUR) PT2 (EUR)	I (EUR) IT (EUR) P (EUR) P2 (EUR) P7 (EUR) PT2 (EUR)
Sales load (actual / max.)	I (EUR): - IT (EUR): - P (EUR): - P2 (EUR): 2.00 % / 3.00 % P3 (EUR): - PT2 (EUR): 2.00 % / 3.00 %	I (EUR): - IT (EUR): - P (EUR): - P2 (EUR): 2.00 % / 3.00 % P7 (EUR): - PT2 (EUR): 2.00 % / 3.00 %

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All-in fee p.a. (actual / max.)	I (EUR): 0.70 % / 0.70 % IT (EUR): 0.70 % / 0.70 % P (EUR): 0.70 % / 0.70 % P2 (EUR): 1.20 % / 1.20 % P3 (EUR): 0.70 % / 0.70 % PT2 (EUR): 1.20 % / 1.20 %	I (EUR): 0.69 % / 1.00 % IT (EUR): 0.69 % / 1.00 % P (EUR): 0.69 % / 1.00 % P2 (EUR): 1.19 % / 1.50 % P7 (EUR): 0.69 % / 1.00 % PT2 (EUR): 1.19 % / 1.50 %
Switching fee (actual / max.)	I (EUR): - IT (EUR): - P (EUR): - P2 (EUR): - P3 (EUR): - PT2 (EUR): -	I (EUR): - IT (EUR): - P (EUR): - P2 (EUR): 0.00 % / 3.00 % P7 (EUR): - PT2 (EUR): 0.00 % / 3.00 %
Taxe d'abonnement levied in Luxembourg p.a.	I (EUR): 0.01 % IT (EUR): 0.01 % P (EUR): 0.05 % P2 (EUR): 0.05 % P3 (EUR): 0.05 % PT2 (EUR): 0.05 %	I (EUR): 0.01 % IT (EUR): 0.01 % P (EUR): 0.05 % P2 (EUR): 0.05 % P7 (EUR): 0.05 % PT2 (EUR): 0.05 %
Total-Expense-Ratio	I (EUR): 0.71 % IT (EUR): 0.71 % P (EUR): 0.75 % P2 (EUR): 1.25 % P3 (EUR): 0.71 % PT2 (EUR): 1.51 %	I (EUR): 0.70 % IT (EUR): 0.70 % P (EUR): 0.74 % P2 (EUR): 1.24 % P7 (EUR): 0.74 % PT2 (EUR): 1.24 %
Use of income / Effective date	I (EUR): Distributing / 15 July IT (EUR): Accumulating / 31 March P (EUR): Distributing / 15 July P2 (EUR): Distributing / 15 July P3 (EUR): Distributing / 15 July PT2 (EUR): Accumulating / 31 March	I (EUR): Distributing / 15 December IT (EUR): Accumulating / 30 September P (EUR): Distributing / 15 December P2 (EUR): Distributing / 15 December P7 (EUR): Distributing / 15 December PT2 (EUR): Accumulating / 30 September
Minimum investment amount	I (EUR): EUR 1,000,000.00 IT (EUR): EUR 1,000,000.00 P (EUR): EUR 100,000.00	I (EUR): EUR 1,000,000.00 IT (EUR): EUR 1,000,000.00 P (EUR): EUR 100,000.00

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	P2 (EUR): EUR 50,000.00 P3 (EUR): EUR 100,000.00 PT2 (EUR): EUR 50,000.00	P2 (EUR): EUR 50,000.00 P7 (EUR): EUR 100,000.00 PT2 (EUR): EUR 50,000.00
Legal form	Fonds commun de placement (FCP)	Sub-Fund of Allianz Global Investors Fund a Société d'investissement à capital variable (SICAV)
Rights of unitholders/shareholders	Unitholders do not have any right of co-determination	Shareholders hold shares in the company and have a right of co-determination
Fund manager	Allianz Global Investors GmbH	
Depository	State Street Bank Luxembourg S.C.A.	
Registrar and Transfer Agent	RBC Investor Services Bank S.A.	
Financial year end	31 March	30 September

Statutory sales documentation

The current statutory "Key Investor Information" for Allianz Global Investors Fund – Allianz Volatility Strategy Fund are attached to this letter, in a version for the receiving share classes. This document contains important information about the investment opportunities and risk profile of Allianz Global Investors Fund – Allianz Volatility Strategy Fund. You should therefore read the 'Key Investor Information' carefully. The annual report of Allianz Global Investors Fund – Allianz Volatility Strategy Fund is available four months after the end of the financial year. The semi-annual report is available two months after the end of the financial half-year.

The above-mentioned documents and prospectuses are available from your advisor or can be inspected or obtained free of charge from the registered office of the Management Company and Information Agents during normal business hours in any jurisdiction in which the funds are admitted for public distribution. These documents are also available on the Internet at <https://de.allianzgi.com> and <https://regulatory.allianzgi.com>.

The fund merger will be reviewed by an auditor. On request, we shall be happy to provide you with a copy of the approved merger report, without charge. It will be available approximately four months after the Merger Date (in English only).

Changes to the Allianz Volatility Strategy portfolio as a result of the fund merger

The portfolio of Allianz Volatility Strategy will continue to be invested in line with the investment principles of the fund until the fund merger.

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Purchase of further units in Allianz Volatility Strategy

The issue of new units in Allianz Volatility Strategy will be discontinued with effect from 26 October 2017. As such, buy orders received before 2.00 p.m. (CEST) on 25 October 2017 will be executed for the last time at the unit price prevailing on 26 October 2017.

Redemption of units in Allianz Volatility Strategy

Units in Allianz Volatility Strategy may be redeemed until 2.00 p.m. (CET) on 5 December 2017, free of charge as usual. Sell orders will be settled for the last time at the price prevailing on 6 December 2017. Redemption of units will be discontinued as from 6 December 2017.

Sale of Allianz Global Investors Fund – Allianz Volatility Strategy Fund shares after the Merger Date

Shares in Allianz Global Investors Fund – Allianz Volatility Strategy Fund received during the fund merger can be sold once they have been credited to your securities account.

Fund merger procedure

After the Merger Date, your securities account will be credited automatically and free of any sales or other charge with the number of shares in Allianz Global Investors Fund – Allianz Volatility Strategy Fund that corresponds to your previous investment in Allianz Volatility Strategy.

For this purpose, the present value of your unit holding in Allianz Volatility Strategy is divided by the share price of Allianz Global Investors Fund – Allianz Volatility Strategy Fund. The result is your new shareholding in Allianz Global Investors Fund – Allianz Volatility Strategy Fund, which is then credited to your securities account. Conversion will be based on the unit/share prices of the two funds as determined on the Merger Date.

Any income from Allianz Volatility Strategy for the financial year from 1 April 2017 to the Merger Date will be distributed on the Merger Date for the distributing units, while it will accumulate its income for the accumulating unit classes for the period running from 1 April 2017 to the Merger Date.

You will not incur any costs in connection with the merger.

Tax-neutral fund merger

Shares in Allianz Global Investors Fund – Allianz Volatility Strategy Fund that are acquired in the course of the merger with Allianz Volatility Strategy are generally not considered to be a new acquisition from a tax viewpoint. As such, in the event

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of any subsequent sale of the Allianz Global Investors Fund – Allianz Volatility Strategy Fund shares, the price and time at which the original Allianz Volatility Strategy units were acquired determine whether the capital gains are taxable or not. Please consult your tax advisor if you have any other tax-related questions, particularly with regard to the implications of the fund merger for you personally.

This document is a translation of the original document. In the event of discrepancies or ambiguities in interpreting the translation, the original German-language version shall prevail insofar as this does not infringe the local legislation of the relevant jurisdiction.

Yours sincerely,
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