

**ALLIANZ GLOBAL INVESTORS FUND**  
Société d'Investissement à Capital Variable  
(the "Company")

**Notice to Shareholders**

Date: 5 November 2018

**IMPORTANT: This notice is important and requires your immediate attention. If you have any questions about the contents of this notice, you should seek independent professional advice.**

The Board of Directors of the Company accepts responsibility for the accuracy of the contents of this notice. Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meaning as those used in the Company's Hong Kong prospectus dated 25 September 2017 and amended by the first addendum dated 27 November 2017, the second addendum dated 29 March 2018 and the third addendum dated 13 July 2018 (the "Prospectus").

Dear Shareholders,

We are writing to inform you that the following changes will become effective on 17 December 2018 (the "Effective Date"), unless otherwise specified:

**I. CHANGES TO FEES AND COSTS ARRANGEMENT IN RELATION TO SECURITIES LENDING AND/OR REPURCHASE/REVERSE REPURCHASE TRANSACTIONS**

Currently, the Company only uses securities lending programs or securities lending brokers in executing securities lending and/or repurchase/reverse repurchase transactions.

It is proposed that the Company may also engage Allianz Global Investors GmbH (the "Management Company") to arrange, prepare and execute securities lending and/or repurchase/reverse repurchase transactions.

Consequently, the Management Company may receive a compensation for arranging, preparing and executing securities lending and/or repurchase/reverse repurchase transactions of up to 30% of any income generated from such transactions without the use of securities lending programs and securities lending brokers; and whereas for recognized clearing organisations or top-rated financial institutions which specialize in such transactions, it remains the case that such institutions may receive of up to 50% of the generated income from the transactions as compensation for their services. For the avoidance of doubt, each respective transaction will only incur costs for either i) the use of securities lending programmes and securities lending brokers or ii) the Management Company for arranging, preparing and executing securities lending and repurchase/reverse repurchase transactions. In no event will a transaction incur fees for both i) and ii) above.

The Management Company may, in its absolute discretion, levy a lower compensation for arranging, preparing and executing securities lending and/or repurchase/reverse repurchase transactions than that mentioned above.

Currently, as disclosed in the Prospectus the ongoing charges figure includes All-in-Fee plus the Luxembourg tax (Taxe d'Abonnement) and excludes transaction cost, and in practice, also excludes the costs for the use of securities lending programmes and securities lending brokers. In this connection, there is no impact on the ongoing charges in respect of the Sub-Funds as a result of this change.

## **II. AMENDMENT TO EXPECTED PROPORTION OF SECURITIES FINANCING TRANSACTIONS**

With effect from the Effective Date, the expected proportion of securities lending transactions for all Bond Sub-Funds (see Appendix I to this notice) and all Multi-Asset Sub-Funds (see Appendix I to this notice) shall change from up to 20% of Sub-Fund NAV to up to 50% of Sub-Fund NAV.

For the avoidance of doubt, the asset class principles of the above Sub-Funds will remain unchanged.

## **III. AMENDMENTS TO FEES IN RELATION TO INVESTMENTS IN UNDERLYING FUNDS**

Currently where a Sub-Fund invests in the shares of underlying UCITS or UCIs managed by the Management Company or an affiliate ("Target Fund"), the Management Company reduces the All-In-Fee it charges to the Sub-Funds by an amount equal to the actual management fees charged by the Target Fund.

After the amendment, the Management Company will no longer be required to reduce the All-In-Fee it charges to the Sub-Funds where the Sub-Fund invests in underlying Target Funds. The Management Company may nonetheless continue, at its discretion, taking into consideration of factors such as market practice and the competitiveness of the Sub-Fund's fees to reduce its All-In-Fees at the level of the Sub-Fund by an amount equal to the actual management fees charged by the Target Fund in such circumstances.

## **IV. AMENDMENTS OF INVESTMENT RESTRICTIONS OF ALLIANZ GLOBAL ARTIFICIAL INTELLIGENCE**

With effect from the Effective Date, the above Sub-Fund will be subject to the Taiwan Restriction (see Appendix I to this notice).

For the avoidance of doubt, the asset class principles of the above Sub-Fund will remain unchanged.

## **V. AMENDMENTS OF INVESTMENT RESTRICTIONS OF ALLIANZ DYNAMIC ASIAN HIGH YIELD BOND**

With effect from the Effective Date, the above Sub-Fund will be subject to the Taiwan Restriction (see Appendix I to this notice), save and except that the specific restriction relating to High-Yield Investments Type 1/High-Yield Investment Type 2 (i.e. subparagraph (2) of the definition "Taiwan Restriction" in Appendix I to this notice) will not apply to the Sub-Fund.

For the avoidance of doubt, the asset class principles of above Sub-Fund will remain unchanged.

The Management Company believes there will not be any additional risks as a result of the above changes.

Apart from the above changes, there will be no other change in the operation and/or manner in which these Sub-Funds are being managed. Shareholders will not be materially affected by the above changes. The above changes will not materially prejudice the existing Shareholders' rights or interests.

Save and except the above changes, there will be no change in the fee structure and fee level of these Sub-Funds following the implementation of the above changes. The costs and/or expenses incurred in connection with the changes described above will be borne by the Management Company.

If you are not happy with the above changes, you may redeem your Shares free of charge by submitting a request to the HK Representative by 5:00 p.m. Hong Kong time in accordance with the procedures contained in the Prospectus. Please note that your distributors or similar agents might charge you transaction fees. You are advised to contact your distributors or similar agents should you have any questions.

The Hong Kong offering documents (including the Prospectus and/or product key facts statement of the Sub-Funds) will be updated to reflect the above changes. The updated Hong Kong offering documents will be available from the HK Representative for inspection free of charge and on the website ([hk.allianzgi.com](http://hk.allianzgi.com)) on or around the Effective Date. Note that the website has not been reviewed by the SFC.

If you have any questions about the contents of this notice or your investment, please consult your financial advisor or you may contact the HK Representative at 27th Floor, ICBC Tower, 3 Garden Road, Central, Hong Kong (telephone: +852 2238 8000 and fax: +852 2877 2566).

By Order of the Board of Directors  
**Allianz Global Investors Fund**  
*Société d'Investissement à Capital Variable*

## **Appendix I**

### **“Taiwan Restriction” means**

- i. the exposure of a Sub-Fund’s open long positions in financial derivative instruments may not exceed 40% of its assets for the purpose of efficient portfolio management, unless otherwise exempted by the Taiwan Financial Supervisory Commission (the “FSC”); whereas the total amount of its open short positions in financial derivative instruments may not exceed the total market value of the corresponding securities required to be held by the Sub-Fund for hedging purposes, as may be stipulated from time to time by the FSC;
- ii. for a Bond Sub-Fund (as per Appendix 1, Part B of the Prospectus), the total amount invested in High-Yield Investments Type 1 and/or High-Yield Investments Type 2 shall not exceed 10% of its assets. If a Bond Sub-Fund’s investment in Emerging Market exceeds 60% of its assets, the Bond Sub-Fund’s total amount invested in High-Yield Investments Type 1 and/or High-Yield Investment Type 2 shall not exceed 40% of its assets. For a Multi Asset Fund (as per Appendix 1, Part B of the Prospectus), the total amount invested in High-Yield Investments Type 1 and/or High-Yield Investments Type 2 shall not exceed 30% of its assets, or such other percentage of its assets as may be stipulated by the FSC; and
- iii. the total amount invested directly in China A-Shares and China Interbank Bond Markets shall not exceed 10% of its NAV, or such other percentage as may be stipulated by the FSC from time to time.

### **“Bond Sub-Funds” means:**

- Allianz American Income
- Allianz Dynamic Asian High Yield Bond
- Allianz Dynamic Asian Investment Grade Bond
- Allianz Emerging Markets Select Bond
- Allianz Emerging Markets Short Duration Defensive Bond
- Allianz Euro High Yield Bond
- Allianz Flexi Asia Bond
- Allianz Global Bond (to be renamed Allianz Global Opportunistic Bond)
- Allianz Global Credit
- Allianz Global High Yield
- Allianz Global Multi-Asset Credit
- Allianz HKD Income
- Allianz Selective Global High Yield
- Allianz US High Yield
- Allianz US Short Duration High Income Bond

### **“Multi-Asset Sub-Funds” means:**

- Allianz Asian Multi Income Plus
- Allianz China Multi Income Plus
- Allianz Europe Income and Growth
- Allianz Global Dynamic Multi Asset Strategy 50
- Allianz Income and Growth
- Allianz Oriental Income