

Audited Annual Report
as at 31 March 2017

Allianz Volatility Strategy

Investment fund under Luxembourg law

Allianz Global Investors GmbH

General Information

The Fund is authorised as a “Fonds Commun de Placement” whose prospectus and management regulations fall within the scope of Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment, as amended (UCITS as defined in Directive 2014/91/EU of 23 July 2014). The Fund was established on 27 March 2009.

The information that is included in this report refers to the period under review from 1 April 2016 to 31 March 2017. This should not be taken as an indication of the future development of the Fund.

This report does not constitute an offer or an invitation to purchase units of the Fund. Subscriptions are only valid if made on the basis of the current prospectus, the Key Investor Information and the management regulations, supplemented by the latest available audited annual report. If the latest annual report was published more than eight months ago, then the semi-annual report must also be made available.

The prospectus, the management regulations, the Key Investor Information, as well as the respective annual and semi-annual reports, can be obtained without charge from the Management Company, the Depositary or from any Paying and Information Agent.

Allianz Global Investors GmbH

Bockenheimer Landstraße 42-44
D-60323 Frankfurt/Main
Internet: www.allianzglobalinvestors.de
Email: info@allianzgi.de

Allianz Global Investors GmbH acts through its Luxembourg branch in order to carry out its function as Central Administration Agent:

6A, route de Trèves
L-2633 Senningerberg
Internet: www.allianzglobalinvestors.lu
E-Mail: info-lux@allianzgi.com

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Investment Policy and Fund Assets

The Fund invests in special financial instruments whose value depends on price fluctuations (volatility) on the equity market. Variance swaps are used in particular. These gain in value if the volatility (or its square, the variance) realised on the equity market in a defined period is lower than the volatility assumed when the swap agreement is concluded. Consequently, the key to the success of the investment strategy is not the direction of equity market performance, but the actual performance of volatility in comparison with the volatility defined in the variance swap. The fund assets that are not allocated to derivatives are invested in a portfolio with a risk/return profile similar to the Euro money market. The investment objective is to generate long-term capital growth.

In the year under review to 31 March 2017, sentiment on the global equity market initially remained susceptible to fluctuation. Factors such as the decision by the UK to exit the EU, the rise in the price of oil and speculation about the direction of monetary policy in the US caused repeated rounds of increases in price volatility. However, the situation calmed down again in the second half of the period under review. After Donald Trump was elected as US President, there were sustained price upturns on the markets, which led only to low volatility.

In this environment, the variance swaps in the portfolio performed positively on balance. Although the initial phases of rising volatility caused repeated setbacks, they were more than balanced out by the end of the year under review. The liquidity that the Fund's swap construction made freely available remained invested for the most

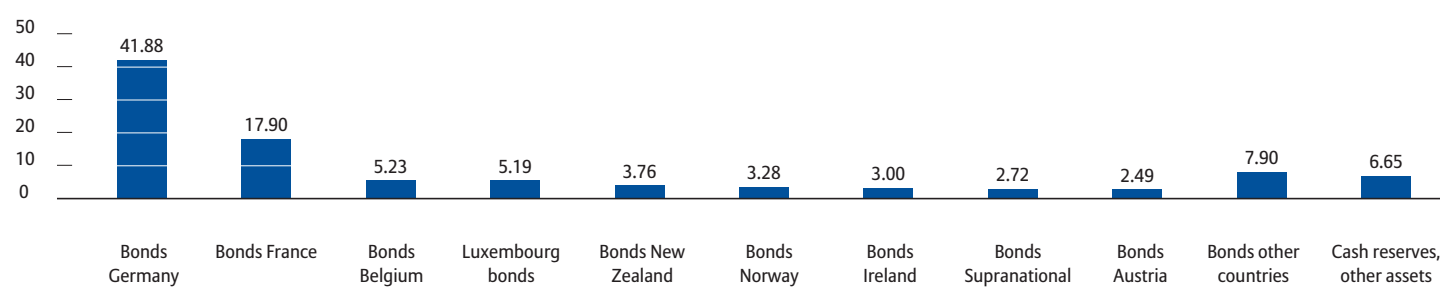
part in short-term EUR bonds with high credit ratings. On the one hand, these were securities from public-sector issuers in the Eurozone, primarily Germany and France. On the other hand, European mortgage bonds and/or covered bonds issued primarily by European banks were represented.

With this investment policy, the Fund obtained a solid increase in value.

The exact performance in the period under review is reported in the table "Performance of the Fund" at the end of the financial statements.

Please refer to the Key Investor Information Document and Prospectus for additional information on the Fund.

Breakdown of Net Assets in %



The Fund in figures

		31/03/2017	31/03/2016	31/03/2015	31/03/2014
Fund assets in millions of EUR		913.1	446.1	295.4	302.4
Units in circulation ¹⁾		712,329	350,704	230,502	236,728
Net asset value per unit in EUR					
- Class I (EUR) (distributing)	WKN: A0R GFH/ISIN: LU0417273579	1,335.20	1,299.39	1,301.11	1,289.60
- Class IT (EUR) (accumulating)	WKN: A0R GFJ/ISIN: LU0417273652	1,193.43	1,153.55	1,140.48	1,112.31
- Class P (EUR) (distributing)	WKN: A0R GFF/ISIN: LU0417273223	1,189.38	1,157.55	1,157.73	1,147.47
- Class P2 (EUR) (distributing)	WKN: A1J HRJ/ISIN: LU0671146552	1,141.59	1,112.38	1,111.75	1,101.68
- Class P3 (EUR) (distributing)	WKN: A0R GFG/ISIN: LU0417273496	101.62	--	--	--
- Class PT2 (EUR) (accumulating)	WKN: A1J RA5/ISIN: LU0719861360	1,136.18	1,104.13	1,097.55	1,076.10

¹⁾ Accumulated figures for open unit classes on the reporting date.

Financial Statements

Investment Portfolio as at 31/03/2017

ISIN	Securities			Shares/ Currency (in 1,000)/ Contracts	Holdings 31/03/2017	Price	Market Value in EUR	% of net assets	
Securities and money-market instruments admitted to an official stock exchange listing							852,316,452.10	93.35	
Bonds							852,316,452.10	93.35	
Australia							6,177,380.00	0.68	
XS0968449057	1.3750	%	Australia & New Zealand Banking Group EUR MTN 13/18	EUR	500.0	%	102.410	512,050.00	0.06
XS1015892182	1.3750	%	Commonwealth Bank of Australia EUR MTN 14/19	EUR	5,500.0	%	103.006	5,665,330.00	0.62
Belgium							47,786,579.50	5.23	
BE0002419910	1.2500	%	Belfius Bank EUR MTN 12/17	EUR	18,300.0	%	101.059	18,493,797.00	2.02
BE0002459346	1.2500	%	Belfius Bank EUR MTN 14/19	EUR	500.0	%	102.792	513,960.00	0.06
BE0000327362	3.0000	%	Belgium Government EUR Bonds 12/19 S.67	EUR	10,000.0	%	108.830	10,883,000.00	1.19
BE0000329384	1.2500	%	Belgium Government EUR Bonds 13/18 S.69	EUR	10,000.0	%	102.216	10,221,600.00	1.12
BE0002456318	1.1250	%	ING Belgium EUR Notes 13/18	EUR	500.0	%	102.362	511,810.00	0.06
BE6246364499	1.1250	%	KBC Bank EUR MTN 12/17	EUR	500.0	%	101.055	505,275.00	0.05
BE0002462373	1.0000	%	KBC Bank EUR MTN 14/19	EUR	6,500.0	%	102.418	6,657,137.50	0.73
Germany							382,406,788.10	41.88	
DE000AAR0140	1.3750	%	Aareal Bank EUR MTN 12/17	EUR	2,500.0	%	100.370	2,509,250.00	0.27
DE000AAR0165	1.0000	%	Aareal Bank EUR MTN 13/18	EUR	500.0	%	101.647	508,235.00	0.06
DE000AAR0181	0.1250	%	Aareal Bank EUR MTN 14/17	EUR	8,800.0	%	100.236	8,820,768.00	0.97
DE000AAR0173	1.1250	%	Aareal Bank EUR MTN 14/19	EUR	500.0	%	102.537	512,682.50	0.06
DE000BLB6C58	3.3750	%	Bayerische Landesbank EUR MTN 09/17	EUR	11,300.0	%	101.593	11,479,952.50	1.26
DE000BHY1216	1.3750	%	Berlin Hyp EUR MTN 12/17	EUR	1,360.0	%	100.275	1,363,740.00	0.15
DE000BHY1299	1.1250	%	Berlin Hyp EUR Notes 13/18	EUR	1,000.0	%	101.288	1,012,875.00	0.11
DE000BHY0BD2	0.0000	%	Berlin Hyp EUR Zero-Coupon MTN 15.03.2019	EUR	1,000.0	%	100.573	1,005,730.00	0.11
DE0001141703	0.2500	%	Bundesrepublik Deutschland EUR Bonds 14/19 S.170	EUR	20,000.0	%	102.451	20,490,200.00	2.24
DE0001104669	0.0000	%	Bundesrepublik Deutschland EUR Zero-Coupon Bonds 14.12.2018	EUR	25,000.0	%	101.301	25,325,250.00	2.77
DE0001104677	0.0000	%	Bundesrepublik Deutschland EUR Zero-Coupon Bonds 15.03.2019	EUR	20,000.0	%	101.451	20,290,200.00	2.22
DE0001104610	0.0000	%	Bundesrepublik Deutschland EUR Zero-Coupon Bonds 15.09.2017	EUR	20,000.0	%	100.344	20,068,800.00	2.20
DE0001104628	0.0000	%	Bundesrepublik Deutschland EUR Zero-Coupon Bonds 15.12.2017	EUR	10,000.0	%	100.518	10,051,800.00	1.10
DE000A1X2301	1.5000	%	Bund-Länder Anleihe EUR Bonds 13/20	EUR	1,000.0	%	105.821	1,058,210.00	0.12
DE000CZ439A8	1.5000	%	Commerzbank EUR MTN 13/18	EUR	5,000.0	%	101.554	5,077,675.00	0.56
DE000CZ40JR9	1.0000	%	Commerzbank EUR MTN 13/18	EUR	1,000.0	%	101.640	1,016,400.00	0.11
DE000CZ40KA3	1.0000	%	Commerzbank EUR MTN 14/19	EUR	500.0	%	102.373	511,865.00	0.06
DE0001617561	4.5000	%	DEPFA Deutsche Pfandbriefbank EUR Notes 03/18 S.573	EUR	1,000.0	%	103.825	1,038,250.00	0.11
DE000DB5EVA0	3.3750	%	Deutsche Bank EUR MTN 11/18	EUR	500.0	%	103.745	518,725.00	0.06
DE000DB5DCM7	2.1250	%	Deutsche Bank EUR MTN 12/19	EUR	10,500.0	%	104.489	10,971,345.00	1.20
DE000A13SW15	0.0250	%	Deutsche Genossenschafts-Hypothekenbank EUR MTN 15/18	EUR	500.0	%	100.595	502,975.00	0.06
DE000DHY3566	1.2500	%	Deutsche Hypothekenbank EUR MTN 12/17	EUR	500.0	%	100.353	501,762.50	0.05
DE000DHY3855	0.8750	%	Deutsche Hypothekenbank EUR MTN 13/18	EUR	6,200.0	%	101.009	6,262,527.00	0.69
DE000DHY4408	0.3000	%	Deutsche Hypothekenbank EUR MTN 14/18	EUR	4,000.0	%	100.890	4,035,600.00	0.44
DE000DKB0176	1.0000	%	Deutsche Kreditbank EUR Notes 13/18 S.60	EUR	500.0	%	101.104	505,517.50	0.06
DE000A1PGTJ2	1.6250	%	Deutsche Pfandbriefbank EUR MTN 12/17	EUR	500.0	%	100.507	502,532.50	0.05
DE000A1X2566	1.3750	%	Deutsche Pfandbriefbank EUR MTN 13/18	EUR	1,000.0	%	102.380	1,023,800.00	0.11
DE000A11QA31	0.2500	%	Deutsche Pfandbriefbank EUR MTN 14/17	EUR	2,900.0	%	100.273	2,907,917.00	0.32
DE000A11QAP6	1.0000	%	Deutsche Pfandbriefbank EUR MTN 14/19	EUR	500.0	%	102.505	512,522.50	0.06
DE000A13SWB2	0.1250	%	Deutsche Pfandbriefbank EUR MTN 15/20	EUR	5,000.0	%	100.827	5,041,350.00	0.55
DE000DXA1NV3	1.0000	%	Dexia Kommunalbank Deutschland EUR MTN 14/19	EUR	3,000.0	%	102.504	3,075,120.00	0.34
DE000DXA1LK0	4.7500	%	Dexia Kommunalbank Deutschland EUR Notes 08/18 S.1559	EUR	500.0	%	105.655	528,275.00	0.06
DE000EAA0TM7	0.0000	%	Erste Abwicklungsanstalt EUR Zero-Coupon MTN 07.06.2019	EUR	10,000.0	%	100.694	10,069,350.00	1.10
DE000A1PGP19	1.0000	%	FMS Wertmanagement EUR MTN 12/17	EUR	1,000.0	%	100.479	1,004,790.00	0.11
DE000A1MLVD8	1.8750	%	FMS Wertmanagement EUR MTN 12/19	EUR	1,000.0	%	104.920	1,049,195.00	0.11
DE000A12T5L0	0.0500	%	FMS Wertmanagement EUR MTN 14/17	EUR	10,000.0	%	100.309	10,030,850.00	1.10
DE000A1X3FW3	0.6250	%	FMS Wertmanagement EUR MTN 14/18	EUR	2,800.0	%	101.168	2,832,704.00	0.31
DE000A12T5X5	0.1250	%	FMS Wertmanagement EUR MTN 15/20	EUR	1,000.0	%	101.369	1,013,690.00	0.11
XS1550202888	0.0000	%	FMS Wertmanagement EUR Zero-Coupon MTN 16.01.2019	EUR	10,000.0	%	100.882	10,088,150.00	1.10

The accompanying notes form an integral part of these financial statements.

Investment Portfolio as at 31/03/2017

ISIN	Securities		Currency (in 1,000)/ Contracts	Shares/ Holdings 31/03/2017	Price	Market Value in EUR	% of net assets	
DE000A12T523	0.0000	%	FMS Wertmanagement EUR Zero-Coupon MTN 26.02.2019	EUR	12,000.0	100.936	12,112,320.00	1.33
DE0001053445	1.8750	%	Free State of Bavaria EUR MTN 12/19	EUR	1,000.0	104.275	1,042,750.00	0.11
DE000A1K01Z2	2.3750	%	Gemeinsame Deutsche Bundesländer EUR Notes 11/18 S.38	EUR	6,000.0	104.140	6,248,370.00	0.68
DE000HSH3ZG0	1.8750	%	HSH Nordbank EUR MTN 12/17	EUR	3,324.0	100.007	3,324,232.68	0.36
DE000HSH4MH4	1.3750	%	HSH Nordbank EUR MTN 13/18	EUR	500.0	102.256	511,280.00	0.06
DE000A1KRJD4	2.0000	%	ING-DiBa EUR MTN 12/19	EUR	1,000.0	104.458	1,044,580.00	0.11
DE000A1RET72	0.3750	%	Kreditanstalt für Wiederaufbau EUR MTN 13/17	EUR	5,000.0	100.045	5,002,250.00	0.55
DE000A1R07W1	0.6250	%	Kreditanstalt für Wiederaufbau EUR MTN 14/18	EUR	10,000.0	101.147	10,114,650.00	1.11
DE000A0MFJX5	4.1250	%	Kreditanstalt für Wiederaufbau EUR Notes 07/17	EUR	5,000.0	101.208	5,060,375.00	0.55
DE000A0SLD89	4.3750	%	Kreditanstalt für Wiederaufbau EUR Notes 08/18	EUR	1,000.0	106.385	1,063,850.00	0.12
DE000A0L1CY5	3.8750	%	Kreditanstalt für Wiederaufbau EUR Notes 09/19	EUR	1,000.0	108.203	1,082,025.00	0.12
DE000A1DAMM0	2.2500	%	Kreditanstalt für Wiederaufbau EUR Notes 10/17	EUR	1,000.0	101.368	1,013,675.00	0.11
DE000A1CR4S5	3.6250	%	Kreditanstalt für Wiederaufbau EUR Notes 10/20	EUR	1,000.0	111.728	1,117,275.00	0.12
DE000A1H36X9	3.1250	%	Kreditanstalt für Wiederaufbau EUR Notes 11/18	EUR	1,000.0	104.610	1,046,100.00	0.11
DE000A1MBB62	1.8750	%	Kreditanstalt für Wiederaufbau EUR Notes 12/19	EUR	1,000.0	104.923	1,049,225.00	0.11
DE000A1RET23	1.2500	%	Kreditanstalt für Wiederaufbau EUR Notes 12/19	EUR	6,000.0	104.601	6,276,060.00	0.69
DE000A1R07X9	0.8750	%	Kreditanstalt für Wiederaufbau EUR Notes 14/19	EUR	1,000.0	102.952	1,029,520.00	0.11
DE000A168Y14	0.0000	%	Kreditanstalt für Wiederaufbau EUR Zero-Coupon MTN 07.12.2018	EUR	16,100.0	101.082	16,274,202.00	1.78
DE000A0Z1Q98	2.8750	%	Land Hessen EUR Notes 11/18 S.1113	EUR	1,000.0	104.441	1,044,410.00	0.11
DE000NRW21B0	0.8750	%	Land Nordrhein-Westfalen EUR MTN 12/17	EUR	1,000.0	100.926	1,009,255.00	0.11
DE000NRW0HD5	0.0500	%	Land Nordrhein-Westfalen EUR MTN 15/18	EUR	1,000.0	100.819	1,008,185.00	0.11
DE000NRW10D9	4.1250	%	Land Nordrhein-Westfalen EUR Notes 07/19 S.782	EUR	1,000.0	108.794	1,087,940.00	0.12
DE000NRW0C37	2.3750	%	Land Nordrhein-Westfalen EUR Notes 11/17 S.1141	EUR	1,000.0	101.112	1,011,120.00	0.11
DE000NRW21H7	1.2500	%	Land Nordrhein-Westfalen EUR Notes 13/19	EUR	662.0	102.952	681,542.24	0.07
DE000NRW2293	1.0000	%	Land Nordrhein-Westfalen EUR Notes 14/19 S.1286	EUR	2,400.0	102.610	2,462,628.00	0.27
DE000NRW0HM6	0.0000	%	Land Nordrhein-Westfalen EUR Zero-Coupon FLR-Notes 28.10.2020 S.1381	EUR	10,000.0	101.954	10,195,400.00	1.12
DE000A161YU8	0.1250	%	Land of Lower Saxony EUR Notes 15/19 S.854	EUR	1,502.0	101.134	1,519,032.68	0.17
DE000RLP0264	0.0000	%	Land Rhineland-Palatinate EUR Zero Coupon FLR-Notes 15.01.2020	EUR	2,000.0	101.442	2,028,840.00	0.22
DE000RLP0769	0.0000	%	Land Rhineland-Palatinate EUR Zero-Coupon MTN 16.07.2018	EUR	10,000.0	100.587	10,058,700.00	1.10
DE000RLP0785	0.0000	%	Land Rhineland-Palatinate EUR Zero-Coupon Notes 16.09.2019	EUR	4,000.0	100.805	4,032,200.00	0.44
DE000RLP0884	0.0000	%	Land Rhineland-Palatinate EUR Zero-Coupon Notes 23.03.2020	EUR	20,000.0	100.823	20,164,500.00	2.21
DE000A13SMR9	0.2500	%	Land Thuringen EUR Notes 14/19	EUR	20,000.0	101.514	20,302,700.00	2.22
DE000LB0HFM2	3.1250	%	Landesbank Baden-Württemberg EUR MTN 11/17	EUR	500.0	100.965	504,825.00	0.06
DE000LB0M596	1.3750	%	Landesbank Baden-Württemberg EUR MTN 12/18	EUR	500.0	102.033	510,165.00	0.06
XS0503579459	2.8750	%	Landesbank Hessen-Thüringen Girozentrale EUR MTN 10/17	EUR	2,000.0	100.155	2,003,100.00	0.22
XS0851669050	0.8750	%	Landesbank Hessen-Thüringen Girozentrale EUR MTN 12/17	EUR	500.0	100.750	503,747.50	0.06
XS1002933668	0.7500	%	Landesbank Hessen-Thüringen Girozentrale EUR MTN 13/17	EUR	500.0	100.783	503,915.00	0.06
XS0946694055	1.0000	%	Landesbank Hessen-Thüringen Girozentrale EUR MTN 13/18	EUR	500.0	101.674	508,370.00	0.06
XS1071845116	0.3750	%	Landesbank Hessen-Thüringen Girozentrale EUR MTN 14/17	EUR	10,000.0	100.114	10,011,400.00	1.10
XS1143602792	0.1250	%	Landesbank Hessen-Thüringen Girozentrale EUR MTN 14/18	EUR	500.0	100.821	504,105.00	0.06
DE000MHB11J1	1.1250	%	Münchener Hypothekenbank EUR MTN 13/18	EUR	500.0	102.218	511,090.00	0.06
DE000MHB10S4	0.3750	%	Münchener Hypothekenbank EUR MTN 14/19	EUR	2,000.0	101.498	2,029,950.00	0.22
XS0804749462	1.6250	%	Norddeutsche Landesbank Girozentrale EUR MTN 12/17	EUR	3,000.0	100.551	3,016,530.00	0.33
XS1033923142	1.1250	%	Norddeutsche Landesbank Girozentrale EUR MTN 14/19	EUR	500.0	102.183	510,915.00	0.06
XS1191428652	0.0250	%	Norddeutsche Landesbank Girozentrale EUR MTN 15/19	EUR	500.0	100.600	502,997.50	0.05

Investment Portfolio as at 31/03/2017

ISIN	Securities		Shares/ Currency (in 1,000)/ Contracts	Holdings 31/03/2017	Price	Market Value in EUR	% of net assets		
DE000NWB0535	1.2500	%	NRW Bank EUR MTN 13/18	EUR	1,000.0	%	102.540	1,025,395.00	0.11
DE000HV2AAX3	2.6250	%	UniCredit Bank EUR MTN 10/17	EUR	500.0	%	100.478	502,390.00	0.05
DE000A1ELV17	2.5000	%	WL BANK EUR MTN 10/17	EUR	3,100.0	%	100.585	3,118,119.50	0.34
Denmark							1,532,217.50	0.17	
XS0501663099	3.5000	%	Danske Bank EUR Notes 10/18	EUR	500.0	%	103.988	519,937.50	0.06
XS1197037515	0.2500	%	Danske Bank EUR Notes 15/20	EUR	1,000.0	%	101.228	1,012,280.00	0.11
Finland							4,609,435.00	0.51	
XS0946639381	1.1250	%	Aktia Bank EUR MTN 13/18	EUR	500.0	%	101.842	509,207.50	0.05
XS1056447797	1.0000	%	Aktia Bank EUR MTN 14/19	EUR	500.0	%	102.606	513,030.00	0.06
XS0731649660	2.3750	%	Nordea Mortgage Bank EUR MTN 12/17	EUR	1,000.0	%	100.807	1,008,065.00	0.11
XS0965104978	1.3750	%	Nordea Mortgage Bank EUR MTN 13/18	EUR	500.0	%	102.441	512,205.00	0.06
XS1014673849	1.2500	%	Nordea Mortgage Bank EUR MTN 14/19	EUR	500.0	%	102.834	514,170.00	0.06
XS0778465228	2.2500	%	Nordea Mortgage Bank EUR Notes 12/19	EUR	500.0	%	105.314	526,570.00	0.06
XS0646202407	3.5000	%	OP Mortgage Bank EUR MTN 11/18	EUR	500.0	%	104.955	524,775.00	0.06
XS0785351213	1.6250	%	OP Mortgage Bank EUR MTN 12/17	EUR	500.0	%	100.283	501,412.50	0.05
France							163,475,059.25	17.90	
FR0011232404	2.2500	%	AXA Bank Europe EUR MTN 12/17	EUR	1,000.0	%	100.109	1,001,085.00	0.11
FR0010999482	3.8750	%	Banques Populaires Covered Bonds EUR MTN 11/18	EUR	500.0	%	103.487	517,432.50	0.06
FR0011757434	1.0000	%	BNP Paribas Home Loan SFH EUR MTN 14/19	EUR	500.0	%	102.550	512,747.50	0.06
FR0011169861	3.5000	%	BPCE - Societe de Financement de l'Habitat EUR MTN 11/19	EUR	500.0	%	107.146	535,730.00	0.06
FR0011332162	1.5000	%	BPCE - Societe de Financement de l'Habitat EUR MTN 12/18	EUR	500.0	%	101.710	508,550.00	0.06
FR0011219328	2.6250	%	BPCE - Societe de Financement de l'Habitat EUR MTN 12/18	EUR	500.0	%	102.830	514,147.50	0.06
FR0010591578	4.5000	%	Caisse de Refinancement de l'Habitat EUR MTN 08/17	EUR	500.0	%	102.734	513,667.50	0.06
FR0010744904	5.0000	%	Caisse de Refinancement de l'Habitat EUR MTN 09/19	EUR	500.0	%	110.710	553,550.00	0.06
FR0010261495	3.5000	%	Caisse de Refinancement de l'Habitat EUR Notes 05/17	EUR	1,000.0	%	100.220	1,002,200.00	0.11
FR0010345181	4.0000	%	Caisse de Refinancement de l'Habitat EUR Notes 06/18	EUR	500.0	%	104.655	523,275.00	0.06
FR0011576479	0.0000	%	Caisse des Dépôts et Consignations EUR Zero-Coupon FLR-MTN 01.10.2018	EUR	5,000.0	%	100.253	5,012,625.00	0.55
FR0010492025	4.8750	%	Caisse Française de Financement Local EUR MTN 07/17	EUR	1,000.0	%	101.306	1,013,060.00	0.11
FR0010539734	4.5000	%	Caisse Française de Financement Local EUR MTN 07/17	EUR	5,500.0	%	102.979	5,663,845.00	0.62
FR0010428185	4.2500	%	Caisse Française de Financement Local EUR MTN 07/19	EUR	500.0	%	108.455	542,275.00	0.06
FR0010859777	3.6250	%	Caisse Française de Financement Local EUR MTN 10/18	EUR	1,300.0	%	103.604	1,346,852.00	0.15
FR0012857548	0.1000	%	Caisse Française de Financement Local EUR MTN 15/18	EUR	500.0	%	100.607	503,032.50	0.05
FR0010814319	3.7500	%	CIF Euromortgage EUR MTN 09/19	EUR	5,000.0	%	110.053	5,502,625.00	0.60
FR0000474652	4.5000	%	Compagnie de Financement Foncier EUR MTN 03/18	EUR	500.0	%	105.410	527,050.00	0.06
FR0010422618	4.1250	%	Compagnie de Financement Foncier EUR MTN 07/17	EUR	500.0	%	102.542	512,707.50	0.06
FR0010532762	4.6250	%	Compagnie de Financement Foncier EUR MTN 07/17	EUR	1,000.0	%	102.383	1,023,825.00	0.11
FR0010464321	4.3750	%	Compagnie de Financement Foncier EUR MTN 07/19	EUR	1,000.0	%	109.568	1,095,675.00	0.12
FR0011780832	1.1250	%	Compagnie de Financement Foncier EUR MTN 14/19	EUR	500.0	%	102.746	513,727.50	0.06
FR0012790319	0.1250	%	Compagnie de Financement Foncier EUR Notes 15/18	EUR	500.0	%	100.554	502,770.00	0.05
FR0011230598	2.1250	%	Crédit Agricole Home Loan EUR MTN 12/17	EUR	500.0	%	100.687	503,435.00	0.05
FR0010857946	3.5000	%	Crédit Mutuel - CIC Home Loan EUR MTN 10/17	EUR	500.0	%	100.223	501,115.00	0.05
FR0011725407	1.1250	%	Crédit Mutuel - CIC Home Loan EUR MTN 14/19	EUR	1,000.0	%	102.684	1,026,840.00	0.11
XS1268552061	0.2000	%	Dexia Crédit Local EUR MTN 15/18	EUR	7,850.0	%	100.574	7,895,019.75	0.86
XS1423725172	0.0400	%	Dexia Crédit Local EUR MTN 16/19	EUR	13,000.0	%	100.321	13,041,730.00	1.43
FR0010517417	4.2500	%	France Government EUR Bonds 07/17	EUR	20,000.0	%	102.713	20,542,500.00	2.25

The accompanying notes form an integral part of these financial statements.

Investment Portfolio as at 31/03/2017

ISIN	Securities			Shares/ Currency (in 1,000)/ Contracts	Holdings 31/03/2017	Price	Market Value in EUR	% of net assets	
FR0011394345	1.0000	%	France Government EUR Bonds 13/18	EUR	20,000.0	%	101.707	20,341,400.00	2.23
FR0011708080	1.0000	%	France Government EUR Bonds 14/19	EUR	5,000.0	%	103.032	5,151,600.00	0.56
FR0013101466	0.0000	%	France Government EUR Zero-Coupon Bonds 25.02.2019	EUR	20,000.0	%	100.893	20,178,600.00	2.21
XS1310192114	0.0500	%	SNCF Reseau EUR MTN 15/18	EUR	15,000.0	%	100.500	15,075,000.00	1.65
FR0010742908	5.0000	%	Société Générale EUR MTN 09/19	EUR	1,000.0	%	110.545	1,105,450.00	0.12
FR0010885376	3.3750	%	Société Générale EUR MTN 10/18	EUR	500.0	%	103.899	519,495.00	0.06
FR0011374198	1.0000	%	Société Générale EUR MTN 12/17	EUR	500.0	%	100.993	504,965.00	0.05
FR0011215516	2.8750	%	Société Générale EUR MTN 12/19	EUR	1,000.0	%	106.213	1,062,130.00	0.12
FR0011212232	3.0000	%	UNEDIC ASSEO EUR MTN 12/19	EUR	15,000.0	%	106.808	16,021,125.00	1.75
FR0123031686	0.0400	%	UNEDIC ASSEO EUR MTN 15/19	EUR	10,000.0	%	100.622	10,062,200.00	1.10
Ireland								27,415,892.50	3.00
XS0969616779	3.1250	%	AIB Mortgage Bank EUR Notes 13/18	EUR	6,000.0	%	104.878	6,292,680.00	0.69
XS0993264331	1.8750	%	Bank of Ireland Mortgage Bank EUR Notes 13/17	EUR	1,000.0	%	100.240	1,002,400.00	0.11
XS0907907140	2.7500	%	Bank of Ireland Mortgage Bank EUR Notes 13/18	EUR	6,000.0	%	102.936	6,176,130.00	0.67
XS1046173958	1.7500	%	Bank of Ireland Mortgage Bank EUR Notes 14/19	EUR	500.0	%	103.891	519,452.50	0.06
IE00B8DLLB38	5.5000	%	Ireland Government EUR Bonds 12/17	EUR	13,000.0	%	103.271	13,425,230.00	1.47
Canada								13,636,825.00	1.49
XS1064774778	1.0000	%	Bank of Montreal EUR Notes 14/19	EUR	500.0	%	102.667	513,335.00	0.06
XS1344742892	0.1000	%	Bank of Montreal EUR Notes 16/19	EUR	1,000.0	%	100.720	1,007,200.00	0.11
XS1051305974	1.0000	%	Bank of Nova Scotia EUR MTN 14/19	EUR	500.0	%	102.565	512,825.00	0.06
XS1132503308	0.2500	%	Bank of Nova Scotia EUR Notes 14/17	EUR	1,000.0	%	100.359	1,003,590.00	0.11
XS1346816322	0.1000	%	Bank of Nova Scotia EUR Notes 16/19	EUR	1,000.0	%	100.724	1,007,240.00	0.11
XS1041750404	1.1250	%	Caisse Centrale Desjardins EUR Notes 14/19	EUR	2,000.0	%	102.699	2,053,980.00	0.22
XS0958742313	1.2500	%	Canadian Imperial Bank of Commerce EUR MTN 13/18	EUR	500.0	%	102.171	510,855.00	0.06
XS1121257445	0.3750	%	Canadian Imperial Bank of Commerce EUR Notes 14/19	EUR	2,000.0	%	101.539	2,030,770.00	0.22
XS1332474912	0.1000	%	Canadian Imperial Bank of Commerce EUR Notes 15/18	EUR	1,400.0	%	100.730	1,410,220.00	0.15
XS0340256147	4.6250	%	Royal Bank of Canada EUR MTN 08/18 S.2	EUR	500.0	%	104.028	520,140.00	0.06
XS0986254455	1.2500	%	Royal Bank of Canada EUR Notes 13/18	EUR	1,000.0	%	102.495	1,024,950.00	0.11
XS1091094448	0.6250	%	Toronto-Dominion Bank EUR Notes 14/19	EUR	2,000.0	%	102.086	2,041,720.00	0.22
Luxembourg								47,451,712.00	5.19
EU000A1G0A24	1.1250	%	European Financial Stability Facility EUR MTN 12/17	EUR	20,000.0	%	101.103	20,220,600.00	2.21
EU000A1G0AR0	2.6250	%	European Financial Stability Facility EUR MTN 12/19	EUR	1,000.0	%	106.435	1,064,350.00	0.12
EU000A1G0BB2	0.8750	%	European Financial Stability Facility EUR MTN 13/18	EUR	1,000.0	%	101.423	1,014,230.00	0.11
EU000A1G0BH9	1.2500	%	European Financial Stability Facility EUR MTN 13/18	EUR	1,000.0	%	102.325	1,023,250.00	0.11
EU000A1G0BR8	0.2500	%	European Financial Stability Facility EUR MTN 14/17	EUR	14,600.0	%	100.430	14,662,780.00	1.61
EU000A1G0BM9	1.2500	%	European Financial Stability Facility EUR MTN 14/19	EUR	1,000.0	%	103.118	1,031,180.00	0.11
XS1316421137	0.1250	%	NORD/LB Luxembourg Covered Bond Bank EUR MTN 15/18	EUR	8,400.0	%	100.421	8,435,322.00	0.92
New Zealand								34,354,083.00	3.76
XS0830360524	1.3750	%	ANZ New Zealand (London) EUR MTN 12/17	EUR	3,000.0	%	100.894	3,026,820.00	0.33
XS0973586059	1.5000	%	ANZ New Zealand (London) EUR MTN 13/18	EUR	500.0	%	102.716	513,580.00	0.06
XS0800714429	1.8750	%	ASB Finance (London) EUR MTN 12/17	EUR	500.0	%	100.595	502,975.00	0.05
XS0985215184	1.5000	%	ASB Finance (London) EUR MTN 13/18	EUR	6,000.0	%	102.777	6,166,620.00	0.68
XS0562630391	3.1250	%	BNZ International Funding (London) EUR MTN 10/17	EUR	10,000.0	%	102.234	10,223,400.00	1.12
XS1079993538	0.8750	%	Westpac Securities (London) NZ EUR MTN 14/19	EUR	13,600.0	%	102.358	13,920,688.00	1.52
The Netherlands								18,197,510.00	1.99
XS0576912124	3.5000	%	ABN AMRO Bank EUR MTN 11/18	EUR	1,000.0	%	103.053	1,030,525.00	0.11
XS0463097237	3.8750	%	Bank Nederlandse Gemeenten EUR Notes 09/19	EUR	1,000.0	%	110.950	1,109,500.00	0.12
XS0822050125	2.1250	%	de Volksbank EUR MTN 12/17	EUR	6,000.0	%	101.033	6,061,980.00	0.66
XS0368232327	5.2500	%	ING Bank EUR MTN 08/18	EUR	500.0	%	106.635	533,175.00	0.06
XS0430609296	4.7500	%	ING Bank EUR MTN 09/19	EUR	500.0	%	110.862	554,310.00	0.06
XS0576072622	3.3750	%	ING Bank EUR MTN 11/18	EUR	500.0	%	102.950	514,750.00	0.06
NL0006272316	4.0000	%	Netherlands Government EUR Bonds 08/18	EUR	5,000.0	%	106.100	5,305,000.00	0.58
XS0977140531	1.7500	%	NIBC Bank EUR MTN 13/18	EUR	500.0	%	103.044	515,220.00	0.06

Investment Portfolio as at 31/03/2017

ISIN	Securities			Shares/ Currency (in 1,000)/ Contracts	Holdings 31/03/2017		Price	Market Value in EUR	% of net assets
XS1054163347	1.2500	%	NIBC Bank EUR MTN 14/19	EUR	2,500.0	%	102.922	2,573,050.00	0.28
Norway								29,910,952.75	3.28
XS1117515871	0.3750	%	DNB Boligkreditt EUR MTN 14/19	EUR	2,000.0	%	101.506	2,030,110.00	0.22
XS0537686288	2.3750	%	DNB Boligkreditt EUR MTN 10/17	EUR	500.0	%	101.150	505,747.50	0.06
XS0877571884	1.0000	%	DNB Boligkreditt EUR MTN 13/18	EUR	500.0	%	101.129	505,645.00	0.06
XS0992304369	1.1250	%	DNB Boligkreditt EUR MTN 13/18	EUR	4,500.0	%	102.330	4,604,850.00	0.50
XS0851683473	1.2500	%	Eika Boligkreditt EUR MTN 12/17	EUR	5,000.0	%	100.980	5,048,975.00	0.55
XS0794570944	2.0000	%	Eika Boligkreditt EUR MTN 12/19	EUR	3,500.0	%	104.931	3,672,585.00	0.40
XS0820929437	1.2500	%	SpareBank 1 Boligkreditt EUR MTN 12/18	EUR	7,125.0	%	101.495	7,231,518.75	0.79
XS0738895373	2.7500	%	SpareBank 1 Boligkreditt EUR MTN 12/19	EUR	1,000.0	%	105.563	1,055,630.00	0.12
XS1320110791	0.1250	%	SpareBank 1 Boligkreditt EUR Notes 15/18	EUR	4,200.0	%	100.695	4,229,169.00	0.46
XS0969571065	1.5000	%	Sparebanken Vest Boligkreditt EUR MTN 13/18	EUR	500.0	%	102.617	513,085.00	0.06
XS1015552836	1.2500	%	Sparebanken Vest Boligkreditt EUR MTN 14/19	EUR	500.0	%	102.728	513,637.50	0.06
Sweden								6,510,070.00	0.71
XS0548881555	2.6250	%	Skandinaviska Enskilda Banken EUR MTN 10/17	EUR	5,400.0	%	101.643	5,488,695.00	0.60
XS0906516256	1.0000	%	Stadshypotek EUR MTN 13/18	EUR	500.0	%	101.690	508,450.00	0.05
XS1050552006	1.0000	%	Stadshypotek EUR MTN 14/19	EUR	500.0	%	102.585	512,925.00	0.06
Switzerland								7,852,732.50	0.86
XS0692723553	2.8750	%	Crédit Suisse (Guernsey) EUR MTN 11/18	EUR	7,000.0	%	104.870	7,340,900.00	0.80
XS1044479373	1.0000	%	Crédit Suisse (Guernsey) EUR MTN 14/19	EUR	500.0	%	102.367	511,832.50	0.06
Spain								3,602,857.50	0.40
ES0413211782	3.5000	%	Banco Bilbao Vizcaya Argentaria EUR Notes 12/17	EUR	500.0	%	102.666	513,330.00	0.06
ES0413790314	3.5000	%	Banco Popular Español EUR MTN 13/17	EUR	500.0	%	101.660	508,300.00	0.05
ES0413790231	3.7500	%	Banco Popular Español EUR Notes 13/19	EUR	500.0	%	107.021	535,105.00	0.06
ES0413900210	3.6250	%	Banco Santander EUR Notes 10/17	EUR	500.0	%	100.031	500,155.00	0.05
ES0413900327	2.8750	%	Banco Santander EUR Notes 13/18	EUR	500.0	%	102.649	513,242.50	0.06
ES0413679277	3.1250	%	Bankinter EUR Notes 13/18	EUR	500.0	%	102.880	514,400.00	0.06
ES0415306002	2.8750	%	Caja Rural de Navarra EUR Notes 13/18	EUR	500.0	%	103.665	518,325.00	0.06
Supranational								24,746,025.00	2.72
XS0984030865	1.1250	%	Council Of Europe Development Bank EUR MTN 13/18	EUR	1,000.0	%	102.516	1,025,160.00	0.11
XS0196448129	4.6250	%	European Investment Bank EUR MTN 04/20	EUR	1,000.0	%	115.398	1,153,980.00	0.13
XS0412826579	4.2500	%	European Investment Bank EUR MTN 09/19	EUR	1,000.0	%	109.722	1,097,220.00	0.12
XS0518184667	2.6250	%	European Investment Bank EUR MTN 10/18	EUR	6,000.0	%	103.048	6,182,880.00	0.68
XS0748631164	2.6250	%	European Investment Bank EUR MTN 12/20	EUR	1,000.0	%	109.052	1,090,520.00	0.12
XS0903345220	1.5000	%	European Investment Bank EUR MTN 13/20 S.2000	EUR	1,000.0	%	106.292	1,062,920.00	0.12
XS1350662737	0.0000	%	European Investment Bank EUR Zero-Coupon MTN 15.01.2019	EUR	10,000.0	%	100.933	10,093,300.00	1.11
EU000A1U98Z1	1.2500	%	European Stability Mechanism EUR MTN 13/18	EUR	1,000.0	%	102.745	1,027,445.00	0.11
EU000A1U9886	0.0500	%	European Stability Mechanism EUR Notes 15/18	EUR	1,000.0	%	100.926	1,009,260.00	0.11
EU000A1U9845	0.0000	%	European Stability Mechanism EUR Zero-Coupon MTN 17.10.2017	EUR	1,000.0	%	100.334	1,003,340.00	0.11
USA								1,000,100.00	0.11
XS0294901045	4.2500	%	BA Covered Bond Issuer EUR MTN 07/17	EUR	1,000.0	%	100.010	1,000,100.00	0.11
United Kingdom								8,934,457.50	0.98
XS0212074388	3.8750	%	Bank of Scotland EUR MTN 05/20	EUR	2,000.0	%	111.340	2,226,800.00	0.24
XS0304458721	4.6250	%	Bank of Scotland EUR MTN 07/17	EUR	1,000.0	%	100.898	1,008,980.00	0.11
XS0519671787	4.0000	%	Lloyds Bank EUR MTN 10/18	EUR	1,000.0	%	105.298	1,052,980.00	0.12
XS0577751141	4.1250	%	Royal Bank of Scotland EUR MTN 11/18	EUR	3,000.0	%	103.543	3,106,290.00	0.34
XS0546057570	3.6250	%	Santander EUR MTN 10/17	EUR	1,000.0	%	102.027	1,020,265.00	0.11
XS0582479522	4.3750	%	Santander EUR MTN 11/18	EUR	500.0	%	103.829	519,142.50	0.06
Austria								22,715,775.00	2.49
AT0000A12B06	1.1500	%	Austria Government EUR Bonds 13/18	EUR	10,000.0	%	102.829	10,282,900.00	1.12
XS0830444039	1.8750	%	Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse EUR Notes 12/19	EUR	4,000.0	%	105.056	4,202,240.00	0.46
XS0973424152	1.6250	%	Kommunalkredit Austria Finanz EUR MTN 13/18	EUR	7,000.0	%	102.730	7,191,065.00	0.79
AT000B049226	2.6250	%	UniCredit Bank Austria EUR MTN 12/19	EUR	500.0	%	105.874	529,370.00	0.06
AT000B049390	1.2500	%	UniCredit Bank Austria EUR MTN 13/18	EUR	500.0	%	102.040	510,200.00	0.06
Total securities and money-market instruments								852,316,452.10	93.35
Deposits at financial institutions								55,184,788.52	6.04
Sight deposits								55,184,788.52	6.04
	State Street Bank GmbH, Luxembourg Branch			EUR				55,184,788.52	6.04
Total deposits at financial institutions								55,184,788.52	6.04

The accompanying notes form an integral part of these financial statements.

Securities	Shares/ Currency (in 1,000)/ Contracts	Holdings 31/03/2017	Price	Unrealised gain/loss	% of net assets
Derivatives					
Holdings marked with a minus are short positions.					
OTC-dealt derivatives				924,105.87	0.10
Swap transactions				924,105.87	0.10
Interest rate swaps				924,105.87	0.10
SX5E Index Volatility Swap	EUR	125,000.00		466,783.90	0.05
SX5E Index Volatility Swap	EUR	128,000.00		366,215.88	0.04
SX5E Index Volatility Swap	EUR	25,000.00		69,582.09	0.01
SX5E Index Volatility Swap	EUR	10,000.00		21,524.00	0.00
Total derivatives				924,105.87	0.10
Other assets/liabilities	EUR			4,625,229.55	0.51
Fund assets	EUR			913,050,576.04	100.00
Net asset value per unit					
- Class I (EUR) (distributing)	EUR			1,335.20	
- Class IT (EUR) (accumulating)	EUR			1,193.43	
- Class P (EUR) (distributing)	EUR			1,189.38	
- Class P2 (EUR) (distributing)	EUR			1,141.59	
- Class P3 (EUR) (distributing)	EUR			101.62	
- Class PT2 (EUR) (accumulating)	EUR			1,136.18	
Units in circulation					
- Class I (EUR) (distributing)	STK			474,071	
- Class IT (EUR) (accumulating)	STK			159,850	
- Class P (EUR) (distributing)	STK			4,315	
- Class P2 (EUR) (distributing)	STK			48	
- Class P3 (EUR) (distributing)	STK			13	
- Class PT2 (EUR) (accumulating)	STK			74,032	

Details of the changes in the composition of the securities portfolio in the period under review can be requested free of charge at the Luxembourg branch of Allianz Global Investors GmbH.

Statement of Operations

For the period from 01/04/2016 to 31/03/2017

	EUR
Interest on	
- bonds	3,053,903.97
Interest from liquidity investments in Germany	
- Negative deposit rates	-30,110.82
Total income	3,023,793.15
Taxe d'Abonnement	-80,621.47
All-in fee	-4,325,600.43
Total expenses	-4,406,221.90
Equalisation on ordinary income/loss	359,173.30
Net income/loss	-1,023,255.45
Realised gain/loss on	
- securities transactions	-5,043,743.70
- foreign exchange	-26,342.14
- swap transactions	38,428,404.38
Income equalisation on net realised gain/loss	21,406,288.57
Net realised gain/loss	53,741,351.66
Changes in unrealised appreciation/depreciation on	
- securities transactions	646,788.68
- swap transactions	-10,401,645.21
Result of operations	43,986,495.13

Statement of Net Assets

as at 31/03/2017

	EUR
Securities and money-market instruments	
(Cost Price EUR 854,433,128.26)	852,316,452.10
Bank deposits	55,184,788.52
Interest receivable on	
- bonds	5,161,971.30
Receivable on	
- subscriptions of fund units	16,578.46
Unrealised gain on	
- swap transactions	924,105.87
Total assets	913,603,896.25
Payable on	
- redemptions of fund units	-22,284.23
Other payables	-531,035.98
Total liabilities and equity	-553,320.21
Fund assets	913,050,576.04

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Net Assets

for the period from 01/04/2016 to 31/03/2017

	EUR
Net assets at the beginning of the reporting period	446,144,002.24
Subscriptions	722,816,150.75
Redemptions	-274,739,892.27
	894,220,260.72
Distribution	-3,390,717.94
Income equalisation	-21,765,461.87
Result of operations	43,986,495.13
Net assets at the end of the reporting period	913,050,576.04

	Class I (EUR) (distributing)	Class IT (EUR) (accumulating)	Class P (EUR) (distributing)	Class P2 (EUR) (distributing)	Class P3 (EUR) (distributing)	Class PT2 (EUR) (accumulating)
	Units	Units	Units	Units	Units	Units
Number of units in issue at the beginning of the reporting period	285,177	63,057	2,279	48	0	143
Number of units						
- issued	317,693	185,184	2,996	0	15	74,154
- redeemed	-128,799	-88,391	-960	0	-2	-265
Number of units in issue at the end of the reporting period	474,071	159,850	4,315	48	13	74,032

Performance of the Fund

		Class I (EUR) (distributing)	Class IT (EUR) (accumulating)	Class P (EUR) (distributing)	Class PT2 (EUR) (accumulating)	Class P2 (EUR) (distributing)	Class P3 (EUR) (distributing)
		% ¹⁾	% ²⁾	% ¹⁾	% ²⁾	% ¹⁾	% ¹⁾
1 year	(31/03/2016-31/03/2017)	3.46	3.46	3.41	2.90	2.90	-
2 years	(31/03/2015-31/03/2017)	4.64	4.64	4.56	3.52	3.52	-
3 years	(31/03/2014-31/03/2017)	7.29	7.29	7.17	5.58	5.59	-
5 years	(31/03/2012-31/03/2017)	12.42	12.43	12.22	9.47	9.46	-
Since launch ³⁾	(07/04/2009-31/03/2017)	45.36	-	-	-	-	-
	(13/01/2011-31/03/2017)	-	19.34	-	-	-	-
	(27/04/2010-31/03/2017)	-	-	27.93	-	-	-
	(10/01/2012-31/03/2017)	-	-	-	13.62	-	-
	(22/11/2011-31/03/2017)	-	-	-	-	18.47	-
	(26/08/2016-31/03/2017)	-	-	-	-	-	1.62

¹⁾ The calculation is based on the net asset value per unit (excluding sales charge), assuming distributions, if any, were reinvested. The performance is calculated according to the method recommended by the German BVI (Bundesverband Investment und Asset Management e.V.).

²⁾ The calculation is based on the net asset value per unit (excluding sales charge). The performance is calculated according to the method recommended by the German BVI (Bundesverband Investment und Asset Management e.V.).

³⁾ Class I (EUR) (distributing): Launch date: 07 April 2009. Initial net asset value per unit: EUR 1,000.00.

Class IT (EUR) (accumulating): Launch date: 13 January 2011. Initial net asset value per unit: EUR 1,000.00.

Class P (EUR) (distributing): Launch date: 27 April 2010. Initial net asset value per unit: EUR 1,000.00.

Class PT2 (EUR) (accumulating): Launch date: 10 January 2012. Initial net asset value per unit: EUR 1,000.00.

Class P2 (EUR) (distributing): Launch date: 22 November 2011. Initial net asset value per unit: EUR 1,000.00.

Class P3 (EUR) (distributing): Launch date: 26 August 2016. Initial net asset value per unit: EUR 100.00.

Historical performance is not an indicator of current or future performance.

Performance data ignores the commission and expenses incurred in issuing and redeeming the units.

Notes to the Financial Statements

Accounting Policies

Basis of Accounting

The financial statements are prepared in accordance with the Luxembourg regulations relating to Undertakings for Collective Investment.

The base currency of the Allianz Volatility Strategy is the Euro (EUR).

Valuation of Assets

Assets that are officially listed on a stock exchange are valued at the latest available price paid.

Assets that are not officially listed on a stock exchange, but are traded on a regulated market or on other organised markets, are also valued at the latest available price paid, provided that, at the time of valuation, the Custodian considers that price paid to be the best possible price at which the securities can be sold.

Assets whose trade prices are not fair market prices, as well as all other assets, are valued at the probable realisation value, determined prudently and in good faith. At its discretion, the Management Company may authorise other valuation methods if, in its consideration, such other methods better represent the fair value of the assets.

Financial futures transactions relating to currencies, securities, financial indices, interest rates and other permissible financial instruments and options thereon and corresponding warrants are, if they are listed on a stock exchange, valued at the most recent price of the stock exchange in question. If there is no stock exchange listing, in particular with regard to all OTC transactions, valuation is made at the probable realisation value to be determined prudently and in good faith.

Interest-rate swaps are valued at their market value by reference to the applicable yield curve.

Swaps tied to indices and to financial instruments are valued at their market value, which is determined by reference to the index or the financial instrument concerned.

Units in UCITS and UCI are valued at the latest redemption price determined and obtainable.

Cash and time deposits are valued at their nominal value plus accrued interest.

Assets not denominated in the base currency of the Fund are converted into the base currency of the Fund at the most current middle-market rate of exchange.

Security Prices

In accordance with the sales prospectus, the net asset value is calculated by reference to the valuation day.

The Financial Statements presented in this report have been prepared on the basis of the latest calculated and published net asset value in the period under review.

Taxation

The Fund is subject to a "Taxe d'Abonnement" in the Grand Duchy of Luxembourg, calculated and payable on the total net assets of the Fund at the end of each quarter unless the assets are invested in Luxembourg funds which are themselves subject to a "Taxe d'Abonnement". The income of the Fund is not taxable in Luxembourg.

Distribution and accumulation of income on units are currently not subject to withholding tax in Luxembourg.

Fee Structure

	All-in-Fee	Taxe d'Abonnement
	in % p.a.	in % p.a.
Allianz Volatility Strategy		
- Class I (EUR) (distributing)	0.70	0.01
- Class IT (EUR) (accumulating)	0.70	0.01
- Class P (EUR) (distributing)	0.70	0.05
- Class PT2 (EUR) (accumulating)	1.20	0.05
- Class P2 (EUR) (distributing)	1.20	0.05
- Class P3 (EUR) (distributing)	0.70	0.05

Transaction costs

Transaction costs take into account all the costs that were reported or charged separately in the period from 1 April 2016 to 31 March 2017 for the account of the Fund and which are directly related to the purchase or sale of certain assets.

Transaction costs of EUR 0.00 were incurred in the period under review.

Ongoing Charges

The Ongoing Charges are costs incurred by the Fund (or the respective Unit Classes) during the preceding financial year (excluding transaction costs) and are expressed as a ratio of the average volume of the Fund (or of the average volume of the respective Unit Classes) (“Ongoing Charges”). In addition to the All-in-Fee as well as the Taxe d’Abonnement, all other costs are considered except for the incurred transaction costs and any performance-related fees. Costs incurred will not be subject to cost compensation. If a Fund invests more than 20 % of its assets in

other UCITS or UCI that publish Ongoing Charges, the Ongoing Charges of these other UCITS or UCI are taken into consideration when calculating Ongoing Charges for the Fund (“synthetic Ongoing Charges”); however, if these UCITS or UCI do not publish their own Ongoing Charges, then it is not possible to take the Ongoing Charges of the other UCITS or UCI into consideration when calculating Ongoing Charges. If a Fund does not invest more than 20% of its assets in other UCITS or UCI, any costs that may be incurred at the level of these UCITS or UCI are not taken into consideration.

	Ongoing charges excluding performance-related fee in %	performance-related fee in %	Ongoing charges in %
Allianz Volatility Strategy ¹⁾			
- Class I (EUR) (distributing)	0.71	-	0.71
- Class IT (EUR) (accumulating)	0.71	-	0.71
- Class P (EUR) (distributing)	0.75	-	0.75
- Class PT2 (EUR) (accumulating)	1.51	-	1.51
- Class P2 (EUR) (distributing)	1.25	-	1.25
- Class P3 (EUR) (distributing) ²⁾	0.77	-	0.77

¹⁾ For the period from 1 April 2016 to 31 March 2017.

²⁾ For the period from 26 August 2016 to 31 March 2017.

Investment portfolio

Please note that the abbreviation “STK” in the column headed “Shares / Currency (in 1,000) / Contracts” corresponds to the original German table and has not been translated and should be understood to mean “amount”.

To the Unitholders of the Allianz Volatility Strategy

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Following our appointment by the Company, we have audited the accompanying financial statements of Allianz Volatility Strategy, which comprise the statement of the fund's assets, the statement of investment and other assets as at 31 March 2017, the statement of operations and the statement of changes in net assets for the financial year then ended, as well as a summary of significant accounting methods and other explanatory information.

Managing Directors' of the Management Company responsibility for the financial statements

The Managing Directors of the Management Company are responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements, and for such internal control as the Board of Directors of the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Managing Directors of the Management Company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

According to our assessment, the financial statements give a true and fair view of the financial position of Allianz Volatility Strategy as at 31 March 2017 and of the results of its operations and changes in its net assets for the then ended financial year, in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of financial statements.

Other information

The Board of Management of the Management Company is responsible for other information. Other information includes the information contained in the annual report, but does not include the annual financial statements or our report of the Réviseur d'Entreprises agréé on these annual financial statements.

Our audit opinion on the annual financial statements does not cover other information and we give no guarantees of any kind with regard to this information.

In connection with the audit of the annual financial statements, it is our responsibility to read other information and to assess whether there is a significant discrepancy between this and the annual financial statements or the results of our audit findings, or whether other information is otherwise presented falsely. If we conclude on the basis of the work we carry out that other information contains material false statements, we are obliged to report this. We have nothing to report in this regard.

Luxemburg, 12 July 2017

KPMG Luxembourg, Société coopérative
Cabinet de révision agréé

Jan Klopp

Further unaudited information

Determining the market risk and leverage effect

As part of the risk-management procedure the market risk of the Fund is measured and limited either using the commitment or Value-at-Risk (VaR) approach (relative or absolute VaR). When determining the market risk of the Fund, the commitment approach takes into account the additional risk that is generated

through the use of derivative financial instruments. The VaR approach represents a statistical method for calculating the potential loss arising from value changes in the whole Fund. The VaR calculation is generally based on the “Delta Normal” method (confidence level of 99 %, an assumed holding period of 10 days, data history of 260 days), otherwise the alternative calculation method is shown in the following table.

At the end of the reporting period, the following approach applied to the Fund for calculating the market risk:

Name of the Fund	Approach	Reference portfolio
Allianz Volatility Strategy	Commitment	

Further unaudited information

Disclosures relating to employee remuneration (all figures in EUR) of Allianz Global Investors GmbH for the financial year from 01/01/2016 to 31/12/2016

The following table shows the total amount of remuneration paid in the past financial year, divided into fixed and variable components. It is also broken down by members of management,

risk takers, employees in controlling positions and employees whose total remuneration puts them into the same remuneration category as members of management and risk takers.

Number of employees 1,618

		thereof Risk Taker	thereof Board Member	thereof Other Risk Taker	thereof Employees with Control Function	thereof Employees with Comparable Compensation
Fixed remuneration	145,421,511	8,368,445	2,865,587	896,592	1,073,330	3,532,936
Variable remuneration	117,553,590	29,025,053	12,000,472	2,475,944	1,907,394	12,641,243
Total remuneration	262,975,101	37,393,498	14,866,059	3,372,536	2,980,724	16,174,179

Setting the remuneration

Allianz Global Investors GmbH (AllianzGI) is subject to the supervisory requirements applicable to investment management companies with regard to structuring the remuneration system. Company management is usually responsible for decision-making about employee remuneration. Decisions about the remuneration of the management itself are taken by the shareholder.

The company has set up a remuneration committee to perform the duties required by law. This committee consists of two members of the company's Supervisory Board, each of whom is appointed by the Supervisory Board.

Working in close cooperation with the Risk Management and the Legal & Compliance departments as well as with external advisors and in conjunction with the management, the Human Resources department has developed the company's remuneration policy. This remuneration policy applies to the company domiciled in Germany and to its European branches.

Risk takers

The following groups of employees were identified as risk takers: members of management, risk takers and employees in controlling positions (as identified in current organisation charts and job profiles and as assessed in terms of the influence on the risk profile) as well as all employees whose total remuneration puts them into the same remuneration category as members of management and risk takers and whose activities have a

significant effect on the risk profiles of the company and the investment funds managed by it.

Remuneration structure

The primary components of monetary remuneration are the base salary, which typically reflects the scope, responsibilities and experience required in a particular role, and an annual variable remuneration.

The size of the company-wide pool for variable remuneration will depend on the company's business performance and risk position and will, therefore, vary every year. The distribution of specific sums to individual employees will depend on the performance of the employees and their teams during the relevant period under review.

Variable remuneration includes an annual cash bonus that pays out following the end of the financial year. In the case of members of staff whose variable remuneration exceeds a certain threshold, a substantial portion of the annual variable remuneration is deferred for a period of three years.

The deferred portions increase in line with the level of the variable remuneration. Half of the deferral is tied to the performance of the company, and the other half is invested in the funds we manage. The amounts ultimately distributed depend on the company's business performance or the performance of certain investment funds over several years.

In addition, the deferred remuneration elements may be withheld under the terms of the plan.

Performance evaluation

The level of pay awarded to employees is linked to both qualitative and quantitative performance indicators.

In the case of investment managers, whose decisions make a real difference to achieving our clients' investment goals, quantitative indicators are aligned around sustainable investment performance. In particular for portfolio managers, the quantitative element is aligned with the benchmarks of the client portfolios they manage or with the client's stated return expectations, measured over one-year and three-year time periods.

For client-facing employees, goals also include client satisfaction, measured independently.

The remuneration of employees in controlling functions is not directly linked to the business performance of the departments monitored by the controlling function.

Risk avoidance

AllianzGI has comprehensive risk reporting in place, which covers both current and future risks of our business activities. Risks which exceed the organisation's risk appetite are presented to our Global Remuneration Committee, which will decide, if necessary, on adjustments to the total remuneration pool.

Individual variable remuneration may be reduced or withheld in full if employees violate our compliance policies or take excessive risks on behalf of the company.

Annual review and material changes to the remuneration system

The Remuneration Committee did not find any irregularities during the annual review of the remuneration system, including a review of the existing remuneration structures as well as implementation of the regulatory requirements and compliance with them. In the course of this centralised and independent review, it was also found that the remuneration policy had been implemented in accordance with the remuneration regulations stipulated by the Supervisory Board. Furthermore, there were no material changes made to the remuneration policy in the past financial year.

Further unaudited information

Techniques for efficient portfolio management

Sections 35 (a)-(c), 40 (a)-(c) and 48 (a), (b) of the European Securities and Markets Authority's (ESMA's) guideline (ESMA/2014/937) on exchange-traded funds (ETFs) and other UCITS issues require disclosures in the funds' annual report on the exposure obtained through efficient portfolio management techniques (securities lending, repos/reverse repos) and/or derivatives, disclosure of the identity of the counterparties to these transactions, statements as to the type and amount of collateral received in this regard and statements as to the issuer's identity in connection with the OTC derivatives and collateral in the form of securities issued by a Member State.

The following table shows the minimum, maximum and average exposure in the period under review, broken down by technique. The exposure figures for the fund's minimum or maximum exposure are shown in relation to the fund's assets on the respective day with the minimum or maximum exposure for the period under review. The average exposure is derived from the simple average of the fund's daily exposure in relation to the fund's assets on the respective day. The exposure (counterparty) resulting from techniques for efficient portfolio management or derivatives was considered separately for exchange-traded derivatives, OTC derivatives (including total return swaps), repurchase agreements (repos/reverse repos) and securities lending.

		Minimum exposure in %	Maximum exposure in %	Average exposure in %
Allianz Volatility Strategy	exchange-traded derivatives ¹⁾	-	-	-
	OTC derivatives	0.00	2.64	0.52
	Repurchase agreements (repos/reverse-repos) ²⁾	-	-	-
	Securities lending ³⁾	-	-	-

¹⁾ During the period under review, the fund had no positions in exchange-traded derivatives.

²⁾ During the period under review, the fund did not enter into any repurchase agreements.

³⁾ During the period under review, the fund did not enter into any agreements in the form of securities loans.

The following table shows the minimum, maximum and average amount of collateral received to reduce the fund's counterparty risk. The fund's minimum and maximum collateral is shown as a percentage of the fund assets on the respective day of the period under review. The average amount of collateral is calculated as the simple average of the daily amount of collateral as a percentage of fund assets each day.

	Collateral (minimum in %)	Collateral (maximum in %)	Collateral (average in %)
Allianz Volatility Strategy ⁴⁾	0.00	0.44	0.04

⁴⁾ The collateral amounts shown were deposited as cash collateral only during the period under review.

As part of efficient portfolio management and/or derivatives, the fund entered into transactions with the following counterparties during the period under review:

Bank of America Corp, Barclays Plc, BNP Paribas SA, Citigroup Inc, Deutsche Bank AG, Goldman Sachs Group Inc, JPMorgan Chase & Co, Morgan Stanley, Societe Generale SA, UBS Group AG

There was no issuer whose collateral received exceeded 20% of the fund's net asset value at the reporting date.

At the reporting date the fund was not completely collateralised by securities issued or guaranteed by a Member State.

The following table shows expenses and revenues according to section 35 (d) of the guideline 2014/937 for the period under review from techniques for efficient portfolio management, including direct and indirect operational costs and fees incurred.

	Revenue	Expenses
Allianz Volatility Strategy	0.00	0.00

Annex according to Regulation (EU) 2015/2365 with regards to Securities Financing Transactions and Total Return Swaps

This Fund was not invested in any securities financing transactions pursuant to Regulation (EU) 2015/2365 during the reporting period, therefore the following contains no information on this type of transaction.

Further unaudited information

Distribution Policy

The present distribution policy for distributing units consists of distributing the net income accruing in the respective period,

including income equalisation in the relevant period. The distributions shown below were made for the reporting period (1 April 2016 - 31 March 2017). Please refer to the sales prospectus for further information.

	ex date	Unit Class	in EUR
Allianz Volatility Strategy	15/07/2016	I (EUR)	8.84881
	15/07/2016	P (EUR)	7.46701
	15/07/2016	P2 (EUR)	2.96505

Note for investors in the Federal Republic of Germany (unaudited)

All payments to unitholders (proceeds from redemptions, any distributions and other payments) can be made through the German Paying Agent listed in the “Directory”. Redemption orders may be submitted through the German Paying Agent. With respect to the distribution in the Federal Republic of Germany, the issue and redemption prices are published on the internet on the website www.allianzglobalinvestors.de. Any notices to the investors are published in the *Börsen-Zeitung* (published in Frankfurt/Main) as well as on the webpage www.allianzglobalinvestors.de. For selected unit classes (e.g. unit classes exclusively for institutional investors or unit classes whose bases of taxation are not published in the Federal Republic of Germany) publication can be performed on one of the websites www.allianzgi-regulatory.eu or www.allianzgi-b2b.eu.

Under Section 298 (2) of the German Capital Investment Code (KAGB), investors in the Federal Republic of Germany are also informed in the following cases by means of permanent data carrier as defined in Section 167 KAGB:

- Suspension of redemption of units in the Fund,
- Notice of termination of Fund management or liquidation of the Fund by the Management Company,
- Amendments to the Management Regulations that are not compatible with the existing investment principles, that affect key investor rights or involve fees and reimbursement of charges that can be withdrawn from the Fund, including the background to the amendments and the rights of the investors,
- In the event of a merger of the Fund with another fund, the merger information required under Art. 43 of Directive 2009/65/EC,
- In the event of conversion of the Fund into a feeder fund or the changes to a master fund in the form of information that must be prepared pursuant to Article 64 of Directive 2009/65/EC.

The Prospectus, the Management Regulations for the Fund, the current annual and semi-annual reports, the key investor information as well as the issue and redemption prices may be obtained as hard copy without charge at the Information Agent listed in the “Directory” and without charge on the website www.allianzglobalinvestors.de. For selected unit classes (e.g. unit classes exclusively for institutional investors or unit classes whose bases of taxation are not published in the Federal Republic of Germany) publication can be performed on one of the websites www.allianzgi-regulatory.eu or www.allianzgi-b2b.eu.

The custodian agreement is available for inspection without charge at the offices of the Information Agent.

Neither the Management Company, the Depositary, the Registrar and Transfer Agent, the Distributor nor the Paying and Information Agents are liable for errors or omissions in the published prices.

Note for investors in Switzerland (unaudited)

1. Representative and Paying Agent in Switzerland

BNP Paribas Securities Services, Paris, Succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich, is Representative and Paying Agent in Switzerland for the units distributed in Switzerland.

2. Place where the Relevant Documents may be obtained

The sales prospectus, the management regulations, the Key Investor Information, the annual and semi-annual reports as well as the details of the changes in portfolio composition during the period under review may be obtained without charge from the Representative in Switzerland.

3. Publications

Publications in Switzerland are made on www.fundinfo.com. In Switzerland, Subscription and Redemption Prices together and/or the Net Asset Value (with the indication “commissions excluded”) of the units are published daily on www.fundinfo.com.

4. Payment of retrocessions and rebates

The Management Company and its agents may pay retrocessions as remuneration for distribution activity in respect of units in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- setting up processes for subscribing, holding and safe custody of the units;
- keeping a supply of marketing and legal documents, and issuing the said documents;
- forwarding or providing access to legally required publications and other publications;
- performing due diligence delegated by the Management Company in areas such as money laundering, ascertaining client needs and distribution restrictions;
- mandating an authorised auditor to check compliance with certain duties of the Distributor, in particular with the Guidelines on the Distribution of Collective Investment Schemes issued by the Swiss Funds & Asset Management Association SFAMA;
- operating and maintaining an electronic distribution and/or information platform;
- clarifying and answering specific questions from investors pertaining to the investment product or the Management Company or the Sub-Investment Manager;
- drawing up fund research material;

- central relationship management;
- subscribing for units as a “nominee” for several clients as mandated by the Management Company;
- training client advisors in collective investment schemes;
- mandating and monitoring additional distributors.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform the investor, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

Rebates:

In the case of distribution activity in or from Switzerland, the Management Company and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question.

Rebates are permitted provided that:

- they are paid from fees received by the Management Company and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet the objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Management Company are:

- the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behaviour shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the investor, the Management Company must disclose the amounts of such rebates free of charge.

5. Place of Performance and Jurisdiction

The place of performance and jurisdiction for units distributed in Switzerland is at the registered office of the Representative in Switzerland.

Directory

Management Company and Central Administration Agent

Allianz Global Investors GmbH

Bockenheimer Landstraße 42-44
D-60323 Frankfurt/Main
Kundenservice Hof
Telephone: +49 9281-72 20
Fax: +49 9281-72 24 61 15
+49 9281-72 24 61 16
Email: info@allianzgi.de

In order to carry out its function as Central Administration Agent Allianz Global Investors GmbH acts through its Luxembourg branch:

6A, route de Trèves
L-2633 Senningerberg
Internet: www.allianzglobalinvestors.lu
Email: info-lux@allianzgi.com

Supervisory Board

Dr. Christian Finckh

Chief HR Officer
Allianz SE
Munich

Stefan Baumjohann

Member of the works council
Allianz Global Investors GmbH
Frankfurt/Main

Prof. Dr. Michael Hüther

Director and Member of the Board
Institut der deutschen Wirtschaft
Cologne

Laure Poussin

Member of the works council
Allianz Global Investors GmbH
Succursale Française
Paris

Alexandra Auer

Business Division Head
Asset Management and US Life Insurance
Allianz Asset Management AG
Munich

Dr. Bettina Corves-Wunderer

Chief Financial Officer
Allianz S.p.A.
Trieste

Managing Directors

George McKay (Chairman)

Thorsten Heymann

Dr. Markus Kobler

Dr. Walter Ohms

Michael Peters

Dr. Wolfram Peters

Tobias C. Pross

Andreas Utermann

Custodian, NAV Calculation, Fund Accounting, Subsequent Monitoring of Investment Limits and Restrictions

State Street Bank Luxembourg S.C.A.

49, Avenue J.F. Kennedy
L-1855 Luxembourg

Registrar and Transfer Agent

RBC Investor Services Bank S.A.

14, Porte de France
L-4360 Esch-sur-Alzette

Information Agent in the Federal Republic of Germany

Allianz Global Investors
GmbH

Bockenheimer Landstraße 42-44
D-60323 Frankfurt/Main

Sales & Product Services
Internet: www.allianzglobalinvestors.de
Email: info@allianzgi.de

Paying Agent in the Federal Republic of Germany

Commerzbank AG

Kaiserplatz
D-60261 Frankfurt/Main

Paying and Information Agent in Luxembourg

State Street Bank Luxembourg S.C.A.

49, Avenue J.F. Kennedy
L-1855 Luxembourg

in Switzerland

BNP Paribas Securities Services, Paris
Succursale de Zurich

Selnaustrasse 16
CH-8002 Zurich

Representative in Switzerland

BNP Paribas Securities Services, Paris
Succursale de Zurich

Selnaustrasse 16
CH-8002 Zurich

Distributor in Spain

Allianz Global Investors
GmbH

Sucursal en España
Ramírez de Arellano, 35, Planta 4a
E-28043 Madrid

Auditor

KPMG Luxembourg, Société coopérative

Cabinet de révision agréé

39, Avenue J. F. Kennedy
L-1855 Luxembourg

The Management Company is, in its country of incorporation, subject to public supervision with regard to the investment business.

The Management Company has notified the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) of its intention to market units of Allianz Volatility Strategy in Germany. The rights resulting from the notification have not lapsed.

Dated: 31 March 2017

Altre informazioni (non disponibili sull'attestato)

Article 173 French Energy
Transition Law:

Environmental, Social, Governance and Climate Risk Portfolio Reporting



Fund / mandate name	Allianz Volatility Strategy
Identifier(s)	LU0417273579 (I EUR), LU0417273223 (P EUR), LU0417273496 (P3 EUR), LU0417273652 (IT EUR), LU0671146552 (P2 EUR), LU0719861360 (PT2 EUR)
Fiscal year end date	31/03/2017

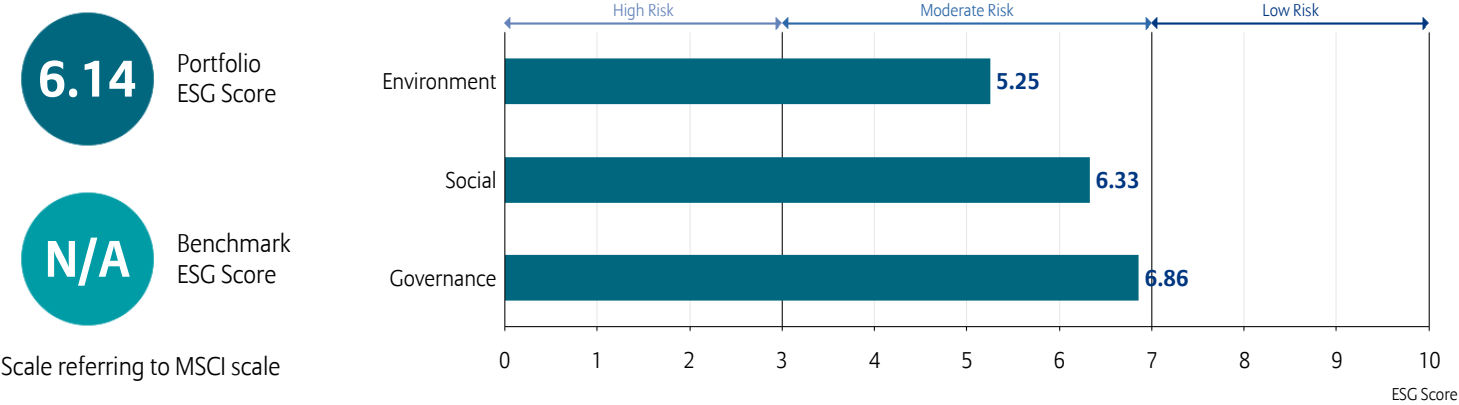
For mainstream strategies, the portfolio manager has access to fundamental Environmental / Social / Governance (ESG) research to facilitate investment decision making. It is to the portfolio manager's discretion to make use of this ESG research.

The objectives of this report are explained in further details in the "Additional explanations to reporting" section.

Altre informazioni (non disponibili sull'attestato)

Portfolio and Benchmark ESG Scores

Portfolio and Benchmark ESG Scores



Portfolio ESG Score

The portfolio has a moderate ESG score / moderate ESG risk

Portfolio Score Environment

The portfolio has a moderate Environmental score / moderate Environmental risk

Portfolio Score Social

The portfolio has a moderate Social score / moderate Social risk

Portfolio Score Governance

The portfolio has a moderate Governance score / moderate Governance risk

Deviation to Benchmark

Portfolio ESG risk profile	Portfolio Environment risk profile	Portfolio Social risk profile	Portfolio Governance risk profile
A benchmark comparison is not available	A benchmark comparison is not available	A benchmark comparison is not available	A benchmark comparison is not available

Top 3 Portfolio ESG Scores

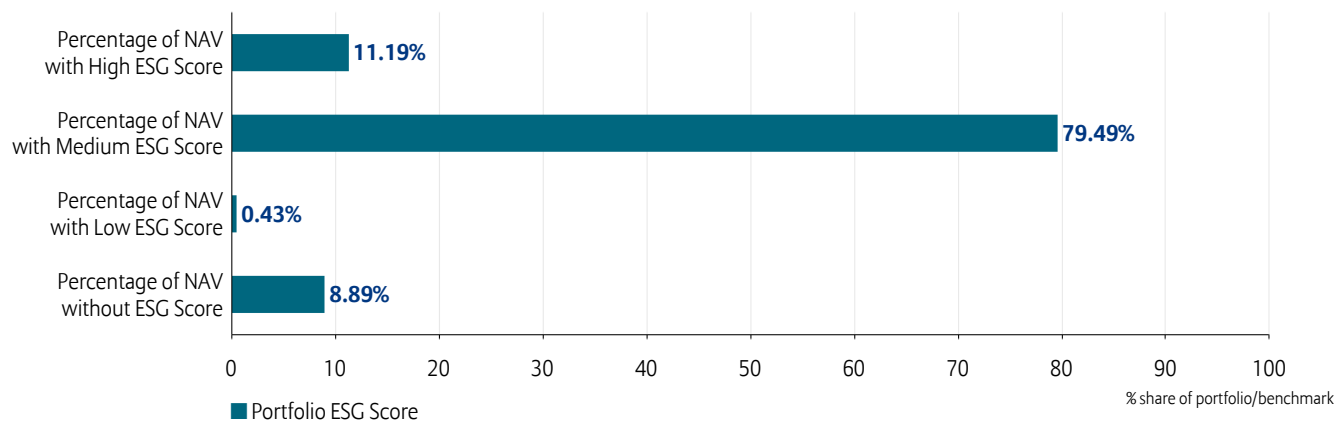
Rank	Company Name	Portfolio Weight	ESG Score
1	Kreditanstalt fuer Wiederaufbau	5.52%	7.77
2	AXA Bank Europe SCF	0.11%	7.57
3	Council Of Europe Development Bank	0.11%	7.33

Bottom 3 Portfolio ESG Scores

Rank	Company Name	Portfolio Weight	ESG Score
1	HSH Nordbank AG	0.43%	2.87
2	Dexia Kommunalbank Deutschland AG	0.40%	3.67
3	Dexia Credit Local SA	2.29%	3.80

Altre informazioni (non disponibili sull'attestato)

Level of ESG Score



Carbon Footprint

Carbon emissions are estimated direct (scope 1) and indirect (scope 2 only) carbon dioxide emissions of a corporate over its total revenues. Carbon intensity is measured by tCO2 equivalent Emissions/mn EUR Sales. The indicator covers a company's operations carbon emissions only. Further, please be informed that the sector allocation of the portfolio and benchmark have a significant impact on total carbon intensity.

Portfolio Carbon Intensity	Benchmark Carbon Intensity	Portfolio vs. Benchmark Carbon Intensity		
4	N/A	Above BM	In line with BM	Below BM

Data source: MSCI

A benchmark comparison is not available

Top 3 Low Carbon Intensity Holdings

Rank	Company Name	Portfolio Weight	Sector	Carbon Intensity tons CO2 e/EUR M sales
1	Banco Popular Espanol SA	0.12%	Not available	0.30
2	Stadshypotek AB	0.11%	Not available	0.57
3	ING Bank NV	0.18%	Not available	0.76

Bottom 3 High Carbon Intensity Holdings

Rank	Company Name	Portfolio Weight	Sector	Carbon Intensity tons CO2 e/EUR M sales
1	UniCredit Bank AG	0.06%	Not available	9.29
2	UniCredit Bank Austria AG	0.12%	Not available	9.29
3	Australia & New Zealand Banking Group Ltd	0.06%	Not available	8.20

Altre informazioni (non disponibili sull'attestato)

Contribution to the Energy Transition

Company revenues from the following green sectors are considered:

- Alternative Energy
- Energy Efficiency
- Sustainable Water
- Green Building
- Pollution Prevention

For details, please refer to the section Additional explanations to reporting

There is no data available on the portfolio's share in the green sector

No data is available yet for 100.00% of the Portfolio

Next to mainstream strategies Allianz Global Investors offers climate thematic and impact driven strategies such as those investing in green bonds, in equities linked to climate transition issues and in liquid and illiquid securities linked to renewable energy. These 'green' assets contribute positively to the alignment of an asset owner's portfolio related to the contribution to a 2°C economy and the portfolio's compatibility with climate and energy transition targets.

Altre informazioni (non disponibili sull'attestato)

Climate transition risk

Dear client,

At Allianz Global Investors we have analysed paths and methods to integrate climate change risk into strategic asset allocation and consider bottom-up climate risk integration into investment research of corporate issuers important. For mainstream investment strategies, all Allianz Global Investors portfolio managers have access to the ESG research.

For the matter of portfolio reporting, for the time being, Climate transition risk will not be reported though. Upon careful analysis of available data to measure and assess an issuer's climate transition risk Allianz Global Investors has decided not to show quantitative portfolio metrics. In our view there are no reliable quantitative metrics and data available so far and any reporting would rather misguide.

Going forward we aim to identify more reliable metrics to measure climate transition risk:

Further we would like to refer to the Allianz Global Investors Climate Risk Investment Positioning Statement which summarizes our views on climate transition risk and provides Q&A on the key topics (<https://uk.allianzgi.com/Institutional/our-firm/our-esg-approach/principles-and-policies>).

Best regards,

Dr. Steffen Hörter
Global Head of ESG

Altre informazioni (non disponibili sull'attestato)

Reporting Statistics

Number of Portfolio Holdings	ESG Scores			Information value of reports may be limited when ESG research data coverage is below a certain threshold
249	Number of Issuers with a ESG score	Percentage of Portfolio NAV covered	Portfolio NAV covered (in M. EUR)	
Portfolio NAV (in M. EUR) 913.05	95	91.11%	831.84	
Number of Benchmark Holdings	ESG Scores			Information value of reports may be limited when ESG research data coverage is below a certain threshold
N/A	Number of Issuers with a ESG score	Percentage of Issuers with a ESG score	Benchmark NAV covered (in M. EUR)	
	N/A	N/A	N/A	
Number of Portfolio Holdings	Carbon Intensity			Information value of reports may be limited when ESG research data coverage is below a certain threshold
249	Number of Issuers with carbon intensity data	Percentage of Portfolio NAV covered	Portfolio NAV covered (in M. EUR)	
Portfolio NAV (in M. EUR) 913.05	73	15.64%	142.79	
Number of Benchmark Holdings	Carbon Intensity			Information value of reports may be limited when ESG research data coverage is below a certain threshold
N/A	Number of Issuers with carbon intensity data	Percentage of issuers with carbon intensity data	Benchmark NAV covered (in M. EUR)	
	N/A	N/A	N/A	

Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors might not get back the full amount invested.

Investing in fixed income instruments may expose investors to various risks, including but not limited to creditworthiness, interest rate, liquidity and restricted flexibility risks. Changes to the economic environment and market conditions may affect these risks, resulting in an adverse effect to the value of the investment. During periods of rising nominal interest rates, the values of fixed income instruments (including short positions with respect to fixed income instruments) are generally expected to decline. Conversely, during periods of declining interest rates, the values of these instruments are generally expected to rise. Liquidity risk may possibly delay or prevent account withdrawals or redemptions.

Past performance is not a reliable indicator of future results. If the currency in which the past performance is displayed differs from the currency of the country in which the investor resides, then the investor should be aware that due to the exchange rate fluctuations the performance shown may be higher or lower if converted into the investor's local currency.

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Data and
methodology
explanation

Additional explanations to reporting

Purpose of the report

The portfolio report aims to facilitate the requirements defined by Article 173 of the French Energy Transition Law. Article 173 is aimed at increasing disclosure of:

- climate change-related risks by listed companies and financial institutions including institutional investors,
- as well as the alignment of institutional investors' portfolios with French and international climate policy.

For the design of the report we have taken into account the general guidelines of French asset management association – AFG. Article 173 does not request a specific reporting format.

All data used for portfolio and benchmark reporting is per end of December for mandates and fiscal year end date for funds.

Information value of reports may be limited when ESG research data coverage is below a certain threshold.

Incorporation of portfolio reporting results into the investment policy

For mainstream portfolios it is to the discretion of the portfolio manager to incorporate findings of the portfolio reports into investment decisions and corporate engagements unless it is explicitly part of the investment guidelines.

Portfolio and Benchmark ESG Scores

ESG Scores aim at measuring the ESG risk profile of portfolios versus benchmark. For this reporting feature we distinguish between mainstream investment strategies and Sustainable Responsible Investing (SRI) investment strategies. For mainstream strategies we report on ESG risk scores as a portfolio risk transparency feature.

For SRI strategies, given their specific best-in-class approach, we use our proprietary ESG ratings which feed into the investment process for these products.

Altre informazioni (non disponibili sull'attestato)

Mainstream strategies

The underlying data for the Environmental, Social and Governance pillar scores are risk scores for corporate issuers. These scores aim at assessing the potential financial risks arising from exposure and management of ESG issues. The risk scale spans from 0 (high risk) to 10 (low risk).

The total portfolio and benchmark ESG Scores derive from the underlying issuers' ESG Scores. They are the simple average of the underlying pillar scores along the Environmental, Social and Governance domains.

We have built three risk scoring clusters:

Low: >7-10

Medium: >3-7

High: 0-3

The underlying data are sourced from MSCI. Issuer specific risk scores may be subject to adjustments by Allianz Global Investors' ESG research team after a transparent review in collaboration with fundamental analysts and portfolio managers. Allianz Global Investors has chosen MSCI risk scores as research information input since they aim to measure financially material ESG risks.

The deviation of the ESG scores of a portfolio compared to its benchmark is considered as "in line" when it is more or less equal to 20%.

Sustainable and Responsible Investment strategies (SRI)

The underlying data for the Environmental, Social and Governance corporate issuer ratings used for SRI strategies are derived from a proprietary method by Allianz Global Investors fundamental research using a best-in-class approach. The proprietary ratings aim at measuring the sustainability strength of issuers. They are adjusted for industry specific materiality weightings of Environmental, Social and Governance domains. The rating scale spans from 0 (low) to 4 (high).

For the purpose of this report, we have built three sustainability strength scoring clusters:

Low: 0-2

Medium: >=2-3

High: >=3-4

The total portfolio and benchmark ESG rating scores are derived on the basis of underlying pillar scores. They are adjusted for industry specific materiality weightings of Environmental, Social, Business Behaviour and Governance domains. For its proprietary ESG ratings Allianz Global Investors bases itself on the data of several extra-financial rating agencies. This data is reviewed and modified by the Allianz ESG team.

The deviation of the ESG ratings of a portfolio compared to its benchmark is considered as "in line" when it is more or less equal to 10%.

Carbon Footprint

The carbon footprint reporting feature aims at showing the implied carbon dioxide emissions of corporates invested in a portfolio versus benchmark. Carbon dioxide emissions are considered a driver of global warming.

The underlying data are estimated, annual, direct (scope 1) and indirect (scope 2 only) carbon dioxide (CO₂) emissions of corporates. The emissions intensity in tons CO₂ is normed over the total revenues of a corporate to adjust for different business sizes.

The total carbon intensity is the weighted sum of the carbon intensities of the underlying corporates (for the portfolio) or constituents (for the benchmark) adjusted by their respective weight in the portfolio or the benchmark.

The source of issuer carbon intensity data is MSCI.

Contribution to the Energy Transition

The reporting feature aims at building portfolio transparency on the share of corporates that create substantial revenues from products and services in green industry sectors. Such products and services may contribute to lower greenhouse gas emissions or other green sectors.

The indicator shows the net-asset value share of green corporate portfolio holdings in percentage points. Green corporates derive more than estimated 20% of their total revenues from green products and services in defined green industry sectors. The respective sectors are alternative energy, energy efficiency, sustainable water, green building and pollution prevention. The underlying data is sourced from MSCI.

Altre informazioni (non disponibili sull'attestato)

General disclaimer

The information value of statistics and graphs displayed may be limited due to low ESG research data coverage.

Green sectors explanation

ALTERNATIVE ENERGY

This category includes products, services, or infrastructure projects supporting the development or delivery of renewable energy and alternative fuels, including:

- Generation, transmission, and distribution of electricity from renewable sources including wind, solar, geothermal, biomass, small scale hydro (25 MW), waste energy, and wave tidal.
- Fuels, technology, and infrastructure for the production and distribution of cleaner hybrid fuels, hydrogen, fuel cells, and alternative fuels, including biodiesel, biogas, and cellulosic ethanol.
- Not eligible under this category: large scale hydroelectric plants (>25 MW installed capacity)

ENERGY EFFICIENCY

This category includes products, services, infrastructure, or technologies that proactively address the growing global demand for energy while minimizing effects on the environment, including:

- Technologies and systems that promote efficiency of industrial operations (e.g., turbines, motors, and engines), industrial automation and controls, and optimization systems (e.g., cloud computing, data optimization systems).
- Infrastructure, technology, and systems that increase the efficiency of power management, power distribution, power storage (e.g., batteries), demand-side management (e.g., wireless sensors, advanced meters, smart grid).
- Technologies and systems focused on reducing fuel consumption of transport vehicles and industrial operations (e.g., hybrid/electric vehicles)
- Sustainable transportation infrastructure including urban mass transit, efficiency improvements of public transportation fleets, electric vehicle charging, improved traffic systems.
- Architectural glass, efficient lighting, insulation, building automation and controls, and devices and systems designed to be utilized in the design and construction of environmentally sustainable buildings.

MSCI ESG Research's Energy Efficiency category does not include:

- Corporate operational energy efficiency efforts, such as efficiency gains in manufacturing, transporting, or distributing standard products or services.
- Energy efficient components of finished goods.

SUSTAINABLE WATER

This category includes products, services, and projects that attempt to resolve water scarcity and water quality issues, including minimizing and monitoring current water use and demand increases, improving the quality of water supply, and improving the availability and reliability of water, including:

- Infrastructure and engineering projects developing new or repairing existing water and sanitation pipelines, including equipment and technology providers, resulting in improved quality and/or water use efficiency
- Technologies and products that reduce, reuse, or recycle water as a means of conservation (smart metering devices, low-flow equipment, and rainwater harvesting systems)
- Advanced materials, equipment, technologies, and services that filter or chemically treat wastewater for consumer or industrial use, including desalination

MSCI ESG Research's Sustainable Water category does not include:

- Distribution of drinking water without measurable improvements to water quality
- Water efficiency

Altre informazioni (non disponibili sull'attestato)

GREEN BUILDING

This category includes design, construction, redevelopment, retrofitting, or acquisition of 'green' certified properties – subject to local green building criteria, including:

- Properties that are certified as 'green' based on the local country's environmental performance standard (e.g., based on Energy Star, NABERS >3, or equivalent) or environmental design standards (e.g., LEED Certified, BREEAM, or local equivalent).

MSCI ESG Research's Green Building category does not include:

- Building materials, equipment, or supplies that are already included in the other themes. Examples include: solar panels, energy efficient lighting, advanced materials used in construction, smart grids, etc.

POLLUTION PREVENTION

This category includes products, services, or projects that support pollution prevention, waste minimization, or recycling as a means of alleviating the burden of unsustainable waste generation, including:

- Technologies, systems, and projects aiming to reduce air pollution (environmental IT, conventional pollution control systems, CCS)
- Projects to salvage, use, reuse, and recycle post-consumer waste products
- Waste treatment and environmental remediation projects, including land treatment and brownfield cleanup, soil washing, chemical oxidation, and bioremediation
- Sustainable alternative materials including raw materials, paints, adhesives, etc. used primarily in the construction of environmentally sustainable buildings.

MSCI ESG Research's Pollution Prevention category does not include:

- Landfill or incineration waste treatment projects without a specific waste-to-energy component.

Carbon Intensity, additional information

The Greenhouse Gas Protocol (GHG Protocol) categorizes direct and indirect emissions into three broad scopes:

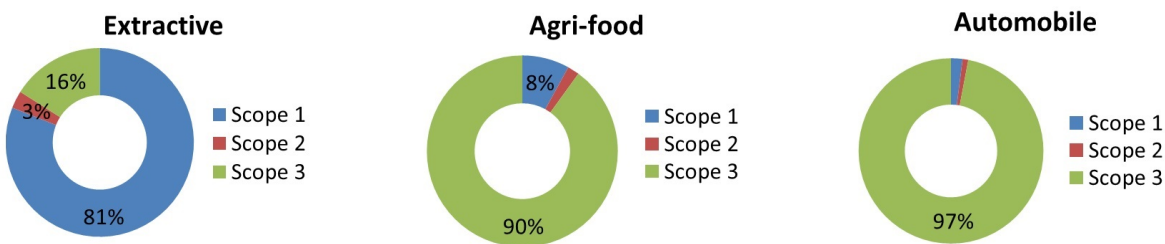
- Scope 1: All direct GHG emissions derived from the operation of a company resulting from the burning of fossil fuels such as gas, oil, coal etc.
- Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam.
- Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport - related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

Please find below some examples of sources of direct and indirect emissions for three types of industries:

Extractive industry (mining) - majority of scope 1 emissions: Emissions related to extraction sites (fuel for vehicles and infrastructure, wastewater treatment plants, extractive machinery etc.)

Agri-food industry - majority of scope 3 emissions: Emissions related to the production of food commodities that will serve the preparation of the end product.

Automobile industry - majority of scope 3 emissions: Emissions related to the usage of the vehicles sold.



Illustrative examples of the breakdown of emissions by scope for different types of industries.

NB: As mentioned earlier in the document, the data contained in this report does not take into account scope 3 emissions.

Altre informazioni (non disponibili sull'attestato)

Glossary

Association Française de la Gestion Financière (AFG)

A French association which represents the third party asset management industry in France and supports the development of socially responsible financial management in France.

Environmental, Social and Governance (ESG) policy framework

An ESG policy framework aims at describing the ESG approach. To know more about Allianz Global Investors' ESG approach please refer to the "Allianz Global Investors ESG Policy Framework" document on the Allianz Global Investors website.

Environmental, Social and Governance (ESG) risk score

A score that is attributed to a portfolio or an issuer based on its environmental, social and governance risk profile.

Environmental, Social and Governance (ESG) rating

A rating that is attributed to a portfolio or an issuer that measures its sustainability strength.

Greenhouse Gas Protocol (GHG Protocol)

The Greenhouse Gas (GHG) Protocol, developed by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD), sets the global standard for how to measure, manage, and report greenhouse gas emissions. GHG Protocol website: <http://www.ghgprotocol.org/>

Issuers

An issuer is a legal entity that puts a financial asset in the marketplace. Issuers are corporations, sovereigns and related entities.

Net Asset Value (NAV)

The Net Asset Value of a fund represents its market value calculated at a specific date.

Number of holdings

Inventory of the portfolio.

Sustainability

The objective of sustainable development is to meet the economic, environmental and social needs of society without harming the development opportunities of future generations.

Sustainable Responsible Investment (SRI)

Sustainable and responsible investment describes an investment strategy which incorporates social, environmental and ethical criteria in the selection and management of investment portfolios.

Investing involves risk. The value of an investment and the income from it may fall as well as rise and investors might not get back the full amount invested.

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