

Allianz Global Investors

Fund III

Fonds commun de placement

RCSK: K745

Annual Report

31 October 2019

Allianz Global Investors GmbH

General Information

Allianz Global Investors Fund III ("the Fund") is an "umbrella" fund (fonds commun de placement à compartiments multiples) under Luxembourg law established for an indefinite period of time and as such falls within the scope of Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment as amended (UCITS as defined by Directive 2014/91/EU of 23 July 2014).

The Fund was established on 4 January 1993. Allianz Global Investors Fund III has launched various Subfunds. The following Subfunds were available for subscription and redemption on 31 October 2019:

The assets and liabilities as well as the accounting systems are maintained separately for each Subfund.

The information included in this report refers to the period under review from 1 November 2018 to 31 October 2019. The information should not be taken as an indication of the future performance of the Subfund.

Since the Fund's business only relates to Allianz Emerging Europe, this report also serves as an annual report for the Fund, i.e. no separate consolidated figures are reported.

This report does not constitute an offer or an invitation to purchase units of the Subfund. Subscriptions are only valid if made on the basis of the current sales 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 to the buyer.

The sales prospectus, the management regulations, the Key Investor Information, as well as the respective annual and semi-annual reports, can be obtained free of charge from the Management Company, the Custodian Bank or from any Paying and Information Agent.

Subsequent Events

Merger of the Depositary Bank

State Street Bank Luxembourg S.C.A merged into State Street Bank International GmbH Luxembourg Branch effective 4 November 2019. The initiative is driven by the intention to simplify and enhance the legal State Street entity structure and business in Europe for streamlining purposes.

State Street Bank International GmbH Luxembourg Branch as legal successor to State Street Bank Luxembourg S.C.A. will assume the same duties and responsibilities as State Street Bank Luxembourg S.C.A. including acting as Depositary as well as Fund Accounting, NAV-Calculation, Registrar and Transfer Agent to the Company.

Merger of the Subfund

Allianz Global Investors Fund III - Allianz Emerging Europe was merged with Allianz Global Investors Fund - Allianz Emerging Europe effective from 11 December 2019.

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Investment Policy and Subfund Assets

The Fund focuses on the equities of companies with registered offices in Eastern European emerging markets (including Russia and Turkey). The investment objective is to achieve long-term capital growth.

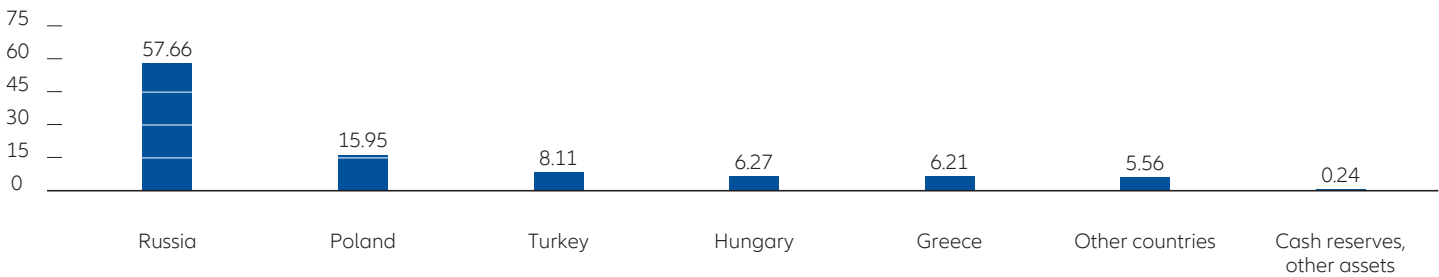
In the year under review to the end of October 2019, downward trends dominated the stock exchanges of emerging markets in Eastern Europe. Despite the decline in oil prices, price increases were particularly high in the Russian market, meaning the economic downturn was not as sharp as expected. Conversely, equity price increases in Poland and Hungary were much smaller and even fell in the Czech Republic. Turkish stocks rebounded as the economy stabilised and increased significantly in value.

In the Subfund, the majority of investments in absolute terms continued to be made in Russian equities. They remained underweighted, however, compared to the benchmark index. The weighting of the Polish market declined significantly and was underweight in the most recent portfolio compared to the benchmark index. The moderate focus on the Hungarian market continued. The initially strong underweighting of Turkish equities was largely neutralised. Investment in select Greek companies was somewhat strengthened in light of improving prospects.

At sector level, energy stocks continued to dominate in line with the benchmark index, followed by financial stocks. Exposure to the commodities sector was increased, but remained underweight compared to the benchmark index. There was increased focus on communication services providers. Consumer goods were roughly the same as in the overall market in the most recent portfolio, while utilities stocks in particular remained considerably underweight. The portfolio's liquidity was largely invested in a money market fund.

With its investment policy, the Fund increased considerably in value, close to the level of its benchmark index.

Breakdown of Net Assets in %



The Subfund in figures

		31/10/2019	31/10/2018	31/10/2017
Subfund assets in millions of EUR		130.0	122.5	132.6
Units in circulation				
- Class A (EUR) (distributing)	WKN: 987 339/ISIN: LU0081500794	373,569	427,416	437,417
- Class I (EUR) (distributing)	WKN: A0F 6ZT/ISIN: LU0230402553	86	138	256
- Class P (EUR) (distributing)	WKN: A2J HWC/ISIN: LU1807395998	1	509	--
Net asset value per unit in EUR				
- Class A (EUR) (distributing)	WKN: 987 339/ISIN: LU0081500794	347.91	285.30	303.06
- Class I (EUR) (distributing)	WKN: A0F 6ZT/ISIN: LU0230402553	353.05	289.61	307.62
- Class P (EUR) (distributing)	WKN: A2J HWC/ISIN: LU1807395998	1,194.82	970.62	--

Financial Statements

Investment Portfolio as at 31/10/2019

ISIN	Securities	Shares/ Currency (in 1,000)/ Contracts	Holdings 31/10/2019	Price	Market Value in EUR	% of Subfund assets
Securities and money-market instruments admitted to an official stock exchange listing					128,609,209.29	98.93
Equities					79,767,714.06	61.38
Greece					8,075,292.16	6.21
GRS260333000	Hellenic Telecommunications Organization	STK	148,596	EUR 13.520	2,009,017.92	1.55
GRS282183003	JUMBO	STK	114,360	EUR 17.320	1,980,715.20	1.52
GRS426003000	Motor Oil Hellas Corinth Refineries	STK	52,312	EUR 21.820	1,141,447.84	0.88
GRS003003035	National Bank of Greece	STK	984,982	EUR 2.989	2,944,111.20	2.26
Poland					20,722,928.57	15.95
PLBIG0000016	Bank Millennium	STK	275,832	PLN 6.165	398,952.83	0.31
PLPEKAO00016	Bank Polska Kasa Opleki	STK	92,965	PLN 109.500	2,388,236.96	1.84
PLCCC0000016	CCC	STK	23,692	PLN 116.500	647,547.26	0.50
PLOPTTC00011	CD Projekt	STK	48,364	PLN 253.100	2,871,826.38	2.21
PLDINPL00011	Dino Polska	STK	30,757	PLN 147.300	1,062,895.44	0.82
PLLOTOS00025	Grupa Lotos	STK	64,037	PLN 94.320	1,417,028.52	1.09
PLKROK000010	KRUK	STK	30,004	PLN 145.400	1,023,498.91	0.79
PLTLKPL00017	Orange Polska	STK	694,531	PLN 6.260	1,020,022.59	0.78
LU1642887738	PLAY Communications	STK	208,497	PLN 30.360	1,485,064.79	1.14
PLPKN0000018	Polski Koncern Naftowy ORLEN	STK	67,123	PLN 103.800	1,634,603.91	1.26
PLPKO0000016	Powszechna Kasa Oszczednosci Bank Polski	STK	205,321	PLN 38.620	1,860,327.74	1.43
PLPZU0000011	Powszechny Zaklad Ubezpieczen	STK	431,471	PLN 36.840	3,729,194.67	2.87
PLBZ00000044	Santander Bank Polska	STK	16,182	PLN 311.800	1,183,728.57	0.91
Russia					27,539,032.77	21.18
RU0009062285	Aeroflot	STK	907,047	RUB 106.480	1,351,544.74	1.04
RU0007252813	Alrosa	STK	604,219	RUB 74.320	628,394.93	0.48
RU000A0JSQ90	Detsky Mir	STK	518,458	RUB 96.700	701,572.65	0.54
RU0007661625	Gazprom	STK	2,318,656	RUB 261.500	8,484,780.43	6.53
RU0009062467	Gazprom Neft	STK	114,112	RUB 414.850	662,452.90	0.51
JE00B6T55470	Polymetal International	STK	154,357	GBP 12.705	2,273,015.33	1.75
RU000A0J2Q06	Rosneft Oil	STK	199,477	RUB 430.550	1,201,846.54	0.92
RU0009029540	Sberbank of Russia	STK	1,243,687	RUB 237.610	4,135,313.16	3.18
RU0009046510	Severstal	STK	171,689	RUB 895.000	2,150,295.28	1.65
RU0009029524	Surgutneftegas	STK	3,304,458	RUB 37.880	1,751,631.72	1.35
RU0006944147	Tatneft	STK	268,459	RUB 660.000	2,479,445.11	1.91
NL0009805522	Yandex -A-	STK	57,171	USD 33.570	1,718,739.98	1.32
Czech Republic					1,557,945.33	1.20
CZ0008040318	Moneta Money Bank	STK	519,284	CZK 76.500	1,557,945.33	1.20
Turkey					10,533,623.70	8.11
TRAAKBNK91N6	Akbank	STK	1,502,459	TRY 6.990	1,646,649.88	1.27
TREBIMM00018	BIM Biresik Magazalar	STK	260,499	TRY 46.960	1,918,030.95	1.48
TREENSA00014	Enerjisa Enerji	STK	726,349	TRY 6.130	698,115.50	0.54
TREMAV100037	Mavi Giyim Sanayi Ve Ticaret -B-	STK	113,829	TRY 46.240	825,262.68	0.63
TRATUPRS91E8	Tupras Turkiye Petrol Rafinerileri	STK	56,415	TRY 123.900	1,095,941.47	0.84
TRETTTLK00013	Turk Telekomunikasyon	STK	749,135	TRY 5.790	680,080.17	0.52
TRATCELL91M1	Turkcell Iletisim Hizmetleri	STK	697,516	TRY 12.450	1,361,585.72	1.05
TRAGARAN91N1	Turkiye Garanti Bankasi	STK	1,584,494	TRY 9.290	2,307,957.33	1.78
Hungary					8,141,031.30	6.27
HU0000153937	MOL Hungarian Oil & Gas	STK	385,759	HUF 2,918.000	3,412,803.29	2.63
HU0000061726	OTP Bank	STK	113,667	HUF 13,720.000	4,728,228.01	3.64
United Kingdom					2,472,943.51	1.90
GB00B0HZPV38	KAZ Minerals	STK	461,818	GBP 4.620	2,472,943.51	1.90
Austria					724,916.72	0.56
AT0000652011	Erste Group Bank	STK	22,682	EUR 31.960	724,916.72	0.56
Participating Shares					48,841,495.23	37.55
Russia					47,456,000.97	36.48
US3682872078	Gazprom (ADR's)	STK	634,320	USD 8.135	4,621,138.78	3.55
US36829G1076	Gazprom Neft (ADR's)	STK	55,565	USD 32.580	1,621,195.72	1.25
US69343P1057	LUKOIL (ADR's) (traded in the United Kingdom)	STK	4,171	USD 91.200	340,657.60	0.26

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

Investment Portfolio as at 31/10/2019

ISIN	Securities	Shares/ Currency (in 1,000)/ Contracts	Holdings 31/10/2019	Price	Market Value in EUR	% of Subfund assets
US69343P1057	LUKOIL (ADR's) (traded in USA)	STK	149,181 USD	91.482	12,221,716.72	9.40
US55953Q2021	Magnit (GDR's)	STK	63,807 USD	11.225	641,412.96	0.49
US5603172082	Mail,Ru Group (GDR's)	STK	45,502 USD	21.120	860,612.10	0.66
US55315J1025	MMC Norilsk Nickel (ADR's)	STK	279,364 USD	28.330	7,087,614.10	5.45
US6074091090	Mobile TeleSystems (ADR's)	STK	80,399 USD	9.120	656,641.81	0.51
US6698881090	Novatek (GDR's)	STK	47,010 USD	214.000	9,009,217.53	6.92
US71922G2093	PhosAgro (GDR's)	STK	60,912 USD	12.710	693,316.38	0.53
US80585Y3080	Sberbank of Russia (ADR's)	STK	469,992 USD	15.055	6,336,570.54	4.87
US8766292051	Tatneft (ADR's)	STK	20,059 USD	71.200	1,279,005.23	0.98
US98387E2054	X5 Retail Group (GDR's)	STK	70,702 USD	32.960	2,086,901.50	1.61
Slovenia					645,467.28	0.50
US66980N2036	Nova Ljubljanska Banka (GDR's)	STK	58,893 EUR	10.960	645,467.28	0.50
Cyprus					740,026.98	0.57
US74735M1080	QIWI (ADR's)	STK	43,815 USD	18.860	740,026.98	0.57
Fund units					1,079,472.56	0.83
(Ongoing Charges (including management fee) resp. Management Fee or All-in-fee of the target fund in % p.a.)						
France					1,079,472.56	0.83
FR0013106713	Allianz Securicash SRI -WC- EUR - (0.120%)	STK	7,266 EUR	148,564.900	1,079,472.56	0.83
Total securities and money-market instruments					129,688,681.85	99.76
Other assets/liabilities					309,743.55	0.24
Net assets of the Subfund					129,998,425.40	100.00
<hr/>						
Net asset value per unit						
- Class A (EUR) (distributing)		EUR			347.91	
- Class I (EUR) (distributing)		EUR			353.05	
- Class P (EUR) (distributing)		EUR			1,194.82	
Units in circulation						
- Class A (EUR) (distributing)		STK			373,569	
- Class I (EUR) (distributing)		STK			86	
- Class P (EUR) (distributing)		STK			1	

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 01/11/2018 to 31/10/2019

	EUR
Interest on the liquidity portfolio	
- Negative deposit rates	-3,756.57
Dividends	6,900,242.52
Total income	6,896,485.95
Taxe d'Abonnement	-68,360.43
All-in fee	-3,045,842.61
Other expenses	-4,984.37
Total expenses	-3,119,187.41
Net income/loss	3,777,298.54
Realised gain/loss on	
- securities transactions	8,374,734.64
- forward foreign exchange transactions	-9,352.61
- foreign exchange	-1,189,056.86
Net realised gain/loss	10,953,623.71
Changes in unrealised appreciation/depreciation on	
- securities transactions	18,477,068.28
- foreign exchange	-19,363.31
Result of operations	29,411,328.68

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

Statement of Net Assets of the Subfund

as at 31/10/2019

	EUR
Securities and money-market instruments	
(Cost Price EUR 103,267,774.19)	129,688,681.85
Accrued dividends	654,677.92
Receivable on	
- subscriptions of fund units	3,210.15
- securities transactions	190,010.12
Total assets	130,536,580.04
Liabilities to banks	-272,245.46
Payable on	
- redemptions of fund units	-17,875.53
Other payables	-248,033.65
Total liabilities and equity	-538,154.64
Net assets of the Subfund	129,998,425.40

Statement of Changes in Net Assets of the Subfund

for the period from 01/11/2018 to 31/10/2019

	EUR
Net assets of the Subfund at the beginning of the reporting period	122,475,561.15
Subscriptions	26,768,332.12
Redemptions	-45,641,566.18
	103,602,327.09
Distribution	-3,015,230.37
Result of operations	29,411,328.68
Net assets of the Subfund at the end of the reporting period	129,998,425.40

Statement of Changes in Shares

	2018/2019	2017/2018
Number of units in issue at the beginning of the reporting period	428,063	437,673
– issued	85,373	130,131
– redeemed	-139,780	-139,741
Number of units in issue at the end of the reporting period	373,656	428,063

Performance of the Subfund

		Class A (EUR) (distributing) % ¹⁾	Class I (EUR) (distributing) % ¹⁾	Class P (EUR) (distributing) % ¹⁾
Current financial year	(31/10/2018-31/10/2019)	24.83	26.10	25.75
2 years	(31/10/2017-31/10/2019)	18.80	21.22	-
3 years	(31/10/2016-31/10/2019)	38.08	42.34	-
4 years	(31/10/2015-31/10/2019)	44.19	50.15	-
5 years	(31/10/2014-31/10/2019)	23.19	29.58	-
10 years	(31/10/2009-31/10/2019)	27.90	41.43	-
Since launch ²⁾	(15/10/1997-31/10/2019)	630.42	-	-
	(24/02/2006-31/10/2019)	-	35.16	-
	(30/05/2018-31/10/2019)	-	-	22.06

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⁾ Class A (EUR) (distributing): Launch date: 15 October 1997. Initial NAV per unit: EUR 51.13

Class I (EUR) (distributing): Launch date: 23 February 2006. Initial NAV per unit: EUR 306.43

Class P (EUR) (distributing): Launch date: 30 May 2018. Initial NAV per unit: EUR 1,000.00.

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.

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

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 Allianz Global Investors Fund III and its sub-fund Allianz Emerging Europe is the Euro (EUR).

Valuation of Assets

Assets officially listed on a stock exchange are valued at the last available price paid;

Assets that are not listed on a stock exchange but are traded on a Regulated Market or on other organised markets are also valued at the last available price paid, provided that the Management Company considers this price to be the best possible price at the time of valuation:

Financial futures contracts on foreign exchange, securities, financial indices, interest and other eligible financial instruments and options thereon and warrants thereof, if listed on a stock exchange, are valued at the most recent exchange prices of the relevant stock exchange. Unless there is a listing, in particular for all OTC transactions, the valuation shall be at the probable realisation value to be determined prudently and in good faith,

Interest rate swaps shall be valued at their market value in relation to the applicable yield curve, linked to indices and financial instruments.

Swaps are valued at their market value as determined by reference to the relevant index or financial instrument, units of UCITS or UCIs are valued at the last fixed and available redemption price, liquid assets and time deposits are valued at their face value plus interest;

Assets denominated in the base currency of the sub-fund are translated into the base currency of the sub-fund at the most recent spot rate;

Assets whose prices are not in line with the market and all other assets are valued at the probable realisation value while the Fund, at its sole discretion.

The Management Company may allow other valuation methods if it considers that they better reflect the fair value of the assets.

Security Prices

The calculation of the Net Asset Value will be in accordance with the provisions of the Prospectus based on the last known security prices on the Valuation Date.

The Financial Statements of the Annual Report have been prepared on the basis of the securities' prices of the most recently calculated and published Net Asset Value of the reporting period.

Foreign Currencies

Assets and liabilities in foreign currencies have been converted at the exchange rates stated below:

Pound Sterling	(GBP)	1 EUR = GBP	0.862777
New Turkish Lira	(TRY)	1 EUR = TRY	6.377912
Polish Zloty	(PLN)	1 EUR = PLN	4.262419
Russian Rouble	(RUB)	1 EUR = RUB	71.460723
Czech Koruna	(CZK)	1 EUR = CZK	25.498472
Hungarian forint	(HUF)	1 EUR = HUF	329.829957
US Dollar	(USD)	1 EUR = USD	1.116650

Taxation

The Subfund is subject to a "Taxe d'Abonnement" in the Grand Duchy of Luxembourg, calculated and payable on the total net assets of the Subfund 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 Subfund is not taxable in Luxembourg.

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

All-in-Fee

The Fund pays all costs to be borne by the respective Subfund from the assets of that Subfund:

The Fund pays a fee ("all-in-fee") to the Management Company from the assets of the respective Subfund, unless this fee is charged directly to the Unitholder under the terms of a particular Share Class.

Fees for the Investment Managers used by the Management Company are paid by the Management Company from its all-in-fee and, if applicable, from its performance related fee.

Provided that it is not charged directly to the Unitholder under the terms of a particular Share Class, the all-in-fee is charged monthly in arrears on a pro rata basis on the average daily Net Asset Value of the respective Share Class of a Subfund.

In return for the payment of the all-in-fee the Management Company releases the Fund from the following, conclusive enumerated commissions and expenditures:

- management and central administration agent fees;
- distribution fees;
- the administration and custody fee of the Depositary;
- the fee of the Registrar and Transfer Agent;
- costs of the preparation (including translation) and dissemination of the Prospectus, Key Investor Information, Articles of Incorporation as well as annual, semi-annual and, if any, interim reports and other reports and notifications to Unitholders;
- costs of publishing the Prospectus, Key Investor Information, Articles of Incorporation, annual, semi-annual and, if any, interim reports, other reports and notifications to Unitholders, tax information, as well as Subscription and Redemption Prices, and official announcements made to the Unitholders;
- costs of auditing the Fund and its Subfunds by the auditor;
- costs of registering the Units for public distribution and/or the maintenance of such registration;
- costs of preparing share certificates and, if any, coupons and coupon renewals;

- paying agent and information agent fees;
- costs of assessing the Subfunds by nationally and internationally recognised rating agencies;
- expenses in connection with the establishment of a Subfund;
- costs related to the use of index names, in particular licence fees;
- costs and fees incurred by the Fund and by third parties authorised by the Fund relating to the acquisition, use and maintenance of in-house or third-party computer systems used by Investment Managers and Investment Advisors;
- costs related to obtaining and maintaining a status authorising the direct investment in assets in a country or to act directly as a contracting partner in markets in a country;
- costs and expenses by the Fund, the Depositary and third parties authorised by the Fund or the Depositary in connection with monitoring of investment limits and restrictions;
- costs for calculating the risk and performance figures and the calculation of performance-related fees for the Management Company by third parties appointed to do so;
- costs related to obtaining information about general Unitholders' meetings of companies or about other meetings of the owners of assets as well as costs related to direct participation or participation through authorised third parties in such meetings;
- postage, telephone, fax and telex fees.

Fee Structure

	All-in-Fee	Taxe d'Abonnement
	in % p.a.	in % p.a.
Allianz Emerging Europe		
- Class A (EUR) (distributing)	2.25	0.05
- Class I (EUR) (distributing)	1.28	0.01
- Class P (EUR) (distributing)	1.28	0.05

Transaction costs

Transaction costs take into account all the costs that were reported or charged separately in the period from 1 November 2018 to 31 October 2019 for the account of the Fund and which are directly related to the purchase or sale of certain assets.

For fixed-interest investments, forward foreign exchange contracts and other derivative contracts, the transaction costs are included in the purchase and sale price of the investment. These transaction costs cannot be identified separately but are included in the performance of each Fund.

Transaction costs of EUR 110,306.66 were incurred in the period under review.

Trail Commissions

The Company pays agents (e.g. financial institutions) periodically recurring brokerage fees as "trail commissions". The level of these fees is generally calculated on the basis of the fund volume brokered. Trail commissions are paid from the all-in-fee.

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

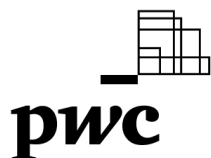
these other UCITS or UCI are taken into consideration when calculating Ongoing Charges for the Fund ("synthetic Ongoing Charges"); however, if these UCITS or UCI do not publish their own Ongoing Charges, then it is not possible to take the Ongoing Charges of the other UCITS or UCI into consideration 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 Emerging Europe ¹⁾			
- Class A (EUR) (distributing)	2.30	-	2.30
- Class I (EUR) (distributing)	1.29	-	1.29
- Class P (EUR) (distributing)	1.33	-	1.33

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".

Please note that the abbreviation "Ktr" 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 "contract".



Audit report

To the Unitholders of
Allianz Global Investors Fund III

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Allianz Global Investors Fund III (the “Fund”) as at 31 October 2019, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund’s financial statements comprise:

- the statement of net assets as at 31 October 2019;
- the investment portfolio as at 31 October 2019;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

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

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.



Other information

The Board of Directors of the Management Company is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Management Company for the financial statements

The Board of Directors of the Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation 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.

In preparing the financial statements, the Board of Directors of the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Management Company;
- conclude on the appropriateness of the Board of Directors of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 14 February 2020

Alain Maechling

Only the German version of the present annual report has been audited by the "Reviseur d'entreprises agréé". Consequently, the Audit Report refers to the German version of the report; other versions result from a conscientious translation made under the responsibility of the Board of Directors of the SICAV. In case of differences between the German version and the translation, the German version shall be the authentic text.

Further unaudited information

Determining the market risk and leverage effect

As part of the risk-management procedure, the Subfund's market risk is measured and limited using either the commitment approach or the value-at-risk (VaR) approach (relative or absolute VaR). In determining the Subfund's market risk, the commitment approach considers the additional risk that is generated through the use of derivative

financial instruments. The VaR approach represents a statistical method to calculate the potential loss based on changes in value in an entire subfund. The VaR calculation is generally based on the "Delta Normal" method (confidence level of 99%, assumed holding period of 10 days, 260 days of data history used); otherwise the alternative method of calculation is shown in the following table.

As at the end of the reporting period, the following approach applied to the Subfund for calculating the market risk:

Name of the Subfund	Approach	Reference assets
Allianz Emerging Europe	relative VaR	MSCI EM EUROPE 10-40 TOTAL RETURN (NET) IN EUR

The following table shows the minimum, maximum and average risk budget utilisation (RBU) of the Subfund in the period under review. For subfunds using the relative value-at-risk (VaR) approach, the utilisation is reported in relation to the limit stipulated by the regulatory authorities (i.e. 2 times the VaR of the defined benchmark). For subfunds using the

absolute VaR approach, it is reported in relation to the absolute VaR limit indicated in the table above. The table also shows the average leverage effect of the subfund in the period under review. The average leverage effect is calculated as the average total of the nominal values of the derivatives used.

	Average leverage effect in %	Minimum RBU in %	Maximum RBU in %	Average RBU in %
Allianz Emerging Europe	0.00	44.95	68.86	49.07

Further unaudited information

Disclosures relating to employee remuneration (all figures in EUR) of Allianz Global Investors GmbH for the financial year from 01/01/2018 to 31/12/2018

The following table shows that total amount of remuneration actually paid to the employees of Allianz Global Investors GmbH 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 in the same remuneration category as members of management and risk takers.

Number of employees 1,718

		thereof Risk Taker	thereof Board Member	thereof Other Risk Taker	thereof Employees with Control Function	thereof Employees with Comparable Compensation
Fixed remuneration	152,084,831	8,487,988	1,962,234	1,226,734	405,616	4,893,404
Variable remuneration	119,079,444	28,858,193	12,335,788	4,789,449	323,424	11,409,531
Total remuneration	271,164,275	37,346,181	14,298,022	6,016,183	729,040	16,302,935

Setting the remuneration

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 determination of 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, where one member should be an employee representative.

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

Remuneration structure

The primary components of monetary remuneration are the basic salary, which typically reflects the scope, responsibilities

and experience required in a particular role, and an annual variable remuneration.

The total amount of the variable remuneration payable throughout the Company depends on the performance of the business and on the Company's risk position and will therefore vary every year. In this respect, the allocation of specific amounts to particular employees will depend on the performance of the employee and their departments during the period under review.

Variable remuneration includes an annual bonus paid in cash following the end of the financial year. In the case of employees 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 deferred amount is linked to the performance of the company, and the other half is invested in the funds managed by AllianzGI. The amounts ultimately distributed depend on the company's business performance or the performance of shares in 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 quantitative and qualitative performance indicators.

For Investment managers, whose decisions make a real difference in achieving our clients' investment goals, quantitative indicators are geared towards sustainable investment performance. For portfolio managers in particular, the quantitative element is aligned with the Benchmark of the client portfolios they manage or with the client's expected return, measured over a period of one year and three years.

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

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

Risk takers

The following groups of employees were qualified as risk carriers: Members of management, risk takers and employees in controlling positions (as identified in current organisational 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 in 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.

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 the adjustments to the total remuneration pool.

Individual variable compensation may also 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, no material changes were 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 Subfund's minimum or maximum exposure are shown in relation to the Subfund'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 Subfund's daily exposure in relation to the Subfund'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 Emerging Europe	exchange-traded derivatives ¹⁾	-	-	-
	OTC derivatives	0.00	0.00	0.00
	Repurchase agreements (repos/ reverse-repos) ²⁾	-	-	-
	Securities lending ³⁾	-	-	-

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

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

³⁾ During the period under review, the Subfund 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 subfund's counterparty risk. The subfund's minimum and maximum collateral is shown as a percentage of the subfund 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 subfund assets each day.

	Collateral (minimum in %)	Collateral (maximum in %)	Collateral (average in %)
Allianz Emerging Europe ⁴⁾	0.00	0.00	0.00

⁴⁾ During the period under review, no collateral was deposited.

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

At the reporting date, the Subfund 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 Emerging Europe	0.00	0.00

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

This Company 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 November 2018 - 31 October 2019). Please refer to the sales prospectus for further information.

	ex date	Unit Class	in EUR
Allianz Emerging Europe	17/12/2018	A (EUR)	6.73778
	17/12/2018	I (EUR)	9.84745
	15/02/2019	P (EUR)	22.18463

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 <https://de.allianzgi.com>. Any notices to the investors are published on the webpage <https://de.allianzgi.com>. 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 <https://regulatory.allianzgi.com> or <https://lu.allianzgi.com>.

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 <https://de.allianzgi.com>. 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 <https://regulatory.allianzgi.com> or <https://lu.allianzgi.com>.

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 the Republic of Austria (unaudited)

The public sale of the units of the Fund Allianz Emerging Europe in the Republic of Austria was reported to the financial market authority (Finanzmarktaufsicht, Vienna) in accordance with § 140 InvFG. The Allianz Investmentbank AG operates as the Paying and Information Agent in Austria in accordance with § 141 (1) InvFG. Requests for redemption of units in the aforementioned Fund can be submitted to the Austrian Paying and Information Agent.

In addition, all necessary investor information can be obtained free of charge at the Austrian Paying and Information Agent, such as the prospectus, the management regulations, the annual and semi-annual reports as well as the subscription and redemption prices.

It is recommended that, before purchasing units of the Fund, investors ascertain whether the income data required for tax purposes is published via the Österreichische Kontrollbank AG for the respective unit class.

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 Shares are published daily on www.fundinfo.com.

4. Payment of retrocessions and rebates Retrocessions:

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. Fulfilment 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
60323 Frankfurt/Main
Germany

Customer Service Centre Hof
Phone: +49 09281-72 20
Fax: +49 09281-72 24 61 15
+49 09281-72 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: <https://lu.allianzgi.com>
E-Mail: info-lux@allianzgi.com

Supervisory Board

Alexandra Auer

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

Stefan Baumjohann

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

Giacomo Campora

CEO Allianz Bank
Financial Advisers S.p.A.
Milan

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

Renate Wagner

Regional CFO and Head of Life, Asia Pacific
Singapore

Managing Directors

Tobias C. Pross (Chairman)

William Lucken

Ingo Mainert

Dr. Wolfram Peters

Karen Prooth

Petra Trautschold

Birte Trenkner

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

Information Agent in the Federal Republic of Germany

Allianz Global Investors GmbH

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

Paying Agent in the Federal Republic of Germany

State Street Bank International GmbH

Brienner Strasse 59
80333 Munich

Paying and Information Agents in the Grand Duchy of Luxembourg

State Street Bank Luxembourg S.C.A.

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

in France

State Street Banque International GmbH,

Paris Branch

23-25, rue Delarivière-Lefoullon
92064 Paris
La Défense Cedex
France

in Austria

Allianz Investmentbank AG

Hietzinger Kai 101–105
A-1130 Vienna

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

Appointment of the Austrian Representative to the Tax Authorities in the Republic of Austria

The following financial institution has been appointed the Austrian Representative to the tax authorities for certification of distribution-like income as defined in Section 186, Para. 2, line 2 InvFG:

Allianz Investmentbank AG

Hietzinger Kai 101–105
A-1130 Vienna

Auditor

PricewaterhouseCoopers

Société coopérative

2, rue Gerhard Mercator
B.P. 1443
L-1014 Luxembourg

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

The Management Company notified the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) of its intention to market shares of RP Rendite Plus in Germany. The rights resulting from this notification have not lapsed.

Dated: 31 October 2019

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Allianz Global Investors GmbH

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info@allianzgi.com
<https://de.allianzgi.com>