

February 2013

Total Return Protect

Merger into Allianz Global Investors Fund – Allianz Flexible Bond Strategy

Dear unitholders,

You hold units in the Total Return Protect fund in your securities account.

The management company, Allianz Global Investors Luxembourg S.A., has decided to merge Total Return Protect into Allianz Global Investors Fund – Allianz Flexible Bond Strategy with effect from 28 March 2013 (the “Merger Date”).

The following procedure will be applied when merging the unit class of Total Return Protect into the corresponding share class of Allianz Global Investors Fund – Allianz Flexible Bond Strategy:

Total Return Protect			Allianz Global Investors Fund – Allianz Flexible Bond Strategy	
Unit class	ISIN/German security no.		Share class	ISIN/German security no.
AT (EUR)	LU0172205352/ 813728	will be merged into	A (EUR)	LU0639172146/ A1JB1X

The statutory disclosure of the fund merger to investors who are resident in Germany was published in the *Börsenzeitung* on 15 February 2013.

Why is the fund merger taking place?

In light of the extremely low interest rates, from a historical perspective, and bearing in mind the costs incurred by the Fund, it will no longer be possible to achieve the investment objective for investors once the current capital protection period has expired. This is why Total Return Protect will be merged into Allianz Global Investors Fund – Allianz Flexible Bond Strategy on 28 March 2013. The latter Fund has a more flexible investment strategy, since it does not specify any explicit capital protection. In addition, the Fund can acquire higher-yielding corporate bonds and secured bonds. In an environment of rising interest rates, the Fund is also able to enter into a negative duration position using financial derivatives that move in opposite directions to bonds. As interest rates rise, such exposure would gain in value, whereas bond prices would continue to fall until their yield is again on a par with the market. As such, Allianz Flexible Bond Strategy has a wider choice of options for generating returns, thus giving fund management greater flexibility to select attractive investment opportunities from the investment universe, in the interests of investors.

Comparison of investment policy and risk profile

	Total Return Protect	Allianz Global Investors Fund – Allianz Flexible Bond Strategy
Investment characteristics	Bond strategy aimed at ensuring a minimum (not guaranteed) unit price on specific reporting dates; enhanced with equities, depending on market conditions	Bond strategy with particularly flexible investment policy at sector and interest rate level (absolute return approach)
Permissible asset classes	Bank deposits, money market, bonds, inclusion of equities, if expedient	Bank deposits, money market, bonds

Allianz Global Investors Luxembourg S.A.
 6A, route de Trèves
 L-2633 Senningerberg
 P.O. Box 179
 L-2011 Luxembourg

Phone +352 463 463-1
 Fax +352 463 463-620
 E-mail info@allianzgi.lu
www.allianzglobalinvestors.lu

Société Anonyme
 Registered Office: Senningerberg
 Registre de Commerce: B 27.856
 VAT ID: LU 13774360

Chairman of the Board of Directors:
 Daniel Lehmann

Members of the Board of Management:
 Jean-Christoph Arntz
 Markus Nilles

Investment focus	Government bonds in general	Bonds (variable sector focus)
Guarantee / Capital protection / Other particular features	No formal guarantee; at specific intervals, fund management strives to ensure a 100% guaranteed redemption price at the start of the capital protection period; the capital protection level may be lower in specific market situations	No capital protection; particularly broad duration spectrum to allow adjustment to different interest rate scenarios; average maturity (duration) can range between minus four and plus nine years; moreover, flexible investment in different bond categories is possible
Benchmark	none	none
Credit rating	Purchase of non-investment-grade bonds (high-yield bonds) not permitted	Purchase of non-investment-grade bonds (high-yield bonds) permitted
Regional orientation	Equities: min. 70% from Europe; Bonds: no explicit specification, but typically from the eurozone	min. 70% European securities
Foreign currencies	Permissible for exposure that is not hedged against the euro: max. 10%	Permissible for exposure that is not hedged against the euro: max. 30%
Target funds	max. 10% of fund assets	max. 10% of fund assets
Financial derivatives	permissible	permissible
Risk-earnings indicator (measure of how susceptible the fund price is to volatility)	2	3

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

	Total Return Protect	Allianz Global Investors Fund – Allianz Flexible Bond Strategy
Unit / share class	AT (EUR)	A (EUR)
Sales charge (current / max.)	4.00% / 5.00%	3.00% / 3.00%
Management fee p.a. (current / max.)	0.00% / 1.50%	1.00% / 1.50%
Performance fee p.a. (current / max.)	not planned	not planned
Administration fee p.a. (current / max.)	0.00% / 0.50%	0.19% / 0.50%
Taxe d'abonnement levied in Luxembourg p.a.	0.05% p.a.	0.05% p.a.
Total expense ratio	0.79%	1.20%
Use of income / Effective date	accumulating / 30 September	distributing / 15 December
Minimum investment amount	none	none

Allianz Global Investors Luxembourg S.A. Phone +352 463 463-1
6A, route de Trèves Fax +352 463 463-620
L-2633 Senningerberg E-mail info@allianzgi.lu
P.O. Box 179 www.allianzglobalinvestors.lu
L-2011 Luxembourg

Société Anonyme
Registered Office: Senningerberg
Registre de Commerce: B 27.856
VAT ID: LU 13774360

Chairman of the Board of Directors:
Daniel Lehmann

Members of the Board of
Management:
Jean-Christoph Arntz
Markus Nilles

Comparison of formal characteristics

	Total Return Protect	Allianz Global Investors Fund – Allianz Flexible Bond Strategy
Legal form	Fonds Commun de Placement (FCP)	Société d'Investissement à Capital Variable (SICAV)
Fund manager	Allianz Global Investors Europe GmbH	Allianz Global Investors Italia SGR
Custodian bank	State Street Bank Luxembourg S.A.	State Street Bank Luxembourg S.A.
Registrar and Transfer Agent	RBC Investor Services Bank S.A.	RBC Investor Services Bank S.A.
Financial year-end	30 September	30 September

Statutory sales documentation

The statutory "Key Investor Information" for Allianz Global Investors Fund – Allianz Flexible Bond Strategy is included with this letter. This document contains important information about the investment opportunities and risk profile of Allianz Global Investors Fund – Allianz Flexible Bond Strategy. You should therefore read the "Key Investor Information" carefully. The annual report of Allianz Global Investors Fund – Allianz Flexible Bond Strategy is available four months after the end of the financial year. The semi-annual report is available two months after the end of the financial half-year.

The above-mentioned documents and sales prospectuses are available from your advisor or can be inspected or obtained free of charge from the registered office of the management company and information agents during normal business hours in any jurisdiction in which the funds are admitted for public distribution. These documents are also accessible on the Internet at www.allianzglobalinvestors.de and www.allianzglobalinvestors.eu.

The fund merger will be reviewed by an auditor. We will provide you with the approved merger report free of charge upon request. It will be available approximately four months after the Merger Date (in English only).

Changes to the Total Return Protect portfolio as a result of the fund merger

Due to the final maturities of the securities, the Total Return Protect portfolio will be comprised of cash only on 25 March 2013.

Capital protection will be ensured, both as of 28 March 2013 and on the last day on which units can be redeemed.

Purchase of further Total Return Protect units

The issue of new Total Return Protect units will be discontinued with effect from 15 February 2013. As such, buy orders received before 7.00 a.m. (CET) on 14 February 2013 will be executed for the last time at the unit price prevailing on 14 February 2013.

Sale of Total Return Protect units

Total Return Protect units can be redeemed – free of charge, as usual – up until 7.00 a.m. (CET) on 25 March 2013. Sales orders will be executed for the last time at the price determined on 25 March 2013.

The redemption of units will be suspended from 26 March 2013.

Allianz Global Investors Luxembourg S.A. Phone +352 463 463-1
6A, route de Trèves Fax +352 463 463-620
L-2633 Senningerberg E-mail info@allianzgi.lu
P.O. Box 179 www.allianzglobalinvestors.lu
L-2011 Luxembourg

Société Anonyme
Registered Office: Senningerberg
Registre de Commerce: B 27.856
VAT ID: LU 13774360

Chairman of the Board of Directors:
Daniel Lehmann

Members of the Board of
Management:
Jean-Christoph Arntz
Markus Nilles

Sale of Allianz Global Investors Fund – Allianz Flexible Bond Strategy shares after the Merger Date:

Shares in Allianz Global Investors Fund – Allianz Flexible Bond Strategy received during the fund merger can be sold from 4 April 2013 once they have been credited to your securities account.

Fund merger procedure

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

This number will be calculated by dividing the value of your Total Return Protect units by the price of Allianz Global Investors Fund – Allianz Flexible Bond Strategy shares. The resulting shareholding in Allianz Global Investors Fund – Allianz Flexible Bond Strategy will subsequently be credited to your securities account. Conversion will be based on the unit / share prices of the two funds as determined on the Merger Date.

On the Merger Date, Total Return Protect will accumulate all of its income from the current financial year.

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

Tax-neutral fund merger

Shares acquired in Allianz Global Investors Fund – Allianz Flexible Bond Strategy as a result of the merger with Total Return Protect are not considered new acquisitions from a taxation perspective. As such, in the event of any subsequent sale of the Allianz Global Investors Fund – Allianz Flexible Bond Strategy shares, the price and time at which the original Total Return Protect units were acquired determine whether the capital gains are taxable or not. Please consult your tax advisor if you have any other tax-related questions, particularly with regard to the implications of the fund merger for you personally.

Yours sincerely,

Allianz Global Investors Luxembourg S.A.

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

Allianz Global Investors Luxembourg S.A. Phone +352 463 463-1
6A, route de Trèves Fax +352 463 463-620
L-2633 Senningerberg E-mail info@allianzgi.lu
P.O. Box 179 www.allianzglobalinvestors.lu
L-2011 Luxembourg

Société Anonyme
Registered Office: Senningerberg
Registre de Commerce: B 27.856
VAT ID: LU 13774360

Chairman of the Board of Directors:
Daniel Lehmann

Members of the Board of
Management:
Jean-Christoph Arntz
Markus Nilles

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

ISIN:
LU0639172146
WKN:
A1JB1X

Allianz Global Investors Fund - Allianz Flexible Bond Strategy Share Class A (EUR)

Managed by Allianz Global Investors Luxembourg S.A., part of Allianz Global Investors

Objectives and Investment Policy

The fund aims to generate appropriate annualised returns (absolute return approach) on the European bond markets.

We invest in bonds and equivalent securities issued or guaranteed by governments or other national bodies or corporates of a European country (excluding Russia and Turkey). Up to 30% of the fund's assets may be invested in other bonds and equivalent securities. Additionally, we may acquire deposits and money-market instruments. The currency risk is limited to a maximum of 30% of the fund's assets from an Euro perspective. The fund has an average residual maturity (duration) between minus four and plus eight years.

You may redeem shares of the fund usually on each business day.

We usually distribute the income of the fund on a yearly basis.

Recommendation: this fund may not be appropriate for investors who plan to withdraw their money within 3 years.

Derivatives may be used to offset exposure to price fluctuations (hedging), to take advantage of price differences between two or more markets (arbitrage) or to multiply gains although it may also multiply losses (leverage).

Risk and Reward Profile

← Typically lower rewards

Typically higher rewards →

← Typically lower risk

Typically higher risk →



This risk and reward indicator is based on past performance data. It may not be a reliable indication of the future risk profile of the fund.

The categorisation of the fund is not guaranteed and may change in the future.

Even the lowest category 1 does not mean a risk-free investment.

Why is the fund in this category?

Funds of category 3 have shown in the past a low to medium volatility. The volatility describes how much the value of the fund went up and down in the past. The units of a fund of category 3 might be subject to low to medium price fluctuations based on the historical volatilities observed.

Risks which are materially relevant to the Fund include:

We may invest directly or indirectly a significant portion of the fund into bonds or money markets instruments. If the issuer may fall into insolvency or may suffer economical problems the interest and/or the capital of these assets may not or may not be completely paid and/or the price of the assets may drop.

Charges

These charges are used to pay the costs of running the fund, including the costs of marketing and selling. They reduce the potential growth of your investment.

One-off charges deducted before or after you invest

Entry Charge	3.00%
Exit Charge	0.00%

This is the maximum charge that might be taken out of your money before it is invested or before the proceeds of your investments are paid out.

Charges taken from the fund over a year

Ongoing Charges	1.20%
-----------------	-------

The entry and exit charges shown are maximum figures. In some cases you might pay less – you can find actual entry and exit charges from your financial adviser.

The ongoing charges shown are based on the fund's last financial year ending 30.09.2012. It may vary from year to year. It does not include transaction costs incurred when we buy or sell assets for the fund.

You will find more details about the calculation of the charges by checking the respective part of the prospectus.

Past Performance

We do not yet have performance data for one complete year. Therefore we can not provide a useful indication of past performance to you.

Practical Information

Depository: State Street Bank Luxembourg S.A.

You may obtain free of charge the prospectus, the latest annual and semi-annual reports in Danish, Dutch, English, French, German, Greek, Hungarian, Italian, Polish, Portuguese, Slovak, Slovenian and Spanish from Allianz Global Investors Luxembourg S.A., 6A, route de Trèves, L-2633 Senningerberg or at www.allianzglobalinvestors.eu.

The unit prices as well as further information on the fund (including other shareclasses of the fund) are available online at www.allianzglobalinvestors.eu.

The fund is subject to tax laws and regulations in Luxembourg. This might have an impact on your personal tax position. For further details, please speak to your tax advisor.

Allianz Global Investors Luxembourg S.A. may be held liable

solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the fund.

The fund is a sub-fund of Allianz Global Investors Fund (the "umbrella fund"). You may switch into shares of another sub-fund of the umbrella fund. The entry charge applies for the switch. The assets of each sub-fund are segregated from other sub-funds of the umbrella fund. The prospectus and the reports refer to all sub-funds of the umbrella fund.

This fund is authorised in Luxembourg and regulated by Commission de Surveillance du Secteur Financier. Allianz Global Investors Luxembourg S.A. is authorised in Luxembourg and regulated by Commission de Surveillance du Secteur Financier.

The key investor information is accurate as at 13.11.2012.