

## Allianz Family of Funds | 2020 Mutual Fund Tax Guide

Dear Shareholder:

This guide contains general tax information regarding the Allianz Family of Funds. Although it may help you with your tax return, it is not designed to provide tax guidance or advice. Due to the complexity of tax laws, you should consult a professional tax advisor to determine how the information contained in this guide may apply to your specific tax situation.

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For more information, please refer to the Internal Revenue Service (IRS) website at [www.IRS.gov](http://www.IRS.gov) or visit our Tax Center at [us.allianzgi.com](http://us.allianzgi.com). Should you require additional assistance, you may contact an Investor Services Representative at 800-988-8380 (for investors in retail class shares) or 800-498-5413 (for investors in institutional class shares).

Sincerely,  
Allianz Family of Funds

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## Cost Basis Explained

### Cost Basis

Selling or exchanging shares of a mutual fund may result in a capital gain or loss that is required to be reported to the IRS. To calculate the gain or loss from such transactions, you will first need to determine the "cost basis" of the shares. Your cost basis is the original price you paid to acquire the shares, plus any added expenses such as commissions. If you made a redemption during 2020 certain transaction details including your cost basis may be found on your Form 1099-B.

### Changes to Cost Basis Reporting

Effective January 1, 2012, the Internal Revenue Service (IRS) implemented new rules regarding cost basis reporting that affects mutual fund shares purchased and subsequently sold during and after 2012. As part of the requirement, mutual fund companies must provide cost basis information to shareholders and the IRS for these shares, also referred to as "covered shares".

In order to provide you and the IRS with accurate cost basis reporting, you may have been asked to select a cost basis method for your account. A cost basis method is the process used for selecting shares to sell that were purchased at varying prices and times. The methods available at Allianz Funds are Average Cost (ACST), First in First out (FIFO), Last in First out (LIFO), High Cost (HIFO), Low Cost (LOFO), Loss/Gain Utilization (LGUT) and Specific Lot Identification (SLID). If you did not select a method, the default method of Average Cost may have been used to calculate your cost basis.

Any shares that were acquired prior to 2012, or "non-covered shares", are exempt from this new reporting requirement. Because mutual funds are not required to report on these shares, you may use any acceptable method to calculate and report gains and losses when filing your tax return. For certain eligible accounts with non-covered shares, we have provided the cost basis. *To learn more about cost basis and how these rules may affect your mutual fund investment, please consult a professional tax advisor.*

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## Important Information about your Capital Gain and Dividend Distributions

In general, capital gain and dividend distributions generated from mutual fund shares that are held in a taxable account or in certain non-retirement accounts are subject to income tax. This information is reported on the Form 1099-DIV.

### Dividend Distributions

Dividend distributions are paid to shareholders by a mutual fund when dividends and interest are earned from the Fund's underlying securities. This information is reported on the Form 1099-DIV, regardless of whether the shareholder receives the amount in cash or the money is reinvested. Please refer to the section titled, "Understanding your Tax Form" for more information.

### Capital Gain Distributions

Mutual Funds may realize a net capital gain as a result of selling securities within the fund's portfolio. Like dividend distributions, these gains are passed through to shareholders in the form of a capital gain. For tax reporting purposes, capital gain distributions are classified as either long-term or short-term. Long-term capital gains are net capital gains generated from the sale of a fund's underlying securities held for more than one year; these gains are taxed at lower tax rates than those which apply to ordinary income. Short-term capital gains are net capital gains generated from the sale of a fund's underlying securities held for one year or less. These gains are taxable as ordinary income.

*For more information on the tax treatment of dividend and capital gain distributions, please consult a tax advisor for assistance or visit the website for Internal Revenue Service, [www.irs.gov](http://www.irs.gov).*

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## Other Important Key Terms

### Backup Withholding Rule

If you did not provide us with a valid social security or tax identification number, the IRS requires that we apply backup withholding tax to certain types of investment payments. The backup withholding amount of 28% is paid directly to the IRS on your behalf and is reported to you on your Form 1099-B or 1099-DIV.

### Wash-Sale Rule

The Internal Revenue code generally prohibits taxpayers from claiming a loss on the sale of an investment in a wash sale. A wash sale occurs when the sale of an investment results in a loss, and within 30 days before or after the sale, a same investment is repurchased. Please be aware that a loss realized during the month of December due to a redemption may be disallowed if a subsequent repurchase occurs in the following January that falls within the "wash-sale" window.

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## 2020 Treasury Interest Information

### Treasury Interest

Income from U.S. Government securities may be exempt from state and/or local taxation. Indicated below is (are) the mutual fund(s) that generated ordinary dividends attributable to U.S. government securities. The chart below reflects the percentage of income derived from U.S. government securities.

Mutual Fund	Income Generated by U.S. Government Securities for 2020
AllianzGI Advanced Core Bond Portfolio	20.28%
AllianzGI Core Bond Fund	9.14%
AllianzGI Core Plus Bond Fund	4.19%
AllianzGI Global Allocation Fund	5.78%
AllianzGI Global Dynamic Allocation Fund	0.59%
AllianzGI PerformanceFee Managed Futures Strategy Fund	63.86%
AllianzGI Short Term Bond Fund	4.36%
AllianzGI Emerging Markets SRI Debt Fund	0.76%
AllianzGI Global High Yield Fund	0.32%

In order to claim an exemption, certain states require that at least 50% of a fund's assets at the close of each quarter of the fund's tax year consist of federal obligations. None of the mutual funds in the Allianz Family of Funds met this threshold during 2020. Please consult a tax advisor regarding how this information may affect your specific tax situation.





**Understanding your Tax Form**

Tax Form	Description
1099-B	If shares of a fund in an account other than a retirement account (401(k), IRA etc.) are sold, you will receive a 1099-B. This form will also contain cost basis information for shares purchased and subsequently sold on or after January 1, 2012. However, if your shares have been transferred to Allianz Funds or have been converted, we may be unable to provide you with cost basis information.
1099-DIV	Used to report all calendar year distribution payments. This information must be reported to the IRS whether the amounts are received or reinvested. You can expect to receive a 1099-DIV if you received a distribution of \$10 or more from a fund.
1099-R	Reports any distributions (including rollovers, recharacterizations, and conversions) taken from a retirement account, such as an IRA, or a qualified retirement plan, such as a pension, profit sharing, or 401(k) plan.

**Form 1099-B**

Each time mutual fund shares are sold or redeemed, a capital gain or loss may be realized if the selling price is different than the cost basis of the shares sold.

Below is an example of some information you will find on a 1099-B form.

Corrected (if checked)  (OMS) No.1545-0715

**FORM 1099-B** • PROCEEDS FROM BROKER & BARTER EXCHANGE TRANSACTION • **2020**

Short-term transactions for which basis is **reported to the IRS**; report on Form 8949, Part I with Box A checked.

(1a) Description of Property														
Transaction	Share Price	Quantity Sold	(1b) Date Acquired	(1c) Date Sold or disposed	(1d) Net proceeds	(1e) Cost or other basis	(1f/1g) Wash sale adjustments	(4) Federal income tax withheld	(5) Non-covered security	(14) State name	(15) State identification no.	(16) State tax withheld	Cost basis method	Gain/(Loss)
Fund: <b>ABC Mutual Fund</b>			Fund-Acct. no: 123-00000000001				PAYER'S Fed. ID no: 11-1111111			CUSIP no: 123456789				
SHARES REDEEMED	0.00	0.00	xx/xx/xxxx	xx/xx/xxxx	0.00	0.00	0.00	0.00	YES	XX	000000	0.00	ACST	0.00

Long-term transactions for which basis is **reported to the IRS**; report on Form 8949, Part II with Box D checked.

(1a) Description of Property														
Transaction	Share Price	Quantity Sold	(1b) Date Acquired	(1c) Date Sold or disposed	(1d) Net proceeds	(1e) Cost or other basis	(1f/1g) Wash sale adjustments	(4) Federal income tax withheld	(5) Non-covered security	(14) State name	(15) State identification no.	(16) State tax withheld	Cost basis method	Gain/(Loss)
Fund: <b>ABC Mutual Fund</b>			Fund-Acct. no: 123-00000000001				PAYER'S Fed. ID no: 11-1111111			CUSIP no: 123456789				
SHARES REDEEMED	0.00	0.00	xx/xx/xxxx	xx/xx/xxxx	0.00	0.00	0.00	0.00	YES	XX	000000	0.00	ACST	0.00

Box	Description
1a	<b>Description of Property</b> Provides the name of the Allianz Fund being reported. This box also identifies the transaction type.
1b	<b>Date Acquired</b> Shows the acquisition date of any shares sold. This box may be blank if shares were purchased on various dates or if the acquisition date cannot be determined.
1c	<b>Date sold or disposed</b> Shows the trade date of the sale.
1d	<b>Net proceeds</b> Reflects the net proceeds from the sale or exchange of fund shares.
1e	<b>Cost or other basis</b> Represents original the cost of your shares that were sold during 2020 The information presented in the box must be reported to the IRS for shares covered under the cost basis regulations. However, you are not required to use this information for "non-covered" shares, and it will not be reported to the IRS. If cost basis cannot be determined, this section will be left blank. Please refer to the section titled, "Cost Basis Explained" for more information.
1f/1g	<b>Wash sale adjustments</b> This box shows the amount of nondeductible loss in a wash sale transaction. Please note that any loss realized during December due to redemption, may be "disallowed" if a subsequent repurchase occurs in January of the following year, in which the repurchase falls within the "30-day wash sale window". Please note "wash-sale" rules are complex; you should consult a professional tax advisor for information on how this may affect your specific tax situation.
4	<b>Federal income tax withheld</b> If you did not provide us with a correct Social Security or Tax Identification number, we are required to withhold a percentage of the gross proceeds from the sale of any shares. This box indicates the portion of the gross proceeds paid to the IRS under the Backup Tax Withholding Rule. This amount should be included in your tax return as tax withheld.
5	<b>Non-covered security</b> Indicates "YES" if the shares sold were not covered under the cost basis regulations or will remain blank if the shares sold are covered.
14-16	<b>State tax information</b> Provides state/local tax information.
	<b>Gain/(Loss)</b> The information provided in this section is for informational purposes only, and therefore is not provided to the IRS. It details whether the transaction resulted in the gain or loss. Please refer to the section titled, "Cost Basis Explained" for more information.

**Form 1099-DIV**

The Form 1099-DIV is used to report all calendar year distributions paid to you. This information is filed with the IRS, and therefore must be reported on your federal income tax return regardless of whether the distributions were received as cash or reinvested. You can expect to receive a 1099-DIV if you received a distribution of \$10 or more from an Allianz mutual fund (except if you hold a retirement plan account).

Provided below is a sample 1099-DIV tax statement, and some other information you may find helpful.

FORM 1099-DIV		• DIVIDENDS AND DISTRIBUTIONS •											2020	
(1a) Total ordinary dividends	(1b) Qualified dividends	(2a) Total capital gain distributions	(2b) Unrecap. sec. 1250 gain	(2d) Collectibles (28%) gain	(3) Nondividend distributions	(4) Federal income tax withheld	(5) Section 199A dividends	(7) Foreign tax paid	(9) Cash liquidation distributions	(11) Exempt-interest dividends	(12) Specified private activity bond interests dividends	(13) State	(14) State identification no.	(15) State tax withheld
Fund: ABC Mutual Fund		Account Number: 123456789					PAYER'S FED. ID no. 987654321							
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	xx	xxxxx	0.00

Box	Description
1a	<b>Total ordinary dividends</b> Shows total ordinary dividends (including short-term capital gains) that are taxable.
1b	<b>Qualified dividends</b> This portion indicates the amount identified in Box 1a that may be eligible for the reduced capital gain tax rate.
2a	<b>Total capital gain distributions</b> Represents the amount of the fund's distributions that are taxable as long-term capital gains.
3	<b>Non-dividend distributions</b> Represents the total distributions paid from capital that are not subject to federal or state income tax. When you redeem or exchange shares, the cost basis is reduced by the amount in this box. Please consult your tax advisor to determine how this information affects your specific tax situation.
4	<b>Federal income tax withheld</b> Indicates the amount withheld by the fund on certain distributions that are deposited with the IRS on your behalf. You may be subject to backup withholding if you did not provide your social security or taxpayer identification number. This amount should be included as tax withheld on your tax return.
5	<b>Section 199A dividends</b> Represents dividends eligible for the 20% qualified business income deduction.
7	<b>Foreign tax paid</b> Represents the portion of foreign taxes paid by a mutual fund on your behalf. You may have the option to claim foreign tax paid as an itemized deduction or credit. Please refer to the section titled, "Foreign Tax Credit Information" for details.
9	<b>Cash liquidation distributions</b> Shows cash liquidation distributions
13-15	<b>State Tax Information</b> Provides state/local tax information

**Form 1099-R**

The Form 1099-R reports distributions taken from a retirement account, such as an IRA, or from a qualified retirement plan, such as a pension, profit sharing or 401(k) plan. You can expect to receive a 1099-R if you have done one of the following: received a full or partial distribution, executed a direct rollover, removed excess contributions from your self-directed retirement account or completed a conversion and/or recharacterization.

Provided below is a sample 1099-R tax statement, and some other information you may find helpful.

FORM 1099-R • Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. • 2020							
(1) Gross distribution	(2a) Taxable amount	(2b) Taxable amount not determined	Total Distribution	(4) Federal income tax withheld	(7) Distribution codes	IRA/SEP/SIMPLE	(12) State tax withheld
Fund: ABC Mutual Fund		Account Number: 123456789		PAYER'S FED. ID no. 987654321		State/Payer's state no.: XX/123456789-123	
0.00	0.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	0.00	XX	<input type="checkbox"/>	0.00

Box	Description
1	<b>Gross distribution</b> Represents the total amount distributed from your retirement account to you by Allianz Funds during 2020
2a	<b>Taxable amount</b> Represents the taxable portion of the amount identified in Box 1. If this box is empty, please refer to Box 2b.
2b	<b>Taxable amount not determined</b> If this box is checked, Allianz Funds did not have sufficient information required to calculate your taxable amount. Please consult with your tax advisor to determine how this information affects your specific tax situation.
	<b>Total distribution</b> If this box is checked, the distribution was a total distribution that closed out your account.
4	<b>Federal income tax withheld</b> Represents the total amount of federal income tax withheld during 2020. This amount should be included in your tax return as tax withheld.
7	<b>Distribution code(s)</b> Identifies the type of distribution you received. Please refer to the last page of your tax statement under the section titled, "Instructions for Recipient of Form 1099-R" for the descriptions associated with each code.
	<b>IRA/SEP/SIMPLE</b> If this box is checked, you have received a traditional IRA, SEP, or SIMPLE distribution.
12	<b>State tax withheld</b> Indicates state or local taxes withheld.

Allianz Family of Funds does not provide legal or tax advice. Please consult with your tax advisor to determine how the information contained in this guide may affect your specific tax situation.

Investors should consider the investment objectives, risks, charges and expenses of this Fund carefully before investing. This and other information is contained in the Fund's prospectus, or summary prospectus, which may be obtained by contacting your financial advisor, by visiting [us.allianzgi.com](http://us.allianzgi.com) or by calling one of the numbers above. Please read the prospectus carefully before you invest.

Allianz Family of Funds are distributed by Allianz Global Investors Distributors LLC, 1633 Broadway, New York, NY 10019-7585, [us.allianzgi.com](http://us.allianzgi.com).

AllianzGI Best Styles Global Managed Volatility Portfolio, AllianzGI Global Small-Cap Opportunities Portfolio, AllianzGI International Growth Portfolio, and the AllianzGI Advanced Core Bond Portfolio (the "Portfolios") are investment portfolios of the AllianzGI Institutional Multi-Series Trust (the "Trust"). The Trust is an open-end investment company and operates as a "series investment company" that may consist of separate series of investment portfolios, including the Portfolios. Shares of each Portfolio are not registered for public offer or sale under the Securities Act of 1933, as amended (the "Securities Act"), and such shares are issued solely in private placement transactions that do not involve any "public offering" within the meaning of Section 4(a)(2) of the Securities Act. In issuing shares of the Portfolios, the Trust relies on the recently adopted Rule 506(c) of Regulation D under the Securities Act ("Regulation D"), which broadens the nature of information that may be made publicly available about a private placement by lifting any prohibition on "general solicitation" for certain qualifying Regulation D offerings.

