

29th April 2020

This document is important and requires your immediate attention. If you are in any doubt you should seek advice from an independent professional adviser.

Terms used here in capital letters shall bear the same meaning as capitalised terms used in the latest prospectus of Allianz UK & European Investment Funds. A copy of the prospectus is available upon request during normal business hours by contacting us on telephone number 0800 317 573 or via the website <https://uk.allianzgi.com/B2C> for retail investors. For IFA's please visit <https://uk.allianzgi.com/Adviser>.

Dear Investor,

Notification of the mandatory conversion of C (Inc) Shares to I (Inc) Shares in the Allianz Gilt Yield Fund, a sub-fund of Allianz UK & European Investment Funds (the "Company").

- **C (Inc) Shares ("C Shares") (ISIN GB0031383283)**
- **I (Inc) Shares ("I Shares") (ISIN GB0031383390)**

As the Authorised Corporate Director (the "ACD") of the Company, we are writing to inform you that we intend to convert the C Shares of the Allianz Gilt Yield Fund (the "Fund") to I Shares on 03 July 2020 (the "Conversion Date").

We have classified this change to your C Shares as significant in accordance with the rules contained in the Financial Conduct Authority's Collective Investment Schemes Sourcebook. Accordingly, we, as ACD, are giving you 60 day's advance notice of this change. This letter constitutes such notice.

The conversion of your C Shares into I Shares will enable you to benefit from a lower management fee of 0.30% per annum compared to the 0.50% per annum which is currently payable on your shares. This will result in improved total return net of fees, which we believe to be in the best interest of Shareholders.

In advance of this mandatory conversion we have already taken the decision to temporarily reduce the management fee of the C Share Class to 0.30% per annum as from 1 February 2020. This will allow you to take the benefit from the lower management fee immediately.

The key differences between the C Shares and the I Shares are set out in the table on page 2.

If you agree with the proposed changes you are not required to take any action. Your C Shares will automatically convert into I Shares on the Conversion Date.

If you are not in agreement you may switch or redeem your Shares in the usual

way, free of charge, by 12:00 on 02/07/2020 at the latest, in line with the timetable below.

Key differences between the C Shares and I Shares

	C Shares	I Shares
Initial Charge	NIL	NIL
Annual Management Charge (“AMC”)	<p>0.50 % p.a.*</p> <p>The AMC is charged to capital. This will increase the amount of income available for distribution to shareholders but may constrain capital growth.</p> <p><i>* In anticipation of the conversion the AMC has already been reduced temporarily from 0.50% to 0.30% p.a. from 1st February 2020</i></p>	<p>0.30 % p.a.</p> <p>The AMC is charged to capital. This will increase the amount of income available for distribution to shareholders but may constrain capital growth.</p>
Ongoing Charge (including AMC) (calculated as at 31 August 2019)	<p>0.54% p.a.*</p> <p><i>* Following the temporary reduction of the AMC this will now reduce from 0.54% to 0.34% from 1st February 2020.</i></p>	0.32% p.a.
Minimum Investment	<p>£500</p> <p>£50 (monthly savings)</p>	<p>£10,000,000</p> <p><i>Although the minimum investment level for the I Shares is £10,000,000 this will be waived by the ACD in respect of C Shares converted on the Conversion Date.</i></p> <p><i>A monthly savings plan is not offered by the ACD for holders of I Shares. However, if you are currently a regular saver in the C share class, the ACD will permit you to continue with your regular investments after the Conversion Date. A minimum investment of £50 per month will continue to apply.</i></p>
Minimum Redemption	£250	<p>£500*</p> <p><i>*This will reduce to £250 on the Conversion Date</i></p>
ISA eligible	Yes	<p>Yes</p> <p><i>Allianz Global Investor ISA wrappers are not offered by the ACD for holders of I Shares. However, if you already have an Allianz Global Investors ISA in respect of the C Shares the ACD will permit you to continue with your investment by way of this ISA once the conversion has taken place.</i></p>

Mandatory conversion

The conversion of the Shares shall take place pursuant to the provisions of the Prospectus which permit the ACD to carry out mandatory conversions of Shares where it believes that it is in the best interest of the Shareholders to do so.

The conversion will be carried out according to the ratio between prices of the C and I share classes concerned as calculated at the 12 noon valuation point on the Conversion Date. The conversion factor will be calculated by the Fund Accountants, and you will be notified of this within 5 days of the conversion taking place.

The total value of your investments will not be affected by this conversion.

Interest distributions

The proposed conversion will not change the current timetable of the distribution payments. Going forward you will receive distributions from your holding of I Shares. The first distribution following the conversion will be paid on 31 Oct 2020, being the final distribution for the year ended 31 Aug 2020.

Please read the section entitled “Taxation” and note that if your investment in the Fund is held within an ISA wrapper then you must also read the section entitled “ISA Holders”, before making your decision.

Taxation

Shareholders who are resident in the UK for tax purposes should note that the conversion described above should not give rise to a disposal of C Shares for the purposes of UK taxation of chargeable gains. Instead, shareholders will be regarded as having acquired the I Shares at the same time and for the same aggregate base cost as their C Shares were originally acquired. As such, for persons subject to UK tax, the conversion should not have any impact on the tax treatment of your investment. If you are in any doubt about your tax position or if you are subject to tax in any jurisdiction other than the UK, you are advised to seek independent tax advice.

ISA holders

Please note that if you are an Allianz Global Investors ISA holder and you hold the C Shares of the Fund within your ISA, your ISA wrapper will remain in place following the conversion.

If you choose to switch your holding to another eligible share class in our UK fund range your ISA wrapper will remain in place.

However if you are an Allianz Global Investors ISA holder and you hold C shares as the sole investment in that ISA then a decision to redeem your holding in full before the Conversion Date may result in the termination of your ISA, and your redemption proceeds will be forwarded to you, and your ISA will not continue.

If you choose to transfer your Allianz Global Investors ISA to another ISA manager, you will need to contact the new ISA manager and inform the ACD of your decision prior to the Conversion Date. Please contact your proposed new ISA manager and carry out all necessary formalities with them. They will then need to contact us before

the Conversion Date to arrange the transfer on your behalf.

Costs

Any costs incurred in the conversion will be borne by the ACD. As an investor in the Fund you will not incur any cost.

Timing

29/04/2020	Shareholders notified (60 day notice required)
26/06/2020	Suspension of subscriptions of C Shares
02/07/2020	Suspension of Redemption of C Shares
03/07/2020	Conversion Date

Further information

If you require any investment advice, we recommend that you contact your usual financial adviser in the first instance.

Please note no trail fee is payable on the I shares, so any trail fee that was attributable to the C shares will cease on the Conversion Date, which could affect your fee arrangement with your IFA.

Please see the fund documentation and information, including the relevant key investor information documents, available on our website at **www.allianzglobalinvestors.co.uk**.

For any further questions about the changes on the above-mentioned Fund you can contact us on **0800 073 2001**, between the hours of 9 am to 5 pm (UK time), Monday to Friday, excluding public holidays in England.

Yours faithfully

Allianz Global Investors GmbH, acting by its UK branch

AGENT VERSION

Dear Financial Adviser

Ref : XXXX

The following letter has today been mailed to your clients who have an investment with us in this fund

Then repeat the shareholder letter here please starting with This document is important