

17 July 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 International 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 A (Acc) Shares to C (Acc) Shares in the Allianz US Equity Fund, a sub-fund of Allianz International Investment Funds (the "Company").

- **A (Acc) Shares ("A Shares") (ISIN GB0031384034)**
- **C (Acc) Shares ("C Shares") (ISIN GB00B4N1GS74)**

As the Authorised Corporate Director (the "ACD") of the Company, we are writing to inform you that we intend to convert the A Shares of the Allianz US Equity Fund (the "Fund") to C Shares on 18 September 2020 (the "Conversion Date").

We have classified this change to your A 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 A Shares into C Shares will enable you to benefit from a lower management fee of 0.75% per annum compared to the 1.50% per annum which is currently payable on your shares.

The key differences between the A Shares and the C 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 A Shares will automatically convert into C Shares on the Conversion Date.

If you are not in agreement you may switch or redeem your A Shares in the usual way, free of charge, by 12:00 on 17 September 2020 at the latest, in line with the timetable below.

If you are a platform or an institutional investor who is currently in receipt of trail fees and you wish to remain invested in the A Shares, then you may opt out of the mandatory conversion subject to the provisions below.

Key differences between the A Shares and C Shares

	A Shares	C Shares
Initial Charge	NIL	NIL
Annual Management Charge (“AMC”)	1.50 % p.a.	0.75 % p.a.
Ongoing Charge (including AMC) (calculated as at 31 August 2019)	1.65% p.a.	0.86% p.a.
Minimum Investment	£500 £50 (monthly savings)	£500 £50 (monthly savings)
Minimum Redemption	£250	£250
ISA eligible	Yes	Yes

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 A and C 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.

For platforms and institutional investors only:

Opting out of the mandatory conversion

If you are a platform or an institutional investor who is permitted to receive trail fees under the FCA Rules¹ and you are currently receiving trail fees in respect of your

¹ A platform or institutional investor who is permitted to receive trail fees under the FCA Rules will generally include (i) those platform service providers who pass the trail fees on to their retail clients in the form of additional units or cash in accordance with the provisions of COBS 6.1E.10R and (ii) those institutions which do not fall within the definition of a platform service provider and who are therefore exempt from the provisions of COBS 6.1E R (e.g. SIPP operators, life companies offering life wrappers, discretionary fund managers and execution only brokers and ISA managers not caught by the FCA's platform service definition).

investment in the A Shares, then you may in limited circumstances opt out of the mandatory conversion by contacting us on the following email address: oeicshareclassconversion@allianzgi.com. You will be asked to complete a declaration and to return it to us by 11 September 2020 (the “**Deadline Date**”). The form of the declaration will depend upon the type of entity you are and the trail fee arrangements that you currently have in place with us. The declaration will confirm your wish to remain in the A Shares and set out the legal basis upon which you are permitted to receive trail.

Where a duly completed declaration is received and the ACD is satisfied that it is appropriate for you to remain in the A Shares and to continue to receive trail fees, then your Shares will not be converted on the Conversion Date and you will remain invested in the A Shares.

If you take no action, or we do not receive the necessary declaration before the Deadline Date, then your A Shares will automatically be converted to C Shares on the Conversion Date as part of the mandatory conversion.

Dividend distributions

The proposed conversion will not change the current timetable of the distribution payments. As you hold accumulation shares, going forward you will continue to be allocated dividend distributions from your holding of C Shares. The first distribution following the conversion will be deemed paid on 30 June 2021, being the final distribution for the year ended 30 April 2021.

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 A Shares for the purposes of UK taxation of chargeable gains. Instead, shareholders will be regarded as having acquired the C Shares at the same time and for the same aggregate base cost as their A 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.

Regular Savings

If you currently a regular saver in the A Shares, then your regular savings will continue in the C Shares after the Conversion Date.

ISA holders

Please note that if you are an Allianz Global Investors ISA holder and you hold the A 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 A 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

17/07/2020	Shareholders notified (60 days' notice required)
11/09/2020	Deadline Date for receipt of declarations for platforms / institutional investors
17/09/2020	Deadline for switching or redeeming your A Shares
18/09/2020	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 that unless you are a platform or an institutional investor who has opted out of the mandatory conversion in accordance with the terms of this letter, all trail fee arrangements attributable to your A shares will cease on the Conversion Date, which could affect your fee arrangements 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