

12 August 2021

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 (the “**Company**”). A copy of the prospectus is available upon request during normal business hours by contacting us on telephone number 0800 073 2001 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 changes to the Allianz China A-Shares Equity Fund, a sub-fund of Allianz International Investment Funds (the “Company”).

- **C (Acc) Shares (ISIN GB00BMG9ZY34)**
- **W (Acc) Shares (ISIN GB00BMG9ZZ41)**

As the Authorised Corporate Director (the “**ACD**”) of the Company we are writing to inform you about forthcoming changes to the **Allianz China A-Shares Equity Fund** (the “**Fund**”) that are due to take place on 12 October 2021 (the “**Effective Date**”).

It is important that we explain our reasons for making this change, and the options that are available to you.

1. Amendment to the Investment Policy of the Fund to include a Climate Engagement with Outcome Strategy

Without deviating from the investment objective and strategy or altering the risk profile of the Fund we are introducing Climate Engagement with Outcome Strategy as a new initiative. This is a complementary approach in addition to the way we already integrate environmental, social and governance (ESG) factors into the strategy. There will be no material impact to how the Fund is managed on a day to day basis, nor will there be any changes to the risk profile of the Fund.

The Climate Engagement with Outcome Strategy will involve engaging with the top ten carbon emitters of the Fund’s portfolio in order to encourage companies towards a climate transition pathway. Climate specific engagements with portfolio companies will be primarily led by our SRI/ESG team, in consultation with our China A-Shares investment team. Identification of the top ten carbon emitters will be based on absolute emissions of the company, not asset weighted, using Scope 1 & 2 Emissions Data referred to in Appendix 1.

The Climate Engagement with Outcome approach represents further development in our proactive approach focusing on key environmental factors related to climate change. As well as engaging with portfolio companies, it involves implementation of AllianzGI’s sustainable exclusion list that has been internally developed by our experienced SRI/ESG team and has been in place for our SRI funds for many years.

The exclusion list includes not only companies involved in the production of controversial weapons, but also companies that demonstrate severe controversies with respect to the

United Nations Global Compact, as well as companies that earn a significant share of revenues from weapons, coal and tobacco.

Details of this exclusion list and criteria can be found on our website.

https://regulatory.allianzgi.com/ESG/Exclusion_Specific_Sustainable

Rationale for making the change

Our China A-Shares team views Climate Engagement with Outcome as an opportunity to strengthen our stock specific risk management and have a positive impact on the sustainability of portfolio companies' growth profiles.

The focus on climate-related issues is particularly relevant now that China has made public and high profile commitments to be carbon neutral by 2060. Although that time frame sounds like a long way away, in practice there is immediate pressure on many companies – especially the largest carbon emitters – to accelerate plans towards reducing their carbon footprint.

Naturally the engagement process will take an extended period of time to unfold and not every company will respond to requests or show an improvement effort in their climate pathway. In these instances, the option of divestment will be considered as an outcome in the escalation process. Given our experience from engagement with companies so far, we are confident that most are open to this dialogue and often share these views. The likely – and preferred outcome – of Climate Engagement with Outcome is therefore progress on climate transition efforts and policies.

Impact on the way in which the Fund is currently being managed

The impact of the SRI exclusion list on our China A-Shares investment universe is not significant. This reflects our preference for high quality companies with sustainable growth profiles.

There will be no material impact to how the Fund is managed on a day to day basis, nor will there be any changes to the risk profile of the Fund.

We see Climate Engagement with Outcome as a journey and the initial exclusion list has not had any significant effect on the China A-Shares portfolio. However, it will evolve with time, much like the potential performance improvements generated by our climate specific engagements and outcomes.

The changes detailed here are in alignment with a number of our European domiciled funds including the Luxembourg domiciled Allianz China A-Shares sub-fund which follows the same investment strategy as the Fund. This Luxembourg fund has been classified as an Article 8 fund under the EU's Sustainable Finance Disclosure Regulation (SFDR).

As we are adjusting the wording of the Investment Policy, we have classified this change 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 days' advance notice of the changes, during which period, if you are not happy with the proposals, you may switch or redeem your Shares free of charge. This letter constitutes such notice.

The proposed changes are set out in detail in Appendix 1.

If you agree with the proposed changes you are not required to take any action.

If you are not in agreement with the proposed changes you may switch or redeem your

Shares in the usual way, free of charge, by 12:00 on 11/10/2021 at the latest.

Timescale

The exclusion list will go live from the Effective Date. The process of identifying the top 10 absolute carbon emitters will commence shortly thereafter in Q4 of 2021. Once the top 10 have been identified we will begin the actual engagement activities described in the Climate Engagement with Outcome Strategy detailed in Appendix 1. We expect this to start taking place in 2022. Therefore, the first annual engagement reporting for this fund is expected in Q4 of 2022.

Costs

Any costs incurred for any of the work involved for the changes to the Fund listed above will be borne by the ACD. As an investor in the Fund you will not incur any cost.

Further information

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

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

Appendix 1: Changes highlighted for you

<p>Investment Objective</p>	<p>The Allianz China A-Shares Equity Fund aims to generate long-term capital growth mainly through investment in the Chinese A-Shares equity markets of the PRC, by aiming to outperform (net of fees) the Target Benchmark, the MSCI China A Onshore Total Return (Net) GBP over a rolling 5 year period.</p>
<p>Investment Policy</p>	<p>The ACD will invest in equities and securities equivalent to equities (e.g. P-Notes, American Depositary Receipts, Global Depositary Receipts) of Chinese Companies.</p> <p>At least 70% of the Fund's assets shall be invested in Chinese A-Shares directly via Stock Connect or RQFII (Renminbi Qualified Foreign Institutional Investor program). A maximum of 69% of the Fund's assets may be invested via RQFII.</p> <p>In addition, up to 5% of the Fund's assets may be invested in index certificates and other certificates on equities, adequately diversified equity baskets, participation certificates and warrants on Chinese Companies.</p> <p>Up to 20% of the Fund's assets may be invested in securities or instruments of PRC markets which are not defined as Chinese A-Shares. These may include China B and China H-Shares listed in Hong.</p> <p>Up to 10% of the Fund's assets may be invested in securities or instruments where the issuers or the issuers of the underlying securities are located outside of the PRC in other developed and Non-Developed Countries</p> <p>The ACD may also utilise deposits and money market instruments in the management of the portfolio and their value, together with money market funds, may make up to a maximum of 10% of the Fund's assets.</p> <p>The Fund may also invest up to a maximum of 10% of the Fund's assets in other Funds managed by Allianz Global Investors and its group of companies and other collective investment schemes managed by third parties.</p> <p>It must be noted that from time to time the ACD will also invest in securities and money market instruments that are offered within the scope of Initial Public Offerings on a recognised stock exchange or in another regulated market as set out in this Prospectus.</p> <p>The Fund may also from time to time hold a concentrated portfolio because of its investments in a limited number of equity securities.</p> <p><u>This Fund is managed in accordance with the Climate Engagement with Outcome Strategy, which promotes responsible investment by engaging with companies and issuers on climate outcomes and by including environmental factors in the analysis of investments held (or to be held) within a Fund's portfolio. A Fund managed in accordance with the Climate Engagement Strategy aims to promote advances in environmental issues by engaging with the top 10 carbon emitting issuers within the Fund's portfolio to encourage their transition pathway to a low carbon economy. This is done by setting objectives and targets which are sector specific. In addition, Funds managed in accordance with the Climate Engagement Strategy will apply minimum exclusion criteria. The process of identifying the top 10 absolute carbon emitters will commence in Q4 of 2021. Once the top 10 have been identified the ACD will begin the actual engagement activities described in the Climate Engagement with Outcome Strategy referred to above. The</u></p>

	<p><u>ACD expects this to start taking place in 2022. Therefore, identification of the top 10 emitters will start in Q4 2021, and the first annual engagement reporting for this fund is expected in Q4 of 2022.</u></p> <p><u>All details of this strategy are set out in this Prospectus under the section headed “The Funds and their Investment Objectives and Policies”.</u></p> <p>The ACD may use derivatives for efficient portfolio management (Including for hedging).</p> <p>The Fund is actively managed and although the portfolio manager will in general follow the sector weightings in the benchmark, it will not be constrained by the benchmark when making individual investment decisions. The Fund’s portfolio may therefore deviate materially from the benchmark.</p>
<p><u>The Funds and their Investment Objectives and Policies -</u></p> <p><u>Climate Engagement with Outcome Strategy</u></p>	<p><u>A Fund managed in accordance with the Climate Engagement with Outcome Strategy (the “Climate Engagement Strategy”) promotes responsible investment by engaging with companies and issuers on climate outcomes and by including environmental factors in the analysis of investments held (or to be held) within a Fund’s portfolio.</u></p> <p><u>A Fund managed in accordance with the Climate Engagement Strategy aims to promote advances in environmental issues by engaging with the top 10 carbon emitting issuers within the Fund’s portfolio to encourage their transition pathway to a low carbon economy. This is done by setting objectives and targets which are sector specific.</u></p> <p><u>Top 10 carbon emitting issuers within the Fund’s portfolio are identified and ranked based upon the carbon emissions of those issuers using their Scope 1 and Scope 2 Emissions data established under the Greenhouse Gas Protocols.</u></p> <p><u>Scope 1 Emissions Data measures all direct emissions from the activities of a corporate including any companies under its control. Scope 2 Emissions Data measures all indirect emissions from electricity purchased and used by the corporate.</u></p> <p><u>In addition, Funds managed in accordance with the Climate Engagement Strategy will apply minimum exclusion criteria for</u></p> <ul style="list-style-type: none"> <u>• Issuers that with severe controversies regarding the principles of the United Nations Global Compact (divestment of issuers that are unwilling to change after engagement);</u> <u>• issuers involved in the production of controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorous and nuclear weapons);</u> <u>• issuers that derive more than 10% of their revenues from</u>

conventional weapons, military equipment and services;
• issuers that derive more than 10% of their revenue from thermal coal extraction and utility issuers that generate more than 20% of their revenues from coal; and
• issuers involved in the production of tobacco and issuers involved in the distribution of tobacco where such distribution activities account for more than 5% of their total revenues.

It should be noted that where the Fund invests in equity baskets such as indices these equity baskets may contain securities falling under aforementioned exclusion criteria.

The exclusion criteria may be updated from time to time. The current exclusion criteria can be found on the website https://regulatory.allianzgi.com/ESG/Exclusion_Specific_Sustainable. In making any decisions based on the above exclusion criteria the ACD may rely on a variety of external data sources and research providers. The ACD will not engage with sovereign issuers. However, at present there are no sovereign issuers included in the assets of any Fund which is managed in accordance with the Climate Engagement Strategy.

Where a Fund managed in accordance with the Climate Engagement Strategy enters into derivatives transactions whether for efficient portfolio management (including hedging) or for investment purposes, then subject always to Appendix III of this Prospectus, the ACD will, if possible, give preference to derivatives transactions that serve to fulfil the promoted environmental characteristics of a Fund.

