

9 October 2023

This document is important and requires your immediate attention. If you are in any doubt about the content of this letter 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 “**Prospectus**”). A copy of the Prospectus is available upon request during normal business hours by contacting us on telephone number 0800 073 2001, or can be obtained from the website <https://uk.allianzgi.com/B2C> for retail investors, and for IFAs 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”) (the “Fund”)

- **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 Fund, which are due to take place on 11 December 2023 (the “**Effective Date**”).

It is important that we explain our reasons for making these changes, and the options that are available to you in advance of their implementation.

The proposed changes to the Fund’s investment policy in the Prospectus are set out in detail in Appendix 1 to this letter.

Amendment to the Investment Policy of the Fund to include an ESG Score Strategy

In late 2021, we wrote to you to inform you of an amendment to the Fund’s investment policy for the introduction of the Climate Engagement with Outcome (“**CEWO**”) Strategy to the ACD’s management of the Fund. Without altering the Fund’s investment objective or strategy, or altering its risk profile, this introduced a specific environmental, social and governance (“**ESG**”) feature to the Fund’s management, which was intended to complement the way in which ESG factors were already integrated into the Fund’s investment strategy.

After reviewing the way in which the CEWO Strategy has been applied by the Fund, we have decided to replace it with the ESG Score Strategy, which we have detailed below. The ESG Score Strategy has been selected by the Fund’s portfolio management team as it provides a more data driven approach to rating the Fund from an ESG perspective, which will make it easier for investors to assess the Fund’s ESG strategy.

As was the case with the CEWO Strategy, the introduction of the ESG Score Strategy will be an ESG feature / constraint which will increase the Fund’s focus on ESG factors, and the ACD will construct the Fund’s portfolio in line with it. However, it does not represent a non-financial investment objective of the Fund.

Rationale for the Change

The Fund will still aim to generate long-term capital growth 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 (in GBP), over a rolling five year

period. Without deviating from this investment objective and its fundamental investment strategy, or altering the risk profile of the Fund, the Fund will enlarge its focus towards ESG factors through the application of the ESG Score Strategy.

The ESG Score Strategy allows us to assess companies' resilience to long-term risks across the three ESG pillars using a more data driven approach than is currently possible under the CEWO Strategy, whilst maintaining engagement with investee companies regarding their climate transition pathway through the portfolio managers' stewardship activities with regard to the Fund.

The ESG Score Strategy considers ESG factors in the analysis of the investments held (or potentially to be held) within the Fund's portfolio. The Fund will assess the companies in which it invests (or may invest), as well as the companies whose shares are components of the Target Benchmark, with regard to their resilience to long-term risks across the three pillars of ESG. In this regard the ACD will use the score of relevant companies across ESG pillars calculated by an ESG rating methodology (the "**ESG Score**"). The ACD intends that the average ESG Score of the companies whose shares the Fund is invested in, will exceed the average ESG Score of the companies whose shares are components of the Target Benchmark. The Fund will be monitored in this regard, and if at a given time its average ESG Score does not exceed that of the Target Benchmark, the ACD will adjust its portfolio as soon as reasonably practicable so that the Fund's average ESG Score does exceed that of the Target Benchmark. Subject to this constraint, the Fund may invest in companies which have a lower or higher ESG Score than the average ESG Score of the Target Benchmark.

The calculation of the Fund's and the Target Benchmark's average ESG Score will be rebased so that only issuers with ESG Scores available are considered in the calculation. The Fund may invest in instruments which do not have an ESG Score, but the level of such investment is expected to be low as a minimum of 80% of the Fund's portfolio shall be evaluated by an ESG Score (portfolio not including in this respect derivatives and instruments that are non-evaluated by their nature such as cash and deposits).

We have detailed in the Fund's investment policy that the Target Benchmark "is a market index and does not incorporate environmental or social characteristics in its construction. Therefore it may not be consistent with the environmental or social characteristics promoted by the Fund".

The ESG Score Strategy represents further development in our proactive approach focusing on key environmental factors related to climate change. As well as engaging with portfolio companies, the Fund will continue its use of Allianz GI'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

The Minimum Exclusion Criteria for this exclusion list, and full detail of the ESG Score Strategy, are set out in the section of the main body of the Prospectus titled "Use of specific Investment Strategies".

Impact of the Change

The introduction of the ESG Score Strategy will not alter the investment objective of the Fund, its risk profile or its fundamental investment strategy. We do not anticipate there will be any material change to the Fund's portfolio as a result of the introduction of the ESG Score Strategy.

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

The change in ESG strategy will not trigger a change in how the Fund is promoted, nor in the immediate term a change in portfolio composition.

The advantage of the ESG Score Strategy is that it provides the Fund with an ESG constraint which is more easily quantified and measured, while (as referenced above) climate related engagement with investee companies will continue to be applied where deemed meaningful, and where real world impact could be higher.

Classification of the Change

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.

If you are not in agreement with any of the proposed changes you may switch or redeem your Shares in the usual way, free of charge, by 12:00 on 8 December 2023 at the latest, in line with the timetable below.

Timing

9 October 2023	Shareholders notified (60 days' notice required)
8 December 2023	Deadline for switching or redeeming your Shares
11 December 2023	Effective Date

Costs

Should the average ESG Score of the Fund's portfolio not exceed that of the Target Benchmark on the implementation date, there may be some minor adjustments to the portfolio. However the effect on the portfolio of any such adjustment, and any related trading costs which will be borne by the Fund, are not expected to be material.

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 UK Limited

Appendix 1: Changes highlighted in red

Investment Objective	<p>The Allianz China A-Shares Equity Fund aims to generate long-term capital growth 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) (in GBP) over a rolling 5 year period.</p>
Investment Policy	<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 (Renmibi Qualified Foreign Institutional Investor program).</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-Kong. 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 from time to time hold a concentrated portfolio because of its investments in a limited number of equity securities.</p> <p>This Fund is managed in accordance with the ESG Score Strategy, which considers Environment, Social and Governance ("ESG") factors in the analysis of the investments held (or potentially to be held) within the Fund's portfolio. The ACD will assess relevant companies with regard to their resilience to long-term risks across the three pillars of ESG (risks related to (i) environmental factors; (ii) social factors; and (iii) governance), using the score of these companies calculated by an ESG rating methodology (the "ESG Score").</p> <p>The ACD intends that the average ESG Score of the companies</p>

whose shares the Fund is invested in, will exceed the average ESG Score of the companies whose shares are components of the Fund's Target Benchmark. The Fund will be monitored in this regard, and if at a given time its average ESG Score does not exceed that of the Target Benchmark, the ACD will adjust its portfolio as soon as reasonably practicable so that the Fund's average ESG Score does exceed that of the Target Benchmark. Subject to this constraint, the Fund may invest in companies which have a lower or higher ESG Score than the average ESG Score of the Target Benchmark.

The calculation of the Fund's and the Target Benchmark's average ESG score is rebased so that only issuers with ESG Scores available are considered in the calculation. The Fund may invest in instruments which do not have an ESG Score, but the level of such investment is expected to be low as a minimum of 80% of the Fund's portfolio (portfolio not including in this respect derivatives and instruments that are non-evaluated by their nature such as cash and deposits) shall be evaluated by an ESG Score. All details of this strategy, and the Minimum Exclusion Criteria which the ACD will apply when selecting investments for the Fund, are set out in this Prospectus under the section headed "The Funds and their Investment Objectives and Policies".

Whilst the ACD will construct the Fund's portfolio in line with the ESG Score Strategy, it is not an investment objective of the Fund.

~~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 with Outcome 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 with Outcome 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 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.~~

~~All details of this strategy are set out in this Prospectus under the section headed "The Funds and their Investment Objectives and Policies".~~

~~The ACD may use derivatives for efficient portfolio management (Including for hedging).~~

~~The Fund is actively managed and although the portfolio manager will in general follow **consider** the sector weightings in the benchmark, it will not be constrained by the benchmark when making individual investment decisions **(except in relation to the application of the ESG Score Strategy)**. The Fund's portfolio may therefore deviate materially from the benchmark.~~

Target Benchmark	MSCI China A Onshore Total Return (Net) (in GBP) .
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