

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 Global Multi Sector Credit Fund, a sub-fund of Allianz International Investment Funds (the “Company”) (the “Fund”).**

- **W (Acc) Shares (ISIN GB00BJJQ5060)**
- **W (Inc) Shares (ISIN GB00BJJQDK21)**

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.

**Please note that none of the changes described in this letter will alter the risk profile of the Fund or change the way in which the Fund is managed.**

The proposed changes are set out in detail in Appendix 1 to this letter.

### **1. Amendment to the Investment Objective of the Fund, including a change in the Fund’s Target Benchmark**

The Fund’s fundamental aim to generate capital growth and income by outperforming its Target Benchmark will be unchanged. However, we will now include in its investment objective a specific target of outperforming its Target Benchmark, the SONIA (in GBP), by at least 3% per year (before any fees are taken), measured over a rolling four year period.

This outperformance target has previously been communicated to investors in marketing material for the Fund, and now we will formally include it in the Prospectus. This will make it easier for investors to understand the Fund’s outperformance target and determine its level of outperformance.

This means that the Fund’s target benchmark (the “**Target Benchmark**”) will change from “the SONIA (in GBP)” to “the SONIA (in GBP) +3%”.

We will also change the period over which the Fund’s outperformance is measured (as stated in its investment objective) from a rolling five year period to a rolling four year period. This is to align the Fund’s investment objective with its revised recommended holding period described below, and because we believe that the Fund can achieve its stated outperformance objective within this timeframe. We believe this is in the best interests of investors in the Fund.

## **2. Change to the recommended holding period (“RHP”) of the Fund**

We have recently undertaken a detailed review of the methodology used to determine the RHP of all funds across our UK and European fund ranges, with the aim of applying a consistent approach across all funds. A detailed analysis was undertaken looking at historic average and maximum drawdown periods across different asset classes, and the risks associated with investments in these asset classes.

As a result of this review, we have decided to introduce a new methodology for determining the RHP of our funds. Using this methodology, we will change the RHP of the Fund from five to four years. This will bring the Fund in line with our European fund ranges. The change in RHP for the Fund will be reflected in the “Investor Profile” section below its investment policy in the Prospectus.

## **3. Minor Changes to the Investment Policy of the Fund**

For greater clarity for investors, we will amend the Fund’s investment policy in the Prospectus to include reference to a 10% limit on non-GBP currency exposure. This limit is already applied by the Fund, and communicated to investors in factsheets for the Fund.

In addition we will amend the Fund’s investment policy in the Prospectus to align it with the equivalent disclosures in the Fund’s KIIDs with regard to investment in high yield securities.

### **Classification of Changes**

We have classified changes 1 and 2 as significant, and change 3 as notifiable, in accordance with the rules contained in the Financial Conduct Authority’s Collective Investment Schemes Sourcebook. Accordingly, we, as ACD, are giving you at least 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 in the Fund 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**

Any costs incurred for any of the work involved in the changes to the Fund described 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](http://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, or contact the team by email at **AllianzGIUKInstiClientSupport@allianzgi.com**.

Yours faithfully,

**Allianz Global Investors UK Limited**

## Appendix 1

(Changes highlighted in red)

<b>Investment Objective</b>	<p>The Allianz Global Multi Sector Credit Fund aims to generate capital growth and income by outperforming <del>(net of fees)</del> <b>before any fees are taken</b> <del>the Target Benchmark,</del> the {SONIA} (in GBP), <b>by at least 3% per year (the Target Benchmark)</b> over a rolling <del>five</del> <b>four</b> year period.</p> <p>Investors should be aware that the Fund's capital is at risk and there is no guarantee that the Fund will achieve its investment objective over any particular period at all.</p>
<b>Investment Policy</b>	<p>The ACD will adopt a policy of active management and will invest up to 100% of the Fund's assets in global credit bond markets such as fixed and floating rate corporate debt securities, convertibles and securitised credit bonds listed or traded on recognised markets.</p> <p>At least 25% of the securities of the Fund shall be invested in investment grade or higher (AAA to BBB- rated by Standard &amp; Poor's or Fitch or at least Baa3 rated by Moody's).</p> <p>Up to 75% of the Fund's assets may be invested in high yield securities (below BBB- rated by Standard &amp; Poor's or Fitch or below Baa3 rated by Moody's) <b>bearing a typically higher risk and higher potential gains.</b> <del>of which up to</del> <b>Within this limit a maximum of</b> 10% of the Fund's assets may be held in unrated debt securities (securities with no credit rating, <b>rating to be determined by the investment adviser to be of comparable quality as rated high yield bonds</b>). <del>In this instance a rating is to be determined by the Investment Adviser to view securities of a comparable quality to those rated.</del></p> <p>More than 35% of the value of the property of the Fund may be invested in Government and public securities issued or guaranteed by any of the following states; the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales), Australia, Canada, Germany, Netherlands, Norway, Sweden, Switzerland and the United States of America.</p> <p>Investments in fixed income securities may be made anywhere in the world including developed markets and non-developed markets or emerging market countries.</p> <p>Up to 40% of the Fund's assets may be invested in Asset Backed Securities (ABS) and/or Mortgage Backed Securities (MBS). The underlying assets of the ABS and/or MBS may include loans, leases or receivables (such as credit card debt and whole business in the case of ABS and commercial and residential mortgages originating from a regulated and authorised financial institution in the case of MBS).</p> <p>Up to 10% of the Fund's assets may be invested in debt securities (CCC+ and below as rated by Standard &amp; Poor's or CCC as rated by Fitch or Caa1 as rated by Moody's) including defaulted securities.</p> <p>Up to 10% of the Fund's assets may be invested in contingent convertible bonds.</p>

	<p><b>The Fund's portfolio will be hedged to ensure that its non-sterling exposure will be a maximum of 10%.</b></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 100% of the Fund's assets.</p> <p>The Fund may use derivative instruments such as, but not limited to futures, options, options on swaps, swap agreements (e.g. interest rate swaps, credit default swaps and index swaps) and currency forward contracts.</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><b>Target Benchmark</b></p>	<p><del>Sterling Over Night Index Average (SONIA)</del> (in GBP) <b>+3%.</b></p>