Allianz Global Investors Fund

Société d`Investissement à Capital Variable
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Shareholder Notification

Date: 18 April 2023

IMPORTANT: This notice is important and requires your immediate attention. If you have any questions about the contents of this notice, you should seek independent professional advice. The Board of Directors of the Company accepts full responsibility for the accuracy of the contents of this notice and confirms, having made all reasonable enquiries that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this notice misleading as at the date of issuance. Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meaning as those used in the Company's Hong Kong Prospectus dated February 2023 (the "HK Prospectus").

Dear Shareholder,

The Board of Directors of Allianz Global Investors Fund (SICAV) (the "**Company**") hereby gives notice of the following changes, which will become effective on 30 May 2023 (the "**Effective Date**"), unless otherwise specified:

1. Changes of investment objectives and investment restrictions of Allianz All China Equity, Allianz China A Opportunities, Allianz China A-Shares and Allianz China Equity (collectively, the "Relevant Sub-Funds")

	Present approach	New approach
Investment Objective	*[The current disclosure in Appendix 1, Part B of the HK Prospectus in relation to the respective Relevant Sub-Funds]*	*[The current disclosure in Appendix 1, Part B of the HK Prospectus in relation to the respective Relevant Sub-Funds]*, while achieving an outperformance of the Sub-Fund's weighted average ESG score compared to the weighted average ESG score of Sub-Fund's Benchmark by the adoption of the ESG Score Strategy.
Investment Restrictions	• Climate Engagement with Outcome Strategy (including exclusion criteria) applies	• ESG Score Strategy (including exclusion criteria) applies • Min. 80% of Sub-Fund's portfolio shall be evaluated by MSCI's ESG scores. Portfolio in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g., cash and deposits). • Sub-Fund's investment objective shall be achieved in accordance with the ESG Score Strategy by an outperformance (i.e. higher ESG score) of Sub-Fund's weighted average ESG score compared to the weighted average ESG score of Sub-Fund's Benchmark.

Summary of key changes

- To increase the integration of Environment, Social and Governance factors consideration in the investment process, the following changes to the investment objectives and restrictions to the Relevant Sub-Funds will be implemented.
- After repositioning, in addition to the current investment objective to seek long-term capital growth, the Relevant Sub-Funds will seek to outperform their respective Benchmarks in terms of weighted average ESG score with the adoption of ESG Score Strategy. The outperformance is determined as the excess of the weighted average ESG scores of the Relevant Sub-Funds over the weighted average ESG scores of their respective Benchmarks.
- With the adoption of ESG Score Strategy, a minimum 80% of the respective Relevant Sub-Funds' portfolios, excluding derivatives and instruments that are non-evaluated by nature (e.g. cash and deposits), shall be evaluated by MSCI's ESG scores. The MSCI's ESG score measures an issuer's exposure to ESG risks and how well it manages those risks relative to peers using a rules-based

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methodology. You may refer to the MSCI ESG rating methodology which can be found at https://www.msci.com/our-solutions/esg-investing/esg-ratings. Please note that this website has not been reviewed by the SFC.

- The minimum exclusion criteria applicable to ESG Score Strategy are as follows:
  - (i) securities issued by issuers having a severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles on Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues,
  - (ii) securities issued by issuers involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons),
  - (iii) securities issued by issuers that derive more than 10% of their revenues from weapons, military equipment and services,
  - (iv) securities issued by issuers that derive more than 10% of their revenue from thermal coal extraction,
  - (v) securities issued by utility issuers that generate more than 20% of their revenues from coal, and
  - (vi) securities issued by issuers involved in the production of tobacco, and securities issued by issuers involved in the distribution of tobacco with more than 5% of their revenues. In respect of issuers violating the aforesaid item (i), the securities issued by such issuers will be divested if the issuers are unwilling to change after engagement. In respect of issuers violating the aforesaid items (ii) – (vi), the securities issued by such issuers will be divested.

- The Relevant Sub-Funds will no longer apply Climate Engagement with Outcome Strategy (including exclusion criteria) upon adoption of ESG Score Strategy.

- Apart from the changes mentioned above, the other current investment restrictions of the Relevant Sub-Funds will continue to apply.

- For the avoidance of doubt, the Relevant Sub-Funds will not become ESG funds which fulfil the requirements as set out in the SFC's Circular to management companies of SFC-authorised unit trusts and mutual funds – ESG funds dated 29 June 2021 (the "**ESG Circular**") after the changes as mentioned above.

Implications on the features and key risks applicable to the Relevant Sub-Funds

After the changes as mentioned above, it is expected that the overall risk level of the Relevant Sub-Funds will remain more or less the same and the below additional risk factor will apply to the Relevant Sub-Funds.

ESG Score Strategy Investment Risk

- The Relevant Sub-Funds apply the ESG Score Strategy based on certain external ESG research and minimum exclusion criteria which may adversely affect their investment performance since the execution of the relevant strategy may result in foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so.
- In assessing the ESG performance of a Relevant Sub-Fund's portfolio against that of its corresponding Benchmark, there is a dependence upon information and data from third party research data providers and internal analyses, which may be subjective, incomplete, inaccurate or unavailable. As a result, there is a risk of incorrectly or subjectively assessing the underlying investments of the Relevant Sub-Funds and as such there is a risk that, in fact, the portfolios of the Relevant Sub-Funds may not outperform their respective Benchmarks in terms of ESG score. In addition, there is a lack of taxonomy for ESG standards.
- The Relevant Sub-Funds focus on the ESG profile of the issuers of the underlying investments, this may reduce risk diversifications compared to broadly based funds. As such, the Relevant Sub-Funds are likely to be more volatile than a fund that has a more diversified investment strategy. Also, the Relevant Sub-Funds may be particularly focusing on the ESG profile of the issuers of the underlying investments, rather than their financial performance. This may have an adverse impact on the performance of the Relevant Sub-Funds and consequently adversely affect an investor's investment in the Relevant Sub-Funds.
- The securities held by the Relevant Sub-Funds may be subject to style drift which no longer meet the Relevant Sub-Funds' investment criteria after investment. The Investment Manager might need to dispose of such securities when it might be disadvantageous to do so. This may lead to a fall in the net asset values of the Relevant Sub-Funds.

2. **Changes of investment objectives and investment restrictions of Allianz Cyber Security, Allianz Japan Equity and Allianz Euro High Yield Bond (collectively, the "Relative KPI Sub-Funds")**

Allianz Cyber Security

	Present approach	New approach
Investment Objective	Long-term capital growth by investing in Equities in the global equity markets with a focus on companies whose business will benefit from or is currently related to cyber security.	Long-term capital growth by investing in Equities in the global equity markets with a focus on companies whose business will benefit from or is currently related to cyber security, as well as, to achieve the Sustainability KPI (as defined in the "Investment Restrictions" below) with the adoption of the Sustainability Key Performance Indicator Strategy (Relative) ("KPI Strategy (Relative)").
Investment Restrictions	• Climate Engagement with Outcome Strategy (including exclusion criteria) applies	• KPI Strategy (Relative) (including exclusion criteria) applies • Min. 80% of Sub-Fund's portfolio shall be evaluated by the "Weighted Average GHG Intensity (in terms of sales)". Portfolio in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g., cash and Deposits). • The Sustainability KPI is that the Weighted Average GHG Intensity (in terms of sales) of the portfolio shall be at least 20% lower than that of the Sub-Fund's Benchmark within the same period (i.e. outperformance of the Sub-Fund's portfolio's Weighted Average GHG Intensity (in terms of sales) compared to its Benchmark's Weighted Average GHG Intensity (in terms of sales)). • Taiwan Restriction applies

Allianz Japan Equity

	Present approach	New approach
Investment Objective	Long-term capital growth by investing in Japanese equity markets.	Long-term capital growth by investing in Japanese equity markets, as well as, to achieve the Sustainability KPI (as defined in the "Investment Restrictions" below) with the adoption of the Sustainability Key Performance Indicator Strategy (Relative) ("KPI Strategy (Relative)").
Investment Restrictions	• Climate Engagement with Outcome Strategy (including exclusion criteria) applies	• KPI Strategy (Relative) (including exclusion criteria) applies • Min. 80% of Sub-Fund's portfolio shall be evaluated by the "Weighted Average GHG Intensity (in terms of sales)". Portfolio in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g., cash and Deposits). • The Sustainability KPI is that the Weighted Average GHG Intensity (in terms of sales) of the portfolio shall be at least 20% lower than that of the Sub-Fund's Benchmark within the same period (i.e. outperformance of the Sub-Fund's portfolio's Weighted Average GHG Intensity (in terms of sales) compared to its Benchmark's Weighted Average GHG Intensity (in terms of sales)).

Allianz Euro High Yield Bond

	Present approach	New approach
Investment Objective	Long-term capital growth by investing in high yield rated Debt Securities denominated in EUR.	Long-term capital growth by investing in high yield rated Debt Securities denominated in EUR, as well as, to achieve the Sustainability KPI (as defined in the "Investment Restrictions" below) with the adoption of the Sustainability Key Performance Indicator Strategy (Relative) ("KPI Strategy (Relative)").
Investment Restrictions	• Climate Engagement with Outcome Strategy (including exclusion criteria) applies • Benchmark: ICE BOFAML Euro High Yield BB-B Constrained. Degree of Freedom: material. Expected Overlap: major	• KPI Strategy (Relative) (including exclusion criteria) applies • Min. 70% of Sub-Fund's portfolio shall be evaluated by the "Weighted Average GHG Intensity (in terms of sales)". Portfolio in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g., cash and Deposits). • The Sustainability KPI is that the Weighted Average GHG Intensity (in terms of sales) of the portfolio shall be at least 20% lower than that of the Sub-Fund's Benchmark within the same period (i.e. outperformance of the Sub-Fund's portfolio's Weighted Average GHG Intensity (in terms of sales) compared to its Benchmark's Weighted Average GHG Intensity (in terms of sales)). • Benchmark: ICE BOFAML Euro High Yield BB-B Constrained (ICE Indices incorporate transaction costs into their calculation). Degree of Freedom: material. Expected Overlap: major

Summary of key changes to the Relative KPI Sub-Funds

- Following our regular review of the Company's range of funds to ensure they remain pertinent for investors as the investment markets evolve, the following changes to the investment objectives and restrictions to the Relative KPI Sub-Funds will be implemented as part of the repositioning and modification exercise of the Relative KPI Sub-Funds.

- The Relative KPI Sub-Funds will be repositioned to become ESG funds which fulfil the requirements set out in the ESG Circular.

- After repositioning, in addition to the current investment objective to seek long-term capital growth by investing in the relevant markets as applicable, the Relative KPI Sub-Funds will also seek outperformance over their respective Benchmarks by at least 20% in minimising their respective portfolios' weighted average of the investee companies' annual greenhouse gas emissions intensity in terms of annual sales over their respective Benchmarks ("**Sustainability KPI**") with the adoption of the Sustainability Key Performance Indicator Strategy (Relative)("**KPI Strategy (Relative)**").

- With the adoption of KPI Strategy (Relative), a minimum portion (70% for Allianz Euro High Yield Bond and 80% for the remaining Relative KPI Sub-Funds) of the portfolio, excluding derivatives and instruments that are non-evaluated by nature (e.g. cash and deposits), shall be evaluated by the "Weighted Average GHG Intensity (in terms of sales)". GHG Intensity represents an issuer's annual greenhouse gas emissions. Sales represents an issuer's annual sales. GHG Intensity (in terms of sales) of an issuer is the issuer's annual greenhouse gas emission (in metric tons of carbon dioxide equivalents (tCO2e) per millions of annual sales). This ratio of greenhouse gas emission ("**GHG**") normalised by sales facilitates comparison between issuers of different sizes. Weighted Average GHG Intensity (in terms of sales) is the weighted average of the GHG Intensity (in terms of sales) of the issuers of the securities composing the portfolio adjusted by their relative weights to the portfolio. This means that the GHG Intensity (in terms of sales) of an issuer of a security is a key consideration of the investment process. In the portfolio construction process, more GHG-efficient issuers in terms of the issuers' sales would be more likely to be selected by the Investment Manager, such that the Relative KPI Sub-Funds could achieve their respective Sustainability KPI as specified above. Third party data will be used to determine the GHG Intensity (in terms of sales) of an issuer.

- The Relative KPI Sub-Funds will no longer apply Climate Engagement with Outcome Strategy (including exclusion criteria) upon adoption of KPI Strategy (Relative).

- Apart from the changes mentioned above, the other current investment policies and restrictions of the Relative KPI Sub-Funds will continue to apply.

- The minimum exclusion criteria applicable to KPI Strategy (Relative) are as follows:
  - (i) securities issued by issuers having a severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles on Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues,
  - (ii) securities issued by issuers involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons),
  - (iii) securities issued by issuers that derive more than 10% of their revenues from weapons, military equipment and services,
  - (iv) securities issued by issuers that derive more than 10% of their revenue from thermal coal extraction,
  - (v) securities issued by utility issuers that generate more than 20% of their revenues from coal, and
  - (vi) securities issued by issuers involved in the production of tobacco, and securities issued by issuers involved in the distribution of tobacco with more than 5% of their revenues. In respect of issuers violating the aforesaid item (i), the securities issued by such issuers will be divested if the issuers are unwilling to change after engagement. In respect of issuers violating the aforesaid items (ii) – (vi), the securities issued by such issuers will be divested.

Implications on the features and key risks applicable to the Relative KPI Sub-Funds

After the changes as mentioned above, it is expected that the overall risk levels of the Relative KPI Sub-Funds will remain more or less the same and the below additional key risk factor will apply to the Relative KPI Sub-Funds:

Sustainability KPI Strategy (Relative) Investment Risk

- The Relative KPI Sub-Funds apply the Weighted Average GHG Intensity (in terms of sales) analysis, external ESG research and minimum exclusion criteria which may adversely affect their investment performance since the execution of the relevant strategy may result in foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so.
- In assessing whether the Relative KPI Sub-Funds have achieved the Sustainability KPI, there is a dependence upon information and data from third party research data providers and internal analyses, which may be subjective, incomplete, inaccurate or unavailable. As a result, there is a risk of incorrectly

or subjectively assessing the underlying investments of the Relative KPI Sub-Funds and as such there is a risk that the Relative KPI Sub-Funds may not achieve the Sustainability KPI.

- The Relative KPI Sub-Funds focus on the Sustainability KPI which is based on GHG Intensity (in terms of sales). This may reduce risk diversifications compared to broadly based funds. As such, the Relative KPI Sub-Funds are likely to be more volatile than a fund that has a more diversified investment strategy. Also, the Relative KPI Sub-Funds may be particularly focusing on the GHG efficiency of the investee companies, rather than their financial performance. This may have an adverse impact on the performance of the Relative KPI Sub-Funds and consequently adversely affect an investor's investment in the Relative KPI Sub-Funds.
- The securities held by the Relative KPI Sub-Funds may be subject to style drift which no longer meet the Relative KPI Sub-Funds' investment criteria after investment. The Investment Manager might need to dispose of such securities when it might be disadvantageous to do so. This may lead to a fall in the net asset values of the Relative KPI Sub-Funds.

3. Changes of investment objective and investment restrictions of Allianz Global Floating Rate Notes Plus (the "SRI Sub-Fund")

	Present approach	New approach
Investment Objective	The Sub-Fund aims to capture income from a global universe of floating-rate notes. The Sub-Fund seeks potential for long-term capital growth.	The Sub-Fund aims to capture income from a global universe of floating-rate notes and seek potential for long-term capital growth in accordance with the Sustainable and Responsible Investment Strategy (SRI Strategy).
Investment Restrictions	• Max. 50% of Sub-Fund Assets may be invested in High Yield Investments Type 1 • Climate Engagement with Outcome Strategy (including exclusion criteria) applies	• SRI Strategy (including exclusion criteria) applies • Min. 80% of Sub-Fund portfolio shall be evaluated by an SRI Rating. Portfolio in this respect does not comprise non-rated derivatives and instruments that are non-rated by nature (e.g. cash and Deposits). • Issuers with SRI Rating score of 0 to 1 (from a rating scale of 0 to 4 with a score of 4 being the highest) is considered non-investable (i.e. will be excluded) based on SRI Rating. • Max. 30% of Sub-Fund Assets may be invested in High Yield Investments Type 1

Summary of key changes to the SRI Sub-Fund

- To increase the integration of Environment, Social, Human Rights, Governance and Business Behaviour factors consideration in the investment process, the following changes to the investment objectives and restrictions to the SRI Sub-Fund will be implemented.

- After repositioning, a minimum of 80% of SRI Sub-Fund assets, apart from non-rated derivatives and instruments that are non-rated by nature (e.g. cash and deposits), will be invested in accordance with the SRI Strategy. For detailed description of the SRI Strategy, please refer to Appendix 1 to this notice.

- Under the SRI Rating, issuers will undergo an internal rating assessment based on SRI Research and will be assigned a score of 0 to 4 (with 4 being the highest score) based upon the analysis of criteria considering the domains of human rights, social, environmental, business behaviour and governance of the issuers. Issuers with SRI Ratings of 0 and 1 will be excluded from the investment universe of the SRI Sub-Fund.

- The minimum exclusion criteria applicable to SRI Strategy are as follows:
  (i) securities issued by issuers having a severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles on Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues,
  (ii) securities issued by issuers involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons),
  (iii) securities issued by issuers that derive more than 10% of their revenues from weapons, military equipment and services,
  (iv) securities issued by issuers that derive more than 10% of their revenue from thermal coal extraction,
  (v) securities issued by utility issuers that generate more than 20% of their revenues from coal,
  (vi) securities issued by issuers involved in the production of tobacco, and securities issued by issuers involved in the distribution of tobacco more than 5% of their revenues, and
  (vii) securities issued by sovereign issuers with an insufficient Freedom House Index score (unless otherwise stated in the SRI Sub-Fund's individual investment restrictions). The Freedom House Index is collated by Freedom House, an American research institute, which measures political rights and civil liberties, and evaluates countries according to a wide range of criteria relating to democratic performance and the functioning of government. In respect of issuers violating the aforesaid item (i),

the securities issued by such issuers will be divested if the issuers are unwilling to change after engagement. In respect of issuers violating the aforesaid items (ii) – (vii), the securities issued by such issuers will be divested.

- The SRI Sub-Fund will no longer apply Climate Engagement with Outcome Strategy (including exclusion criteria) upon adoption of SRI Strategy.

- The SRI Sub-Fund's maximum exposure to High Yield Investments Type 1 will be reduced from 50% to 30% of SRI Sub-Fund assets after repositioning.

- Apart from the changes mentioned above, the other current investment restrictions of the SRI Sub-Fund will continue to apply.

- For the avoidance of doubt, the SRI Sub-Fund will not become an ESG fund which fulfils the requirements set out in the ESG Circular after repositioning.

Implications on the features and key risks applicable to the SRI Sub-Fund

After the changes as mentioned above, it is expected that the overall risk level of the SRI Sub-Fund will be lower since the SRI Sub-Fund's exposure to High Yield Investments Type 1 is reduced. The below additional key risk factor will apply to the SRI Sub-Fund:

SRI Strategy Investment Risk

- The SRI Sub-Fund applies certain (internal/external) ESG rating assessments and/or minimum exclusion criteria which may adversely affect the SRI Sub-Fund's investment performance since the execution of the SRI Strategy may result in foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so.
- In assessing the eligibility of an issuer based on ESG research, there is a dependence upon information and data from third party ESG research data providers and internal analyses, which may be subjective, incomplete, inaccurate or unavailable. As a result, there is a risk of incorrectly or subjectively assessing a security or issuer or there is a risk that the SRI Sub-Fund could have exposure to issuers who do not meet the relevant criteria. In addition, there is a lack of standardized taxonomy of SRI.
- The SRI Sub-Fund focuses on SRI, this may reduce risk diversifications. Consequently, the SRI Sub-Fund may be particularly dependent on the development of these investments. As such, the SRI Sub-Fund is likely to be more volatile than a fund that has a more diversified investment strategy. It may be more susceptible to fluctuations in value resulting from the impact of adverse conditions on these investments. This may have an adverse impact on the performance of the SRI Sub-Fund and consequently adversely affect an investor's investment in the SRI Sub-Fund.
- The securities held by the SRI Sub-Fund may be subject to style drift which no longer meet the SRI Sub-Fund's investment criteria after the SRI Sub-Fund's investments. The Investment Manager might need to dispose of such securities when it might be disadvantageous to do so. This may lead to a fall in the SRI Sub-Fund's net asset value.

4. Changes of investment objective and investment restrictions of Allianz US Short Duration High Income Bond (the "Absolute KPI Sub-Fund")

	Present approach	New approach
Investment Objective	Long-term income and lower volatility by investing in short duration high yield rated corporate bonds of US bond markets.	Long-term income and lower volatility by investing in short duration high yield rated corporate bonds of US bond markets, as well as, to achieve the Sustainability KPI (as defined in the "Investment Restrictions" below) with the adoption of the Sustainability Key Performance Indicator Strategy (Absolute) ("KPI Strategy (Absolute)").
Investment Restrictions	• Climate Engagement with Outcome Strategy (including exclusion criteria) applies	• KPI Strategy (Absolute) (including exclusion criteria) applies. • Min. 70% of Sub-Fund's portfolio shall be evaluated by the "Weighted Average GHG Intensity (in terms of sales)". Portfolio in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g. cash and Deposits). • The Sustainability KPI is at least a 5% year-on-year reduction in the Weighted Average GHG Intensity (in terms of sales) on an improvement pathway starting at the Reference Date (i.e. first date of adoption of the KPI Strategy (Absolute)). For the period between Reference Date and the first fiscal year end of strategy adoption, a pro rata temporis rate of the Sustainability KPI will be applied.

Summary of key changes

- Following our regular review of the Company's range of funds to ensure they remain pertinent for investors as the investment markets evolve, the following changes to the investment objective and restrictions to Absolute KPI Sub-Fund will be implemented as part of the repositioning and modification exercise of the Absolute KPI Sub-Fund.

- After repositioning, in addition to the current investment objective to seek long-term income and lower volatility by investing in short duration high yield rated corporate bonds of US bond markets, the Absolute KPI Sub-Fund will seek to achieve at least 5% year-on-year reduction in the portfolio's weighted average of the investee companies' annual greenhouse gas emissions intensity in terms of annual sales on an improvement pathway ("**Sustainability KPI**") with the adoption of the Sustainability Key Performance Indicator Strategy (Absolute) ("**KPI Strategy (Absolute)**").

- With the adoption of KPI Strategy (Absolute), a minimum of 70% of the Absolute KPI Sub-Fund's portfolio, excluding derivatives and instruments that are non-evaluated by nature (e.g. cash and deposits), shall be evaluated by the "Weighted Average GHG Intensity (in terms of sales)". GHG intensity ("**GHG Intensity**") represents an issuer's annual greenhouse gas emissions. Sales represents an issuer's annual sales. GHG Intensity (in terms of sales) of an issuer is the issuer's annual greenhouse gas emission (in metric tons of carbon dioxide equivalents (tCO_2e) per millions of annual sales). This ratio of GHG normalised by sales facilitates comparison between issuers of different sizes. Weighted Average GHG Intensity (in terms of sales) is the weighted average of the GHG Intensity (in terms of sales) of the issuers of the securities composing the Absolute KPI Sub-Fund's portfolio adjusted by their relative weights to the portfolio. In the portfolio construction process, more GHG-efficient issuers in terms of the issuers' sales would be more likely to be selected by the Investment Manager, such that the Absolute KPI Sub-Fund could achieve its Sustainability KPI as specified above. Third party data will be used to determine the GHG Intensity (in terms of sales) of an issuer. The Investment Manager would perform yearly check to ensure that the actual reduction in Weighted Average GHG Intensity (in terms of sales) of the Absolute KPI Sub-Fund will at least achieve the Sustainability KPI calculated on a time series basis. The time series will be established on the first date of adoption of KPI Strategy (Absolute) (the "**Reference Date**"). As at each fiscal year end of the time series, the reduction in Weighted Average GHG Intensity (in terms of sales) of the Absolute KPI Sub-Fund's portfolio from the preceding fiscal year end is measured to ascertain whether the Sustainability KPI has been achieved. For the period between the Reference Date and the first fiscal year end of adoption of KPI Strategy (Absolute), a pro rata temporis rate of the Sustainability KPI will be applied.

- The minimum exclusion criteria applicable to KPI Strategy (Absolute) are as follows:
  - (i) securities issued by issuers having a severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles on Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues,
  - (ii) securities issued by issuers involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons),
  - (iii) securities issued by issuers that derive more than 10% of their revenues from weapons, military equipment and services,
  - (iv) securities issued by issuers that derive more than 10% of their revenue from thermal coal extraction,
  - (v) securities issued by utility issuers that generate more than 20% of their revenues from coal, and
  - (vi) securities issued by issuers involved in the production of tobacco, and securities issued by issuers involved in the distribution of tobacco with more than 5% of their revenues. In respect of issuers violating the aforesaid item (i), the securities issued by such issuers will be divested if the issuers are unwilling to change after engagement. In respect of issuers violating the aforesaid items (ii) – (vi), the securities issued by such issuers will be divested.

- The Absolute KPI Sub-Fund will no longer apply Climate Engagement with Outcome Strategy (including exclusion criteria) upon adoption of KPI Strategy (Absolute).

- Apart from the changes mentioned above, the other current investment restrictions of the Absolute KPI Sub-Fund will continue to apply.

- For the avoidance of doubt, the Absolute KPI Sub-Fund will not become an ESG fund which fulfils the requirements as set out in the ESG Circular.

Implications on the features and key risks applicable to the Absolute KPI Sub-Fund

After the changes as mentioned above, it is expected that the overall risk level of the Absolute KPI Sub-Fund will remain more or less the same and the below additional risk factor will apply to the Absolute KPI Sub-Fund.

Sustainability KPI Strategy (Absolute) Investment Risk

- The Absolute KPI Sub-Fund applies the Weighted Average GHG Intensity (in terms of sales) analysis, external ESG research and minimum exclusion criteria which may adversely affect its investment performance since the execution of the relevant strategy may result in foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so. In assessing whether the Absolute KPI Sub-Fund has achieved the Sustainability KPI, there is a dependence upon information and data from third party research data providers and internal analyses, which may be subjective, incomplete, inaccurate or unavailable. As a result, there is a risk of incorrectly or subjectively assessing the underlying investments of the Absolute KPI Sub-Fund and as such there is a risk that the Absolute KPI Sub-Fund may not achieve the Sustainability KPI.
- The Absolute KPI Sub-Fund focuses on the Sustainability KPI which is based on GHG Intensity (in terms of sales). This may reduce risk diversifications compared to broadly based funds. As such, the Absolute KPI Sub-Fund is likely to be more volatile than a fund that has a more diversified investment strategy. Also, the Absolute KPI Sub-Fund may be particularly focusing on the GHG efficiency of the investee companies, rather than their financial performance. This may have an adverse impact on the Absolute KPI Sub-Fund's performance and consequently adversely affect an investor's investment in the Absolute KPI Sub-Fund. Securities held by the Absolute KPI Sub-Fund may be subject to style drift which no longer meet the Absolute KPI Sub-Fund's investment criteria after investment. The Investment Manager might need to dispose of such securities when it might be disadvantageous to do so and lead to a fall in the net asset value of the Absolute KPI Sub-Fund.

5. Changes of investment management arrangement of certain Sub-Funds

(a) <u>Changes in the investment management arrangement for the Sub-Funds currently managed by Allianz Global Investors GmbH (being the Management Company) through its UK Branch</u>

Currently, Allianz Global Investors GmbH ("**AllianzGI - Germany**") (being the Management Company) has been co-managing a number of Sub-Funds with its UK Branch whilst certain Sub-Funds are managed solely by the UK Branch.

Changes to the legal set-up of the Management Company's UK business have become necessary as a result of the UK's departure from the EU. In order to continue providing investment management services post-Brexit, it will be necessary to transfer the Management Company's UK Branch ("**AllianzGI – UK Branch**") into a new UK legal entity, Allianz Global Investors UK Limited ("**AllianzGI UK**"), authorised and regulated by the UK's Financial Conduct Authority. As such, the following changes will be made to the investment delegation of the Sub-Funds as set out in the table below.

It should be noted that the acting investment teams are fully capable to manage the respective investment strategies either by the expertise of the already existing portfolio managers of such investment teams or due to the relocation of acting portfolio managers currently employed by the AllianzGI - UK Branch to AllianzGI UK. Given the transfer of key investment teams from the AllianzGI – UK Branch to AllianzGI UK, a continued implementation of the investment strategy of each affected Sub-Fund can be ensured. In addition, the relevant Sub-Funds remain to be governed by the Legal, Compliance and Risk oversight of the Management Company. Fees and expenses charged to the Sub-Funds will remain unchanged and are not affected by the appointment of AllianzGI UK as Investment Manager.

The Management Company, AllianzGI – Germany, AllianzGI UK and all the existing Investment Manager(s) of the relevant Sub-Funds are companies of the Allianz Group.

Name of the Sub-Fund	**Present approach**	**New approach**
	1) Branch of Management Company carrying out investment management functions and/or **2) Investment Manager (or**	**1) Branch of Management Company carrying out investment management functions and/or** **2) Investment Manager (or**

	Sub-Investment Manager if so specified)	Sub-Investment Manager if so specified)
Allianz Clean Planet	1) AllianzGI – Germany and AllianzGI – UK Branch 2) AllianzGI AP	1) AllianzGI – Germany 2) AllianzGI AP
Allianz Emerging Markets Select Bond	1) AllianzGI – Germany and AllianzGI – UK Branch 2) AllianzGI AP	2) AllianzGI UK and AllianzGI AP
Allianz Emerging Markets SRI Bond	1) AllianzGI – Germany and AllianzGI – UK Branch 2) AllianzGI AP	2) AllianzGI UK
Allianz Emerging Markets SRI Corporate Bond	1) AllianzGI – Germany and AllianzGI – UK Branch 2) AllianzGI AP	2) AllianzGI UK and AllianzGI AP
Allianz Europe Equity Growth	1) AllianzGI – Germany and AllianzGI – UK Branch	1) AllianzGI – Germany 2) AllianzGI UK
Allianz Food Security	1) AllianzGI – Germany and AllianzGI – UK Branch	2) AllianzGI UK
Allianz Global Floating Rate Notes Plus	1) AllianzGI – Germany and AllianzGI – UK Branch	1) AllianzGI – Germany 2) AllianzGI UK
Allianz Global High Yield	1) AllianzGI – UK Branch	2) AllianzGI UK
Allianz Global Multi Asset Sustainability Balanced	1) AllianzGI – Germany and AllianzGI – UK Branch 2) AllianzGI AP, AllianzGI Japan and AllianzGI Singapore	1) AllianzGI – Germany 2) AllianzGI UK, AllianzGI AP, AllianzGI Japan and AllianzGI Singapore
Allianz Global Opportunistic Bond	1) AllianzGI – UK Branch	2) AllianzGI UK
Allianz Global Small Cap Equity	1) AllianzGI – Germany and AllianzGI UK Branch 2) AllianzGI AP and AllianzGI Japan, each acting as Sub-Investment Manager	1) AllianzGI – Germany 2) AllianzGI UK (acting as Investment Manager), AllianzGI AP (acting as Sub-Investment Manager) and AllianzGI Japan (acting as Sub-Investment Manager)
Allianz Global Sustainability	1) AllianzGI – Germany and AllianzGI – UK Branch	1) AllianzGI – Germany 2) AllianzGI UK
Allianz Green Bond	1) AllianzGI – France Branch	1) AllianzGI – Germany and AllianzGI – France Branch 2) AllianzGI UK
Allianz Positive Change	1) AllianzGI – Germany and AllianzGI – UK Branch	2) AllianzGI UK

<u>Notes to the table:</u>

If the Management Company is carrying out its investment management functions internally (i.e. no Investment Manager in this case), the name of the respective branch of the Management Company will be disclosed under 1) Branch of Management Company carrying out investment management functions in the table above.

If the Management Company has delegated the investment management functions to one or more Investment Manager(s), and (if applicable) the respective Investment Manager(s) has sub-delegated some of its functions to one or more Sub-Investment Manager(s), the name(s) of the respective Investment Manager(s) and/or Sub-Investment Manager(s) will be disclosed under 2) Investment Manager (or Sub-Investment Manager if so specified) in the table above.

If the Management Company has partially delegated its investment management functions to one or more Investment Manager(s), the name of the respective branch of the Management Company will be disclosed under 1) Branch of Management Company carrying out investment management functions, the Investment Manager(s) will be disclosed under 2) Investment Manager (or Sub-Investment Manager(s) if so specified) in the table above.

Set out below are a summary of the changes to the investment delegation arrangement of the relevant Sub-Funds as specified in the table above.

- While AllianzGI – UK Branch will no longer manage Allianz Clean Planet, the Management Company will continue to manage this Sub-Fund alongside the existing Investment Manager.

- For Allianz Europe Equity Growth, Allianz Global Floating Rate Notes Plus, Allianz Global High Yield, Allianz Global Multi Asset Sustainability Balanced, Allianz Global Opportunistic Bond, Allianz Global Small Cap Equity and Allianz Global Sustainability, while AllianzGI – UK Branch will cease to manage these Sub-Funds, AllianzGI UK will be appointed to manage these Sub-Funds in the capacity of Investment Manager, where applicable, alongside AllianzGI – Germany and/or the other Investment Manager(s)/Sub-Investment Manager(s) (as the case may be) which is/are currently managing these Sub-Funds.

- For Allianz Emerging Markets Select Bond, Allianz Emerging Markets SRI Bond, Allianz Emerging Markets SRI Corporate Bond, Allianz Food Security and Allianz Positive Change, AllianzGI UK will be appointed to manage these Sub-Funds in the capacity of Investment Manager. Also, AllianzGI – Germany and AllianzGI – UK Branch will cease to perform the investment management function in respect of these Sub-Funds. Moreover, the existing Investment Manager of Allianz Emerging Markets SRI Bond, AllianzGI AP, will cease to manage Allianz Emerging Markets SRI Bond, while it will continue to manage Allianz Emerging Markets Select Bond and Allianz Emerging Markets SRI Corporate Bond in the capacity of Investment Manager.

- As regards Allianz Green Bond, AllianzGI UK will be appointed as an Investment Manager of this Sub-Fund alongside the AllianzGI – France Branch which is currently managing this Sub-Fund. AllianzGI – Germany will also start to carry out the investment management function of this Sub-Fund at the same time.

(b) <u>Addition of Investment Manager to Allianz Renminbi Fixed Income</u>

Due to an internal re-allocation of resources within the Allianz Group, AllianzGI AP will be appointed as a new Investment Manager of Allianz Renminbi Fixed Income. AllianzGI AP will manage this Sub-Fund alongside with the existing Investment Manager, AllianzGI Singapore. The Management Company, AllianzGI AP and AllianzGI Singapore are companies of the Allianz Group.

6. Other miscellaneous changes to certain Sub-Funds

Name of the Sub-Fund	Rationale / Motivation Additional Information	Changes in Investment Objective or Restrictions (Appendix 1, Part B of the HK Prospectus)	
		Present Approach	New Approach
Allianz Green Bond	The investment restriction relating to investments in Emerging Markets shall be clarified to better reflect the applicable investment strategy.	- Sub-Fund assets may be invested in Emerging Markets	- Max. 30% of Sub-Fund assets may be invested in Emerging Markets
Allianz Emerging Asia Equity	The investment objective and restriction shall be amended to clarify the investment universe.	Long-term capital growth by investing in developing Asian equity markets, excluding Japan, Hong Kong and Singapore.	Long-term capital growth by investing in Equities of Asian Emerging Markets (excluding Japan, Hong Kong and Singapore) and/or of countries which are constituents of the MSCI Emerging Frontier Markets Asia.

Name of the Sub-Fund	Rationale / Motivation Additional Information	Changes in Investment Objective or Restrictions (Appendix 1, Part B of the HK Prospectus)	
		Present Approach	**New Approach**
		- Sub-Fund assets may be invested in Emerging Markets	- Sub-Fund assets may be invested in Asian Emerging Markets or in countries which are constituents of the MSCI Emerging Frontier Markets Asia
Allianz Global Metals and Mining Allianz Smart Energy	The Taiwan Restriction shall be added due to the intended distribution of the Sub-Funds in Taiwan.	Such restriction did not previously exist.	- Taiwan Restriction applies
Allianz Global Opportunistic Bond	The investment restriction relating to High Yield Investment Type 1 shall be clarified to better reflect the applicable investment strategy.	- Max. 40% of Sub-Fund assets may be invested in High-Yield Investments Type 1	- Max. 30% of Sub-Fund assets may be invested in High-Yield Investments Type 1

For the avoidance of doubt, the relevant miscellaneous changes as set out in the table above are clarificatory amendments only without any actual or material change in the investment objective or restrictions currently adopted by the relevant Sub-Funds in practice.

7. Update on minimum percentage of taxonomy aligned investments in respect of certain Sub-Funds

Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 of the establishment of a framework to facilitate sustainable investment ("**Taxonomy Regulation**") requires disclosing information on how and to what extent their activities are associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

The Board of Directors hereby gives notice that the Sub-Funds' minimum of taxonomy aligned investments disclosed in Appendix 7 of the HK Prospectus have been checked and, where appropriate, will be adjusted to reflect the current environment. As a result, the percentages outlined for the following Sub-Funds have been set to 0.01%:

- Allianz Emerging Markets SRI Bond
- Allianz Emerging Markets SRI Corporate Bond
- Allianz Euro High Yield Bond
- Allianz European Equity Dividend
- Allianz Flexi Asia Bond
- Allianz Global Floating Rate Notes Plus
- Allianz Global High Yield
- Allianz Global Multi Asset Sustainability Balanced
- Allianz Global Sustainability
- Allianz Green Bond
- Allianz Positive Change

Save as otherwise disclosed in this notice, the changes detailed in this notice will not (i) result in a material change to the features and risks applicable to the Sub-Funds, (ii) result in other changes in the operation and/or manner in which the Sub-Funds are being managed, or (iii) materially prejudice the existing Shareholders' rights or interests. There will be no change in the fee structure, fees and expenses of the Sub-Funds, nor the costs in managing the Sub-Funds following the implementation of the changes as set out in this notice. The costs and/or expenses incurred in connection with the changes detailed in this notice will be borne by the Management Company.

Shareholders, who are not happy with the aforementioned changes, may redeem or convert their Shares free of Redemption Fee or Conversion Fee by submitting a request to the HK Representative by 5:00 p.m. Hong Kong time on or before 29 May 2023 in accordance with the procedures contained in the HK Prospectus. Please note that your distributors or similar agents may impose different deadlines for receiving dealing requests. Also, your distributors or similar agents might charge you transaction fees. You are advised to contact your distributors or similar agents should you have any questions.

The Hong Kong offering documents (including the HK Prospectus and product key facts statements of the impacted Sub-Funds) will be updated to reflect the above changes, other miscellaneous and clarificatory amendments in due course. The updated Hong Kong offering documents will be available from the HK Representative for inspection free of charge and on the website (hk.allianzgi.com) in due course. Please note that the pre-contractual template detailing the disclosures required under the SFDR ("**Pre-Contractual Template**") will no longer be attached to the HK Prospectus to align with the arrangement of providing relevant disclosures on the website. The Pre-Contractual Template can be consulted on the website https://regulatory.allianzgi.com. Note that the websites have not been reviewed by the SFC and may contain information on sub-funds not authorised by the SFC.

If you have any questions about the contents of this notice or your investment, please consult your financial advisor or you may contact the HK Representative at 32/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong (telephone: +852 2238 8000 and fax: +852 2877 2566).

By order of the Board of Directors
Allianz Global Investors Fund

Appendix 1 - Description of the SRI Strategy

SRI Strategy takes into account Sustainability Factors based on United Nations Global Compact Principles and is consistent with the principles of “sustainable and responsible investments”. The responsible portion aspect includes engagement and proxy voting. The sustainable portion aspect includes the following aspects:

(i) Environmental characteristics assess securities based on the issuer´s environmental management.
(ii) Social characteristics assess securities based on the issuer’s social responsibility.
(iii) Human rights characteristics assess securities based on the issuer’s respect of human rights in its business conduct.
(iv) Governance characteristics assess securities based on the issuer’s system of rules, practices, and processes by which it is directed and controlled.
(v) Business Behavior assess securities based on the issuer’s trade relationships and their product safety (This Domain does not apply for securities issued by a Sovereign Entity).

The aforesaid Environment, Social, Human Rights, Governance, and Business Behavior domains are analyzed by the Investment Manager in order to assess how sustainable development and long-term issues are taken into account in the strategy of an issuer.

Furthermore, the aforementioned domains (including any sub-categories) are set by the Investment Manager and define the SRI Sub-Fund’s investment universe which may be used within the framework of the implementation of the SRI Strategy. SRI Strategy will be based on SRI Ratings to apply negative or positive screens on the SRI Sub-Fund’s investment universe by excluding or including issuers whose SRI Ratings are below or above prescribed threshold as determined by the Management Company from time to time. SRI Rating is an internal rating assessment based on SRI Research that is assigned to a corporate or sovereign issuer based upon criteria considering the domains of human rights, social, environmental, business behaviour and governance of the issuers.

The majority of the SRI Sub-Fund’s assets shall be evaluated by an SRI Rating. The proportion of assets which does not have an SRI Rating is expected to be low. Examples of instruments not attaining to the SRI Rating are cash and deposits, some target funds and investments with temporarily divergent or absent environmental, social or good governance qualifications.

The minimum exclusion criteria applicable to SRI Strategy are as follows:

(i) securities issued by issuers which severely violate having a severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles on Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues,
(ii) securities issued by issuers involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons),
(iii) securities issued by issuers that derive more than 10% of their revenues from weapons, military equipment and services,
(iv) securities issued by issuers that derive more than 10% of their revenue from thermal coal extraction,
(v) securities issued by utility issuers that generate more than 20% of their revenues from coal,
(vi) securities issued by issuers involved in the production of tobacco, and securities issued by issuers involved in the distribution of tobacco more than 5% of their revenues; and
(vii) securities issued by sovereign issuers with an insufficient Freedom House Index score (unless otherwise stated in the SRI Sub-Fund’s individual investment restrictions). The Freedom House Index is collated by Freedom House, an American research institute, which measures political rights and civil liberties, and evaluates countries according to a wide range of criteria relating to democratic performance and the functioning of government. In respect of issuers violating the aforesaid item (i), the securities issued by such issuers will be divested if the issuers are unwilling to change after engagement. In respect of issuers violating the aforesaid items (ii) – (vii), the securities issued by such issuers will be divested.