- The Fund aims at long-term capital growth and income by investing in global bond markets.
- The Fund is exposed to significant risks of investment/general market, creditworthiness/credit rating, interest rate, default, valuation, sovereign debt, emerging markets, and currency.
- Investing in share class with fixed distribution percentage (Class AMf) is not an alternative to fixed interest paying investment. Investors should note that fixed distribution percentage is not guaranteed. The percentage of distributions paid by these share classes is unrelated to expected or past income or returns of these share classes or the Fund. Distribution will continue even the fund has negative returns and may adversely impact the net asset value of the Fund. Positive distribution yield does not imply positive return.
- The Fund may invest in high-yield (non-investment grade and unrated) investments which may subject to higher risks, such as volatility, loss of principal and interest, creditworthiness and downgrading, default, interest rate, general market and liquidity risks and therefore may increase the risk of loss of original investment.
- The Fund may invest in financial derivative instruments ("FDI") which may expose to higher leverage, counterparty, liquidity, valuation, volatility, market and over the counter transaction risks. The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.
- This investment may involve risks that could result in loss of part or entire amount of investors' investment.
- In making investment decisions, investors should not rely solely on this material.

Note: Dividend payments may, at the sole discretion of the Investment Manager, be made out of the Fund's capital or effectively out of the Fund's capital which represents a return or withdrawal of part of the amount investors originally invested and/or capital gains attributable to the original investment. This may result in an immediate decrease in the NAV per share and the capital of the Fund available for investment in the future and capital growth may be reduced, in particular for hedged share classes for which the distribution amount and NAV of any hedged share classes (HSC) may be adversely affected by differences in the interests rates of the reference currency of the HSC and the base currency of the Fund, particularly if such HSC are applying the IRD Neutral Policy.

ALLIANZGI FIXED INCOME | JULY 2025

Allianz Global Opportunistic Bond

2025 Mid-year update

We are pleased to provide you with our mid-year update on the Allianz Global Opportunistic Bond Fund (the Fund), covering market developments through the second quarter of 2025 and outlining how the Fund is positioned. The first half of the year has been marked by significant dispersion in performance across global fixed income markets, particularly between dollar-denominated and non-dollar-denominated securities. These dynamics have had a material impact on the performance of the fund and are strongly influencing our strategic views as we focus on market trends for the next six to nine months.

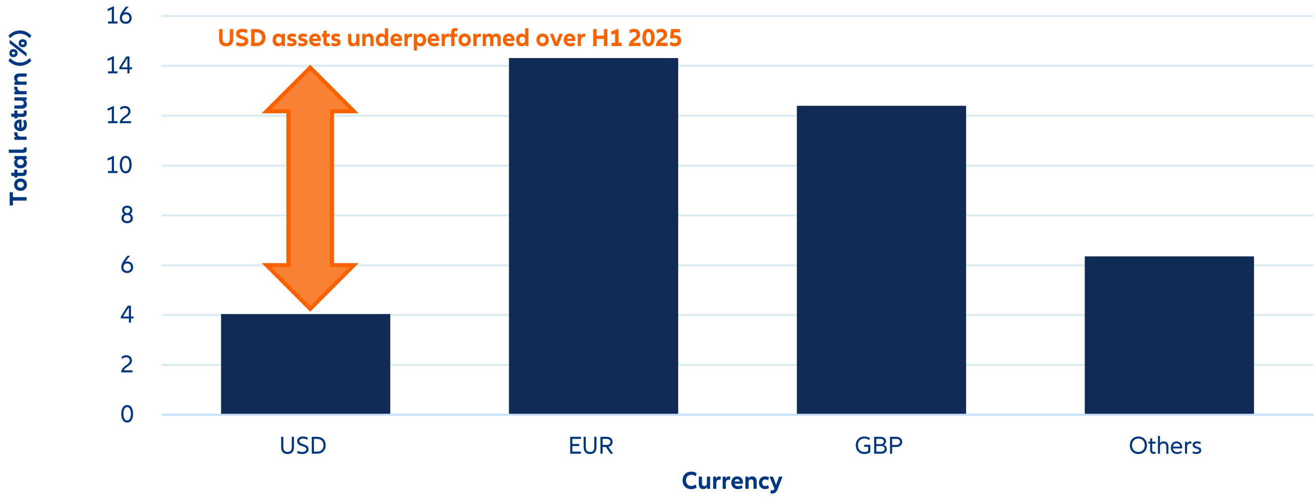
Performance update	Class AMg (USD) Dis.	Benchmark: SOFR Index	Relative
YTD to 30 June 2025	4.86%	2.20%	+2.66%
Q2 2025	**2.40%**	**1.10%**	**+1.30%**
Q1 2025	2.40%	1.09%	+1.31%
1 year	5.81%	4.86%	+0.95%

Source: Allianz Global Investors and IDS GmbH, as at 30 June 2025. Fund performance is based on Class AMg (USD) Distribution, NAV to NAV basis in denominated currency of the respective share class with gross dividends re-invested. Benchmark performance is calculated in denominated currency of the respective share class. Fund performance information: 4.86% (YTD to June 2025), -0.57% (2024), 4.45% (2023), -4.97% (2022), -2.45% (2021) and 6.19% (2020).
Benchmark: Secured Overnight Financing Rate (SOFR)

Global Fixed Income markets: A tale of two worlds

The second quarter of 2025 has underscored a growing divergence in global bond market returns. Dollar-based fixed income portfolios, particularly those concentrated in US Treasuries, have generated limited or negative returns, as markets responded to shifting US macro, trade policy and geopolitical developments. In contrast, non-dollar sovereign debt outperformed meaningfully, aided by currency appreciation and more constructive monetary policy trajectories outside the US.

Year-to-date 2025, Global Aggregate Index total return by currency



Source: Bloomberg Global Aggregate index, total returns YTD to 30 June 2025. Past performance, or any prediction, projection or forecast, is not indicative of future performance.

Drivers of underperformance in US dollar assets and longer-term Treasuries

This underperformance of US dollar-denominated assets is primarily a function of policy shifts and their effect on global capital flows. The Trump administration's decision in April to implement a sweeping package of tariffs – targeting imports from both China and allied nations – has reignited fears of a global trade deceleration and triggered a repricing of risk in US markets.

Importantly, this policy shift has called into question the US dollar's role as the dominant global reserve currency. Foreign central banks and institutional investors have begun to reassess their dollar allocations, both for geopolitical and valuation-related reasons. Concurrently, the long-standing premium paid for US Treasuries – historically viewed as the world's risk-free asset – has narrowed. US risk assets have performed well recently; however, as foreign investors have an outsized impact on the US dollar and longer-term Treasuries, their concerns are likely to affect pricing now and in the future. These dynamics are visible in the US Treasury yield curve. The spread between seven-year and 30-year Treasuries was 30 basis points at the start of the year, but has steepened considerably year-to-date (as 7-year Treasuries have outperformed 30-year Treasuries) as investors now demand greater compensation for holding longer-dated US debt amid rising inflation expectations, fiscal uncertainty and reduced foreign sponsorship. The dollar declined approximately 11% year-to-date, as measured by the US Dollar Index (a basket of major world currencies).

Fund positioning and performance

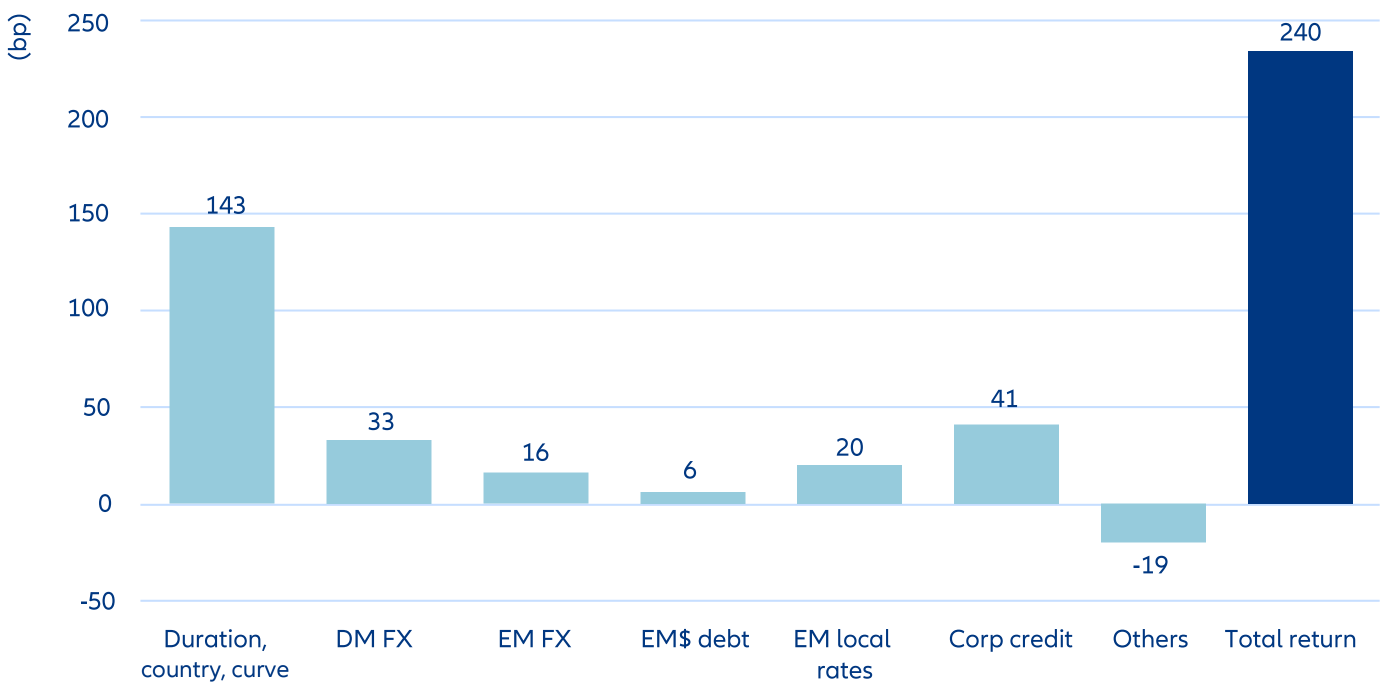
Against this backdrop, the Fund delivered strong performance in Q2, driven in large part by strategic underweights to both the US dollar and the longer end of the Treasury curve. These views have been core to our positioning throughout 2025 and should continue to serve as meaningful alpha contributors.

Specifically:

- Our underweight to the US dollar – expressed via local currency exposures in developed Europe and Asia – generated positive returns as foreign currencies appreciated meaningfully versus the dollar – we retain long positions in the euro, Korean won, Brazilian real and Indonesian rupiah versus short dollar positions.
- Our positioning on the US yield curve to be long front-end US Treasuries versus a short position in the ultra-long end (30-year) part of the curve was one of the key performance drivers over Q2 as the US yield curve continued to steepen. We added to the theme of short 30-year US Treasuries by pairing it with long positions in the UK, Spain and Germany. These additions have been broadly neutral for returns so far, but we remain convinced by the potential for them to outperform in the current environment.

Overall, the portfolio **maintained a high-quality bias**, with a **strong focus on developed market sovereigns** and **minimal reliance on lower-rated credit**.

Fund performance attribution, Q2 2025



Source: Allianz Global Investors , IDS, MSCI BarraOne; return net of fees based on Class AMg (USD) Dis share class from 31 March 2025 – 30 June 2025.

Outlook for the second half of 2025

Looking forward, we continue to see reasons to remain cautious on lower quality credit, longer term US Treasuries and the dollar. While inflationary pressures in the US have moderated somewhat, the risk of structural fiscal imbalances and further trade-related disruptions remains elevated. We expect continued upward pressure on US long-term yields, absent a meaningful shift in policy or a renewed wave of foreign buying.

Our underweight to the longer end of the US Treasury curve remains a key conviction, both as a direct position and as a relative trade against higher-yielding or more stable sovereign curves in other countries. We believe the front end of the curve offers more value, as central bank accommodation will directly influence shorter securities. In credit markets, we continue to exercise caution. Spreads in high yield and emerging market debt remain tight by historical standards, and we view the risk-reward trade off as asymmetric. Volatility in these segments – exacerbated by declining liquidity and episodic flows – makes the case for selective engagement only when valuations become more compelling. We are comfortable maintaining a defensive posture for now and will be patient in increasing exposure to lower-rated credit. Our capital allocation process remains valuation-driven and risk-conscious. We recognise this lowers the fund's income currently but we are confident that through the cycle we will be rewarded for being patient.

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