

Press Release

Allianz Asian Multi Income Plus

- The Fund aims at long-term capital appreciation and income through investments in equity, business trust and interest-bearing security markets with a focus on the Asia Pacific region.
- The Fund is exposed to significant risks which include investment/general market, interest rate changes, creditworthiness, country and region and currency risks.
- The Fund may invest in high-yield (non-investment grade and unrated) investments which may subject to higher risks, such as credit, default, interest rate changes, 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") for efficient portfolio management (including for hedging) which may expose to higher counterparty, liquidity and market risks. The Fund will not invest extensively in FDI for investment purposes.
- Dividend payments may, at the sole discretion of the Investment Manager, be made out of the Fund's income and/or capital which in the latter case 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.
- 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.

Hong Kong, 8 June 2015

AllianzGI sees Reigniting Growth in Asia

- *Global divergence in monetary policies - US Fed rate hike is likely to happen in 2015 with a modest impact; quantitative easing in Europe driving mild recovery*
- *Asia sees a bright outlook with relatively attractive valuation as structural reforms continue*
- *Beijing's policy reforms expect to sustain stock market momentum amid volatility*
- *AllianzGI advocates a "risk-on" approach: dividend payment as a cornerstone to equity returns in Asia*

Allianz Global Investors ("AllianzGI") sees positive outlook in Asia amid various structural reform programmes in the region. Despite the rate hike and profit margin pressure which developed markets are facing, Asia's accommodative monetary policies continue to drive the "Asia is back" growth story.

"The second half of 2015 continues to see a global divergence in monetary policies: While the U.S. market anxiously prepares for the potential US Federal Reserve (Fed) rate hike later this year, we believe the impact would be modest amid the US economic recovery, hence our US market outlook stays largely neutral," comments **Raymond Chan, Chief Investment Officer, Equity Asia Pacific at AllianzGI**. "On the other hand, Europe economic data shows more upside surprises. Benefiting from the greater than expected European Central Bank's (ECB's) quantitative easing programmes, weaker Euro and low oil prices, European equities look relatively attractive from a valuation perspective."

The emerging markets recently outperformed global developed markets as the region bears fruit from accommodative monetary policies. AllianzGI believes the key to growth in Asia lies in the different structural reform programmes. The new leadership in the region has been implementing various initiatives to sustain growth such as Japan's public pension fund shift, China's market liberalisation measures and South Korea's call for corporate transparency. "These measures and widespread rates cut have resulted in significant boost in liquidity across the region. The high real interest rates indicate room for further falls that could generate a market-friendly environment." suggests **Raymond Chan**.

In particular, Japan and China are showing significant progress in their structural reform programmes. The latest success of Abenomics is demonstrated through the record high share buybacks in Japan and a nine-quarter strike of earnings surprise. Despite a weak economy, Japanese equities are supported by weaker Yen and improving profitability.

“As China continues to liberalise its capital markets, the introduction of various onshore investment channels such as the Stock Connect further solidifies the breadth and depth of the A-share market. We believe these are positive and encouraging developments which will ultimately strengthen confidence and interest from foreign institutional investors, creating a sustainable growth momentum for China’s capital markets ,” says **Raymond Chan**.

Supported by the recent rally in the equity market, China has become the world’s second largest equity market by market capitalisation of companies listed on Hong Kong, Shanghai and Shenzhen stock exchanges. Meanwhile, other key Asian markets such as Japan, Korea, India, Thailand and Taiwan, are showing signs for positive, sustainable earnings growth in 2015. Region-wide valuations prove to be attractive. In particular, AllianzGI favours Asian equities with stable dividend yields as well as Asian high yield bonds as corporate fundamentals continue to strengthen in region.

“The rally across various Asian markets over the past few months shows a strong signpost: Asia is back. The Fed rate hike, slower earnings growth in the US and global political crises pose risks and uncertainty to the global economy. Benefiting from the consumption-driven economies and lower commodity prices, Asia is clearly not only a safe heaven but also a hunting ground for global investors,” says **Jenny Yu, Head of Retail Distribution, Greater China at AllianzGI**. “Both Asian equities and high yield bonds offer attractive valuations and return potentials. To meet Asian investors’ quest for yield, a mixed asset portfolio with focus on dividends would be a better way to generate stable income and growth.”

Allianz Asian Multi Income Plus (“the Fund”) adopts a dividend strategy focusing on generating stable returns. The Fund targets an investment strategy of a static allocation of two-thirds higher yielding Asian equities and one-third USD Asian high yield bonds in the portfolio.

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Together with its customers and sales partners, Allianz is one of the strongest financial communities. About 85 million private and corporate customers insured by Allianz rely on its knowledge, global reach, capital strength and solidity to help them make the most of financial opportunities and to avoid and safeguard themselves against risks. In 2014, around 147,000 employees in over 70 countries achieved total revenues of 122.3 billion euros and an operating profit of 10.4 billion euros. Benefits for our customers reached 104.6 billion euros.

This business success with insurance, asset management and assistance services is based increasingly on customer demand for crisis-proof financial solutions for an aging society and the challenges of climate change. Transparency and integrity are key components of sustainable corporate governance at Allianz SE.

About Allianz Global Investors

Allianz Global Investors is a diversified active investment manager with a strong parent company and a culture of risk management. With 24 offices in 18 countries, we provide global investment and research capabilities with consultative local delivery. We have more than EUR454 billion in AUM¹ for individuals, families and institutions worldwide and employ 547 investment professionals.

Understand. Act.

At Allianz Global Investors, we follow a two-word philosophy: Understand. Act. It describes how we look at the world and how we behave. We aim to stand out as the investment partner our clients trust by listening closely to understand their challenges, then acting decisively to provide them with solutions that meet their needs.

¹As of 31 March 2015

For more information, please visit the company's website: www.allianzgi.com.

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