

Press Release

Hong Kong, 22 September 2014

- **Allianz Selection Total Return Asian Equity** aims at long-term capital growth and income, investing primarily in the equity markets in Korea, Taiwan, Thailand, Hong Kong, Malaysia, Indonesia, the Philippines, Singapore and China. **Allianz Selection European Equity Dividend** aims at long-term capital growth, investing primarily in equity-based investments in European markets that are expected to achieve high dividend returns. **Allianz Selection Income and Growth** aims at long-term capital appreciation and income, investing primarily in a combination of U.S. or Canadian equity securities, debt securities and convertible securities. **Allianz Selection US High Yield** aims at long-term capital appreciation and income, investing primarily in U.S. corporate bonds rated below investment grade. **Allianz Selection US Income** aims at long-term capital appreciation and income by investing primarily in U.S. corporate bonds.
 - **Allianz Selection Total Return Asian Equity** is exposed to significant risks which include investment/general market, country and region, currency, emerging market and company-specific risks. **Allianz Selection European Equity Dividend** is exposed to significant risks which include investment/general market, country, European country and company-specific risks. The economic and financial difficulties in Europe may continue to get worse and thus may adversely affect the value of the Fund (such as increased volatility, liquidity and currency risks associated with investments in Europe). **Allianz Selection Income and Growth** is exposed to significant risks which include investment/general market, company-specific, creditworthiness, counterparty, interest rate changes, country and region and currency risks. It may invest in high-yield (non-investment grade and unrated) investments and convertible bonds which may subject to higher risks, such as risk of a call, creditworthiness, default, interest rate changes, general market and liquidity risks and therefore may increase the risk of loss of original investment. **Allianz Selection US High Yield** is exposed to significant risks which include investment/general market, creditworthiness, counterparty, country and region and interest rate changes risks. It may invest in high-yield (non-investment grade and unrated) investments which may subject to higher risks, such as creditworthiness, default, interest rate changes, general market and liquidity risks and therefore may increase the risk of loss of original investment. **Allianz Selection US Income** is exposed to significant risks which include investment/general market, creditworthiness, counterparty, country and region and interest rate changes risks. It may invest in high-yield (non-investment grade and unrated) investments which may subject to higher risks, such as creditworthiness, default, interest rate changes, general market and liquidity risks and therefore may increase the risk of loss of original investment.
 - For RMB hedged share class, the hedging strategy may protect investors against the decline in value of the Base Currency relative to RMB, but investors will not benefit should the Base Currency rise relative to RMB. Hedging transaction costs are borne by the hedged share class only. Investors in hedged share class may be subject to risks associated with counterparty risk related to the hedging instruments, and RMB currency exchange risk should the hedging strategy be ineffective. There can be no assurance that RMB will not be subject to devaluation at some point and the payment of redemption proceeds or distributions (if any) in RMB may be delayed. Non-RMB based investors may be subject to currency exchange risk and incur transaction costs for converting non-RMB currency into RMB for investing in RMB share class.
 - The Fund may invest in financial derivative instruments ("FDI") for hedging and investment purposes which may expose the Fund to higher counterparty, liquidity, market and volatility risks. The Fund will not invest extensively in FDI for investment purpose. The use of derivatives may result in losses to the Fund which are greater than the amount originally invested.
 - 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 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 of the NAV and the capital of the Fund available for investment in the future and capital growth may be reduced. Dividend payments are applicable for Class AM Dis (monthly distribution) and for reference only but not guaranteed. Positive distribution yield does not imply positive return. For details, please refer to the Fund's distribution policy disclosed in the offering documents.

AllianzGI launches RMB denominated retail fund series to capture global investment opportunities

- *Denominated in RMB, the funds' RMB hedged share class enables investors to grow capital and generate income potentials from RMB holdings*
- *Fund series' investment universe covering all asset classes and regions, adopting investment strategies of different risk profiles, to meet the needs of a wide range of investors*
- *Aiming at offering attractive, potential stable returns amid current low interest rate environment*

Allianz Global Investors (“AllianzGI”) today announced the launch of its Allianz Selection Funds Series (“the Funds”), consisting of five funds targeted at retail investors. Hong Kong-registered and RMB denominated, the Funds’ RMB hedged share class offer investors with existing RMB holdings an opportunity to invest in diversified global assets with potential gains in the current low interest rate environment.

The Funds invest in all asset classes across Asia, Europe and the US, including money markets, corporate bonds, high yield bonds, convertible bonds and equities. The Funds’ diverse range of investment strategies aim at accommodating the needs of all types of investors with different risk-return profiles and investment appetites (See Chart 1):

- the US income and US high yield strategies may provide investors with steady income potential derived from lower volatility;
- the income and growth strategy enables flexible investments in US equities and bonds and targets more balanced returns;
- the Asian equity and European equity dividend strategies capture growth potential from rapidly expanding emerging markets and from the gradual economic recovery in Europe, to seek higher potential returns with higher risk tolerance.

Jenny Yu, AllianzGI’s Head of Distribution, Greater China said, “Hong Kong is the world’s largest offshore RMB centre, with over RMB 1 trillion in deposits¹, yet investment options to date have been limited to fixed deposits and RMB Qualified Foreign Institutional Investors funds (RQFII funds). The Selection Fund Series’ RMB hedged share class is settled in RMB, enabling investors holding RMB to add value and diversify risk.”

The investment objectives of Allianz Selection Funds Series’ five Funds are long-term capital appreciation and income:

- Allianz Selection US Income invests primarily in U.S. corporate bonds, aiming at long-term capital appreciation and income
- Allianz Selection US High Yield invests in US high-yield corporate bonds to benefit from the US economic turnaround and the rise in corporate earnings, as well as capital appreciation on declining market yields
- Allianz Selection Income and Growth provides attractive potential returns in the ever-changing US investment market through nimble investment primarily in US assets, such as US equities and convertible bonds
- Allianz Selection Total Return Asian Equity invests in high-growth Asian stock markets, capturing capital appreciation arising from regional economic reform
- Allianz Selection European Equity Dividend invests in European equity markets, aiming to capture steady income opportunities arising from mild economic recovery

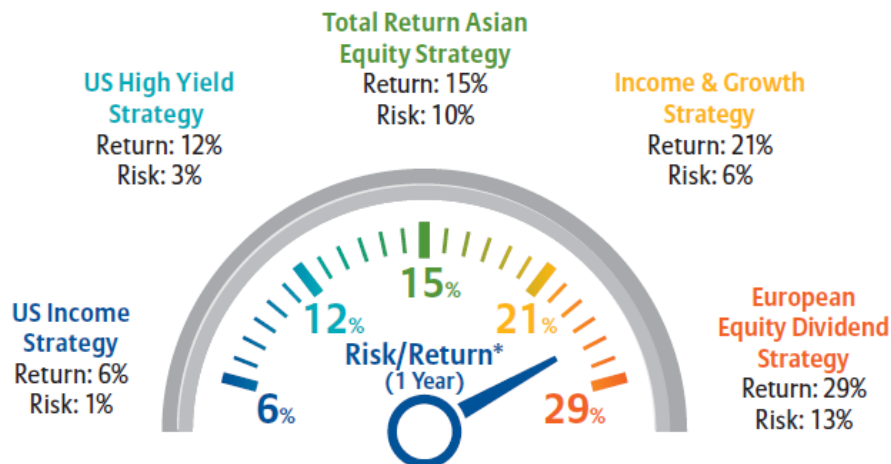
Jenny Yu added, “Following the Fed’s tapering and improved economic and employment figures, interest rates are expected to rise as early as mid-2015 in the US. As other central banks continue to pursue stimulating monetary policies, we expect market volatility to continue for some time. In these uncertain market conditions our Selection Funds Series, which covers all investment asset classes across major markets worldwide, will allow investors to manage their asset portfolios in line with their risk profile. All funds distribute monthly dividends (yields are not guaranteed, dividend may be paid out of capital)^{Note}, providing investors with attractive income potential in the current low interest rate environment.”

¹ Source: Hong Kong Monetary Authority <http://www.hkma.gov.hk/chi/key-information/insight/20140707.shtml>, as at 7 July 2014

Allianz Selection Funds Series is available for subscription by Hong Kong retail investors from 22 September 2014 and the inception date is 14 October 2014.

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Chart 1: Risk Return Profile of Different Investment Strategies*



Source: Morningstar, Bloomberg, BofA Merrill Lynch, Allianz Global Investors, as at 30 June 2014. All data is monthly calculated. US Income Strategy is derived from the performance of BofA Merrill Lynch US Corp 1-5 yrs and BofA Merrill Lynch 0-5 yrs BB-B US High Yield Constrained. US High Yield Strategy is derived from the performance of BofA Merrill Lynch US High Yield Master II Index. Income and Growth Strategy composes of US high yield, US convertible bond and US equities. The relevant data is derived from the performance of BofA Merrill Lynch US High Yield Master II Index, BofA Merrill Lynch All Convertibles All Qualities Index and Russell 1000 Growth Total Return Index. Total Return Asian Equity Strategy is derived from the performance of MSCI AC Far East ex Japan Total Return (Net) in USD. European Equity Dividend Strategy is derived from the performance of MSCI Europe Total Return (Net). *The above risks and returns are for reference only and do not represent any fund performance. The results do not reflect the results of any investment in funds.

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About Allianz Global Investors

Allianz Global Investors ("AllianzGI"), an integral part of Allianz Group's global asset management business, is a diversified active investment manager with a culture of risk management. With 23 offices in 17 countries, we provide global investment and research capabilities with consultative local delivery. We have more than EUR 373 billion in AUM¹ for individuals, families and institutions worldwide and employ over 500 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.

¹ Data as at 30 June 2014

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

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