

Allianz

Asia ex China

Equity

Monthly commentary

- The Fund aims at long-term capital growth by investing in Equities of Asian Markets (excluding PRC) in accordance with environmental and social characteristics. With the adoption of the Sustainability Key Performance Indicator Strategy (Relative) ("KPI Strategy (Relative)"), the Fund aims to achieve the reduction in greenhouse gas emissions ("GHG") of the Fund's portfolio which shall be at least 20% lower than that of its benchmark index within the same period ("Sustainability KPI").
- The Fund is exposed to significant risks of investment/general market, emerging market, country and region, company-specific, currency (such as exchange controls).
- The Fund is exposed to sustainable investment risks relating to KPI Strategy (Relative) (such as 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 or relying on information and data from third party ESG research data providers and internal analyses which may be subjective, incomplete, inaccurate or unavailable). The Fund focuses on the Sustainability KPI which may reduce risk diversifications and may be more volatile compared to broadly based funds. Also, the Fund may be particularly focusing on the GHG emission efficiency of the investee companies rather than their financial performance which may have an adverse impact on the Fund's performance.
- 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.

What Happened in July

The portfolio underperformed the benchmark in July. Key detractor came from stock selection in South Korea and Taiwan, which offset positive stock selection in India. From a sector perspective, stock selection in the health care and information technology were key detractors, although this was partially offset by positive selections in consumer discretionary.

On a single stock basis, top detractors came from a Korean construction and engineering solutions firm, an Indian home loan provider for affordable housing and an Indian non-banking financial company.

On the other hand, key performance contributors came Eternal*, food delivery and "quick commerce" platform in India, a printed circuit board maker in Taiwan and a renewable power producer in Singapore.

Outlook and Strategy

At month end, the top holdings of the portfolio were Taiwan Semiconductor Manufacturing Company (TSMC)*, the leading foundry globally, Samsung Electronics*, the smartphone and memory maker in Korea, and Eternal*.

Over the month, we added positions in National Securities Depository*, India's largest electronic securities depository, a real estate developer in Vietnam, as well as a Taiwanese semiconductor component maker.

To fund this, we sold our holdings in a private port operator in India, a major communications operator in Singapore, and a Taiwanese biopharmaceutical company.

Overall, the portfolio is overweight in Vietnam and Singapore while underweight in Taiwan and Malaysia. On a sector level, the largest sector overweight of the portfolio was consumer discretionary and industrials, while the key sector underweights were energy and consumer staples sectors.

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hk.allianzgi.com

+852 2238 8000

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Source: Bloomberg, Allianz Global Investors, as at 31 July 2025 unless otherwise stated.

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