

Allianz Asian Multi Income Plus

Monthly commentary

- The Fund aims at long-term capital growth and income by investing in equity and bond markets in Asia Pacific.
- The Fund is exposed to significant risks of investment/general market, interest rate, company-specific, creditworthiness/credit rating/downgrading, default, valuation, sovereign debt, country and region, emerging market, asset allocation, volatility and liquidity, currency (such as exchange controls, in particular RMB), and the adverse impact on RMB share classes due to currency depreciation.
- The Fund may invest in the China A-Shares market directly via the Stock Connect or other foreign access regimes and/or other permitted means and/or indirectly through all eligible instruments and thus is subject to the associated risks (including quota limitation, change in rule and regulations, repatriation of the Fund's monies, trade restrictions, China market volatility and uncertainty, potential clearing and/or settlement difficulties, change in economic, social and political policy in PRC and Mainland China tax risks).
- 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.
- 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.
- 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 October

Asia Pacific ex Japan equities moved higher again in October buoyed by a rally in the regional tech sector. Taiwan and South Korea led the way, helped by upbeat quarterly earnings from mega-cap tech names in the US. Indian equities recovered some of their previous losses as optimism over bilateral negotiations with the US lifted sentiment. On the other hand, China equities saw some profit taking after the previous strong rally. Heightened US-China trade tensions were a catalyst for the sell down. Australian equities fell as investors took profits on mining stocks after gold corrected sharply. Elsewhere, ASEAN equities rose modestly. Thailand was the best performer following recent political upheaval.

For fixed income, October saw notable volatility in U.S. Treasury yields, with the 10-year yield bottoming at 3.94% before retracing to 4.08%, on the back of Powell's hawkish tone at the last Federal Open Market Committee (FOMC) meeting, marking a modest month-on-month decline of 7bps. This is the second consecutive month of 25bps cut in the Fed funds rate. Due to the US government shutting down during the month, the jobs data was not produced. In terms of performance,

Asian credit (JACI Composite) delivered a solid 0.73% return, 0.4% attributed to rates and 0.3% to spread compression. Investment Grade (IG) credits matched this performance, while High Yield (HY) outperformed with a 1.2% return, supported by a 23bps tightening in spreads.

Portfolio Review

The Fund return was positive in USD terms in October.

In the equity portfolio, the top contributor was one of the global leading pure memory semiconductor manufacturers from South Korea. The company reported a strong set of quarterly results towards the end of the month, confirming strong business momentum buoyed by robust global AI-related demand.

On the negative side, a detractor was Tencent*, a leading internet gaming and social media company in China. The stock saw some profit taking after strong gains year to date. With its unique WeChat ecosystem and global gaming assets, Tencent remains well positioned to benefit from further AI application across its various business lines from gaming, advertising, fintech to cloud.

During the month, the key portfolio activity for the equity sleeve continued to focus on adding high dividend paying companies across the region. For example, we initiated a position in one of the largest manufacturers of home appliances and smart technologies in China, offering a dividend yield of over 5%. We also initiated positions in Australian and Chinese telecom companies, which offer up to 4-6% dividend yield. On the other hand, we selectively took profits in some AI-related names following strong year to date gains.

Within the fixed income portfolio, we increased our allocation to High Yield for better carry, while keeping portfolio duration relatively stable.

Outlook and Strategy

Overall, we are cautiously optimistic on the near-term outlook for regional equities. Global trade developments such as higher tariff rates are likely to result in weaker growth. As well as putting pressure on corporate earnings, the visibility of growth is also reduced with some companies declining to provide their usual guidance. Offsetting this to some degree is lower inflation across most Asia Pacific markets. Combined with the weaker US dollar this year, there is flexibility for Asian central banks to lower interest rates. In China, we anticipate there will be further policy support in order to achieve the annual economic growth target.

On the fixed income side, spreads remained tight amid fundamental risks and late-cycle concerns, yet we believe the case for selective buying remains compelling. Importantly, there is little evidence of excessive risk-taking or broad-based deterioration in fundamentals. Pro-cyclical catalysts—such as the Fed's shift toward easing and Germany's fiscal expansion—support a more favorable market backdrop. With risk reduced during the month, positioning has normalized to more neutral levels, reducing the likelihood of forced selling and historically aligning with moderately positive returns. Corporate fundamentals remain broadly intact, external risks are stabilizing, and technicals continue to provide a tailwind. Our base case is for steady performance in Asia credit, supported by constructive sentiment and ongoing spread compression.

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All data are sourced from Bloomberg, IDS and Allianz Global Investors and as at 31 October 2025 unless otherwise stated.

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Investing in fixed income instruments (if applicable) may expose investors to various risks, including but not limited to creditworthiness, interest rate, liquidity and restricted flexibility risks. Changes to the economic environment and market conditions may affect these risks, resulting in an adverse effect to the value of the investment. During periods of rising nominal interest rates, the values of fixed income instruments (including short positions with respect to fixed income instruments) are generally expected to decline. Conversely, during periods of declining interest rates, the values are generally expected to rise. Liquidity risk may possibly delay or prevent account withdrawals or redemptions.

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