

Allianz

Little Dragons

Monthly commentary

- The Fund aims at long-term capital growth by investing in Asian equity markets excluding Japan, with a focus on small-sized and mid-sized companies.
- The Fund is exposed to significant risks of investment/general market, country and region, emerging market, company-specific, currency (such as exchange controls, in particular RMB) and investing in small and mid-sized companies.
- 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 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 May

The Fund underperformed the benchmark over the month. Key detractor came from our positions in India and Taiwan, although it was partly offset by positive stock selection in South Korea. At a sector level, negative stock selection in information technology and consumer discretionary hurt, although it was partly offset by positive stock selection in consumer staples and communication services.

On a single stock basis, key detractors include PG Electroplast*, an Indian electronics manufacturer and assembler, a Chinese beverage company specializing in premium whole-leaf teas, and a cloud services and software provider in China.

Conversely, key contributors include a South Korean cosmetic company, a semiconductor testing solutions company in Taiwan, and Pop Mart*, a Chinese collectible designer toys retailer.

Outlook and Strategy

Across the month, we added three Hong Kong positions including Link REIT*, a real estate investment trust in Hong Kong, a data centre provider, and a shipping logistics company. To fund this, we sold positions in a Thai hotel and resort group, and a Chinese real estate developer.

As at month end, the fund had an overweight exposure to stocks from India and China, whereas stocks from Taiwan and Malaysia were underweight. On a sector level, the fund was overweight in consumer discretionary and health care, while being underweight in financials and utilities.

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

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