

# 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 July

The Fund underperformed the benchmark over the month. Key detractor came from our positions in China, although it was partly offset by positive stock selection in South Korea and India. From a sector perspective, stock selection in consumer discretionary and healthcare were key detractors.

On a single stock basis, key detractors include Popmart\*, a leading Chinese designer toy company known for its collectible blind boxes, an Australian pharmaceutical company and a Chinese operator in the food and beverage industry. Conversely, key contributors include a Chinese e-glass fabric company, Akeso\*, a Chinese clinical stage biotech company with a focus on oncology, and APR Co\*, a South Korean cosmetic company.

### Outlook and Strategy

Across the month, we added a Vietnam real estate developer, a Chinese bank providing financing for infrastructure, energy and transportation projects and a company which makes high-speed copper cable for artificial intelligence (AI) servers in China. To fund this, we sold positions in a real estate investment trust in Hong Kong, and an Indian pharmaceutical company.

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

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[hk.allianzgi.com](https://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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