

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 February

The Fund outperformed the benchmark over the month. Positive stock selection in China offset some weakness in Taiwan:

On a single stock basis, top contributors included Hanwha Aerospace*, a Korean provider of aircraft and defense solutions, Kingsoft Cloud Holdings*, a Chinese cloud and software company as well as DPC Dash*, a Chinese operator in the food and beverage industry.

On the other hand, a South Korean shipbuilding company, and two Indian holdings, a pharmaceutical company, as well as Rainbow Childrens Medicare*, a healthcare company were top detractors.

Outlook and Strategy

Over the month, we added two holdings in Chinese firms, a cloud and software company and an industrial machinery manufacturer to the portfolio. To fund this, we sold holdings in a Thailand logistics and industrial development company and a printed circuit board producer in Taiwan.

ALLIANZ LITTLE DRAGONS: MONTHLY COMMENTARY


Overall, as at month end the fund had an overweight exposure to stocks from India and Vietnam, whereas stocks from Malaysia and South Korea were underweight.

On a sector level, the fund was overweight in information technology, consumer discretionary and health care, while being underweight in financials and industrials.

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Source: Bloomberg, Allianz Global Investors, as at 28 February 2025 unless otherwise stated.

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