



# Allianz All China Equity

- Capturing attractive opportunities for both onshore and offshore China equities
- A focused portfolio of high conviction stocks that fits the criteria of growth, quality and valuation
- Key investment themes focusing on domestic-driven growth

# Allianz All China Equity

The Fund invests in a holistic portfolio that allows investors to capture opportunities across China equities, regardless of where they are listed. It is also a more efficient way of investing, compared to having separate A-shares / H-shares allocations.

## China's evolving economic importance

- China is the world's second largest economy\* today and the China A-shares markets is the most direct way to access this opportunity.
- Global investors have added significantly to China A-shares exposure since the asset class became more widely accessible. We believe this trend will continue to reflect the size and scale of China's economy and financial markets.

China's equity market may provide investors with broad access to significant opportunities



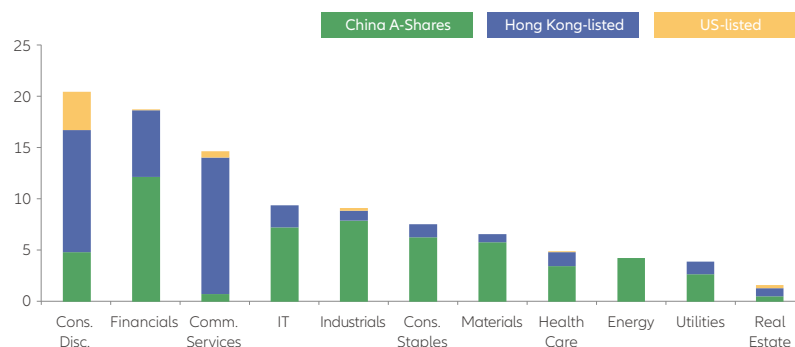
	Shenzhen A-shares	Shanghai A-shares	China Stocks listed in HK	US-listed ADRs	Total	Euro Area
Market cap (USD tn)	3.7	6.4	3.3	1.2	14.6	9.9
Number of stocks	2,852	2,268	1,460	171	6,751	4,613

Source: World Federation of Exchanges (WFE), Hong Kong Stock Exchange, Wind, Top Foreign Stocks, Allianz Global Investors, as of 30 June 2024. The total figures are for comparison only, the stocks included may be listed in more than one exchange. Offshore China stocks are defined based on companies with ultimate parent domiciled in China. Suspended stocks, investment funds and unit trusts are excluded. Source: World Development Indicators database, World Bank, April 2024.

## A wide range of investment opportunities

- China's old growth model was based on low-cost exports. This has already started to change. The future growth model will increasingly be focused on areas such as innovation and the development of new technologies.
- We believe this long-term structural change will result in a wide range of new investment opportunities. Structural growth areas such as consumer, IT, industrials, new materials and health care are better represented in China A-shares markets.

Sector breakdown of MSCI China All Shares Index by listing location (%)

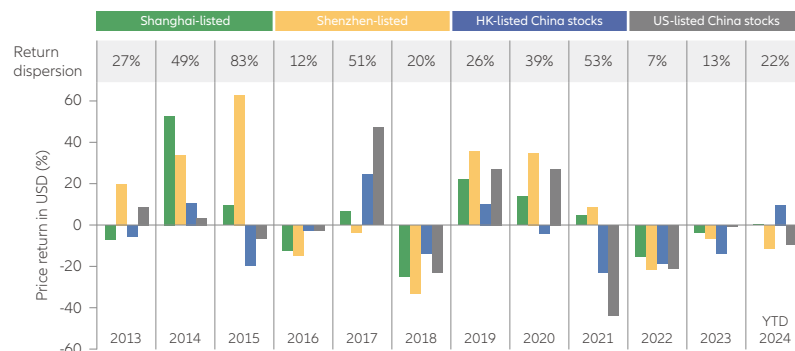


Source: IDS, Allianz Global Investors, as of 30 June 2024. Past performance, or any prediction, projection or forecast, is not indicative of future performance.

## Difficult to time the China equity markets

- Market timing is difficult in the different China equity markets. As illustrated in the chart, the annual performance gap between the best and the worst performing China equity markets can be as high as 83%. The disparity is huge, considering that they share the same macro backdrop.
- Our "All China" approach only seeks to add value through stock selection, rather than market or sector allocation.

Calendar year return for different China equity markets



Source: LSEG Datastream, Allianz Global Investors, as of 30 June 2024. Index used for calculation: Shanghai SE Composite Index, Shenzhen SE Composite Index, Hang Seng China Enterprises Index, and BNY Mellon China ADR Index. Investment involves risks. Past performance is not indicative of future performance. Individual performance will vary.

## Fund Features

### A comprehensive China equity strategy

- The Fund invests holistically across China equities irrespective of whether they are listed in Shanghai, Shenzhen, Hong Kong, New York and so on.
- It has a similar allocation to MSCI China All Share Index (close to 50% China A, 50% offshore China), which is a more balanced representation of growth opportunities in China.

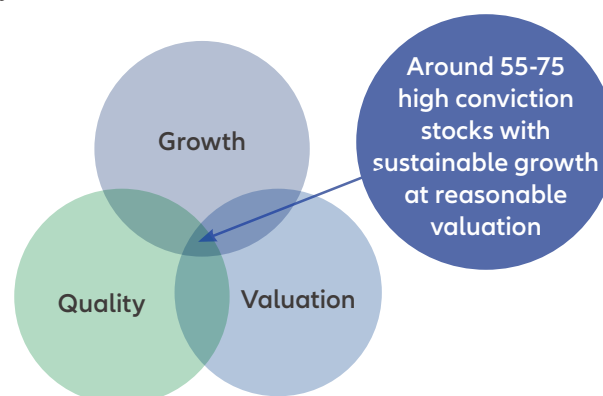
40% in China A Shares listed in Shanghai and Shenzhen

60% in offshore China equities listed in Hong Kong, New York, etc.

### Investing with conviction

- By applying three key criteria – growth, quality and valuation, the Fund aims to build a high conviction portfolio of around 55-75 high conviction stocks that may offer exposure to China's long-term economic growth potential across various sectors.
- The investment team places great importance on in-depth due diligence for stock selection by conducting approximately 1,000 company meetings and site visits yearly. The team also leverages on deep local expertise and unique Grassroots Research®, as well as ESG Research, which provide valuable market insights, in order to make the best investment decisions.

#### Key stock criteria



Source: Allianz Global Investors. Information herein is valid as at the time of publication. During any given stage of the investment process, the selection criteria may vary from those shown above. The diagrams above reflect the typical investment process applied to this strategy/fund. At any given time, other criteria may affect the investment process. The Grassroots Research® division of Allianz Global Investors commissions investigative market research for asset-management professionals. Research data used to generate Grassroots Research® reports are received from independent, third-party contractors who supply research that, as far as permissible by applicable laws and regulations, may be paid for by commissions generated by trades executed on behalf of clients.

### Diverse opportunities in China's growth story

The Fund provides access to China's long-term growth drivers

- Self-sufficiency – Technology catch-up drives import substitution and market share gains across a broad range of industries – software, semiconductors, healthcare and energy supply.
- Artificial Intelligence – An expanding ecosystem of technology hardware such as servers, power management systems in support of computing chips and software.
- Innovation-enabled upgrade – Enhanced digitalisation to upgrade productivity and profitability of China's manufacturing base, including sectors such as power grid, industrial automation and autonomous driving.
- Domestic consumption – Focus on the rising market share of domestic brands, often with lower price points, as consumers seek value for money in the challenging macro environment.
- Capital market reform – Enhancement of capital markets as a funding source for future growth to benefit select financial services companies. More focus on shareholder returns through share buybacks and higher dividends.

#### Areas where we see sustained growth potential



Self-sufficiency



Artificial Intelligence



Innovation-enabled upgrade



Domestic consumption



Capital market reform

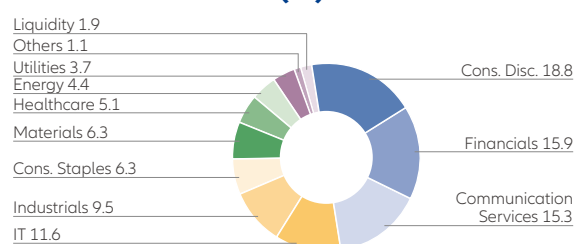
Source: Allianz Global Investors, as of 2024. During any given stage of the investment process, the selection criteria may vary from those shown above. The diagrams and statements above reflect the typical investment process applied to this strategy/fund. At any given time, other criteria may affect the investment process.

# Fund Highlights

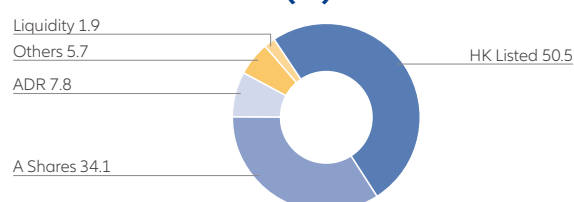
## Top 10 Holdings

	Sector	%
Tencent Holdings Ltd	Communication Services	9.9
China Construction Bank	Financials	5.9
Alibaba Group Holding	Cons. Disc.	5.1
China Merchants Bank Co	Financials	4.3
PetroChina Co	Energy	3.8
PDD Holdings Inc	Cons. Disc.	3.5
China Yangtze Power Co	Utilities	2.6
NetEase Inc	Communication Services	2.6
Ping An Insurance (Group)	Financials	2.6
Meituan	Cons. Disc.	2.5
<b>Total</b>		<b>42.8</b>

## Sector Allocation (%)



## Shares Allocation (%)



## Fund Details

Share Class	Class AT (USD) Acc.	Class AT (H2-RMB) Acc.	Class AT (H2-SGD) Acc.
Benchmark <sup>5</sup>	MSCI China All Shares Index Total Return Net		
Fund Manager	Guan Shao-Ping		
Fund Size <sup>1</sup>	USD 485.31m		
Base Currency	USD		
Number of Holdings	61		
Initial Fee	Up to 5%		
All-in-Fee <sup>2</sup>	2.25% p.a.		
Total Expense Ratio <sup>3</sup>	2.29%	2.30%	2.31%
Unit NAV	USD 8.9321	CNY 8.0632	SGD 7.7159
Inception Date	05/12/2017	13/04/2018	13/04/2018
Dividend Frequency	N/A	N/A	N/A
ISIN Code	LU1720050803	LU1794554631	LU1794554557
Bloomberg Ticker	ALACEAT LX	AAATH2R LX	AAATH2S LX

Source: All fund data quoted are Allianz Global Investors/IDS GmbH, as at 30 June 2024, unless stated otherwise.

- The Fund size quoted includes all share classes of the Fund.
- The All-in-Fee includes the expenses previously called management and administration fees.
- Total Expense Ratio (TER): Total cost (except transaction costs) charged to the Fund during the last financial year expressed as a ratio of the Fund's average NAV. For share classes that have been incepted for less than one year as at close of the last financial year (please refer to the Inception Date in the Fund Details table), the TER will be annualised. For share classes incepted after the close of the last financial year, the TER will be reflected as N/A.
- Source: Morningstar, as at 31 May 2024. Copyright © 2024 Morningstar Asia Limited ("Morningstar"). All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.
- From 5 December 2017 to 31 August 2019, the benchmark for the Fund was MSCI All China Total Return Net. With effect from 1 September 2019, the benchmark for the Fund has been changed to MSCI China All Shares Index Total Return Net.

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