Multiple currency share classes (including currency-hedged) available

Active is:

Riding on Asia’s high yield bond markets

Allianz Dynamic Asian High Yield Bond
- Invests primarily in Asian high yield USD-denominated credits, including non-rated credits
- Attractive yield opportunities amidst global low interest rates environment
- Active, dynamic approach to risk management

Q2 2020
Why invest in Allianz Dynamic Asian High Yield Bond (“the Fund”)?

- Governments across the world have been enacting aggressive policy easing to cushion the impact of COVID-19 on their economies, pushing bond yields closer to zero or even negative territory. The period of low/negative yields is therefore expected to persist for longer. In such an environment, Asian USD bonds has been a bright spark to investors given its ability to generate attractive, positive interest income and potential for capital appreciation.

- The Fund aims to invest in bonds issued by dynamic, fast-growing Asian companies identified through fundamental credit research. At the same time, the Fund is being actively managed against potential macro risks.

Attractive valuation of Asian USD bonds

- Valuations of Asian high yield bonds have come in sharply and could offer compelling entry points for long-term investments.

- Asian USD bond valuations have fallen to historic wides, with current credit spread levels for the broad market now dating back to 2011.

- We believe that at current valuations, investors are also more than adequately compensated for the uptick in negative idiosyncratic risk events that the market is expecting to see this year.

Asian USD bonds offer attractive yields

- Asian bonds are a standout asset class with their attractive yields, especially when compared to other regional bond markets where yields remain relatively low.

- Asian USD credits currently yield close to 5%, and rise to over 10% for Asian USD high yield bonds.

Strong recovery after steep drawdowns

- Historically, Asian high yield bonds have benefitted from stronger recoveries after experiencing significant market dislocations. Similarly, we expect the asset class to bounce back from the COVID-19 pandemic.

### Asian High Yield Bonds* – Historical Returns and YTM

<table>
<thead>
<tr>
<th>Period</th>
<th>JACI High Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 – YTD (10 Apr)</td>
<td>-10.6%</td>
</tr>
<tr>
<td>2019</td>
<td>12.8%</td>
</tr>
<tr>
<td>2018</td>
<td>-3.2%</td>
</tr>
<tr>
<td>2017</td>
<td>6.9%</td>
</tr>
<tr>
<td>2016</td>
<td>11.3%</td>
</tr>
<tr>
<td>2015</td>
<td>5.2%</td>
</tr>
<tr>
<td>2014</td>
<td>6.1%</td>
</tr>
<tr>
<td>2013</td>
<td>2.0%</td>
</tr>
<tr>
<td>2012</td>
<td>20.4%</td>
</tr>
<tr>
<td>2011</td>
<td>2.8%</td>
</tr>
<tr>
<td>2010</td>
<td>15.5%</td>
</tr>
<tr>
<td>2009</td>
<td>43.2%</td>
</tr>
<tr>
<td>2008</td>
<td>-17.7%</td>
</tr>
<tr>
<td>2007</td>
<td>5.8%</td>
</tr>
<tr>
<td>2006</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

*Based on J.P. Morgan Asia Credit Index (JACI) – Non-Investment Grade.

The above is for illustrative purposes only and is not a recommendation or advice to buy or sell. Past performance, or any prediction, projection or forecast, is not indicative of future performance.
**Fund Features**

**Monthly dividends**

- The Fund aims to provide long-term capital appreciation and income.

**Allianz Dynamic Asian High Yield Bond AMg (USD) Dis. – Monthly dividend per share**

<table>
<thead>
<tr>
<th>Month</th>
<th>USD per share</th>
<th>Date</th>
<th>PAID</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 Jan 2020</td>
<td>USD 0.06000</td>
<td>14 Jan 2020</td>
<td></td>
</tr>
<tr>
<td>14 Feb 2020</td>
<td>USD 0.06000</td>
<td>14 Feb 2020</td>
<td></td>
</tr>
<tr>
<td>13 Mar 2020</td>
<td>USD 0.06000</td>
<td>13 Mar 2020</td>
<td></td>
</tr>
<tr>
<td>14 Apr 2020</td>
<td>USD 0.06000</td>
<td>14 Apr 2020</td>
<td></td>
</tr>
<tr>
<td>12 Jun 2020</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The dividend per share is as of 15 April 2020. Past payout yields and payments do not represent future payout yields and payments. Historical payments may comprise of distributable income or capital, or both (for further details, please refer to our website).*

**Our investment process**

1. **Global Inputs (Global Policy Council)**
   - Asian Country Analysis and Credit View
   - Macroeconomics
   - Valuations
   - Technicals
2. **Bottom-up Credit Analysis**
   - Market Views
     - Country/Location
     - Currency
     - Duration
     - Yield Curve
     - Credit
3. **Portfolio Construction**
   1. Investment Guidelines
   2. Relative value across the permissible opportunity set
   3. Security Selection
   4. Tactical Overlays (active positions or hedging)
   5. Portfolio Implementation
4. **Portfolio Monitoring & Review**
   - Daily portfolio positioning and risk monitoring
   - Weekly investment strategy meeting
   - Monthly performance and risk review
   - Bi-annual performance and risk review
   - Sell discipline
   - Validation of views & positioning

**Risk Management**

Source: Allianz Global Investors. Information herein is valid as at the time of publication. The information provided above is used to demonstrate our investment approach. It is not a recommendation or advice to buy or sell. There is no guarantee that these investment strategies and processes will be effective under all market conditions and investors should evaluate their ability to invest for the long term based on their individual risk profile, especially during periods of downturn in the market.

**Dynamic best ideas with opportunistic bias**

**Key product features**

- Target higher yielding opportunities
- Identify opportunities in fast-growing Asian companies
- An active approach
- Less constrained approach
- Active management of tactical strategies

Source: Allianz Global Investors. *Based on JPM Asia Credit Index – Non Investment Grade Index, as at 31 March 2020. The above is for illustrative purposes only and is not a recommendation or advice to buy or sell. Information herein is valid as at the time of publication.*

**Historical Asset Class YTM: 5-8%**

Predominantly invested in Asian USD high yield credits (typically ~80 - 90%)

Differentiated allocation and positioning compared with benchmark

Capitalise on relative value opportunities

Benchmark aware but no benchmark constraints on countries or sectors

Tactical strategies include allocation to non-USD bonds, cash or macro overlays via derivatives.
Allianz Dynamic Asian High Yield Bond

Fund Highlights

Top 10 Holdings (Country/Location)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Country/Location</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate</td>
<td></td>
<td>3.3</td>
</tr>
<tr>
<td>China Evergrande</td>
<td>Fix 8.25%</td>
<td>3.2</td>
</tr>
<tr>
<td>China Evergrande</td>
<td>Group Fix 10.00%</td>
<td>3.2</td>
</tr>
<tr>
<td>Easy Tactic Ltd</td>
<td>Fix 8.125%</td>
<td>2.8</td>
</tr>
<tr>
<td>KWWG Group Holdings</td>
<td>Fix 7.875%</td>
<td>2.5</td>
</tr>
<tr>
<td>CFLD Cayman Investment</td>
<td>Fix 9.000%</td>
<td>2.1</td>
</tr>
<tr>
<td>Scenery Journey Ltd</td>
<td>ETMN Fix 9.000%</td>
<td>2.0</td>
</tr>
<tr>
<td>Ranshine China Fix</td>
<td>10.50%</td>
<td>2.0</td>
</tr>
<tr>
<td>Allianz SGD Income-1/2 USD</td>
<td>Others</td>
<td>2.0</td>
</tr>
<tr>
<td>Kasa Group Holdings Ltd</td>
<td>Fix 11.750%</td>
<td>1.9</td>
</tr>
<tr>
<td>Greenland Glob Invest ETMN</td>
<td>6.750%</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Total: 23.6%

Statistics Summary

Average Coupon: 7.78%
Average Credit Quality by Bloomberg: BB3
Effective Maturity: 3.41 years
Effective Duration: 2.13 years
Yield to Maturity: 16.38%

Fund Details

<table>
<thead>
<tr>
<th>Class AMg</th>
<th>Class AMg</th>
<th>Class AMg</th>
<th>Class AMg</th>
<th>Class AMg</th>
<th>Class AMg</th>
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<th>Class AMg</th>
<th>Class AMg</th>
<th>Class AMg</th>
<th>Class AMg</th>
<th>Class AMg</th>
<th>Class AT</th>
</tr>
</thead>
</table>

Benchmark: JP Morgan Asia Credit Index (JACI) Non-Investment Grade

Fund Manager: Mark Tay

Total Expense Ratio: 1.50% p.a.

Credit Rating Allocation (%)

Liquidity: 4.5%
Others: 1.0%
Others: 0.4%
BBB: 6.5%
BBB: 3.1%
Not Rated: 6.9%

Sector Allocation (%)

Real Estate: 67.2%
Others: 3.2%
Communications: 0.8%
Dr. Fin. Services: 1.9%
Industrial: 2.0%
Utilities: 2.3%
Basic Materials: 3.1%
Government: 3.2%
Consumer, Non-Cyclical: 3.9%
Consumer, Cyclical: 6.0%
Energy: 6.4%

Source: All fund data quoted are Allianz Global Investors/IDS GmbH, as at 31 March 2020, unless stated otherwise.
1. The Fund Size quoted includes all share classes of the Fund.
2. The All-In-Fee includes the expenses previously called management and administration fees.
3. 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.

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