

Allianz Selection Income and Growth

PRODUCT KEY FACTS
 April 2020

- ***This statement provides you with key information about Allianz Selection Income and Growth (the “Sub-Fund”).***
- ***This statement is a part of the offering document.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Manager:	Allianz Global Investors Asia Pacific Limited
Investment Manager:	Allianz Global Investors U.S. LLC (based in United States, internal delegation)
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Dealing Frequency:	Daily (each business day banks and exchanges are open in Hong Kong and United States)
Base Currency:	USD
Dividend Policy:	<p>Class A – distributions (if any) will be distributed annually on 15 July (subject to the Manager’s discretion)</p> <p>Class AM – distributions (if any) will be distributed on 15th of every month (subject to the Manager’s discretion)</p> <p>Class AT – no distributions will be paid and all income will be reinvested</p> <p>Distribution payments may, at the discretion of the Manager, be made out of the Sub-Fund’s income and/or capital. Distributions out of capital may result in an immediate decrease of the net asset value (“NAV”) per unit of the Sub-Fund. The Manager may amend the policy with respect to the payment of distribution out of the Sub-Fund’s income and/or capital subject to the SFC’s prior approval and by giving not less than one month’s prior notice to investors.</p>
Financial year end of the Sub-Fund:	30 June
Minimum Investment:	
Initial	HKD 50,000**
Subsequent	HKD 10,000**

**or equivalent in any other available currency

Ongoing Charges over a year

Class AM HKD / AM USD /	1.40%
AM H2-AUD / AM H2-CAD /	
AM H2-EUR / AM H2-GBP /	
AM H2-NZD / AM H2-SGD [#]	
Class AM H2-RMB*	1.40%

[#]As the unit class is newly set up, best estimate was used for the ongoing charges figure which is calculated based on the estimated costs borne by the Sub-Fund over a 12-month period divided by the estimated average net assets over the same period. It is provided for each unit class available within the Sub-Fund. The actual figure may be different from this estimated figure and may vary from year to year.

*The ongoing charges figures are calculated based on the costs incurred by the Sub-Fund over a 12-month period divided by the average net assets over the same period based on the information in the latest audited financial statement for the year ended 30 June 2019. It is provided for each unit class available within the Sub-Fund. This figure may vary from year to year.

What is this product?

Allianz Global Investors Asia Fund (the “Trust”) is an umbrella unit trust constituted under the laws of Hong Kong pursuant to the Trust Deed. The Sub-Fund is a sub-fund of the Trust.

Investment Objective

The investment objective is to seek to achieve long-term capital appreciation and income by investing primarily in a combination of U.S. or Canadian equity securities, debt securities and convertible securities.

Investment Strategy

The Sub-Fund may invest in multi-asset classes.

The Sub-Fund may invest up to 100% of its NAV in interest bearing securities with a minimum rating of CCC, as rated by Standard and Poor's or any other internationally recognized rating agency at the time of its acquisition and, in the case that no rating is given to the relevant investment, but, in the opinion of the Investment Manager, if such investment was to be rated, it would likely have carried such rating at the time of its acquisition.

The Sub-Fund may invest up to 70% of its NAV in any one of the following asset classes: equities, convertible securities (which may be unrated and may include convertible bonds and convertible preferred shares) and/or high-yield bonds which may be unrated or have a rating of BB+ or below, as rated by Standard and Poor's or any other internationally recognized rating agency at the time of its acquisition and, in the case that no rating is given to the relevant investment, but, in the opinion of the Investment Manager, if such investment was to be rated, it would likely have carried such rating at the time of its acquisition. Investment in mortgage-backed securities and asset-backed securities may not exceed 20% of the Sub-Fund's NAV.

At least 80% of the Sub-Fund's investments as referred to above shall be invested in assets whose issuers are companies that have their registered office in the United States or in Canada, or whose repayment is guaranteed by a company that has its registered office in the United States or in Canada.

The Sub-Fund may invest less than 30% of its NAV in instruments with loss-absorption features (including contingent convertible bonds, senior non-preferred debt securities, instruments issued under the resolution regime for financial institutions and other capital instruments issued by banks or other financial institutions). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

The allocation of the Sub-Fund's investments across asset classes will vary substantially from time to time. The Sub-Fund's investments in each asset class are based upon the Investment Manager's assessment of economic conditions and market factors, including equity price levels, interest rate levels and their anticipated direction.

The Sub-Fund may invest in derivatives such as options, warrants and futures for hedging and investment purposes.

It is not the Manager's current intention to engage in securities lending, repurchase transactions (including reverse repurchase agreements) or similar over-the-counter transactions for the account of the Sub-Fund.

The Sub-Fund may, in aggregate, directly or indirectly invest up to 10% of its NAV in China A shares and B shares.

The Sub-Fund may invest up to 10% of its NAV in securities issued by or guaranteed by any single sovereign issuer (including its government, a public or local authority of that country) with a credit rating below investment grade or with no credit ratings being assigned.

Use of derivatives/investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's NAV.

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risk factors.

1. Investment Risk/General Market Risk

- The Sub-Fund is an investment fund. There is no guarantee of the repayment of principal. The instruments invested by the Sub-Fund may fall in value.
- The Sub-Fund invests in securities, and is exposed to various general trends and tendencies in the economic situation as well as markets, especially in the securities markets, which are partially attributable to irrational factors. Such factors could lead to substantial and longer-lasting drops in prices affecting the entire market. Securities from top-rated issuers are subject to essentially the same general market risk as other securities and assets.

2. Company-specific Risk

- The assets of the Sub-Fund are mainly invested in securities and may be affected by company-specific factors, such as the issuer's business situation. If a company-specific factor deteriorates, the price of the respective asset may drop significantly and for an extended period of time, possibly even without regard to an otherwise generally positive market trend. This may have an adverse impact on the Sub-Fund and/or the investors.

3. Creditworthiness Risk

- The creditworthiness (solvency and willingness to pay) of the issuer of an asset in particular of a security or money-market instrument directly or indirectly held by the Sub-Fund may subsequently fall. This usually leads to a decrease in the price of the asset greater than that caused by general market fluctuations.
- The debt securities held by the Sub-Fund may be downgraded and may fall in value. This will also lead to a fall in the NAV of the Sub-Fund.

4. Counterparty Risk

- To the extent that transactions are not handled through an exchange (OTC trades), there is a risk that a counterparty may default or not completely fulfil its obligations in addition to the general risk of settlement default. This is particularly true of OTC financial derivative instruments and other transactions based on techniques and instruments. A default of the counterparty might result in losses for the Sub-Fund.

5. Risk of Interest Rate Changes

- To the extent that this Sub-Fund invests in interest-bearing securities (e.g. debt securities including convertible debt securities, etc.), it is exposed to interest rate fluctuations. If market interest rates rise, the value of the interest-bearing assets held by the Sub-Fund may decline substantially. This applies to an even greater degree if this Sub-Fund also holds interest-bearing securities with a longer time to maturity and a lower nominal interest rate.

6. Specific risks of Investing in High-Yield (Non-Investment Grade and Unrated) Investments and Convertible Bonds

- Investing in high-yield (non-investment grade and unrated) investments and convertible bonds are normally associated with higher volatility, greater risk of loss of principal and interest, increased creditworthiness risk, risk of default, risk of interest rate changes, general market risk and liquidity risk (for example, the asset cannot be sold or can only be sold at a significant discount to the purchase price) than higher rated, lower yielding securities. Such increased risk may have an adverse impact on the Sub-Fund and/or the investors.
- The prices of convertible bonds will be affected by the changes in the price of the underlying equity securities, among other things. Convertible bonds may also have call provisions and other features which may give rise to the risk of a call and, consequently, the value and performance of the Sub-Fund may also be affected as a result.

7. Country and Region Risk

- The Sub-Fund's investments focus on the United States and Canada may increase the concentration risk. The Sub-Fund's investments are, therefore, not as diversified as the investments of global funds. Such concentration tends to result in more volatility than would be expected in a more diversified fund. Consequently, the Sub-Fund is particularly susceptible to the adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events and risks of this region, or of companies based and/or operating in this region. This may adversely impact the performance of the Sub-Fund and/or the value of Units held by investors.

8. Currency Risk

- The Sub-Fund directly or indirectly (via derivatives) holds assets denominated in currencies other than the Base Currency (each a "foreign currency"), it is exposed to a currency risk if foreign currency positions have not been hedged. Any devaluation of the foreign currency against the Base Currency of the Sub-Fund would cause the value of the assets denominated in the foreign currency to fall which may have an adverse impact on the Sub-Fund and/or the investors.
- Units in a Class may be issued with a reference currency (the "Reference Currency") different to the Base Currency of the Sub-Fund. The Manager may seek to hedge to a large extent currency exposure of the underlying investments of the relevant Sub-Fund against the Reference Currency in respect of certain Classes of Units. All profits, losses and expenses associated with such a currency hedging transaction entered into in relation to one or more Classes of Units will be allocated solely to the applicable Class or Classes of Units. There is no guarantee that attempts to hedge currency risk will be successful or that any hedging strategy will eliminate currency risk entirely. The hedging strategy may substantially limit the benefits of any potential increase in the value of the foreign currency.
- Unitholders subscribing in the Sub-Fund in a currency other than the Reference Currency should be aware that exchange rate fluctuations could cause the value of their investments to increase or decrease, relative to the Reference Currency. This may have an adverse effect on the value of their investments.

9. Risk related to distribution out of capital

- Payment of distributions out of capital represents a return or withdrawal of part of the amount investors originally invested and/or capital gains attributable to the original investment.
- Any distributions involving payment of distributions out of the Sub-Fund's capital may result in an immediate decrease in the NAV per distribution unit and may reduce the capital available for the Sub-Fund for future investment and capital growth.
- The distribution amount and NAV of any hedged unit classes of the Sub-Fund may be adversely affected by differences in the interests rates of the reference currency of the hedged unit classes and the base currency of the Sub-Fund, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged unit classes.

10. Derivatives Risk

- The Sub-Fund may invest in derivatives, which may expose the Sub-Fund to higher counterparty leverage, liquidity, valuation, volatility, market and over the counter transactions risks, all of which may adversely impact the net asset value of the Sub-Fund. The leverage component of a financial derivatives instrument ("FDI") can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund.
- The Sub-Fund's use of FDI in hedging and/or for investment purposes may become ineffective and/or cause the Sub-Fund to suffer significant losses.

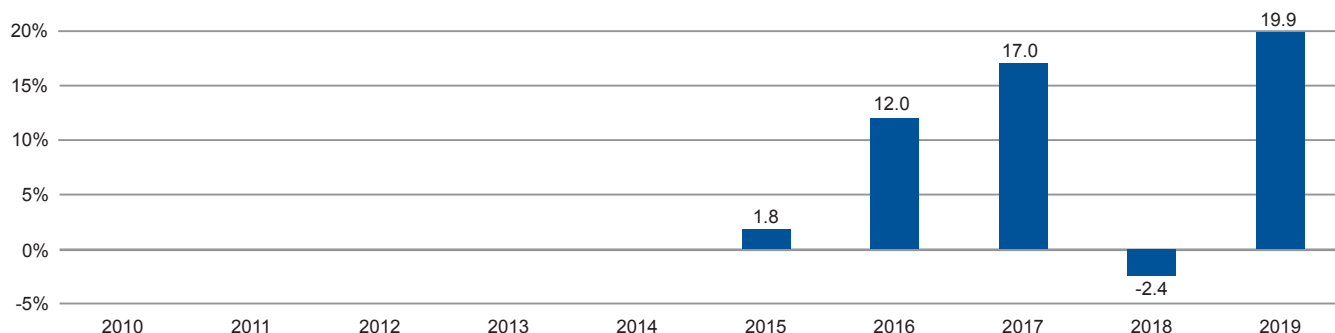
11. Asset Allocation Risk

- The performance of the Sub-Fund is partially dependent on the success of the asset allocation strategy employed by the Sub-Fund. There is no assurance that the strategy employed by the Sub-Fund will be successful and therefore the investment objective of the Sub-Fund may not be achieved. The investments of the Sub-Fund may be periodically rebalanced and therefore the Sub-Fund may incur greater transaction costs than a Sub-Fund with static allocation strategy.

12. Renminbi ("RMB") Risk

- The RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded either onshore in the People's Republic of China ("PRC") ("CNY") or offshore in Hong Kong and other markets outside the PRC ("CNH"). RMB traded onshore in the PRC, CNY, is currently not freely convertible and is subject to exchange control policies and restrictions imposed by the PRC authorities. In general, the daily exchange rate of the RMB against other currencies is allowed to float within a range above or below the central parity rates published by the People's Bank of China each day. Its exchange rate against other currencies, including e.g. USD or HKD, is therefore susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely. The relevant Class of Units denominated in RMB and its investors may be adversely affected by movements in the exchange rates between RMB and other currencies.
- The exchange rate used for a Class of Units denominated in RMB or to calculate the value of RMB-denominated assets is the rate applicable to the CNH. While CNH and CNY represent the same currency, they are traded on different and separate markets which operate independently. As such, the value of CNH could differ, perhaps significantly, from that of CNY and the exchange rate of CNH and CNY may not move in the same direction due to a number of factors including, without limitation, the foreign exchange control policies and repatriation restrictions pursued by the PRC government from time-to-time, as well as other external market forces.
- For Classes of Units denominated in RMB on an unhedged basis, even if the prices of underlying investments and/or value of the Base Currency has risen or remains stable, investors may still incur losses if (i) the RMB appreciates against the currencies of the underlying investments and/or the Base Currency more than the increase in the value of the underlying investments and/or the Base Currency; and (ii) the Sub-Fund holds limited RMB-denominated underlying investments. Furthermore, in the event the RMB appreciates against the currencies of the underlying investments and/or the Base Currency, and the value of the underlying investments decreased, the value of investors' investments in RMB-denominated Classes may suffer additional losses.
- For hedged Classes of Units denominated in RMB, the hedging strategy may protect investors of the RMB hedged Classes against a decline in the value of the Base Currency and/or the currencies of the underlying investments relative to the RMB. However, investors will not benefit from any potential gain in the value of the hedged RMB Class if the Base Currency and/or the currencies of the underlying investments rises against the RMB. The costs relating to such hedging transactions of the RMB hedged Class (which may be significant depending on prevailing market conditions) shall be borne by the relevant Class only. If the counterparties of the instruments used for hedging purpose default, investors of the RMB hedged Classes may be exposed to RMB currency exchange risk on an unhedged basis and may therefore suffer further losses. There is no guarantee that the hedging strategy will be effective and investors may still be subject to the RMB currency exchange risk for non-hedged RMB Classes, as mentioned above.
- The possibility that the appreciation of the RMB will continue to accelerate cannot be ruled out although, at the same time, there can be no assurance that the RMB will not be subject to devaluation. If investors convert HKD or any other currency into RMB so as to invest in the Sub-Fund and subsequently convert the RMB redemption proceeds back into HKD or any other currency, they may incur currency conversion costs and may suffer a loss if the RMB depreciates against the HKD or such other currency. Further, all or part of the subscription monies in a RMB-denominated Class of Units may be converted into a currency other than RMB for investment in underlying securities, while redemption proceeds may be converted into RMB for payment of redemption proceeds. There is also the risk that, in respect of a RMB-denominated Class of Units, payment of redemption proceeds and/or distributions in RMB (if any) may be delayed when there is insufficient amounts of RMB for the purpose of currency conversion for the settlement of redemption proceeds or payment of distributions (if any) in a timely manner due to the exchange controls and restrictions applicable to RMB. In any event, the redemption proceeds will be paid no later than one calendar month after the relevant dealing day and upon receipt of a valid redemption request.

How has the Sub-Fund performed?



- Unit Class*: AM H2-RMB
- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Unit Class increased or decreased in percentage during the calendar year being shown.
- Performance data has been calculated in CNH including on-going charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Sub-Fund inception date: 2014
- Unit Class inception date: 2014

*Representative unit class – Retail unit class that is authorized and launched in Hong Kong with the longest track record.

Is there any guarantee?

This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Sub-Fund.

Fee (Class A/AM/AT)	What you pay
Subscription Fee	Up to 5% of the subscription price per unit
Switching Fee (Conversion Fee)	Up to 5% of the subscription price per unit
Redemption Fee	Not applicable

Ongoing fees payable by the Sub-Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % p.a. of the NAV)
Management Fee (Class A/AM/AT)	Maximum: 2.00% Current: 1.25%
Trustee Fee	0.07% (subject to a minimum annual fee of USD 8,000)
Performance Fee	Not applicable
Administration Fee	Not applicable

Other fees

You may have to pay other fees when dealing in the units of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in the Prospectus.

Additional information

- You generally buy and redeem units at the Sub-Fund's next-determined NAV after the Manager receives your request in good order on or before 5:00p.m. (Hong Kong time) on any dealing day. Intermediaries who sell this Sub-Fund may impose different dealing deadlines for receiving requests from investors. Investors should pay attention to the arrangements of the intermediary concerned.
- The NAV of this Sub-Fund is calculated and the price of units published each valuation day. They are available online at hk.allianzgi.com.
- The compositions of the distributions (i.e. the relative amounts paid out of (i) net distributable income, and (ii) capital) for the last 12 months are available from the Manager on request and also on its website (hk.allianzgi.com).
- Investors may obtain the past performance information of other unit classes offered to Hong Kong investors from the Manager on request and also on the website (hk.allianzgi.com).

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.