ALLIANZ GLOBAL INVESTORS FUND

Allianz HKD Income

Allianz Global Investors

PRODUCT KEY FACTS

August 2020

- ***This statement provides you with key information about Allianz HKD Income (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

Management Company:	Allianz Global Investors GmbH
Investment Manager:	Allianz Global Investors Asia Pacific Limited, based in Hong Kong (internal delegation)
Depositary:	State Street Bank International GmbH, Luxembourg Branch
Dealing Frequency:	Daily; each day banks and exchanges are open in Hong Kong and Luxembourg and major stock exchanges are open in PRC and United States
Base Currency:	HKD
Dividend Policy:	Distribution Shares (Class A) – will be distributed annually on 15 December (subject to the Company's discretion) Distribution Shares (Class AM/AMg) – will be distributed on 15th of every month (subject to the Company's discretion) Accumulation Shares (Class AT) – all income are reinvested Dividend payments may, at the sole discretion of the Company, be made out of the Sub-Fund's income and/or capital (Class A/AM/AMg). The Company may at its sole discretion also pay distribution out of gross income while charging/paying all or part of the Sub-Fund's fees and expenses to/out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital (Class AMg). Distributions out of capital or effectively out of capital may result in an immediate decrease of the NAV per share of the Sub-Fund.
Financial year end of the Sub-Fund:	30 September
Minimum Investment:	
Initial	USD 5,000 (or equivalent amount in other available currencies) or EUR 5,000 or HKD 50,000
Subsequent	USD 1,000 (or equivalent amount in other available currencies) or EUR 1,000 or HKD 10,000
Ongoing Charges over a year*	
Class A / AM / AMg / AT	1.06%

*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 September 2019. It is provided for each share class available within the Sub-Fund. This figure may vary from year to year. It includes All-in-Fee plus the Luxembourg tax (Taxe d'Abonnement) and excludes transaction cost. Rounding differences may occur.

What is this product?

The Sub-Fund is a sub-fund of Allianz Global Investors Fund (the "Company"), which is constituted as an open ended investment company in Luxembourg. It is regulated by Commission de Surveillance du Secteur Financier ("CSSF") in Luxembourg.

Investment Objective

Long-term income by investing in debt securities denominated in Hong Kong Dollar.

Investment Strategy

Sub-Fund assets are primarily invested in debt securities denominated in Hong Kong Dollar. Less than 30% of Sub-Fund assets may be invested in debt securities other than the above.

At least 70% of Sub-Fund assets are denominated in Hong Kong Dollar.

Up to 30% of Sub-Fund assets may be invested in emerging markets.

Up to 30% of Sub-Fund assets may be invested in debt securities which, at the time of acquisition, are rated between BB+ and B- (inclusive) (by Standard & Poor's, Fitch or equivalently by other rating agencies), or if unrated, as determined by the Investment Manager to be of comparable quality.

Up to 30% of Sub-Fund assets may be denominated in offshore Chinese Renminbi and/or other currencies.

Sub-Fund assets may not be invested in asset-backed securities and mortgage-backed securities.

Up to 100% of Sub-Fund assets may be held in deposits and/or invested directly in money market instruments and/or (up to 10% of Sub-Fund assets) in money market funds on a temporary basis for liquidity management and/or defensive purpose and/or any other exceptional circumstances (eg. market crash or major crisis), and if the investment manager considers it in the best interest of the Sub-Fund.

The Sub-Fund may conduct securities lending transactions, over-the-counter ("OTC") based repurchase and/or reverse repurchase transactions and similar OTC transactions in aggregate for up to 80% of the Sub-Fund's assets.

Duration of the assets of the Sub-Fund is below 10 years.

The Sub-Fund may invest less than 30% of its assets 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), of which a maximum of 10% of the Sub-Fund's assets may be invested in contingent convertible bonds. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

Use of derivatives/investment in derivatives

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

What are the key risks?

Investment involves risks. The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. 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 (eg. bonds), and is exposed to various general trends and tendencies in the economic and political situations as well as securities markets and investment sentiment, 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. All these factors may adversely impact the net asset value of the Sub-Fund.
2. **Country and Region Risk**
   - The Sub-Fund's investments focus in Hong Kong, which may increase the concentration risk. 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. The net asset value of the Sub-Fund may be more volatile than a diversified fund.
3. **Emerging Market Risk**
   - The Sub-Fund invests in emerging markets which involve increased risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax, legal, economic, foreign exchange/control, liquidity, regulatory risks, settlement risks, custody risk and the likelihood of a high degree of volatility. The accounting, auditing and financial reporting standards may deviate substantially to the Sub-Fund's detriment. All these factors may adversely impact the net asset value of the Sub-Fund.

4. Interest Rate Risk

- To the extent that this Sub-Fund invests in interest-bearing securities, (eg. bonds and money market instruments), 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. All these factors may adversely impact the net asset value of the Sub-Fund.

5. Creditworthiness Risk/Credit Rating Risk/Downgrading Risk

- The creditworthiness (ability to pay) of the issuer of an asset in particular of a debt security or money-market instrument held by a 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. All these factors may adversely impact the net asset value of the Sub-Fund.
- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- The interest-bearing securities held by the Sub-Fund may be downgraded and may fall in value. This will also lead to a fall in the net asset value of the Sub-Fund. The Investment Manager may or may not be able to dispose of the debt instruments that are being downgraded.

6. Default Risk

- The Sub-Fund is exposed to the credit and default risk of issuers of the debt securities that the Sub-Fund may invest in.

7. 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 and downgrading risk, default risk, interest rate risk, 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), all of which may adversely impact the net asset value of the Sub-Fund.
- Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to prepayment risk, equity movement and greater volatility than straight bond investments. The value of convertible bonds may be affected by the price movement of the underlying securities (i.e. equities), among other things. Convertible bonds may also have call provisions and other features which may give rise to the risk of a call. All these factors may adversely impact the net asset value of the Sub-Fund.

8. Valuation Risk

- Valuation of the Sub-Fund assets may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the Sub-Fund.

9. RMB Debt Securities Risk

- The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the net asset value of the Sub-Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the offshore RMB (CNH) market by the relevant regulator(s).

10. RMB Risk

- The Sub-Fund may invest in assets denominated in offshore Chinese Renminbi. The Chinese Renminbi traded in Mainland China is not freely convertible and is subject to exchange controls, policies and restrictions imposed by the PRC authorities. Such policies may limit the depth of the Chinese Renminbi market available outside of Mainland China, and thereby may reduce the liquidity of the Sub-Fund. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB. The Chinese Renminbi may be subject to devaluation, in which case the value of the investments in Chinese Renminbi assets will be adversely affected.

11. Derivatives Risk

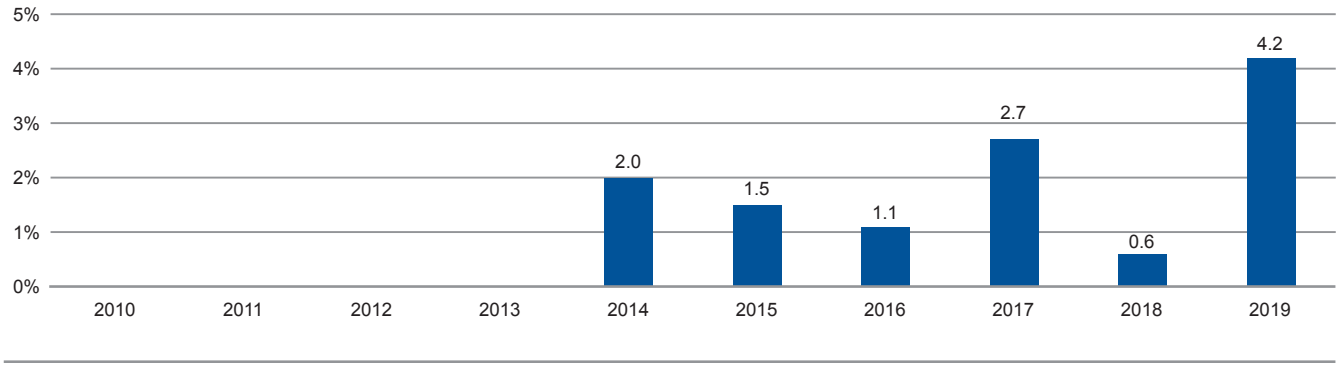
- The Sub-Fund may invest in derivatives, which may expose the Sub-Fund to higher leverage, valuation, volatility, counterparty, liquidity, market and over the counter transaction risks, all of which may adversely impact the net asset value of the Sub-Fund. The leverage component of financial derivative instruments ("**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 efficient portfolio management (including for hedging) may become ineffective and/or cause the Sub-Fund to suffer significant losses.

12. Risk related to Distribution out of Capital and Distribution effectively out of Capital

- The payment of distributions out of capital/distributions effectively 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/distributions effectively out of the Sub-Fund's capital may result in an immediate decrease in the Net Asset Value per Share and may reduce the capital available for the Sub-Fund for future investment and capital growth.
- The distribution amount and NAV of any hedged share classes of the Sub-Fund may be adversely affected by differences in the interests rates of the reference currency of the hedged share 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 share classes.

13. **Risks relating to securities lending transactions**
    - Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.
14. **Risks relating to repurchase agreements**
    - In the event of the failure of the counterparty with which collateral has been placed, the Sub-Fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.
15. **Risks relating to reverse repurchase agreements**
    - In the event of the failure of the counterparty with which cash has been placed, the Sub-Fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realizing collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

How has the Sub-Fund performed?



- Share Class*: AM-HKD
- 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 Share Class increased or decreased in percentage during the calendar year being shown.
- Performance data has been calculated in HKD 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: 2013
- Share Class inception date: 2013

*Representative share class – Retail share 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 shares of the Sub-Fund.

Fee (for Class A/AM/AMg/AT)	What you pay
Subscription Fee	Up to 5% of the NAV
Switching Fee (Conversion Fee)	Up to 5% of the NAV (for switch-in)
Redemption Fee	No Redemption Fee is currently levied

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 (All-in-Fee) (Class A/AM/AMg/AT)	1.00%
Depositary Fee	The Depositary Fee is covered by All-in-Fee
Performance Fee	Not Applicable
Administration Fee	The Administration Fee is covered by All-in-Fee

Other fees

You may have to pay other fees when dealing in the shares of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, please refer to the section headed “FEES AND CHARGES” in the Prospectus for further details.

Additional information

- You generally buy and redeem shares at the Sub-Fund’s next-determined net asset value (NAV) after Hong Kong Distributor/ Hong Kong Representative receives your request in good order on or before 5:00p.m. (Hong Kong time) on any Valuation Day which is also a Hong Kong Business Day.
- Intermediaries who sell this Sub-Fund may impose different dealing deadlines for receiving instructions for subscriptions, redemptions or conversions. Investors should pay attention to the arrangements of the intermediary concerned.
- The net asset value of this Sub-Fund is calculated and the price of shares 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 or since the launch of the Sub-Fund are available from the Hong Kong Representative on request and also on its website (hk.allianzgi.com).
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from the Hong Kong Representative 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.