

DYNAMICALLY MASTERING ALL SITUATIONS

Allianz Dynamic Multi Asset Strategy SRI Funds

- **Allianz Dynamic Multi Asset Strategy SRI 15** aims at long-term capital growth by investing in a broad range of asset classes with a focus on global equity and global bond markets in order to achieve over a medium-to-long term a performance within a volatility range of 3% to 7% per annum, in accordance with environmental and social characteristics. With the adoption of the Socially Responsible Investment (Proprietary Scoring) Strategy ("SRI (Proprietary Scoring) Strategy"), the Fund takes into account sustainability factors based on United Nations Global Compact Principles and follows the principles of "socially responsible investing" ("SRI").
- **Allianz Dynamic Multi Asset Strategy SRI 30** aims at long-term capital growth by investing in a broad range of asset classes with a focus on global equity and global bond markets in order to achieve over a medium-to-long term a performance within a volatility range of 4% to 10% per annum, in accordance with environmental and social characteristics. With the adoption of the Socially Responsible Investment (Proprietary Scoring) Strategy ("SRI (Proprietary Scoring) Strategy"), the Fund takes into account sustainability factors based on United Nations Global Compact Principles and follows the principles of "socially responsible investing" ("SRI").
- **Allianz Dynamic Multi Asset Strategy SRI 50** aims at long-term capital growth by investing in a broad range of asset classes with a focus on global equity and global bond markets in order to achieve over a medium-to-long term a performance within a volatility range of 6% to 12% per annum, in accordance with environmental and social characteristics. With the adoption of the Socially Responsible Investment (Proprietary Scoring) Strategy ("SRI (Proprietary Scoring) Strategy"), the Fund takes into account sustainability factors based on United Nations Global Compact Principles and follows the principles of "socially responsible investing" ("SRI").
- **Allianz Dynamic Multi Asset Strategy SRI 75** aims at long-term capital growth by investing in a broad range of asset classes with a focus on global equity and global bond markets in order to achieve over a medium-to-long term a performance within a volatility range of 10% to 16% per annum, in accordance with environmental and social characteristics. With the adoption of the Socially Responsible Investment (Proprietary Scoring) Strategy ("SRI (Proprietary Scoring) Strategy"), the Fund takes into account sustainability factors based on United Nations Global Compact Principles and follows the principles of "socially responsible investing" ("SRI").
- Some Funds are exposed to significant risks of investment/general market, asset allocation, managed volatility strategy, creditworthiness/credit rating/downgrading, interest rate, default, valuation, sovereign debt, company-specific, target funds, currency and RMB.
- The Funds are exposed to risks relating to SRI (Proprietary Scoring) Strategy investment (such as foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so, or relying on information and data from third party ESG research data providers and internal analyses which may be subjective, incomplete, inaccurate or unavailable). The Funds focus on SRI which may reduce risk diversifications and may have an adverse impact on the performance of the Funds.
- The Funds 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 Funds' net derivative exposure may be up to 50% of the Funds' net asset value.
- These 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, particularly if such HSC are applying the IRD Neutral Policy.



We believe that SRI criteria can help identify and reduce risks in our portfolios.

Q: What is Allianz Dynamic Multi Asset SRI??

Allianz Dynamic Multi Asset Strategy (DMAS) SRI 15/30/50/75 is a family of four funds, each with a different risk profile that aligns with the typical risk and return preferences of investors. The funds are active in various dimensions. Through a dynamic asset allocation process, the portfolio manager varies the weights across multiple asset classes and seeks to achieve superior returns compared to a static allocation. Active security selection of equities and bonds according to our Socially Responsible Investing (SRI) criteria, is in our view key to generating additional returns. Innovative risk management seeks to mitigate downside risks in times of market stress.

Q: Who is the strategy aimed at?

Following one investment strategy, the different allocations of bonds and equities within the Allianz DMAS SRI fund family aim to cater to the different appetites of investors. The lower risk Allianz DMAS SRI 15 is aimed at investors potentially pursuing a more defensive strategy, while the medium-low risk funds Allianz DMAS SRI 30 and 50 as well as the medium-risk fund Allianz DMAS SRI 75 are aimed at investors potentially pursuing a slightly more open strategy. The funds' wealth management approach offers investors a comprehensive investment solution, as it combines asset classes, manages the weights and includes

the expertise of many selection specialists. In terms of time horizon, the funds are aimed at investors with a medium- to long-term time horizon.

Q: What are the objectives of Allianz DMAS SRI, and which asset classes do you invest in?

The funds seek to enhance long-term capital growth over a full market cycle by investing in a broad range of asset classes while mitigating downside risk in times of severe market stress. The funds benefit from diversification by investing in a broad range of asset classes, with a focus on global equities and global bonds hedged in euro which apply SRI approach.¹ The funds aim for returns over the medium term, comparable to a portfolio with a specific volatility range corresponding to the investor's risk appetite.

We strive to enhance returns through investments in emerging markets equities, bonds, including high-yield bonds, and alternative assets such as REITs², inflation-linked bonds, listed private equity or commodities.

Q: Please describe the funds' structure and how you allocate between the different asset classes?

Allianz DMAS SRI 15/30/50/75 are managed following our proprietary Dynamic Multi Asset Plus strategy. An active approach to asset allocation sits at the core of each of the four funds which consists of three components: market cycle analysis, fundamental assessment and active risk management. Each component serves a different purpose. In our systematic market cycle analysis, we use a proprietary rule-based, disciplined asset allocation approach to capture medium-term trends across asset classes. By combining both pro-cyclical and anti-cyclical elements, we aim to invest in the best performing asset classes over time and provide both excess returns and downside risk mitigation. Our fundamental assessment of the macroeconomic situation of financial markets and valuation is the result of the Fundamental Multi Asset Investment Committee (FMAIC). The assessment is based on both qualitative and quantitative inputs, seeking to better identify turning points in markets. This allows us to tactically adjust the asset allocation within our portfolios with the aim of enhancing returns. Our proprietary active risk and stability management approach provides the final component of our asset allocation process, through which we actively manage portfolio risk, seeking to target a significant reduction in downside risk in times of market stress.

Q: How does volatility management work?

Volatility remains an important feature of global financial markets and, we believe, can offer investors attractive opportunities. Our active management allows us to react dynamically to market developments with the aim of mitigating volatility peaks and reducing the range of volatility over the medium to long term. Our starting point is a volatility level suitable for the respective fund profile. For this purpose, an optimised long-term asset allocation is calculated annually. The core investments remain global equities and global bonds hedged in euro, strategically supplemented by opportunistic asset classes. This optimised asset mix serves as the starting point for ongoing adjustments. The fund management is guided by a medium- to long-term volatility target, which is within a predefined narrow bandwidth and is generally not exceeded. The medium- to long-term average volatility target for unit price performance is within a range of 3%-7% p.a. (DMAS 15) / 4%-10% p.a. (DMAS 30) / 6%-12% p.a. (DMAS 50) / 10%-16% p.a. (DMAS 75). To achieve these volatility targets, the exposure to riskier asset classes can be limited to cushion volatility peaks, especially in times of strong fluctuations. In times of low volatility, however, this approach usually leads to a more open-tilted allocation and should make it possible to collect higher risk premia without higher volatility.

Q: Why do you follow a SRI approach?

We believe that SRI criteria can help to identify and reduce risks in our portfolios. ESG (Environmental, Social and Governance) considerations within a multi asset fund combine the benefits of wealth management aimed at enhancing returns and reducing downside risks during difficult market periods.

Q: What is meant by a SRI approach?

The Allianz DMAS SRI fund family applies our Allianz Global Investors' sustainable minimum exclusions³ and additional Paris-aligned Benchmark exclusion to the investable universe. In line with our company research and analysis it invests in companies based on financially relevant and material ESG criteria. The core of our approach consists of a proprietary analysis and scoring methodology. It aims to identify "best" and "worst" practices – i.e., companies that stand out in their industry for particularly sustainable practices or exhibit particularly detrimental practices.

Translated into practice, this means that our proprietary SRI approach excludes all securities issued by companies that are among the 20% with the lowest SRI scorings based on a region- and sector-neutral assessment. At least 80% of the funds assets exhibit environmental and/or social characteristics. Derivatives and non-evaluated instruments by nature, such as cash and deposits, on the other hand, are not subject to any restrictions in relation to SRI criteria. We draw on the expertise of our global teams of specialists with extensive and local knowledge in the areas of multi asset, equities, bonds and sustainability.

Q: How do you manage risk?

Our risk and stability management is based on three pillars:

- Focus on volatility within certain bandwidths
- A dynamic long volatility strategy to potentially cushion losses during sharp market corrections and achieve increased return stability
- Active risk and stability management with a value-at-risk approach aims to reduce the probability of losses

The assessment of the volatility of the portfolio allocation is an important factor, where the aim is to stay in 3%-7% p.a. (DMAS 15) / 4%-10% p.a. (DMAS 30) / 6%-12% p.a. (DMAS 50) / 10%-16% p.a. (DMAS 75) range of volatility of a unit price on average over the medium to long term.

With the dynamic long volatility strategy, we have built further hedging mechanisms into our Allianz DMAS SRI funds. This involves buying derivatives of market volatility (VIX futures) when volatility is low, seeking to provide temporary, low-cost insurance. In the event of an unexpected increase in volatility, VIX futures are expected to increase in value helping to mitigate the negative impact on the portfolio.

Our proprietary active risk and stability management provides the final component of our asset allocation approach through which we actively manage portfolio risk according to the portfolios' risk objectives. Within this framework, we actively manage the downside risk of the portfolio according to the prevailing risk budget,

seeking to stay within pre-agreed levels at times of market stress. For example, if the estimated downside risk of the current portfolio were to exceed the client's pre-defined risk budget, we would increase the allocation to short-term bonds and cash. Alternatively, if the downside risk of the portfolio were to stay within the prevailing risk budget, we would be able to implement the desired portfolio allocation.

Q: What are your main strengths as a Multi Asset team?

We believe our main strength is the bundling of our global expertise. Our Multi Asset portfolios are managed by a global Multi Asset team led by Gregor Hirt, Global CIO Multi Asset. With more than €100 billion in mandates and funds and over 75 investment professionals, the team is one of the largest multi asset managers in Europe and has a legacy of over 70 years of investment experience.⁴ These seasoned investment experts are in constant exchange with our global specialist teams covering multi asset, equities, bonds and sustainability. The Retail Multi Asset Europe Team, led by Marcus Stahlhacke, consists of highly experienced fund managers and senior product specialists and manage the Allianz Dynamic Multi Asset Strategy SRI fund family applying a team approach. Although all portfolios are managed on a team basis and client mandates benefit from the expertise and skills of each team member, ultimately it is Marcus Stahlhacke who has primary responsibility for the final decisions and performance of the funds.

Q: Can you summarise Allianz DMAS SRI in a few sentences?

Investors who invest in the Allianz DMAS SRI fund family have access to a broad investment universe through four different risk-return profiles. Through active asset allocation, we aim to generate additional returns across market cycles. Simultaneously, we strive to reduce risks with our active risk management approach. Finally, our active security selection contributes to identifying what we believe is the best combination of equities, bonds and alternative investments by applying SRI approach.

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¹ Diversification does not guarantee a profit or protect against losses.

² REIT = Real Estate Investment Trust.

³ Details of our exclusion criteria (including weapons, coal, tobacco) can be found here: regulatory.allianzgi.com/ESG/SRI-exclusions

⁴ Through predecessor companies. As at 31/03/2025.

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