Allianz Euroland Equity Growth

Monthly commentary

- The Fund aims at long-term capital growth by investing in Eurozone equity markets with a focus on growth stocks in accordance with environmental and social characteristics. With the adoption of the Sustainability Key Performance Indicator Strategy (Relative) ("KPI Strategy (Relative)"), the Fund aims to achieve the reduction in greenhouse gas emissions ("GHG") of the Fund's portfolio which shall be at least 20% lower than that of its benchmark within the same period ("Sustainability KPI").
- The Fund is exposed to significant risks of investment/general market, country and region, European country and company-specific. The economic and financial difficulties in Europe may get worse and thus may adversely affect the Fund (such as increased volatility, liquidity and currency risks associated with investments in Europe).
- The Fund is exposed to sustainable investment risks relating to KPI Strategy (Relative) (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 Fund focuses on the Sustainability KPI which may reduce risk diversifications and may be more volatile compared to broadly based funds. Also, the Fund may be particularly focusing on the GHG efficiency of the investee companies rather than their financial performance which may have an adverse impact on the Fund's performance.
- The Fund 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 Fund's net derivative exposure may be up to 50% of the Fund's net asset value.
- This 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.

What Happened in October

European equities edged higher in October, overcoming fresh political turmoil in Paris. French Prime Minister Sébastien Lecornu resigned just 26 days after his appointment, having been unable to build an alliance to address the country's deteriorating public finances. President Emmanuel Macron subsequently reappointed Lecornu, who pledged to shelve a contentious pension reform bill and garnered sufficient support for the government to narrowly survive two further confidence votes. News that the Dutch government had seized control of Chinese chipmaker Nexperia on national security grounds weighed on shares and stoked fears of semiconductor supply-chain disruption among carmakers. Nevertheless, optimism ahead of Trump-Xi talks in Asia helped European equities to close the month modestly higher.

OCTOBER 2025

Portfolio Review

The Fund's leading share class gained appreciably in value, however, it lagged its benchmark*. The underperformance was almost entirely due to unfavourable stock-picking. This proved especially disadvantageous in the information technology, industrials and health care areas. Stock-picking in the consumer discretionary and financials sectors was most successful, however. Sector allocation had a moderately positive impact on the overall result. Our overweight exposure to the information technology and energy sectors and our underweight in industrials companies were beneficial. On the other hand, the overweights in communication services and materials stocks as well as the underweight in utilities companies weighed on the fund's leading share class relative performance.

On a single stock basis, our overweight position in a German company operating in the life science tools & services area, together with our underweight positions in a German aerospace & defence company and an Italian automobile manufacturer, helped most. Our overweight positions in two firms from Germany Nemetschek SE* (application software), Scout24* (interactive media & services), as well as Kingspan Group*, an Irish supplier of building products, weighed heavily on the overall outcome.

Outlook and Strategy

The Fund remained overweight euro zone companies with upside potential that does not appear to be sufficiently priced in. Stock-picking focused in particular on identifying factors such as structural competitive advantages that are above long-term averages.

In October, we made only a few minor adjustments to the portfolio.

The fund's top holdings were LVMH*, a French supplier of apparel, accessories & luxury goods, SAP*, a name from the application software sector headquartered in Germany and ASML*, a name from the semiconductor materials & equipment sector headquartered in the Netherlands. The fund's heaviest overweights were Hermes International*, a French supplier of apparel, accessories & luxury goods, Adyen*, a name from the transaction & payment processing services sector headquartered in the Netherlands and Scout24*. On the other hand, a German industrial conglomerate, a Spanish diversified bank anda French aerospace & defence company, were the fund's main underweights at the end of October.

As a result of the fund's specific stock selection approach, the sector and country allocations looked as follows: equities from the consumer discretionary, information technology and communication services were overweight, while the fund only held selective positions in the financials, industrials and utilities. From a regional perspective, the fund had an overweight exposure to stocks from Germany, Ireland and the Netherlands, whereas stocks from Italy, Spain and Belgium were underweight.

All data sourced from Allianz Global Investors, Eurostat, IHS Markit and Office for National Statistics, as at 31 October 2025 unless otherwise stated.

*The information above is provided for the purpose to demonstrate the Fund's investment strategy only, it should not be considered a recommendation nor investment advice to buy or sell any shares of securities. There is no assurance that any securities discussed herein will remain in the Fund at the time you receive this document.

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