

Allianz Global Intelligent Cities Income

Monthly commentary

- The Fund aims at long-term income and capital growth by investing in global equity and bond markets with a focus on companies whose business will benefit from or is currently related to evolution of intelligent cities and connected communities 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, asset allocation, concentration, intelligent cities and connected communities, emerging market, company-specific, creditworthiness/credit rating/downgrading, interest rate, default, valuation, volatility and liquidity and currency (such as exchange controls, in particular RMB), and the adverse impact on RMB share classes due to currency depreciation.
- 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 high-yield (non-investment grade and unrated) investments and convertible bonds which may subject to higher risks, such as volatility, loss of principal and interest, creditworthiness and downgrading, default, interest rate, general market and liquidity risks and therefore may adversely impact the net asset value of the Fund. Convertibles may also expose to risks such as prepayment, equity movement, and greater volatility than straight bond investments.
- 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 April

Global equity markets rebounded sharply in April, reversing the March's drawdown as expectations of de-escalating tensions in the Middle East improved sentiment, although negotiations remain ongoing and the path to resolution is still uncertain. Equity performance was broadly positive across regions, with leadership from the United States and Asian markets tied to the global semiconductor supply chain. Artificial intelligence and technology-related stocks outperformed during the month, driven by renewed optimism around artificial intelligence (AI) adoption and strong earnings results across the ecosystem, while the Nasdaq Composite posted its strongest monthly gain since April 2020 and closed at record

levels. From a sector perspective within the MSCI ACWI, information technology and communication services were the best performing sectors. On balance, health care and energy were the only sectors with negative absolute returns.

On the macro-economic front, the data remained resilient. Non-farm payrolls data showed that the US economy added a better-than-expected 178,000 jobs in March, while the US unemployment rate crept back down from 4.4% in February to 4.3% in March. March Institute of Supply Management (ISM) manufacturing expanded for a third-straight month. US Consumer Price Index (CPI) for March was in line with expectations, rising 0.9% month over month, accelerating from 0.3% in February due to higher energy prices, while core CPI increased 0.2%, below the 0.3% consensus expectation. The US Federal Reserve held the federal funds rate steady at a target rate of 3.50%–3.75%; with four dissenting voters underscored an ongoing debate on the monetary policy outlook. Other major central banks, the European Central Bank, Bank of England, Bank of Japan, and People's Bank of China, also left policy settings unchanged during the month.

Treasuries ended the month slightly lower but largely stabilized after last month's sharp sell-off, with both the 10-year and two-year yields rising modestly. Investors broadly maintained expectations that policy rates will remain unchanged through 2026. US corporate bonds posted gains, recovering some of last month's declines, with high yield (HY) significantly outperforming investment grade credit. HY credit benefited from its shorter duration profile and a renewed appetite for risk.

Commodity markets were again shaped by geopolitical developments. Oil prices remained elevated in April, with Brent crude trading above recent averages amid ongoing disruptions to energy flows through the Strait of Hormuz and continued uncertainty around Middle East supply conditions. Brent Crude closed the month around USD 110 per barrel. Gold prices were range-bound during the month, as expectations for higher interest rates weighed on non-yielding assets. The precious metal ended in April at roughly USD 4,600 per ounce.

Portfolio Review

During the period, Allianz Global Intelligent Cities Income AT-USD share class outperformed its custom benchmark (70% MSCI All Country World Index + 30% ICE BofAML US Corporate & High Yield Index) on a gross- and net-of-fees basis. From a sector perspective, information technologies and industrials were the top absolute contributors. Health care was the only absolute detractor. On a single security basis, our positions in Viavi Solutions Inc.* (Convertible, Communications Equipment), Delta Electronics Inc.* (Equity, Electronic Components), and Lumentum Holdings Inc.* (Convertible, Communications Equipment) contributed to performance. In contrast, our positions in Okta Inc.* (Equity, Internet Services & Infrastructure), a US enterprise software company (Equity, Systems Software), and a US medical device company (Equity, Health Care Supplies) detracted from returns.

Outlook and Strategy

Despite recent volatility, we maintain a constructive longer-term outlook for equities. Ongoing negotiations with Iran have helped provide some additional visibility on the potential path toward de-escalation, although the timing and outlook remains uncertain. At the same time, markets have recently demonstrated a willingness to look through geopolitical uncertainty and refocus on corporate fundamental factors, supported in part by healthy first-quarter earnings results. Within this context, we continue to maintain a balanced portfolio of companies benefiting from innovation and favor those better positioned to navigate a more complex environment. There may be opportunities to upgrade select names and add to high conviction ideas amid any market volatility to better position the portfolio for improved performance.

Over the intermediate term, an improved economic and earnings growth backdrop across more sectors should drive a broadening out effect in the equity market. Many major central banks have cut interest rates or signaled a bias for future cuts to keep financial conditions supportive of economic growth. In the U.S., the Trump administration's pro-business agenda also provides tailwinds through tax cuts, deregulation, domestic investments, and manufacturing reshoring. These

efforts should help stimulate growth for both consumers and corporations across more areas of the economy as the conflict with Iran eases.

The outlook across the ecosystem of innovation and companies involved in intelligent cities remains healthy. Ongoing secular trends, which include the growing demand for data center infrastructure, power grid upgrades, electrification, smart buildings and factories, as well as investments in the energy and industrial transition, provide significant tailwinds for the modernization of cities around the world.

As cities get smarter, they become more livable and more responsive—and today we are seeing only a glimpse of what innovation can do to significantly improve the quality of life in urban environments. Investments are growing to transform cities by improving infrastructure, creating better public services, enhancing transportation and reducing traffic, as well as keeping citizens safe and more engaged in the community. We are excited about the investment opportunities ahead and believe our research driven, bottom-up process across key asset classes is the most effective means to capture the value generated as we build a better future.

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Source: Bloomberg, IDS and Allianz Global Investors and as at 30 April 2026 unless otherwise stated.

On 31/08/2022, Allianz Global Intelligent Cities was re-named to Allianz Global Intelligent Cities Income. There was a material change of the Fund's investment strategy and restrictions. Please refer to the offering documents for details.

Allianz Global Investors and Voya Investment Management entered into a long-term strategic partnership on 25 July 2022, upon which the investment team transferred to Voya Investment Management. This did not materially change the composition of the team, the investment philosophy nor the investment process. Management Company: Allianz Global Investors GmbH. Delegated Manager: Voya Investment Management Co. LLC (“Voya IM”).

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Investment involves risks, in particular, risks associated with investment in emerging and less developed markets. Past performance is not indicative of future performance. Investors should read the offering documents for further details, including the risk factors, before investing. This material and website have not been reviewed by the Securities and Futures Commission of Hong Kong. Issued by Allianz Global Investors Asia Pacific Limited.

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