

# Allianz

# Pet and Animal Wellbeing

## Monthly commentary

- The Fund aims at long-term capital growth by investing in equities of the global equity markets with a focus on the evolution and development of pet and animal wellbeing in accordance with the Sustainability Key Performance Indicator Strategy (Absolute Threshold) ("KPI Strategy (Absolute Threshold)"). The Fund does not constitute as an ESG fund pursuant to the SFC's circular issued on 29 June 2021.
- The Fund is exposed to significant risks relating to investment/general market, concentration, pet and animal wellbeing, emerging market, company-specific 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 (Absolute Threshold) (such as foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, selling securities when it might be disadvantageous to do so, and/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 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 involves 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

The strategy underperformed global equity markets during the month.

### Portfolio Review

Stocks that contributed positively the most to the relative performance in April are a rural lifestyle retailer (the retailer), a pet supplies retailer, and a company that manufactures and distributes household and commercial cleaning products, while stocks that contributed negatively the most are a pharmaceutical company which produces medicines and vaccinations for pets and livestock (the company), a global leader in pet healthcare innovation, and a chemicals company.

An ongoing calendar Q1 2024 reporting season shows current challenges for pet care industry. In pet food segment the growth is driven mainly by pricing while volumes still flat or down, as reported by the world's largest food and beverage

company and the oral care company. In animal health segment vet visit growth remains a key point of discussion as implied by the global leader Laboratories quarter.

We continue to believe these are short term challenges while long term prospects and growth for pet economy remains very attractive and we continue to focus on companies' beneficiaries of this trend.

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All data sourced from Bloomberg, Allianz Global Investors, as at 30 April 2024 unless otherwise stated.

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