

# Allianz Global Sustainability

- A high-conviction Sustainable Responsible Investment fund
- Invests in global equity stocks with sustainable growth and fair valuations
- Aims to have a positive and measurable impact on society

# Allianz Global Sustainability

There is a growing awareness that properly incorporating Environmental, Social and Governance (ESG) analysis can be beneficial for performance over the long run. Using bottom-up fundamental analysis, the Fund invests in companies with superior financial and ESG performance in order to generate competitive financial returns and a positive and measurable impact on society.

## ESG issues are material

- Global sustainability challenges are introducing new risks for investors, and modern investors may seek to re-evaluate traditional approaches to investment. The most common challenges to sustainability are flood risks, rising sea level, privacy and data security, demographic shifts and regulatory pressures.
- Companies prioritising Environmental, Social and Governance (ESG) factors are becoming increasingly attractive to investors as they may potentially generate superior long-term financial performance.

### What is ESG?



Source: Allianz Global Investors. Information herein is valid as at the time of publication.

## Several trends driving the growing appetite for sustainable investment



**Client demand / growing awareness**

- Important flows into Sustainable strategies
- Investors increasingly believe ESG will be the new standard



**Policies & Regulation**

- Growing body of ESG focused and sustainable investment related regulation globally
- Example: EU sustainable Action Plan (EU Taxonomy, SFDR, MiFID II, CSRD)



**Financial performance**

- Research suggests that companies with stronger ESG credentials outperform ESG laggards, even more so in the long term\*

Source: Allianz Global Investors, as of 31 December 2023. ESG: Environmental, Social and Governance. Taxonomy: Regulation (EU) 2020/852 (Taxonomy). SFDR: EU Sustainable Finance Disclosure Regulation. MIFID II: Markets in Financial Instrument Directive II. CSRD: Corporate Sustainability Reporting Directive. \*Source: Khan, Mozaffar and Khan, Mozaffar and Serafeim, George and Yoon, Aaron, Corporate Sustainability: First Evidence on Materiality (November 9, 2016); The Accounting Review, Vol. 91, No. 6, pp. 1697-1724. This does not constitute a recommendation or solicitation to buy or sell any particular security or strategy.

## Reasons to invest sustainably

Companies with robust ESG credentials tend to outperform those with weaker ones, particularly over the long term.

### Performance of MSCI ESG leaders versus MSCI ACWI over the last 10 years



Source: Allianz Global Investors, Bloomberg, August 2024. ESG: Environmental, Social and Governance. Past performance, or any prediction, projection or forecast, is not indicative of future performance.

# Fund Features

## Proven investment process with a positive impact on society

- The Fund is founded on the belief that investment returns can be generated across business cycles by creating a portfolio with superior ESG and financial characteristics.
- Our disciplined investment process of bottom-up fundamental analysis integrates ESG assessment of prospective investments. We focus on companies that exhibit strong records with respect to ESG criteria and financial characteristics, which can help reduce downside risks and help to identify long-term opportunities.

The Fund is constructed to deliver alpha from three distinct sources:

### Stockpicking

- The key driver of returns
- Addressing idiosyncratic risks

### Sustainability

- Significant reduction of tail risks
- Understanding global megatrends



### Quality

- We like relatively higher **predictable sustainable returns**
- Focus on business models, balance sheets and management

Source: Allianz Global Investors. Information herein is valid as at the time of publication. There is no guarantee that these investment strategies and processes will be effective under all market conditions and investors should evaluate their ability to invest for a long-term based on their individual risk profile especially during periods of downturn in the market.

## Long-term consistent performance and experienced investment team

- Allianz Global Investors has been a pioneer in ESG investing since 2000 and Allianz Global Sustainability is one of the longest running SRI strategies in the industry.
- Dedicated portfolio managers and analysts with extensive industry experience are committed to engaging with companies to improve corporate performance on ESG metrics.
- The Fund recorded long-term consistent performance while striving to achieve societal benefit.



AllianzGI's 1<sup>st</sup> SRI strategy

Launched in 1999



Morningstar Sustainability Rating

Five globes rating



Consistent Performance

Strive to create long-term value for both clients and society



ESG Credibility

Strong delivery across key Environmental, Social and Governance criteria

Source: Allianz Global Investors, IDS GmbH, Morningstar, as at 30 September 2024.

## Focus on stockpicking

- The Fund is designed to reflect strong conviction in equities with potential high returns from competitive advantages and barriers to entry, aiming for above-average growth over market cycles.
- The equities chosen for the portfolio fit into one of three categories: Quality GARP (Growth at A Reasonable Price), Contrarian or Special Situations.

### 3 distinct disciplines for stockpicking

#### Quality GARP (Growth at A Reasonable Price) (50-100%)

- Identifying companies that deliver above average growth - often in a leading market position or with specific expertise.
- The ability of businesses to compound returns is structurally misunderstood and undervalued.

#### Contrarian (0-25%)

- Quality businesses are exposed to **excesses and troughs of a business or industry cycle**.
- Market overly discounts the bleakness of the near-term outlook, ignoring many of the factors that determine the true intrinsic value of a stock.

#### Special Situations (0-25%)

- Companies can often be mispriced where poor management, poor communication, one-off costs, or one-off mergers dominate the narrative

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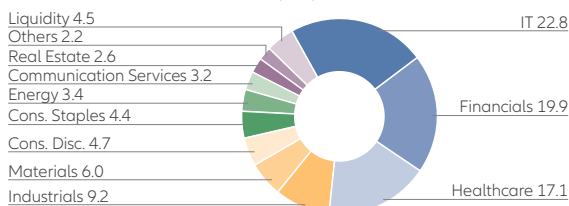


# Fund Highlights

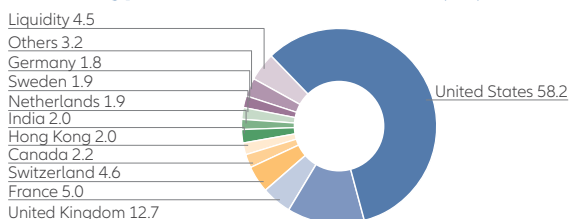
## Top 10 Holdings (Country/Location)

|                              | Sector                 | %           |
|------------------------------|------------------------|-------------|
| Microsoft Corp (US)          | IT                     | 7.3         |
| Alphabet Inc-Cl A (US)       | Communication Services | 3.2         |
| S&P Global Inc (US)          | Financials             | 3.0         |
| Medtronic Plc (US)           | Healthcare             | 3.0         |
| Zoetis Inc (US)              | Healthcare             | 2.8         |
| Amazon.com Inc (US)          | Cons. Disc.            | 2.7         |
| Visa Inc-Class A Shares (US) | Financials             | 2.7         |
| Unilever Plc (GB)            | Cons. Staples          | 2.6         |
| DSM-Firmenich AG (CH)        | Materials              | 2.6         |
| American Tower Corp (US)     | Real Estate            | 2.6         |
| <b>Total</b>                 |                        | <b>32.5</b> |

## Sector Allocation (%)



## Country/Location Allocation (%)



## Fund Details

| Share Class                      | Class A (EUR) Dis.                                  | Class A (USD) Dis. | Class AT (EUR) Acc. | Class AT (USD) Acc. | Class AM (USD) Dis. | Class AM (H2-AUD) Dis. | Class AM (H2-CAD) Dis. | Class AM (H2-RMB) Dis. | Class AM (H2-SGD) Dis. | Class AM (H2-USD) Dis. | Class AMg (USD) Dis. | Class AMg (H2-RMB) Dis. | Class AMgi (H2-SGD) Dis. |
|----------------------------------|---|--------------------|---------------------|---------------------|---------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|-------------------------|--------------------------|
| Benchmark                        | DOW JONES Sustainability World Index (Total Return) |                    |                     |                     |                     |                        |                        |                        |                        |                        |                      |                         |                          |
| Fund Manager                     | Giles Money, Alex Bibani                            |                    |                     |                     |                     |                        |                        |                        |                        |                        |                      |                         |                          |
| Fund Size <sup>3</sup>           | EUR 2,325.52m                                       |                    |                     |                     |                     |                        |                        |                        |                        |                        |                      |                         |                          |
| Initial Fee                      | Up to 5%  |                    |                     |                     |                     |                        |                        |                        |                        |                        |                      |                         |                          |
| All-in-Fee <sup>4</sup>          | 1.80% p.a.  |                    |                     |                     |                     |                        |                        |                        |                        |                        |                      |                         |                          |
| Total Expense Ratio <sup>5</sup> | 1.85%   | 1.85%              | 1.85%               | 1.85%               | 1.85%               | 1.85%                  | 1.85%                  | 1.85%                  | 1.85%                  | 1.85%                  | 1.85%                | 1.85%                   | N/A                      |
| Unit NAV                         | EUR 47.0216   | USD 51.7807        | EUR 153.76          | USD 16.7846         | USD 14.5201         | AUD 16.7248            | CAD 17.1174            | CNY 17.2301            | SGD 13.1869            | USD 13.538             | USD 12.6604          | CNY 15.9309             | SGD 9.9607               |
| Inception Date                   | 02/01/2003  | 02/01/2003         | 30/07/2020          | 29/04/2020          | 01/08/2019          | 16/03/2020             | 16/03/2020             | 16/03/2020             | 02/01/2020             | 02/01/2020             | 01/08/2019           | 16/03/2020              | 15/05/2024               |
| Dividend Frequency               | Annually  | Annually           | N/A                 | N/A                 | Monthly             | Monthly                | Monthly                | Monthly                | Monthly                | Monthly                | Monthly              | Monthly                 | Monthly                  |
| ISIN Code                        | LU0158827195  | LU0158827948       | LU0158827518        | LU0158827781        | LU2023251221        | LU2111350000           | LU2111350182           | LU2106854057           | LU2089284900           | LU2089283258           | LU2028103732         | LU2106854131            | LU2799046565             |
| Bloomberg Ticker                 | DREGLS LX   | DREGSAX LX         | ALGSATE LX          | ALAGSAU LX          | AGSAMUS LX          | ALAGSHA LX             | ALAGSXI LX             | ALAGSAH LX             | ALGSAHS LX             | ALGSAHU LX             | AGSAMGU LX           | ALGSAMG LX              | AGSAUHS LX               |

Source: All fund data quoted are Allianz Global Investors/IDS GmbH/Morningstar, as at 30 September 2024, unless stated otherwise.

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- Source: Morningstar, as at 30 August 2024. Morningstar Sustainability Rating is analyzed out of Global Equity Large Cap funds as of 30 August 2024 and based on 100% of the Fund's AUM. Data is based on long positions only. Historical Sustainability Score as of 30 August 2024. Sustainability Rating as of 30 August 2024. Sustainability provides company-level analysis used in the calculation of Morningstar's Sustainability Score.
- The Fund size quoted includes all share classes of the Fund.
- The All-in-Fee includes the expenses previously called management and administration fees.
- Total Expense Ratio (TER): Total cost (except transaction costs) charged to the Fund during the last financial year expressed as a ratio of the Fund's average NAV. For share classes that have been incepted for less than one year as at close of the last financial year (please refer to the Inception Date in the Fund Details table), the TER will be annualised. For share classes incepted after the close of the last financial year, the TER will be reflected as N/A.

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