

onemarkets

Allianz Conservative Multi-Asset Fund

Website disclosure

1. NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The Sub-Fund will invest minimum of 70% of the Sub-Fund's total assets in investments with environmental and/or social characteristics. Of these investments, a minimum of 1% of the Sub-Fund's total assets will be invested in Sustainable Investments.

Sustainable investments contribute to environmental and/or social objectives, for which the Investment Managers uses as reference frameworks, among others, the UN Sustainable Development Goals (SDGs), as well as the objectives of the EU Taxonomy:

1. Climate Change Mitigation
2. Climate Change Adaptation
3. Sustainable Use and Protection of Water and Marine Resources
4. Transition to a Circular Economy
5. Pollution Prevention and Control
6. Protection and Restoration of Biodiversity and Ecosystems

The assessment of the positive contribution to the environmental or social objectives is based on a proprietary framework which combines quantitative elements with qualitative inputs from internal research. The methodology applies first a quantitative break down of an investee company into its business activities. The qualitative element of the framework is an assessment if business activities contribute positively to an environmental or a social objective.

To calculate the positive contribution on the Sub-Fund level the revenue share of each issuer attributable to business activities contributing to environmental and/or social objectives is considered provided the issuer is satisfying the Do No Significant Harm ("DNSH") and Good Governance principles, and an asset-weighted aggregation is performed as a second step. Moreover, for certain types of securities, which finance specific projects contributing to environmental or social objectives the overall investment is considered to contribute to environmental and/or social objectives, but also for these a DNSH as well as a Good Governance check for issuers is performed.

Sustainable Investments meet the DNSH requirements, as defined by applicable law and regulation. In order to ensure that Sustainable Investments do not significantly harm any other environmental and/or social objective, the Investment Manager is leveraging the PAI indicators, whereby significance thresholds have been defined to identify significantly harmful issuers. Issuers not meeting the significance threshold can be engaged for a limited time period to remediate the adverse impact. Otherwise, if the issuer does not meet the defined significance thresholds twice subsequently or in case of a failed engagement, it does not pass the DNSH assessment. Investments in securities of issuers which do not pass the DNSH assessment are not counted as sustainable investments.

The Investment Manager considers all mandatory principal adverse impacts listed in Annex I Table I of the SFDR-RTS (EU 2022/1288).

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2. ENVIRONMENTAL AND / OR SOCIAL CHARACTERISTICS PROMOTED BY THE FUND

The Sub-Fund promotes Environmental/Social (E/S) characteristics and aims to invest in sustainable investments.

The Sub-Fund promotes environmental, social, human rights, governance, and business behaviour factors (this domain does not apply for sovereigns issued by a Sovereign Entity) through integration of a best-in-class approach into the Sub-Fund's investment process. This encompasses the evaluation of corporate or sovereign issuers based on an SRI Rating which is used to construct the portfolio.

3. INVESTMENT STRATEGY

Investment strategy

The Sub-Fund's investment objective is to invest in a broad range of asset classes, with a focus on global Equity, Bond and Money Markets in order to achieve over the medium-term a performance comparable to a balanced portfolio within a volatility range of 3% to 7% in accordance with the Sustainable and Responsible Investment Strategy (SRI Strategy).

The assessment of the volatility of the capital markets by the Investment Manager is an important factor in this process, with the aim of typically not falling below or exceeding a volatility of the Share price within a range of 3% to 7% on a medium to long-term average, similar to a portfolio consisting of 15% global equity markets and 85% European bond markets. As part of the SRI best-in-class approach, the Sub-Fund takes environmental, social, human rights, governance, and business behaviour factors ("sustainability factors") into account as follows:

- The aforesaid sustainability factors are analysed through SRI Research by the Investment Manager in order to assess how sustainable development and long-term issues are taken into account in the strategy of an issuer. SRI Research means the overall process of identifying potential risks as well as potential opportunities of an investment in securities of an issuer related to the analysis of sustainability factors. SRI Research data combines external research data (which might have some limitations) with internal analyses.
- Based on a combination of the results of the external and/or internal analyses of the sustainability factors, an internal rating is derived monthly (SRI Rating) and is afterwards assigned to a corporate or sovereign issuer.

This internal SRI Rating is used to rank and select or weight securities for the portfolio construction.

The Sub-Fund's general investment approach (Sub-Fund's applicable General Asset Class Principles in combination with its individual investment restrictions) is described in the prospectus.

Good governance

Good governance principles are considered by screening out companies based on their involvement in controversies around international norms corresponding to the four good governance practices: sound management structures, employee relations, remuneration of staff and tax compliance. Companies having a severe violation in either of those areas will not be investible. For certain cases, flagged issuers shall be on a watch list. These companies will appear on this watch list when the Investment Manager believes that engagement may lead to improvements or when the company is assessed to take remedial actions. Companies on the watch list remain investible unless the Investment Manager believes that the engagement or the remedial actions of the company does not lead to the desired remedy of the severe controversy.

In addition, the Sub-Fund's Investment Manager is committed to actively encourage open dialogues with investee companies on corporate governance, proxy voting and broader sustainability issues in advance of shareholder meetings (regularly for direct investments in shares). The Sub-Fund's Investment Manager's approach to proxy voting and company engagement is set out in the Management Company's Stewardship Statement.

4. PROPORTION OF INVESTMENTS

A minimum of 70% of the Sub-Fund's assets (excluding cash and non-rated derivatives) will be invested in investments that are aligned with the environmental and/or social characteristics (#1 Aligned with E/S characteristics). Of these investments, a minimum of 1% of the Sub-Fund's assets will be invested in Sustainable Investments (#1A Sustainable), and the remainder will be invested in investments aligned with other environmental and/or social characteristics

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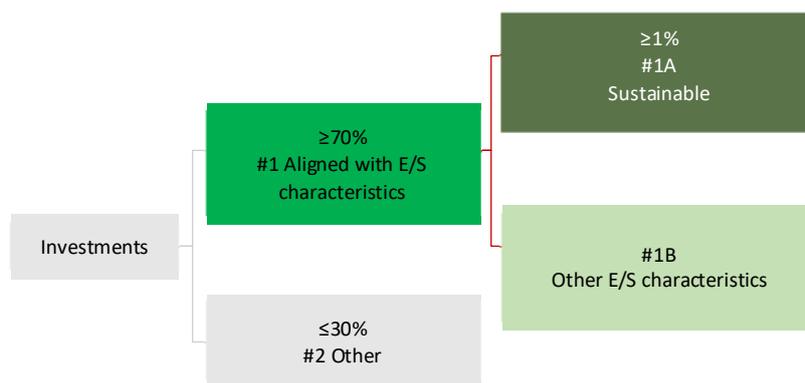
described above (#1B Other E/S characteristics). The Sub-Fund may invest up to 30% of its assets in other investments (#2 Other investments).

The Sub-Fund does not currently commit to investing more than 0% of its assets in Sustainable Investments with an environmental objective aligned with the EU Taxonomy, however, these investments may form part of the portfolio.

The majority of investments are aimed at gaining direct exposures to investee companies.

The Sub-Fund may invest up to 10% of its net assets in UCITS and UCIs eligible under article 41(1)e) of the 2010 Law.

Furthermore, the fund may gain indirect exposure to investee companies due to the use derivatives.



5. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Structured Invest (SI) monitors the handling and monitoring of sustainability risks. Among the different risks deriving from ESG matters the risks for a company which arise climate change poses a significant risk to the long-term financial sustainability of a company. Therefore, a better understanding of the potential impacts of sustainability risks is in the best interest of the investors.

6. METHODOLOGIES

The Sub-Fund is managed according to the Sustainable and Responsible Investment Strategy (“SRI Strategy”) which takes sustainability factors (i.e., environmental, social and employee matters, respect for human rights, anti-corruption, anti-bribery matters, and any other governance matters) into account. The SRI Strategy’s responsible portion aspect includes engagement and proxy voting. The SRI Strategy’s sustainable portion aspect includes the following aspects:

- Environmental characteristics assess securities based on the issuer’s environmental management.
- Social characteristics assess securities based on the issuer’s social responsibility.
- Human rights characteristics assess securities based on the issuer’s respect of human rights in its business conduct.
- Governance characteristics assess securities based on the issuer’s system of rules, practices, and processes by which it is directed and controlled.
- Business behaviour assess securities based on the issuer’s trade relationships and their product safety (this Domain does not apply for securities issued by a Sovereign issuer).

The aforesaid Environment, Social, Human Rights, Governance, and Business behaviour domains are analysed by the Sub-Fund’s Investment Manager in order to assess how sustainable development and long-term issues are taken into account in the strategy of an issuer.

Furthermore, the aforementioned domains (including any sub-categories) are set by the Sub-Fund’s Investment Manager in a certain relationship to each other and define the Sub-Fund’s investment universe which may be used within the framework of the implementation of the SRI Strategy. The SRI Strategy is also based on SRI Ratings to apply negative or positive screens on the Sub-Fund’s investment universe. Based on a combination of the results of the external and/or

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internal analyses of the sustainability factors, an internal rating is derived monthly (the “SRI Rating”) and is afterwards assigned to a corporate or sovereign issuer. SRI Rating is to be understood as an internal rating assessment which is based on SRI Research. Each SRI Rating is therefore based upon the analysis of criteria considering the domains human rights, social, environmental, business behaviour and governance. SRI Ratings may be used to apply negative or positive screens on the Sub-Fund’s investment universe in accordance with the investment objective of the Sub-Fund.

The majority of the Sub-Fund’s assets shall be evaluated by an SRI Rating. The proportion of assets which do not have an SRI Rating is expected to be low. Examples of instruments not attaining to the SRI Rating are cash and deposits, some target funds, and investments with temporarily divergent or absent environmental, social, or good governance qualifications. In addition the Sub-Fund applies a set of minimum exclusion criteria and Sub-Fund specific exclusion criteria which are described in the sub-fund specific section of the Prospectus.

7. DATA SOURCES AND PROCESSING

Data sources

The following data sources are used as input for the Sub-Fund’s regulatory reporting: Moody’s ESG, Sustainalytics, ISS ESG, MSCI ESG.

Measures taken to ensure data quality

The Investment Manager’s Sustainability and Impact Investing team selects third-party data providers through a Request for Proposal (RfP) process, which is applied across the Investment Manager’s organization. Data origin, methodology (qualitative and/or quantitative), raw data points, issuer coverage, resources in place, expertise, granularity of research, approach, IT support, client support, and consistency/quality of data feed are assessed and tested during RfPs.

Processing

Data is sourced from providers directly into the internal cloud-based data lake in line with data strategy of the Investment Manager. The Investment Manager uses technology such as application programming interface (API) and secure file transfer protocol (SFTP) when not made available by providers, allowing close monitoring and a smooth and constant update of data points. Controls apply to data flows and their evolution over time (coverage, expected values, etc.) to track potential issues upstream in the data supply chain.

Proportion of data that are estimated

Without mandatory ESG reporting at company level, estimations are a core component of data providers' methodology.

8. LIMITATIONS TO METHODOLOGIES AND DATA

There are several general limitations which apply. The Sub-Fund may use one or more different third-party research data providers and/or internal analyses. In assessing the eligibility of an issuer based on research, there is a dependence upon information and data from third party research data providers and internal analyses, which may be subjective, incomplete, inaccurate, or unavailable. As a result, there is a risk to incorrectly or subjectively assess a security or issuer. There is also a risk that the Sub-Fund’s Investment Manager may not apply the relevant criteria resulting out of the research correctly or that the Sub-Fund following a Sustainable Investment Strategy could have indirect exposure to issuers who do not meet the relevant criteria of the Sustainable Investment Strategy. The data coverage for the PAI indicators is heterogenous. The data coverage related to biodiversity, water and waste is low and the related PAI indicators are considered either through equivalent data or through exclusion of securities issued by companies having a severe violation/ breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues.

9. DUE DILIGENCE

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The Investment Manager follows a risk-based approach to determine where unique instrument/transaction specific preinvestment checks should be performed by taking into account the complexity and the risk profile of the respective investment, the materiality of the transaction size on the fund's NAV, and the direction (buy/sell) of the transaction.

10. ENGAGEMENT POLICIES

The description of the engagement policies and activities of the Investment Manager can be found under the following link: <https://www.allianzgi.com/en/our-firm/esg/active-stewardship> . The Investment Manager conducts engagement across its offering. Engagement activities are determined on an issuer level. The Investment Manager's engagement strategy rests on 2 pillars: (1) risk-based approach and (2) thematic approach. The risk-based approach focuses on the material ESG risks identified. Engagements are closely related to the size of exposure. The focus of engagements is determined by considerations such as significant votes against company management at past general meetings and sustainability issues identified as below market practice. Engagements can also be triggered by controversies connected to sustainability or governance. The thematic approach either links engagements to the Investment Manager's three strategic sustainability themes - climate change, planetary boundaries, and inclusive capitalism - as well as to governance themes within specific markets or more broadly. Thematic engagements are identified based on topics deemed important for portfolio investments and are prioritized based on the size of the Investment Manager's holdings and considering the priorities of clients.

11. DESIGNATED REFERENCE BENCHMARK

No benchmark has been designated for the purpose of attaining the environmental or social characteristics.