

Product name:

VermögensManagement Chance

Legal entity identifier: 5299000S2PMV3FPLFL25

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

No

It made **sustainable investments with an environmental objective**: \_%

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 27.97% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It made **sustainable investments with a social objective**: \_%

It promoted E/S characteristics, but **did not make any sustainable investments**



## To what extent were the environmental and/or social characteristics promoted by this financial product met?

VermögensManagement Chance (the "Fund") promoted a broad range of environmental and/or social characteristics. The Fund invested at least 50% of its assets following the "Multi Asset Sustainability Strategy" which includes, but is not limited to, various sustainability strategies of the Management Company and/or was invested in Green Bonds and/or Social Bonds and/or Sustainability Bonds and/or SFDR Target Funds as defined in Articles 8 and 9 ("SFDR Target Funds"). An SFDR Target Fund means a target fund whose objective is to promote environmental or social characteristics or sustainable investments in accordance with Article 8 or Article 9 of the Sustainable Finance Disclosure Regulation. Depending on the sustainability strategy chosen by the Investment Manager, the environmental and/or social characteristics promoted included environmental, social, human rights, governance and business conduct factors or investments in companies offering solutions that deliver positive environmental and social results.

In addition, sustainable minimum exclusion criteria were applied.

No reference benchmark has been designated for the purpose of attaining the promoted environmental and/or social characteristics.

- **How did the sustainability indicators perform?**

The following sustainability indicators were used to measure the attainment of the environmental and/or social characteristics, which performed as follows:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- The actual percentage of Fund assets (including derivatives and cash) invested in Green Bonds and/or Social Bonds and/or Sustainable Bonds and/or SFDR Target Funds and/or equities and/or fixed-income securities in line with the Multi Asset Sustainability Strategy was 81.69%.

In the case of direct investments in fixed-income securities or share securities under the Multi-Asset Sustainability Strategy, the binding elements have been complied with.

- The following exclusion criteria were followed:

- Securities issued by companies that, as a result of following problematic practices in the areas of human rights, labour rights, the environment and corruption, seriously violate 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 on Business and Human Rights;

- Securities issued by companies that are involved with controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus and nuclear weapons);

- Securities issued by companies that generate more than 10% of their turnover from weapons and military equipment and services;

- Securities issued by companies that generate more than 10% of their turnover from the extraction of thermal coal;

- Securities issued by utility companies that generate more than 20% of their turnover from coal;

- Securities issued by companies involved in tobacco production and securities issued by companies involved in the distribution of tobacco, amounting to more than 5% of their turnover.

Direct investments in government issuers with an inadequate Freedom House Index were excluded.

The exclusion criteria were based on information from an external data provider and were coded in the ex-ante and ex-post investment limit auditing systems. The data was updated at least every six months.

- ... and compared to previous periods?

Indicator	12.2023	12.2022
The actual percentage of Fund assets (including derivatives and cash) invested in Green Bonds and/or Social Bonds and/or Sustainable Bonds and/or SFDR Target Funds and/or equities and/or fixed-income securities in line with the Multi Asset Sustainability Strategy was	81.69%	76.17%
Confirmation that the exclusion criteria were met throughout the entire financial year	The exclusion criteria were met throughout the entire financial year.	

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

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

The assessment of the positive contribution to the environmental or social objectives was based on a proprietary framework that combines quantitative elements with qualitative inputs from internal research. The methodology first applied a quantitative breakdown of an investee company or issuer into its business activities. The qualitative element of the framework is an assessment as to whether business activities have contributed positively to an environmental or a social objective.

To calculate the positive contribution on the Fund level, the turnover share of each issuer attributable to business activities that contributed to environmental and/or social objectives was considered, provided that the issuer has satisfied the Do No Significant Harm ("DNSH") and good governance principles, and an asset-weighted aggregation was performed as a second step. Moreover, for certain types of securities that finance specific projects that have contributed to environmental or social objectives, the overall investment was considered to contribute to environmental and/or social objectives, but DNSH and good governance reviews for the issuers were performed for these as well.

- **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

In order to ensure that sustainable investments did not significantly harm any other environmental and/or social objectives, the Investment Manager of the Fund leveraged the PAI indicators, whereby significance thresholds were defined to identify significantly harmful issuers. Exposure to issuers not meeting the significance threshold applied for a limited time period as appropriate to remediate the adverse impacts. In the contrary case, if the issuer did not meet the defined significance thresholds twice in succession or if the engagement failed, the issuer did not pass the DNSH review. Investments in securities of issuers that did not pass the DNSH review were not counted as sustainable investments.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

PAI indicators were considered either as part of the application of the exclusion criteria or through thresholds on a sectoral or absolute basis. Significance thresholds were defined that refer to qualitative or quantitative criteria. In the absence of data for some PAI indicators, the DNSH assessment for the following indicators for companies may have used equivalent data points to assess the PAI indicators: Share of non-renewable energy consumption and production, activities negatively affecting biodiversity-sensitive areas, emissions to water and lack of processes and mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises; for government issuers: GHG intensity and investee countries subject to social violations. In the case of securities financing specific projects contributing to environmental or social objectives, appropriate data was used at project level to ensure that sustainable investments did not significantly harm other environmental and/or social objectives.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The methodology used to calculate the proportion of sustainable investments took into account breaches of international standards by companies. The core normative framework consisted of the principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Securities issued by companies that seriously violated these frameworks were not counted as sustainable investments.

*The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria. The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities. Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**How did this financial product consider principal adverse impacts on sustainability factors?**

The Fund takes into account PAI indicators in the DNSH assessment for the part counted as sustainable investment. However, the Fund as a whole does not take the PAI indicators into account as a binding product feature.



## What were the top investments of this financial product?

During the reporting period, the majority of the investments of the financial product comprised equities, fixed-income securities and target funds. Part of the financial product contained assets that do not promote environmental or social characteristics. Examples of such assets include derivatives, cash and deposits. Since these assets were not used to attain the environmental or social characteristics promoted by the financial product, they were not taken into account in determining the top investments. The top investments are the investments with the highest weighting in the financial product. The weighting is calculated as an average of the four valuation dates. The valuation dates are the reporting date and the last day of each third month over a period of nine months counting backwards.

For reasons of transparency, the more detailed classification (at sub-sector level) is indicated for investments falling under the NACE sector "Public administration and defence; compulsory social security" in order to distinguish between investments falling under the sub-sectors "Administration of the State and the economic and social policy of the community", "Provision of services to the community as a whole" and "Compulsory social security activities". For investments in target funds, it is not possible to allocate sectors clearly, as the target funds can invest in securities of issuers from different sectors.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/01/2023 to 31/12/2023

Largest investments	Sector	% Assets	Country
X MSCI USA ESG 1C	N/A	9.51%	Germany
ALLIANZ BEST STYLES US EQ-WT	N/A	7.24%	Luxembourg
AMUNDI MSCI USA SRI PAB	N/A	6.34%	France
INVESCO S&P 500 ESG ACC	N/A	4.39%	United Kingdom
UBS ETF MSCI USA SRI USD ACC	N/A	4.01%	Switzerland
ALLIANZ COMMODITIES-W9 USD	N/A	3.35%	Luxembourg
GLG JAPAN COREALPHA-IXX HEUR	N/A	2.86%	Republic of Ireland
DNB-TECHNOLOGY-A-I-CAP	N/A	2.68%	Luxembourg
ALLIANZ-BE STY SRI EU EQ-WT9	N/A	2.43%	Luxembourg
SISF ASIAN TOT RET-CAUSD	N/A	2.34%	Luxembourg
ALLIANZ-ADVANCED FI EUR - W	N/A	2.29%	Luxembourg
AMUNDI MSCI NORTH AMERICA ES IE000R85HL30	N/A	2.27%	Germany
GUINNESS GLOBAL ENERGY FD-YU	N/A	2.19%	Republic of Ireland



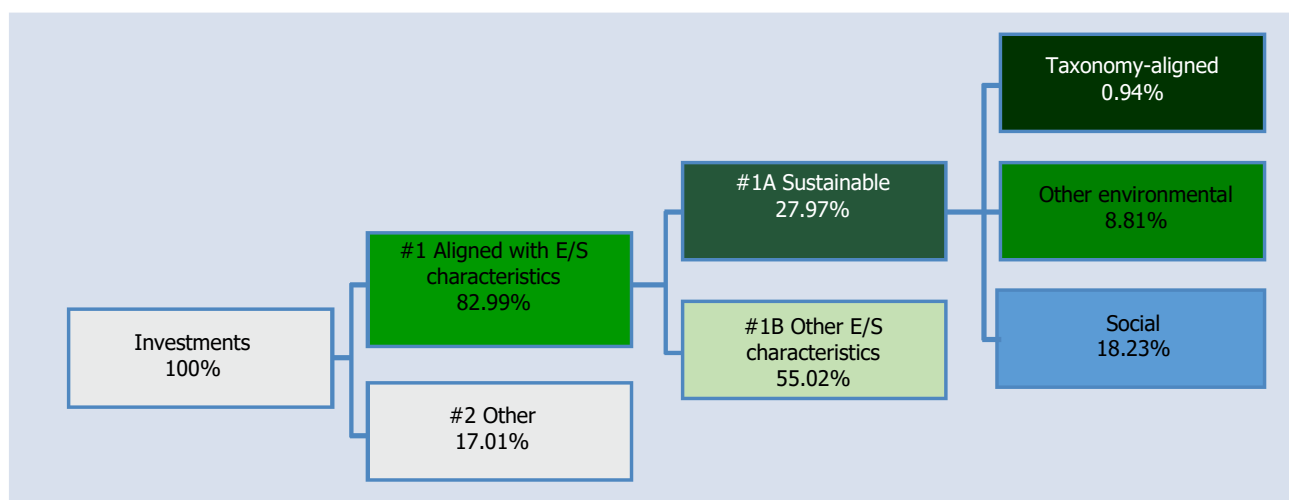
## What was the proportion of sustainability-related investments?

Sustainability-related investments means all investments that contribute to the attainment of the environmental and/or social characteristics of the investment strategy. The majority of Fund assets were used to attain the environmental or social characteristics promoted by this Fund. A low portion of the Fund contained assets that do not promote environmental or social characteristics. Examples of such instruments include cash and cash deposits, certain target funds and investments with temporarily divergent or absent environmental, social, or good governance qualifications.

**Asset allocation**  
describes the share of  
investments in specific  
assets.

- **What was the asset allocation?**

Some economic activities can contribute to more than one sub-category (social, taxonomy-aligned or other environmental objectives) of sustainable investment. This can lead to situations where the sum of investments in these sustainable sub-categories is not consistent with the total share of sustainable investments. Nevertheless, it is ensured that double counting in the overall category of sustainable investment is not possible.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product. **#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- **In which economic sectors were the investments made?**

The table below shows the proportion of the Fund's investments in different sectors and sub-sectors at the end of the financial year. The evaluation is based on the NACE classification of the economic activities of the company or the issuer of the securities in which the financial product is invested. In the case of investments in target funds, a transparency approach is applied to take into account the sectoral and sub-sectoral affiliations of the underlying assets of the target funds in order to ensure transparency around the sectoral exposure of the financial product.

The identification of sectors and sub-sectors of the economy, income from exploration, mining, production, manufacturing, processing, storage, refining or distribution, including transport, storage and trade of fossil fuels as defined in Article 2(62) of Regulation (EU) 2018/1999 of the European Parliament and of the Council, is currently not possible because the evaluation includes only NACE classification levels I and II. The above activities in the fossil fuels sector are in part included as aggregated with other areas under sub-sectors B5, B6, B9, C28, D35 and G46.

	Sector or sub-sector	% Assets
<b>A</b>	<b>AGRICULTURE, FORESTRY AND FISHING</b>	<b>0.00%</b>
A01	Agriculture, hunting and related activities	0.00%
<b>B</b>	<b>MINING AND QUARRYING</b>	<b>3.77%</b>
B05	Mining of coal	0.03%
B06	Extraction of crude petroleum and natural gas	2.36%
B07	Mining of metal ores	0.91%
B08	Other mining and quarrying	0.05%

B09	Mining support service activities	0.42%
<b>C</b>	<b>MANUFACTURING</b>	<b>29.41%</b>
C10	Manufacture of food products	0.47%
C11	Manufacture of beverages	1.13%
C12	Manufacture of tobacco products	0.09%
C13	Manufacture of textiles	0.08%
C14	Manufacture of wearing apparel	0.37%
C15	Manufacture of leather and related products	0.47%
C16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	0.11%
C17	Manufacture of paper and paper products	0.19%
C19	Manufacture of coke and refined petroleum products	2.34%
C20	Manufacture of chemicals and chemical products	2.04%
C21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	3.85%
C22	Manufacture of rubber and plastic products	0.27%
C23	Manufacture of other non-metallic mineral products	0.29%
C24	Manufacture of basic metals	0.55%
C25	Manufacture of fabricated metal products, except machinery and equipment	0.35%
C26	Manufacture of computer, electronic and optical products	9.55%
C27	Manufacture of electrical equipment	0.64%
C28	Manufacture of machinery and equipment n.e.c.	3.07%
C29	Manufacture of motor vehicles, trailers and semi-trailers	2.26%
C30	Manufacture of other transport equipment	0.30%
C31	Manufacture of furniture	0.05%
C32	Other manufacturing	0.94%
C33	Repair and installation of machinery and equipment	0.00%
<b>D</b>	<b>ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY</b>	<b>2.53%</b>
D35	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	2.53%
<b>E</b>	<b>WATER SUPPLY; SEWERAGE; WASTE MANAGEMENT AND REMEDIATION ACTIVITIES</b>	<b>0.20%</b>
E36	Water collection, treatment and supply	0.10%
E37	Sewerage	0.02%
E38	Waste collection, treatment and disposal activities; materials recovery	0.08%
<b>F</b>	<b>CONSTRUCTION</b>	<b>0.82%</b>
F41	Construction of buildings	0.48%
F42	Civil engineering	0.27%
F43	Specialised construction activities	0.07%
<b>G</b>	<b>WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES</b>	<b>4.71%</b>
G45	Wholesale and retail trade and repair of motor vehicles and motorcycles	0.19%
G46	Wholesale trade, except of motor vehicles and motorcycles	1.00%
G47	Retail trade, except of motor vehicles and motorcycles	3.53%
<b>H</b>	<b>TRANSPORTING AND STORAGE</b>	<b>2.15%</b>
H49	Land transport and transport via pipelines	0.99%
H50	Water transport	0.14%
H51	Air transport	0.26%

H52	Warehousing and support activities for transportation	0.54%
H53	Postal and courier activities	0.22%
<b>I</b>	<b>ACCOMMODATION AND FOOD SERVICE ACTIVITIES</b>	<b>0.57%</b>
I55	Accommodation	0.20%
I56	Food and beverage service activities	0.37%
<b>J</b>	<b>INFORMATION AND COMMUNICATION</b>	<b>14.30%</b>
J58	Publishing activities	6.12%
J59	Motion picture, video and television programme production, sound recording and music publishing activities	0.08%
J60	Programming and broadcasting activities	0.30%
J61	Telecommunications	1.38%
J62	Computer programming, consultancy and related activities	2.38%
J63	Information service activities	4.04%
<b>K</b>	<b>FINANCIAL AND INSURANCE ACTIVITIES</b>	<b>26.26%</b>
K64	Financial service activities, except insurance and pension funding	18.59%
K65	Insurance, reinsurance and pension funding, except compulsory social security	4.45%
K66	Activities auxiliary to financial services and insurance activities	3.22%
<b>L</b>	<b>REAL ESTATE ACTIVITIES</b>	<b>1.33%</b>
L68	Real estate activities	1.33%
<b>M</b>	<b>PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES</b>	<b>0.97%</b>
M69	Legal and accounting activities	0.05%
M70	Activities of head offices; management consultancy activities	0.02%
M71	Architectural and engineering activities; technical testing and analysis	0.05%
M72	Scientific research and development	0.62%
M73	Advertising and market research	0.18%
M74	Other professional, scientific and technical activities	0.00%
M75	Veterinary activities	0.05%
<b>N</b>	<b>ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES</b>	<b>0.78%</b>
N77	Rental and leasing activities	0.17%
N78	Employment activities	0.10%
N79	Travel agency, tour operator and other reservation service and related activities	0.21%
N80	Security and investigation activities	0.18%
N81	Services to buildings and landscape activities	0.02%
N82	Office administrative, office support and other business support activities	0.11%
<b>O</b>	<b>PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY</b>	<b>6.66%</b>
O84	Public administration and defence; compulsory social security	6.66%
O84.1	Administration of the State and the economic and social policy of the community	6.61%
O84.2	Provision of services to the community as a whole	0.04%
<b>P</b>	<b>EDUCATION</b>	<b>0.05%</b>
P85	EDUCATION	0.05%
<b>Q</b>	<b>HUMAN HEALTH AND SOCIAL WORK ACTIVITIES</b>	<b>0.55%</b>
Q86	Human health activities	0.54%
Q87	Residential care activities	0.00%

<b>R</b>	<b>ARTS, ENTERTAINMENT AND RECREATION</b>	<b>0.17%</b>
R92	Gambling and betting activities	0.09%
R93	Sports activities and amusement and recreation activities	0.08%
<b>S</b>	<b>OTHER SERVICES ACTIVITIES</b>	<b>0.09%</b>
S96	Other personal service activities	0.09%
<b>U</b>	<b>ACTIVITIES OF EXTRATERRITORIAL ORGANISATIONS AND BODIES</b>	<b>0.41%</b>
U99	Activities of extraterritorial organisations and bodies	0.41%
<b>Other</b>	<b>Not assigned</b>	<b>4.26%</b>



## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Taxonomy-aligned investments include debt and/or equity in environmentally sustainable economic activities aligned with the EU Taxonomy. Taxonomy-aligned data was provided by an external data provider. The Investment Manager has assessed the quality of such data. The data will not be subject to an assurance provided by auditors or a review by third parties.

Taxonomy-aligned activities are activities meeting the criteria of the EU Taxonomy. If an investment is not Taxonomy-aligned because the activity was not or not yet covered by the EU Taxonomy or the positive contribution is not substantial enough to meet the screening criteria of the Taxonomy, such an investment can still be considered an environmentally sustainable investment if all the related criteria are met. Taxonomy-aligned data is only in rare cases data reported by companies in accordance with the EU Taxonomy. The data provider has derived Taxonomy-aligned data from other available equivalent public data.

As at the reporting date, 7.12% of the total portfolio of the Fund was invested in sovereign bonds (the calculation was made using the transparency approach).

The Taxonomy-aligned activities in this disclosure are based on the share of revenue. Pre-contractual figures use revenue as a financial measure in accordance with regulatory requirements and due to the fact that complete, verifiable or up-to-date data is even less available for CAPEX and/or OPEX as a financial measure.

- [Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?](#)

Yes

In fossil gas

In nuclear energy

No

The breakdown of the proportions of investments in fossil gas and nuclear energy in accordance with the environmental objectives is currently not possible as no verified form of the data is available yet.

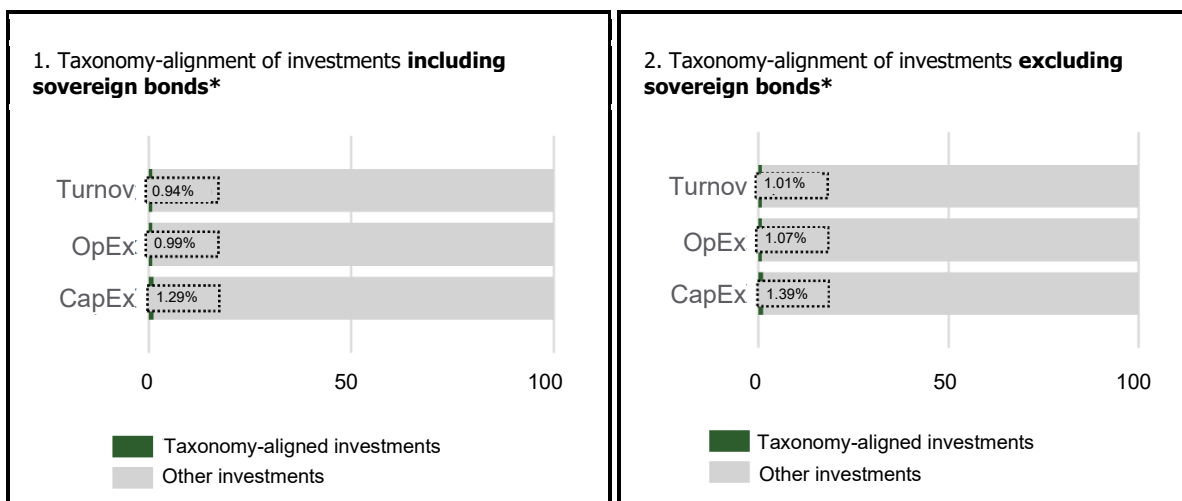
*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

Climate change mitigation	0.00%
Climate change adaptation	0.00%

The breakdown of the proportions of investments in accordance with the environmental objectives is currently not possible as no verified form of the data is available yet.

- What was the share of investments made in transitional and enabling activities?

Transitional activities	0.00%
Enabling activities	0.00%

The breakdown of the proportions of investments in transitional and enabling economic activities is currently not possible due to the lack of reliable Taxonomy data. Non-financial companies will not disclose the proportion of Taxonomy-aligned economic activities in the form of defined KPIs, indicating the environmental objective to which this activity contributes and whether it is a transitional or enabling economic activity, until 1 January 2023 (financial companies – from 1 January 2024). The availability of this reported information is a mandatory basis for this evaluation.

- How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Taxonomy-alignment of investments including sovereign bonds	12.2023	12.2022
Turnover	0.94%	1.11%
CapEx	1.29%	0%
OpEx	0.99%	0%

Taxonomy-alignment of investments excluding sovereign bonds	12.2023	12.2022
Turnover	1.01%	1.16%
CapEx	1.39%	0%
OpEx	1.07%	0%



### What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy was 8.81%.

### What was the share of socially sustainable investments?

  
are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



The share of socially sustainable investments was 18.23%.



## What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

“#2 Other” included investments in cash, non-sustainable units of target funds or derivatives (calculated using the transparency approach). Derivatives were used for efficient portfolio management (including risk hedging) and/or investment purposes, and target funds to benefit from a specific strategy. No minimum environmental or social requirements were checked for these investments.



## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

To ensure that the financial product fulfilled its environmental and social characteristics, the binding elements were defined as assessment criteria. Compliance with the binding elements was measured using sustainability indicators. For each sustainability indicator, a methodology, based on different data sources, was set up in order to ensure accurate measurement and reporting of the indicators. In order to keep the underlying data up to date, the sustainable minimum exclusion list was updated at least twice a year by the sustainability team based on external data sources. Technical control mechanisms were introduced to monitor compliance with the binding elements in ex-ante and ex-post investment limit auditing systems. These mechanisms ensured that the environmental and/or social characteristics were complied with at all times. Appropriate measures were taken to remediate any violations found. Examples of such measures include the sale of securities that are not consistent with the exclusion criteria or exposure to issuers (in the case of direct investments). These mechanisms are an integral part of PAI consideration.

In addition, AllianzGI is involved in the investee companies. The exposure activities were only carried out in relation to direct investments. There is no guarantee that the exposure activities carried out cover issuers held in every Fund. The exposure strategy of the Management Company is based on two approaches: (1) risk-based approach and (2) thematic approach.

The risk-based approach focuses on the key ESG risks identified. The exposure is closely related to the size of the investments made by AllianzGI. The focus of the exposure takes into account aspects such as significant votes against company management at past general assemblies, controversies relating to sustainable or governance practices and other sustainability topics. The thematic approach links exposures either with the three strategic sustainability topics of AllianzGI (climate change, planetary boundaries and inclusive capitalism) and the issue of governance practice in specific markets or with a broader context. Thematic engagements are identified using topics considered important for portfolio investments. The priorities are established based on the size of the investments made by AllianzGI and under consideration of client priorities.



## How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the sub-fund.

- [How does the reference benchmark differ from a broad market index?](#)  
Not applicable
- [How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?](#)  
Not applicable
- [How did this financial product perform compared with the reference benchmark?](#)

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable

- How did this financial product perform compared with the broad market index?

Not applicable