Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Allianz Sustainable Health Evolution

Legal entity identifier: 529900QNFA91WJ6M3Q96

Allianz Global Investors

Environmental and/or social characteristics

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.

Does this financial product have a sustainable investment objective?	
☐ Yes	☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective**: ___%	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **50.00%** 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 will make a minimum of **sustainable investments with a social objective** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

Allianz Sustainable Health Evolution’s (the “Sub-Fund”) invests in securities of companies providing products or services which contribute to environmental or social objectives, as defined by the UN Sustainable Development Goals (SDGs) or the EU Taxonomy objectives, which are also related to the SDGs. The contribution is measured according to the Sustainable Investment methodology.

In addition, sustainable minimum exclusion criteria apply.

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

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

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

To measure the attainment of the Sub-Fund's sustainable investment objective the following sustainability indicators are used and reported on, at the fiscal year end:

- The actual Sustainable Investment share – which is based on SDGs or EU Taxonomy objectives
- Principle Adverse Impacts (PAIs) of investment decisions on sustainability factors are considered through the application of exclusion criteria.

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does 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:

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 breakdown of a securities issuer 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.

- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

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.

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.

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

All mandatory PAI indicators are considered either as part of the application of the exclusion criteria or through thresholds on a sectorial or absolute basis. Significance thresholds have been defined and they refer to qualitative or quantitative criteria.

Recognizing the lack of data coverage for some of the PAI indicators equivalent data points are used to assess PAI indicators when applying the DNSH assessment, when relevant, for the following indicators for corporates: share of non-renewable energy consumption and production, activities negatively affecting biodiversity-sensitive areas, emissions to water, lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises; for sovereigns: GHG Intensity and investee countries subject to social violations. In case of securities which finance specific projects contributing to environmental or social objectives equivalent data at project level might be used to ensure that Sustainable Investments do not significantly harm any other environmental and/or social objective. The Investment Manager will strive to increase data coverage for PAI indicators with low data coverage by engaging with issuers and data providers. The Investment Manager will regularly evaluate whether the availability of data has increased sufficiently to potentially include assessment of such data in the investment process.

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

The Investment Manager´s sustainable minimum exclusion list screens out companies based on their involvement in controversial practices against international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights. Securities issued by companies having a severe violation of these frameworks will be restricted from the investment universe.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not 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.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes

☐ No

The Management Company has joined the Net Zero Asset Manager Initiative and considers PAI indicators through stewardship including engagement, both are relevant to mitigate potential adverse impact as a company.

Due to the commitment to the Net Zero Asset Manager Initiative, the Management Company aims to reduce greenhouse gas emissions in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emission by 2050 or sooner across all assets under management. As part of this objective the Management Company will set an interim target for the proportion of assets to be managed in line with the attainment of net zero emissions by 2050 or sooner.

The Sub-Fund's Investment Manager considers PAI indicators regarding greenhouse gas emission, biodiversity, water, waste as well as social and employee matters for corporate issuers, and, where relevant, the freedom house index is applied to investments in sovereigns. PAI indicators are considered within the Investment Manager's investment process through the means of exclusions as described in the "binding elements" section of the Sub-Fund.

The data coverage for the data required for the PAI indicators is heterogenous. The data coverage related to biodiversity, water and waste is low and the related PAI indicators are considered 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. Therefore, the Investment Manager will strive to increase data coverage for PAI indicators with low data coverage. The Investment Manager will regularly evaluate whether the availability of data has increased sufficiently to potentially include assessment of such data in the investment process.

Additionally, PAI indicators are considered as part of the requirement of the Sub-Fund to invest 50% into Sustainable Investments. PAI indicators are used as part of the DNSH assessment. Investments in securities of issuers who do not pass the DNSH assessment are not counted as sustainable investments.

The following PAI indicators are considered:

Applicable to corporate issuers

- GHG Emissions
- Carbon footprint
- GHG Intensity of investee companies
- Exposure to companies active in the fossil fuel sector
- Share of non-renewable energy consumption and production
- Energy consumption intensity per high impact climate sector
- Activities negatively affecting biodiversity-sensitive areas
- Emissions to water
- Hazardous waste ratio
- Violation of UN Global compact principles

- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles
- Unadjusted gender pay gap
- Board gender diversity
- Exposure to controversial weapons

Applicable to sovereign and supranational issuers

- GHG Intensity
- Investee countries subject to social violations

The information on the PAI indicators will be available in the end-year report of the Sub-Fund.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Allianz Sustainable Health Evolution's investment objective is to invest in global Equity Markets with a focus on companies with an engagement in the area of health innovation and promotion in accordance with the SDG-Aligned Strategy.

The Sub-Fund invests in Equities of companies which offer products and services across themes of health innovation and promotion. Companies which engage in the area of health innovation and promotion are companies offering products or services that enable a healthy and sustainable lifestyle through (i) preventing illness (fitness, nutrition and lifestyle changes to help reduce the risk of disease), (ii) prescribing treatment (medicine, therapy, surgery etc.. to help lessen the symptoms and effects of a disease) and (iii) prolonging life (technology, tools, research, science etc.. to lengthen life span) as targeted by the SDG's No. 2, 3, 6, 11 and 12.

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.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements are:

- Minimum 50% of the Sub-Fund assets' weighted average shall result from revenue generated from issuers' activities that facilitate the achievement of one or more SDG or EU Taxonomy objectives as measured according to the Sustainable Investment methodology.
- For at least 80% of the Sub-Fund portfolio, the respective issuer shall have a minimum share of 20% Sustainable Investments. Cash and derivatives are excluded from the aforesaid thresholds.
- Application of the following sustainable minimum exclusion criteria for direct investments:
- 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,
- securities issued by companies involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons),
- securities issued by companies that derive more than 10% of their revenues from weapons, military equipment, and services,
- securities issued by companies that derive more than 10% of their revenue from thermal coal extraction,
- securities issued by utility companies that generate more than 20% of their revenues from coal,
- securities issued by companies involved in the production of tobacco, and securities issued by companies involved in the distribution of tobacco with more than 5% of their revenues.

Direct investments in sovereign issuers with an insufficient freedom house index score are excluded.

The sustainable minimum exclusion criteria are based on information from an external data provider and coded in pre- and post-trade compliance. The review is performed at least half yearly.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The Sub-Fund does not commit to reduce the scope of the investments by a certain minimum rate.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

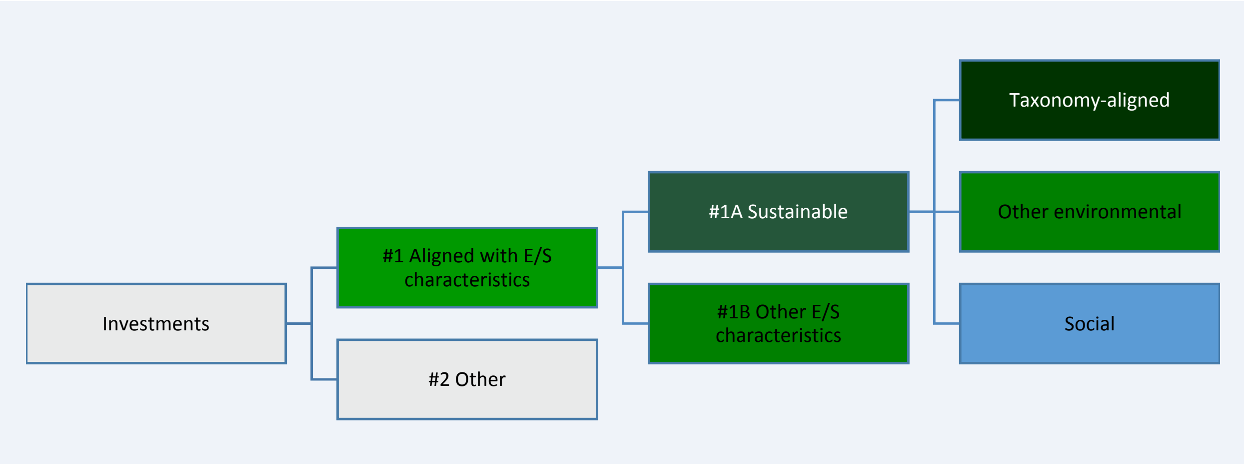
Good governance principles are considered by screening out companies based on their involvement in controversies around international norms corresponding to the four good governance practices: sound management structures, employee relations, remuneration of staff and tax compliance. Companies having 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.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Min. 80% of the Sub-Funds’ assets (excluding cash, and derivatives) are used to meet the environmental or social characteristics promoted by this Sub-Fund. A low portion of the Sub-Fund might contain assets which do not promote environmental or social characteristics. Example of such instruments are derivatives, cash and deposits, some Target Funds and investment with temporarily divergent or absent environmental, social, or good governance qualifications. The Sub-Fund invest primarily into securities which offer products and services to facilitate the achievements of the SDGs. Min. 50% of the Sub-Funds' assets will be invested in Sustainable Investments. The Sub-Fund’s Investment Manager does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy nor to a minimum share of environmentally Sustainable Investments that are not aligned with the EU Taxonomy. The Sub-Fund’s Investment Manager does not commit to a minimum share of socially sustainable investments. While the Sub-Fund cannot commit to a minimum share of environmentally or socially sustainable investments, such investments may be freely allocated to within the Sub-Fund aggregated sustainable investment commitment disclosed (min. 50%).



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

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

  Not applicable

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund's Investment Manager does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy. The overall sustainable investment share may also include investments with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

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.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy [1]?**

☐ Yes:

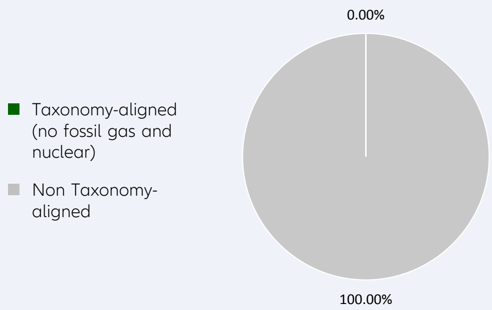
☐ In fossil gas ☐ In nuclear energy

☑ No

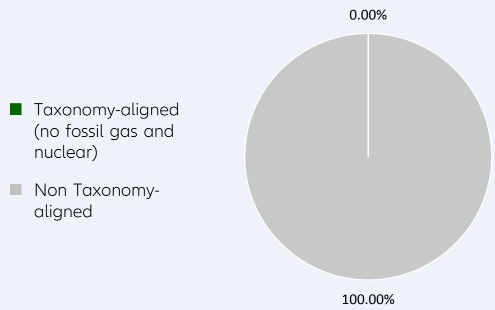
The Sub-Fund does not pursue any investments in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy. Nevertheless, as result of this investment strategy, investments may occur in corporates which are also active in these activities. Further information will be provided as part of the annual reporting, if relevant.

The two graphs below show in green the minimum percentage of investments that are 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.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents X% of the total investments.

It is noted that – due to the fact that this Sub-Fund does not provide for a minimum quota of taxonomy-aligned investments – this graph does not generate any additional added value compared to the left-hand graph.

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

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

- **What is the minimum share of investments in transitional and enabling activities?**

  The Sub-Fund's Investment Manager does not commit to a split of minimum taxonomy alignment into transitional, enabling activities and own performance.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

Taxonomy-aligned investments are considered a sub-category of Sustainable Investments. If an investment is not Taxonomy-aligned since the activity is not yet covered under the EU Taxonomy or the positive contribution is not substantial enough to comply with the Taxonomy technical screening criteria, the investment can still be considered an environmentally Sustainable Investment provided it complies with all criteria. The Investment Manager does not commit to a minimum share of environmentally Sustainable Investments that are not aligned with the EU Taxonomy. The overall sustainable investment share may also include investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy, and while the Sub-Fund cannot commit to a minimum share of environmentally or socially sustainable investments, such investments may be freely allocated to within the Sub-Fund aggregated sustainable investment commitment disclosed (min. 50%).

What is the minimum share of socially sustainable investments?

The Investment Manager defines Sustainable Investments based on internal research, which uses, among others, the UN Sustainable Development Goals (SDGs), as well as the objectives of the EU Taxonomy as reference frameworks. The Investment Manager does not commit to a minimum share of socially Sustainable Investments, as the SDGs contain environmental as well as social objectives. The overall sustainable investment share may also include investments with a social objective, and while the Sub-Fund cannot commit to a minimum share of environmentally or socially sustainable investments, such investments may be freely allocated to within the Sub-Fund aggregated sustainable investment commitment disclosed (min. 50%).

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Under “#2 Other” investments into cash, Target Funds, or derivatives can be included. Derivatives might be used for efficient portfolio management (including risk hedging) and/or investment purposes, and Target Funds to benefit from a specific strategy. For those investments no environmental or social safeguards are applied.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

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

- How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

  Not applicable

- How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

  Not applicable

- **How does the designated index differ from a relevant broad market index?**

  Not applicable

- **Where can the methodology used for the calculation of the designated index be found?**

  Not applicable

Where can I find more product specific information online?

More product-specific information can be found on the website: https://regulatory.allianzgi.com/SFDR