

Website product disclosure for financial products that promote environmental or social characteristics or have sustainable investments as their objective

Disclosure under Article 10 of the SFDR Regulation and in accordance with Chapter IV, Section 1 (Articles 24-36) of the SFDR RTS regulation

Allianz Care Programs (Allianz Gondoskodás Programok)

EKA - European Bond Fund

a) Summary

Under Article 10 of Regulation (EU) No 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (hereinafter: SFDR Regulation) and Delegated Regulation EU 2022/1288 of 6 April 2022 supplementing Regulation EU 2019/2088), Allianz Hungária Zrt. (hereinafter referred to as the "insurer") shall present the following information and publish and maintain it on its website as part of the pre-contractual disclosure, if the product promotes environmental or social characteristics or a combination of these in terms of sustainability risks as defined in the SFDR Regulation, or if the companies selected for investment purposes follow good corporate governance practices or the product has the objective of sustainable investment:

- a) a description of the environmental or social characteristics or the sustainable investment objective;
- b) information on the methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the sustainable investments selected for the financial product, including its data sources, screening criteria for the underlying assets and the relevant sustainability indicators used to measure the environmental or social characteristics or the overall sustainable impact of the financial product;
- c) the information referred to in Articles 8 and 9 of the SFDR Regulation;
- d) the information referred to in Article 11 of the SFDR Regulation.

This Disclosure describes the European Bond Asset Fund (EKA) investments that promote environmental and social characteristics and sustainable investment objectives.

As stated in the investment policy of the European Bond Asset Fund (EKA), the objective of the European Bond Asset Fund is: to achieve a return above the euro bond market average by investing primarily in euro-denominated bonds.

The Fund invests primarily in euro-denominated government bonds issued by European countries, as well as corporate bonds, bonds issued by credit institutions and mortgage bonds. The Manager may also invest in euro-denominated corporate bonds issued by the European subsidiaries of non-European companies and may hold part of the assets in euro bank deposits in order to achieve its objective. The portfolio of the asset fund may also include bank account money, bank deposits and short-term Hungarian government bonds. The Fund Manager may also implement the investment strategy by purchasing, using all or part of the assets of the Asset Fund, securities of collective investment schemes managed by fund managers with a sound background, whose investment strategy is identical in all material respects to the strategy of the Asset Fund.

The EKA is considered a **low-risk investment** over the long term. However, due to the longer average maturity of the EIF, the risk of the asset fund is higher than that of asset funds investing in shorter-dated securities, and the price of the units of the EIF may fall in the short term. The assets of the EKA are partly or fully invested in foreign currencies (mainly the euro), so the exchange rate of the units is also affected by movements in the forint against foreign currencies.

The environmental and social characteristics of the fund, as well as the investments aimed at promoting sustainable investment objectives, are determined by the investments of the underlying fund within the Asset Fund. Accordingly,

while EKA promotes environmental and/or social characteristics and does not have as its objective a sustainable investment, it will have a minimum proportion of sustainable investments. The underlying fund takes into account a broad range of environmental, social, human rights, governance and/or business conduct factors (“sustainability factors”) by applying exclusion criteria and selecting from the investment universe that remains following application of the exclusion criteria those corporate issuers that perform better in their sector in terms of sustainability aspects. In the case of government issuers, issuers that generally perform better in terms of sustainability aspects are selected. Based on these exclusion criteria, the underlying fund (thus the Asset Fund) takes into account indicators for principal adverse impacts (PAI). The Investment Manager of the underlying fund excludes companies that are involved in controversial environmental or social business activities or that commit serious violations of good governance practices as well as 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. Sustainability indicators have been defined for the underlying fund (thus, for the Asset Fund) to measure the attainment of its environmental and/or social characteristics. The sustainability indicators are derived from the binding elements defined for the underlying fund. The binding elements are monitored in upstream and downstream compliance systems to ensure sufficient due diligence and as assessment criteria for compliance with the underlying fund’s environmental and/or social characteristics. 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. No reference benchmark for measuring the attainment of the environmental and/or social characteristics promoted by the underlying fund (thus by the Asset Fund) has been defined.

This document summarises the methods for assessing and applying the environmental and social aspects and the information to be disclosed on investments under the legislation.¹

Information under Article 11 of the SFDR Regulation:

The European Bond Asset Fund (EKA) is a product within the meaning of Article 8(1) of the SFDR Regulation and is therefore included in the periodic reports of the insurer

- a) the extent to which environmental or social characteristics are met in the case of a financial product;
- b) if the financial product falls within the scope of Article 6 of Regulation (EU) 2020/852, the following information:

The “do no significant harm” principle applies only to investments underlying a 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.

The insurer shall disclose that information annually in writing in the official language of the Member State of the commitment, in accordance with Article 185(6) of Directive 2009/138/EC.

The information required under Article 8 of the SFDR Regulation is set out in Annex 4 to the General and Special Terms and Conditions of the insurance product.

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¹REGULATION (EU) No 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 November 2019 on sustainability disclosures in the financial services sector & COMMISSION DELEGATED REGULATION (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports