

Thematica Outlook

Market review:

Since the beginning of 2025, global stock markets have performed positively overall. Led by the US technology sector, Nasdaq reached new highs, supported by AI euphoria and strong quarterly figures from large corporations. The S&P 500 also rose significantly. In Europe, the DAX showed resilience despite economic uncertainties, while the Euro Stoxx 50 performed moderately. In Asia, China

fell short of expectations, weighed down by weak economic data and uncertainty in the real estate sector. The Japanese Nikkei, on the other hand, benefited from expansionary monetary policy and reached record highs. Emerging markets performed unevenly, partly held back by political risks. Despite geopolitical tensions and interest rate concerns, investor risk appetite remained high overall, supported by robust corporate earnings.

Performance of Allianz Thematica:

Allianz Thematica underperformed the global equity markets (MSCI ACWI -2.9%) in the first half of 2025, recording a loss of 5.0% (in EUR, gross). A key driver of the decline in value was the depreciation of the US dollar against the euro. After lagging slightly behind the global equity markets in the first quarter, the portfolio stabilised in the second quarter. While theme selection had a positive effect on relative performance, the contribution from individual stock selection was

Content at a glance:

- Despite increased volatility in the second quarter, global stock markets performed well and reached new record highs.
- European Markets maintained their outperformance relative to US stock markets; the US dollar remains weak.
- Thanks to government investment programs, the infrastructure theme is performing exceptionally well.
- With a view to the second half of the year, the intelligent machine's theme was expanded, reflecting the enormous potential in the field of humanoid robots.
- Allianz Thematica is and remains the ideal "one-stop shop" solution for thematic investing, especially when market breadth increases again.



negative. The sustained upturn in the technology sector also led to a significant rise in the share prices of the “Magnificent Seven” stocks. The underweighting of these index heavyweights had a negative impact on the portfolio in the past quarter. This weighed on the relative performance of the **AI Adaptation** theme, which was not fully offset by the encouraging performance of other software companies (e.g., CrowdStrike & Snowflake). Positive momentum was generated by the underweighting in the healthcare sector, which was attributable to the successful removal of the **Health Technology** theme. Further positive effects were achieved due to macroeconomic improvements and technological progress in the **Intelligent Machines** theme. The **Digital Finance** segment recorded positive effects, which were particularly attributable to Robin Hood and Coinbase, which are benefiting from innovations in new payment solutions (stable coins). The smallest theme, **Generation Wellbeing**, suffered from continued weak consumption and therefore had a negative impact. Nevertheless, the portfolio benefited from its relative underweighting in the consumer sector. The most significant improvements were recorded in the **Infrastructure** theme, which benefited from government spending programs. Here, exposure to the basic materials and related industrial stocks sectors as well as the utilities segment had a positive impact.



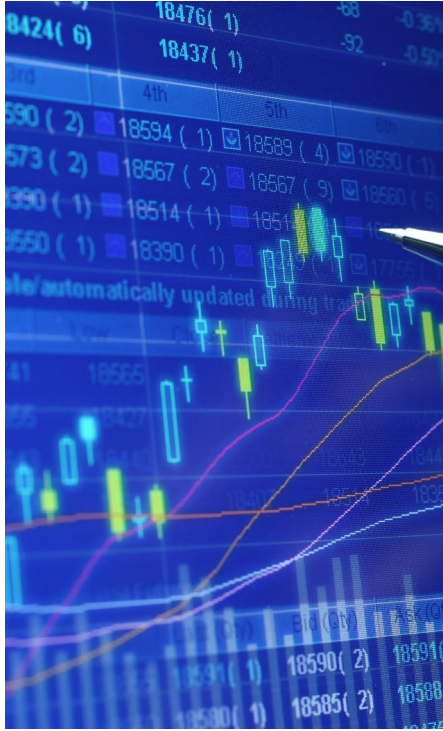
Strategy:

Our outlook for the global equity markets remains constructive. Expected interest rate cuts by the major central banks could increase liquidity and ease the burden on companies. The US economy in particular is proving robust, while Europe is benefiting from stabilisation. In Asia, hopes are high for further economic stimulus from China, while Japan is benefiting from the weak yen. Technological innovations, especially in the field of artificial intelligence, are providing additional growth potential and generating new momentum. Risks such as geopolitical tensions and persistent inflation remain, but the markets are betting on a soft landing for the global economy. This gives investors hope for positive momentum in the second half of the year.

Infrastructure investments are in focus worldwide as many governments expand economic stimulus programs to promote sustainable growth and the transition to a climate-friendly economy. Projects for green energy, water supply, transportation, and urban modernization are generating order volumes for construction, raw materials, and technology companies. At the same time, the rapid development of AI is driving demand for data centres, chips, and cloud services, which is increasing demand for electricity and transmission technology. These developments are boosting the profits of leading companies in the **Clean Water and Land and Infrastructure** themes.

Digital Finance is gaining in importance as digital payment platforms, fintech’s, and blockchain solutions challenge traditional

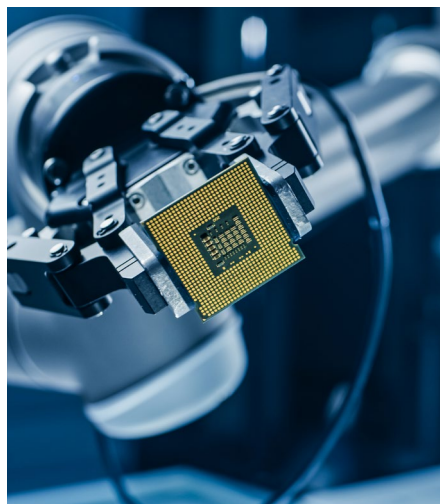
banking models and enable more efficient transactions. This is opening new markets and sources of revenue, as can currently be seen in the example of stable coins.



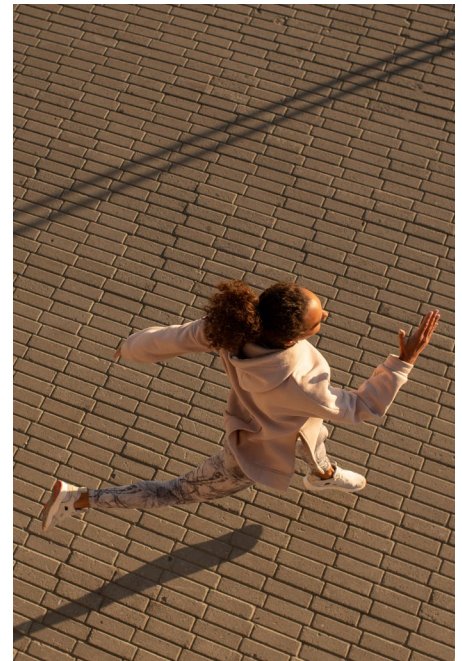
Intelligent machines, for example in robotics, autonomous manufacturing, or smart factories, are helping companies compensate for skills shortages and optimize processes. Technological advances in key areas in recent years (GenAI, computing power and data, battery technology) are rapidly bringing us closer to the tipping point for robot technology, which offers enormous market potential.



AI Adoption could outperform in the second half of the year as companies increasingly integrate AI technologies. Efficiency gains, cost reductions, and real-world use cases in areas such as healthcare, finance, and automation are driving growth. In addition, investment and regulatory clarity are strengthening confidence and the long-term prospects of this transformative theme.



Generation Wellbeing remains the smallest theme in the portfolio at the current margin. While structural trends (healthy lifestyles, etc.) are driving the theme, global consumption data remains somewhat weaker, which is currently preventing us from increasing the theme's weighting. In such an environment, we believe an active investment approach is advisable.



We remain convinced that an actively managed multi-theme strategy offers a unique perspective on the global equity markets. In our view, a diversified multi-theme portfolio continues to offer many opportunities for investors to benefit from structural megatrends in the current year.

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