

Gender Pay Gap Report 2017

At AllianzGI, we endeavor to build a truly inclusive culture that is fair and transparent, values all employee contributions and removes barriers to each individual's ability to develop their career. An inclusive workplace in turn helps us to attract, develop and retain the best talent, allowing us to serve our clients better.

As such, it's important that we offer fair compensation to all our colleagues, irrespective of gender, which is why all of our people-related decisions must be based on our employees' qualifications, performance and behaviour, adherence to our values or other legitimate business considerations. It cannot be based on any considerations that would be discriminatory anywhere we operate.

Pay equality at AllianzGI UK Branch¹

- Ensuring competitive pay and rewarding high performance is essential to the ongoing success of AllianzGI.
- We conduct equal pay analyses to ensure fair and unbiased compensation treatment for our employees.
- Our culture, recruitment and talent development processes support our commitment to gender equality.

Why report on gender pay?

The Gender Pay Reporting legislation came into force in the UK in April 2017. It requires employers with 250 or more employees to report annually on the six key measures on the right. As at 5 April 2017, AllianzGI UK Branch together with UK-based Rogge Global Partners, had 242 employees. Although we are below the employee threshold as defined in the law, we deem this topic very important and thus have chosen to disclose our numbers.

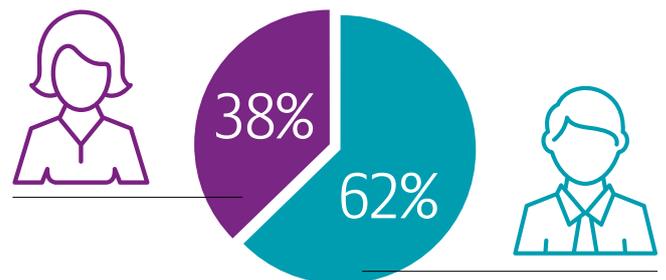
The purpose of this legislation is to put a spotlight on gender pay. In doing so, it should encourage employers to put solutions in place that achieve a better gender balance throughout our organizations.

What is a gender pay gap?

A gender pay gap measures the difference between male and female employees' hourly earnings and bonus pay. For this, we calculate the mean and median number for hourly pay and bonus among all male and female UK employees, irrespective of role or seniority. The result is expressed as percentage difference to males' numbers.

¹ Includes Rogge Global Partners

It does not look at 'like-for-like' role comparisons, so if an organization has more men in senior roles and/or women in junior roles this will lead to a gender pay gap.



UK Workforce (as at April 2017).

Gender pay gap - six key measures

- 1 Mean gender pay gap – difference between average hourly earnings of men and women.
- 2 Median gender pay gap – difference between the midpoints of men's and women's hourly earnings. To calculate this, the hourly pay rates are sorted from lowest to highest and the midpoint per gender is picked.
- 3 Quartile pay bands – the proportions of males and females in equally divided quartiles based on hourly pay.
- 4 Mean bonus gap – as above, but looking at average bonuses paid rather than salary.
- 5 Median bonus gap – as above but for bonuses rather than salary.
- 6 Bonus proportions – percentage of men and women receiving a bonus payment.

Note: Bonus includes payout amounts for various variable compensation vehicles.

Our 2017 Gender Pay Gap Figures

An organization may have equal pay and still have a gender pay gap. Currently, we have significantly more males than females in senior level positions in our organization. This drives the differences in hourly pay and bonus pay as shown below. The gender distributions below do not differentiate between hierarchy or function, and represent the overall demographics of the organization.

Overall mean and median gender pay gap

(based on hourly rates of pay, as at 5 April 2017)

Having fewer women in senior roles in our business currently is reflected in the 23% overall mean figure.

Our commitment to achieve increased **female representation** across our management population by 2020 should help us to narrow this gap.

23%

Overall
Mean

31%

Overall
Median

Gender distribution by hourly pay quartile (Each quartile contains ~ 60 employees)

The charts below illustrate the gender distribution across AllianzGI in the UK by hourly pay. The pay gaps identified are a reflection of the demographics of AllianzGI in the UK and our overall under-representation of women in more senior roles in the organization.



Lowest

53% 47%



Quartile 2

43% 57%



Quartile 3

33% 67%



Highest

22% 78%



To achieve the level of gender equality we aspire to, we need to be aware of our “pain points” and understand what’s behind them.

Deciding to report our gender pay gap in 2017 represents an opportunity for us to be transparent about where we are and to keep tackling root causes.

George McKay

Co-Head, Global Inclusion & Diversity Chair

Bonus Pay

The percentages below show our mean and median bonus pay gap in the 12 months leading to 5 April 2017. There was a mean bonus pay gap of 48% favoring males. This again is due in large part to having fewer women in senior roles.

48%

Overall
Mean

54%

Overall
Median

The proportion of employees awarded a bonus for performance year 2016 was 88% for females and 92% for males.

What are we doing to address the gap?

It's essential for the ongoing success of AllianzGI that we do all we can to attract, develop and retain the best talent available. This means providing resources and opportunities for career growth in a supportive, inclusive work environment.

We already have a number of initiatives in place to ensure diversity and inclusion. These are reflected in our company culture, recruitment and promotion processes, career development opportunities, and reward and benefit offerings. We are confident that continuous improvement of these practices will support us in our ambition to have a more balanced representation of men and women across all levels of the organization.

Key Highlights

- Our ambition is to achieve, by 2020, a global female representation of around:
 - 50% at Vice President level
 - 35% at Director level
 - 30% at Managing Director level
- Our membership of the 100Women in Finance network, the CFA UK Gender Diversity Partner Programme and the Diversity Project, allows us to connect our leaders with rising talent and participate in forums that actively support our people in achieving their full potential.
- In 2015 we launched the "Advancing Women in their Leadership" development programme, an 18-month journey dedicated to women with potential for more senior leadership roles, including high-touch, individualised development experience and sponsoring from senior executives.
- This year, we are introducing the "Unlocking your Potential" development programme to help equip talented VP-level female employees with the knowledge, tools and support necessary to make conscious career choices, achieve personal growth and maximise their professional contribution at AllianzGI.
- We have been EDGE Assess certified in the UK since 2015. EDGE is the leading global assessment methodology and business certification standard for gender equality, distinguished by its rigor and focus on business impact. It helps us to understand where we are and in which areas to focus so as to improve gender equality within our workplace.



Creating and nurturing a pipeline of talented female employees at all levels and in all functions in our firm helps us move closer to our gender equality ambitions and build the kind of future

and culture we are targeting for our organisation. Removing the often invisible and unconscious barriers that prevent us from recognising talent when it comes in different shapes is a key part of that.

Petra Trautschold

Global Head of Human Resources



As a global firm operating in diverse and competitive markets, AllianzGI is committed to having a balanced representation of men and women across all levels of the organization

to serve our clients better. We know we have to do more to attract more women to join our industry and we have taken a number of actions to do that. We also know that meaningful change takes time, which is why to accelerate the pace of change, we have set targets to achieve more equal representation across the firm and more women in senior roles by 2020.



Andreas Utermann

CEO

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