JULY 2026

Played with precision:
Active ETFs with substance

Active investment management is the foundation of all we do at Allianz Global Investors. With the launch of our active exchange-traded fund (ETF) platform in Europe, we are giving investors a new way to access our equity and fixed income capabilities.

Today's markets are asking hard questions. They're more volatile, more concentrated and less forgiving. In this environment, investors increasingly question whether broad passive exposures are the right approach. Selectivity is back in style.

In markets like this, active thinking, discipline and risk awareness matter. Investors need to access those capabilities quickly and simply. This is where active ETFs have a key role to play.

But a proliferation of products has made it hard to find the ones that merit a place in your portfolio. As an active-only provider, we hold our own ETFs to a higher standard.

Key takeaways

- We're adding more substance by combining ETF efficiency with active investment capabilities designed to do more than simply mirror an index.
- Our SMART platform begins with active systematic equity and fixed income ETFs designed for the core of investor portfolios.
- SMART is just the start. We will bring more of our active expertise into ETF form over time, across core and satellite exposures.

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Competing at the highest levels

To find the right active ETF, investors should look beyond the label to see what's inside. Where is the alpha expected to come from? Who is looking for it? How does their process work? Where can the strategy fit in a portfolio? What should investors understand about risk, implementation and behaviour over time?

The answers to those questions are central to our philosophy. They're why we believe active ETFs need more substance: differentiated alpha, experienced teams, disciplined processes, robust portfolio construction, clear portfolio roles and the support investors need to understand what they own and why.

In any performance-driven field, what happens in public is only the visible part of the story. The hard work behind it is what makes the difference: preparation, wide-ranging expertise, discipline and the constant search for improvement.

Starting where portfolios do most of their work

Our platform begins with active systematic equity and fixed income ETFs designed for the core of investor portfolios, because this is where most portfolios take their most important risks. It is also where small improvements in process, construction and risk awareness can compound into meaningful differences over time.

Strong portfolios need strong cores. Broad, diversified and cost-conscious building blocks will always have a role to play.[1] But they don't have to be passive.

In equity markets, active ETFs can help investors augment broad exposure with disciplined security selection, seeking incremental gains without taking excessive active risk. In fixed income, active management can be especially valuable because index exposure can mask complexity. Implementation is often harder than it looks.

Our aim is to add more substance by combining ETF efficiency with active investment capabilities designed to do more than simply mirror an index, while preserving the core qualities investors value most.

It's never just about what an ETF owns. How positions are selected, sized, combined, monitored and managed matters just as much. As does the discipline to avoid risks investors are not being paid to take. That's why we've never launched a passive ETF, and why our first active ETFs are designed to offer a more purposeful way to access core exposures.

SMART: how our range begins

The SMART equity range draws on AllianzGI's Systematic Equity investing expertise. Dating back to the mid-1990s, this has evolved through decades of research, quantitative modelling and alternative data analysis. We were exploring neural networks before the dotcom bubble burst, long before AI became a buzzword.

Since then, machine learning, natural language processing, big data, deep learning and large language models have helped upgrade the toolkit. Today, that work feeds into proprietary signals designed to move beyond traditional factor investing and find opportunities across large investment universes. These signals are: investor positioning, style interaction, earnings sentiment and advanced momentum.

For advanced, active engineering like this to succeed, it must be applied wisely. Systematic investing still needs human judgement: in model design, signal selection, portfolio construction, risk control and oversight. Our process is shaped by research, testing, governance and accountability from a team of 24 experienced investment professionals, including 11 PhDs, as of June 2026.

In fixed income, our SMART ETFs will draw on AllianzGI's established Advanced Fixed Income platform. Here, too, the focus is on making a proven capability more widely available via the active ETF format.

A core government or corporate bond exposure may look simple on a factsheet, but the risks inside it demand detailed analysis. That's why these ETFs will combine

1) Diversification does not guarantee a profit or protect against losses.

quantitative tools with expert human judgement to look past duration-driven performance, spread risk more widely and seek more resilient outcomes. The aim is not simply to maximise returns, but to seek the best possible return for each unit of risk.

As with every fund we manage, our aim is to reduce blind spots, identify differentiated sources of return and make better-informed active decisions.

Built for high performance potential

Institutions, fund selectors, discretionary managers, wealth platforms and advisers all face different implementation challenges, but many are looking for the same basic qualities: transparency, liquidity, cost-consciousness and ease of use.

Active ETFs can help meet those needs. They can be used as building blocks or portfolio diversifiers, in model portfolios, for tactical adjustments, or during portfolio transitions and rebalancing.

But fast access only matters if the exposure is worth accessing. An active ETF should have a clear purpose and be robust, repeatable and true-to-label. Investors should be able to understand where the alpha is intended to come from, how risk is managed and what job the strategy is designed to do.

That is what we mean by ETFs with substance. The ETF wrapper can make a strategy easier to access. The substance behind it is what makes it valuable.

Putting more power behind every active ETF

SMART is just the start; our ambition is bigger. We're here to bring more of our active expertise into ETF form over time, across core and satellite exposures, systematic and fundamental approaches, while always striving to find better ways for investors to access the capabilities they need.

Active ETFs are changing how investors access the markets. As they multiply, investors will need to look beyond the wrapper to find the managers most capable of using the format well. Those that deserve a place in portfolios will be the ones with real substance behind them.

Success is built long before it becomes visible.

Get active with Allianz Global Investors.

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