

# Allianz Europe

# Equity Growth

## Monthly commentary

### Investment Objective

The Fund aims at long-term capital growth by investing in European equity markets with a focus on growth stocks in accordance with the Sustainability Key Performance Indicator Strategy (Relative). In this context, the aim is to outperform the Sub-Fund's Sustainability KPI compared to Sub-Fund's benchmark to achieve the investment objective.

### What Happened in February

European equities advanced over February. The rally meant the broad STOXX Europe 600 Index has surpassed the previous high set in January 2022. Consumer Discretionary companies were particularly strong, as luxury goods companies were boosted by better-than-expected results from a leading luxury brand. The Technology and Industrials sectors also outpaced the overall market, while Real Estate and Utilities were the weakest sectors, notching up sizeable falls.

### Performance Review

The Fund's leading share class performance was positive in absolute terms and considerably outperformed its benchmark. This result was largely due to positive stock selection which was most successful in the Health Care, Financials and Consumer Discretionary areas, whereas stock selection in the Information Technology, Industrials and Materials sectors had a particularly negative impact on performance. Sector allocation added to the Fund's performance. The Fund's leading share class overweight in the Information Technology sector, and its underweight positions in the Consumer Staples and Utilities areas were highly beneficial. On the other hand, the overweights in Financials and Materials stocks, as well as the underweight in Consumer Discretionary companies weighed on the Fund's leading share class relative performance.

On a single stock basis, our overweight position in the Swedish industrial machinery name Trelleborg, together with our underweight positions in a multinational packaged food company and a company which develops and manufactures pharmaceutical and diagnostic products, helped most. Our overweight positions in the Danish air freight and logistics name DSV A/S, and a French firm from the application software sector, together with our underweight position in a French firm from the electrical components and equipment sector, particularly hurt the overall outcome.

### Portfolio Strategy and Activity

The Fund continued to focus on European companies that can benefit from long-term competitive advantages, significant pricing power, and high barriers to entry.

In February, we made only a few minor adjustments to the portfolio.

The top holdings of the Fund were two companies from Denmark - Novo Nordisk (pharmaceuticals) and DSV A/S, as well as ASML, a Dutch firm from the semiconductor materials and equipment sector. The Fund's heaviest overweights were DSV A/S, ASML and Sika, a Swiss specialty chemicals producer. On the other hand, a pharmaceutical company and the aforementioned multinational packaged food company and a company which develops and manufactures pharmaceutical and diagnostic products mentioned above, were the Fund's main underweights at the end of February.

Thanks to its specific stock selection approach, the average earnings per share (EPS) ratio of the Fund stood at 14.0, significantly higher than the 9.3 of the benchmark. In terms of general portfolio allocation, stock selection resulted in the following sector and country positionings: equities from the Information Technology, Industrials and Materials areas were overweight, while the Fund only held selective positions in the Consumer Staples, Health Care and Utilities sectors. From a regional perspective, the Fund had an overweight exposure to stocks from Sweden, Denmark and the Netherlands, whereas stocks from the UK, France and Spain were underweight.

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