

# 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 March

European equities rose solidly over March, touching fresh highs, boosted by growing optimism that the European Central Bank (ECB) would cut rates in June. At a sector level, Real Estate, Energy, Materials and Financials were among the best performers, with the strong returns of the latter boosting returns in the bank-heavy markets of Spain and Italy. In contrast, Information Technology and Consumer Staples were the weakest sectors.

### Performance Review

Stock selection proved profitable in the Health Care, Consumer Discretionary and Materials sectors, whereas stock selection in the Industrials, Financials and Consumer Staples areas weighed on performance. Sector allocation had a slightly negative impact on the overall result. The overweight in Information Technology stocks as well as the underweights in Energy and Health Care companies weighed on performance. Nevertheless, the Fund was overweight in the Materials sector and its underweight positions in the Consumer Staples and Consumer Discretionary areas were favourable.

On a single stock basis, our overweight positions in a German sportswear company, and the Danish pharmaceutical firm Novo Nordisk, together with our underweight position in a French corporation supplying apparel, accessories and luxury goods, helped most. Our overweight positions in Infineon Technologies, a German semiconductor firm; Atlas Copco, a

Swedish manufacturer of industrial machinery; and a company from the application software sector headquartered in France, weighed heavily on 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 March, we made only a few minor adjustments to the portfolio.

The top holdings of the Fund were the two Danish names Novo Nordisk and DSV, a company from the air freight and logistics area, as well as ASML, a Dutch firm from the semiconductor materials and equipment sector. The Fund's heaviest overweights were DSV A/S, the Swiss specialty chemicals firm Sika, and Trelleborg, a Swedish corporation operating in the industrial machinery area. On the other hand, two pharmaceutical companies, as well as a Swiss multinational packaged food company, were the Fund's main underweights at the end of March.

As a result of the Fund's specific stock selection approach, its average earnings per share (EPS) ratio was significantly higher than the corresponding benchmark figure (16.1 versus 10.5). This reflects the Fund's quality bias. Overall, active management resulted in the following sector and country allocations: the Fund was overweight in the Industrials, Information Technology and Materials areas, while it was underweight 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, Spain and France were underweight.

Connect with Us

[sg.allianzgi.com](https://sg.allianzgi.com)

+65 6438 0828

Search more



Allianz Global Investors



Like us on Facebook [Allianz Global Investors Singapore](#)



Connect on LinkedIn [Allianz Global Investors](#)



Subscribe to YouTube channel [Allianz Global Investors](#)

All data are sourced from Allianz Global Investors, Eurostat, IHS Markit and Office for National Statistics, as at 31 March 2024 unless otherwise stated.

The information presented here is intended for general circulation and does not constitute a recommendation to anyone; it also has not taken into account the specific investment objectives, financial situation or particular needs of any particular person. Information herein is based on sources we believe to be accurate and reliable as at the date it was made. We reserve the right to revise any information herein at any time without notice. No offer or solicitation to buy or sell securities and no investment advice or recommendation is made herein. In making investment decisions, investors should not rely solely on this publication but should seek independent professional advice. However, if you choose not to seek professional advice, you should consider the suitability of the product for yourself. Past performance of the fund manager(s) and the fund is not indicative of future performance. Prices of units in the Fund and the income from them, if any, may fall as well as rise and cannot be guaranteed. Distribution payments of the Fund, where applicable, may at the sole discretion of the Manager, be made out of either income and/or net capital gains or capital of the Fund. As a result of the payment, the Fund's net asset value is expected to be immediately reduced. The dividend yields and payouts are not guaranteed and might change depending on the market conditions or at the Manager's discretion; past payout yields and payments do not represent future payout yields and payments. Investment involves risks including the possible loss of principal amount invested and risks associated with investment in emerging and less developed markets. The Fund may invest in financial derivative instruments and/or structured products and be subject to various risks (including counterparty, liquidity, credit and market risks etc.). Past performance, or any prediction, projection or forecast, is not indicative of future performance. Investors should read the Prospectus obtainable from Allianz Global Investors Singapore Limited or any of its appointed distributors for further details including the risk factors, before investing. The duplication, publication, extraction, or transmission of the contents, irrespective of the form is not permitted, except for the case of explicit permission by Allianz Global Investors. This publication has not been reviewed by the Monetary Authority of Singapore (MAS). MAS authorization/recognition is not a recommendation or endorsement. The issuer of this publication is Allianz Global Investors Singapore Limited (79 Robinson Road, #09-03, Singapore 068897, Company Registration No. 199907169Z). AdMaster 3504729.