

# Allianz Best Styles Global Equity

## Monthly commentary

### Investment Objective

The Fund aims at long-term capital growth by investing in global equity markets.

### What Happened in October

Global equities mostly ended October lower. Japanese stocks were a rare bright spot, advancing on hopes of higher government spending after the ruling Liberal Democratic Party lost its parliamentary majority for the first time in 15 years. Elsewhere, however, early gains were more than offset by a weak close to the month. At a sector level, Health Care, Materials, Consumer Staples and Real Estate fell the most, while Financials, Communication Services and Energy moved higher.

US stocks lost ground over October. Shares trended higher for much of the month, with the Nasdaq Composite Index hitting a fresh high as mega-cap tech stocks returned to favour, before slumping on the final trading day of the month as tech earnings highlighted the growing cost of investment in artificial intelligence (AI). US shares have started to price in a growing possibility that Donald Trump may win the US presidential election. The former president has vowed to cut taxes and lower regulation, moves that are seen as being positive for equities. While the race for the White House remains neck and neck, Trump appears to have a slight advantage in the seven swing states that will likely decide the election result.

European equities retreated over October. Sentiment was knocked by the growing possibility that Donald Trump may win November's presidential election, as he vowed to impose a 20% tariff on imports from Europe. At a sector level, Information Technology, Real Estate and Materials companies fell the most, while Energy was the only sector in the MSCI Europe Index to deliver a positive return.

Japanese equities bucked the broader sell-off in stocks to advance over October. Sentiment was lifted by a weaker tone to the yen and hopes of increased government spending after a surprise result in Japan's general election.

## Portfolio Review

In October, the Fund returned positively (in EUR, gross of fees), ahead of its benchmark, the MSCI World Index.

October was a mixed yet relatively favourable month for global investment styles. The contrarian investment style Value performed negatively. On the other hand, the trend-following investment styles Growth, Revisions, and Momentum all contributed positively, with Growth being the strongest. The more defensive style Quality posted negative results.

## Market Outlook

We continue to regard a “soft landing” in the US as the most probable scenario. However, the past has shown that such forecasts are uncertain. Recent inflation, labour market and activity data do not necessarily suggest another rate cut by the US Federal Reserve (Fed) at the Federal Open Market Committee (FOMC) meeting at the beginning of November. Nevertheless, recent statements by Fed officials indicate that a rate step is probable. Economic conditions outside the US vary greatly. Downside risks predominate in the euro area, whereas huge state support fuels hopes of an upswing in China. The Japanese economy appears comparatively robust. Overall, we expect a favourable trend in corporate earnings, which is why we remain optimistic for the equity markets. Nevertheless, the US presidential elections in November and the persistent conflicts in the Middle East and in Ukraine might trigger increased volatility. As the market environment remains dynamic, it makes sense to pursue an active investment approach.

---

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 Bloomberg and Allianz Global Investors as of 31 October 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).