Allianz Global Investors

Allianz Global High Payout Fund

Monthly commentary

Investment Objective

The Fund aims to provide investors with long-term capital growth by investing in global equity markets with a focus on equities which will result in a portfolio of investments with a potential dividend yield above the market average when the portfolio is considered as a whole.

What Happened in April

Global equities rebounded sharply in April. The MSCI All Country World Index (ACWI) rallied amid hopes of de-escalating tensions in the Middle East. Despite the extension of the US-Iran and Israel-Lebanon ceasefires, market jitters resurfaced as Brent crude continued to soar and the prospect of further peace talks remained unclear. In addition, Middle East tensions were exacerbated as the Israeli military stepped up its campaign of airstrikes against Lebanon, despite the agreement and extension of a ceasefire. Tensions escalated at month-end amid reports that the White House was weighing renewed military strikes against Iran after US President Donald Trump rejected Tehran's offer to reopen the Strait of Hormuz in exchange for lifting the US blockade on Iranian ports. Separately, the United Arab Emirates (UAE) announced that it will quit the Organisation of the Petroleum Exporting Countries (OPEC) next month, casting doubts over the future of the oil cartel. Turning to the MSCI ACWI, Information Technology and Communication Services were the strongest sectors, with both generating robust double-digit gains. Less positively, Energy and Health Care finished the month in negative territory.

US equities closed April significantly higher. Wall Street rebounded sharply from losses in March, with the S&P 500 and Nasdaq Composite indices notching fresh all-time highs. Markets initially shrugged off the uncertainties surrounding the fragile ceasefire in the Middle East, focusing instead on optimism around a general de-escalation in the conflict. Brent crude prices remained elevated as a result of the continued closure of the Strait of Hormuz, although US exports of refined oil products rose to meet demand amid tightening global inventories. Sentiment was rattled again on reports that the US is weighing the resumption of military strikes against Iran, stoking fears of renewed escalation. More positively, markets were steadied by news that the Department of Justice had dropped its investigation into US Federal

Reserve (Fed) Chair Jerome Powell, clearing the way for Kevin Warsh to be confirmed as head of the Fed when Powell's term finishes in May. Investors are looking ahead to next month's meeting between US President Donald Trump and Chinese President Xi Jinping in China amid optimism around a potential thaw in Sino-American relations. Washington will begin to process tariff refund applications filed through a new portal launched after the US Supreme Court's recent ruling struck down President Trump's so-called emergency tariffs.

European equities closed April higher but trailed the global index. Movements in the Stoxx 600 Index were largely driven by developments in the Middle East, with equities rising on ceasefire news and tentative progress in US-Iran peace talks, before giving back gains amid renewed attacks on commercial vessels in the Strait of Hormuz. Conflicting signals from Washington and Tehran around a potential end to the stalemate also rattled markets. More positively, sentiment was boosted by the landslide victory of Péter Magyar in Hungary's presidential elections, ending Viktor Orbán's 16-year rule and ushering in a new era of co-operation with the European Union (EU). Elsewhere, Tech stocks were lifted by record Q1 profits from Dutch semiconductor firm ASML, supported by continued strength in artificial intelligence (AI) demand.

Portfolio Highlights

What helped?	• During a strong market rebound and risk rally, the Fund could not hold up with its benchmark. However, the lagged performance is contained as the Fund is also allocated towards cyclical dividends, which did well in April.
What hurt?	• The defensive nature of the dividend styles could not hold up during a very strong market rebound. Dividend Yield, Dividend Reliability and Quality were lagging in April.

Market Outlook

While the persistent Middle East conflict is still overshadowing market developments, investors appear quite calm so far. In the meantime, attention is shifting back to corporate reporting. Investors and analysts have high expectations for earnings. They forecast earnings growth of about 13% in year-on-year terms for the US market. Moreover, overall earnings forecasts have been raised since the beginning of the year – a trend which suggests that analysts remain optimistic, not least due to a significant number of upbeat corporate guidance releases. The picture is mixed at the sector level, however. Only a handful of sectors, among them Technology (and in particular AI) and Energy, are expected to register major earnings increases. In Europe, earnings growth looks set to be more moderate. While individual stocks might do well, the broad-based earnings development should remain limited. In Asia, the dynamic Tech sector will probably continue to be a major growth engine. As a rule, positive and negative surprises are likely to result in significant price reaction at the level of individual regions, sectors or stocks. In this environment, we recommend active management and a thorough analysis of the fundamentals, which will be key in the long term.

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All data are sourced from Allianz Global Investors as at 30 April 2026 unless otherwise stated.

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