

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 March

Global equities were pressured across the globe in March. The MSCI All Country World Index (ACWI) plunged, with markets going into freefall as the US-Israeli war against Iran spread throughout the Middle East. Oil and gas prices soared on supply disruption fears as Tehran placed a chokehold on oil and gas exports through the Strait of Hormuz – a vital shipping lane handling around one-fifth of the world’s energy exports – clouding the outlook for inflation and diminishing expectations of further monetary easing from key central banks. Stock market losses were pared slightly into month-end amid rising hopes of a potential de-escalation in the Middle East. Turning to the MSCI ACWI, with the exception of Energy, all other sectors fell in March.

US equities fell in March. The major Wall Street indices were pressured by geopolitical concerns, particularly rising oil prices and the likely duration of the US-Israeli war with Iran as the military objectives and exit strategy of Operation “Epic Fury” became increasingly ambiguous. In addition, hard line cleric Mojtaba Khamenei – a son of slain Supreme Leader Ayatollah Ali Khamenei – was appointed Iran’s new leader, delivering a devastating blow to Washington and Tel Aviv’s hopes of triggering regime change. Heightened economic uncertainty also weighed on sentiment, as rising inflationary and recessionary risks clouded the outlook for further rate cuts from the US Federal Reserve (Fed). Lingering doubts about the Trump administration’s trade policy were a further headwind. The CBOE Volatility Index (VIX) – Wall Street’s fear gauge – soared above 30 in March, the highest level in a year. More positively, US equities partially rebounded into month-end amid rising hopes of a potential de-escalation in the Middle East.

European equities moved sharply lower in March, as the US-Israeli war with Iran triggered a global sell-off. The STOXX 600 Index fell as oil prices spiked on heightened supply concerns, with Iran’s newly appointed Supreme Leader Mojtaba Khamenei tightening the blockade of the Strait of Hormuz. European leaders resisted US pressure to form a naval coalition to secure freedom of navigation through the strait, despite President Donald Trump threatening repercussions for the future of North Atlantic Treaty Organisation (NATO). They also joined Kyiv in criticising the Trump administration’s attempt to curb rising oil prices by temporarily easing sanctions on Russian oil at sea. Meanwhile, lingering trade uncertainty continued to weigh on sentiment after the US Supreme Court overturned President Trump’s “emergency tariffs”, with the US launching a Section 301 trade probe into alleged forced labour practices targeting over 60 countries, including the European Union (EU) and the UK, that could potentially trigger fresh tariffs. In political news, the mainstream parties held onto power in the French mayoral elections – generally perceived to be a yardstick for the presidential elections in 2027.

Portfolio Highlights

What helped?	<ul style="list-style-type: none">• In a volatile and negative March for global equities, stocks with more defensive characteristics did better. This played to the advantage of the defensive bias of our dividend strategy where reliable value and dividend stocks with strong dividend reliability performed well.
What hurt?	<ul style="list-style-type: none">• Growth-related names underperformed and so did cyclical dividend stocks. The trend-following part of the portfolios also lagged global equity markets.

Market Outlook

The Middle East conflict is creating considerable uncertainty and putting the resilience of the equity markets to the test. Nevertheless, we stick to our baseline scenario and expect the global economy to remain robust. Risks might increase if oil prices remain elevated for longer and the world continues to be cut off from gas supply from the crisis region. In that case, we may be in for a mix of higher inflation and weaker growth rates. Overall, equity valuations have declined slightly during the past three months. Recent price setbacks may therefore open up entry opportunities in sectors which we prefer for structural reasons. This includes the larger topics “European autonomy” and “artificial intelligence (AI) enablers”. Europe’s efforts to achieve greater strategic autonomy are being supported by an expansionary fiscal policy, which mobilises capital from the private sector. This topic is gaining importance around the world, as many countries are seeking to reduce their dependency on fossil fuels and to become more independent in terms of defence and in other areas. AI is likely to remain a key issue on the world markets, too. China is poised to enter a period of broad AI use, supported by hardware, AI model and robotics innovations. In the shorter term, however, developments in the Middle East will have greater impact on investor sentiment and, in turn, the equity markets. From our vantage point, this environment supports active management, building resilient positions, engaging in efficient diversification, and focusing on long-term goals.

Connect with Us | sg.allianzgi.com | +65 6438 0828 | Search more 



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 as at 31 March 2026 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).