

# Allianz Global Sustainability

## Monthly commentary

### Investment Objective

The Fund aims at long-term capital growth by investing in global equity markets of developed countries in accordance with environmental and social characteristics. The Investment Manager may engage in foreign currency overlay and thus assume separate foreign currency risks with regard to currencies of OECD member states, even if the Sub-Fund does not include any assets denominated in these respective currencies.

### What Happened in April

Global equities had another volatile month in April. Stocks initially plummeted amid fears that the global response to President Donald Trump's 'Liberation Day' tariff offensive would plunge the global economy into recession but recovered most of their earlier losses when the president announced an abrupt U-turn to provide scope for trade negotiations. Trump's subsequent attack on Federal Reserve (Fed) Chair Jerome Powell for not cutting interest rates heightened concerns over the central bank's independence and prompted a renewed sell-off, although easing tariff tensions and optimism around first-quarter corporate earnings releases brought some welcome respite near month end.

At a sector level, Energy was the weakest sector in the MSCI All Country World Index, dragged lower on falling oil prices. Meanwhile, Consumer Staples and Utilities delivered positive returns as investors rotated into defensive names. Information Technology and Communication Services stocks also staged a partial comeback near month end on optimism around corporate earnings releases.

The US dollar plunged in April on heightened market volatility triggered by President Donald Trump's erratic trade policy and the deteriorating US growth outlook. The US Dollar Index, an indication of how the dollar is faring versus other major currencies, touched a three-year low towards the end of the month.

## Portfolio Review

### Contributors

Our stock selection within Technology was a strong contributor to performance over the course of April. Our holdings in a cybersecurity provider and a provider of enterprise information technology management software featured amongst the top contributors to performance whilst a lack of exposure to a smartphone, computer and communications equipment giant also benefitted.

### Detractors

After a strong contribution last month, a medical insurer and care operator was the top detractor to performance over April. They released a set of earnings numbers for the quarter that came well below expectations and the stock fell sharply following this news. A life science and medical equipment manufacturer also suffered over the month and featured amongst the detractors, as well as other holdings in the sector such as animal health company Zoetis and a healthcare equipment company.

### Significant Transactions

We sold a German technology conglomerate and reduced our position in the afore-mentioned medical insurer and care operator following their disappointing results, as we believe that headwinds will persist for the stock. Tariff-related uncertainty has led to earnings downgrades across sectors, prompting a more cautious near-term stance and reduced turnover as conviction in short-term signals wanes.

## Market Outlook

We continue to find high-quality opportunities at the stock level. Recent additions - including the afore-mentioned provider of enterprise information technology management software; a cloud-based relationship management software; and a Chinese e-commerce company - reflect our focus on long-term growth and diversified exposure across sectors and geographies. Our positioning is relatively defensive reflecting our concerns over global economic fragility.

We have seen a broadening of performance and expect a broader market to continue to lead this year and beyond, as valuations for the Magnificent 7<sup>^</sup> look less compelling and earnings momentum begins to slow. With record capital expenditure underway, these companies must soon deliver tangible returns to justify their premiums.

The main risk to our outlook is further macro deterioration without offsetting policy or geopolitical support. While a Trump-led shift on trade could provide selective relief, timing and scope are highly uncertain. Accordingly, our positioning remains cautious, favouring structural growth themes while limiting exposure to late-cycle risk.

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 at 30 April 2025 unless otherwise stated.

^Magnificent Seven refers to a group of US stocks which includes Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla.

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.). Environmental, Social and Governance (ESG) strategies consider factors beyond traditional financial information to select securities or eliminate exposure which could result in relative investment performance deviating from other strategies or broad market benchmarks. 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).