

Allianz Thematica

Monthly commentary

Investment Objective

The Fund aims at long-term capital growth by investing in global equity markets with a focus on theme and stock selection in accordance with environmental and social characteristics.

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, except for Energy, all other sectors fell in March.

Central bank commentary struck a cautious note in March, as soaring oil and gas prices put upward pressure on headline inflation forecasts and diminished hopes of further rate cuts. The US Federal Reserve (Fed) held the federal funds rate steady at a target rate of 3.50%-3.75%, as widely anticipated, with Fed Chair Jerome Powell stating that it was too early to gauge the impacts of rising energy inflation on the economy.

Oil prices surged in March, with Brent crude breaching USD 112 a barrel – the highest level since June 2022 – as the war in Iran continued and Middle Eastern oil producers cut supply due to Tehran’s blockade of the Strait of Hormuz, a vital regional shipping route. The 32-member state International Energy Agency agreed to release 400 million barrels of oil from its reserves – the most since the Russian invasion of Ukraine in 2022 – and commented that the war with Iran represented “the largest supply disruption in the history of the global oil market”.

Meanwhile, gold prices plummeted in March, registering the sharpest weekly drop since 1983 as investors favoured the safe-haven appeal of the US dollar over the yellow metal as the US-Israeli war with Iran triggered a flight to safety. In addition, hopes for further Fed rate cuts were reversed, with markets increasingly pricing in the possibility of rate hikes.

Performance Analysis

The Fund returned negatively (in EUR, gross of fees) in March, below the MSCI AC World Index. Sector allocation and stock selection have been both negative contributors to overall performance. The overweight to Industrials and the underweight to Energy has been a burden to the overall portfolio. As a result of weakness in the Industrials sector, themes with high exposure to this sector—such as Humanoid Robots—have suffered over the recent month. Conversely, Digital Finance contributed well to overall performance.

Contemporary Amperex Technology (CATL), Cheniere Energy, and Figure Technology Solutions outperformed global equity markets in March due to strong exposure to structural growth and supportive macro trends. CATL benefitted from continued momentum in electric vehicle demand and battery innovation. Cheniere Energy gained from surging liquefied natural gas (LNG) prices and heightened demand for energy security amid geopolitical tensions. Figure Technology Solutions advanced on optimism around fintech-driven efficiency gains and credit market digitalisation. Overall, investors favoured companies with pricing power, secular tailwinds and resilience to macro uncertainty during a volatile market environment.

UBTech Robotics, Rainbow Robotics, and Geberit underperformed global equity markets in March due to a combination of valuation pressure and cyclical headwinds. Robotics names were weighed down by profit taking and reduced risk appetite towards high-growth, high-multiple stocks amid rising yields. At the same time, Geberit faced continued weakness in European construction activity and margin pressures linked to subdued demand. Overall, investors rotated away from rate-sensitive and cyclical exposures towards more defensive sectors during a volatile and uncertain market environment.

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All data are sourced from Bloomberg and Allianz Global Investors as at 31 March 2026 unless otherwise stated.

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