

# Allianz

# Euroland Equity

# Growth

## Monthly commentary

- The Fund aims at long-term capital growth by investing in Eurozone equity markets with a focus on growth stocks in accordance with environmental and social characteristics. With the adoption of the Sustainability Key Performance Indicator Strategy (Relative) ("KPI Strategy (Relative)"), the Fund aims to achieve the reduction in greenhouse gas emissions ("GHG") of the Fund's portfolio which shall be at least 20% lower than that of its benchmark within the same period ("Sustainability KPI").
- The Fund is exposed to significant risks of investment/general market, country and region, European country and company-specific. The economic and financial difficulties in Europe may get worse and thus may adversely affect the Fund (such as increased volatility, liquidity and currency risks associated with investments in Europe).
- The Fund is exposed to sustainable investment risks relating to KPI Strategy (Relative) (such as foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so or relying on information and data from third party ESG research data providers and internal analyses which may be subjective, incomplete, inaccurate or unavailable). The Fund focuses on the Sustainability KPI which may reduce risk diversifications and may be more volatile compared to broadly based funds. Also, the Fund may be particularly focusing on the GHG efficiency of the investee companies rather than their financial performance which may have an adverse impact on the Fund's performance.
- The Fund may invest in financial derivative instruments ("FDI") which may expose to higher leverage, counterparty, liquidity, valuation, volatility, market and over the counter transaction risks. The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.
- This investment may involve risks that could result in loss of part or entire amount of investors' investment.
- In making investment decisions, investors should not rely solely on this material.

**Note:** Dividend payments may, at the sole discretion of the Investment Manager, be made out of the Fund's capital or effectively out of the Fund's capital which represents a return or withdrawal of part of the amount investors originally invested and/or capital gains attributable to the original investment. This may result in an immediate decrease in the NAV per share and the capital of the Fund available for investment in the future and capital growth may be reduced, in particular for hedged share classes for which the distribution amount and NAV of any hedged share classes (HSC) may be adversely affected by differences in the interests rates of the reference currency of the HSC and the base currency of the Fund.

### What Happened in September

Euro-zone equities closed the month of September little changed. To an extent, the US stock market influenced movements in Europe. Shares sold off in the first half of the month as continued weak US job growth raised recessionary fears once more, before rallying in the second half as central banks loosened monetary policy and the Chinese authorities announced additional stimulus measures. Sectoral returns were mixed: materials, real estate and utilities were the strongest sectors, while the largest losses came from energy, health care and information technology.

The Fund's leading share class gained appreciably in value and performed slightly better than the benchmark. The outperformance can almost entirely be explained by beneficial stock selection which worked especially well in the industrials, communication services and financials sectors, whereas stock selection in the consumer discretionary area

was disadvantageous. The Fund's leading share class sector allocation contributed negatively to performance. The overweights in information technology and health care stocks as well as the underweight in utilities companies weighed on the Fund's leading share class relative performance. However, our overweights in consumer discretionary and communication services and our underweight in energy stocks are worth mentioning and were positive.

On a single stock basis, our overweight positions in the two German names operating in the interactive media & services area, and a company, from the diversified financial services area, as well as an Irish supplier of building products, helped most. Our overweight position in an Italian firm from the health care distributors sector, together with our underweight positions in a Dutch name operating in the broadline retail area, and the Spanish electric-utilities name weighed heavily on the overall outcome.

### Outlook and Strategy

The Fund remained overweight euro zone companies with upside potential that does not appear to be sufficiently priced in. Stock-picking focused in particular on identifying factors such as structural competitive advantages that are above long-term averages.

In terms of trading activity, we liquidated Biese, an Italian manufacturer of industrial machinery.

The Fund's top holdings were the two French suppliers of apparel, accessories & luxury goods, as well as a Dutch firm from the semiconductor materials & equipment sector. The Fund's heaviest overweights were a building materials company, a software developer for the construction industry, a German name operating in the application software area, and a luxury goods company. On the other hand, the two French corporations (one electrical components & equipment company and an aerospace & defense company), as well as a German integrated telecommunication name, were the Fund's main underweights at the end of September.

As a result of the Fund's specific stock selection approach, the sector and country positionings looked as follows: equities from the consumer discretionary, health care and information technology areas were overweight, while the Fund only held selective positions in the utilities, industrials and energy sectors. From a regional perspective, the Fund had an overweight exposure to stocks from Germany and Ireland, whereas stocks from Italy, Belgium and France were underweight.

---

Connect with Us | [hk.allianzgi.com](https://hk.allianzgi.com) | +852 2238 8000 | Search more  Allianz Global Investors

 Like us on Facebook [安聯投資 – 香港](#)

 Connect on LinkedIn [Allianz Global Investors](#)

 Subscribe to YouTube channel [安聯投資](#)

All data sourced from Allianz Global Investors, Eurostat, IHS Markit and Office for National Statistics, as at 30 September 2024 unless otherwise stated.

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 material but should seek independent professional advice.

Investment involves risks, in particular, risks associated with investment in emerging and less developed markets. Past performance is not indicative of future performance. Investors should read the offering documents for further details, including the risk factors, before investing. This material and website have not been reviewed by the Securities and Futures Commission of Hong Kong. Issued by Allianz Global Investors Asia Pacific Limited.

Allianz Global Investors Asia Pacific Limited (32/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong) is the Hong Kong Representative and is regulated by the Securities and Futures Commission of Hong Kong (54/F, One Island East, 18 Westlands Road, Quarry Bay, Hong Kong).