

Allianz Thematica

Monthly commentary

- 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. The Fund aims to achieve the Sustainability Key Performance Indicator Strategy (Absolute Threshold) (“KPI Strategy (Absolute Threshold)”). The Fund does not constitute as an ESG fund pursuant to the SFC’s circular issued on 29 June 2021.
- The Fund is exposed to significant risks of investment/general market, concentration, thematic-based investment strategy, company-specific, emerging market risks, currency (such as exchange controls, in particular RMB), and the adverse impact on RMB share classes due to currency depreciation.
- The Fund is exposed to sustainable investment risks relating to KPI Strategy (Absolute Threshold) (such as foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, selling securities when it might be disadvantageous to do so, and/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 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 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.

Portfolio Review

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 a Fintech firm focused on blockchain and credit market digitalization (the company) 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. The company 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.

A Chinese AI and humanoid robotics company, a South Korean robotics manufacturer specializing in humanoid and industrial robots and a Swiss manufacturer of sanitary and bathroom systems (the company) 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, the company 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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Source: Bloomberg and Allianz Global Investors as at 31 March 2026 unless otherwise stated.

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

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