

Allianz

US Equity Fund

Monthly commentary

- The Fund aims at long-term capital growth by investing in companies of the United States of America ("US") equity markets with a minimum market capitalization of US\$500 million.
- The Fund is exposed to significant risks of investment/general market, country and region, emerging market and company-specific.
- 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

In March 2025, the US equity market took a significant hit, with the S&P 500 Index falling by -5.63%. The decline was fueled by a combination of factors, including increased policy uncertainty from the new administration, particularly around trade. This uncertainty led to a significant drop in consumer and corporate confidence, as seen in negative guidance from retailers, airlines and homebuilders. The Nasdaq Composite Index suffered even more, declining by -8.21%, largely due to the underperformance of the "Magnificent Seven" stocks.

Despite the Federal Open Market Committee's stance, which noted that tariff impacts on inflation were temporary and announced a larger-than-expected tapering of quantitative tightening, the market remained largely unaffected. The market's cautious sentiment was further highlighted by a significant rally in gold, and a 3.2% decline in the dollar index, signaling a shift in global economic sentiment and a flight to safe-haven assets.

Portfolio Review

For the month of March, the Strategy underperformed the benchmark, the S&P 500 Index (the Index), on a gross- and net-of-fees basis due to unfavorable stock selection. Stock selection within the financials, energy, real estate and utilities sectors contributed slightly positive returns and contributed the most to performance. However, stock selection within information technology, communication services and industrials sectors detracted the most.

Outlook and Strategy

The outlook for US equities in the coming period remains cautious, amid a mix of economic and market factors. While the labor market remains strong and inflation pressures have eased, broader economic uncertainty and tariff uncertainties continue to pose significant risks. Policymakers will need to navigate through these challenges carefully to make sure the economy continues to grow and remain stable.

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Source: Bloomberg and Allianz Global Investors dated as of 31 March 2025 unless otherwise stated.

Allianz Global Investors and Voya Investment Management entered into a long-term strategic partnership on 25 July 2022, upon which the investment team transferred to Voya Investment Management. This did not materially change the composition of the team, the investment philosophy nor the investment process. Management Company: Allianz Global Investors GmbH. Delegated Manager: Voya Investment Management Co. LLC ("Voya IM").

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