31 MARCH 2024

# Dollar Global Equity Plus Fund

**FUND DETAILS:**

| | | | |
|---|---|---|---|
| Inception Date | 19-Jul-21 | Latest NAVPU | 0.986980 |
| Fund Manager | Allianz Global Investors (AGI) | Initial NAVPU | 1.000000 |
| Fund Currency | USD | Highest NAVPU (11.10.2021) | 1.028948 |
| Fund Size | USD 38.76 Million | Lowest NAVPU (10.14.2022) | 0.661560 |
| Management Fee | 2.00% p.a. | Pricing / Valuation | Daily |

## AGI RISK AND REWARD INDICATOR

Lower Risk Lower Rewards ●●●●●○○ Higher Risk Higher Rewards

5/7 as as of 03/05/2024

### Investment Objective

To achieve long-term capital growth by investing in global equity markets, striving to build a concentrated portfolio with a focus on stock selection

- The Fund is exposed to significant risks which include investment/general market, company-specific, creditworthiness/credit rating/ downgrading, default, currency, valuation, asset allocation, country and region, emerging market risks.
- The Fund is also exposed to risks relating to securities lending transactions, repurchase agreements and reverse repurchase agreements.
- The Fund may invest in financial derivative instruments ("FDI") for efficient portfolio management (including for hedging) which may expose to higher leverage, counterparty, liquidity, valuation, volatility, market and over the counter transaction risks. The Fund will not invest extensively in FDI for investment purpose.
- 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.

### Risk Classification

The Fund is suitable for investors with a moderately aggressive profile or for those who take medium to long - term views. As a marked - to-market Fund, its net asset value and total return may fall or rise as a result of interest rate movements and stock price movements. On redemption of units, a policyholder may receive an amount less than the original amount invested. Prior to investment in the Fund, the policyholder shall undergo a client suitability assessment procedure to determine whether the Fund is appropriate for him considering his investment objective, risk tolerance, preferences and experience.

### Market Commentary

Global equities rallied strongly over Q1, recording their strongest Q1 returns in five years and beating bonds by the widest margin in any quarter since 2020. Many markets notched fresh record highs as sentiment was buoyed by solid corporate earnings, the ongoing resilience of the US economy and signs that economic activity may be improving in Europe and China. Additionally, while central banks moved to dampen speculation that interest rates may be cut as soon as March, they continued to indicate that rates were likely to be lowered in the summer. Japan was the strongest market by quite some margin, but emerging markets lagged due to weak returns in Brazil, South Africa, China and Mexico. At a sector level, Information Technology, Communication Services, Financials, Industrials and Energy performed the best, delivering double-digit gains, while Real Estate and Utilities companies rose the least.

Inflation proved to be stickier than expected, with escalating tensions in the Red Sea raising fears of another inflationary spike due to higher shipping costs and extended delivery times. Central banks remained dovish but stressed that they would be in no rush to reduce borrowing costs quickly. In March, the Swiss National Bank became the first major central bank to lower rates this cycle, while the Bank of Japan (BoJ) finally ended its below-zero interest rate policy.

The US dollar strengthened against the British pound and the euro as US policymakers dismissed speculation that US rates could be cut as many as six times in 2024, stressing that their guidance remained for just three rate cuts. In contrast, the European Central Bank (ECB) refused to comment on the number of rate cuts it may enact during 2024, while the hopes of UK rate cuts were boosted when inflation fell by more than expected. The Japanese yen weakened. While BoJ increased borrowing costs for the first time since 2007 and ended its yield curve control policy, it stressed that borrowing costs would not rise sharply until inflation expectations were anchored at its 2% target.

### Market Outlook

Q1 has seen a continuation of strong returns from global equity markets, with many country or regional indices reaching record highs towards the end of the period, before retreating slightly. The end of 2023 saw markets soar as central banks signaled that interest rates had likely peaked, releasing some of the valuation pressure on higher quality, structurally growing companies, which formed the forefront of the subsequent rally. Since the turn of the year, there has been a broader base of positive returns across sectors, with lower multiple value stocks also showing momentum, especially towards the end of the quarter.

Market expectations of the first Fed interest rate cut and the speed of descent for 2024 have tempered since the end of 2023 (at one point the consensus estimate was for 7 cuts in 2024). The US economy has remained far stronger than many anticipated with solid growth and purchasing managers' indices (PMIs) above 50 (suggesting expansion), in both services and manufacturing. Coupled with resilient jobs growth, there is little urgency for action and with inflation stickier than hoped, they can afford to be cautious.

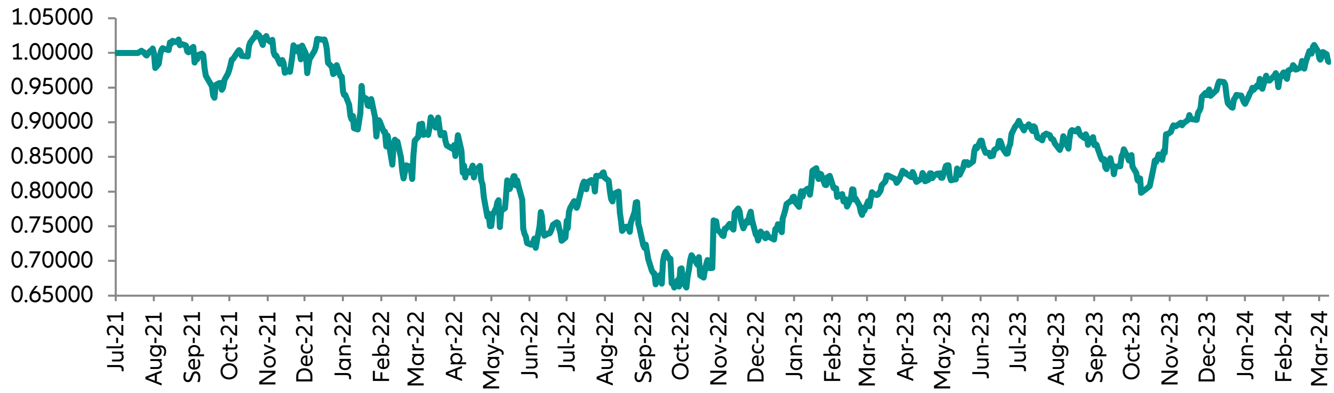
Alongside the robust growth in the US, there are tentative signs that sentiment may be shifting within the eurozone and the UK, as PMIs climbed to the highest levels since mid-2023. As revised economic data showed that some economies entered a technical recession at the tail-end of last year, positive momentum is very welcome. Inflation data in the eurozone and the UK has continued to ease, opening the door for potential rate cuts, perhaps even in advance of the Fed.

The Chinese real estate sector remains an area of concern with a developer issued with a liquidation order by a Hong Kong judge. Another developer is facing a wind-up petition from a creditor. A number of policies that aim to provide growth stimulus for the economy, primarily through infrastructure projects, were announced at the National People's Congress but it remains to be seen if this is enough to sustain an ambitious 5% growth target.

## Performance Overview

| Performance History | Year To Date | 1 Year (YoY) | 3 Years (YoY) | 5 Years (YoY) | Since Inception |
|---|---|---|---|---|---|
| Absolute | 2.92% | 22.00% | N/A | N/A | -1.30% |
| Annualized | N/A | 22.00% | N/A | N/A | -0.49% |

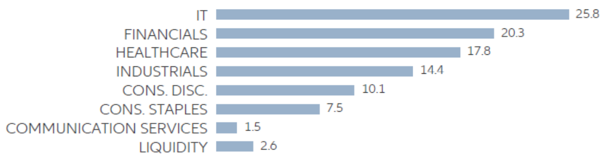
## NAVPU Since Inception



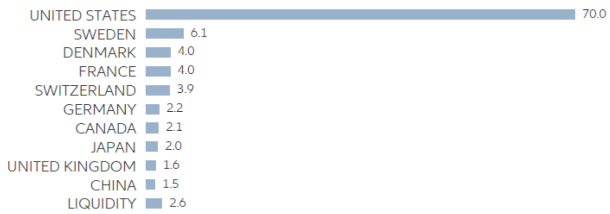

## Portfolio Analysis

### Asset Allocation


Sector Allocation (%)




Country/Location Allocation (%)




| Top 10 Holdings [3] | Sector | % |
|---|---|---|
| CORPAY INC | FINANCIALS | 4.5 |
| THERMO FISHER SCIENTIFIC INC | HEALTHCARE | 4.4 |
| ASSA ABLOY AB-B | INDUSTRIALS | 4.1 |
| ROPER TECHNOLOGIES INC | IT | 4.1 |
| VISA INC-CLASS A SHARES | FINANCIALS | 4.1 |
| MICROCHIP TECHNOLOGY INC | IT | 4.1 |
| MONSTER BEVERAGE CORP | CONS. STAPLES | 4.0 |
| NOVO NORDISK A/S-B | HEALTHCARE | 4.0 |
| LVMH MOET HENNESSY LOUIS VUI | CONS. DISC. | 4.0 |
| AMAZON.COM INC | CONS. DISC. | 4.0 |
| Total | | 41.3 |

**RISKS**

- Equities and other equities securities (ie. covered call, short-call option), high-yield bonds and convertible bonds may be subject to volatility and loss risks. The volatility of the fund unit price may be strongly increased.
- Underperformance of the global capital markets possible
- Currency losses possible against investor currency in unit classes not hedged
- Flexible investment policy is no guarantee that losses will be excluded
- Success of single security analysis and active management not guaranteed



Allianz PNB LIFE INSURANCE