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Active is: Understanding cyclical effects

As the chart shows, **some industry sectors** have done **better in growth periods** (so-called cyclical sectors)

Others have historically **outperformed as the economy slows** (non-cyclical sectors)

Active investment approaches can be particularly **useful at inflection points** in economic cycles – active managers can tilt a portfolio to **capture cyclical effects**

How sectors rotate across the cycle

Performance contribution of sectors in the MSCI World Index

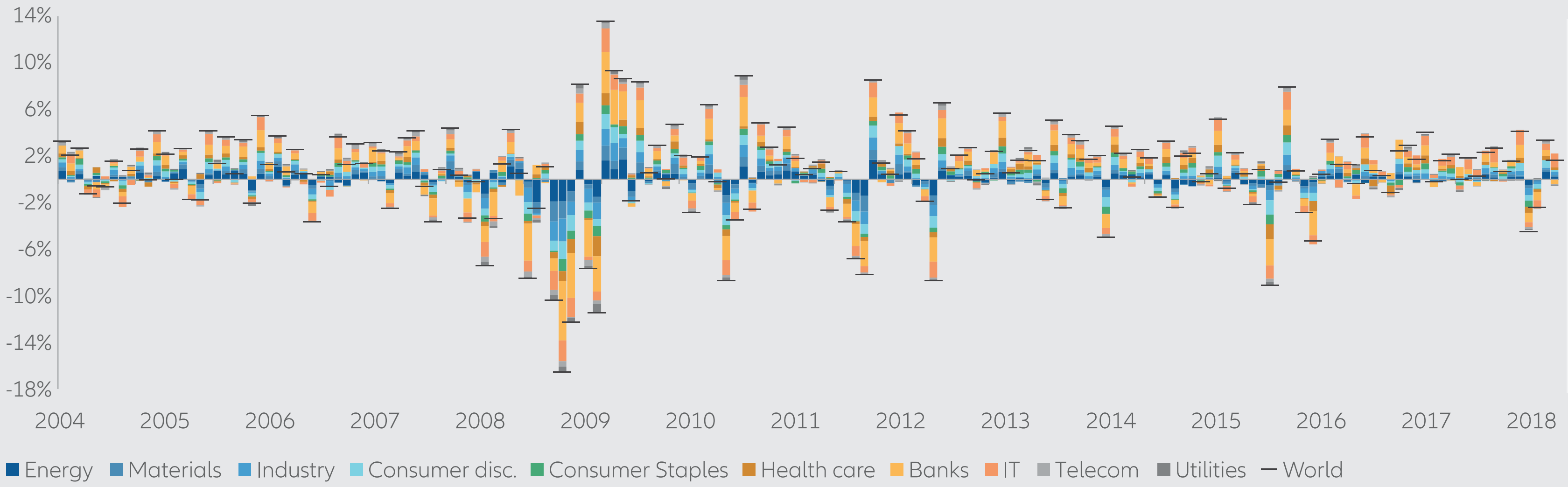

Chart shows how some sectors tend to contribute more performance in growth periods (eg, consumer goods, industrials) and others when the economy slows (eg, utilities, healthcare)

Source: Datastream; Allianz Global Investors Capital Markets & Thematic Research. Data as at November 2017. The above chart is illustrative in nature and should not be considered a recommendation to purchase or sell any specific AllianzGI product. Past performance is no guarantee of future results.

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