

Active is: Responding to changing markets



Correlations are starting to **return to normal**, after nearly doubling post-crisis



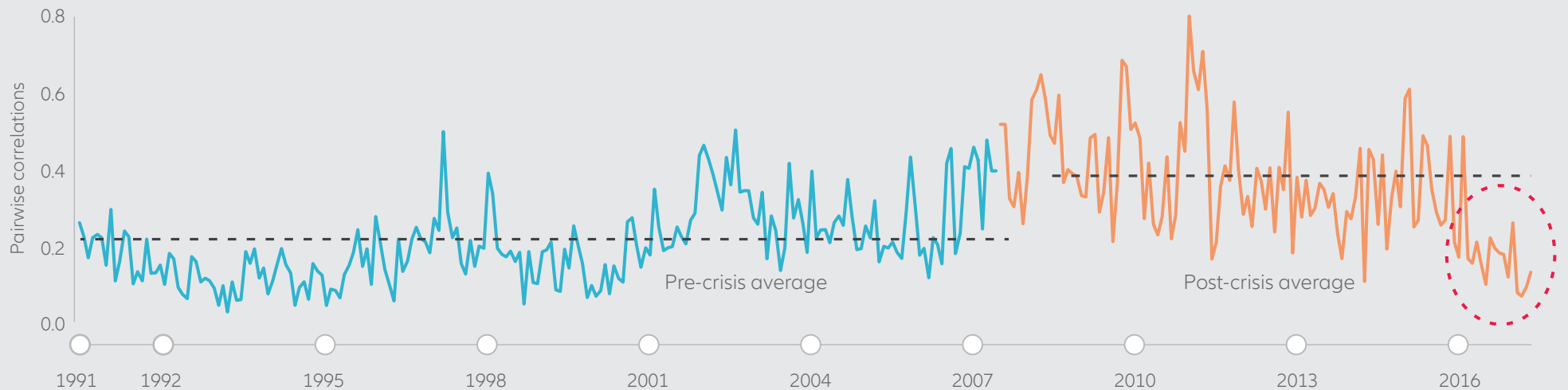
When correlations are lower, stocks tend to rise or fall based on their **company-specific characteristics** – rather than following the pack



Active management skill can become **increasingly valuable** – both to identify stocks with potential, and to **avoid weaker businesses**

After nearly doubling post-crisis, stock correlations have recently declined

S&P 500 Index correlations



Source: FactSet, AllianzGI Economics & Strategy. Data as at 31/12/2017. 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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