

ALLIANZ GLOBAL INVESTORS
INVESTMENT FORUM 2019
FRANKFURT
INSIGHTS AND ACTIONS



**SUSTAINABILITY IS A FACTOR
NO INVESTOR CAN IGNORE**



The threat of climate change has drawn more investors to ESG...

...ESG helps businesses improve corporate governance, manage risks and grow sustainably



FOCUS ON THE REAL-WORLD IMPACT OF INVESTING

Incorporating ESG factors aims to help performance, and sustainable investing will increasingly be assessed on its real-world impact



TAKING RISK IS STILL ESSENTIAL – BUT MAKE SMART CHOICES

Market volatility has made many investors uneasy



Inflation and low interest rates erode money left in “safe” investments



VIEW SETBACKS IN RISK ASSETS AS POTENTIAL BUYING OPPORTUNITIES

Be selective and manage risk actively using fundamental research

DIVERSIFY TO ACHIEVE RETURN POTENTIAL IN A SLOW-GROWTH, LOW-YIELD GLOBAL ECONOMY

Every investment environment has bright spots

Where should investors turn?

- Alternatives
- Income-generating investments
- Market timing
- Region and sector differentiation
- Europe



KEEP AN EYE ON VALUATIONS

Valuations will be critical and equity income more important in coming years

BE ACTIVE AND COUNTERCYCLICAL TO HELP SEIZE OPPORTUNITIES

Beta returns are likely to be lower and more volatile

Passive investments will follow market downturns



Procyclicality – or following the herd – can destroy value



BE OPPORTUNISTIC AND THINK LONG-TERM

Active management can help seek out above-market returns and future potential performance

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