

Active is: Shaping our convictions

Four insights and actions from our Frankfurt 2019 Investment Forum

by [Neil Dwane](#) | 21/06/2019 

Summary

What does it mean to be a long-term investor? That was one of the main questions underpinning the discussions at our Investment Forum in Frankfurt. Topics included the importance of climate change and the future direction of Europe, as our investors and strategists shaped the convictions that inform our long-term investment strategies for clients.

Key takeaways

- Sustainable investing is about more than climate change: it helps to improve corporate governance and make business models more sustainable, as investors increasingly focus on real-world impact
- Taking risk remains essential for investors who want to avoid seeing the value of their investment eroded – but it's important to make smart choices based on fundamental research and keep a close eye on valuation metrics
- Against a more muted outlook for returns, being diversified and adding alpha to beta is key – especially as beta returns are set to be lower and more volatile
- Alternative investments can help improve performance and risk profiles: active managers can guide investors on using alternatives, depending on their specific investment objectives
- Be active and countercyclical to seize opportunities, balancing the need to be opportunistic while also looking far enough ahead

1 Sustainability is a factor no investor can ignore 

2 Taking risk is still essential – but make smart choices 

3 Diversify to achieve returns in a slow-growth, low-yield global economy 

4 Be active and countercyclical to seize opportunities 

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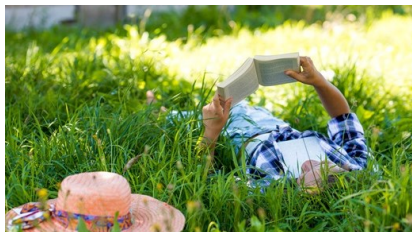
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Neil Dwane is a portfolio manager and the Global Strategist with Allianz Global Investors, which he joined in 2001. He coordinates and chairs the Global Policy Committee, which formulates the firm's house view, leads the firm's bi-annual Investment Forums and communicates the firm's investment outlook through articles and press appearances. Neil is a member of AllianzGI's Equity Investment Management Group. He previously worked at JP Morgan Investment Management as a UK and European specialist portfolio manager; at Fleming Investment Management; and at Kleinwort Benson Investment Management as an analyst and a fund manager. He has a B.A. in classics from Durham University and is a member of the Institute of Chartered Accountants.

Active is: Adapting to shifts in global trade

Do US-China trade tensions signal an end to globalisation?

by [Neil Dwane](#) | 25/06/2019 [↓](#)



Summary

It looks increasingly unlikely that the US and China will reach an amicable agreement to end their ongoing trade conflict. If tensions between the two countries continue to escalate, we could witness the end of a decades-long period of globalisation – with several major implications for investors.

Key takeaways

- It seems there are good reasons for the leaders of both the US and China to avoid backing down in their ongoing trade dispute
- Higher US tariffs on imports may drive up inflation, which might compel the Fed to hike rates, boosting the US dollar but hitting US growth expectations and emerging-market assets
- The use of the dollar as an economic weapon may see the currency strengthen in the short term; this could undermine its appeal as the world's reserve currency over a longer horizon
- China might retaliate with a “don't buy America” policy, hitting US corporate profits for decades to come, and by denying US companies access to critical China-based supply chains
- Countries around the globe are likely to come under pressure to choose sides in the dispute, resulting in an increasingly polarised world

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