Allianz Life Amanah Dana Ikhlas

Investment Objective

The Allianz Life Amanah Dana Ikhlas (the "Fund") feeds into AMB Dana Ikhlas ("CIS") and aims to seek a mix of regular income stream and possible capital growth over the medium to long term by investing in listed equities, Islamic debt instruments and other assets that are permissible under the Shariah Principles.

Investor Profile

The Fund is suitable for investors are looking for fund that invests in Shariah-compliant securities, seek regular income and moderate capital appreciation, have moderate risk tolerance and medium to long term investment horizon.

Performance Indicator

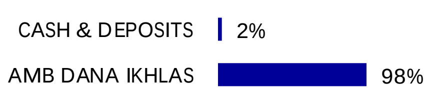
	1 month	6 months	1 year	3 years	5 years	YTD	Since Inception (Annualised)
Allianz Life Amanah Dana Ikhlas	2.63%	-4.87%	-1.08%	2.24%	6.42%	-2.32%	2.52%
Benchmark: 50% FBM Emas Shariah Index + 50% GIA rate*	3.08%	-2.24%	2.16%	7.19%	10.66%	-0.78%	3.12%
AMB Dana Ikhlas	2.65%	-4.93%	-0.56%	4.23%	10.19%	-2.20%	3.56%

* Source: Bloomberg and Bank Negara Malaysia.
The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis with gross dividends reinvested. It is strictly the performance of the investment fund and not the returns earned on the actual premiums paid of the investment-linked product. Past performance is not an indication of future performance.

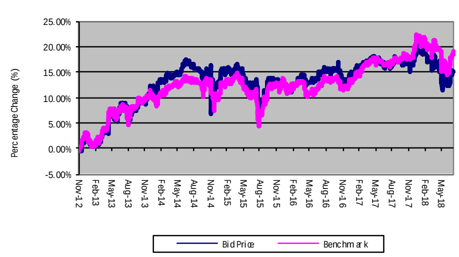
Facts on CIS

Name	AMB Dana Ikhlas
Type	Managed Fund
Fund Manager	Amanah Mutual Berhad
Fund Currency	MYR

Portfolio Composition by Asset



Performance Since Inception



Key Fund Facts

Fund Size	RM8.075 million
Risk Profile	Moderate Investor
Launch Date	26 November 2012
Fund Currency	Ringgit Malaysia
Investment Manager	Allianz Life Insurance Malaysia Berhad
Pricing Frequency	Daily
Price per Unit[1] (as at 31st July 2018) - Bid	0.547
Management Fee	1.22% p.a
Other Charges[2]	Include but not limited to government tax, auditor fee, custodian fee, & transaction charge

1. The price per unit of the Fund is the total market value of assets in the Fund divided by the total number of units of the Fund. To ensure fair treatment to all unit holders, transaction costs of acquiring and disposing of assets of the Fund are recouped by making a dilution or transaction cost adjustment to the NAV per unit of the Fund. Allianz Life Insurance Malaysia Berhad retains the right to suspend issuance or redemption of units of the Fund under exceptional circumstances, e.g. temporary closure of any stock exchange, as disclosed in the fund brochure.
2. Expenses directly related to and necessary in operating the Fund.

Allianz Life Insurance Malaysia Berhad (104248-X)
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Market Review

Equity

After two consecutive months of sold off post GE14, the FTSE Bursa Malaysia Shariah Index (FBMS) bucked the downtrend in July and ended higher by 5.9% or 718 pts to close at 12,810 pts, as local investors started to bargain-hunt. On Year-to-date basis, the FBMS is still lower by 3.7%. Foreigners remained net seller for third consecutive months with cumulative net outflows of RM1.7bil. However, this is much lower as compared to RM4.9bil outflows in June. Year to Date, net outflows stood at RM8.5bil while net outflows since GE14 amounted to RM11bil. During the month, the Ringgit weakened by 0.64% to close at RM4.06/USD, the 10Y GII dropped 11bps to 4.20% and Brent crude oil weakened 6.1% to USD4.58 per barrel.

Telecommunication companies led the increased after the Government provided clarity on the Broadband plans. Industrials companies also outperformed the benchmark after May IPI rose 3.0% Year-on-Year, driven by a rise in manufacturing output. Jun CPI came in at 0.8% YoY, reflecting the zero-rating of the GST. Nevertheless, with the introduction of the Sales and Service Tax (SST) in September, inflation is expected to be higher in 4Q. Meanwhile, on the global front, trade tensions remained a real risk after President Trump announced that the US is ready to impose additional tariffs on all China made goods.

Fixed Income

In July-18, Malaysia Government Securities ("MGS") traded lower across the curve with the yields falling the most on the belly of the curve. The 10-year MGS was the most active with yield traded 13bps lower to close the month at 4.08%. The 20-year MGS yield tightened and is trading close to its long-term averages while the 30-year MGS yield was relatively steady trading within 4.90%. Credit spreads were mixed with the long end of the credit curve (15- & 20-year) saw tightening spreads versus the MGS (1 – 3bps) whilst the 10-year and below credit spreads widen (1 – 6bps), signalling better buying on the long end of the credit segment. On YTD, it appears credit spreads have tightened. As at end of July-18, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS traded at 3.59% (May-18: 3.64%), 3.89% (3.84%), 4.10% (4.04%), 4.21% (4.20%), 4.62% (4.60%), 4.88% (4.91%) and 4.89% (4.93%).

Corporate bond/Sukuk trading volume returned with RM 13.9bn traded after the lackluster February's festive season. This was also higher than similar period previous year's RM11bn. Most of the trades remain focused on AA Corporates and GGs with interest returning on the AAA. Credit spreads widened in March for all ratings bringing the first quarter of the year's credit spread wider than the 3 year average for the AAA. Generally the 5 and 7 year saw greater quantum of widening compare to the rest of the curve.

July 2018

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Manager's Comments

Equity

Both external and domestic macro backdrop remain challenging and we do not foresee much improvement in the short-term. 100 days of the New PH government, changes of GLC management team and 2Q2018 reporting season will be key events that investors will be focusing in August. On the fund flow, we are maintaining our view that global outflows from emerging markets, particularly for Malaysia, may be at a tail end in the short term hence we taking the opportunity to deploy cash gradually into the local markets and increasing overall equity exposure. We continue to prefer big cap companies with strong fundamentals in sectors such as Power & Renewable Energy, Technology and Industrials. We maintain our view that longer term; Malaysia equities could outperform regional peers given better risk premiums as a result of better governance.

Fixed Income

On fixed income outlook, we still think that Bank Negara Malaysia will likely hold policy rate unchanged at 3.25% for the rest of 2018. With consumer inflation moderated to 0.8% YoY post GST removal, we expect 2H2018 inflation to come in lower compared to 1H2018. We also take comfort from technical factor such as low supply of government bonds in the 2H2018 to support the local fixed income market. That said, bond investors are still keeping an eye on the government fiscal pledge which is to maintain the deficit ratio not more than 2.8% of 2018 GDP.

Lastly on fixed income strategy, we view that the credit risk environment has improved for certain sectors with the new government trying to take a pragmatic approach in keeping their manifesto promises. The portfolio will continue to overweight fundamental over technical and valuation when it comes to taking credit risk, and may continue to add exposure on Issuers which we are comfortable with. On interest rate, we will hold a neutral-to-slightly-overweight duration portfolio against benchmark as both fundamental and technical factors are supporting the local rates environment. That said, we are still assessing the developed market interest rates trend as any negative surprises will still impact on the local bond market.

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