April 2019

Allianz Life Asia Multi-IncomePLUS Fund

Investment Objective

The Allianz Life Asia Multi-IncomePLUS (the "Fund") feeds into Allianz Asian Multi Income Plus- USD ("CIS") and aims to achieve stable income stream and potential capital appreciation by investing primarily in Asian local currency denominated fixed income and quasi-fixed income instruments.

Investor Profile

The Fund is designed for investors who are generally risk averse and require stable returns.

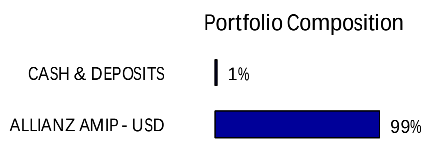
Performance Indicator

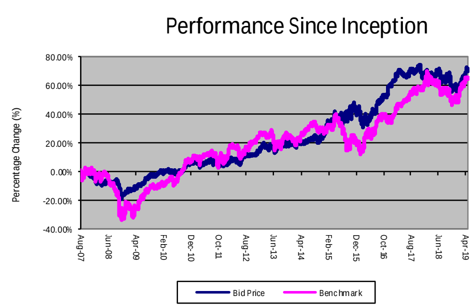
	1 month	6 months	1 year	3 years	5 years	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	2.58%	9.63%	2.65%	26.44%	41.54%	89.46%	11.06%	4.66%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index *	1.00%	11.54%	1.35%	28.73%	31.43%	116.75%	9.99%	4.36%
Allianz Asian Multi Income Plus ($USD)	1.59%	12.56%	-1.14%	25.91%	19.23%	80.30%	12.78%	4.02%

Ringgit appreciated 0.29% (YTD) and depreciated 1.61% (since inception).
* Source: Bloomberg.
The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis. 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	Allianz Asian Multi Income Plus- USD ("Allianz AMIP - USD")
Type	Managed Fund
Fund Manager	Allianz Global Investors Singapore Limited
Fund Currency	USD





Key Fund Facts

Fund Size	RM2.163 million
Risk Profile	Moderate Investor
Launch Date	4th June 2007
Fund Currency	Ringgit Malaysia
Investment Manager	Allianz Life Insurance Malaysia Berhad
Pricing Frequency	Daily
Price per Unit[1] (as at 30th April 2019) - Bid	1.707
Management Fee	1.00% 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.

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Manager's Comment

Market Commentary

- Equity markets in Asia Pacific ex Japan continued to advance in April. Investor sentiment was lifted by positive economic data in China, as well as reports that the country was near to resolving its trade dispute with the US. Central banks' more dovish tone also supported markets. In such environment, Chinese equities rose moderately. Both the Caixin/Markit and official purchasing managers' indices for manufacturing moved back into expansion territory in March for the first time in three months. Although April's survey readings were weaker, they held above the 50 level that separates expansion from contraction.
- Elsewhere, Australian, Taiwanese and South Korean equities also advanced moderately, despite economic data that highlighted the effects of slowing trade and lower demand for smartphones and semiconductors. ASEAN markets delivered mixed results. Singapore rallied strongly, and Thailand also gained, but other ASEAN stock markets struggled to rise, with Indonesia and the Philippines held back by higher oil prices. Malaysia was the weakest market amid uncertainty over the new administration's policies.
- Asian USD High Yield credits rose again in April, with the J.P. Morgan Asia Credit Non-Investment Grade Index up 0.44%. Inflows into the asset class continued but at a more moderate level, while primary issuance started to pick-up with the end of the earnings reporting season. Credit spreads at the index level compressed by 2 basis points (bps) to 502 bps while the 5 year US Treasury yield also increased by 5 bps to 2.28%.
- The Fund return continued to be positive in USD terms in April. The monthly distribution was again paid from income.
- A key contributor for the month was Standard Chartered. This is a new position that we initiated earlier in the month following a prolonged period of share price weakness. With increasing focus on capital management, particularly the announcement of a share buyback at the end of the month, we see good turnaround potential. The risk reward profile is also attractive given its reasonable valuation and stable dividend yield.
- In contrast, National Australian Bank was a detractor. The Australia banking sector as a whole saw some modest consolidation during the month. Within the sector, we continue to like this name for its potential catch up in performance following the completion of the Royal Commission enquiry into misconduct and a change of management. The stock also pays a high dividend yield of 7.5% and is trading at a price/book valuation below its 10-year average.
- Our asset allocation at the end of the month was 66.9% invested in Asian equities and 32.7% in Asian fixed income, with the remainder in cash. We continue to maintain an asset allocation close to the 65:35 level.
- The core of the equity portfolio is companies with sustainable dividends and long-term growth potential. In April, we took profit on selective positions which have done well, and used the funds to add to laggard stocks. Standard Chartered was one example, and we also initiated positions in a leading Australia-based transport fuel supplier and a leading biopharmaceutical company in China. Both of them have experienced a period of share price weakness but both also have good recovery potential. In particular, the Australia-based transport fuel supplier pays a dividend yield of more than 6% which should further enhance the total return potential.
- On the fixed income side, we continue to hold the existing bonds for interest accrual and are selectively investing in both new and secondary issues. The Fund generally holds shorter dated, less volatile issuers
- At the end of the month we held 70 equities and 84 fixed income securities. The equity portfolio yield was 3.6% and the average fixed income coupon was 7.4% with an average credit rating of B+ and duration of less than 2 years.

Market Outlook and Strategy

- A more dovish tone from the US Federal Reserve, easier credit conditions in China, overly depressed valuations and increased optimism over a resolution in the US/China trade dispute have together supported the Asia rally so far this year. With the extent of the share price strength, we would not be surprised to see a period of consolidation, especially when many companies continue to report sluggish earnings growth.
- Most recently, President Trump's surprise tweet at the beginning of May indicated a reescalation of the trade dispute with China. In the short term, this has sent equity markets lower, but we do not see a return to the bear market scenario of 2018, mainly because the economic and policy situation in China is now very different.
- Under such environment, we continue to look for laggard stocks with good potential for business recovery. We also continue to manage a broadly diversified portfolio to ensure a good spread of regional market and industry exposure.
- With the fixed income market consolidating at current levels, we are holding bonds mainly for yield accrual. With primary issuance expected to increase, we will remain selective focusing on bonds with good fundamentals and valuations. We expect the new issuance to be well digested given the strong demand for USD Asian bonds with the end of the US rate hike cycle. Our bond portfolio will continue to be well diversified across short dated higher quality bonds with the primary aim of interest accrual.