December 2020

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.

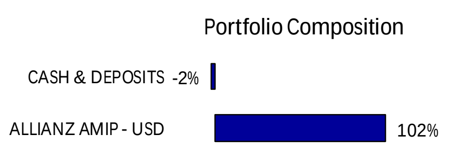
Performance Indicator

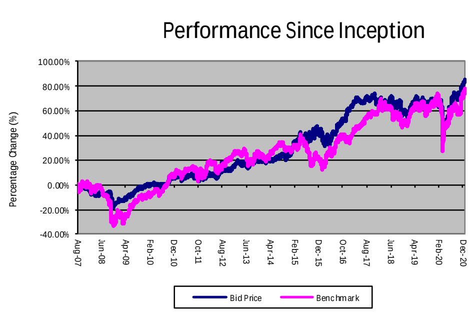
	1 month	6 months	1 year	3 years	5 years	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	2.32%	15.41%	9.60%	9.73%	29.73%	74.86%	9.60%	4.69%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index *	3.88%	13.81%	3.60%	10.03%	46.97%	60.75%	3.60%	4.39%
Allianz Asian Multi Income Plus ($USD)	3.62%	24.91%	13.76 %	15.83%	48.57%	49.58%	13.76%	4.54%

Ringgit appreciated 1.73% (YTD) and depreciated 1.21% (since inception).
* Source: Bursa.
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	RM2.238 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 31st December 2020) - Bid	1.850
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.

Allianz Life Insurance Malaysia Berhad (104248-X)
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Manager's Comment

Market Commentary

- Equity markets in Asia Pacific advanced, with the MSCI Asia-Pacific ex Japan Index reaching an all-time high towards month-end. Upbeat economic data and positive vaccine news helped outweigh concerns over rising COVID-19 cases, both globally and locally. A weaker tone to the US dollar also helped to lift sentiment.
- In this environment, Chinese stocks rallied again but lagged the broader region amid a raft of negative news: a major index provider removed several Chinese stocks from its indices as President Trump prohibited US investment in some Chinese firms; the US administration also added further Chinese companies to a US blacklist which deprives them of accessing US technology; and Chinese authorities publicly rebuked a Chinese fintech company for regulatory failings. Nevertheless, sentiment was lifted by news that the EU and China had agreed a long-awaited business investment deal.
- Elsewhere in the region, the tech-heavy markets of South Korea and Taiwan surged, with semiconductor companies in particular benefitting from the rollout of 5G and the ongoing adoption of artificial intelligence. Australian equities also rose as the country exited its first recession in almost three decades in Q3.
- Asian USD high yield bonds enjoyed another strong month in December, rising by 1.96% as attractive valuations and low primary supply supported the market. Risk sentiment was supported as the world looked forward to the commencement of COVID-19 vaccination programmes and the expected rebound in consumer demand later in the year. Credit spreads tightened from 669 bps to 628 bps but the 5 yr US Treasury yield was unchanged at 0.36%. Returns were thus driven by spread compression and interest accrual.
- The Fund had another positive month in December.
- The top contributor over the month was Samsung Electronics. After lagging earlier in the year, the stock has rallied strongly in recent weeks. This follows strong sales in its smartphone and consumer electronics business. Expectation of an economic recovery also benefits the company's memory chip operations. We continue to see growth opportunities across its key business segments.
- In contrast, a key detractor was Gree Electric, a Chinese home appliance company. The stock faced share price pressure following weaker-than-expected e-commerce performance during the "Double 11" campaign. Fundamentally we remain positive on this name. There are signs of a turnaround in operations after the downturn caused by the pandemic earlier this year, and management signaled their confidence with a second round of share buybacks. The dividend yield also enhances total return potential.
- The asset allocation at the end of the month was 66.2% invested in Asian equities and 30.4% in Asian fixed income, with the remainder in cash. We maintain an asset allocation close to the 65:35 level.
- In terms of portfolio activity, we continued to add to dividend growth stocks that should benefit in the event of a sustained rally in value / opening up of companies. We also added to a solar glass manufacturer in China. We expect the company to benefit from the structural growth in the sector as investment into renewables surges as part of China's goal to be carbon neutral by 2060. The equity portfolio continues to be broadly balanced between structural growth and dividend growth stocks.
- The fixed income sleeve adopts a lower turnover income focused approach. In December, we invested in a number of Chinese issuers across the curve and sectors to diversify the portfolio and increase the yield.
- At the end of the month we held 67 equities and 89 fixed income securities. The equity portfolio yield was 2.3% and the average fixed income coupon was 7.5% with an average credit rating of BB and duration of less than 2 years.

Market Outlook and Strategy

- Looking ahead, we believe the longer-term outlook remains compelling. But we would also not be surprised to see some shorter term 'speed bumps' in the equity markets. Partly, this is because some profit-taking is likely after the extent of the recent rally. Also, a return to economic normalisation should also bring a return to monetary normalisation and a somewhat tighter policy.
- Specifically in China, the announcement of the antitrust investigation on an e-commerce giant), the postponement of the IPO of a fintech company and tighter regulation on fintech sends a strong signal that financial stability remains the top priority. We believe the intent is not to undermine the internet/ fintech sectors in general, and we expect them to continue to be a significant source of innovation, growth and employment for the country in the coming years. We will be looking for opportunities to add to preferred names if we do get a period of market weakness.
- Following two strong months of performance in credit markets and the reopening of the primary market, we could see some short term consolidation at these levels before the rally continues. The market expects strong fiscal momentum and dovish monetary policy in the US to support risk sentiment. Valuations for Asian high yield bonds are not stretched and we expect interest accrual to be the primary driver of returns this year.

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