

November 2021

Allianz Life All China Equity Fund



Investment Objective

The Allianz Life All China Equity Fund (the "Fund") feeds into Allianz All China Equity Fund- USD ("CIS") and aims to provide long term capital growth by investing in onshore and offshore People's Republic of China ("PRC"), Hong Kong and Macau equity markets.

Investor Profile

The Fund is designed for investors who pursue the objective of general capital formation/asset optimisation and/or above-average participation in price changes; have basic knowledge and/or experience of financial products; and are capable of bearing a financial loss. The Fund may not be suitable for investors who wish to withdraw their capital from the Fund within a short or medium timeframe.

Performance Indicator

	1 month	3 months	YTD (Since Inception)
Allianz Life All China Equity Fund	-0.68%	-0.90%	-12.00%
Benchmark	-3.70%	-3.71%	-13.65%
Allianz All China Equity (USD)	-2.75%	-2.28%	-14.14%

Ringgit depreciated 2.86% (YTD since inception).

Source: Bloomberg and <https://sg.allianzgi.com/>

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.

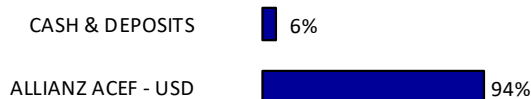
Facts on CIS

Name	Allianz All China Equity Fund- USD ("Allianz ACEF - USD")
Type	Undertaking for Collective Investment in Transferable Securities
Fund Manager	Allianz Global Investors Asia Pacific
Fund Currency	USD

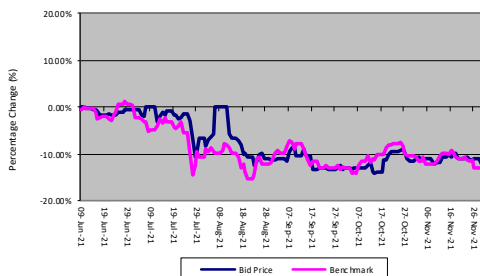
Key Fund Facts

Fund Size	RM24.19 million
Risk Profile	Moderate Investor
Launch Date	8 th June 2021
Fund Currency	Ringgit Malaysia
Investment Manager	Allianz Life Insurance Malaysia Berhad
Pricing Frequency	Daily
Price per Unit ¹ (as at 30th November 2021) - Bid	0.880
Management Fee	1.50% p.a

Portfolio Composition



Performance Since Inception



- 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.
- Expenses directly related to and necessary in operating the Fund.

Disclaimer:

The Allianz Life All China Equity Fund is a unit-linked fund offered by Allianz Life Insurance Malaysia Berhad (Allianz). This fact sheet is prepared by Allianz and is for information only. The fund fact sheet of the CIS will be available at < <https://sg.allianzgi.com/>>. The performance of the Fund is not guaranteed and the value of the units and the income derived there from may increase or decrease. Past returns and any forecast is not necessarily a guide to future performance. Allianz does not warrant or make any representations that the Fund will guarantee profits, or not result in losses or the correctness, accuracy, reliability, or otherwise of this fact sheet. Before deciding to invest in the Allianz Life All China Equity Fund, you should carefully consider your investment objectives, level of experience, and risk appetite. Allianz disclaims any and all liabilities against loss, damages, etc whether direct, indirect or consequential as a result of your reliance on this fact sheet. You should be aware of all the risks associated with fluctuations in a unit-linked fund and are advised to seek the advice of your financial consultant before making any investment.

While reasonable care has been taken to ensure the accuracy and completeness of this presentation as at the date of publication, Allianz accepts no responsibility for any errors or omissions. Allianz assumes no obligation to update any information contained herein.

Allianz Life Insurance Malaysia Berhad (198301008983)

Level 29, Menara Allianz Sentral, 203 Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

Allianz Life Call Centre: 603-2264 1188

www.allianz.com.my

Allianz Life All China Equity Fund



Manager's Comment (For Allianz All China Equity Fund- USD)

Market Commentary

- The Fund slightly lagged the benchmark in November. There was significant rotation within markets at a sector and stock level. Stock selection was the main performance factor, especially in the Health Care sector where previous strong performers saw some profit taking. The sector allocation effect was small given the close to benchmark approach to portfolio construction.
- At a single stock level, a top contributor was Contemporary Amperex Technology (CATL), a global leader in lithium-ion battery development, which reached new all-time highs in the month. The stock – and the electric vehicle (EV) sector overall – was well supported by news of strong battery demand, for example from an American electric vehicle manufacturer's new orders.
- On the other hand, a top detractor was a Chinese contract research organisation (CRO). The CRO sector as a whole has been quite weak owing to concerns of softer demand with a diminishing contribution from COVID-19 related revenues. Our view is that the company has an under-appreciated backlog of new projects that should sustain growth over the long term.

Market Outlook and Strategy

- November was another month with significant divergence between onshore and offshore China equities. While China A-shares traded in a narrow band, the Hong Kong market and US-listed American depositary receipts (ADRs) were notably weaker. This was mainly due to weak results from Internet / Ecommerce stocks, reflecting both the weaker macro conditions and also the change in the regulatory environment.
- Another feature this month has been the relative underperformance of large caps, especially in A-share markets. This continues a trend that was first apparent in Q2 2021. So far this year, the MSCI China A Onshore Index (which includes mid / small cap stocks) has returned 3.3%, compared to the large-cap focused CSI 300 Index which has returned -3.2% (in USD terms). This trend likely reflects increasing retail participation in the market, given domestic investor preference for smaller companies.
- There has been little change to the overall macro situation. The Property sector has seen a raft of capital raising as companies seek to deleverage to meet the "three red lines" criteria. Our view is to expect a managed decline in property prices and not a "crash" scenario.
- Economic data generally remains weak as a result of the slowdown in the Property sector, combined with other headwinds such as power and chip shortages. The November purchasing managers' index (PMI) did at least rise to 50.1, the first time in three months it exceeded the 50 mark that signals an expansion in production.
- In response to the economic weakness, we expect an easing of monetary policy and some targeted fiscal spending, which should create a more "policy-friendly" market environment. There have been some early indications of easing with support for small and mid-sized enterprises (SMEs) and banks being encouraged to issue more loans for property projects.
- Overall, we continue to have an overweight in China A-shares, which account for 53% of the portfolio. And at month end, the largest overweight sector position is Information Technology (4.1%) and the largest underweight is Communication Services (-4.6%).

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Investment Strategy & Approach



Investors should realize that there are risks of investing in the Funds as listed below:-

- **Market Risk** – The value of the Fund’s investment assets may be affected by changes in economic fundamentals, interest rate movement, regulatory policy, political and industrial developments. These market factors may result in fluctuations in the value of the Fund’s investment assets. This risk may be mitigated by ensuring a rigorous review of macroeconomic factors and asset allocation strategy.
- **Currency Risk** – For foreign investment, fluctuations in currency exchange rates may have an impact on the value of the Fund’s investment assets. This risk may be minimized by engaging in foreign currency hedging.
- **Country/Foreign Investment Risk** – This risk refers to the risks of investing in foreign markets. The value of the foreign investment assets directly or indirectly held by the Fund may be affected by country-specific factors, such as the country’s economic fundamentals, social and political stability and regulatory policy. This risk may be mitigated by ensuring a rigorous review of macroeconomic factors and asset allocation strategy.
- **Specific Security Risk** – The value of the assets in particular securities and money market instruments may be affected by company-specific factors, such as business situation, financial condition and corporate governance of the company. This risk may be minimized through diversification of investments in a wide scope of companies belonging to a multitude of sectors.
- **Sector Risk** – The value of the Fund’s investment assets may be adversely affected by the changes in sector-specific factors, such as the business condition, industry outlook and demand/supply dynamic of the industry. This risk may be minimized through portfolio diversification and control on sector concentration risk.
- **Liquidity Risk** – If an asset has insufficient liquidity, there is the risk that the asset cannot be sold or can only be sold at a significant discount to the purchase price. The lack of liquidity of an asset may cause its purchase price to increase significantly. The risk is managed by including liquidity factor into security selection and further mitigated by diversification.
- **Target Fund Risk** – As the Fund is a feeder fund, it will invest into a Target Fund which is being managed by a Target Fund Manager. While we would make every effort to ensure that the objectives of the Target Fund are appropriately aligned with those of ours, we do not have control over the Target Fund Manager’s investment in terms of its approach, intelligence, operations and management. In the unlikely event of any mishandling of the Target Fund, the NAV of our Fund, which is investing predominantly into the Target Fund, could be similarly adversely affected. This risk may be mitigated by our constant monitoring of the Target Fund, which is requisite to ensuring that the Target Fund’s objective, risk profile and characteristics are in line with ours.

Overall, on top of regulatory limits imposed by Bank Negara Malaysia, we have put in place tight internal investment limits for all asset class with oversight by risk officer to ensure that the Fund does not take on excessive risk, albeit we cannot guarantee the total elimination of risks associated with investing in the Fund.