October 2021

Allianz Life Amanah Dana Ikhlas

Investment Objective

The Allianz Life Amanah Dana Ikhlas (the "Fund") feeds into Maybank Malaysia Balanced-I Fund ("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 who 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	3 months	6 months	1 year	3 years	5 years	YTD	Since Inception (Annualised)
Allianz Life Amanah Dana Ikhlas	0.00%	1.54%	-1.00%	-0.67%	13.55%	8.18%	-1.00%	2.55%
Benchmark: 50% FBM Emas Shariah Index + 50% GIA rate*	1.05%	2.56%	-1.95%	0.76%	9.01%	9.96%	-1.10%	2.53%
Maybank Malaysia Balanced-I Fund	0.09%	1.84%	-1.12%	-0.55%	15.44%	11.19%	-0.93%	3.41%

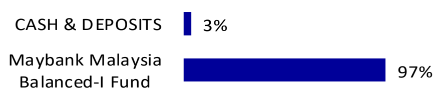
* Source: Bursa and Bank Negara Malaysia.
The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis with gross dividends reinvested. It is strictly the performance of the investment fund and not the returns earned on the actual premiums paid of the investment-linked product.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

Facts on CIS

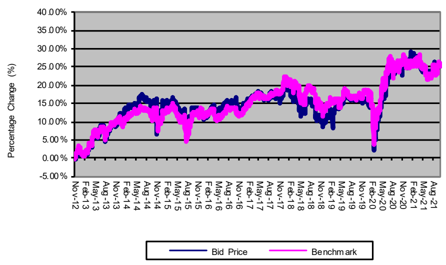
Name	Maybank Malaysia Balanced-I Fund^
Type	Managed Fund
Fund Manager	Maybank Asset Management
Fund Currency	MYR

^Maybank Malaysia Balanced-I Fund (previously known as MAYBANK Dana Ikhlas) is managed by Maybank Asset Management Sdn. Bhd. Please refer to https://www.maybank-am.com.my for more information.

Portfolio Composition by Asset



Performance Since Inception



Key Fund Facts

Fund Size	RM17.283 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 October 2021) - Bid	0.595
Management Fee	1.24% 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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Allianz Life Amanah Dana Ikhlas

Manager's Comments (For Maybank Malaysia Balanced-I Fund)

Market Commentary

The Malaysian sovereign bond market continued to sold off in October with yields up by 11 to 28 basis points across the board, with the 10-year MGS reaching its highest level June 2019 at 3.67%, before closing at 3.58% at month-end. The sell-off was amidst sustained increase in global bond yields as major central banks signal monetary policy normalization, as well as high inflation outlook on pent-up. Government bond auctions during the month started off with muted demand with the 7-year MGS auction saw weak bid-to-cover (BTC) ratio of 1.598x, but demand improved over the month due to attractive absolute yield levels with the 30-year GII, 5-year MGS and 10-year GII auctions respectively garnered BTC of 2.52x, 2.042x and 2.018x. Meanwhile, corporate bonds also saw yields increasing by 13 to 39 basis points as it laggardly adjusts to govvies' yields.

Equity markets were broadly up for the month of October, driven by positive earnings, global Covid-19 cases declining and easing mobility restrictions. Notably, Australia, Thailand and Singapore announced new travel easing conditions and allowing international travel. However, sentiment was dampened at end of the month on stagflation concerns, and downgrades on the economic growth outlook in China, on top of the re-escalation of geopolitics regarding issues on C-19 and national security threat regarding telecommunication equipment. Locally, the KLCI closed higher at 1,562 pts (+1.6% mom) on the back of the re-opening of the economy, uplifting of restrictions and to some extent foreign buying. Vaccination rate were also at substantial levels at 90% of the adult population. Cyclical sectors were generally higher, led by property and commodity related sectors such as energy and plantation on the back of crude oil and higher palm oil prices. Net foreign inflows continued for the month, amounting to RM1.6bn (US$386m) which narrows the year-to-date net foreign outflows to RM2.2bn. Similarly, Indonesia, Thailand, and Philippines saw net foreign inflows of US$926m, US$474m and US$7.9m respectively. Regionally markets saw gains with Malaysia being the second worst performer for the month (in local currency terms) while Indonesia was the best performer. It gained 4.8% as it re-open on the back of strong vaccination rates. Singapore was up 3.6%, Philippines was up 1.5% while Thailand was the worst performer gaining 1.1%. Asean currencies were also better on month-on-month basis with the Ringgit, Rupiah, Peso, Baht and Sing Dollar advanced 1.1%, 1,1%, 1.0% and 0.7% respectively.

Market Outlook & Strategy

After a weaker than expected 3Q 2021 GDP growth (-4.5% against consensus' -2.60%), GDP growth is expected to rebound in 4Q 2021 onwards, as lockdown measures are relaxed and economy sectors reopens. We expect bond yield curve to move higher and to steepen further on continued economic recovery. Central banks globally have also turned more hawkish on monetary policy outlook. Despite this, the Malaysian market remains flush with liquidity and this will provide support to the local bond market as yield pickup remain decent as compared to the low yielding fixed deposits and money market funds. On monetary policy, following the 125bps of cumulative OPR cuts in 2020 and having stayed on hold at the previous MPC meetings for the year, we view BNM will likely stand on hold with OPR at 1.75% through 2021, a level that BNM views as accommodative and appropriate, unless the current Covid-19 condition continues to adversely impact the domestic economy.

The Budget 2022 had few negative surprises to the equity market with the introduction of a one-off prosperity tax entailing a higher tax rate of 33% for profits over RM100m, alongside a higher stamp duty on shares trading. The parliament also passed the second reading on the bill to increase the statutory debt limit to 65% (of GDP) from 60% until 2022 to increase the funding for the Covid-19 support measures in addition to financing projects under the 12MP. The spike in global Covid-19 cases has prompted recovery concerns as this has already led the reinstatement of lockdowns. Furthermore, inflation concerns were already creating jitters within investors. However, we expect recovery beyond these volatile periods as mandated vaccination programmes as well as boosted shots could help curb the spread of the virus. We remain watchful on inflation as a key risk moving forward.

Allianz Life Amanah Dana Ikhlas

Manager's Comments (For Maybank Malaysia Balanced-I Fund)

Market Outlook & Strategy

For Malaysian sukuk, we underweight duration bias as we assume a more defensive stance given our expectation of a steepening yield curve. We continue to overweight corporate bonds over sovereign bonds to anchor the Fund's income in corporate bonds' coupons as they are less volatile and provide higher yields to buffer against potential mark-to-market losses in the event of a turnaround in sovereign bond yields as economy starts to recover. We prefer strong AA-rated and A-rated papers; for yield pickup and potential long term upgrade as economic activities accelerate. We will continue to trade opportunistically and will also look into new primary issuances that offer higher yields, as well as bonds in the secondary market that has oversold.

For Malaysian equities, we maintain our view that markets would perform better towards the end of the year. We think markets have priced in the local politics concerns and near-term recovery concerns. We expect market to be driven by the re-opening of the economy and better corporate earnings. While some companies reported earnings have been affected by the lockdowns (3Q earnings season), we do not expect this to continue on the back of the easing restrictions. We maintain our equity exposure 90-95% (equity allocation). We maintain our focus on the recovery and structural theme. For recovery theme, we position ourselves in cyclical sectors such as financials and materials. We continue to look for stocks that will benefit from the economic recovery. For structural theme, our preference is on technology sector as the prospects of 5G Infrastructure and accelerated digitalization post Covid-19 pandemic remains intact.

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.

- **Interest Rate Risk –** Interest rate risk arises when the value of the securities fluctuates due to interest rate movement. As prices of bonds move inversely with the interest rates, prices of bonds will decline when interest rate rise and vice-versa. Debt securities with longer maturity and lower coupon rate are more sensitive to interest rate changes. This risk may be mitigated by rigorous review of asset allocation and duration strategy.

- **Credit Risk –** The creditworthiness (solvency and willingness to pay) of the issuer of a fixed income security, counterparty to a derivative contract or money market instrument may subsequently fall. This usually leads to a decrease in the price of the asset greater than that caused by general market fluctuations. This risk is minimized through portfolio diversification, stringent credit selection and control on sector concentration risk.

- **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.

- **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.

- **Risk of Non-Compliant with Shariah Requirements –** For Shariah-approved funds, there is the risk that the fund may hold securities which are Shariah non-compliant due to "Shariah-compliant securities" which are subsequently considered "Shariah non-compliant" and Investment in Shariah non-compliant securities.

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.