December 2021

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 provide long term capital appreciation and income by investing primarily in equites, trusts and interest bearing securities with a focus on the Asia Pacific Region.

Investor Profile

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

Performance Indicator

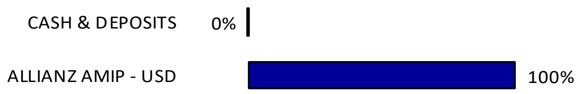
	1 month	3 months	6 months	1 year	3 years	5 years	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	-0.60%	-2.90%	-8.02%	-2.11%	17.83%	13.12%	71.50%	-2.11%	4.20%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index *	3.36%	-0.20%	-5.10%	0.86%	19.52%	32.38%	65.41%	0.86%	4.14%
Allianz Asian Multi Income Plus ($USD)	1.02%	-2.38%	-8.40%	-4.55%	22.95%	31.06%	47.23%	-4.55%	3.88%

Ringgit depreciated 3.61% (YTD) and depreciated 1.38% (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.

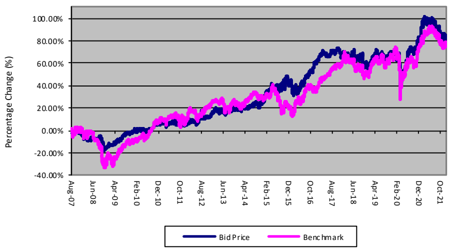
Facts on CIS

Name	Allianz Asian Multi Income Plus- USD ("Allianz AMIP - USD")
Type	Managed Fund
Fund Manager	Allianz Global Investors Asia Pacific
Fund Currency	USD

Portfolio Composition



Performance Since Inception



Key Fund Facts

Fund Size	RM2.158 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 2021) - Bid	1.811
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 (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

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Manager's Comment (For Allianz Asian Multi Income Plus- USD)

Market Commentary

- Equities in Asia advanced modestly over December. However, markets remained nervous given concerns over a hawkish policy pivot by major global central banks, as well as the possibility of further supply chain disruptions given the rapid spread of the new COVID-19 variant.
- While many markets in the region rose, Chinese stocks declined. Sentiment was knocked by growing signs that the slowdown in China's economy was accelerating, ongoing problems with real estate developers, and a COVID-19 outbreak in the city of Xi'an which led to the lockdown of 13 million people. Among the region's more developed markets, South Korea and Taiwan rallied, helped by gains in semiconductor companies. Australian equities also advanced slightly. Elsewhere, ASEAN markets were mixed – Thai, Malaysian and Indonesian stocks advanced but the Philippines and Singapore retreated.
- Asian USD high yield bonds were slightly weaker in December as some large Chinese property developers officially defaulted and were removed from benchmark indices. The annual Central Economic Work Conference (CEWC) was held in China and it emphasised growth stabilisation, which was a clear shift towards policy easing. In another positive development, the People's Bank of China (PBOC), China Banking and Insurance Regulatory Commission (CBIRC) and the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) encouraged more acquisitions of projects from distressed developers. While these top-down developments were well received, the market is now awaiting the implementation. The JP Morgan JACI Non-Investment Grade Index corrected by -0.94%, driven by slightly wider credit spreads and a higher US Treasury 5-year yield, which rose from 1.16% to 1.26%.
- In December, the Fund delivered a positive return in USD terms.
- The top contributor over the month was Mediatek, the Taiwan-based semiconductor company. The company continues to deliver market share gains. Ongoing product penetration into higher-end 5G segments should underpin growth in the longer term. The company is also paying a special dividend in coming years which reflects the strong business prospects.
- On the other hand, the top detractor was an oncology hospital group in China. The overall Health Care sector was weak in December, given negative sentiment around potential US sanctions. Fundamentally, we remain positive on this company, which should continue to see further expansion and higher operating margins over the longer term.
- The asset allocation at the end of the month was 66.3% invested in Asian equities and 28.6% in Asian fixed income, with the remainder in cash.
- In terms of equity portfolio activity, in December we took profits on some holdings in the logistics and shipping space and added to selective opportunities. For example, we initiated a position in an aircraft leasing company and a dominant biotech company in Australia.
- For the fixed income sleeve, we invest in bonds with the aim of long-term interest accrual. Portfolio turnover in December was low and we trimmed exposure to an issuer due to potential credit concerns.
- At the end of the month, we held 69 equities and 100 fixed income securities. The equity portfolio yield was 2.2% and the average fixed income coupon was 6.1% with an average credit rating of BB+ and duration of around 2 years.

Market Outlook and Strategy

- It is clear from the PBOC monetary easing and other recent developments that pragmatism has prevailed in China and the government focus now is to stabilise the economy through a more growth-oriented policy mix. Accordingly, it looks very much like other longer-term priorities such as decarbonisation and deleveraging that will take a back seat for the time being. This policy easing should be helpful for the overall China equity markets. With an eye on China's 20th Party Congress later in 2022, where President Xi Jinping is expected to gain a third term of office, we expect a relatively stable market environment in China going into 2022.
- Elsewhere in the region, interruptions from the Omicron variant outbreak are also likely to reinforce the need for government policy support. The equity portfolio will continue to be broadly balanced between structural growth and dividend growth stocks, with a good spread of exposure across sectors.
- Market sentiment for Asian high yield credits will continue to be bifurcated with most of the volatility driven by distressed Chinese property developers, while other issuers remain well bid. We are focused on higher quality issuers and aim for diversification within the portfolio.

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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.