August 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	6 months	1 year	3 years	5 years	YTD	Since Inception (Annualised)
Allianz Life Amanah Dana Ikhlas	1.71%	-2.45%	0.00%	8.17%	8.96%	-0.83%	2.62%
Benchmark: 50% FBM Emas Shariah Index + 50% GIA rate*	2.98%	-0.22%	-0.22%	5.27%	10.52%	-0.70%	2.62%
Maybank Malaysia Balanced-I Fund	1.89%	-2.81%	0.02%	9.77%	12.08%	-0.88%	3.48%

* Source: Bursa and Bank Negara Malaysia.

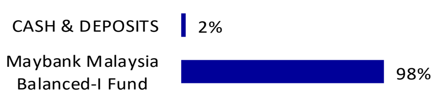
The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis with gross dividends reinvested. It is strictly the performance of the investment fund and not the returns earned on the actual premiums paid of the investment-linked product. Past performance is not an indication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

Facts on CIS

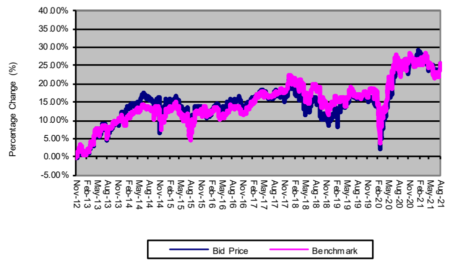
Name	Maybank Malaysia Balanced-I Fund^
Type	Managed Fund
Fund Manager	Maybank Asset Management
Fund Currency	MYR

^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	RM16.875 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 August 2021) - Bid	0.596
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 curve bear flattened in August, with yields for the short-end and belly of the curve increased by 5-8 bps while the long-end increased by 1-3 bps. The increase in yield was due to persistently high Covid-19 cases, as well as heightened political uncertainty, coupled with increase in US Treasury yields on the back of positive US nonfarm payroll numbers. Former Deputy Prime Minister, Dato Seri Ismail Sabri Yaakob was subsequently appointed the 9th Prime Minister of Malaysia after garnering sufficient support from MPs, thus easing political uncertainty risk. The bond market ended the month with a rally on this improving political risk sentiment, in addition to Fed Chair Powell's dovish statement that QE tapering could begin this year but emphasizing that it does not signal a rate hike. The month of August also saw the announcement of 2Q 2021 GDP numbers which was better than expected at 16.1% yoy. However, on a qoq basis, the GDP declined by 2% vs 1Q's 2.7% qoq. Meanwhile, corporate bonds fared better than sovereign bonds, with yields mostly lower by 1-7 bps over the month.

Equity markets were initially weaker in the first half of August as the delta variant saw an outbreak in Asia with China re-imposing restrictions. However, markets bounced back in the second half as restrictions were then eased, in addition to the Fed's signal that there is no rush to increase interest rates while also indicating that tapering could begin by this calendar year. Oil prices was however, down 5.5% mom (although rebounded from -15% in the month) on growth concerns due to the delta variant, post peak travel season and supply chain disruptions. Closer to home, in a month of political and corporate results season, the main market saw a return of 7.1% to close at 1,601 pts. Driven mainly by foreign buying as political concerns subsided following the appointment of Dato Sri Ismail Sabri as the 9th Prime Minister. All sector indices except healthcare were in positive territory, lead by plantations, transportation and financials. The month saw the first net foreign inflow for the year (and in 25 months) in the tune of US251m (RM1.05bn). The trend was also seen in the region, with Indonesia, Thailand and Philippines seeing net foreign inflow of USD311m, USD175m and US33m respectively. In economics, Malaysia's 2Q2021 GDP saw an increase of 16.1% yoy (-2.0% qoq) mainly due to growth in domestic demand, exports and the low base effect. This brings the 1HCY21 GDP to +7.1% yoy but which BNM subsequently lowered the growth forecast to 3.0%-4.0% (previously: 6.0%-7.5%) for the year. Elsewhere, exports were higher by 5.0% yoy (June: +27.2%). The PMI was higher at 40.1 in July (June: 39.9) but lower than 51.3 in May. Lastly, July CPI was up 2.2% yoy (July: +3.4%) mainly due to petrol prices bringing the year-to-date CPI to +2.3% yoy.

Allianz Life Amanah Dana Ikhlas

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

Market Outlook & Strategy

Improved growth and higher inflation prospects will likely to steepen the yield curve, rendering longer-end bonds less attractive. While Malaysia's 2021 GDP forecast has been revised down to between 3% and 4%, from the previous forecast of between 6% and 7.5% following re-imposition of nationwide containment measures in June 2021, growth is expected to accelerate in 2022 as economy reopens on favourable and rapid vaccination progress and on improving domestic political scenario. 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.

Investor sentiment has been somewhat lifted following the appointment the new PM as this alleviates political risks. Furthermore, the recent inked Memorandum of Understanding (MOU) on Transformation and Political Stability between the government and and Pakatan Harapan supports this notion which entails a series of reforms as well as not to block the vote for the the Budget 2022. We think these factors would lead to political stability moving forward. While already there are concerns of impact to the financial sector (exemption of interest payments for loans under moratorium) we are nonetheless generally positive on the broader market on revival of business activities and improving corporate earnings.

For Malaysian sukuk, we maintain our underweight duration bias as we assume a more defensive stance given our expectation of a steepening yield curve as rapid domestic vaccination progress fuels recovery hopes, as well as improvement on the political front. Nevertheless, we expect the uneven global economic recoveries will provide support to the bond market where low interest rates will be maintained for longer by central banks to ensure an accommodative economic environment. 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 will also look into new primary issuances that offer higher yields to deliver the required performance.

For Malaysian equities, following the improvement in the political situation and on the back drop of the positive progress of the the innoculation programe, we turn more optimistic on the outlook for equities. We look to increase the exposure moving forward. We maintain our positive view on sectors, we favour cyclicals (e.g., Industrials, Materials, Energy, Consumer Discretionary) over defensives (e.g., Healthcare, Utilities, Consumer Staples, Communication Services). We remain positive on Tech. Although tech names may fall out-of-favour in the short term amidst the rotation into cyclicals (low valuations) we believe that underlying growth drivers are primarily structural in nature.

August 2021

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.