September 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	-0.17%	1.71%	-1.82%	0.17%	8.97%	8.38%	-1.00%	2.58%
Benchmark: 50% FBM Emas Shariah Index + 50% GIA rate*	-1.44%	1.07%	-1.27%	-0.79%	4.13%	9.13%	-2.13%	2.43%
Maybank Malaysia Balanced-I Fund	-0.14%	1.91%	-2.03%	0.26%	10.50%	11.21%	-1.02%	3.43%

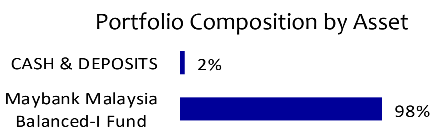
* Source: Bursa and Bank Negara Malaysia.

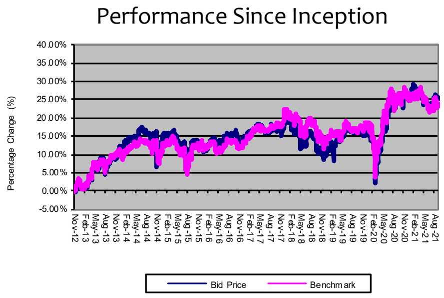
The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis with gross dividends reinvested. It is strictly the performance of the investment fund and not the returns earned on the actual premiums paid of the investment-linked product. Past performance is not an indication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





Key Fund Facts

Fund Size	RM17.087 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 30th September 2021) - Bid	0.595
Management Fee	1.24% p.a
Other Charges[2]	Include but not limited to government tax, auditor fee, custodian fee, &

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 sold off in September amidst rising global yields as global central banks turned hawkish on monetary policy outlook, with US Fed signaled QE tapering could begin as early as November and conclude by mid-2022. Locally, relaxed lockdown measures and proposal to raise debt-to-GDP ceiling by 5% to 65% which caused supply concerns; were also factors contributing to the sell-off. Govvies' yield were up between 7bps to 25bps in a bear flattening bias, with the 10-year MGS at 3.39% at month-end from previous month-end's 3.19%. Meanwhile, corporate bonds saw positive movement in the first half of the month before MTM adjusted upwards in the second half (by 1.5 bps to 14 bps MoM), reflecting govvies' sell-off in a laggardly manner.

Markets were broadly lower in September as investors turned bearish as the Evergrande credit crisis, China's power crunch, and weaker sentiment on technology stocks (rising yields). China's power outage saw risks arising from the production of key commodities as well as regulatory policies that will further put pressure on growth expectations. Risk appetite also cooled as investors price in earlier monetary tightening, a hawkish direction of tapering to conclude mid of 2022, which caused the uptick in global bond yields. Malaysia was no exception, and was the worst performer relative to the region. The KLCI declined 4.0% mom giving up gains registered in August to close at 1,537 pts. The performance was led by the decline in rubber glove stocks, worries on potential capital gains tax and potential waiver of interest payments (negative for financials). This brings the KLCI's fall of 5.5% on year-to-date basis to also be the worst performer. The month also saw the change in government administration with the appointment of Dato' Sri Ismail Sabri as the PM. In macroeconomics, the August CPI was up 2% yoy (July: +2.2%). Exports were higher by 18.4% (July: +5% yoy). The trade balance was a surplus of RM21.4bn (July: RM13.8bn). Lastly, the industrial production contracted 5.2% in July (June: +1.4%). On the other hand, oil prices were better, rising 10.6% mom to US$78/bbl. Briefly crossing the US$80 mark, amid the energy crunch in Europe and China.

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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.

Economic growth is peaking in countries that have already recovered from COVID19 like the US, China and EU. US saw disappointing jobs numbers for September reporting just 194k far below the 475k expected. With headline inflation remaining high and weakening growth, there are concerns on stagflation. In the near future, investors will be focusing on the tabling of Budget 2021 on 29th October as well as upcoming Parliament sittings in October to December. Positively, foreign investors continued to be net buyers of Malaysian equities for the second consecutive month in September, although lower (RM740m of equities) compared to August. Absence of political issues may continue to attract foreigners, as foreign ownership in Malaysian equities are still very low despite the net buying that we have seen the past two months, thus continuation of this trend is positive for the local equity market.

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 to deliver the required performance.

For Malaysian equities, we are leaning to be more positive towards the year despite and look to further increase the equity exposure despite the near-term concerns. We expect the local market to be positive driven by the pace of the vaccination and hence smoother reopening and economic recovery. We remain 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, we maintain our preference on technology sector as the prospects of 5G Infrastructure and accelerated digitalization post Covid-19 pandemic remains intact. The cautious sentiments seems to be improving with most bad news had been priced in.

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.