February 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.

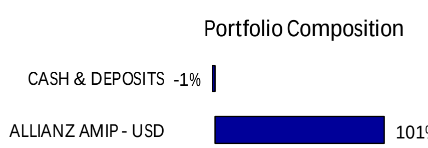
Performance Indicator

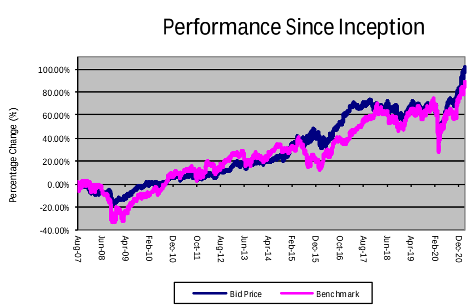
	1 month	6 months	1 year	3 years	5 years	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	4.96%	16.37%	22.01%	19.83%	45.80%	88.39%	8.76%	5.28%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index *	3.68%	12.07%	15.90%	11.97%	57.28%	68.72%	3.84%	4.62%
Allianz Asian Multi Income Plus ($USD)	5.34%	21.74%	30.07%	22.16%	66.67%	59.85%	8.81%	5.14%

Ringgit depreciated 0.72% (YTD) and depreciated 1.25% (since inception).
* Source: Bursa.
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 Singapore Limited
Fund Currency	USD





Key Fund Facts

Fund Size	RM2.434 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 28th February 2021) - Bid	2.012
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 (104248-X)
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Manager's Comment

Market Commentary

- Equity markets in Asia Pacific ex Japan closed February with modestly positive returns. However, after advancing over the first half of the month, stocks reversed direction after Chinese New Year as sentiment, particularly towards Technology companies, was undermined by a sharp rise in global bond yields. The reversal continued into the early days of March. Chinese equities closed the month with small losses, amid concerns that policy support may be curtailed given China's rapid recovery from the COVID-19 pandemic. Elsewhere, returns within the region varied considerably. Hong Kong equities initially surged as they continued to benefit from strong inflows from mainland Chinese investors, but later partly relinquished these gains when the territory imposed its first hike in trading tax since 1993. A global shortage in semiconductors was supportive for Taiwan's tech-heavy stock market.
- Asian USD high yield bonds provided coupon like returns in February. While credit spreads tightened from 616bps to 590bps, this was offset by a steep rise in US Treasury yields from 0.42% to 0.73% in the 5-year sector. Returns were thus mainly driven by interest accrual. While idiosyncratic concerns still plagued a selected number of Chinese issuers, the main source of volatility was the steep rise in US Treasury yields especially in the long end as the market focused on increased inflation expectations. Primary market supply was much lower in February (USD 22 billion) compared to January (USD 52 billion) as supply was front loaded ahead of the Chinese New Year holiday.
- The Fund delivered positive returns in February. A top contributor over the month was China Hongqiao Group, one of the largest aluminium makers in China. Given the recovery from Covid-19, the decrease of global supply of aluminium combined with expected demand recovery has led to stronger raw commodity prices. We expect China Hongqiao should be well positioned to benefit from this cyclical recovery in the industry, and in addition an approximately 4% dividend yield enhances total return potential.
- On the negative side, the top detractor was RLX Technology, a Chinese e-cigarette producer. Having made strong gains post listing in January, the stock faced profit-taking pressure in line with the global equity rotation. With its leading market position and strong management execution track record, we expect this company should be well positioned to capture the increasing penetration of e-cigarettes in China.
- The asset allocation at the end of the month was 67.6% invested in Asian equities and 29.5% in Asian fixed income, with the remainder in cash. We maintain an asset allocation close to the 65:35 level. In terms of portfolio activity, we continued to add to dividend growth stocks that should benefit in the event of a sustained rally in value / opening up companies. For example, we initiated a position in an Indonesian bank as we expect the country to start seeing recovery from Covid-19. We also added to a key expressway operator in China on the back of more reopening of toll roads within the country.
- On the fixed income side, we continue to invest in bonds with the aim of interest accrual. In February, in addition to topping up existing holdings, we invested in a variety of issuers across different countries and sectors to diversify the portfolio. At the end of the month, we held 71 equities and 107 fixed income securities. The equity portfolio yield was 2.6% and the average fixed income coupon was 7.5% with an average credit rating of BB and duration of less than 2 years.

Market Outlook and Strategy

- Our view is that the current equity market weakness is likely to be a short term "speed bump" and to a large extent, reflects some natural profit-taking after a period of strong returns. It is also partly a response to concerns over a tightening of monetary policy, especially as the economic recovery in China accelerates. Although the market is currently focused on inflation and the potential for rising rates, we think it is unlikely that monetary policy will be tightened significantly in China. The People's Bank of China faces a delicate balancing act in supporting economic growth while controlling overall system leverage.
- Overall, we remain positive on the longer-term outlook for the region, as the rollout of vaccination programs across a number of countries should continue to support the recovery of economies. We see recent events as a healthy, albeit quite sharp, period of market consolidation. In this environment, the equity portfolio will continue to be broadly balanced between structural growth and dividend growth stocks.
- For the credit markets, we expect some near term volatility and consolidation as US Treasury yields continue to rise. However, the short duration of our fixed income sleeve will provide some buffer as it is less sensitive to this rise in long-dated yields. The fixed income sleeve should also be supported by tighter credit spreads and high interest accrual.

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