March 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	-1.99%	16.76%	38.78%	21.06%	45.21%	87.45%	6.59%	5.09%
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 *	1.10%	18.85%	33.43%	15.09%	47.05%	70.24%	4.98%	4.68%
Allianz Asian Multi Income Plus ($USD)	-4.33%	18.83%	50.15%	18.63%	50.92%	54.43%	4.10%	4.76%

Ringgit depreciated 3.09% (YTD) and depreciated 1.42% (since inception).

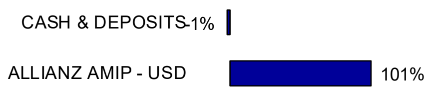
* Source: Bursa.

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.

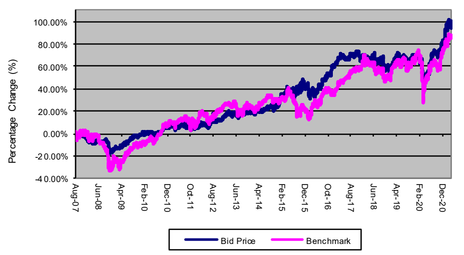
Facts on CIS

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

Portfolio Composition



Performance Since Inception



Key Fund Facts

Fund Size	RM2.385 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 March 2021) - Bid	1.972
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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Allianz Life Asia Multi-IncomePLUS Fund

Manager's Comment

Market Commentary

- Overall, equity markets in Asia Pacific ex Japan rose modestly over March. While optimism over the massive fiscal support package in the US helped to support stocks, sentiment was dampened by the upward trend in US bond yields and the prospect of tighter policy in China. In addition, hopes for an improvement in relations between the US and China were dashed when officials exchanged sharp rebukes in the first high-level talks between the Biden administration and Beijing. In this environment Chinese equities retreated over the month. The country's banking regulator warned of asset bubbles, sparking fears that a gradual roll-back of fiscal policy would challenge equity market valuations.
- Elsewhere, Australia was one of the strongest markets with the country's GDP expanding by a faster-than-expected 3.1% in Q4 2020. The two tech-heavy markets Taiwan and South Korea also held up well, as the global chip shortage helped support semiconductor stocks, despite the ongoing growth / value rotation. In ASEAN, Thailand and Singapore recorded solid gains on the back of further signs of recovery from COVID-19.
- Asian USD high yield bonds were rangebound in March with the JP Morgan JACI Non-Investment Grade Index returning -0.13%, dragged by idiosyncratic concerns on a mid-size Chinese property issuer which was downgraded and higher treasury rates. Credit spreads tightened from 590bps to 580bps supported by Sovereigns while 5-year US Treasury yields rose sharply from 0.73% to 0.94%, driven again by concerns on higher inflation expectations given prospects for further fiscal stimulus in the US. Given raised idiosyncratic concerns and results reporting season, the primary issuance market was fairly muted, with high yield supply decreasing slightly to USD 4.2 billion from USD 5 billion in February.
- The Fund's return was negative in USD terms in March.
- The top detractor was the leading e-cigarette producer in China. The stock reacted strongly following reports that the Chinese government is formulating new guidelines on the sale of vapor products which are likely to become regulated in a similar way to the traditional tobacco industry. While this regulatory change is negative in the short-term, over the longer term we believe this should create more positive industry dynamics with higher barriers to entry. As the market leader with a key technology edge and high quality management team, we expect this company will be able to consolidate its position in such a backdrop.
- On the positive side, China Hongqiao Group was the top contributor for the month. Positive demand and supply dynamics, including a reduction in the global supply of aluminium and expected demand recovery post COVID-19, has led to stronger raw commodity prices. As one of the largest aluminium makers in China, China Hongqiao should be well positioned to benefit from this cyclical recovery. A dividend yield of circa 4% also enhances total return potential.
- The asset allocation at the end of the month was 68.1% invested in Asian equities and 29.9% 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 initiated a position in a casino operator in South Korea and added to an Australian gaming machine manufacturer, both of which should benefit from opening up of economies. We also initiated a position in an Australian private hospital operator for its turnaround potential. Last year, the company was impacted as many of their hospital beds were nationalised by the government for COVID-19 patients.
- For the fixed income sleeve, we continue to invest in bonds with the aim of interest accrual. In March, we trimmed some exposure to smaller Chinese developers and reduced our exposure to some Indonesian issuers on credit concerns. We invested in a variety of issuers across different countries, sectors and maturities to diversify the portfolio.
- At the end of the month, we held 73 equities and 109 fixed income securities. The equity portfolio yield was 2.5% and the average fixed income coupon was 7.3% with an average credit rating of BB- and duration of close to 2 years.

Market Outlook and Strategy

- As well as some natural profit-taking, the weakness in Chinese equity markets since Chinese New Year has been caused by concerns over a potential tightening of monetary policy as the economic recovery accelerates. This, in turn, could impact the supportive liquidity environment. In this context, recent dovish statements on credit policy from the People's Bank of China (PBOC) should help to stabilise markets. The Q1 monetary policy committee meeting focused on guiding down funding costs in real terms, confirming the 'no sharp turn' policy stance. Given rising inflation expectations, the PBOC appears to be suggesting either no hike, or very limited increases, in policy rates this year.
- We remain positive on the longer-term outlook for the overall region as countries continue to recover from the pandemic with the rollout of vaccination programs. Valuations also look more reasonable, particularly following the correction in the Chinese markets. 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 due to lingering idiosyncratic concerns on some Chinese issuers. Our fixed income sleeve is diversified and short in maturity. This should provide a good foundation for interest accrual.

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