May 2021

Allianz Life Asia Multi-IncomePLUS Fund

Allianz

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

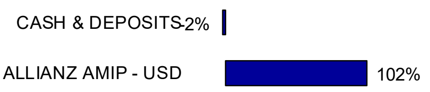
	1 month	6 months	1 year	3 years	5 years	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	0.55%	10.84%	29.37%	19.71%	41.13%	86.77%	8.32%	5.15%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index	1.48%	12.39%	28.45%	20.09%	52.25%	70.33%	8.20%	4.85%
Allianz Asian Multi Income Plus ($USD)	-0.43%	10.17%	40.07%	21.10%	53.13%	53.81%	6.33%	4.87%

Ringgit depreciated 2.92% (YTD) and depreciated 1.39% (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.

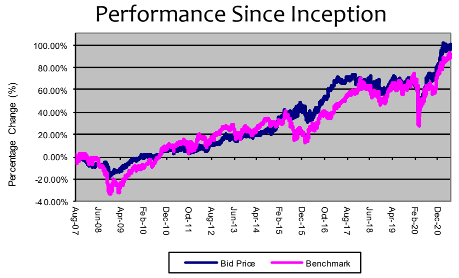
Facts on CIS

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

Portfolio Composition



Performance Since Inception



Key Fund Facts

Fund Size	RM2.425 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 May 2021) - Bid	2.004
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)
Level 29, Menara Allianz Sentral , 203 , Jalan Tun Sambanthan, Kuala Lumpur Sentral , 50470 Kuala Lumpur.
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Manager's Comment

Market Commentary

- Overall equity markets in Asia Pacific ex Japan delivered mixed returns in May. Several countries in the region saw fresh COVID-19 outbreaks, forcing them to re-impose/tighten restrictions. Inflation concerns also weighed on sentiment, although this was offset by optimism over economic recovery.
- Against this backdrop, China equities, particularly China A-shares, posted solid gains, buoyed by expectations that authorities will maintain policy and liquidity support. Australia equities also hit a 15-month high as miners were boosted by soaring prices for industrial metals. Elsewhere, Taiwan equities retreated, weighed down by underperforming tech stocks and a local resurgence of COVID-19 infections. ASEAN markets were also generally weak with the exception of the Philippines, where expectations of further fiscal stimulus supported the market.
- Asian USD high yield bonds continued to grind higher in May with the JP Morgan JACI Non-Investment Grade Index rising by 0.81%, mainly driven by interest accrual. While credit spreads in the Chinese property sector widened slightly driven by lower rated issuers, this was compensated by spread compression in the Chinese Industrial and non-China sectors. High yield primary supply rose from USD 2.9 billion in April to USD 8.3 billion in May but this was well absorbed by the market. Credit spreads were slightly tighter (573bps from 577bps) while the US Treasury 5-year yield decreased from 0.85% to 0.80%.
- The Fund delivered a positive return in USD terms in May.
- A key contributor over the month was Chow Tai Fook Jewellery, a leading Hong Kong-based jewellery retailer. The company has taken measures to streamline its cost base during the tough operating environment over the last couple of years, and therefore should have significant leverage to an economic recovery in both mainland China and Hong Kong.
- On the other hand, a top detractor was Mediatek, the Taiwan-based semiconductor company. The stock faced profit-taking pressure after a strong rally. We expect Mediatek should continue to benefit from market share gains and penetration into higher end 5G segments. The company's strong business prospects were also reflected in the earlier announcement of a special dividend which should enhance total return potential with a dividend yield of around 3.4% p.a.
- The asset allocation at the end of the month was 67.9% invested in Asian equities and 31.5% in Asian fixed income, with the remainder in cash. We maintain an asset allocation close to the 65:35 level.
- In terms of equity portfolio activity, we trimmed some Technology exposure and rotated to other sectors over the month. For example, we initiated positions in two Korean companies - a leading steel manufacturer and one of the big three ship-building companies.
- For the fixed income sleeve, we invest in bonds with the aim of long-term interest accrual. In May, we mainly increased our exposures to existing Chinese issuers.
- At the end of the month, we held 74 equities and 123 fixed income securities. The equity portfolio yield was 2.3% and the average fixed income coupon was 7.2% with an average credit rating of BB- and duration of around 2 years.

Market Outlook and Strategy

- While new COVID-19 outbreaks in several countries caused some pressure for the broader region, this has helped ease concerns about policy tightening / normalisation. Also notable in the month was the strength of the China currency, especially relative to the USD. The RMB has appreciated almost 11% against the dollar over the past year. The response from the People's Bank of China was to raise the foreign currency reserve requirement ratio, the first change since 2007. By signaling the desire to contain further currency appreciation, it suggests policy makers are more concerned about downside risks to the real economy than about an overheating economy.
- Overall, therefore, expectations of a more friendly policy environment and a robust Q1 results season for the region, as well as ongoing inflows from global investors into China, should help contribute to an improvement of market sentiment going forward. Our equity portfolio will continue to be broadly balanced between structural growth and dividend growth stocks.
- Asian credit markets are expected to be driven by interest accrual for the year but we may see some widening in credit spreads for weaker issuers. We thus prefer shorter-dated issuers to mitigate the impact of spread widening and allow interest accrual to be the primary driver of returns.

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