

November 2021

Allianz Life Global Income Fund



Investment Objective

The Allianz Life Global Income Fund (the "Fund") feeds into Allianz Global Income Fund- USD ("CIS") and aims to attain long term income and capital growth by investing in a broad range of asset classes, in particular in global equity and global bond markets.

Investor Profile

The Fund is designed for investors who pursue the objective of general capital formation/asset optimisation and/or above-average participation in price changes; have basic knowledge and/or experience of financial products; and are capable of bearing a financial loss. The Fund may not be suitable for investors who wish to withdraw their capital from the Fund within a short timeframe.

Performance Indicator

	1 month	YTD (Since inception)
Allianz Life Global Income Fund	1.20%	1.30%
Allianz Global Income Fund (USD)	-0.24%	0.64%

Ringgit depreciated 3.69% (YTD 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 including gross dividends paid out. 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.

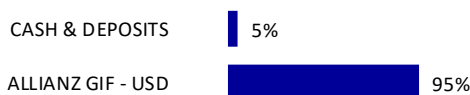
Facts on CIS

Name	Allianz Global Income- USD ("Allianz GIF - USD")
Type	Undertaking for Collective Investment in Transferable Securities
Fund Manager	Allianz Global Investors US
Fund Currency	USD

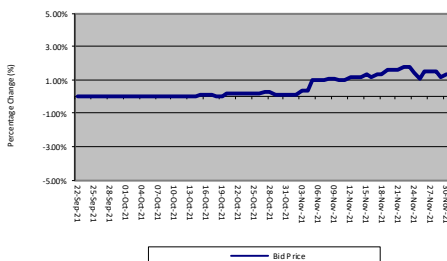
Key Fund Facts

Fund Size	RM24.885 million
Risk Profile	Moderate Investor
Launch Date	22 nd September 2021
Fund Currency	Ringgit Malaysia
Investment Manager	Allianz Life Insurance Malaysia Berhad
Pricing Frequency	Daily
Price per Unit ¹ (as at 30th November 2021) - Bid	1.013
Management Fee	1.25% p.a
Other Charges ²	Include but not limited to government tax, auditor fee, custodian fee, & transaction charge

Portfolio Composition



Performance Since Inception



- 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.
- Expenses directly related to and necessary in operating the Fund.

Disclaimer

The Allianz Life Global Income Fund is a unit-linked fund offered by Allianz Life Insurance Malaysia Berhad (Allianz). This fact sheet is prepared by Allianz and is for information only. The fund fact sheet of the CIS will be available at < <https://sg.allianzgi.com/>>. The performance of the Fund is not guaranteed and the value of the units and the income derived there from may increase or decrease. Past returns and any forecast is not necessarily a guide to future performance. Allianz does not warrant or make any representations that the Fund will guarantee profits, or not result in losses or the correctness, accuracy, reliability, or otherwise of this fact sheet. Before deciding to invest in the Allianz Life Global Income Fund, you should carefully consider your investment objectives, level of experience, and risk appetite. Allianz disclaims any and all liabilities against loss, damages, etc whether direct, indirect or consequential as a result of your reliance on this fact sheet. You should be aware of all the risks associated with fluctuations in a unit-linked fund and are advised to seek the advice of your financial consultant before making any investment.

While reasonable care has been taken to ensure the accuracy and completeness of this presentation as at the date of publication, Allianz accepts no responsibility for any errors or omissions. Allianz assumes no obligation to update any information contained herein.

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Allianz Life Global Income Fund



Manager's Comment (For Allianz Global Income- USD)

Market Commentary

- COVID resurgence fears and speculation around faster tapering and an earlier lift-off outweighed the positives of continued earnings and economic strength.
- Concern around the efficacy of existing vaccines against the Omicron variant and the new virus' possible impact on the global economic recovery weighed on investor confidence.
- The US Federal Reserve (Fed) reduced asset purchases by USD 15 billion in November, putting it on track to finish all bond-buying stimulus by mid-2022. However, in Congressional testimony at month-end, Fed chair Powell remarked that inflation should no longer be considered transitory, and a faster taper pace may be appropriate, leading investors to speculate that lift-off may occur sooner than previously anticipated.
- The positive tone around Q3 earnings results remained unchanged in November. Through month-end, 82% and 74% of S&P 500 companies surpassed earnings and revenues estimates, respectively, and earnings have surprised to the upside by 10%, according to FactSet. Per Bank of America (BofA), net leverage and coverage metrics improved month-over-month for high-yield issuers.
- Economic reports released during the month indicated that the US expansion accelerated. Initial claims and unemployment fell to their lowest levels since the start of the pandemic and retail sales hit another all-time high. On the other hand, consumer prices increased at the highest rate since 1990, pressuring consumer sentiment.
- Longer dated US Treasury yields fell sharply, flattening the curve. At period-end, the 3-month, 2-year, 5-year and 10-year yields finished at 0.05%, 0.53%, 1.15%, and 1.44%, respectively.*
- Against this macro backdrop, asset class and regional performance was bifurcated. Global equity markets, as measured by the MSCI World Index, returned -2.2%.** US stocks provided some stabilisation, holding up much better than non-US developed stocks. Underlying equity weakness negatively impacted convertible securities but did not affect new issuance which accelerated in November. Global high-yield bond prices fell, and spreads widened although US primary market activity increased month-over-month. The global fixed income, as measured by the Bloomberg Global Aggregate Index, returned -0.3%.^ US core bonds finished higher, partially offsetting declines from non-US core bonds.
- Core fixed income exposure helped dampen the volatility of the portfolio's allocation risk assets. Technology hardware and semiconductor positions were among the top-contributing for the period. Holdings with exposure to biopharma, internet search, and banking detracted from performance.

Market Outlook and Strategy

- The US economy and corporate earnings are on track for continued growth into year-end. Expansion in the US has slowed from robust levels but should remain strong. Growth catalysts include steadfast consumer demand given rising incomes, excess consumer savings, and record household wealth. An increase in business spending and investment, a further recovery in the labour market, and the potential for additional US fiscal stimulus are also supportive. Against this backdrop, revenues and corporate profits are expected to continue to grow. US companies should benefit from pricing power and operating leverage as well as rising sales, which should more than offset the impact of higher input costs and wages and near-term bottlenecks. Potential risks include persistently high inflation and tighter-than-expected monetary policy, among others.

All data are sourced from Allianz Global Investors dated 30 November 2021 unless otherwise stated.

* Source: BofA Merrill Lynch, as at 30 November 2021

** Source: MSCI, as at 30 November 2021

^ Source: Bloomberg, as at 30 November 2021

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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.
- **Currency Risk** – For foreign investment, fluctuations in currency exchange rates may have an impact on the value of the Fund’s investment assets. This risk may be minimized by engaging in foreign currency hedging.
- **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.
- **Specific Security Risk** – The value of the assets in particular securities and money market instruments may be affected by company-specific factors, such as business situation, financial condition and corporate governance of the company. This risk may be minimized through diversification of investments in a wide scope of companies belonging to a multitude of sectors.
- **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.
- **Liquidity Risk** – If an asset has insufficient liquidity, there is the risk that the asset cannot be sold or can only be sold at a significant discount to the purchase price. The lack of liquidity of an asset may cause its purchase price to increase significantly. The risk is managed by including liquidity factor into security selection and further mitigated by diversification.
- **Target Fund Risk** – As the Fund is a feeder fund, it will invest into a Target Fund which is being managed by a Target Fund Manager. While we would make every effort to ensure that the objectives of the Target Fund are appropriately aligned with those of ours, we do not have control over the Target Fund Manager’s investment in terms of its approach, intelligence, operations and management. In the unlikely event of any mishandling of the Target Fund, the NAV of our Fund, which is investing predominantly into the Target Fund, could be similarly adversely affected. This risk may be mitigated by our constant monitoring of the Target Fund, which is requisite to ensuring that the Target Fund’s objective, risk profile and characteristics are in line with ours.
- **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.

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.