

# Allianz Life Master Dividend Fund



## Investment Objective

An open-ended investment fund which aims to provide a steady income stream and medium to long term capital appreciation by investing in equity and equity-related securities skewed towards potential dividend yielding equities.

## Investor Profile

The fund is suitable for investors who are seeking moderate capital appreciation, seek stable income stream, have moderate risk tolerance and have medium to long term investment horizon.

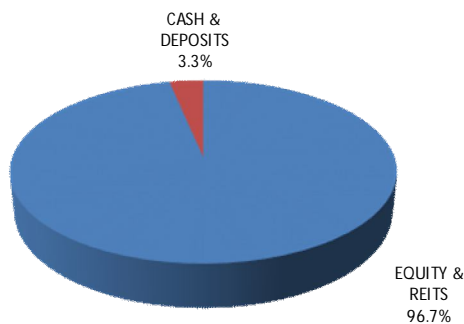
## Performance Indicator

	Master Dividend Fund	Benchmark: FBM 100*
1 month	-1.89%	-3.45%
6 months	3.65%	-1.33%
1 year	1.24%	3.75%
3 years	-22.67%	-14.99%
5 years	2.78%	-1.55%
10 years	55.24%	7.65%
YTD	-1.89%	-3.45%
Since Inception (Annualised)	7.32%	2.29%

\* Source: Bursa.

The above performance 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.

## Portfolio Composition by Asset Type

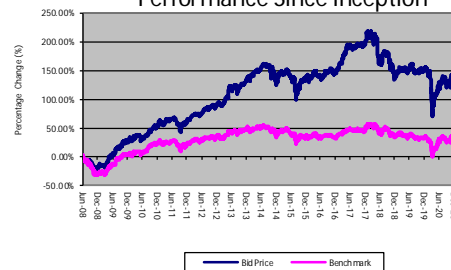


## Key Fund Facts

Fund Size	RM91.261 million
Risk Profile	Moderate
Launch Date	13 <sup>th</sup> June 2008
Fund Currency	Ringgit Malaysia
Investment Manager	Allianz Life Insurance Malaysia Berhad
Pricing Frequency	Daily
Price per Unit <sup>1</sup> - Bid (as at 31st January 2021)	2.442
Management Fee	0.00% p.a
Other Charges <sup>2</sup>	Include but not limited to government tax, auditor fee, custodian fee, & transaction charge

- 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.

## Performance Since Inception



## Top Holdings (Equities)

Equity	% NAV
TOP GLOVE CORPORATION BERHAD	7.30%
TENAGA NASIONAL BERHAD	5.13%
MALAYAN BANKING BERHAD	4.69%
GENTING MALAYSIA BERHAD	4.49%
KUALA LUMPUR KEPONG BERHAD	3.94%

## Disclaimer:

This fact sheet is prepared by Allianz Life Insurance Malaysia Berhad (Allianz) and is for information only. 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. 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.

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.

# Market Review & Outlook



## Market Review

For equities, the MSCI World Index fell by 1.1% mom to close at 10,753 points for the month of January. The Dow Jones Index also fell by 2.0% mom despite creating new highs during the month. While political and virus-related issues dominated most of January, the market seem to fall after Joe Biden was sworn in as the new President on 20 January 2021. This could be attributed to Covid-19 as cases continued to increase in the US, with 25.9m infected people in January (compared to 20.0m in December and 13.5m the month before that) and news of limited vaccine supply which could affect the speed of the vaccination process. On the US' economic front, retail sales in December fell 0.7% mom as compared to a higher contraction of 1.1% mom in November. Its December industrial production grew by +1.6% mom as compared to +0.4% mom in the previous month. Nonetheless, Markit US Composite PMI fell to 55.3 in December as compared to 58.6 in November. Over in Europe, the Stoxx 50 Index fell by 2.0% mom during the same period despite the Eurozone Markit Composite PMI rising to 49.1 in December compared to 45.3 in November. Its November retail sales fell sharply by 6.1% mom, a reversal from a gain of +1.5% mom in the previous month. Growth in industrial production also rose +2.5% mom in November compared to +2.1% mom in October. Likewise, China's Shanghai Composite Index increased by +0.3% mom in January 2021 on the back of strengthening economic data. China's December retail sales rose by +4.6% yoy as compared to +5.0% yoy in the previous month. Its December industrial production continued to improve to 7.3% yoy compared to 7.0% yoy in November. China's Caixin Composite PMI also fell to 55.8 in December, compared to 57.5 in November. With economic improvements, China kept its 1-year and 5-year Loan Prime Rates stable. They have been unchanged since April 2020.

In January, Brent oil price continued its uptrend, rising another +7.9% mom to USD55.88/bbl on the on the back of expected economic recovery and Saudi Arabia announcing it would cut oil production by 1 million barrels a day. Crude palm oil price was up 1.1% mom to RM3,935/MT as CPO inventory continues to remain low due to lower FFB production and labour issues.

On the ASEAN front, equity markets closed the month under review with generally mixed performances. Malaysia's FBMKLCI fell by 3.7% mom due to the rising number of Covid-19 cases that led to the government announcing MCO 2.0 and our Yang Di Pertuan Agong also declaring a state of emergency for the country until 1 August 2021. Net foreign equity flows continued to sell RM834m in January. From an economic standpoint, Malaysia's November industrial production contracted by 2.2% yoy, compared to a contraction of 0.5% yoy in the previous month. December manufacturing PMI improved to 49.1, compared to 48.4 a month ago. On the currency front, the RM strengthened further to RM4.0203: USD1.00 as at end Dec 2020 from RM4.0738: USD1.00 as at end Nov 2020. Indonesia's Jakarta Composite Index also fell by 2.0% mom despite its Markit manufacturing PMI rebounding further to 51.3 in December as compared to 50.6 in the previous month. Singapore's Straits Times Index rose by +2.1% mom amidst stronger economic data. Singapore's industrial production rose further by +2.4% mom in December, after rebounded strongly by +7.2% mom in November. Its retail sales also improved further to a contraction of 1.9% yoy in November as compared to a 8.6% yoy decline in the previous month. The Stock Exchange of Thailand also rose 1.2% mom following Thailand's November Markit manufacturing PMI of 50.8, which was higher than the 50.4 the previous month.

For the bond market, the UST yield curve bear steepened in January as the 3y UST rose by 1bps mom while the 10y UST increased by 16bps mom. UST's started the month in a sharp sell-off mode after reacting to the Georgia state run-off elections. Also, the news that the Biden-led administration would embark on another stimulus bill beginning with a \$1.9 trillion did not augur well with investors. However, market pared down some of the losses when Fed Chair Powell reiterated that rates

# Market Review & Outlook



## Market Review

are not expected to be raised anytime soon and offered no indication of a QE tapering this year. The Federal Reserve left the fed funds rate unchanged at record low of 0-0.25% as widely expected, acknowledging that economic recovery has moderated recently. The US economy expanded at an annualised rate of 4% q/q in the fourth quarter of 2020, moderating from the sharp 33.4% rebound in the third quarter. This left the full-year GDP growth at -3.5% in the pandemic year of 2020.

At the 1st MPC of the year on 20 January 2021, BNM decided to hold the OPR unchanged at 1.75% after describing the current monetary policy as “appropriate and accommodative”. While near-term domestic growth would be affected by stricter containment measures, the growth trajectory was projected to improve from 2Q21. The statement more explicitly signalled stronger data-dependence, noting that “Given the uncertainties surrounding the pandemic, the stance of monetary policy going forward will be determined by new data and information”. Separately, BNM reiterated its commitment to ensuring sufficient liquidity, with the use of MGS/MGII to meet Statutory Reserve Requirement (SRR) compliance extended till December 2022 (from May 2021). Market reaction post MPC saw yields rising at the shorter end of the yield curve in a reversal of the earlier pricing in of a rate cut. Mom the MGS yield curve bear steepened with 3y at 1.84% (month low was 1.71%) and 10y at 2.70% (month low was 2.57%).

## Market Outlook

Investors will be monitoring the number of new Covid-19 cases globally and the rollout of Covid-19 vaccines and distribution programmes. Locally, investors will be keeping an eye on 4Q20 GDP data, the upcoming 4Q20 results season, reports on new Covid-19 cases and news on further MCO extensions. Also in focus would be the arrival of the Pfizer vaccines targeted by end February and details on the rollout of the vaccination programme.

For equities, the MCO 2.0 and emergency declaration has dampened near term market sentiment. However, the rollout of the vaccination programmes in late 1Q21 and a strong corporate earnings season should provide some support to the market. In conclusion, we would continue to adopt a prudent yet sensible posture towards our market’s longer term growth trajectory and would continue directing monies into fundamentally good investments. We will maintain our predilection for sectors with more resilient growth and sectors that will benefit from the reopening of economies due to the vaccine discovery. Nonetheless, we will remain vigilant to realign our investment direction as necessary to be in sync with the changes in the market environment, and may sometimes assume a degree of trading bias to take advantage of any near term market volatility.

For fixed income, the continued presence of foreign flows in view of negative-yielding global debt and also relatively liquid market may help provide support to the market. BNM’s extension of the flexibility for banks to use MGS and MGII to meet SRR compliance till December 2022 is viewed as bond market positive. We would continue to remain cautious of possible bond market volatility as corporate earnings come under pressure and credit spreads widen. We maintain our strategy to accumulate bonds at favorable valuations skewing towards good quality names, but will only extend duration in liquid papers at fair valuations.