March 2022

Allianz Life Global Income Fund

Investment Objective

The Allianz Life Global Income Fund (the "Fund") feeds into Allianz Global Income- 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	3 months	6 months	Since inception	YTD
Allianz Life Global Income Fund	1.49%	-5.82%	-4.50%	-4.50%	-5.82%
Allianz Global Income (USD)	1.49%	-7.10%	-4.15%	-4.87%	-7.10%

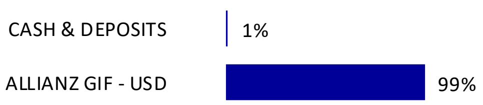
Ringgit depreciated 0.69% (YTD) and depreciated 0.63% (since inception).
Source: Bloomberg and https://sg.allianzgi.com/

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.

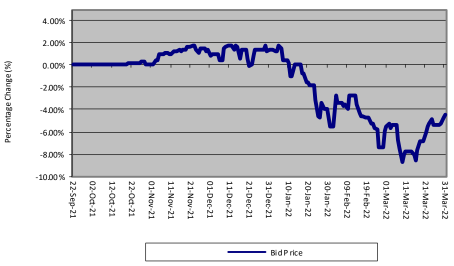
Facts on CIS

Name	Allianz Global Income- USD ("Allianz GIF - USD")
ISIN	LU2236285917
Type	Undertaking for Collective Investment in Transferable Securities
Fund Manager	Allianz Global Investors US
Fund Currency	USD

Portfolio Composition



Performance Since Inception



Key Fund Facts

Fund Size	RM24.117 million
Risk Profile	Moderate Investor
Launch Date	22nd September 2021
Fund Currency	Ringgit Malaysia
Investment Manager	Allianz Life Insurance Malaysia Berhad
Pricing Frequency	Daily
Price per Unit[1] (as at 31st March 2022) - Bid	0.955
Management Fee	1.25% 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.

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

Market Commentary

- The market's defensive tone persisted into mid-March before sentiment reversed higher into month-end.
- Geopolitical risks caused crude oil to spike higher and inflation expectations to rise further. Against this backdrop, US Treasury yields and rate hike projections jumped. Investor confidence improved over the back half of the month concurrent with the US Federal Reserve's (Fed's) rate decision, de-escalation optimism and easing crude oil prices.
- As widely expected, the Fed raised rates by 25 basis points (bps) to a range of 0.25% to 0.50%. Policymakers forecasted a total of seven hikes in 2022 and three in 2023 with quantitative tightening to commence at "a coming meeting". Meanwhile, markets were pricing in the equivalent of nine hikes this year as of month-end.
- US Treasury yields surged but a sharper move at the short end caused the curve (2s10s) to flatten materially. The 2-year, 5-year and 10-year yields stood at 2.28%, 2.42%, and 2.33%, respectively.*
- In economic terms, payrolls rose, and manufacturing and services surveys remained in expansionary territory. On the other hand, inflation accelerated, negatively impacting consumer sentiment and pressuring real wages.
- Crude oil (WTI) traded above USD 130 before settling at USD 100/barrel.
- Against this macro backdrop, equities advanced while surging interest rates weighed on fixed income. Global equity markets, as measured by the MSCI World Index, returned +2.74%^ with non-US developed stocks underperforming their US counterparts. Global convertible securities finished lower but US issues gained +1.20%** for the period. Global high yield also declined but US exposure held up better. Convertible and high-yield new issuance remained subdued as yields spiked. Global fixed income, as measured by the Bloomberg Global Aggregate Index, returned -3.05% with non-US core bonds underperforming US core bonds.**
- The portfolio's equity exposure had a positive impact on performance while surging interest rates weighed on the fixed income allocation. Investment grade corporate bonds were the greatest drag on performance whereas high-yield corporate bonds were a source of relative strength on the back to tighter spreads and lower duration.
- Within Technology, Apple (hardware) was a source of strength whereas select semiconductor positions detracted from performance. Among Financials, a flattening yield curve weighed on Wells Fargo (major bank), but the impact was offset by a gain in Aon (financial services). An electric vehicle manufacturer was a top contributor in Consumer Discretionary and dampened the effect of underperforming ecommerce exposure.
- Netting new purchases and complete sales, portfolio exposure was reduced most in Consumer Discretionary, Technology and Consumer Staples whereas portfolio exposure increased most in Materials, Utilities and Energy.

Market Outlook and Strategy

- The market outlook remains uncertain amid a growing list of concerns: positive but decelerating economic growth, healthy corporate profitability but slower earnings growth, Fed tightening, yield curve flattening, high inflation, and geopolitical angst, among others.

All data are sourced from Allianz Global Investors dated 31 March 2022 unless otherwise stated.
* Source: BofA Merrill Lynch, as at 31 March 2022
^ Source: MSCI, as at 31 March 2022
** Source: Bloomberg, as at 31 March 2022

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Investment Strategy & Approach

The investment approach would be a combination of 1) Top down analysis of the macroeconomic environment to determine asset allocation and sector exposure strategy and 2) Rigorous bottom up analysis which includes value analysis and financial analysis, to select individual stocks/credits to generate alpha return.

On top of regulatory limits imposed by Bank Negara Malaysia, Allianz Life have put in place tight internal investment limits for all asset classes to ensure that the Fund does not take on excessive risk, while recognizing there cannot be total elimination of risks associated with investing in the Fund. The following is a non-exhaustive list of key risk factors when investing into the Fund.

- **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.

- **Interest Rate Risk** – Interest rate risk arises when the value of the debt instrument fluctuates due to interest rate movements. When interest rate rises, the debt instrument prices generally decline and this may lower the market value of the investment. The reverse may apply when interest rate falls. Debt instruments with longer maturities and lower coupon rates are more sensitive to interest rate changes. This risk may be mitigated by regular and rigorous reviews of asset allocation and duration strategy.

- **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 regular and rigorous reviews of macroeconomic, socio – politic and regulatory factors as well as adopting an appropriate asset allocation strategy.

- **Currency Risk** – For foreign investments, fluctuations in currency exchange rates may have an impact on the value of the Fund's investment assets. This risk may be managed by engaging in foreign currency hedging.

- **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 managed through portfolio diversification and control on sector concentration risk.

- **Company Specific Risk** – The asset values of securities may be affected by company-specific factors, some of which include volatile business situations, adverse financial conditions and poor corporate governance. This risk may be contained through appropriate portfolio diversification, prudent investment selection and better control on investment concentration risks.

- **Credit and Default Risk** – This relates to the creditworthiness of the issuers of the debt and money market instruments as well as their abilities to make timely payments of interest and principal. Any adverse situations faced by the issuer may impact the value of the fund as well as the liquidity of the debt instrument or money market instrument. This risk is managed through appropriate portfolio diversification, stringent credit selection and control on sector as well as credit concentration risks.

- **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. Appropriate portfolio diversification, control on investment concentration limits taking into account liquidity constraints and regular monitoring could help mitigate the said risk.

- **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.

- **Target Fund Subscription/Redemption Time Lapse Risk** – Due to the inherent unitisation and Target Fund subscription/redemption processing times, there could be a time lapse between the time monies are received by the Fund and the time the monies are subsequently invested into the Target Fund, vice versa for redemption. The risk of unnecessary subscription/redemption time lapse may be minimised by our best efforts in optimizing the process while adhering strictly to the stipulated asset allocation.