April 2020

Allianz Life Amanah Dana Ikhlas

Investment Objective

The Allianz Life Amanah Dana Ikhlas (the “Fund”) feeds into Maybank Malaysia Balanced-I Fund (“CIS”) and aims to seek a mix of regular income stream and possible capital growth over the medium to long term by investing in listed equities, Islamic debt instruments and other assets that are permissible under the Shariah Principles.

Investor Profile

The Fund is suitable for investors who are looking for fund that invests in Shariah-compliant securities, seek regular income and moderate capital appreciation, have moderate risk tolerance and medium to long term investment horizon.

Performance Indicator

	1 month	6 months	1 year	3 years	5 years	YTD	Since Inception (Annualised)
Allianz Life Amanah Dana Ikhlas	5.61%	-4.36%	-3.30%	-5.56%	-4.18%	-4.53%	1.41%
Benchmark: 50% FBM Emas Shariah Index + 50% GIA rate*	3.99%	-2.97%	-2.08%	-3.07%	-0.02%	-3.74%	1.74%
Maybank Malaysia Balanced-I Fund	5.64%	-4.34%	-3.18%	-4.47%	-1.89%	-4.62%	2.26%

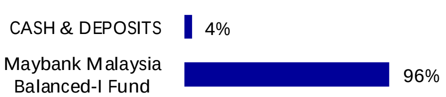
* Source: Bursa and Bank Negara Malaysia.
The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis with gross dividends reinvested. It is strictly the performance of the investment fund and not the returns earned on the actual premiums paid of the investment-linked product. Past performance is not an indication of future performance.

Facts on CIS

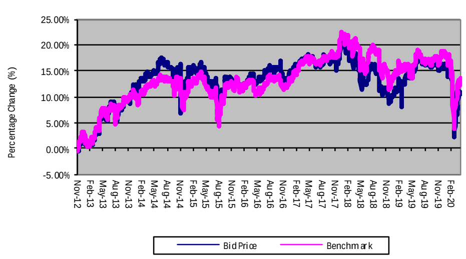
Name	Maybank Malaysia Balanced-I Fund^
Type	Managed Fund
Fund Manager	Maybank Asset Management
Fund Currency	MYR

^Maybank Malaysia Balanced-I Fund (previously known as MAYBANK Dana Ikhlas) is managed by Maybank Asset Management Sdn. Bhd. Please refer to https://www.maybank-am.com.my for more information.

Portfolio Composition by Asset



Performance Since Inception



Key Fund Facts

Fund Size	RM11.658 million
Risk Profile	Moderate Investor
Launch Date	26 November 2012
Fund Currency	Ringgit Malaysia
Investment Manager	Allianz Life Insurance Malaysia Berhad
Pricing Frequency	Daily
Price per Unit[1] (as at 30th April 2020) - Bid	0.527
Management Fee	1.20% 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

Manager's Comment

Market Commentary

The Malaysian bond market recovered in April, as yields lowered by 33-59 basis points across the board. The rally was due to lower interest rate outlook as consensus expects a 50bps OPR cut in the scheduled Monetary Policy Committee (MPC) meeting in May, in order to curb the negative impact of covid-19 to the economy. The buying momentum was also buoyed by the expected improvements in Covid-19 statistics in Malaysia as the extended Movement Control Order (MCO) begins to show positive results in flattening the Covid-19 curve. Foreigners net sold a milder –MYR2b of local debt securities in April (Mar:-MYR12.3b), as global risk sentiment improved with the various monetary, financial and economic stimulus package introduced around the world. Foreign share of MGS and MGS+GII fell to 35.8% (Mar: 36.8%) and 21.7% (Mar: 22.1%) respectively. This is in line with the tapering of foreign selling in regional local bonds as IndoGB also saw smaller net outflow of –USD0.1b in April.

Following the sharpest decline since the Global Financial Crisis (GFC) in March where equity markets dropped by 20-30%, April saw a strong recovery in the financial markets. The recovery was triggered by the massive fiscal stimulus by Governments around the world and the monetary measures by the US Federal Reserve. In addition, investors were relieved from flattening infection curves in several key countries as well as the enhanced stimulus measures by governments and central banks worldwide. The anticipation of easing lockdown measures buoyed market sentiment as did the news that an anti-viral drug, Remdesivir, appeared to be a viable treatment option for COVID-19.

Domestically, the large cap FBM KLCI Index gained 4.2% in April, while the broader market FBM Emas Index also posted a gain of 6.2%. Meanwhile, the FBM Emas Shariah Index, which is the barometer for the shariah equities, registered a gain of 7.8%. However, net foreign outflows persists in Malaysia, selling RM2.7bn (YTD: -RM10.2bn) during the month. The movement control order (MCO) has been extended to May 12 while government also announced the 4th stimulus package of RM10bn for the SME sector. The government also lifted some restrictions that allow more economic sectors to operate.

In commodities, oil was in the limelight, with the WTI making history after prices plunged to negative territory (-US$37) due to the lack of storage capacity and the demand shock. Opec+ had earlier announced a record deal to reduce global output by 9.7m bpd. Nonetheless, Brent oil fell 11% to US$25 while WTI rebounded to US$18 by end April. Similarly, CPO prices fell 18% to RM2,100 due to demand concerns as lock-down occurs worldwide. Furthermore, the fall in oil prices raises questions on the implementation of biodiesel. Already, Indonesia and Malaysia are postponing the implementation of B30 and B20 respectively, given the unfavourable palm oil-gas oil spread.

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Manager's Comment

Market Outlook and Strategy

In early May, Bank Negara Malaysia (BNM) cut OPR by 50 basis points to bring it to 2.00%, as expected. BNM also allowed Banks to use MGS and GII to fully meet the Statutory Reserve Requirement (SRR) compliance effective 16 May 2020 and up to 31 May 2021. This measure will release approximately RM16 billion in liquidity into the banking system. As such, we believe the local bond market will remain supported by demand from local institutional investors such as pension funds, banks and asset managers.

For equities, although the rebound in April 2020 has been strong, we expect another round of market weakness. The recent market weakness in March was due to the Global spread of COVID-19 that had grown from a regional epidemic in Asia to a Global Pandemic. We believe that the next downturn will come from the effects of weak economy due to the COVID-19 lockdowns. This is already occurring as some airlines are announcing bankruptcy as travel activities collapsed. We are also concerned on secondary issues resulting from the weak economy.

For Malaysia, we are now facing triple whammy as the country faces a change of the government during oil price crash as well as the COVID-19 pandemic. The MCO that was imposed by the new Malaysian government in March in an effort to "flatten the curve" is expected to take a huge toll on the local economy. The MCO has since been extended to June in order to mitigate the spread, but rules has been relaxed and a large portion of the economy has been re-opened.

For Malaysian sukuk, we continue to overweight corporate bonds over sovereign bonds to anchor the Fund's income in corporate bonds' coupons as they are less volatile and provide higher yields to buffer against potential mark-to-market losses in the event of a turnaround in sovereign bond yields. Given our expectation that economy will recover in 2H 2020 as efforts by central banks and governments globally to combat the negative impact of Covid-19 start to show results, we will continue to trade opportunistically and realize profit. We are looking to increase duration to neutral duration relative to the TRBPAM Sukuk Index and also look into new primary issuances that offer higher yields to deliver the required performance.

We have reduced our equity exposure in March 2020 and widened our trading band for better flexibility to position portfolios in these volatile times. With the recent rebound in markets in April, valuations are no longer compelling in light of deteriorating macroeconomic conditions and ongoing earnings downgrades. As such, we believe that another market drawdown is due and we would look to capitalize on that by deploying our cash into deep value stocks. We reduced our equity exposure at 85%, but widened the trading band to +-10% from +-5% previously for better flexibility to position portfolios in these volatile times. We continue to have exposure in high yielding companies and industrial REITs given the cloudy outlook of the economy. We also prefer companies in the information technology as well as healthcare (mainly gloves) sectors.