July 2020

Allianz Life Asia Multi-IncomePLUS Fund

Investment Objective

The Allianz Life Asia Multi-IncomePLUS (the "Fund") feeds into Allianz Asian Multi Income Plus- USD ("CIS") and aims to achieve stable income stream and potential capital appreciation by investing primarily in Asian local currency denominated fixed income and quasi-fixed income instruments.

Investor Profile

The Fund is designed for investors who are generally risk averse and require stable returns.

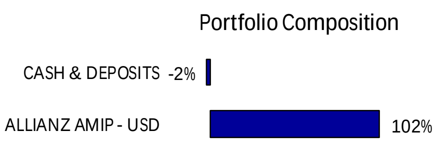
Performance Indicator

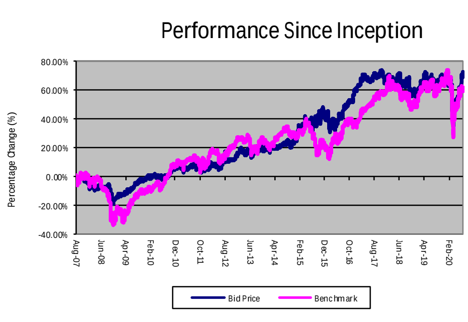
	1 month	6 months	1 year	3 years	5 years	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	6.92%	5.35%	2.15%	0.65%	26.49%	69.70%	1.54%	4.23%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index *	3.11%	-2.30%	-1.77%	4.07%	27.25%	63.94%	-6.14%	3.74%
Allianz Asian Multi Income Plus ($USD)	8.66%	2.50%	0.82%	5.72%	21.57%	41.95%	-1.04%	3.57%

Ringgit depreciated 3.50% (YTD) and depreciated 1.66% (since inception).
* Source: Bursa.
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





Key Fund Facts

Fund Size	RM2.09 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 July 2020) - Bid	1.714
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)
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Allianz Life Asia Multi-IncomePLUS Fund

Manager's Comment

Market Commentary

- Overall, equity markets in the Asia Pacific ex Japan rose in July, although returns at a country level were mixed. While positive economic news out of China helped to lift sentiment, this was offset by continued weak economic activity in many of the region's key export markets as well as fears of further waves of new COVID-19 infections in countries that had hitherto suppressed the spread of the virus.
- Chinese stocks surged with the CSI 300 Index reaching a five-year high. In terms of economic data, China's economy expanded 3.2% in Q2, making the country the first major economy to report positive growth after being hit by COVID-19. Data for July also showed the official purchasing managers' index (PMI) of manufacturing activity rose for the fifth consecutive month. Elsewhere, Taiwan was the standout performer, boosted by better-than-expected results from key technology firms. In Australia, the materials sector outperformed a broadly flat market, as miners benefitted from rising metals prices. ASEAN markets were mixed. Malaysia and Indonesia advanced, while Singapore, Thailand and the Philippines lost ground. In Singapore, the economy shrank a record 41.2% in Q2, plunging the city state into a recession as its export-driven economy was hit by a slump in external demand.
- A generally benign market environment helped to drive the compression of credit spreads within the Asian high yield market, which was a key contributor to the segment's performance over the month – the J.P. Morgan Asia Credit Index Non-Investment Grade returned 2.42% as of 31 July. Within the Asian high yield space, Sri Lanka sovereign bonds and bonds issued by a few Indian non-banking financial institutions were among the best performers over the month. Conversely, bonds of a number of Indian and Indonesian metals & mining issuers and some Chinese quasi-sovereigns were among the key detractors. With generally supportive market conditions, primary market activity within the Asia USD credit space remained relatively robust.
- In July the fund delivered strong returns in USD terms.
- The top contributor over the month was China Tourism Group Duty Free Corp, the dominant duty free store operator in China. Since the relaxation of duty free sales regulations in Hainan Province took effect in July, there has been strong sales growth which should substantially increase future earnings. In addition to policy support, this China A stock is also benefitting from the shift from outbound to domestic travel, as well as the structural consumption upgrade trend in China over the long term.
- On the negative side, the top detractor was a medical device manufacturer in China. The company's share price saw some consolidation over the month after a period of strong performance. We continue to like the company as we expect its pipeline of high-end medical devices, wide product range and innovative platform to support future growth potential.
- Our asset allocation at the end of the month was 64.3% invested in Asian equities and 32.9% in Asian fixed income, with the remainder in cash. We maintain an asset allocation close to the 65:35 level.
- In terms of portfolio activity, we continued to add selectively to companies where the positive structural outlook should provide resilient growth during periods of economic weakness. For example, we initiated a position in the largest laser equipment provider in China. On top of its supply to Apple component producers, this company is also expanding applications to new areas such as electric vehicle battery, industrial machines, automobile and shipbuilding. We also initiated a position in a leading rubber glove manufacturer in Thailand where the demand / supply dynamics are strong as a result of the global pandemic.
- The fixed income sleeve adopts a lower turnover income-focused approach. For July, we invested in some Chinese and Indonesian issuers with longer maturities which have slightly increased the yield of the portfolio.
- At the end of the month we held 63 equities and 68 fixed income securities. The equity portfolio yield was 2.6% and the average fixed income coupon was 7.6% with an average credit rating of BB and duration of less than 2 years.

Market Outlook and Strategy

- As we enter H2 2020, there are signs that regional economies are stabilising after the economic 'freeze' earlier in the year as a result of the coronavirus. Across the region, governments and central banks have adopted supportive fiscal and monetary policies, and these will likely remain in place for some time to come.
- Clearly there are significant macro risks, most notably the potential for a second wave of COVID-19 both within the Asian region and elsewhere around the world. And in addition, the timing of the US Presidential Election in November 2020 is leading to additional pressure on US-China relations. Although markets have become somewhat desensitised to geopolitical news flow, nonetheless there is still a risk of a more direct financial and economic impact in the months to come. In this unpredictable environment, the equity portfolio will remain broadly diversified with a good spread of exposure to capture both growth and income opportunities.
- USD Asian high yield bonds continue to climb steadily higher. Volatility is lower now and we expect credit spreads to grind tighter amidst attractive valuations and progress towards a COVID-19 vaccine. We will continue to favour higher quality issuers for interest accrual.

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