November 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

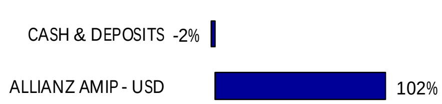
	1 month	6 months	1 year	3 years	5 years	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	5.30%	16.72%	6.92%	7.68%	26.79%	71.05%	7.11%	4.54%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index *	9.20%	14.29%	4.23%	8.38%	40.85%	61.30%	-0.27%	4.12%
Allianz Asian Multi Income Plus ($USD)	8.17%	27.13%	11.72%	13.18%	42.10%	48.40%	9.79%	4.29%

Ringgit appreciated 0.78% (YTD) and depreciated 1.29% (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.

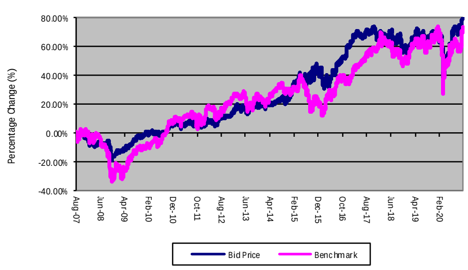
Facts on CIS

Name	Allianz Asian Multi Income Plus- USD ("Allianz AMIP - USD")
Type	Managed Fund
Fund Manager	Allianz Global Investors Singapore Limited
Fund Currency	USD

Portfolio Composition



Performance Since Inception



Key Fund Facts

Fund Size	RM2.187 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 30th November 2020) - Bid	1.808
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

- Equity markets in Asia delivered robust gains over November, joining in the rally in global stocks on positive news regarding COVID-19 vaccines and the US presidential election. In a key development, leaders of 15 Asian nations agreed one of the largest free-trade deals in history. The Regional Comprehensive Economic Partnership, or RCEP, brings together Australia, China, Japan, New Zealand, South Korea and the 10 ASEAN countries. The agreement is projected to potentially add almost USD 200 billion annually to the global economy by 2030.
- Despite a series of potentially destabilising news - the sudden postponement of a fintech company's IPO, increased regulation for internet companies, another attack by President Trump on Chinese stocks and two high-profile state-owned enterprise defaults - this was another month of positive returns in China equity markets. Elsewhere, Australian equities delivered their strongest monthly performance in more than 30 years. Stock markets in South Korea and Taiwan also delivered double-digit gains.
- Asian USD high yield bonds rebounded strongly in November as global risk sentiment strengthened following the smooth US presidential election and continued progress on COVID-19 vaccines. The J.P. Morgan Asia Credit Index Non-Investment Grade rose by 2.36%, driven by strong spread compression from 725bps to 669bps. Returns were further supported by high interest accrual. 5yr US Treasury yields were range-bound with the yield decreasing slightly from 0.38% to 0.36%. The search for yield and risk on environment saw higher beta names such as Indonesian issuers and lower-rated bonds outperforming.
- In line with markets, fund returns in USD terms were positive in November. A top contributor over the month was SK Hynix which rallied by more than 25% in USD terms. As a large index constituent, the stock has benefitted from the market rotation into value / 'opening up' beneficiaries with expectations that an economic normalisation should benefit the company's memory chip business. The company is also seeing robust demand from Chinese manufacturers who are restocking key components to gain share from a Chinese technology company that develops telecommunications equipment and consumer electronics.
- In contrast, a laggard last month was a Taiwanese technology company that is a component supplier in the Apple supply chain which is also diversifying into other areas such as datacentres. In contrast to SK Hynix, this stock has performed well as a stay-at-home beneficiary, and is now seeing some profit-taking. The company continues to execute well.
- The asset allocation at the end of the month was 65.9% invested in Asian equities and 30.9% in Asian fixed income, with the remainder in cash. We maintain an asset allocation close to the 65:35 level.
- There was significant portfolio activity in the last month as we added to dividend growth stocks that should benefit in the event of a sustained rally in value / opening up companies. At a sector level, this activity included adding to Financials, and at a country level we increased exposure to ASEAN markets which have notably lagged this year. As a result, the equity portfolio is now broadly balanced between structural growth and dividend growth stocks.
- The fixed income sleeve adopts a lower turnover income focused approach. In November, we continued to invest mainly in longer maturity bonds across different sectors to diversify the portfolio and increase the yield.
- At the end of the month, we held 66 equities and 84 fixed income securities. The equity portfolio yield was 2.5% 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

- Looking ahead, while we remain optimistic on the longer term outlook, we would also not be surprised to see some shorter term 'speed bumps' in equity markets. A return to economic normalisation should also bring a return to monetary normalisation. Specifically in China, the recent postponement of a fintech company's IPO and tighter regulation on fintech sends a strong signal that financial stability remains the top priority. In this con-text it is likely we will see a move to a tighter policy setting in coming months.
- Retail investors in mainland China can be especially sensitive to a tightening in liquidity. Although it is unlikely that policy will tighten too much, this could still potentially lead to some profit-taking. We believe the longer-term story remains compelling, however, and we will be looking for opportunities to add to preferred names if we do get a period of market weakness.
- Having crossed the US Elections key event risk, fixed income markets are looking towards economic recovery in 2021 driven by COVID-19 vaccination, gradual reopening of borders and increased consumer spending following record household savings in 2020. Valuations for Asian high yield bonds still look attractive in a global environment of low interest rates and we will continue to prudently favour higher quality issuers for interest accrual.

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