Allianz Life All China Equity Fund

Investment Objective

The Allianz Life All China Equity Fund (the "Fund") feeds into Allianz All China Equity Fund- USD ("CIS") and aims to provide long term capital growth by investing in onshore and offshore People's Republic of China ("PRC"), Hong Kong and Macau equity 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 or medium timeframe.

Performance Indicator

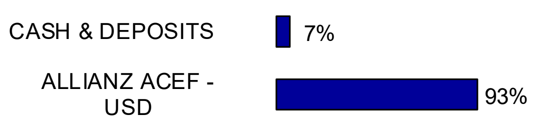
	1 month	3 months	YTD (Since Inception)
Allianz Life All China Equity Fund	2.07%	-5.14%	-11.40%
Benchmark	2.78%	0.22%	-10.33%
Allianz All China Equity (USD)	3.27%	-3.96%	-11.72%

Ringgit depreciated 0.63% (YTD 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. 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.

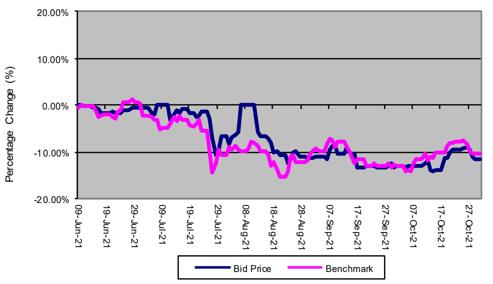
Facts on CIS

Name	Allianz All China Equity Fund- USD ("Allianz ACEF - USD")
Type	Undertaking for Collective Investment in Transferable Securities
Fund Manager	Allianz Global Investors Asia Pacific
Fund Currency	USD

Portfolio Composition



Performance Since Inception



Key Fund Facts

Fund Size	RM21.192 million
Risk Profile	Moderate Investor
Launch Date	8th June 2021
Fund Currency	Ringgit Malaysia
Investment Manager	Allianz Life Insurance Malaysia Berhad
Pricing Frequency	Daily
Price per Unit[1] (as at 31st October 2021) - Bid	0.886
Management Fee	1.50% 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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Allianz Life All China Equity Fund

Allianz

Manager's Comment (For Allianz All China Equity Fund- USD)

Market Commentary

- The Fund outperformed the benchmark in October. It was a "calmer" month overall without the extent of the sector rotation seen throughout Q3. Stock selection was the main driver of performance with positive contributions in the Industrials and Technology sectors.
- At a single stock level, a top contributor was Contemporary Amperex Technology (CATL), a global leader in lithium-ion battery development, which reached new all-time highs. The stock – and the electric vehicle (EV) sector overall – was well supported by news of strong battery demand, for example from an American electric vehicle manufacturer's new orders. CATL results towards the end of the month were also ahead of expectations.
- On the other hand, a top detractor was an aluminium company engaged in the production and sales of alumina, primary aluminum and aluminum alloy products. The stock was weak as global aluminium prices fell sharply in the second half of October following a strong rally year-to-date. Power shortages have also disrupted production in some areas. In the long run, we expect the supply of aluminium will remain tight given the government's carbon emission targets.

Market Outlook and Strategy

- October saw a recovery in China equities, based partly on relief as concerns about contagion potential for a Chinese homebuilder start to recede. There are also rising expectations that big tech may be past the worst of the regulatory crackdown. The recovery was led by offshore China equities with the MSCI China Index rising by 3.2% in the month, compared to 2.2% gain of the MSCI China A Onshore Index (in USD terms).
- Renewables have been in the spotlight recently as solar stocks, as well as the EV sector, have been strong performers so far in Q4. Part of the reason is related to China's recent power shortages. This has reinforced the strategic importance of China becoming more self-sufficient in energy supply, as well as transitioning away from the use of fossil fuels to meet carbon emission targets.
- The property sector was again in the news during October with further signs of stress in more highly-indebted private companies. Our view is to expect a managed decline in property prices and not a "crash" scenario. Recent policy action to restrict the supply of credit to the property sector is self-imposed and designed to send a strong signal to rein in leverage. With regard to the aforementioned Chinese homebuilder, we expect a restructuring of their assets with state-owned financial enterprises being required to step in where needed.
- The weaker property sector, combined with other headwinds such as power and chip shortages, is contributing to an ongoing deceleration in economic activity. We expect an easing of monetary policy and some targeted fiscal spending to help mitigate the bumpy economic slowdown. Our base case is therefore that we will enter a more policy-friendly market environment in coming months.
- In terms of portfolio activity, we initiated a new position in a logistics and express packages company where the share price has fallen by close to half since earlier this year as a result of macro weakness. We believe the company should continue to gain market share and also has significant room to improve margins over the longer term as a significant new acquisition is integrated into the business.
- As at month end, the largest overweight sector position is Information Technology (4.9%) and the largest underweight is Communication Services (-5.2%).

Investment Strategy & Approach

Investors should realize that there are risks of investing in the Funds as listed below:-

- **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.

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

- **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 a rigorous review of macroeconomic factors and asset allocation strategy.

- **Specific Security Risk** – The value of the assets in particular securities and money market instruments may be affected by company-specific factors, such as business situation, financial condition and corporate governance of the company. This risk may be minimized through diversification of investments in a wide scope of companies belonging to a multitude of sectors.

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

- **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. The lack of liquidity of an asset may cause its purchase price to increase significantly. The risk is managed by including liquidity factor into security selection and further mitigated by diversification.

- **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.

Overall, on top of regulatory limits imposed by Bank Negara Malaysia, we have put in place tight internal investment limits for all asset class with oversight by risk officer to ensure that the Fund does not take on excessive risk, albeit we cannot guarantee the total elimination of risks associated with investing in the Fund.