November 2021

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 provide long term capital appreciation and income by investing primarily in equites, trusts and interest bearing securities with a focus on the Asia Pacific Region.

Investor Profile

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

Performance Indicator

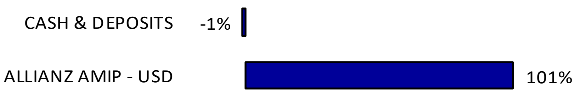
	1 month	3 months	6 months	1 year	3 years	5 years	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	-1.62%	-3.50%	-9.08%	0.77%	14.02%	13.59%	74.02%	-1.51%	4.27%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index *	-1.70%	-6.80%	-9.81%	1.37%	15.31%	27.03%	61.72%	-2.42%	3.92%
Allianz Asian Multi Income Plus ($USD)	-3.76%	-4.79%	-11.14%	-2.10%	18.02%	29.03%	47.36%	-5.52%	3.83%

Ringgit depreciated 5.20% (YTD) and depreciated 1.49% (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.

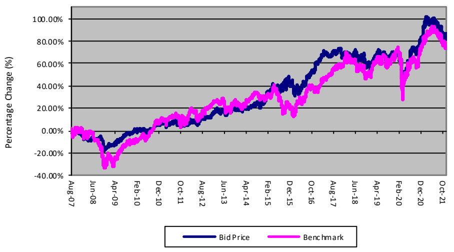
Facts on CIS

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

Portfolio Composition



Performance Since Inception



Key Fund Facts

Fund Size	RM2.17 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 2021) - Bid	1.822
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 (198301008983)
Level 29, Menara Allianz Sentral , 203 Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur.
Allianz Life Call Centre: 603-2264 1188
www. allianz.com.my

November 2021

Allianz Life Asia Multi-IncomePLUS Fund

Manager's Comment (For Allianz Asian Multi Income Plus- USD)

Market Commentary

- Equity markets in Asia ex Japan retreated in November as the newly discovered Omicron variant raised fears that the global economic recovery may be derailed if vaccines and treatments are proved less effective against this new strain of COVID-19. In contrast to developed economies where interest rates remained on hold and monetary policy continued to be accommodative, certain central banks in the region raised rates to counter rising inflation.
- In terms of country performance, Chinese equities declined. The authorities have signalled that the crackdown on property developers may soon be eased and intervened to control rising fuel prices caused by energy shortages. Among the region's more developed markets, Taiwan was the only market to deliver positive returns, helped by gains from its largest technology companies. Elsewhere markets generally retreated, with Hong Kong hit by a sharp sell-off in Macau-based casino operators. ASEAN markets were mixed. Philippine stocks advanced but stocks in Thailand, Malaysia and Singapore retreated.
- Asian USD high yield bonds had a weak start in November driven by credit concerns on the broad Chinese Property sector but staged a rebound later post news of easing measures and the reopening of onshore interbank bond issuances in China. The JP Morgan JACI Non-Investment Grade Index corrected by -0.82% driven by wider credit spreads (864 basis points (bps) from 821 bps). As with the previous two months, Chinese Property issuers were the main driver for wider spreads while non-China spreads were more stable. The US Treasury 5-year yield was almost unchanged at 1.16% from 1.18% as the market balanced off expectations of more rate hikes next year due to persistently high inflation against the detection of the potentially more contagious Omicron COVID-19 variant.
- In this environment, the Fund return was negative in USD terms.
- A top detractor over the month came from an online travel portal in India. The stock was impacted by concerns over the new Omicron variant which is triggering many countries to reinitiate lockdowns and social distancing restrictions. We remain positive on the long-term potential of the company given its dominant position in India. We believe the recent weakness should be temporary.
- On the positive side, the top contributor was Unimicron Technology, a printed circuit board (PCB) manufacturer and a global leader in Ajinomoto build-up film (ABF) substrates. The company continues to benefit from multiple growth drivers including 5G smartphones which will drive chipset performance enhancement. Tight supply in the industry also supports advanced players like Unimicron with stronger pricing power and higher margins.
- The asset allocation at the end of the month was 67.8% invested in Asian equities and 30.4% in Asian fixed income, with the remainder in cash.
- In terms of equity portfolio activity, in November we reduced our exposure in Australia after taking profits on some holdings there. We used the funds to add to selective opportunities primarily in China. For example, we initiated a position in an acoustic equipment maker which is expanding into the growing augmented and virtual reality (AR/VR) markets.
- For the fixed income sleeve, we invest in bonds with the aim of long-term interest accrual. In November, we further reduced exposure to weaker issuers with idiosyncratic concerns in the Chinese Property sector and diversified into other issuers from other sectors and countries including India and Indonesia.
- At the end of the month, we held 70 equities and 101 fixed income securities. The equity portfolio yield was 2.8% and the average fixed income coupon was 6.2% with an average credit rating of BB and duration of 2.2 years.

Market Outlook and Strategy

- There have been concerns recently about the potential delisting risk of China American depositary receipts (ADRs) listed in the US. This has been prompted by Didi's announcement that it will seek to delist in the US and relist in Hong Kong. Although this risk is not new, nonetheless on top of the already weak sentiment it has prompted a sell down in Technology stocks in particular.
- There has been little change to the overall macro situation. The Property sector has seen a raft of capital raisings as companies seek to deleverage to meet the "three red lines" criteria. Our view is to expect a managed decline in property prices and not a "crash" scenario. In response to the economic weakness, we expect an easing of monetary policy and some targeted fiscal spending, which should create a more "policy-friendly" market environment. There have been some early indications of easing with support for small and mid-sized enterprises (SMEs) and banks being encouraged to issue more loans for property projects. Most recently there was also an announcement of a cut in reserve requirement ratio (RRR) in mid-December.
- Elsewhere in the region, with the potential lockdowns and restrictions to be triggered by the new Omicron variant, we should also expect more government policy support. Our equity portfolio will continue to be broadly balanced between structural growth and dividend growth stocks, with a good spread of exposure across sectors.
- Market sentiment for Asian high yield credits is likely to be bifurcated, with lower rated Chinese property developers challenged by refinancing risks while the other sectors and countries outside of Chinese Property remain well bid. In this environment, we prefer higher quality issuers and we will be prudent in looking for opportunities to invest in papers.

Allianz Life Insurance Malaysia Berhad (198301008983)
Level 29, Menara Allianz Sentral , 203 Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur.
Allianz Life Call Centre: 603-2264 1188
www. allianz.com.my

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.