September 2021

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

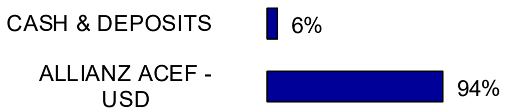
	1 month	3 months	YTD (Since Inception)
Allianz Life All China Equity Fund	-2.25%	-12.85%	-13.20%
Benchmark	-2.71%	-13.34%	-12.76%
Allianz All China Equity (USD)	-2.70%	-16.37%	-14.51%

Ringgit depreciated 1.67% (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.

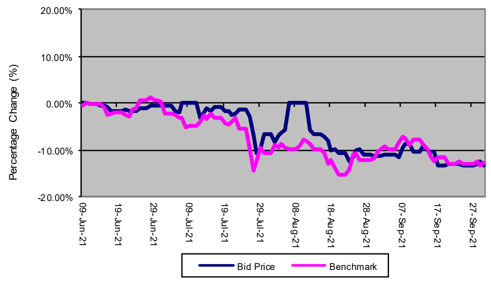
Facts on CIS

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	RM18.246 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 30th September 2021) - Bid	0.868
Management Fee	1.50% p.a

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.
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www. allianz.com.my

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

Market Commentary

- There was again significant volatility within the market, with almost a 20% dispersion between the best performing sector (Energy) and the worst (Consumer Discretionary). Our close to benchmark sector positions helped mitigate the impact from this high level of sector rotation.
- At a single stock level, a top contributor was a leading Contract Research Organisation (CRO) which provides services for new drug research and development. The stock recovered after a strong set of results which highlighted the depth and breadth of the order backlog. We believe the company should continue to benefit over the longer term from increased global pharmaceutical research and development (R&D) spending.
- On the other hand, a top detractor was a silicon solar cell production equipment company, which has also expanded into semiconductor equipment production. The stock experienced some profit-taking after strong performance in previous months. There were also concerns towards month-end regarding an increase in polysilicon prices caused by power rationing, which may have some temporary impact on user demand.

Market Outlook and Strategy

- It was notable during the month that China's onshore markets – equities, bonds and currencies – were more resilient than offshore markets in the face of the Chinese homebuilder situation.
- Part of the reason for the relative stability of China A-shares is because the news was not new to local market participants. The homebuilder's bonds had been signalling an increasingly distressed situation for some time. And the Real Estate sector in the China A-shares market had already declined in Q2 and then dropped sharply in July, before recovering more recently with the People's Bank of China (PBOC) taking action to calm market jitters.
- Our perspective is that the property sector in China has long been viewed as a source of financial risk. Property developers have leveraged up aggressively over the past decade. We see the recent action as a deliberate move by policymakers to send a strong signal to the rest of the property sector to rein in leverage.
- There have been a number of questions raised about whether it represents China's "Lehman's moment". We think this is unlikely. Within China, expectations are for an orderly restructuring of the company with state-owned financial enterprises being required to step in where needed – so-called "national service". The first signs of this were evident towards the end of the month with the company raising USD 1.5 billion by selling its stake in a bank to a state-owned institution.
- Looking ahead, our base case remains that we will enter a more policy-friendly market environment. Recent economic data has been relatively weak, and we expect an easing of monetary policy and some targeted fiscal spending to help mitigate the bumpy economic slowdown.
- Overall, around half the portfolio continues to be invested in China A-shares, a slight overweight relative to the index. During the month, we took the opportunity to add to policy beneficiaries in the areas of semiconductors and industrial automation. We also trimmed exposure to stocks which may be impacted by weakness in the residential property sector.
- As at month end, the largest overweight sector position is Information Technology (4.4%) and the largest underweight is Communication Services (-5.1%).

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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.

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.