March 2021

Allianz Life Amanah Dana Ikhlas

Investment Objective

The Allianz Life Amanah Dana Ikhlas (the "Fund") feeds into Maybank Malaysia Balanced-I Fund ("CIS") and aims to seek a mix of regular income stream and possible capital growth over the medium to long term by investing in listed equities, Islamic debt instruments and other assets that are permissible under the Shariah Principles.

Investor Profile

The Fund is suitable for investors who are looking for fund that invests in Shariah-compliant securities, seek regular income and moderate capital appreciation, have moderate risk tolerance and medium to long term investment horizon.

Performance Indicator

	1 month	6 months	1 year	3 years	5 years	YTD	Since Inception (Annualised)
Allianz Life Amanah Dana Ikhlas	-0.82%	2.02%	21.44%	8.80%	12.01%	0.83%	2.96%
Benchmark: 50% FBM Emas Shariah Index + 50% GIA rate*	-0.39%	0.49%	14.59%	4.21%	10.83%	-0.87%	2.74%
Maybank Malaysia Balanced-I Fund	-0.94%	2.33%	23.10%	10.96%	15.68%	1.03%	3.90%

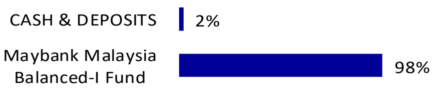
* Source: Bursa and Bank Negara Malaysia.
The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis with gross dividends reinvested. It is strictly the performance of the investment fund and not the returns earned on the actual premiums paid of the investment-linked product. Past performance is not an indication of future performance.

Facts on CIS

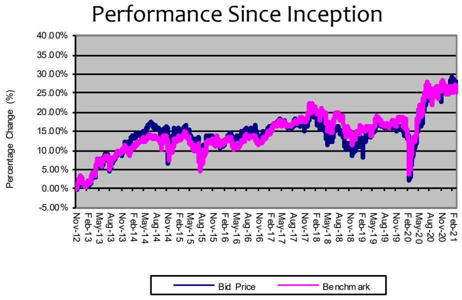
Name	Maybank Malaysia Balanced-I Fund^
Type	Managed Fund
Fund Manager	Maybank Asset Management
Fund Currency	MYR

^Maybank Malaysia Balanced-I Fund (previously known as MAYBANK Dana Ikhlas) is managed by Maybank Asset Management Sdn. Bhd. Please refer to https://www.maybank-am.com.my for more information.

Portfolio Composition by Asset



Performance Since Inception



Key Fund Facts

Fund Size	RM16.129 million
Risk Profile	Moderate Investor
Launch Date	26 November 2012
Fund Currency	Ringgit Malaysia
Investment Manager	Allianz Life Insurance Malaysia Berhad
Pricing Frequency	Daily
Price per Unit[1] (as at 31st March 2021) - Bid	0.606
Management Fee	1.22% 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)
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

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Manager's Comments

Market Commentary

The Malaysian sovereign bond curve continued to weaken in March, tracking US Treasury yield movements on improving economic recovery sentiment, as the 10-year UST broke 1.70% during the month from 1.44% in end-February. Meanwhile, Malaysian govvies' yield increased by 8-28 basis points over the month, with the 10-year reaching a high of 3.485% before recovering to 3.237% at month-end. BNM kept OPR at 1.75% as expected, with accompanying statement that was neutral on its policy stance, which prompted selling pressure as market shifted away from any residual OPR cut hopes. Additionally, the PM announced additional RM20.0bn PEMERKASA stimulus package during the month, which raised debt supply concerns. Nevertheless, Finance Minister reaffirmed that the country's statutory debt is expected to rise to 58.4% of GDP in 2021 (2020: 58%), which is still below the 60% debt ceiling. The local bond market recovered towards month-end on signs of respite in UST selloff, as well as FTSE Russell's decision to retain Malaysia in the World Government Bond Index (WGBI). Meanwhile, corporate bonds also weakened as it went through a massive MTM repricing by BPAM over the month, to reflect the spreads against the rise in govvies accordingly. Meanwhile on foreign flows, March marked the 11th consecutive month of foreign inflows into MYR bonds, the longest streak on record, at MYR5.9bn (Feb: +MYR7.2bn). Foreign share in MGS was down slightly to 40.8% (Feb: 41.2%) because of a larger outstanding base, while MGS + GII to increased to 25.7% (Feb: 25.4%). GII recorded the largest inflow last month due to its attractive spread against MGS.

The market narrative in March continued to be dominated by concerns over rising global bond yields on higher inflation expectations. In addition, the sudden liquidation of the highly-leveraged fund, Archegos Capital, also sparked a fire sale of more than US$20bn in assets adding to investor jitters. The safe-haven USD strengthened against most Asian currencies while most commodities saw a pullback in prices. The worst hit currencies were the Thai Baht (-2.5%), the Malaysian Ringgit (-2.3%). Oil prices touched US$69.4/bbl during the month before settling to US$62.4/bbl (-3.1% mom). OPEC+ agreed to maintain production levels in April with Saudi keeping the voluntary 1mbpd reduction. Elsewhere, steel prices was up more than 7% on expectations of higher demand and on Biden's US$2.2trn infrastructure stimulus plan. Gold prices on the other hand declined 1.5% to US$1,707/oz.

Closer to home, the KLCI fell 0.3% mom. Market sentiment was relatively positive with the higher oil prices, and the end to movement control order (MCO) in key states in addition to the launch of a RM20bn stimulus package. However, the market declined towards the later part of the month led by glove stocks and made worse by the political uncertainty. Retailers continue to dominate the market, accounting for 36.9% of value trades (vs. local institutions of 26.3% and foreign institutions of 16.7%) and were net buyers of RM1.6bn. In macroeconomics, the Central Bank maintain the Overnight Policy Rate (OPR) at 1.75%. CPI was up 0.1% yoy (+0.3% mom) in February, after a year of deflation due to the pandemic and low oil prices. The rise was mainly driven by food (+1.4% yoy) and goods and services (+1.6% yoy). Finally, FTSE announced that Malaysia will be removed from the Watch List for potential exclusion from the World Government Bond Index.

Regionally in local currency terms, Singapore and Thailand were the outperformers gaining 7.3% and 6.0% respectively. The former gained led by the Real Estate sector and travel-resumption plays given travel bubble talks while similarly, the latter gained on easing quarantine measures for vaccinated travellers. The spike in Covid-19 cases sparked as sell-off in Indonesia and Philippine which 4.1% and 5.2% respectively. Indonesia was additionally hit by rumours that the national provident fund BPJS-TK may trim equity and mutual holdings further hitting investor sentiment. Thailand and Malaysia saw the least foreign net outflow of US$2.0m and US$6.8m respectively while Indonesia and Philippines had foreign net outflow of US$186.0m and US$483.0m.

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Manager's Comments

Market Outlook & Strategy

The Malaysian bond market are on a similar trajectory with other regional markets with yields currently rising and curves seen to be steepening for the time being. The government's outlook on the Malaysian economy for 2021 remained positive with expectations that Gross Domestic Product (GDP) will between 6.0% and 7.5% in 2021 despite the second movement control order (MCO) enforcement which affect the major economic zones such as Selangor, Penang, Johor and Kuala Lumpur. We view that economic activities would pick up with fewer disruptions once forthcoming vaccines are rolled out in Malaysia. Following the 125bps of cumulative OPR cuts in 2020 and having stayed on hold at the last two MPC meetings for the year, we view BNM will likely stand on hold with OPR at 1.75% through 2021 unless the current Covid-19 condition continue to adversely impact the domestic economy to a worse level relative to 2020. In such event, there could be another potential reduction OPR cut by BNM.

While rising commodity prices may lead to an inflation scare and a correction in risk assets, we remain sanguine. Rising (but still low) inflation will not be unduly detrimental for equities in the medium-term if accompanied by improving growth. We view this post-recession rebound in inflation and interest rates as being normal in the course of an economic recovery. We are not overly concerned about the recent correction as some profit-taking was inevitable given the stellar run in markets from a year ago. The backdrop for Asian equities in 2021 remains promising with a global growth recovery, less-hostile US-China relations and still-accommodative monetary and fiscal policy. While valuations are elevated, this is compensated by still-ample liquidity. Following the recent correction, we see value emerging in selected names especially in the tech sector. We were positive on old-economy cyclical and value stocks at the start of the year. However, we are now more selective as some of these stocks have already rallied strongly. We continue to expect a challenging investing environment in 2021 with occasional volatile periods. Risks include a delayed return to normalcy (on vaccine distribution challenges), high valuations and overreliance on fiscal and monetary stimulus.

For Malaysian sukuk, we will maintain our underweight duration relative to the TRBPAM Sukuk Index as we assume a more defensive stance given our expectation of a steepening yield curve on the back of improvement in economic activities as vaccinations are rolled out globally. We will continue to trade opportunistically and look into new primary issuances that offer higher yields to deliver the required performance. We continue to prefer corporate bonds over sovereign bonds to anchor the Fund's income in corporate bonds' coupons as they are less volatile and provide higher yields to buffer against potential mark-to-market losses in the event of a turnaround in sovereign bond yields as economy starts to recover. We prefer strong AA-rated and A-rated papers; for yield pickup and potential long term upgrade as economic activities accelerate.

For Malaysian equities, we cautiously increasing our exposure as we position the portfolios for a recovery in the market following positive news on vaccine development. Sector-wise, we favour cyclicals (e.g., Industrials, Materials, Energy, Consumer Discretionary) over defensives (e.g., Healthcare, Utilities, Consumer Staples, Communication Services). We remain positive on Tech. Although tech names have seen weakness in recent weeks in the short term amidst the rotation into cyclicals, we believe that underlying growth drivers are primarily structural in nature.