May 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	-1.50%	-1.33%	7.83%	11.91%	10.24%	-1.50%	2.62%
Benchmark: 50% FBM Emas Shariah Index + 50% GIA rate*	-1.79%	-0.78%	4.64%	8.17%	13.06%	-0.94%	2.67%
Maybank Malaysia Balanced-I Fund	-1.69%	-1.25%	8.67%	13.76%	13.59%	-1.51%	3.51%

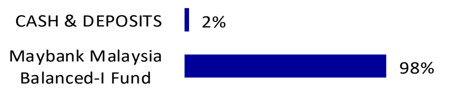
* Source: Bursa and Bank Negara Malaysia.
The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis with gross dividends reinvested. It is strictly the performance of the investment fund and not the returns earned on the actual premiums paid of the investment-linked product.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

Facts on CIS

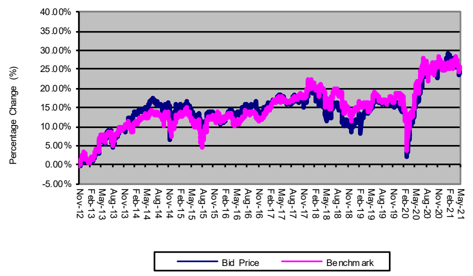
Name	Maybank Malaysia Balanced-I Fund^
Type	Managed Fund
Fund Manager	Maybank Asset Management
Fund Currency	MYR

^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	RM16.155 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 May 2021) - Bid	0.592
Management Fee	1.24% 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 Amanah Dana Ikhlas

Allianz

Manager's Comments

Market Commentary

The Malaysian bond market steepened in May, with the short-end yields lower by 3-6 bps while the belly and long-end yields were up by 2-14 bps, driven by the elevated Covid-19 cases as well as concerns on potentially more fiscal stimulus by the government as a result of the impact from the stricter MCO guidelines. A national full lockdown was announced at month-end; and govvies and fixed income market is expected to remain supported given lowered GDP growth expectation. However, the fall in yields could be limited as economic optimism and inflation concerns continue to play out in other foreign markets, with UST yields expected to rise. Meanwhile, on monetary policy, there were no surprises in May's MPC meeting as OPR was kept at 1.75% as widely expected, with the statement sounded neutral and largely unchanged from previous meeting in March. Meanwhile on foreign flows, May marked the 13th consecutive month of foreign inflows into MYR bonds, with a cumulative 12 months inflow of RM62.1 bln. Foreign share in MGS increased to 41.1% (April: 41.0%) but lowered slightly for and MGS + GII at 26.1% (April: 26.3%) respectively.

Asian equities dipped in the first half of the month on US inflation fears and a tech sell-off but recovered in the second half as inflation fears receded and US Treasury yields moderated. However, sentiment was dampened by the resurgence of COVID-19 cases in many countries (e.g., Taiwan, ASEAN), slow vaccine rollout and regulatory risks in China. Most Asian currencies rallied amidst a weaker USD. Commodity prices continued to rise. Brent prices rose 5.3% mom driven by robust demand. Gold prices rose 7.8% (being its largest monthly gain since July 2020) on USD weakness and growing inflationary expectations. Closer to home, net foreign outflow persists at RM161m (US$48m) for the month (April: -RM1.1bn) while retails remain net buyers at RM0.5bn (US$121m. Regionally, Thailand and Philippines saw outflows of US$1.06bn and US$239m respectively while Indonesia saw net foreign inflow of US$246m. Elsewhere, in macroeconomics, the Malaysia 1Q21 GDP fell 0.5% yoy but at a slower pace vs. -3.4% yoy in 4Q20 despite the MCO 2.0 driven by growth in manufacturing and improvement in FDI. CPI increased by 4.7% yoy in April, the highest since 2018, due to the rise in transport (on low base effect), utilities was rose due to the absence of discount given to consumers of TNB and rise in food was due to shortage in supply. The PMI was up at 53.9 in April (Mar: 49.9) as output grew for the first time in 9 months as renewed growth on demand led the rise in orders. BNM kept the OPR at 1.75% and the international reserves amounted to US$110.8bn as at April 30. Within ASEAN, in local currency terms and month-on-month basis, the Philippines outperformed, gaining 4.0% but remained the worst performer on year-to-date basis. The market saw a strong rally towards month end following an improvement in the COVID-19 situation. Thailand was flat (+0.7%) for the month as it announced some easing of restrictions only to roll back the same later in the month. Indonesia fell slightly (-0.8%) expanded and extended restrictions. Malaysia declined 1.1%, saw Covid-19 cases surge and the return to nationwide lockdown. Lastly, Singapore declined 1.7% as lockdown-like conditions were implemented and resulting in further postponement of the long anticipated travel bubble with Hong Kong.

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Manager's Comments

Market Outlook & Strategy

The Malaysian fixed income market would continue to see some support with the reinstatement of MCO beginning June due to the surge in Covid-19 cases, given lowered GDP growth expectation. So far, there are no new forecasts announced, with 2021 forecast remains at 6.0%-7.5%. However, the fall in yields could be limited as economic optimism and inflation concerns continue to play out in other foreign markets, with UST yields expected to rise. Economic recovery trajectory is expected to remain intact, with the pace of vaccinations picking up globally, albeit unevenly. On monetary policy, following the 125bps of cumulative OPR cuts in 2020 and having stayed on hold at the three 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. In such event, there could be another potential reduction OPR cut by BNM.

We continue to expect a challenging investing environment in 2021 with occasional volatile periods. Already, Malaysia has its recovery at a setback on the reinstatement of the lockdown (MCO 3.0). With GDP forecasts for this year to be likely downgraded, we think this could also flow down to corporate earnings, which following the recent earnings season have seen has been uninspiring. No surprise that sectors such as consumer discretionary, REITs (mall/hotel), transportation and utilities posted weaker-than-expected earnings. Nonetheless, we remain broadly positive on equities as we think the recovery trajectory remains intact on the back of accommodative policy as well as inoculation efforts to contain the surge in cases. Market would also benefit from higher oil prices but are watchful of political developments given the possibility of snap elections once the COVID-19 situation eases.

For Malaysian sukuk, we look to be neutral 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 pace of vaccinations picks up globally. Nevertheless, we expect the uneven global economic recoveries will provide support to the bond market where low interest rates will be maintained for longer by central banks to ensure an accommodative economic environment. 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, markets have been volatile as Covid-19 cases had been surging that forced to return to further lockdown. Both growth and value stocks have seen swings recently as the recovery outlook has turned somewhat murky. Nonetheless, continue to add exposure as we position the portfolios for a recovery as well as reflationary theme. Sector-wise, we favour cyclical (e.g., Industrials, Materials, Energy, Consumer Discretionary) over defensives (e.g., Healthcare, Utilities, Consumer Staples, Communication Services).

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