June 2021

Allianz Life Asia Multi-IncomePLUS Fund

Allianz

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.

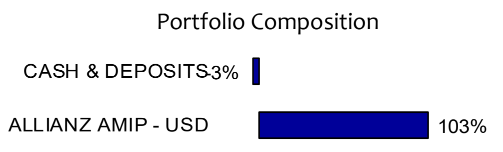
Performance Indicator

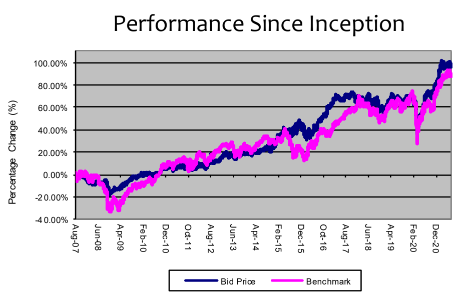
	1 month	6 months	1 year	3 years	5 years	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	-1.75%	6.43%	22.83%	19.91%	40.44%	84.88%	6.43%	4.99%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index	-1.77%	6.28%	20.96%	22.13%	45.52%	67.67%	6.28%	4.68%
Allianz Asian Multi Income Plus ($USD)	-2.00%	4.20%	30.15%	22.93%	48.88%	51.73%	4.20%	4.68%

Ringgit depreciated 3.13% (YTD) and depreciated 1.39% (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





Key Fund Facts

Fund Size	RM2.345 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 June 2021) - Bid	1.969
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 (104248-X)
Level 29, Menara Allianz Sentral , 203 , Jalan Tun Sambanthan, Kuala Lumpur Sentral , 50470 Kuala Lumpur.
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Manager's Comment (For Allianz Asian Multi Income Plus- USD)

Market Commentary

- Overall equity markets in Asia Pacific ex Japan advanced slightly over June, although performance at a country level was mixed. Sentiment was lifted by ongoing optimism over the global economic recovery, although this was countered by higher inflation data as well as fresh COVID-19 outbreaks in some countries. The stronger US dollar also weighed on sentiment.
- In this backdrop, Chinese stocks were close to flat for the month. The COVID-19 outbreak in Guangzhou, which is home to some of China's largest ports, has temporarily dampened exports. The official purchasing managers' index (PMI) in May also slid to its lowest reading since February, amid intense inflationary pressures and supply chain bottlenecks. On the other hand, Australia equities gained modestly. A rebound in Technology stocks also helped South Korea and Taiwan equities. Elsewhere, ASEAN markets were generally weak with several countries introducing new restrictions to curb fresh COVID-19 outbreaks.
- Asian USD high yield bonds weakened in June with the JP Morgan JACI Non-Investment Grade Index correcting by -1.25%. The Chinese property sector was hurt by idiosyncratic concerns on one of the largest property developers in China and together with broader fears of monetary tightening in China, these led to the correction in June. At the index level, credit spreads were wider by 38 basis points (bps) (611 bps from 573 bps) while the US Treasury 5-year yield rose from 0.80% to 0.89% on concerns on earlier-than-expected tapering of US Federal Reserve's (Fed's) bond purchases. High yield primary supply decreased from USD 8.3 billion in May to USD 6.3 billion in June due to the poorer sentiment.
- The Fund's return was negative in USD terms in June. A key detractor over the month was one of the largest aluminum makers in China. The stock faced some profit-taking pressure after the share price had more than doubled this year. We expect the company should continue to benefit from the strong demand recovery as the economic outlook normalises globally. In addition, a reduction in global aluminum supply following several years of reduced capital expenditure has structurally improved industry dynamics. A dividend yield of around 4% also enhances total return potential.
- On the positive side, the top contributor was Chow Tai Fook Jewellery, a leading Hong Kong-based jewellery retailer. Following the streamlining of its cost base during the tough operating environment over the last couple of years, we believe the company is well positioned to benefit from the economic recovery in both mainland China and Hong Kong.
- The asset allocation at the end of the month was 67.3% invested in Asian equities and 32.3% in Asian fixed income, with the remainder in cash. We maintain an asset allocation close to the 65:35 level.
- In terms of equity portfolio activity, over the month we added to a leading casino operator in Macau as a key beneficiary of economic recovery and opening up of China. We also added to a home appliance producer in China as the company is demonstrating market share gain and margin improvement.
- For the fixed income sleeve, we invest in bonds with the aim of long-term interest accrual. Portfolio turnover was low in June and we rotated away from the Chinese property sector to Chinese Industrials.
- At the end of the month, we held 76 equities and 125 fixed income securities. The equity portfolio yield was 2.4% and the average fixed income coupon was 7.2% with an average credit rating of BB- and duration of around 2 years.

Market Outlook and Strategy

- China equity markets saw some profit-taking during the month before recovering towards the end of June. A key influence on market performance in the first half has been the tightening of policy in response to the economic recovery in the country. We view policy as finely balanced between supporting economic growth, while also using the strength of the recovery to tackle structural issues – such as excessive debt – which are seen to pose a risk to financial and social stability.
- Elsewhere in the region, while the new COVID-19 outbreaks in several countries caused some pressure, this has helped ease concerns about policy tightening/normalisation. In terms of earnings, the recently concluded results season was generally strong, particularly for China. Overall, H1 2021 has been a period of consolidation, allowing earnings to grow to the valuations reached earlier in the year. Our base case is to remain constructive on the longer-term outlook. Our equity portfolio will continue to be broadly balanced between structural growth and dividend growth stocks.
- We could see some further widening in credit spreads in the short term due to spillover effects from the correction in June. However, valuations for the Asian High Yield space are increasingly compelling especially from a global perspective and we would expect portfolio reallocations to the asset class in the medium term. We continue to prefer shorter-dated issuers to mitigate the impact of spread widening and allow interest accrual to be the primary driver of returns.

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