

October 2021

Allianz Life Global Income Fund



Investment Objective

The Allianz Life Global Income Fund (the "Fund") feeds into Allianz Global Income Fund- USD ("CIS") and aims to attain long term income and capital growth by investing in a broad range of asset classes, in particular in global equity and global bond 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 timeframe.

Performance Indicator

	1 month	YTD (Since inception)
Allianz Life Global Income Fund	0.10%	0.10%
Allianz Global Income Fund (USD)	1.66%	0.89%

Ringgit appreciated 5.19% (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 Global Income- USD ("Allianz GIF - USD")
Type	Undertaking for Collective Investment in Transferable Securities
Fund Manager	Allianz Global Investors US
Fund Currency	USD

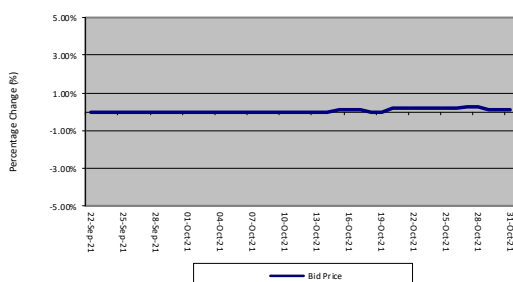
Key Fund Facts

Fund Size	RM14.756 million
Risk Profile	Moderate Investor
Launch Date	22 nd September 2021
Fund Currency	Ringgit Malaysia
Investment Manager	Allianz Life Insurance Malaysia Berhad
Pricing Frequency	Daily
Price per Unit ¹ (as at 31st October 2021) - Bid	1.001
Management Fee	1.25% p.a
Other Charges ²	Include but not limited to government tax, auditor fee, custodian fee, & transaction charge

Portfolio Composition

CASH & DEPOSITS	38%
ALLIANZ GIF - USD	62%

Performance Since Inception



- 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.
- Expenses directly related to and necessary in operating the Fund.

Disclaimer:

The Allianz Life Global Income Fund is a unit-linked fund offered by Allianz Life Insurance Malaysia Berhad (Allianz). This fact sheet is prepared by Allianz and is for information only. The fund fact sheet of the CIS will be available at < <https://sg.allianzgi.com/>>. The performance of the Fund is not guaranteed and the value of the units and the income derived there from may increase or decrease. Past returns and any forecast is not necessarily a guide to future performance. Allianz does not warrant or make any representations that the und will guarantee profits, or not result in losses or the correctness, accuracy, reliability, or otherwise of this fact sheet. Before deciding to invest in the Allianz Life Global Income Fund, you should carefully consider your investment objectives, level of experience, and risk appetite. Allianz disclaims any and all liabilities against loss, damages, etc whether direct, indirect or consequential as a result of your reliance on this fact sheet. You should be aware of all the risks associated with fluctuations in a unit-linked fund and are advised to seek the advice of your financial consultant before making any investment.

While reasonable care has been taken to ensure the accuracy and completeness of this presentation as at the date of publication, Allianz accepts no responsibility for any errors or omissions. Allianz assumes no obligation to update any information contained herein.

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

Allianz Life Global Income Fund



Manager's Comment (For Allianz Global Income- USD)

Market Commentary

- Global equity markets, as measured by the MSCI World Index, returned +5.7%*, while global bond markets, as measured by the Bloomberg Global Aggregate Index, returned -0.2%^.
- The market digested a strong start to Q3 earnings season, rebounding economic activity, and yield curve flattening as investors anticipate potential forthcoming monetary policy adjustments in the US.
- Thus far, corporate earnings have been better than expected despite continued supply chain issues, COVID-related disruptions, and inflationary pressures. Of the S&P 500 companies that have released Q3 financial results through October, 82% have reported a positive earnings-per-share (EPS) surprise and 75% have reported a positive revenue surprise, according to FactSet Research.
- On balance, economic data improved during the period. In the US, consumer confidence and home sales surpassed expectations, weekly initial jobless claims fell to a new post-pandemic low, and retail sales topped forecasts. In contrast, consumer price inflation persisted, and September's monthly jobs report showed signs of labour shortages.
- Minutes from the latest Federal Open Market Committee (FOMC) meeting signalled that the US Federal Reserve (Fed) was ready to move on tapering as early as November and futures contracts estimated two quarter-point rate hikes by the end of 2022.
- Against this macro backdrop, the US Treasury yield curve flattened with the 2-year Treasury yield rising sharply in October. At period-end, the 3-month, 2-year, 5-year and 10-year yields finished at 0.06%, 0.50%, 1.18%, and 1.56%, respectively.**
- Among global stocks, US equities outperformed non-US developed equities. Convertible securities were positively impacted by underlying equity strength and new issuance activity was subdued. Global high-yield bond prices fell, spreads widened, and primary market activity slowed.
- Core fixed income declined concurrent with the move higher in interest rates. US exposure held up better than non-US exposure.
- The portfolio advanced for the month. Equity exposure was the primary driver of performance, followed by convertible security holdings. Fixed income exposure was a detractor. High-yield corporate bond positions held up better than investment grade debt holdings.

Market Outlook and Strategy

- The US economy and corporate earnings are on track for continued growth into year-end. Expansion in the US has slowed from robust levels but should remain strong. Growth catalysts include steadfast consumer demand given rising incomes, excess consumer savings, and record household wealth. An increase in business spending and investment, a further recovery in the labour market, and the potential for additional US fiscal stimulus are also supportive. Against this backdrop, revenues and corporate profits are expected to continue to grow. US companies should benefit from pricing power and operating leverage as well as rising sales, which should more than offset the impact of higher input costs and wages and near-term bottlenecks. Potential risks include persistently high inflation and tighter-than-expected monetary policy, among others.

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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. 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.
- **Interest Rate Risk** – Interest rate risk arises when the value of the securities fluctuates due to interest rate movement. As prices of bonds move inversely with the interest rates, prices of bonds will decline when interest rate rise and vice-versa. Debt securities with longer maturity and lower coupon rate are more sensitive to interest rate changes. This risk may be mitigated by rigorous review of asset allocation and duration strategy.
- **Credit Risk** – The creditworthiness (solvency and willingness to pay) of the issuer of a fixed income security, counterparty to a derivative contract or money market instrument may subsequently fall. This usually leads to a decrease in the price of the asset greater than that caused by general market fluctuations. This risk is minimized through portfolio diversification, stringent credit selection and control on sector concentration risk.

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.