March 2022

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	3 months	6 months	1 year	3 years	5 years	YTD	Since Inception (Annualised)
Allianz Life Amanah Dana Ikhlas	-1.03%	-1.54%	-3.53%	-5.28%	7.49%	3.42%	-1.54%	2.05%
Benchmark: 50% FBM Emas Shariah Index + 50% GIA rate*	-0.59%	-0.97%	-1.02%	-2.28%	6.22%	5.06%	-0.97%	2.16%
Maybank Malaysia Balanced-I Fund	-1.01%	-1.63%	-3.74%	-5.69%	8.81%	5.45%	-1.63%	2.83%

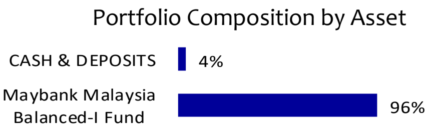
* Source: Bursa and Bank Negara Malaysia.

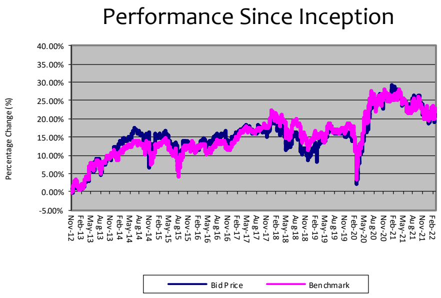
The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis with gross dividends reinvested. It is strictly the performance of the investment fund and not the returns earned on the actual premiums paid of the investment-linked product. Past performance is not an indication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





Key Fund Facts

Fund Size	RM17.75 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 2022) - Bid	0.574
Management Fee	1.26% 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 (198301008983)
Level 29, Menara Allianz Sentral , 203 Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur.
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Allianz Life Amanah Dana Ikhlas

Manager's Comments (For Maybank Malaysia Balanced-I Fund)

Market Commentary

The Malaysian sovereign bond yield curve bear flattened in March, with the MGS yields increasing between 10 bps to 34 bps following the selloff in US Treasury yields after the US Feds increased its interest rate by 25 bps and showed signs of higher increases going forward. Market are expecting a potential 50 bps hike in Feds May meeting which led to continued selloff in US Treasuries that drove rising yields elsewhere. Meanwhile, corporate bonds also saw the short-end yields moving higher compared to the belly and long-ends of the curve, albeit at a smaller quantum.

Developed markets in March rebounded from the late February sell-off following the Russia-Ukraine conflict, outperforming the broader emerging markets. Concerns centered around inflation on the back of higher commodity prices, higher US rates and the risk of recession. The Fed increased rates by 25bps and indicated hikes in all 6 coming meetings. Given the rising inflation, there are expectations that Fed has turned more hawkish and turn more aggressive on hiking rates. This has led to the steeping in US Treasuries. In commodities, Brent oil closed at US$106/bbl after touching US$138/bbl following the invasion and sanctions on Russian oil imports. Prices subsequently fell on hopes of de-escalation as negotiation remains ongoing while there were demand concerns on the back of China's lockdown and the release of around 1 million/bbl/day from the US strategic reserves. Elsewhere, industrial metals rose driven by the surge in prices of Nickel (+30%), Iron (+18%), Copper (+7%), and Aluminum (+3%). The KLCI declined 1.3% mom to 1,587.4 pts with the last month's outperformers lagged in line with the decline in CPO prices which prompted profit taking, we believe. Main outperformers came from the construction, telecommunications, and REITs while energy, plantation and industrials were the key underperformers. Foreigners remain net buyers in March, amounting to RM3.3bn (US$782.8m) bringing year-to-date net inflows to RM6.5bn. Within the region, there were also foreign net inflows in Thailand (US$1bn) and Indonesia (US$584m) while Philippines saw net foreign outflow (US$215m).

Market Outlook

After the rebound in 4Q2021 GDP growth (+3.6% YoY vs -4.5% YoY in 3Q 2021) to see a 3.1% YoY growth in 2021, Malaysia GDP growth is expected to continue its rebound in 2022 onwards, as lockdown measures are relaxed, and economy sectors reopens. We expect bond yield curve to move higher on continued economic recovery. Central banks globally have also turned more hawkish on monetary policy outlook. Despite this, the Malaysian market remains flush with liquidity, and this will provide support to the local bond market as yield pickup remain decent as compared to the low yielding fixed deposits and money market funds. We expect a better year for fixed income returns in 2022, coming out of negative return in 2021. Absolute yields have now become more attractive after the sell-off, providing a good entry level for yield accretion for the fund.

Looking at the rest of 2022 with re-opening momentum gaining traction in addition to high vaccination rates we think remain positive for equities. Reopening of international borders (recently Singapore-Malaysia) could be a kicker for consumption recovery in addition to the announcement of the special EPF withdrawal and higher minimum wage. The local market has relatively high concentration of old economy value sectors (e.g. financials and commodities) and these should benefit in the current environment (rising interest rates and commodity prices). Furthermore, domestic news flow has been encouraging with announcements widely anticipating the general elections to be held this year.

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Manager's Comments (For Maybank Malaysia Balanced-I Fund)

Market Outlook

For Malaysian sukuk, we believe our preference for corporate bonds (which are less volatile and provide higher yields compared to govvies) and strong credit selection will continue to protect our portfolio. We prefer strong AA-rated and A-rated papers for yield pickup and potential long-term upgrade. We maintain our underweight duration bias as we assume a more defensive stance given our expectation of a higher yield curve on continued economic recovery and rising US Treasury yields driven by US Feds interest rates hikes. We will continue to trade opportunistically and will also look into new primary issuances that offer higher yields, as well as bonds in the secondary market that has oversold.

For Malaysian equities, we remain focus on the recovery and structural theme such as financials, materials, energy and consumer discretionary. In the near-term, we are favourable to beneficiaries of higher commodity prices and rising interest rates although we note that recently prices have eased from their recent peaks. We think commodity prices broadly would remain high, albeit pass its peak due to linger supply constraints, under capex/opex (both o&g and fertilizer) and logistical issues. Having said that, given the heightened volatility, we need may look to raise cash from time to time (equity portion) and weather the storm and may look to buy on dips on stocks that we favour.

March 2022

Investment Strategy & Approach

The investment approach would be a combination of 1) Top down analysis of the macroeconomic environment to determine asset allocation and sector exposure strategy and 2) Rigorous bottom up analysis which includes value analysis and financial analysis, to select individual stocks/credits to generate alpha return.

On top of regulatory limits imposed by Bank Negara Malaysia, Allianz Life have put in place tight internal investment limits for all asset classes to ensure that the Fund does not take on excessive risk, while recognizing there cannot be total elimination of risks associated with investing in the Fund. The following is a non-exhaustive list of key risk factors when investing into the Fund.

- **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.

- **Interest Rate Risk –** Interest rate risk arises when the value of the debt instrument fluctuates due to interest rate movements. When interest rate rises, the debt instrument prices generally decline and this may lower the market value of the investment. The reverse may apply when interest rate falls. Debt instruments with longer maturities and lower coupon rates are more sensitive to interest rate changes. This risk may be mitigated by regular and rigorous reviews of asset allocation and duration strategy.

- **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 managed through portfolio diversification and control on sector concentration risk.

- **Company Specific Risk** – The asset values of securities may be affected by company-specific factors, some of which include volatile business situations, adverse financial conditions and poor corporate governance. This risk may be contained through appropriate portfolio diversification, prudent investment selection and better control on investment concentration risks.

- **Credit and Default Risk** – This relates to the creditworthiness of the issuers of the debt and money market instruments as well as their abilities to make timely payments of interest and principal. Any adverse situations faced by the issuer may impact the value of the fund as well as the liquidity of the debt instrument or money market instrument. This risk is managed through appropriate portfolio diversification, stringent credit selection and control on sector as well as credit concentration risks.

- **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. Appropriate portfolio diversification, control on investment concentration limits taking into account liquidity constraints and regular monitoring could help mitigate the said risk.

- **Risk of Non-Compliant with Shariah Requirements -** For Shariah-approved funds, there is the risk that the fund may hold securities which are Shariah non-compliant due to:
    1. "Shariah-compliant securities" which are subsequently considered "Shariah non-compliant"; or
    2. Investment in Shariah non-compliant securities.

  This risk may be mitigated by pre – trade Shariah Compliant checks conducted whenever the Fund invests into securities, regular monitoring of our portfolio's investments to identify if any investments may be in danger of losing their Shariah compliant status, and regular reviews of the Fund's compliance with the list of securities approved by the Shariah Advisory Council of the Securities Commission.

- **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.

- **Target Fund Subscription/Redemption Time Lapse Risk** – Due to the inherent unitisation and Target Fund subscription/redemption processing times, there could be a time lapse between the time monies are received by the Fund and the time the monies are subsequently invested into the Target Fund, vice versa for redemption. The risk of unnecessary subscription/redemption time lapse may be minimised by our best efforts in optimizing the process while adhering strictly to the stipulated asset allocation.