February 2022

Allianz Life Asia Multi-IncomePLUS Fund

Investment Objective

The Allianz Life Asia Multi-IncomePLUS (the "Fund") feeds into Allianz Asian Multi Income Plus- USD ("CIS") and aims at long-term capital growth and income by investing in equity and bond markets in Asia Pacific.

Investor Profile

The Fund is designed for investors who are generally risk averse and require stable returns.

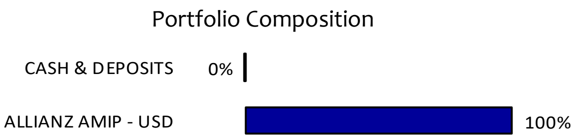
Performance Indicator

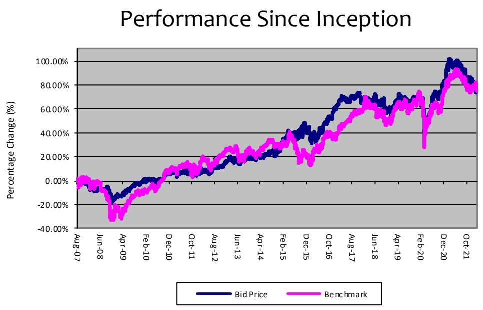
	1 month	3 months	6 months	1 year	3 years	5 years	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	0.23%	-4.34%	-7.68%	-13.37%	5.44%	4.25%	61.69%	-3.75%	3.88%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index	-0.59%	1.12%	-5.76%	-4.98%	9.40%	20.82%	46.53%	-2.17%	3.93%
Allianz Asian Multi Income Plus ($USD)	0.06%	-3.54%	-8.16%	-16.23%	6.44%	17.94%	29.85%	-4.51%	3.51%

Ringgit depreciated 0.65% (YTD) and depreciated 1.41% (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")
ISIN	LU0384039318
Type	Managed Fund
Fund Manager	Allianz Global Investors Asia Pacific
Fund Currency	USD





Key Fund Facts

Fund Size	RM2.076 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 28th February 2022) - Bid	1.743
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 (198301008983)
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Allianz Life Asia Multi-IncomePLUS Fund

Manager's Comment (For Allianz Asian Multi Income Plus- USD)

Market Commentary

- Equity markets in Asia ex Japan were mixed in February. There was a strong market reaction to the Russia armed forces' invasion of Ukraine which happened towards month end. The oil and broader commodity price surge had an immediate impact on relative market performance across the region. Commodity exporters such as Indonesia, Malaysia and Australia were more resilient, net oil and gas importers such as the Philippines and India lagged. Offshore China stocks fell on concerns over further macroeconomic weakness as well as added geopolitical risks.
- Asian USD high yield credits were weak in February due to geopolitical concerns from the invasion of Ukraine. Chinese property issuers continued to suffer from idiosyncratic rumours and concerns, and bond price movements were exaggerated due to poor market liquidity. Over the course of the month, the JP Morgan JACI Non-Investment Grade Index corrected by -4.41%. Credit spreads widened from 736 to 843 basis points (bps) while the US Treasury 5-year yield also rose from 1.61% to 1.72% ahead of the US Federal Reserve (Fed) rate hike.
- In February, the Fund slightly declined in USD terms.
- The top detractor over the month was Tencent, the leading internet gaming and social media company in China. Concerns over regulatory measures has continued to weigh on the stock. Our view is that we are past the point of peak regulatory pressures, and when economic momentum improves along this year, this should also be the catalyst for stronger earnings momentum.
- On the other hand, the top contributor was Unimicron Technology in Taiwan, the world's leading manufacturer of integrated chip (IC) substrates and printed circuit boards (PCB). The company continues to benefit from multiple growth drivers including 5G smartphones, which will drive chipset performance enhancement. The recent acquisition of a Taiwanese provider of system-in-package substrates should further strengthen the company's dominant position and enhance its product portfolio in the coming years.
- The asset allocation at the end of the month was 67.3% invested in Asian equities and 31.4% in Asian fixed income, with the remainder in cash.
- In terms of equity portfolio activity, in February we exited our position in a digital bank in South Korea. We used the market weakness and added to selective positions where valuations have come down to more attractive levels.
- For the fixed income sleeve, we invest in bonds with the aim of long-term interest accrual. In February, we continued to trim our exposure to issuers with potential credit concerns while investing the proceeds in issuers from other countries and sectors to diversify the portfolio.
- At the end of the month, we held 68 equities and 99 fixed income securities. The equity portfolio yield was 2.5% and the average fixed income coupon was 5.6% with an average credit rating of BB and duration of 2.6 years.

Market Outlook and Strategy

- While events in Ukraine are still relatively locally contained, markets are obviously unnerved by the low visibility around the developments and the insecurity around how they will unfold. The CBOE Volatility Index (VIX) went back to levels seen during the initial stages of the COVID-19 crisis in Q1 2020. Equity markets around the world have been marked lower, while oil and gold have been among the safe havens.
- With a longer-term perspective, our view is that should the sustained rise in energy prices last for a meaningful period of time (and probably also other commodities), this would likely dampen expectations of future economic growth. Ultimately, this may also dampen pressure for interest rate rises around the world, which had previously been the main catalyst for the market reversal earlier this year.
- For China, there has been ongoing signs of policy easing in recent weeks. The National People's Congress (NPC), a key event in the political calendar, took place in early March. A 2022 GDP target of "around 5.5%" was announced – at the upper end of expectations – and the government also signalled further monetary and fiscal stimulus. As China's approach is to set targets that are designed to be met or exceeded, this reinforces our view of improved economic momentum through the course of the year.
- Market sentiment for Asian high yield credits will continue to be bifurcated with most of the volatility driven by distressed Chinese property developers while other issuers remain more stable. We are focused on higher quality issuers and aim for diversification within the portfolio.

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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.

- **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 regular and rigorous reviews of macroeconomic, socio – politic and regulatory factors as well as adopting an appropriate asset allocation strategy.

- **Currency Risk** – For foreign investments, fluctuations in currency exchange rates may have an impact on the value of the Fund's investment assets. This risk may be managed by engaging in foreign currency hedging.

- **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.

- **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.