

January 2022

Allianz Life Global Income Fund



Investment Objective

The Allianz Life Global Income Fund (the "Fund") feeds into Allianz Global Income- 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	3 months	YTD	Since inception
Allianz Life Global Income Fund	-6.80%	-5.59%	-6.80%	-5.50%
Allianz Global Income (USD)	-7.84%	-6.47%	-7.84%	-5.61%

Ringgit depreciated 0.34% (YTD) and appreciated 0.08% (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 including gross dividends paid out. 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.

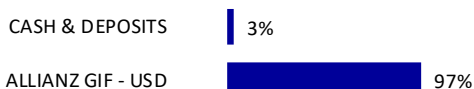
Facts on CIS

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

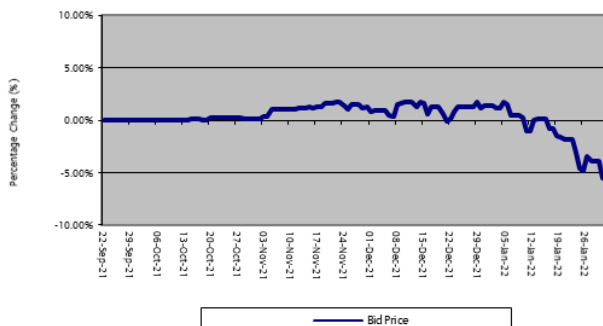
Key Fund Facts

Fund Size	RM24.173 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 January 2022) - Bid	0.945
Management Fee	1.25% p.a
Other Charges ²	Include but not limited to government tax, auditor fee, custodian fee, & transaction charge

Portfolio Composition



Performance Since Inception



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.

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 Fund 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.

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

Market Commentary

- Investor sentiment turned defensive alongside a spike in equity and rate volatility. A more hawkish US Federal Reserve (Fed) outlook, increasing rate hike probabilities, and a sharp rise in US Treasury yields offset constructive US economic data and an encouraging start to the earnings season.
- There were no surprises in January's Federal Open Market Committee (FOMC) statement. However, Powell's tone skewed more hawkish. He cited the strength of the economy and labour market and above-target inflation, adding that there was "quite a bit of room to raise rates without hurting jobs." Powell did not provide a rate hike timeline but said the Fed would be nimble and data dependent.
- The response to Powell's remarks was immediate. The futures market priced in a higher number of rate hikes in 2022. Market strategists' projections generally followed suit. US Treasury yields also rose materially, but a sharper move at the short end caused the curve to flatten to 62 basis points (bps) from 77 bps at year-end. The 2-year, 5-year and 10-year yields stood at 1.16%, 1.62%, and 1.78%, respectively, by month-end.*
- On the US economic front, the unemployment rate fell, home prices rose, and manufacturing and services surveys indicated ongoing expansion. On the other hand, consumer sentiment for January fell alongside a significant rise in December inflation measures.
- Thus far, US earnings have surpassed expectations, but guidance has been mixed with managements citing Omicron headwinds, supply chain issues, and inflationary pressures. Through January, 48.5% of the S&P 500's market cap had reported Q4 results.* Earnings are surpassing estimates by 4.2% with 72% of companies topping projections.*
- Against this macro backdrop, both risk assets and safe-haven investments finished lower for the period. Global equity markets, as measured by the MSCI World Index, returned -3.23%** with non-US developed stocks outperforming their US counterparts. Convertible securities and high-yield bonds also finished lower and new issuance for both markets was constrained by the increase in volatility. Global fixed income, as measured by the Bloomberg Global Aggregate Index, returned -2.58%^ with US core bonds lagging non-US core bonds.
- The Fund returned negatively for the month.
- Equities, convertible securities, and high-yield bonds detracted from performance. Investment grade bonds also declined but held up better than risk assets.
- Individual holdings that detracted the most from performance were exposed to Communications Services, Health Care, and Technology. Energy, Banking, and Financial Services companies were positive individual contributors.
- New purchases were exposed to Technology and Energy, among other sectors. Holdings in Communication Services, Technology, and Health Care were sold during the month.

Market Outlook and Strategy

- US economic expansion is expected to continue in 2022. Growth catalysts include steadfast consumer demand driven by rising wages, deposits, and employment, and record household wealth. The potential for higher business spending and the possibility of additional US fiscal stimulus are also supportive.
- Against this backdrop, revenues and corporate profits should improve on a year-over-year basis. US companies are positioned to benefit from pricing power, operating leverage, and rising sales, which should more than offset the impact of higher input costs and wages and near-term supply bottlenecks.
- Persistently high inflation and tighter-than-expected monetary policy are key risks. Others include COVID-related setbacks, geopolitical developments, and the outcome of US midterm elections.

All data are sourced from Allianz Global Investors dated 31 January 2022 unless otherwise stated.

* Source: BofA Merrill Lynch, as at 31 January 2022

** Source: MSCI, as at 31 January 2022

^ Source: Bloomberg, as at 31 January 2022

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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 regular and rigorous reviews 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. Please also refer to the Target Fund's prospectus for more detailed and comprehensive information on Target Fund specific risks.

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.