July 2017

Allianz Life Asia Multi-IncomePLUS Fund

Investment Objective

The Allianz Asian Multi-IncomePLUS (the “Fund”) feeds into Allianz Asian Multi Income Plus- USD (“CIS”) and aims to achieve stable income stream and potential capital appreciation by investing primarily in Asian local currency denominated fixed income and quasi-fixed income instruments.

Investor Profile

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

Performance Indicator

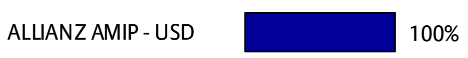
	1 month	6 months	1 year	3 years	5 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	1.37%	3.97%	14.91%	37.45%	45.68%	6.37%	5.47%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index *	2.76%	10.54%	14.44%	15.93%	33.57%	14.26%	4.47%
Allianz Asian Multi Income Plus ($USD)	1.94%	8.69%	11.68%	6.27%	18.86%	13.00%	4.09%

Ringgit appreciated 4.54% (YTD) and depreciated 2.25% (since inception).
* Source: Bloomberg.
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.

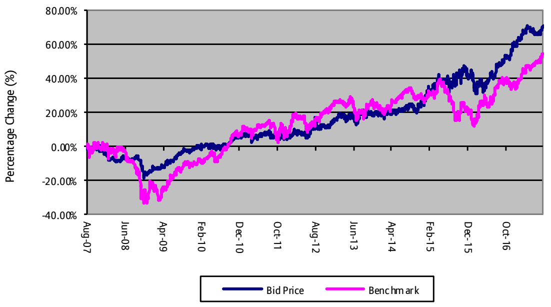
Facts on CIS

Name	Allianz Asian Multi Income Plus- USD (“Allianz AMIP - USD”)
Type	Managed Fund
Fund Manager	Allianz Global Investors Singapore Limited
Fund Currency	USD

Portfolio Composition



Performance Since Inception



Key Fund Facts

Fund Size	RM2.2 million
Risk Profile	Moderate Investor
Launch Date	4^{th} June 2007
Fund Currency	Ringgit Malaysia
Investment Manager	Allianz Life Insurance Malaysia Berhad
Pricing Frequency	Daily
Price per Unit[1] (as at 31st July 2017) - Bid	1.703
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.

Disclaimer:

The Allianz Life Asia Multi-IncomePLUS 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 < http://www.allianzgi.hk/>. 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 Asia Multi-IncomePLUS 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 (104248-X)
Suite 3A-15, Level 15, Block 3A Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.
Allianz Life Call Centre : 603-2264 1188/0688 Fax : 603-2264 1186 www. allianz.com.my

July 2017

Allianz Life Asia Multi-IncomePLUS Fund

Allianz

Manager's Comment

Market Commentary

- July was another positive month for regional equity markets with the MSCI Asia Pacific ex-Japan Index advancing by 5.2% in USD terms. China equities had another good month. A notable feature was the performance of the technology sector, which was led higher by the mega cap China e-commerce and internet stocks such as Alibaba and Tencent. The imminent launch of Apple's next iPhone has also been the catalyst for a number of component makers across the region to perform well. Firmer commodity prices have also supported regional equity markets. In China, they are positive for the profitability of the State-Owned Enterprises, and therefore also for the wider economy. As usual, the Australian dollar had a positive correlation with commodities and rallied to a 2-year high. Oil stocks, in particular, rebounded after a period of weakness. There was also good news for regional financial stocks. In Australia, there was some relief for the banking sector as new capital requirements were less onerous than feared. The requirement for banks to reach a Tier-1 capital ratio of 10.5% by January 2020 should allay concerns about the need for further equity issuance. Elsewhere, Korea bank stocks delivered robust earnings on the back of higher net interest margins and lower credit costs. While the Asian High Yield index closed the month at a new high, the market has been range bound since May. The market continues to experience bouts of idiosyncratic headline risks (mainly on Chinese single B rated companies) compounded with indiscriminate selling of the bonds in the short term. These moves can be incongruous with the underlying fundamentals of the issuers and can thus provide good opportunities to invest. In general, Chinese single B rated issuers have underperformed while Indian and Indonesian issuers outperformed due to their perceived safety at this time.
- The Fund's total return was positive during the month, continuing the good returns year-to-date, and the distribution was again paid from income. At a stock level, Hana Financial and KB Financial, both Korean banks, have been important contributors for a number of months. Since the end of Q1 2017, Hana has rallied by 39% and KB by 21%. Having long been laggards in regional markets, the work done by these companies to improve cost efficiencies and improve their dividend payouts is now coming through. Both companies should see significant ROE (return on equities) improvements, which can justify sustained higher valuations. These stocks are also good natural hedges for rising US bond yields, as they will benefit from higher net interest margins. Fletcher Building, a New Zealand building materials company, was a detractor last month. The company had a surprise profit warning. The CEO, who recently had provided a more optimistic outlook, was forced to resign. Given the write-offs announced by the company, we now expect a dividend cut and it will take some time for investor confidence to recover. We will look for an opportunity to exit the position.
- Our asset allocation at the end of the month was 65.8% invested in Asian equities and 31.2% in Asian fixed income, with the remainder in cash. We continue to maintain an asset allocation close to the 65:35 level.
- The core of the equity portfolio is companies with sustainable dividends and long term growth potential. Over the month, activity has focused on using the confident tone of markets to take profits in stocks which have gone through our target prices and re-allocating capital to stocks which have lagged. As part of this rotation, we have included the first Indian stock in the portfolio, an IT consulting services company with an attractive dividend yield and long term growth profile. On the fixed income side, we continued to invest in new issues to benefit from some new issue premium and to gain exposure to new issuers. The Fund generally holds less volatile issuers for interest accrual. We also continued to access a more diversified portfolio of Asian USD high yield credits through the Allianz Dynamic Asian High Yield Fund.
- At the end of the month we held 66 equities and 49 fixed income securities. The equity portfolio yield was 3.9% and the average fixed income coupon was 7.1% with an average credit rating of BB and duration of less than 3 years.

Market Outlook and Strategy

- With Asian equity markets having rallied strongly in recent months, it would not be surprising to see a period of consolidation. Technology stocks have been at the center of the market rally and many look fully valued, even allowing for the good growth prospects. Hardware stocks that have been buoyed by the launch of the new iPhone may also pause as investors look beyond the boost to near term demand.
- With global investors still underweight in emerging markets, we think any significant market pullback would be met by a 'buy on weakness' mentality. Supporting this, we continue to see analysts upgrading many of their forecasts. The exception is India where the implementation of the new GST has led to destocking and a more competitive environment for consumer companies.
- The bond index continues to be range bound. There has been a surge in new issuances recently but these have been generally well absorbed. We are currently defensively positioned and looking for opportunities to invest our cash. We remain constructive for this year and do not expect a meaningful increase in default rates.

Allianz Life Insurance Malaysia Berhad (104248-X)
Suite 3A-15, Level 15, Block 3A Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.
Allianz Life Call Centre : 603-2264 1188/0688 Fax : 603-2264 1186 www. allianz.com.my