April 2018

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.

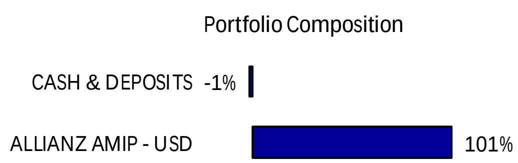
Performance Indicator

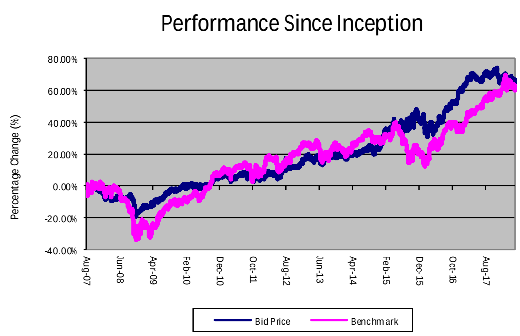
	1 month	6 months	1 year	3 years	5 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	2.09%	-3.93%	-1.07%	20.59%	40.81%	-1.36%	4.85%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index *	0.41%	3.01%	10.66%	17.24%	27.79%	0.78%	4.65%
Allianz Asian Multi Income Plus ($USD)	0.92%	4.17%	11.54%	13.20%	14.98%	2.58%	4.51%

Ringgit appreciated 3.52% (YTD) and depreciated 1.25% (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





Key Fund Facts

Fund Size	RM2.15 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 30th April 2018) - Bid	1.663
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 (104248-X)
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

April 2018

Allianz Life Asia Multi-IncomePLUS Fund

Manager's Comment

Market Commentary

- Overall, Asia Pacific equity markets advanced over April, as sentiment was boosted by diminishing fears of a global trade war and by signs of improving relations between North and South Korea. However, returns at a country level were mixed.
- South Korean shares rallied on news that North Korean President Kim Jong-un and South Korean President Moon Jae-in had agreed to end the nations' 70-year estrangement and pledged to de-nuclearize the Korean peninsula. In contrast, Taiwanese stocks retreated as semiconductor manufacturers were weighed down by fears of soft smartphone demand. Australian equities gained with energy and materials companies boosted by rising commodity prices.
- Chinese equities delivered flat results overall. But market sentiment in China has turned negative since the global selloff in late January, exacerbated by the Sino-US trade tensions and rising concerns about the macro impact of deleveraging.
- Asian USD credits corrected by -0.66% in April based on the J.P. Morgan Asia Credit Index. Investment grade credits corrected by -0.63% while high yield bonds corrected by -0.78%. The correction for investment grade credits was due to higher US Treasury yields while the correction for high yield credits was due to wider spreads. Asian bond issuance continued to be strong while demand remains muted, leading to weaker performance on the secondary market.
- In this environment the fund return was positive in USD terms and the monthly distribution was again paid from income.
- Sa Sa International was the top contributor in April. This Hong Kong-based cosmetics retailer's share price was underpinned by encouraging sales number for its core Hong Kong and Macau business. We first purchased this stock near the trough of the cycle in early 2017. Over the past three months, our turnaround investment thesis – a combination of Sa Sa negotiating down rental costs while also enjoying an improvement in sales momentum - has started to materialize. The share price has rallied by more than 60% year to date.
- On the negative side, Hite Jinro was a detractor. This leading Korean soju and beer company experienced share price weakness as Q1 results are expected to be weak due to the early recognition of promotion costs. We remain positive on the long term earnings potential from their new low malt beer, rising brewery utilization and expanding share in the soju market. The decent dividend yield of around 4% is also a plus for the stock.
- Our asset allocation at the end of the month was 66.7% invested in Asian equities and 32.1% 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. For example, we initiated a position in in a Chinese auto manufacturer during the recent share price weakness. This company operates a joint venture with a German manufacturer of luxury cars and motorcycles. We expect its high end positioning and improving product mix should enable this name to benefit from the ongoing consumer upgrade trend in China and outperform the overall car market going forward.
- On the fixed income side, on the back of fund inflows, we increased our holdings in a number of both existing and new issues. We will continue to opportunistically look for more attractively priced issues. 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 68 equities and 78 fixed income securities. The equity portfolio yield was 2.9% and the average fixed income coupon was 6.9% with an average credit rating of BB- and duration of less than 3 years.

Market Outlook and Strategy

- Over the past few months, Asia Pacific equities have experienced a choppy market environment. For most of Asia, the story of the past few years has been the adjustment to economic and policy shifts in China. But so far in 2018, it has been the US which has demonstrated more of an impact, from the volatility in equity markets, to rising US Treasuries and to increased geo-political risks.
- We continue to manage a broadly diversified portfolio. Our focus on sustainable earnings as well as dividends means we do not have significant exposure to the technology sector, especially internet stocks. As well as being diversified by sector, we also have a good spread of exposure geographically. In addition to the bigger markets like China, Hong Kong and Australia, the portfolio is well represented in South Korea, Taiwan and the ASEAN markets.
- Asian credit fundamentals remain broadly stable and positive. However, technicals are weaker given the temporary mismatch in demand and supply. Our focus on stronger shorter dated issues for interest accrual should hold up well in this kind of environment. Following the correction in the secondary market, valuations have become much more attractive for long term investors and we will use this opportunity to gradually pick up more attractive bonds.

Allianz Life Insurance Malaysia Berhad (104248-X)
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