June 2019

Allianz Life Amanah Dana Ikhlas

Investment Objective

The Allianz Life Amanah Dana Ikhlas (the "Fund") feeds into MAYBANK Dana Ikhlas ("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	6 months	1 year	3 years	5 years	YTD	Since Inception (Annualised)
Allianz Life Amanah Dana Ikhlas	1.65%	5.73%	3.94%	2.59%	0.18%	5.73%	2.36%
Benchmark: 50% FBM Emas Shariah Index + 50% GIA rate*	1.58%	3.69%	2.12%	5.57%	3.92%	3.69%	2.54%
MAYBANK Dana Ikhlas	1.65%	6.19%	4.42%	4.48%	3.11%	6.19%	3.32%

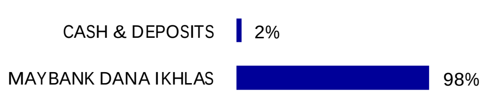
* Source: Bloomberg and Bank Negara Malaysia.
The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis with gross dividends reinvested. It is strictly the performance of the investment fund and not the returns earned on the actual premiums paid of the investment-linked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

Facts on CIS

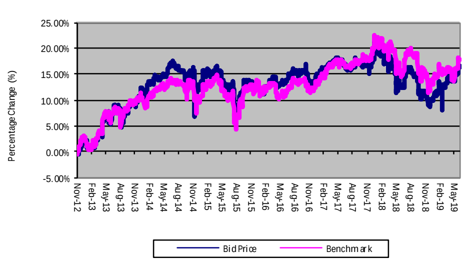
Name	MAYBANK Dana Ikhlas^
Type	Managed Fund
Fund Manager	Maybank Asset Management
Fund Currency	MYR

^Maybank Dana Ikhlas (previously known as AMB Dana Ikhlas) is managed by Maybank Asset Management Sdn. Bhd. Please refer to https://www.maybank-am.com.my for more information.

Portfolio Composition by Asset



Performance Since Inception



Key Fund Facts

Fund Size	RM9.985 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 30th June 2019) - Bid	0.554
Management Fee	1.20% 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.
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Manager's Comments

Market Commentary

Malaysian bond market continued its rally in June amidst dovish global central banks on concerns on downside risk to growth and low inflation rate outlook. Expectation of rate cuts increased as the US Fed indicated its openness to policy easing as US macro data softened while there were talks of possible stimulus by ECB. Malaysian govvies' yields were lower across the curve by 7-19 bps m-o-m, and corporate bonds followed suit, while the 10-year US Treasury yields dropped by 12 bps to 2.0051% as at end-June. Foreigners returned to Malaysia in June with inflows of RM6.6 bln after two months of outflows, resulting in foreign holdings in MGS to 36.9% (May: 35.8%) and MGS + GII to 22.3% (May: 21.8%). In line with the inflows, Ringgit gained 1.3% MoM against the USD with USDMYR pair falling to 4.141 at end-June from 4.197 at end-May. The outcome of the G20 meeting was broadly as expected with the US and China agreeing to restart negotiations and further tariff increases put on hold temporarily. Although the US and China have agreed on a temporary truce to their trade war, there were no firm details and markets will continue to watch for developments.

Meanwhile, Asian equity markets saw some recovery in the month of June following the sharp sell-off in the month of May. Similar to the bond market, the equities market moved on expectations that the US Fed would cut rates in the future and on hopes of some progress towards resolving the US-China trade war at the G20 meeting. An unexpected positive was the easing of exports sanctions against Huawei although it remained on the US Department of Commerce's 'entity list'. On the macroeconomic front, data releases (e.g. China June PMI, US May ISM Manufacturing PMI) continued to paint a subdued picture of the global economy. All Asian currencies strengthened against a weaker USD in June with the KRW, THB and TWD being amongst the best performing currencies. Oil prices saw a recovery from May lows, with Brent rising 7.5% mom to hit c.US$65/bbl on rising geopolitical tension with Iran and supportive US inventory statistics. Russia and Saudi Arabia also agreed to extend OPEC oil output cuts by 6-9 months. Gold was another strong performer, rising c.8% mom to US$1,410/oz on growth concerns and expectations of lower interest rates in the future.

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Manager's Comments

Market Outlook and Strategy

On the monetary front, expect Bank Negara Malaysia to maintain its Overnight Policy Rate (OPR) at 3.00% after the "insurance" cut in May 2019 on continued resilience in domestic growth outlook and subdued inflation rate in the country barring significant negative headwinds from escalating trade disputes between the US and China and heightened risk aversion in emerging markets. Local investors are speculating on a Statutory Reserve Requirement (SRR) cut to increase liquidity in the market instead. Meanwhile, expectations of a US Fed Fund rate cut has increased as uncertainties on the US-China trade tension continue to weigh on risk sentiment and moderating growth prospect. Fed dot plot projections have signaled prospects of 50bps cut by end of 2019, with the earliest cut in July 2019. We continue to believe that the local bond market will remain supported by demand from local institutional investors such as pension funds, banks and asset managers as supply of medium to long sukuks in the secondary market remain thin due to lack of replacements in a current dovish inclination by BNM.

Expectations are mixed for equity markets; although the US approaches a rate cut, this is balanced against headline risk, slowing growth, and potential further disappointment in corporate earnings. This corroborates our regional equity view, which has turned increasingly cautious in recent months, with profit-taking on alpha calls which have played out. More recently, portfolios have been raising cash and favouring defensive allocations, ahead of negative market surprises. However for Malaysian equities, we are more optimistic, given relatively weak performance YTD. With recent revival of ECRL and Bandar Malaysia projects, as well as more news flow is expected on infrastructure and development spending projects to further stimulate the economy. We also believe that earnings risks from policy reforms have begun to subside, following recent MAVCOM announcement on the RAB framework for Malaysia airports.

For Malaysian sukuk, we are neutral with our duration view given our expectations that OPR will be maintained in 2019, and continue to prefer corporate bonds over sovereign bonds to anchor the Fund's income in corporate bonds' coupons as they are less volatile and provide higher yields to buffer against potential mark-to-market losses in the event of a turnaround in sovereign bond yields. We will continue to trade opportunistically and also look into new primary issuances that offer higher yields to deliver the required performance.

Our Malaysian equities views remain largely unchanged despite the benign outcome of the US-China G20 meeting. While markets may rally on positive sentiment, the duration of the said rally is uncertain. Global macroeconomic data has been increasingly subdued and the resolution of the trade war is still pending the outcome of trade talks. Valuations wise, Malaysian equities are not cheap as earnings have been downgraded as well, hence we continue to be cautious and defensive. Market volatility is likely to continue on profit taking and cut loss activities for some counters, so we continue to be defensive and overweight steady yielding stocks to anchor the portfolio. We believe there are some trading opportunities in the mid cap space, in particular, construction and water infrastructure. With the revival of the ECRL and Bandar Malaysia projects, we see opportunities for the construction sector to continue to perform. Potential increase in Selangor water tariffs in the near term may bring some excitement for the sector.