

April 2020

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 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	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	7.46%	-10.02%	-10.54%	-9.16%	10.73%	52.55%	-9.54%	3.38%
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 *	8.06%	-8.33%	-8.40%	2.73%	8.84%	56.14%	-11.92%	3.30%
Allianz Asian Multi Income Plus (\$USD)	8.03%	-13.45%	-14.45%	-5.67%	-4.27%	23.03%	-14.80%	2.44%

Ringgit depreciated 5.74% (YTD) and depreciated 1.86% (since inception).

* Source: Bursa.

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.

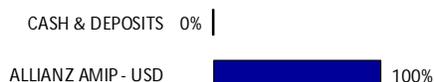
Facts on CIS

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

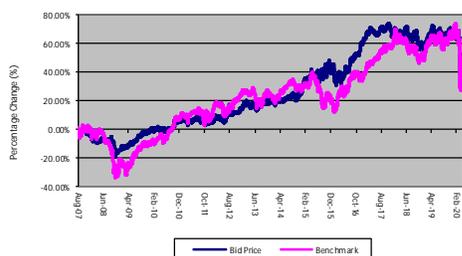
Key Fund Facts

Fund Size	RM1.861 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 30th April 2020) - Bid	1.527
Management Fee	1.00% p.a
Other Charges ²	Include but not limited to government tax, auditor fee, custodian fee, & transaction charge

Portfolio Composition



Performance Since Inception



- 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.
- 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.allianzlife.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 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.

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Manager's Comment

Market Commentary

- Equity markets in Asia Pacific ex Japan rose strongly in April. Sentiment was lifted by signs that the number of new COVID-19 cases across most of the region was falling, with many countries planning to ease lockdown measures. Currency movements further boosted returns for nondomestic investors, with the Australian dollar and Indonesian rupiah surging against the US dollar.
- Chinese stocks advanced as the authorities continued to ease policy. In terms of economic data, China's economy shrank 6.8% over Q1, ending an era of uninterrupted growth dating back to the 1970s. China's two manufacturing purchasing managers' indexes (PMI) also fell in April. Elsewhere, most markets in the region posted strong gains. Thailand led the advance within the ASEAN markets, boosted by news that the monarch had approved a massive stimulus package to cushion the impact of COVID-19 on the economy. Lower oil prices also helped oil importing nations such as the Philippines and Indonesia.
- Asian high yield bonds benefitted from the broad market recovery and higher risk sentiment over April, returning 4.46% (J.P. Morgan Asia Credit Non-Investment Grade Index returns) over the month, clawing back some of the losses in March. The segment saw significant credit spread compression over the month, which was a key driver of performance. Investors retained their preference for bonds issued by Chinese real estate developers, and many of them were among the top contributors over the period. Conversely, a number of Indonesia real estate and metals & mining issuers faced ratings downgrade pressure given broad macro concerns from the coronavirus impact, and were among the key detractors in April. In contrast to the sharp decline in bond supply over March (USD 7 billion), primary market activity rebounded in April with about USD 25 billion in issuance, bringing the YTD gross total supply to USD 103 billion.
- In April, the Fund return rebounded strongly in USD terms.
- Several Australia holdings were top contributors as the equity market there recovered from the sharp correction in the previous month. These include an energy service provider, a building materials producer, a casino operator and REIT holdings. Another key contributor was Taiwan Semiconductor Manufacturing (TSMC). Its leading edge technology and the increase in demand for its products within 5G infrastructure expansion should continue to benefit this leading global semiconductor foundry.
- On the negative side, the top detractor was one of the largest banks in the Philippines. Our investment thesis had originally been one of recovery potential as the repositioning of its loan book to corporate and consumer markets should support higher margins and earnings. Nevertheless, the impact of COVID-19 means the timescale for any recovery has been significantly pushed out, and we decided to exit the position.
- Our asset allocation at the end of the month was 63.6% invested in Asian equities and 32.4% in Asian fixed income, with the remainder in cash. We maintain an asset allocation close to the 65:35 level.
- In terms of portfolio activity, we continued to increase our China A-shares. For example we initiated a position in a dominant duty free shop operator in China, as we expect domestic travel to gradually recover. This company is also well positioned to benefit from the structural consumption upgrade trend in China.
- On the fixed income side, we switched from a weaker credit to other stronger Chinese real estate and industrial issuers during the month. Our positions remain in better quality high yield names for yield carry and where we are comfortable with the credit fundamentals. The fund generally holds shorter dated, less volatile issuers.
- At the end of the month, we held 64 equities and 62 fixed income securities. The equity portfolio yield was 4.2% and the average fixed income coupon was 7.7% with an average credit rating of BB and duration of less than 2 years.

Market Outlook and Strategy

- While sentiment across the region is gradually recovering, US-China tensions have escalated with the disputed origins of COVID-19 being the latest flashpoint for an already strained relationship. The US-China conflict is almost becoming a "new normal". Indeed we believe that the geopolitical tension between the world's two undoubted economic superpowers will be a structural feature in coming years. This is unlikely to end after the outcome of the US Presidential election in November. A common distrust of China is one of the few issues on which politicians in the US can agree.
- Our base case is that the trade conflict will not have a prolonged effect at an aggregate market level in China. However, it is likely to have significant consequences for individual companies depending on the location of customers, structure of supply chains and so on. With the high level of market volatility, the equity portfolio will remain broadly diversified with a good spread of exposure across sectors to capture both growth and income opportunities.
- The USD Asian High Yield credit market continues to enjoy a rebound from the lows in March as investors look beyond the COVID-19 pandemic to the resumption of economic activity. Credit valuations continue to be compelling and the potential default rate of the asset class is significantly less than what is currently priced in the market. We continue to prefer higher quality liquid benchmark issuers as opposed to smaller idiosyncratic issuers.

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