October 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

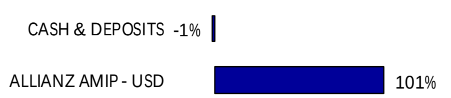
	1 month	6 months	1 year	3 years	5 years	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	1.66%	12.44%	1.18%	-0.81%	17.68%	63.06%	1.72%	4.16%
Benchmark: 2/3 MSCI AC ASIA Pac Ex Japan High Dividend Yield Total Return (Net) + 1/3 JP Morgan Asia Credit Index (JACI) - Non Investment Grade Index *	-0.19%	3.69%	-4.95%	-0.84%	26.32%	46.27%	-8.67%	3.45%
Allianz Asian Multi Income Plus ($USD)	1.85%	19.12%	3.10%	4.94%	29.63%	35.82%	1.50%	3.70%

Ringgit depreciated 1.48% (YTD) and depreciated 1.47% (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.

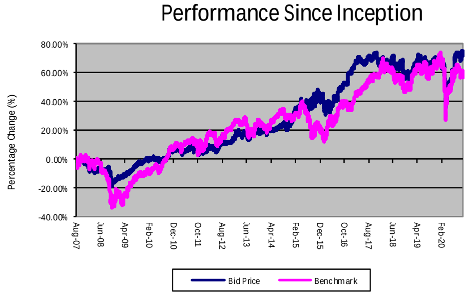
Facts on CIS

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

Portfolio Composition



Performance Since Inception



Key Fund Facts

Fund Size	RM2.076 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 31st October 2020) - Bid	1.717
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.
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Manager's Comment

Market Commentary

- Overall, equity markets in Asia Pacific ex Japan advanced modestly over October, outperforming many other markets and regions. Sentiment was lifted by signs that China's economy was continuing to recover from its COVID-19 induced slowdown. Chinese stocks were among the strongest performers on a global basis. China's GDP expanded 4.9% year-on-year in Q3, indicating that an ongoing recovery was underway.
- Elsewhere, performance was mixed. Taiwan was supported by news that index heavyweight Taiwan Semiconductor Manufacturing had raised its full-year revenue forecast for a second time. In Australia, sentiment was lifted by the country's parliament approval of AUD 17.8 billion in personal tax cuts and other measures to sustain economic recovery. However, Hong Kong and Korean equities declined modestly.
- Asian USD high yield bonds continued to consolidate with low volume in October as global macro sentiment was cautious ahead of the US elections. There was some weakness in specific Indonesian and Indian issues while Chinese issuers were flat in general. The J.P. Morgan Asia Credit Index Non-Investment Grade corrected -0.49% for October driven by wider credit spreads (the index spread widened slightly from 712bps to 725bps). US Treasury yields also rose slightly from 0.27% to 0.38% as the market looked towards the US Elections. Returns were supported by high interest accrual and new issuances were well absorbed by the market.
- In line with markets, fund returns in USD terms were positive in October.
- A top contributor over the month was Gree Electric, the China home appliance company. Latest quarterly results were in line with expectations. There are signs of a turnaround in operations after the downturn caused by the pandemic earlier this year, and management signaled their confidence with a second round of share buybacks. The dividend yield also enhances total return potential.
- In contrast, a detractor last month was China's second largest payment processor which has a leading position in QR code payments. The stock was listed earlier this year and has performed well. We view the weakness over the last month as profit taking after a strong run.
- The asset allocation at the end of the month was 63.2% invested in Asian equities and 33.5% 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 selectively added to dividend growth stocks. For example, we initiated a position in a Hong Kong listed company involved in infrastructure services and logistics. The stock has de-rated in the growth-led markets this year and we expect the high dividend yield to be sustained. We also initiated a position in an Australia bank. The sector has lagged this year and we expect dividends to recover into the new year.
- The fixed income sleeve adopts a lower turnover income focused approach. In October, we took advantage of the slight correction to invest the cash in the fixed income sleeve that we had been holding. We were able to lock in better yields for mainly 2-5 year maturity bonds across a wide range of issuers to diversify the portfolio.
- At the end of the month, we held 66 equities and 74 fixed income securities. The equity portfolio yield was 2.4% and the average fixed income coupon was 7.6% with an average credit rating of BB and duration of less than 2 years.

Market Outlook and Strategy

- Recent weeks have seen the Q1 market playbook being re-established. China equities in particular have been resilient during periods of global equity market volatility. China's ability to combat COVID-19 continues to be in marked contrast to the US and Europe – several hundred million people traveled within China during the recent Golden Week holidays. And with the rapidly rising path of coronavirus infections calling into question the trajectory of the global economy, the recovery in China should lead to a more stable earnings outlook into the New Year.
- The unexpected postponement of a fintech conglomerate's IPO is a reminder of the elevated regulatory risks in China. Set to be the ultimate market validation of the new world of fintech and financial innovation, the deal would have given the company a valuation larger than most of the world's banks. We expect the company listing has been postponed, not cancelled. However, the future valuation of the business is likely to be lower, based on the need to comply with new regulatory requirements.
- The correction in USD Asian high yield bonds over the last 2 months has made Asian high yield bonds more attractive. There has not been any meaningful spike in default rates across the asset class and as we cross the key event risk of the US Elections, we expect credit spreads to start tightening again as the market continues its hunt for yield. We favour higher quality issuers in the belly of the curve for attractive rolldown and interest accrual.

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