Allianz Life Amanah Dana Ikhlas

Investment Objective

The Allianz Life Amanah Dana Ikhlas (the "Fund") feeds into Maybank Malaysia Balanced-I Fund ("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	3 months	6 months	1 year	3 years	5 years	YTD	Since Inception (Annualised)
Allianz Life Amanah Dana Ikhlas	-3.36%	-3.52%	-2.87%	-4.17%	8.90%	6.68%	-4.33%	2.14%
Benchmark: 50% FBM Emas Shariah Index + 50% GIA rate*	-1.75%	-2.16%	-1.92%	-2.68%	7.57%	10.05%	-2.84%	2.30%
Maybank Malaysia Balanced-I Fund	-3.53%	-3.59%	-2.97%	-4.18%	10.39%	9.54%	-4.43%	2.97%

* Source: Bursa and Bank Negara Malaysia.

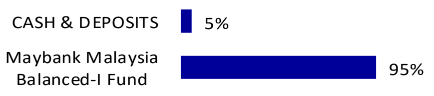
The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis with gross dividends reinvested. It is strictly the performance of the investment fund and not the returns earned on the actual premiums paid of the investment-linked product. Past performance is not an indication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

Facts on CIS

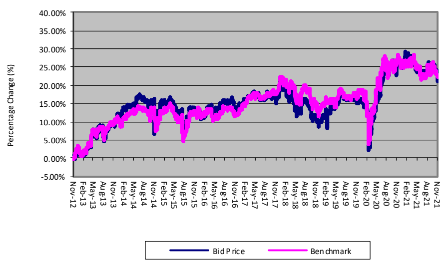
Name	Maybank Malaysia Balanced-I Fund^
Type	Managed Fund
Fund Manager	Maybank Asset Management
Fund Currency	MYR

^Maybank Malaysia Balanced-I Fund (previously known as MAYBANK 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	RM16.913 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 November 2021) - Bid	0.575
Management Fee	1.24% 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.

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Manager's Comments (For Maybank Malaysia Balanced-I Fund)

Market Commentary

The Malaysian sovereign bond market recovered in November as yields were down between 2.3 bps to 19.6 basis points in a flattening manner. Market players reacted to the weaker than expected 3Q 2021 GDP numbers (-4.5% against consensus' -2.6%). The accompanying BNM statement on being mindful of any premature withdrawal of support to the market was seen as dovish, and bets for any OPR hikes during 1H2022 were pared. Demand for govvies continued to be supported as risk-off mode took place due to concerns on the new covid-19 variant, named Omicron, which was feared could impact the pace of economic recovery globally. Meanwhile, corporate bonds also traded firmer with yields down by between 1.0 to 15 basis points month-on-month.

Global equity markets were mostly down in November. Already grappling with a hawkish tilt from the Federal Reserve, the uncertainty over the new Omicron variant of the coronavirus sent markets into a tailspin. The threat of the persistently higher inflation suggests a sooner-than-expected tapering of asset purchases (USD15bn a month) while the emergence of the variant has dented the sustainability of the recovery in economic growth. By now, some European countries have put in place restrictions with Austria having to revert to a full lockdown. In commodities, President Biden announced the release of 50m barrels from the Strategic Reserve and to address the mismatch between demand and supply in efforts to curb rising prices. In tandem, demand concerns brought by the new variant, oil prices fell around 20% during the month. Similarly, industrial prices recorded negative performance in aluminum, copper, and zinc. Precious metals of silver and gold declined. Similarly, regional markets saw broad market sell-off as sentiment turned negative on fears of the emergence of the new variant that could dent the recovery, notwithstanding the surge in new Covid-19 cases. In local currency terms (month-on-month basis), Singapore was the worst performer, declining 4.9% as investors continue to monitor the developments surrounding the Omicron variant. This led to concerns that the tighter curbs would be re-implemented. This is followed by Thailand's decline of 3.4%. Jakarta was relatively flat at -0.9% while Philippines bucked the trend, gaining 2.1%. Closer to home, the KLCI fell 3.1% to close at 1,515pts which was further exacerbated by the potential negative effects stemming from the additional taxes and removal of tax exemptions on foreign source income announced in Budget 2022. Property, transportation, and energy had the brunt of the losses while healthcare gained on the new variant. November corporate earnings season was broadly within expectations (vs. higher reported below expectations in 2Q) but with a tampered outlook due to supply and operational challenges. Biggest winners (relatively) were plantation (higher CPO prices), utilities, and financials while losers, that comes with no surprise were sectors that were impacted by the lockdowns e.g., consumer, construction, property as well as moderating asp/demand e.g., gloves.

Market Outlook & Strategy

After a weaker than expected 3Q 2021 GDP growth (-4.5% against consensus' -2.60%), GDP growth is expected to rebound in 4Q 2021 onwards, as lockdown measures are relaxed, and economy sectors reopens. We expect bond yield curve to move higher on continued economic recovery. Central banks globally have also turned more hawkish on monetary policy outlook. Despite this, the Malaysian market remains flush with liquidity, and this will provide support to the local bond market as yield pickup remain decent as compared to the low yielding fixed deposits and money market funds. We expect a better year for fixed income returns in 2022, coming out of negative return in 2021. Absolute yields have now become more attractive after the sell-off, providing a good entry level for yield accretion for the fund.

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Manager's Comments (For Maybank Malaysia Balanced-I Fund)

Market Outlook & Strategy

Malaysia 2021 equity market was faced with uneven recovery, interrupted by outbreaks, concerns over the new variant, political uncertainty and most recently the negative surprises from the introduction of the prosperity tax, higher stamp duty etc. Going into the new year, we are cautiously optimistic that markets would rebound driven by recovery in economic growth in line with the re-opening of the economy albeit when global growth moderates. Locally, recall that the statutory debt limit has been risen to 65% (of GDP) from 60% until 2022 to increase the funding for the Covid-19 support measures in addition to financing projects under the 12MP. Furthermore, given the conclusion of the state elections, we think investors will now focus their attention on the recovery for next year. Key concerns on inflation may also moderate for 2021, we believe. Inflation should peak in 2022 and normalise thereafter.

For Malaysian sukuk, we believe our preference for corporate bonds (which are less volatile and provide higher yields compared to govvies) and strong credit selection will continue to protect our portfolio. We prefer strong AA-rated and A-rated papers for yield pickup and potential long-term upgrade. We maintain our underweight duration bias as we assume a more defensive stance given our expectation of a higher yield curve on continued economic recovery. We will continue to trade opportunistically and will also look into new primary issuances that offer higher yields, as well as bonds in the secondary market that has oversold.

For Malaysian equities, we expect near-term volatility as concerns on the new covid variant to affect investor sentiment and clouds the outlook for the economy. Hence, in the short-term, we look to be defensive and take opportunistic position on oversold stocks that we believe have solid fundamentals. Nonetheless, we do expect gradual recovery and maintain our positive view cyclicals (e.g., Industrials, Materials, Energy, Consumer Discretionary) over defensives (e.g., Healthcare, Utilities, Consumer Staples, Communication Services). We remain positive on Tech. Although tech names may fall out-of-favour in the short term amidst the rotation into cyclicalswe believe that underlying gro drivers are primarily structural in nature.

Investment Strategy & Approach

Investors should realize that there are risks of investing in the Funds as listed below:-

- **Market Risk** – The value of the Fund's investment assets may be affected by changes in economic fundamentals, interest rate movement, regulatory policy, political and industrial developments. These market factors may result in fluctuations in the value of the Fund's investment assets. This risk may be mitigated by ensuring a rigorous review of macroeconomic factors and asset allocation strategy.

- **Interest Rate Risk –** Interest rate risk arises when the value of the securities fluctuates due to interest rate movement. As prices of bonds move inversely with the interest rates, prices of bonds will decline when interest rate rise and vice-versa. Debt securities with longer maturity and lower coupon rate are more sensitive to interest rate changes. This risk may be mitigated by rigorous review of asset allocation and duration strategy.

- **Credit Risk –** The creditworthiness (solvency and willingness to pay) of the issuer of a fixed income security, counterparty to a derivative contract or money market instrument may subsequently fall. This usually leads to a decrease in the price of the asset greater than that caused by general market fluctuations. This risk is minimized through portfolio diversification, stringent credit selection and control on sector concentration risk.

- **Country/Foreign Investment Risk** – This risk refers to the risks of investing in foreign markets. The value of the foreign investment assets directly or indirectly held by the Fund may be affected by country-specific factors, such as the country's economic fundamentals, social and political stability and regulatory policy. This risk may be mitigated by ensuring a rigorous review of macroeconomic factors and asset allocation strategy.

- **Sector Risk** – The value of the Fund's investment assets may be adversely affected by the changes in sector-specific factors, such as the business condition, industry outlook and demand/supply dynamic of the industry. This risk may be minimized through portfolio diversification and control on sector concentration risk.

- **Risk of Non-Compliant with Shariah Requirements –** For Shariah-approved funds, there is the risk that the fund may hold securities which are Shariah non-compliant due to "Shariah-compliant securities" which are subsequently considered "Shariah non-compliant" and Investment in Shariah non-compliant securities.

Overall, on top of regulatory limits imposed by Bank Negara Malaysia, we have put in place tight internal investment limits for all asset class with oversight by risk officer to ensure that the Fund does not take on excessive risk, albeit we cannot guarantee the total elimination of risks associated with investing in the Fund.

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