July 2021

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	6 months	1 year	3 years	5 years	YTD	Since Inception (Annualised)
Allianz Life Amanah Dana Ikhlas	0.17%	-2.33%	-1.01%	7.13%	7.52%	-2.50%	2.45%
Benchmark: 50% FBM Emas Shariah Index + 50% GIA rate*	-0.42%	-2.60%	-3.96%	2.35%	8.49%	-3.57%	2.30%
Maybank Malaysia Balanced-I Fund	0.16%	-2.64%	-0.98%	8.63%	10.41%	-2.71%	3.29%

* Source: Bursa and Bank Negara Malaysia.

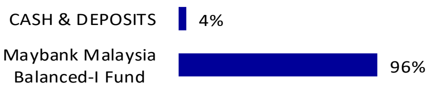
The above performance of the Fund is calculated in Ringgit Malaysia on a NAV-to-NAV basis with gross dividends reinvested. It is strictly the performance of the investment fund and not the returns earned on the actual premiums paid of the investment-linked product. Past performance is not an indication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

Facts on CIS

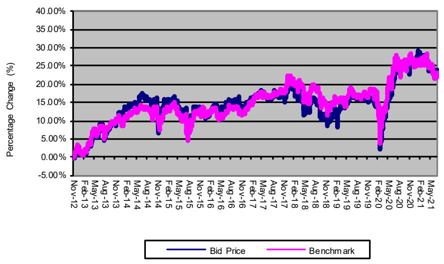
Name	Maybank Malaysia Balanced-I Fund^
Type	Managed Fund
Fund Manager	Maybank Asset Management
Fund Currency	MYR

^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	RM16.445 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 31st July 2021) - Bid	0.586
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.

Allianz Life Insurance Malaysia Berhad (198301008983)
Level 29, Menara Allianz Sentral , 203 Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur.
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Allianz Life Amanah Dana Ikhlas

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

Market Commentary

The Malaysian sovereign bond curve flattened in the month of July, with yields for the short-end of the curve increased slightly while the long-end yields lowered between 7-20 basis points, as market saw some unwinding of dovish bets in OPR cuts after BNM kept the OPR unchanged at 1.75% in its July MPC meeting. Also supporting the bond market was the continued spike in local Covid-19 cases, as well as the decline in UST yields over the month amidst concerns on Covid-19 Delta variant and US Federal Reserve Chairman Powell's dovish statement that inflation is transitory and labour market recovery remains unsatisfactory. However, towards month-end, sentiment turned cautious due to renewed domestic political risks.

Global markets continued the winning streak but Asian markets were broadly lower for the month, as China's regulatory clampdown led a sell-off in the region, rising cases brought by the Delta variant and slow vaccination rates in certain countries were concerns to investors. On China's regulation, the correction started with fresh regulation against the Internet sector, including the Didi App ban, cyber security and Price Law, followed by the after-school tutoring industry. In commodities, oil prices was marginally up (+0.3% mom) but was volatile in the month. As the OPEC+ talks fell through without an agreement, initially reaching US$77/bbl before reaching a compromise of a higher output quota. This led the drop in prices to US$68.6/bbl before rebounding to US$75/bbl. Locally, the KLCI fell 2.5% mom to end at 1,495 pts as high Covid-19 cases were persistently high despite stricter lockdown measures and made worst with the political uncertainty. In macroeconomic data, June CPI was up 3.4% yoy (May: +4.4%). Exports grew 27.2% yoy in June (May: +47.4%). Trade balance was a surplus of RM22.2bn in June (May: RM13.8bn). Lastly, the industrial production grew 26% yoy (Apr: 50.1%). The PMI fell 39.9 in June (May: 51.3) which is mostly due to the lockdown measures. Foreign net outflow persisted at RM1.33bn (US$308m) bringing year-to-date to RM5.53bn.

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

Market Outlook & Strategy

The Malaysian fixed income market would continue to see some support with the announcement of tighter lockdowns in Klang Valley due to the surge in Covid-19 cases in June, given lowered GDP growth expectation. However, the fall in yields could be limited as economic optimism and inflation concerns continue to play out in other foreign markets, with UST yields expected to rise. Economic recovery trajectory is expected to remain intact, with the pace of vaccinations picking up globally, albeit unevenly. On monetary policy, following the 125bps of cumulative OPR cuts in 2020 and having stayed on hold at the three MPC meetings for the year, we view BNM will likely stand on hold with OPR at 1.75% through 2021 unless the current Covid-19 condition continues to adversely impact the domestic economy.

Recent events in the political scene has alleviated concerns and has provided a temporary relief to the market. However, the persistent high number of Covid-19 of around 20,000 new cases still has remains in focus although the new directive to open up the economy with restrictions to fully vaccinated is positive. We maintain our expectations that the recovery is on track and for the vaccination rates to reach substantial levels for herd immunity. Having said that, we anticipate the market to remain volatile in near-term as political noises and the Covid-19 cases would continue to be the main headlines.

For Malaysian sukuk, we maintain our underweight duration bias as we assume a more defensive stance given our expectation of a steepening yield curve on the back of improvement in economic activities. Nevertheless, we expect the uneven global economic recoveries will provide support to the bond market where low interest rates will be maintained for longer by central banks to ensure an accommodative economic environment. We continue to overweight 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 as economy starts to recover. We prefer strong AA-rated and A-rated papers; for yield pickup and potential long term upgrade as economic activities accelerate. We will continue to trade opportunistically will also look into new primary issuances that offer higher yields to deliver the required performance.

For Malaysian equities, given the relief in the political situation recently, we are less pessimistic that this could further lead to downside although we do expect some political noises to return. Therefore, containing the pandemic would be the key focus as this would lead to the re-opening of the economy and thus growth expectations. We may increase our equity portion and maintain our positive view on sectors especially the cyclicals (e.g., Industrials, Materials, Energy, Consumer Discretionary) over defensives (e.g., Healthcare, Utilities, Consumer Staples, Communication Services). Although tech names may fall out-of-favour in the short term amidst the rotation into cyclicals we believe that underlying growth drivers are primarily structural in nature.

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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.