

January 2022

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 at long term capital growth and income by investing in equity and bond markets in Asia Pacific.

Investor Profile

The Fund is designed for investors who are generally risk averse and require stable returns.

Performance Indicator

	1 month	3 months	6 months	1 year	3 years	5 years	10 years	YTD	Since Inception (Annualised)
Allianz Life Asia Multi-IncomePLUS Fund	-3.98%	-6.10%	-9.43%	-9.29%	8.28%	6.17%	63.29%	-3.98%	3.89%
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	-1.59%	-0.02%	-4.05%	-0.90%	11.50%	26.03%	52.47%	-1.59%	4.00%
Allianz Asian Multi Income Plus (\$USD)	-4.56%	-7.22%	-8.49%	-11.81%	10.36%	20.32%	33.93%	-4.56%	3.53%

Ringgit depreciated 0.34% (YTD) and depreciated 1.39% (since inception).

Source: Bloomberg and <https://sg.allianzgi.com/>

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.

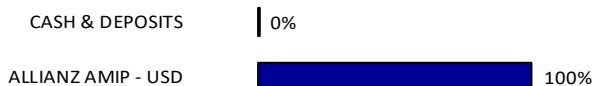
Facts on CIS

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

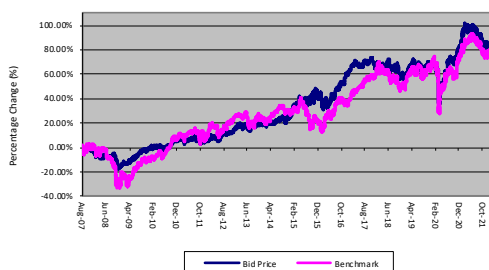
Key Fund Facts

Fund Size	RM2.071 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 31st January 2022) - Bid	1.739
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



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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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 <<https://sg.allianzgi.com/>>. The performance of the Fund is not guaranteed and the value of the units and the income derived therefrom 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.

While reasonable care has been taken to ensure the accuracy and completeness of this presentation as at the date of publication, Allianz accepts no responsibility for any errors or omissions. Allianz assumes no obligation to update any information contained herein.

Allianz Life Insurance Malaysia Berhad (198301008983)

Level 29, Menara Allianz Sentral, 203 Jalan Tun Sambanthan, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

Allianz Life Call Centre: 603-2264 1188

www.allianz.com.my

Allianz Life Asia Multi-IncomePLUS Fund



Manager's Comment (For Allianz Asian Multi Income Plus- USD)

Market Commentary

- Equity markets in Asia ex Japan retreated over January as risk assets sold off after the US Federal Reserve (Fed) indicated it may need to accelerate the pace of its planned rate hikes. Surging COVID-19 cases in some countries also undermined sentiment, while the stronger US dollar was a further headwind to performance across the region.
- China equities saw a weak start to the new year, while Hong Kong stocks bucked the trend to deliver positive returns for the month, as a number of heavyweight constituents in previously beaten down sectors such as Internet/ecommerce recovered slightly. Elsewhere in Australia, South Korea as well as Taiwan, returns were negative. In contrast, ASEAN markets overall performed better than their more developed counterparts, helped by their lower exposures to Technology companies and higher weightings to stocks in the Financials and Energy sectors.
- Asian USD high yield credits closed lower in January with both spreads and Treasury yields rising. The corrections were led by the Chinese property sector again, although there were some positive developments towards the end of the month including relaxation of escrow account usage and potential for more mergers and acquisitions (M&A) activities by state-owned firms. Over the course of the month, the JP Morgan JACI Non-Investment Grade Index corrected by -3.49%. Credit spreads widened from 694 to 736 basis points (bps), while the US Treasury 5-year yield which rose significantly from 1.26% to 1.61% due to concerns of an aggressive rate hike cycle.
- In January, the Fund delivered a negative return in USD terms.
- The top detractor was an oncology hospital group in China. The stock was weak along with the rest of the Health Care sector on a combination of concerns regarding potential policy risk as well as the broader growth/value market reversal. Localised COVID outbreaks have also affected patient traffic, leading to slightly reduced earnings expectations. However, we believe the company remains well-positioned for longer-term growth.
- On the other hand, the top contributor was Galaxy Entertainment, one of the leading casino operators in Macau. The sector rallied strongly in January after the government renewed operating licenses under revised regulations, marking the removal of a major regulatory overhang.
- The asset allocation at the end of the month was 65.1% invested in Asian equities and 32.1% in Asian fixed income, with the remainder in cash.
- In terms of equity portfolio activity, in January we took profits on some holdings in the Taiwan Technology space and added to selective opportunities elsewhere. For example, we initiated a position in a leading domestic cosmetics brand in China.
- For the fixed income sleeve, we invest in bonds with the aim of long-term interest accrual. In January, we trimmed our exposure to Chinese property issuers with potential credit concerns, while investing the proceeds in issuers from other countries and sectors to diversify the portfolio.
- At the end of the month, we held 69 equities and 103 fixed income securities. The equity portfolio yield was 2.4% and the average fixed income coupon was 5.8% with an average credit rating of BB and duration of around 2 years.

Market Outlook and Strategy

- We see the situation for China equities now as having similarities to the last economic cycle. In 2018, the government took action to tackle structural issues such as excessive leverage in the shadow banking sector. This led to a derating in equity markets which was reversed later in the year as government eased its policy stance. There are clear parallels with recent experience. The government used the "growth dividend" from the COVID recovery in H2 2020 /early 2021 to tackle structural longer-term issues – excessive leverage in the property sector, alleged anti-monopolistic practices in Internet/ecommerce, and achieving carbon-emissions targets, for example. More recently, we have seen a clear pivot to easier policy and we expect this to support equity market valuations.
- Elsewhere in the region, interruptions from the Omicron variant outbreak are also likely to reinforce the need for government policy support. The equity portfolio will continue to be broadly balanced between structural growth and dividend growth stocks, with a good spread of exposure across sectors.
- Market sentiment for Asian high yield credits will continue to be bifurcated with most of the volatility driven by distressed Chinese property developers while other issuers remain well bid. We are focused on higher quality issuers and aim for diversification within the portfolio.

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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.
- **Currency Risk** – For foreign investment, fluctuations in currency exchange rates may have an impact on the value of the Fund's investment assets. This risk may be minimized by engaging in foreign currency hedging.
- **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.
- **Specific Security Risk** – The value of the assets in particular securities and money market instruments may be affected by company-specific factors, such as business situation, financial condition and corporate governance of the company. This risk may be minimized through diversification of investments in a wide scope of companies belonging to a multitude of sectors.
- **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.
- **Liquidity Risk** – If an asset has insufficient liquidity, there is the risk that the asset cannot be sold or can only be sold at a significant discount to the purchase price. The lack of liquidity of an asset may cause its purchase price to increase significantly. The risk is managed by including liquidity factor into security selection and further mitigated by diversification.
- **Target Fund Risk** – As the Fund is a feeder fund, it will invest into a Target Fund which is being managed by a Target Fund Manager. While we would make every effort to ensure that the objectives of the Target Fund are appropriately aligned with those of ours, we do not have control over the Target Fund Manager's investment in terms of its approach, intelligence, operations and management. In the unlikely event of any mishandling of the Target Fund, the NAV of our Fund, which is investing predominantly into the Target Fund, could be similarly adversely affected. This risk may be mitigated by our constant monitoring of the Target Fund, which is requisite to ensuring that the Target Fund's objective, risk profile and characteristics are in line with ours.

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.