

Market Review and Outlook

April 2026

The content of this document is supplementary to the Monthly Fund Factsheets.

For the following funds:

Allianz Life Master Bond Fund ("MBF")
Allianz Life Master Equity Fund ("MEF")
Allianz Life Master Dividend Fund ("MDF")
Allianz Life Master Dana Ekuiti ("MDE")
Allianz Life Master ASEAN Plus Fund ("AMAF")
Allianz Life Managed Fund ("MF")
Allianz Life Equity Fund ("EF")
Allianz Life Dynamic Growth Fund ("DGF")
Allianz Life Equity Income Fund ("EIF")
Allianz Life Bond Fund ("BF")
Allianz Life Dana Padu ("DP")
Allianz Life ASEAN Plus Fund ("AAF")

Market Review

As a result of the Middle East conflicts that lasted throughout March 2026, there were in the month of April, continued significant geopolitical tensions. While the markets welcomed a U.S. – Iran ceasefire starting 8 April 2026, the ensuing sabre rattling and tit – for – tat posturing over the Strait of Hormuz disruption had led to renewed fears which resulted in oil price peaking at a 4 – year intraday peak of USD126.41/ bbl late during the month. However, in spite of these persistent Middle East conflicts, equity markets had instead rebounded from their downward slide in the previous month on a resurgence of market confidence spurred by artificial intelligence (AI).

The MSCI World Index rallied +9.45% mom during the month under review, recovering the loss it incurred in the previous month. U.S.' Dow Jones Index rose by +7.14% mom but the main focus was clearly in the AI space as evinced by the Nasdaq Composite Index and Philadelphia Semiconductor Index surging +15.29% mom and +38.42% mom respectively. The American economy also showed signs of considerable resilience, expanding at an annual rate of +2.0% in 1Q26 versus the previous quarter's +0.5%, albeit slightly below consensus' expectations. In Europe, the Stoxx50 index also enjoyed a +5.60% mom jump, as it too benefited from hopes of a Middle East conflict de – escalation and AI – related advancements. The European Central Bank (ECB) too congregated late in the month and decided to hold interest rates pat, like its U.S. counterpart, continuing its data – dependent approach amidst geopolitical uncertainty and inflation risks. Over in the East, it was the markets with heavily entrenched exposure to global AI chain that saw prodigious gains. The Taiwan Stock Exchange Weighted Index (Taiwan Semiconductor Manufacturing Company, the world's largest wafer fab, makes up > 40% of that index) soared +22.71% mom whilst the Korea Stock Exchange Index rocketed +30.61% mom.

In April 2026, Brent crude oil ended the month down 3.67% mom at USD114.01/ bbl, chiefly on hopes that U.S. and Iran were closing in on a diplomatic breakthrough which would hopefully usher in a lasting ceasefire deal. A proper cessation to the conflicts and a full reopening of the Strait of Hormuz would reestablish global energy supply lines and keep energy prices in check. Crude palm oil (CPO) also eased 4.76% mom, dragged by sluggish demand from key import nations and the anticipation of a seasonal recovery in production output.

Closer to home, the ASEAN markets exhibited mixed performances in April 2026. The Stock Exchange of Thailand plowed ahead with a +3.15% mom gain, as the market took a positive cue from the Middle East conflict de – escalation. It also rebounded on the back of the new Prime Minister's decisive victory in March 2026 which then led to the formation of a new and more stable government. Malaysia's FBMKLCI increased +1.87% mom also on account of the abating geopolitical tensions. On the macroeconomic front, our advance 1Q26 GDP growth came in at +5.3% yoy which was slightly below consensus' expectations whilst March 2026 S&P Global Malaysia Purchasing Managers' Index chalked an expansionary reading of 50.7 versus its prior reading of 49.3. In terms of initiatives, the Securities Commission and Bursa Malaysia rolled out the MY Value Up programme, "a collaborative initiative to support Malaysian public – listed companies (PLCs) in elevating their long – term value creation and transforming into globally attractive investment propositions". In terms of foreign equity market participation, the Malaysian equity market experienced a net foreign inflow of RM529.1m, bringing the YTD net total to RM3259.1m. The Straits Times Index of Singapore rose +0.56% mom, seemingly undeterred by the turmoil in the Middle East. In March 2026, its Non – Oil Domestic Exports (NODX) went up +15.3% yoy, which was ahead of consensus' expectations,

whilst electronic exports grew +74.0% yoy as compared to the previous month's +43.1% yoy. On the other hand, Indonesia's Jakarta Composite Index fell by 1.30% mom as it was weighted down by geopolitical and fiscal vulnerabilities. Furthermore, MSCI announced that it was extending its market status review on Indonesian equities to June 2026 to gauge the efficacy of its regulatory reforms and also raised the possibility of removing stocks with tightly – held ownerships from indices.

During the month, U.S. Treasury (UST) yields extended their upward trajectory, rising across most tenors by 5 – 8 bps mom as persistent geopolitical risks and robust labour data led markets to price out near – term rate cuts. The 10 – year UST yield closed the month 5 bps higher mom at 4.37%, reflecting heightened inflation concerns as the war with Iran kept energy prices elevated. U.S. consumer prices for March 2026 surged to +3.3% yoy (Survey: +3.4% yoy, February 2026: +2.4% yoy), the highest in nearly two years, driven largely by a spike in fuel and transport costs. Meanwhile, the U.S. labor market showed surprising resilience with revised March 2026 nonfarm payrolls jumping by 185k mom (Survey: +65k mom, February 2026 revised: -156k mom), far exceeding expectations while the unemployment rate ticked down to 4.3% (Survey: 4.4%, February 2026: 4.4%). At the April 2026 Federal Open Market Committee (FOMC) meeting, the Federal Reserve maintained the federal funds rate at 3.50% – 3.75% with a record four dissents, signaling a shift toward a more neutral bias. One dissented in favor of a quarter percentage point cut while another three “did not support the inclusion of an easing bias in the statement at this time”. The last time four members dissented was in 1992. Fed fund futures as of end – April 2026 indicated a minimal probability of rate cuts for the remainder of 2026, compared to earlier expectations of at least two cuts.

Locally, the Malaysian Government Securities (MGS) yields declined by 2 – 10 bps mom across the curve, supported by resilient domestic liquidity and a steady interest rate outlook. Malaysia's headline inflation accelerated to +1.7% yoy in March 2026 (Survey: +1.7% yoy, February 2026: +1.4% yoy) primarily due to a rebound in transport costs and higher prices for personal care and miscellaneous services. February 2026 Industrial Production Index (IPI) growth slowed to +3.1% yoy (Survey: +5.0% yoy, January 2026: +5.9% yoy), the slowest growth since June 2025, primarily driven by declines in both the electricity and manufacturing sectors. Demand for government papers remained robust with the last auction for the month for the new 20 – year MGS drawing a strong 2.88x bid – to – cover ratio despite the larger – than – expected issuance size.

Foreign funds net bought Ringgit bond holdings in April 2026 with net inflows of RM3.8bn (March 2026: net inflows of RM6.1bn), largely driven by private debt securities (PDS). The foreign share of MGS was flat at 34.1% (March 2026: 34.1%) while the foreign share of MGS+MGII declined marginally to 21.5% (March 2026: 21.6%). Malaysia's foreign reserves rose by USD3.1bn to USD129.7bn as of end – April 2026 (March 2026: USD126.6bn).

Market Outlook

In the near term, markets could remain volatile amidst acute geopolitical stress in the Middle East. Nevertheless, there was a glimmer of optimism that a diplomatic resolution could be achieved amongst U.S., Iran and Israel which would indubitably lead to the long – awaited reopening of the Strait of Hormuz. Its opportune reopening could herald the resumption of energy exports from that region, leading to an easing of energy costs and thus lowering inflationary pressures. The converse would apply should the strait be blockaded for an extended period. Locally, investors would be keeping watch over the possibility that the Middle East crisis could lead to a degree of austerity should the economic buffers in place begin to ebb. Apart from that, they would also be monitoring the execution and potential realignment of national priorities such as Budget measures, the National Energy Transition Roadmap (NETR), the 13th Malaysia Plan (13MP) and investment activities.

For now, we would be maintaining our constructive yet cautious stance on our outlook amid persistent market volatility and would continue to invest in fundamentally good long – term investments. We would also tactically and opportunistically take advantage of market volatility via a measure of trading activity. Lastly, we would remain heedful of any geopolitical developments and other emerging risks, to adapt to evolving market conditions.

According to the recent FOMC statement, U.S. economic activity would continue to expand at a solid pace, though inflation could remain somewhat elevated. Job gains remained low, and the unemployment rate has shown little change in recent months. While the implications of Middle East developments for the U.S. economy would remain uncertain, the FOMC would continue to be attentive to dual-mandate risks and committed to returning inflation to 2% over the longer run. Markets had reacted by pricing in a more hawkish path, with some participants anticipating that rate cuts initially expected in 2026 might be delayed or reduced in frequency due to persistent energy – related upside risks.

Following a better – than – expected growth performance of 5.2% in 2025, Bank Negara Malaysia (BNM) has expected the Malaysia's growth momentum to continue in 2026. Despite the situation in the Middle East, both BNM and International Monetary Fund (IMF) has recently raised their Malaysian 2026 GDP growth forecast to 4% – 5% and 4.7% respectively. These affirmations provide a degree of comfort that Malaysia is better positioned to weather external uncertainties. Both headline and core inflation in 2026 is expected to remain contained, reflecting domestic policy measures and stable demand conditions, which will mitigate the pass-through of external cost pressures to domestic prices. BNM remains vigilant, with the Monetary Policy Committee (MPC) ready to manage excessive volatility and support sustainable growth with price stability. We would continue to selectively accumulate bonds at reasonable valuations while prioritizing good quality names.

Target Fund Manager's Comment (For Allianz Global High Payout Fund)

What helped?

- During a strong market rebound and risk rally, the Fund could not hold up with its benchmark. However, the lagged performance is contained as the Fund is also allocated towards cyclical dividends, which did well in April.

What hurt?

- The defensive nature of the dividend styles could not hold up during a very strong market rebound. Dividend Yield, Dividend Reliability and Quality were lagging in April.

Market Review

Global equities rebounded sharply in April. The MSCI All Country World Index (ACWI) rallied amid hopes of de-escalating tensions in the Middle East. Despite the extension of the US-Iran and Israel-Lebanon ceasefires, market jitters resurfaced as Brent crude continued to soar and the prospect of further peace talks remained unclear. In addition, Middle East tensions were exacerbated as the Israeli military stepped up its campaign of airstrikes against Lebanon, despite the agreement and extension of a ceasefire. Tensions escalated at month-end amid reports that the White House was weighing renewed military strikes against Iran after US President Donald Trump rejected Tehran's offer to reopen the Strait of Hormuz in exchange for lifting the US blockade on Iranian ports. Separately, the United Arab Emirates (UAE) announced that it will quit the Organisation of the Petroleum Exporting Countries (OPEC) next month, casting doubts over the future of the oil cartel. Turning to the MSCI ACWI, Information Technology and Communication Services were the strongest sectors, with both generating robust double-digit gains. Less positively, Energy and Health Care finished the month in negative territory.

US equities closed April significantly higher. Wall Street rebounded sharply from losses in March, with the S&P 500 and Nasdaq Composite indices notching fresh all-time highs. Markets initially shrugged off the uncertainties surrounding the fragile ceasefire in the Middle East, focusing instead on optimism around a general de-escalation in the conflict. Brent crude prices remained elevated as a result of the continued closure of the Strait of Hormuz, although US exports of refined oil products rose to meet demand amid tightening global inventories. Sentiment was rattled again on reports that the US is weighing the resumption of military strikes against Iran, stoking fears of renewed escalation. More positively, markets were steadied by news that the Department of Justice had dropped its investigation into US Federal Reserve (Fed) Chair Jerome Powell, clearing the way for Kevin Warsh to be confirmed as head of the Fed when Powell's term finishes in May. Investors are looking ahead to next month's meeting between US President Donald Trump and Chinese President Xi Jinping in China amid optimism around a potential thaw in Sino-American relations. Washington will begin to process tariff refund applications filed through a new portal launched after the US Supreme Court's recent ruling struck down President Trump's so-called emergency tariffs.

European equities closed April higher but trailed the global index. Movements in the Stoxx 600 Index were largely driven by developments in the Middle East, with equities rising on ceasefire news and tentative progress in US-Iran peace talks, before giving back gains amid renewed attacks on commercial vessels in the Strait of Hormuz. Conflicting signals from Washington and Tehran around a potential end to the stalemate also rattled markets. More positively, sentiment was boosted by the landslide victory of Péter Magyar in Hungary's presidential elections, ending Viktor Orbán's 16-year rule and ushering in a new era of co-operation with the European Union (EU). Elsewhere, Tech stocks were lifted by record Q1 profits from Dutch semiconductor firm ASML, supported by continued strength in artificial intelligence (AI) demand.

Market Outlook

While the persistent Middle East conflict is still overshadowing market developments, investors appear quite calm so far. In the meantime, attention is shifting back to corporate reporting. Investors and analysts have high expectations for earnings. They forecast earnings growth of about 13% in year-on-year terms for the US market. Moreover, overall earnings forecasts have been raised since the beginning of the year – a trend which suggests that analysts remain optimistic, not least due to a significant number of upbeat corporate guidance releases. The picture is mixed at the sector level, however. Only a handful of sectors, among them Technology (and in particular AI) and Energy, are expected to register major earnings increases. In Europe, earnings growth looks set to be more moderate. While individual stocks might do well, the broad-based earnings development should remain limited. In Asia, the dynamic Tech sector will probably continue to be a major growth engine. As a rule, positive and negative surprises are likely to result in significant price reaction at the level of individual regions, sectors or stocks. In this environment, we recommend active management and a thorough analysis of the fundamentals, which will be key in the long term.

For Allianz Life Asia Multi-IncomePLUS Fund:

Target Fund Manager's Comment (For Allianz Asian Multi Income Plus)

Market Review

Asia ex Japan equities rebounded strongly in April, led by the Technology-heavy markets of South Korea and Taiwan, as the accelerating global artificial intelligence (AI) and semiconductor upcycle lifted chip leaders and their wider supply chains. In China, onshore A-shares outperformed offshore markets, with large internet platforms a source of funding rotation into companies offering more direct exposure to AI-related themes. Australian equities ended the month higher, although weak economic data weighed on sentiment. Indian equities also recovered part of their earlier losses, supported by continued strength in domestic inflows that helped offset ongoing foreign investor outflows. Overall, ASEAN markets lagged. Indonesia remained under pressure as investors mulled the prospect of MSCI's potential downgrade from emerging market to frontier status.

For fixed income, April saw a recovery in Asia credit markets supported by improving global sentiment and expectations of a potential easing in Middle East tensions. This led to a broad-based tightening in credit spreads across both investment grade (IG) and high yield (HY) segments. Asia credit spreads tightened by 10 basis points (bps) in IG and 48 bps in HY. The JACI (Asia Credit Index) returned 0.80% for the month, with gains largely driven by HY performance (2.04%) while IG posted more modest returns (0.62%). Performance was broad-based, with all countries ending in positive territory.

The Fund's return was positive in USD terms in April.

In the equity portfolio, a top contributor was Unimicron Technology, a Taiwanese manufacturer of integrated circuit (IC) substrate and printed circuit boards (PCB). The company recently delivered strong earnings. Structural supply constraints in the high-bandwidth memory (HBM) market further reinforced confidence, positioning Unimicron as a key beneficiary of the AI-driven semiconductor cycle.

On the other hand, a detractor was a Chinese AI company focused on the development and commercialisation of large-scale foundation models and AI applications. After a strong rally earlier in the year, the share price was weaker in April amid profit taking and some near-term caution around valuation and the timing of monetisation, despite continued progress in product development and adoption.

The asset allocation at the end of the month was 69.6% in Asian equities and 30.6% in Asian fixed income.

During the month, we initiated two new positions including a Taiwanese semiconductor chipmaker, as well as a Chinese manufacturer of power engines and systems, which should both be well positioned to benefit from accelerating global AI computing demand. Conversely, we exited our position in another Taiwanese semiconductor company within the same space, as well as a South Korean automobile manufacturer.

Within the fixed income sleeve, we increased our allocation to HY bonds to enhance portfolio income. In addition, we remained active in the primary market, selectively deploying capital into attractive new issuance opportunities.

At the end of the month, we held 68 equities and 80 fixed income securities. The equity portfolio yield was 2.8% (based on forward 12-month estimates), and the average fixed income coupon was 6.1% with an average credit rating of BB+ and average duration of 2.7 years.

For Allianz Life Asia Multi-IncomePLUS Fund:

Target Fund Manager's Comment (For Allianz Asian Multi Income Plus)

Market Outlook

While markets have settled somewhat since the onset of the Middle East conflict, Asia ex Japan equities continue to face a more volatile near-term outlook primarily via higher energy prices and risk sentiment rather than direct business exposure. Uncertainty around a weaker global economic outlook adds another layer of caution. However, much of the fears have been overshadowed by the strength of AI supply chain stocks in South Korea and Taiwan.

Elevated oil prices have a significantly different impact on key markets around Asia. Overall, we see China's diversified economy as relatively well positioned for extreme scenarios, especially after years of building self-reliance across energy, food, and supply chains. China has looked to reduce exposure to oil and gas and to hedge this via pipelines from Russia and Central Asia. Conversely, India is more vulnerable to events in the Middle East. It imports most of its oil and gas from the Gulf, relies heavily on the Strait of Hormuz for energy flows, and depends on the region for a large share of remittances, meaning any disruption can quickly feed through to inflation, the currency, and growth.

Looking beyond these near-term risks, we remain on the positive side on the outlook for Asia ex Japan equities over the long term. In particular, we expect Technology to remain a feature going forward. Companies with strong fundamentals, exposure to long-term structural trends, and a competitive edge remain in focus.

On the fixed income side, spreads have broadly retraced to pre-conflict levels, reflecting a sharp improvement in risk sentiment as tensions eased. This recovery has been swift and partly driven by a reduction in elevated cash levels at the height of the tensions. While the macro backdrop has stabilised, uncertainty remains elevated. In particular, we need to be mindful of the persistence of higher oil prices and the potential second-order impact on inflation and growth trajectories.

Collective Investment Schemes Fund Manager's Comment (For Maybank Malaysia Balanced-I Fund)

Market Review

Sukuk Market Review

The Malaysian government bond market navigated a choppy April, shaped by elevated global uncertainty stemming from the ongoing US–Iran conflict and its impact on oil prices and developed market rates. The 10-year MGS yield held steady around 3.56% by end-April, falling roughly 9bps over the month. Intra-month, the benchmark 5-year MGS yield traded around 3.32%. The curve exhibited a twist-steepening bias, with the ultra-long end cheapening on anticipated heavier duration supply in Q2 2026. Domestic institutional flows continued to anchor the market. Foreign participation remained supportive, albeit sensitive to global developments. Liquidity conditions stayed ample, contributing to orderly market functioning. Corporate bond spreads remained stable, particularly within high-quality investment-grade segments. Demand was driven primarily by pension funds, insurers, and banks, supporting market liquidity. Primary issuance remained healthy but selective, with continued participation from financial institutions and government-linked issuers.

Equity Market Review

Global equity markets rebounded strongly in April after a turbulent period driven by the Middle East conflict. The ceasefire provided a catalyst for the rally, but negotiations remain in a deadlock. As of writing, there has not been any progress, with the latest development being the US blockade in the Strait of Hormuz, on the already blockade by the Iranians. Even so, oil prices fell during the month, or at the very least lost some steam, suggesting that markets are pricing in a breakthrough. This is even as investor sentiment continues to swing from week to week. Elsewhere, the FOMC maintained its rates with a clear split between its members, but despite the outgoing Powell, rate cut hopes has substantially diminished brought by inflation concerns.

As aforementioned, Brent oil fell some 4% in April (although it is still up around 90% on a year-to-date basis). Elsewhere, reports of commodity shortages have swept globally with flight cancellation, LPG shortages, long queues for petrol etc. Metals were broadly up with LME Metal Index higher by 4.7% while LME Agri also up by 2.2%. Precious metal took a breather, as gold slipped 1.1%.

In currencies, the DXY Index fell 1.9% as both the Ringgit and the Baht were stronger against the greenback by 1.9% and 1.1% respectively. The Rupiah and the Pesos were weaker on 2.1% and 1.2% respectively on account of fiscal deficits and pressures from rising oil prices.

Asian equities, on the other hand, continued its momentum for the month as the AI euphoria reclaimed its centre stage again on strong 1Q earnings as well as higher capex guidance by the US tech names. This was largely on the DRAM, more specifically in the demand for High Bandwidth Memory (HBM), with said to include NAND moving forward. Tech heavy indices Korea, Taiwan, and Japan gained 30.6%, 22.7% and 16.1% respectively (in local currency terms). India perceived as reverse AI trade, managed a decent 6.9% while China, despite promising macro numbers was lower, offset by weak domestic demand.

Asean were mixed, lagged given the tech heavy performance elsewhere. Thailand was the best performer gaining 3.1% followed by Malaysia and Singapore which gained 1.9% and 0.6% respectively. Philippines and Indonesia both fell during the month by 1.9% and 1.3% respectively.

Closer to home, the easing geopolitical tensions also led the KLCI to climb 1.9% to 1,722pts, the first monthly gain since January of this year. Gainers in the constituents were both the YTL stocks, Gamuda and Sunway Berhad while Petronas Dagangan, AMMB and Sunway Healthcare were the bottom performers. Corporate news was perhaps the highlight for the month, as the IJM deal fell through while there were several new IPOs for the month. On the broader market, and like regional markets, the technology sector surged during the month, benefiting from the AI capex theme while construction, industrials and property also saw gains during the month. Construction had a decent rebound after concerns on construction costs given the rising costs inflicted by the middle east conflict. Also, mitigating the effect were local players exposure in the data centre builds, which is said to able to pass on the higher material costs. Having said that, exposure to infrastructure and property-related projects which are generally longer and price-sensitive may see margin compression or some form of negative effects e.g. postponement etc. Financials, plantations and healthcare were decliners.

In macroeconomics, 1Q26 advance GDP growth moderated to 5.3% yoy (4Q25: +6.3%) while exports slowed to 8.3% yoy in March 26. Inflation on the hand rose 1.7% yoy. Elsewhere, Securities Commission Malaysia's MY Value Up Programmed help lift sentiment, with market observers comparing the success stories in other Asian countries especially in Singapore and Korea. Foreign turned net buys for the month, recording RM241m in inflows into industrials, financials, and plantations. This was from net selling of RM55m in March, which brings the year-to-date net inflow of RM2.98bn.

Collective Investment Schemes Fund Manager's Comment (For Maybank Malaysia Balanced-I Fund)

Market Outlook

Sukuk Outlook & Strategy

Looking ahead, the outlook for 2026 remains cautiously constructive for emerging markets (EMs), including Malaysia, supported by continued expectations of US Fed rate cuts (although waning), a softer US dollar, and resilient regional growth dynamics. However, near-term volatility is expected to persist, particularly in relation to the US-Iran tension and the potential outcome of the ongoing negotiations. Nevertheless, the impact on the domestic fixed income market is expected to remain manageable, supported by Malaysia's resilient domestic demand, stable liquidity conditions, and a steady issuance pipeline.

From a portfolio positioning standpoint, we continue to favour mid-tenor corporate sukuk that offer attractive carry relative to government securities. We maintain a neutral to slightly overweight duration stance, balancing our constructive medium-term view on rates against near-term volatility and supply pressures, particularly at the longer end of the curve.

While we will continue to tactically seek entry opportunities in government sukuk for trading purposes, our core allocation remains overweight in corporate sukuk to anchor the Fund's income generation. Corporate credits generally offer higher yields and exhibit lower price volatility, helping to cushion against potential mark-to-market fluctuations amid further rate volatility. Our credit selection strategy remains focused on high-quality AA-rated and selective single-A rated issuers, where we continue to see consistent value in terms of yield pickup and credit stability. We will remain active in the primary market to capture attractive new issuances, while continuing to selectively add exposure in the secondary market where recent spread adjustments have created more compelling entry levels.

Equity Outlook & Strategy

Moving forward, geopolitics risks are likely to remain on investors mind while the time frame for permanent amicable outcome has become narrower. This is because it is said that the stockpiles related to the energy sector is said to be around 45 days. While a ceasefire is currently at place, the risk would be on the prolonged effects from the war such as supply constraints on key commodity supply. The extent of conflict if it is dragged from weeks to months will point to a higher structure risks premium for the equity market.

More importantly is the progress of the Strait re-opening besides narrative of a deal happening. Similarly, with the energy supply shock reverberating the financial markets, this has now clearly delayed the expectations of delaying any policy easing, keeping the interest rates higher for longer. It remains to be seen whether near-term inflation volatility would then lead to then interest rate volatility to then be disruptive for equity market valuations. The disruption or rather surge in energy prices would invariably lead to tighter financial conditions and weaker sentiment (less spending) will ultimately hamper growth and earnings outside of the AI theme. Market sentiment as aforementioned suggests these risks are not factored in yet. Another factor has been, even prior to the war has been on the private credit which still an issue to the financial markets.

As we weather through the bouts of volatility, we continue to adopt a barbell approach in our portfolio, by having a balance exposure of defensive and growth sectors gravitating towards domestic oriented themes/events and yielders, to navigate market volatility while remaining nimble in our approach. Sector wise, we continue to focus on utilities (renewables) and beneficiaries of the AI/DC theme related supply chain picks and shovels, which does not seem to abate as of now. Renewables have re-gained momentum with the inaugural award for MyBeST BESS project (battery energy storage system). Another sub-sector that has also been gaining traction is the water infrastructure and services given the strong demand, which has also been amplified by DC demand. Lack of investment over the past decades has recently found a new lease of life.

For Allianz Life All China Equity Fund, Allianz Life All China Equity Fund (USD) and Allianz Life All China Equity Fund (MYR-Hedged):

Target Fund Manager's Comment (For Allianz All China Equity)

Market Review

The Fund outperformed the benchmark in April. Positive stock selection in the Industrials and Information Technology sectors was the main contributor.

At a stock level, a key contributor was Suzhou Dongshan Precision, a printed circuit board (PCB) manufacturer and key supplier of flexible circuit boards (FPCs) to Apple. The market is increasingly seeing Dongshan as the beneficiary of artificial intelligence (AI) driven computing demand, rather than a legacy PCB manufacturer. Last year's acquisition of Source Photonics, which added optical solutions to its product mix, has helped to position Dongshan higher up the AI hardware value chain.

Conversely, a detractor was Minimax, an AI company focused on the development and commercialisation of large-scale foundation models and AI applications. After a strong rally earlier in the year, the share price was weaker in April amid profit taking and some near-term caution around valuation and the timing of monetisation, despite continued progress in product development and adoption.

Market Outlook

Against the backdrop of the ongoing Middle East conflict, China continues to look better placed than most in our view, validating its strategy of large-scale stockpiling of key commodities. While much of the focus has been on China's huge oil reserves, in practice this is only one of many commodities stockpiled in the face of an increasingly volatile geopolitical environment. There is a long list of other products including foodstuffs such as rice, wheat and corn as well as reserves of metals – copper, aluminium, zinc, cobalt and nickel, to name a few.

The enhanced self-sufficiency of China's economy has, in our view, been a key factor in the relative stability of its financial markets. This has been reinforced by Moody's upgrading China's outlook to "stable" from "negative", citing resilient economic and fiscal strength.

Not only have China A-shares in particular recovered the ground lost in March at the outset of hostilities in the Middle East, but fixed income and currency markets have also been standout performers. While most global bond markets have moved to price in higher inflationary expectations, China's 10-year government bond yield remains at similar levels as the beginning of March. The renminbi has continued to appreciate against the US dollar and is now around 2.3% stronger year-to-date.

A key unknown at this stage is how the disruption to global trade and the wider global economy will impact the Chinese economy if the conflict is prolonged. With export growth likely to moderate in coming months, some additional stimulus to boost domestic demand may be necessary if this year's gross domestic product (GDP) growth target of 4.5-5.0% is to be met. However, with Q1 GDP recently coming in at 5.0%, and signs of green shoots in tier-1 city property markets, we do not expect any significant policy course correction for the time being.

In this environment, the focus in China equity markets continues to be firmly on the Tech space, particularly in AI-related stocks. This has been reinforced by a flurry of eye-catching events and corporate announcements. In contrast, internet platform and ecommerce stocks have been weaker, explaining why the offshore market has lagged over the month.

In 2025 at the inaugural Beijing humanoid robot half marathon, the winning time was 2 hours and 40 minutes. Of 21 robots competing, only 6 finished the race. In the same race this year, the winning time was 50 minutes – beating the men's half marathon world record. Over 300 robots competed, highlighting how rapidly humanoid robot capability is scaling under real-world conditions.

In another Tech-related area, Contemporary Amperex Technology (CATL) – the world's largest electric vehicle (EV) battery maker – recently showcased a new battery capable of allowing an EV to drive 1,500 kilometres on a single charge – the equivalent of driving from Frankfurt to Barcelona, or Madrid to Milan. Its latest ultra-fast charging battery can also now achieve a full charge in just six minutes, reinforcing China's leadership in addressing long-standing concerns around battery charging time, range anxiety and performance in extreme temperatures.

The ChiNext market – launched in 2009 as a growth enterprise board for innovative companies, in some ways similar to Nasdaq's role for US Technology firms – has recently returned to peak levels, marking a full recovery from the weak macro/property period.

For Allianz Life All China Equity Fund, Allianz Life All China Equity Fund (USD) and Allianz Life All China Equity Fund (MYR-Hedged):

Target Fund Manager's Comment (For Allianz All China Equity)

We have not changed portfolio positioning significantly in reaction to events in the Middle East. However, we did use the market pullback as an opportunity to build exposure in companies leveraged to AI and electrification. As part of this, we initiated holdings in a stock linked to power grid stability as well as a supplier of critical semiconductor manufacturing equipment. Overall, we maintain a preference for innovative companies with proven research and development (R&D) capabilities and an ability to capture and expand market share.

At month end, the Fund has around 45% in China A-shares. The portfolio continues to have relatively close-to-benchmark sector allocations, so that stock selection remains the key relative performance driver. At month end, the largest sector overweight is Industrials (+4.9%), while the largest underweight is Consumer Discretionary (-3.5%).

For Allianz Life Global Artificial Intelligence Fund, Allianz Life Global Artificial Intelligence Fund (USD) and Allianz Life Global Artificial Intelligence Fund (MYR-Hedged):

Target Fund Manager's Comment (For Allianz Global Artificial Intelligence)

Market Review

Global equity markets rebounded sharply in April, reversing the March's drawdown as expectations of de-escalating tensions in the Middle East improved sentiment, although negotiations remain ongoing and the path to resolution is still uncertain. Equity performance was broadly positive across regions, with leadership from the US and Asian markets tied to the global semiconductor supply chain. Artificial intelligence (AI) and Technology-related stocks outperformed during the month, driven by renewed optimism around AI adoption and strong earnings results across the ecosystem, while the Nasdaq Composite posted its strongest monthly gain since April 2020 and closed at record levels. From a sector perspective within the MSCI ACWI, Information Technology and Communication Services were the best performing sectors. On balance, Health Care and Energy were the only sectors with negative absolute returns.

On the macroeconomic front, the data remained resilient. Non-farm payrolls data showed that the US economy added a better-than-expected 178,000 jobs in March, while the US unemployment rate crept back down from 4.4% in February to 4.3% in March. March Institute of Supply Management (ISM) manufacturing expanded for a third-straight month. US consumer price index (CPI) for March was in line with expectations, rising 0.9% month-over-month, accelerating from 0.3% in February due to higher energy prices, while core CPI increased 0.2%, below the 0.3% consensus expectation. The US Federal Reserve (Fed) held the federal funds rate steady at a target rate of 3.50%-3.75%, with four dissenting voters underscored an ongoing debate on the monetary policy outlook. Other major central banks, the European Central Bank (ECB), Bank of England (BoE), Bank of Japan (BoJ), and People's Bank of China (PBoC) also left policy settings unchanged during the month.

Commodity markets were again shaped by geopolitical developments. Oil prices remained elevated in April, with Brent crude trading above recent averages amid ongoing disruptions to energy flows through the Strait of Hormuz and continued uncertainty around Middle East supply conditions. Brent Crude closed the month around USD 110 a barrel. Gold prices were range-bound during the month, as expectations for higher interest rates weighed on non-yielding assets. The precious metal ended in April at roughly USD 4,600 per ounce.

During the period, the Fund significantly outperformed the blended benchmark (50% MSCI ACWI Index/50% MSCI World Information Technology Index). The Fund continues to outperform over the year-to-date period, spanning the period before the Iran conflict, through the escalation and recent de-escalation recovery in April.

From a sector perspective, Information Technology and Industrials were the largest contributors, while Health Care and Communication Services were offsetting. Overall portfolio outperformance was driven by the AI infrastructure dimension, with notable strength across hardware and semiconductor holdings benefitting from strengthening AI data centre spending. AI-enabled industries delivered positive absolute returns but underperformed due to our Health Care and Communication Services holdings. On balance, AI applications underperformed as investor sentiment remained cautious on broader software demand. However, the impact on relative performance was limited given the smaller allocation to this dimension.

Contributors

Top contributor over the period, Celestica Inc. is a leading electronics manufacturing services (EMS) company that designs, builds, and supplies critical hardware infrastructure – such as servers, storage systems, and networking switches – for AI data centres and hyperscale customers. The share price strength was driven by strong quarterly results and a materially higher full-year outlook, underpinned by robust demand for AI networking and compute. Celestica remains a beneficiary of an AI infrastructure built out from hyperscale cloud customers. Demand for Celestica's advanced networking hardware and storage solutions should benefit from this multi-year investment cycle.

Flex Ltd. is a leading contract manufacturer, offering solutions that span from initial design to manufacturing through the life cycle of customer product. Shares were higher alongside other companies associated with data-centre hardware and power infrastructure. Looking forward, Flex remains a key provider of advanced manufacturing solutions and operates global supply chains across a diverse set of industries, including AI hyperscalers. Flex is involved in producing high-performance AI server racks as well as power solutions for AI data centres, positioning the company to capitalise on the AI infrastructure buildout.

For Allianz Life Global Artificial Intelligence Fund, Allianz Life Global Artificial Intelligence Fund (USD) and Allianz Life Global Artificial Intelligence Fund (MYR-Hedged):

Target Fund Manager's Comment (For Allianz Global Artificial Intelligence)

Detractors

Eli Lilly and Co. is a leading pharmaceutical company, complemented by AI-driven drug discovery initiatives. Shares underperformed amid heightened concerns of greater competition in the obesity drug market earlier in the month. However, the stock pared losses in late April following earnings results that significantly exceeded expectations. Looking forward, the company's growth prospects remain attractive driven by its robust drug pipeline and franchises, which include oncology, diabetes and central nervous systems. Eli Lilly's innovation in obesity treatments with promising oral treatments is another key growth driver to expand its addressable market.

Another detractor, Merck & Co., Inc. is a leading global biopharmaceutical company. Its core businesses include human pharmaceuticals and animal health solutions. Although the company delivered solid earnings results, shares underperformed amid some growing concerns on competition for its two products, Keytruda and Gardasil. Looking forward, the company is leveraging AI to address bottlenecks in the traditional drug development process – where success rates remain low – potentially shortening the typical 10+ year timeline to bring new therapies to patients while maintaining rigorous scientific standards.

New Buys and Sells

We initiated a position in Nokia as we believe the company is emerging from a multi-year restructuring effort and is a beneficiary of the AI infrastructure buildout as a communications infrastructure company that enable customers to build and operate high performance networks. As AI data centres scale, demand rises for high capacity optical transport, data centre interconnect, and automation software – all areas where Nokia participates. Management has specifically cited AI and cloud demand as a driver for parts of its network infrastructure business, particularly in optical and internet protocol (IP) networking.

In addition, we initiated a position in UnitedHealth Group, Inc., the largest diversified health care company in the US, operating through UnitedHealthcare, its health insurance arm, and Optum, which provides pharmacy benefit management services. This integrated payer-provider-services model supports better outcomes and more durable earnings visibility. Further, adoption of AI across Optum is enhancing efficiency, unlocking new revenue opportunities and strengthening the company's value proposition across the health care ecosystem.

We exited Wells Fargo & Co. as the company missed revenue and net interest income expectations, as the bank is experiencing some near-term execution issues. We chose to take the proceeds to increase our other positions in the Financials sector that have been executing better.

The remaining position in power utility Constellation Energy Corp. was sold during the month, as the company is experiencing some uncertainty around the timing of the Three Mile Island restart and potential delays in some transmission projects.

Market Outlook

Despite recent volatility, we maintain a constructive longer-term outlook for equities. Ongoing negotiations with Iran have helped provide some additional visibility on the potential path towards de-escalation, although the timing and outlook remains uncertain. At the same time, markets have recently demonstrated a willingness to look through geopolitical uncertainty and refocus on corporate fundamental factors, supported in part by healthy Q1 earnings results. Within this context, we continue to maintain a balanced portfolio of companies benefitting from innovation and favour those better positioned to navigate a more complex environment. There may be opportunities to upgrade select names and add to high conviction ideas amid any market volatility to better position the portfolio for improved performance.

Over the intermediate term, an improved economic and earnings growth backdrop across more sectors should drive a broadening out effect in the equity market. Many major central banks have cut interest rates or signalled a bias for future cuts to keep financial conditions supportive of economic growth. In the US, the Trump administration's pro-business agenda also provides tailwinds through tax cuts, deregulation, domestic investments, and manufacturing reshoring. These efforts should help stimulate growth for both consumers and corporations across more areas of the economy as the conflict with Iran eases.

The topic of an AI bubble has been a key area of focus for the media and many investors. In our view, it is too early to draw a conclusion. We think it is important to highlight that current valuations and capital intensity are materially lower than the dotcom bubble. Also, the AI capital expenditure cycle is being funded by some of the biggest and most profitable companies in the world. There are likely pockets of speculation with some data centre projects and private companies, and we may see period of digestion at some point in a few years.

For Allianz Life Global Artificial Intelligence Fund, Allianz Life Global Artificial Intelligence Fund (USD) and Allianz Life Global Artificial Intelligence Fund (MYR-Hedged):

Target Fund Manager's Comment (For Allianz Global Artificial Intelligence)

While the Technology sector may continue to perform well, we expect improved earnings growth from a wider set of companies across other sectors. This should lead to broader equity market participation, creating a healthier and more balanced environment compared to one dominated by a concentrated group of mega cap stocks. The Fund is designed to invest across a broad spectrum of technologies and industries embracing the disruptive power of AI. This includes sectors such as Financials, Health Care, Consumer, and Industrials that are beginning to see early benefits from AI. As earnings re-accelerate across more companies and sectors, we believe this creates compelling stock selection opportunities for our diversified AI investing approach.

From an innovation perspective, progress with AI development is accelerating as more powerful capabilities become readily available from this robust infrastructure buildout wave. We are beginning to enter the next wave, where AI pilots go into production. The advancements of AI-enhanced products or services can drive new levels of productivity, cost savings and revenue opportunities across industries. Given the transformative potential of AI investments, we believe profit margins may not simply hold steady but could in fact grow, supporting valuations for innovative companies that are investing now to disrupt the status quo.

AI infrastructure: The ongoing expansion of global AI data centres remains stronger than many investors appreciate, and concerns about capital spending are likely to persist as we climb the wall of worry. There are many bottlenecks to this new AI industrial revolution buildout, which continues to provide many compelling opportunities. Some key areas include accelerated computing chips, semiconductor manufacturing equipment, power production and power efficiency, and advanced networking.

AI applications: Over the next few years, AI applications and software will evolve from being helpful tools to a partner that acts on our behalf. We are moving away from the era of "static apps" toward a future of "collaborative autonomous agents" that can reliably act, remember context over time, and adapt to any situation. This new wave of intelligent applications should drive more automation, deliver significant efficiency gains, and open new monetisation opportunities. While the 2025 software spending environment has been mixed, we believe the backdrop could stabilise and improve in 2026.

AI-enabled industries: We are still in early stages of true AI adoption across industries. Innovative companies that have been early AI adopters are moving more pilot projects into production, accelerating financial and competitive benefits compared to their peers. We believe leading AI adopters in the Financial Services, Health Care, Industrials and Consumer sectors are beginning to see the early benefits of AI driving better financial results. These opportunities remain underappreciated by investors and represent an attractive area for alpha generation in our view.

The AI revolution is only beginning, and its trajectory promises to dramatically reshape the global economy. Recent advancements in AI demonstrated its potential, yet we are only in the early chapters of a much larger transformation that will gain momentum as innovation brings us closer to artificial general intelligence – potentially within the next decade. AI is rapidly redefining processes and competitive dynamics in every sector. In the next decade of AI, we believe more alpha generation may come from the companies that help enable AI transformation. The innovators in each industry will be ones that truly embrace AI to significantly boost productivity, reduce costs, and launch new products or services. Stockpicking will be essential to capturing the benefits of this opportunity, especially in an environment characterised by disruption and change. As we have done since the launch of the Fund almost a decade ago, our focus remains on identifying the innovative companies best positioned to leverage AI to deliver the most shareholder value creation over the long term.

For Allianz Life Oriental Income Fund, Allianz Life Oriental Income Fund (USD) and Allianz Life Oriental Income Fund (MYR-Hedged):

Target Fund Manager's Comment (For Allianz Oriental Income)

Market Review

Asia Pacific equities rebounded strongly in April, led by the Technology-heavy markets of South Korea and Taiwan, as the accelerating global artificial intelligence (AI) and semiconductor upcycle lifted chip leaders and their wider supply chains. In China, onshore A-shares outperformed offshore markets, with large internet platforms a source of funding rotation into companies offering more direct exposure to AI-related themes. Indian equities also recovered part of their earlier losses, supported by continued strength in domestic inflows that helped offset ongoing foreign investor outflows. Overall, ASEAN markets lagged. Indonesia remained under pressure as investors mulled the prospect of MSCI's potential downgrade from emerging market to frontier status.

Japanese equities participated in the global rebound, with the Nikkei 225 reaching a succession of record highs during the month. A Technology-driven rally briefly pushed the index above the 60,000 level before profit taking emerged ahead of the Golden Week holidays. Monetary policy remained in focus, with the Bank of Japan (BoJ) voting to hold the policy rate at 0.75% as expected, although a narrower 6-3 vote signalled a more hawkish tilt. Economic signals were mixed. The BoJ's quarterly Tankan survey showed an improvement in business sentiment entering Q1, while rising fuel costs and associated inflation pressures continued to cloud the outlook.

The Fund outperformed the benchmark in April. Stock selection was the key driver, with Taiwan and Japan picks leading the contributors. At the sector level, Technology was the standout area, with several of our conviction names delivering strong performance during the month.

At a single stock level, a top contributor was a baseboard management control supplier from Taiwan. This business plays a significant role in the global AI supply chain, especially given its relationships with hyperscalers and dedicated enterprise customers. Beyond this, the company is expanding its footprint into the smart factory and automation space. The stock performed well as AI server investment remained resilient.

Conversely, a key detractor last month was an Australian health care technology name with a specialty in advanced lung imaging. The company develops software that turns ordinary chest computed tomography (CT) or X-ray scans into detailed, functional maps of the lungs. The stock was vulnerable to market rotation after strong year-to-date performance.

We have not made significant changes to the portfolio as a result of the Middle East situation and at this stage have no plans of doing so. However, we are monitoring markets closely for opportunities in the more volatile environment. For example, we added a Japan-listed Energy name with a particular focus on gas, which we believe will be more valuable in an environment where fossil fuel prices remain higher for longer.

At a sector level, Industrials is a key overweight, including exposure to aerospace and defence companies. We also continue to see AI as having a transformational impact on many businesses across sectors. As such, not only is Technology an overweight sector, but we also see opportunities in other areas such as Health Care. We maintain our conviction around the pace of drug discovery and development, particularly as biopharma companies continue to integrate AI applications.

At a geography level, there are overweight positions in Taiwan and New Zealand, an outcome of stock selection. A significant proportion of the Fund remains invested in mid and small cap stocks, which can lead to shorter-term volatility but has historically been a key source of added value and an area where we believe we can find differentiated ideas that are mispriced.

For Allianz Life Oriental Income Fund, Allianz Life Oriental Income Fund (USD) and Allianz Life Oriental Income Fund (MYR-Hedged):

Target Fund Manager's Comment (For Allianz Oriental Income)

Market Outlook

While markets have settled somewhat since the onset of the Middle East conflict, Asian equity markets continue to face a more volatile near-term outlook primarily via higher energy prices and risk sentiment rather than direct business exposure. Uncertainty around a weaker global economic outlook adds another layer of caution. However, much of the fears have been overshadowed by the strength of AI supply chain stocks in South Korea and Taiwan.

Elevated oil prices have a significantly different impact on key markets around Asia. Overall, we see China's diversified economy as relatively well positioned for extreme scenarios, especially after years of building self-reliance across energy, food, and supply chains. China has looked to reduce exposure to oil and gas and to hedge this via pipelines from Russia and Central Asia. Conversely, India is more vulnerable to events in the Middle East. It imports most of its oil and gas from the Gulf, relies heavily on the Strait of Hormuz for energy flows, and depends on the region for a large share of remittances, meaning any disruption can quickly feed through to inflation, the currency, and growth.

Japan is also a net importer of oil and, therefore, if oil prices are sustained at significantly higher levels, this could have a material economic impact. For the time being, we do not see a risk of energy shortages. We also believe structural drivers remain in place for a more positive longer-term outlook. Ongoing governance reforms should contribute to improved earnings as well as a greater focus on shareholder value. We also see the yen as significantly undervalued.

In this environment, we are looking for opportunities to add to stocks that have been overly punished in the market weakness. Companies with strong balance sheets, exposure to long-term structural trends and a competitive edge remain in focus.

For Allianz Life Total Return Asian Equity Fund:

Target Fund Manager's Comment (For Allianz Total Return Asian Equity)

Market Review

Asia ex Japan equities rebounded strongly in April, led by the Technology-heavy markets of South Korea and Taiwan, as the accelerating global artificial intelligence (AI) and semiconductor upcycle lifted chip leaders and their wider supply chains. In China, onshore A-shares outperformed offshore markets, with large internet platforms a source of funding rotation into companies offering more direct exposure to AI-related themes.

Indian equities also recovered part of their earlier losses, supported by continued strength in domestic inflows that helped offset ongoing foreign investor outflows. Overall, ASEAN markets lagged. Indonesia remained under pressure as investors mulled the prospect of MSCI's potential downgrade from emerging market to frontier status.

The Fund outperformed the benchmark in April. Stock selection among Taiwan Technology names was the key source of added value.

At a stock level, a top performer was Delta Electronics from Taiwan, a leading supplier of power supply and cooling systems, which are necessary for powering the AI supply chain. AI workloads require massive, reliable, energy dense power – and this is where Delta excels. Delta's shares have benefitted from growth across a suite of digital and electric areas such as AI servers, robots, electric vehicles (EV) chargers, data centres, and smart factories.

Conversely, our overweight position in Singapore Telecommunications (Singtel) was a detractor last month. The company owns and operates telecom networks, sells enterprise digital services, runs data centres and cloud infrastructure, and holds stakes in major regional mobile operators. April saw strong inflows into AI-exposed Tech and semiconductor stocks, while more defensive yield names like Singtel lagged. This follows a more resilient month for its shares during the downturn in March.

We have not made significant changes to the portfolio as a result of the Middle East situation, and at this stage have no plans of doing so. However, we are monitoring markets closely for opportunities in the more volatile environment.

In that regard, we repositioned somewhat in China during the month, where we rotated out of some consumer-related names and added new positions in Health Care, EV, power systems, and semiconductors.

As a result, the portfolio is overweight in Australia and Taiwan and underweight in India. At a sector level, Information Technology is the primary overweight positions, while Industrials is most underweight. Top names in the portfolio at month-end were Samsung Electronics, TSMC, and SK Hynix.

Market Outlook

While markets have settled somewhat since the onset of the Middle East conflict, Asian equities continue to face a more volatile near-term outlook primarily via higher energy prices and risk sentiment rather than direct business exposure. Uncertainty around a weaker global economic outlook adds another layer of caution. However, much of the fears have been overshadowed by the strength of AI supply chain stocks in South Korea and Taiwan.

Elevated oil prices have a significantly different impact on key markets around Asia. Overall, we see China's diversified economy as relatively well positioned for extreme scenarios, especially after years of building self-reliance across energy, food, and supply chains. China has looked to reduce exposure to oil and gas and to hedge this via pipelines from Russia and Central Asia.

Conversely, India is more vulnerable to events in the Middle East. It imports most of its oil and gas from the Gulf, relies heavily on the Strait of Hormuz for energy flows, and depends on the region for a large share of remittances, meaning any disruption can quickly feed through to inflation, the currency, and growth.

In this environment, we are looking for opportunities to add to stocks that have been overly punished in the market rotation. Companies with strong balance sheets, exposure to long-term structural trends, and a competitive edge remain in focus.

For Allianz Life Global Income Fund:

Target Fund Manager's Comment (For Allianz Global Income)

Market Review

Global equity and fixed income markets finished higher in April, as investor focus shifted towards a potential end to the Middle East conflict along with corporate earnings. Almost two-thirds of the way through the Q1 reporting season, more than 80% of S&P 500 companies surpassed bottom-line estimates, with the index on pace to deliver its highest quarterly earnings growth and surprise percentage since 2021. Several economic data points were better than expected including durable goods orders, retail sales, and weekly jobless claims. The US Federal Reserve (Fed) took no action at April's Federal Open Market Committee (FOMC) meeting, and the 10-year US Treasury yield settled higher at 4.39%.**

In this environment, key markets closed lower:

- Global equity markets, as measured by the MSCI World Index, returned +9.64%.*
- Global convertible securities, as measured by the ICE BofA Global 300 Convertible Index, returned +10.77%.**
- Global high yield bonds, as measured by the ICE BofA Global High Yield Index, returned +2.34%.**
- Global fixed income, as measured by the Bloomberg Global Aggregate Index, returned +1.25%.^

The portfolio was positively impacted by strength in global equity and fixed income markets.

Top contributors were primarily linked to optimism around the artificial intelligence (AI) buildout, reinforced by strong earnings reports that reflected significant demand for compute and managements reaffirming or raising capital expenditure (capex) guidance. Beneficiaries comprised several semiconductor companies, including Nvidia and Broadcom, hyperscalers such as Alphabet and Amazon, and infrastructure plays tied to data storage, networking, and power generation. The other top contributor in the period was Apple, which reported strong top-line growth and announced an executive transition that was well-received.

Top detractors were Health Care companies, including Johnson & Johnson and several other pharmaceutical positions, that settled lower after advancing earlier in the year. An exploration and production company that surpassed analyst estimates consolidated sharp Q1 gains. AI disruption fears weighed on a software position, a telecom provider was impacted by near-term monetisation concerns, and a cruise line operator finished lower despite reporting a beat-and-raise quarter.

Most option positions expired below strike and the portfolio was able to retain the set premiums.

Exposure increased the most in Consumer Discretionary, Communication Services, and Financials, and decreased the most in Technology, Health Care, and Industrials. Covered call option positioning decreased month-over-month.

Market Outlook

The outlook for 2026 remains unchanged. Conflict headwinds may offset some of the AI proliferation, reindustrialisation, and fiscal and monetary policy tailwinds. On the other hand, Q1 results are surpassing expectations, management outlooks are constructive, earnings estimates continue to trend higher, and multiple datapoints indicate sustained economic growth.

Going forward, corporate investment, consumer spending (helped by tax cuts/refunds), less regulation, energy and defence spending, and credit expansion could support gross domestic product (GDP) growth. Conversely, a prolonged conflict in the Middle East lengthens the recovery period, pushing out eventual stability in commodity markets, supply chains, and geopolitics. The investment team continues to closely monitor the situation including the potential effects of higher energy prices on consumption, margins, sales, inflation, government debt yields, monetary policy, and capex plans.

2026 earnings estimates are trending higher driven by better-than-expected results, AI spend, earnings breadth expansion, productivity gains, durable margins, cost controls, and energy sector strength. Earnings breadth expansion could lead to a sustained broadening out of market leadership. Headwinds include risks cited above and rising operating expenses, among others, with the view that shifts in the use of free cash flow have trade-offs.

Return expectations for 2026 also remain unchanged. Convertible securities could outperform equities again and high yield bonds could deliver another year of coupon-like returns. Given their defensive characteristics, convertible securities, high yield bonds, and investment grade bonds can mitigate market volatility better than equities, which historically average a mid-teens intra-year decline even in annual periods of positive returns.

For Allianz Life Global Income Fund:

Target Fund Manager's Comment (For Allianz Global Income)

Global convertible securities have an attractive asymmetric return profile, providing upside participation potential when stock prices rise and downside mitigation when stock prices fall. The asset class is on pace to outperform the broad equity market again in 2026, helped by solid earnings growth, expanding market breadth, stable credit spreads, and robust new issuance. After a record year of new issuance in 2025, primary market activity likely slows in 2026 but remains elevated around USD 105-115 billion.# Aside from diversification benefits, new issuance expands the opportunity set of investments with attractive terms and the desired risk/reward characteristics.

The global high yield market, yielding above 7%^, offers equity-like returns but with less volatility. The asset class is expected to deliver another year of coupon-like returns in 2026. The market's attractive total return potential is a function of its discount to face value and higher coupon, which also serves to cushion downside volatility. Credit fundamentals are stable, near-term refinancing obligations remain low, and management teams continue to exercise balance sheet discipline. Additionally, the market's credit quality composition has improved. In this environment, new issuance is expected to remain steady, spreads can stay tight, and the default rate should continue to reside below the historical average.

Global investment grade corporate bond's risk/reward opportunity is compelling. A coupon-like return is possible for the asset class in 2026. The market's attractive total return potential is a function of its discount to face value and higher coupon, which also serves to cushion downside volatility. Credit fundamentals are steady with limited default risk. In this environment, spreads can remain tight. If the 10-year US Treasury yield finishes 2026 near the lower bound of the expected range of 3.5-4.5%, the asset class return could exceed mid-single digits.

A covered call options strategy can be utilised to generate premium income. In periods of elevated or rising equity volatility, premiums collected may translate into more attractive annualised yields.

Collectively, these asset classes can provide a steady source of income and a compelling "participate and protect" return profile.

The Fund is a client solution designed to provide high monthly income, the potential for capital appreciation, and less volatility than an equity-only fund.

All data are sourced from Allianz Global Investors dated 30 April 2026 unless otherwise stated.

* Source: MSCI, as at 30 April 2026

^ Source: Bloomberg, as at 30 April 2026

** Source: BofA Merrill Lynch, as at 30 April 2026

^^ Source: ICE Data Services, as at 30 April 2026

Source: BofA Research, as at 30 April 2026

Target Fund Manager's Comment (For Allianz Thematica)

Market Review and Outlook

Global equities rebounded sharply in April. The MSCI All Country World Index (ACWI) rallied amid hopes of de-escalating tensions in the Middle East. Despite the extension of the US-Iran and Israel-Lebanon ceasefires, market jitters resurfaced as Brent crude continued to soar and the prospect of further peace talks remained unclear. In addition, Middle East tensions were exacerbated as the Israeli military stepped up its campaign of airstrikes against Lebanon, despite the agreement and extension of a ceasefire. Tensions escalated at month-end amid reports that the White House was weighing renewed military strikes against Iran after US President Donald Trump rejected Tehran's offer to reopen the Strait of Hormuz in exchange for lifting the US blockade on Iranian ports. Separately, the United Arab Emirates (UAE) announced that it will quit the Organisation of the Petroleum Exporting Countries (OPEC) next month, casting doubts over the future of the oil cartel. Turning to the MSCI ACWI, Information Technology and Communication Services were the strongest sectors, with both generating robust double-digit gains. Less positively, Energy and Health Care finished the month in negative territory.

The key central banks struck a cautious tone in April – in terms of their monetary policy decisions and their commentary despite upside risks to headline inflation because of soaring energy costs. The US Federal Reserve (Fed) held the federal funds rate steady at a target rate of 3.50%-3.75%. However, four dissenting voters underscored deepening divisions and an uncertain monetary policy outlook. The Bank of England (BoE) held the base rate at 3.75%, while the European Central Bank (ECB) also kept borrowing rates steady at 2.0% insisting that policymakers were in no rush to raise interest rates. The Bank of Japan (BoJ) held rates at 0.75%, although the 3-6 board member split suggested a "hawkish hold". Elsewhere, the People's Bank of China (PBoC) left its loan prime rates unchanged for the 11th consecutive meeting.

Oil prices remained elevated in April. Brent crude moved lower early on amid hopes that the US-Iran ceasefire extension would hold. However, with Washington blockading Iranian ports in retaliation for Tehran's continued closure of the Strait of Hormuz, oil prices rose as a standoff became entrenched. US exports surged amid tightening supply, while crude inventories slumped sharply. The announcement that the UAE will leave the OPEC oil cartel next month further complicated the outlook. Oil prices subsequently rallied to their highest level in four years as hopes a resolution to the US-Iran impasse waned, with Brent crude closing the month around USD 110 a barrel. However, gold closed April at around USD 4,600 an ounce.

The Fund returned positively (in EUR, gross of fees) in April, matching the MSCI AC World Index. Overall, April highlighted investors' continued preference for artificial intelligence (AI) related growth opportunities. On the other hand, the underweight to Energy-related stocks, as well as the underweight to Financials, have been a burden for the Fund.

April was a strong month for companies linked to AI infrastructure. Marvell Technology was the standout performer, rising sharply as investors became more confident that its custom chip design wins are moving into larger-scale production. Reports of an investment from Nvidia and collaboration with Google on AI inference chips further strengthened the market's view of Marvell's long-term growth potential.

Credo Technology also performed well. The proposed acquisition of DustPhotonics and the launch of its OmniConnect platform helped position the company as a more complete provider of high-speed optical connections, an area that is increasingly important for AI data centres.

Prysmian delivered strong gains too, supported by better-than-expected Q1 results, including solid revenue growth and improved profitability.

There were also some weaker performers. Cheniere Energy fell as investors shifted away from more defensive Energy stocks and towards faster-growing AI-related names. Boston Scientific remained under pressure as the market reacted to lower guidance and softer trends in parts of its business. Republic Services lagged the broader market, affected by weaker volumes in construction and manufacturing, lower recycling prices, and the absence of last year's storm-related clean-up work.

For Allianz Life Elite Income Fund, Allianz Life Elite Income Fund (USD) and Allianz Life Elite Income Fund (MYR-Hedged):

Target Fund Manager's Comment (For PIMCO GIS Income Fund (Accumulation))

Market Review

Risk assets rebounded sharply in April, as markets continued to adjust to elevated geopolitical tensions. In the U.S., headline CPI recorded 3.3% y/y in March, marking the highest level since May 2024, driven primarily by higher energy costs due to the war in Iran. The unemployment rate in the U.S. fell to 4.3% in March, below market expectations of 4.4%. While disruptions to key oil and gas supply routes kept energy prices elevated, risk appetite among investors improved meaningfully over the month, supported by strong earnings momentum.

Yields broadly rose across fixed income markets, as higher energy prices continued to pressure inflation expectations and prompted markets to reassess the likely path of central bank policies. In the U.S., 10 year and 30 year Treasury yields rose by 5 bps and 6 bps, respectively, reaching 4.37% and 4.97%. Globally, yields also moved higher: the U.K. 10 year Gilt rose 10 bps to 5.01%, the German 10 year Bund climbed 3 bps to 3.04%, and the 10 year Japanese Government Bond yield rose 17 bps to 2.53%.

Equity markets staged a powerful rally in April, driven by a strong rotation back into AI-linked equities. The MSCI World Index rose 9.6%, with the S&P 500 reaching new all-time highs, up 10.5%. Emerging markets significantly outperformed, with the MSCI Emerging Markets Index returning 14.7%, driven by outsized gains in Taiwan and South Korea at the core of the global semiconductor supply chains. Within credit, robust risk-on conditions saw spreads narrow across regions, with U.S. and Euro area investment grade spreads tightening by 9 bps and 15 bps to 81 bps and 80 bps, respectively, while U.S. and Euro high yield spreads tightened by 45 bps and 55 bps to 283 bps and 294 bps, respectively.

During the month, the PIMCO GIS Income Fund returned 0.96% after fees (in USD, for the Institutional class, Accumulation share), bringing YTD '26 performance to 0.20%.

Target Fund Manager's Comment (For BGF World Healthscience Fund)

Market Review and Outlook

Market:

- U.S. equities were strongly bullish in April. The MSCI ACWI rose +10.17% while the Nasdaq 100 gained +15.66% and the S&P 500 climbed 10.49%. The risk-on sentiment was supported by the White House announcement of a 2-week ceasefire of the conflict in Iran.
- Most sectors were affected by the bullish sentiment. Information Technology was the strongest performer, rallying 18.2% for the month while Real Estate rallied 8.4% and Consumer Discretionary gained 7.7%. Communication Services also had a good month, climbing 4.7% while Health Care was the laggard, slipping 1.1% during the period.
- The U.S.-Iran conflict continued to complicate the Federal Reserve's policy outlook in April, as oil-driven inflation pressures intensified, the Fed held rates steady at 3.50%–3.75%, and officials increasingly signaled a wait-and-see stance that could delay rate cuts, or keep the door open to tighter policy if energy shocks prove persistent.
- Corporate earnings momentum in April remained strong among AI-related companies, particularly across semiconductors and AI infrastructure, though investors became more focused on whether elevated growth rates can be sustained as comparisons become tougher and capital spending continues to rise.
- The EURO STOXX 50 rebounded in April, rising 5.6% despite Middle East tensions and higher energy prices, as broader risk appetite improved even as inflation concerns and Europe's energy sensitivity kept gains more muted than AI-led global markets.
- Asia-Pacific equities rallied in April, led by AI-linked semiconductor markets in South Korea and Taiwan, as strong memory chip demand and earnings momentum outweighed periods of volatility from Middle East tensions and shifting central-bank expectations. Korea's KOSPI benefited from powerful gains in Samsung Electronics and SK Hynix and rallied 30% during the month.

Stocks:

- An overweight position in Teva Pharmaceuticals was the largest contributor to relative performance. Shares rallied after the company reported a strong quarter, driven by continued momentum in its branded portfolio.
- Not holding a position in GE Healthcare also contributed to relative performance. Shares fell after the company missed profit expectations and cut full-year guidance, citing incremental cost headwinds from memory chips, oil, and freight.
- Elsewhere, an overweight position in Johnson & Johnson was the largest detractor from relative performance. The stock pulled back as investors took profits following a strong year-to-date run.
- Finally, not holding a position in Centene also detracted from relative performance. The company reported better than expected earnings, and the CMS finalization of a favourable 2027 Medicare Advantage rate increase also catalyzed a broad managed care rally.

For Allianz Life World Healthscience Fund and Allianz Life World Healthscience Fund (MYR-Hedged):

Target Fund Manager's Comment (For BGF World Healthscience Fund)

Changes:

- During the month, the fund increased its exposure to the providers & services subsector. In contrast, the fund reduced its exposure to pharmaceuticals companies.
- At the individual security level, the fund increased its position in medical devices & supplies company Thermo Fisher, with the expectation of improving end market demand. Furthermore, the fund increased its exposure to health insurer company UnitedHealth, after better-than-expected Medicare advantage rates were announced.
- Conversely, the fund reduced its positions in Merck and Medtronic, locking in profits.

Key Positioning & Outlook:

- We continue to expect a high degree of stock dispersion in the sector driven by increasing scientific innovation, emerging technologies and policy shifts underscoring a flexible approach to investing across the sector while emphasising scientific attributes at the company level.
- We view the direct, portfolio-level impact of conflict in the Middle East as limited, with healthcare exposure primarily transmitted through second-order macro channels—namely energy-driven inflation, interest rate dynamics, and shifts in risk appetite rather than through direct operational disruption. With the sector still trading at discount to the broader equity market, we believe the risk/reward profile remains attractive.
- Over the long-term, secular drivers for the sector remain in place; firstly, aging demographics in both developed and developing countries and secondly, innovation in medical science and technology. The combination of these secular trends, with favourable valuation creates an attractive long-term investment opportunity.

Target Fund Manager's Comment (For BGF ESG Multi-Asset Fund)

Market Review and Outlook

Market Review:

April was dominated by the ongoing Iran conflict, driving sharp volatility across markets, particularly in energy. Oil prices briefly rose above 120 dollars per barrel before easing on ceasefire hopes and then climbing again as negotiations stalled. This rise in energy prices pushed inflation expectations higher in both the US and Europe, with data confirming renewed price pressures and intensifying stagflation concerns. Central banks responded cautiously, with the Federal Reserve, European Central Bank and Bank of England all holding rates steady.

Against this backdrop, equity markets proved resilient, supported in part by intermittent signs of de-escalation. Technology stocks led the gains, particularly semiconductors, reflecting strong demand for structural growth themes, while European and emerging markets also advanced, helped by a weaker US dollar.

In contrast, government bond markets struggled amid geopolitical and monetary policy pressures, with yields rising across most major economies to multi-year highs. While the increase in US yields was more modest, the broader trend pointed to continued pressure on fixed income assets in an environment where interest rates are expected to remain higher for longer.

Commodities remained a central driver of market dynamics. As mentioned above, energy prices were the primary focus given their link to geopolitical developments, but agricultural commodities also moved higher, adding to broader inflationary pressures. Meanwhile, the US dollar weakened over the month, declining against all other major developed market currencies. This provided additional support to emerging markets and contributed to the overall strength in risk assets.

Performance:

The portfolio delivered a positive return over the month, driven primarily by developed market equities. Alternatives, emerging market equities, and non-government bonds also contributed positively while volatility strategies and commodities were broadly flat. Cash & FX and government bonds detracted from returns.

Within equities, actively managed strategies were the largest contributors in absolute terms. The Global Unconstrained portfolio significantly outperformed its opportunity set, driven by constructive positioning in AI-related stocks. Thematic equity allocations also contributed positively overall, led by exposures across the AI ecosystem, robotics, and sustainable energy baskets. Emerging market equities further supported returns, with positive contributions from the EM ex-Technology strategy and the China AI equity basket.

Fixed income exposures were modestly negative overall; regional duration positioning in government bonds and the sovereign credit default swap detracted slightly, partly offset by positive contributions from yield curve steepening strategies. The Investment grade credit portfolio also added value as spreads tightened.

Listed alternatives were notable contributors, led by growth oriented private market exposures, including the Schiehallion fund, where SpaceX and Anthropic are among the top holdings. Renewable energy holdings, including Greencoat Renewables and the Bluefield Solar Income Fund, also delivered positive returns, as continued demand for reliable energy sources remained supportive of the renewable energy sector.

Target Fund Manager's Comment (For BGF ESG Multi-Asset Fund)

Positioning:

Equity exposure was increased early in the month, with additions to US equities and high conviction thematic strategies, particularly those linked to industrial capacity and the AI ecosystem. This was complemented by the implementation of selective downside protection across US domestic equity exposure and a European dividend futures position later in the month, resulting in a more balanced positioning against a backdrop of persistent geopolitical uncertainty and market volatility.

The portfolio maintained an underweight duration stance throughout the month given the inflationary implications of developments in the Middle East. Despite this negative view on duration, the team bought back some exposure via US 10-year Treasury futures, modestly reducing the underweight as conviction in further yield increases softened at the margin. In Europe, the Bund-BTP spread position was unwound to lock in gains amid elevated economic uncertainty.

Precious metals and goldminers were actively managed over the period. Initial additions were driven by a reduction in volatility and expectations of renewed central bank demand. As the month progressed, exposure to silver and goldminers was exited as conviction softened and metals began to behave more like risk assets, particularly during periods of escalation in the Middle East.

In FX, a short Indian rupee position was initiated as a hedge against both geopolitical escalation and potential AI-driven disruption, given the importance of India's IT services sector to growth and external balances. The short Polish zloty position, initiated in March, was closed to lock in profits.

Market Outlook:

We maintain a neutral near-term stance in portfolios, reflecting uncertainty around how the Middle East conflict may evolve. Markets appear to be underestimating the risk of a prolonged disruption and its potential to push energy prices higher, with negative implications for both global growth and inflation. Against this backdrop, we prefer the US over Europe, as the US continues to demonstrate relative resilience and is more insulated from energy shocks, while Europe remains more exposed to rising gas prices.

The macroeconomic backdrop is increasingly defined by a "two-speed" economy. AI-linked sectors continue to benefit from strong investment and policy support, driving reflationary pressures, while the broader economy is closer to stagnation. This combination points to a period of modest growth and above-target inflation.

Labour markets reinforce this picture. Hiring has slowed, but unemployment has not risen significantly. This limits how quickly central banks can cut interest rates. At the same time, consumer spending has held up reasonably well, helped by US government support offsetting some of the impact from higher energy prices.

Equities continue to deliver resilient earnings and sustained capital investment despite the recent pull-back tied to the Middle East conflict. Should geopolitical risks ease and volatility subside, this would support selective re-risking, including greater exposure thematic opportunities and mega-cap technology.

In fixed income, elevated inflation uncertainty, fiscal risks and policy constraints underpin our cautious stance. We remain underweight duration overall, although recent selloffs have brought valuations closer to levels that justify a more balanced view. A more benign geopolitical backdrop would create scope to move closer to neutral duration. We remain selective in credit, where spreads continue to appear tight.

In currency markets, the US dollar has traded within a broad range and may find near-term support from safe-haven demand, though longer-term diversification away from the dollar remains a structural consideration.

In this environment of heightened uncertainty, we believe a dynamic and diversified approach to portfolio construction remains essential. Maintaining flexibility to re-risk as volatility subsides, while preserving resilience through diversification and active risk management, will be critical to navigating evolving macroeconomic, policy and geopolitical conditions.

For Allianz Life Income and Growth Fund, Allianz Life Income and Growth Fund (MYR-Hedged) and Allianz Life Income and Growth Fund (USD):

Target Fund Manager's Comment (For Allianz Income and Growth)

Market Review

Equities, convertible securities, and high yield bonds finished higher in April, as investor focus shifted towards a potential end to the Middle East conflict along with corporate earnings. Almost two-thirds of the way through the Q1 reporting season, more than 80% of S&P 500 companies surpassed bottom-line estimates, with the index on pace to deliver its highest quarterly earnings growth and surprise percentage since 2021. Several economic data points were better than expected including durable goods orders, retail sales, and weekly jobless claims. The US Federal Reserve (Fed) took no action at April's Federal Open Market Committee (FOMC) meeting, and the 10-year US Treasury yield settled higher at 4.39%.

The portfolio was positively impacted by strength across equities, convertible securities, and high yield bonds.

Top contributors were linked to optimism around the artificial intelligence (AI) buildout, reinforced by strong earnings reports that reflected significant demand for compute and managements reaffirming or raising capital expenditure (capex) guidance. Beneficiaries comprised several semiconductor companies, including Nvidia and Broadcom, hyperscalers such as Alphabet and Amazon, multiple data storage providers, led by Western Digital, and infrastructure plays tied to optical components and power generation.

Top detractors were Health Care companies including several pharmaceutical positions that settled lower after advancing earlier in the year, and a diabetes management holding that declined on product recall concerns. Multiple exploration and production companies that surpassed analyst estimates consolidated sharp Q1 gains. AI disruption fears weighed on select software positions, and an aerospace company finished lower despite reporting a beat-and-raise quarter.

Most option positions expired below strike and the portfolio was able to retain the set premiums.

Exposure increased the most in Communication Services, Financials, and Utilities, and decreased the most in Health Care, Technology, and Materials. Covered call option positioning decreased month-over-month.

Market Outlook

The outlook for 2026 remains unchanged. Conflict headwinds may offset some of the AI proliferation, reindustrialisation, and fiscal and monetary policy tailwinds. On the other hand, Q1 results are surpassing expectations, management outlooks are constructive, earnings estimates continue to trend higher, and multiple datapoints indicate sustained economic growth.

Going forward, corporate investment, consumer spending (helped by tax cuts/refunds), less regulation, energy and defence spending, and credit expansion could support gross domestic product (GDP) growth. Conversely, a prolonged conflict in the Middle East lengthens the recovery period, pushing out eventual stability in commodity markets, supply chains, and geopolitics. The investment team continues to closely monitor the situation including the potential effects of higher energy prices on consumption, margins, sales, inflation, government debt yields, monetary policy, and capex plans.

2026 earnings estimates are trending higher driven by better-than-expected results, AI spend, earnings breadth expansion, productivity gains, durable margins, cost controls, and energy sector strength. Earnings breadth expansion could lead to a sustained broadening out of market leadership. Headwinds include risks cited above and rising operating expenses, among others, with the view that shifts in the use of free cash flow have trade-offs.

Return expectations for 2026 also remain unchanged. Convertible securities could outperform equities again and high yield bonds could deliver another year of coupon-like returns. Given their defensive characteristics, convertible securities and high yield bonds can mitigate market volatility better than equities, which historically average a mid-teens intra-year decline even in annual periods of positive returns.

US convertible securities have an attractive asymmetric return profile, providing upside participation potential when stock prices rise and downside mitigation when stock prices fall. The asset class is on pace to outperform the broad equity market again in 2026, helped by solid earnings growth, expanding market breadth, stable credit spreads, and robust new issuance. After a record year of new issuance in 2025, primary market activity likely slows in 2026 but remains elevated around USD 75-80 billion. Aside from diversification benefits, new issuance expands the opportunity set of investments with attractive terms and the desired risk/reward characteristics.

For Allianz Life Income and Growth Fund, Allianz Life Income and Growth Fund (MYR-Hedged) and Allianz Life Income and Growth Fund (USD):

Target Fund Manager's Comment (For Allianz Income and Growth)

The US high yield market, yielding more than 7%, offers equity-like returns but with less volatility. The asset class is expected to deliver another year of coupon-like returns in 2026. The market's attractive total return potential is a function of its discount to face value and higher coupon, which also serves to cushion downside volatility. Credit fundamentals are stable, near-term refinancing obligations remain low, and management teams continue to exercise balance sheet discipline. Additionally, the market's credit quality composition has improved. In this environment, new issuance is expected to remain steady, spreads can stay tight, and the default rate should continue to reside below the historical average.

A covered call options strategy can be utilised to generate premium income. In periods of elevated or rising equity volatility, premiums collected may translate into more attractive annualised yields.

Collectively, these three asset classes can provide a steady source of income and a compelling "participate and protect" return profile.

The Fund is a client solution designed to provide high monthly income, the potential for capital appreciation, and less volatility than an equity-only fund.

For Allianz Life Global Unconstrained Equity Fund, Allianz Life Global Unconstrained Equity Fund (MYR-Hedged) and Allianz Life Global Unconstrained Equity Fund (USD):

Target Fund Manager's Comment (For BGF Global Unconstrained Equity)

Market Review and Outlook (Jan - Mar 2026)

(Target Fund Manager only produces commentaries on quarterly basis)

Market Review:

Markets were rocked by US—Israeli strikes on Iran and wider military action across the region including Iranian attacks on neighbouring gulf states. Iran's effective closure of the Strait of Hormuz, a key shipping route accounting for c.20% of global oil supply³, triggered a sharp rise in oil prices and fears of an inflation resurgence, pushing out expectations for central banks rate cuts. That being said, the global economic impact of recent events will be highly dependent on their duration given short-term disruption to oil markets can be managed by drawing on reserves. The moves in both oil prices and equity markets more broadly appeared to reflect an expectation for military action to be relatively short-lived, and this has also been our base case given incentives for all parties point to a resolution.

These developments followed an already volatile period for markets in January and February, marked by significant stock-level dispersion even as equity indices rose in aggregate. Much of this volatility was linked to the release of new large language models most notably Anthropic's Claude Opus 4.5 in late November and the subsequent launch of Opus 4.6 in early February – which signalled a material step-up in model capabilities and the potential onset of agentic AI deployment within enterprises. This, in turn, prompted a rapid reassessment of pricing power and business models across the software and financial data sectors. At the same time, it boosted confidence in the sustainability of data centre capacity build out, given explosion in token use that would ensue from greater AI deployment in the workplace.

The aforementioned sales of Adyen and Masimo freed up capital to Fund two new positions for the portfolio: Keysight Technologies and Hexcel.

Hexcel was founded in the late 1940s in the basement of a suburban home by fraternity brothers from Berkeley. It has become a leading supplier of carbon fibre and advanced composites and today is the number one supplier of aerospace composites by both sales and capacity. Carbon fibre is ~5x stronger and ~30% lighter than aluminium and, for this reason, the proportion of composite material used in each progressive generation of aircraft increases as original equipment manufacturers chase weight, reliability and efficiency improvements. The latest generations of planes are roughly 50% composite materials, up from 10% in the mid-1990s, yet these composite-rich aircraft still represent less than 7% of the total global commercial fleet. As fleets are replaced, composite content growth heralds a significant opportunity for Hexcel: the company believe that the combined Airbus and Boeing backlogs represent a USD\$10bn future sales opportunity. Hexcel are well placed to capitalise as this structural growth story manifests. The company has invested in capacity in recent years, bringing down margins, but now may realise good operational leverage as production ramps. Additional margin uplift may come from long-term contract renegotiations which are due later this decade. This combination of margin accretion and highly visible long-term revenue growth makes Hexcel an attractive asset for the Global Unconstrained portfolio. The company also derives ~39% revenue from its "Defence, Space and Other" division. Here the company has a rich pedigree: its strong but lightweight materials have been featured on history-making missions like Apollo 11. This division provides interesting optionality in the investment case as defence budgets grow and satellite use is further expanded.

Keysight Technologies provides essential testing and measurement solutions, spanning both hardware and software, used across research and development, manufacturing and post deployment phases in industrial and technology settings. Testing represents a relatively small proportion of overall customer spend, making reliability, accuracy and long-standing relationships critical, and contributing to a durable competitive moat. Historically, Keysight's earnings have followed wireless upgrade cycles; while we see optionality from the transition to 6G over the medium term, which appears to be coming through earlier than expected, we believe the market is under appreciating the company's exposure to structural growth areas. These include the expansion of semiconductor fabrication capacity, AI driven compute growth and rising data centre complexity, where Keysight's solutions are increasingly deployed. At its Q1 results (reported in February) Keysight delivered 23% YoY revenue growth, with 90bps YoY gross margin expansion, and record order growth (reported numbers, which include impact of FX and deals). Despite this, consensus forecasts the company to return to mid-single-digit revenue growth for 2027, which would put the shares on c.27x FY2 earnings. We believe that increased demand from AI will drive both revenue and margin surprise over time, while its diversified end markets and exposure to R&D may help buffer it from some of the cyclicality typically associated with the industrial economy.

For Allianz Life Global Unconstrained Equity Fund, Allianz Life Global Unconstrained Equity Fund (MYR-Hedged) and Allianz Life Global Unconstrained Equity Fund (USD):

Target Fund Manager's Comment (For BGF Global Unconstrained Equity)

Outlook:

The near-term market outcome is likely to be heavily shaped by events in the Middle East: a protracted closure of the Strait of Hormuz will drive energy prices materially higher, with knock-on effects for inflation and global growth. However, our base case, at the time of writing (mid-March), is that the incentives for all parties point to a resolution: President Trump is cognizant of public opinion and inflation while Iran itself sources c.50% of government income and c.20%+ of GDP from oil. This is an ongoing base case and subject to interrogation on an intraday, ongoing basis, and we have developed new data dashboards to attempt to track the Strait itself and obtain real time, reliable information while being careful to assess the risk of false information circulating on social media.

Looking beyond this near-term risk, if energy supplies return to near-normal levels, we believe the outlook for equities remains constructive, with the potential for another year of strong earnings growth, particularly in the US. However, we would expect continued volatility and significant dispersion as AI disruption creates both meaningful efficiency gains and both winners and losers across sectors, and as COVID-19 distortions continue to impact consumer sectors. This reinforces our view that selectivity will be critical in what could be a very strong environment for equity markets.

We continue to seek businesses which can sustain and compound attractive earnings growth over the long-term, believing these are frequently underappreciated by a market which is increasingly responding to short-term newsflow and narratives.

Target Fund Manager's Comment (For BGF World Technology Fund)

Market Review and Outlook

Performance Overview:

- The BGF World Technology Fund returned +26.9% in April (A2, net of fees), outperforming its benchmark, the MSCI ACWI IT 10/40 Index which returned +22.4%.

Market:

- U.S. equities were strongly bullish in April. The MSCI ACWI rose +10.17% while the Nasdaq 100 gained +15.66% and the S&P 500 climbed 10.49%. The risk-on sentiment was supported by the White House announcement of a 2-week ceasefire of the conflict in Iran.

- Most sectors were affected by the bullish sentiment. Information Technology was the strongest performer, rallying 18.2% for the month while Real Estate rallied 8.4% and Consumer Discretionary gained 7.7%. Communication Services also had a good month, climbing 4.7% while Health Care was the laggard, slipping 1.1% during the period.

- The U.S.-Iran conflict continued to complicate the Federal Reserve's policy outlook in April, as oil-driven inflation pressures intensified, the Fed held rates steady at 3.50%–3.75%, and officials increasingly signaled a wait-and-see stance that could delay rate cuts, or keep the door open to tighter policy if energy shocks prove persistent.

- Corporate earnings momentum in April remained strong among AI-related companies, particularly across semiconductors and AI infrastructure, though investors became more focused on whether elevated growth rates can be sustained as comparisons become tougher and capital spending continues to rise.

- The EURO STOXX 50 rebounded in April, rising 5.6% despite Middle East tensions and higher energy prices, as broader risk appetite improved even as inflation concerns and Europe's energy sensitivity kept gains more muted than AI-led global markets.

- Asia-Pacific equities rallied in April, led by AI-linked semiconductor markets in South Korea and Taiwan, as strong memory chip demand and earnings momentum outweighed periods of volatility from Middle East tensions and shifting central-bank expectations. Korea's KOSPI benefited from powerful gains in Samsung Electronics and SK Hynix and rallied 30% during the month.

Sectors:

- Anthropic surpassed OpenAI in revenue for the first time: Anthropic's run-rate revenue hit \$30 billion (up from \$9B at end of 2025), surpassing OpenAI for the first time. Over 1,000 business customers now spend more than \$1M annually, a 2x in under two months. The company also signed a landmark deal with Google and Broadcom for 3.5 gigawatts of next generation TPU compute starting in 2027.

- Tech locks in nuclear energy deals to power AI data centers: Microsoft, Google, Amazon, and Meta are signing long term contracts with next-generation nuclear providers, including TerraPower, X-energy, Kairos Power, and Oklo, to secure over 10 GW of reliable, carbon-free electricity for their AI infrastructure, making energy procurement a core differentiator in the AI race.

- SpaceX reportedly filed for IPO: SpaceX has "confidentially" submitted IPO paperwork, with the offering potentially valuing the company at around \$1.75 trillion and targeting a capital raise of up to \$75 billion, which would make it the largest IPO in history if completed. A public listing would provide investors with rare access to a scaled, profitable leader in the commercial space economy.

- TSMC reported Q1 2026 earnings, delivering a strong beat with ~35% revenue growth and ~58% profit growth, driven by sustained demand for AI chips. The company also raised its outlook, guiding to over 30% full-year revenue growth.

- OpenAI's April 23 rollout of GPT-5.5 in ChatGPT and Codex kept the AI platform race front and center, as the company positioned it as a step up in reasoning, coding, tool use, and knowledge work. GPT-5.5 began rolling out to Plus, Pro, Business, and Enterprise users in ChatGPT.

For Allianz Life Global Balanced Income and Growth Fund, Allianz Life Global Balanced Income and Growth Fund (MYR-Hedged) and Allianz Life Global Balanced Income and Growth Fund (USD):

Target Fund Manager's Comment (For PIMCO GIS Balanced Income and Growth Fund)

Market Review

Equity Market:

- The MSCI ACWI Index advanced 10.2% as the announcement of a U.S.–Iran ceasefire on April 7 prompted markets to look through lingering geopolitical uncertainty. Sentiment was further bolstered by strong late-April mega-cap tech earnings, which reignited confidence in the AI investment cycle. In the U.S., the S&P 500 Index surged 10.5%, led by mega-cap technology and communication services as AI earnings validated sustained capex demand, recovering all of March's drawdown. European equities¹ gained 5.2%, recovering from March's sell-off as the ceasefire restored risk appetite and resilient Q1 earnings provided a supportive floor.

- Emerging market equities² surged 14.7% as ceasefire optimism and resilient AI demand drove a sharp reversal in the hardest-hit markets from March, with technology-heavy exporters leading the rebound. South Korea's KOSPI Index³ skyrocketed 30.6% as renewed AI sentiment and surging semiconductor demand reversed March's steep decline, reflecting the country's deep exposure to the global AI supply chain.

Bond Market:

- Developed market sovereign bond yields moved broadly higher in April, reflecting persistent inflation concerns linked to the Iran conflict. In the U.S., the yield curve bear flattened after the Fed held its policy rate steady at the April meeting, a decision notable for the highest degree of dissent since 1992. Other major developed market central banks, including the ECB, the BoJ, and the BoE, also left policy rates unchanged. In the U.K. and Germany, curves steepened as markets continued to price in further rate hikes amid sustained upward pressure on energy prices. Over the month, the U.S. 10-year Treasury yield rose 5 bps to 4.37%, the German 10-year Bund yield increased 3 bps to 3.03%, the 10-year gilt yield climbed 10 bps to 5.01%, and the 10-year JGB yield rose 17 bps to 2.53%.

- Global IG credit posted positive returns of 0.63% for the month, outperforming like-duration government bonds by 0.73%, as spreads tightened 11bps in April. Global HY credit delivered positive returns of 1.79%, with the CCC-rated segment of the high yield market outperforming BB-rated and B-rated bonds.

- Agency MBS⁴ returned 0.07% in April, outperforming like-duration Treasuries by 24 bps. Performance recovered most of the widening seen in March, supported by robust, broad-based demand, limited net supply, improved carry, and subdued volatility costs.

For Allianz Life Global Balanced Income and Growth Fund, Allianz Life Global Balanced Income and Growth Fund (MYR-Hedged) and Allianz Life Global Balanced Income and Growth Fund (USD):

Target Fund Manager's Comment (For PIMCO GIS Balanced Income and Growth Fund)

Market Outlook

Amid the continued Iran war, we remain neutral overall risk as the conflict sustains a stagflationary impulse, with elevated risk of rising near-term inflation and weaker growth. Late-cycle market dynamics are increasingly uneven, as AI and asset-price gains disproportionately benefit capital intensive firms and higher-income cohorts while lower-income households and weaker corporates face growing strain. Tight corporate credit spreads and concentrated equity leadership leave markets more sensitive to negative surprises, increasing the importance of high-quality exposures, diversification, and disciplined risk management. In fixed income, we maintain overweight duration positioning as starting yields offer compelling income-generation potential and ample cushion against a further sell-off, with high-quality duration functioning as an effective shock absorber across diverse economic environments. We remain constructive on US duration, as US Treasuries continue to provide diversification benefits, particularly should growth slow materially. We maintain exposure to other developed markets, such as the U.K. and Australia, as well as select EM local markets, and we continue to express balanced curve exposure as yields are attractive across multiple maturities and market pricing of monetary policy expectations remains volatile. We see value in US TIPS as a hedge against elevated near-term inflation risks, which become further amplified should disruptions in the Strait of Hormuz persist, though longer-term inflation expectations remain largely anchored. Across global spread markets, corporate credit spreads have retraced close to post-GFC highs, leaving limited buffer should macro or liquidity conditions deteriorate, and we accordingly see relative value in up-in-quality securitized exposures over corporate credit. We favor senior tranches of securitized credit spanning non-agency MBS, select ABS backed by high-quality consumer loans, and CLOs, which present strong fundamentals and reasonable valuations, and we continue to utilize Agency MBS as a source of risk-free spread exposure. In equities, retain conviction in global diversification and see potential for regional differentiation, with select markets outside the US exhibiting more reasonable valuations alongside attractive momentum, growth, and quality, particularly among EM technology stocks along the AI supply chain. Our systematic, multi-factor approach enables style-, country-, and sector-diversified exposures that can capture rotations in equity market leadership. We expect AI disruption and persistent geopolitical uncertainty to amplify volatility and dispersion, reinforcing the value of globally-diversified, disciplined portfolio construction.

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