Market Review and Outlook

November 2025

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

The MSCI World Index remained flattish in November 2025, inching slightly by +0.18% mom. The US’ Dow Jones Index and its broader S&P500 indices rose by +0.32% and +0.13% mom, respectively. After a sharp mid-month decline, global and US equities ended the month roughly flat as sentiment swung between strong earnings and rising skepticism about the durability of the AI-driven rally. Despite Nvidia’s record results, investors are now seeking clearer proof that the massive AI capex cycle across data centres, chips, robotics, and cloud infrastructure can generate sustainable long-term returns. Meanwhile, the S&P Global US Composite Purchasing Managers Index (PMI) rose to 54.6 in October 2025 from 53.9 in September.

Europe’s Stoxx 50 Index moved in a similar trend, edging up just +0.11% mom in November. Eurozone data for October were slightly mixed, with the HCOB Manufacturing PMI improving to 50.0 from 49.8 in September. The unemployment rate ticked up to 6.4% compared with 6.3% in the previous month, while Core CPI held steady at 2.4% YoY (September: 2.4%), slightly above the 2.3% forecast.

In China, the Shanghai Composite Index fell 1.67% mom in November, ending a six-month streak of gains. The decline was driven in part by a sell-off in tech and semiconductor stocks following news of potential U.S. approval for Nvidia H200 chip sales, which raised concerns for domestic chip makers, alongside broad risk-off sentiment amid global tech weakness. CPI rose to +0.2% YoY in October, up from -0.3% YoY in September, while China’s Manufacturing PMI improved to 49.2 in November from 49.0 in October.

During the month under review, Brent crude oil fell 2.9% mom to USD63.20/bbl. OPEC+ forecasted that global oil supply would roughly match demand in 2026, a shift from prior forecasts of a supply deficit, and paused further production increases, signaling caution amid potential oversupply concerns. Similarly, crude palm oil (CPO) price slipped 2.1% mom to RM4099/MT as Malaysian palm oil stocks rose to a six-year high, with inventories increasing 10% mom to 2.71 MT, the highest since April 2019 and 47% above last year. Additionally, exports also weakened in the month.

On the ASEAN front, the Stock Exchange of Thailand declined 4.0% mom in November, largely due to Thailand’s slower economic growth of +1.2% yoy in 3Q25, down from +2.8% yoy in 2Q25. The slowdown was driven by weaker exports and tourism, reduced government consumption and investment, and a stronger baht, which weighed on sales revenues across nearly all sectors. Investor sentiment was further dampened by unexpected flooding in Southern Thailand. Moving onto Indonesia, the Jakarta Composite Index rose +4.2% mom in November. The rally in November 2025 was largely driven by strong gains in conglomerate, energy, and telecommunications stocks. In November 2025, foreign investors were net buyers, accumulating IDR 12.20 trillion in Indonesian equities. As for Malaysia, the FBMKLCI slipped slightly by 0.29% mom. In line with global equity trends, the lack of fresh domestic catalysts, coupled with lackluster performance in the US markets kept sentiment muted, leaving the index range-bound and investors trading cautiously. Lastly, Singapore’s Straits Times Index rose +2.2% mom, reaching a new high of 4,575.91 on 13 November. This was supported by SGX and MAS reforms, which includes the introduction of a dual-listing bridge with Nasdaq which boosted investor sentiment. Meanwhile, its October Non – Oil Domestic Exports (NODX) grew by +22.2% YoY, exceeding survey of +7.5% yoy.

In November, US Treasury (UST) yields lowered by 1 – 9 bps mom across the 3yr – 20yr tenors while the 30yr tenor rose minimally by 1 bp as the delayed release of September's jobs report revealed unexpectedly higher unemployment rate, which increased to 4.4% (Survey and August: 4.3%), marking the highest level since October 2021 even though jobs growth was higher – than – expected at +119k mom (Survey: +51k mom, August revised: -4k mom). In addition, the delayed release of September's retail sales rose modestly by +0.2% mom (Survey: +0.4% mom, August: +0.6% mom) primarily due to reduced spending in discretionary categories like electronics, clothing, and sporting goods. Fed fund futures as of end – November indicated a higher implied rate cut of 21 bps in December, up from 17 bps as of end – October.

The movement of Malaysian Government Securities (MGS) yields was mixed, with the 3yr, 10yr, 20yr and 30yr tenors lowered by 4 – 11 bps mom, while the 7yr tenor rose slightly by 1 bp amidst greater market activity which coincided with a strong performance of the Malaysian Ringgit, which strengthened to RM4.1325 per USD as of end – November from RM4.1895 per USD as of end – October, alongside a lower – than – expected CPI. The 5yr and 15yr MGS remained unchanged at 3.25% and 3.74% respectively. During the final Monetary Policy Committee (MPC) meeting of 2025 held in November, Bank Negara Malaysia (BNM) kept the Overnight Policy Rate (OPR) unchanged at 2.75% and reiterated that the current monetary policy stance to be appropriate and supportive of the economy amid price stability. Meanwhile, October's CPI moderated to +1.3% yoy (Survey and September: +1.5% yoy), largely attributable to slower price increases in food and housing – related costs.

Foreign funds net bought Ringgit bond holdings in November with net inflows of RM6.1b (October: net inflows of RM4.4b). The foreign share of both MGS and MGS+MGII rose to 33.9% (October: 33.3%) and 21.4% (October: 21.3%) respectively. Malaysia's foreign reserves expanded by USD0.3b to USD124.1b as of end – November (October: USD123.8b).

Market Outlook

On the global front, investors are closely watching the tech and AI sectors amidst growing concerns of an "AI bubble," as lofty valuations and heightened expectations for AI-driven returns raise the risk of a market correction. Locally, investors are closely watching the ringgit's strength, export demand for electronics and commodities, and monitoring on-going government and central bank policies.

Amidst the volatility currently permeating markets, we remain cautious and adhere to our dogma of investing in fundamentally good investments over long – term investment horizons. As always, we will seek opportunities to engage in trading activities to capitalize on any prevailing market volatility. Nevertheless, we will keep constant watch over any potential geopolitical and other risks that may necessitate gravitation towards new strategies to adjust to the ever-volatile market conditions.

In the US, dovish remarks from Fed officials Williams and Waller reignited expectations of a rate cut in December FOMC. This recent shift in sentiments compared to no rate cut a month ago has been reinforced by a series of softer economic indicators, including a moderation in September retail sales growth, a sharp decline in the November Consumer Confidence Index, and rising unemployment rate.

Locally, at the recent November MPC, BNM noted that Malaysia's 3Q25 economic growth enjoyed sustained domestic demand, resilient electrical and electronics (E&E) exports, and a recovery in commodity production. It further highlighted that resilient domestic demand would continue to support growth in 2026. Whilst the domestic economy appeared to exude a degree of strength, bond markets could continue to experience bouts of volatility owing to the ongoing trade tariff uncertainties as well as the tentative pace of the US rate cut trajectory. To that end, BNM also stated that they would continue to monitor ongoing developments and assess the balance of risks surrounding the outlook for domestic growth and inflation. We would selectively accumulate bonds at reasonable valuations while prioritizing good quality names.

For Allianz Life Global High Payout Fund:

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

What helped?

- November was a sideways market with some volatility in between for global stocks. The Fund could perform better than its benchmark.
- The Fund's strong exposure towards stocks with attractive valuation, as well as a higher dividend yield than average, contributed to performance.

What hurt?

- More defensive factors such as Quality and Dividend Reliability weighed on performance.

Market Review

Global equities had a volatile month and ended November broadly where they started. Technology stocks dragged markets lower, as concerns regarding eye-watering artificial intelligence (AI) valuations and escalating AI spending spurred a global sell-off. European stocks led the way in November, with markets overcoming earlier AI-related caution. Japan crept ahead, despite escalating diplomatic tensions with China over Taiwan. US equities also overcame losses in the tech-led market correction, nudging into expansion territory at month-end. On the other side, emerging markets underperformed their developed market peers, dragged lower by negative returns from Asian tech hubs South Korea and Taiwan alongside China.

US equities managed a fractional gain in November. Markets tumbled early on as a tech-led sell-off sparked a bout of risk aversion, with the Nasdaq Composite Index recording its sharpest weekly decline since April. Equities partially recovered after the Senate agreed a deal to end the longest government shutdown in US history, with President Donald Trump signing a spending bill to fund the government until 30 January 2026. However, tensions persisted around delayed economic data releases and an increasingly cloudy economic outlook. Sentiment was boosted near month-end as dovish commentary from US Federal Reserve (Fed) officials sparked hopes of a December rate cut, while tentative optimism around President Trump's peace plan to end the war in Ukraine was a further tailwind.

European equities moved higher in November. Markets tracked Wall Street losses as mounting concerns over frothy AI valuations and increased focus on AI spending by mega cap Technology names sparked a major market drawdown. However, European equities rebounded on improved sentiment near month-end as expectations of a December rate cut from the Fed helped stabilise markets. Tentative hopes for a ceasefire between Russia and Ukraine provided an additional late-month tailwind, following peace talks in Geneva involving the so-called Coalition of the Willing, led by UK Prime Minister Keir Starmer, German Chancellor Friedrich Merz and French President Emmanuel Macron.

Market Outlook

Global economic growth looks set to remain healthy in spite of current geopolitical tensions and trade conflicts. AI is likely to be not only a disruptive force, but also an important growth driver, above all in the US and Asia. Turning to the individual regions, it seems that US equity valuations have reached elevated levels. Moreover, the market focus is on a handful of Information Technology (IT) stocks whose market capitalisation is extremely high by now. Against this background, careful stock selection has become more important than ever. In addition, the protectionist policies of the US administration may carry stagflation risks. Compared to the US, Europe, China and India offer more attractive equity valuations and better diversification opportunities. In Europe, inflation is relatively low, fiscal policies are expansionary and the range of attractive sectors in the market is broader. India's equity market is likely to benefit from favourable demographics, the digital economy boom and an even better integration into global supply chains. Moreover, Indian equities are attractively valued in an international comparison. Valuations on the Chinese market appear favourable, despite some uncertainties (trade relations, demographics), and many Chinese companies are highly innovative, above all in the AI sector. In addition, government stimuli and structural reforms should support the market. Overall, it makes sense to pursue an active investment approach and aim at broad diversification. From our vantage point, innovation, digitisation and strategic autonomy are key investment topics.

For Allianz Life Asia Multi-IncomePLUS Fund:

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

Market Review

Asia Pacific ex Japan equities have taken a breather in November, consolidating year-to-date gains. As part of the pullback, tech-heavy markets such as Taiwan and Korea were among the weaker markets, dragged lower by the global artificial intelligence (AI) weakness. China equities also consolidated, with muted economic data and property market weakness weighing on sentiment. Australian equities fell as a hotter-than-expected inflation print dashed hopes of a rate cut. Conversely, it was a better month for Indian equities as robust fundamentals and signs of resilient corporate earnings lifted investor confidence. Elsewhere, ASEAN equities were slightly mixed. Philippines and Indonesia were among the best performers.

For fixed income, markets softened in November amid a weaker global macro backdrop. Risk-off sentiment dominated as US equities sold off on concerns over stretched valuations in AI-related stocks and uncertainty surrounding the interest rate outlook. At the same time, Asia credit spreads were trading near historically tight levels and investors, sitting on substantial unrealised gains after favourable moves in both Treasury yields and credit spreads year-to-date, seized the opportunity to lock in profits ahead of the December holiday season. Liquidity also began to deteriorate in the final week of November, amplifying the cautious tone. Consequently, Asia credit spreads widened modestly during the month. On the rates side, US Treasury yields declined, particularly in the latter half of November, driven by dovish remarks from US Federal Reserve (Fed) officials and flight-to-quality flows amid global risk aversion. The equity sell-off further reinforced demand for Treasuries, pushing yields lower.

The Fund return was slightly negative in USD terms in November.

In the equity portfolio, a detractor was Samsung Electronics, a global electronics conglomerate from South Korea. We view the recent share price pullback as profit taking after strong gains year-to-date. In longer term, we remain positive on the company buoyed by robust global AI-related demand.

On the positive side, the top contributor was Singapore Telecommunications, one of Asia's leading communications technology groups. The company reported strong half-year earnings as well as a dividend hike. Over the longer term, we see the company providing broad exposure to Asian digital advancement. Stable cash flows of the company should also continue to support an attractive dividend yield.

The asset allocation at the end of the month was 69.9% invested in Asian equities and 30.3% in Asian fixed income.

During the month, key portfolio activity in the equity sleeve continued to focus on adding high dividend-paying companies across the region, while reducing exposure to higher beta names. For example, we added positions in several financial services companies in Taiwan, Hong Kong, South Korea, and Australia. Conversely, we took profits in selective AI-related names following strong year-to-date gains.

Within the fixed income portfolio, we switched out some of the top holdings to reduce concentration risk and increased our exposure to financial names.

At the end of the month, we held 65 equities and 62 fixed income securities. The equity portfolio yield was 3.4% (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

Overall, we are optimistic on the outlook for Asia Pacific equities. Economic policy is broadly supportive across the region, helping to offset the impact of higher tariffs. Lower inflation is also providing flexibility for Asian central banks to lower interest rates. In China, we anticipate there will be further policy support as the housing market continues to weaken. We also expect Technology to remain a feature going forward. In our view, China's AI industry has passed a turning point and entered a more self-sustaining cycle of rising investment and higher profitability.

On the fixed income side, with trade war risks largely behind us, attention now turns to the December Federal Open Market Committee (FOMC) meeting, where markets are pricing in a 90% probability of a 25-basis point (25-bps) rate cut. While Asia credit spreads are tight relative to historical norms, fundamentals and technicals remain supportive. We adopt a more conservative stance into year-end, expecting returns to be driven primarily by carry rather than spread compression.

For Allianz Life Amanah Dana Ikhlas:

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

Market Review

Sukuk Market Review

After two consecutive months of softer fixed income performance, the domestic market stabilised and traded largely range-bound throughout the month. Growing expectations of a potential US policy rate cut supported sentiment for both Malaysian fixed income and the Ringgit, driving Government Investment Issue (GII) yields marginally lower, with the 3-year and 10-year closing at 3.10% (Oct'25: 3.14%) and 3.52% (Oct'25: 3.54%), respectively. Despite the modest softening in government yields, fund performance continued to be underpinned by carry income from corporate sukuk, with credit spreads remaining wide amid muted secondary market activity. The current environment of steady carry, healthy primary supply, and wider spreads continues to offer attractive entry points, enabling the Fund to add favourable positions and support the normalisation of returns going forward.

Equity Market Review

Global equity markets broadly retreated in November, as most Asian markets declined while the Western markets were lower-to-flattish. Hawkish FOMC as well as renewed concerns on the sustainability of the AI spending led to the mixed performance. Expectations of a rate cut in Dec for Fed swinged as macroeconomic data and the Fed changing market narrative led to these changes. However, Fed expectations did tilt back towards a cut with the US 10-year yields down 6bps to 4.01%. On AI, despite considerable optimism from the ecosystem and capex plans, share price action was lacking. This was seen in tech heavy indices, as South Korea, Japan, and Taiwan that slipped 4.4% 4.1% and 2.1% respectively. Limited AI exposure India on the other hand gained 2.1%.

Precious metals rebounded with gold (+5.9%) closing the month to end at US$4,240/oz and silver to US$56/oz. In other metals, copper gained 2.8% while aluminium and nickel fell 0.6% and 2.6% respectively. Weakness in oil prices continued, slipping 2.9% for the month as non-OPEC+ and shale production supply leading to surplus in addition to the potential peace deal between Russia and Ukraine.

Closer to home, the KLCI fell 0.3% mom to 1,604 pts as net outflows persisted while some index heavyweights saw selling pressure due to disappointed earnings results. The strong 3QGDP of 5.2% and the stronger Ringgit (close the month at RM4.13) against the greenback did little to lift markets. Sector performances for the month were mixed with financials, property and plantation were better compared to IT, healthcare and utilities. The corporate earnings season also had decent showing. Broadly speaking, 25% of corporates missed expectations while 20% beat expectations an improvement compared to 2Q of 40% missed expectations and 15% beat. Lastly, in the Sabah elections, GRS emerged as the biggest winner in the 17th state election with 29 seats with Warisan winning 25 seats.

Foreigners continue to sell in November amounting to RM1.1bn (US$271m) which brings YTD net sell to RM20.3bn, which is nearly 5 times the outflow suffered in 2025 (RM4.2bn) and the worst foreign selling since 2020. Only Thailand was the other country that had net foreign outflow, amounting to US$385 while Indonesia and Philippines had net inflow of US$730m and US$78m respectively. The DXY Index fell slightly by 0.3%. The MYR, THB, and PHP gained 1.3%, 0.4% and 0.4% respectively while the IDR depreciated 0.2%.

For Allianz Life Amanah Dana Ikhlas:

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

Market Outlook

Sukuk Outlook & Strategy

We continue to maintain a stable view on the domestic sukuk market until the end of the year and going into 1H2026, underpinned by resilient credit fundamentals and a supportive macroeconomic backdrop. We expect credit spreads to remain stable, supported by manageable inflation, steady economic growth, and healthy credit issuance despite external uncertainties.

From a portfolio positioning standpoint, we continue to favour mid-tenor corporate sukuk that provide attractive yield premiums over government securities. We intend to maintain a duration stance that is neutral to moderately overweight, reflecting our slightly positive outlook on interest rates.

While we will 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 in the event of a correction in sovereign sukuk yields.

Our credit selection strategy focuses on high-quality AA-rated issuers and selective single-A rated issuers, which offer both yield enhancement and the potential for credit upgrades as the domestic economy continues to recover. We will remain active in the primary market to capture higher-yielding new issuances and will look to exploit value opportunities in the secondary market, particularly in oversold names.

Equity Outlook & Strategy

On a broader level, investors across asset classes remain cautious in macro volatility, while the lack of US macro data does not detail the resilience narrative despite reduced visibility. The persistence of a higher unemployment expanding remains a key macro challenge over the near-term, driving sentiment and the dynamic in consumer and business spending – tilting the fragile balance between either a resilient macro-outlook or a soft patch. Macro risks, against higher US recession probably resulting in steeping USD curve, lower equity performance, wider credit spreads and strengthening in gold. However, inflation concerns and soft patch reinforces the justification for the continuation of the easing cycle.

For local equities, our constructive view is underpinned by fiscal reforms, mega developments, low inflation and supportive monetary policy that may cushion the impact from external headwinds. The recent concluded corporate earnings were decent, which supports this view. More importantly, forward guidance by corporates has been fairly optimistic, puts the local stocks in a stronger footing as we move into next year.

The 13th Malaysia plan has outlined several key initiatives that should support the economy. Valuations are not stretched by any means, stable politics on a regional context, low positioning by investors (including low foreign participation), should at least provide some limited downside risks. Visibility have somewhat improved but to what extent the resiliency of the market has been on front-loading of purchases ahead of the tariffs may lead to a sharper decline in the second half of the year.

Strategy-wise, we maintain our tilt towards large-cap, and domestic-centric stocks. As we weather through these crosscurrents, we are likely to prioritize earnings quality and defensive stocks. As we look for catalysts, market participants will be hard pressed to deliver return, we think selected sectors or stocks with earnings visibility are likely to be rewarded with better share price performance. With this, we anticipate a "narrow" trading market which we think could be in sectors such as construction (continued orderbook expansion), utilities (renewables and rising capex) as well as REIT (lower interest rate environment). Besides this, other key themes we look at into next year include consumption growth, tourism following VMY 2026. We also look opportunistically on value or stocks that we like as well as dividend yields to weather any volatility. Having said that, we are looking opportunistically at stocks which are more cyclical that we like but have been sold off, with perhaps a high margin of safety.

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 lagged the benchmark in November. Positive stock selection in the Information Technology sector was offset by some weakness in Consumer Discretionary and Industrials stock picks.

At a stock level, a detractor last month was a provider specialising in LiDAR (Light Detection and Ranging) sensors. These use laser technology to create detailed 3D maps which play a key role in areas such as autonomous vehicles and robotics. The latest quarterly results reported during the month were a solid beat, but the share price pulled back after management guidance for 2026 was below the market's high-end expectations. We continue to see long-term growth potential for the company and view the stock weakness as being part of overall market rotation in recent weeks.

Conversely, a key contributor was Zhongji Innolight. The company makes high speed optical transceivers which are an essential component for areas such as high-speed internet, cloud computing, and data centre communication. Innolight has reported consistently strong quarterly results through this year, confirming strong business momentum buoyed by healthy artificial intelligence (AI) related demand both in China and overseas.

Market Outlook

China equity markets have taken a breather in recent weeks, consolidating year-to-date gains. As part of the pullback, there has also been some notable rotation. Previous market leaders such as Tech and Health Care stocks have seen profit-taking, with more defensive and higher-yielding sectors such as Energy, Utilities and Banks being more resilient.

While the AI jitters in the US played some part, we also see a more domestic catalyst. Earlier in November, the securities regulator in China issued guidelines requiring domestic fund managers to "adhere more closely to their mandates". As well as aiming to improve transparency in the mutual fund industry, this was also interpreted as a warning against excessive speculation and crowding in the Technology, Media, and Telecommunications (TMT) space.

Recent economic data has also been somewhat underwhelming, leading to a more muted near-term environment. This begs the question of whether China equities can make further gains in the coming year if the macro environment as a whole remains subdued.

From our perspective, we see little correlation historically between the macro and the market. China's years of strongest economic growth often saw quite poor equity returns. And the strong returns in both China A- and H-shares this year have been achieved against a weak property market and ongoing deflationary pressures.

One reason for this is that the structure of China's equity markets is quite different to the structure of the underlying economy. The widely followed MSCI China A Onshore Index, for example, has close to 25% exposure to the Tech sector. This weighting has more than doubled in the last decade. In contrast, the Real Estate sector is less than 1% of the index.

So, in our view, while an unexpected macro shock would no doubt impact equities, the current set-up, where monetary and fiscal policy settings are occasionally nudged to achieve the gross domestic product (GDP) growth target – likely to be in the range of 4.5%-5% again next year – should not be a barrier to future equity gains.

Indeed, as we look ahead to the new year, we are optimistic on the outlook for China equities. As well as a supportive economic policy backdrop, other key factors include strong domestic liquidity – both for corporates and households – combined with China's technology narrative.

We expect the interlinked subjects of geopolitics and technology will remain in focus. A key question is whether the strategic competition between the US and China – which for many years has contributed to the higher risk premium on China equities and will likely continue to be a source of volatility – may also come to be seen as an opportunity.

While the recent trade truce buys some welcome breathing space, in effect both the US and China look to be buying time, digging in, and making further efforts to reduce mutual dependence. The US government has been signing a raft of deals on rare earth materials, while Beijing is doubling down on investments in chipmaking. China's long-term policy support and infrastructure build-out are key reasons we view the tech and AI space in China positively.

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)

Against this backdrop, recent portfolio activity has focused on using the pullback in Technology and AI-related names to add to selective positions. This includes areas such as AI servers, printed circuit board (PCB) manufacturers and developments in solid-state battery development.

At month end, the Fund has around 38% 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 (+2.8%), while the largest underweight is Communication Services (-2.9%).

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 equities were mixed in November, ending the month broadly unchanged after early volatility. The S&P 500 eked out a gain after trading down more than 4.5% at one point, pushing higher for a seventh straight month. The Nasdaq underperformed amid heightened scrutiny on artificial intelligence (AI) spending trends. In other markets, European markets posted modest gains while Asian equities underperformed, pressured by softness in select Asian technology hubs, including South Korea and Taiwan, alongside continued challenges in China. Turning to sectors in the MSCI All Country World Index, Health Care stocks rose the most, as investors rotated out of the high-growth areas. Utilities was another outperformer. Consumer and Real Estate were the weakest performing sectors.

The 43-day US government shutdown ended, allowing for a backlog of economic data releases. Delayed non-farm payrolls data revealed that the US economy added 119,000 jobs in September – exceeding consensus estimates. However, the unemployment rate in the US ticked up to 4.4% in September. There were notable swings in monetary policy expectations over the month, as December rate cut expectations fell below 30% before a meaningful reversal following dovish comments from the Federal Reserve Bank of New York's President Williams. The Bank of England (BoE) kept the base rate at 4.0% ahead of the Autumn Budget, while a decline in headline inflation led to increased rate cut expectations. In Japan, rising inflation and continued yen weakness bolstered expectations of further monetary policy normalisation.

Brent crude oil prices eased in November, closing at just over USD 63 a barrel as oversupply concerns mounted against a backdrop of deteriorating global demand. Prices came under additional pressure as a potential ceasefire between Russia and Ukraine raised the possibility of previously sanctioned Russian crude re-entering global markets. Gold prices rose in November, bolstered by safe-haven appeal amid higher equity market volatility. The precious metal closed November at over USD 4,200 an ounce, as the US dollar softened amid growing expectations of further US Federal Reserve (Fed) easing in December.

From a sector perspective, Health Care and Information Technology were the largest contributors, while Consumer Discretionary and Consumer Staples were offsetting. AI-enabled industries was the top performing theme, helped by positive stock selection in the Health Care sector. AI infrastructure and AI applications slightly underperformed the custom benchmark amid heightened investor scrutiny on data centre investment trends.

Contributors

Eli Lilly and Co. is a leading pharmaceutical company, complemented by AI-driven drug discovery initiatives. Shares outperformed following the company's Q3 results, which was driven by strong uptake of its glucagon-like peptide-1 (GLP) therapies for weight management and diabetes, alongside robust performance in its core biopharma portfolio. 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 contributor on a relative basis was Nvidia Corp. Although the stock was a meaningful position in the Fund, it was a relative underweight in the blended benchmark, which had an average weight of 12.76% versus the Fund's average allocation of 8.06%. Despite delivering solid earnings results, Nvidia shares pulled back amid greater investor scrutiny on the AI spending trends and the success of a technology conglomerate's latest AI model, which was developed outside the Nvidia's ecosystem.

Detractors

A top detractor over the period was a provider of cloud networking solutions that includes high-performance data centre switches, routers, and network security products. Despite delivering solid earnings results, shares underwent some profit taking as the company provided revenue guidance that missed elevated expectations due to supply constraints and long lead times for certain components. Though, we expect these bottlenecks to resolve over time. The company remains well positioned to capitalise on the rapid expansion of AI supercomputing clusters, with their high-performance networking solutions playing a critical role in enabling thousands of graphics processing unit (GPU) to communicate seamlessly, which is essential for complex AI workloads.

Our underweight position in a smartphone and personal computer giant was another relative detractor due to its significant weighting in the custom benchmark. The company had an average 10.52% weight in the benchmark, while the Fund had an average exposure of 3.53%. The stock was higher amid strengthening smartphone sales in the US and China, with additional benefit from a product max towards the higher-priced offerings.

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)

New Buys and Sells

We added a global leader in photonics technologies, designing, manufacturing, and marketing engineered materials, optoelectronic components, lasers, and optical transceivers. We initiated a position at this time as we believe the company is poised to benefit from strong optical networking spend associated with the AI data centre buildout, which we believe can drive upside revisions to the company's revenues and profits over the next year.

We also initiated a position in a leading provider of optical networking systems, routing and switching solutions, and automation software as we believe the company is poised to benefit from strong optical networking spend associated with the AI infrastructure investment cycle, which we believe can drive upside revisions to the company's revenues and profits over the next year.

We exited the position in a technology platform that connects customers with local restaurants, grocery stores, and retailers for on-demand delivery as the management indicated that they would be stepping up their spending to modernise the company's information technology (IT) infrastructure. This investment is expected to present a headwind to 2026 cash flows, which could limit upside potential for shares.

We sold the position in a home improvement retailer as the company reported disappointing results and lowered guidance. It continues to be impacted by macroeconomic headwinds that appear to be getting worse near-term rather than showing stability.

Market Outlook

We remain positive on the long-term outlook for equities, with Q4 historically being a seasonally favourable period for stocks. With the market starting to look forward towards a re-acceleration in earnings in 2026 across more sectors, this setup is conducive for the market to broaden out more to underappreciated areas of AI-enabled industries and AI applications. This includes tailwinds from the Fed resuming its rate cut path and implementation of the One Big Beautiful Bill Act as well as the Trump administration's other pro-business agenda.

However, it is possible that markets undergo short periods of volatility, as we could see more profit taking after a strong run, growing fears of an AI bubble, and a more complicated policy backdrop balancing risks of inflation and economic growth. For now, equity markets have been on an upward trajectory since early April and we believe the outperformance of AI-related stocks could continue with a more benign policy environment.

As we continue to follow the fundamental factors of the AI ecosystem, we maintain the view that growth trajectory remains in its early stages. From a demand perspective, the landscape continues to experience tailwinds from new AI data centre announcements and rapidly growing compute workloads from adoption of new AI reasoning models. The spending environment remains disciplined from across the ecosystem. At the downstream end, semiconductor and component suppliers have yet to materially ramp capital spending in response to the surge in AI infrastructure announcements. Unlike prior hype cycles, suppliers are responding with caution, choosing to wait for firm purchase commitments. Further upstream, cloud hyperscalers and internet leaders are increasing data centre spend, supported by solid earnings and AI growth opportunities. While the aforementioned AI research company has captured headlines with sizable investment ambitions, they are part of a much wider movement advancing AI innovation. Taken together, these dynamics suggest that the current AI investment cycle remains early, broad-based, and underpinned by solid fundamental factors rather than speculative excess.

From an innovation perspective, progress with AI development is accelerating as more powerful capabilities becomes readily available from the robust "phase one" infrastructure buildout. We are beginning to enter "phase two" where new generative AI use cases and application adoption drive significant benefits over the coming years. Our analysis suggests that investments in AI could lower the marginal costs of operations, much like the IT revolution did. Furthermore, the advanced features of AI-enhanced products or services can drive new levels of productivity, cost savings and revenue opportunities across industries in "phase three". 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.

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)

AI infrastructure: Spending on AI infrastructure should continue to be robust over the next several years as more powerful AI data centres are built around the globe. Nvidia's upcoming Blackwell AI chips provide up to a 30 times performance increase compared to the previous generation and more hyperscalers are designing custom AI chips to meet their unique specific needs. This is driving demand for new data centre architectures that can handle the higher power, cooling, space, and networking requirements. Overall demand for generative AI training remains durable as more companies across the ecosystem are rushing to build better foundational models or fine-tune other models. Growth in AI inference systems is also expanding to process and respond to new data in real-time and support applications that require low latency and high reliability at the edge of the network. Newer reasoning engines require more "think time" to yield better results, driving additional workload demand.

AI applications: Generative AI applications are evolving into their next phase with the emergence of AI agents. Unlike AI copilots designed to answer a single question, AI agents have decision engines that allow them to operate autonomously and complete complex tasks. AI agents can be easily customised to handle repetitive tasks and have human-like decision making capabilities to adapt to different situations. This can create a new level of automation and dramatically cut costs and improve productivity. We believe there will be an upcoming surge of new generative AI infused applications across many areas of consumer and enterprise workflows over the next several years, driving more investment opportunities.

AI-enabled industries: AI continues to open up new possibilities to drive true industry transformation across every industry. Many companies in AI-enabled industries are increasing investments in generative AI to train one's own industry-specific model on its proprietary content or knowledge to compete better. In Health Care, the application of AI could dramatically speed up the time for drug discovery, accelerate clinical trials and dramatically improve efficacy of medical devices. Within Financial Services, there are companies with significant volumes of data related to transactions, customer interactions and research. This allows for the creation of AI solutions to enhance operational efficiency, improve fraud detection and personalise client service. There are similar opportunities within Automotive, Consumer, Industrials, Energy, and even Mining. We think this is only the beginning as innovative companies embrace AI to enhance efficiency, lower costs, launch new products, take market share and drive higher levels of profitability.

We are still in the early innings of the AI era. Despite significant advancements, there is a lot more potential to be unlocked in the future. The industry is rapidly evolving, with major investments and innovations continuing to drive progress towards artificial general intelligence, possibly within the next decade. AI is becoming more integrated into various fields, from finance to health care to humanoid robotics. It is an exciting time, and we are likely to see even more transformative changes in the coming years.

Our view remains that the compounding effect from AI disruption will create opportunities for innovative companies across every sector. We believe that stockpicking will be essential to capturing the benefits of this opportunity, as today's AI winners may change in the future in an environment characterised by rapid change and disruption. We remain focused on identifying the companies that can best 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 equity markets have taken a breather in recent weeks, consolidating year-to-date gains. As part of the pullback, there has also been some notable rotation. Previous market leaders such as Tech stocks have seen profit taking, with more defensive and higher-yielding sectors such as Energy, Utilities and Banks being more resilient. In this environment, tech-heavy markets such as Taiwan and Korea were among the weaker markets last month, dragged lower by the global artificial intelligence (AI) weakness.

Japanese markets closed the month slightly higher, although returns to international investors were lower as a result of the weaker yen. Sino-Japanese tensions rose after Prime Minister Takaichi's comments about the possibility of Japanese military involvement in a cross-strait conflict involving Taiwan sparked a diplomatic row. Meanwhile, fiscal concerns weighed on the currency as the government unveiled a USD 135 billion stimulus package. Elsewhere, China markets also consolidated, with muted economic data and property market weakness weighing on sentiment.

The Fund outperformed the benchmark in November. Stock selection in Taiwan was notably strong, and China stock picks also contributed positively.

At a stock level, a key contributor was a Taiwanese chip design company that makes specialised chips called system-on-chip (SoC) for servers and related applications. The company is one of the largest suppliers globally of baseboard management controller (BMC) chips which monitor and control servers remotely, and which are essential for data centres and cloud computing. The share price reacted positively to upbeat management guidance for next year, reflecting robust server demand.

Conversely, a detractor last month was exposure to defence and aerospace stocks, which saw some profit taking after the previous strong rally. Our principal holding is in a Japanese multinational engineering giant which, as well as benefitting from global security spending, is also a major player in energy transition with significant investments in hydrogen, carbon capture and renewable energy systems.

Portfolio activity in recent weeks has been to add to Technology exposure, using the AI jitters as a selective buying opportunity. While we are cautious about certain AI-related capital expenditures (capex) that appear excessive, nonetheless we see AI as a powerful long-term growth engine and remain confident in its transformative potential.

For example, we recently initiated a position in a Taiwanese company that provides semiconductor packaging and testing services. The surge in AI servers and data centres is driving demand for advanced packaging solutions. Another addition was a Japanese company that makes specialised machines to inspect and measure semiconductor components. Foundries are investing heavily in next-gen semiconductor plants, creating a steady pipeline of growth for inspection systems.

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.

Market Outlook

Overall, we are optimistic on the outlook for Asia Pacific equities. Economic policy is broadly supportive across the region, helping to offset the impact of higher tariffs. Lower inflation is also providing flexibility for Asian central banks to lower interest rates. In China, we anticipate there will be further policy support as the housing market continues to weaken. We also expect Technology to remain a feature going forward. In our view, China's AI industry has passed a turning point and entered a more self-sustaining cycle of rising investment and higher profitability.

As well as benefitting from global AI demand, structural drivers remain in place for a more positive, longer-term outlook in Japan in our view. In particular, the combination of higher inflation as well as ongoing governance reforms should contribute both to improved earnings as well as a greater focus on shareholder value. We also see the Japanese yen as significantly undervalued.

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 Total Return Asian Equity Fund:

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

Market Review

Asian equities have taken a breather in recent weeks, consolidating year-to-date gains. As part of the pullback, there has also been some notable rotation. Previous market leaders such as Tech stocks have seen profit taking, with more defensive and higher-yielding sectors such as Energy, Utilities and Banks being more resilient. In this environment, tech-heavy markets such as Taiwan and Korea were among the weaker markets last month, dragged lower by the global artificial intelligence (AI) weakness. Elsewhere, China markets also consolidated, with muted economic data and property market weakness weighing on sentiment.

Meanwhile, it was a better month for Indian equities as robust fundamentals and signs of resilient corporate earnings lifted investor confidence. Gross domestic product (GDP) growth rose from an annualised rate of 7.8% in Q2 to 8.2% in Q3, despite the hit from 50% tariffs on imports to the US since August. Meanwhile, inflation fell from a downwardly revised 1.4% in September to 0.3% in October – the lowest reading on record. The Reserve Bank of India (RBI) held the repo rate at 5.5% but hinted at a possible cut in December.

The Fund slightly lagged the benchmark in November. Stock selection in China was the main source of detraction.

At a stock level, a detractor was a Chinese company that specialises in the production of high-performance permanent magnets used in new energy vehicles, robotics, wind turbines and other appliances. Recent results where revenue was slightly behind expectations was the trigger for some profit taking after a strong share price rally year-to-date. We see carbon neutrality and electrification trends being significant long-term growth drivers for the company.

Conversely, a key contributor was Singapore Telecommunications, one of Asia's leading communications technology groups. The company reported strong half-year earnings as well as a dividend hike. Over the longer term, we see the company providing broad exposure to Asian digital advancement, and stable cash flows which should continue to support an attractive dividend yield.

During the month, we selectively reduced exposure to several names in China. These included an auto parts company with a strong position in battery housings as well as one of China's leading investment banks. We also added modestly to ASEAN exposure including Thailand's largest private hospital group.

As a result, geography and sector allocations are relatively close to benchmark. The portfolio is slightly overweight in the Philippines and China, which is balanced out by an underweight position in India and Indonesia.

At a sector level, Information Technology and Communication Services are the primary overweight positions, while Industrials and Consumer Staples are slightly underweight. Top names in the portfolio at month end were TSMC, Alibaba and Tencent.

Market Outlook

Overall, we are optimistic on the outlook for Asia Pacific equities. Economic policy is broadly supportive across the region, helping to offset the impact of higher tariffs. Lower inflation is also providing flexibility for Asian central banks to lower interest rates. In China, we anticipate there will be further policy support as the housing market continues to weaken. We also expect Technology to remain a feature going forward. In our view, China's AI industry has passed a turning point and entered a more self-sustaining cycle of rising investment and higher profitability.

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 equities and fixed income finished higher in November, while global convertible securities finished lower. Q3 earnings momentum continued. With the majority of S&P 500 companies having reported, 82% topped estimates for an earnings growth rate of 13.3%. The government shutdown concluded in the period, driving a resumption of economic data releases. Initial jobless claims were subdued, and durable goods beat expectations whereas retail sales and consumer confidence missed projections. December rate cut expectations whipsawed over period to end in favour of a 25-basis point (25-bps) reduction. Against this backdrop, the 10-year US Treasury yield fell to 4.02%.**

In this environment, key markets were mixed:

- Global equity markets, as measured by the MSCI World Index, returned +0.31%.*
- Global convertible securities, as measured by the ICE BofA Global 300 Convertible Index, returned -1.66%.**
- Global high yield bonds, as measured by the ICE BofA Global High Yield Index, returned +0.38%.**
- Global fixed income, as measured by the Bloomberg Global Aggregate Index, returned +0.23%.^

The portfolio benefitted from strength across global equity and most fixed income markets.

Top contributors in November were led by Alphabet, which was driven by a favourable response to its newest artificial intelligence (AI) model as well as optimism around reported plans to commercialise its internally developed data centre chips. Broadcom also benefitted from the latter report as a design partner for the chips, while Apple gained on headlines around strong penetration for its latest smartphone offering. A major pharmaceutical company reached an agreement with the US government to expand access to obesity drugs in exchange for favourable tariff treatment, while a health care REIT and an immunology company both maintained upside momentum from a beat-and-raise earnings report last month. An industrial services provider also boosted guidance, and a diversified telecom holding rallied on potential mergers and acquisitions (M&A) headlines. The other top contributors were an optical components manufacturer and an energy services provider.

Top detractors in the period included Nvidia, which was lower on competitive concerns despite a strong quarterly report, along with a number of hyperscalers like Microsoft and Amazon that declined on broader scrutiny around the AI spending narrative. A video surveillance provider was negatively impacted by tariffs, a heavy equipment manufacturer saw margin contraction, and a shipbuilder reported lighter-than-expected orders. The other top detractors in the period were a consumer electronics company, an aerospace holding, and an electric vehicle manufacturer.

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

Market Outlook

The macro outlook is improving following a stronger-than-expected economic rebound, an inflection in earnings estimates, a shift in the US Federal Reserve's (Fed's) stance, the One Big Beautiful Bill Act (OBBBA) being signed into law, and increased visibility around trade policy.

Outside of the US, monetary and fiscal policy stimulus measures could help to stabilise the global economy. US economic growth for Q3 is tracking ahead of forecasts due to resilient consumption and strong corporate spending. Unemployment and inflation have increased but only modestly. Potential growth tailwinds include rising capital expenditure (capex), reshoring, deregulation, and credit expansion whereas a sharp rise in either unemployment or inflation could increase the odds of an economic slowdown.

The Fed is targeting a more neutral policy position with the market expecting additional interest rate cuts over the coming quarters. However, Chair Powell has noted that future rate decisions remain highly data dependent.

Global equity market strength is the result of better-than-expected top- and bottom-line results and inflecting earnings estimates. Potential earnings growth tailwinds include reaccelerating economic momentum in 2026, rising productivity, the proliferation of AI, low oil prices, and falling borrowing costs. Headwinds include rising operating expenses as well as the impact of tariffs, but clarity has improved on this point. There is evidence earnings breadth is beginning to expand. This dynamic could lead to a broadening out of the market, aided by industries that have underperformed since 2022. The Fed's shift in stance is also notable because equities are generally higher a year after the first rate cut.

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's year-to-date outperformance of the broad equity market can continue if volatility rises or breadth expands. Strategist forecasts for annual new issuance continue to be revised higher, currently sitting at USD 140-150 billion# compared to an initial forecast of USD 85-95 billion. Heavy primary market activity is a function of coupon savings demand, elevated refinancing needs, and a positive outlook for price appreciation among small- and mid-cap companies. 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 nearly 7%^^, offers equity-like returns but with less volatility. Currently, the asset class is on track to deliver a coupon-plus return in 2025. 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 continues to improve. 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. Rising interest rates are a risk for high grade corporates, however the investment opportunity remains attractive given higher coupons and yields, and a positive fundamental outlook with limited default risk. The asset class trades at a discount to par, offering compelling total return potential and downside cushioning. If the 10-year US Treasury yield finishes 2025 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 November 2025 unless otherwise stated.
* Source: MSCI, as at 30 November 2025
^ Source: Bloomberg, as at 30 November 2025
** Source: BofA Merrill Lynch, as at 30 November 2025
^^ Source: ICE Data Services, as at 30 November 2025
# Source: BofA Research, as at 30 November 2025

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

Target Fund Manager's Comment (For Allianz Thematica)

Market Review and Outlook

Global equities had a volatile month and ended November broadly where they started. Technology stocks dragged markets lower, as concerns regarding eye-watering artificial intelligence (AI) valuations and escalating AI spending spurred a global sell-off. European stocks led the way in November, with markets overcoming earlier AI-related caution. Japan crept ahead, despite escalating diplomatic tensions with China over Taiwan. US equities also overcame losses in the tech-led market correction, nudging into expansion territory at month-end. On the other side, emerging markets underperformed their developed market peers, dragged lower by negative returns from Asian tech hubs South Korea and Taiwan alongside China.

Turning to sectors in the MSCI All Country World Index, Health Care stocks rose the most, as investors rotated out of the high-growth areas of the market that have propelled global indices to a string of new highs in 2025. Materials, Consumer Staples and Communication Services also outperformed in November. Less positively, Information Technology was the weakest sector, while Consumer Discretionary and Industrials also posted negative returns.

In currency markets, the US Dollar Index closed November little changed. Early gains on the back of hawkish Fed commentary and the reopening of the US government were largely offset after mixed labour market data appeared to bolster the case for a Fed rate cut in December.

Brent crude oil prices eased in November, closing at just over USD 63 a barrel as oversupply concerns mounted against a backdrop of deteriorating global demand. Prices came under additional pressure as cautious optimism over a potential ceasefire between Russia and Ukraine raised the possibility of previously sanctioned Russian crude re-entering global markets and further exacerbating the supply glut. Gold prices rose in November closing November at over USD 4,200 an ounce as the US dollar softened amid growing expectations of further Fed easing in December.

The Fund returned negatively (in EUR, gross of fees) in November, below the MSCI AC World Index.

Performance has been weaker on a thematic level as well as on stock selection. From a thematic angle, Strategic Autonomy has been the weakest contributor to overall performance as peace negotiations between Russia and Ukraine negatively influenced defence stocks. AI Adoption has been also on the weaker side as the market started questioning the monetisation. Positive contribution occurred from the theme Clean Water and Land.

A specialty chemicals manufacturing company gained 29.6% as the top S&P 500 performer, driven by Q3 results that beat expectations with improved energy storage margins from lower costs. A manufacturer of water drainage structures and supplies benefitted from Q2 fiscal 2026 earnings that topped estimates, leading several brokers to raise its price target significantly. A provider of waste management services participated in the broader small-cap rally as rate-sensitive stocks surged ahead of expected Fed rate cuts. While nuclear and AI sectors experienced volatility, a Chinese robotics company genuinely lagged global markets. A provider of small modular reactors (SMRs) surged despite broader nuclear sector concerns about "meme-like" valuations and overheating retail investor speculation. A cloud-computing and AI infrastructure provider was hit by the broader AI stock sell-off that hit Technology names hard, with the Nasdaq 100 experiencing its worst week since April. An AI and humanoid robotic company declined as Chinese robotics stocks faced investor scrutiny over bubble fears, with government warnings against potential overvaluation.

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 delivered mixed performance in November as markets navigated a complex backdrop of lingering policy uncertainty and the tail end of the U.S. government shutdown. In the U.S., the delayed September jobs report, released in late November, showed nonfarm payrolls rising by 119k, but the unemployment rate ticked up to 4.4%. On U.S. prices, the annual headline inflation rate rose to 3.0% in September, slightly below expectations of a 3.1% advance. In the Euro Area the annual inflation rate eased to 2.1% in October, down from 2.2% in September, staying close to the ECB's 2% target. In the U.K., the annual inflation rate eased to 3.6% in October 2025, the lowest level in four months, down from 3.8% recorded in each of the previous three months.

Developed sovereign yields were mixed in November as inflation trends and policy expectations diverged. In the U.S., the 10-year Treasury eased 6 bps to 4.01%, as delayed data releases showed underlying labour market weakness. In the U.K., 10-year gilts briefly peaked at 4.60% before ending 3 bps higher at 4.44%, supported by fiscal tightening measures. Elsewhere, Japan's 10-year JGB climbed 14 bps to 1.81% amid rising odds of a December rate hike.

Developed market equities posted modest gains, with the MSCI World Index posting gains of 0.3% as investors weighed sticky inflation against shifting rate-cut expectations. In the U.S., the S&P 500 rose 0.3%, supported by strong earnings and tech optimism, though sentiment was tempered by a government shutdown and delayed economic data. Credit spreads were broadly wider, with U.S. and Euro investment grade spreads widening 2 bps and 4 bps, respectively. In similar fashion, U.S. and Euro high yield spreads widened 1 bps and 4 bps, respectively.

During the month, the PIMCO GIS Income Fund returned 0.76% after fees (in USD, for the Institutional class, Accumulation share), bringing YTD '25 performance to 10.17%.

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

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

Market Review and Outlook

Market:

• Global equities finished the month slightly lower, with the MSCI All Country World Index down -0.01% USD in November. However, developed markets posted moderate gains as the MSCI World Index returned +0.3%.

• Sector leadership rotated back toward value with the MSCI World Health Care Sector rising by +8.1%, while Communication Services, Consumer Staples, and Materials also led sectoral performance. Interest-rate sensitive sectors struggled as intramonth concerns rose that the Federal Reserve may be less likely to cut rates in December. Elsewhere, the Information Technology & Consumer Discretionary sectors lagged their counterparts. Ultimately, 8 out of 11 sectors posted monthly gains.

• Policy signals were broadly steady: the Bank of England kept Bank Rate at 4.0%, while Federal Reserve minutes kept options open ahead of December. Inflation data was mixed into month-end, with the euro area's flash Harmonised Index of Consumer Prices for November printing 2.2% y/y, consistent with an "on hold" European Central Bank stance.

• Regional data pointed to uneven economic momentum. Business surveys showed manufacturing remained soft across major economies into November. China's official manufacturing PMI ticked up but remained below 50, while global PMI roundups highlighted ongoing contraction in the U.S. and euro area.

• Earnings remained strong in November with a majority of S&P 500 companies beating earnings expectations. According to FactSet, among those that reported, approximately 82% had positive EPS surprises, well above the long-term average.

• UK and euro-area equities were broadly flat in November. The STOXX Europe 600 eked out a small gain of 0.5% while the Euro STOXX 50 slipped marginally, leaving regional benchmarks little changed after a volatile month. The ECB kept rates on hold as inflation hovered just above its 2% target and survey data pointed to stable medium-term price expectations, reinforcing expectations of an extended pause.

• China and Asia saw mixed performance. Chinese equities rebounded after new stimulus measures, including infrastructure spending and credit easing. Japan's Topix index fell as concerns rose around rising yields. South Korea's KOSPI and Taiwan slid in tandem, and ended the month marginally in the red.

Stocks:

• Not holding a position in Zoetis was the top contributor to relative performance for the month. The pharmaceuticals company's stock struggled in November after posting disappointing financial results.

• An off-benchmark position in Exact Sciences also contributed to relative returns, as the company's stock surged during the month after Abbott announced it would be acquiring the biotechnology firm.

• An overweight position in Medtronic was another contributor to relative performance. The healthcare equipment company's stock traded higher after delivering better-than-expected quarterly results, in which revenue grew 5% year-over-year.

• The largest detractor from relative performance was an underweight position in Eli Lilly, which saw its stock price rise as pharmaceutical stocks widely benefited from positive reactions to Most Favoured Nation agreement announcements.

• An underweight position in Merck also detracted from returns, as pharmaceutical stocks widely benefited from positive reactions to Most Favoured Nation agreement announcements.

• Lastly, an overweight position in Abbott detracted from relative returns. The health care equipment company underperformed as its acquisition of Exact Sciences raised concerns for investors.

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 pharmaceuticals subsector. In contrast, the fund moderately reduced its exposure to medical devices & supplies companies.

• At the individual security level, the fund increased its position in Eli Lilly, with the expectation of improved financial performance as a result of its Most Favoured Nation agreement. Furthermore, the fund increased its exposure to Roche, given positive results for its adjuvant breast cancer study. Lastly, the fund increased its exposure to Gilead Sciences due to the biotechnology's strong financial results.

• Conversely, the fund exited its positions in Labcorp and Becton Dickinson as a source of funds. Furthermore, the fund reduced its position in Novo Nordisk, following elevated 2026 performance guidance.

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.

• The tariff landscape remains fluid, and we continue to monitor developments closely. From a sector perspective, healthcare is not immune, but it may be less affected than others. Its defensiveness stems from non-discretionary demand—healthcare consumption typically holds steady even during periods of economic stress.

• While certain healthcare industries may see continued volatility under the new federal government leadership, change is unlikely to be immediate or unilateral. With a more stable earnings profile and valuations trading below long-term averages we see a favourable risk-reward profile for the sector.

• 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.

For Allianz Life ESG-Integrated Multi-Asset Fund and Allianz Life ESG-Integrated Multi-Asset Fund (MYR-Hedged):

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

Market Review and Outlook

Market Review:

• November was a month of two halves, with risk assets selling off early in the period before staging a sharp recovery that ultimately extended the run of consecutive monthly gains across a range of developed market assets. In the US, changing expectations around Federal Reserve policy were the dominant driver. The month began with a more cautious stance from the Fed, which dampened sentiment, but softer economic data and more dovish remarks from policymakers towards the end of the month led investors to once again anticipate a December rate cut. In Europe, tentative signs of movement toward a peace agreement in Ukraine offered a modest boost to confidence, while in the UK the budget passed without market disruption. Japan, however, stood out for rising government bond yields and further yen weakness after the announcement of a large fiscal stimulus package.

• In the US, most companies in the S&P 500 reported results ahead of expectations with technology related profits were particularly strong, especially for the largest companies associated with AI. However, elevated valuations and ambitious growth assumptions led investors to take a more cautious stance, and technology and other growth orientated companies share prices lagged the broader market. Europe benefited from solid earnings in financials and information technology, while a weaker yen supported export orientated companies in Japan. Technology-heavy markets such as Korea and Taiwan drifted lower in November and contributed to the overall underperformance of emerging markets.

• US government bonds strengthened as markets moved back toward expecting a year-end rate cut. Japanese government bonds came under pressure as doubts intensified about the sustainability of very accommodative monetary policy and the inflation risk associated with currency weakness. In the UK, moderating inflation was initially overshadowed by uncertainty ahead of the Budget, but subsequent confirmation of lower planned gilt issuance provided some support. In Europe, German government bonds underperformed amid plans for higher net new borrowing.

• Precious metals advanced as expectations of looser monetary policy and lower real yields supported safe-haven demand. The US dollar was marginally negative over the month, supported by expectations of policy easing but constrained by uncertainty around the economic backdrop.

Performance:

• Against this backdrop, the ESG Multi-Asset Fund delivered a negative return, though importantly, decisions taken in the previous month to reduce exposure to high-momentum equity themes and increase allocations to more defensive exposures, such as the Global Healthcare Basket and Gold, helped mitigate losses.

• From an asset-class perspective, equities were the largest detractor, with the Safety and Security, Enterprise Technology, A.I. Ecosystem and China A.I. baskets giving up part of their strong year-to-date gains during the initial market pullback. The Sustainable Energy basket also declined, reflecting heightened concerns about power demand linked to future AI growth. Conversely, the timely addition of the Global Healthcare Basket provided valuable diversification as markets rotated toward defensive sectors, and the reinitiated Gold Miners and recently added Robotics baskets were also supportive. Regionally, Japanese equity exposure via the Japan High Dividend Basket contributed positively, while tactical allocations to the UK, Europe and Emerging Markets detracted. Our two actively managed BlackRock equity portfolios also detracted in absolute terms and underperformed their global opportunity set as constructive positioning towards AI themes weighed on returns.

• Elsewhere in the portfolio, Fixed Income exposures contributed modestly, with the actively managed BlackRock Investment Grade Corporate Bond portfolio generating gains. This offset weakness from government bond positions where long exposure to Australia weighed against positive contributions from US Treasuries and the European yield-curve steepened strategy. Precious metals again enhanced diversification, with both Silver and Gold contributing positively.

• Listed Alternatives delivered mixed results, resulting in a small negative contribution overall, with Global Renewable Infrastructure and UK Battery Storage proving resilient, while UK-focused solar and wind assets faced pressure amid fiscal constraints that may prompt a reassessment of subsidy frameworks. Growth-oriented allocations linked to early-stage technology also detracted during the broader rotation out of the sector.

For Allianz Life ESG-Integrated Multi-Asset Fund and Allianz Life ESG-Integrated Multi-Asset Fund (MYR-Hedged):

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

Positioning:

• The Fund remained constructively positioned from an Equity perspective, yet more balanced following profit-taking in high momentum themes and strongly performing regional views. We maintained a light duration stance in Fixed Income, continuing to favour investment-grade credit over government bonds, with a significant underweight at the long end of global yield curves. Elsewhere, we held meaningful allocations to precious metals as portfolio diversifiers.

• We increased exposure to the Global Healthcare Basket, funded from more cyclical exposures to provide more defensive exposure within Equities. Later in the month, we introduced two new customised thematic equity baskets: the Robotics Basket and the Cryptocurrency Infrastructure Basket. The Robotics Basket targets beneficiaries of the next phase of AIdriven automation supported by labour shortages, reshoring trends, greater technological maturity and declining costs. It includes companies across humanoid robotics, industrial automation and robotics-as-a-service.

• The Cryptocurrency Infrastructure Basket focuses on firms involved in mining hardware and software, stablecoin infrastructure, and digital asset trading platforms. Our long-term view is that the policy backdrop for crypto and stablecoins is likely to stay supportive, underpinned by policy developments, growing global adoption, diversification away from traditional reserve systems and ongoing institutionalisation of the asset class.

• Within Fixed Income, we added exposure to Australian Government Bonds, reflecting our view that interest-rate expectations had diverged from underlying growth and inflation dynamics.

• Across commodities, we increased allocations to Gold Miners, Gold and Silver during the month and subsequently added Platinum to broaden the precious-metals exposure, supported by resilient industrial demand and persistent supply deficits.

Market Outlook:

• In the US, key drivers of market sentiment going into year end include the potential Supreme Court ruling on the legal basis for the US Administration's tariff policy, the December Federal Reserve decision on whether to cut rates, and the expected nomination of a new Fed chair. In our view, we expect the existing tariffs to be ruled illegal, though this will likely increase uncertainty for businesses as the Administration may look to alternative powers to advance their protectionist trade agenda, whilst any refunds will take time to process. Markets are currently expecting a rate cut in December, though with the backdrop of the tariff ruling and a lack of data given the recent government shutdown there is potential room for disappointment, particularly when it comes to the outlook for rates next year. Finally, the appointment of a more dovish chair would likely lead to a looser policy stance in the near term, however, any perception of reduced central bank independence could lead to higher longer-dated yields.

• In Europe, the outlook is gradually improving from a weak starting point, but confirmation from hard data is still required. While we remain cautious of the outcome, Germany's fiscal plans should boost infrastructure and defence spending in 2026 and beyond, with a greater share of that defence spending expected to remain within Europe, benefiting domestic industry. Markets have begun to price in rate cuts from the European Central Bank; however, we consider an extended pause more likely, with some residual risk of further tightening if fiscal delivery and inflation prove stronger than anticipated.

• In the UK, indications from the Autumn fiscal package point to a meaningful consolidation effort alongside greater fiscal headroom than previously expected. Many of the planned tax increases are backloaded and may prove challenging to implement in full. Gilt markets have responded positively to the improved headroom, but the combination of slightly higher issuance and a mixed quality of measures suggests that investors will remain attentive to fiscal developments, even as lower projected inflation offers a somewhat more supportive backdrop for the Bank of England.

• We remain constructive on equities but continue to stress the importance of disciplined risk management and dynamic active positioning to navigate markets. The AI story is broadening from a single dominant supplier to a more dispersed ecosystem. Recent rotations between mega-cap technology companies suggest a rebalancing within the theme rather than its end, and global indices remain close to their highs indicating, in part, that markets continue to view AI as a durable growth driver. Earnings expectations in the US, particularly in technology and health care, remain supportive, while Europe's improving earnings revisions, low ownership and wide valuation discount leave scope for it to benefit from a gradual rotation if growth stabilises.

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

• In fixed income, we see the principal risk in developed market duration, where the dynamics discussed above leave us cautions on US duration. Local-currency emerging market debt continues to offer attractive carry in a supportive disinflation environment but remains exposed to a stronger US dollar and renewed geopolitical stress.

• The dollar has traded in a broad range and could find near-term support if markets reassess the scale or pace of Fed cuts or attach a higher risk premium to global political uncertainty, even as the longer-term trend for gradual diversification away from the dollar in trade and central bank reserves remains in place.

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

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

Market Review

Top contributors in November were led by Alphabet, which was driven by a favourable response to its newest artificial intelligence (AI) model as well as optimism around reported plans to commercialise its internally developed data centre chips. Broadcom also benefitted from the latter report as a design partner for the chips, while Apple gained on headlines around strong penetration for its latest smartphone offering. Eli Lilly reached an agreement with the US government to expand access to obesity drugs in exchange for favourable tariff treatment, and Welltower maintained upside momentum from a beat-and-raise earnings report last month. The other top contributors were an optical components manufacturer and a diagnostics company.

Top detractors in the period included Nvidia, which was lower on competitive concerns despite a strong quarterly report, along with a number of hyperscalers like Microsoft and Amazon that declined on broader scrutiny around the AI spending narrative. An internet services provider was subject to an outage, a rideshare operator indicated near-term margin headwinds due to strategic investment initiatives, and an energy component supplier reported lighter-than-expected top-line results. The other top detractors in the period were a semiconductor company and a satellite manufacturer.

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

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

Market Outlook

The macro outlook is improving following a stronger-than-expected economic rebound, an inflection in earnings estimates, a shift in the US Federal Reserve's (Fed's) stance, the One Big Beautiful Bill Act (OBBBA) being signed into law, and increased visibility around trade policy.

US economic growth for Q3 is tracking ahead of forecasts due to resilient consumption and strong corporate spending. Unemployment and inflation have increased but only modestly. Potential growth tailwinds include rising capital expenditure (capex), reshoring, deregulation, and credit expansion whereas a sharp rise in either unemployment or inflation could increase the odds of an economic slowdown.

The Fed is targeting a more neutral policy position with the market expecting additional interest rate cuts over the coming quarters. However, Chair Powell has noted that future rate decisions remain highly data dependent.

US equity market strength is the result of better-than-expected top- and bottom-line results and inflecting earnings estimates. Potential earnings growth tailwinds include reaccelerating economic momentum in 2026, rising productivity, the proliferation of AI, low oil prices, and falling borrowing costs. Headwinds include rising operating expenses as well as the impact of tariffs, but clarity has improved on this point. There is evidence earnings breadth is beginning to expand. This dynamic could lead to a broadening out of the market, aided by industries that have underperformed since 2022. The Fed's shift in stance is also notable because equities are generally higher a year after the first rate cut.

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's year-to-date outperformance of the broad equity market can continue if volatility rises or breadth expands. Strategist forecasts for annual new issuance continue to be revised higher, currently sitting at USD 95-100 billion# compared to an initial forecast of USD 60-65 billion. Heavy primary market activity is a function of coupon savings demand, elevated refinancing needs, and a positive outlook for price appreciation among small- and mid-cap companies. Aside from diversification benefits, new issuance expands the opportunity set of investments with attractive terms and the desired risk/reward characteristics.

The US high yield market, yielding more than 7%, offers equity-like returns but with less volatility. Currently, the asset class is on track to deliver a coupon-plus return in 2025. 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 continues to improve. 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.

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

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

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

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

Market Review and Outlook (Jul - Sep 2025)

(Target Fund Manager only produces commentaries on quarterly basis)

Market Review:

The Fund had a very strong Q2 results season in aggregate, aiding performance in July as shares to pulled-to-par with earnings, before a period of volatility in August paired back these gains. This volatility can broadly be described as a sharp momentum reversal driven by US interest rate policy uncertainty, hope of a Ukraine ceasefire and concerns over the outlook for artificial intelligence. September saw some of the most impacted areas of the market rebound and for the portfolio, at a sector level, industrial positions were the strongest area of performance over the quarter. AI sentiment supported semiconductor and data centre related holdings and the aerospace sector continued to demonstrate robust momentum as the industry works through order backlogs and supply ramp-ups. Financials, consumer discretionary and healthcare were the weakest sectors for relative performance.

2025 has been highly volatile. Equity markets (such as the MSCI World Index3) have delivered strong returns but with numerous sharp drawdowns, rotations, and short-lived changes in leadership. August exemplified this trend. We believe much of the volatility we have seen year-to-date can be ascribed to investor nervousness arising from narrow market leadership in addition to greater geopolitical uncertainty. This in turn reflects the shape of the economy: global economic growth remains modest and multiple cyclical sectors, particularly those exposed to consumer goods, remain in a protracted downturn. At the same time, demand for, and investment in, artificial intelligence has been strong and appears to be rapidly accelerating. This has created a "two speed" economy: growth is concentrated in just a small subset of companies and the equity market at times appears to be divorced from the wider, more modestly growing, economy. With this narrow market leadership comes investor nervousness, particularly given how rapidly all things AI are evolving, and we are witnessing dramatic share price reactions and market rotations to relatively small pieces of incremental news flow. These may get quickly forgotten as a new headline appears but have the effect of creating a fickle and volatile equity market even as it continues to reach new all-time highs.

The questions arising are, of course a) when will this growth broaden out and those relatively depressed areas of the economy start to recover, and b) can the growth in AI investment sustain? On the former, so far, we have had multiple false dawns. For example, a mild improvement in luxury in Q4 20244, to more optimistic guidance on the lifescience sector on 20255, to a significant rally in US homebuilders following dovish US Federal Reserve comments at Jackson Hole over the summer6. In each of these examples, hope has subsequently faded: luxury data rolled, numerous lifesciences companies revised guidance down from previous estimates, and housebuilders have retraced. While we would expect each to recover in due course, we find it challenging to have a high conviction view on when exactly this might happen: in our view, pricing architectures in luxury need to reset to a level which attracts customers back into the market; ongoing political uncertainty is impacting spending across the biotech and pharmaceuticals ecosystem; US rates need to come down for US housing to recover, no easy assumption when fiscal deficits remain elevated. Examples such as this can be identified across multiple other areas of the economy, and we believe it is clear that the burden of COVID-19-related distortions is elongating traditional economic cycles in ways which we have not seen before.

At the same time, artificial intelligence demand, and investment in building capacity to support this, has continued to strengthen. Over the course of September and into October (at the time of writing) we have seen numerous new partnerships announced, most notably by OpenAI (not owned). Meta and Microsoft have also both announced plans to rent compute capacity, despite having spent billions on capex, demonstrating how tight supply remains, and x AI (not owned) is using a special purpose vehicle to raise capital to fund its own expansion. The scale of some of these agreements is vast: Open AI has announced approximately 26GW7 of planned capacity (albeit this may include some double counting) over the next five years which, with an estimated current cost of US$50-60bn per GW8, amounts to approximately US$1.4tn of total spend. Crucially, this new phase of investment is pulling on capital markets for funding, a significant shift given most capex was previously funded by hyperscaler free cash flow. This both accelerates the expansion but arguably makes it more fragile. For now, the dramatic growth in AI usage and explosion in AI revenues may underpin sustained investment, but this is something we need to remain vigilant to.

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

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

Outlook:

We expect volatility to continue given ongoing political uncertainty and the narrow equity market leadership we have seen year to date. In such environments, staying focussed on company fundamentals is critical in our view. The potential for whipsawing is high, but over time share prices will pull to par with corporate earnings outcomes, given it is earnings and cash flows that drive returns over a reasonable time period. Our conviction in the outlook for AI investment has grown over the last six weeks given evidence of the rapid acceleration in investment plans for a growing number of corporates. At the same time, we recognise that this growth is becoming more fragile with announcements that are no longer financed by hyperscaler cash flows. This is something we need to remain hyper-vigilant to: there is potential for imbalances to build, yet concurrently there is a huge amount of value being created. We are developing various data sets to monitor this, in addition to continuing our extensive interactions with company executives and industry experts across the space. We have direct exposure to this secular trend via data centre capex beneficiaries, in addition to owning various hyperscalers who we believe can grow via cloud service provisions and embedded market positions in software and advertising. At the same time, we aim for our concentrated portfolio to remain diversified, and we find high conviction ideas across multiple other areas including payments, aerospace and specialised medical technology.

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

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

Market Review and Outlook

Performance Overview:

• The BGF World Technology Fund returned -7.1% in November (A2 share class in USD, net of fees), underperforming its benchmark, the MSCI ACWI Information Technology 10/40 Index, which returned -4.5%.

Market:

• Global equities were relatively flat in November, bucking the typical seasonally bullish tailwinds. The MSCI ACWI fell roughly -0.1%, and the Nasdaq 100 fell by -0.2%. The neutral price performance by month's end masked early November volatility when U.S. equity indexes tumbled to their worst five-day run since 2008. This contrasted sharply with the final five days of the month when the S&P 500 rallied to close just above breakeven, extending the monthly win streak to seven.

• Sector leadership rotated back toward value with the S&P 500 Health Care Sector rising by +7.6% while communication services reported a 4.5% return and the Energy Sector posted a modest +1.4% gain. Interest-rate sensitive sectors struggled as intra-month concerns rose that the Federal Reserve may be less likely to cut rates in December. The S&P 500 Utilities Sector fell by -1.5% while S&P 500 Real Estate Sector declined by -2.4%.

• By the end of the month, concerns that The Fed would pause rate cuts dissipated and a risk-on approach dominated end of month price action. According to CME Group's FedWatch Tool, the odds a 25-basis point interest rate cut in December rose to 87.6%. Perhaps the biggest surprise was the rise of Japan's 2-year yield to the highest level since 2008 on expectations of rate hikes by The Bank of Japan.

• Earnings remained strong in November with a majority of S&P 500 companies beating earnings expectations. According to FactSet, among those that reported, approximately 82% had positive EPS surprises, well above the long-term average.

• UK and euro-area equities were broadly flat in November. The STOXX Europe 600 eked out a small gain of 0.5% while the Euro STOXX 50 slipped marginally, leaving regional benchmarks little changed after a volatile month. The ECB kept rates on hold as inflation hovered just above its 2% target and survey data pointed to stable medium-term price expectations, reinforcing expectations of an extended pause.

• China and Asia saw mixed performance. Chinese equities rebounded after new stimulus measures, including infrastructure spending and credit easing. Japan's Topix index fell as concerns rose around rising yields. South Korea's KOSPI and Taiwan both slid in tandem, and ended the month marginally in the red.

Sectors:

• Nvidia became the first company ever to reach a $5 trillion market cap, driven by surging AI demand and record quarterly revenue of $57B (+62% YoY). It also unveiled plans to supply 260,000 Blackwell AI chips to South Korea's sovereign AI cloud and industrial programs, reinforcing its dominance in global AI infrastructure.

• AWS will become OpenAI's primary cloud platform for training and enterprise-scale deployment. This alliance signals a new era of "model-cloud exclusivity," giving AWS-native enterprises seamless access to OpenAI's LLMs and intensifying hyperscaler competition.

• Anthropic raised its valuation to $350B after Microsoft committed $5B and Nvidia $10B. The deal includes $30B in Azure compute purchases and up to 1 GW of Nvidia-powered capacity, cementing Claude's position as a frontier model alongside ChatGPT and Gemini.

• Google launched Gemini 3, its most advanced multimodal AI model, integrating text, code, image, audio, and video capabilities and is embedded across Google Search and Workspace. Analysts praised its Elo rating above 1500, setting a new benchmark for enterprise AI adoption.

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

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

Market Review

Equity Market:

• The MSCI ACWI Index closed November flat with a 0.0% gain, as global uncertainty persisted amid heightened inflation and recalibrating expectations around upcoming rate cuts. In the U.S., the S&P 500 Index rose by 0.2%, reflecting a reassessment in tech and AI valuations, with positive sentiment from stronger-than-expected earnings tempered by the government shutdown and missing economic data. European equities1 rose by 0.9% amid continued economic recovery and improving consumer sentiment.

• Emerging market equities2 fell 2.4% as trade tensions resurfaced, heightening market uncertainty and volatility. South Korea's KOSPI Index3 dropped 4.3% after a month of heavy profit-taking following the YTD rally, with the won also weakening. Chinese equities4 declined 3% amid subdued domestic demand and ongoing supply-chain bottlenecks.

Bond Market:

• Developed market sovereign bond yields were mixed in November, as inflation prints varied and policy paths diverged. The U.S. 10- and 30-year Treasury yields fell 6 bps to 4.01%, and rose 1 bp to 4.66%, respectively, as delayed data releases showed underlying labor market weakness. The German 10-year Bund yield rose 6 bps to 2.69%. In the U.K., the 10-year gilt yield climbed 19 bps to its 4.60% intra-month peak, before ending just 3 bps higher at 4.44%, as markets rallied in response to the fiscal tightening package announced in the budget. In Japan, the 10-year JGB yield rose 14 bps to 1.81%, as the likelihood of a December rate hike increased.

• Global IG credit posted positive returns of +0.37% for the month, underperforming like duration government bonds by 0.06%, as spreads widened 3bps in November. Global HY credit delivered positive returns of +0.42%, with the higher quality segment of the high yield market, BB-rated and B-rated bonds, outperforming CCC-rated bonds.

• Agency MBS5 returned 0.62% in November, underperforming like-duration Treasuries by 5 bps, with higher coupons outperforming lowers amid a continued steady decline in volatility, modest bank buying, and increased demand for MBS from the GSEs.

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

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

Market Outlook

The US economy has held up surprisingly well and appears more resilient than initially expected heading into year-end. Looking ahead to 2026, we expect fiscal stimulus to support households and businesses starting early in the year, likely offsetting the tariff-related drag. Despite our view for an uptick in unemployment, a continuation of the AI and tech investment cycle looks set to support growth as well. While we viewed economic risks as skewed to the downside in 2025, risks appear more balanced in 2026. In fixed income, we maintain exposure to US front-end and intermediate rates as well as select duration in other developed markets, like the UK and Australia. We continue to favor EM local duration in select countries with high real yields, strong carry profiles, and attractive spreads. We remain constructive on US TIPS amid reasonable valuations and high real yields, especially given positive carry in the current rate environment. From a spread perspective, we continue to focus on Agency MBS, given relative value versus investment grade corporate credit, namely greater spread compensation for higher quality exposure. Senior ABS backed by high-quality consumer loans and non-Agency MBS also appear attractive amid solid fundamentals, reasonable valuations, and insulation from default risk. Across global equity markets, our outlook for more resilient economic growth around the turn of the year may support equity performance - a benign growth backdrop and constructive earnings outlook have the potential to propel the market higher. While US valuations and market concentration are still elevated, we are overweight emerging market equities driven by our systematic multi-factor approach, in which select EM companies screen favorably across value, quality, momentum, and growth metrics. We have high conviction in PIMCO's disciplined, multi-factor approach to stock selection, which utilizes a robust systematic portfolio construction process to provide highly diversified global equity exposure.

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