

31 AUGUST 2024

# Dollar Stability Plus Dividend Paying Fund



## FUND DETAILS:

Inception Date	15-May-24	Latest NAVPU	1.009090
Fund Manager	PIMCO Global Advisors (Ireland) Limited	Initial NAVPU	1.000000
Fund Currency	USD	Highest NAVPU (08.28.2024)	1.015540
Fund Size	USD 6.09 million	Lowest NAVPU (07.02.2024)	0.990770
Management Fee	2.00% p.a.	Pricing / Valuation	Daily

## Risk Classification

The Stability Plus Dividend Paying Fund is best suited for investors who have a medium to long term investment horizon. As a mark to market fund, its net asset value and total returns may increase or decrease due to changes in interest rates. When redeeming units, there is a possibility that the policyholder may receive an amount lower than the original investment amount. Before investing in this fund, the policyholder will go through a client suitability assessment procedure to determine if the fund is suitable for their investment objective, risk tolerance, preferences, and experience.

## ABOUT THE FUND

Allianz PNB Life has added the Stability Plus Dividend Paying Fund to their investment portfolio. The fund is managed by Pacific Investment Management Company (the largest fixed income fund manager in the world PIMCO has over US 1.86 trillion in assets under management and is trusted by individuals, corporations, and other organizations worldwide. They specialize in active fixed income across public and private markets, which helps in providing clients with an edge as they pursue their long-term goals.

## WHY INVEST IN A FIXED INCOME FUND?

Fixed income investments offer several benefits to investors. They can help protect against market volatility. During periods of weak economy or recessions, holding bonds can strengthen an investor's position since bond prices typically rise as interest rates fall. Investing in fixed income assets can also help diversify an investor's portfolio. By including lower risk assets in their investment mix, investors can reduce overall portfolio risk and volatility. Lastly, fixed income investments can offer tax advantages. Certain types of bonds have no withholding tax, which means investors can potentially earn higher after-tax returns.

## THE FUND ADVANTAGE

Due to currently high level of interest rates, Stability Plus Fund can offer equity like returns while having only around ¼ of the volatility. This fund option is designed to be more conservative and safer than traditional equity investments, making it an ideal option for those who are risk averse or looking to diversify their portfolio.

## Market Commentary

A surge in risk-off sentiment propelled significant market volatility in early August, with the VIX

rising to levels last seen during the Covid-19 market turmoil in March 2020. A number of factors, including the release of a softer than expected U.S. payroll report, spurred recession fears and led to a significant rally in high quality treasuries along with the unwinding of carry trades. However, these concerns partially eased later into the month, as more positive U.S. economic data came out. Shortly after the softer payrolls, the subsequent weekly initial jobless claims fell while the U.S. ISM services report rebounded above consensus. In this context, both fixed income and equities managed to broadly deliver positive returns. The U.S. 2y yield fell 34bps, to 3.92%, while the UK 2y yield rose 30bps to 4.10%. The U.S. 10y yield fell 13bps to 3.90%, while the UK 10y yield rose 5bps to 4.01%. In Germany, the 2y yield fell 14bps to 2.39%, while the 10y yield remained at 2.30%. Despite BoJ's decision to raise the policy rate to around 25bps on the 31st of July, Japanese yields rallied significantly, with 10y JGBs yield falling 16bps to 0.89%. Within credit spreads, USD investment grade tightened 1bp to 96bps, while EUR investment grade widened 5bps to 115bps. USD high yield credit tightened 8bps to 317bps, while EUR high yield spreads tightened 12bps to 353bps.

## Market Outlook

We focus on country selection given variation in growth and inflation dynamics globally, while maintaining a cautious stance towards corporate credit, with a focus on relative value positions and diversified alpha strategies. Within our broader risk exposures, we maintain tactical tilts that aim to benefit the portfolio across a variety of scenarios given the current point of the cycle.

Modest overweight duration, with variation in country selection: We moved modestly overweight in beta-adjusted duration, while still focusing on countries where yields are at attractive levels.

Cautious in corporate credit and preference for securitized assets: We maintain a cautious position in our overall spread exposure, considering tight valuations. We maintain an underweight to non-financial investment grade corporate credit, while expressing a preference for financials.

Tactical currency positions: Currency strategies continue to act as a diversifying strategy in the portfolio and positioning remains tactical. We trimmed our long to USD, while reducing our short to EUR.

## PIMCO RISK AND REWARD INDICATOR



## Investment Objective

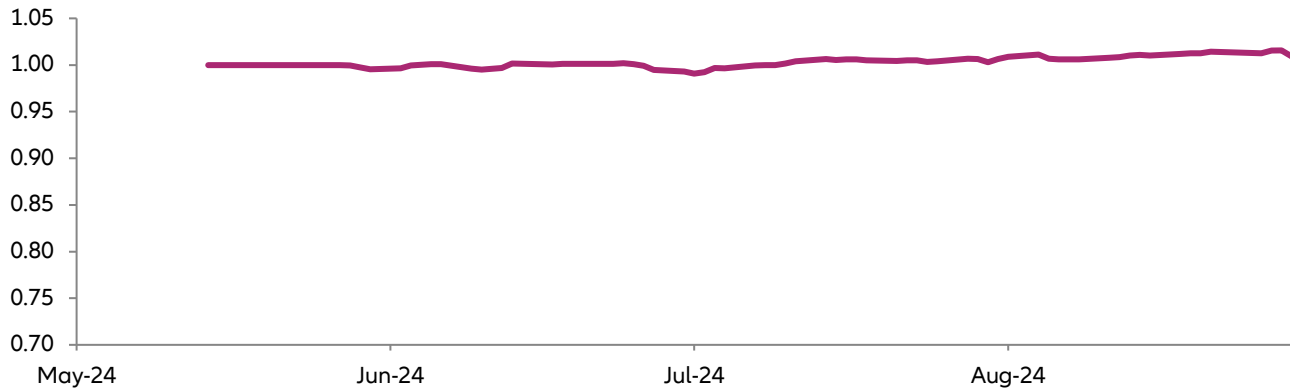
Stability Plus Dividend Paying Fund uses a broad range of fixed income securities to produce an attractive level of income with a secondary goal of capital appreciation.

- The Fund is exposed to significant risks which include investment/general market, company-specific, creditworthiness/credit rating/ downgrading, default, currency, valuation, asset allocation, country and region, emerging market and interest rate risks.
- The Fund may invest in high-yield (non-investment grade and unrated) investments and convertible bonds which may subject to higher risks, such as volatility, loss of principal and interest, creditworthiness and downgrading, default, interest rate, general market and liquidity risks and therefore may adversely impact the net asset value of the Fund.
- The Fund may invest in financial derivative instruments ("FDI") for efficient portfolio management (including for hedging) which may expose to higher leverage, counterparty, liquidity, valuation, volatility, market and over the counter transaction risks. The Fund will not invest extensively in FDI for investment purpose.
- Dividend payments may, at the sole discretion of the Investment Manager, be made out of the Fund's capital or effectively out of the Fund's capital which represents a return or withdrawal of part of the amount investors originally invested and/or capital gains attributable to the original investment. This may result in an immediate decrease in the NAV per share and the capital of the Fund available for investment in the future and capital growth may be reduced.
- This investment may involve risks that could result in loss of part or entire amount of investors' investment.
- In making investment decisions, investors should not rely solely on this material.

## Performance Overview

Performance History	Year To Date	1 Year (YoY)	3 Years (YoY)	5 Years (YoY)	Since Inception
Absolute	0.91%	N/A	N/A	N/A	0.91%
Annualized	0.91%	N/A	N/A	N/A	0.91%

## NAVPU Since Inception



## Portfolio Analysis

### Asset Allocation\*

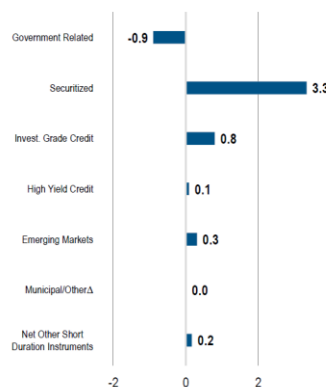


### Top 10 Holdings (% Market Value)\*

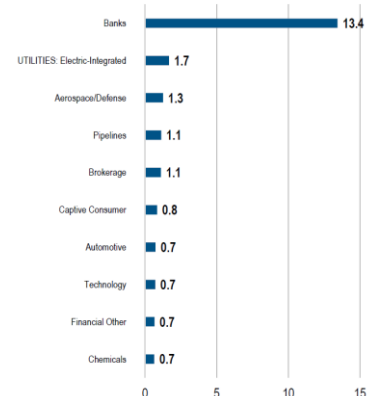
FNMA TBA 5.5% MAY 30YR	8.1
FNMA TBA 6.0% MAY 30YR	5.6
FNMA TBA 5.0% MAY 30YR	5.4
FNMA TBA 6.5% MAY 30YR	4.5
FNMA TBA 4.0% MAY 30YR	3.2
FNMA TBA 5.0% APR 30YR	2.8
FNMA TBA 3.5% MAY 30YR	2.4
FNMA TBA 6.0% APR 30YR	2.3
BNP PARIBAS ISSUANCE BV SR SEC **ABS**	2.2
FNMA TBA 4.5% MAY 30YR	1.7

\*Top 10 holdings as of 03/31/2024, excluding derivatives.

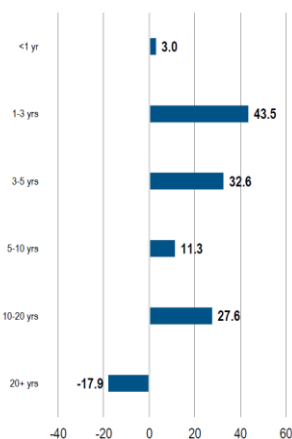
### Sector Allocation (Duration in Years)



### Top 10 Industries (% Market Value)



### Duration (% Duration Weighted Exposure)



### IMPORTANT NOTICE:

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### RISKS

- Share value can go up as well as down and any capital invested in the Fund may be at risk.
- The fund may use derivatives for hedging or as part of its investment strategy which may involve certain costs and risks.
- Currency-hedged funds are invested in assets denominated in currencies other than the base currency of the fund. The fund value may then fluctuate depending on the movement of the exchange rate, and could either be higher or lower than the amount invested, regardless of the performance of the fund's underlying assets. Currency-hedged funds aim to minimize this currency exposure by employing a hedging mechanism. However, there is no guarantee that such hedge transactions can fully eliminate currency risks.
- Any distributions involving payment of distributions out of the Fund's capital may result in an immediate decrease in the Net Asset Value per Share and may reduce the capital available for the Fund for future investment and capital growth.