



Income and Growth Fund (SGD-Hedged Class)

February 2024

Income and Growth Fund (the "Fund") seeks to provide regular income* and to a lesser extent long-term** capital appreciation by investing in the Target Fund which will be investing in equities, debt securities and convertible securities.

The Fund is suitable for sophisticated investors seeking for:

- regular income* and to a lesser extent long-term** capital appreciation on their investments; and
- an investment portfolio of equities, debt securities and convertible securities.

Note: *Income distribution (if any) is paid out on a quarterly basis.

**Long-term refers to an investment horizon of at least five (5) years.

Any material change to the investment objective of the Fund would require Unit Holders' approval.

Investment Strategy

- The Fund seeks to achieve its investment objective by investing a minimum of 85% of the Fund's NAV in the Allianz Income and Growth ("Target Fund") at all times. This implies that the Fund has a passive strategy.

Asset Allocation

- Allianz Income and Growth 96.50%
- Money market deposits and cash equivalents 4.77%
- Forward contract -1.27%

Source: AmFunds Management Berhad

Fund Details

Fund Category / Type	Wholesale (Feeder Fund) / Income and Growth
Fund Launch Date	20 January 2020
Offer Price at Launch	SGD 1.0000
NAV Per Unit (31 Jan 2024)	SGD 1.0418
1-year NAV High (31 Jan 2024)	SGD 1.0454 (30 Jan 2024)
1-year NAV Low (31 Jan 2024)	SGD 0.9164 (15 Mar 2023)
Total Units (31 Jan 2024)	0.72 million
Fund Size (31 Jan 2024)	SGD 0.75 million
Annual Management Fee	Up to 1.80% p.a. of the Fund's NAV
Annual Trustee Fee	Up to 0.05% p.a. of the Fund's NAV
Entry Charge	Up to 5.00% of the NAV per unit of the Class
Exit Fee	Nil
Redemption Payment Period	By the 14 calendar day of receiving the redemption request with complete documents.
Investment Manager	AmFunds Management Berhad
Income Distribution	Distribution, if any, will be made on a quarterly basis and will be reinvested into the respective Classes. However, the Manager may at its sole discretion allow distribution in the form of cash.

Source: AmFunds Management Berhad

Target Fund Manager's Commentary (as at 31 January 2024)

The Target Fund aims at long-term capital growth and income by investing in United States of America (US) and/or Canadian corporate debt securities and equities.

Markets finished mixed in January as investors digested economic data, the US Federal Reserve's (Fed's) rate decision, and corporate earnings results. Retail sales and consumer sentiment topped estimates, unemployment remained low, and manufacturing data exhibited signs of bottoming. As expected, the Fed left interest rates unchanged at January's Federal Open Market Committee (FOMC) meeting. Thus far, most companies were exceeding Q4 earnings and sales estimates. Corporate management commentary has been mixed, with optimism tied to the consumer, travel, infrastructure, investment banking, and artificial intelligence (AI), and caution around freight, industrials-related destocking, and automobile inventory.

2023's economic momentum should carry over into 2024. Economic tailwinds include low unemployment, steady consumption, government spending, waning inflation, an improving manufacturing sector, an end to the rate hike cycle, and inflecting earnings. Economic headwinds include continued restrictive monetary policy and quantitative tightening, less savings, and US/international political risks, among others.

High-yield credit and convertible securities should be better positioned to weather any market volatility given current asset class dynamics, which in some respects are more favourable today than they were exiting 2022. Consequently, today's market outlook resembles 2023's with mid to high single-digit returns possible by year-end 2024 for high-yield credit, convertible securities, and equities.

The US high-yield market, currently yielding 8%, offers the potential for equity-like returns but with less volatility. Credit fundamentals are stable, near-term refinancing obligations remain low, and management teams continue to prioritise debt reduction. Given these factors, defaults should remain well below historical cycle peaks. 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. Notably, after recording an annual decline, the high-yield market has historically delivered two consecutive years of positive returns in six of the seven cases, and forward 12- and 24-month return projections based on the current market yield have been consistent with mid to high single digits.

US convertible securities should continue to provide benefits to investors, including an attractive asymmetric return profile and potentially lower volatility relative to the equity market. The shift in the universe's composition exiting 2022 remains largely unchanged heading into 2024. Many securities offer attractive current yields and exhibit defensive characteristics given lower deltas and closer proximities to bond floors. This dynamic may allow for greater downside protection if equity volatility rises. If the prices of underlying stocks advance, convertible securities could be positioned to participate in the upside. Lastly, higher debt financing costs should draw issuers to the convertible market for coupon savings. As a result, new issuance is expected to increase materially year-over-year.

US equity valuations reside near long-term averages. Visibility around 2024 and 2025 earnings, US dollar and Treasury market stabilisation, and an end to the rate hike cycle could be positive developments for stocks. Any equity market volatility will present opportunities for active managers to take advantage of better prices in attractive investments.

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

Source: Allianz Global Investors

Target Fund's Top 5 Holdings (as at 31 January 2024)

Microsoft Corp	2.10%
Amazon.Com Inc	1.60%
Alphabet Inc-CL A	1.50%
NVIDIA Corp	1.30%
Mastercard Inc-A	1.20%

Source: Allianz Global Investors

Target Fund's Sector Allocation* (as at 31 January 2024)

IT	20.60%
Consumer Discretionary	18.60%
Communication Services	12.50%
Financials	10.00%
Industrials	9.90%
Healthcare	9.70%
Energy	4.50%
Others	3.00%
Liquidity	3.00%
Materials	2.80%
Real Estate	2.80%
Utilities	2.50%

* As percentage of NAV. Please note that asset exposure for the Target Fund is subject to frequent change on a daily basis.

Source: Allianz Global Investors

Target Fund's Country Allocation* (as at 31 January 2024)

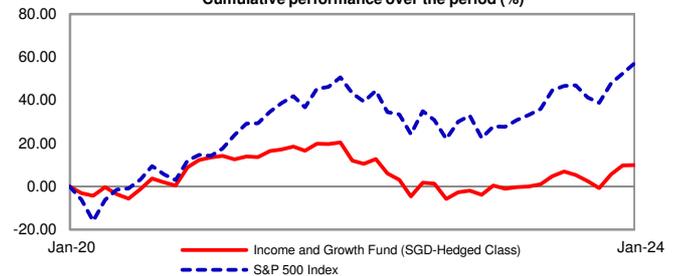
United States	90.30%
Liquidity	3.00%
United Kingdom	2.20%
Canada	1.30%
Luxembourg	1.20%
Netherlands	0.50%
China	0.40%
Singapore	0.30%
Taiwan	0.30%
Australia	0.20%
Germany	0.20%
Others	0.20%

* As percentage of NAV. Please note that asset exposure for the Target Fund is subject to frequent change on a daily basis.

Source: Allianz Global Investors

Fund Performance (as at 31 January 2024) in SGD-Hedged Class

Cumulative performance over the period (%)



The value of units may go down as well as up. Past performance is not indicative of future performance.

Source: AmFunds Management Berhad

Fund Performance (as at 31 January 2024)

	YTD	1 m	6 m	1 yr	3 yrs	5 yrs
Fund (%)	0.09	0.09	2.71	9.36	-3.21	-
*Benchmark (%)	3.13	3.13	7.18	22.99	37.60	-

*S&P 500 Index

Source Benchmark: *AmFunds Management Berhad

Source Fund Return: Novagni Analytics and Advisory Sdn. Bhd.

The Fund Performance is calculated based on NAV-to-NAV using Time Weighted Rate of Return ("TWRR") method

Note : There is no record of the Fund's performance for five (5) years as the Fund was launched in less than five (5) years.

Most Recent Income Distribution History

Year	2023	2022	2021	2020
Total Payout per unit (Cent)	N/A	1.24	4.22	0.47

Source: AmFunds Management Berhad

Calendar Year Return

	2023	2022	2021	2020	2019
Fund (%)	14.17	-20.11	7.20	-	-
*Benchmark (%)	24.40	-18.63	31.27	-	-

*S&P 500 Index

Source Benchmark: *AmFunds Management Berhad

Source Fund Return: Novagni Analytics and Advisory Sdn. Bhd.

The Fund Performance is calculated based on NAV-to-NAV using Time Weighted Rate of Return ("TWRR") method

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The Fund's units will only be issued upon receipt of the complete application form accompanying the Information Memorandum(s). Past performance of the Fund is not an indication of its future performance. The Fund's unit prices and income distribution payable, if any, may rise or fall. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the Net Asset Value ("NAV") per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV. Please be advised that where a unit split is declared, the value of investor's investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units.

Investments in the Fund are exposed to currency risk, income distribution risk, liquidity risk, regulatory and legal risk, risk of passive strategy, risk of not meeting the Fund's investment objective and taxation risk. Please refer to the Information Memorandum(s) for detailed information on the specific risks of the fund(s). Investors are advised to consider these risks and other general risk elaborated, as well as the fees, charges and expenses involved.

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