

# SMARTWEALTH DOLLAR US BOND FUND

## April 2021

**BLOOMBERG: AZUSWUS IJ**

### Investment Objective

The objective of the fund is to provide relatively stable income with capital preservation for the long term in U.S. Dollars.

### Investment Strategy

To achieve the investment objective, this fund shall be invested 0% - 20% in short-term instruments (such as time deposits and / or money market mutual funds), and 80% - 100% in offshore instruments (through mutual funds).

### Return Performance

Last 1-year Period	N/A
Best Month	Apr-21 0.91%
Worst Month	Feb-21 0.52%

### Portfolio Breakdown

Mutual Funds - Bonds	92.04%
Cash/Deposit	7.96%

### Top 3 Bonds \*

GLOBAL AIR LEASE CO LTD	2.60%
CONNECT FINCO SARL/CONN	2.60%
NEW FORTRESS ENERGY INC	2.60%

### Top 3 Sector Allocation \*

CONS/COMM/LEASE FINANCING	8.60%
GAS DISTRIBUTION	8.30%
INVESTMENTS & MISC FINANCIAL	6.30%

\*Based on previous month Fund Fact Sheet

### Key Fund Facts

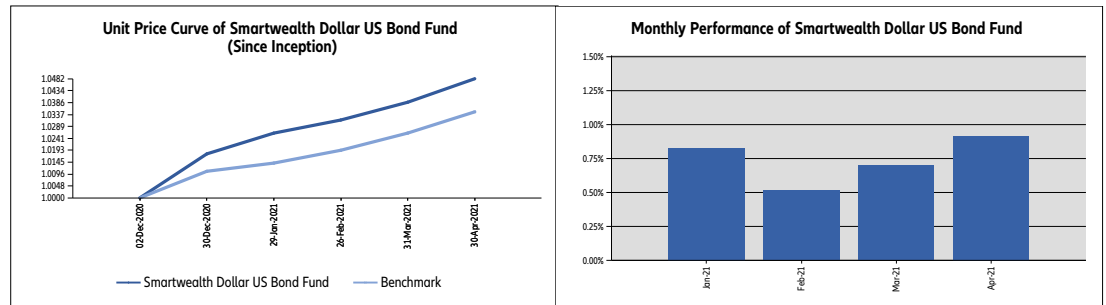
Fund Size (in mio USD)	USD 0.40
Risk Profile	Moderate
Launch Date	02 Dec 2020
Fund Currency	United States Dollar
Pricing Frequency	Daily
Management Fee	1.50% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	379,152.5352

<b>Price per Unit</b>	
(As of Apr 30, 2021)	USD 1.0482

Managed by **Allianz Global Investor**

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartwealth Dollar US Bond Fund	0.91%	2.14%	N/A	N/A	N/A	2.99%	4.82%
Benchmark*	0.84%	2.04%	N/A	N/A	N/A	2.38%	3.48%

\*ICE BofA 1-5yr BB-B US Cash Pay High Yield Index



### Manager Commentary

The broad US high-yield market gained again with the ICE BofA US High Yield Index returning +0.17%. Credit-quality subsector returns for the month: BB-rated bonds returned -0.28%; B-rated bonds returned +0.53%; CCC-rated bonds returned +1.16%. High-yield spreads tightened 21 basis points (bp) to 336bp. High yield continued to prove its resilience, outperforming the 10-year US Treasury and US investment grade credit which returned -2.5% and -1.4%, respectively. Factors influencing the market included rising rates and a steepening yield curve, additional fiscal stimulus, ongoing US Federal Reserve (Fed) accommodation, vaccine rollout momentum, and economic strength. Longer dated US Treasury yields continued to rise, further steepening the yield curve. At month-end, the 3-month, 2-year, 5-year and 10-year yields settled at 0.01%, 0.16%, 0.94%, and 1.74%, respectively, compared to 0.04%, 0.15%, 0.77%, and 1.46% at the start of the March. President Biden signed into law the American Rescue Plan – a USD 1.9 trillion fiscal stimulus bill – and unveiled a USD 2.3 trillion infrastructure spending plan. The Fed maintained its highly accommodative stance, keeping rates and asset purchases unchanged and signaling a willingness to let inflation run above 2% for some time. Nearly 30% of the US population had received at least one dose of a vaccine and more than 16% of the US population was fully vaccinated, according to the Centers for Disease Control and Prevention (CDC).

Key economic reports indicated faster GDP growth ahead. Manufacturing and services indexes suggested further expansion, unemployment declined, home prices and consumer sentiment increased, while inflation readings were benign. Additionally, travel-related trends continued to improve as reopening momentum accelerated. A stronger US dollar pressured crude oil (WTI) which finished lower at USD 59.16/barrel. Aerospace, Theatres & Entertainment, and Air Transportation outperformed, while Rail, Consumer Goods, and Utilities underperformed. High-yield new issuance and refinancing volume for March set monthly records. Ninety-five issues priced, raising USD 64.8 billion in proceeds with USD 49.8 billion in refinancing volume. High-yield fund flows were -USD 5.9 billion for the month. The upgrade/downgrade ratio was 1.2 with 47 upgrades and 40 downgrades, and default rates fell. The trailing 12-month default rates on an issuer-weighted basis and a dollar-weighted basis were 5.50% and 4.80%, respectively.

### About Allianz Indonesia

PT Asuransi Allianz Life Indonesia was founded in 1996 and is part of Allianz Asia Pacific which has been present in the region since 1910. Allianz Group is a leading insurance company and asset manager in the world with over 129 years of experience and provides a variety of personal and insurance services, companies, ranging from property, life and health insurance to credit insurance and business insurance services globally.

### Disclaimer:

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