

# SMARTWEALTH DOLLAR US BOND FUND

## February 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	Jan-21	0.83%
Worst Month	Feb-21	0.52%

#### Portfolio Breakdown

Mutual Funds - Bonds	91.88%
Cash/Deposit	8.12%

#### Top 3 Bonds \*

NEW FORTRESS ENERGY INC	3.20%
CONNECT FINCO SARM/CONN	3.00%
GLOBAL AIR LEASE CO LTD	2.80%

#### Top 3 Sector Allocation \*

GAS DISTRIBUTION	10.10%
CONS/COMM/LEASE FINANCING	6.50%
SPECIALTY RETAIL	6.40%

\*Based on previous month Fund Fact Sheet

#### Key Fund Facts

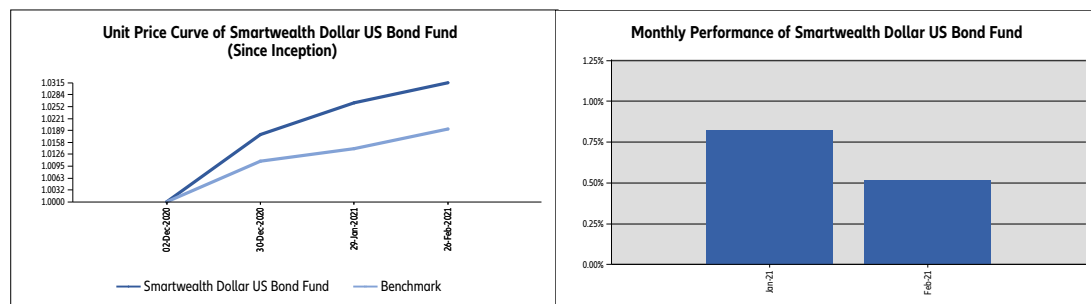
Fund Size (in mio USD)	USD 0.39
Risk Profile	Moderate
Launch Date	02 Dec 2020
Fund Currency	United States Dollar
Pricing Frequency	Daily
Management Fee	1.50% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	379,189.1890

Price per Unit	
(As of Feb 26, 2021)	USD 1.0315

Managed by Allianz Global Investor

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartwealth Dollar US Bond Fund	0.52%	N/A	N/A	N/A	N/A	1.35%	3.15%
Benchmark*	0.51%	N/A	N/A	N/A	N/A	0.84%	1.93%

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



#### Manager Commentary

The broad US high-yield market continued to advance with the ICE BofA US High Yield Index returning +0.38%. Credit-quality subsector returns for the month: BB-rated bonds returned +0.05%; B-rated bonds returned +0.22%; CCC-rated bonds returned +2.36%. High-yield spreads tightened 2 basis points (bp) to 384bp. The high-yield asset class proved its resiliency in January, outperforming investment grade bonds and stocks, both of which declined for the month. Investors digested better-than-expected earnings, prospects for another fiscal package, dovish US Federal Reserve (Fed) commentary, virus/vaccine optimism and increased equity volatility heading into month-end. Of the S&P 500 companies that have reported Q4 results through January, 82% and 76% have reported positive EPS and revenue surprises, respectively. Democrats won both seats in Georgia's run-off Senate elections, taking control of both houses and increasing the odds of further fiscal stimulus. Joe Biden, who was inaugurated the 46th President of the US, proposed a USD 1.9 trillion relief package with new Treasury Secretary Janet Yellen reinforcing the case for large-scale stimulus measures. Fed Chair Jerome Powell commented that rates will not rise anytime soon, and inflation will be allowed to run above 2% for a time.

Over the month, Covid-19 vaccination efforts gained momentum and virus cases and hospitalisations declined sharply. It was also announced that a single dose vaccine candidate in phase III trials demonstrated high efficacy. The ISM Manufacturing and Services reports remained elevated; the unemployment rate was unchanged; housing metrics were constructive; and consumer sentiment was flat. The US Treasury yield curve steepened by the long end. The 3-month, 2-year, 5-year and 10-year yields settled at 0.05%, 0.11%, 0.42% and 1.07%, respectively. Crude oil (WTI) rose to USD 52.20/barrel supported by refraction trades, the reopening of the economy, and Saudi Arabia's pledge to cut output. Theatres & Entertainment, Printing & Publishing and Steel Producers/Products outperformed. Recreation & Travel, Cable & Satellite TV and Hotels underperformed. January new issuance was the second most active month on record. Eighty-three issues priced, raising USD 55.7 billion in proceeds. Refinancing accounted for 77% of proceeds. High-yield fund flows were -USD 3.6 billion for the month. The upgrade/downgrade ratio increased to 1.1 with 37 upgrades and 34 downgrades. There were no defaults in January and rates fell. The trailing 12-month default rates on an issuer-weighted basis and a dollar-weighted basis were 5.41% and 6.04%, 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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