

SMARTWEALTH DOLLAR US BOND FUND

March 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	91.95%
Cash/Deposit	8.05%

Top 3 Bonds *

NEW FORTRESS ENERGY INC	3.10%
CONNECT FINCO SARM/CONN	2.80%
GLOBAL AIR LEASE CO LTD	2.80%

Top 3 Sector Allocation *

GAS DISTRIBUTION	9.20%
CONS/COMM/LEASE FINANCING	6.70%
SPECIALTY RETAIL	6.30%

*Based on previous month Fund Fact Sheet

Key Fund Facts

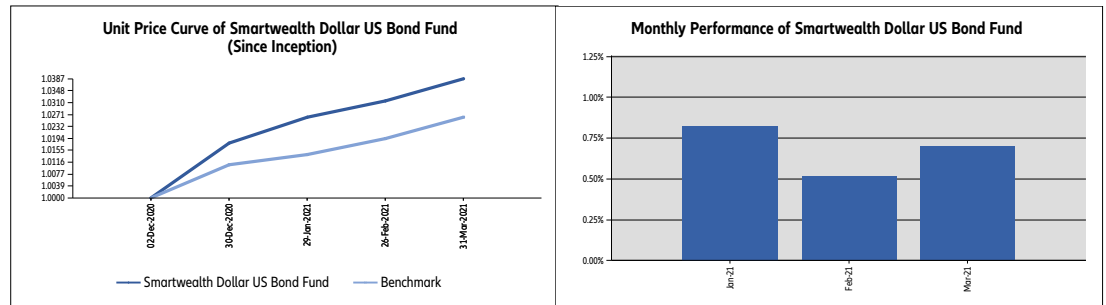
Fund Size (in mio USD)	USD 0.39
Risk Profile	Moderate
Launch Date	02 Dec 2020
Fund Currency	United States Dollar
Pricing Frequency	Daily
Management Fee	1.50% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	379,172.4664

Price per Unit	
(As of Mar 31, 2021)	USD 1.0387

Managed by Allianz Global Investor

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartwealth Dollar US Bond Fund	0.70%	2.05%	N/A	N/A	N/A	2.05%	3.87%
Benchmark*	0.68%	1.53%	N/A	N/A	N/A	1.53%	2.62%

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



Manager Commentary

The US high-yield market gained again with the ICE BofA US High Yield Index returning +0.35%. Credit-quality subsector returns for the month: BB-rated bonds returned +0.02%; B-rated bonds returned +0.43%; CCC-rated bonds returned +1.60%. High-yield spreads tightened 27 basis points (bp) to 357bp. The high-yield asset class provided fixed income diversification benefits in February, significantly outperforming the 10-year US Treasury note and investment grade corporate bonds, which returned -3.2% and -2.0%, respectively, for the month. Investors continued to focus on better-than-expected earnings, the prospect for additional fiscal stimulus, dovish US Federal Reserve (Fed) commentary, vaccine rollout momentum, improving economic activity, and higher commodity prices against a backdrop of rising interest rates and a steepening and volatile yield curve. 97% of the S&P 500 have reported results. Earnings have surpassed estimates by 16.2% in aggregate, with 77% of the companies beating their projections, per Credit Suisse. As expected, the House of Representatives passed the Biden administration's USD 1.9 trillion Covid-19 relief package at month-end, moving the bill to the Senate for a vote. Fed Chair Jerome Powell reaffirmed the Fed's commitment to support the US recovery with ongoing accommodation and eased inflation concerns, saying recent spikes are function of economic optimism and it could take years to achieve their inflation and employment goals. US vaccinations gained momentum, while virus-related hospitalisations declined further.

The ISM Manufacturing and Services indexes remained in expansionary territory; the unemployment rate declined; housing prices increased; and consumer confidence rose. Industrial metals prices were stronger with copper posting its largest monthly gain in more than four years on increasing global demand. Crude oil (WTI) rose USD 9.30 to USD 61.50/barrel supported by positive industry dynamics. Energy issuers benefitted. Treasury yields increased and the yield curve steepened further amid expectations for a large fiscal package and better economic growth in 2021 and 2022. The 3-month, 2-year, 5-year and 10-year yields settled at 0.04%, 0.15%, 0.77% and 1.46%, respectively. Energy, Air Transportation and Theatres & Entertainment outperformed, while Media Content, Telecom and Food & Drug underperformed. High-yield new issuance normalised after a record January. Sixty-four issues priced, raising USD 38.1 billion in proceeds. High-yield fund flows were -USD 3.0 billion for the month. The upgrade/downgrade ratio increased to 2.8 with 51 upgrades and 18 downgrades. Default rates steadied. The trailing 12-month default rates on an issuer-weighted basis and a dollar-weighted basis were 5.63% and 6.05%, 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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