

SMARTWEALTH DOLLAR US BOND FUND

June 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	May-21	0.09%

Portfolio Breakdown

Mutual Funds - Bonds	88.95%
Cash/Deposit	11.05%

Top 3 Bonds *

CONNECT FINCO SARL/CONN	3.20%
TESLA INC	2.40%
GLOBAL AIR LEASE CO LTD	2.30%

Top 3 Sector Allocation *

GAS DISTRIBUTION	8.40%
CONS/COMM/LEASE FINANCING	8.30%
INVESTMENTS & MISC FINANCIAL	6.80%

*Based on previous month Fund Fact Sheet

Key Fund Facts

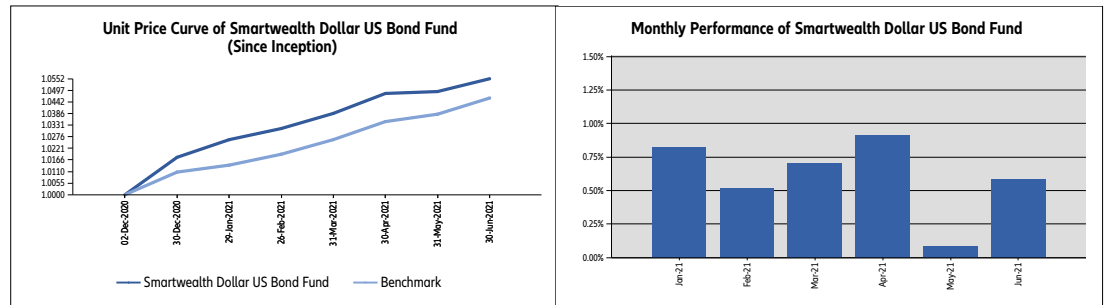
Fund Size (in mio USD)	USD 0.41
Risk Profile	Moderate
Launch Date	02 Dec 2020
Fund Currency	United States Dollar
Pricing Frequency	Daily
Management Fee	1.50% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	392,642.4778

Price per Unit	
(As of Jun 30, 2021)	USD 1.0552

Managed by Allianz Global Investor

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartwealth Dollar US Bond Fund	0.58%	1.59%	3.67%	N/A	N/A	3.67%	5.52%
Benchmark*	0.74%	1.93%	3.49%	N/A	N/A	3.49%	4.60%

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



Manager Commentary

The broad US high-yield market gained for an 8th consecutive month with the ICE BofA US High Yield Index returning +0.29%. Credit-quality subsector returns for the month: • BB rated bonds: +0.25%. • B rated bonds: +0.17%. • CCC rated bonds: +0.80%. High-yield spreads widened 6 basis points (bps) to 334 bps. High-yield bonds finished higher in May as investors weighed a solid finish to earnings season, a strong economy, and continued dovish US Federal Reserve (Fed) commentary against a rise in inflation and speculation around the timing of future monetary policy adjustments.

Thus far, 95% of the S&P 500 Index has reported Q1 results. 86% of the companies reported a positive earnings-per-share (EPS) surprise. If this percentage holds, it will mark the highest level since FactSet began tracking this metric in 2008. The blended earnings growth rate for the S&P 500 is 51.9%. If this percentage holds, it will mark the highest year-over-year earnings growth rate since the first quarter of 2010. Jobless claims hit a pandemic-era low and surveys of manufacturing and service sector activity remained elevated, signalling further expansion. Consumer sentiment declined and inflation gauges including the Consumer Price Index (CPI), Producer Price Index (PPI), and Personal Consumption Expenditures (PCE) all increased. Fed officials reinforced the message that the rise in inflation will be temporary. However, April Federal Open Market Committee (FOMC) minutes – recorded prior to the release of the April jobs report – showed some policymakers were open to discussing a plan for tapering bond purchases “at some point”.

The US Treasury yield curve modestly compressed and flattened. The 3-month, 2-year, 5-year and 10-year yields finished at 0.00%, 0.14%, 0.78%, and 1.59%, respectively. Crude oil (WTI) rose more than USD 2 to USD 66.32/barrel amid a weaker US dollar and expectations of higher demand. Industrial metals prices continued to gain. Theatres & Entertainment, Printing & Publishing, and Transportation Infrastructure/Services outperformed, while Health Care, Utilities, and Rail underperformed. High yield issuance remained active in May with seven of the 10 most active months on record occurring over the past year. Seventy-three issues priced, raising USD 49.2 billion in proceeds. The year's total stands at USD 257.2 billion – more than half of 2020's annual total. High-yield fund flows were -USD 4.6 billion for the month. Positive credit rating progression continued in May. The upgrade/downgrade ratio was 1.5 with 35 upgrades and 24 downgrades. Default rates fell month-over-month. The trailing 12-month default rates on an issuer-weighted basis and a dollar-weighted basis were 3.71% and 2.58%, 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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