

SMARTWEALTH DOLLAR US BOND FUND

May 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	93.20%
Cash/Deposit	6.80%

Top 3 Bonds *

NEW FORTRESS ENERGY INC	2.50%
GLOBAL AIR LEASE CO LTD	2.50%
CVR ENERGY INC	2.30%

Top 3 Sector Allocation *

CONS/COMM/LEASE FINANCING	8.60%
GAS DISTRIBUTION	8.00%
SUPPORT - SERVICES	5.90%

*Based on previous month Fund Fact Sheet

Key Fund Facts

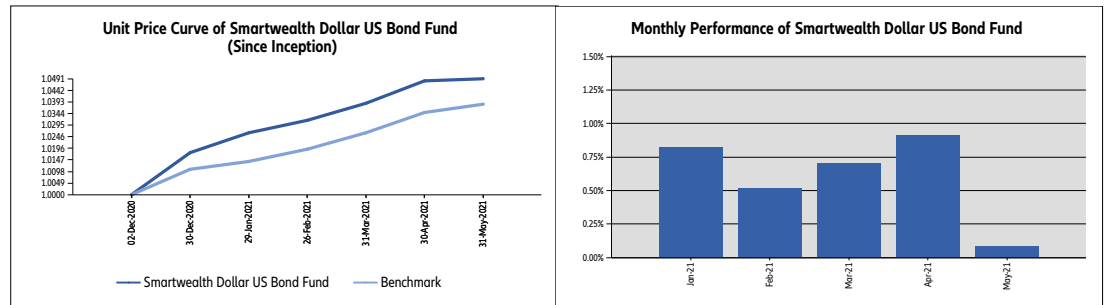
Fund Size (in mio USD)	USD 0.39
Risk Profile	Moderate
Launch Date	02 Dec 2020
Fund Currency	United States Dollar
Pricing Frequency	Daily
Management Fee	1.50% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	374,473.9997

Price per Unit	
(As of May 31, 2021)	USD 1.0491

Managed by Allianz Global Investor

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartwealth Dollar US Bond Fund	0.09%	1.71%	N/A	N/A	N/A	3.08%	4.91%
Benchmark*	0.34%	1.87%	N/A	N/A	N/A	2.73%	3.83%

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

**Manager Commentary**

The broad US high-yield market gained with the ICE BofA US High Yield Index returning +1.10%. Credit-quality subsector returns for the month: BB-rated bonds returned +1.12%; B-rated bonds returned +0.98%; High-yield spreads tightened 8 basis points (bp) to 328bp. CCC-rated bonds returned +1.34%. High yield rose alongside stocks and kept pace with investment grade bonds as investors digested better-than-expected earnings results, upbeat economic data, ongoing accommodative US Federal Reserve (Fed) commentary, and legislative initiatives, while Treasury yields stabilised. 60% of S&P 500 companies reported Q1 results in April. 86% reported a positive EPS surprise and 78% reported a positive revenue surprise. If 86% holds, it would mark the highest percentage since FactSet began tracking this metric in 2008. Economic reports showed that hiring accelerated in March and the manufacturing and non-manufacturing sectors were expanding sharply. Additionally, retail sales and consumer sentiment increased, housing industry statistics remained firm, and inflation measures rose.

The Fed showed no signs of changing its policy stance, reiterating the need for supportive monetary policy until the labour market recovers from the pandemic. The fed funds rate and monthly asset purchases remained unchanged. President Biden proposed to fund new fiscal spending through tax increases on corporations and the wealthiest households. Longer dated US Treasury yields settled lower, flattening the yield curve. The 3-month, 2-year, 5-year and 10-year yields finished at 0.00%, 0.16%, 0.85%, and 1.62%, respectively. US dollar weakness and optimistic demand outlooks helped lift commodities including lumber, grains, metals, and energy. Crude oil (WTI) rose more than USD 4 to USD 63.58/barrel. All industries finished higher. Energy, Theatres & Entertainment, and Banking outperformed, while Telecommunications, Environmental, and Health Care underperformed. High-yield new issuance remained elevated. Seventy-five issues priced, raising USD 49.4 billion in proceeds. The year's total stands at USD 208.0 billion - nearly half of 2020's annual total. High-yield fund flows reversed higher at +USD 2.6 billion for the month. The upgrade/downgrade ratio rose to 3.1 with 59 upgrades and 19 downgrades, and default rates fell. The trailing 12-month default rates on an issuer-weighted basis and a dollar-weighted basis were 4.51% and 3.17%, 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, ranging from property, life and health insurance to credit insurance and business insurance services globally.

Disclaimer:

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