

31 May 2024

# Dollar Flexi Asia Dividend-Paying Bond Fund

## FUND DETAILS:

Inception Date	11-Dec-17	Latest NAVPU	0.542500
Fund Manager	Allianz Global Investors (AGI)	Initial NAVPU	1.000000
Fund Currency	USD	Highest NAVPU (12.11.2017)	1.000000
Fund Size	USD 20.49 Million	Lowest NAVPU (11.07.2022)	0.515532
Management Fee	1.85% p.a.	Pricing / Valuation	Daily

## Risk Classification

The Fund is suitable for investors who take medium to long - term views. As a marked -to-market Fund, its net asset value and total return may fall or rise as a result of interest rates movements. On redemption of units, a policyholder may receive an amount less than the original amount invested. Prior to investment in the Fund, the policyholder shall undergo a client suitability assessment procedure to determine whether the Fund is appropriate for him considering his investment objective, risk tolerance, preferences and experience.

## Market Commentary

In May, bonds market started off strong largely driven by the dovish statement from the latest Federal Open Market Committee (FOMC) meeting and the softer-than-expected nonfarm payroll (NFP). In addition, US Federal Reserve (Fed) Chair Powell indicated policy rates are sufficiently restrictive and that the Fed's next move is unlikely to be a hike. All these reversed the rise in US Treasury yields, which had weakened market sentiments in the prior weeks.

Middle of the month, China's regulators announced a slew of policy measures to boost the Real Estate sector. China's Politburo meeting in April had earlier pledged to study how to digest the exiting housing inventory. All these boosted markets sentiments, and both investment grade (IG) and high yield (HY) markets displayed strong performance. The JP Morgan Asia Credit Index (JACI) composite rose by 1.3%, led by JACI HY which rose 2.8% while JACI IG increased by 1.1%.

In Asia IG, credit spreads traded around a wide 19 basis points (bps) range but ended the month relatively flat at 84 bps. Most of the performance came from the interest rate duration return as US Treasury yields declined, given spread return was largely flat. Within Asia IG, Indonesia IG outperformed while Korea IG lagged. Indonesia IG benefited from the rally in US Treasury as they are duration proxies and thus were sensitive to interest rates movement.

In China, it was reported that the US government could potentially unveil new tariffs on Chinese goods, but it was mostly shrugged off by investors. Instead, China Technology saw credit spreads tightened modestly on the back of their Q1 earnings announcement, which saw most still recording topline growth. Moreover, several Technology-related companies issued

convertible bonds during the month, likely reducing potential supply of straight bonds.

In the last week of May, S&P moved India's sovereign's outlook to positive, while affirming its BBB- rating. This benefitted credits whose ratings are tied to sovereign ratings. In addition, India concluded its general elections on 1 June with exit polls out and predicting a landslide victory for the Bharatiya Janata Party-led (BJP-led) National Democratic Alliance (NDA) party. All these elevated the positive sentiments on India's IG bonds. The credit primary market picked up in May, taking the year-to-date (YTD) total to USD 60 billion, about 9% higher than the same period last year. Most of the new issues performed well on debut, reflecting investor demand for bonds to deploy cash.

## Market Outlook

Asia investors should stay invested in Asia credits as current conditions remain benign with credit fundamentals improving and corporates deleveraging their balance sheets. All-in yield remains attractive providing high carry. Although credit spreads have continued to tighten YTD, we expect credit spreads to stay at their current tight levels, given the strong demand/supply technicals and attractive credit cycle. Corporate earnings out of most Asia companies had generally been positive. In China, the Tech sector is still in an upswing, with the consumption sector being a developing bright spot. India's corporates credit and fundamentals backdrop remain strong, and their latest results did not disappoint. Most of the Southeast Asia credits which have reported earnings show stable fundamentals.

The activity in the credit primary market has picked up, compared to April. The overall tone remains positive on both the supply and demand sides, with issuers achieving small new issue concessions. We have been active in the new issuance market, taking the opportunity to switch out of bonds which have tightened beyond fair valuation, and into new issuance with attractive valuation. We do seek a careful balance between quality and carry from a positioning perspective while at the same time, minimize spread duration risk. Interest rate volatility remains a key risk, and our strategy is to maintain a highly diversified portfolio with high portfolio yield and carry.



## AGI RISK AND REWARD INDICATOR

Lower Risk Lower Rewards ●●●○○○ Higher Risk Higher Rewards

3/7 as of 16/07/2024

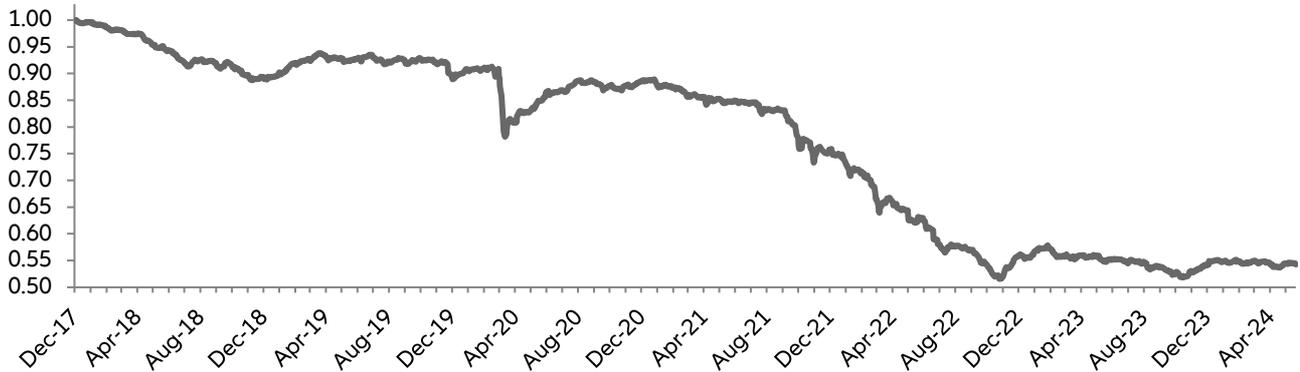
## Investment Objective

To achieve long-term capital appreciation and income, investing primarily in EUR, USD, GBP, JPY, AUD, NZD or any Asian currency denominated debt markets, with the focus on Asian countries

## Performance Overview

Performance History	Year To Date	1 Year (YoY)	3 Years (YoY)	5 Years (YoY)	Since Inception
Absolute	-1.55%	-1.11%	-36.01%	-41.39%	-45.75%
Annualized	N/A	-1.11%	-13.83%	-10.13%	-9.02%

## NAVPU Since Inception

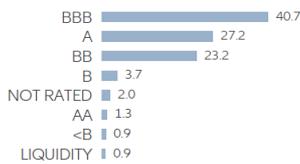


## Portfolio Analysis

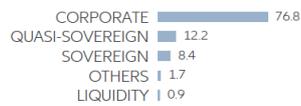
### Asset Allocation



### Credit Rating Allocation (%)



### Bond Type Allocation (%)



### Currency Allocation (%)



### Country/Location Allocation (%)



### Top 10 Holdings <sup>3</sup>

Country/Location	%	
REPUBLIC OF INDONESIA FIX 4.650% 20.09.32	INDONESIA	1.9
REPUBLIC OF INDONESIA FIX 5.650% 11.01.53	INDONESIA	1.8
PT PERTAMINA (PERSERO) REGS FIX 4.175% 21.01.50	INDONESIA	1.0
GEELY AUTOMOBILE PERP FIX TO FLOAT 4.000% 09.06.2198	CHINA	1.0
TALENT YIELD INTNTNL FIX 2.000% 06.05.26	CHINA	0.9
ALLIANZ SGD INCOME-W H2 USD	OTHERS	0.9
CCBL CAYMAN 1 CORP EMTN FIX 2.550% 28.09.30	CHINA	0.8
CHINA OIL & GAS GROUP FIX 4.700% 30.06.26	CHINA	0.8
CA MAGNUM HOLDINGS REGS FIX 5.375% 31.10.26	INDIA	0.7
HYUNDAI CAPITAL SERVICES REGS FIX 1.250% 08.02.26	KOREA	0.7
<b>Total</b>		<b>10.5</b>

### Statistics Summary

Average Coupon	4.45%
Average Credit Quality <sup>4</sup>	BBB
Effective Maturity	6.25 years
Effective Duration	4.09 years
Yield to Maturity	7.66%

### IMPORTANT NOTICE:

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