

# Fund Insights

BlackRock US Dollar High Yield Bond Fund

30 December 2022

## Fund Details

ISIN	LU0552552704
Domicile	Luxembourg
Currency	USD
Asset Class	Fixed Income
Effective Duration	4.02
Estimated Yield to Maturity	5.83%
Management Fee (Unified)	0.55% p.a.
Ongoing Charge as of December 30, 2022	0.76% p.a.
AUM, as of December 30, 2022 (USD, mn)	2,060.37

Figure 1: Country Allocation, December 2022

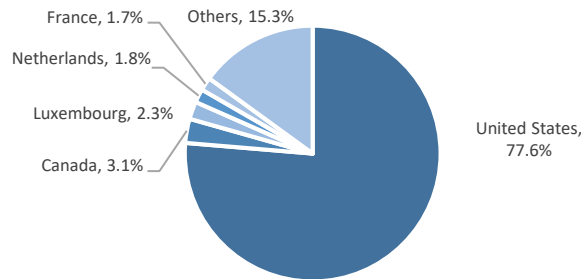
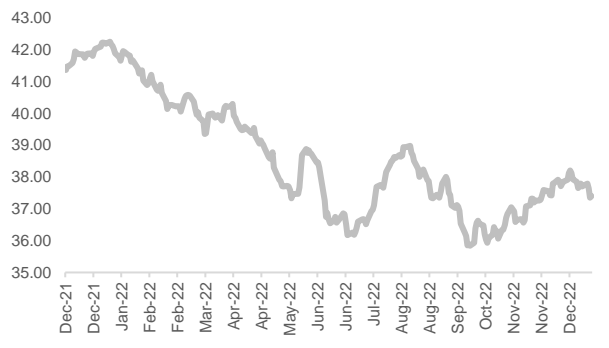


Figure 2: Fund's 1-year Performance (USD)



Source: Figure 1 Bloomberg (30 Dec 2022), Figure 2 - Morningstar (30 Dec 2022)

## Fund Management

BlackRock is a global asset management firm with USD9.01 trillion of assets under management as of end-March 2021. It invests primarily in equity (52%), followed by fixed income (29%), multi-asset (8%), alternatives (3%) and cash (8%). It caters to a diverse client base across 100 countries in the world.

## Fund

**Investment Objective:** The US Dollar High Yield Bond Fund seeks to maximize total return. The Fund invests at least 70% of its total assets in high yield fixed income transferable securities denominated in US dollars. The fund may invest in the full spectrum of available fixed income transferable securities, including noninvestment grade. Currency exposure is flexibly managed.

**Investment Process:** The Fund's investment philosophy incorporates both top down and bottom up analysis. The investment decisions are monitored and revised in a constant feedback loop based on market events and performance. The approach focuses on companies with strong underlying fundamentals, cash flow and solid capital structures. The investment process brings together the firm's resources, including credit analysts, portfolio managers, and risk analytics personnel. The process is structured to facilitate the identification of attractive new investments and to ensure a disciplined review of all existing holdings. The Fund employs the following process to invest:

- Utilizes bottom-up investment process, targeting companies with strong underlying fundamentals.
- Top-down overview of the corporate markets to identify industry sectors that are overvalued and undervalued based on the economic cycle, industry trends and regulatory issues
- Portfolio diversification to minimize exposure to any individual credit
- Incorporation of equity market inference techniques due to the combination of fixed income and equity-like characteristics of the corporate loan market
- An active management approach stressing flexibility in the reallocation of investment as appropriate

**Investment Parameters:** The key investment parameters of the Fund are,

- The fund has a maximum of 4% allocation holding, permitted to one specific issuer.
- The fund does not have a tracking error limit or target, however tracking error is typically expressed as a range of 2%-3%.
- The fund is subject to normal UCITS restrictions and so the maximum holding in one issuer is 10%.
- The total value of holdings in which the fund invests more than 5% of its assets may not exceed 40% of the fund's assets.
- The fund can invest in the equity securities of high yield issuers, up to 10% of its net assets.
- Transferable securities that are being priced regularly, but are not listed on a regulated market, may be held subject to an aggregate of 10% of NAV.
- The maximum cash position allowed in the fund is 10%.
- All positions held in issues denominated in currencies other than the US Dollar are hedged back to US Dollars

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Sources: 1. Fund's Prospectus, Factsheet and RFP, 2. Fund's Website