

SMARTLINK DOLLAR MANAGED FUND

April 2021

BLOOMBERG: AZUSMGD 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 deposits), and 80-100% in the medium- or long-term instruments (such as government bonds, corporate bonds, and / or fixed-income funds), in U.S. Dollars.

Return Performance

Last 1-year Period		6.08%
Best Month	Dec-08	9.61%
Worst Month	Oct-08	-10.66%

Portfolio Breakdown

Treasury Bonds	85.89%
Cash/Deposit	14.11%

Top Five Bonds Holding

RI-2030	10.12%
RI-2029	6.51%
RI-2038	5.65%
RI-0727	5.54%
RI-2025	5.03%

Key Fund Facts

Fund Size (in mio USD)	USD 65.84
Risk Profile	Moderate
Launch Date	07 Apr 2003
Fund Currency	United States Dollar
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	1.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	28,663,776.8905

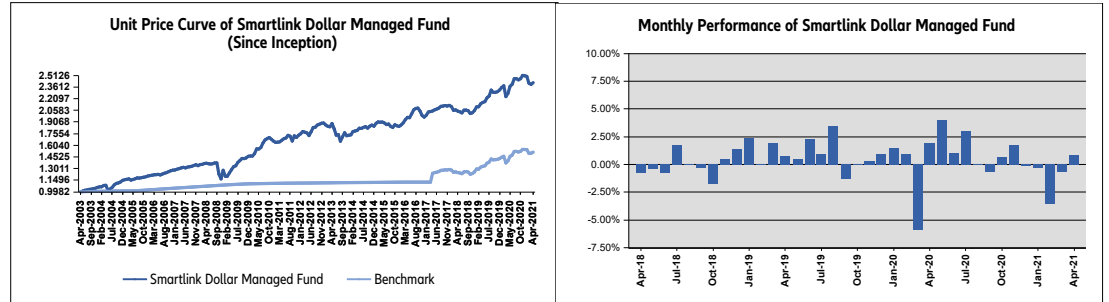
Price per Unit	Bid	Offer
(As of Apr 30, 2021)	USD 2.2968	USD 2.4177

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	0.89%	-3.29%	-2.11%	6.08%	18.01%	-3.60%	141.77%
Benchmark*	0.89%	-2.17%	-0.78%	7.99%	21.19%	-2.25%	51.46%

*80% Indonesia Bond Pricing Agency (IBPA) USD Bond Index and 20% Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank)

(Benchmark assessment: before Jul 2018: 80% Bloomberg USD Emerging Market Indonesia Sovereign (BEMSID) Index and 20% Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank; before Mar 2016: Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced April 2021 inflation at +0.13% mom (vs consensus inflation +0.17%, +0.08% on March 2021). On yearly basis, inflation was +1.42% yoy (vs consensus inflation +1.50%, +1.37% on March 2021). Core inflation was printed at +1.18% yoy (vs consensus inflation +1.24%, +1.21% on March 2021). The higher monthly inflation was caused by the higher core inflation which was affected by the higher global gold price, and the higher inflation on administered price group which was impacted by the implementation of tobacco excise that affected to cigarette prices. The BI Board of Governors agreed on 19-20 April 2021 to hold the BI 7-Day Reverse Repo Rate to be 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates to be 2.75% and 4.25%, respectively. This policy is to maintain Rupiah stability in the middle of global uncertainty and also the lower inflation. Rupiah appreciated against USD by +0.82% from 14,572 at end of March 2021 to 14,453 at end of April 2021. Indonesia's trade balance recorded surplus amounting to USD +1,560mm in March 2021 vs previous month surplus USD +2,010mm. The lower trade surplus was caused by the increment of gas import number on March 2021 as well as the imports of machineries. However, the export on non-oil and gas also has higher growth by +21.1% MoM on the back of higher CPO export to China and India. Non-oil and gas trade balance in March 2021 recorded surplus USD +2,941mm, which was higher than the previous month that recorded trade surplus amounting to USD +2,445mm. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,373mm in March 2021, which was higher than the deficit on Feb 2021 amounting to USD -443mm. Indonesia's economy experienced contraction as -0.74% yoy in 1Q 2021 (vs previous -2.19%, consensus -0.65%), and -0.96% qoq (vs previous -0.42%, consensus -0.85%). The Indonesia's economic recovery continued from the fourth quarter 2020 which was showed by the narrowed contraction yearly and quarterly. The narrowed contraction was supported by the lower contraction on gross fixed capital formation growth which mean the better performance in investment as well as the lower contraction on household consumption growth. Gross fixed capital formation contracted by -0.23% YoY (vs previous -6.15% YoY), while the household consumption contracted by -2.23% YoY (vs previous -3.61% YoY). Indonesia's official foreign reserve as of April 2021 was at USD 138.8 billion, higher than March 2021 number at USD 137.1 billion, due to foreign inflow.

USD government bond yields were closed mixed, mostly posted lower, in line with the lower of 10yr tenor US Treasury Yield (from 1.742% to 1.625%). Market players tended to be on sideways position in the beginning of the month on the back of concern over additional US budget stimulus for infrastructure amounting to USD 2tn by President Biden and the rising new cases of Covid-19. Market then turned to be bullish which was supported by the positive sentiments, such as: the revision of IMF projection for global growth to be 6% in 2021, the better result of China in Q1 2021 which expected to give impact globally, and also lower US Treasury Yield which was affected by the announcement of FOMC meeting result where they stated, 'risk to the economic outlook remain', which they might sign to not do the tapering in the near term. While from domestic side, the strong bond market continued to be supported by the announcement of Bank Indonesia to hold the 7DRR at 3.50% in line with consensus and also Indonesia's better economics indicators. On 22 April 2021, S&P affirmed Indonesia's long term rating at BBB with negative outlook. S&P see the country's economy remained stable supported by the improved trade flows. However, the pressure are still in there including external factors and also the fiscal policies to overcome the impact of Covid-19. Indonesia's CDS 5yr level was better on April 2021 compared with previous month, from 86/87 to 76/77. The 5Y yield April 2021 ended -19bps lower to +1.66% (vs +1.85% on March 2021), 10yr tenor ended +1bps higher at +2.33% (vs +2.32% on March 2021), 25yr tenor ended -10bps lower to +3.85% (vs +3.95% on March 2021), and 30yr ended flat to +3.11% (+3.11% on March 2021).

In regards to our recent portfolio we maintain our underweight position.

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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