

SMARTLINK DOLLAR MANAGED FUND

February 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		1.41%
Best Month	Dec-08	9.61%
Worst Month	Oct-08	-10.66%

Portfolio Breakdown

Treasury Bonds	83.65%
Cash/Deposit	16.35%

Top Five Bonds Holding

RI-2030	8.03%
RI-2029	5.18%
RI-2038	4.49%
RI-0727	4.43%
RI-2025	4.02%

Key Fund Facts

Fund Size (in mio USD)	USD 82.60
Risk Profile	Moderate
Launch Date	01 Jan 1900
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	36,063,161.8444

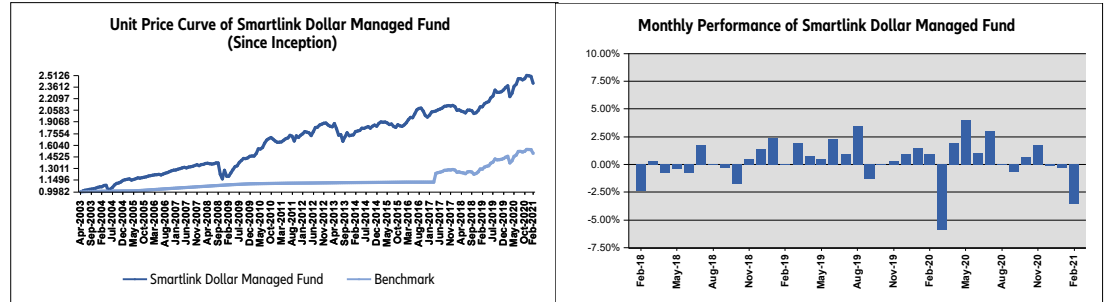
Price per Unit	Bid	Offer
(As of Feb 26, 2021)	USD 2.2905	USD 2.4111

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	-3.56%	-4.04%	-2.42%	1.41%	17.15%	-3.87%	141.11%
Benchmark*	-3.06%	-3.22%	-1.61%	2.70%	19.68%	-3.14%	50.09%

*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 February 2021 inflation at +0.10% mom (vs consensus inflation +0.10%, +0.26% on Jan 2021). On yearly basis, inflation was +1.38% yoy (vs consensus inflation +1.40%, +1.55% on Jan 2021). Core inflation was printed at +1.53% yoy (vs consensus inflation +1.53%, +1.56% on Jan 2021). The deceleration on monthly inflation was caused by the deflation on volatile foods group (lower prices of chicken and meat) and the decelerated of core inflation, while the inflation administered prices group still accelerated which caused by higher transportation and toll road cost. The BI Board of Governors agreed on 17-18 Feb 2021 to cut by 25bps the BI 7-Day Reverse Repo Rate to be 3.50%, and also cut by 25bps the Deposit Facility (DF) and Lending Facility (LF) rates to be 2.75% and 4.25%, respectively. This policy is in line with lower inflation expectation, stable Rupiah currency, and also to push the economic recovery. Rupiah depreciated against USD by -1.03% from 14,084 at end of January to 14,229 at end of Feb 2021. Indonesia's trade balance recorded surplus amounting to USD +1,959mn in Jan 2021 vs previous month surplus USD +2,102mn. The surplus was still supported by the export of non-oil and gas which are commodity source, such as coal, CPO, and iron & steel. Non-oil and gas trade balance in Jan 2021 recorded surplus USD +2,627mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,565mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -668mn in Jan 2021, which was higher than the deficit on Dec 2020 amounting to USD -463mn. Indonesia's official foreign reserve as of February 2021 was at USD 138.79 billion, higher than January 2021 number at USD 138.00 billion. The higher of foreign reserve was caused by the withdrawal of government loans and government's tax revenue.

USD government bond yields were higher across all curves in line with the higher of 10yr tenor US Treasury Yield (from 1.064% to 1.415% MoM). In the beginning of the month, market was opened with bullish tone which offshore were seen buying bonds due to positive sentiment from the approval of US stimulus budget. Market weakened in the next week which was caused by the expectation of oversupply risk in Indonesia's bond market, and also the rising geopolitics tension between US and China. Market players then remained on sideways position which was affected by the revised growth projection for 2021 by Bank Indonesia from 4.8%-5.8% to 4.3% - 5.3%, and also concern over the rising of the 10yr US Treasury yield which breached the 1.61%, even after FED announced their dovish statement. Indonesia's CDS 5yr level was slightly better on February 2021 compared with previous month, from 76/78 to 74/76. The 5Y yield February 2021 ended +17bps higher to +1.52% (+1.35% on January 2021), 10yr tenor ended +51bps higher at +2.59%(+2.08% on January 2021), 20yr tenor ended +49bps higher to +3.80(+3.31% on January 2021), and 25yr ended +49bps higher to +3.90%(+3.41% on January 2021).

In regards to our recent portfolio we reduce overweight position to neutral in the weighting with underweight duration.

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.

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