

# SMARTLINK DOLLAR MANAGED FUND

## January 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		6.10%
Best Month	Dec-08	9.61%
Worst Month	Oct-08	-10.66%

#### Portfolio Breakdown

Treasury Bonds	98.28%
Cash/Deposit	1.72%

#### Top Five Bonds Holding

RI-2030	12.23%
RI-2029	5.86%
RI-2038	5.20%
RI-0727	4.97%
RI-2025	4.42%

#### Key Fund Facts

Fund Size (in mio USD)	USD 75.76
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	31,898,053.8753

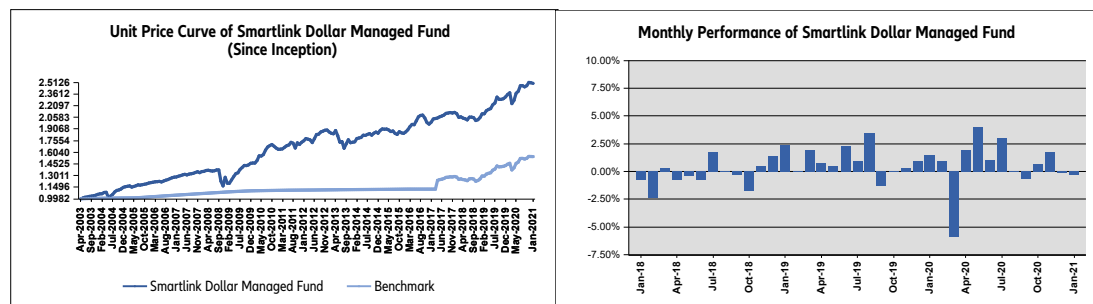
Price per Unit	Bid	Offer
(As of Jan 29, 2021)	USD 2.3750	USD 2.5000

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	-0.32%	1.22%	1.24%	6.10%	18.62%	-0.32%	150.00%
Benchmark*	-0.08%	1.43%	1.57%	6.81%	20.74%	-0.08%	54.83%

\*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 January 2021 inflation at +0.26% mom (vs consensus inflation +0.35%, +0.45% on Dec 2020). On yearly basis, inflation was +1.55% yoy (vs consensus inflation +1.68%, +1.68% on Dec 2020). Core inflation was printed at +1.56% yoy (vs consensus inflation +1.55%, +1.60% on Dec 2020). The deceleration on monthly inflation was caused by the inflation deceleration of volatile foods group (lower chicken and red onion prices) and the deflation of administered prices group. The deflation of administered price was caused by the lower of air transportation cost after holiday season in December 2020. The core inflation recorded higher data which was supported by higher commodity prices. The BI Board of Governors agreed on 20-21 January 2021 to hold the BI 7-Day Reverse Repo Rate at 3.75%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.00% and 4.50%, respectively. This policy was in line with the inflation expectation remain low, maintain external stability, and to accelerate the economic recovery. Rupiah appreciated against USD by 0.15% from 14,105 at end of December 2020 to 14,084 at end of January 2021. Indonesia's trade balance recorded surplus amounting to USD +2,102mn in Dec 2020 vs previous month surplus USD +2,612mn. The increment of export volume of iron & steel to China is still be the main contributor to the higher export number. Total import showed improvement with better growth number by 14% MoM which was supported by imports of machineries. On the annual figure, the total trade surplus for 2020 was amounting to USD 21.7bn (versus -USD 3.6bn in 2019). Non-oil and gas trade balance in Dec 2020 recorded surplus USD +2,565mn, which was lower than the previous month that recorded trade surplus amounting to USD +2,935mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -463mn in Dec 2020, which was higher than the deficit on Nov 2020 amounting to USD -323mn. The Indonesia's actual GDP growth 4Q20 recorded -2.19% YoY (vs previous -3.49%, consensus -2.3%), and also recorded contraction by -0.42% QoQ (vs previous +5.05%, consensus -0.22%). Throughout 2020, economic growth contracted by -2.07% which is still in line government's expectation, but lower compared to 5.02% in FY2019. This is the first annual contraction since the 1998 Asian Financial Crisis. The consumption which accounts almost 60% of Indonesia's GDP, is contracted by -2.63% YoY, while only government spending still recorded positive growth by +1.94% which was supported by additional stimulus budget to overcome the impact of Covid-19. Indonesia's official foreign reserve as of January 2021 was at USD 138.00 billion, higher than December 2020's number at USD135.90 billion. The higher of foreign reserve was caused by the issuance of global bonds and government's tax revenue.

USD government bond yields were closed with mixed result, mostly posted higher in line with the higher of 10yr tenor US Treasury Yield (from 0.919% to 1.064% MoM). The yield of 10 year US Treasury note breached the 1% level for the first time which was caused by the Democratic controlling government through White House and The House of Representative which might affected to higher US budget spending and UST supply to overcome the impact of Covid-19. While from domestic side, the rising of new cases of Covid-19 gave negative sentiments to market as well. Indonesia's CDS 5yr level was worsening on January 2021 compared with previous month, from 66/68 to 76/78. The 5Y yield January 2021 ended +4bps higher to +1.31%(+1.27% on Dec 2020), 10yr tenor ended +3bps higher to +2.05%(+2.02% on Dec 2020), 20yr tenor ended -2bps lower to +3.29%(+3.31% on Dec 2020), and 25yr ended +1bps higher to +3.38%(+3.37% on Dec 2020).

#### 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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