

# SMARTLINK DOLLAR MANAGED FUND

## June 2020

**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 |        | 7.84%   |
| Best Month         | Dec-08 | 9.61%   |
| Worst Month        | Oct-08 | -10.66% |

### Portfolio Breakdown

|                    |        |
|--------------------|--------|
| Treasury Bonds     | 82.18% |
| Corporate Bonds    | 6.24%  |
| Govt. Related Bond | 0.58%  |
| Cash/Deposit       | 11.00% |

### Top Five Bonds Holding

|               |       |
|---------------|-------|
| MTN Sritex II | 6.22% |
| RI-2023       | 5.20% |
| RI-2038       | 4.71% |
| RI-2025       | 4.07% |
| RI-0727       | 4.06% |

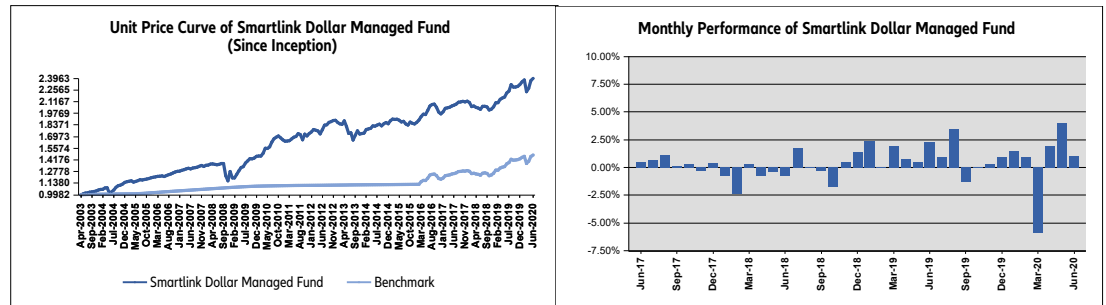
### Key Fund Facts

|                        |                      |
|------------------------|----------------------|
| Fund Size (in mio USD) | USD 80.28            |
| 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             | 35,264,240.4114      |

|                               | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | YTD   | Since Inception |
|-------------------------------|---------|----------|----------|--------|---------|-------|-----------------|
| Smartlink Dollar Managed Fund | 1.05%   | 7.13%    | 3.14%    | 7.84%  | 15.46%  | 3.14% | 139.63%         |
| Benchmark*                    | 1.15%   | 7.37%    | 3.16%    | 7.68%  | 17.73%  | 3.16% | 47.70%          |

\*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 June 2020 inflation at +0.18% mom (vs consensus inflation +0.05%, +0.07% in May 2020). On yearly basis, inflation was +1.96% yoy (vs consensus inflation +1.84%, +2.19% in May 2020). Core inflation was printed at +2.26% yoy (vs consensus inflation +2.38%, +2.65% in May 2020). The inflation is still considered low, but better than previous months, which was supported by the inflation volatile price group (increment on chicken, egg, and coconut prices). In the Board of Governors' Meeting on 17-18 June 2020, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 4.25%, and also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 3.00% and 5.00% level, respectively. This policy is for keeping the economic stability and for the economic recovery which is affected by the Covid-19. Rupiah appreciated by +2.93% to 14,302 at the end of June 2020 from 14,733/USD at end of May 2020. Indonesia's trade balance recorded surplus amounting to USD +2,092mn in May 2020 vs previous month deficit USD -345mn. The trade surplus was caused by the contraction in import number that are related with the supporting for investment, such as machineries, raw material and capital goods. The export number also lower on the back of lower coal export number which is caused by the weak price of commodity. Non-oil and gas trade balance in April 2020 recorded surplus USD +2,098, while the previous month recorded trade deficit amounting to USD -100.7mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -6mn in May 2020, which was lower than the deficit on April 2020 amounting to USD -243mn. Indonesia's official foreign reserve as of June 2020 was at USD 131.7billion, higher than May 2020's number at USD 130.5billion. The increment of foreign reserve was supported by the issuance of global sukuk bonds amounting to USD 2.5bn.

USD government bond yields closed lower all across the curve. The bullish market were seen in the beginning of the week which offshore were seen taken the offer in the market. The excitement of the re-opening economy around the world was the reason behind it despite fearing of the second wave of the Covid-19 spreading is still haunted. Some global positive sentiments also supported the market, such as: monetary policy from ECB and FED to support the economics from falling to the recession, the expectation for the lower tension of trade wars between US and China in the near term. The injection of liquidity to State-Owned Banks by Minister of Finance as well as the cut of benchmark rate by Bank Indonesia supported the local market as well. The solid demand in sukuk global bond issuance showed persistent interest from investors. On 17 June 2020, Government issued sukuk global bonds through three different tenor, there are: 5 years, 10 years, and 30 years with total issuance amounting to USD 2.5bn. This funding will be used as additional budget to address the impact of Covid-19. Indonesia's CDS 5yr level was better in June 2020 compared with previous month, from 173/178 to 132/138. The 5Y yield June 2020 ended -16bps lower to +2.15% (+2.31% in May 2020), 10yr tenor ended -1bps lower to +2.61% (+2.62% on May 2020), 15yr tenor ended -15bps lower to +3.70% (+3.85% on April 2020), and 25yr ended -9bps lower to +3.73% (+3.82% on May 2020).

In regards to our recent portfolio we maintain the strategy, and gradually buying from fresh money.

### 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, ranging from property, life and health insurance to credit insurance and business insurance services globally.

### Disclaimer:

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| Price per Unit       | Bid        | Offer      |
|----------------------|------------|------------|
| (As of Jun 30, 2020) | USD 2.2765 | USD 2.3963 |

Managed by PT. Asuransi Allianz Life Indonesia