

# SMARTLINK DOLLAR MANAGED FUND

## March 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		7.13%
Best Month	Dec-08	9.61%
Worst Month	Oct-08	-10.66%

### Portfolio Breakdown

Treasury Bonds	85.31%
Cash/Deposit	14.69%

### Top Five Bonds Holding

RI-2030	10.03%
RI-2029	6.46%
RI-2038	5.61%
RI-0727	5.51%
RI-2025	5.01%

### Key Fund Facts

Fund Size (in mio USD)	USD 65.81
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	28,907,386.3481

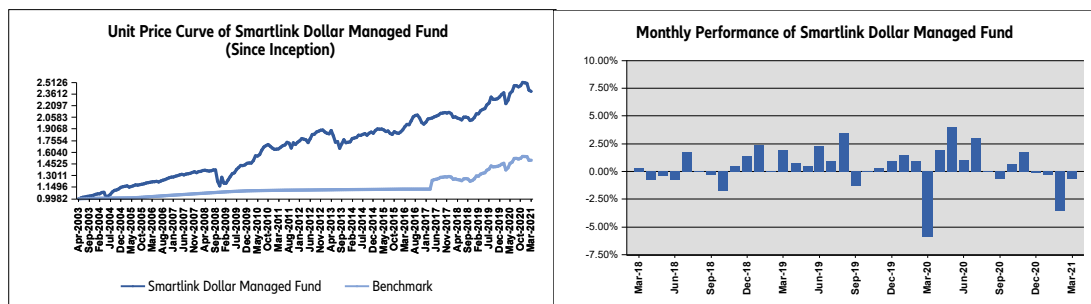
Price per Unit (As of Mar 31, 2021)	Bid	Offer
	USD 2.2765	USD 2.3963

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	-0.61%	-4.46%	-2.38%	7.13%	16.04%	-4.46%	139.63%
Benchmark*	0.03%	-3.11%	-1.06%	9.14%	19.29%	-3.11%	50.13%

\*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 March 2021 inflation at +0.08% mom (vs consensus inflation +0.12%, +0.10% on Feb 2021). On yearly basis, inflation was +1.37% yoy (vs consensus inflation +1.40%, +1.38% on Feb 2021). Core inflation was printed at +1.21% yoy (vs consensus inflation +1.44%, +1.53% on Feb 2021). The lower inflation in March 2021 was caused by the lower core inflation. The decline in core inflation was mainly driven by deflation in auto commodities in line with the provision of incentives to reduce the Sales Tax on Luxury Goods (PPnBM) rates for certain motor vehicles and deflation in the gold jewelry commodity that continued in line with the slowing of global gold inflation. The BI Board of Governors agreed on 17-18 March 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 in line with lower inflation expectation, stable Rupiah currency, and also to push the economic recovery. Rupiah depreciated against USD by -2.41% from 14,229 at end of Feb 2021 to 14,572 at end of March 2021. Indonesia's trade balance recorded surplus amounting to USD +2,010mn in Feb 2021 vs previous month surplus USD +1,959mn. The support for trade surplus were still coming from higher export of iron and steel to China, and also the increment of vehicle export to ASEAN and Japan. Non-oil and gas trade balance in Feb 2021 recorded surplus USD +2,445mn, which was lower than the previous month that recorded trade surplus amounting to USD +2,627mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -443mn in Feb 2021, which was lower than the deficit on Jan 2021 amounting to USD -668mn. Indonesia's official foreign reserve as of March 2021 was at USD 137.1 billion, lower than February 2021 number at USD 138.8 billion. The lower of foreign reserve was caused by the external government debt payment.

USD government bond yields were closed mixed, mostly posted higher, in line with the higher of 10yr tenor US Treasury Yield (from 1.407% to 1.742% MoM). Market was already opened with bearish tone on the back of concern over the higher US Treasury Yield (breach 1.7% level), Powell's speech which focused on unemployment and inflation level, and also the new expectation of infrastructure budget by President Biden amounting to USD 3tn to support US' economic recovery. However, there were some positive sentiments, such as: standby buyer and reverse auction by Bank Indonesia and also the affirmation for Indonesia's sovereign rating by Fitch on BBB with stable outlook. On 22 March 2021, Fitch affirm Indonesia's rating on BBB with stable outlook. The pandemic resulted contraction on growth by -2.1% in 2020, while the budget deficit is doubled from the ceiling level. Compared with the regional peers, Indonesia still could maintain their prudent fiscal policy. Indonesia's CDS 5yr level worsened on March 2021 compared with previous month, from 74/76 to 86/87. The 5Y yield March 2021 ended +28bps higher to +1.80% (vs +1.52% on Feb 2021), 10yr tenor ended -13bps lower at +2.28% (vs +2.41% on Feb 2021), 15yr tenor ended +8bps higher to +3.93% (vs +3.85% on Feb 2021), and 30yr ended -11bps to +3.09% (+3.2% on Feb 2021).

In regards to our recent portfolio we change to 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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