

SMARTLINK DOLLAR MANAGED FUND

May 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		9.17%
Best Month	Dec-08	9.61%
Worst Month	Oct-08	-10.66%

Portfolio Breakdown

Treasury Bonds	83.19%
Corporate Bonds	6.35%
Govt. Related Bond	0.55%
Cash/Deposit	9.90%

Top Five Bonds Holding

MTN Sritex II	6.18%
RI-2023	5.12%
RI-2038	4.61%
RI-2025	4.01%
RI-0727	4.01%

Key Fund Facts

Fund Size (in mio USD)	USD 80.71
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	35,826,887.4044

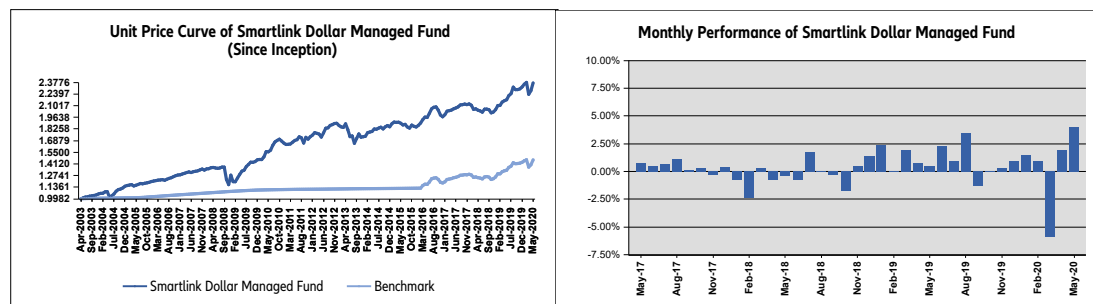
Price per Unit	Bid	Offer
(As of May 29, 2020)	USD 2.2527	USD 2.3713

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	4.04%	-0.26%	3.06%	9.17%	14.81%	2.06%	137.13%
Benchmark*	4.11%	-0.08%	2.70%	9.11%	16.85%	1.99%	46.02%

*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 May 2020 inflation at +0.07% mom (vs consensus inflation +0.10%, +0.08% in April 2020). On yearly basis, inflation was +2.19% yoy (vs consensus inflation +2.20%, +2.67% in April 2020). Core inflation was printed at +2.65% yoy (vs consensus inflation +2.80%, +2.85% in April 2020). The inflation on May 2020 is the lowest inflation in festive season (Ramadhan & Idul Fitri) since 1998 which the food prices usually increased and could lead higher inflation, but in this year, there was deflation on volatile food group (declining of onion and chicken egg prices). In the Board of Governors' Meeting on 18-19 May 2020, Bank Indonesia hold the BI 7-day Reverse Repo Rate at 4.50% level, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.25% and 5.25% level, respectively. This policy is to support the rupiah stability, even though there are still room for Bank Indonesia to cut their benchmark rate. Rupiah appreciated by +2.79% to 14,733/USD at end of May 2020 from 15,157/USD previous month. Indonesia's trade balance recorded deficit amounting to USD -345mn in April 2020 vs previous month surplus USD +743.4mn. The trade deficit was caused by increment in non-oil and gas import where the increment was on importing electrical machinery (medical equipment supply). While 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 deficit USD -100.7mn, while the previous month recorded trade surplus amounting to USD +1,676mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -243mn in April 2020, which was lower than the deficit on March 2020 amounting to USD -932.6mn. Indonesia's official foreign reserve as of May 2020 was at USD 130.5billion, higher than April 2020's number at USD 127.9billion. The increment of foreign reserve was affected by withdrawal external government debt and also the placement of banks' foreign currency in Bank Indonesia.

USD government bond yields closed lower across all curves in line with offshore inflows and also Rupiah appreciation. Market was bullish in May on the back of the rising of optimism for business across the world where many countries start to open their country again after implementing lockdown for couple months ago. Even though, there was still volatility that was happened in the market each day by day which was mostly affected by the rising tension again between US and China. But, the offshore names were continuously coming to Indonesia market where they also reinvest their coupon payment. Indonesia's CDS 5yr level was better in May 2020 compared with previous month, from 202/214 to 173/178. The 5Y yield May 2020 ended -90bps lower to +2.24% (+3.14% in April 2020), 10yr tenor ended -65bps lower to +2.57% (+3.22% on April 2020), 15yr tenor ended -65bps lower to +3.85% (+4.50% on April 2020), and 25yr ended -53bps lower to +3.79% (+4.32% on April 2020).

In regards to our recent portfolio we maintain the strategy, and tactically do portfolio rebalancing to capture market momentum.

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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