

SMARTLINK DOLLAR MANAGED FUND

November 2019

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		13.50%
Best Month	Dec-08	9.61%
Worst Month	Oct-08	-10.66%

Portfolio Breakdown

Treasury Bonds	87.93%
Corporate Bonds	6.63%
Govt. Related Bond	0.59%
Cash/Deposit	4.85%

Top Five Bonds Holding

MTN Sritex II	6.45%
RI-2049	5.80%
RI 2048	5.37%
RI-2019	5.13%
RI-2038	4.80%

Key Fund Facts

Fund Size (in mio USD)	USD 77.61
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.

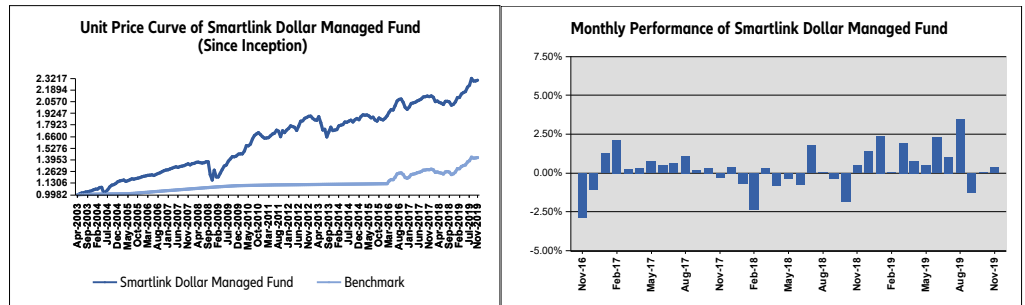
Price per Unit	Bid	Offer
(As of Nov 29, 2019)	USD 2.1859	USD 2.3009

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	0.36%	-0.90%	5.92%	13.50%	15.54%	11.94%	130.09%
Benchmark*	0.30%	-0.32%	6.24%	14.87%	18.96%	12.96%	42.26%

*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 November 2019 inflation at +0.14% mom (vs consensus inflation +0.20%, +0.02% in October 2019). On yearly basis, inflation was +3.00% yoy (vs consensus inflation +3.06%, +3.13% in October 2019). Core inflation was printed at +3.08% yoy (vs consensus inflation +3.14%, +3.20% in October 2019). The inflation was still affected by increasing prices in food stuffs group, such as: meat, chicken & tomato. In the Board of Governors' Meeting on 20th and 21st November 2019 Bank Indonesia kept the BI 7-day Reverse Repo Rate unchanged on 5.00%, also maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 4.25% and 5.75%, respectively. This policy is still supported by manageable inflation that within target range as well. In contrast with that, BI lowered the bank's reserve requirements for second times in this year by 50bps to 5.50% for commercial banks and to 4.00% for shariah banks. This policy which will be implemented in January 2020, is expected to give liquidity in banks sector amounting to IDR 26trillion. Rupiah depreciated by -0.67% to 14,102/USD at end of November 2019 from 14,008/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD +161mn in October 2019 vs previous month deficit USD -160mn. The surplus was caused by the declining of import growth deeper than export growth. The slowing down on import and export was affected by global trade slowing down, including Indonesia's biggest trading partner, China. Non-oil and gas trade balance in October 2019 recorded surplus USD +990mn, higher than the previous month which was also resulting surplus amounting to USD +601mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -829mn in October 2019, higher than the deficit on September 2019 amounting to USD -762mn. Indonesia's official foreign reserve as of November 2019 was at USD 126.63billion, slightly lower than October 2019's number at USD 126.7billion.

USD government bond yields closed lower on the back of offshore inflows. The USD-denominated bond became more attractive for foreign investor because the US market tended to be more volatile which was mainly triggered by the uncertainty related trade wars. The expected agreement after 'phase 1' trade talks was not done yet because both of China and US did not agree on each offer where China want US to rollback their tariff imposing and US want China buying their farm goods. Despite of that uncertainty, Indonesia's bond market was still supported by positive catalyst coming from domestic side. The surplus trade balance in October was the reason behind the offshore names still recorded net inflows in November. Indonesia's CDS 5yr level was stable in November 2019 compared with previous month, from 74/76 to 74/75. The 5Y yield Nov 2019 ended -9bps lower to +2.54% (+2.63% in Oct 2019), 10yr tenor ended 0bps stable at +3.00% (+3.00% in Oct 2019), 25yr tenor ended -1bps lower to +3.95% (+3.96% in Oct 2019), and 30yr ended -7bps lower to +3.72% (+3.79% in Oct 2019).

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

Disclaimer:

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