

# SMARTLINK DOLLAR MANAGED FUND

## October 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		7.73%
Best Month	Dec-08	9.61%
Worst Month	Oct-08	-10.66%

### Portfolio Breakdown

Treasury Bonds	79.76%
Corporate Bonds	6.43%
Cash/Deposit	13.81%

### Top Five Bonds Holding

MTN Sritex II	6.29%
RI-2023	5.30%
RI-2038	4.88%
RI-0727	4.25%
RI-2025	4.21%

### Key Fund Facts

Fund Size (in mio USD)	USD 79.83
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	34,022,274.0780

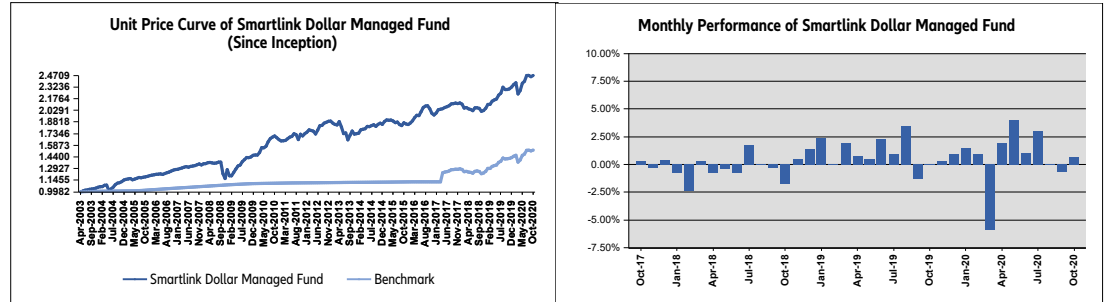
Price per Unit	Bid	Offer
(As of Oct 27, 2020)	USD 2.3464	USD 2.4699

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	0.62%	0.02%	8.37%	7.73%	16.43%	6.31%	146.99%
Benchmark*	0.60%	0.14%	8.83%	7.69%	18.73%	6.62%	52.65%

\*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 Oct 2020 inflation at +0.07% mom (vs consensus inflation +0.07%, -0.05% in Sep 2020). On yearly basis, inflation was +1.44% yoy (vs consensus inflation +1.45%, +1.42% in Sep 2020). Core inflation was printed at +1.74% yoy (vs consensus inflation +1.82%, +1.86% in Sep 2020). After three months consecutively deflation, finally this month recorded inflation which was supported by the inflation of volatile food group, especially increment on horticulture plants price, such as: chili and onion, while administered price group still recorded deflation on the back of declining of electricity and transportation cost. While the core inflation is lower compared last month on the back of declining of global gold price. In the Board of Governors' Meeting on 12-13 Oct 2020, Bank Indonesia hold the BI 7-day Reverse Repo Rate at 4.00%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.25% and 4.75% level, respectively. This policy is expected to maintain Rupiah stability amid low inflation. Rupiah appreciated by +1.53% from 14,918 at end of Sep 2020 to 14,690 at end of Oct 2020. Indonesia's trade balance recorded surplus amounting to USD +2,438mn in Sep 2020 vs previous month surplus USD +2,327mn. The higher number of trade surplus was affected by increment on commodity price, such as: CPO, iron, and steel. The import number grew by +7.7% MoM which was caused by increment of oil imports and machineries (hospital equipment). Non-oil and gas trade balance in Sep 2020 recorded surplus USD +2,908mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,666mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -470mn in Sep 2020, which was higher than the deficit on Aug 2020 amounting to USD -388mn. Indonesia's economy contracted by -3.49% YoY in Q3 2020 (vs previous -5.32%, consensus -3.20%), but recorded positive growth by +5.05% QoQ (vs previous -4.19%, consensus 5.55%) which was supported by the relaxation of PSBB in July - September 2020. With this negative YoY growth, Indonesia's officially enter recession for the first time since 1998 Asian Financial Crisis. The YoY negative growth was contributed by the contraction on household consumption growth by -4.04% YoY, while only government spending grow positively by 9.72% YoY. Indonesia's official foreign reserve as of October 2020 was at USD 133.4 billion, lower than September 2020's number at USD135.2 billion. The decrement of foreign reserve was caused by the payment of external debt.

USD government bond yields were mostly posted lower, except the 5yr tenor which was higher by +4bps. Market was opened with weaker tone which was affected by global sentiments, such as: the uncertainty of additional budget stimulus in US and the increasing number of new cases & lockdown reimplement on several cities in Europe Zone. However, market rebounded with bullish tone in the market which was affected by the approval of Omnibus Law by The Parliament and also the capability of government to contain Omnibus Law protest around Indonesia's cities. Thus the confidence of investor to enter the market was rising again with the hope that Omnibus Law could increase the Indonesia's FDI level as well. Indonesia's CDS 5yr level was better in Oct 2020 compared with previous month, from 114/118 to 94/97. The 5Y yield Oct 2020 ended +4bps higher to +1.38% (+1.34% in Sep 2020), 10yr tenor ended -1bps lower at +2.24% (+2.25% on Sep 2020), 15yr tenor ended -1bps lower to +3.34% (+3.35% on Sep 2020), and 25yr tenor ended unchanged +0bps to +3.55% (+3.55% on Sep 2020).

In regards to our recent portfolio we maintain an overweight position in the weighting with underweight duration.

### 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:

Smartlink Dollar Managed Fund is unit linked fund offered by PT. Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the fund is not guaranteed and the value of the units and the income from them may increase or decrease. Past returns and any forecast are not necessarily a guide to future performance. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.