

# SMARTLINK DOLLAR MANAGED FUND

## August 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		12.61%
Best Month	Dec-08	9.61%
Worst Month	Oct-08	-10.66%

### Portfolio Breakdown

Treasury Bonds	85.44%
Corporate Bonds	6.40%
Govt. Related Bond	0.59%
Cash/Deposit	7.57%

### Top Five Bonds Holding

MTN Sritex II	6.32%
RI-2049	5.68%
RI-2038	4.77%
RI-2045	4.16%
RI-0727	3.99%

### Key Fund Facts

Fund Size (in mio USD)	USD 80.47
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.

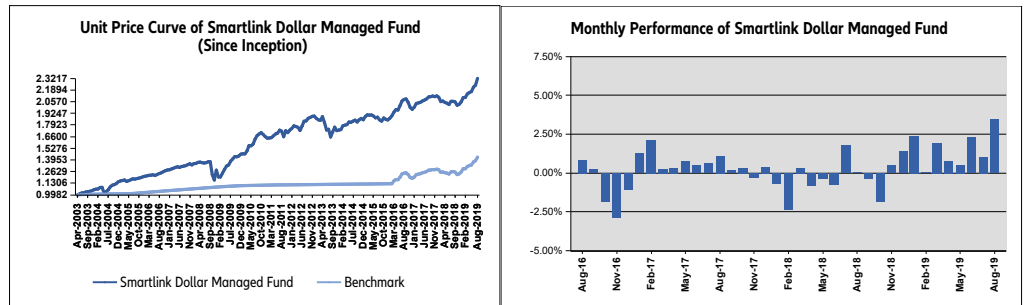
Price per Unit	Bid	Offer
(As of Aug 30, 2019)	USD 2.2056	USD 2.3217

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	3.45%	6.88%	10.30%	12.61%	11.44%	12.96%	132.17%
Benchmark*	2.88%	6.58%	10.14%	12.91%	14.57%	13.32%	42.71%

\*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 Aug 2019 inflation at +0.12% mom (vs consensus inflation +0.17%, +0.31% in July 2019). On yearly basis, inflation was +3.49% yoy (vs consensus inflation +3.51%, +3.32% in July 2019). Core inflation was printed at +3.30% yoy (vs consensus inflation +3.17%, +3.18% in July 2019). The contributor of this inflation was the increment of school fees ahead of new school academic year and gold price which was affected by global gold price. In the Board of Governors' Meeting on 21st and 22nd Aug 2019, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 5.50%, while also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 4.75% and 6.25%, respectively. This policy expected to boost the increasing of economic growth. Rupiah depreciated by -1.50% to 14,237/USD at end of August 2019 from 14,026/USD in previous month. Indonesia's trade balance recorded deficit amounting to USD -0.63mn in July 2019 vs previous month surplus USD 0.196bn. The deficit was contributed by import for oil & gas sector, especially oil products, while the surplus from export of non-oil & gas sector declined compared previous month. Non-oil and gas trade balance in July 2019 recorded surplus USD 0.079bn, declining than the previous month which was resulting surplus amounting to USD 1.164bn. Meanwhile, oil and gas trade balance still recorded deficit to USD -0.142bn in July 2019, slightly better than deficit on June 2019 amounting to USD -0.967bn. The deficit was caused by higher oil products imports. Indonesia's official foreign reserve as of Aug 2019 was at USD 126.4billion, higher than July 2019's number at USD 125.9billion. The increment in the reserve assets per Aug 2019 was due to higher export earnings from oil and gas.

USD government bond yields closed lower across all curves in the end of Aug 2019 in line with lower yield of US Treasury. Fearing of US's recession in US which was showed by inverted yield curve US Treasury as well as unfinished trade war between US and China were the main reason behind market players coming to Indonesia's dollar-denominated bonds. The positive sentiments were also coming from President Jokowi's speech related State Budget 2020 in parliament and also dovish statement from Bank Indonesia. Indonesia's CDS 5yr level was worsen from 81/82 to 89/90. The 5Y yield Aug 2019 ended -17bps lower to +2.63 (+2.80% in July 2019), 10yr tenor ended -34bps lower to +2.85% (+3.19% in July 2019), 25yr tenor ended -46bps lower to +3.71% (+4.17% in July 2019), and 30yr ended -49bps lower to +3.63% (+4.12% in July 2019).

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

#### 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.