

SMARTLINK DOLLAR MANAGED FUND

February 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	2.27%
Best Month	Dec-08 9.61%
Worst Month	Oct-08 -10.66%

Portfolio Breakdown

Treasury Bonds	78.40%
Corporate Bonds	8.34%
Govt. Related Bond	4.29%
Cash/Deposit	8.98%

Top Five Bonds Holding

MTN Sritex II 5.8% 12/07/20	8.23%
RI0038	5.45%
RI0422	5.10%
RI0521	5.07%
RI0727	4.80%

Key Fund Facts

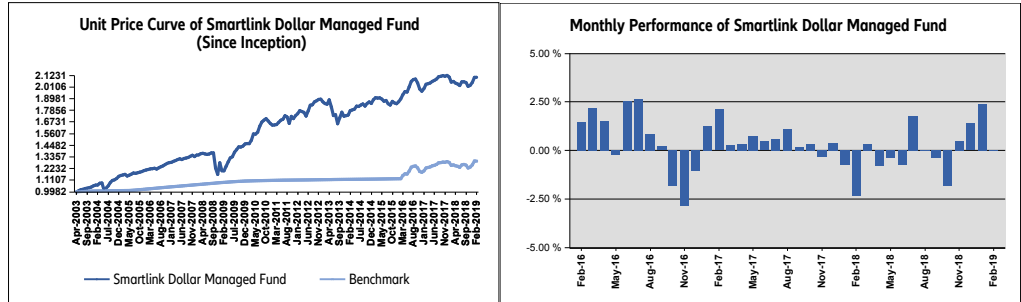
Fund Size (in mio USD)	USD 61.01
Risk Profile	Moderate
Launch Date	07 Apr 2003
Fund Currency	United States Dollar
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	1.00% p.a.

Price per Unit	Bid	Offer
(As of Feb 28, 2019)	USD 1.9997	USD 2.1049

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	0.04%	3.83%	2.10%	2.27%	10.99%	2.41%	110.49%
Benchmark*	-0.08%	4.63%	2.51%	3.26%	15.09%	2.88%	29.57%

*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 Feb 2019 deflation at -0.08% mom (vs consensus inflation -0.04%, +0.32% in Jan 2019). On yearly basis, inflation was +2.57% yoy (vs consensus inflation +2.75%, +2.82% in Jan 2019). Core inflation was printed at +3.06% yoy (vs consensus inflation +3.06%, +3.06 in Jan 2019). The deflation in February 2019 was caused by the declining in chicken, egg and non-subsidized fuel price. In the Board of Governors' Meeting on 20th and 21st February 2019, Bank Indonesia kept the BI 7-day Reverse Repo Rate unchanged on 6.00%, while also maintaining the Deposit Facility (DF) and Lending Facility (LF) rates at 5.25% and 6.75% respectively. Rupiah appreciated by +0.07% to 14,062/USD at end of February 2019 from 14,072/USD in previous month. Indonesia's trade balance recorded deficit amounting to USD -1.159bn in January 2019 vs previous month deficit USD -1.102bn. This deficit was mainly contributed by declining in export growth, especially in oil & gas side, on the back of declining in global crude oil price by -12% yoy. Oil and gas trade balance recorded deficit to USD -0.455bn in January 2019, worse than deficit on December 2018 amounting to USD -0.219bn. Meanwhile, non-oil and gas trade balance in January 2019 recorded deficit USD -0.705bn, slightly better than the previous month which was deficit amounting to USD -0.883bn. This was occurred on the back of increasing in number of non-oil & gas export, such as: iron & steel and organic chemicals commodities. Indonesia's official foreign reserve as of Januari 2019 was at USD 120.1 billion, slightly lower than the December 2018 which stood at USD 120.7 billion. The decrement in the reserve assets in January 2019 was caused by government external debt repayment.

USD government bond yields closed mixed, mostly posted higher yields, across all curves in the end of February 2019 in line with higher UST treasury yield (from 2.698% to 2.716%). Positive global sentiment gave optimism for bond market, there are: dovish statement from FED and trade deal between Trump and Xi Jinping which reached working on memorandum of understanding. While domestic side still suffered from deficit trade balance which made market players feeling anxious and resulted to offshore outflows for a moment. The Government has just issued global sukuk bonds totaling USD 2bn on 20 February 2019 for tenor 5.5yr USD750mm at ytm 3.90% and 10yr USD1.25bn at ytm 4.45%. Indonesia's CDS 5yr level was better from 112/114 to 103/105. The 5Y yield February 2019 ended -3bps lower to +3.62%(+3.65% in Jan 2019), 10yr tenor ended +3bps higher to +4.11%(+4.08% in Jan 2019), 20yr tenor ended +6bps higher to +5.00%(+4.94% in Jan 2019), and 30yr ended +5bps higher to +4.65%(+4.60% in Jan 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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