

SMARTLINK DOLLAR MANAGED FUND

June 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	9.71%
Best Month	Dec-08 9.61%
Worst Month	Oct-08 -10.66%

Portfolio Breakdown

Treasury Bonds	82.12%
Corporate Bonds	7.63%
Govt. Related Bond	3.97%
Cash/Deposit	6.28%

Top Five Bonds Holding

MTN Sritex II 5.8% 12/07/20	7.61%
RI0038	5.40%
RI0422	4.75%
RI0521	4.65%
RI0727	4.63%

Key Fund Facts

Fund Size (in mio USD)	USD 66.91
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.

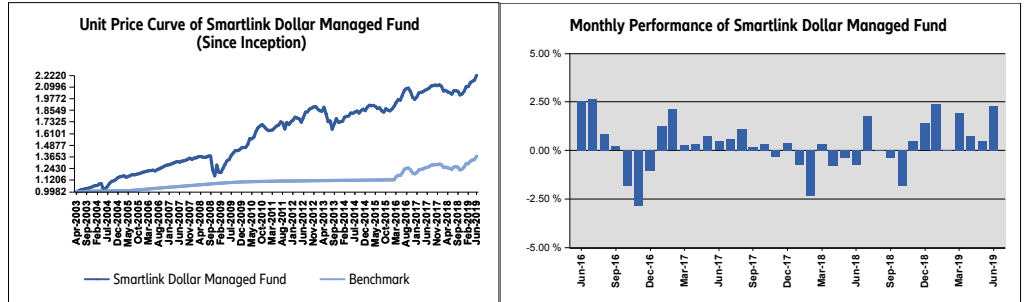
Price per Unit	Bid	Offer
(As of Jun 28, 2019)	USD 2.1109	USD 2.2220

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	2.29%	3.58%	8.11%	9.71%	10.42%	8.11%	122.20%
Benchmark*	2.49%	3.85%	8.97%	11.03%	14.45%	8.97%	37.23%

*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 June 2019 inflation at +0.55% mom (vs consensus inflation +0.48%, +0.68% in May 2019). On yearly basis, inflation was +3.28% yoy (vs consensus inflation +3.26%, +3.32% in May 2019). Core inflation was printed at +3.25% yoy (vs consensus inflation +3.10%, +3.12% in May 2019). The inflation in this month was still mainly contributed by increasing in raw food price (red chilli, fresh fish, and tomato), while the increasing of core inflation was caused by increasing gold price. In the Board of Governors' Meeting on 19th and 20th June 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. While, BI has decided to lower the rupiah reserve requirement for conventional and Islamic banks by 50bps to 6.0% and 4.5% respectively, with the average reserve requirements remaining at 3.0%, effective from 1st July 2019. Rupiah appreciated by +1.70% to 14,141/USD at end of June 2019 from 14,385/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD 0.208bn in May 2019 vs previous month deficit USD -2.502bn. The surplus was caused by increasing in export for non-oil & gas, especially mineral fuels (ex oil & gas product). Non-oil and gas trade balance in May 2019 recorded surplus USD 1.186bn, better than the previous month which was deficit amounting to USD -1.008bn. Meanwhile, oil and gas trade balance still recorded deficit to USD -0.978bn in May 2019, slightly better than deficit on April 2019 amounting to USD -1.493bn. The deficit was caused by higher oil products imports as well as crude oil. Indonesia's official foreign reserve as of June 2019 was at USD 123.8 billion, higher than the May 2019 which stood at USD 120.35 billion. The increment in the reserve assets per June 2019 was affected by the foreign exchange income from oil & gas income and withdrawal of government external debt.

USD government bond yields closed lower across all curves in the end of June 2019 which was in line with the decrement of US Treasury 10yr yield (from 2.125% to 2.006%). The positive sentiment came both from domestic and global side. The rating's upgrading by S&P for Indonesia, dovish tone coming from FED and Bank Indonesia related benchmark rate cut in this year, and expectation for trade talks between US and China in G20 meeting, were the cause behind this lower yield. The Government has just issued bonds denominated in US dollar amounting to USD 0.75bn long 10yr with yield 3.450% and Euro amounting to EUR 0.750bn long 7yr with yield 1.487%. Indonesia's CDS 5yr level was worsening from 113/114 to 102/103. The 5Y yield June 2019 ended -41bps lower to +2.97 (+3.38% in May 2019), 10yr tenor ended -45bps lower to +3.39% (+3.84% in May 2019), 25yr tenor ended -42bps lower to +4.25% (+4.67% in May 2019), and 30yr ended -41bps lower to +4.18% (+4.59% in May 2019).

In regards to our recent portfolio we maintain the strategy.

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.