

# SMARTLINK DOLLAR MANAGED FUND

## March 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		3.88%
Best Month	Dec-08	9.61%
Worst Month	Oct-08	-10.66%

### Portfolio Breakdown

Treasury Bonds	80.07%
Corporate Bonds	8.39%
Govt. Related Bond	4.32%
Cash/Deposit	7.21%

### Top Five Bonds Holding

MTN Sritex II 5.8% 12/07/20	8.24%
RI0038	5.54%
RI0422	5.11%
RI0521	5.06%
RI0727	4.88%

### Key Fund Facts

Fund Size (in mio USD)	USD 61.42
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.

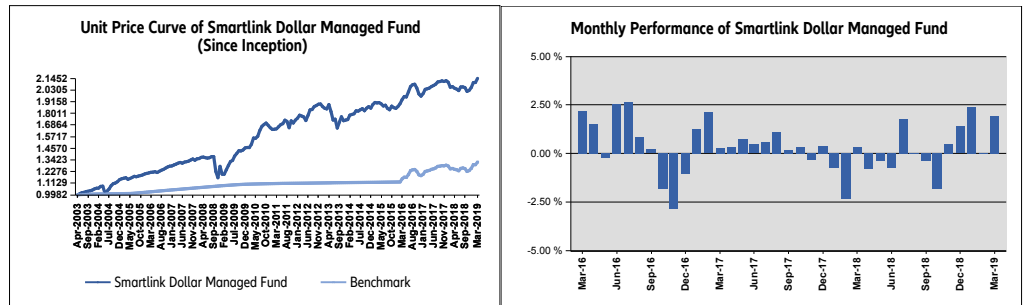
Price per Unit	Bid	Offer
(As of Mar 29, 2019)	USD 2.0379	USD 2.1452

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	1.91%	4.37%	4.42%	3.88%	10.70%	4.37%	114.52%
Benchmark*	1.99%	4.93%	5.11%	4.93%	14.21%	4.93%	32.14%

\*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 March 2019 inflation at +0.11% mom (vs consensus inflation +0.14%, -0.08% in Feb 2019). On yearly basis, inflation was +2.48% yoy (vs consensus inflation +2.51%, +2.57% in Feb 2019). Core inflation was printed at +3.03% yoy (vs consensus inflation +3.06%, +3.06 in Jan 2019). The inflation in this month was mainly contributed by increasing in administered prices group on the back of higher of airfares. In the Board of Governors' Meeting on 20th and 21st March 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 depreciated by +1.29% to 14,244/USD at end of March 2019 from 14,062/USD in previous month. Indonesia's trade balance recorded surplus amounting to USD 0.330bn in February 2019 vs previous month deficit USD -1.159bn. The surplus was caused by declining of import expense on non-oil and gas commodities on the back of lower of machinery and iron steel import. Oil and gas trade balance recorded deficit to USD -0.465bn in February 2019, worse than deficit on January 2019 amounting to USD -0.455bn. The deficit was contributed by declining of gas export (impact of China's slowing down). Meanwhile, non-oil and gas trade balance in February 2019 recorded surplus USD 0.793bn, better than the previous month which was deficit amounting to USD -0.705bn. Indonesia's official foreign reserve as of March 2019 was at USD 124.5 billion, higher than the February 2019 which stood at USD 123.3 billion. The increasing in the reserve assets per March 2019 was caused by was mainly caused by the foreign exchange income from oil & gas income.

USD government bond yields closed lower across all curves in the end of March 2019 on the back of offshore inflows. Market was cheered up by the positive sentiment came from FOMC meeting which resulted dovish tone policy that they expected to do one more hike on benchmark rate or not at all in this year. Addition to that, positive sentiments surprisingly coming from domestic which were supported by surplus trade balance and good Indonesia's inflation data, has strongly effect to attract offshore names to come to Indonesia's market. However from global side, the uncertainty of US-China trade wars and Brexit as well as global slowing down, still haunted the market. Indonesia's CDS 5yr level was better from 103/105 to 90/93. The 5Y yield March 2019 ended -30bps lower to +3.32%(+3.62% in Feb 2019), 10yr tenor ended -27bps lower to +3.84%(+4.11% in Feb 2019), 20yr tenor ended -21bps lower to +4.80%(+5.00% in Feb 2019), and 30yr ended -22bps lower to +4.43%(+4.65% in Feb 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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