

SMARTLINK USD MAXWEALTH 1

December 2020

Investment Objective

The objective of the fund is to provide a global investment opportunity with capital preservation for the long term.

Investment Strategy

The Fund seeks to achieve the investment objective, by investing 0 - 20% in offshore mutual fund and 80 - 100% in quasi bond.

Return Performance

Last 1-year Period		3.12%
Best Month	Jan-19	2.58%
Worst Month	Mar-20	-4.22%

Portfolio Breakdown

Govt. Related Bond	94.60%
Cash/Deposit	5.40%

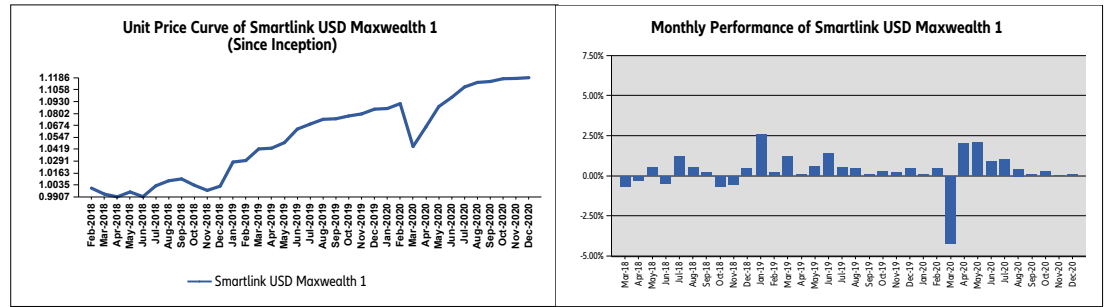
Key Fund Facts

Fund Size (in mio USD)	USD 2.36
Risk Profile	Moderate
Launch Date	27 Feb 2018
Fund Currency	United States Dollar
Pricing Frequency	Daily
Management Fee	1.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	2,105,268.7500

Price per Unit	
(As of Dec 30, 2020)	USD 1.1186

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink USD Maxwealth 1	0.07%	0.37%	1.93%	3.12%	N/A	3.12%	11.86%



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced December 2020 inflation at +0.45% mom (vs consensus inflation +0.37%, +0.28% in Nov 2020). On yearly basis, inflation was +1.68% yoy (vs consensus inflation +1.61%, +1.59% in Nov 2020). Core inflation was printed at +1.60% yoy (vs consensus inflation +1.67%, +1.67% in Nov 2020). The increment of inflation is only contributed by the inflation on food, beverage and tobacco group, while there was still weak demand on other group which was impacted by lower purchasing power, affected to the lower core inflation. The BI Board of Governors agreed on 16-17 December 2020 to hold the BI 7-Day Reverse Repo Rate at 3.75%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.00% and 4.50%, respectively. This policy was in line with the inflation expectation remain low, maintain external stability, and to accelerate the economic recovery. Rupiah appreciated by +0.16% from 14,128 at end of November 2020 to 14,105 at end of December 2020. Indonesia's trade balance recorded surplus amounting to USD +2,612mn in Nov 2020 vs previous month surplus USD +3,607mn. The increment of CPO prices is still be the main contributor to the higher export number. The other reason is the increment of export volume of iron & steel to China. Non-oil and gas trade balance in Nov 2020 recorded surplus USD +2,935mn, which was lower than the previous month that recorded trade surplus amounting to USD +4,057mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -323mn in Nov 2020, which was lower than the deficit on Oct 2020 amounting to USD -450mn.

USD government bond yields were higher across all curves in line with the higher of 10yr tenor US Treasury Yield (from 0.845% to 0.919% MoM). The higher US Treasury Yield was affected by the approval of additional stimulus budget by President Trump amounting to USD 900bn as stock market recover. While, Indonesia's bond market opened with sideways trend on the back of the rising of new cases of Covid-19 in Indonesia. Even though, then market players reacted positively with the reshuffle announcement on President Jokowi's cabinet. Indonesia's CDS 5yr level was better in December 2020 compared with previous month, from 88/90 to 66/68. The 5Y yield December 2020 ended +2bps higher to +1.22% (+1.20% in Nov 2020), 10yr tenor ended +14bps higher at +1.99% (+1.85% on Nov 2020), 15yr tenor ended +2bps higher to +3.09% (+3.07% on Nov 2020), and 20yr ended +5bps higher to +3.28% (+3.23% on Nov 2020).

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

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