

# SMARTLINK USD MAXWEALTH 1

## September 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		3.72%
Best Month	Jan-19	2.58%
Worst Month	Mar-20	-4.22%

### Portfolio Breakdown

Govt. Related Bond	97.37%
Cash/Deposit	2.63%

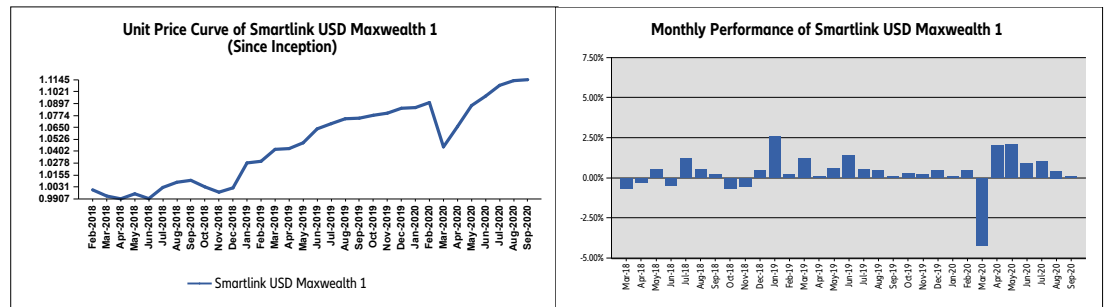
### Key Fund Facts

Fund Size (in mio USD)	USD 2.55
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	2,285,268.7500

<b>Price per Unit</b>	
(As of Sep 30, 2020)	USD 1.1145

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink USD Maxwealth 1	0.09%	1.56%	6.68%	3.72%	N/A	2.74%	11.45%



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Oct 2020 deflation at -0.05% mom (vs consensus inflation -0.03%, -0.05% in Sep 2020). On yearly basis, inflation was +1.42% yoy (vs consensus inflation +1.40%, +1.32% in Sep 2020). Core inflation was printed at +1.86% yoy (vs consensus inflation +2.00%, +2.03% in Sep 2020). The monthly deflation was contributed by the deflation on volatile food and administered price group. The deflation on volatile food group was affected by the declining of chicken price, while the administered price group was impacted by the declining of transportation cost. In the Board of Governors' Meeting on 16-17 Sep 2020, Bank Indonesia hold the BI 7-day Reverse Repo Rate at 4.00%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 3.25% and 4.75% level, respectively. This policy is expected to maintain the external stability in line with their expectation that the inflation remain low. Rupiah depreciated by +2.50% from 14,554 at the end of Aug 2020 to 14,918 at end of Sep 2020. Indonesia's trade balance recorded surplus amounting to USD +2,327mn in Aug 2020 vs previous month surplus USD +3,263mn. The surplus was caused by increment on commodities prices, especially CPO price and also the increasing in export number for iron & steel, especially to China & US. However, our import number also showed recovery from the previous month by +3% MoM which could indicated the recovery on Indonesia's economic activity that was caused by the relaxation of public restriction. Non-oil and gas trade balance in Aug 2020 recorded surplus USD +2,666mn, which was lower than the previous month that recorded trade surplus amounting to USD +3,516mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -338mn in Aug 2020, which was higher than the deficit on July 2020 amounting to USD -253mn. Indonesia's official foreign reserve as of September 2020 was at USD 135.2 billion, lower than August 2020's number at USD 137.0 billion. The decrement of foreign reserve was caused by the payment of external debt and to stabilize the Rupiah exchange rate.

USD government bond yields were mostly posted higher, except the 5yr tenor which was lower by -9bps. Market was actually opened with bullish tone on the back of global risk on which was supported by the indication that FED will hold the lower rate for longer time and also the optimism for Covid-19 vaccine. However, the mood in the market was changed which was triggered by the news that Parliament propose to change the Undang-Undang Bank Sentral and set Monetary Council, and also the announcement of re-implementation of Large Scale Social Distancing (PSBB) in Jakarta by Governor Anies Baswedan. While negative sentiments from global side, the increment of new cases of Covid-19 which was still considered high, the rising tension between US and China, and also the uncertainty of additional stimulus budget for US economics' recovery, were affected to the weaker market as well. Indonesia's CDS 5yr level was worsen in Sep 2020 compared with previous month, from 101/105 to 114/118. The 5Y yield Sep 2020 ended -9bps lower to +1.34% (+1.43% in Aug 2020), 10yr tenor ended +4bps higher at +2.25% (+2.21% on Aug 2020), 15yr tenor ended +16bps higher to +3.38% (+3.22% on Aug 2020), and 25yr ended +19bps higher to +3.55% (+3.36% on Aug 2020).

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

### About Allianz Indonesia

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