

SMARTLINK DOLLAR MANAGED FUND

June 2021

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		1.87%
Best Month	Dec-08	9.61%
Worst Month	Oct-08	-10.66%

Portfolio Breakdown

Treasury Bonds	78.68%
Cash/Deposit	21.32%

Top Five Bonds Holding

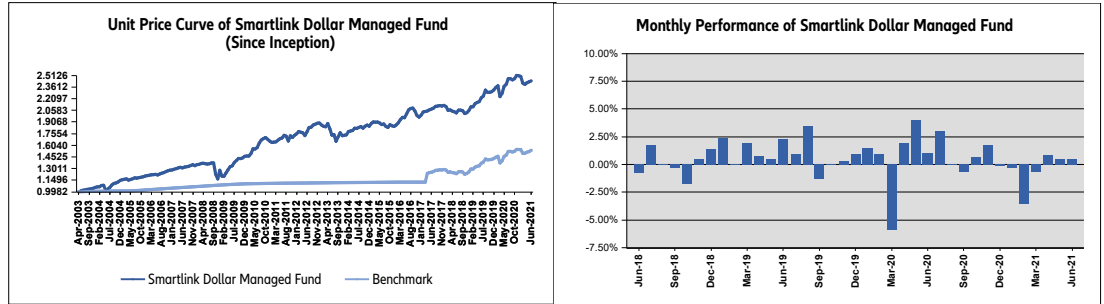
RI-2029	6.09%
RI-2026	5.95%
RI-2038	5.33%
RI-0727	5.18%
RI-2025	4.73%

Key Fund Facts

Fund Size (in mio USD)	USD 71.05
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.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	30,638,870.6275

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	0.48%	1.87%	-2.67%	1.87%	20.53%	-2.67%	144.11%
Benchmark*	1.11%	2.54%	-0.65%	4.23%	24.62%	-0.65%	53.95%

*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 2021 deflation at -0.16% mom (vs consensus inflation -0.08%, 0.32% on May 2021). On yearly basis, inflation was +1.33% yoy (vs consensus inflation +1.45%, +1.68% on May 2021). Core inflation was printed at +1.49% yoy (vs consensus inflation +1.45%, +1.37% on May 2021). The monthly deflation on June 2021 was affected by the lower inflation on core inflation, administered price group, and volatile food group. The lower inflation in volatile food group was caused by the declining of red onion, chicken, and chili prices, while the lower inflation in administered price group was caused by the lower public transportation cost after Lebaran period. The BI Board of Governors agreed on 16-17 June 2021 to hold the BI 7-Day Reverse Repo Rate to be 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates to be 2.75% and 4.25%, respectively. This policy is to maintain Rupiah stability in the middle of global uncertainty and also the lower inflation. Rupiah depreciated against USD by +1.75% from 14,292 at end of May 2021 to 14,542 at end of June 2021. Indonesia's trade balance recorded surplus amounting to USD +2,360mn in May 2021 vs previous month surplus USD +2,194mn. The better number of trade surplus was supported by the global economic recovery, especially China and US which was showed by increasing number on export number for commodity goods. Non-oil and gas trade balance in May 2021 recorded surplus USD +3,485mn, which was higher than the previous month that recorded trade surplus amounting to USD +3,261mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,125mn in May 2021, which was higher than the deficit on April 2021 amounting to USD -1,067mn. Indonesia's official foreign reserve in the end of June 2021 was at USD 137.1billion, higher than May 2021 number at USD 136.4billion due to Global Sukuk Issuance.

USD government bond yields were closed mixed, mostly posted lower, in line with the lower of 10yr tenor US Treasury Yield (from 1.584% to 1.440%). The market has on the bullish tone, lead by the foreign investor, in the beginning of the month which was caused by the lower US Treasury yield (breached the 1.40% level). However, the weakening were seen in the Indonesia's bond market on the back of concern over that the tapering will come faster than expected after FED announced their projection for two rate hikes in the beginning of 2023. The weaker market was affected by the domestic sentiments as well, such as: the rising new cases of Covid-19 which resulted the new restriction mandate (PPKM Darurat for two weeks). On 3 June, MoF issued Global Sukuk Bond denominated USD with total issued USD 3bn which divided into three different series different tenors, as follows: 5 years (USD 1.25bn), 10 years (USD 1bn), and 30 years (USD 0.750bn). Indonesia's CDS 5yr level was better on Juni 2021 compared with previous month, from 76/77 to 73/74. The 5Y yield June 2021 ended flat to +1.47% (vs +1.47% on May 2021), 10yr tenor ended -18bps lower at +2.08% (vs +2.26% on May 2021), 20yr tenor ended -20bps lower to +3.53% (vs +3.73% on May 2021), and 30yr ended lower -22bps to +3.60% (+3.82% on May 2021).

In regards to our recent portfolio we maintain our underweight position.

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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Price per Unit	Bid	Offer
(As of Jun 30, 2021)	USD 2.3190	USD 2.4411

Managed by PT. Asuransi Allianz Life Indonesia