

# SMARTLINK DOLLAR MANAGED FUND

## October 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.

### Portfolio Breakdown

Treasury Bonds	89.76%
Cash/Deposit	10.24%

### Top Ten Bonds Holding

(in Alphabetical Order)

RI0038	17/01/2038
RI0125	15/01/2025
RI0126	08/01/2026
RI0229	11/02/2029
RI0230	14/02/2030
RI0727	18/07/2027
RI0929	18/09/2029
RI1030	15/10/2030
SNI0630	23/06/2030
SNI25	28/05/2025

### Key Fund Facts

Fund Size (in mio USD)	USD 64.89
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	28,020,488.5256

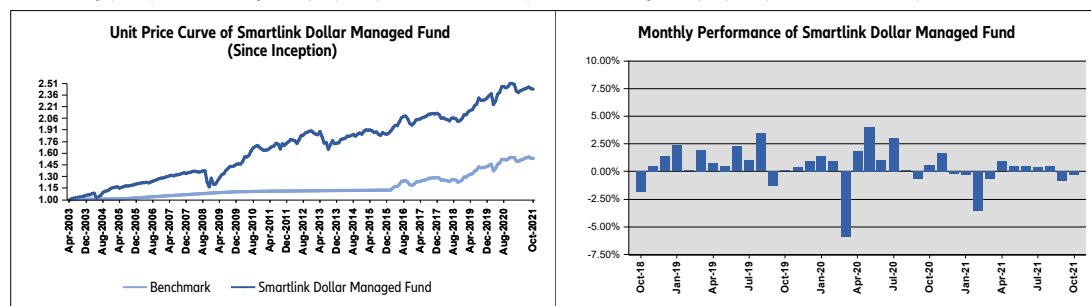
Price per Unit	Bid	Offer
(As of Oct 29, 2021)	USD 2.3159	USD 2.4378

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	-0.25%	-0.58%	0.83%	-1.30%	20.85%	18.91%	-2.80%	143.78%
Benchmark*	0.29%	-0.46%	1.65%	0.86%	25.31%	25.20%	-0.64%	53.96%

\*IBPA - Indonesia Government Global Bond Index

(Benchmark assessment; before Oct 2021: 80% IBPA - Indonesia Government Global Bond Index and 20% Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank); 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 Oct 2021 inflation +0.12% mom (vs consensus inflation +0.10%, -0.04% in Sep 2021). On yearly basis, inflation was +1.66% yoy (vs consensus inflation +1.65%, +1.60% in Sep 2021). Core inflation was printed at +1.33% yoy (vs consensus inflation +1.40%, +1.33% in Sep 2021). The higher inflation on Oct 2021 was supported by the inflation increment on volatile food group and administered price group. The higher inflation on volatile food group was affected by the increment of chili and cooking oil prices (in line with higher global CPO price), while on the administered price group side was affected by the higher air fare cost. The BI Board of Governors agreed on 18-19 Oct 2021 to hold the BI 7-Day Reverse Repo Rate at 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 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 appreciated against USD by +1.05% from 14,321 at end of Sep 2021 to 14,171 at end of Oct 2021. Indonesia's trade balance recorded surplus amounting to USD 4,371mn in Sep 2021 vs previous month surplus USD 4,746mn. Despite of the amount of trade surplus slightly lowered compared last month, the export number still showed strong growth on the back of increment demand of coal export from EU and US. Non-oil and gas trade balance in Sep 2021 recorded surplus USD +5,305mn, which was slightly lower than the previous month that recorded trade surplus amounting to USD +5,728mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -934mn in Sep 2021, which was slightly lower than the deficit in Aug 2021 amounting to USD -982mn. Indonesia's economy grew by +3.51% YoY in Q3 2021 (vs previous +7.07%, consensus +3.88%), and also recorded positive growth by +1.55% QoQ (vs previous +3.31%, consensus +1.90%). The slowing down was affected by the mobility restriction in Q3 2021 which was impacted by the Covid-19 second wave, and also lower domestic demand. The YoY growth was contributed by the deceleration on household consumption growth by 1.03% YoY, while government spending only grew by +0.60% YoY. Indonesia's official foreign reserve in the end of Oct 2021 was at USD 145.5bn, slightly lower than Sep 2021 number at USD 146.90bn due to the government's external debt payment.

USD government bond yields were closed mixed which was higher on the short to medium tenor, while were lower on long tenor. The market was opened with bearish tone which mostly caused by the negative global sentiments, such as: higher US Treasury Yield which reached 1.50%, the announcement of below expectation number of US' Non-Farm Payroll Employment Change, and concern over higher inflation several countries around the world, especially US. Those reason resulted offshore outflows this month. While onshore banks still showed their supports as the bigger buyer on the expectation of easing bond supply from the government and ample liquidity. Indonesia's CDS 5yr level was unchanged in Oct 2021 compared with previous month at 81/82. The 5Y yield Oct 2021 ended +18bps higher to +1.67%(vs +1.49% in Sep 2021), 10yr tenor ended +3bps higher to +2.40%(vs +2.37% in Sep 2021), 20yr tenor ended -7bps lower to +3.66%(vs +3.73% in Sep 2021), and 25yr ended -4bps lower to +3.74%(+3.78% in Sep 2021).

In regards to our recent portfolio we maintain our neutral position in weighting and underweight in 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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