

SMARTLINK DOLLAR MANAGED FUND

September 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.

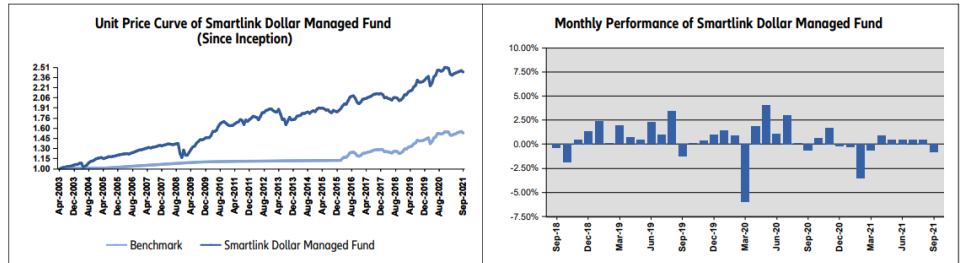
Investment Strategy

To achieve the investment objective, the 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.

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	-0.83%	0.11%	1.99%	-0.44%	18.97%	-2.56%	144.39%
Benchmark*	-1.37%	-0.28%	2.25%	1.17%	22.18%	-0.93%	53.51%

*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)



Portfolio Breakdown

Treasury Bonds	88.43%
Cash/Deposit	11.57%

Top Five Bonds Holding

RI0229	8.53%
RI0727	7.75%
RI0929	6.96%
RI0126	6.86%
RI0230	6.70%

Key Fund Facts

Fund Size (in mio USD)	USD 66.87
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	28,802,712.6657

Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Sep 2021 deflation at -0.04% mom (vs consensus inflation +0.03%, +0.01% in Aug 2021). On yearly basis, inflation was +1.60% yoy (vs consensus inflation +1.66%, +1.59% in Aug 2021). Core inflation was printed at +1.30% yoy (vs consensus inflation +1.33%, +1.31% in Aug 2021). The deflation was mainly contributed by the deflation on volatile food group which was impacted by the lower chicken and various horticulture prices. The BI Board of Governors agreed on 20-21 Sep 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 -0.10% from 14,306 at end of Aug 2021 to 14,321 at end of Sep 2021. Indonesia's trade balance recorded surplus amounting to USD 4,746mn in Aug 2021 vs previous month surplus USD 2,589mn. The trade surplus recorded the historical high in Aug 2021 which was contributed by the coal and CPO exports. Non-oil and gas trade balance in Aug 2021 recorded surplus USD +5,728mn, which was higher than the previous month that recorded trade surplus amounting to USD +3,384mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -982mn in Aug 2021, which was higher than the deficit in June 2021 amounting to USD -759mn. Indonesia's official foreign reserve in the end of Sep 2021 was at USD 146.90bn, higher than Aug 2021 number at USD 144.80bn due to tax & services receipts and also the government's external debt withdrawal.

USD government bond yields were closed higher in line with higher yield of US Treasury 10yr (from 1.30% in Aug 2021 to 1.53% in Sep 2021). The market was opened with better performance in the beginning of the month which was supported by positive sentiment with Indonesia's lower new cases of Covid-19, the loosening of social restriction, especially on Java Island, and also higher trade surplus. Market, then turned to have bearish tone on the back of concern over the US debt ceiling level and China's Evergrande debt crisis which market players fear that it will impact globally. On 23 September 2021, Ministry of Finance held inaugural Tender Offer Exercise with total repurchasing amounting to USD 1.16tn. MoF also successfully prices global bonds with SEC Shelf Registered offering amounting to USD 1.25bn (RI0731 and RI0961). Indonesia's CDS 5yr level was worsen in Sep 2021 compared with previous month, from 68/70 to 81/82. The 5Y yield Sep 2021 ended +18bps higher to +1.49% (vs +1.31% in Aug 2021). 10yr tenor ended +20bps higher at +2.37% (vs +2.17% in Aug 2021), 20yr tenor ended +27bps higher to +3.73% (vs +3.46% in Aug 2021), and 25yr ended +28bps higher to +3.78% (+3.50% in Aug 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.

Price per Unit	Bid	Offer
(As of Sep 30, 2021)	USD 2.3217	USD 2.4439

Managed by PT. Asuransi Allianz Life Indonesia

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