

Smartlink Dollar Managed Fund

June 2023

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: Fixed Income

To achieve the investment objective, this fund shall be invested 0-20% in short-term instruments, and 80-100% in the medium-or long-term instruments, in U.S. Dollars.

Return Performance

Last 1-year Period	3.68%
Best Month	Dec-08 9.61%
Worst Month	Oct-08 -10.66%

Portfolio Breakdown

Bonds	99.35%
Money Market	0.65%

Top 10 Holding

(in Alphabetical Order)

RI-2019	4.75%	02/11/29
RI-2026	4.55%	03/29/26
RI-2028	4.1%	04/24/28
RI-2030	2.85%	02/14/30
RI-2037	6.625%	17/2/37
RI-2038	7.75%	01/17/38
RI-2042	5.25%	17/1/42
RI-2044	6.75%	15/1/44
RI-2045	5.125%	01/15/45
RI-2049	3.7%	30/10/49

*there is no investment on related parties

Industry Sector

Government	100.00%
Finance	0.00%

Key Fund Facts

Fund Size (in mio USD)	USD 44.39
Risk Level	Moderate
Launch Date	07 Apr 2003
Fund Currency	United States Dollar
Launch Date NAV Price	USD 1.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Investment Management Fee	1.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	20,236,506.4347

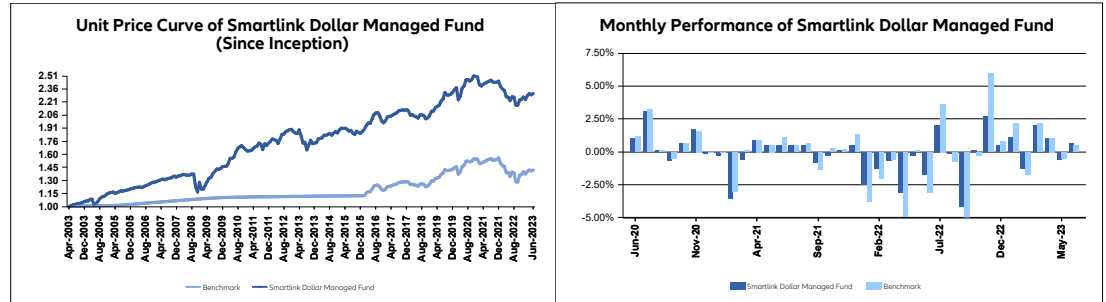
Price per Unit	Bid	Offer
(As of Jun 27, 2023)	USD 2.1938	USD 2.3093

Managed by	PT. Asuransi Allianz Life Indonesia
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	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	0.64%	1.07%	2.90%	3.68%	-3.63%	14.02%	2.90%	130.93%
Benchmark*	0.49%	1.00%	3.59%	5.33%	-3.81%	15.01%	3.59%	42.08%

*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 June 2023 inflation at +0.14% MoM (vs consensus inflation +0.28%, +0.09% in May 2023). On yearly basis, inflation was at +3.52% YoY (vs consensus inflation +3.65%, +4.00% in May 2023). Core inflation was printed at +2.58% YoY (vs consensus inflation +2.65%, +2.66% in May 2023). The higher inflation MoM was contributed by the higher price of transportation group, food, beverage group and health group. The BI Board of Governors agreed on 21-22 June 2023 to hold the BI 7-Day Reverse Repo Rate at 5.75% and also hold the Deposit Facility (DF) and Lending Facility (LF) rates at 5.00% and 6.50%, respectively. In total, Bank Indonesia had increased their benchmark rate by 225bps up to Jan 2023. This decision for this policy is as front loaded, pre-emptive and forward-looking movement to lower the expectation inflation and to ensure the core inflation back to their target level at 3±1% on 1H 2023. Bank Indonesia mention BI focus into enhancing IDR value stabilization in order avoid imported inflation and reduce the spread of uncertainty on global financial markets. Rupiah strengthening against USD by +0.02% from 15,003 at end of May 2023 to 15,000 at end of June 2023. The strengthening of Rupiah was impacted by FOMC make decision to pause hike of Fund Fed rate in June meeting. Indonesia's trade balance recorded surplus amounting to USD +437mn in May 2023 vs previous month surplus USD +3,936mn in Apr 2023. The lower trade surplus was impacted by export growth lower than import growth. Non-oil and gas trade balance in May 2023 recorded surplus USD +2,256mn, which was lower than the previous month that recorded trade surplus amounting to USD +5,632mn in Apr 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -878mn in June 2023, which was lower than the deficit in Apr 2023 amounting to USD -1,696mn. Indonesia's official reserve assets position amassed USD 137.5 billion as of the end of June 2023, a decrease from USD 139.3 billion as of May 2023. The decline was impacted by the obligation of the government's external debt repayments.

USD government bond yields were closed mixed across all the curves amid higher U.S. Treasury (yield U.S. Treasury 10yr 3.84% in June 2023 versus 3.69% in May 2023). The bearish sentiments are due to the hawkish stance of Jerome Powell in the FOMC Meeting and semi-annual hearing in the Senate that repeatedly say The Fed still has room to hike Fed Fund Rate. Indonesia's economy continues to show improvement and resilience. 5M23 state budget realization recorded great performance driven by low government spending, while government revenue remains high. Indonesia's fiscal balance recorded a surplus of IDR204.3tn (5M22: IDR132tn) or 0.97% (prev: 1.12%) of GDP in 5M23. Indonesia's CDS 5yr level slightly increased in June 2023 compared with previous month from 88/90 to 89/91. The 5Y yield May 2023 ended +29bps higher to +4.93%(vs +4.64% in May 2023), 10yr tenor ended +19bps higher to +4.89%(vs +4.70% in May 2023), 20yr tenor ended -3bps lower to +5.19%(vs +5.22% in Mei 2023), and 25yr ended -6bps lower to +5.16%(vs +5.22% in Mei 2023).

In regards to our recent portfolio, we maintain overweight on the bond allocation and duration against benchmark.

About Allianz Indonesia

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