

# Smartlink Dollar Managed Fund

May 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	1.26%
Best Month	Dec-08 9.61%
Worst Month	Oct-08 -10.66%

**Portfolio Breakdown**

Bonds	94.27%
Money Market	5.73%

**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 46.34
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	21,258,812.7611

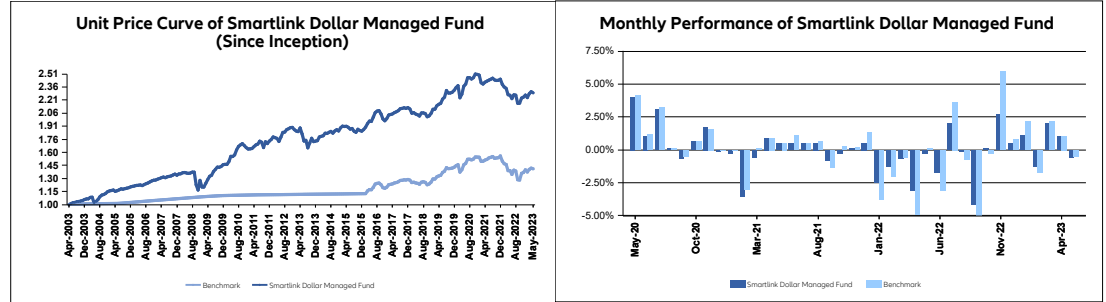
Price per Unit	Bid	Offer
(As of May 31, 2023)	USD 2.1800	USD 2.2947

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	-0.57%	2.48%	2.72%	1.26%	-3.23%	12.46%	2.25%	129.47%
Benchmark*	-0.52%	2.67%	3.92%	1.51%	-3.17%	13.51%	3.09%	41.39%

\*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 May 2023 inflation at +0.09% mom (vs consensus inflation +0.30%, +0.33% in Apr 2023). On yearly basis, inflation was at +4.00% yoy (vs consensus inflation +4.21%, +4.33% in Apr 2023). Core inflation was printed at +2.66% yoy (vs consensus inflation +2.81%, +2.83% in Apr 2023). The lower inflation mom was contributed by the lower price of transportation group and lower inflation from clothing. The BI Board of Governors agreed on 24-25 May 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 slight change into enhancing IDR value stabilization in order avoid imported inflation and reduce the spread of uncertainty on global financial markets Rupiah depreciated against USD by -2.33% from 14,661 at end of April 2023 to 15,003 at end of May 2023. The depreciation of Rupiah was impacted by uncertainty from debt ceiling talk in US and concern from China's Economic. Indonesia's trade balance recorded surplus amounting to USD +3.940mn in Apr 2023 vs previous month surplus USD +2.830mn in Mar 2023. The higher trade surplus was impacted by the export fell deeper than import. Non-oil and gas trade balance in Apr 2023 recorded surplus USD +5.640mn, which was higher than the previous month that recorded trade surplus amounting to USD +4.510mn in Mar 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,700mn in Apr 2023, which was higher than the deficit in Mar 2023 amounting to USD -1,670mn.

USD government bond yields were closed higher across all the curves in line with USD Appreciation and higher US Treasury (yield US Treasury 10yr 3.69% in May 2023 versus 3.45% in Apr 2023). The bearish sentiments due to uncertainty negotiation between US Government and US Legislative about debt ceiling that make rating US threatening get downgrade by rating agency. Indonesia' economy continues to show improvement and resilience. 4M23 state budget realization recorded great performance driven by low government spending, while government revenue remains high. Indonesia's fiscal balance recorded a surplus of IDR234.7tn (4M22: IDR102.7tn) or 1.12% (prev: 0.52%) of GDP in 4M23. Indonesia's current account surplus increased to USD 2.97 billion in Q1 of 2023 from USD 0.55 billion in the same period of the previous year, pointing to the seventh straight quarter of growth and accounting for 0.9 percent of the country's GDP. The surplus of goods account climbed to USD 14.72 billion in Q1 of 2023 from USD 11.30 billion in the same period of 2022, supported by a further recovery in global demand. Indonesia's CD5 5yr level decreased in May 2023 compared with previous month from 95/97 to 88/90. The 5Y yield May 2023 ended +18bps higher to +4.64%(vs +4.46% in Apr 2023), 10yr tenor ended +2bps higher at +4.70%(vs +4.68% in Apr 2023), 20yr tenor ended +7bps higher to +5.22%(vs +5.15% in Apr 2023), and 25yr ended +13bps higher to +5.22%(vs +5.09% in Apr 2023).

In regards to our recent portfolio, we maintain overweight on the bond allocation however neutral duration against benchmark. We opportunistically lengthen duration going forward.

**About Allianz Indonesia**

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