

# SMARTLINK DOLLAR MANAGED FUND

## May 2022

### 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		-6.73%
Best Month	Dec-08	9.61%
Worst Month	Oct-08	-10.66%

#### Portfolio Breakdown

Treasury Bonds	88.81%
Cash/Deposit	11.19%

#### Top Ten Bonds Holding

(in Alphabetical Order)

RI0124	15/01/2024
RI0125	15/01/2025
RI0126	08/01/2026
RI0229	11/02/2029
RI0230	14/02/2030
RI0727	18/07/2027
RI0929	18/09/2029
SNI0327	29/03/2027
SNI0630	23/06/2030
SNI25	28/05/2025

#### Key Fund Facts

Fund Size (in mio USD)	USD 51.36
Risk Profile	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%
Management Fee	1.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	23,855,417.5709

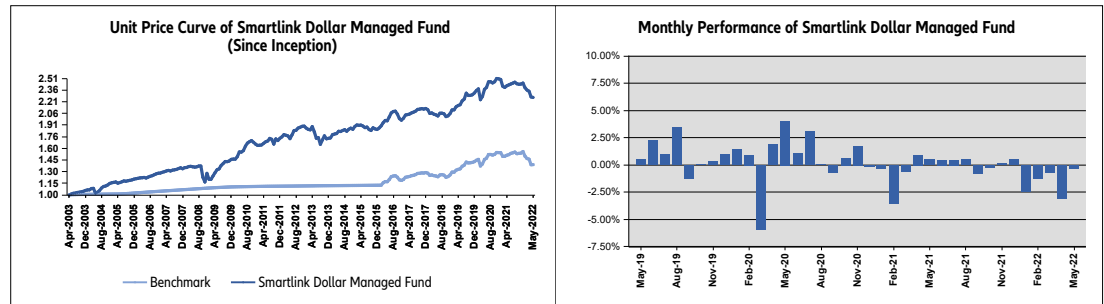
Price per Unit	Bid	Offer
(As of May 31, 2022)	USD 2.1528	USD 2.2661

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	-0.29%	-4.06%	-7.13%	-6.73%	4.32%	9.71%	-7.61%	126.61%
Benchmark*	0.06%	-5.42%	-9.71%	-8.52%	4.07%	11.46%	-10.88%	39.28%

\*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 2022 inflation +0.40% mom (vs consensus inflation +0.41%, +0.95% in Apr 2022). On yearly basis, inflation was +3.55% yoy (vs consensus inflation +3.59%, +3.47% in Apr 2022). Core inflation was printed at +2.58% yoy (vs consensus inflation +2.70%, +2.60% in Apr 2022). The lower monthly inflation compare to previous month was impacted by the lower inflation in volatile food and administered prices group. The lower inflation on volatile food group was impacted by the deflation on CPO price due to the implementation of temporary export ban. While, lower inflation on administered prices group was impacted by the normalization on public transportation post Idul Fitri. The BI Board of Governors agreed on 23-24 May 2022 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 in line with stable inflation, exchange rate, stable financial system amid higher external pressure which impacted by the rising tension between Russia and Ukraine, and the acceleration of monetary normalization globally. However, Bank Indonesia revised the increment of rupiah reserve requirements from previously up to 300bps to be 550bps for conventional banks (GWM to be 9% per September 2022) and from previously up to 150bps to be 400bps for sharia banks and sharia business units (GWM to be 7.5% per September 2022). Rupiah depreciated against USD by -0.77% from 14,480 at end April 2022 to 14,592 at end of May 2022. Indonesia's trade balance recorded surplus amounting to USD 7,557mn in Apr 2022 vs previous month surplus USD 4,530mn in March 2022. The trade surplus was still supported by the higher global commodity prices, especially coal and CPO. The lower imports which was impacted by the China's lockdown, was also be the reason behind higher trade surplus. Non-oil and gas trade balance in April 2022 recorded surplus USD +9,938mn, which was higher than the previous month that recorded trade surplus amounting to USD +6,617mn in March 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -2,381mn in April 2022, which was higher than the deficit in March 2022 amounting to USD -2,087mn. Indonesia's official foreign reserve in the end of May 2022 was at USD 135.6bn, relatively similar with April 2022 number at USD 135.7bn. The delopment in foreign reserve was impacted by oil and gas foreign exchange receipts, tax and services receipts, and also the obligations of government's external debt payment.

USD government bond yields were closed higher on short to belly tenor, while lower on higher tenor. Market was opened with bearish tone which was impacted by the FED rate hike by 50bps to address the impact of the US higher inflation (US inflation on May stayed on 8% level), which brought to higher US Treasury Yield which reached the 3.12% level. However, there were several good sentiments from domestic side, such as: government revised APBN for increasing energy subsidy so inflation expectation still in range of BI and government target, the unchanged 7DRR at 3.50%, and palm oil export reopening which also could ease the inflationary pressure. On 24 May 2022, Ministry of Finance issued Global Sukuk denominated USD amounting to USD 3.25bn. There was two series, as follows: tenor 5 years amounting to USD 1.75bn and tenor 10 years amounting to USD 1.5bn. Indonesia's CDS 5yr level was better in May 2022 compared with previous month from 116/118 to 98/100. The 5Y yield May 2022 ended +7bps higher to +3.83%(vs +3.76% in April 2022), 10yr tenor ended +5bps higher to +3.92%(vs +3.87% in April 2022), 20yr tenor ended -2bps lower to +4.99%(vs +5.25% in April 2022), and 25yr ended -18bps lower to +5.05%(vs +5.23% in April 2022).

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.

#### Disclaimer:

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