

Smartlink Dollar Managed Fund

November 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, and 80-100% in the medium-or long-term instruments, in U.S. Dollars.

Return Performance

Last 1-year Period		-8.45%
Best Month	Dec-08	9.61%
Worst Month	Oct-08	-10.66%

Portfolio Breakdown

Bonds	91.35%
Money Market	8.65%

Top 10 Holding

(in Alphabetical Order)

Bank Maybank Indonesia	3.15%
Ind Eurobonds 2.8% 06/23/30	
RI-2019 4.75% 02/11/29	
RI-2024 5.875% 01/15/24	
RI-2025 4.125% 15/1/25	
RI-2025 4.325% 28/05/25	
RI-2026 4.75% 01/08/2026	
RI-2027 3.85% 07/18/27	
RI-2027 4.15% 03/29/27	
RI-2027 4.35% 01/08/27	

Industry Sector

Government	92.14%
Finance	7.86%

Key Fund Facts

Fund Size (in mio USD)	USD 44.99
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	21,200,181.8718

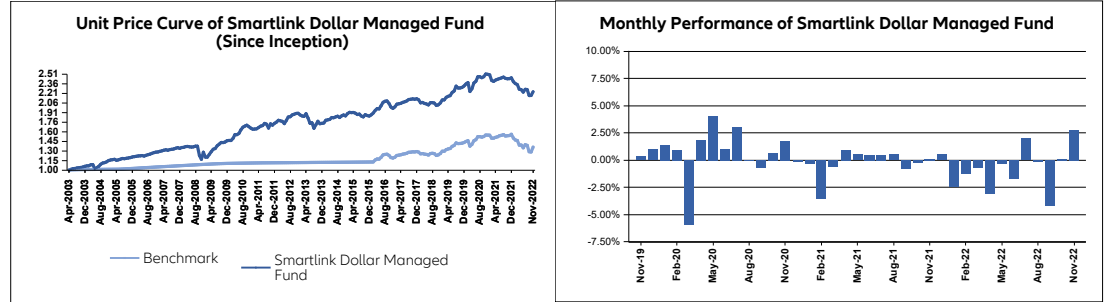
Price per Unit	Bid	Offer
(As of Nov 30, 2022)	USD 2.1222	USD 2.2339

Managed by	PT. Asuransi Allianz Life Indonesia
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	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	2.72%	-1.49%	-1.42%	-8.45%	-2.91%	5.64%	18.11%	-8.92%	123.39%
Benchmark*	5.99%	-1.94%	-2.32%	-11.80%	-4.31%	5.98%	21.92%	-12.94%	36.05%

*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 Nov 2022 inflation at +0.09% mom (vs consensus inflation +0.17%, -0.11% in Oct 2022). On yearly basis, inflation was at +5.42% yoy (vs consensus inflation +5.50%, +5.71% in Oct 2022). Core inflation was printed at +3.30% yoy (vs consensus inflation +3.42%, +3.31% in Oct 2022). The monthly inflation was impacted by the inflation on volatile food group, such as: eggs, cigarette, and tomato. While the contributor of the yearly inflation came from administered prices group, such as: fuel and airfare. The BI Board of Governors agreed on 16-17 Nov 2022 to increase the BI 7-Day Reverse Repo Rate by 50bps to be 5.25% and also increase the Deposit Facility (DF) and Lending Facility (LF) rates by 50bps to be 4.50% and 6.00%, respectively. In total, Bank Indonesia had increased their benchmark rate by 175bps until Nov 2022. This decision for this policy is as front loaded, pre-emptive and forward-looking movement to lower the expectation inflation, to ensure the core inflation back to their target level at 3% on 1H 2023, and also to strengthen the Rupiah currency amid the uncertainty of global financial market. Rupiah depreciated against USD by -0.39% from 15,681 at end of October 2022 to 15,742 at end of November 2022. The depreciation of Rupiah was impacted by the strengthening of Dollar which was caused by the Fed Fund Rate hike by FED. Indonesia's trade balance recorded surplus amounting to USD +5,674mn in Oct 2022 vs previous month surplus USD +4,994 mn in Sep 2022. The higher of trade surplus was mostly impacted by the slowing down in imports number on capital & raw material goods. The exports number actually experienced declining on coal and palm oil by -23% and -37% since 1H 2022. Non-oil and gas trade balance in Oct 2022 recorded surplus USD +7,663mn, which was higher than the previous month that recorded trade surplus amounting to USD +7,094mn in Sep 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,989mn in Oct 2022, which was slightly lower than the deficit in Sep 2022 amounting to USD -2,100mn. Indonesia's official foreign reserve in the end of November 2022 was at USD 134.0bn, similar with October 2022 number at USD 130.20bn. The higher foreign reserve was impacted tax & service receipts as well as oil & gas foreign exchange receipts.

USD government bond yields were closed lower across all the curves in line with foreign inflows to Indonesia's bond market. The support on Indonesia's bond market came from global, such as: the less hawkish statement from FED after US inflation declined to be 7.70% YoY in Oct 2022 (versus 8.20% YoY in Sep 2022), and also the announcement for China's reopening their country which could lower the expectation for China's slowing down in 2023. Indonesia's CDS 5yr level was better in November 2022 compared with previous month from 135/139 to 91/94. The 5Y yield Nov 2022 ended -71bps lower to +4.74%(vs +5.45% in Oct 2022), 10yr tenor ended -72bps lower to +4.82%(vs +5.54% in Oct 2022), 20yr tenor ended -71bps lower to +5.45%(vs +6.16% in Oct 2022), and 25yr ended -64bps lower to +5.34%(vs +5.98% in Oct 2022).

In regards to our recent portfolio, we change to neutral for the bond allocation however still maintain underweight duration against benchmark.

About Allianz Indonesia

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