

# Smartlink Dollar Managed Fund

September 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 -11.08%  
 Best Month Dec-08 9.61%  
 Worst Month Oct-08 -10.66%

**Portfolio Breakdown**

Bonds 88.05%  
 Money Market 11.95%

**Top 10 Holding**

(in Alphabetical Order)

Bank Maybank Indonesia 1% 18/10/2022  
 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 92.50%  
 Finance 7.50%

**Key Fund Facts**

Fund Size (in mio USD) USD 44.71  
 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 21,656,721.4812

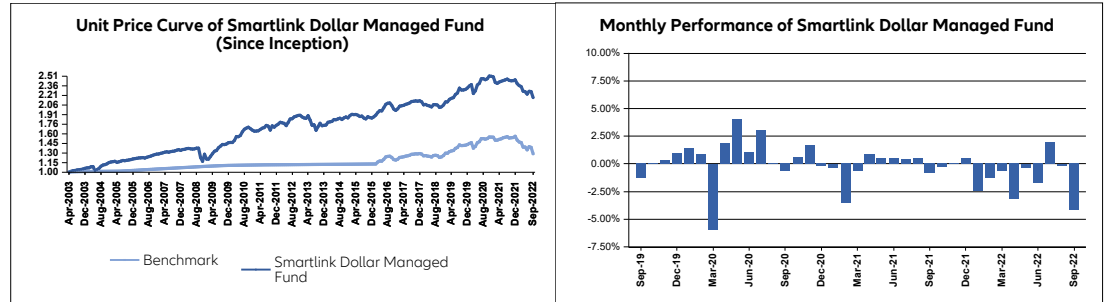
Price per Unit	Bid	Offer
(As of Sep 30, 2022)	USD 2.0644	USD 2.1731

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	-4.17%	-2.43%	-7.39%	-11.08%	-5.20%	2.79%	-11.40%	117.31%
Benchmark*	-7.24%	-4.59%	-12.07%	-16.16%	-9.06%	0.51%	-17.64%	28.71%

\*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 Sep 2022 inflation at +1.17% mom (vs consensus inflation +1.17%, -0.21% in Aug 2022). On yearly basis, inflation was at +5.95% yoy (vs consensus inflation +6.00%, +4.69% in Aug 2022). Core inflation was printed at +3.21% yoy (vs consensus inflation +3.50%, +3.04% in Aug 2022). The main reason of this monthly inflation was from price hike on administered prices group which was impacted by the first round of the fuel price adjustment by government and Pertamina. While, the better than expectation of core inflation was contributed by the decrement of global gold price. The BI Board of Governors agreed on 21-22 Sep 2022 to increase the BI 7-Day Reverse Repo Rate by 50bps to be 4.25% and also increase the Deposit Facility (DF) and Lending Facility (LF) rates by 50bps to be 3.50% and 5.00%, respectively. In total, Bank Indonesia had increased their benchmark rate by 75bps until September 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 2Q 2023, and also to strengthen the Rupiah currency amid the uncertainty of global financial market. Rupiah depreciated against USD by -2.96% from 14,853 at end of August 2022 to 15,293 at end of September 2022. Indonesia's trade balance recorded surplus amounting to USD +5,758 mn in Aug 2022 vs previous month surplus USD +4,226mn in July 2022. The higher trade surplus in Aug 2022, was impacted by the increment of export number of nickel and iron & steel. Non-oil and gas trade balance in Aug 2022 recorded surplus USD +7,741mn, which was higher than the previous month that recorded trade surplus amounting to USD +7,306mn in July 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,983mn in Aug 2022, which was lower than the deficit in July 2022 amounting to USD -3,080mn. Indonesia's official foreign reserve in the end of Sep 2022 was at USD 130.8bn, similar with Aug 2022 number at USD 132.2bn. The lower foreign reserve was impacted government debt payment and the need for Rupiah currency stabilization.

USD government bond yields were closed higher across the curve in line with higher US Treasury yield 10yr tenor (from 3.130% to 3.804%). The hawkish stance from FED to bring down the inflation level going back to their target with another hike for the Fed Fund Rate by 75bps in September 2022, became the major contributors to the higher yield on Emerging Market Country (included Indonesia) and also to the strengthening of Dollar Index which resulted depreciation to other currencies exchange rate. On 20 September 2022, Indonesia's Government successfully issued global bond denominated USD with format triple-tranche SEC-Registered offering amounting to IDR USD 2.65bn triple-tranche SEC-Registered offering, with detail, as follows: 5 year tenor amounting to USD 750m, 10 year tenor amounting to USD 1.40bn 10-year and 30 year tenor amounting to USD 500m from orderbook amounting to USD 12 bn. Indonesia's CDS 5yr level was worsening in Sep 2022 compared with previous month from 111/113 to 156/159. The 5Y yield Sep 2022 ended +133bps higher to +5.37%(vs +4.04% in Aug 2022), 10yr tenor ended +107bps higher at +5.34%(vs +4.27% in Aug 2022), 20yr tenor ended +92bps higher to +6.19%(vs +5.27% in Aug 2022), and 25yr ended +84bps higher to +5.74%(vs +4.90% in Aug 2022).

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

**About Allianz Indonesia**

PT Asuransi Allianz Life Indonesia is a financial service institution licensed and supervised by the Otoritas Jasa Keuangan (OJK) according to POJK 6/2022 which 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 corporate insurance services, ranging from property, life and health insurance to credit insurance and business insurance services globally.

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