

Smartlink Dollar Managed Class B Fund

September 2023

BLOOMBERG: AZUSMGB 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 | | -0.28% |
| Best Month | Nov-22 | 2.67% |
| Worst Month | Sep-22 | -4.20% |

Portfolio Breakdown

| | |
|--------------|--------|
| Bonds | 97.50% |
| Money Market | 2.50% |

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 3.09 |
| Risk Level | Moderate |
| Launch Date | 15 Dec 2020 |
| Fund Currency | United States Dollar |
| Launch Date NAV Price | USD 1.00 |
| Pricing Frequency | Daily |
| Investment Management Fee | 1.50% p.a. |
| Custodian Bank Name | Bank HSBC Indonesia |
| Total Unit | 3,465,267.8497 |

Price per Unit

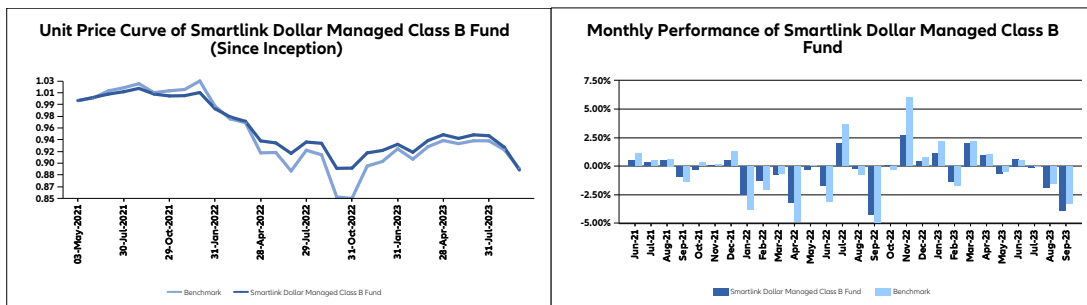
| | |
|----------------------|------------|
| (As of Sep 29, 2023) | USD 0.8913 |
|----------------------|------------|

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 Class B Fund | -3.86% | -5.81% | -4.92% | -0.28% | N/A | N/A | -3.31% | -10.87% |
| Benchmark* | -3.23% | -4.69% | -3.73% | 5.21% | N/A | N/A | -1.26% | -10.69% |

*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)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced September 2023 inflation at +0.19% MoM (vs consensus inflation +0.12%, -0.02% in August 2023). On yearly basis, inflation was at +2.28% YoY (vs consensus inflation +2.20%, +3.27% in August 2023). Core inflation was printed at +2.00% YoY (vs consensus inflation +2.06%, +2.18% in August 2023). The higher inflation MoM was contributed by the higher price of food, beverage, tobacco group, and clothing group. The BI Board of Governors agreed on 20-21 September 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. The decision is consistent with the monetary policy stance of managing inflation under 3.0% this year and 2.5% in 2024. The policy concentrate on rupiah stability in order to manage imported inflation and limit the spreading effect of global financial market uncertainties. Rupiah weakened against USD by -1.64% from 15,237 at end of August 2023 to 15,487 at end of September 2023. The weakened of Rupiah was impacted by hawkish statement from Jerome Powell and many Fed official that stated the Fed still need hike rate until the Fed get assurance that inflationary path to inflation target of 2% without causing damage to US economy. Indonesia's trade balance recorded surplus amounting to USD +3,124mn in August 2023 vs previous month surplus USD +1,292mn in July 2023. The higher trade surplus was impacted by import fell deeper and export. Non-oil and gas trade balance in August 2023 recorded surplus USD +4,468mn, which was higher than the previous month that recorded trade surplus amounting to USD +3,197mn in July 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,343mn in August 2023, which was lower than the deficit in July 2023 amounting to USD -1,905mn. Indonesia's official reserve assets position amassed USD 134.9 billion as of the end of September 2023, decrease from USD 137.1 billion as of August 2023. The decrease was impacted by the government's external debt repayments and the need for Rupiah stabilization.

Indonesia USD Government bond yields were higher in across all the curves in line with Offshore outflow and higher US Treasury (yield US Treasury 10yr 4.57% in September 2023 versus 4.11% in August 2023). The bearish sentiments were due to Jerome Powell's statement and Fed Official after The FOMC Meeting that stated the Fed will hold the rate for longer, and they still believe that the Fed needs to hike rates to control inflation. Indonesia's fiscal balance continues to show improvement and resilience. 8M23 state budget realization recorded great performance driven by low government spending, while government revenue remains high. Indonesia's fiscal balance recorded a surplus of IDR147.22 (7M23: IDR153.5tn) or 0.70% (prev: 0.72% 7M23) of GDP in 8M23. Indonesia's CDS 5yr level increased in September 2023 compared with previous month from 80/82 to 91/93. The 5Y yield September 2023 ended +38bps higher to +5.58%(vs +5.20% in August 2023), 10yr tenor ended +48bps higher to +5.91%(vs +5.43% in August 2023), 20yr tenor ended +55bps higher to +5.94%(vs +5.39% in August 2023), and 25yr ended +55bps higher to +5.95%(vs +5.40% in August 2023).

In regard to our recent portfolio, we maintain overweight on the bond allocation and slightly overweight duration against benchmark. We opportunistically lengthen duration going forward.

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.

Disclaimer:

Smartlink Dollar Managed Class B is unit linked fund offered by PT Asuransi Allianz Life Indonesia (Allianz). This fact sheet is prepared by Allianz. The information presented is for informational use only. The performance of the fund is not guaranteed and the value of the units and the income from them may increase or decrease. PAST RETURNS AND ANY FORECAST ARE NOT NECESSARILY A GUIDE TO FUTURE PERFORMANCE. Allianz does not warrant or make any representations regarding the use or the results of the use of the figures generated in terms of their correctness, accuracy, reliability, or otherwise. You are advised to seek your financial consultant before making any investment.