

Smartlink Dollar Managed Fund

June 2024

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	1.00%
Best Month	Dec-08 9.61%
Worst Month	Oct-08 -10.66%

Portfolio Breakdown

Bonds	96.62%
Money Market	3.38%

Top 10 Holding

(in Alphabetical Order)

RI-2028	4.1%	24/04/2028
RI-2029	4.75%	11/02/2029
RI-2037	6.625%	17/02/2037
RI-2038	7.75%	17/01/2038
RI-2042	5.25%	17/01/2042
RI-2044	6.75%	15/01/2044
RI-2045	5.125%	15/01/2045
RI-2047	5.25%	08/01/2047
RI-2054	5.1%	10/02/2054
RI-2070	4.45%	15/04/2070

*there is no investment on related parties

Industry Sector

Government	100.00%
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Key Fund Facts

Fund Size (in mio USD)	USD 37.77
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	17,046,826.9518

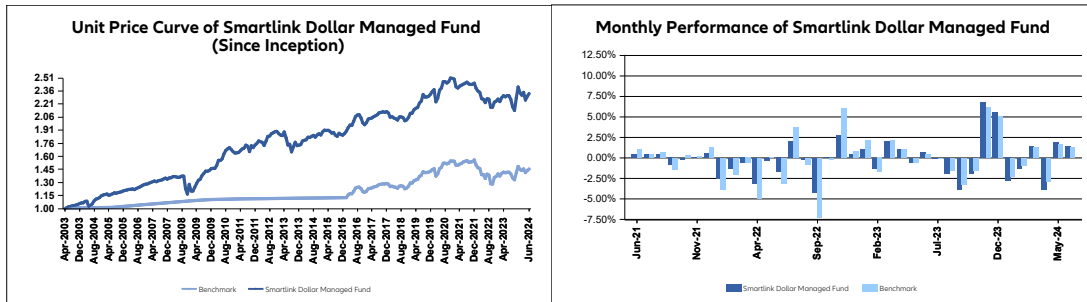
Price per Unit	Bid	Offer
(As of Jun 28, 2024)	USD 2.2157	USD 2.3323

Managed by	PT. Asuransi Allianz Life Indonesia
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	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Dollar Managed Fund	1.42%	-0.61%	-3.16%	1.00%	-4.46%	4.96%	-3.16%	133.23%
Benchmark*	1.25%	-0.03%	-1.98%	2.62%	-5.30%	6.29%	-1.98%	45.79%

*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 June 2024 inflation at -0.08% MoM (vs consensus inflation +0.06%, -0.03% in May 2024). On yearly basis, inflation was at +2.51% YoY (vs consensus inflation +2.70%, +2.84% in May 2024). Core inflation was printed at +1.90% YoY (vs consensus inflation +1.94%, +1.93% in May 2024). The monthly deflation was contributed by the lower price of food group. The BI Board of Governors agreed in their meeting on 19-20 June 2024 to hold the BI-Rate at 6.25%, while also maintaining the Deposit Facility (DF) rate and Lending Facility (LF) at 5.50% and 7.00% respectively. This decision is consistent with the pro-stability focus of monetary policy, namely as a pre-emptive and forward-looking measure to maintain inflation within the 2.5%±1% target corridor in 2024 and 2025, which includes effectively sustaining foreign capital inflows and safeguarding Rupiah stability. Rupiah was weakening against USD by -0.88% from 16,251 at the end of May 2024 to 16,394 at the end of June 2024. The weakening of the Rupiah was impacted by the Fed's hawkish stance in the last FOMC Meeting which the Fed is expected to have a one-time cut rate this year. Indonesia's trade balance recorded a surplus amounting to USD +2,927mn in May 2024 vs the previous month's surplus of USD +2,720mn in April 2024. The higher trade surplus was impacted by the positive growth in exports goods, while imports showed negative growth in May 2024. Non-oil and gas trade balance in May 2024 recorded a surplus of USD +4,258mn, which was lower than the previous month recorded a trade surplus amounting to USD +4,354mn in April 2024. Meanwhile, the oil and gas trade balance still recorded a deficit of USD -1,329mn in May 2024, which was lower than the deficit in April 2024, amounting to USD -1,634mn. Indonesia's official reserve assets position amassed USD 140.2 billion as of the end of June 2024, increased from USD 139.0 billion as of May 2024. The increase was impacted by several factors, including tax and services receipts as well as government foreign loan withdrawals.

USD Government bond yields were lower across all the curves in line with offshore inflow and lower U.S. Treasury (yield U.S. Treasury 10yr 4.40% in June 2024 versus 4.55% in May 2024). The bullish sentiments came from the global impact of the June FOMC Meeting, which stated the expectation for interest rate cut will be only one for this year. However, many US macro data points show that the economy has started cooling down, making there are changes for cutting rates more than one cutting. From domestic side, most of investors are still concerned about the uncertainty of fiscal deficit and debt-to-GDP ratio for the next government, which can be widened. Although sentiment improved following reassurances for 2025 fiscal deficit from the Minister of Finance. Indonesia's fiscal balance still show stability and resilience. 5M24 state budget realization recorded good performance with manageable government spending, while government revenue still remains high. Indonesia's fiscal balance recorded a deficit of IDR -21.76tn (5M23: IDR +204.14tn) or -0.10% (prev: +0.97% 5M23) of GDP in 5M24. Indonesia's CDS 5yr level increased in June 2024 compared with previous month from 72/74 to 77/79. The 5Y yield June 2024 ended -12bps lower to +5.12%(vs +5.24% in May 2024), 10yr tenor ended -14bps lower to +5.16%(vs +5.30% in May 2024), 20yr tenor ended -13bps lower to +5.36%(vs +5.49% in May 2024), and 25yr ended -9bps lower to +5.44%(vs +5.53% in Mei 2024).

In regard to our recent portfolio, we are neutral to overweight on the bond allocation and duration against benchmark. We will do tactical rebalancing if necessary if we have strong view that the Fed will not cut this year.

About Allianz Indonesia

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