

SMARTLINK RUPIAH FIXED INCOME FUND

April 2022

BLOOMBERG: AZRPFIF IJ

Investment Objective

The Objective of the fund is to provide relatively stable income with capital preservation for the long term.

Investment Strategy

To achieve the investment objective, this fund shall be invested 0 - 20% in short-term instruments (such as deposits, SBI, SPN, and / or money market mutual funds), and 80 - 100% in the medium or long-term instruments (such as government bonds, corporate bonds, and / or fixed-income mutual funds).

Return Performance

Last 1-year Period		1.17%
Best Month	Dec-08	9.19%
Worst Month	Oct-08	-9.36%

Portfolio Breakdown

Treasury Bonds	82.89%
Corporate Bonds	5.42%
Govt. Related Bond	0.23%
Cash/Deposit	11.46%

Top Ten Bonds Holding

(in Alphabetical Order)

FR0056	15/09/2026
FR0064	15/05/2028
FR0068	15/03/2034
FR0070	15/03/2024
FR0071	15/03/2029
FR0078	15/05/2029
FR0081	15/06/2025
FR0082	15/09/2030
FR0087	15/02/2031
FR0090	15/04/2027

Key Fund Facts

Fund Size (in bn IDR)	IDR 1,775.68
Risk Profile	Moderate
Launch Date	25 May 2001
Fund Currency	Indonesian Rupiah
Launch Date NAV Price	IDR 1,000.00
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	426,421,026.1415

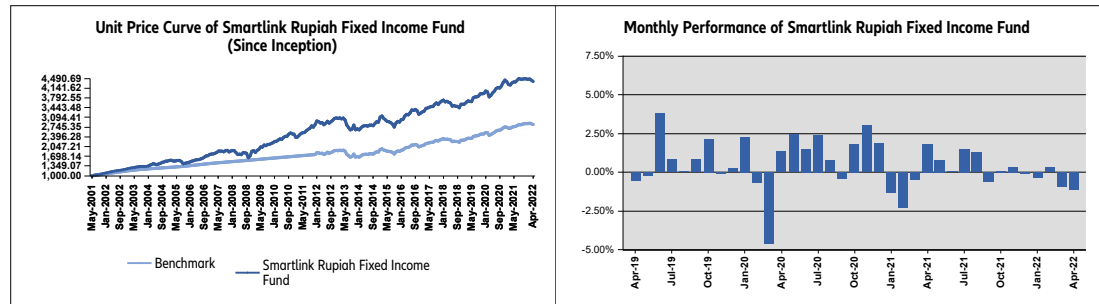
Price per Unit	Bid	Offer
(As of Apr 28, 2022)	IDR 4,164.14	IDR 4,383.31

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	YTD	Since Inception
Smartlink Rupiah Fixed Income Fund	-1.09%	-1.72%	-1.87%	1.17%	19.48%	27.69%	-2.07%	338.33%
Benchmark*	-0.88%	-1.09%	-0.39%	3.60%	21.24%	31.10%	-1.09%	184.03%

*IBPA INDOBeX Government Total Return Index (IBPRXGTR)

(Benchmark assessment; before Oct 2021: 80% IBPA Indonesia Government Bond Total Return Index (IBPRTRI) & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank; before Jul 2018: 80% Bloomberg Indonesia Local Sovereign Bond (BINDO) Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank; before Mar 2016: 80% HSBC Indonesia Local Bond Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank; before Jan 2012: Average 1 Month Deposit of BNI, BCA and Citibank)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Apr 2022 inflation +0.95% mom (vs consensus inflation +0.83%, +0.66% in Mar 2022). On yearly basis, inflation was +3.47% yoy (vs consensus inflation +3.32%, +2.64% in Mar 2022). Core inflation was printed at +2.60% yoy (vs consensus inflation +2.61%, +2.37% in Mar 2022). The higher inflation on Apr 2022 was impacted by the higher of volatile food, administered price group, and core inflation. The BI Board of Governors agreed on 18-19 Apr 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. Rupiah depreciated against USD by -0.85% from 14,357 at end of March 2022 to 14,480 at end April 2022. Indonesia's trade balance recorded surplus amounting to USD 4,530mn in March 2022 vs previous month surplus IDR 3,826mn in Feb 2022. The main contributor to trade surplus was from coal export which grew by 124% YoY. Non-oil and gas trade balance in March 2022 recorded surplus USD +6,617mn, which was higher than the previous month that recorded trade surplus amounting to USD +5,733mn in Feb 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -2,087mn in March 2022, which was higher than the deficit in Feb 2022 amounting to USD -1,907mn. Indonesia's economy grew by +5.01% yoy in 1Q 2022 (vs previous 5.02%, consensus -4.95%), and -0.96% qoq (vs previous +1.06%, consensus -0.92%). In term of expenditure side, the main contributor of the growth was from household consumption which grew by +4.34% yoy in line with the national economic recovery and loosening mobility restriction despite of Omicron Wave. The investment side grew on moderate level which grew only +4.09% yoy, while the growth of government expenditure was lower by -7.74% yoy.

IDR Government bond yields were closed higher across all curves in line with offshore outflows and Rupiah depreciation. The weakening on Indonesia's bond market was mostly impacted by the global sentiments, as follows: concern over higher inflation globally, the acceleration of monetary tightening by most of central banks, especially FED which they raised the FFR by 50bps on May 2022 to address the impact of higher inflation level, lockdown in China on the back of rising cases, and also the uncertainty when the war will be ended between Russia and Ukraine. Unfortunately, the affirmation Indonesia's sovereign rating by S&P at BBB with revision outlook to be stable, did not give any impact to the market. S&P affirmed Indonesia's sovereign rating at BBB and revised its outlook from negative to be stable, because they see that the ability of Indonesia's government to maintain economic recovery for the next two years. Offshore accounts decreased their holding by IDR -20.44tn in Apr 2022 (-2.41% MoM), from IDR 848.29tn as of 31 March 2022 to IDR 827.85tn as of 30 Apr 2022, which brought their holding to 17.03% of total outstanding tradable government bond (from 17.57% in the previous month). The 5Y yield April 2022 ended +70bps higher to +6.32%(vs +5.62% in March 2022), 10Y tenor ended +25bps higher to +6.99% (vs +6.74% in March 2022), 15Y tenor ended +36bps higher to +7.05% (vs +6.69% in March 2022) and 20Y tenor ended +6bps higher to +7.29% (vs +6.23% in March 2022).

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

About Allianz Indonesia

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