

Smartlink Rupiah Fixed Income Fund

April 2023

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: 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.

Return Performance

Last 1-year Period		5.11%
Best Month	Dec-08	9.19%
Worst Month	Oct-08	-9.36%

Portfolio Breakdown

Bonds	93.23%
Money Market	6.77%

Top 10 Holding

(in Alphabetical Order)

FR0056	8.375%	15/9/26
FR0059	7%	15/5/27
FR0068	8.375%	15/3/34
FR0078	8.25%	15/5/29
FR0080	7.5%	06/15/35
FR0081	6.5%	06/15/25
FR0082	7%	09/15/30
FR0083	7.5%	04/15/40
FR0087	6.5%	02/15/31
FR0091	6.375%	04/15/32

*there is no investment on related parties

Industry Sector

Government	89.58%
Finance	6.71%
Infrastructure	2.10%
Basic Industry	1.49%
Industry	0.12%

Key Fund Facts

Fund Size (in bn IDR)	IDR 1,721.13
Risk Level	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%
Investment Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	393,221,663.7993

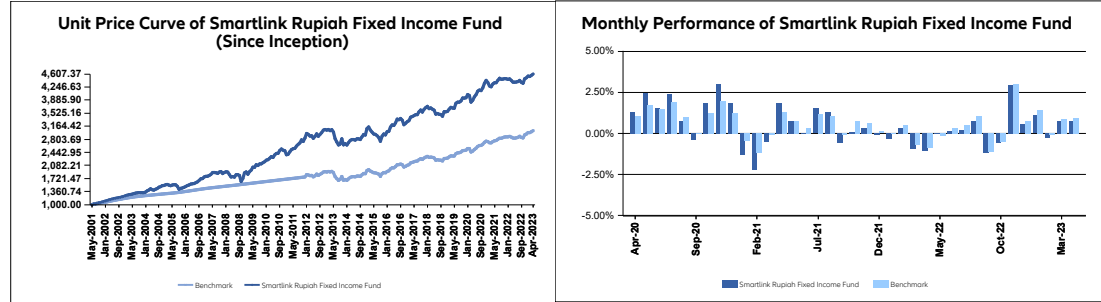
Price per Unit	Bid	Offer
(As of Apr 28, 2023)	IDR 4,377.00	IDR 4,607.37

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	0.78%	1.24%	5.87%	5.11%	18.68%	26.73%	2.32%	360.74%
Benchmark*	0.95%	1.74%	7.05%	7.12%	22.75%	31.95%	3.16%	204.25%

*IBPA INDOBeX Government Total Return Index (IBPRXGTR Index)

(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 2023 inflation at +0.33% mom (vs consensus inflation +0.37%, +0.18% in Mar 2023). On yearly basis, inflation was at +4.33% yoy (vs consensus inflation +4.39%, +4.97% in Mar 2023). Core inflation was printed at +2.83% yoy (vs consensus inflation +2.90%, +2.94% in Mar 2023). The lower inflation yearly basis was contributed by the lower inflation of volatile food group (deflation in red chili) and lower inflation from administered price group. The BI Board of Governors agreed on 17-18 April 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. This decision for this policy is as front loaded, pre-emptive and forward-looking movement to lower the expectation inflation and to ensure the core inflation back to their target level at 3±1% on 1H 2023. Mr Perry Warjiyo mentioned that the latest rate hike was sufficient to bring the inflation back to their target. Rupiah appreciation against USD by +2.11% from 14,977 at end of March 2023 to 14,661 at end of April 2023. The appreciation of Rupiah was impacted by inflow of foreign investor from Indonesia's bond market and the FED start to slowing down hike FED's Fund Rate. Indonesia's trade balance recorded surplus amounting to USD +2.910mn in Mar 2023 vs previous month surplus USD +5.480mn in Feb 2023. The lower trade surplus was impacted by the export fell more than import. Non-oil and gas trade balance in Mar 2023 recorded surplus USD +4,584mn, which was lower than the previous month that recorded trade surplus amounting to USD +6,682mn in Feb 2023. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,677mn in Mar 2023, which was higher than the deficit in Feb 2023 amounting to USD -1,220mn. Indonesia's economy grew by +5.03% yoy in 1Q 2023 (vs previous 5.01%, consensus -4.95%), and -0.92% qoq (vs previous +0.36%). In term of expenditure side, the main contributor of the growth was from household consumption which grew by +4.54% yoy with highest growth come from transportation sector. The investment side grew on moderate level which grew only +2.11% yoy, while the growth of government expenditure was come back positive by +3.99% yoy supported by strong fiscal condition Indonesia's official reserve assets position amassed USD 144.2billion as of end April 2023, decrease from USD 145.2billion as of end March 2023. The decrease was impacted by the payment of government debt and foreign currency liquidity for anticipation for long holiday in Indonesia.

IDR Government bond yields closed lower across all the curves in line with offshore inflow and IDR Appreciation. The bullish sentiments due to the shortage supply in Indonesia Bond market due to long holiday triggered investor to aggressively pursue offer in the market. Offshore accounts increased their holding by IDR +4.16tn in Apr 2023 (+0.51% MoM), from IDR 818.53tn as of 31 Mar 2023 to IDR 822.69 which brought their holding stable in 14.86% of total outstanding tradable government bond (from 14.89% in the previous month). The 5Y yield Apr 2023 ended -11bps lower to +6.28%(vs +6.39% in Mar 2023), 10Y tenor ended -26bps lower to +6.53%(vs +6.79% in Mar 2023), 15Y tenor ended -12bps lower to +6.88% (vs +7.00% in Mar 2023) and 20Y tenor ended -12bps lower to +6.91% (vs +7.03% in Mar 2023).

In regards to our recent portfolio, we maintain overweight on the bond allocation however neutral duration against benchmark. We opportunistically lengthen duration going forward.

About Allianz Indonesia

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