

Fund Fact Sheet

SMARTLINK RUPIAH FIXED INCOME FUND

August 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, and 80 -100% in the medium or long-term instruments.

Return Performance

Last 1-year Period -1.31%
 Best Month Dec-08 9.19%
 Worst Month Oct-08 -9.36%

Portfolio Breakdown

Bonds 92.04%
 Money Market 7.96%

Top 10 Holding

(in Alphabetical Order)
 FR0056 8.375% 15/9/26
 FR0059 7% 15/5/27
 FR0064 6.125% 15/5/28
 FR0068 8.375% 15/3/34
 FR0070 8.375% 15/3/24
 FR0078 8.25% 15/5/29
 FR0081 6.5% 06/15/25
 FR0082 7% 09/15/30
 FR0087 6.5% 02/15/31
 FR0091 6.375% 04/15/32

Industry Sector

Government 87.12%
 Finance 9.49%
 Basic Industry 1.63%
 Infrastructure 1.63%
 Industry 0.13%

Key Fund Facts

Fund Size (in bn IDR) IDR 1,675.53
 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%
 Investment Management Fee 2.00% p.a.
 Custodian Bank Name Bank HSBC Indonesia
 Total Unit 397,965,038.5595

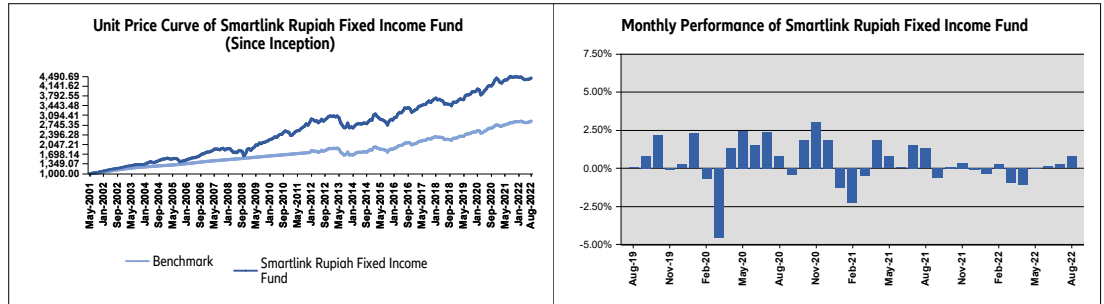
Price per Unit	Bid	Offer
(As of Aug 31, 2022)	IDR 4,210.25	IDR 4,431.84

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	0.76%	1.14%	-0.93%	-1.31%	15.68%	24.34%	-0.99%	343.18%
Benchmark*	1.04%	1.87%	0.10%	1.93%	18.71%	28.83%	0.61%	188.91%

*IBPA INDOBeX Government Total Return Index (IBPRXGTR)

(Benchmark assessment; before Oct 2021: 80% IBPA Indonesia Government Bond Total Return Index (IBPRTR) & 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 Citi; before Jan 2012: Average 1 Month Deposit of BNI, BCA and Citi)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Aug 2022 deflation -0.21% mom (vs consensus inflation -0.10%, +0.64% in July 2022). On yearly basis, inflation was +4.69% yoy (vs consensus inflation +4.87%, +4.94% in July 2022). Core inflation was printed at +3.04% yoy (vs consensus inflation +2.99%, +2.86% in July 2022). The deflation on Aug 2022 was contributed by the decrement of volatile food group prices and the decrement of administered prices inflation. The BI Board of Governors agreed on 22-23 Aug 2022 to increase the BI 7-Day Reverse Repo Rate by 25bps to be 3.75% and also increase the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 3.00% and 4.50%, respectively. This decision for this policy is as pre-emptive and forward-looking movement to mitigate the impact of the increment of core inflation and the inflation expectation on the back of the increment of non-subsidized fuel prices & volatile food group prices. This policy is expected to stabilize the Rupiah currency amid the uncertainty of global financial market. Rupiah appreciated against USD by +0.14% from 14,874 at end of July 2022 to 14,853 at end of Aug 2022. Indonesia's trade balance recorded surplus amounting to USD +4,226mn in July 2022 vs previous month surplus USD +5,089mn in June 2022. The lower trade surplus in July 2022, was impacted by higher number on crude oil import and raw materials import. Non-oil and gas trade balance in July 2022 recorded surplus USD +7,306mn, which was higher than the previous month that recorded trade surplus amounting to USD +7,229mn in June 2022. Meanwhile, oil and gas trade balance still recorded deficit to USD -3,080mn in July 2022, which was higher than the deficit in June 2022 amounting to USD -2,140mn. Indonesia's official foreign reserve in the end of August 2022 was at USD 132.2bn, similar with July 2022 number at USD 132.2bn. The foreign reserve was impacted by tax and services receipts, oil and gas foreign exchange receipts, amid stabilization of Rupiah in the global financial market uncertainty.

IDR Government bond yields were closed higher on short to belly tenor, while lower on the long tenor. The bond market was opened with bullish tone on the back of better than expectation of Indonesia's GDP number (5.44% YoY versus consensus 5.17% YoY). However, after Jackson Hole Meeting, Powell indicated that FED will be more hawkish in the near term to reach their inflation target level at 2%. This was then impacted to higher US Treasury 10 yr yield which breach 3% level again. The unexpected rate hike by Bank Indonesia, resulted positive sentiment to the market for the moment. Bank Indonesia also stated that they plan to sell their short tenor bond and buying long tenor bond in secondary market in purpose of flatten yield curve. Offshore accounts increased their holding by IDR 8.27tn in Aug 2022 (+1.10% MoM), from IDR 751.24tn as of 29 July 2022 to IDR 759.51tn as of 31 Aug 2022, which brought their holding to 15.24% of total outstanding tradable government bond (from 15.36% in the previous month). The 5Y yield Aug 2022 ended +17bps higher to +6.63% (vs +6.46% in July 2022), 10Y tenor ended +1bps higher to +7.13% (vs +7.12% in July 2022), 15Y tenor ended +24bps higher to +7.11% (vs +6.87% in July 2022) and 20Y tenor ended -46bps lower to +7.11% (vs +7.57% in July 2022).

In regards to our recent portfolio, we neutral on the bond allocation however slightly underweight duration against benchmark.

About Allianz Indonesia

PT. Asuransi Allianz Life Indonesia is a financial service institution registered 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 insurance services, companies, ranging from property, life and health insurance to credit insurance and business insurance services globally.

Disclaimer:

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