

SMARTLINK RUPIAH FIXED INCOME FUND

February 2020

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		10.34%
Best Month	Dec-08	9.19%
Worst Month	Oct-08	-9.36%

Portfolio Breakdown

Mutual Funds - Bonds	88.09%
Mutual Funds - Alternatives	1.66%
Cash/Deposit	10.26%

Top Five Bonds Holding

FR0078	6.55%
FR0068	6.45%
FR0080	6.10%
FR0082	5.81%
FR0079	5.11%

Key Fund Facts

Fund Size (in bn IDR)	IDR 1,514.81
Risk Profile	Moderate
Launch Date	25 May 2001
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Bid-Offer Spread	5.00%
Management Fee	2.00% p.a.
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	397,160,309.0878

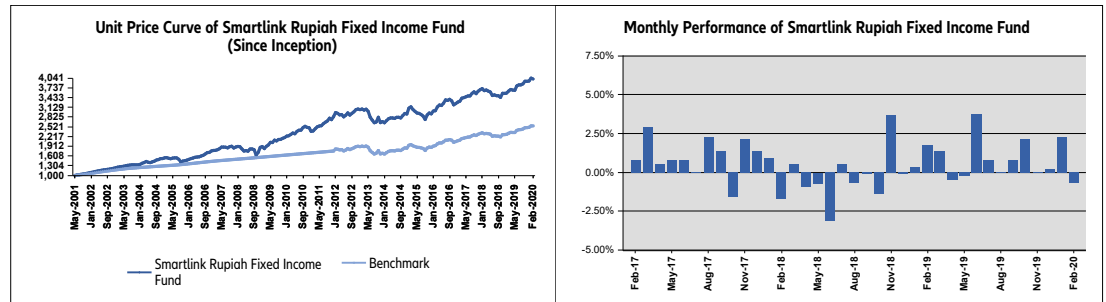
Price per Unit	Bid	Offer
(As of Feb 28, 2020)	IDR 3,814.11	IDR 4,014.85

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink Rupiah Fixed Income Fund	-0.66%	1.83%	4.79%	10.34%	20.97%	1.59%	301.49%
Benchmark*	0.02%	2.15%	4.74%	9.93%	21.19%	1.79%	154.92%

*80% Indonesia Bond Pricing Agency (IBPA) IDR Bond Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank

(Benchmark assessment: 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 Cit; before Jan 2012: Average 1 Month Deposit of BNI, BCA and Cit)



Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced February 2020 inflation at +0.28% mom (vs consensus inflation +0.16%, +0.39% in January 2020). On yearly basis, inflation was +2.98% yoy (vs consensus inflation +2.90%, +2.68% in January 2020). Core inflation was printed at +2.76% yoy (vs consensus inflation +2.85%, +2.88% in January 2020). The higher inflation data above consensus was contributed by increasing prices of raw food, such as: garlic and chili. The increasing garlic prices was affected by disruption in garlics import from China. While, the deceleration of core inflation was caused by lower of air fare. In the Board of Governors' Meeting on 19-20 Feb 2020, Bank Indonesia cut the BI 7-day Reverse Repo Rate by 25bps to be 4.75%, and also cut the Deposit Facility (DF) and Lending Facility (LF) rates by 25bps to be 4.00% and 5.50%, respectively. This cutting is preventive act from Bank Indonesia for the external pressure that was caused by the spreading Covid-19. Rupiah depreciated by -4.18% to 14,234.00/USD at end of February 2020 from 13,662/USD previous month. Indonesia's trade balance recorded deficit amounting to USD -864mn in January 2020 vs previous month deficit USD -62mn. The increment deficit was caused by contraction in gas export to China and coal export to South Korea. While, import number was also contracted by the declining of import volume for non-oil & gas sector (capital goods and raw materials) by -12.6% yoy. Non-oil and gas trade balance in January 2020 recorded deficit USD -361mn, while the previous month resulted surplus amounting to USD +942mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -1,181mn in January 2020, higher than the deficit on December 2019 amounting to USD -971mn. Indonesia's official foreign reserve as of February 2020 was at USD 130.40billion, lower than January 2020's number at USD 131.70billion. The declining of foreign reserve was caused by paying external government debt.

IDR Government bond yields were closed higher across all curves on the back of offshore inflows in line with IDR depreciation. The confidence of offshore names for Indonesia's bond were still seen in the beginning of Feb 2020 where they were still recorded buying bond in market. However, market then became gloomier because of fearing of the widening coronavirus (now known as Covid 19) outbreak around the world where the spread already reached 49 countries. IMF also stated that the impact of Covid 19 might be bigger than the impact of SARS. Bank Indonesia did several intervention to market from falling deeper with doing several auction to buy bonds. Thankfully, locals were also seen absorbing liquidity in the market. Offshore accounts decreased their holding by IDR-28.90tn in Feb 2020 (-28.90% MoM), to IDR 1,048.16tn as of 28 Feb 2020 from IDR 1,077.06tn as of 31 Jan 2020, which brought their holding to 37.09% of total outstanding tradable government bond (from 38.65% in the previous month). The 5Y yield Feb 2020 ended +9bps higher to +6.14%(+6.05% in Jan 2020), 10Y tenor ended +27bps higher to +6.94%(+6.67% in Jan 2020), 15Y tenor ended +31bps higher to +7.50%(+7.19% in Jan 2020) and 20Y tenor ended +18bps lower to +7.55%(+7.37% in Jan 2020).

In regards to our recent portfolio we maintain the strategy, and tactically do portfolio rebalancing to capture market momentum.

About Allianz Indonesia

PT Asuransi Allianz Life Indonesia 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:

Smartlink Rupiah Fixed Income Fund 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.